

AUSTRALIA

Services Trust Funds Act 1947

**Royal Australian Navy
Relief Trust Fund**

**Annual Report by the Trustees for the period
1 July 2019 to 30 June 2020**

The Hon Darren Chester, MP

Minister for Veterans' Affairs and Defence Personnel
Parliament House
Canberra ACT 2600

Dear Minister

The Trustees of the Royal Australian Navy Relief Trust Fund present the *Annual Report 2019–20* for the year ended 30 June 2020. The report is to meet the requirements of section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and as such includes both annual performance statements and annual financial statements.

Yours sincerely

A handwritten signature in black ink, appearing to be 'SL Glassock', written in a cursive style.

SL Glassock, CSC
Commodore, RAN
Chair of Trustees
Royal Australian Navy Relief Trust Fund

2 September 2020

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ROYAL AUSTRALIAN NAVY RELIEF TRUST FUND
ANNUAL REPORT FOR PERIOD 1 JULY 2019—30 JUNE 2020

INTRODUCTION

The Trustees, as the Accountable Authority, of the Royal Australian Navy Relief Trust Fund (the Fund) are responsible for the preparation, and providing a copy to the responsible Minister, of this Annual Report on the operations of the Fund for the period 1 July 2019 – 30 June 2020 (the period) under section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Trustees of the Fund present the Annual Report for the period.

ENABLING LEGISLATION AND PURPOSE

The Fund was established by the *Services Trust Funds Act 1947* (STF Act). The STF Act provides that the Trustees shall apply the Fund to providing benefits for members of the Australian Defence Force (ADF) who have served in, or in association with, the Royal Australian Navy (RAN) and to the dependants of such members.

As part of enabling legislation for the Fund to provide a broader range of benefits, in 2013 the Trustees established the ‘Keeping Watch’ program within the Fund to provide for the comfort or welfare of a person who is currently appointed or enlisted as a Permanent or Reserve member of the RAN. The Fund has received Deductible Gift Recipient status for the ‘Keeping Watch’ program.

The Trustees administer the Fund to assist current and former members of the Australian Defence Force (ADF) who have served in, or in association with, the RAN and to the dependants of such members (eligible persons). The Fund seeks to use available assets to deliver significant value to eligible persons in a timely, relevant, and meaningful manner.

ORGANISATIONAL STRUCTURE

Responsible Minister

The Fund operates within the Defence Portfolio and is responsible to the Minister for Veterans’ Affairs and Defence Personnel (the Minister).

The Minister may, by instrument in writing published in the Gazette, authorise the Trustees to administer other property. The responsible Minister did not authorise the Trustees to administer other property during the period.

Ministerial directions and government policy orders

There were no Ministerial Directions made, or Government Policy Orders issued, to the Fund during the period.

Significant non-compliance issues with finance law

Section 17BE(h) of the PGPA Rules require that Commonwealth entities' annual reports must include a statement of any significant non-compliance issues that relate to the finance law that were reported to the responsible Minister under paragraph 19(1)(e) of the PGPA Act during the reporting period. During the reporting period, there were no significant non-compliance issues reported.

The Accountable Authority

The Trustees of the Fund are the Accountable Authority and are appointed by the Minister.

The Trustees are not employees of the Fund and the Fund does not provide the Trustees with any form of remuneration for their service to the Fund. All Trustees are involved in the management and administration of the Fund and are therefore considered executive members of the Accountable Authority. The Trustees of the Fund meet at least four times in each 12-month period.

Trustees at end of period

As at 30 June 2020 the Trustees of the Fund, their qualifications and experience, and meeting attendance are as follows:

Trustee:	Commodore Shane Glassock, CSC, RAN
Experience / Qualifications:	Master of Science and Master of Maritime Studies and 31 years' experience as a member of the RAN
Meeting Attendance:	Appointed 08 April 2019 - attended all meetings during the period

Trustee:	Commander Christina Ween, RAN
Additional Responsibilities:	Deputy Chair from 28 June 2019 ongoing
Experience / Qualifications:	Master of Military and Defence Studies, Bachelor of Science (Honours), Chartered member of the Chartered Institute of Logistics and Transport, Member of the Australian Institute of Company Directors, 27 years' experience as a member of the RAN
Meeting Attendance:	Appointed 01 March 2018 - Attended all meetings during the period

Trustee:	Commander Susan Harris, CSM, RAN
Additional Responsibilities:	Secretary from 28 June 2019 ongoing
Experience / Qualifications:	Masters of Business (Human Resources), Masters of Management Studies (Governance), Graduate of the Australian Institute of Company Directors, Certified Practitioner Australian HR Institute, Bachelor of Arts, 26 years' experience as a member of the RAN
Meeting Attendance:	Appointed 29 February 2016 - Attended all meetings during the period

Trustee:	Commander Adrian Kemp, RAN
Additional Responsibilities:	Communications from 28 June 2019 ongoing
Experience / Qualifications:	Master of Military and Defence Studies, Bachelor of Arts in history, 18 years as a media practitioner and 21 years' experience as a member of the RAN
Meeting Attendance:	Appointed 01 July 2018 - attended three of the four meetings during the period

Trustee: Lieutenant Loretta Houlahan, RAN
 Additional Responsibilities: Risk, Compliance and Governance from 28 June 2019 ongoing
 Experience / Qualifications: Bachelor of Science (Honours), Master of Science, Master of Laws (Juris Doctor), Graduate Diploma in Legal Practice, Graduate Certificate in Military Law, admitted as a Lawyer in 2015, experience in clinical science and private legal practice and 4 years' experience as a Legal Officer in the RAN
 Meeting Attendance: Appointed 03 September 2019 - attended all meetings during the period

