



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY



2006 | 2007 ANNUAL REPORT



PUBLIC TRUSTEE

FOR THE AUSTRALIAN CAPITAL TERRITORY

WILLS • ESTATES • POWERS OF ATTORNEY • TRUSTS

2006 | 2007 ANNUAL REPORT

PUBLIC TRUSTEE FOR THE ACT

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Mr Simon Corbell MLA
Attorney General
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601

Dear Attorney General

I am pleased to present the Annual Report for the Public Trustee for the ACT for the year ended 30 June 2007.

This Report has been prepared under Section 6(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements referred to in the Chief Minister's Annual Report Directions. It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the Public Trustee for the ACT.

I hereby certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of the Public Trustee for the ACT during the period 1 July 2006 to 30 June 2007 has been included and that it complies with the Chief Minister's 2006-07 Annual Report Directions.

I also hereby certify that fraud prevention has been managed in accordance with Public Sector Management Standard 2, Part 2.4.

S.13 of the *Annual Reports (Government Agencies) Act 2004* requires that you cause a copy of the Report to be laid before the Legislative Assembly within 3 months of the end of the financial year.

Yours sincerely

Andrew Taylor
PUBLIC TRUSTEE

3 August 2007

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PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

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→ CHIEF EXECUTIVE'S REPORT

It is my privilege to present, on behalf of the staff of the Public Trustee for the ACT, the Public Trustee Investment Board and the Capital Region Community Foundation, the Annual Report of the Public Trustee for the ACT for 2006-07.

During the year we built on the priorities identified in our Business Plan to deliver on our Community Service and Business undertakings, with particular emphasis on raising the profile and awareness of the Public Trustee in the ACT Community.

FINANCIAL PERFORMANCE

Our annual income exceeded \$4M for the first time. We have made strong progress in our objective to achieve financial autonomy, with an approved dividend of \$473,769.00 to ACT Treasury. Rises in income (+\$818,113.00 and expenditure (+\$370,350.00) in comparison to 2005-06 were encouraging however these figures were influenced by funding and costs associated with our relocation. The outlook for 2007-08 is also encouraging with the percentage of expenditure over total income (84%) at its best in five years. Income is expected to continue to increase while expenditure is likely to level out.

ACCOMMODATION

During the year we relocated to a prime CBD location on Ground Floor of ActewAGL House, providing significantly improved amenity for our clients and staff and simultaneously satisfying the ACT Government's accommodation policy. The relocation was achieved at no cost to ACT Government through an arrangement with a former co-tenant.

BRANDING

Consistent with our aim to maximise promotion of the Public Trustee's products and services, we have commissioned a strong, identifiable corporate brand to create confidence in our business and our products and services. We will invest in our brand to ensure that the Public Trustee's community presence translates to an improved business result. Significant in our new branding is its simplicity and its identification of our key services. An important outcome was to achieve consistency, delivering the same message about our business every time and across all media.

PROMOTION AND MARKETING

We have invested in strong advertising and marketing and in the re-design of our website, brochures and letterheads. We now regularly contribute to newspaper and magazine articles covering areas of our professional responsibility.

FEES AND CHARGES METHODOLOGY

The revision of our capital commission fees scale addressed concerns about our fees and charges methodology. The new scale, introduced on 1 July 2007 provides a fairer approach to our fees for estate and trust services.

CUSTOMER SERVICE

Relocation has provided our clients with an enhanced level of access, amenity and proximity to parking for our customers. A review of our Client Survey resulted in changes to the measures against which we are judged. We are in the process of developing an Online Wills Fact Finder.



SYSTEMS DEVELOPMENT

During the year our IT infrastructure upgrade was completed, involving a new remotely located server, an upgraded telephone system and an upgraded business system.

PERFORMANCE MANAGEMENT

We responded to our Department's performance objectives by designing and implementing a Performance Management Scheme to ensure that we are functioning in the most appropriate, efficient, effective and prudent manner.

COMMUNITY INFLUENCE

We strive to influence and make a difference in our operating environment, and made significant contributions to important community issues during the year. We played an important role in the development of the *Powers of Attorney Act 2006* and the replacement Power of Attorney form. We were instrumental in the development of the 'Silver Lining Project', raising awareness amongst employers of the value of mature age employment. We contributed to Seniors Week 2007 by sponsoring the Life's Reflection Photographic Competition and providing free seminars on Wills and Estate Planning.

OUR STAFF

I pay tribute to our staff for their skill, dedication, loyalty and expertise. Their commitment to the work of the Public Trustee and the professional and collegiate way in which they have managed the demands of a significantly increased, and more complex, workload has been impressive. I thank members of our Investment Board and the Board/Management Committee of GreaterGood.

THE ROAD AHEAD

We have established a solid platform for the future and our priority will be to build upon recent initiatives to ensure that the Public Trustee is an influential and trusted operative in the ACT Trustee industry. A comprehensive review of our investment arrangements, including risk models, asset allocation, fund management and consultancy services, is central to this. The addition of an International Equities Fund will enhance and complement our suite of investment funds.

The ageing Canberra population will have a major impact upon our business, with greater demand upon our Community Service Obligations as well as our commercial undertakings.

I thank the Chief Executive JACS, Renée Leon, and her executive team for their support and leadership.

We look forward to another strong year in 2007-08.



Andrew Taylor
Public Trustee

→ **SECTION A:**

PERFORMANCE AND FINANCIAL MANAGEMENT REPORTING



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

➔ A.1 THE ORGANISATION

WHO WE ARE

We are a Territory Authority and contribute to the wellbeing of the ACT community by providing a comprehensive, permanent and professional trustee service.

WHAT WE DO

Our functions and services include –

- ∴ Wills
- ∴ Enduring Powers of Attorney (EPA)
- ∴ Estate Administration
- ∴ Trust Administration
- ∴ Financial Management Services
- ∴ Act as attorney under EPA
- ∴ Funds Administration
- ∴ Investment Services
- ∴ Manage Confiscated Criminal Assets
- ∴ Manage Unclaimed Moneys
- ∴ Examination of Private Financial Managers' accounts.

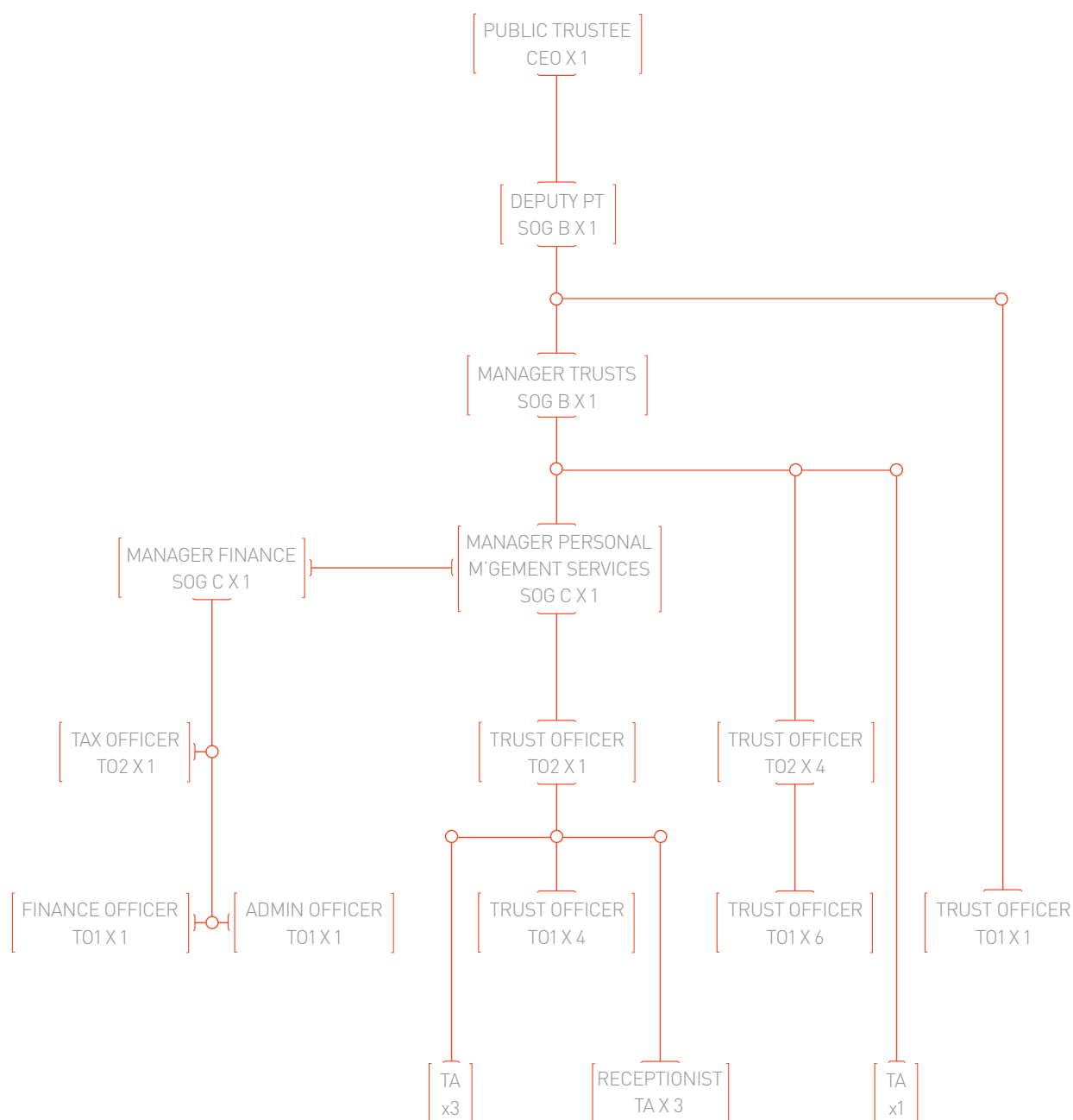
OUR VISION

To be our community's first choice for trustee services.

OUR VALUES

Honesty, professionalism and accountability and to consistently exceed client expectations.

OUR ORGANISATIONAL STRUCTURE



The staffing profile of the Public Trustee is described in detail under A13 in this report.

OUR CLIENTS

Our services reach all members of the ACT community. We make a difference in the community by providing a diverse range of services to clients ranging from highly vulnerable people to those accessing our professional services and Government.



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

OUR STAKEHOLDERS

Those with an interest in our work include ACT Department of Justice and Community Safety and ACT Treasury. We partner with the Public Advocate of the ACT and the ACT Guardianship and Management of Property Tribunal to support our clients.

A number of non-government agencies, committed to achieving outcomes for intellectually disabled persons, also have a stake in our responsibilities.

→ A.2 OVERVIEW

HOW WE PERFORMED IN SUMMARY

The Public Trustee's Business Plan for 2006-07 identified Key Result Areas and Strategic Priorities. Our performance in summary, against these objectives, is set out in the following table.

Key Result Area	Strategic Priority	Result
Business Development	Maintain or increase commercial business volumes	●●
	Launch & market Capital Region Community Foundation	●●●
	Relocate office to higher profile, more accessible premises	●●●
	Implement revised marketing program	●●●
	Finalise fees review for implementation on 1 July 2007	●●●
	Investigate establishment of an International Equities Fund	●●
	Estimate the cost of Community Service Obligations	●●●
Service Delivery	Provide for payment of small amounts without Grant	●●
	Commission and implement new corporate branding logo	●●●
	Upgrade and modernise all brochures	●●●
Strategic Relationships	Silver Lining Project – Mature Age Employment	●●●
	Sponsor Life's Reflection Photographic Competition	●●●
	Develop MOU with JACS	●●
Systems Development	Implement replacement Public Trustee website	●●●
	Undertake development work for Online Wills Fact Finder	●●
	Implement upgrade of IT infrastructure	●●●
	Investigate replacement income tax system	●●
Staffing & Capability	Complete review and restructure of all positions	●●●
	Finalise Public Trustee Practice Manual	●●
	Provision of electronic training facilities in Board Room	●●●
	Increase agreed staffing level by two new positions	●●●
	Implement training program - University of Western Sydney	●●●
	Recruitment of two professional staff to supplement skills	●●●

Our performance is indicated as follows –

- fully achieved
- partly achieved
- X not achieved

WHERE WE VARIED FROM OUR DESIRED RESULT . . .

- ∴ Maintain or increase value of business undertaken. Whilst a number of areas of the Public Trustee's business suffered drops, the number of Wills written increased and major improvements were recorded in the volume of, and investment results achieved from, funds under management.
- ∴ Investigate establishment of International Equities Fund. On advice of the Public Trustee Investment Board we have sought independent external consultant's advice and a review of our investment structure.
- ∴ Amend *Public Trustee Act 1985* - payment of small amounts without Grant - we have recommended this change in July 2007. This amendment has taken longer than expected due to misunderstanding about the Public Trustee's intent in changing the Act.
- ∴ Online Wills Fact Finder - Work is progressing with an external contractor,
- ∴ Finalise Public Trustee Practice Manual - This project has been delayed due to the possibility of a joint Australian Public Trustee Manual being developed.

OUR PLANNING FRAMEWORK AND DIRECTION SETTING

The Public Trustee reports to the Chief Executive, Justice and Community Safety (JACS), through the Deputy Chief Executive - Statutory Support, and is financially accountable to ACT Treasury, requiring a dual planning framework.

We report to government at least quarterly through three mechanisms -

1. Statement of Intent
2. Status Report
3. Management Discussion and Reporting Analysis

The Public Trustee plans for, and monitors, performance at both organisational and individual levels through the following programs -

- ∴ We measure the number of estates completed within 3, 6, 9 and 12 months against the industry accepted standard of 12 months.
- ∴ Our individual performance management plan has been developed to address the Public Trustee's performance requirements and identifies cultural workplace issues as well as career planning and performance issues.
- ∴ Our investment performance is published monthly through our website.
- ∴ The Public Trustee reports to the Deputy Chief Executive, Statutory Support on a regular basis.
- ∴ We prepare a Business Plan annually and address and monitor progress on a weekly basis through an Activity Agenda - the Plan identifies a range of strategies, incorporating activities necessary and sufficient for the Public Trustee to succeed. The Plan is the framework upon which the business is built and sustained.

- ∴ An Activity Agenda is maintained as a rolling agenda for the Management Committee. Membership of the Committee comprises the Public Trustee's Executive team.
- ∴ The Public Trustee has appropriate fraud, risk and corruption controls and checks in place and reviews these controls two-yearly in consultation with the Public Trustee's Investment Board.
- ∴ Our trust-accounting system (TACT) has been designed specifically for the trustee industry and meets client confidentiality standards and security control.
- ∴ Financial management in respect to client funds is undertaken in consultation with an external assets/markets consultant, and with advice from the Public Trustee's Investment Board. Within this framework, the Public Trustee makes decisions about investment planning, engagement of fund managers and investment strategies and directions.

Our membership of the JACS Statutory Office Holders' Forum provides a medium through which statutory officers can share and discuss common issues, and in the case of the Public Trustee, to resolve issues arising from the Public Trustee's unique administrative and financial framework.

The Public Trustee also participates in the strategic planning and management of JACS through membership of JACSCOM and the JACS IM/ICT (Information Management) Committee.

OUR ORGANISATIONAL ENVIRONMENT

JACS contains a clustering of agencies with some commonality of focus, interest and/or customer base, and where corporate services, support and advice may be obtained from a single, shared resource.

Our unique commercial trust activities dictate that the office has an administrative connection, but a commercially autonomous relationship with JACS and the responsible Minister.

The Public Trustee's Investment Board undertakes an investment advisory role only.

In undertaking Community Service Obligations, we have a strong organisational relationship with a number of JACS agencies, including the Public Advocate of the ACT and the Guardianship and Administration of Property Tribunal.

OUR RESPONSE TO ORGANISATIONAL CHANGE

From the beginning of the reported year, funding for the Public Trustee's Community Service Obligations, IT infrastructure and Insurance coverage was provided directly by ACT Treasury instead of through JACS. This has highlighted some financial issues with JACS, which are presently being resolved.

During the year, a comprehensive review of our organisational structure was completed, resolving a number of deficiencies in classifications. A Practising Solicitor and a Certified Practising Accountant were added to the Public Trustee's professional team during the year.

Our relocation on 1 September 2006 represented a major organisational change and was precipitated by perceived community ignorance about the Public Trustee's role. The new address provides a more overt presence in the City Centre.

Completion of the acquisition of a replacement Australian Equity Funds Manager underlined a number of impediments in the procurement process, which have been addressed to permit a more streamlined approach in the future.

ADMINISTRATION OF LEGISLATION

A list of laws, which guide, govern and regulate the activities of the Public Trustee may be found at Part B.4 of this report.

During the year we sought an amendment to the *Public Trustee Act 1925* to empower the Public Trustee to release funds under his control, to the executors named in a Will, or to the next of kin, without a Grant of Probate or Grant of Letters of Administration. These funds are specifically in respect to small amounts or assets, held by the Public Trustee as Manager, Attorney or Trustee on behalf of a person who has died.

Additionally, we have recommended the review of a number of monetary amounts provided for in laws under which we operate.

The Public Trustee has no regulatory activities.

SUBSIDIARIES

The Public Trustee has no subsidiaries.

→ A.3 HIGHLIGHTS

The following operational achievements reflect our progress against strategic outputs and service delivery priorities.

During the reported year, we were pleased to achieve the following -

- .. Increased Funds under Management from \$146M to \$169.18M;
- .. Upgraded our business system 'TACT' to v7.2;
- .. Reviewed Management and Trust Officer structures;
- .. Reviewed our Fraud, Risk & Corruption Management strategy;
- .. Sponsored 4th Life's Reflection Photographic Exhibition;
- .. Conducted Annual Wills & Powers of Attorney seminar;
- .. 7 complaints to Ombudsman resulted in no finding of administrative deficiency;
- .. Reviewed capital commission based fee structure;
- .. Increased public donations to GreaterGood to \$2,671,023.42 (after distributions);
- .. Relocated office to more modern, and accessible accommodation at Ground Floor, ActewAGL House at no cost to ACT government;
- .. Launched PTACT's new corporate branding and commenced new marketing program;
- .. Redesigned Public Trustee website;
- .. Commenced development of Online Wills Fact Finder.



MAJOR CHALLENGES FACING THE PUBLIC TRUSTEE INCLUDE...

Our major challenge is to operate within a business model that serves two distinctly separate communities of clients including estate planning, executor and trustee services and our clients living with a disability whose financial affairs we manage. This dual responsibility presents challenges for our business, particularly as we strive to ensure that the Public Trustee operates within a government framework for governance and administration, whilst seeking to achieve the best outcomes for our commercial and Community Service clients alike.

Within that model, we need to ensure that our role as trustee is not compromised by the rigours and demands of government administration.

A particular challenge is to ensure that the growing number of appointments as Financial Manager is complemented by commensurate growth in commercial activities to ensure that funding is guaranteed independently of government appropriation.

Our continuing challenge is to ensure that our staff members possess the skills to address our increasingly complex Trustee responsibilities and to achieve the best results for our clients. We have addressed this through our relationship with the University of Western Sydney and the Financial Services Institute of Australia (FINSIA).

➔ A.4 OUTLOOK

OUR FUTURE PRIORITIES ARE...

An immediate future priority is to develop a number of smart IT applications to improve the efficiency of a number of processes within the office. We have commenced building an Online Wills Fact Finder to assist clients to provide information necessary to commence drawing their Will, with a reduced need to attend the office. We have also made arrangements to change our Income Tax preparation and lodgement system.

A medium term priority is to ensure that we –

- ∴ identify and manage all levels of risk to our undertakings, in particular, to ensure that our business viability is strong;
- ∴ return to Government an annual dividend amount at least equal to the level of funding received; and
- ∴ continue to develop our capability to keep pace with the increasingly complex technical demands of our work.

Our longer-term priority is to ensure that the Public Trustee is well placed to deal with the demands of an ageing population. The changes in ACT demographics will have major impacts on the Public Trustee's role as a Financial Manager. The increasing changes in family life, including the incidence of blended and globally scattered families, and the greater complexity in personal financial circumstances dictate that the Public Trustee must continuously respond to and adapt to environmental change.

The diversity of our professional skills and experience inspires a 'whole of business' culture for the clients and for the community we serve. We seek to promote the Public Trustee as the only organisation in the ACT, which provides a complete trustee service.

TRENDS AND FORECAST CHANGES IN OUR OPERATING ENVIRONMENT

Australian life expectancy has changed dramatically. Between 2000 and 2005, the life expectancy of Australians continued to increase markedly from 76.2 years to 79.9 years for males, and from 81.8 years to 84 years for females.

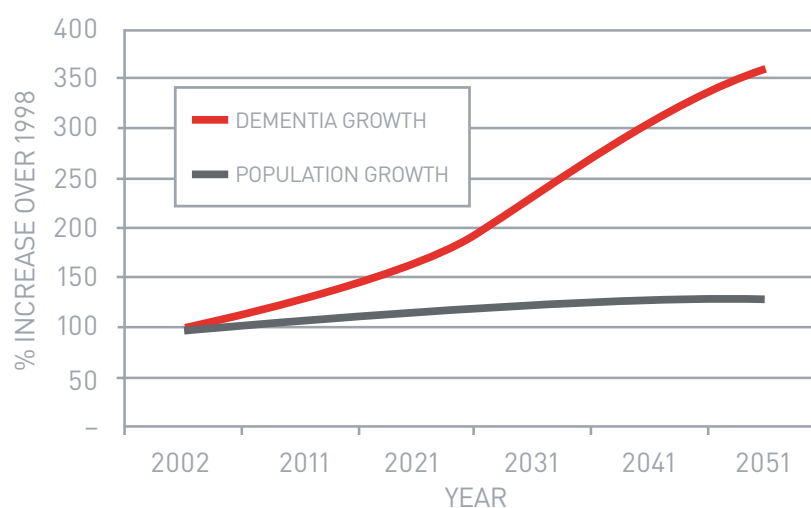
According to the 2003-05 Australian Bureau of Statistics (ABS) Life Tables, ACT residents have higher life expectancy at birth than residents of other states and territories (1.4 years higher for males and .7 years higher for females).

In 2005, the ACT recorded the lowest number (of all states/territories) of deaths at 5.6 deaths per 1,000 people, together with a higher than national median age at death at 78.5 years.

In 2005, ACT women recorded the lowest fertility rate of all state/territories at 1.65 births per woman against the national average of 1.81 births per woman.

In summary, the ACT has fewer births and our age at death and life expectancy are the highest in Australia...our population is clearly ageing. As a result, the incidence of dementia is increasing and will clearly affect the Public Trustee's future priorities.

The following table appeared in a report prepared by Access Economics Pty Ltd for Alzheimer's Australia in February 2005 "Dementia Estimates and Projections: Australian States and Territories".



ACT Government recently reviewed the *Powers of Attorney Act 2006*, modifying the provisions relating to Enduring Powers of Attorney. An Enduring Power of Attorney allows a person to give a trusted representative, the legal authority to act for them to make legally binding decisions on their behalf, even if the donor loses capacity due to illness or disability.

A purpose of the review was to mitigate the possibility of elder abuse in the community. Under the *Public Trustee Act 1985*, the Public Trustee is empowered to prepare Enduring Powers of Attorney. The new legislation limits our representation to property and financial matters, and it is likely that the Public Trustee will be appointed as attorney for an increasing number of Canberrans.

The incidence of appointments of the Public Trustee by the ACT Guardianship and Management of Property Tribunal to act as Financial Manager for persons with impaired decision-making ability will increase.

The higher proportion of older persons in the community will cause an increase in demand for our estate administration services. Changes to federal superannuation and taxation legislation will impact upon the Public Trustee's activities.

