

RAAF VETERANS' RESIDENCES TRUST

PLAN

2015-2019

Approved by Trustees:

22 June 2015

RAAF VETERANS' RESIDENCES TRUST ANNUAL PLAN 2015-2019

Introduction

1. The RAAF Veterans' Residences Trust (the 'Trust') was established by an act of the Commonwealth parliament in 1953.¹ The Trust is also 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 for paragraph 35(1)(b) of the PGPA Act. The reporting period for which the plan is prepared is 2015-16, whilst four reporting periods are covered by the plan: 2015-16, 2016-17, 2017-18 and 2018-19.

Purpose

3. The purpose of the Trust is to provide accommodation, and other forms of accommodation-related support, for ex-RAAF personnel and their dependants, who are in necessitous circumstances.

Environment

4. The Trust is a small niche-provider of accommodation and accommodation support services 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;
- b. ongoing support by the Department of Defence; and
- c. the continued ability to maintain financial viability.

5. The Trust's key stakeholders are the Returned and Services League of Australia, the RAAF Association and the RAAF.

Performance

6. Within three years the Trust aims to diversify the means by which it provides accommodation support to its clients, whilst operating as a model CCE.

7. 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 ex-RAAF personnel, there will be occasions when there is insufficient demand for available accommodation. When this situation occurs, the

¹ Royal Australian Air Force Residences Act 1953 (Cth)

Trust may offer accommodation to ex-servicemen from other Australian and allied services. The Trust may also choose to allocate accommodation to commercial tenants in order to provide rental assistance, and other forms of support, to eligible tenants in non-Trust owned accommodation.

- b. **Care for the elderly.** The Trust does not operate a facility caring for the physical and mental health of aged clients, but the reality is that most Trust tenants are elderly. The Trust will do all it can to provide for the accommodation needs of its elderly tenants who are capable of independent living.
- c. **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.

8. **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); and
- e. owner (Commonwealth government) happiness (OH).

Capability

9. The Trust implements several initiatives, documented as milestone plans, both to improve its day-to-day performance and to work towards achieving its purpose. The initiatives relevant to financial year 2015-16 are detailed at Annex A. The status of each initiative is detailed at *RAAFVRT Initiatives.xls*. The timeframes for each priority are:

- a. **Priority 1.** If not already in work, to be started by end Aug 15.
- b. **Priority 2.** If not already in work, to be started by end Dec 15. Work on Priority 2 Initiatives is not to be performed at the expense of Priority 1 Initiatives.
- c. **Priority 3.** Only to be progressed in FY 15/16 if work can be performed that is not at the expense of Priority 1/2 Initiatives.

Risk oversight and management

10. The Trust manages its risks through:

- a. consideration of strategic risks and their appropriate risk treatments, at an annual planning session;

- b. ongoing discussions between executive trustees and trust staff;
- c. formal discussion of risks during quarterly trustee meetings; a
- d. a functioning audit committee (focusing on compliance with the finance law);
and
- e. annual ANAO audits.

Conclusion

11. The Trust has operated effectively for over 50 years and will continue to improve its service delivery so that it remains relevant in the twenty-first century.

Annexes

- A. RAAFVRT Initiatives
- B. RAAFVRT KPIs

RAAFVRT Initiatives

Management Field	No.	Initiative	Lead	Priority
Tenant Management	1	A better method of assessing demand satisfaction should be developed.	Bingham/Finkelstein	1
Financial Management	2	The Trust should investigate the availability of other revenue streams.	Tindal/Bingham	2
	3	The Audit Committee should be revitalised.	TBA	1
Trust Administration	4	Trust procedures should be created for general trust administration, property management, tenancy management and financial management.	Tindal	1
	5	The Trust should better understand other welfare organisations providing similar or related services.	Oakden	1

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