Trustee: Commander Mark Lee, RAN
 Experience / Qualifications: Master of Business Administration (MBA), Master of Management (Operations and Logistics) Graduate Certificate of Professional Accounting, Chartered Member of the Logistics and Transport Institute of Australia, Certified Professional Logistician, Chartered Institute of Logistics and Transport, Certified Risk Management Assurance, Institute of Internal Auditors, Justice of Peace (NSW), 25 years' experience as a member of the RAN
 Meeting Attendance: Appointed 03 September 2019 - attended three of the four meetings during the period

Trustee: Chief Petty Officer Andrea Kerr, CSM, RAN
 Experience / Qualifications: Graduate Diploma in Human Resource Management, Graduate Certificate Human Resource Management, Graduate Certificate in Business (Public Sector Management), 24 years' experience as a member of the RAN
 Meeting Attendance: Appointed 03 September 2019 - attended all meetings during the period

Previous Trustees during the period

During the period, three Trustees resigned. Reasons included an overseas operational deployment, additional responsibilities with increased workload, and resignation from service. The details of these Trustee, their qualifications and experience, and meeting attendance are as follows:

Trustee: Captain Peter Dowton, CSC, RAN
 Additional Responsibilities: Deputy Chair from 01 July 2018 to 28 June 2019
 Acting Chair from 11 February 2019 to 07 April 2019
 Experience / Qualifications: Master of Project Management, Master of Systems Engineering, Master of Business Administration, Bachelor of Engineering (Honours), Graduate Diploma in Electronic Control Systems, Associate Diploma in Management, Fellow and Chartered Professional Engineer with Institute of Engineers Australia, Member of International Association of Contract and Commercial Management, Graduate of the Australian Institute of Company Directors, and 35 years' experience as a member of the RAN
 Meeting Attendance: Resigned on 03 September 2019

Trustee:	Lieutenant Luke Reynoldson, RAN
Experience / Qualifications:	Master of Laws (Legal Practice), Bachelor of Laws (Honours), Bachelor of Commerce (Finance), Graduate Diploma in Legal Practice, Graduate Certificate in Military Law, admitted as a Lawyer in 2012 with experience in private practice and 4 years' experience as a Legal Officer in the RAN
Meeting Attendance:	Resigned on 03 September 2019
Trustee:	Warrant Officer Karen Sellars
Experience / Qualifications:	Diploma in Human Resource Management, Diploma of Government (Management), Diploma of Project Management, Certificate IV in Training and Assessment, 37 years' experience as a member of the RAN
Meeting Attendance:	Resigned on 03 September 2019

Administrative support, structure and locations

The Fund's Principal Office is located in Canberra in the Australian Capital Territory. The Principal Office is staffed with two full-time personnel (one Australian Public Servant (APS) and one RAN permanent member). A member of the RAN in each Ship and Establishment wherever located is appointed as a representative of the Fund. The Fund's representative at the Ship and Establishment, having received the application, forwards it the Principal Office for processing and decision by the Trustees or their delegated representative at the Principal Office.

PERFORMANCE

Overview of the Funds Operations

The Trustees utilise the Fund's general-purpose assets, provide benefits for eligible persons through the provision of general purpose interest-free loans of up to \$7,000, special interest-free loans of up to \$5,000, Christmas loans of up to \$1,500 and, in some situations, cash grants for members experiencing unexpected financial hardships or bereavement. A principles-based system is applied in deciding if a member is permitted to borrow money from the Fund for general purpose loans and special loans. The Fund is economically viable for loans and grants; however, the Fund relies on periodic contributions from the RAN Central Canteens Fund (RANCCF) to continue to maintain the level of grants and interest-free loans.

In addition, the Trustees utilise the assets donated to the Keeping Watch program to provide grants for the comfort or welfare of a person who is in financial need and currently appointed or enlisted as a Permanent or Reserve member of the RAN. The Trustees continue to work to ensure the long-term viability of the Keeping Watch program by seeking to grow the asset base, while ensuring the assets are appropriately used.

Overall Financial Position

The Fund's Audited Financial Statements, including the independent Audit Report, are at Appendix A.

A comparison of the assets and liabilities for the Fund for the years ended 30 June 2020 and 30 June 2019 is as follows:

<i>The Fund's Assets</i>	<i>At 30 June 2020</i> \$	<i>At 30 June 2019</i> \$
Invested and Working Capital	2,112,733	1,805,111
Loans and Other Receivables	3,606,351	3,747,164
Intangibles	28,427	-
Total Assets	5,747,511	5,552,275
Supplier Payables	23,413	20,570
Total Liabilities	23,413	20,570
Net Assets	5,724,098	5,531,705

Summary of Benefits Provided

The following benefits were provided by the Fund during the period:

Loans

During the period, 2,051 loans were made compared to 2,199 in the previous period (1 July 2018 – 30 June 2019) and, as a result, the total amount of the loans decreased from \$9.4m in the previous period to \$9.1m.