The net result is that the Public Trustee must ensure that it has the funding and a qualified staffing resource to address these likely trends. It is vital that we develop our commercial undertakings to fund these increased demands in the event that increased funding by way of appropriation is not forthcoming.

OUR SIGNIFICANT IMMEDIATE FUTURE RISKS AND ISSUES ARE...

Significant potential risks facing the Public Trustee, identified in a review of our Fraud, Risk and Corruption Management Strategy include –

- ∴ risk of lack of adequate immediate and ongoing funding to meet budget requirements
- ∴ possible impairment of organisational objectives due to loss of key professional staff.
- ∴ non-compliance with legislation, policies and procedures due to volume and complexity of work.
- ∴ fraud resulting in misappropriation of fund and property.
- ∴ significant system failure resulting in loss of information.
- ∴ personal safety of staff may be compromised.
- ∴ financial loss in relation to funds management.

Mitigation measures have been built into the Strategy and are managed through the Public Trustee's Business Plan and Activity Agenda.

→ A.5 MANAGEMENT DISCUSSION & ANALYSIS

OBJECTIVES

The primary objective of the Public Trustee is to provide safe, accessible and permanent trustee services to residents of the Australian Capital Territory. The principal activities of the Public Trustee include –

- ∴ preparation of Wills where the Public Trustee is named as executor or co-executor;
- ∴ administration of deceased estates under Will or intestacy;
- ∴ acting as trustee for life interest estates and persons lacking legal capacity;
- ∴ financial management under Enduring Power of Attorney, and under Order of the Guardianship and Management of Property Tribunal;
- ∴ examination of accounts of external managers under the *Guardianship and Management of Property Act 1991*;
- ∴ asset services in relation to the confiscation of criminal assets;
- ∴ taxation and safe custody services for established clients;
- ∴ acting as agent for Unclaimed Monies; and
- ∴ undertaking investment responsibility for ACT Government Trust Funds.

RISK MANAGEMENT

Our approach to risk management provides clients with the assurance that low risk/high value services can be delivered. Risk is managed from both strategic and business process perspectives.

A comprehensive fraud, risk and corruption minimisation strategy covering all investment, financial, operational and administrative responsibilities has been developed. This strategy documents business processes undertaken by the Public Trustee, identifies key risks associated with these processes and measures undertaken to control these risks.

The following potential risks may influence our future financial position –

- ∴ Maintenance of our share of the ACT trustee and estate administration market to ensure sufficient funds exist to meet current and future budgets, which in turn subsidise the Community Service Obligations of the office. We are developing long-term marketing strategies to address these issues in the business plan.
- ∴ The age profile of our employees indicates that a number of employees will retire within the next five to ten years. As a result there is a risk of significant skill deterioration in the workforce. We are reviewing the workforce-training plan as part of the business and strategic plan to ensure skills are retained. A number of manuals are also being developed.
- ∴ System reliability and integrity is a major potential risk to our business. We have made a number of major changes to our IT infrastructure aimed at minimising potential contingency risks associated with ageing hardware, improving backup practices and this has ensured that InTACT guidelines are met.



REVENUE

The following financial information is based upon actual figures to 30 June 2007, the audited Financial Report for 2005-06 and 2006-07 budget estimates contained in the 2006-07 Budget Paper Number 4.

The operating surplus for the year ending 30 June 2007 was \$947,539.00, an increase of \$867,539.00 on the 2006-07 budget estimate of \$80,000.00 for the same period, and an increase of \$447,740.00 over the previous year for the same period. The surplus is largely due to increased operating revenue as a result of a continued increase in the value of, and income received on, Common Fund investments, the continued finalisation of a number of high value estates and the receipt of \$527,000.00 from the Commonwealth Government to fund our relocation. As a result, revenue rose at a higher rate than expenditure.

As illustrated in Figure 1, the Public Trustee derived 67% of its revenue from fees and charges relating to the provision of trustee services.

Total revenue for the year ending 30 June 2007 was \$4,030,680.00, which is \$784,637.00 higher than the budget estimate for 2006-07 of \$3,148,000.00 for the same period and an increase of \$818,11.00 over the 2005-06 actual outcome of \$3,212,568.00 for the same period. This increase is attributable to the receipt of a one-off payment received from Department of Transport and Regional Services for assistance with our relocation, the remaining increase is as a result of continued increase in the value of, and income received on, Common Fund investments and the continued finalisation of a number of high value estates. Total revenue is 25.47% higher than total revenue for the same period in the previous year.

Income has risen quite significantly over the past few years. As the Public Trustee's client base continues to grow, it is anticipated that revenue will continue to do so as well. The funds received from the Commonwealth Government this financial year, shown as other income, is a one-off payment only. The main components of Public Trustee revenue are commissions and Management fees. Both of these revenue items are percentage based and as such, will continue to grow with the increase in the number of clients and the value of their assets being managed.

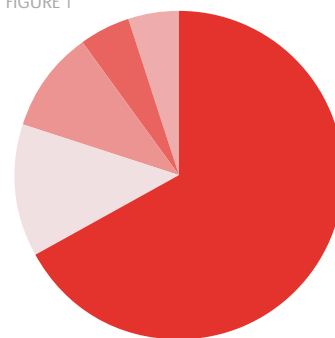
EXPENSES

The Public Trustee's core business is the provision of estate and trustee services. Accordingly, the main expense items were typically employee expenses and administrative expenses relating to the provision of core services as shown in Figure 2.

Total expense for the year ending 30 June 2007 was \$3,083,142.00 of which \$2,175,737.00 or 70.57% was employee-related expense. Total expense is \$15,142.00 higher than the budget estimate for 2006-07 of \$3,068,000.00 for the year. By comparison, actual expense for the previous year was \$2,712,792.00 for the same period. The increase is mainly attributable to recent recruitment campaigns, expenses associated our relocation and IT upgrade.

Expenses have risen quite significantly in the last few years. This trend is expected to continue, but at a slower rate. In future years it is anticipated that employee expenses will increase due to changes to wage conditions, the employment of professional staff to cope with the ever-changing workload and the continually increasing client base. It is also anticipated that, due to the increasing workload of the office, an increase in supplies and service expenses will occur.

FIGURE 1



COMPONENTS OF REVENUE
2006-07

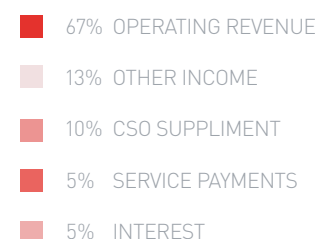
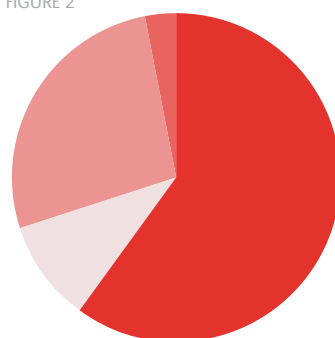
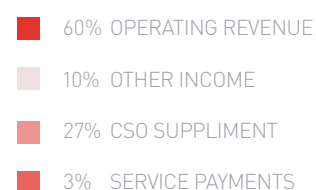
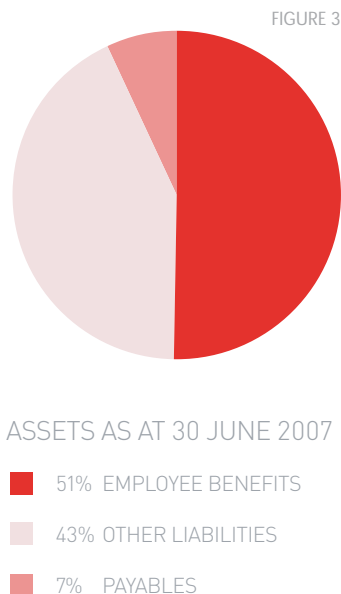


FIGURE 2



TOTAL EXPENSES FOR 2006-07





PUBLIC TRUSTEE FINANCIAL POSITION

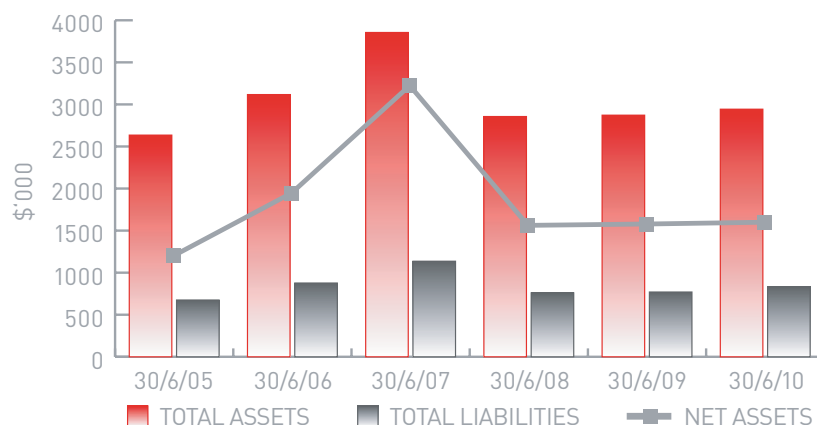
Key indicators of the health of the Public Trustee's financial position are the ability to sustain the existing asset base, the ability to pay debts falling due in the short term and maintaining prudent levels of longer term liabilities. Figure 3 indicates assets held by the Public Trustee at 30 June 2007.

As shown by Figure 3, the Public Trustee has total assets of \$3,854,792.00, of which a sizeable percentage (\$2,900,000.00), is invested with various financial institutions, and \$226,771.00 is held in short term cash accounts for ongoing expenses. The balance of assets, \$728,620.00, is made up of receivables of \$227,348.00, prepayments of \$18,643.00 and Property Plant and Equipment of \$482,630.00. The main variance from the actual outcome of 2005-06 is an increase in receivables due to the larger client base and the value of their assets. The increase in Property Plant and Equipment is attributable to the cost of the fit-out of our new premises. The asset balance is higher than the budget estimate for 2006-07 of \$2,794,000.00.

SUSTAINED ASSET BASE

Our ability to sustain our asset base is indicated by changes in net assets. As Figure 4 below illustrates, the Public Trustee maintains a strong net asset position due to the increased level of funds under management, in comparison with liabilities.

FIGURE 4



The net asset position continues to indicate an asset base capable of meeting the service requirements of our clients.

LIQUIDITY

"Liquidity" is the ability to satisfy short-term debts as they fall due. A common indicator for liquidity is the current ratio, which compares the ability to fund short-term liabilities from short-term assets. A ratio of less than 1 to 1 may indicate a reliance on the next financial year's operating revenue to meet short-term debts. Table 1 illustrates our liquidity position.

TABLE 1

	Prior Year Actual \$'000 2006	Current Year Actual \$'000 2007	Current Year Budget \$'000 2007	Forward Year Budget \$'000 2008	Forward Year Budget \$'000 2009	Forward Year Budget \$'000 2010
Total Current Assets	3,108	3 372	2785	2,847	2,864	2,935
Total Current Liabilities	853	1 136	692	730	735	793
Current Ratio	3.64:1	2.96:1	4.02:1	3.90:1	3.90:1	3.70:1

Our current ratio as at 30 June 2007 is 2.96 to 1, a decrease on the budgeted current ratio at 30 June 2007 of 4.02 to 1. We anticipate current assets to remain relatively stable and will maintain a strong level of liquidity.

LIABILITIES

Total liabilities for the year ending 30 June 2007 were \$1,136,026.00. This balance is \$414,026.00 higher than the budget figure for 2006-07 of \$722,000.00 and higher than the actual balance as at 30 June 2006 by \$258,720.00. The main increase is attributable to higher dividend payable calculated at 30 June 2007. Figure 5 sets out liabilities at 30 June 2007.

The 'financial assets to total liabilities ratio' is an indicator of financial strength and reflects the ability to meet current and recognised future obligations from those assets capable of being converted to cash. Financial assets include cash, investments and receivables.

The ratio for 30 June 2007 as indicated in Table 2 is 2.95 to 1 and remains constant in forward years. The ratio of 2.95 to 1 is a decrease from 3.52 to 1 at 30 June 2006, however this indicates that our liquidity is more than adequate.

TABLE 2

	Prior Year Actual \$'000 2005-06	Current Year Budget \$'000 2006-07	Current Year Actual \$'000 2006-07	Forward Year Budget \$'000 2007-08	Forward Year Budget \$'000 2008-09	Forward Year Budget \$'000 2009-10
Total Financial Assets	3,090	2,757	3,354	2,818	2,834	2,904
Total Liabilities	877	722	1,136	760	770	833
Financial Assets to Liabilities Ratio	3.52:1	3.92:1	2.95:1	3.71:1	3.68:1	3.48:1

With financial assets to total liabilities ratios well in excess of 1:1, the Public Trustee is well positioned to meet long term funding requirements.

→ A.6 FRAUD PREVENTION

OUR ASSESSMENT OF RISK...

Our Fraud, Risk and Corruption Management Strategy established appropriate controls and checks, as safeguards to address potential fraud and to ensure a high level of security for our clients' assets. Our trust-accounting system (TACT) has been designed specifically for use by the Trustee Industry and meets standards for client confidentiality and security control.

Under the Strategy, a number of important fraud/corruption prevention initiatives have been implemented –

- .. A gifts and inducements policy incorporating a gifts register.
- .. A Code of Conduct completed by service providers to the Public Trustee.
- .. Visitor control register and tags at reception.
- .. Restricted staff access to client valuables.
- .. Police checks on all new staff recruited.

During the year, the Public Trustee attended fraud and risk awareness training through ACTIA.

OUR CODE OF CONDUCT FOR SERVICE PROVIDERS

Due to the nature of our responsibilities to our clients, it is vital that our activities are undertaken in an open, accountable and transparent manner, recognising the risks involved, and protecting the Public Trustee's trusted name in the community.

As part of that strategy, suppliers of services to our clients are required to acknowledge the Public Trustee's "Code of Conduct for Service Providers", and to undertake that any business on behalf of the Public Trustee will be conducted, respecting that code.

The code reflects the special and trusted nature of the Public Trustee's role in the community, and the expectations that our clients have of us and of our service providers. Our aim is to ensure that our service providers act at all times in a manner that reflects and honours those expectations. During the year the Code was reviewed in respect to the practice of agents obtaining a beneficial interest in property being sold on behalf of the Public Trustee.

→ A.7 RISK MANAGEMENT & INTERNAL AUDIT

The Fraud, Risk and Corruption Management Strategy is supervised by the Management Committee, which comprises the Public Trustee and senior management with external advice as required.

The Strategy covers all investment, financial, operational and administrative responsibilities. It documents business processes undertaken by the Public Trustee, identifies key risks associated with these processes and measures undertaken to control these risks.

Under the Strategy, a number of important risk management initiatives have been implemented –

- ∴ A building/accommodation strategy providing for accommodation to suit the next five to ten years.
- ∴ A staff succession plan involving a structural review, internal staff rotation, an industry standard training program and external recruitment of specialist staff.
- ∴ A review of the capital commission scale of fees for estate administration.
- ∴ Completion of a major upgrade of the main hardware and software aspects of the Public Trustee's IT infrastructure.
- ∴ Recruitment of highly skilled legal and tax accounting personnel to ensure that the Public Trustee is appropriately equipped to respond to the increasing complexity of business.

WE HAVE DEVISED RISK PROFILE MODELS TO SUIT CLIENT NEEDS

Our investment of client moneys is designed to make a return and is subject to risk. The Public Trustee complies with the prudent person investment principle contained in the *Trustee Act 1925*, to ensure that trusts are reviewed on an annual basis and invested in accordance with an appropriate risk profile.

Major risk investment categories applied are Growth, Balanced, Income Stable and Capital Secure. These are invested through sector common funds in tactical asset allocations, which have been set in consultation with an external assets/markets consultant.

During the reported year, the Public Trustee's Investment Board considered the establishment of an International Equities Fund to further diversify investment options and to further minimise client investment risk.

The Public Trustee's Management Committee coordinates internal audits of the Public Trustee's business.

During the year, the Dept of Justice and Community Safety conducted an internal IT Review of the Public Trustee's business systems.

The Public Trustee identified seven systems in use, two of which were described as critical. Threat and Risk assessment systems have been completed for all but three systems, which have medium to low criticality.

The audit report identified the following issues for the Public Trustee's highly critical systems –

- ∴ Trust Accounting System (TACT) – This system is highly critical to the Public Trustee's management of moneys, wills etc and is relied upon constantly. It is proposed to incorporate TACT into the JACS IT support arrangements and complete support arrangements with vendors.
- ∴ Diamond Services – System is common to other ACT Government users and has appropriate support arrangements in place. It is proposed to examine support arrangements in place in other government agencies.

➔ A.8 INTERNAL ACCOUNTABILITY – OUR GOVERNANCE ARRANGEMENTS

The Public Trustee's Executive Team represents a balance in skill sets, and with the commercial focus necessary to shape the future direction of the Public Trustee and a shared commitment and vision.

OUR SENIOR EXECUTIVE TEAM...



➔ **ANDREW TAYLOR**
PUBLIC TRUSTEE/CHIEF EXECUTIVE

Andrew Taylor was appointed to the statutory office of Public Trustee for a 5-year term on 22 September 2005, and undertakes the role of Chief Executive. The Public Trustee has specific responsibilities as Trustee established by legislation and is responsible to the Chief Executive, Department of Justice and Community Safety (JACS) through a Deputy Chief Executive.

Mr Taylor is a member of the National Council of the Trustee Corporations of Australia, the Australian Guardianship and Administration Committee and ACT Ministerial Advisory Council on Ageing. He is trustee for the Capital Region Community Foundation (known as GreaterGood).

The Public Trustee's responsibilities relative to the organisational and output structure are –

- ∴ Lead and improve service delivery in Trustee administration.
- ∴ Effective allocation of budget, planning and resources.
- ∴ Deliver best practice Trustee policies, practices and procedures.
- ∴ Ensure case management strategies meet the needs of Public Trustee clients and stakeholders.
- ∴ Minimise operational costs while maintaining a high level of client service.
- ∴ Ensure a high performance culture.

The Public Trustee is remunerated in accordance with a Determination of the Remuneration Tribunal. All other Public Trustee executives are remunerated under the *Public Sector Management Act 1994*.



➔ **DOUG GILLESPIE**
DEPUTY PUBLIC TRUSTEE

Doug Gillespie has over 40 years experience in the Trustee industry, including 17 years with the Public Trustee. His position has a strong technical focus with a major emphasis on overseeing financial planning activities and professional investment services. He is also responsible for the provision of sound financial and investment advice to clients and the preparation of plans for each trust.

Mr Gillespie is an Associate of the Executor and Trustee Institute of Australia, a member of the Tax and Accountants Association Ltd, a Senior Associate of the Financial Services Institute of Australasia (FINSIA) and is a member of the Board of GreaterGood. He has completed a Graduate Diploma in Applied Finance and Investment (FINSIA).



➤ **SUE LA PEYRE**
MANAGER – TRUSTS

Sue La Peyre has been with the Public Trustee since 1989, and is a practising solicitor and member of the Law Society of the ACT. She has experience in the private sector and her responsibilities involve a management, leadership and staff development focus. Her position also assumes a quality control function with the editing and reviewing of work to ensure statutory compliance. Ms La Peyre has responsibility for the administration of more complex Estates, Trusts and Wills.

Ms La Peyre has attained a Bachelor of Arts and a Bachelor of Laws at Sydney University.



➤ **JOANNE THOMPSON**
MANAGER – FINANCE

Joanne Thompson was appointed to this upgraded position in 2006 and has 17 years experience with the Public Trustee. Ms Thompson manages all Public Trustee accounting functions including office management and government trust accounts and has responsibility for financial reporting. She is also responsible for ensuring maximum return on cash investments.

Ms Thompson has been awarded a Diploma and an Advanced Diploma of Government Financial Management.



➤ **TONI LEIPER**
**MANAGER - PERSONAL
MANAGEMENT SERVICES**

Toni Leiper was appointed to this upgraded position in 2006, and is responsible for overseeing and running the Personal Management Services Unit. She has extensive experience in Public Trustee administration. Mrs Leiper and her staff have overall responsibility for the financial and property affairs of represented clients including approximately 435 clients (subject to financial management orders) and 74 (who have appointed the Public Trustee as their attorney), and assets to the value of \$45.9M.



PUBLIC TRUSTEE INVESTMENT BOARD

PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

ANNUAL REPORT 2006/07

The Public Trustee Investment Board (the Board) was established under S.46 of the *Public Trustee Act 1985*.

Under the Act, the Board must consist of the Public Trustee as Senior Member, and at least two other members appointed by the Minister for a term not longer than three years. Members of the Board are not remunerated.

Board members provide expertise to ensure best practice in financial and risk management and advise the Public Trustee on –

- investment strategies concerning moneys held in the common funds or otherwise available for investment;
- core financial areas related to the development and management of the common funds on behalf of Public Trustee client investors; and
- aspects of policy and its implementation to ensure that it meets the needs of the *Public Trustee Act 1985*, the *Trustee Act 1925* and the *Financial Management Act 1996*.

The board consists of the Public Trustee, Andrew Taylor and four members appointed in March 2006 by the Chief Minister.



- Mr Len Early brings to the Board, high-level expertise in fund management, risk management and corporate governance. Mr Early is a principal of Len Early Pty Ltd, providing advice on public sector policy and financial management, with a particular focus on public sector governance, public sector financial reform, budget reform, public sector superannuation and policy evaluation. A former Deputy Secretary of Department of Finance and Administration (Clth), Mr Early holds a number of other current Board appointments.



- Ms Glenys Roper is Director of Roex Management Pty Ltd, providing business and management advice. A former Chief Executive for the Office of Government Online (Clth), Ms Roper was responsible for federal government strategy for electronic service delivery and 'back end' processing. Ms Roper is a member of several other Boards, including the ACT Government Procurement Board.



- Mr Roger Broughton is currently Executive Director, Investment and Economics, ACT Treasury. Mr Broughton has extensive experience in financial and economic policy together with his responsibilities in the financial management and investment of ACT Government funds and superannuation liabilities and assets. Prior to embarking on a public service career, Mr Broughton spent 17 years in the energy and water industries. Until recently, he was also Chair of the ACT Insurance Authority. He currently oversees around 60 percent of the ACT's revenue and 95 percent of its financial assets and liabilities.



- Ms Christine Goode PSM has 34 years experience in Australian Public Service administration across constitutional development; public service central management; transport; communications and superannuation and has held senior executive positions for 20 years. Since retiring from full-time work Ms Goode has served on the Board of State



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

Super Financial Services Ltd, and presently is Deputy Chair of the Board of Airservices Australia. She also consults on risk management and leadership.

The Board met on five occasions during the year – 8 August 2006, 14 November 2006, 31 January 2007, 22 March 2007 & 24 May 2007 - representing four scheduled quarterly meetings plus a special meeting specifically to consider strategic matters. The Deputy Public Trustee and the Finance Manager provide reports and attend board meetings.

The Board takes regular advice on market and manager performance through quarterly investment reports from an external financial markets/asset management consultant, Robert Johnson and Associates.

The board has overseen a quality performance of the Public Trustee's Common Funds during the 2007 year and the funds have delivered sound income and capital growth for office clients. In March 2007, the Board endorsed raising the Public Trustee's Cash Common Fund interest rate by 0.25% to 5.25%.

The Board recommended that the Public Trustee prospect the addition of an International Equities Common Fund to its suite of funds and external advice was taken. The resulting recommendations are being analysed in the context of the Public Trustee's entire common fund portfolio for the adoption of a strategic plan for the future.

On the Board's recommendation, the Public Trustee has corresponded with the ACT Government's Under-Treasurer seeking cooperative arrangements on asset consultant and fund management services. Opportunities have been identified and these are being examined and explored for suitability within the independent structure of trustee operations.

