

RAAF VETERANS' RESIDENCES TRUST

PLAN

2022-23

Approved by Trustees:

1 Jul 22

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Introduction

1. The RAAF Veterans' Residences Trust (the 'Trust') was established by an act of the Commonwealth parliament in 1953.¹ The Trust is a small Corporate Commonwealth Entity (CCE), subject not only to the requirements of its own Act, but also the Public Governance, Performance and Accountability Act (PGPA Act) 2013.

2. This plan is prepared as required by paragraph 35(1) of the PGPA Act. The reporting period for which the plan is prepared is 2022-26, covering the reporting periods: 2022-23, 2023-24, 2024-25 and 2025-6. The plan content is also informed by the directions and guidance detailed in Risk Management Guide No. 132 *Corporate plans for Commonwealth entities*.

Purpose

3. The purpose of the Trust is the provision of a residence or residences in which eligible persons who are in necessitous circumstances, and, if the Trust so approves, the dependants of such eligible persons, may be accommodated or supported.²

Key activities

4. The Trust's key activities over the four-year planning period are the:

- a. identification and support of eligible tenants as property vacancies arise
- b. maintenance and upkeep of Trust properties
- c. identification and implementation of initiatives to improve Trust outcomes and performance.

5. **Initiatives.** The Trust implements initiatives, documented in milestone plans, both to improve its day-to-day performance and to work towards achieving its purpose. The initiatives relevant to Financial Year 2022-23 are detailed at Annex A.

Operating context

Environment

6. The Trust is a small niche-provider of accommodation within the much larger social welfare systems managed by the Commonwealth and State governments. The main internal and external factors that will, over the period of the plan, affect or influence Trust performance and capacity to achieve its purpose are:

- a. the continued ability to retain volunteer trustees and employ qualified staff

¹ Royal Australian Air Force Veterans' Residences Act 1953 (Cth)

² Adapted from Clause 4 of Royal Australian Air Force Veterans' Residences Act 1953 (Cth)

- b. ongoing support by the Department of Defence
 - c. the continued ability to maintain financial viability given the statutory constraints.
7. The following factors, which are beyond the Trust's control, are unlikely to markedly influence the achievement of the Trust's purpose:
- a. macroeconomic and microeconomic factors
 - b. the regulatory landscape given the unlikelihood of change to the Trust's enabling legislation
 - c. technological factors which would usually allow more efficient Trust operation
 - d. social factors such as changes in the expectations and demographics of the eligible population
 - e. geographical considerations including remoteness and climatic conditions, given that the Trust is unlikely to acquire accommodation in remote or climatically challenging locations.

Nevertheless, such factors will be considered as part of the Trust planning cycle.

Required capabilities

8. To achieve its purpose the Trust must sustain workforce, infrastructure and ICT capabilities. When required, the corporate plan will identify initiatives to maintain the required capabilities.
9. **Workforce capability.** The Trust requires two employees with broad management and administrative competencies. No high-level trends and developments have been identified which presently affect or may affect this workforce in future. A slightly increased workload for Trust staff was identified in the previous reporting period, due largely to actioning of various initiatives to strengthen Trust governance. The additional capability required is currently anticipated as achievable by the two existing Trust employees.
10. **Infrastructure capability.** Trust infrastructure comprises the office accommodation provided by Defence at RAAF Williams Laverton, together with the portfolio of rental properties in various capital cities. This current infrastructure remains sufficient in assisting the Trust achieve its purpose. Consequently, no expansion of trust infrastructure is currently under consideration.
11. **ICT capability.** Trust ICT assets comprises Trust-owned laptops, wifi hotspot and storage devices, supplemented by Defence-provided office assets, namely a combined printer/scanner and terminal access to the Defence Protected Network. These assets do not require a technology strategy to identify and support future business requirements.

12. **Risk oversight and management.** The Trust manages its risks in accordance with a documented risk management plan and accompanying Trust risk register. The risk management practices broadly align with the Commonwealth's Risk management Policy. In particular, hazards, their resultant risks and appropriate risk treatments are considered during:

- a. ongoing discussions between executive trustees and trust staff
- b. deliberations of the Trust Audit Committee
- c. quarterly trustee meetings
- d. the Trust's annual planning process
- e. annual ANAO audits.