The breakdown of loans made in the year ended 30 June 2020 and 30 June 2019 is as follows:

<i>Nature</i>	<i>Loans Made</i>		<i>Percentage of Cases</i>	
	Year ended 30 June 20	Year ended 30 June 19	Year ended 30 June 20	Year ended 30 June 19
General Purpose Loans	1,612	1,762	78.60	80.13
Trainee Loans	9	7	0.43	0.32
Special Loans	17	12	0.83	0.55
Christmas Loans	413	418	20.14	19.00
TOTALS	2,051	2,199	100.00	100.00

Expenditure on loans in the years ended 30 June 2020 and 30 June 2019 was as follows:

<i>Nature</i>	<i>Year</i>	
	Year ended 30 June 20 \$	Year ended 30 June 19 \$
General Purpose Loans	8,489,068	8,809,477
Other Loans	76,664	56,541
Christmas Loans	612,740	609,800
TOTALS	9,178,472	9,475,818

Grants

During the period 28 grants (18 from funds held in Keeping Watch and 10 from other funds held by the Fund) totalling \$89,454 were made to assist serving members and their dependants.

This included eight bereavement grants to assist with covering short-term expenses ahead of Defence entitlements being accessed.

Implication of COVID-19

There were no major disruptions to the operation of the Principal Office as a result of the COVID-19 pandemic. Continuity planning, including working from home arrangements for Trustees and staff was able to be quickly implemented through access to Defence remote access technology.

Three members sought assistance related to COVID-19 for which KW grants were provided totalling \$15,500, this comprised 22% of the total KW grants made to eligible members.

The ability to vary or suspend repayment of a loan for a specified period where instances of financial hardship have occurred due to unforeseen and compelling reasons was agreed in principal by the trustees, however not required during the period. The trustees remain ready to assess each request individually.

Whilst fortunate to maintain very strong support from the RAN Central Canteens Board through regular grants which enable the interest free loans and support, it is noted that Canteen sales significantly declined during the period due to COVID-19. It is likely that this will impact the provision and quantity of future grants during the forthcoming financial year.

Annual Performance Statement

In the 2019/20 Corporate Plan for the Royal Australian Navy Relief Trust Fund, the Trustees determined that the intended result of the Fund was to provide benefits to eligible persons in a timely, relevant, and meaningful manner.

Feedback from recipients of benefits, Commanding Officers, Personnel Officers and others who are involved in managing and/or administering recipients of Fund benefits indicates that the Fund is providing meaningful and relevant benefits to eligible personnel in a timely manner.

Furthermore, feedback indicates that the Fund should continue to raise awareness about its products and services through communications spanning a variety of formats. The Full Annual Performance Statement is at Appendix B.

Significant Activities and Changes Affecting the Fund during the period

During the reporting period, the Trustees drafted amendments to the 2010 dated Constitution to provide for an increase in the number of Trustees. The number of Trustees were increased from five to seven to assist with increasing governance and requirements associated with the conduct of the Fund, including management of the Navy Keeping Watch charity. The small increase also allowing for a level of redundancy associated with short notice operational deployments, sea service, and postings. Audit Committee appointments were also amended to allow for an increase of independent members from two to 'no more than' five, to allow for greater redundancy and stability on account of postings and to serve as a developmental opportunity for more junior officers. The Constitution was amended to reflect the current constitution of the Fund, allowing for an expanded Audit Committee and to provide for updated references to the *Public Governance, Performance and Accountability Act 2013*, and the *Public Governance, Performance and Accountability Rule 2014*.

The Trustees at the Fund's board meeting on 19 September 2019 agreed the amendments with ministerial approval on 21 January 2020.

There have been no other significant activities or changes that have occurred during the reporting period that have significantly affected or may significantly affect the Fund and its operations.

Outlook for Future

The key objective for the Fund is to manage its financial operations in a manner that will provide a moderate cash growth in order to continue to provide relevant products to eligible personnel. The Trustees of the Fund review the products regularly to ensure that these meet the contemporary needs of RAN members. Achievement of this strategy will be met by management of the administrative fees, loan amounts and cash flow of the Fund to ensure that sufficient cash reserves are available to service the demand for loan and grant products.

OTHER MATTERS

Main Corporate Governance Practices

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) obliges all Commonwealth officials to apply sound governance practices and procedures in their day-to-day work.

Governance is the set of responsibilities and practices, policies and procedures exercised by the Trustees to provide strategic direction and ensure that objectives are achieved, risks are managed and resources are used responsibly and with accountability. The key governance documents include:

- a. ***RANRTF Corporate Plan***. The Corporate Plan sets out the Fund's purpose, as required by the PGPA Act, and describes the activities to be undertaken and intended results to be delivered. The plan has a four-year outlook, is updated at least annually and is published in the public domain.
- b. ***RANRTF Annual Report, including Annual Performance Statements***. The Fund's annual report is a principal formal accountability mechanism between the Fund and the Minister, and is a requirement of the PGPA Act. The annual report provides an important historical record of what the Fund did during the period.
- c. ***Accountable Authority Instructions (AAIs)***. The AAIs enable the Trustees, as the accountable authority to meet their general duties by setting out appropriate controls and directions for officials, especially in relation to the proper use and management of the public resources for which they are responsible (section 15 of the PGPA Act), and maintaining appropriate system of internal control including measures for ensuring that officials comply with the finance law (section 16 of the PGPA Act).
- d. ***Risk Management Plan (RMP)***. The Fund adopts Commonwealth and Defence best practice for risk management and fraud control to meet obligations to members, the RAN and the Australian Government. The RMP outlines the Trustees' approach and oversight of risk management of the Fund in alignment with the *RANRTF Corporate Plan* and provides:
 - i. transparency of risk management within the Fund,
 - ii. a structure to draw out accountabilities and responsibilities of risk within the Fund, and
 - iii. a collective framework that articulates accountabilities and responsibilities for risk shared with other entities.