The Board noted the Public Trustee's Fraud, Corruption and Risk Management Plan, Management Discussion and Analysis Report and Statement of Intent.

The upgrade of the Public Trustee's IT infrastructure was noted. This involved acquisition of a replacement server located remotely from the office and upgrade to the latest version of the TACT Trust Accounting System.

The Board noted the sound progress of the Capital Region Community Foundation, a charitable fund initiative of the Public Trustee, which has grown by 65% during the 2007 year.

I thank members of the Board together with my Deputy Public Trustee, Finance Manager and Robert Johnson for their valuable advice and contribution to the office during 2006/07.



Andrew Taylor
SENIOR MEMBER/
PUBLIC TRUSTEE

PUBLIC TRUSTEE INVESTMENT BOARD

The Public Trustee Investment Board is established under the *Public Trustee Act 1925* and advises the Public Trustee. The Board is not a governance board and does not provide advice to the Minister.

A full report on the Public Trustee Investment Board is provided in this section of the Annual Report.

PUBLIC TRUSTEE MANAGEMENT COMMITTEE

Supporting the Public Trustee in his role as agency head and decision-maker, the Public Trustee's Management Committee focuses on –

- ∴ Implementing the Public Trustee's Business Plan and Activity Agenda.
- ∴ Public Trustee Investment Management Advisory issues, setting direction, approving investment and reviewing and endorsing asset allocations under the prudent person investment principle.
- ∴ Risk Management complementing the audit and management advisory functions.
- ∴ Resource Management providing support and advice to the Public Trustee on the management and operations of the office.

The Public Trustee's Organisation Chart is at Part A1 of this report.

INDEPENDENT ADVICE

Under the *Trustee Act 1925*, a trustee may obtain independent investment advice and recoup the cost of doing so from trust funds.

In accordance with the Act, independent advice is taken with respect to investments and asset allocation of the common funds. An external financial markets specialist provides appropriate independent advice to the Public Trustee and to the Public Trustee Investment Board.

Further investment advice has been provided during the year by fund managers including –

- ∴ Tasman Asset Management Limited (trading as Tyndall);
- ∴ Suncorp Metway; and
- ∴ UBS Global Asset Management.

OUR LEGAL ADVISORS...

In addition to our in-house practising solicitors, the Public Trustee takes advice from the Government Solicitor of the ACT and also, in matters concerning our clients' personal matters, from the private sector.

DELEGATIONS

Financial delegations are set under the *Public Trustee Act 1985*, the *Financial Management Act 1996* and the *Audit Act 1989*. Delegations are reviewed each financial year.



ACT AUDITOR-GENERAL'S OFFICE



REPORT OF FACTUAL FINDINGS

PUBLIC TRUSTEE FOR THE ACT

To the Members of the ACT Legislative Assembly

Finding

Based on my procedures, no matters have come to my attention which indicate that the Statement of Performance of the Public Trustee for the ACT (the Public Trustee) for the year ended 30 June 2007 does not fairly present the performance of the Public Trustee in accordance with the *Financial Management Act 1996*.

This finding should be read in conjunction with the following information.

Responsibility for the Statement of Performance

The Public Trustee is responsible for the Statement of Performance. This includes responsibility for the maintenance of adequate supporting records and internal controls that are designed to prevent and detect fraud and error, and for the measurement policies and estimates used in the preparation of the Statement of Performance.

Contents of the Statement of Performance

The Statement of Performance consists of the performance measures included in the Public Trustee's Statement of Intent and accompanying notes.

Electronic Presentation of the Reviewed Statement of Performance

Those viewing an electronic presentation of the reviewed Statement of Performance should note that the Public Trustee is responsible for the integrity of the information placed on the Public Trustee's website. I have not examined the integrity of this website. The Report of Factual Findings refers only to the Statement of Performance. It does not provide an opinion on any other information, which may have been hyperlinked to or from this Statement of Performance. If users of the Report of Factual Findings are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the printed copy of the reviewed Statement of Performance, available from the Public Trustee, to confirm the information included in the electronic presentation of the reviewed Statement of Performance.

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PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

The Auditor's Responsibility

My responsibility is to provide a Report of Factual Findings on the performance measures included in the Public Trustee's Statement of Performance as required by the *Financial Management Act 1996*.

Scope

I have reviewed the Statement of Performance of the Public Trustee for the year ended 30 June 2007, in order to report on whether any matters have come to my attention that would indicate that the Statement of Performance is not fairly presented in accordance with the *Financial Management Act 1996*.

My review was conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is primarily limited to inquiries of the Public Trustee's representatives, analytical procedures and the examination of other available evidence.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. I have not performed an audit and, accordingly, I do not express an audit opinion on the Statement of Performance.

My procedures also did not include an assessment of the relevance or appropriateness of the measures contained within the Statement of Performance.

I have not expressed an opinion on the accuracy of explanations provided for variations between actual and budgeted performance due to the essential subjectivity of these explanations.

Independence

In conducting this review, I followed applicable independence requirements of Australian professional ethical pronouncements.



Tu Pham
Auditor-General

12 September 2007



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

**Public Trustee for the A.C.T.
Statement of Performance
For the Year Ended 30 June 2007**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with Public Trustee's records and fairly reflects the service performance of the Public Trustee for the year ended 30 June 2007 and also fairly reflects the judgements exercised in preparing them.



Andrew Taylor
Chief Executive
Public Trustee ACT

11 September 2007



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

PUBLIC TRUSTEE FOR THE ACT
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2007

Performance of the Public Trustee for the Australian Capital Territory is measured by the increase in volume of new business, the return on investment of client funds, and by client satisfaction, which includes the ability of the office to meet agreed standards and to provide professional, and efficient services to the ACT Community.

INDICATOR	TARGET 2006-07	Actual Outcome 2006-07	% Variance	Notes
No. of Current Financial Management under Orders of the Guardianship and Management of Property Tribunal (GMPT)	403	435	8%	1
No. of active financial management accounts under Power of Attorney and Enduring Power of Attorney	93	77	(17%)	2
No. of responses to community call outs following death	4	5	25%	3
No. of Welfare funerals arranged	8	8	0%	3
No. of Examinations of accounts provided from external managers under GMPT	310	261	(16%)	4
No. of Deceased Estate Administrations completed < \$100,000	68	55	(19%)	5
No. of Deceased Estate Administrations completed > \$100,000	40	41	2.5%	5
No. of trusts held under legal liability less than <\$100,000	535	452	(16%)	6
No. of trusts held under legal liability > \$100,000	37	31	(16%)	6
Wills	615	644	5%	7
<i>Percentage of expenditure over total income</i>	97%	76%	(22%)	

Notes

1. The number of clients under Guardianship and Management of Property Orders has increased due to the appointment of the Public Trustee as manager of last resort.
2. The number of Enduring Power of Attorneys has reduced in 2006-07 due to number of deaths, transfer of clients to Guardianship and Management of Property Orders and due to individuals electing to appoint persons other than the Public Trustee.
3. The number of Welfare Funerals and AFP call-outs is dependent upon the level of funds of deceased persons and the ability to contact known family members. Public Trustee involvement is usually last resort.
4. The number of accounts examined is reliant upon external managers providing accounts to the office on an annual basis.



PUBLIC TRUSTEE FOR THE ACT
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2007

5. The number of deceased estates being administered by the Public Trustee that have a value of less than, or more than \$100,000, is solely dependent upon the level of assets at date of death.
6. The number of trusts with a value of less than, or more than \$100,000, depends solely upon court awarded settlements. Changes to legislation and court nominations affect the number of clients being administered by the Public Trustee.
7. The number of requests for new and changed wills remains relatively high due to marketing strategies, community education and excellent customer feedback.
8. Due to the increase in User Charges and in Other Income the overall income increased significantly from the previous year, yet expenses only increased slightly. Therefore the percentage of expenditure over income is significantly lower than budget.



PUBLIC TRUSTEE FOR THE ACT
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2007

Financial Performance Measurement Analysis

	2006-07 Target	2006-07 Actual	Variance %	Notes
Profitability				
Return on Assets	2.84%	27.18%	857%	1
Return on Equity	3.86%	34.85%	803%	1
Profit Margin	2.67%	28.67%	973%	1
Liquidity				
Current Ratio	8.49:1	3.02:1	(64%)	2
Cash Position	.8984	.8109	(10%)	3
Receivables Turnover	9.66	15.61	62%	4
Financial Stability				
Debt Ratio	25.76	29.47	14%	5

- *Return on Assets*=(operating result before tax + interest expense)/average total assets for period
- *Return on Equity*=operating result before tax/equity
- *Profit Margin*=operating result before tax /(Govt & Non-Govt user charges + taxes, fees and fines)
- *Current Ratio*=current assets/current liabilities
- *Cash Position*=(cash + current investments)/total assets
- *Receivables Turnover*=(Non-Govt user charges + taxes, fees & fines)/average Non-Govt receivables for period
- *Debt Ratio*=total liabilities/total assets

Notes

1. The large variance in the Profitability Ratios is mainly due to an increase in other income as a result of funds received from the Commonwealth Government to assist with the costs associated with moving from 4 Mort Street to 221 London Circuit. Also, an increase in operating revenue as a result of a continued increase in the value of, and income received on, Common Fund investments and the finalisation of a number of high value estates have also assisted in increasing our operating result which has affected the Return on Assets, Return on Equity and the Profit margin.



PUBLIC TRUSTEE FOR THE ACT
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2007

2. When original budget figures were prepared, leave balances were mainly accounted for in non-current liabilities, however, with changes in accounting standards, most leave balances are now treated as Current Liabilities therefore the variance measure for the Current Ratio is somewhat different when comparing budget to actual.
3. The cash position of the Office varies from day to day. There was a reasonable increase in receivables in the current year compared to budget and this provided a decrease in the Cash Position ratio.
4. Due to changes implemented in 2005-06 the Receivables Turnover period decreased dramatically. Most clients, when paying for services provided in-house by the Public Trustee, pay their accounts on the day the account is provided to them.
5. The increase in Debt ratio is mainly attributable to an increase in assets due to the purchase Property Plant and Equipment items as a result of the costs associated with the move from 4 Mort Street to 221 London Circuit.





ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

Public Trustee's Office

To the Members of the ACT Legislative Assembly

Audit Opinion

In my opinion, the financial report of the Public Trustee's Office (the Public Trustee) for the year ended 30 June 2007:

- (i) is presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) presents fairly the financial position of the Public Trustee as at 30 June 2007 and the results of its operations and its cash flows for the year then ended.

This audit opinion should be read in conjunction with the following information.

Responsibility for the Financial Report

The Public Trustee is responsible for the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and estimates used in the preparation of the financial report.

Contents of the Financial Report

The financial report is comprised of the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes.

The Auditor's Responsibility

My responsibility is to express an opinion on the financial report as required by the *Financial Management Act 1996*.

Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of this audited financial report should note that the Public Trustee is responsible for the integrity of the information placed on the Public Trustee's website. I have not examined the integrity of this website. The audit report refers only to the financial report identified above.

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PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

It does not provide an opinion on any other information, which may have been hyperlinked to or from this report. If users of the report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the printed copy of the audited financial report, available from the Public Trustee, to confirm the information included in the audited financial report presented on this website.

The Audit Scope

My audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

I formed the audit opinion by performing procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view that is consistent with my understanding of the financial position and performance of the Public Trustee.

The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and, in many cases, the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

My procedures included:

- (i) examining, on a test basis, evidence supporting the amounts and other disclosures in the financial report; and
- (ii) evaluating accounting policies and significant accounting estimates used in the preparation of the financial report.

I considered the effectiveness of internal controls when determining the nature and extent of my procedures, however, the audit was not designed to provide assurance on internal controls.

My audit was also not designed to provide assurance on the appropriateness of the budget information included in the Public Trustee's financial report or to evaluate the prudence of decisions made by the Public Trustee.

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.




Tu Pham
Auditor-General
31 August 2007

**Public Trustee for the A.C.T.
Financial Report
For the Year Ended 30 June 2007**

Statement of Responsibility

In my opinion, the financial report is in agreement with the Public Trustee's accounts and records and fairly reflects the financial operations of the Public Trustee for the year ended 30 June 2007 and the financial position of the Public Trustee on that date.


Andrew Taylor
Chief Executive
Public Trustee ACT
16 July 2007

**Public Trustee for the A.C.T.
Financial Report
For the Year Ended 30 June 2007**

Statement by the Chief Finance Officer

In my opinion, the financial report has been prepared in accordance with generally accepted accounting principles, and is in agreement with the Public Trustee's records and fairly reflects the financial operations of the Public Trustee for the year ended 30 June 2007 and the financial position of the Public Trustee on that date.



Joanne Thompson
Chief Finance Officer
Public Trustee ACT

16 July 2007



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	<u>Actual</u>	<u>Budget</u>	<u>2006 Actual</u>
		\$	\$	\$
INCOME				
Service Payments from General Government Sector	4	198 000	198 000	198 000
Community Service Obligation Payment	4	415 000	415 000	407 000
User charges – Non-ACT Government	5	2 694 028	2 380 000	2 449 331
Other Income	6	527 000	0	0
Interest		196 653	155 000	158 240
Total Income		4 030 681	3 148 000	3 212 571
EXPENSES				
Employee Expenses	7	1 867 953	1 868 000	1 776 609
Superannuation Expenses	7	307 784	275 000	184 503
Supplies and Services	8	828 583	924 000	750 373
Depreciation	9	78 822	1 000	1 307
Total Expenses		3 083 142	3 068 000	2 712 792
Operating Surplus	18	947 539	80 000	499 779

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



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
BALANCE SHEET
AS AT 30 JUNE 2007**

	Notes	<u>Actual</u>	<u>2007 Budget</u>	<u>2006 Actual</u>
		\$	\$	\$
CURRENT ASSETS				
Cash and Cash Equivalents	11	3 126 171	2 510 000	2 931 256
Receivables	12	227 348	247 000	158 896
Prepayments		18 644	28 000	17 846
Total Current Assets		3 372 163	2 785 000	3 107 998
NON-CURRENT ASSETS				
Property Plant and Equipment	13	482 631	9 000	8 889
Total Non-Current Assets		482 631	9 000	8 889
Total Assets		3 854 794	2 794 000	3 116 887
CURRENT LIABILITIES				
Payables	14	84 245	78 000	55 251
Employee Benefits	15	557 305	210 000	597 447
Other Liabilities	16	473 769	40 000	199 889
Total Current Liabilities		1 115 319	328 000	852 587
NON CURRENT LIABILITIES				
Employee Benefits	15	20 706	394 000	24 719
Total Non-Current Liabilities		20 706	394 000	24 719
Total Liabilities		1 136 025	722 000	877 306
Net Assets		2 718 769	2 072 000	2 239 581
EQUITY				
Accumulated Funds	18	2 713 351	2 072 000	2 239 581
Asset Revaluation Reserve	18	5 418	0	0
Total Equity		2 718 769	2 072 000	2 239 581

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	2007		2006
		<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
		\$	\$	\$
Cash Flows from Operating Activities				
Receipts				
Operating Revenue		400 583	320 000	346 881
Management fees		905 875	830 000	834 945
Commission received		1 346 191	1 194 000	1 262 606
Interest received		190 071	146 000	156 009
Community Service Obligations payment		415 000	415 000	407 000
Service Payments from the General Government Sector		198 000	198 000	198 000
GST charged on Fees & Commissions		262 620	155 000	247 837
Other		552 205	15 000	18 382
Total Receipts from Operating Activities		4 270 545	3 273 000	3 471 660
Payments				
Related to Employee Payments		2 218 635	2 079 000	1 850 058
Related to Supplies and Services		818 942	916 000	746 192
GST paid on Supplies		120 858	40 000	72 748
GST paid to Australian Taxation Office		147 548	110 000	158 827
Other		22 613	15 000	18 633
Total Payments from Operating Activities		3 328 596	3 160 000	2 846 458
Net cash inflows from Operating Activities	24	941 949	113 000	625 202
Cash Flows from Investing Activities				
Payments				
Property Plant and Equipment		547 145	0	0
Total Payments from Investing Activities		547 145	0	0
Net cash (outflows) from Investing Activities		(547 145)	0	0



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
CASH FLOW STATEMENT (Continued)
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	2007 <u>Actual</u>	<u>Budget</u>	2006 <u>Actual</u>
		\$	\$	\$
Cash Flows from Financing Activities				
Payments				
Dividend Paid		199 889	91 000	133 268
Total Payments from Financing Activities		199 889	91 000	133 268
Net Cash (Outflows) from Financing Activities		(199 889)	(91 000)	(133 268)
Net Increase in cash held		194 915	22 000	491 934
Cash and Cash Equivalents at the beginning of the Reporting Period		2 931 256	2 488 000	2 439 322
Cash and Cash Equivalents at the end of the Reporting Period	23	3 126 171	2 510 000	2 931 256

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



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	2007 <u>Actual</u>	<u>Budget</u>	2006 <u>Actual</u>
Balance at the beginning of the reporting period		2 239 581	2 032 000	1 939 691
Operating Surplus	18	947 539	80 000	499 779
<i>Reserves</i>				
Increase in the Asset Revaluation Reserve	18	5 418	0	0
Total Income and Expense Recognised Directly in Equity for the Period		952 957	80 000	499 779
<i>Transactions involving Equity Holders Affecting Accumulated Funds</i>				
Dividend Approved	18	(473 769)	(40 000)	(198 889)
Balance at the end of the reporting period		2 718 769	2 072 000	2 239 581

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



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

1. OBJECTIVES OF THE PUBLIC TRUSTEE

The functions of the Public Trustee are defined in the *Public Trustee Act 1985* and include the administration of deceased estates and trusts, preparation of wills and management of financial affairs under Enduring Power of Attorney and Management Order from the Guardianship and Management of Property Tribunal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The *Financial Management Act 1996* (FMA) requires the preparation of financial reports for Territory authorities.

The FMA and the *Financial Management Guidelines*, requires that the Public Trustee's financial report include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Cash Flow Statement for the year;
- (v) a summary of the significant accounting policies adopted for the year;
- (vi) such other statements necessary to fairly reflect the financial operations of the Public Trustee during the year and its financial position at the end of the year.

These general purpose financial statements have been prepared in accordance with 'generally accepted accounting practice' as required by the FMA. The financial statements have been prepared in accordance with:

- (i) Australian Equivalents to International Financial Reporting Standards (AIFRS), comprising accounting standards and UIG interpretations issued by the Australian Accounting Standards Board; and
- (ii) ACT accounting policies.

The financial report has been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial report has also been prepared according to the historical cost convention, except for certain assets which were valued in accordance with the (re)valuation policies applicable to the Public Trustee during the reporting period.

Public Trustee for the Australian Capital Territory is an individual reporting entity.

b) The Reporting Period

The financial report states the financial performance and cash flows of the Public Trustee for the year ending 30 June 2007 and the financial position of the Public Trustee as at 30 June 2007.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

c) Comparative Figures

Budget Figures

Budget information for 2006-07 has been presented in the financial report in accordance with the *Financial Management Act 1996* to facilitate a comparison with the Statement of Intent. Budget numbers in the financial report are the original budget numbers that appear in the Statement of Intent.

Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for all amounts reported in the financial report.

Where the presentation or classification of items in the financial report are amended, the comparative amounts have been reclassified where practical. Where a reclassification occurs the nature, amount and reason for the reclassification is provided.

d) Rounding

All amounts in the financial report have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents zero amounts or amounts rounded down to zero.

e) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Public Trustee and the revenue can be reliably measured.

f) Employee Benefits

Employee benefits include wages and salaries, annual leave and long service leave. These benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid.

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period. Annual leave and long service leave that falls due wholly within the next twelve months is measured based on the amount of remuneration anticipated to be paid when the leave is taken. Annual leave and long service leave that does not fall due wholly within the next twelve months is measured at present value. The authority uses a shorthand approach whereby a net factor of 0.95 is applied to the Public Trustee's amount of long service leave liability in order to estimate the present value. Present value is also calculated with reference to the length of qualifying service. For employees with less than ten years of required qualifying service, the liability is estimated using another shorthand approach where a 100% liability is recorded for employees five or more years of service and 0% for employees with less than 5 years of service. This approach is an approximation process to recognise the probable liability that will eventuate for officers with less than ten years of service, when ten years of service is achieved.

Annual leave and long service leave liabilities are disclosed as current liabilities on the face of the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

However, where there is an unconditional right to defer settlement of the liability for at least 12 months, annual leave and long service leave have been classified as a non-current liability on the face of the Balance Sheet.

g) Waivers of Debt

Debts that are waived during the year under section 131 of the *Financial Management Act 1996* are expensed during the year in which the right to payment was waived. Further details of waivers are disclosed at Note 10 – Waivers and Write-offs.

h) Current and Non-Current Items

Assets and liabilities are classified as either current or non-current on the face of the balance sheet and in the relevant notes. Except for Employee Benefits (see Note f) the Public Trustee classifies assets and liabilities as current where they are expected to be realised within 12 months after the reporting date. Assets or liabilities not classified as current are classified as non-current.

i) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents include short-term investments held in the Cash Enhanced Portfolio managed by an external fund manager on behalf of the Central Financing Unit. Bank overdrafts are included in cash and cash equivalents in the cash flow statement but are classified as current liabilities in the Balance Sheet.

Cash is measured at nominal value.

j) Receivables

Total receivables arise in the normal course of providing Trustee services to other agencies and to the public. Trade receivables are payable in within 28 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

The allowance for doubtful debts represents the amount of trade receivables and other receivables the Public Trustee estimates will not be repaid. The Public Trustee determines the allowance for doubtful debts based on objective evidence and a review of balances with are 180 days overdue and unlikely to be collected.

k) Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition, there is an obligation to remove the item).

Where property, plant and equipment is acquired at no or minimal cost, the Public Trustee records it at fair value.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

If, however, property, plant and equipment is acquired at no or nominal cost by the Public Trustee as part of a Restructuring of Administrative Arrangements it is taken up at the value recorded by the transferor prior to transfer.

l) Measurement of Property, Plant and Equipment after Initial Recognition

Property, plant and equipment is valued using the cost or revaluation model of valuation. Property, Plant and equipment is measured at fair value where fair values are used in management decisions and measured at cost where fair values are not used in management decisions.

Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction. Fair value is measured using a market price in an active market where a market price is available for that asset (or a similar asset), as this is the best evidence of an asset's fair value. Where the market price for an asset cannot be obtained, depreciated replacement cost is used as fair value. Where the asset would not be replaced, the fair value is the asset's selling price, less costs to sell.

m) Depreciation of Non-Current Assets

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued it is depreciated over the remaining useful life of that asset. Depreciation is applied to Property Plant and Equipment.

Depreciation is calculated on a straight-line basis and the useful life of all major assets held by the Public Trustee are reviewed annually.

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Motor Vehicle	Straight line	8
Furniture and Fittings	Straight line	Various
Computer Equipment	Straight line	5
Computer Equipment	Straight line	5

n) Payables

Payables include trade payables, accrued expenses and other payables. Trade Payables represent the amounts owing for goods and services received prior to the end of the reporting period and unpaid at the end of the reporting period and relating to the normal operations of the Public Trustee.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

o) Leases

Operating Leases

Operating leases do not effectively transfer to the Public Trustee substantially all the risks and rewards incidental to ownership of the leased asset. Operating lease payments are recognised as an expense in the Operating Statement on a straight-line basis over the term of the lease.

p) Trust Funds

Separate financial reports are prepared for the trusts and estates and Capital Region Foundation accounts which are administered by the Public Trustee, and do not form part of this report.