13. **Cooperation with other entities.** The Trust does not require cooperation with other Commonwealth/State entities. The Trust cooperates with the:

- a. Returned and Services League of Australia with respect to identifying potential applicants and, when necessary, the nomination of trustees for ministerial approval
- b. RAAF Association with respect to identifying potential applicants and, when necessary, the nomination of trustees for ministerial approval
- c. the Royal Australian Air Force (RAAF) with respect to the nomination of trustees for ministerial approval.

14. **Subsidiaries.** The Trust has no subsidiaries.

Performance

15. In working towards achieving its purpose, the Trust is guided by the following principles:

- a. **Accommodation priorities.** Although the purpose of the Trust is to provide accommodation to eligible ex-RAAF personnel and other persons as described in Section 2 of the Royal Australian Air Force Veterans' Residences Act 1953, there will be occasions when there is insufficient demand for available accommodation. When this situation occurs, the Trust may offer accommodation to non-eligible personnel, such as relatives of RAAF members and members of other Australian and allied services. The Trust may also choose, even when eligible applicants exist, to allocate specific accommodation to the general public at market rates to remain financially viable. Such allocations are carefully considered to ensure that they remain in line with the Trust's statutory responsibilities and powers.

- b. **Care for the elderly.** The Trust does not operate facilities caring for the physical and mental health of aged clients, but the reality is that most Trust tenants are elderly. Consequently, the Trust will act as a compassionate landlord, doing all it can to provide for the accommodation needs of its elderly tenants who are capable of independent living.
 - c. **Financial Prudence.** Given the statutory constraints placed on the Trust's financial management, such as the inability to borrow, the Trust must remain financially prudent, carefully managing its assets, investments and cash flows.
 - d. **Model landlord.** As a CCE the Trust must act as a model landlord, both responsive to legitimate tenant needs and compliant with mandatory Commonwealth, State and local government requirements.
16. **Key performance indicators.** The Trust recognises the value of measuring its performance through the regular review of well-designed Key Performance Indicators (KPIs). The Trust KPIs (using the templates at annex B) will measure:
- a. financial performance (FIN)
 - b. demand satisfaction (DS)
 - c. asset quality (AQ)
 - d. client satisfaction (CS)
 - e. owner (Commonwealth government) happiness (OH).

Conclusion

17. The Trust continues to operate effectively as a self-funding niche provider of accommodation and related support services. Initiatives are in place to improve both the governance of Trust operations and its day-to-day support of eligible veterans.

Annexes

- A. RAAFVRT Initiatives
- B. RAAFVRT KPIs

RAAFVRT Initiatives

Management Field	No.	Initiative	Lead
Governance	1	The Trust should professionalise its governance and management arrangements to reflect accepted best practices.	Tindal
Governance	2	The Trust should convert its performance management arrangements to a 'House of Governance' construct.	Tindal

RAAFVRT KPIs

Financial performance (FIN)

1. Expenditure against phased budget: assessed quarterly
2. Expenditure against phased revenue: assessed quarterly
3. Cash on hand. The cash on hand calculated either as a percentage of cash on hand as at 30 June the previous FY or as a percentage of an agreed ideal amount. Assessed quarterly.

Demand satisfaction (DS)

1. Number on waiting lists
2. Percentage of commercial tenants filling units intended for eligible tenants
3. Percentage of 'RAAF' clients

Asset quality (AQ)

1. Property Upkeep Costs. For each property, the percentage of property maintenance and refurbishment costs compared to the total Trust maintenance and refurbishment cost.
2. For each property, the Upkeep cost divided by the number of apartments at that property.
3. Property condition

Client satisfaction (CS)

1. Review of annual client survey

Owner (Commonwealth government) happiness (OH)

1. Number of legislative non-compliances
2. Number of positive comments
3. Number of negative comments