Day-to-Day Operations of the Fund

The Principal Office staff manage the day-to-day operations of the Fund. In the first instance, applications for loans are checked by the Ship or Establishment representative of the Fund and forwarded to the Principal Office. The Principal Office staff then validate the application in accordance with the Business Rules, and return for correction if not in accordance with the requirements. Special Loans require additional supporting documentation and are processed by the Principal Office then referred to the Board of Trustees for consideration.

On an as required basis a sample audit is conducted to validate that the loans are being used for the intended purpose. Ad hoc audit activities are undertaken based on an assessment of the likelihood of misuse and the monitoring of loan applications by the Principal Office and the Trustees.

The Trustees and Principal Office staff conduct briefings to courses for Ship and Establishment representatives, Commanding Officers and Executive Officers to ensure that they are aware of their responsibilities in administering the activities of the Fund. In addition, the Trustees are available to answer queries and provide advice to Commanding Officers when dealing with unusual situations which may be assisted by the provision of a loan or grant.

Audit Committee

During the reporting period, the Audit Committee continued its audit function as required by the PGPA Act. Under the Audit Committee Charter, the RANRTF Audit Committee comprises no less than three (3) members and no more than five (5) members (one Trustee and up to four independent members) appointed by the Board and meets not less than four times per annum. The Audit Committee's main responsibilities include:

- a. Providing confidence in the credibility and reliability of performance statements, financial statements, and other financial information released to other interested and relevant parties; and
- b. Oversight of internal controls and risk assessment management to ensure the net assets of the Fund are protected, and the efficient and effective delivery of services to RAN personnel are maintained.

The primary role and functions of the audit committee are stated in the Charter. The audit charter was reviewed and updated in June 2020 and is available at the following link:

https://www.keepingwatch.org.au/images/pdf/RANRTF_Audit_Committee_Charter.pdf

The current audit committee is comprised of three members listed below:

Captain KJ Ryan, RAN - Chair of the Audit Committee (Appointed 02 March 2018)

Experience / Qualifications: Master of Science (Management), Master of Business Administration, Bachelor of Science (Hons), Head of Profession for Navy Workforce Planning and Analysis 30 years' experience as a member of the RAN

Commander SL Harris, CSM, RAN – Trustee (Appointed 30 August 2019)

Experience / Qualifications: Masters of Business (Human Resources), Masters of Management Studies (Governance), Graduate of the Australian Institute of Company Directors, Certified Practitioner Australian HR Institute, Bachelor of Arts, 26 years' experience as a member of the RAN

Lieutenant Commander RA Higgins, RAN – Independent member (Appointed 23 March 2018)

Experience / Qualifications: Bachelors of Commerce in Finance and Professional Accounting,
13 years' experience as a member of the RAN

Name	Number of meetings attended	Total number of meetings	Total annual remuneration
Commander KJ Ryan, RAN	4	4	\$0
Commander SL Harris, CSM, RAN	3	4	\$0
Lieutenant Commander RA Higgins, RAN	4	4	\$0

Related Entity Transactions

In accordance with the STF Act, a person who is a Trustee or a dependant of a Trustee of any fund shall not receive benefits from the Fund. During the period there were no related entity transactions.

Judicial Decisions and Reviews by Outside Bodies

There were no judicial or administrative tribunal decisions made during the period that have had, or may have, a significant effect on the operation of the Fund.

There were no reports on the Fund during the period from the Auditor-General (other than a report under section 43 of the PGPA Act), a committee of the Parliament, the Commonwealth Ombudsman or the Office of the Australian Information Commissioner.

Indemnities and Insurance Premiums

The Fund holds insurance with the Australian Government's self-managed insurance fund, COMCOVER for risks including Directors' and Officers' Liability, Fraud and Fidelity, General Liability and Personal Accident. The Trustees are not aware of any incident occurring, a claim being made, or any circumstances that are likely to give rise to a claim.

Environmental Performance

The *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) requires agencies to refer any action likely to have a significant impact on the environment. The Fund did not refer any action for formal consideration under the EPBC Act.

Work Health and Safety

The Trustees and all those who assist the Trustees are either members of the RAN or the APS, and undertake their duties as part of their service in the RAN or employment in the APS. The Fund utilises the Department of Defence work health and safety protocols, security, training, welfare, reporting and other systems to ensure the health and safety of the Trustees and those who assist the Trustees. The Trustees are not aware of any notifiable incidents that arose out of the operations of the Fund.

Conclusion

The Trustees are responsible under the PGPA Act for the preparation and content of the report of operations in accordance with Public Governance Performance and Accountability (Financial Reporting) Rule 2015. This report of operations is made in accordance with a resolution of the Trustees and is signed for and on behalf of the Trustees.



SL Glassock, CSC
Commodore, RAN
Chair of Trustees
Royal Australian Navy Relief Trust Fund

2 September 2020



CM Ween
Commander, RAN
Deputy Chair
Royal Australian Navy Relief Trust Fund

2 September 2020



INDEPENDENT AUDITOR'S REPORT

To the Minister for Defence Personnel

Opinion

In my opinion, the financial statements of the Royal Australian Navy Relief Trust Fund for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2020 and for the year then ended:

- Statement by Trustees and Governance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Accountable Authority is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020 but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Royal Australian Navy Relief Trust Fund the Trustees is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Trustees is also responsible for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees is responsible for assessing the ability of the Royal Australian Navy Relief Trust Fund to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

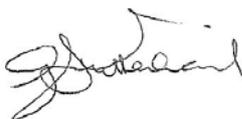
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Garry Sutherland
Audit Principal
Delegate of the Auditor-General
Canberra
2 September 2020

ROYAL AUSTRALIAN NAVY RELIEF TRUST FUND

STATEMENT BY TRUSTEES AND GOVERNANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Trustees.