3. CHANGE IN ACCOUNTING POLICIES

A valuation of the Public Trustee motor vehicle was performed during the financial year ending 30 June 2007. The valuation indicated the value of the vehicle exceeded its carrying amount. Consequently the asset was revalued. Other than this adjustment there have been no other changes to significant accounting policies in 2006-07.

4. SERVICE PAYMENTS FROM GENERAL GOVERNMENT SECTOR

	2007 \$	2006 \$
Information and Insurance Risk Management levy assistance costs	198 000	198 000
Community Service Obligations	415 000	407 000
	<u>613 000</u>	<u>605 000</u>

A change in the way payments were received occurred in 2006-07. Previously all funds from Government were paid to the Department of Justice and Community Safety, who then provided these funds to the Public Trustee on a fortnightly bases. From 1 July 2006 all funds are paid directly through the Central Financing Unit.

5. OPERATING REVENUE

Commission received	1 350 141	1 243 135
Management Fees	946 845	850 084
Other fees	397 042	356 112
	<u>2 694 028</u>	<u>2 449 331</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

5. OPERATING REVENUE (Continued)

There is a significant increase in Commission received and Management Fees for 2006-07. This mainly relates to an increase in the number of clients being managed and administered by the Public Trustee and the value of their assets. There is also a significant increase in Other for 2006-07.

6. OTHER INCOME

	2007 \$	2006 \$
Funds received from the Commonwealth Government	527 000	0
	527 000	0

These funds were a one off payment provided by the Commonwealth Government to assist with the relocation from 4 Mort Street to 221 London Circuit in August 2006.

7. EMPLOYEE EXPENSES

	2007 \$	2006 \$
Salaries - General	1 590 023	1 566 968
- Business development and investment policy	150 174	126 714
- SES allowance	1 250	15 000
Termination payments/retirements	36 149	0
Productivity Component	60 340	46 795
Fringe Benefits Tax	10 567	8 547
Comcare Premiums	16 818	8 885
Other Employee Expenses	2 632	3 700
	1 867 953	1 776 609
Superannuation	307 784	184 503
	2 175 737	1 961 112

Due to the filling of a number of vacant positions in the last twelve months there has been a marked increase in employer superannuation contributions as a number of contracted staff became permanent. Salary costs, however, remained relatively stable as vacancies were filled by staff already contracted by the office. A long term employee also retired.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

8. SUPPLIES AND SERVICES

	2007 \$	2006 \$
Business Development Costs	60 081	87 452
Computer Expenses	148 245	107 977
Motor Vehicle Expenses	18 752	20 036
Rental Lease Payments/Cleaning	185 270	206 274
Repairs/Maintenance	52 889	52 098
Printing/Stationery	42 154	41 938
Telephones	22 249	25 199
Staff Training	27 183	17 897
Postage	15 017	15 315
Audit Fee	29 700	28 700
Subscriptions/Memberships	16 425	13 214
Office Equipment	18 415	10 988
Leasing – Computers	33 270	32 431
Travel Expenses	8 875	5 311
Conference Costs / Meeting Expenses	3 797	845
Insurance Risk Management Levy	33 085	32 256
Advertising	370	365
Bad Debts	1 756	1 881
Bank Charges	4 457	5 988
Other Expenses	20 744	24 477
Electricity	12 554	7 692
Business Application Upgrade	28 635	12 039
Relocation Costs	44 660	0
	828 583	750 373

9. DEPRECIATION

Plant and Equipment	78 822	1 307
	78 822	1 307

As a result of the relocation of the office, acquisitions occurred resulting in the purchase of a number of items that are classified as assets and therefore are required to be depreciated.

10. WAIVERS AND WRITE-OFFS

Under section 65 of the *Financial Management Act 1996* the Treasurer may, by instrument, waive the right to payment of an amount owed to the Territory.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

10. WAIVERS AND WRITE-OFFS (Continued)

There were no waivers during the year, however, the Public Trustee approved the write-off of debts owed from third parties. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Public Trustee to recover the amount. The write-off debts may occur for reasons other than waivers.

The write-offs listed below have occurred during the reporting period for Public Trustee.

Ordinary Activities	No.	2007 \$	No.	2006 \$
Write-offs				
Irrecoverable Debts	14	784	33	1 880
Total Write-offs		<u>784</u>		<u>1 880</u>

11. CASH AND CASH EQUIVALENTS

	2007 \$	2006 \$
Cash at Bank	225 990	30 806
Cash on Hand	181	450
Investments at Call	2 900 000	2 900 000
	<u>3 126 171</u>	<u>2 931 256</u>

The Public Trustee Office held deposits at call throughout the year. The weighted interest returned on these investments was 6.96%.

12. RECEIVABLES

Current Receivables

Trade Debtors	178 971	132 098
Less: Allowance for Doubtful Debts	0	0
	<u>178 971</u>	<u>132 098</u>
Other Debtors	16 858	1 860
Accrued Revenue	31 519	24 938
Total Receivables	<u>227 348</u>	<u>158 896</u>



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

12. RECEIVABLES (Continued)

2007 **2006**
\$ **\$**

Ageing of Receivables

Receivables are aged as follows:

Overdue for less than 30 days	170 057	111 792
Overdue for 30 to 60 days	0	378
Overdue for more than 60 days	57 291	46 726
Less Total Allowance for Doubtful Debts	0	0
Total Receivables	227 348	158 896

Split of Government/Non-Government Receivables**Receivables with Other ACT Government Entities**

Net Trade Debtors	18 354	15 750
Other Debtors	5 044	1 847

Total Receivables with Other ACT Government Entities **23 398** **17 597**

Receivables with Entities Outside Government

Net Trade Debtors	160 617	116 348
Other Debtors	11 814	13
Accrued Revenue	31 519	24 938

Total Receivables with Entities Outside Government **203 950** **141 299**

Total Receivables **227 348** **158 896**

13. PLANT AND EQUIPMENT

Motor Vehicle (at valuation)	15 873	10 455
Less: Accumulated Depreciation	(2 873)	(1 566)
	<u>13 000</u>	<u>8 889</u>

The motor vehicle was valued at market value by Pickles Auctions Pty Limited on 17 May 2007.

Furniture and Fittings (at cost)	19 268	0
Less: Accumulated Depreciation	(742)	0
	<u>18 526</u>	<u>0</u>



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

13. PLANT AND EQUIPMENT (Continued)

	2007 \$	2006 \$
Computer Equipment (at cost)	3 336	0
Accumulated Depreciation	(532)	0
	<u>2 804</u>	<u>0</u>
Office Fitout (at cost)	524 541	0
Accumulated Depreciation	(76 241)	0
	<u>448 300</u>	<u>0</u>
Total Plant and Equipment (at cost)	563 018	10 455
Less: Accumulated Depreciation	(80 388)	(1 566)
Total Carrying Value	<u>482 630</u>	<u>8 889</u>

The increase in *Plant and Equipment* was primarily due to the capitalisation of costs associated with the completion of the fitout of the Office's new accommodation in 2006-07.

Reconciliations of the carrying amounts of Plant and Equipment at the beginning and the end of the current and previous financial years

	2007 \$	2006 \$
Motor Vehicle		
Carrying amount at the Beginning of the Financial Year	8 889	10 196
Revaluation	5 418	0
Depreciation	(1 307)	(1 307)
Carrying Amount at the End of the Financial Year	<u>13 000</u>	<u>8 889</u>
Furniture and Fittings		
Carrying amount at the Beginning of the Financial Year	0	0
Additions	19 268	0
Depreciation	(742)	0
Carrying Amount at the End of the Financial Year	<u>18 526</u>	<u>0</u>



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

14. PLANT AND EQUIPMENT (Continued)

	2007 \$	2006 \$
Computer Equipment		
Carrying amount at the Beginning of the Financial Year	0	0
Additions	3 336	0
Depreciation	(532)	0
Carrying Amount at the End of the Financial Year	<u>2 804</u>	<u>0</u>
Office Fitout		
Carrying amount at the Beginning of the Financial Year	0	0
Additions	524 541	0
Depreciation and Amortisation	(76 241)	0
Carrying Amount at the End of the Financial Year	<u>448 300</u>	<u>0</u>

15. PAYABLES

Current Payables

Trade Creditors	84 245	55 251
Total Payables	84 245	55 251

Payables are aged as follows:

Overdue for less than 30 Days	76 325	55 250
Overdue for more than 30 days and less than 60 days	7 920	0
Overdue for more than 60 Days	0	1
Total Payables	84 245	55 251

Split of Government/Non-Government Payables

Payables with Other ACT Government Entities

Trade Creditors	5 727	9 639
Total Payables with Other ACT Government Entities	5 727	9 639

Payables with Entities Outside ACT Government

Trade Creditors	78 518	45 612
Total Payables with Entities Outside ACT Government	78 518	45 612
Total Payables	84 245	55 251

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

16. EMPLOYEE BENEFITS

	2007 \$	2006 \$
Recreation Leave	195 641	234 273
Long Service Leave – Current	345 679	345 343
Accrued Employee Expenses	15 985	17 831
Total Current Employee Benefits	<u>557 305</u>	<u>597 447</u>
Long Service Leave – Non Current	<u>20 706</u>	<u>24 719</u>
Total Employee Benefits	<u>578 011</u>	<u>622 166</u>

Employee Benefits are classified as current when they are due, irrespective of when the liability is expected to be settled. Information on Employee Benefits estimated to be payable within 12 months and after 12 months is disclosed below.

The overall decrease in Employee Benefits is largely due to the retirement of a long term staff member in July 2006 and the payout of accumulated leave loading balances in December 2006.

For disclosure purposes only		
Estimated Amount Payable within 12 Months		
Accrued Employee Expenses	15 985	17 831
Annual Leave	195 641	234 273
Long Service Leave	24 644	3 022
	<u>236 270</u>	<u>255 126</u>
Estimated Amount Payable after 12 Months		
Long Service Leave	341 741	367 040
	<u>341 741</u>	<u>367 040</u>
Total Employee Benefits	<u>578 011</u>	<u>622 166</u>

At the end of the 2007 financial year the Public Trustee for the Australian Capital Territory had 30 staff employed. (2006 – 31 staff)

17. OTHER LIABILITIES

Dividend Payable	<u>473 769</u>	<u>199 889</u>
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**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

18. EQUITY

	2007	2006
	\$	\$
Total Equity at the End of the Reporting Period		
Accumulated Funds	2 713 351	2 239 579
Asset Revaluation Reserve	5 418	0
Total Equity	2 718 769	2 239 579

Movements in Equity during the Reporting Period

Accumulated Funds

Balance at the Beginning of the Reporting Period	2 239 581	1 939 691
Operating Surplus	947 539	499 779
Dividends Approved	(473 769)	(199 889)

Balance at the End of the Reporting Period	2 713 351	2 239 581
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Asset Revaluation Reserve

Balance at the Beginning of the Reporting Period	0	0
Asset Revaluation Reserve	5 418	0

Balance at the End of the Reporting Period	5 418	0
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19. COMMITMENTS

Operating Leases

Non-Cancellable Operating Lease Commitments are Payable as follows:

Not later than one year	220 378	192 939
Later than one year but not later than five years	760 102	813 027
Later than five years but not later than ten years	0	1 213 153
Total Operating Lease Commitments	980 480	2 219 119

The ACT Government has an operating lease with ActewAGL Distribution for part of the ground floor of 221 London Circuit, Canberra. The term of the lease is for a period of 10 years with a 5 year option.

20. CONTINGENT LIABILITIES

As at 30 June 2007 the Office of the Public Trustee had no contingent liabilities.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

21. SEGMENT REPORTING

The Public Trustee for the Australian Capital Territory has one geographical location and one business segment.

22. AUDITOR'S REMUNERATION

	2007 \$	2006 \$
Remuneration to the ACT Auditor-General's Office for auditing the Financial Report for the Reporting Period.	31 000	29 700

No other services were provided by the ACT Auditor-General's Office during the reporting period. The audit fees charged represents an audit of both the Trust and Office Financial Reports.

23. RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash	226 171	31 256
Investments	2 900 000	2 900 000
	3 126 171	2 931 256

24. RECONCILIATION OF NET CASH INFLOWS FROM OPERATING ACTIVITIES TO THE OPERATING SURPLUS

Operating Surplus	947 539	499 799
Depreciation of Property Plant and Equipment	78 822	1 307
Cash Before Changes in Operating Assets and Liabilities	1 026 361	501 086
Change in Operating Assets and Liabilities:		
(Increase) Decrease in Receivables	(68 454)	1
(Increase) Decrease in Prepayments	(798)	8 571
Increase in Payables	28 994	2 646
(Decrease) Increase in Employee Benefits	(44 154)	112 898
Net Cash Inflows from Operating Activities	941 949	625 202

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

25. FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

Public Trustee's accounting policies and the terms and conditions for each class of financial asset and liability are as follows:

Financial Assets	Note	Accounting Policies	Terms & Conditions
Cash and Cash Equivalents	11	Cash is stated at its nominal amount. Interest is recognised in the Operating Statement when earned.	Cash is kept in a Commonwealth bank account of which the weighted average interest rate is 5.99%
Investments		Investments are stated at their nominal value. Interest is recognised in the Operating Statement when earned.	Investments at balance date are held in the Australian short term money market. The weighted average interest rate on investments for the year is 6.96%
Receivables	12	Debtors are recognised at the amounts that were charged at the date when the services or goods were supplied.	Debtor amounts are normally recovered within 1 month.
Financial Liabilities			
Payables	15	Liabilities are recognised for amounts to be paid in the future for services received, whether or not billed to the entity.	Creditors are normally settled within 28 days as per ACT Government policy.

(b) Net Fair Values of Financial Instruments

Financial assets and liabilities are carried at their net fair value at balance date. The net fair value of financial assets and liabilities approximates their carrying value reported in the Balance Sheet because of;

- (i) the short term to maturity or realisation for *cash* and *investments*,
- (ii) the expected short term recover of *debtors* amounts,
- (iii) the expected short term payment of *creditors*.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

25. FINANCIAL INSTRUMENTS - Continued

(c) Unrecognised Financial Instruments

There were no unrecognised financial assets or liabilities.

(d) Credit Risk Exposure

The Public Trustee's credit risk is limited to the fair value of the financial assets held by the trustee less any provision for doubtful debts. The credit risk is limited to the carrying amount of the financial assets it holds which are concentrated in ACT Government Agencies and therefore there is no significant concentration of credit risk.

The exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

Financial Assets	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	\$		%		\$		\$	
	2007	2006	2007	2006	2007	2006	2007	2006
Cash	3 126 171	2 931 256	6.48	5.39			3 126 171	2 931 256
Receivables					227 348	158 896	227 348	158 896
Total	3 126 171	2 931 256			227 348	158 896	3 353 519	3 090 152

Financial Liabilities	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	\$		%		\$		\$	
	2007	2006	2007	2006	2007	2006	2007	2006
Payables					84 245	55 251	84 245	55 251
Other Liabilities					473 769	199 889	473 769	199 889
Total					558 014	255 140	558 014	255 140

Net Financial Assets/ (Liabilities)	3 126 171	2 931 256			(330 666)	(96 244)	2 795 505	2 835 012
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**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

25. FINANCIAL INSTRUMENTS - Continued

	2007	2006
	\$	\$
Reconciliation of Financial Assets to Net Assets		
Net Financial Assets	2 795 505	2 835 012
Prepayments	18 644	17 846
Employee Benefits – Current	(557 305)	(597 447)
Property Plant and Equipment	482 631	8 889
Employee Benefits – Non Current	(20 706)	(24 719)
	<u>2 718 769</u>	<u>2 239 581</u>



→ A.10 STATEMENT OF PERFORMANCE



ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

Public Trustee for the ACT Trust Account

To the Members of the ACT Legislative Assembly

Audit Opinion

In my opinion, the financial report of the Public Trustee for the ACT Trust Account (the Trust) for the year ended 30 June 2007:

- (i) is presented in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) presents fairly the financial position of the Trust as at 30 June 2007 and the results of its operations and its cash flows for the year then ended.

This audit opinion should be read in conjunction with the following information.

Responsibility for the Financial Report

The Public Trustee is responsible for the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and estimates used in the preparation of the financial report.

Contents of the Financial Report

The financial report is comprised of the Operating Statement – Common Fund Interest Account, Operating Statement – Guarantee and Reserve Account, Balance Sheet, Statement of Recognised Income and Expenses, Cash Flow Statement and accompanying notes.

The Auditor's Responsibility

My responsibility is to express an opinion on the financial report.

Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of this audited financial report should note that the Public Trustee is responsible for the integrity of the information placed on the Public Trustee's website. I have not examined the integrity of this website. The audit report refers only to the financial report identified above. It does not provide an opinion on any other information, which may have been hyperlinked to or from this report. If users of the report are concerned with the inherent risks arising from

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PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

electronic data communications, they are advised to refer to the printed copy of the audited financial report, available from the Public Trustee, to confirm the information included in the audited financial report presented on this website.

The Audit Scope

My audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

I formed the audit opinion by performing procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view that is consistent with my understanding of the financial position and performance of the Trust.

The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and, in many cases, the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

My procedures included:

- (i) examining, on a test basis, evidence supporting the amounts and other disclosures in the financial report; and
- (ii) evaluating accounting policies and significant accounting estimates used in the preparation of the financial report.

I considered the effectiveness of internal controls when determining the nature and extent of my procedures, however, the audit was not designed to provide assurance on internal controls.

My audit was also not designed to evaluate the prudence of decisions made by the Public Trustee.

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.



Tu Pham
Auditor-General
10 September 2007

**Public Trustee for the A.C.T.
Trust Account
Financial Report
For the Year Ended 30 June 2007**

Statement of Responsibility

In my opinion, the financial report is in agreement with the Public Trustee's Trust accounts and records and fairly reflects the financial operations of the Public Trustee Trust Account for the year ended 30 June 2007 and the financial position of the Public Trustee Trust Account on that date.



Andrew Taylor
Chief Executive
Public Trustee ACT

16 July 2007



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

Operating Statement - Common Fund Interest Account
For the Year Ended 30 June 2007

	Note	2007 \$	2006 \$
INCOME			
Investment Income		5 868 446	8 454 626
Resources Received Free of Charge	3	0	6 840
Total Income		5 868 446	8 461 466
EXPENDITURE			
Interest Paid to Estates and Trusts		2 042 762	1 938 942
Distributions to Estates and Trusts		2 512 978	5 760 673
Management Fees		1 101 993	880 309
Custodian Fees		35 465	0
Legal Fees		0	4 376
Other Expenditure	3	0	6 840
Total Expenses		5 693 198	8 591 140
NET SURPLUS / (DEFICIT)		175 248	(129 674)

Operating Statement – Guarantee and Reserve Account
For the Year Ended 30 June 2007

	Note	2007 \$	2006 \$
INCOME			
Investment Income		118 251	100 323
		118 251	100 323
EXPENDITURE			
Management Fees		20 366	18 168
Commissions		6 334	5 456
Depreciation		5 000	5 000
		31 700	28 624
NET SURPLUS		86 551	71 699

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



PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

Balance Sheet as at 30 June 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	40 596 843	42 978 688
Accrued Investment Income		341 669	277 464
Unrealised Assets	5	48 974 258	41 676 337
TOTAL CURRENT ASSETS		89 912 770	84 932 489
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	75 000	80 000
Investments	4	55 430 667	40 397 842
TOTAL NON-CURRENT ASSETS		55 505 667	40 477 842
TOTAL ASSETS		145 418 437	125 410 331
CURRENT LIABILITIES			
Trust Liabilities	7	1 384 780	678 907
TOTAL CURRENT LIABILITIES		1 384 780	678 907
NON-CURRENT LIABILITIES			
Estates, Trusts etc. under Administration	8	141 691 440	122 651 006
TOTAL NON-CURRENT LIABILITIES		141 691 440	122 651 006
TOTAL LIABILITIES		143 076 220	123 329 913
NET ASSETS		2 342 217	2 080 418
EQUITY			
Common Fund	11	360 822	185 574
Guarantee and Reserve Account	12	1 956 560	1 870 009
Asset Revaluation Reserve	13	24 835	24 835
TOTAL EQUITY		2 342 217	2 080 418

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



PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

STATEMENT OF RECOGNISED INCOME AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Balance at the Beginning of the Reporting Period	2 080 418	2 138 393
Operating Surplus / (Deficit)	<u>261 799</u>	<u>(57 975)</u>
Total Income and Expenses Recognised Directly in Equity	261 799	(57 975)
Balance at the End of the Reporting Period	<u>2 342 217</u>	<u>2 080 418</u>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Investment Income		5 920 630	4 087 698
Payments			
Interest Paid to Estates and Trusts		(4 555 740)	(3 231 822)
Other Payments		(1 162 296)	(908 310)
Net Cash Inflows/(Outflows) from Operating Activities	10	202 594	(52 434)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from Sale of Investments		0	1 200 130
Payments			
Payment for Purchase of Investments		(7 594 393)	0
Net Cash (Outflows)/Inflows from Investing Activities		(7 594 393)	1 200 130
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Receipts from Trusts and Estates		49 593 312	41 401 890
Payments			
Payments to Trusts and Estates		(44 583 357)	(37 698 380)
Net Cash Inflows from Financing Activities		5 009 956	3 703 510
Net (Decrease) / Increase in Cash Held		(2 381 845)	4 851 206
Cash and Cash Equivalents at the Beginning of Reporting Period		42 978 688	38 127 482
Cash and Cash Equivalents at the End of the Reporting Period	9	40 596 843	42 978 688

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



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2007**

1. ACTIVITIES OF THE PUBLIC TRUSTEE

The functions of the Public Trustee are defined in the *Public Trustee Act 1985* and include the administration of deceased estates and trusts and the preparation of wills. The Public Trustee also acts as attorney and as Manager under order from Guardianship and Management of Property Tribunal. This financial report shows the value of trust, attorney and management funds under administration at the year-end.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Public Trustee are stated to assist in the general understanding of these accounts. These policies have been consistently applied except as otherwise stated.

a) Basis of accounting

The financial report has been prepared on an accrual basis and in accordance with Trust Industry Practice. The report has been prepared under the historical cost convention method and does not reflect changing money values of non-current assets except where stated.

b) Estate assets

Estates and Trusts under administration represent both realised and unrealised assets. Unrealised assets and investments of Estates and Trusts under administration are included by the Public Trustee at fair value at the time the trust was received, in accordance with Public Trustee guidelines.

c) Property, Plant and Equipment

Buildings are valued at fair value in accordance with AASB 116 "Property, Plant and Equipment". The last revaluation of buildings was at 30 June 2002. The valuation was performed by an independent valuer, McCann and Associates.

d) Depreciation

Depreciation is provided on assets acquired by the Public Trustee at rates which will be sufficient to write the assets off over their estimated useful lives.

e) Investments

Common Funds managed by the Public Trustee have been established pursuant to Division 2 of the *Public Trustee Act 1985*. Investments in common funds (with the exception of direct investments in the Cash Common Fund) are by way of notional unit holding in the common funds. Contributors may invest in the cash common fund or alternatively invest in a selection of common funds in proportions determined by one or more of the standard investment strategies provided by the Public Trustee.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2007**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Investments (Continued)

- Capital Secure
- Income Stable
- Growth
- Balanced

Australian Equities, Fixed Interest and Listed Property investments are valued at market value by the Public Trustee's external custodians using independently sourced prices and foreign exchange rates.

Investments in pooled investment funds are valued in accordance with unit prices at the balance date as advised by the managers of the funds.

The distribution received on the Australian Equities Wholesale Fund and the Listed Property Fund is net of management fees and charges. These fees are taken from the gross income earned prior to distribution.

