World War I ended abruptly when an armistice halted fighting in November 1918. Until then, allied planners had been expecting that German resistance would prolong hostilities into 1919, possibly even 1920. In Britain, industrial output supporting the war effort had accordingly continued at full pace, which meant that there was suddenly a vast accumulation of surplus war stocks. The Royal Air Force alone had more than 22,000 aircraft on strength; many more were in storage awaiting delivery.

It was in this climate that, in June 1919, the Imperial authorities offered a gift of 100 aircraft (sufficient for four service squadrons) to the governments of Britain’s dominions—India, Canada, South Africa, Australia and New Zealand—to assist each in establishing a viable air force of their own. During negotiations which followed, it seems that Lieutenant-Colonel Richard Williams, who would soon head the new air service in Australia, suggested to British colleagues that aircraft on their own were of little value without the spares and other equipment needed to actually form units. Williams’ argument was accepted, with the result that what became known as the Imperial Gift of 1920 ended up entailing a huge array of items valued at £1 million (perhaps $35 million at today’s value). From the end of March 1921, shipments arrived in Melbourne every 10–14 days, each consisting of 500-700 packages. At the end of 12 months some 19,000 cases had been delivered, many weighing two or three tonnes; as many as 30,000 different kinds of articles, running to hundreds of thousands of individual items, were received. Included were 258 motor vehicles, 191 aircraft engines and spare parts, workshop plant, hangars, instruments, armaments, clothing and many other items.

Among the gift equipment were actually 128 aircraft, the additional machines being replacements for aircraft purchased through public and private subscription in Australia and “donated” to the war effort. The total finally comprised thirty-five Avro 504K trainers, thirty-five SE5A fighters, thirty DH9A and twenty-nine DH9 day bombers (an additional bomber having been added to the tally to replace a DH9A lost in September 1920).

There is no doubting the value of the Imperial Gift to Australia, or that the Royal Australian Air Force which came into being during 1921 was kept supplied with machines until nearly the end of the decade. This not unreasonably raises the question: would there have been a RAAF without the Imperial Gift? In fact, it is clear that Australia was intent on maintaining some form of air arm within its defence forces long before the end of the war, and such a development would probably have occurred irrespective of whether the Imperial Gift was ever made.

Australian authorities had been taking an active interest in aviation for military purposes even before World War I, having set up the Central Flying School at Point Cook in 1913 and commenced flying operations there in March 1914, nearly six months before the war began. The school continued throughout the war, using a miscellany of aircraft types. Early in 1919 a number of the school’s well-worn machines were sold off, in anticipation of these being replaced by newer types—twenty Avro 504Ks and twelve Sopwith Pup Scouts—ordered by the Defence Department late in
1918. These aircraft reached Melbourne during the first half of 1919, and became the primary equipment of the Australian Air Corps; an Army unit set up at Point Cook from January 1920.

When the RAAF was formed 15 months later, it simply took over the aircraft holdings of the AAC—or rather, what was left of them. During the brief period of the AAC’s existence, seven of the Avros had been written off (most in crashes during two Peace Loan campaigns), along with one of the Sopwith Pups. Also at Point Cook was a Bristol Scout, sole survivor of the wartime CFS’s equipment, and the Vickers Vimy heavy bomber in which the Smith brothers made their epic England–Australia flight in 1919. The reality was that it was the 26 aircraft passed across from the Air Corps that were the initial mainstay of the infant RAAF.

Added to this number were six Fairey IIID floatplanes that the RAN had purchased in 1920 for use with its warships; when these arrived in November 1921, they also went to the RAAF.

Although a small number of each aircraft type in the Imperial Gift were uncrated and assembled for use, the bulk of the gift machines stayed in storage until required. Official statements in July 1922 make clear that 101 machines were still being stored at that time in wheat sheds at Spotswood, Melbourne, rented from the Victorian Railways. The often repeated claim that at its birth the RAAF was in the extraordinary position of having more aircraft than men—149 officers and men (some sources say 151) as against 154 aircraft—is true only in a technical sense.

The chief benefit of having the gift aircraft lay in the fact that the Australian government was able to defer the expense of purchasing new or additional machines for the RAAF for a good number of years. Apart from a few locally constructed Avro 504s bought in 1922–23 as an incentive to local manufacturers, no new types were ordered until 1925; there were only nine of these anyway, three of which were non-combat types, while six were Seagull III flying boats to meet Navy needs. If anything, the gift proved to be an impediment to the technical development of the Air Force. Only when it was discovered that the machines still in storage had deteriorated, to such an extent that they were effectively unsafe to fly, could the government be convinced to find money for new combat types delivered in 1929.

Not only is it clear that the RAAF had never been dependent on the Imperial Gift to function, but it also seems certain that the RAAF owed its creation to factors other than simply aircraft availability. The evidence suggests that it was the desire of the Australian government in September 1920 to establish an air mail service across the continent that provided the final impetus towards setting up a separate air force. Delays in establishing trials for such a service, using the aviation resources of the Defence Department, finally compelled the issuing of instructions on 3 February 1921 for “the immediate establishment of an Air Force, and to initiate an experimental aerial mail service”. Fortunately, the new force was quickly relieved of the need to carry the mail and allowed to shift its focus to meeting defence requirements.

With the 128 aircraft…and stores included in the gift, the Royal Australian Air Force was subsequently established. Australia paid nothing for the original equipment of that Service, except the cost of its transport to Australia. I wonder if any other nation has established a fighting Service so economically.

– Air Marshal Sir Richard Williams
These are Facts (1977)