SL Glasscock, CSC
Commodore, RAN
Chair of Trustees

2 September 2020



CM Ween
Commander, RAN
Deputy Chair

2 September 2020



LC Sundar
Governance Officer

2 September 2020

ROYAL AUSTRALIAN NAVY RELIEF TRUST FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020**

	Notes	2020 \$	2019 \$
EXPENSES			
Employee Benefits	1.1a	166,876	158,834
Supplier	1.1b	31,196	45,873
Grants	1.1c	89,454	72,332
Write-down and Impairment of Assets	1.1d	-	10,000
Losses from Loan Re-measurement	1.1e	506,592	558,775
Total expenses		794,118	845,814
LESS:			
OWN-SOURCE REVENUE			
Loans Revenue	1.2a	81,000	87,420
Interest	1.2b	572,464	533,369
Contributions and Other Sources	1.2c	166,171	152,298
Resources Received Free of Charge	1.2d	166,876	158,834
Total own-source revenue		986,511	931,921
Surplus for the year		192,393	86,107
Total Comprehensive Income		192,393	86,107

The above statement should be read in conjunction with the accompanying notes

ROYAL AUSTRALIAN NAVY RELIEF TRUST FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Notes	2020 \$	2019 \$
ASSETS			
Financial Assets			
Cash and Cash Equivalents	2.1a	2,112,733	1,805,11
Loans and Other Receivables	2.1b	3,606,351	3,374,164
Total financial assets		5,719,084	5,552,275
Non-Financial Assets			
Intangibles	2.2a	28,427	-
Total non-financial assets		28,427	-
Total assets		5,747,511	5,552,275
LIABILITIES			
Payables			
Suppliers	2.3a	23,413	20,570
Total Payables		23,413	20,570
Total Liabilities		23,413	20,570
Net assets		5,724,098	5,531,705
EQUITY			
Retained surplus		5,724,098	5,531,705
Total equity		5,724,098	5,531,705

The above statement should be read in conjunction with accompanying notes

ROYAL AUSTRALIAN NAVY RELIEF TRUST FUND

**STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 30 JUNE 2020**

	Retained Earnings		Total Equity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Opening Balance				
Balance brought forward from previous period	5,531,705	5,445,598	5,531,705	5,445,598
Comprehensive Income				
Surplus for the year	192,393	86,107	192,393	86,107
Total Comprehensive Income	192,393	86,107	192,393	86,107
Closing Balance as at 30 June	5,724,098	5,531,705	5,724,098	5,531,705

The above statement should be read in conjunction with the accompanying notes

ROYAL AUSTRALIAN NAVY RELIEF TRUST FUND

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2020**

	Notes	2020 \$	2019 \$
OPERATING ACTIVITIES			
Cash received			
Repayments from members		8,809,862	8,465,688
Interest		572,464	533,369
Administration Fees		81,000	87,420
RANCCF Contribution		104,601	104,494
Donations		61,570	47,804
Other - Loan Conversion		-	3,108
Total cash received		9,629,497	9,241,883
Cash used			
Loans to members		9,178,472	9,475,818
Grants		89,454	72,332
Audit Fees		20,570	14,300
Other Expenses		7,796	11,002
Total cash used		9,296,292	9,573,452
Net Cash from (used by) Operating Activities		333,205	(331,569)
INVESTING ACTIVITIES			
Cash used			
Purchase of Intangible - upgrade to LAMS		(25,583)	-
Net cash used by investing activities		(25,583)	-
Net increase(decrease) in cash held		307,622	(331,569)
Cash and cash equivalents at the beginning of the reporting period		1,805,111	2,136,680
Cash and cash equivalents at the end of the reporting period	2.1a	2,112,733	1,805,111

The above statement should be read in conjunction with the accompanying notes

OVERVIEW

Objective of the Royal Australian Navy Relief Trust Fund (RANRTF)

The RANRTF (the Fund) is a corporate Commonwealth entity established by the *Services Trust Funds Act 1947*. The Act provides that the Trustees shall, subject to and in accordance with the regulations, apply the Fund in providing benefits for members of the Australian Defence Force who have served in, or in association with, the Royal Australian Navy and to the dependants of such members.

The Fund does not directly receive nor is reliant on Government funding. The Fund has a single outcome, which is to provide benefits to eligible persons.

The Trustees administer the Fund to assist current and former members of the Australian Defence Force (ADF) who have served in, or in association with, the RAN and to the dependants of such members (eligible persons).

The Fund seeks to use available assets to deliver significant value to eligible persons in a timely, relevant, and meaningful manner.

The Basis of Preparation

The Financial Statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The Fund has applied the requirements of AASB 1058 Income of not-for-profits entities effective from 01 July 2019. The management of the Fund has undertaken an assessment and concluded that the income recognition methods that have historically been in place are consistent with the requirements of the new standard. There were no amounts taken to retained surplus on initial adoption of the standard.

Future Australian Accounting Standard Requirements

All new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the Fund's financial statements.

Taxation

The Fund is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). The Australian Taxation Office has advised that the Fund is a 'financial supply provider', consequently GST is not charged on revenue. The Fund has no entitlement to input tax credits. Expenses are GST inclusive.

Events After the Reporting Period

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the Fund.