3. RESOURCES RECEIVED FREE OF CHARGE

Resources received free of charge relate to services being provided free of charge from other entities within the ACT Government.

	2007 \$	2006 \$
<i>Revenue from the ACT Government</i>		
Revenue from Operating Activities		
Land Titles Searches*	0	6 840

* In 2005-06 the Registrar General's Office provided Land Titles Searches to the Public Trustee during the financial year free of charge.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2007**

4. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Section 55 of the *Public Trustee Act 1985* provides for the pooling of the credit balances of current accounts in a range of Common Funds for investment purposes.

CASH COMMON FUND

	2007	2006
	\$	\$
Cash at Bank	4 145	42 116
Short Term Money Market and Interest Bearing Deposits and Securities	40 592 698	42 936 572
TOTAL CASH AND CASH EQUIVALENTS	40 596 843	42 978 688

INVESTMENTS

NON-CURRENT

Australian Equities Common Fund	36 398 333	27 041 715
Australian Fixed Interest Common Fund	14 326 211	10 389 501
Australian Listed Property Common Fund	4 706 123	2 966 626
TOTAL INVESTMENTS	55 430 667	40 397 842

5. UNREALISED ASSETS

Unrealised assets have been brought to account as follows.

	2007	2006
	\$	\$
Real Estate	23 979 706	20 981 344
Nursing Home/Retirement Village Bonds	6 213 105	4 386 138
Cash or Equivalent	18 445 137	16 180 075
Personal Effects	336 310	128 780
	48 974 258	41 676 337

6. PROPERTY, PLANT AND EQUIPMENT

	2007	2006
	\$	\$
Leasehold Building	80 000	85 000
Less: Accumulated Depreciation	(5 000)	(5 000)
	75 000	80 000

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2007**

7. TRUST LIABILITIES

Trust liabilities have been brought to account as follows.

	2007	2006
	\$	\$
Mortgages	406 644	335 625
Funeral Expenses	20 453	53 783
Bank Loans and Credit Cards	49 150	12 173
Medical/Dental costs	23 256	13 040
Property/Utility costs	34 948	25 475
Sundry Debts	37 480	54 502
Other	812 849	184 309
	<u>1 384 780</u>	<u>678 907</u>

8. ESTATES, TRUSTS ETC UNDER ADMINISTRATION

Estates and Trusts under administration have been brought to account as follows.

	2007	2006
	\$	\$
Deceased Estates	24 679 661	22 090 427
Power of Attorney	19 811 530	14 986 540
Court Trusts	48 931 777	44 985 569
Protected Estates	351 549	680 429
Estate Trusts	16 311 157	14 028 862
Proceeds of Crime	6 014	27 608
Cemetery Trusts	712 147	521 131
Management Orders	26 092 896	21 554 621
Unclaimed Monies	4 794 045	3 775 486
Unallocated Assets *	664	333
	<u>141 691 440</u>	<u>122 651 006</u>

The movement in the total value of accounts under administration represents the value of new trusts and estates received less finalisations and distributions during the year 1 July 2006 to 30 June 2007.

* Value due to unit value rounding of Common Funds to four decimal places

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2007**

9. RECONCILIATION OF CASH

For the purpose of the Cash Flow Statement cash includes cash on hand and in banks. Cash and Cash Equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the equivalent items in the Balance Sheet as follows:

	2007	2006
	\$	\$
Cash at Bank	4 145	42 116
Cash Equivalents	40 592 698	42 936 572
Total Cash and Cash Equivalents	<u>40 596 843</u>	<u>42 978 688</u>

10. RECONCILIATION OF NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES TO THE OPERATING SURPLUS/(DEFICIT)

	2007	2006
	\$	\$
Operating Surplus/(Deficit) Interest account	175 248	(129 674)
Operating Surplus – Guarantee and Reserve Account	86 551	71 699
(Decrease)/Increase in Accrued Income	(64 205)	541
Depreciation	<u>5 000</u>	<u>5 000</u>
Net Cash Inflows/(Outflows) from Operating Activities	<u>202 594</u>	<u>(52 434)</u>

11. EQUITY – COMMON FUND

CASH COMMON FUND

Common Fund earnings are credited to the Common Fund Interest Account in accordance with the requirements of section 60 of the *Public Trustee Act 1985*. The money in the account is invested in authorised trustee investments through the Common Fund. Interest is credited quarterly to estates, trusts and persons on whose behalf money is held in the cash common fund, under section 59 of the *Public Trustee Act 1985*.

Movements in the Interest Account Reserve were as follows.

	2007	2006
	\$	\$
Balance at the Beginning of the Reporting Period	185 574	315 248
Operating Surplus/(Deficit)	<u>175 248</u>	<u>(129 674)</u>
Balance at the end of the Reporting Period	<u>360 822</u>	<u>185 574</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2007**

12. EQUITY - COMMON FUND GUARANTEE AND RESERVE ACCOUNT

This account is established under section 61 of the *Public Trustee Act 1985*. The purpose of the fund is to meet the costs of protecting investments that are not properly chargeable against a particular estate or trust and making good any loss sustained by the Common Funds on the realisation of an investment.

Movements in the reserve were as follows.

	2007	2006
	\$	\$
Balance at the Beginning of the Reporting Period	1 870 009	1 798 310
Operating Surplus	86 551	71 699
Balance at the end of the Reporting Period	1 956 560	1 870 009

13. ASSET REVALUATION RESERVE

	2007	2006
	\$	\$
Balance at the Beginning of the Reporting Period	24 835	24 835
Balance at the end of the Reporting Period	24 835	24 835

14. FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

Public Trustee's accounting policies and the terms and conditions for each class of financial asset and liability are as follows.

	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Cash and Cash Equivalents	4	Cash and cash equivalents are stated at nominal amount. Interest is recognised in the Operating Statement when earned.	Cash and Cash Equivalents are invested as part of the Public Trustee Common Fund and interest rates fluctuate in keeping with market trends.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2007**

14. FINANCIAL INSTRUMENTS (Continued)

	Note	Accounting Policies	Terms and Conditions
Investments	4	Investments are stated at their market value. Movement in the market value are recognised in the Operating Statement.	Australian Equities, Fixed Interest and Listed Property investments are valued at market value by the Public Trustee's external custodians using independently sourced prices and foreign exchange rates.
Financial Liabilities			
Trust Liabilities	7	Trust liabilities are recognised for amounts to be paid in the future for services received, whether or not billed to the entity.	Trust liabilities are paid at their nominal amount.

(b) Net Fair Values of Financial Instruments

Financial assets and liabilities are carried at their net fair value at balance date. The net fair value of financial assets and liabilities approximates their carrying value reported in the Balance Sheet because of the short term to maturity or realisation for *cash and cash equivalents* and *investments* and trust liabilities.

(c) Unrecognised Financial Instruments

There were no unrecognised financial assets or liabilities.

(d) Credit Risk Exposure

The Public Trustee Trust Account credit risk is limited to the fair value of the financial assets and liabilities held by the trustee.

The exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out on the following page.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2007**

14. FINANCIAL INSTRUMENTS (Continued)

Financial Assets	Floating Interest Rate		Weighted Average Interest Rate		Non-Interest Bearing		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	%	%	\$	\$	\$	\$
Cash and Cash Equivalents	40 596 843	42 978 688	5.07	4.75	0	0	40 596 843	42 978 688
Investments	55 430 667	40 397 842	15.6	10.5	0	0	55 430 667	40 397 842
Total	96 027 510	83 376 530			0	0	96 027 510	83 376 530

Financial Liabilities	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	%	%	\$	\$	\$	\$
Trust Liabilities	0	0	-	-	1 384 780	678 907	1 384 780	678 907
Total	0	0			1 384 780	678 907	1 384 780	678 907

Net Financial Assets/ (Liabilities)	96 027 510	83 376 530			(1 384 780)	(678 907)	94 642 730	82 697 923
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15. ADDITIONAL INFORMATION

- a) There were no loans or advances from trust funds to officers or employees of the Public Trustee.
- b) There were no amounts due by way of loan or otherwise from Trust Funds to a corporation, a director of which is an officer or employee of the Public Trustee.



ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

Capital Region Community Foundation Gift Fund

To the Public Trustee

Audit Opinion

In my opinion, the financial report of the Capital Region Community Foundation Gift Fund (the Fund) for the year ended 30 June 2007:

- (i) is presented in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) presents fairly the financial position of the Fund as at 30 June 2007 and the results of its operations and its cash flows for the year then ended.

This audit opinion should be read in conjunction with the following information.

Responsibility for the Financial Report

The Public Trustee is responsible for the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and estimates used in the preparation of the financial report.

Contents of the Financial Report

The financial report is comprised of the Operating Statement, Balance Sheet, Statement of Recognised Income and Expenses, Cash Flow Statement and accompanying notes.

The Auditor's Responsibility

My responsibility is to express an opinion on the financial report.

Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of this audited financial report should note that the Public Trustee is responsible for the integrity of the information placed on the Public Trustee's website. I have not examined the integrity of this website. The audit report refers only to the financial report identified above. It does not provide an opinion on any other information, which may have been hyperlinked to or from this report. If users of the report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the printed copy of the

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PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

audited financial report, available from the Public Trustee, to confirm the information included in the audited financial report presented on this website.

The Audit Scope

My audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

I formed the audit opinion by performing procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view that is consistent with my understanding of the financial position and performance of the Fund.

The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and, in many cases, the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

My procedures included:

- (i) examining, on a test basis, evidence supporting the amounts and other disclosures in the financial report; and
- (ii) evaluating accounting policies and significant accounting estimates used in the preparation of the financial report.

I considered the effectiveness of internal controls when determining the nature and extent of my procedures, however, the audit was not designed to provide assurance on internal controls.

My audit was also not designed to evaluate the prudence of decisions made by the Public Trustee.

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.



Tu Pham
Auditor-General
11 September 2007



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

**Capital Region Community Foundation
Gift Fund
Financial Report
For the Year Ended 30 June 2007**

Statement of Responsibility

In my opinion, the financial report is in agreement with the Capital Region Community Foundation Gift Fund accounts and records and fairly reflects the operations of the Gift Fund for the year ended 30 June 2007 and the financial position of the Gift Fund on that date.



Andrew Taylor
Chief Executive
Public Trustee ACT

16 July 2007

CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
INCOME			
Gifts	2(d)	883 406	1 101 463
Interest		9 015	16 506
Gain on Investments		209 952	31 368
Dividends		84 734	3 135
Rent		8 297	8 166
Total Income		1 195 404	1 160 638
EXPENSES			
Funds Transferred to Beneficiaries		120 811	119 474
Administration		1 618	1 052
Bank Charges		17	3
Rental		1 111	966
Other		15 748	0
Total Expenses		139 305	121 495
OPERATING SURPLUS		1 056 099	1 039 143

The above statement should be read in conjunction with the following notes.



CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

BALANCE SHEET

AS AT 30 JUNE 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	105 629	103 184
TOTAL CURRENT ASSETS		105 629	103 184
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	170 000	170 000
Investments	3	2 167 836	1 112 182
TOTAL NON-CURRENT ASSETS		2 337 836	1 282 182
TOTAL ASSETS		2 443 465	1 385 366
CURRENT LIABILITIES			
Accrued Expenses		2 000	0
TOTAL CURRENT LIABILITIES		2 000	0
TOTAL LIABILITIES		2 000	0
NET ASSETS		2 441 465	1 385 366
EQUITY			
Accumulated Funds		2 441 465	1 385 366
Total Equity		2 441 465	1 385 366

The above statement should be read in conjunction with the following notes.

CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

STATEMENT OF RECOGNISED INCOME AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Balance at the Beginning of the Reporting Period	1 385 366	346 223
Operating Surplus	1 056 099	1 039 143
Total Income and Expenses Recognised Directly in Equity	1 056 099	1 039 143
Balance at the End of the Reporting Period	2 441 465	1 385 366

The above statement should be read in conjunction with the following notes.



CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007	2006
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Gifts		883 406	1 101 463
Interest		9 015	16 506
Dividends		84 734	3 135
Rent		8 297	8 166
Total Receipts from Operating Activities		985 452	1 129 270
PAYMENTS			
Administration		1 618	1 052
Bank Charges		17	3
Rental		1 111	966
Other		13 748	0
Funds Transferred to Beneficiaries		120 811	119 474
Total Payments from Operating Activities		137 305	121 495
Net Cash Inflows from Operating Activities	6	848 147	1 007 775
CASH FLOWS FROM INVESTING ACTIVITIES			
PAYMENTS			
Purchase of Investments		845 702	1 080 814
Net Cash Outflows from Investing Activities		(845 702)	(1 080 814)
Net Increase/(Decrease) in Cash Held		2 445	(73 039)
Cash and Cash Equivalents at the beginning of the reporting period		103 184	176 223
Cash and Cash Equivalents at the End of the reporting period	3	105 629	103 184

The above statement should be read in conjunction with the following notes.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

1. ACTIVITIES OF THE PUBLIC TRUSTEE AS TRUSTEE FOR THE CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND (THE FUND)

The Fund is a public fund established and maintained to receive gifts of money and property from persons and their legal representatives including income from those gifts and to distribute those moneys to eligible recipients endorsed under sub-division 30-B of the *Income Tax Assessment Act 1997* under Declaration of Trust dated 14 March 2003.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Public Trustee as Trustee of the Fund are stated to assist in the general understanding of these accounts. These policies have been consistently applied except as otherwise stated.

(a) Basis of Accounting

The financial report has been prepared on an accrual basis and in accordance with Trust Industry Practice. The report has been prepared under the historical cost convention method and does not reflect changing money values of non-current assets except where stated.

(b) Comparative Figures

Where necessary, the prior year comparatives have been amended to facilitate comparison with the current year presentation of financial information.

(c) Rounding

All amounts in the financial report have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents amounts rounded down to zero.

(d) Revenue Recognition

Gifts were received from the community and businesses to assist eligible recipients. Gifts received are brought to account as revenue on receipt of these funds

(e) Interest Income

Interest is brought to account as revenue when it has been earned.

(f) Dividend Income

Dividends received are brought to account as revenue when it has been earned.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investments

Current Investments (Common Fund – Growth Funds) have been brought to account at market value and investment income is recognised in the Operating Statement on an accruals basis.

Common Funds managed by the Public Trustee have been established pursuant to Division 2 of the *Public Trustee Act 1985*. Investments in common funds (with the exception of direct investments in the Cash Common Fund) are by way of notional unit holding in the common funds. Contributors may invest in the cash common fund or alternatively investment in a selection of common funds in proportions determined by one or more of the standard investment strategies provided by the Public Trustee.

- | | |
|------------------|------------|
| • Capital Secure | • Growth |
| • Income Stable | • Balanced |

Australian Equities, Fixed Interest and Listed Property investments are valued at market value by the Public Trustee's external custodians using independently sourced prices and foreign exchange rates.

Investments in pooled investment funds are valued in accordance with unit prices at the balance date as advised by the managers of the funds.

The distribution received on the Australian Equities Wholesale Fund and the Listed Property Fund is net of management fees and charges. These fees are taken from the gross income earned prior to distribution.

(h) Non-Current Property Investment

The investment property is valued at board valuation. The last revaluation of the property was as at 3 May 2005. The valuation was performed by an approved valuer, employed by the Australian Valuation Office, pursuant to section 30-212 of the *Income Tax Assessment ACT (ITAA) 1997*.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

3. CASH AND CASH EQUIVALENTS

Excess credit balances, as at 30 June 2007, were pooled with credit balances in the Public Trustee Cash Common Fund for investment purposes.

CURRENT

	2007	2006
	\$	\$
CASH AND CASH EQUIVALENTS		
Cash	25 629	3 184
Short Term Money Market and Interest Bearing Deposits and Securities Cash	80 000	100 000
	<u>105 629</u>	<u>103 184</u>

NON CURRENT INVESTMENTS

Public Trustee Growth Fund (see Note 2(g))	2 167 836	1 112 182
	<u>2 167 836</u>	<u>1 112 182</u>

NON-CURRENT INVESTMENTS

Property Investment (see Note 2(h))	170 000	170 000
	<u>170 000</u>	<u>170 000</u>



**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

4. FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

Capital Region Community Foundation Gift Fund accounting policies and the terms and conditions for each class of financial asset are as follows.

Financial Assets	Note	Accounting Policies	Terms & Conditions
Cash and Cash Equivalents	3	Cash and cash equivalents are stated at nominal amount. Interest is recognised in the Operating Statement when earned.	Cash and Cash Equivalents are invested as part of the Public Trustee Common Fund and interest rates fluctuate in keeping with market trends.
Investments	3	Investments are stated at their market value. Movement in the market value are recognised in the Operating Statement year-end.	Australian Equities, Fixed Interest and Listed Property investments are valued at market value by the Public Trustee's external custodians using independently sourced prices and foreign exchange rates.

(b) Net Fair Values of Financial Instruments

Financial assets and liabilities are carried at their net fair value at balance date. The fair value of financial assets approximates their carrying value reported in the Balance Sheet because of the short term to maturity or realisation for *cash and cash equivalents* and *investments*.

(c) Unrecognised Financial Instruments

There were no unrecognised financial assets.

(d) Credit Risk Exposure

The Capital Region Community Foundation Open Fund credit risk is limited to the fair value of the financial assets held by the trustee.

The exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets is set out below:



**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

4. FINANCIAL INSTRUMENTS (continued)

Financial Assets	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Cash and Cash Equivalents	105 629	103 184	5.07	4.75	0	0	105 629	103 184
Investments	2 167 836	1 112 182	23.5	9.37			2 167 836	1 112 182
Total	2 273 465	1 215 366			0	0	2 273 465	1 215 366
Net Financial Assets	2 273 465	1 215 366			0	0	2 273 465	1 215 366

5. RELATED PARTY DISCLOSURES

Paragraph 6 of the Capital Region Community Foundation Gift Fund Declaration of Trust provides that for the purpose of recommending the allocation of income and capital of the fund the Trustee will act upon advice from Capital Region Community Foundation Gift Fund Board.

(a) The members of the Board during the year were:

Hon Margaret Reid AO
Mr Brian Acworth AM
Mr Zeke Ezra
Mr Richard Gibson
Mr Doug Gillespie
Mr John Hanna
Mr Paul Baybrooks
Mr Jonathon Forrest

(b) No members of the Board received remuneration for services provided to the Fund during the year.

6. RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO THE OPERATING SURPLUS

For the purpose of the Cash Flow Statement cash includes cash on hand and in banks. Cash and Cash Equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the equivalent items in the balance sheet as follows:



**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

6. RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO THE OPERATING SURPLUS (continued)

	2007	2006
Cash and Cash Equivalents	105 629	103 184
Operating Surplus	1 056 099	1 039 143
Add/(Less) Items Classified as Investing or Financing		
Gain on Investments	(209 952)	(31 368)
Add/(Less) Non-Cash Items		
Accrued Expenses	2 000	0
Net Cash Inflows from Operating Activities	848 147	1 007 775

7. AUDITOR'S REMUNERATION

Remuneration to the ACT Auditor-General's Office for auditing the Financial Report for the Reporting Period.	2 000	0
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No other services were provided by the ACT Auditor-General's Office during the reporting period.



ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

Capital Region Community Foundation Open Fund

To the Public Trustee

Audit Opinion

In my opinion, the financial report of the Capital Region Community Foundation Open Fund (the Fund) for the year ended 30 June 2007:

- (i) is presented in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) presents fairly the financial position of the Fund as at 30 June 2007 and the results of its operations and its cash flows for the year then ended.

This audit opinion should be read in conjunction with the following information.

Responsibility for the Financial Report

The Public Trustee is responsible for the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and estimates used in the preparation of the financial report.

Contents of the Financial Report

The financial report is comprised of the Operating Statement, Balance Sheet, Statement of Recognised Income and Expenses, Cash Flow Statement and accompanying notes.

The Auditor's Responsibility

My responsibility is to express an opinion on the financial report.

Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of this audited financial report should note that the Public Trustee is responsible for the integrity of the information placed on the Public Trustee's website. I have not examined the integrity of this website. The audit report refers only to the financial report identified above. It does not provide an opinion on any other information, which may have been hyperlinked to or from this report. If users of the report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the printed copy of the

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audited financial report, available from the Public Trustee, to confirm the information included in the audited financial report presented on this website.

The Audit Scope

My audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

I formed the audit opinion by performing procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view that is consistent with my understanding of the financial position and performance of the Fund.

The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and, in many cases, the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

My procedures included:

- (i) examining, on a test basis, evidence supporting the amounts and other disclosures in the financial report; and
- (ii) evaluating accounting policies and significant accounting estimates used in the preparation of the financial report.

I considered the effectiveness of internal controls when determining the nature and extent of my procedures, however, the audit was not designed to provide assurance on internal controls.

My audit was also not designed to evaluate the prudence of decisions made by the Public Trustee.

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.



Tu Pham
Auditor-General
// September 2007

**Capital Region Community Foundation
Open Fund
Financial Report
For the Year Ended 30 June 2007**

Statement of Responsibility

In my opinion, the financial report is in agreement with the Capital Region Community Foundation Open Fund accounts and records and fairly reflects the operations of the Open Fund for the year ended 30 June 2007 and the financial position of the Open Fund on that date.



Andrew Taylor
Chief Executive
Public Trustee ACT

16 July 2007



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND

OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
INCOME			
Gifts	2(d)	28 165	185 761
Interest		1 428	10 865
Gain on Investments		35 549	3 089
Dividends		14 941	309
Total Income		80 083	200 024
EXPENSES			
Donations		20 580	3 600
Administration		556	614
Other		3 767	425
Total Expenses		24 903	4 639
OPERATING SURPLUS		55 180	195 385

The above statement should be read in conjunction with the following notes.

CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND

BALANCE SHEET

AS AT 30 JUNE 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	31 201	197 370
TOTAL CURRENT ASSETS		31 201	197 370
NON-CURRENT ASSETS			
Investments	3	332 894	109 545
TOTAL NON-CURRENT ASSETS		332 894	109 545
TOTAL ASSETS		364 095	306 915
CURRENT LIABILITIES			
Accrued Expenses		2 000	0
TOTAL CURRENT LIABILITIES		2 000	0
TOTAL LIABILITIES		2 000	0
NET ASSETS		362 095	306 915
EQUITY			
Accumulated Funds		362 095	306 915
Total Equity		362 095	306 915

STATEMENT OF RECOGNISED INCOME AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Balance at the Beginning of the Reporting Period	306 915	111 530
Operating Surplus	55 180	195 385
Total Income and Expenses recognised Directly in Equity	55 180	195 385
Balance at the End of the Reporting Period	362 095	306 915

The above statements should be read in conjunction with the following notes.



CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Gifts		28 165	185 761
Interest		1 428	10 865
Dividends		14 941	309
Total Receipts from Operating Activities		44 534	196 935
PAYMENTS			
Donations		(20 580)	(3 600)
Administration		(556)	(614)
Other		(1 767)	(425)
Total Payments from Operating Activities		(22 903)	(4 639)
Net Cash Inflows from Operating Activities	6	21 631	192 296
CASH FLOWS FROM INVESTING ACTIVITIES			
PAYMENTS			
Purchase of Investments		(187 800)	(106 456)
Net Cash Outflows from Investing Activities		(187 800)	(106 456)
Net (Decrease) / Increase in Cash Held		(166 169)	85 840
Cash and cash equivalents at the beginning of the reporting period		197 370	111 530
Cash and cash equivalents at the End of the Reporting Period	3	31 201	197 370

The above statement should be read in conjunction with the following notes.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

1. ACTIVITIES OF THE PUBLIC TRUSTEE AS TRUSTEE FOR THE CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND (THE FUND)

The Fund is a public fund established and maintained to receive gifts of money and property from persons and their legal representatives including income from those gifts and to distribute those moneys to eligible recipients endorsed under sub-division 30-B of the *Income Tax Assessment Act 1997* under Declaration of Trust dated 14 March 2003.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Public Trustee as Trustee of the Fund are stated to assist in the general understanding of these accounts. These policies have been consistently applied except as otherwise stated.

(a) Basis of Accounting

The financial report has been prepared on an accrual basis and in accordance with Trust Industry Practice. The report has been prepared under the historical cost convention method and does not reflect changing money values of non-current assets except where stated.

(b) Comparative Figures

Where necessary, the prior year comparatives have been amended to facilitate comparison with the current year presentation of financial information.

(c) Rounding

All amounts in the financial report have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents amounts rounded down to zero.

(d) Revenue Recognition

Gifts are received from the community, businesses and fund raising to assist designated charities. Gifts received are brought to account as revenue on receipt of these funds

(e) Interest Income

Interest is brought to account as revenue when it has been earned.

(f) Dividend Income

Dividends received are brought to account as revenue when it has been earned.



**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investments

Current Investments (Common Fund – Growth Funds) have been brought to account at market value and investment income is recognised in the Operating Statement on an accruals basis.

Common Funds managed by the Public Trustee have been established pursuant to Division 2 of the *Public Trustee Act 1985*. Investments in common funds (with the exception of direct investments in the Cash Common Fund) are by way of notional unit holding in the common funds. Contributors may invest in the cash common fund or alternatively investment in a selection of common funds in proportions determined by one or more of the standard investment strategies provided by the Public Trustee.

- Capital Secure
- Income Stable
- Growth
- Balanced

Australian Equities, Fixed Interest and Listed Property investments are valued at market value by the Public Trustee's external custodians using independently sourced prices and foreign exchange rates.

Investments in pooled investment funds are valued in accordance with unit prices at the balance date as advised by the managers of the funds.

The distribution received on the Australian Equities Wholesale Fund and the Listed Property Fund is net of management fees and charges. These fees are taken from the gross income earned prior to distribution.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Excess credit balances, as at 30 June 2007, were pooled with credit balances in the Public Trustee Cash Common Fund for investment purposes.

	2007 \$	2006 \$
Cash	11 201	17 370
Short Term Money Market and Interest		
Bearing Deposits and Securities Cash	20 000	180 000
	<u>31 201</u>	<u>197 370</u>

INVESTMENTS

Public Trustee Growth Fund (see Note 2(g))	332 894	109 545
	<u>332 894</u>	<u>109 545</u>

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

4. FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

Capital Region Community Foundation Open Fund accounting policies and the terms and conditions for each class of financial asset and liability are as follows.

Financial Assets	Note	Accounting Policies	Terms & Conditions
Cash and Cash Equivalents	3	Cash and cash equivalents are stated at nominal amount. Interest is recognised in the Operating Statement when earned.	Cash and Cash Equivalents are invested as part of the Public Trustee Common Fund and interest rates fluctuate in keeping with market trends.
Investments	3	Investments are stated at their market value. Movement in the market value are recognised in the Operating Statement year-end.	Australian Equities, Fixed Interest and Listed Property investments are valued at market value by the Public Trustee's external custodians using independently sourced prices and foreign exchange rates.

(b) Net Fair Values of Financial Instruments

Financial assets are carried at their net fair value at balance date. The net fair value of financial assets approximates their carrying value reported in the Balance Sheet because of the short term to maturity or realisation for *cash and cash equivalents* and *investments*.

(c) Unrecognised Financial Instruments

There were no unrecognised financial assets.

(d) Credit Risk Exposure

The Capital Region Community Foundation Open Fund credit risk is limited to the fair value of the financial assets held by the trustee.

The exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets is set out below:



**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

4. FINANCIAL INSTRUMENTS (continued)

Financial Assets	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Cash and Cash Equivalents	31 201	197 370	5.07	4.75		0	31 201	197 370
Investments	332 894	109 545	23.5	9.37		0	332 894	109 545
Total	364 095	306 195				0	364 095	306 195
Net Financial Assets	364 095	306 195				0	364 095	306 195

5. RELATED PARTY DISCLOSURES

Paragraph 6 of the Capital Region Community Foundation Open Fund Declaration of Trust provides that for the purpose of recommending the allocation of income and capital of the fund the Trustee will act upon advice from Capital Region Community Foundation Open Fund Board.

(a) The members of the Board during the year were:

Hon Margaret Reid AO
Mr Brian Acworth AM
Mr Zeke Ezra
Mr Richard Gibson
Mr Doug Gillespie
Mr John Hanna
Mr Paul Baybrooks
Mr Jonathon Forrest

(b) No members of the Board received remuneration for services provided to the Fund during the year.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

6. RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO THE OPERATING SURPLUS

For the purpose of the Cash Flow Statement cash includes cash on hand and in banks. Cash and Cash Equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the equivalent items in the balance sheet as follows:

	2007	2006
	\$	\$
Cash and Cash Equivalents	31 201	197 370
Operating Surplus	55 180	195 385
Add/(Less) Items Classified as Investing or Financing		
Gain on Investments	(35 549)	(3 089)
Add/(Less) Non-Cash Items		
Accrued expenses	2 000	0
Net Cash Inflows from Operating Activities	21 631	192 296

7. AUDITOR'S REMUNERATION

Remuneration to the ACT Auditor-General's Office for auditing the Financial Report for the Reporting Period.

2 000	0
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No other services were provided by the ACT Auditor-General's Office during the reporting period.



➔ A.11 ANALYSIS OF AGENCY PERFORMANCE

2006-07 has been a significant and productive year for the Public Trustee.

The Public Trustee achieved a net operating surplus of \$947,539.00 for 2006-07, representing an increase of \$867,539.00 over estimate (\$80,000.00) and an increase of \$447,740.00 over the previous year.

Our income continued to climb recording \$4,030,680.00, up from \$3,212,568.00 in 2005-06.

Our overall expenses were \$3,083,142.00, up from \$2,712,792.00 in 2005-06.

We attribute this achievement to -

- ∴ increased operating revenue as a result of an increase in the value of, and income received on, Common Fund investments;
- ∴ finalisation of a number of high value estates;
- ∴ sustained value of property and assets;
- ∴ a change in office policy in regard to fees;
- ∴ increased and targeted marketing of products and services.

Our customers provided 143 responses to a revised Customer Survey conducted throughout 2006/07. The survey indicated that 86.71% of clients felt that the Public Trustee met or exceeded their expectations.

An important indicator of our performance is the number of Wills held and prepared. During the year, the number of Wills held in our Wills Bank increased to 10,388 synonymously with the recruitment of a specialised Wills practitioner from the private sector. Our Wills business increased by 5% on the previous year, against a drop recorded by the trustee industry as a whole.

We completed the upgrade of our IT infrastructure with the installation of a new server in the ACT Government's "server farm" remotely from the office and providing us with significant improvements in contingency. We also upgraded our business system to TACT v7.2 and acquired "People and Relationships". An agreement was put in place between our business systems service provider (Ultradata) and the ACT Government's IT Infrastructure Manager (InTACT) to allow remote access for service purposes. Our telephone system was upgraded to the IP system. Work has also commenced on our Online Wills Fact Finder.

The Public Trustee supported the ACT Government's review of the *Powers of Attorney Act 2006* and occupied a position on the Department's consultative committee. Upon introduction of the amending legislation, Public Trustee staff cooperated in the design and implementation of the new form together with the conduct of public seminars on the new provisions.

An important achievement was the appointment of Tyndall as our Australian Equities Fund Manager. We have also commenced research into the appropriateness of an International Equities Fund to further diversify investment options for our clients under the prudent person investment rule.

In our role as Trustee, we cooperated with Board of the Capital Region Community Foundation 'GreaterGood' to formally launch the foundation at a public ceremony

at Regatta Point on 14 November 2006. During the year GreaterGood increased its asset base from \$1,700,000.00 to \$2,671,023.42 (after distributions) in funds bequeathed for charitable purposes.

OUR MANAGEMENT OF FUNDS

The Public Trustee is the foremost provider of trustee services to the ACT community. At 30 June 2007, the Public Trustee had funds under management of \$169.18M.

An integral part of our trust services is funds management and the securing of sound investment returns for clients. The Public Trustee operates four asset sector common funds to service the investment needs of clients. The aim of the funds is to provide income, growth and security through diversification across the asset sectors.

The common funds are operated in accordance with the provisions of the *Public Trustee Act 1985* and client funds are invested in accordance with the prudent person investment principles of the *Trustee Act 1925*.

This range of funds enables us to offer tailored investment portfolios giving clients potential for a mix of capital growth, income returns and tax effectiveness, in keeping with individual risk profiles.

Client funds held in these funds increased from \$83.2M in 2005-06 to \$97.45M in 2006-07. Generally this resulted from favourable market performance and increased value of individual trusts under administration.

Our four asset class common funds are -

♦ Cash Common Fund

Internally managed and cash funds are invested in a range of bank and non-bank financial institution deposits, notes and bills of exchange. Interest return varies with the market cash rate and, at 30 June 2007, the interest rate was 5.25% and the fund size was \$38.6M, down from \$41.4M at 30 June 2006. The nature of this fund is that fluctuations are a normal and expected occurrence due to the changing circumstances of the clients involved and timing of the investment into the market.

♦ Australian Equities Common Fund

Invested into a managed portfolio of stocks listed on the Australian share market. Funds under investment total \$38.6M, an increase of \$10.62M over the previous year.

♦ Australian Fixed Interest Common Fund

Invested into a managed portfolio of corporate and government bonds and floating rate notes. Funds under investment at 30 June 2007 were \$15.1M compared to \$10.65M for the previous year.

→ Australian Listed Property Trust Common Fund

Invested through a Managed Property Security Fund in listed property trusts across retail, industrial and commercial sectors. Funds under investment at 30 June 2007 were \$5.24M compared to \$3.17M for the previous year.

The following table sets out the comparative performance of the Public Trustee's Australian Equities, Fixed Interest and Listed Property Common Funds.

Fund Performance*	3 months	6 months	1 year	2 years	3 years	5 years
Australian Equities C/F	3.17%	15.40%	24.14%	25.27%	25.73%	17.03%
Fixed Interest C/F	0.66%	1.21%	3.64%	3.13%	4.24%	4.17%
Listed Property Trusts C/F	-6.16%	3.29%	24.41%	17.77%	19.08%	N.A.

OUR INVESTMENT STRATEGIES

The Public Trustee has established a set of investment strategies designed to maximise the investment performance and overall return for a client's investment portfolio.

The Australian Equities, Australian Fixed Interest and Listed Property Trust Common Funds act as vehicles for investment of client funds in asset allocations that reflect individual risk profiles. In addition, the Public Trustee operates three risk models where clients with compatible risk profiles are grouped for investment into the common funds in asset allocations suited to their circumstances –

→ Growth Model Portfolio

The Growth strategy seeks to achieve long-term returns in excess of inflation. Allocation to Australian Equities provides greater potential for growth plus potential taxation benefits of franked dividends. Performance for the year after fees has been 19.57%.

→ Balanced Model Portfolio

The Balanced strategy seeks to provide a balance between return and volatility. It is suitable for medium term trusts, or those with a mix of income and capital needs for beneficiaries. Performance after fees for the year has been 15.19%.

→ Income Stable Model Portfolio

The Income Stable strategy seeks to provide income return with moderate volatility plus potential for some growth to protect the real value of the trust. It is suitable for trusts with income needs, short terms and conservative risk profiles. Performance return after fees for the reported year has been 13.01%.

→ Capital Stable Model Portfolio

Accounts requiring stability of capital are invested through the Cash Common Fund providing a market interest return on daily balances with funds available at call. The Cash Common Fund is suitable for cash balances and trusts of uncertain term. The Fund consistently returned 5.22% during the year, and closed at 5.25%.

The following table sets out the comparative performance of the Public Trustee's Risk Models.

Risk Model*	3 months	6 months	1 year	2 years	3 years	5 years
Income Stable Invest. Model	0.57%	6.17%	13.01%	12.41%	13.17%	10.42%
Balanced Investment Model	1.35%	8.62%	15.19%	15.94%	16.65%	12.32%
Growth Investment Model	1.72%	11.57%	19.57%	20.25%	21.04%	15.03%

OUR SERVICES TO GOVERNMENT

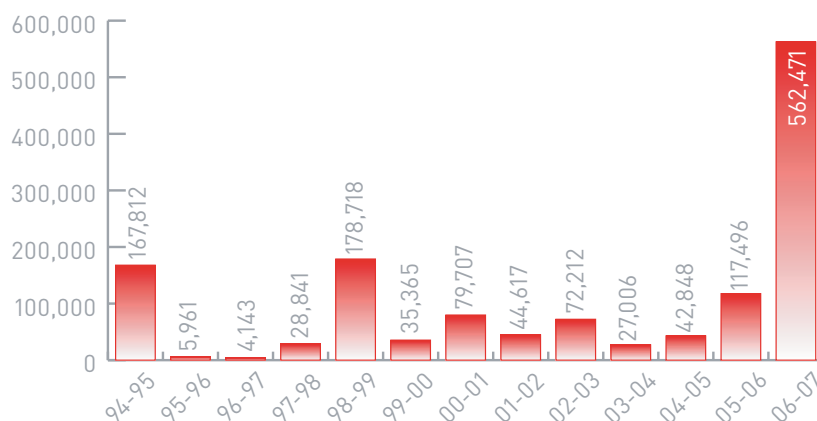
♦ Government Trust Moneys

The Public Trustee is responsible for the investment of specified government trust moneys held in accordance with the prudent person investment principle of the *Trustee Act 1925*. Funds held at 30 June 2007 amounted to \$71.64M in respect to the following accounts -

- .. ACT Health;
- .. ACT Procurement Solutions;
- .. *Agents Act 2003* – Consumer Compensation Fund;
- .. *Agents Act 2003* – Occupational Registration Account;
- .. Land Development Agency;
- .. Residential Rental Bonds Trust Account;
- .. Workers Compensation.

Moneys held in these accounts are invested in a range of securities including bank bills and financial institution deposits managed internally, a cash enhanced trust managed by Alliance Capital Management Australia Limited and a Fixed Interest Trust managed by Suncorp Metway Investment Management Limited. The circumstances of each account are reviewed regularly and investment strategies decided according to individual risk profiles, objects, needs for income and relevant legislation.

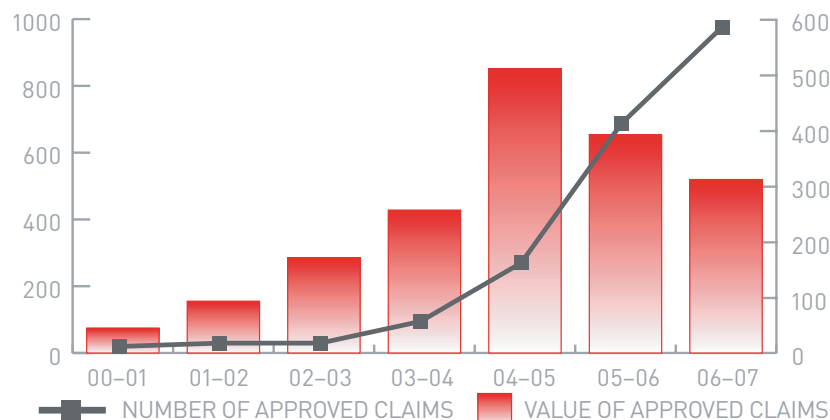
♦ Criminal Assets



The *Confiscation of Criminal Assets Act 2003* (COCA) established a scheme to permit the confiscation of the proceeds of crime and other criminal assets, and empowers the Public Trustee to administer assets restrained under the Act. Forfeited assets are secured and sold, and moneys realised are deposited into the Confiscated Assets Trust Fund for community safety initiatives.

The Public Trustee deposited \$562,471.11 into the Confiscated Assets Trust Fund during the reported financial year. These funds were derived from 26 convictions.

→ Unclaimed Moneys



The Public Trustee provides administrative services for Unclaimed Moneys in the ACT under the *Unclaimed Moneys Act 1950*, the *Legal Practitioners Act 1970* and the *Agents Act 2003*. In general, unclaimed moneys are accounts of various types that have been inactive over time, including deposits, dividends, superannuation benefits and retirement savings accounts of persons over retirement age. To assist claimants to identify and claim unclaimed moneys, an electronic register of unclaimed moneys, is available for search on the Public Trustee's website at www.publictrustee.act.gov.au.

At 30 June 2007, the Public Trustee held \$4,337,605.72 in unclaimed moneys. During the year –

- ∴ 51 lodgements were received for a total of \$946,949.00.
- ∴ 586 claims for a total of \$519,621.22 were received and paid.

The search facility on the Public Trustee's website has been highly successful in linking moneys to the rightful owner.

The average claims paid were –

- ∴ Unclaimed Moneys Act \$609.93
- ∴ Unclaimed Moneys Act (Superannuation) \$3,642.60.

The breakup of claims paid is as follows –

- ∴ Directions by Office of Regulatory Services (Fair Trading) – 1 for a total of \$250.00
- ∴ Legal Practitioners Act – 3 claims for a total of \$6,691.81
- ∴ Unclaimed Moneys Act – 530 claims for a total of \$323,264.10
- ∴ Unclaimed Moneys Act (Superannuation) – 52 claims for a total of \$189,415.31

→ Cemeteries and Crematoria Act 2003

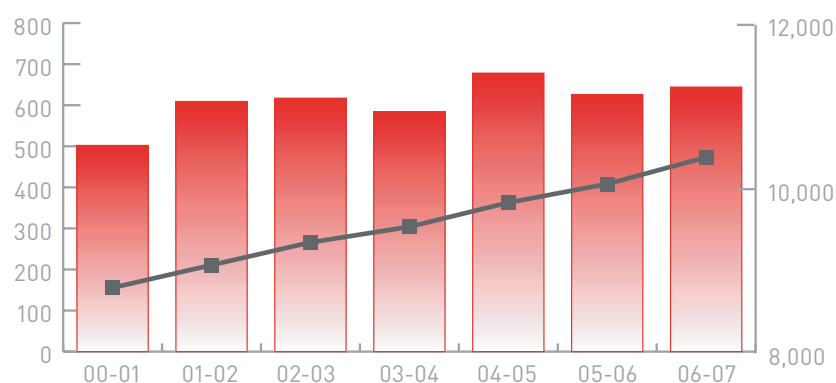
The *Cemeteries and Crematoria Act 2003* appoints the Public Trustee as trustee of the Perpetual Care Trusts. The Perpetual Care Trusts are charitable trusts kept in respect to each cemetery and crematorium, for the maintenance of grounds, monuments and infrastructure. Each cemetery or crematorium operator is required to deposit a specified percentage of their receipts into their fund under Trust. Moneys held in the Trusts from time to time are invested through the Public Trustee's common funds.

At 30 June 2007, a total of \$710,439.34 in deposits was held by the Public Trustee under the Act as follows –

Cemetery/ Crematorium	Deposited to Date (All) \$	Net Deposits \$	2006/07 Income \$	Growth from Investments \$	Balance 30/06/07 \$
Hall	24,421.72	17,413.21	752.64	[*]0.00	18,579.95
Woden	724,270.87	567,202.38	29,251.48	41,600.20	649,911.20
Norwood Park	36,366.57	36,366.57	2,038.55	2,627.39	41,947.48
TOTAL	785,059.16	620,982.16	32,043.53	44,227.59	710,439.34

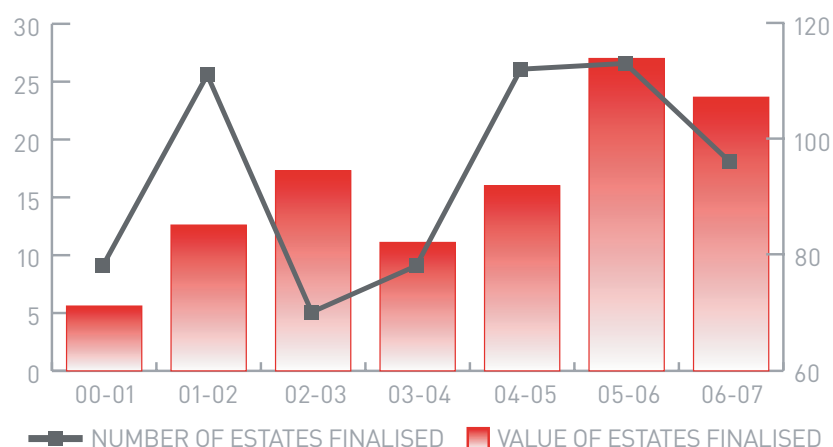
OUR PRODUCTS AND SERVICES

♦ Wills



Will making is a core business of the Public Trustee. We completed over 644 Wills during the year compared with 626 in the previous year, with in excess of 10,388 Wills in our Wills bank. Despite an industry decline in Will making, this increase is a reflection on increased marketing activity.

♦ Estates



Estate volumes have reduced/increased in line with the general market. Customer satisfaction with our estate management is extremely positive. The number of new estates commenced during the year totalled 101, at an estimated committed value of \$23,301,353.13 compared to 115 at \$25,210,600.00 for the previous year. There were 96 estates finalised during the year with an estimated committed value of \$23,649,390.57 compared to 113 at \$26,990,075 for the previous year. This is primarily due to the increased value of estates that include properties and share portfolios.

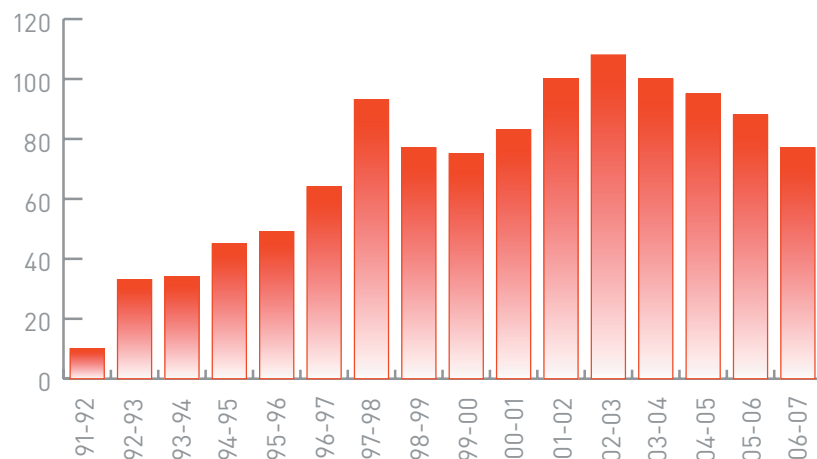


PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

→ Trusts

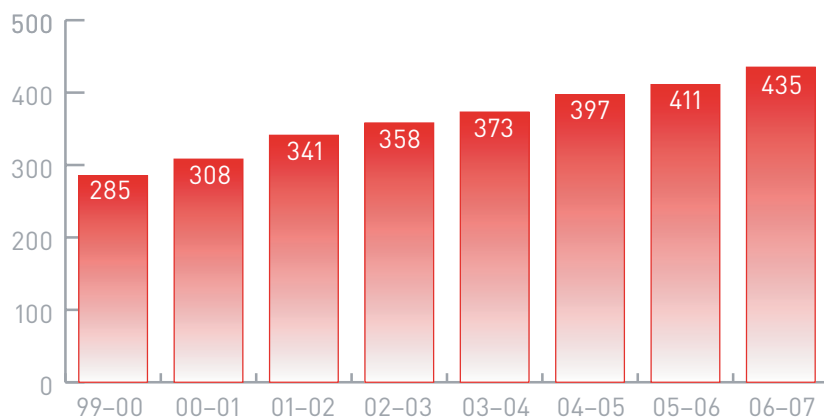
The Public Trustee acts as trustee, manager or receiver of funds for infants, or for those unable to manage their funds. The value of new trusts received during year was \$2,508,799.95 compared with \$3,314,615.72 for the previous year. The higher value for trusts for the year ending 30 June 2006 was as a result of one trust valued at \$1.6M being paid to our office by the Supreme Court.

→ Powers of Attorney



The Public Trustee actively promotes the preparation of an Enduring Power of Attorney (EPA) by all members of the ACT Community. The Public Trustee will act as attorney and assist in identifying the best solution for individual needs. The number of active EPAs under management by the Public Trustee has decreased from 93 last year to 77 this year. Following the amendments to the Powers of Attorney Act made during the year, and the resulting publicity about the need to have an Enduring Power of Attorney, it is anticipated that this will change. The graph below indicates the number of persons who have chosen to place their financial affairs under the control of the Public Trustee and to activate the instructions contained in the EPA.

→ Financial Management



The Guardianship and Management of Property Tribunal may appoint a Financial Manager to protect the interests of adult persons in the community who have impaired decision-making ability, or lack the capacity to manage their own financial affairs. We are appointed as plenary, or absolute manager, in approximately 50% of cases. At 30 June 2007, the Public Trustee was appointed as financial manager for 435 persons.

♦ Taxation Services

We provide specialist taxation services incidental to our other services and we are a registered tax agent. We complete and lodge tax returns for our clients. During the year, 853 tax returns were completed and lodged for both individuals and trusts under administration.

♦ Conveyancing Services

We completed 30 property settlements during 2006-07, including one purchase, with a total value of \$14,441,500.00. Conveyancing fees received were \$ 21,980.00.

OUR KEY CHALLENGES AND PLANS

The Public Trustee's Business Plan for 2006/07 identified the following key result areas:

- .. Business Development – to diversify and build estate and trust business opportunities to promote service sustainability and expansion. The value of the Public Trustee's business continued to grow with significant growth in the value of funds under management and development of the Capital Region Community Foundation.
- .. Service Delivery and Client Satisfaction – to enhance and streamline core work processes for efficient and effective delivery of high quality services and rates of return. Our customers and stakeholders reported 86.71% satisfaction or better with the products and services provided by the Public Trustee. Our clients benefited from significantly increased rates of return on investment.
- .. Strategic Relationships – to develop constructive relationships with key stakeholders to enhance leverage and influence in the marketplace and within the ACT community. We maintain relationships with many ACT and national businesses, agencies, charities and associations. Business relationships are an important source of market information and referral and help us remain well connected to the community in which we do business.
- .. Systems Development and Implementation – to provide best practice systems and support infrastructure to ensure transparency and accountability for all transactions and decisions. We completed our IT hardware/software upgrade, upgraded to IP phone service and commenced work on eBusiness solutions.
- .. Staffing and Capabilities – to attract and retain skilled and capable people who are committed to the role of the Public Trustee and superior client service. During the year we created a new position of Trust Officer Grade 2 and appointed legal and tax accounting specialists from the private sector.



OUR STATEMENT OF INTENT

Our Statement of Intent for the year ended 30 June 2007 sets out a number of performance measure and targets. The following table outlines actual performance against these –

Financial Performance Measurement Analysis

	2005-06 Actual	2006-07 Budget	2006-07 Actual	2007-08 Budget	var %	2008-09 Budget
Profitability						
Return on Assets	14.83%	2.84%	25.73%	3.72%	-77.02%	4.04%
Return on Equity	22.32%	3.86%	34.87%	5.12%	-77.89%	5.57%
Profit Margin	16.37%	2.67%	28.67%	3.98%	-10.25%	4.24%
Liquidity						
Current Ratio	3.64:1	8.56:1	3.02:1	3.61:1	-2.43%	3.66:1
Cash Position	0.9403	0.8982	0.8109	0.8413	2.36%	0.8682
Receivables Turnover	14.58	9.66	13.40	11.87	-3.42%	11.52
Financial Stability						
Debt Ratio	28.14	25.76	29.47	26.03	-1.36%	26.55
Capital ratio	N/A	N/A	N/A	N/A	N/A	N/A
Debt						
Debt Service Coverage	N/A	N/A	N/A	N/A	N/A	N/A

- ∴ Return on Assets=(operating result b.t.+interest expense)/average total assets for period
- ∴ Return on Equity=operating result b.t. /equity
- ∴ Profit Margin =operating result b.t. /(Govt & nonGovt usercharges+taxes, fees and fines)
- ∴ Current Ratio=current assets/current liabilities
- ∴ Cash Position=(cash+current investments)/total assets
- ∴ Receivables Turnover=(non-Govt user charges+taxes, fees & fines)/average non-Government receivables for period
- ∴ Debt Ratio=total liabilities/total assets
- ∴ Capital Ratio=total liabilities/equity capital
- ∴ Debt Service Coverage=cash flow from operations/interest expenditure

♦ Non-Financial Performance Objectives

INDICATOR	ACTUAL OUTCOME 2005-06	ACTUAL OUTCOME 2006-07	PLANNED 2007-08	PLANNED 2008-09	PLANNED 2009-10	PLANNED 2010-11
Current Financial Management under Orders of the Guardianship and Management of Property Tribunal (GMPT)	411	435	407	411	414	417
Active financial management accounts under Power of Attorney and Enduring Power of Attorney	88	77	96	99	102	105
Responses to community call outs following death	7	5	4	4	4	4
Welfare funerals arranged	7	8	8	8	8	8
Examinations of accounts provided from external managers under GMPT	276	316	318	327	335	342
Deceased Estate Administrations completed of a value less than \$100,000	62	55	72	76	79	82
Deceased Estate Administrations completed of a value greater than \$100,000	51	41	43	46	49	52
Trusts held of a value less than \$100,000	491	452	539	543	547	551
Trusts held of a value greater than \$100,000	33	31	40	43	47	51
Wills	626	644	628	640	646	652
Percentage of expenditure over total income	95%	76%	99%	100%	100%	100%

STRATEGIC PRIORITIES ARISING FROM THE CANBERRA PLAN

We have embodied the themes and visions of the Canberra Plan into our Strategic Business Plan as follows -

♦ Investing in our People

Our business is people-oriented. We conduct that business with tact, discretion, empathy and respect for our customers' dignity and need for privacy. We provide an increasing number of Canberrans with Community Services at little or no cost and seek to invest in the wellbeing of Canberra's people and to protect and safeguard their interests. Our investment in our people is achieved through the development of a satisfying workplace, career opportunities and a strong learning philosophy.

♦ Building a Stronger Community

We contribute to the development of social capital in the Canberra Region through the Capital Region Community Foundation 'Greatergood'. The vision of 'Greatergood' will serve to engage Canberra people and business to develop a stronger and more secure social environment, recognising that at different times in our lives we can give back to the community through philanthropy.

→ A City for all Ages

The ACT population is now in excess of 327,000. Within the next 30 years, the population over 32 is expected to grow by 86,000 (of which 68,000 will be in the 60 years and over age group). By far the most significant expected growth will be in the oldest age groups and the largest expected rate will be in those aged in their 70's. We will continue to educate all ages in the community in the importance and value of having a properly drawn Will and Enduring Power of Attorney. Our focus will be on developing products and services that recognise and respond to the diverse needs of generations. We actively acknowledge the value of seniors in our business with 41% of our employees over 50 years.

→ Canberra's Knowledge Future

Our business is built upon highly skilled and trained staff. We actively sponsor external training through local and interstate institutions and access appropriate industry training through the University of Western Sydney. During the year, all of our staff undertook training of some kind at a cost to the office of approx. \$40,000.00. We will also seek to invest in the best resources available to ensure that the latest innovation and developments are readily available to Public Trustee staff.

→ A Dynamic Heart

We have developed our presence within the City Centre through relocation to more accessible premises ensuring that all Canberrans can access our services.

→ Partnerships for Growth

We have developed strong partnerships with the community through MACA, Capital Region Community Foundation, COTA, ACT Office for Ageing, ACT Courts & Tribunals, Public Advocate, Fund Managers and consultants together with our interstate peers in the trust industry.

→ Living with the Environment

The Public Trustee's new premises employ environmentally responsible practices, minimising impact upon non-renewable resources.

→ A.12 HUMAN RESOURCE PERFORMANCE

During the reported year, we increased our total staff from 30 to 32, creating additional positions of Trust Officer level 1.

We added two new specialists (legal practitioner and tax accountant) to our team to ensure that we continue to satisfy the increasing demands and complexity of our business.

Several position reviews were completed during the year, completing a major review and re-structure process. Our entry level of ASO 2 was raised to Trust Assistant (ASO3) and we have secured permanency for a number of long-term temporary staff.

Our policy of staff rotation continues to ensure that we have the qualified staff to address perceived succession issues.

We have completed negotiations with the University of Western Sydney to provide appropriate industry training for our staff.

→ A.13 STAFFING PROFILE

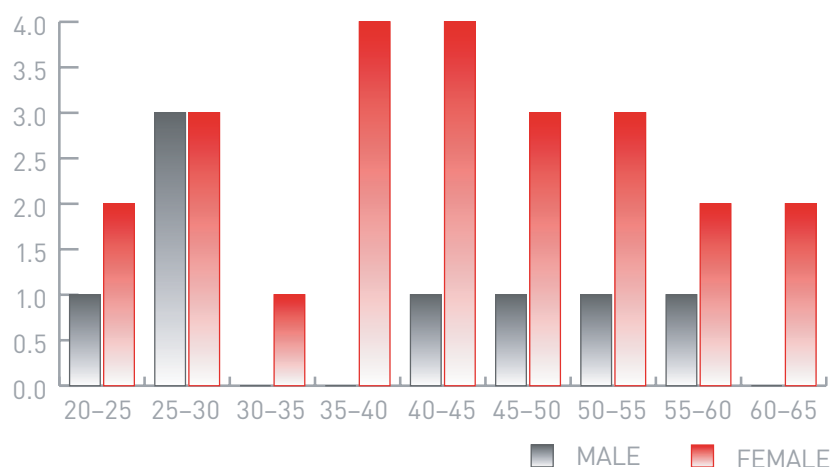
At 30 June 2007, our total staff was 31.6 (FTEs). The Public Trustee's Organisation Chart is at Part A.1 "Our Structure" of this report.

OUR STAFFING PROFILE

TITLE	CLASSIFICATION	F	M	CATEGORY	EMPLOYMENT AUTHORITY
Public Trustee/ Chief Executive	Full time Statutory Office Holder		1	5 yr contract	PSMA <i>Public Trustee Act</i>
Deputy Public Trustee	Sen. Officer Gr B		1	Perm Appt	PSMA <i>Public Trustee Act</i>
Mgr Trusts	Sen Officer Gr B	1		Perm Appt	PSMA
Mgr Finance	Sen Officer Gr C	1		Perm Appt	PSMA
Mgr PMS	Sen Officer Gr C	1		Perm Appt	PSMA
Taxation Officer	Trust Officer 2		1	Perm Appt	PSMA
Estates/Trusts	Trust Officer 2	2.8	1	Perm Appt	PSMA
PMS	Trust Officer 2	1		Perm Appt	PSMA
Estates/Trusts	Trust Officer 1	3.8	1	Perm Appt	PSMA
Pers Man Serv	Trust Officer 1	3	2	Perm Appt	PSMA
Exec/Admin	Trust Officer 1	1	1	Perm Appt	PSMA
Exec/Admin	Trust Officer 1	1		Temp Appt	PSMA
Finance Officer	Trust Officer 1	2		Perm Appt	PSMA
Pers Man Serv	Trust Asst	2		Temp Appt	PSMA
Estates/Trusts	Trust Asst	1		Perm Appt	PSMA
Receptionist	Trust Asst	2		Perm Appt	PSMA
Receptionist	Trust Asst		1	Temp Appt	PSMA
TOTAL		22.6	9		

OUR AGE PROFILE

The average length of service of our staff is 5.95 years, while the age profile expressed in five year increments, is indicated in the graph below –



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

EMPLOYMENT ARRANGEMENTS

Our people are engaged under the *Public Sector Management Act 1994*, as varied by the Department of Justice and Community Safety Certified Agreement 2004/2007.

The ACT Remuneration Tribunal determines the remuneration in respect to the Office of Public Trustee, as a Chief Executive in the ACT Public Service.

→ A.14 WORKPLACE HEALTH AND SAFETY

The Public Trustee is subject to the Department of Justice and Community Safety Occupational Health and Safety policy.

Our two OH&S representatives deal with health and safety management issues through our Management Committee.

During the year, we undertook the following health and safety measures –

- ∴ All workstations were replaced with modern ergonomic and space efficient units.
- ∴ Acquisition of ergonomic seating for five staff;
- ∴ Influenza shots were offered to all staff at no cost and were accessed by 18 staff.
- ∴ Training was provided to two OH&S staff representatives.
- ∴ 8 staff were trained to deal with difficult and aggressive clients.
- ∴ First Aid Training was not required.
- ∴ All staff have now been provided with digital flat screen monitors.
- ∴ Tested and tagged 70 electrical appliances and resolved two failed cords.

Three minor accidents were reported during the year. Causes were identified and resolved as necessary.

During the year no accidents or dangerous occurrences requiring the giving of notices under S.85 of the *Occupational Health and Safety Act 1989* (OH&S Act) were reported.

No investigations were conducted during the year involving tests on any plant, substance or thing in the course of such investigations.

No directions were given to the Public Trustee under S.578 of the OH&S Act

No notices were given to the Public Trustee under S.76 and 77 of the OH&S Act.

No workers' compensation claims were reported during the reported year. The annual premium was \$18,499.77. This premium reflects influences external to the office and is not indicative of the Public Trustee's claims history.

→ A.15 LEARNING AND DEVELOPMENT

A major priority of the Public Trustee is to attract, develop and retain appropriately skilled persons. A Staff Induction Manual has recently been completed providing a resource for staff and management alike.

The Public Trustee has participated with other institutions including Trustee Corporations of Australia (TCA), Administration and Guardianship Committee (AGAC) and the Australia and New Zealand Public Trustees' forum in accessing appropriate training and exposure to contemporary industry issues.

We provide access to Continuing Legal and Taxation Education as a vital tool in ensuring that our legal and accounting staff are competent to meet the demands of an increasingly complex legal environment, and to ensure that our risk management strategies are successful.

Our officers are encouraged to access study appropriate to their needs through the ACT Government Study Assistance Scheme.

Formal industry training is presently sourced through the University of Western Sydney and the Financial Services Institute of Australasia (FINSIA).

During the reported year an amount of approximately \$40,000.00 was allocated towards staff training. This represents an amount of \$1,250.00 per person spent on training.

Two senior managers regularly attend an Estate Planning Group made up of representatives of the private and public sector estate lawyers.

→ A.16 WORKPLACE RELATIONS

This has been covered in the Department of Justice and Community and Safety's Annual Report 2006-2007.

The Public Trustee reviewed a Special Employment Arrangement (SEA) in respect to one officer. This resulted in remuneration of 20% over and above the officer's current classification of SOGB. No provision was made for the use of a privately plated vehicle.

➔ A.17 STRATEGIC ASSET MANAGEMENT

NON-GOVERNMENT ASSETS

The Public Trustee manages significant non-government assets in its capacity as Trustee. These assets are not reported, as they are not within the scope of this requirement.

GOVERNMENT ASSETS

The only government asset directly managed by the Public Trustee is a commercial van valued at \$13,000.00. This asset is internally managed in respect to insurance and maintenance and will not need replacing for at least two years.

During 2005-06 no significant assets were added to, or removed from, the Public Trustee's corporate assets register.

OFFICE ACCOMMODATION

The Public Trustee employs 32 staff accommodated in 515 sq metres at ground level in ActewAGL House. Through relocation to new premises on 1 September 2006, we reduced our accommodation utilisation rate by over 100 sq metres. The area currently occupied by each member of staff is 16.09 sq metres. All employees are accommodated in an office environment.

The Public Trustee uses the ATLAS system to track and manage computing and office equipment.

➔ A.18 CAPITAL WORKS

Capital Works associated with our relocation were funded by provision of \$527,000.00 by the Commonwealth. The works required to vacate the old premises, fit out the new premises and to relocate were undertaken by Procurement Solutions at a contracted price of \$527,000.00.

The works were completed within the contracted time and price on 1 September 2006.

→ A.19 GOVERNMENT CONTRACTING

PROCUREMENT PRINCIPLES AND PROCESSES

No procurement activities were undertaken directly by the Public Trustee.

The ongoing review and selection of Funds Managers is a critical component of the management of the investment of the Public Trustee's funds. The Public Trustee utilises the technical knowledge, expertise or resources of external Funds Managers to invest funds within domestic financial markets.

EXTERNAL SOURCES OF LABOUR AND SERVICES

The following contracts were entered into by ACT Procurement Solutions on behalf of the Public Trustee, for works associated with the fitout of our new premises at ActewAGL House.

Contract	Contractor	Amount	Department	Execution Date	Expiry Date
PTACT Fitout - ACTEWAGL House - Mechanical Services	Haden Engineering P/L	\$27,227.20	Justice and Community Safety	17/07/2006	01/09/2007
PTACT Fitout - ACTEWAGL House - Electrical Services	Priority Electrical Services	\$45,881.00	Justice and Community Safety	17/07/2006	01/09/2007
PTACT Fitout - ACTEWAGL House - Hydraulic Services	Tapfix	\$12,571.70	Justice and Community Safety	17/07/2006	01/09/2007
PTACT Fitout - ACTEWAGL House - Supply and Installation of Operable Wall	Dorma Movable Walls P/L	\$10,725.00	Justice and Community Safety	20/07/2006	01/09/2007
PTACT Fitout - ACTEWAGL House - Supply and Installation of Fixed Joinery	Schiavello ACT P/L	\$36,553.00	Justice and Community Safety	21/07/2006	01/09/2007
PTACT Fitout - ACTEWAGL House - Supply and Installation of Auto Doors	Besam Australia P/L	\$5,830.00	Justice and Community Safety	21/07/2006	01/09/2007
PTACT Fitout - ACTEWAGL House - Security	R & B Daintree P/L	\$9,800.00	Justice and Community Safety	03/08/2006	30/08/2007
PTACT Fitout - ACTEWAGL House - Fire Services	SMI Fitout Pty Limited	\$12,619.20	Justice and Community Safety	03/08/2006	30/08/2007

Contracts entered into and continuing include –

- ∴ Robert Johnson and Associates for services as asset/markets consultant – Daily cost \$1,500 as required – Contract dated May 2000.
- ∴ Tasman Asset Management Limited trading as Tyndal for services as Fund Manager for Australian Equities Common Fund – Rate .66% – contract dated November 2005
- ∴ Asteron – for custodian services in respect to the Public Trustee's Australian Equities Fund – Rate .1% – Contract dated November 2005.
- ∴ Alliance Bernstein Australia Limited for services as Fund Manager for Alliance Cash Enhanced Trust Fund – Rate .22% – Contract dated June 2001.
- ∴ UBS Global Asset Management for services as Fund Manager for Listed Property Trusts Common Fund – Rate .85% – Contract dated June 2001.
- ∴ Suncorp Metway for Suncorp Metway Investment Management Limited – rate .22% – Contract dated August 2001.
- ∴ Ultradata for use under licence and technical support of TACT Business System – Rate for 2006-07 – \$56,106.13 – Contract dated 1986 and reviewed 2006.

INTEREST PAID ON COMMERCIAL ACCOUNTS

No interest was paid under Part 4 of the *Government Procurement Act 2001*.

→ A.20 COMMUNITY GRANTS/ASSISTANCE/ SPONSORSHIP

We provided \$3,000.00 as major sponsor toward the conduct of Life's Reflection by the ACT Office for Ageing, ACT Dept of Disability, Housing and Community Services. Our sponsorship of Life's Reflection is our way of highlighting the positive aspects of ageing, the contribution by Seniors to our community and to engage with Seniors in this annual celebration of Seniors Week.

→ A.21 TERRITORY RECORDS

During the year, the Director of Territory Records approved the Public Trustee's Records Disposal Schedule in accordance with the *Territory Records Act 2002*. The Records Disposal Schedule has been made a notifiable instrument under S.19(2) of the Territory Records Act and is available at:

<http://www.legislation.act.gov.au/ni/2006-30/default.asp>

A records management framework has been implemented in accordance with these documents. Appropriate training and resources have been made available to Public Trustee staff to comply with the requirements of the Act.

→ **SECTION B:**
CONSULTATION AND SCRUTINY REPORTING



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

➔ B.1 COMMUNITY ENGAGEMENT

As an important community service provider, we seek to develop and maintain strong connections with the ACT community. During the year however, our activities did not involve formal consultation with the community.

COMMUNITY ENGAGEMENT ACTIVITIES

As part of Seniors Week on 21 March 2007, we conducted a public seminar on the importance of having an up-to-date Will and an Enduring Power of Attorney.

As Trustee for the Capital Region Community Foundation 'GreaterGood', our mission is to build a permanent growing public charitable fund to be used for community-focused projects and activities within the Capital Region. GreaterGood seeks to link good people with good causes and encourages everyone to become a philanthropist. At 30 June 2007, the Foundation had \$2,671,023.42 in accumulated funds invested to earn income for chose charities.

We are the major sponsor for Life's Reflection 2007, a photographic competition and exhibition held during Seniors Week. Life's Reflection celebrates life over 50 and demonstrates the bond between seniors and the wider community. The theme this year was "Its on for young and old".

During the reported year, we addressed community groups on 15 occasions in connection with our services.

A further and important means of engaging with the community has been to provide our services through home/hospital/nursing home visits to those community members with mobility problems.



Report of the Capital Region Community Foundation (GreaterGood) Board

2006/07 has been an exciting year for GreaterGood with our corpus-increasing from \$1.7M in 2005/06 to \$3M.

GreaterGood was officially launched by Michael Milton in November 2006. The launch was well supported by business and community leaders from Canberra and the Capital Region, including Shire Council Mayors from Palarang, Cootamundra, Snowy River, Cooma-Monaro and Queanbeyan.

During the year, I was pleased to welcome Paul Braybrooks, representing Cootamundra and regional centres, to the Board, together with Linda Tregonning and Bruno Yvanovich to the Management Committee. Shane Godbee, who will resign from the Management Committee in 2007/08, has been a supporter from the beginning and I acknowledge his contribution and thank him for his commitment and wise counsel over the years. I also thank Siobhan Mayo and Libby Litchfield for their time on the Management Committee.

I am immensely proud of what we have achieved since October 2004. None of the work of GreaterGood would be achieved without the support of the sponsors and donors who have given their time, donations and their ongoing support and commitment to the GreaterGood concept.

In 2006/07 the following new funds were established –

The Mrs Helen Notaras and the late Mr Harry Notaras Foundation
The Molly Murray Foundation
The Canberra Charity Shield Golf Day
The Bob and Gert Munro Memorial Fund
King Financial Services Fund
The Matthew Callaghan Memorial Fund
The Francis Carroll Scholarship Fund

The Board was privileged to recommend that \$118,000.00 be distributed to a range of charities and projects in 2006/07.

A brief outline of successful charities and projects supported in 2006/07 is detailed below –

Legacy
Open Family Australia
Children's Cancer Institute of Australia
Oxfam Australia
Care Australia
Mission Australia
AUSTCARE
Salvation Army (NSW) Property Trust
The Fred Hollows Foundation
Christian Children's Fund of Australia
Australian Red Cross Society
World Vision of Australia
Christian Blind Mission International Aust
Belconnen Minor Rugby League

Society of St Vincent de Paul
Australian Committee for UNICEF
Australian Kidney Foundation
Schizophrenia Australia Foundation
Medecins Sans Frontier Australia
Anglicare Australia
Leprosy Mission Australia
Vision Australia
The Spastic Centre NSW
Tear Australia Incorporated
Australian Wildlife Conservancy
Outward Bound Australia
Epilepsy Association ACT
Research Victoria

The Capital Region Community Foundation

GPO Box 515
Canberra City ACT 2601
02 6162 9219
contact@greatergood.org.au
www.greatergood.org.au

ABN 66 967 359 885
ABN 33 160 890 151

“the gift that keeps on giving”



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

The first round of scholarships under the Francis Carroll Scholarship Fund were awarded in May 2007, with scholarships going to Ms Jennifer Drum of Young, Ms Haley Oldfield of Yass and Ms Clare Walker of Grenfell. The scholarships support young people to study at the Australian Catholic University in Canberra.

The Mrs Helen Notaras and the Late Mr Harry Notaras Foundation with its first distribution supported Open Family Australia, and Hidden Corners - a group which supports young carers for respite through drama.

The Eric Crawford Memorial Fund provided support to The Spastic Centre and Vision Australia.

The Bob and Gert Munro Memorial Fund provided a grant to the Children's Cancer Institute of Australia.

Our partnership with Outward Bound Australia proved to be successful and will be continued in 2007, to provide scholarships to young people in our region to participate in a program aimed to challenge, discover, develop and achieve their potential. Scholarships will be awarded to five young people from Canberra, Queanbeyan, Braidwood, Tumut and Cootamundra.

Our focus for the coming year will be to continue to raise awareness and commitment throughout the region. A priority will be to encourage fundraising at a local level to enable individuals and organisations to contribute to the GreaterGood of their community.

We remain deeply indebted to our generous sponsors for their goodwill and commitment to the well-being of our region. These include WalterTurnbull, ZOO Interactive, Pirion, Goldman Sachs JB Were, Mallesons Stephen Jaques, Westpac, Disktech Digital, Recruitment Management Co, Encode Polymedia, Images Online, Dr Graham Jackson, MOZ Consulting Outward Bound, Yellow Edge, Macquarie Bank and Mount Majura Wines. I also acknowledge the trusteeship and contribution of the Public Trustee for the ACT, in particular Doug Gillespie.

Once again, I thank our Executive Officer, Diane Kargas, and Pat Dart OAM for their tireless and outstanding efforts in a voluntary capacity during the year.

Finally I wish to thank our Patron, Lady Helen Deane, and my committed and hard-working Board and Management Committee for their capable and generous support during the past year.



Margaret Reid AO
Chair

Date 03 August '07





Francis Carroll Scholarship Presentation - 11 May 2007 (left to right) Rector Professor Peter Camillieri; Andrew Taylor, Public Trustee; Clare Walker; Dr Ray Storrier, Appeal Chairman; Jennifer Drum; Professor Peter Sheehan, Vice-Chancellor, Australian Catholic University; Hayley Oldfield; Sir William Deane.



Launch Capital Region Community Foundation - 14 November 2006. (left to right) John Notaras, Diane Kargas, Hon Executive Officer GreaterGood; Hon Margaret Reid AO, Chair, GreaterGood Board.



Launch Capital Region Community Foundation (left to right) John Hanna, Board GreaterGood; John Mackay, ActewAGL; Richard Luton, Richard Luton Properties)



Recipients of first GreaterGood Outward Bound grants.

OUR CUSTOMERS REPORTED...

Our continuous Customer Survey provides an important consultation medium through which clients can provide feedback against a range of criteria on a reply-paid basis. The survey is also provided in electronic form to clients visiting the website.

Our customers provided 143 responses to Customer Surveys conducted throughout 2006-07. The survey indicated that 86.71% of clients felt that the Public Trustee met or exceeded their expectations.

OUR NEW LOGO...

We commissioned the PTACT logo during the year and have sought to increase community awareness of the Public Trustee through the logo. This has resulted in a redesign of our website as well as a complete redesign and reprint of all information brochures.

OUR REPRESENTATION ON EXTERNAL FORUMS...

The Public Trustee subscribes to a number of important forums, through which issues of community importance are discussed, negotiated and lobbied. These include the Australian Guardianship and Administration Committee (AGAC), Trustee Corporations Association Inc – NSW/ACT Council, Public Trustees' Australian and New Zealand Bi-Annual Forum and the ACT Ministerial Advisory Council on Ageing (MACA).

Our representation on MACA and the ACT Elder Abuse Prevention Implementation Task Force provides the Public Trustee with an important means of consultation with the broader community. During the year we made a significant contribution to the review and redesign of the new Enduring Power of Attorney Form and the Silver Lining Project on Mature Age Employment. We have developed a professional relationship with the private sector through a local Wills and Estates Committee.

PUBLICITY

The Public Trustee is a regular contributor to the "Start Living" feature and other community features published in the Canberra Times. The Canberra Times provides the Public Trustee with an opportunity to simultaneously place community-directed articles on Wills and Estates matters.

Through a relationship with the Capital Magazine and media consultant "Man Bites Dog", we have been able to secure valuable media exposure on our important community work, in particular our distributions to charities from the Capital Region Community Foundation.

→ B.2 INTERNAL AND EXTERNAL SCRUTINY

The ACT Auditor-General provided unqualified Audit Reports for all four Public Trustee accounts. As part of her Final Audit Management Report for 2006, the Auditor-General recommended that the Public Trustee's Salary Break-Up Report should be checked fortnightly to determine that employees on the report are valid, have been paid the correct amount and that the salary expense has been charged correctly. Procedures have been implemented to ensure that these checks are undertaken as recommended.

The Public Trustee for the ACT was included in the ACT Auditor-General's "Performance Audit: Management of Trust Moneys and other Non-Public Moneys" completed in May 2006. The audit primarily focused on the activities associated with the Public Trustee's role and responsibilities for investment of trust moneys held by Territory agencies. The Auditor-General concluded that the Public Trustee had complied with the prudent person investment principle in managing Government Trust funds.

We supported the Auditor-General's recommendation that ACT Treasury should consider amendments to the FMA so that the trust requirements apply to Territory authorities and Territory Owned Corporations.

The Auditor-General's report also highlighted that the Treasurer has delegated the responsibility to invest, as a trustee, to relevant officers of the Public Trustee and for investment purposes, current policy is that departmental trust moneys can only be invested by the Public Trustee.

The Public Trustee's corporate and trust financial reports are audited annually by the ACT Auditor-General in accordance with Australian Auditing Standards and includes examination of sample evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates.

Trust funds administered by the Public Trustee are audited by external auditors, in addition to audits made as part of the Department's Internal Audit program.

During the year, the Department of Justice and Community Safety conducted a Cash Management Review as part of its Quality Assurance Survey. The Report found that the Public Trustee satisfied all of the measures within the ambit of the review.

The Public Trustee attended the ACT Auditor-General's workshop "Working Together in Audits" on 15 February 2007.

➔ B.3 LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS

In its Public Hearings held in June 2007, the Legislative Assembly's Select Committee on Estimates 2007-2008 was highly complimentary of the Public Trustee's work, one member stating...

"Firstly, I would like to put on the public record what excellent work you do. In a former life I had a lot to do with the public trustee's administration, and since being in the Assembly I have needed to call upon you for somebody who approached my office on more than one occasion."

➔ B.4 LEGISLATIVE REPORTS

The following laws guide, govern and regulate the activities of the Public Trustee.

Amendments were made to the *Powers of Attorney Act 1956* resulting in a complete re-write. These amendments altered the role of the Public Trustee under the Act to the extent that the Public Trustee may now only accept nomination as an attorney for Financial (including Property) matters.

- ∴ *Public Trustee Act 1985;*
- ∴ *Audit Act 1989;*
- ∴ *Adoption Act 1993;*
- ∴ *Administration and Probate Act 1929;*
- ∴ *Crimes Act 1900;*
- ∴ *Financial Management Act 1996;*
- ∴ *Guardianship and Management of Property Act 1992;*
- ∴ *Powers of Attorney Act 2006;*
- ∴ *Confiscation of Criminal Assets Act 2003;*
- ∴ *Trustee Act 1925;*
- ∴ *Unclaimed Moneys Act 1950; and*
- ∴ *Wills Act 1968.*

→ SECTION C:
OTHER REPORTING



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

→ C.1 STRATEGIC BUSHFIRE MANAGEMENT PLAN

This section is not relevant to the Public Trustee's operations.

→ C.2 PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosure Act 1994* requires the Public Trustee to establish and maintain procedures to facilitate disclosures about improper conduct or wrongdoing by the office.

The Department of Justice and Community Safety's Public Interest Disclosure Guidelines 2003 have been published to assist people who wish to disclose matters under the Act. Persons interested in making a disclosure may do so to the Department of Justice and Community Safety, the ACT Ombudsman or the ACT Auditor-General.

If the Public Trustee receives a disclosure directly, it is forwarded to one of the above.

No public interest disclosures were made during 2006-2007.

→ C.3 FREEDOM OF INFORMATION

Statement under S.7 of the *Freedom of Information Act 1989*

Public Trustee for the ACT

4th Floor, Public Trustee House,
4 Mort St, Canberra 2601

ESTABLISHMENT

The office incorporates the functions previously undertaken by the Curator of Estates of Deceased Persons, and carries out other functions similar to those undertaken by Public Trustees throughout Australia.

FUNCTIONS

The principal functions of the Public Trustee are to -

- ∴ Act as Trustee of deceased estates
- ∴ Act as Trustee of moneys paid as a result of litigation on behalf of intellectually disabled persons and minors
- ∴ Administer deceased estates
- ∴ Prepare Wills
- ∴ Manage property under orders of the Guardianship and Management of Property Tribunal
- ∴ Financial management under Enduring Power of Attorney
- ∴ Examination of accounts of managers under the *Guardianship and Management of Property Act 1991*
- ∴ Asset forfeiture services under the *Confiscation of Criminal Assets Act 2003*

ARRANGEMENTS FOR EXTERNAL PARTICIPATION

The Public Trustee Investment Board provides direction on investment practice and funds management.

CATEGORIES OF DOCUMENTS

The categories of documents held include -

- ∴ Deceased Estate files
- ∴ Enduring Powers of Attorney
- ∴ Files of persons whose property is managed under Powers of Attorney or Guardianship and Management of Property Tribunal orders
- ∴ Investment Board minutes
- ∴ Tax return files
- ∴ Trust files
- ∴ Wills

[This information is strictly confidential and is available only to persons with a legal right to the information.]

FACILITIES FOR ACCESS

All FOI requests should be directed to the Public Trustee at the address listed above.

STATEMENT UNDER S.8 OF THE *FREEDOM OF INFORMATION ACT 1989*

Public Trustee for the ACT
4th Floor, Public Trustee House,
4 Mort St, Canberra 2601

The following documents are used by or provided by the Public Trustee for the purposes of making a decision or recommendation -

- ∴ Current determination of fees and commission
- ∴ Trust files *
- ∴ Deceased Estate files*
- ∴ Management (Order of the Guardianship and Management of Property Tribunal) files*
- ∴ Investment Board Agenda and Minutes
- ∴ Income Tax files*
- ∴ Wills Powers of Attorney*
- ∴ Unclaimed Moneys Records*
- ∴ Confiscation of Criminal Assets files*
- ∴ Procedures Manual and staff directions dealing with practice and procedure

(* These files and documents are confidential and are available only to authorised persons).

STATEMENT UNDER S.79 STATEMENT OF THE *FREEDOM OF INFORMATION ACT 1989*

One request was received for access to documents held by the Public Trustee under the *Freedom of Information Act 1996*. Access was granted to all of the documents within 31 days after receipt of the request, at no cost to the applicant. No other applications or requests for review were made under the Act.

A Freedom of Information Statement is contained in the Department of Justice and Community Safety's Annual Report for 2006-07.

➔ C.4 HUMAN RIGHTS ACT

OUR ROLE AS DECISION-MAKER FOR FINANCIAL AND PROPERTY MATTERS

Administration and Guardianship orders represent very significant derogations from fundamental individual rights and freedoms. It is a central principle of the international human rights framework that all people have the right, and should have the opportunity without discrimination, to participate in decision-making processes that affect them.

The Public Trustee is appointed as Financial Manager, by the Guardianship and Management of Property Tribunal for persons with impaired decision-making ability in approximately 50% of cases. This appointment brings with it a discipline to constantly balance the need for intervention in people's lives against their wishes. In the event that we intervene, we seek to impose the minimal impact necessary, mindful of the rights of represented persons and encourage protected persons to live in the general community as independently as possible.

EDUCATION AND TRAINING OF STAFF ON HUMAN RIGHTS PRINCIPLES

It is vital that our people understand human rights issues and respect the rights of our clients. We recognise the stresses experienced by our people in their challenging work and actively promote human rights issues amongst staff.

During the reported year we provided training to our staff in dealing with aggressive and unpredictable clients. All of our staff attended harassment and bullying prevention training during the reported year.

DISSEMINATION OF INFORMATION ABOUT HUMAN RIGHTS

Information and policy documents relating to the legislative scrutiny process and such human rights/discrimination issues as workplace discrimination, harassment and bullying prevention has been provided to Public Trustee staff. The Public Trustee is represented on the Justice and Community Safety Workplace Consultative Committee through which human rights information is disseminated to staff.

LEGISLATIVE SCRUTINY

The Public Trustee has not developed any legislative proposals during the year requiring consultation with the Human Rights Commissioner.

LEGISLATIVE AUDITS

The Public Trustee has not undertaken any legislative audits during the reported year.

The Public Trustee has actively participated in the Elder Abuse Prevention Implementation Taskforce and its related Legal Support Group, to identify possible amendments to substituted decision-making issues under the *Powers of Attorney Act 1956*. Through this representation the Taskforce has reviewed provisions of the *Powers of Attorney Act 1956* to minimise the potential for elder abuse through identification of competence at the time of making and upon activating Enduring Powers of Attorney.

The Public Trustee is a member of the Australian Guardianship and Administration Committee and through this committee is apprised of and influences, human rights issues relating to Guardianship, Administration and Public Trustee matters in other Australian and international jurisdictions.

→ C.5 COMMISSIONER FOR THE ENVIRONMENT

S.23 of the *Commissioner for the Environment Act 1993* requires that the Public Trustee reports on –

- ∴ requests for staff to assist in the preparation of the State of the Environment Report;
- ∴ assistance provided in response to such a request;
- ∴ investigations carried out by the Commissioner of any activities carried out by the agency; and
- ∴ recommendations made by the Commissioner following an investigation of the agency's activities, and any actions taken in response to those recommendations.

No requests were made and no assistance provided. No investigations concerning the Public Trustee were made by the Commissioner.

→ C.6 ACT MULTICULTURAL STRATEGY 2006–2009

The Public Trustee's progress against the goals of the ACT Multicultural Strategy 2006-09 based upon the ten key themes of the strategy is as follows –

HUMAN RIGHTS

Our work in establishing the Capital Region Community Foundation, encourages and facilitates philanthropy in the ACT to address society's most challenging social issues and to bridge the gap between what governments can provide and what society needs.

ACCESS AND EQUITY

We have reviewed our website to facilitate access by sight impaired-persons and added a multicultural statement to our brochures.

AGEING AND AGED CARE ISSUES

Through our membership of the Ministerial Advisory Council on Ageing, we participated in the 'Silver Lining Project' aimed at heightening awareness of the value of mature age employment. The Silver Lining documents may be accessed at:

http://www.ageing.act.gov.au/maca/silver_lining_-_mae

CULTURAL AND RELIGIOUS ACCEPTANCE

Our staff attended harassment and bullying prevention training during the year. We provided a number of information seminars to people of non-English speaking backgrounds through community groups.



→ C.7 ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING

As a Community Service Provider, the Public Trustee provides services to members of ACT's ATSI Community, seeking to ensure that community members enjoy the same level of access to our services regardless of wealth or cultural considerations.

The nature of services provided by the Public Trustee assists in the building of functional and resilient families and communities in conformity with a key priority outcome in the report "Improved wealth creation and economic sustainability for individuals, families and communities".

In delivering our services we exercise compassion by partial or full waiver of fees and charges on the basis of hardship.

We provide our services at the convenience of our clients, undertaking home/hospital/nursing home visits where access is a problem.

We undertake Community Service Obligations for members of the community under a disadvantage, including those with impaired decision-making ability. These services include drafting Wills and Enduring Powers of Attorney and administration of deceased estates.

→ C.8 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

S.158A of the *Environment Protection Act 1997* requires the Public Trustee to report on agency actions and initiatives taken during the reporting year to support ecologically sustainable development.

We provide our services in a manner, which supports ecologically sustainable development by –

- ∴ Installing water-saving sensors on taps.
- ∴ Acquiring office equipment, which automatically powers down when not in use.
- ∴ Installing timer devices on office lighting.
- ∴ Using recyclable consumables for equipment including copier toner and unbleached paper.
- ∴ Preparing publications, forms etc on recycled paper.
- ∴ Recycling paper waste both internally and externally.
- ∴ Promoting the use of email facilities to reduce the impact on paper usage.
- ∴ Using four cylinder office vehicles.
- ∴ Lodging tax returns electronically.
- ∴ A policy of duplex copying and printing.
- ∴ Tinting office windows to save on electricity usage.

A report on our progress in the management of sustainability issues is as follows –

→ Transport Fleet Management

The Public Trustee has two vehicles. Both vehicles have four cylinder engines, use low octane unleaded fuel and are serviced regularly. The total value and quantity of fuel used by both vehicles during the year was \$2552.53 – approximately 2127 litres.

→ Energy Use Management

During the year, we reduced our total office space by 100 square metres, resulting in significant energy reduction through decreased lighting, airconditioning and electricity use. Lighting in the new premises is fitted with motion sensors, which shut down lighting in unused parts of the office.

In 2005-06 the Public Trustee's electricity consumption was 100,148 kwhs and no gas was consumed.

The Public Trustee recycles all of its paper waste and photocopier consumables.

→ C.9 ACT WOMEN'S PLAN

The Public Trustee's response, against objectives identified in the ACT Women's Plan Action Plan, is as follows –

→ Representation and recognition

- ∴ During 2006/07, we appointed women to key positions as Wills Officer and as a member of the management committee of the Capital Region Community Foundation.

→ Good health and wellbeing

- ∴ We made 'flu injections available to all staff at no cost.
- ∴ We regularly address female community groups on the value of having an Enduring Power of Attorney and an up to date Will.

→ Responsive housing

- ∴ As Financial Manager appointed by the Guardianship and Management of Property Tribunal, we seek to ensure that represented women have their finances and property appropriately managed.

→ Safe, inclusive communities

- ∴ The Public Trustee is a member of the Elder Abuse Prevention Implementation Taskforce and Legal Support Group, which addresses options for dealing with elder abuse (with particular emphasis on women) in the community.
- ∴ Our female reception officers are provided with training in dealing with aggressive and volatile customers.

→ Economic Security and Opportunities

- ∴ We provide flexible work arrangements for our working mothers.
- ∴ We do not expect unrealistic working hours from our staff.
- ∴ Our approach to equity and diversity provides employment opportunities for mature age female staff.
- ∴ We consider our female staff with carer responsibilities by adopting a balanced approach to their needs.

→ Flexible education and training

- ∴ We provide professional and paid training and study assistance for our staff.



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→ GLOSSARY:



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

→ GLOSSARY OF ABBREVIATIONS AND ACRONYMS

CSO	Community Service Obligations. Those obligations to the community that the ACT Government purchases from the Public Trustee.
COTA	Council On The Ageing.
EPA	Enduring Power of Attorney - A formal instrument by which one person empowers another to represent him/her, or act in his/her place for certain purposes. An Enduring Power of Attorney continues to have effect after a person loses mental capacity.
FMA	<i>Financial Management Act 1996.</i>
GST	An indirect broad based consumption tax built into the price of specified goods and services and collected at point of sale.
JACS	ACT Department of Justice and Community Safety.
MACA	Ministerial Advisory Council on Ageing.
PTACT	Public Trustee for the Australian Capital Territory.

→ GLOSSARY OF TECHNICAL TERMS

Attorney	A person appointed by another to act in his or her place or represent them.
Common Fund	A fund held by more than one person to enable a greater return on the shared investment.
Criminal Assets	Items of value obtained by illegal or criminal acts, forfeited under the <i>Confiscation of Criminal Assets Act 2003</i> .
CSO	Community Service Obligations. Those obligations to the community that the ACT Government purchases from the Public Trustee and broadly include financial management services under order of the Guardianship and Management of Property Tribunal, Enduring Powers of Attorney, Welfare Funerals, AFP call-outs, examination of external financial manager's accounts, deceased estates less than \$100,000 and Trusts less than \$100,000.
Current Ratio	The ratio of current assets to current liabilities.
Enduring Power of Attorney (EPA)	A formal instrument by which one person empowers another to represent him/her, or act in his/her place for certain purposes. An Enduring Power of Attorney continues to have effect after a person loses mental capacity.
Estate	The sum of the assets less the liabilities of a person, especially of a deceased, a bankrupt or beneficiary.
Executor	The person or company appointed by a Will to administer an estate in accordance with the terms.

Financial Manager	A person appointed under order of the Guardianship and Management of Property Tribunal to make financial decisions in relation to a person's financial matters, or a matter affecting that person's property for persons where the person has impaired decision making ability and is incapable of managing those matters (eg bank accounts or property or shares). A Financial Manager may make financial decisions for the represented person. Most financial management orders are permanent.
Funds Manager	A person or organisation responsible for investing moneys on behalf of another.
Goods and Services Tax (GST)	An indirect broad based consumption tax built into the price of specified goods and services and collected at point of sale.
Guardian	A substitute decision-maker appointed under order of the Guardianship and Management of Property Tribunal, to make decisions relating to the health and welfare of a person with impaired decision-making ability. A guardian is appointed for a specific time and with specific functions (eg where to live, what services they will receive and what medical treatment they should receive).
Investment Strategy	A plan distributing assets amongst various investments for future financial return or benefit.
Liquidity	Available cash or the capacity to obtain it on demand.
Long Term Liability	Payment not required within 12 months or liabilities not classified as current.
Manager	A person appointed pursuant to the <i>Guardianship and Management of Property Act 1991</i> to manage the financial and property affairs of a represented person (ie having impaired decision-making ability).
Minor	A person under the age of legal majority ie under 18 yrs.
Procurement	Acquisition of goods, services and works by Territory entities.
Prudent Person Principle	The care, diligence and skill that a prudent person would exercise in managing the affairs of another person.
Public Interest Disclosure	A report made under "whistleblower" legislation under which a person may confidentially report any corrupt, illegal or fraudulent acts in the public sector.
Public Trustee Investment Board	A board established under S.47 of the <i>Public Trustee Act 1985</i> to advise the Public Trustee on investment and related matters.
Risk Profile	An individual's sensitivity to volatility of investments.
Statement of Intent	A statement under S.58 of the <i>Financial Management Act 1996</i> setting out the activities, objectives and performance criteria of the authority for the year and relating to the ownership by the government in a territory authority or entity.
Sustained Asset Base	Ability to sustain asset base indicated by changes in net assets.
Trustee	A person who holds property in trust for another.
Unclaimed Moneys	Moneys surrendered to the Public Trustee on behalf of the Territory under the <i>Unclaimed Moneys Act 1950</i> .
Will	A written statement made by an individual, which provides for the disposition of property upon death.
Workplace Diversity	The bringing together of different races, genders, cultures, abilities, ages, sexual orientations, family structures, lifestyles & experienced backgrounds in the workplace.