FINANCIAL PERFORMANCE

This section analyses the financial performance of the Fund for the year ended 2020.

1. Expenses		
	2020	2019
	\$	\$
1.1a. Employee Benefits		
Wages and Salaries received Free of Charge	166,876	158,834
Total: Employee Benefits	166,876	158,834
1.1b. Supplier		
Comcover	2,631	2,583
System Software Maintenance	1,308	5,050
Advertising	1,812	1,214
Bank Fees	1,995	2,156
Audit Fees	20,570	34,870
Training	50	-
Miscellaneous	2,830	-
Total: Supplier Expenses	31,196	45,873
1.1c. Grants		
Grants to eligible members	19,100	10,108
Keeping Watch grants to eligible members	70,354	62,224
Total: Grants	89,454	72,332
1.1d. Write – Down and Impairment of Assets		
Impairment of loans	-	10,000
Total: Write-down and Impairment of Assets	-	10,000
1.1e. Losses From Loan Re-measurement		
Loss from initial recognition of loans and receivables at fair value.	506,592	558,775
Total Losses from Loan Re-measurement	506,592	558,775

Losses are recognised for interest foregone on interest free loans issued by the Fund at the time the loan is issued.

Accounting PolicyCompetitive Neutrality

The Fund was established to provide benefits to eligible persons and does not carry out Government business activities on a commercial basis nor operate in a competitive, or potentially competitive, environment. Therefore, it is not required to make Australian Income Tax Equivalent payments to the Government.

1.2 Own Source Revenue

	2020	2019
	\$	\$
1.2a. Loans Revenue		
Loan Administration Fees	81,000	87,420
Total: Loans Revenue	81,000	87,420

Accounting Policy

RANRTF charges a administration fee to loan applicants to help defray administrative expenses and to provide growth in the Fund. These loan administration fees are recognised as income in the year the loan is made and form part of the outstanding loan amount. Loan interest is then recognised based on the fair value of the loan using the effective interest rate method.

1.2b. Interest

Interest from Bank Accounts	8,578	20,134
Loan Interest	563,886	513,235
Total: Interest	572,464	533,369

Accounting Policy

Interest revenue is recognised using the effective interest method.

1.2c. Contributions and other Sources

RANCCB Contributions	104,601	104,494
Donations	61,570	47,804
Total: Contributions	166,171	152,298

1.2d. Resources Received Free of Charge

Salaries	166,876	158,834
Total: Resources Received Free of Charge	166,876	158,834

Accounting Policy***Resources Received Free of Charge***

Resources received free of charge are recognised as revenue when and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Financial Position

This section analyses the Fund's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2. Financial Assets

	2020	2019
	\$	\$
2.1a. Cash and Cash Equivalents		
Cash at Bank	1,086,845	301,810
Deposit Accounts	1,025,888	1,503,301
Total: Cash and Cash Equivalents	<u>2,112,733</u>	<u>1,805,111</u>

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a. Cash on hand;
- b. Demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2.1b. Loans and other Receivables

Loans outstanding	3,614,951	3,755,724
Administration fees receivable	1,400	1,440
Total loans and other receivables (gross)	<u>3,616,351</u>	<u>3,757,164</u>
Less impairment allowance	(10,000)	(10,000)
Total loans and other receivables (Net)	<u>3,606,351</u>	<u>3,747,164</u>

Accounting Policy***Loans and Receivables***

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Reconciliation of the Impairment Allowance

Opening Balance	(10,000)	-
Amounts written off	-	-
Decrease recognised in net surplus	-	(10,000)
Closing Balance	<u>(10,000)</u>	<u>(10,000)</u>

Accounting Policy

Financial assets are assessed for impairment at the end of each reporting period.

2.2. Non - Financial Assets

	2020	2019
	\$	\$
2.2a. Intangibles		
Website development	83,257	54,830
Accumulated Amortisation	(54,830)	(54,830)
Total: Intangibles	<u>28,427</u>	<u>-</u>

Analysis of Intangibles**Reconciliation of the Opening and Closing Balances of Intangibles***As at 1 July 2019*

Gross book value	54,830	54,830
Accumulated Depreciation	(54,830)	(54,830)
Net Book Value 1 July 2019	-	-
Additions	28,427	-
Disposals	-	-
Amortisation expense	-	-
Net Book Value 30 June 2020	<u>28,427</u>	<u>-</u>

Net book value as at 30 Jun represented by:

Gross book value	83,257	54,830
Accumulated amortisation	(54,830)	(54,830)
	<u>28,427</u>	<u>-</u>

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements.

In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Intangibles

The Fund's intangibles comprise capitalised website costs relating to the development of the Loan Application Management System. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The website costs are amortised on a straight-line basis over its anticipated useful life. The useful life of these website costs is three years.

All software assets were assessed for indications of impairment as at 30 June 2020.

2.3 Payables

	2020	2019
	\$	\$
2.3a. Suppliers		
Trade creditors and accruals	23,413	20,570
Total payables	<u>23,413</u>	<u>20,570</u>

People and Relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

3.1 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Fund directly or indirectly, including any Trustee (whether executive or otherwise) of that Fund. The Fund has determined the key management personnel to be the Trustees.

Under Part 2, Section 11 (1) of the *Services Trust Funds Act 1947*, Trustees are not entitled to receive from the Fund any remuneration for any work done by them in relation to the administration of the Fund. Under Part 2, Section 14 of the *Services Trust Funds Act 1947*, a person who is a Trustee or a dependant of a Trustee shall not receive any benefits from the Fund.

The Trustees received no remuneration or loans during the period.

The following persons were Trustees during the reporting period:

Commodore SL Glassock, CSC, RAN (Appointed: 08 April 2019)

Captain Peter Downton, CSC, RAN (Appointed: 01 June 2017; Resigned on 03 September 2019)

Commander CM Ween, RAN (Appointed: 01 March 2018)

Commander SL Harris, CSM, RAN (Appointed: 29 February 2016)

Commander AF Kemp, RAN (Appointed: 01 July 2018)

Lieutenant Loretta Houlahan, RAN (Appointed: 03 September 2019)

Lieutenant Luke Reynoldson, RAN (Appointed: 01 July 2018; Resigned on 03 September 2019)

Commander Mark Lee, RAN (Appointed: 03 September 2019)

Warrant Officer Karen Sellars (Appointed: 01 March 2018; Resigned on 03 September 2019)

Chief Petty Officer Andrea Kerr, CSM, RAN (Appointed: 03 September 2019)

Key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Fund.

3.2 Related Party Disclosures

Related party relationships:

The Fund is an Australian Government controlled entity. Related parties to the Fund are the Minister for Veterans' Affairs and Defence Personnel, Cabinet Ministers, Trustees, Key Management Personnel including the Executive, and other Australian Government entities.

Transactions with related parties:

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related parties, and transactions entered into during the reporting period by the Fund, it has been determined that there are no related party transactions to be separately disclosed.

3.3 Resources provided "Free of Charge" to the Fund

During the year, the following resources were provided free of charge by the Department of Defence:

- Use of ADF personnel;
- Office accommodation with computer, telephone and postage support; and
- Use of the ADF pay system to recover loan repayments from serving RAN members.

The value of ADF personal services provided has been recognised as employee benefits expense (Note 1.1a) and resources received free of charged (Note 1.2d).

All other resources cannot be reliably measured and have not been recognised in the financial statements.

Managing Uncertainties

This section analyses how the Fund manages financial risks within its operating environment.

4. Contingent Assets and Contingent Liabilities

The Fund has no contingencies in either the current or the immediately preceding reporting periods therefore a Schedule for such items has not been included in the financial statements.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

5. Financial Instruments

	2020	2019
	\$	\$
5.1a. Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	2,112,733	1,805,111
Loans and other receivables	3,606,351	3,747,164
Total financial assets at amortised cost	<u>5,719,084</u>	<u>5,552,275</u>
Financial Liabilities		
Financial liabilities measured at amortised cost		
Payables	23,413	20,570
Total financial liabilities measured at amortised cost	<u>23,413</u>	<u>20,570</u>

Accounting Policy**Financial assets**

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, the Fund classifies its financial assets in the following category:

- a. financial instruments measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or receive a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

5.1b. Net Gains and or losses on financial assets

		2020	2019
		\$	\$
Financial assets at amortised cost			
Cash and cash equivalents			
Interest revenue from investments	1.2b	8,578	20,134
Net gain from cash and cash equivalents		8,578	20,134
Loans and receivables			
Loan administration fees	1.2a	81,000	87,420
Loan interest	1.2b	563,886	513,235
Loss on initial recognition of loans and receivables at fair value	1.1e	(506,592)	(558,775)
Net gain from loans and receivables		138,294	41,880
Net gains on financial assets at amortised cost		146,872	62,014

OTHER INFORMATION

6.1 Aggregate Assets and Liabilities**6.1A: Aggregate Assets and Liabilities**

	2020 \$	2019 \$
Loans and receivables expected to be recovered in:		
No more than 12 months	3,606,351	3,747,164
More than 12 months	-	-
Total loans and receivables	<u>3,606,351</u>	<u>3,747,164</u>
Liabilities expected to be settled in:		
No more than 12 months	<u>(23,413)</u>	<u>(20,570)</u>
More than 12 months	-	-
Total loans and receivables	<u>(23,413)</u>	<u>(20,570)</u>

6.2 Insurance

The Fund has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Worker's compensation is insured through Comcare.

6.3 Investment of surplus money

Subparagraphs 59(1) (a) and (b) of the PGPA Act allows corporate Commonwealth entities to invest money that is not immediately required for the purposes of the entity.

The Fund's surplus moneys are on deposit with the Australian Military Bank and Defence Bank.

6.4 Economic dependency

The Fund receives economic support from Department of Defence by way of provision of administrative support, computer, communication facilities and office accommodation for the Fund's Principal Office staff. The Trustees consider, however, that in the event that the support provided by the Department of Defence was fully or partly withdrawn, the Fund is in a position that it could continue to provide benefits, although likely at a reduced level, to eligible persons.

6.5 Segment reporting

The Fund operates across Australia and exists to provide support to members of the ADF who have served in, or in association with, the RAN and to the dependants of such members.

6.6 Average staffing levels

	2020	2019
The average staffing levels for the Fund during the year were	2	2

6.7 Disclosure of commitments

The Fund has no commitments in either the current or the immediately preceding reporting periods and therefore a Schedule for such items has not been included in the financial statements.

APPENDIX B – ANNUAL PERFORMANCE STATEMENT OF THE ROYAL AUSTRALIAN NAVY RELIEF TRUST FUND

The Trustees, as the Accountable Authority, of the Royal Australian Navy Relief Trust Fund (the Fund) present the 2019-2020 Annual Performance Statement of the Fund, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In the Trustees opinion, this Annual Performance Statement is based on properly maintained records, accurately reflects the performance of the Fund, and complies with subsection 39(2) of the PGPA Act.

Purpose of the Fund

The Fund was established by the *Services Trust Funds Act 1947* (the Act). The Act provides that the Trustees shall apply the Fund to providing benefits for members of the Australian Defence Force (ADF) who have served in, or in association with, the Royal Australian Navy (RAN) and to the dependants of such members.

Intended Results

In the 2019/20 Corporate Plan for the Royal Australian Navy Relief Trust Fund the Trustees determined that the intended result of the Fund was to provide benefits to eligible persons in a timely, relevant, and meaningful manner.

Performance Measurement Methodology

The Trustees determined that the Fund's performance in achieving its intended result would be measured via surveying those who received benefits from the Fund, Commanding Officers, Personnel Officers and others who are involved in managing and/or administering recipients of Fund benefits. As part of this survey, Commanding Officers of Ships and Establishments were invited to identify any additional ways in which the Fund could provide other or greater benefits that are relevant and meaningful.

Actual Results

Feedback from recipients of benefits, Commanding Officers, Personnel Officers and others who are involved in managing and/or administering recipients of Fund benefits indicates that the Fund is providing meaningful and relevant benefits to eligible personnel in a timely manner.

Analysis of Results

Performance Criterion 1 – Timely

Source: Corporate Plan Page 3

Measurement methodology: A survey was forwarded to Commanding Officers, Personnel Officers and others who are involved in managing and/or administering recipients of the Fund asking for their assessment of the relevance of the Fund to their personnel

Results: In accordance with the RANRTF Rules and Procedures Manual, and as advertised to local agents, General Purpose loans are processed and paid within three weeks of the Principal Office's receipt of a correctly completed loan application. In reality, most loans are paid in a much shorter timeframe than that advertised. Special Loans can generally be processed within three working days

and, if the situation is urgent, can be processed and paid within the same day if the Trustees receive all necessary information required for decision making is made available to staff the application. There were no negative comments from the survey regarding timeframes for payments of loans and no suggestions to improve this element of the Fund's business. Responses indicated that loans were processed within reasonable timeframes and expectations. Comments related to the timeliness included:

“The RTF office was efficient in processing the members’ loan at short notice, resulting in the funds being in his account within three days”

“The Leading Seaman is brilliant with assistance and advice which promotes the loans being actioned quickly”

Analysis: A deliberate decision was undertaken by the Trustees to advertise timelines that adequately allowed for processing times taking into account the workload of the Principal Office and the batching of the General Purpose loans. Actual timeframes for payment of loans are generally well inside the advertised times for most General Purpose loans and the Fund is extremely responsive in staffing requests for Special loans where there is an urgent requirement for the funds.

Performance Criterion 2 – Relevant and Meaningful

Source: Corporate Plan Page 3

Measurement methodology: A survey was forwarded to Commanding Officers, Personnel Officers and others who are involved in managing and/or administering recipients of the Fund asking for their assessment of the relevance and meaningfulness of the Fund's products to their personnel.

Results: Responses to the survey were received from eight Commanding Officers and/or Personnel Officers, with the focus of the feedback primarily on the wide range of financial products and services provided by the Fund. In recent years the adoption of a more principles based approach, which enables a broader range of loan products able to be utilised across a wider span of purchase options, has shown rewards with the following comments representative of the feedback received:

“The constitution provides loans for varied reasons that is extremely broad”

“Ship’s company have shown a very positive and appreciative attitude towards the RTF loan products available to them”

“I believe they are current to member’s needs with either the General, Special or Keeping Watch Loans”

Analysis: The feedback indicates that the products provided by the Fund are both meaningful and relevant to the recipients and provide additional assistance and support to members that are experiencing challenging and complex personal circumstances. Furthermore, the products available were also acknowledged as an important resource for Divisional staff to leverage when providing assistance options to their members.

As in previous years, eligibility for the 2019 Christmas Loan was restricted to personnel not already holding a General Purpose or Special Loan in order to manage the demand on the Fund's limited cash reserves and to avoid potential for imposing an over burdening debt on members. The increased repayment rate for the "7 for7" loan has continued to stabilise the Fund's cash flow and ensures that funds are available as a priority to satisfy the demand for the General Purpose loan, as the Fund's primary product.

Analysis of the feedback indicates that the Fund, whilst doing an admirable job of ensuring its products and services are promoted and advertised appropriately, should continue to raise awareness about its products and services through regular and ongoing communications spanning a wide variety of formats.

APPENDIX C – LIST OF REQUIREMENTS

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	Enabling Legislation and Purpose	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Performance	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	Enabling Legislation and Purpose	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Organisational Structure	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	Organisational Structure	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	Organisational Structure	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	Not Applicable	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(g)	Annual Performance Statements	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	Organisational Structure	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory
17BE(j)	Organisational Structure	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	Organisational Structure	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(ka)	People and Relationships	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory
17BE(l)	Organisational Structure	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Other Matters	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	People and Relationships	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
17BE(p)	Not Applicable	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Not Applicable	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	Not Applicable	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(s)	Not Applicable	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	Other Matters	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	Other Matters	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory
17BE(ta)	People and Relationships	Information about executive remuneration	Mandatory
17BF	Disclosure requirements for government business enterprises		
17BF(1)(a)(i)	Not Applicable	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	Not Applicable	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory
17BF(1)(b)	Not Applicable	Information on dividends paid or recommended	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BF(1)(c)	Not Applicable	Details of any community service obligations the government business enterprise has including: <ul style="list-style-type: none"> (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations 	If applicable, mandatory
17BF(2)	Not Applicable	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory