



PUBLIC TRUSTEE AND GUARDIAN

ANNUAL REPORT 2015 - 2016





**PUBLIC TRUSTEE
AND GUARDIAN
ANNUAL REPORT
2015 - 2016**



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A

TRANSMITTAL CERTIFICATE

TRANSMITTAL CERTIFICATE

**PUBLIC TRUSTEE AND GUARDIAN**

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1 August 2016

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 and Guardian for the ACT for the year ended 30 June 2016.

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

I certify that the attached Annual Report and the information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of the Public Trustee and Guardian for the ACT has been included for the period 1 July 2015 to 30 June 2016.

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

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 4 months of the end of the financial year.

Yours sincerely

Andrew Taylor
Public Trustee and Guardian

**WILLS • ESTATES • TRUSTS • GUARDIANSHIP • FINANCIAL MANAGEMENT •
POWERS OF ATTORNEY**

PO Box 221 Civic Square ACT 2608
221 London Circuit Canberra ACT 2601
Web: www.ptg.act.gov.au Email: ptg@act.gov.au

PUBLIC TRUSTEE AND GUARDIAN'S FOREWORD



Andrew Taylor, Public Trustee and Guardian

I am pleased to present the first Annual Report for the Public Trustee and Guardian for the ACT (PTG). PTG was established on 1 April 2016, combining the former Public Trustee for the ACT and the Guardianship function of the former Public Advocate of the ACT in one entity.

The administration of the functions of Guardianship and Management under the *Guardianship and Management of Property Act 1991* under one decision-maker is a new concept in Australia, being mirrored only in Canada's British Columbia Public Guardian and Trustee. The aim is to ensure that these services are delivered in a conjoined manner whilst retaining the guardianship and management functions as separate disciplines.

A Vision, Mission and Values Statement was established for the new entity. These will inform PTG's culture, fostering constructive relationships, closer cooperation and above all, better outcomes for protected persons.

Independence, as an ACT Territory Authority, is necessary to ensure protection of client interests, particularly when those interests do not necessarily align with government. Our public interest role is to protect personal interests under our responsibility. Community Services Obligations ensure that our services are available to all members of the community irrespective as to their capacity to pay.

Our services are funded by a combination of fees for services and supplementary appropriation from ACT Government for Guardianship and Official Visitor functions.

During the year, I was temporarily appointed to the additional role of Public Advocate of the ACT from 1 July 2015 until 31 March 2016. During this time my focus was predominantly working with Government and the Directorate towards developing and implementing a new model for the protection of rights in the ACT. The eventual model required the division of the Office of the Public Advocate into its constituent parts ie Guardianship and Advocacy.

In the roll-out of the new model for the provision of guardianship and trustee services, a significant amount of difficult work was undertaken by Public Advocate, Public Trustee and JACS staff. I take this opportunity to recognise that contribution and to thank all of those involved.

Throughout the year, the client has been the focus of service delivery and decision-making. We have also been cognisant of the challenges associated with bringing two different organisations and their cultures together. In that regard, we have planned a comprehensive review of the organisation's structure, job descriptions and classifications and issues associated with development of management capability.

In the lead-up to the implementation of the new model, Guardianship staff of the former Public Advocate worked with Public Trustee staff in an internal review into the role of Guardianship 'unpacking' guardianship practice and administration, reviewing appointments, appointing new staff and establishing new positive relationships with our stakeholders. In particular, I acknowledge the work undertaken by Pam Jenkins, Tina Martinovic and Jane Thomson during that time.

It is a function of the Public Trustee and Guardian, as Guardian/Manager, to be least restrictive with a focus to work with clients to the point that our appointment is no longer required. The number of appointments, on review, has been reduced by revocation - where no longer required, by termination - where the client has moved interstate and by working with ACAT to ensure that our appointment is, as required by law, as a last resort. By comparison, at the commencement of the year, the Public Advocate of the ACT had 205 appointments by ACAT as Guardian, and on commencement of PTG, this figure has been lowered to 143.

We have an outward, community focus and play an active and influential role as a member of a number of umbrella industry organisations including -

- Financial Services Council
- Australian Guardianship and Administration Council (AGAC)
- Law Society of the ACT.

It is our aim to actively engage with the community through regular presentations and seminars and through our continuing support of worthwhile community initiatives including ACT Inclusion Awards, Life's Reflections, Silver Screen Festival and GreaterGood.

In our rolling customer survey, 89% of customers surveyed stated that PTG met or exceeded their expectations (10 of customers surveyed did not respond).

GreaterGood ended the year with a corpus of \$16,980,605 (after distributions). Total distributions since commencement in 2003 were \$3,634,489 was distributed by GreaterGood to causes predominantly in the ACT community during the period.

We were pleased to welcome Dr Jill Charker as member of the PTG Investment Board. Dr Charker is the Chief Operating Officer and Deputy Secretary, Corporate Group at the Department of Immigration and Border Protection and formerly Chief Executive Officer of ComSuper. We acknowledge and thank outgoing Board members Christine Goode and Tom Babic for the significant contribution they made to the implementation of PTG's investment strategy

PTG contributed to the development of the *Public Trustee and Guardian Act 1985*, review of the *Victims of Crime (Financial Assistance) Act 1916* and a new regulation under the *Uncollected Goods Regulation 2016* under which proceeds of uncollected goods will benefit charitable and social welfare causes in the ACT.

Continuing our quest for innovation, we implemented the latest version of our trust accounting software TACT.

PTG published two editions of its Newsletter "Going Public" in August 2015 (focussing on Property) and in February 2016 (focussing on Philanthropy). The August edition will highlight Guardianship.

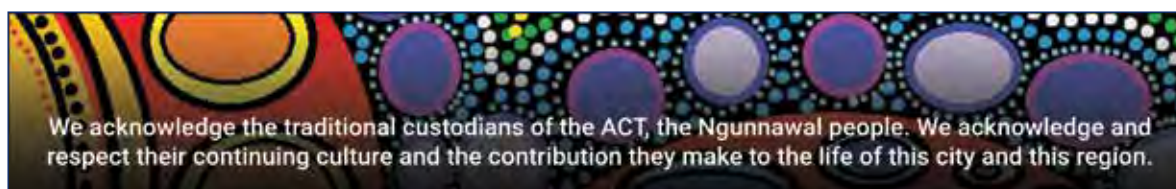
I acknowledge the leadership and support of the Director-General, Justice and Community Safety Directorate (JACS) - Alison Playford, Deputy Director-General JACS (Justice) – Vicki Parker, members of the PTG Investment Board, Official Visitors Board, GreaterGood Board the Official Visitors Board as well as independent Internal Audit Committee Chair - Roger Broughton.

It has been a pleasure working with the devoted and capable staff of the former Public Trustee for the ACT, Public Advocate of the ACT and now at Public Trustee and Guardian. Their achievements in managing the merger of functions and the establishment of the new entity, whilst not always in the forefront, are acknowledged and commended.



Andrew Taylor

PUBLIC TRUSTEE AND GUARDIAN



ORGANISATION OVERVIEW AND PERFORMANCE

B.1. ORGANISATIONAL OVERVIEW

VISION, MISSION AND VALUES

VISION

Protection and support of rights, choices, security and justice for all persons in the ACT Community.

MISSION

Safeguard, manage and uphold the personal, legal and financial interests of our clients by -

- Building and fostering trust in the delivery of our services
- Connecting with clients, the community and stakeholders in service delivery
- Promoting our products/services and those of the ACT Civil and Administrative Tribunal
- Providing a respectful and professional service within a human rights framework.

VALUES

- Excellence: we foster a culture of excellence in the delivery of our services
- Openness: we demonstrate honesty, integrity, compassion and inclusion when delivering our services
- Innovation: we challenge ourselves to seek new and improved work practices
- Collaboration: we work through interaction and support in partnerships
- Teamwork: we work together with respect, valuing staff expertise, professionalism and commitment.

ROLE, FUNCTIONS AND SERVICES

PTG was established under the *Public Trustee and Guardian Act 1985* as an independent statutory office responsible for the following -

- Acting as Manager/Guardian under appointment by the ACT Civil and Administrative Tribunal (ACAT)
- Making Wills (where PTG is appointed as executor)
- Administering deceased estates under will or intestacy
- Acting as attorney under Enduring Power of Attorney (EPA)
- Acting as trustee for trusts created in Wills, Deeds and Court Orders for families, infants and people with disabilities
- Examining accounts maintained by external managers on behalf of people with impaired decision-making ability
- Acting as administrator for the ACT Official Visitor Scheme and Chairing the Official Visitor Board.

PTG acts as agent for the Territory in the provision of the following services -

- Acting as agent for the Territory to receive, manage and dispose of assets forfeited under the *Confiscation of Criminal Assets Act 2003*
- Administering moneys declared unclaimed under the *Unclaimed Money Act 1950*, *Legal Practitioners Act 2006* and *Agents Act 2003* including receiving moneys, processing claims and investing funds
- Investing moneys held in specified government trust funds.

ORGANISATIONAL STRUCTURE, ENVIRONMENT AND PLANNING FRAMEWORK

Structure

PTG is an independent statutory office and the Public Trustee and Guardian is a Senior Executive in the Justice and Community Safety Directorate (JACS). Each of PTG's five business units Guardianship, Financial Management Services, Wills/Estates/Trusts, Finance and Investment/Funds Management is headed by a Deputy Public Trustee and Guardian. An Office Services Unit provides governance, HR, training and facilities management support to the office.

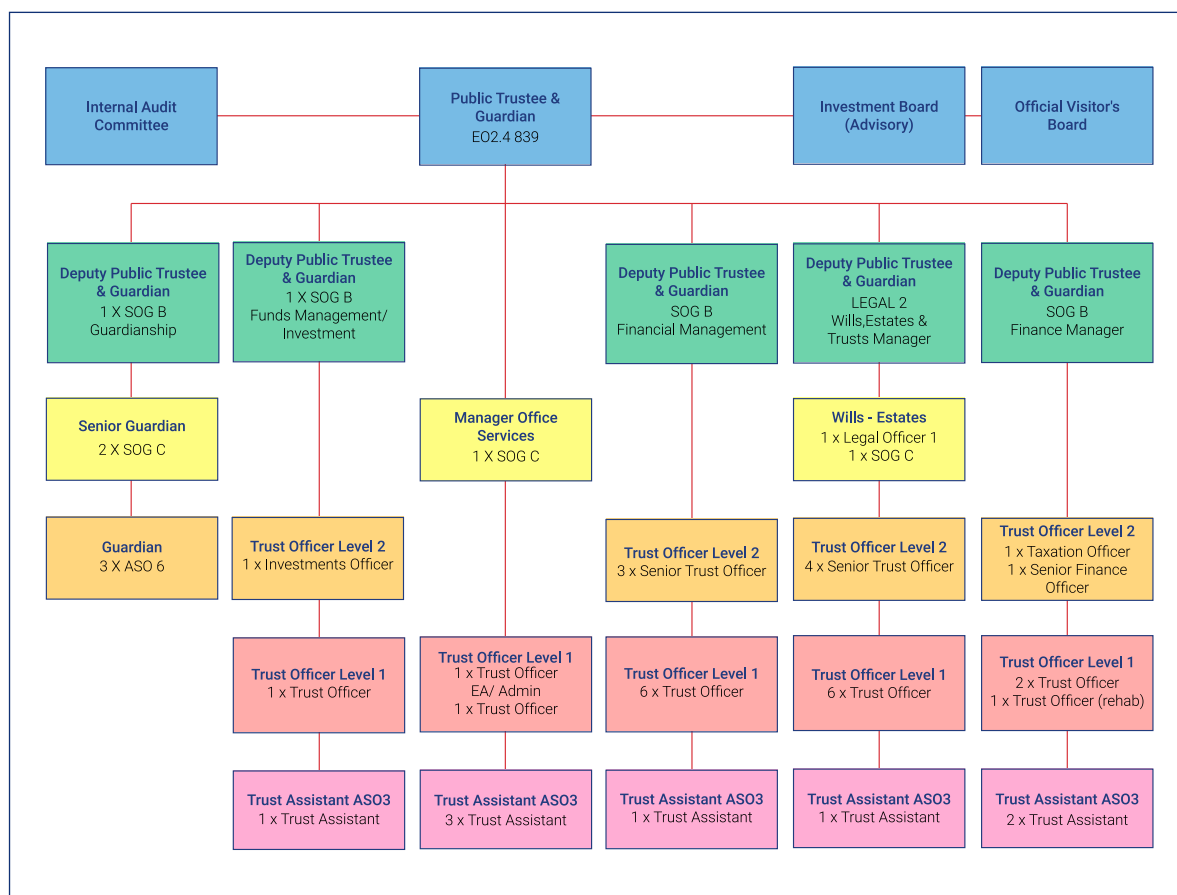
PTG's Investment Board is a statutory board established under the *Public Trustee and Guardian Act 1985* to provide investment advice to the Public Trustee and Guardian. The Board comprises the Public Trustee and Guardian as *ex officio* Senior Member and at least two external members appointed by the Minister on an honorary basis. Three members are currently appointed with a fourth in the course of appointment. During the reported year, the appointments of Christine Goode and Tom Babic expired, Dr Jill Charker was appointed and Patrick McAuliffe was reappointed for a further year.

PTG's (Internal) Audit Committee comprises a number of business unit representatives and is independently chaired by Mr Roger Broughton, a former Executive Director, Investment and Economics, ACT Chief Minister Treasury and Economic Development Directorate.

PTG entered into a Memorandum of Understanding (MOU) with the Director-General Justice and Community Safety (JACS) in 2016 to define roles and responsibilities between PTG and JACS, having regard to the statutory independence of the Office of Public Trustee and Guardian. The MOU continues in effect until November 2016.

PTG's administrative structure is set out in the Organisation Chart below -

Chart 1: PTG Organisational Chart



PTG prepares a business plan each financial year. This business plan provides a strategic outlook over the next financial year.

Organisational environment

PTG is a corporation sole with perpetual succession. Under s.55 of the *Financial Management Act 1996*, the Public Trustee and Guardian has responsibilities as Chief Executive Officer of a Territory Authority.

The Public Trustee and Guardian is responsible for PTG's governance and has responsibility for the following Boards-

- Senior Member, Public Trustee and Guardian Investment Board in respect to investment/fund management matters
- Chair, Official Visitors Board, responsible for providing administrative support to Official Visitors
- Trustee, GreaterGood-The Capital Region Community Foundation Board.

The Public Trustee and Guardian reports to the Director-General JACS and has financial management responsibilities to the Chief Minister, Treasury and Economic Development

Directorate (CMTEDD). In respect to statutory trust activities however, PTG has autonomy and independence.

The office does not have the organisational issues of larger state Public Trustee or Guardianship agencies. However, given the ACT's geographic size, demography and concentrated population, PTG delivers services across a broader and more diverse suite of responsibilities. These include guardianship, unclaimed moneys, management of government trust funds, confiscated criminal assets, GreaterGood (The Capital Region Community Foundation) as well as administration of the ACT Official Visitor Scheme.

PTG has a strong organisational relationship with a number of JACS agencies and works closely with JACS in matters of common interest including policy and legislative development.

Planning Framework and Direction Setting

A Management Committee meets fortnightly and is the strategic planning body. PTG's Personal Achievement and Development Plans (PADP) are closely aligned with Business Plan strategies and set the direction for the staff learning and development program.

PTG is currently undergoing a revitalisation of its Guardianship team including a new Deputy Public Trustee and Guardian (Guardianship) and a number of officers were recently recruited to vacant positions. PTG has had a strong staff succession plan which has seen the development of well-qualified staff capable of competing for advancement.

As a member of the JACS Executive Communication Forum (JECS), PTG participates in the strategic planning and management of the JACS Directorate along with other JACS agency heads. The Public Trustee and Guardian is well-represented in JACS activities including the JACS Reconciliation Action Plan Working Group.

As Senior Member of PTG's Investment Board, the Public Trustee and Guardian is responsible for overseeing investment strategy as well as establishing and reviewing policy in respect to funds management.

The Public Trustee and Guardian is trustee for GreaterGood, a community charitable foundation, and is responsible for the administration and development of the foundation, appointment of board members and strategic direction.

As Chair of the ACT Official Visitors Board under s.23B(1)(a)&(b) of the *Official Visitor Act 2012*, the Public Trustee and Guardian, along with board members, is responsible for the appointment, training and administration of Official Visitors. This ensures ongoing oversight and reporting to the Attorney-General in respect to corrections, mental health, disability, homelessness and children and young people. Strategically, PTG relies upon advice from Operational Directorates in identifying areas of increased demand.

Summary of Performance

A significant indicator of PTG's performance is the performance of its investment common funds. This is covered more fully under "Funds Management" in Section B.2 of this report.

PTG's 2015 -16 Business Plan identifies Key Result Areas and Strategic Priorities.

Revenue

Total revenue for the period ending 30 June 2016 was \$6,346,022. This is \$324,022 higher than the original 2015-16 budget estimate of \$6,022,000 and a decrease of \$185,774 compared to the 2014-15 year. The increase in income is due to higher management fees resulting from increased investment funds/and higher commissions resulting from higher numbers/value of real estate sales.

Expenses

Total expenses for the period ending 30 June 2016 were \$5,888,803 of which \$4,366,778 or 74% was employee-related (including superannuation). Total expenses were \$674,803 higher than the 2015-16 original budget estimate of \$5,314,000 for the corresponding period. By comparison, actual expenses for 2014-15 were \$5,822,685. The increase in expenses is due to higher staffing costs associated with annual and long service leave expenses, higher staffing numbers, and increased costs associated with EBA costs.

PTG's performance is measured by the quality and volume of business, the return on investment of client funds, by client satisfaction and by the ability to meet agreed performance standards.

KEY PERFORMANCE INDICATORS

INDICATOR	Target 2015-16	Actual Outcome 2014-15	Actual Outcome 2015-16	Variance %	Notes
Number of current financial management accounts under orders of the <i>Guardianship and Management of Property Act 1991</i> (GMP Act) by the ACT Civil and Administrative Tribunal (ACAT)	515	509	484	(6.02)	
Number of active financial management accounts under Power of Attorney and Enduring Power of Attorney (EPA)	51	52	44	(13.73)	1
Number of responses to community call outs following death	3	1	12	300.00	2
Number of welfare funerals arranged	5	11	12	140.00	3
Number of examinations of accounts provided from external managers under orders of the <i>Guardianship and Management of Property Act 1991</i> by ACAT	496	491	501	1.01	

INDICATOR	Target 2015-16	Actual Outcome 2014-15	Actual Outcome 2015-16	Variance %	Notes
Number of deceased estate administrations completed < \$100,000	41	38	44	7.32	
Number of deceased estate administrations completed > \$100,000	43	62	57	32.56	4
Number of trusts held under legal disability < \$100,000	355	337	338	(4.79)	
Number of trusts held under legal disability > \$100,000	59	56	56	(5.08)	
Wills	745	786	596	(20.00)	5
Percentage of expenditure over total income	88%	89%	94%	6.82	

Notes:

- The number of clients appointing the Public Trustee and Guardian (PTG) was less than expected. This is due to a number of factors including –
  - the Enduring Power of Attorney (EPA) being revoked;
  - Enduring Powers of Attorney being replaced with an Order appointing an individual or the PTG as Manager by the ACT Civil and Administrative Tribunal;
  - death of the person appointing PTG as Attorney; and
  - lower numbers of persons whose EPA's were activated through loss of capacity to make decisions.
- The number of call-outs by ACT Policing following death is entirely reliant upon ACT Policing contacting PTG as required. There were more than expected callouts in 2015-16.
- The number of welfare funerals arranged is entirely dependent upon an individual's circumstances and capacity to pay. More welfare funerals were arranged in 2015-16 for people with insufficient funds and where family members could not be contacted.
- The number of finalised estates over \$100,000 in value is attributable to –
  - increasing value of property in estates;
  - a higher number of deaths for people who appointed PTG as their executor; and
  - a greater level of efficiency in the Will, Estates and Trusts Unit providing a higher than anticipated number of estates finalised in the 2015-16 year.
- The number of Wills prepared is lower than expected due to the introduction of a pricing structure that provided for a higher cost to prepare a Will where the client appoints PTG in an alternate executor capacity. This is because the true cost of preparing a Will is recovered through the executor/ administration process and it is less likely that a will appointing PTG as alternate executor will result in an estate being administered by PTG. Additionally, PTG raised the subsidy threshold for free Wills from 60 years to 65 years..

Outlook and Priorities

The outlook for 2016-17 is promising. With the acquisition of further accommodation at 221 London Crct, PTG will move its Wills, Estates and Trusts Unit to the 9th floor to operate as a discrete unit. This will permit the re-location of the Guardianship Unit from temporary accommodation on level 1, 221 London Crct to co-location with the Financial Management Services Unit on the Ground Floor. This will also provide much needed growth and upgraded staff meeting and staff amenity facilities.

PTG will also continue to implement efficiencies through a full structural review of the organisation commencing with a Planning Day on 25 August 2016.

Our publication of “Going Public” every six months is designed to inform the community about our services and what they can expect from us. During 2015-16, PTG published two editions and will publish the next edition in August 2016 highlighting Guardianship.

The implementation of upgraded “TACT” trust accounting software has provided ongoing efficiencies, advanced features and opportunities for further innovation well into the future.

Continuing priorities are to -

- deliver Guardianship services within a human rights framework;
- provide professional, accessible trustee services to the community and government;
- ensure the workforce is skilled, united and has an appropriate succession plan;
- be innovative;
- project a respected, trusted, reliable and compassionate reputation;
- ensure that the PTG brand is trusted and valued;
- focus on providing value and excellence in service;
- provide a respectful, equitable and safe workplace free of discrimination; and
- actively contribute to and influence industry, the JACS Directorate and ACT Government.

Our immediate and major challenge will be to continue to establish the Office of Public Trustee and Guardian within the community. This is a significant task given concern expressed by parts of the community about providing conjoined service delivery for guardianship and financial management services.

Major challenges ahead include coping with expected increases in CSO's, Canberra's ageing community and increasing demand on services.

INTERNAL ACCOUNTABILITY

Senior Executives & Responsibilities



PTG Management - Kathryn Toy, Callum Hughes, Andrew Taylor, Joanne Thompson, Christine Thompson, Gregory Burn.

ANDREW TAYLOR

Public Trustee and Guardian

Andrew Taylor was appointed to the statutory office of Public Trustee and Guardian on 1 April 2016 following a career as Public Trustee for the ACT and a term as Public Advocate of the ACT. The Public Trustee and Guardian has statutory responsibilities as Guardian and Manager as well as a traditional Trustee role in addition to administrative and financial responsibilities as an ACT Government Executive.

Mr Taylor is Senior Member of the PTG Investment Board, former member of the Trustee Committee of the Financial Services Council of Australia (FSC) and Secretary of the Australian Guardianship and Administration Council. He is Trustee for GreaterGood - The Capital Region Community Foundation. During the year, Mr Taylor was Executive Sponsor for Respect Equity and Diversity and Reconciliation Action Plan (RAP) Ambassador in the JACS Directorate. Mr Taylor has been Chair of the Official Visitors' Board since September 2013.

The Public Trustee and Guardian's executive responsibilities are to -

- lead and improve service delivery;
- effectively allocate budget, planning and resources;
- deliver best practice policies, practices and procedures;
- ensure case management strategies meet the needs of clients and stakeholders;
- ensure a high performance culture; and
- generate efficiencies.

JANE THOMSON/CHRISTINA THOMPSON**Deputy Public Trustee and Guardian and Manager, Guardianship Unit**

During the reported period from 1 April 2016 to 30 June 2016, the Guardianship Unit was managed by a number of persons including Tina Martinovic, Pam Jenkins and Jane Thomson. Whilst Jane Thomson was in the position at 30 June 2016, Christina Thompson was appointed to the position on a permanent basis.

Jane Thomson has degrees in both social science and law. Prior to joining PTG in 2016, Jane worked at the ACT Human Rights Commission where she engaged in policy work in the human rights and disability areas as well as working in discrimination complaints handling. Jane has extensive experience in the disability sector working as an advocate for people with intellectual disability including within the criminal justice sector. Jane has a strong understanding of human rights including obligations under the *Human Rights Act 2004* which informs her work practices as Acting Manager, Guardianship Unit.

Christina worked with the Public Advocate of the ACT for over nine years during which she established the role of Senior Advocate, Mental Health and Forensic. As a Senior Psychologist with extensive clinical and forensic experience, Christina joined PTG following an eight month secondment to Mental Health, Justice Health and Alcohol and Drug Services where she undertook a major service reform project.

DAVID STENHOUSE/CALLUM HUGHES**A'g Deputy Public Trustee and Guardian and Manager - Investment- Funds Management**

David Stenhouse holds 12 years experience as Investments Officer in the Public Trustee and Guardian's Investment/Funds Management Unit. David manages PTG's Investment Common Funds in the global and Australian Equity markets, Australian Fixed Interest market and the Australian Listed Property Trusts market. David also ensures that PTG maintains and reviews its investment strategies on behalf of its trusts and clients in line with the 'Prudent Person Investment Principle' under advice from asset consultants. David's team oversees the management of unclaimed moneys in the ACT and the administration and promotion of the GreaterGood (The Capital Region Community Foundation).

David has a Diploma in Financial Services and additional qualifications in Frontline Management, Complex Trusts and Will Preparation. Callum Hughes is currently directed to act as Deputy Public Trustee and Guardian (Investment/Funds Management). Callum was formerly a Senior Finance Office in the Corporate Finance Unit at PTG.

JOANNE THOMPSON**Deputy Public Trustee and Guardian and Manager, Finance Unit**

Joanne Thompson was appointed as Manager-Finance in 2006 and has 26 years experience with PTG and, prior to that, 5 years with a superannuation trustee company. Joanne manages all PTG accounting functions including office management, government trust accounts, taxation, Property Officer functions and has responsibility for financial reporting. She is also responsible for ensuring maximum return on cash investments.

Ms Thompson has attained a Diploma and an Advanced Diploma in Government Financial Management.

KATHRYN TOY**Deputy Public Trustee and Guardian and Manager, Financial Management Services Unit**

Kathryn Toy joined PTG in 2010 and was appointed as Deputy Public Trustee and Guardian and Manager-Financial Management Services Unit on 25 December 2014.

Ms Toy trained as a Registered Nurse at The Canberra Hospital and joined PTG from the private sector. She has extensive experience in business management, administration and financial management and has overall responsibility for the financial and property affairs of represented clients both under order of the ACT Civil and Administrative Tribunal and under Enduring Power of Attorney.

GREGORY BURN**Deputy Public Trustee and Guardian and Manager, Wills/Estates/Trusts Unit**

Gregory Burn is a Practising Solicitor in both NSW and ACT. Gregory joined PTG from the NSW Trustee and Guardian in 2015 where he held the position of Senior Legal Officer-Wills. Prior to that he was a sole practitioner in his own legal practice. Gregory has extensive experience in Wills and succession law and is responsible for the preparation of Wills and Enduring Powers of Attorney for ACT residents, administration of deceased estates whether as executor or administrator and the administration of trusts including Confiscated Criminal Assets.

REMUNERATION

The Public Trustee and Guardian is remunerated in accordance with a Determination of the ACT Remuneration Tribunal as an ACT Government Executive. PTG staff members are remunerated in accordance with the *JACS Enterprise Agreement - Administrative & Related Classifications 2013-2017*, with the exception of two legal officers who are covered by the *ACT Public Sector Legal Professionals Enterprise Agreement 2013-17*.

PUBLIC TRUSTEE AND GUARDIAN INVESTMENT BOARD

The Public Trustee and Guardian Investment Board was established under the *Public Trustee and Guardian Act 1925* and advises the Public Trustee and Guardian on investment matters and strategy. The board has no governance responsibilities and does not provide advice to the Minister.

A full report on the PTG Investment Board is separately provided as an Annexure to this Annual Report.

The composition of the Board is determined in accordance with the *Public Trustee and Guardian Act 1985* and comprised the following persons during the reported period-

- Andrew Taylor - Public Trustee for the ACT (Senior Member)
- Tom Babic - (Member to March 2016)
- Christine Goode - (Member to March 2016)
- Thac Huynh - (Member)
- Patrick McAuliffe - (Member)

- Dr Jill Charker - (Member)

PTG's Finance Manager and Investment/Funds Manager also attended Board meetings.

INTERNAL AUDIT COMMITTEE

PTG's Internal Audit Committee, headed by independent Chair, Mr Roger Broughton, manages and reviews all aspects of risk to PTG. The Committee was revised to include representation from the Guardianship Unit. Additionally, an external auditor was engaged to undertake ad hoc audits as required by the Committee.

PUBLIC TRUSTEE AND GUARDIAN MANAGEMENT COMMITTEE

The Management Committee is an internal governance forum which focuses on –

- Overall governance responsibility.
- Implementing the Business Plan.
- Risk Management complementing the audit and management advisory functions.
- Resource Management providing support and advice on the management and operations of the office.

OFFICIAL VISITORS BOARD

The composition of the Official Visitors Board is determined by the *Official Visitor Act 2012*. At 30 June 2016, the Board comprised -

- Andrew Taylor - Public Trustee for the ACT (*ex officio* Chair)
- Jodie Griffiths-Cook - Public Advocate of the ACT and Commissioner for Children and Young People, ACT Human Rights Commission (Member)
- Sue Connor - Principal Official Visitor (nominated by official visitors as representative)
- Tracey Whetnall - Aboriginal and Torres Strait Islander Official Visitor (nominated by official visitors as representative).

The Board is a representative panel to -

- co-ordinate arrangements for the appointment of official visitors;
- arrange training for official visitors;
- facilitate interactions between official visitors;
- arrange for the provision of administrative assistance to official visitors; and
- exercise any other function given to it under the Act or another Territory law.

The Board has no role in determining, or overseeing, the functions of official visitors. The Board meets concerns around independence and support while allowing official visitors to be largely self-determining.

A full report on the Official Visitor's Board is separately provided at Annexures – Inserted Reports of this Annual Report.

B.2 PERFORMANCE ANALYSIS

PTG performed well in all aspects of its Key Performance Indicators.

Of particular note are the following indicators -

- Number of Guardianship Orders appointing PTG as Guardian - PTG reduced the number of appointments as Guardian from 205 at 30 June 2015 to 140 at 30 June 2016 through a review of all appointments.
- Number of Wills drafted - PTG amended its pricing structure at 1 July 2015 seeking to stem the leakage of Wills prepared that do not return for administration as executor. This involved an increase in price for those Wills where PTG was appointed as alternate executor rather than primary executor. Additionally, the concession for free Wills applicable to seniors was increased from age 60 to 65. This has resulted in a significant drop in the number of Wills prepared from 786 in 2015 to 596 in 2016. Conversely however, revenue from Wills increased

PTG is well-placed to provide quality and value in services to the community in the medium and long term and will continue to provide its services to Government at minimal cost. The CSO grant of \$496,000 (indexed annually) to assist the needy in the community to access our services is highly subsidised by PTG's commercial undertakings. CSOs have traditionally been considered an essential service and are critically important in ensuring those services are provided to lower income and/or socially disadvantaged groups.

Refer "Summary of Performance" above.

FUNDS MANAGEMENT

Funds management continues to be the cornerstone of PTG's business undertakings. PTG operates five asset sector statutory common funds to accommodate varied client investment requirements. PTG's investment strategy provides investment clients with income, growth and security through diversification.

At 30 June 2016, PTG had funds under management of \$350.13M. Client moneys are generally invested through PTG's common funds in accordance with the 'Prudent Person Investment Principle' under the *Trustee Act 1925*. PTG's investment strategy and risk profiles enable tailored investment portfolios giving clients potential for a mix of capital growth, income returns and tax effectiveness. Client (non-government) moneys held in these funds increased from \$179.8M in 2014-15 compared to \$173.28M in 2015-16. The *Public Trustee and Guardian Act 1985* permits PTG to take advantage of tax benefits accruing to trust clients by investing funds into superannuation where appropriate.

Common Funds

Performance in the five asset sector Common Funds during the reported year was -

Cash Common Fund

PTG's internally managed cash funds are invested in a range of bank and non-bank financial institution deposits, notes and bills of exchange. Interest returns vary with the market cash

rate. At 30 June 2016, the interest rate was 1.90% (down from 2.10% at 30 June 2015) and the fund size was \$79.92M, down from \$83.45M held at the end of the previous year. The cash rate was reduced by the Reserve Bank of Australia in May 2015, as a result of long-term bank securities this was not passed on to clients until August 2015. Again the rate was reduced towards the end of the financial year by the Reserve Bank of Australia however PTG held sufficient long-term securities that postponed the passing on of these rate cuts to clients and remained steady at the current rate from August onwards.

Australian Equities Common Fund

An externally managed portfolio of Australian stocks. Funds under investment total \$35.35M compared to \$32.22M at 30 June 2015.

International Equities Common Fund

An externally managed portfolio of non-Australian stocks. Funds under investment total \$15.95M compared to \$14.61M at 30 June 2015.

Australian Fixed Interest Common Fund

An externally managed portfolio of corporate and government bonds and floating rate notes. Funds under investment at 30 June 2016 were \$33.34M compared to \$31.04M at 30 June 2015.

Australian Listed Property Trust Common Fund

An externally Managed Property Security Fund invested in listed property trusts across retail, industrial and commercial sectors. Funds under investment at 30 June 2016 were \$8.72M compared to \$7.25M at 30 June 2015.

Comparative performance of the Australian Equities, Fixed Interest, Listed Property, International and Cash Common Funds over time.

(Figures reflect market conditions outside of the control of the Public Trustee and Guardian)

Performance (ending 30/06/15)	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Inception
Australian Equities Common Fund	3.28	0.05	-0.42	7.78	7.42	4.35	6.13
Fixed Interest Common Fund	3.65	5.44	6.75	5.16	5.98	5.61	5.36
Listed Property Trusts Common Fund	10.03	15.59	22.89	17.15	16.78	1.23	5.51
International Equities Common Fund	8.47	6.05	4.18	11.18	11.38	N.A.	7.29
Cash Common Fund	0.47	0.95	1.93	2.37	3.12	4.1	4.21

INVESTMENT STRATEGY

PTG's Investment Strategy is guided by its Investment Board. An external asset/markets consultant, PricewaterhouseCoopers, prepares annual reports and recommendations to the Board, in accordance with recommended objectives. The strategy is designed to maximise investment performance and overall return for a client's investment portfolio and is reviewed on a 5-yearly basis. The strategy was last reviewed in 2011 and will be next reviewed in the first quarter of 2016-17.

Objectives

PTG's investment objectives are particularly useful for -

- setting investment strategy;
- giving clients some idea of what to expect from their investment; and
- assessing the performance of the portfolio in achieving its investment goals.

The following issues are considered in setting investment objectives –

- level of dependence upon investment income for day to day living expenses;
- risk of loss objectives reflect the likelihood of the portfolio losing money in a year; and
- targets for a total return reflecting both income and capital growth.

Risk models

The Common Funds act as vehicles for the investment of client funds in asset allocations that reflect individual risk profiles. PTG operates four risk models where clients with compatible risk profiles are grouped for investment in asset allocations designed to address their needs.

Growth Model Portfolio

The Growth Model 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 was 5.42%.

Balanced Model Portfolio

The Balanced Model 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 was 4.89%.

Income Stable Model Portfolio

The Income Stable Model 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 was 4.88%.

Capital Stable Model Portfolio

Accounts requiring capital stability are invested through the Cash Common Fund, providing 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 returned an average of 1.93 during the year and closed at 1.90%

Comparative performance of the Public Trustee and Guardian's Risk Models.

Performance period to 30/06/15	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Inception
Capital Secure Risk Profile	0.47	0.95	1.93	2.37	3.12	4.1	4.21
Income Stable Risk Profile	3.4	4.07	5.42	6.32	6.7	5.26	5.82
Balanced Risk Profile	4.37	4.24	4.89	7.42	7.76	5.47	6.33
Growth Risk Profile	5.01	4.32	4.88	8.66	8.77	5.35	6.57

SERVICES TO GOVERNMENT

Government Trust Moneys

By Instrument made under the *Financial Management Act 1996*, all trust money and other non-public money managed by ACT Government Directorates is required to be invested with PTG.

Performance reporting in respect to non-government individual trust accounts is a matter between the PTG and the client. As previously mentioned, PTG invests these funds in accordance with fifteen principles that make up the 'Prudent Person Investment Principle' in the *Trustee Act 1925* and returns a dividend to the particular account net of fees.

Government funds held at 30 June 2016 amounted to \$180.6M compared to \$177.3M at 30 June 2015 in respect to the following accounts –

- ACT Civil and Administrative Tribunal
- ACT Health
- ACT Health Ethics Committee
- ACT Procurement Solutions
- ACT Planning and Land Authority
- Agents Act Consumer Compensation
- Canberra Cemeteries
- Confiscated Assets Trust Fund

- Default Insurance Fund - Uninsured Employer Fund
- Default Insurance Fund - Collapsed Insurer Fund
- Motor Vehicle Dealers Compensation Fund
- Office of the Nominal Defendant of the ACT
- Residential Rental Bonds Trust Account
- Uncollected Goods Trust Account.

Funds held in these accounts are invested in a range of securities including bank bills and financial institution deposits managed internally as well as through the PTG's Australian Fixed Interest Index Common Fund. The circumstances of each account are reviewed regularly and investment strategies established according to individual risk profiles, objectives, income needs and relevant legislation.

These funds are not invested in Australian or International Equities and are not at risk of unethical investment.

Criminal Assets

The *Confiscation of Criminal Assets Act 2003* (COCA) authorises the confiscation of the proceeds of crime and other criminal assets. PTG's statutory role is limited to administering assets restrained under the Act. Forfeited assets are secured, sold and moneys realised are deposited into the Confiscated Assets Trust (CAT) Fund.

PTG deposited \$317,752.84 into the CAT Fund during the reported year on 14 January 2016, compared with \$165,360.67 in 2014-15. There were 14 matters finalised. Funds were made up from confiscated cash, and the sale of 5 confiscated motor vehicles. Variations in the amount deposited from one year to another reflect the number and value of forfeiture orders made in a year. At 30 June 2016, PTG held a further distribution of \$101,907.88 to be paid into the CAT Fund. These funds were not paid in to the CAT fund due to delays in confirming our ability to release the funds and were due to be distributed on 26 July 2016.

Uncollected Goods

The *Uncollected Goods Act 1996* provides for the surrender of goods, or proceeds of disposed goods, that were lost or abandoned in public places or on unleased Territory land.

At 30 June 2016, PTG held a total of \$1,029,289.20 in the Uncollected Goods Trust Account compared to \$171,276.33 at 30 June 2015, an increase of \$858,012.87 or 500.1%. There are two trust accounts held for this purpose, one is a PTG account and the other a JACS account. This is the first time that both accounts have been reported in total.

Unclaimed Money

At 30 June 2016, PTG held \$30,852,753.33 in unclaimed money compared to \$26,108,516.51 at 30 June 2015.

During the reported year –

- 45 lodgements were received for a total of \$6,145,654.25 compared to 47 for the previous year.
- 2,239 claims for a total of \$1,427,508.78 were received and paid compared to 3,927 for a total of \$1,266,396.46 for the previous year.
- The average claim for 2015-16 was \$637.57 compared to \$322.48 for 2014-15.
- 351 individual fees were charged for a total of \$25,230.00 compared to 693 individual fees for a total of \$48,305.00 for 2014-15.

The variation in the number of claims received and the value of money paid, compared to the previous year, is attributable to the transition of the database to a new web-based claims facility.

Income of \$539,806.86 from PTG's investment of unclaimed moneys was transferred to the Territory on 7 June 2016.

An additional amount of \$45,891.32, being unclaimed estate money payable under Schedule 6, Part 6.2, Item 4 of the Administration and Probate Act 1929, was also paid to the Territory.

Cemeteries and Crematoria Trusts

PTG is trustee of the Perpetual Care Trusts under the *Cemeteries and Crematoria Act 2003* (the Act). 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 the fund to be held in trust and invested through the common funds.

At 30 June 2016, a total of \$7.02M in deposits was held compared to \$4.40M at 30 June 2015.

Deposits to Perpetual Care Trust

Cemetery/ Crematorium	Deposits to date (all) (\$)	Withdrawals to date (all) (\$)	Net Income to date (all) (\$)	Net Growth on Investments (\$)	Balance as at 30/06/2015 (\$)
Gungahlin Cemetery	3,011,449	3,010,879	20,226	(430)	20,366
Gungahlin Cemetery Reserve	1,353,256	148,614	67,652	63,762	1,336,056
Hall Cemetery	97,844	124,271	13,577	12,888	37
Hall Cemetery Reserve	250,568	6,365	8,629	(2,397)	250,435
Woden Cemetery	3,798,362	4,309,728	430,424	111,114	30,173

Cemetery/ Crematorium	Deposits to date (all) (\$)	Withdrawals to date (all) (\$)	Net Income to date (all) (\$)	Net Growth on Investments (\$)	Balance as at 30/06/2015 (\$)
Woden Cemetery Reserve	4,254,183	111,523	165,433	192,620	4,500,713
Woden Mausoleum	528,317	305,540	18,711	-	241,488
Woden Mausoleum Reserve	969,093	526,929	47,975	51,345	541,485
Norwood Park	72,326	-	22,348	3,316	97,989

PRODUCTS AND SERVICES

Wills

596 Wills were completed during the year compared with 786 in the previous year. The variation resulted from a deliberate move to stem the cost of preparing Wills where the Public Trustee and Guardian was not appointed as primary executor. Will preparation is a loss leader in economic terms with the true cost being recovered through the eventual administration of the estate. There is an appreciable cost associated with preparation of Wills where PTG is not the ultimate executor. The cost of preparing wills where PTG is appointed as secondary or tertiary executor had been increased in a deliberate attempt to stem losses. In this sense, whilst less Wills were prepared, a higher level of cost recovery will be achieved.

Estates

101 estates were finalised during the year with an estimated value of \$34,817,214.60 compared to 100 at \$36,886,723.00 for the previous year. PTG developed and introduced a new service "Executor Assist". Executor Assist provides a service to executors seeking assistance in administering an estate. During the reported period PTG finalised 4 executor assist matters. The value of those estates is not included in the figure provided for estates finalised in the reported year. In 3 of these matters PTG obtained a Grant of Probate on behalf of the appointed private executor. In one matter there was no will PTG assisted with an application for grant of Letters of Administration. The total value of all four estates was \$1,591,963.21

Trusts

PTG acts as trustee, manager or receiver of funds for those unable to manage their funds. The number of trusts administered during the year was 394 compared to 393 for the previous year. The value of trusts under administration at 30 June 2016 was \$ 80,865,919.36. This is entirely reflective of appointments made by the Supreme Court. This year PTG changed the total value of trusts reported under this indicator limiting the value of reported trusts only to those that

are established by testamentary trust, court order, trust deed and Special Disability Trust but not including government trusts.

Enduring Powers of Attorney (EPA)

The role of preparing EPAs and acting as attorney for financial, health and personal matters was previously segregated between the former Public Advocate of the ACT and the former Public Trustee for the ACT. Following the establishment of PTG on 1 April 2016, EPA's are now made by the Public Trustee and Guardian in one visit, one deed, one fee and for all purposes as required.

The number of EPAs under active management by the PTG has decreased from 52 last year to 44 this year. There has been significant marketing of EPA's during the reported year through newspaper editorials and seminars. Declining numbers of appointments of PTG as attorney suggests people in the community are either appointing trusted individuals to act as their attorney or, more likely, refraining from doing so altogether in favour of an order of the ACT Civil and Administrative Tribunal (ACAT) appointing a Guardian/Manager.

Guardianship

PTG became responsible for the function of Guardianship services under the *Guardianship and Management of Property Act 1991* by amendments to the *Public Trustee and Guardian Act 1985* which came into effect on 1 April 2016. Guardianship services were previously provided by the former Public Advocate of the ACT.

PTG's responsibilities as Guardian include -

- representing the best interests of people with impaired decision-making ability where the Public Trustee and Guardian is appointed as guardian by (ACAT) under the *Guardianship and Management of Property Act 1991*;
- under s.19C of the *Public Trustee and Guardian Act 1985*, where appointed as guardian, to find a suitable person to be appointed as guardian for a person with impaired decision-making ability.

At 1 July 2015, there were 205 active appointments as Guardian by ACAT under the *Guardianship and Management of Property Act 1991*. At 30 June 2016, this number had reduced to 140 following a comprehensive review of appointments where there was no longer a need for PTG as decision-maker in the person's life for a range of reasons.

It is useful to note that, at 30 June 2016, of these 140 orders appointing PTG as guardian, approximately 85% of orders also appointed PTG as Financial Manager.

Financial Management

PTG undertakes a statutory role as Manager for financial and property matters under appointment by ACAT under the *Guardianship and Management of Property Act 1991*.

PTG's responsibilities as Manager include -

- under appointment by ACAT, protecting the financial and property interests of adult persons in the community who have impaired decision-making ability or who lack the capacity to manage their own financial affairs.

PTG is generally appointed as Manager in approximately 50% of cases. At 30 June 2016, PTG was appointed as Manager for 484 persons compared with 509 persons at 30 June 2015. The number of current financial management accounts maintained under order of ACAT decreased in 2015/16 as a result of reviews of appointments by ACAT, death of protected persons, persons moving out of jurisdiction, changes in capacity as well as lower than expected appointments by ACAT.

Taxation Services

PTG is a registered tax agent, providing specialist taxation services incidental to Estate, Trust and Individual Income tax return activities. PTG prepared and lodged 1,543 income tax returns in 2015/16 compared to 1,523 in 2014-15. Income tax returns are lodged with the Australian Taxation Office (ATO) substantially in electronic form, and in paper form where appropriate, throughout the financial year.

Revenue from Taxation Services has increased by 5.2% from \$173,107.00 to \$180,030.93. The number of tax returns lodged in the 2015-16 financial year was higher due to an increase in the number of deceased estates finalised. Additionally, previous year returns were lodged for new management clients who had failed to lodge their tax returns for a number of years before commencing with PTG. There was also an increase in the number of amended tax returns lodged due to the investigation of financial irregularities carrying over from 2014.

Overall, the revenue increase is attributable to an increase in complex taxation matters being finalised. This resulted from PTG's application to the ATO for a Private Ruling in a number of returns as well as a higher increase in the number of tax returns that were prepared and lodged.

Property Services

PTG completed 30 property settlements during 2015-16 compared to 32 in 2014-15. The total value of property conveyed was \$15,570,629.00 compared to \$15,710,500.00 in 2014-15. During the year, PTG had 97 properties under management and PTG's Property Officer made 95 property visits. PTG's property sales attract an average agent's commission of 1.86% using 14 different real estate firms. All real estate agents used are subject to PTG's Code of Conduct for Service Providers.

Comparative Table of Business Activity 2006-07 to 2015-16

INDICATOR	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Financial Management Orders	435	442	432	458	473	481	486	501	509	484
Active EPA	77	69	68	67	61	56	53	48	52	44

INDICATOR	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Deceased Estates Admin <\$100,000	55	35	37	37	38	40	36	33	38	44
Deceased Estates Admin >\$100,000	41	40	33	47	63	68	55	47	62	57
Examinations of accounts	261	243	318	370	440	425	445	488	491	501
Trusts under legal disability <\$100,000	452	442	417	399	374	368	348	340	337	338
Trusts under legal disability >\$100,000	31	34	30	39	50	49	53	56	56	56
Wills	644	691	724	730	653	704	743	752	786	596

B.3 SCRUTINY

OMBUDSMAN

During the year, 14 approaches were made to the ACT Ombudsman. The Ombudsman investigated one complaint and decided not to investigate 12 complaints under S.15 of the *Ombudsman Act 1989*. Of the fourteen approaches made, 13 were finalised at 30 June 2016.

The table below indicates a steady drop in approaches to the Ombudsman between 2011 in 2016. The Ombudsman has found no administrative deficiency on the part of the Public Trustee and Guardian in any of the matters reported in the past five years. Additionally at 1 April 2016, there had been no approaches to the Ombudsman in respect to the provision of Guardianship services.

Comparative Table of Approaches to the ACT Ombudsman

2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
17	8	5	1	14

The steady decline in the number investigations of approaches made to the Ombudsman reflects a continuing effort by PTG to take appropriate principles into account when making decisions including -

- recognising the key issues in decision-making;
- maintaining detailed and accurate records;

- adhering to PTACT policies, procedures and practices;
- observing appropriate timeframes for making decisions;
- observing the principles of natural justice; and
- communicating decisions in a respectful, accurate and meaningful manner.

ACT AUDITOR-GENERAL

New Audit Findings

No new audit findings were identified during the audit of financial statements of the Public Trustee and Guardian, Trust Account and Funds and review of Statement of Performance of the Public Trustee for the ACT (now PTG).

Auditor-General Report - Audit Management Report for the year ended 30 June 2015		
Recommendation No and summary	Action	Status
New Audit Findings - No new audit findings were identified during the audit of financial statements of the Public Trustee for the ACT, Trust Account and Funds and review of Statement of Performance of the Public Trustee for the ACT (now PTG).	No action required.	N/A
Previously Reported findings - 1. Accounting systems/work-papers – Part resolved Although improvements were made to the processes used to prepare the 2014-15 financial statements of the Trust Account and Funds and supporting workpapers, the systems and processes used by the Public Trustee to prepare the financial statements of the Trust Account and the Funds continue to be prone to error due to the lack of an accounting system and the use of manual processes to record transactions.	The office continues to work with Sarah Palic & Associate (SPA) to address this and other issues raised by the Auditor-General.	Upgraded MYOB Account Right to 19.10. Outsourced preparation of these financial statements to SPA.
2. Quality of the financial statements – Part resolved Since 2011-12, the Audit Office has reported that the financial statements of the Trust Account and Funds submitted for audit contained errors and required significant improvements. While the quality of the financial statements improved, the financial statements of the Trust Account and Open Fund contained errors, indicating that further improvements should be made to the processes used to prepare these financial statements.	Further improvements to be made to the processes used to prepare these financial statements.	The office continues to work with SPA to improve both the processes and quality of financial statements.
3. Management Discussion & Analysis – Not resolved The Audit Office first reported in 2012-13 that the explanations of variances between actual results from the budgeted and prior year results in the MDA of the financial statements should be improved to provide readers with a better understanding of the financial results.	MDA of the financial statements should be improved to provide readers with a better understanding of the financial results.	The office continues to work with SPA to improve both the processes and quality of financial statements.

LEGISLATIVE ASSEMBLY COMMITTEES

Budget Estimates Committee

No questions on Notice.

Standing Committee on Justice and Community Safety - Inquiry into 2014-15 Annual Reports

The Standing Committee on Justice and Community Safety reviewed the former Public Trustee for the ACT's Annual Report in its Annual Report Hearings for 2014-15. No issues were raised by the Committee in respect to the 2014-15 Annual Report of the former Public Advocate of the ACT relating to Guardianship.

Recommendation 3	Agreed
The Committee recommends that the Public Trustee (and Guardian) gathers information on the Indigenous status of clients, as a routine part of its interactions with clients, subject to their agreement, and that this information be published in the Public Trustee (and Guardian's Annual Report).	The Public Trustee and Guardian is implementing recording processes that will enable the identification, where possible, of Aboriginal and Torres Strait Islander persons who are clients of the office. The information will be published in the Public Trustee's Annual Report commencing 2016-17.

B.4 RISK MANAGEMENT

PROCESS FOR DEVELOPING RISK MANAGEMENT PLAN

PTG established its Risk Register in 2010 in consultation with the former Public Trustee Investment Board. The strategy has matured following consultation with the PTG Internal Audit Committee and PTG's attendance at Risk Register training.

Approach to identifying areas of Significant Operational or Financial Risk

The strategy addresses ACT Government requirements in respect to risk assessment and mitigation. The strategy covers investment, financial, operational and administrative risk as well as workplace health and safety and addresses operational, tactical and strategic risk.

PTG's major risks have been identified as part of the Justice and Community Safety Directorate Risk Management Plan.

PTG collaborates with other jurisdictions in the identification and treatment of risk.

All PTG staff are required to note and sign a Staff Code of Conduct on an annual basis.

The recommendations made by KPMG in a report following a review of controls in PTG's Financial Management Services Unit have been substantially implemented.

Arrangements in place to manage and monitor risks

PTG's Internal Audit Committee conducts rolling audits and checks of risks identified in the Register.

PTG undertakes data analytics for fraud detection. The data analytics also detect business trends and analyse staff performance. These analyses are undertaken using TACTICS software. This involved installation of a driver on staff workstations that allows for programs like Word and Excel to connect directly to the underlying tables of the TACT database. This then allows the development of Excel templates for almost any business need, provided the information has been entered in TACT.

The process for identifying and responding to emerging risk

PTG's Management Committee is the main internal forum for identifying, recording and addressing emerging risk. State/Territory Public Trustees and Public Guardians meet every six months and exchange information about risk and risk mitigation. An example during the year was the identification by Australian Public Trustees that their membership of the Financial Services Council - FSC (an umbrella financial service industry representative body) presented a risk that Public Trustees might be seen to be party to political donations. Public Trustees had joined the FSC for a range of purposes including accessing its trust education program with University of Western Sydney. It was discovered that FSC makes political donations using membership fees. The risk was addressed by Public Trustees leaving the FSC as members and entering into a Services Agreement in lieu for which no part of the agreed fee is attributable to political donations.

B.5 INTERNAL AUDIT

INTERNAL AUDIT ARRANGEMENTS

The strategy covers all investment, financial, operational and administrative responsibilities as well as Workplace Health and Safety matters. The strategy forms the basis of PTG's Internal Audit Committee agenda.

Audit Committee charter and operations

PTG's Internal Audit Charter was last revised on 4 May 2016 as a result of the establishment of PTG. The revised charter amended issues including name change, responsible persons, composition of the committee and tenure, responsibilities, reporting and administrative arrangements.

Links with risk review processes

The Committee addresses issues identified in PTG's Risk Register.

Membership of the Internal Audit Committee

Membership of the Audit Committee consists of staff representatives of PTG's business units and is headed by an independent chair, Mr Roger Broughton. Mr Broughton was formerly a

member of the Public Trustee Investment Board. During that time he served as Executive Director, Investment and Economics at ACT Treasury.

The Board met on 4 occasions during 2015-16 and considered a number of issues including –

- Response to end of Year Management Report by Auditor-General
- Inclusion of Register of Service Providers to PTG's Sharepoint
- Note and follow up issues arising from Tax Compliance Audit
- Review Working Alone Policy
- Installation of WIP phone
- Review safety aspects/risks of trolleys used in PTG
- Procure an independent external auditor to conduct *ad hoc* audits
- Results of test of Business Continuity Plan
- Issues for Public Trustee and Guardian re-structure
- Functional review of PTG 2016
- PTG Risk Register update
- Report of Australian Super.

INSURANCE

PTG's motor vehicle insurance risk is covered through a policy with AON (Ansvar) Insurance. Workers Compensation and Insurance Risk (including fidelity insurance) is covered by ACT Insurance Authority (ACTIA). Client (trust) assets are insured by various providers selected on a case-by-case basis.

RISK PROFILE MODELS ADDRESS CLIENT INVESTMENT NEEDS

The Public Trustee and Guardian is bound by the "Prudent Person Investment Principle" in the *Trustee Act 1925*. This principle requires that a trustee must only invest funds entrusted to him as would a person of prudence i.e. with discretion, care and intelligence.

Accordingly, PTG ensures that investments are made in accordance with an appropriate risk profile. This involves an annual analysis of the circumstances and acceptable risk tolerance of each investment client.

Major risk investment categories applied are Growth, Balanced, Income Stable and Capital Secure. Funds are invested through sector common funds in tactical asset allocations, set in consultation with PTG's asset/markets consultant PricewaterhouseCoopers.

B.6 FRAUD PREVENTION

RISK ASSESSMENTS CONDUCTED

PTG's Risk Register identifies risks and establishes appropriate controls and checks in compliance with ACTIA, ACT Government and JACS Directorate standards.

PTG upgraded its trust-accounting system (TACT) in accordance with a review of controls by KPMG conducted in September 2014. TACT was developed for use by the trustee industry and meets standards for client confidentiality and security control as well as compliance with risk controls contained in the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (C'th).

PTG's Investment Board advises the Public Trustee and Guardian in respect to investment and funds management risk. This advice covers issues such as investment structure and strategy, asset consultant and fund manager supervision, investment review and financial governance matters.

During the reported year, a number of audits were conducted having a risk perspective -

- Taxation Compliance Review
- Management and Administration of Credit Cards
- Cash Management
- Taxation Compliance Review.

PTG also conducted a review of all Trust client accounts to ensure that client assets were correctly identified and loaded.

As previously mentioned, PTG ensures that investments are made in accordance with an appropriate risk profile. This involves an annual analysis of the circumstances and acceptable risk tolerance of each investment client.

FRAUD CONTROL PLANS PREPARED/REVISED

PTG revised its Risk Register during the reported year. The Register identifies fraud as a risk to PTG as well as mitigation strategies.

PTG engaged KPMG in January 2014 to undertake a review of PTACT's controls in the Financial Management Unit. The recommendations contained in KPMG's report dated 11 September 2014 have been substantially implemented.

OTHER FRAUD PREVENTION STRATEGIES ADOPTED

PTG has established Codes of Conduct for its staff as well as for external service providers. The Codes reflect the trusted nature of the Public Trustee and Guardian's role in the community and inform expected standards and behaviours to be demonstrated when employed or engaged by PTG. PTG's Staff Code of Conduct incorporates ACT Public Service values and signature behaviours of respect, integrity, collaboration and innovation.

The Service Provider Code of Conduct for external service providers was comprehensively reviewed as part of the recommendations made by KPMG Forensic at the conclusion of its Controls Review. PTG is progressively bringing its service providers into line with the new Code.

A summary of controls changed during the reported year is as follows -

- A register of PTG Policies was commenced
- Trust accounting system upgrade - first stage implemented
- Gifts and inducements register reviewed
- Agreed to bring PTG's property management portfolio under the Property Officer's responsibilities
- Code of conduct signed by all staff (annual check)
- Risk register/strategy reviewed and amended
- Complexity ratings for client matters established for Wills, Estates, Trusts Unit

FRAUD AWARENESS TRAINING

All PTG staff are required to read and note the Staff Code of Conduct annually and, during the reported year, one PTG manager attended industry fraud/risk training.

FRAUD DETECTION STRATEGIES

As previously mentioned, PTG utilises TACTICS software as a means of simultaneously analysing disparate databases to detect irregularities in transactions with client financial records.

PTG will also appoint an external auditor to conduct mini-audits of issues in the Risk Strategy.

B.7 WORK HEALTH AND SAFETY

WORK HEALTH AND SAFETY ACT 2011

PTG's Workplace Health & Safety and Injury Management Strategy is part of its risk management framework. The JACS Annual Report 2015-2016 incorporates PTG's statistics in respect to s.171 & 172 of the *Work Health and Safety Act 2011*.

PROGRAMS INITIATED/IMPLEMENTED TO IMPROVE RETURN TO WORK PERFORMANCE

PTG does not have any employees on long term sick leave.

Under PTG's Workplace Health & Safety and Injury Management Strategy, the following initiatives were undertaken in 2015-16 in the interests of creating a safer workplace –

- Three-monthly check and test of duress alarms
- Ergonomic seating provided to suit the individual needs of staff as required

- Hazardous Chemicals Substance Register maintained
- Regular workplace inspections to cover all areas of identified risk
- Influenza Vaccine administered to 31 PTG staff
- Tested and tagged all electrical appliances
- Regular blood donations by several PTG staff
- First Aid Kits for office and vehicles inspected and replenished as required
- Anti-smoking publicity material displayed on office noticeboards
- Protective clothing kits provided in office vehicles for site visits
- Fire safety audit & fire evacuations as required
- Tested smoke alarms and sprinklers
- All PTG staff undertake bullying and harassment training
- Pest extermination for office premises

PTG's Incident Summary for 2015-16 based upon information provided by the Workplace Injury Performance Unit of Chief Minister, Treasury and Economic Development Directorate.

Statutory Office	Section 38 Notifiable Incidents	Incidents Without Injury	Minor Injuries	Lost Time Injuries	Total All Incidents
Public Trustee and Guardian	0	2	0	0	2

During the year no accidents or dangerous occurrences, requiring the giving of notices under s. 38, 171 & 172 of the *Work Safety Act 2008*, were reported.

In July 2015, PTG's annual workers' compensation premium rate for 2015-16 was set at 1.84% (\$58,671) down 12% from 2.09% (including deficit levy) for the previous period.

NATURE OF IMPROVEMENT, PROHIBITION, OR NON-DISTURBANCE NOTICE UNDER PART 10

Nil to report.

COMPLIANCE WITH IMPROVEMENT, PROHIBITION OR NON-DISTURBANCE NOTICE UNDER PART 10

Nil to report.

NATURE AND BRIEF DESCRIPTION OF ANY ENFORCEABLE UNDERTAKING UNDER PART 11

Nil to report.

FINDINGS OF A FAILURE TO COMPLY WITH A SAFETY DUTY UNDER PART 2 DIVISION 2.2, 2.3 OR 2.4

Nil to report.

INSTANCES OF A FAILURE TO ADDRESS ANY FINDING OF FAILING TO COMPLY WITH A SAFETY DUTY

Nil to report.

WORKER CONSULTATION ARRANGEMENTS

Nil to report.

NUMBER OF ELECTED HEALTH AND SAFETY REPRESENTATIVES

PTACT has two trained Workplace Health and Safety representatives.

SERIOUS INJURY OR ILLNESS AND DANGEROUS INCIDENTS THAT REQUIRED NOTIFICATION TO THE REGULATOR IN ACCORDANCE WITH PART 3 SECTION 38 OF THE WORK HEALTH AND SAFETY ACT 2011

Nil to report.

B.8 HUMAN RESOURCE MANAGEMENT

Strategic Priorities during the reported year were as follows -

- Identify training and development needs for all staff through the completion of Personal Achievement and Development Plans.
- Ensure that management and staff are appropriately trained in Aboriginal and Torres Strait Islander issues.
- Provide Workplace, Health and Safety training to all staff and to develop the Hazardous Chemicals Substance Register.
- Promote and engender the principles of Respect, Equity and Diversity (RED) among staff.
- Develop mechanisms to attract and retain skilled and capable staff.
- Review staffing structure including staff numbers, work volumes and classification levels.
- Identify critical positions and potential feeder group for succession-planning purposes for longer-term renewal of core skills and capabilities.
- Identify skills, knowledge and qualification requirements to support business plan objectives and build capability within the feeder group.
- Develop a constructive organisational culture to support and motivate staff to fulfil their potential.

- Strengthen qualifications and links with industry and professional associations.
- Provide targeted, industry-based training and support for all staff.

LEARNING AND DEVELOPMENT DELIVERED IN KEY RESULT AREAS

PTG employs a number of staff with professional qualifications crucial to the delivery of services in key program areas including accounting, tax accounting, succession law, psychology and social science. PTG provides membership of professional organisations to these staff to enable them to access continuing professional education.

PTG is also providing study assistance to several staff undertaking tertiary study.

PTG maintains a Service Agreement with the Financial Services Council (FSC) through which targeted training at Diploma level is provided through the University of Western Sydney to PTG staff in trustee industry disciplines.

ENHANCING SKILL AND CAPABILITY

In addition to the Learning and Development initiatives referred to above, PTG has established an innovation budget and proposes to undertake IT developments on a projects basis utilising external project officers. A number of innovative processes have been accessed through the TACT Business System upgrade and it is intended to implement these in the next 12 months. These include a replacement Precedent/Letter database, electronic cheque and payments requisition module and an enhanced Electronic Document and Records Management System. PTG also proposes to move its Guardianship client database from Filemaker Pro across to the TACT database.

APPRENTICESHIPS AND TRAINEESHIPS

Not applicable.

TRAINING

The major part of PTG's learning strategy is provided through on-the-job experience with around 30% coming from exposure to peers, coaches and mentors as well as formal education.

JACS provides training to PTG staff in whole of government skills including HP Records Manager, Microsoft Office suite, anti-bullying and harassment and cultural awareness training.

During the year, PTG established a formal policies database as a means of recording, tracking and updating its many policies.

PTG's Practice Manual, available through the Knowledge Base portal, continues to be a 'work in progress' to provide a uniform practice resource for staff and management.

Continuing Legal, Accounting, Taxation and other professional education is provided to meet the demands of an increasingly complex environment and to complement our management of risk. Several staff members are receiving study assistance in the completion of their professional studies.

Formal industry training is presently sourced through a collaborative arrangement between the Financial Services Council of Australia and the University of Western Sydney as well as the Financial Services Institute of Australasia.

During the reported year, PTG spent \$20,995.27 (excl. GST) on external training. Additional training to a value of in excess of \$20,000 was provided by the JACS Directorate at no cost to PTG, through peer training and under PTG's Training Wheels program.

The "Training Wheels" program is an outcome of PTG's Continuous Improvement Group which was formed as an outcome of the Whole of JACS Staff Survey. Under the program, PTG conducts regular training sessions on a range of subjects predominantly by staff within the office in their area of expertise. External presenters are also invited.

Learning and Development provided to PTG staff

Course/Training	Participants
Aboriginal & Torres Strait Islander Awareness	1
Dealing with People in Difficult Situations - Lifeline	5
Mental Health Act - ACT Law Society	7
LGBTI training - Pride and Diversity	16
NDIS - ACT Law Society	2
Capacity training	1
Powers of Attorney - University of Western Sydney	4
Bullying & Harassment Awareness	5
JACS Induction	4
Respect Equity & Diversity Contact Officer training	1
Minute-taking	1
TRIM	1
Writing for Government	6
JACS Fraud & Ethics	2
Privacy training	1
Recruitment & Staff Selection	3
Refining Documents	4
Managing Stress - Fresh Coaching	2
Grammar and Punctuation - CIT	3
Coaching and mentoring	2
Executive Assistant Conference	1

Course/Training	Participants
Freedom of Information	1
KPMG Workshop	2
HR Masterclass	3
Coaching & Mentor	5
Manage Professional Development	1
SharePoint - Wizard	1
Respect Equity & Diversity training	1
Procurement training	1
First Aid	2
Workplace Health & Safety	2
Certified Practising Accountant - study assistance	1
Bachelor of Laws - study assistance	1

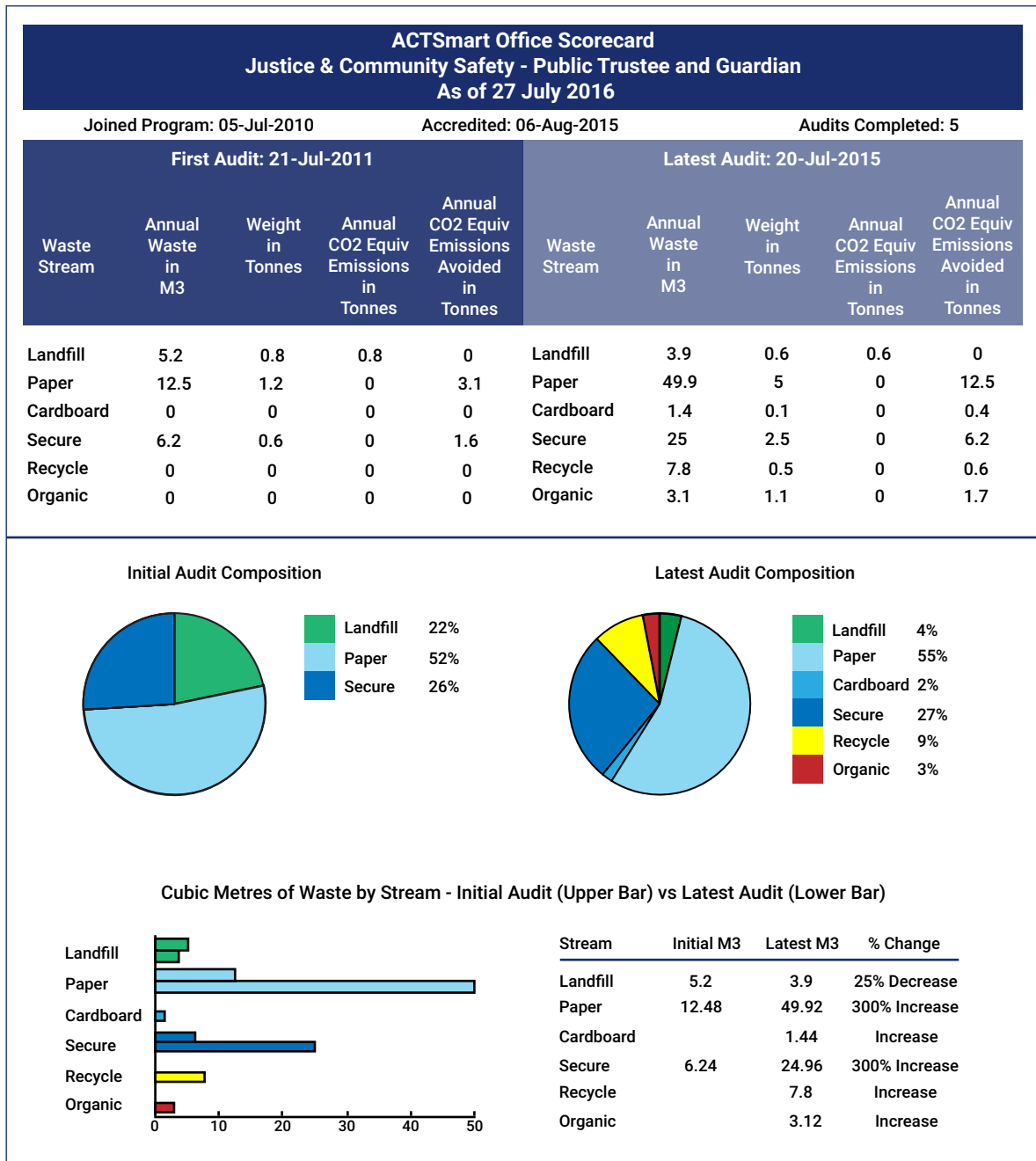
PTG's SEA, AWA & ARIN arrangements

ARINs	
Number of ARINs as at 30 June 2016	1
Number of ARINs entered into during period	1
Number of ARINs terminated during period	1
The number of ARINs providing for privately plated vehicles as at 30 June 2012	Nil
Number of ARINs for employees who have transferred from SEAs during period	Nil
Number of ARINs as at 30 June 2015	1
Number of ARINs terminated/lapsed (including formal termination and those that have lapsed due to staff departures)	1

B.9 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

Reported as part of the JACS Annual Report. PTG joined the ACTSmart Office Program on 5 July 2010 and was re-accredited in August 2015.

Regular audits are undertaken to ensure that appropriate levels of material are re-cycled and deposited to landfill.



**FINANCIAL
MANAGEMENT
REPORTING**

C.1. FINANCIAL MANAGEMENT ANALYSIS

GENERAL OVERVIEW

The following material is extracted from the Public Trustee and Guardian's Budget Papers for 2016-17.

Objectives

PTG's primary objective is the protection and support of rights, choices, security and justice for all persons in the ACT Community.

PTG's services include -

- acting as Guardian and/or Manager under appointment by the ACT Civil and Administrative Tribunal;
- making Wills where PTG is appointed as executor);
- administering deceased estates under will or intestacy;
- preparing, and acting as attorney under, Enduring Powers of Attorney;
- acting as trustee for trusts created in Wills, Deeds and Court Orders for families, infants and people with disabilities;
- providing an annual examination of the accounts maintained by external managers on behalf of people with impaired decision-making ability; and
- undertaking the role of administrator for the ACT Official Visitor Scheme and of Chair of ACT Official Visitors Board.

PTG also acts as agent for the Territory in the provision of the following services -

- receiving, managing and disposing of assets forfeited under the *Confiscation of Criminal Assets Act 2003*;
- administering moneys declared unclaimed under the *Unclaimed Money Act 1950*, *Legal Practitioners Act 2006* and *Agents Act 2003*, including receiving moneys, processing claims and investing funds; and,
- investing moneys held in specified government trust funds.

FINANCIAL PERFORMANCE

The following financial information is based upon -

- audited actual figures for 2015-16;
- audited Financial Statements for 2014-15 and 2015-16; and
- budget estimates contained in the 2015-16 Budget Statements D. As a result of amendments made to the *Financial Management Act 1996*, the budget statement for PTG is its Statement of Intent.

Operating Result

The operating surplus for the year ended 30 June 2016 is \$357,219. The result is lower than the budget estimate of \$708,000, and a decrease of \$351,892 over the previous year.

Figure 1. Operating Result

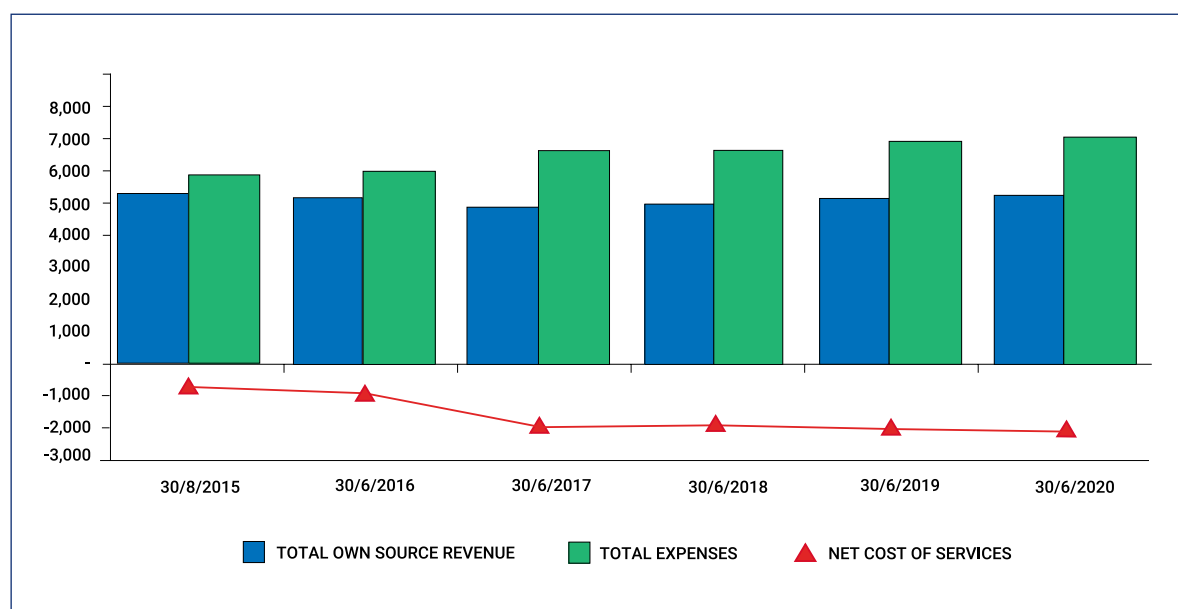
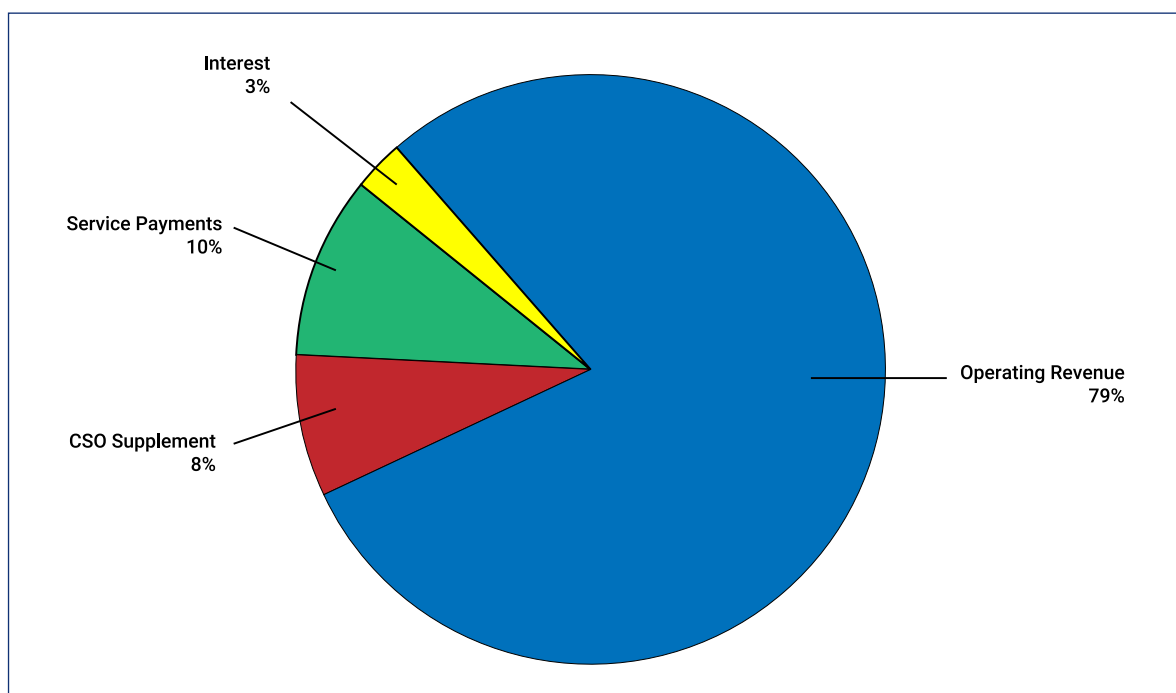


Figure 1 reflects audited actual figures for 2014-15 and 2015-16 and estimated outcomes as shown in the 2015-16 Statement of Intent.

An operating surplus has occurred. The surplus is lower than anticipated.

Although User Charges and interest received were higher than budgeted for, there were less funds transferred from Government Payment for Outputs due to savings initiatives introduced by the ACT Government and Official Visitors requiring less funds to administer the Official Visitors Scheme.

Expenses were higher than expected due to employee expenses increasing as a result of and increase in number of employees as a result of the transfer of staff from the Public Advocate of the ACT to the Public Trustee and Guardian on 1 April 2016 and increase in salary rates payable.

Figure 2. Components of Revenue 2015-16

As illustrated in Figure 2, the Public Trustee derived 79% of its revenue from fees and charges relating to the provision of trustee services.

Total revenue for the period ended 30 June 2016 was **\$6,346,022**. This is **\$324,022** higher than the 2015-16 budget estimate of **\$6,022,000** and a decrease of **\$185,774** compared to the same period in the 2014-15 year.

Comparison to budget

- The higher income compared to budget is due to management fees are a percentage based on the value of Common Funds, Superannuation, Cash Balances and Unclaimed Moneys received at period end (monthly, quarterly or yearly – dependent on the Public Trustee's fee determination). Additional management fees resulted from higher values of invested funds and additional funds invested;
- higher capital commission received is due to higher than expected estate-related commission charged as a result of higher than anticipated value of estates being finalised;
- overall higher income commission has occurred. Funds held by the Cash Common Fund, although receiving lower interest have a higher return due to higher than anticipated amount of funds held for clients. However, the funds invested on behalf of ACT Government agencies with investments in the Justice and Community Safety Trust Investment account have lower income commission due to a lower interest rate being received and lower funds held. Income commission is percentage-based and is reliant upon returns from determined fees on income received by clients and ACT Government agencies. The higher the income received, the higher the commission and vice versa if income is lower; and

- other fees are lower than expected due to the lower number and value of new trusts received under court order and lower amounts received under the fees determination to administer for Unclaimed Money than in the previous period.

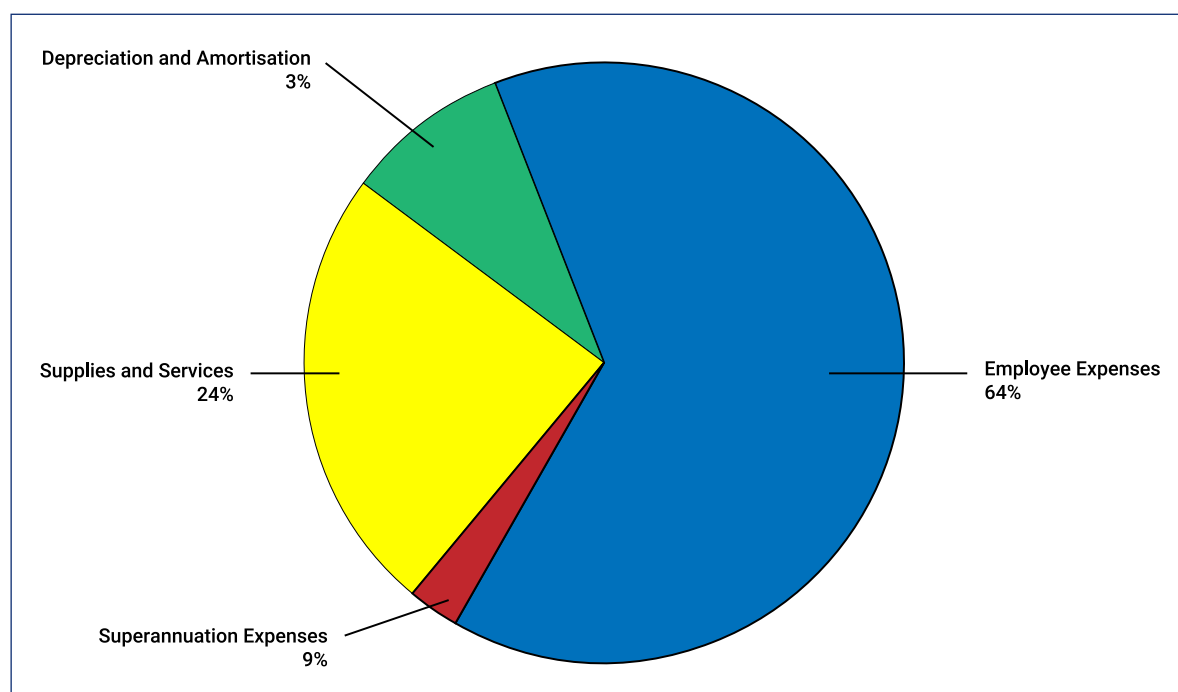
Comparison to 2014-15 actual income

- The decrease in income compared to the prior year is due to a reduction in insurance recoveries due to the finalisation of the investigation into irregularities found in client accounts in 2014-15;
- this was partially offset by an increase in income commission as a result of an increase of client funds being available for investment, even though there was a decrease in interest rates received; and
- management fees resulted from higher values of invested funds and additional funds invested. Management fees are based on a percentage of the value of Common Funds, Superannuation, Cash Balances and Unclaimed Moneys at period end (monthly, quarterly or yearly – dependent on the PTG's fee determination).

Total Expenses

PTG's business is the provision of estate and trustee services. Accordingly, the main expense items were employee expenses and administrative expenses relating to the provision of these services as shown in Figure 3.

Figure 3. Components of Expenses 2015-16



Total expenses for the year ended 30 June 2016 were **\$5,988,803** of which **\$4,366,778** or **73%** were employee-related (including superannuation). Total expenses are **\$674,803** higher than the 2015-16 budget estimate of **\$5,314,000**. By comparison, actual expenses for the previous year were **\$5,822,685** for the same period.

Comparison to budget

Employee and superannuation expenses are higher, compared to the budget due to higher than expected:

- Number of employees as a result of the transfer of staff from the Public Advocate of the ACT to the Public Trustee and Guardian on 1 April 2016 and increase in salary rates payable which was not anticipated at the time of budget;
- staffing numbers to cope with increases in general business; and
- wages as a result of the current enterprise agreement.

Comparison to 2014-15 actual expenditure

In comparison from the previous period, the increase in employee and superannuation expenses, resulted from an increase in:

- Wages and salaries as a result of an increase in short term contractors to assist with an increase in workload;
- staff numbers to cover staff on long term leave and on workers' compensation;
- wages as a result of the current enterprise agreement; and
- staffing numbers and associated employee expenses as a result of the amalgamation of the Guardianship Unit with the former Public Trustee for the ACT.

The increase in employee and superannuation expenses was partially offset by a decrease in:

- Payments to staff terminating their employment;
- wages as a result of the finalisation of the investigation into client irregularities; and
- employee expenses for Official Visitors staff due to the transfer of staff to hourly remuneration to be in line with other Official Visitors.

Comparison to budget

Although Supplies and Services costs were close to the budget cost, there was a variance due to:

- Higher than expected Renovation/Relocation costs due to costs associated with the preparation of architectural plans in relation to a proposed future operating lease for 221 London Circuit; and
- unbudgeted costs associated with the amalgamation of the Guardianship Unit of PAACT with the former Public Trustee for the ACT. These costs included rebranding of the building, marketing, redesign of the website and stationery.

These were partially offset by lower than expected computer-related expenses due to the non continuation of a project that was not anticipated at the time of budget.

Comparison to 2014-15 actual expenditure

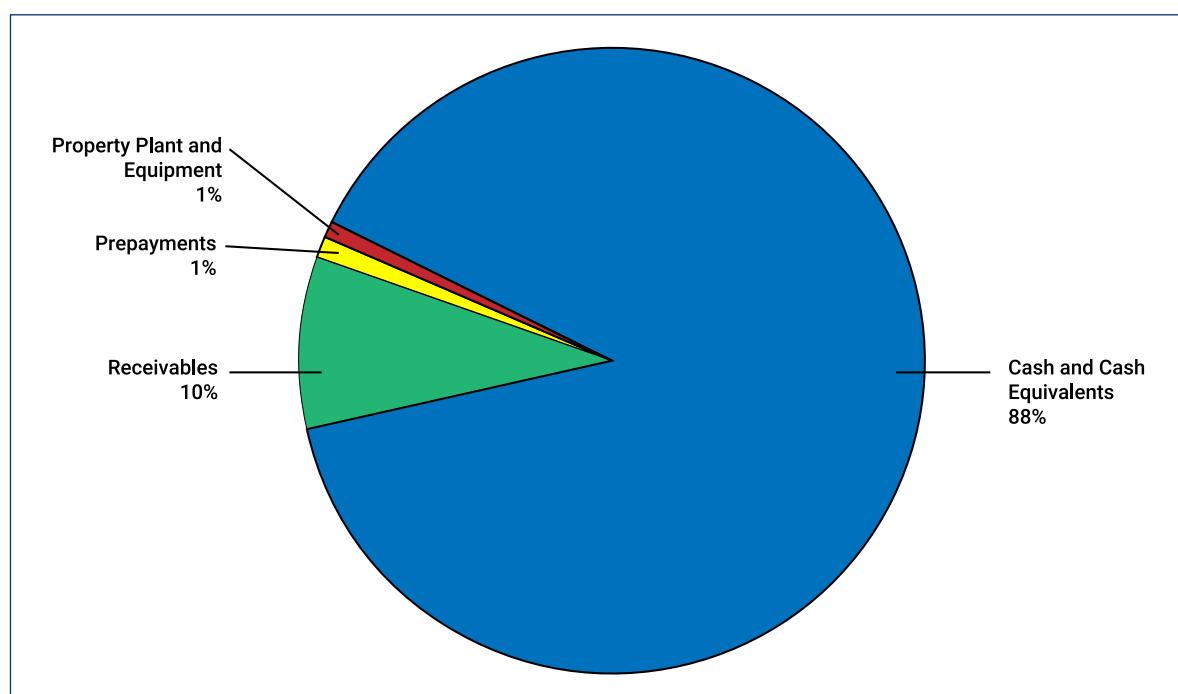
In comparison to the previous period, the decrease in supplies and service expenses occurred due to:

- The winding up of the investigation into irregularities in client accounts and the related cost of compensation of clients; and
- a decrease in information technology costs as projects were finalised during the 2015-16 financial year including the trust accounting system upgrade and the Unclaimed Moneys project.

Financial Position

Key indicators of the health of PTG's financial position include 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 4. Components of Assets as at 30 June 2016



PTG reported a total asset base of **\$7,664,935** of which **\$5,850,000** is invested in term deposits with various financial institutions and **\$912,293** is held in demand deposit cash accounts for ongoing expenses. The balance of assets at 30 June 2016, **\$824,475** is made up of receivables of **\$776,543**, prepayments of **\$42,316** and plant and equipment of **\$83,783**. Total assets are **\$117,935** higher than the budget estimate of **\$7,548,000** and **\$597,249** higher compared to 30 June 2015.

Comparison to budget

The higher amount of assets compared to budget is due to higher than anticipated:

- Cash and Cash Equivalents as a result of higher than expected fees received;
- receivables as a result of higher than expected in fees owing by the PTG trust account at the end of the year; and

- other assets due to a higher than expected number of invoices paid in advance at 30 June 2016

This has been partially offset by lower than anticipated value of plant and equipment as a result of the finalisation of the useful life of some assets.

Comparison to 2014-15 actuals

In comparison to the previous period, the increase in assets occurred due to higher:

- Cash and Cash Equivalents as a result of an overall increase in fees received;
- receivables as a result of an increase in fees owing by the PTG trust account, not taken at the end of the year.

These were partially offset by a decrease in the value of plant and equipment due to further depreciation of assets.

Sustained Asset Base

The ability of PTG to sustain its asset base is indicated by the increase in net assets. Figure 5 illustrates PTG's ability to maintain a strong net asset position.

Figure 5. Summary Statement of Financial Position

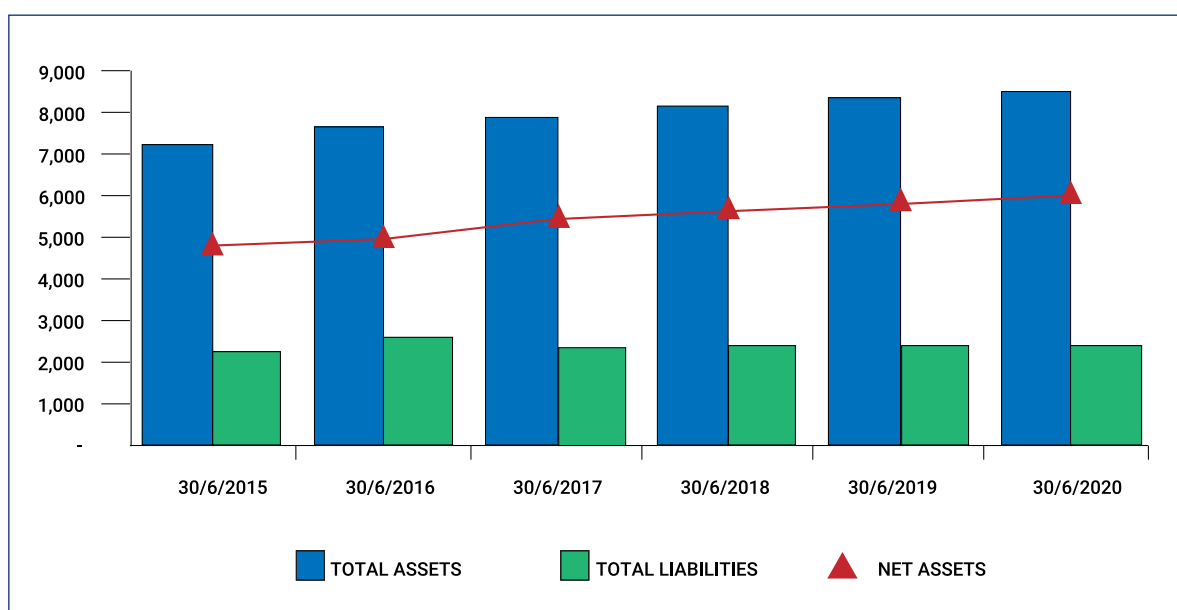


Figure 5 shows the audited figures at 30 June 2015, actuals at 30 June 2016 and estimated outcomes as shown in the Statement of Intent for 2015-16.

The net asset position continues to indicate an asset base capable of meeting the liabilities of PTG.

Liquidity

“Liquidity” is the ability of PTG to satisfy its 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 PTG’s liquidity position.

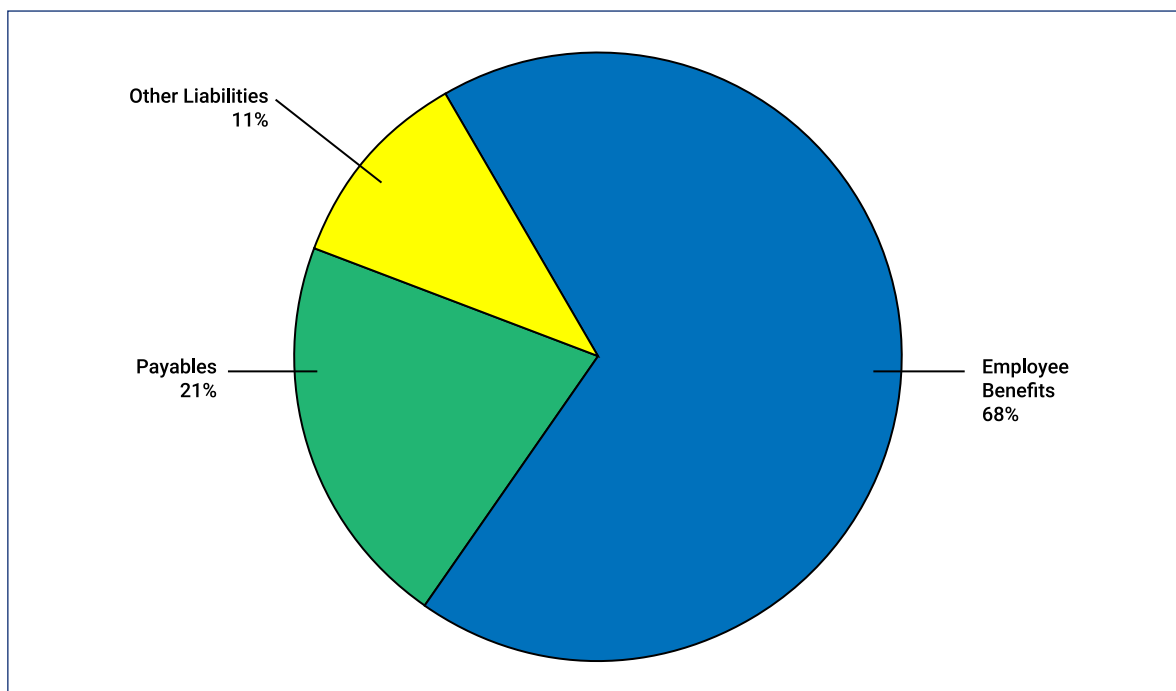
Table 1 - Current Ratio

	Prior Year Actual	Current Year Actual	Current Year Budget	Forward Year Budget	Forward Year Budget	Forward Year Budget	Forward Year Budget
At 30 June	2015 \$'000	2016 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000
Total Current Assets	6 785	7 580	7 378	7 500	7 787	7 993	8 187
Total Current Liabilities	2 050	2 321	2 193	2 074	2 116	2 101	2 092
Net Current Assets	4 735	5 259	5 185	5 426	5 671	5 892	6 095
Current Ratio	3.31:1	3.27:1	3.36:1	3.62:1	3.68:1	3.80:1	3.91:1

PTG’s current ratio at 30 June 2016 is **3.27 to 1**, lower than the budgeted current ratio at 30 June 2016 of **3.36 to 1**. This is due to the higher liabilities than expected exceeded the higher assets than expected. PTG anticipates current assets to remain relatively stable and will maintain a strong level of liquidity and be able to pay its current liabilities when due.

Liabilities

PTG’s total liabilities at 30 June 2016 were **\$2,577,635**. This balance is **\$135,635** higher than the budgeted figure of **\$2,442,000** and higher than the actual balance at 30 June 2015 of **\$2,246,608** by **\$331,027**.

Figure 6. Components of Liabilities at 30 June 2016**Comparison to budget**

Liabilities are higher compared to the 2015-16 budget due to:

- Higher employee benefits as a result of higher staffing levels, benefits accrued and salaries including those benefits transferred for staff of the Guardianship Unit from Public Advocate of the ACT; and
- higher payables due to higher than anticipated accrued expenses as advised but not invoiced by creditors prior to year end.

These were partially offset by lower than anticipated:

- Current Other Provisions resulting from a lower than expected dividend payable at year end due to a lower Operating Result; and
- finance lease provision due to the transfer to an operating lease in the prior period not anticipated at the time of budget.

Comparison to 2014-15 actual liabilities

In comparison to the previous period, the increase in liabilities occurred due to

- Employee benefits as a result of an increase in the present value factor of long service leave from 104.2 to 114.2 per cent, together with an increase in staffing numbers with benefits;
- payables is attributable to accrued expenses increasing due to invoices not being raised by creditors prior to year end.

These were partially offset by a decrease in:

- Current Other Provisions resulting from a decrease in the dividend payable at year end due to a lower Operating Result; and
- finance Leases due to the transfer of the lease to an Operating Lease during 2014-15.

Financial Strength

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.

Table 2 - Financial Assets to Total Liabilities Ratio

	Prior Year Actual 2014-15 \$'000	Current Year Actual 2015-16 \$'000	Current Year Budget 2015-16 \$'000	Forward Year Budget 2016-17 \$'000	Forward Year Budget 2017-18 \$'000	Forward Year Budget 2018-19 \$'000	Forward Year Budget 2019-20 \$'000
At 30 June							
Total Financial Assets	6 750	7 451	7 343	7 464	7 750	7 955	8 148
Total Liabilities	2 247	2 578	2 442	2 308	2 366	2 367	2 374
Net Assets	4 503	4 873	4 901	5 156	5 384	5 588	5 774
Financial Assets to Liabilities Ratio	3.00:1	2.89:1	3.01:1	3.23:1	3.28:1	3.36:1	3.43:1

The ratio at 30 June 2016 as indicated in Table 2 above is **2.89 to 1**. The ratio of **2.89 to 1** is a decrease from **3.00 to 1** at 30 June 2015. This shows that the liquidity of PTG is adequate to meet its financial obligations. With financial assets to total liabilities ratios well in excess of 1:1, PTG is well positioned to meet long term liabilities.

PTG Historical Financial Performance (10 year period)

	2006-07	2007-08	2008-09	2009-10	2010-11
APPROP.	\$613,000	\$631,000	\$643,000	\$655,000	\$669,000
REVENUE	\$4,030,681	\$3,980,105	\$3,682,098	\$3,543,000	\$5,007,132
EXPEND.	\$3,083,142	\$3,408,548	\$3,799,612	\$3,896,000	\$3,830,580
RESULT	\$947,539	\$571,557	(\$117,514)	(\$87,276)	\$1,176,552
DIVIDEND	\$473,769	\$285,778	Nil	Nil	\$588,276
STAFF (FTE)	31.6	32	34	34	35

	2011-12	2012-13	2013-14	2014-15	2015-16
APPROP.	\$682,000	695,000	706,000	706,000	\$624,001
REVENUE	\$5,249,994	\$5,040,986	\$6,398,431	\$6,531,796	\$6,346,022
EXPEND.	\$4,495,960	\$4,733,881	\$6,182,022	\$5,822,685	\$5,988,803
RESULT	\$754,034	\$307,105	\$216,409	\$709,111	\$357,219
DIVIDEND	\$377,017	\$153,553	\$108,205	\$354,556	\$178,609
STAFF (FTE)	39	39	40	42.8	51

C.2 FINANCIAL STATEMENTS

(Refer ANNEXURE - FINANCIAL STATEMENTS)

C.3 CAPITAL WORKS

No Capital Works were undertaken during 2015-16.

C.4 ASSET MANAGEMENT**NON-GOVERNMENT ASSETS**

The Public Trustee and Guardian 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

During 2015-16 no significant assets were added to, or removed from, the Public Trustee and Guardian's corporate assets register.

VEHICLE

The only government asset directly managed is a Volkswagen Golf valued at \$16,003 and internally managed in respect to insurance and maintenance. Minor repairs and maintenance were carried out in addition to scheduled servicing during the year. Vehicles are insured through AON Insurance.

WAREHOUSE

PTG has title to a unit title warehouse at 50-52 Grimwade Circuit, Mitchell. The asset is a trust asset and is unencumbered. The warehouse is used to store client effects relating to deceased estates and financial management clients. The warehouse may also be used to store confiscated criminal assets awaiting liquidation. Building insurance is sourced through the Units Plan Owners' Corporation.

The warehouse was inspected and valued in June 2016 by Herron Todd White at \$300,000.00. Revaluation is conducted on a three-yearly basis. The warehouse contains no hazardous materials.

OFFICE ACCOMMODATION AND EQUIPMENT

PTG employs 51 (47.2 FTEs) staff, all of which are accommodated in 620 m² on the Ground Floor, 221 London Circuit, Canberra City.

C.5 GOVERNMENT CONTRACTING

PROCUREMENT OVERVIEW

During the reported year, PTG upgraded its Trust Accounting business system "TACT" from v 7.2 to v.7.3. Ultradata was engaged on the basis that it is the sole supplier of TACT.

GOVERNMENT PROCUREMENT SERVICES

PTACT confirms that it has -

- complied with the quotation and tender thresholds laid out in the *Government Procurement Regulation 2007*;
- ensured all contractors have complied with their employee and industrial relations obligations;
- partnered with Shared Services Procurement for all contracts which exceed \$200,000 in value for goods and services, or \$25,000 in value for works; and
- submitted all relevant contracts for review by the Government Procurement Board consistent with the provisions of the *Government Procurement Regulation 2007*.

ADDITIONAL INFORMATION FOR PROCUREMENTS EXEMPTED FROM QUOTATION AND TENDER THRESHOLD REQUIREMENTS

Contracts in this category currently entered into and continuing include –

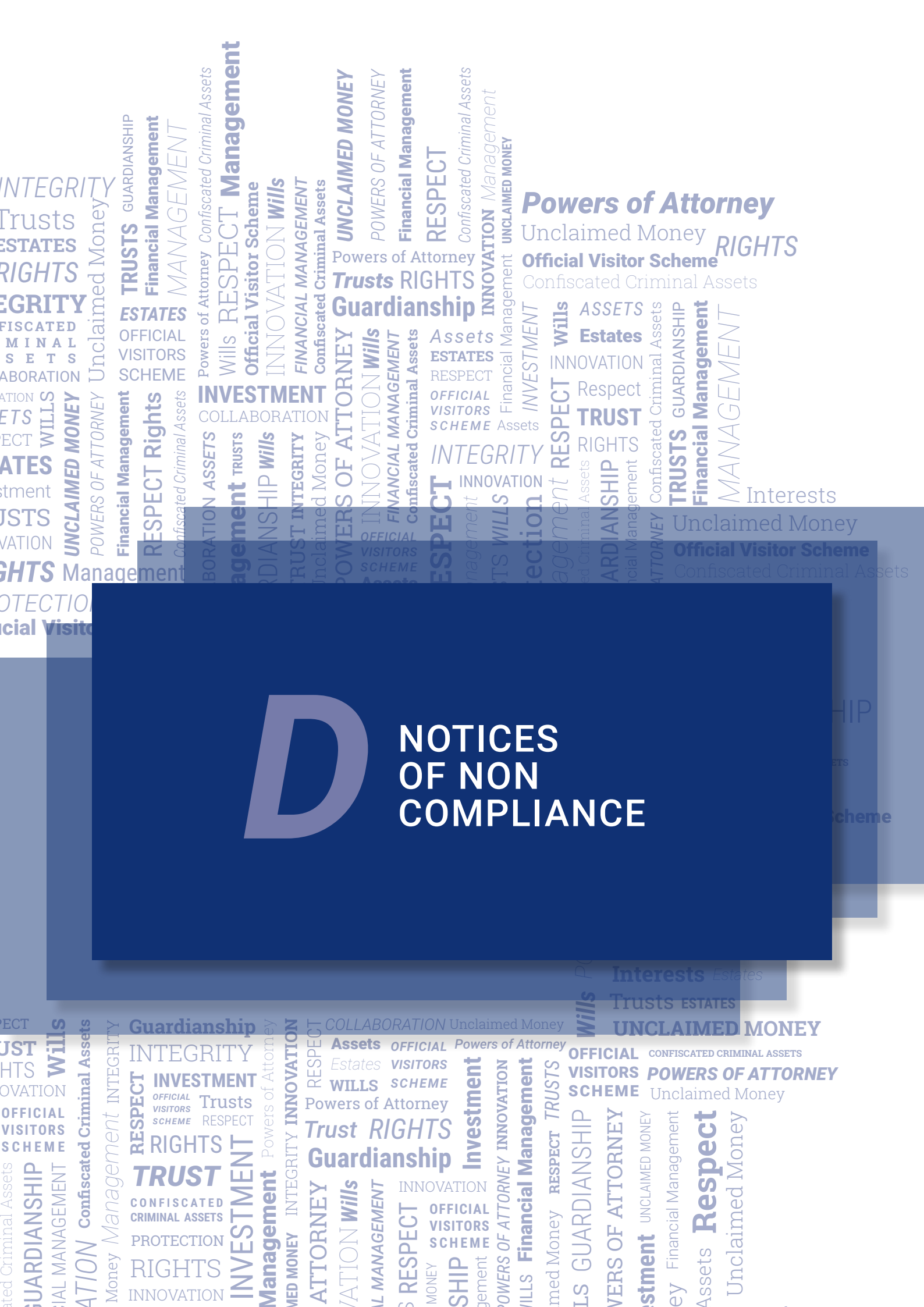
- Vanguard Investments Australia – Contract for the supply of fund management Services in connection with PTG’s Australian Equities Common Fund, International Equities Common Fund, Listed Property Common Fund and Australian Fixed Interest Common Fund. Accessed under existing contract with ACT Treasury.
- Ultradata for use under licence and technical support of the TACT trust accounting business system. Annual Licence fees are in the order of \$102,978.44
- DPL - licence fees of \$27,626.20 for ongoing use of the Chameleon Wills Drafting Software.
- Absolute Access Microsoft Access Specialists - \$475.00 for redevelopment of PTG’s Customer Survey database.
- ICT Shared Services - for Taxation Assistant software licence on an annual basis \$1,706.00.
- MYOB Premier 19 – for Business Financial System (annual subscription) \$1,188.00

SOCIAL PROCUREMENT

As PTG did not undertake any reportable procurement activities during the year, no social procurement outcomes are reported.

C.6 STATEMENT OF PERFORMANCE

Refer C.2 FINANCIAL STATEMENTS above and ANNEXURE - FINANCIAL STATEMENTS.



D

NOTICES OF NON COMPLIANCE

NOTICES OF NON COMPLIANCE

PART 4 - AGENCY SPECIFIC ANNUAL REPORT REQUIREMENTS

PART 4 - AGENCY SPECIFIC ANNUAL REPORT REQUIREMENTS

REPORT RELATES TO LEGISLATION - *CONFISCATION OF CRIMINAL ASSETS ACT 2003* SECTIONS 102 AND 103

S.102 NOTICE OF SALE, MODIFICATION OR DESTRUCTION OF RESTRAINED PROPERTY BY PUBLIC TRUSTEE

Under S.102 (1) of the Act, the Public Trustee and Guardian (PTG) must give written notice of a proposed sale, modification or destruction of restrained property under S.101 (the proposed action) to—

- (a) the owner of the property (if known); and
- (b) anyone else PTG believes may have an interest in the property.

During the year, no residential or leasehold property was sold by PTG, and accordingly, no notice was given to any owner under S 102(1) of the Act.

PTG made one distribution \$317,752.84 to the Confiscated Assets Trust (CAT) fund on 14 January 2016. A further distribution of \$101,907.88 was not made until 27 July 2016 due to staff absences.

During 2015-16, 14 matters were finalised. Funds comprised proceeds of confiscated cash and the sale of 5 confiscated motor vehicles. PTG disposed of all property by sale. Notices of proposed sale were provided as required.

103 EMERGENCY MODIFICATION OR DESTRUCTION OF RESTRAINED PROPERTY

S.103(1) of the Act applies if PTG considers that restrained property is a serious threat to public health or safety and places an onus upon PTG to notify specified persons in the event that assets are destroyed or disposed of.

In dealing with Confiscated Criminal Assets, PTG frequently authorises ACT Policing to take possession and dispose of certain assets that are deemed to be a serious threat to public health or safety.

These may include, but are not limited to -

- hydroponic equipment commonly used for the production of marijuana;
- chemicals commonly used in the manufacture of illicit drugs and other drug paraphernalia;
- firearms and ammunition; and
- modified vehicles.

Current practice involves a number of different means of disposal or remediation depending upon the nature of the asset. In certain cases, assets are immediately destroyed. In other cases, with some level of remediation, the assets may be able to be disposed of by sale.

PTG also deals with unsafe residential or commercial buildings (asbestos, illegal works). Where a residential or commercial property has been found to be identified on the Asbestos Register maintained by ACT Government, the property is routinely dealt with in accordance with established processes.

PTG has a Memorandum of Understanding (MOU) with ACT Policing establishing an agreed means by which assets posing a serious threat to public health or safety may be seized and dealt with, without delivery to PTG.

COMMUNITY ENGAGEMENT AND SUPPORT

COMMUNITY ENGAGEMENT ACTIVITIES

During the reported year, no formal community consultation was undertaken however PTG undertook the following community engagement activities –

Form of community engagement	Outcome
Seniors Week seminar - March 2016.	Community educated about estate planning.
Life's Reflection sponsorship - \$4,000.	Engaged with Seniors.
Continuing funding to charity in the ACT	Record charitable distribution of \$840,578.53 for 2015-16 through GreaterGood.
Demonstrating the value of Workplace Giving to new staff through induction and the JACS Intranet.	JACSstaff workplace-giving scheme 'JACS4GreaterGood' now has a corpus of \$173,000. The 2016 distribution of \$3,900 was made to the Domestic Violence Crisis Service on 21 August 2015 at the annual JACS Trivia Night.
Participation in the annual Canberra Retirement and Lifestyle Expo.	Community educated about estate planning.
Addressed community groups on 24 occasions	Community educated about estate planning
Wills Week seminar - October 2015.	Community educated about estate planning.
Client visits by Guardians (since 1 April 2016)	PTG conducted home visits for 70 guardianship clients during the reported period 1 April 2016 and 30 June 2016.
Conducted home/hospital/hospice visits to clients to prepare Wills and Enduring Powers of Attorney.	Mobility issues and social isolation is overcome in respect to Wills and EPAs.
Participated in joint government/industry succession law committee.	Public and private sector practitioners informed about complex estate administration and trust issues.
Participated in ACT Law Society Elder Law Committee.	Sharing information/experiences/ development of laws in Elder Law matters.



PTG staff member Ayesha Saddiqua presenting to members of the Indian Community on Wills and Enduring Powers of Attorney

PTG aims to increase the number of people who are aware of the importance of having an up to date Will and Enduring Power of Attorney and are willing to appoint the Public Trustee and Guardian as executor or attorney. Through GreaterGood (The Capital Region Community Foundation), PTG seeks to maximise philanthropy provided to the ACT community. PTACT has made significant progress towards this through appropriate public awareness programs as follows -

- PTG and GreaterGood websites;
- Advertisements and editorials in the Canberra Times "Start Living" lift-out each month as well as for special promotions including Seniors Week and Wills Week;
- Advertisements in the Seniors Booklet, ACT Hospitals Services Guide and Yellow Pages; and
- PTG brochures/fact sheets in Canberra Connect shop fronts.
- PTG has published several newsletters in the reported period under the title "Going Public" and GreaterGood e-News.
- PTG commissioned a short video aimed at increasing community awareness of Wills as well as the number of Will appointments. The video "Will it Your Way" is now broadcast in all ACT Access Canberra shopfronts and is planned to be broadcast on PTG's website. Still posters were printed of six screens from the video and have since been placed in retirement villages, nursing homes, hospitals and hospices.

PTG regularly accepts requests to make presentations at succession law events and at public forums.

Four PTG Fact Sheets have been translated into five non-English speaking languages and these have been published to PTG's website.



Sue Graham (Guardian) with Dr Chris Bourke, Minsiter for Veterans and Seniors at the 2016 Canberra Retirement, Lifestyle & Travel Expo.



Andrew Taylor (Public Trustee and Guardian) presenting a cheque to Di Lucas, Chair - Domestic Violence Crisis Service as distribution from JACS Workplace-Giving Scheme).

PTG'S CUSTOMERS REPORTED

PTG conducts a continuous customer survey against a range of criteria on a reply-paid post basis. The survey is also provided in electronic form for clients visiting PTG's website. An upgraded survey was completed to commence on 1 July 2016.

Clients are surveyed about a range of issues including -

- Contact/accessibility;
- Responsiveness;
- Respect/Dignity;
- Knowledge of subject; and
- Professionalism.

Respondents were also asked whether they would recommend PTG to others in the community.

The Public Trustee and Guardian personally responds to any survey response where the level of service has been found to fall short of expectations.

During the reported year 96 clients responded to our survey with 89% of clients reporting that PTG met or exceeded their expectations, against 95% reported for the same period last year. Of all clients surveyed, 73% responded that PTG exceeded their expectations, 16% felt that PTG met their expectations, 10% did not provide a rating and 1% of respondents found PTG below expectation.

REPRESENTATION ON EXTERNAL FORUMS

PTG subscribes to a number of important forums, through which issues of community importance are discussed, negotiated and lobbied. These include –

Forum	Description
State/Territory Public Trustees' and Guardians forums	PTG maintains a co-operative, working relationship with State/Territory Public Trustees and Public Guardians through bi-annual meetings*. Public Trustees and Public Guardians cooperate in the development of best practice, products and services, leveraging value and price from suppliers (incl superannuation) and also in benchmarking. Public Trustees and Public Guardians also cooperate in responding to issues of national importance eg National Disability Insurance Scheme, Ageing and Disability matters etc.
Australian Guardianship and Administration Council (AGAC)	PTG is a member of AGAC, a national forum of agencies whose role is to protect adults who have a disability that impairs their capacity to make decisions and manage their affairs. Agencies include Public Trustees, Public Advocates, Public/Adult Guardians, Protective Commissioners as well as Boards and Tribunals. AGAC meets bi-annually*. Two meetings were held in the reported period.

Forum	Description
Financial Services Council Inc (FSC)	The FSC promotes best practice for the financial services industry by setting mandatory standards for its members and providing guidance notes to assist in operational efficiency. During the reported year, PTG resigned its membership of FSC and entered into a Services Agreement in lieu of membership.
Financial Planners' Association ACT Chapter	PTG retains membership of the Financial Planners' Association.
Financial Services Institute of Australasia	PTG is a member of the Financial Services Institute of Australasia. A number of staff achieved qualifications in financial planning and management through the Institute.
COTA (ACT)	PTG is a member of the Council on the Ageing (COTA (ACT)). COTA (ACT) is the peak older person's organisation in Australia representing issues at Territory and Federal levels. COTA (ACT) has conducted ACT Seniors Week activities as well as the ACT Seniors Card Directory through which PTG advertises.
Law Society of the ACT succession planning committee	PTG is represented on these ACT Law Society joint industry/government forums on succession planning.
Law Society of the ACT	PTG maintains membership of the ACT Law Society. A number of PTG staff are practising solicitors and members of the Society. PTG staff access continuing legal education through the Society.
CPA Australia	Several PTACT staff members are registered as Associate Members of the CPA.

* meetings are arranged to coincide where possible.

N JUSTICE AND
COMMUNITY
SAFETY

N.1 BUSHFIRE RISK MANAGEMENT

This section is not relevant to PTG's operations.

N.2. FREEDOM OF INFORMATION

STATEMENT UNDER S.7 FREEDOM OF INFORMATION ACT 1989

Establishment

PTG incorporates the functions previously undertaken by the Curator of Estates of Deceased Persons, in addition to a full trustee service similar to those undertaken by trustee corporations and Australian Public/State Trustees. PTG also undertakes the function of Public Guardian for the ACT

Functions

PTG's principal functions are -

- Guardianship and Financial Management persons with a decision-making disability for where appointed by ACAT.
- Preparation of Wills where appointed as Executor.
- Preparation of Enduring Powers of Attorney and acting as attorney.
- Estate Administration where appointed as executor or under letters of administration.
- Trust Administration for minors or for those unable to manage their assets.
- Funds administration/investment government and non-government trusts.
- Asset management under the *Confiscation of Criminal Assets Act 2003*.
- Managing specified unclaimed moneys.
- Examination of accounts prepared by private financial managers appointed by ACAT.
- Administration of GreaterGood - The Capital Region Community Foundation.
- Act as Chair, ACT Official Visitors Board.

Arrangements for external participation

The following bodies participate in PTG's administration -

- PTG Investment Board provides direction on investment practice and funds management.
- The Board of GreaterGood provides advice and direction in respect to annual distributions.
- The Official Visitor's Board assists PTG in providing support services to Official Visitors.
- Mr Roger Broughton is appointed as independent external Chair of PTG's Internal Audit Committee.

Categories of documents

Categories of documents held include -

- Deceased Estate files
- Enduring Powers of Attorney
- Files of persons whose property is managed under Powers of Attorney or ACT Civil and Administrative Tribunal orders.
- Guardianship files
- 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 requests under the *Freedom of Information Act 1989* are directed to the Public Trustee and Guardian.

STATEMENT UNDER S.8 FREEDOM OF INFORMATION ACT 1989

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 commissions
- Trust files *
- Deceased Estate files*
- Financial Management (Order of ACAT) files*
- Guardianship files*
- Investment Board Agenda and Minutes
- Income Tax files*
- Wills/Powers of Attorney*
- Unclaimed Moneys Records*
- Confiscation of Criminal Assets files*
- Practice Manual and staff directions

(*Confidential and available only to authorised persons)

STATEMENT UNDER S.79 FREEDOM OF INFORMATION ACT 1989

During the reported year, one approach was made to PTG for access to records under the *Freedom of Information Act 1989*. PTG cooperates with the JACS Directorate to respond to FOI requests.

A Freedom of Information Statement is contained in the Justice and Community Safety Directorate's Annual Report for 2015-16.

N.3. HUMAN RIGHTS

EDUCATION AND TRAINING

During the year, PTG recruited a former senior policy officer of the Human Rights Commission. This officer will provide human rights training to PTG staff in August 2016.

INFORMATION

PTG embraces ACT Public Service values and signature behaviours of Respect, Integrity, Collaboration and Innovation. Our Staff Code of Conduct establishes expected standards of behaviour for staff including –

- treating members of the public and work colleagues with the highest level of courtesy and sensitivity to their rights; and
- refraining from engaging in or condoning sexual harassment or discrimination on the basis of gender, transgender, marital status, pregnancy, sexual preference, disability, age, race, religion, political conviction or carer's responsibilities.

The new model for Protection of Rights established a broader framework including an expanded Human Rights Commission and the Public Trustee and Guardian.

LIAISON

PTG is a member of the Australian Guardianship and Administration Council (AGAC).

Through AGAC, PTG continued to make representations to government in respect to a number of issues affecting personal rights.

REVIEWS

Through AGAC, PTG is apprised of and influences human rights issues relating to Guardianship, Administration and Public Trustee matters in other Australian and international jurisdictions. PTG continues to work with AGAC to remove legislative barriers caused by the failure of jurisdictions to recognise each other's Enduring Powers of Attorney (EPA).

During the year, PTG participated in reviews and/or recommended a number of changes to ACT legislation many of which affect human rights.

LITIGATION

The PTG is appointed as Financial Manager and Guardian by ACAT for persons with impaired decision-making ability. These appointments regularly require PTG to act as litigation guardian.

N.4 LEGAL SERVICES DIRECTIONS

The *Law Officers Act 2011* (the Act) was established to create the Offices of Attorney-General, Solicitor-General and the Government Solicitor. Under S.15 of the Act, PTG is required to report on measures taken to ensure compliance with the *Law Officers (General) Legal Services Directions 2012* and *Model Litigant Guidelines 2010*.

COMPLIANCE WITH LEGAL SERVICES DIRECTIONS

The Directions cover issues such as -

- outsourcing of legal work; and
- use of in-house lawyers as approved by the Attorney-General.

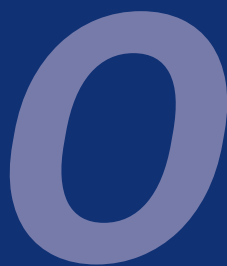
PTG is a government-owned Territory authority. Some of PTG's functions and responsibilities are akin to those of a Trustee corporation or a legal practice in that the office acts as a consultant in respect to succession law matters and provides commercial legal services to the community including Trust creation and administration, Will drafting, Enduring Power of Attorney drafting and Estate Administration.

Unlike the ACT Government Solicitor (ACTGS), PTG exists to provide services to individual members of the ACT Community. The ACTGS has agreed to the creation of two Legal Officer positions within PTG to employ appropriately qualified persons to satisfy its succession law responsibilities.

PTG does not undertake litigation in respect to government matters however litigation is undertaken on behalf of our guardian, financial management, trust and estate and clients. In that regard we may brief external practitioners in accordance with the Model Litigant Guidelines.

COMPLIANCE WITH MODEL LITIGANT GUIDELINES

Arrangements have been made through the Public Trustee and Guardian's Declaration by Service Providers to ensure that providers of legal services are aware of the *Law Officer (Model Litigant) Guidelines 2010* and apply them in the representation of PTG and its clients.



PUBLIC SECTOR STANDARDS AND WORKFORCE PROFILE

O.1. CULTURE AND BEHAVIOUR

RED training is mandatory for staff of the Public Trustee and Guardian. The Public Trustee and Guardian has maintained a Contact Officer since the commencement of the RED framework. Since commencement of the framework a number of concerns were raised by staff, with the Contact Officer, mainly around mutual respect.

O.2. PUBLIC INTEREST DISCLOSURE

S.11 of the *Public Interest Disclosure Act 1994* requires PTG to establish and maintain procedures to facilitate disclosures about improper conduct or wrongdoing by the office.

PTG is subject to the JACS Public Interest Disclosure Policy. The policy seeks to provide assistance to people who seek to disclose matters under the Act. Persons interested in making a disclosure in respect to PTG may do so to the Executive Director - Governance JACS or, if unavailable, through the JACS Internal Audit Committee.

No public interest disclosures were made during 2015-16.

O.3 WORKFORCE PROFILE

OUR STAFFING PROFILE



Luke Frankcombe, Amanda Haynes, Stephen Kellett and Heather Cox – of PTG's Wills, Estates & Trusts Unit



Denise Caldwell of PTG's Office Services Unit with Kim Nicholls, Christina Thompson & Sean Ehlers of PTG's Guardianship Unit

Full Time Equivalent Staff and Headcount by Gender

	Female	Male	Total
FTE by Gender	37.8	11.0	48.8
Headcount by Gender	40	11	51
% of Workforce	78.4%	21.6%	100%

Classifications

Classification Group	Female	Male	Total
Administrative Officers	34	4	38
Executive Officer	0	1	1
Legal Officers	0	2	2
Professional Officers	0	1	1
Senior Officers	6	3	9
TOTAL	40	11	51

Employment Category by Gender

Employment Category	Female	Male	Total
Casual	0	0	0
Permanent Full-time	28	9	37
Permanent Part-time	7	0	7
Temporary Full-time	4	2	6
Temporary Part-time	1	0	1
TOTAL	40	11	51

Average Length of Service by Gender

Gender	Ave years of service
Female	7.9
Male	11.9
TOTAL	8.7

Age Profile

Age Group	Female	Male	Total
Under 25	0	1	1
25-34	3	3	6
35-44	10	1	11
45-54	18	3	21
55 and over	9	3	12

Agency Profile

Branch/Division	FTE	Headcount
Public Trustee for the ACT	48.8	51
TOTAL	48.8	51

Headcount by Diversity

Diversity Group	Headcount	% of Total Staff
Aboriginal and/or Torres Strait Islander	0	0.0%
Culturally & Linguistically Diverse	9	17.6%
People with a Disability	0	0.0%

Recruitment and Separation Rates

Office	Recruitment Rate	Separation rate
Public Trustee for the ACT	10.3%	2.6%
TOTAL	10.3%	2.6%

Permanent Recruitment and Separation Rates by Classification Group

Office	Recruitment Rate	Separation rate
Administrative Officers	9.6%	3.2%
Legal Officers	54.0%	0.0%
Professional Officers	0.0%	0.0%
Senior Officers	0.0%	0.0%
TOTAL	10.3%	2.6%

Recruitment and Separation Rates - Executive

Classification Group	Recruitment Rate	Separation Rate
Executive Officers	100.0%	0.0%

PTG's Records Disposal Schedule is published on the ACT Legislation Register and a records management framework has been implemented in accordance with the schedule.

A declaration under S.28 of the *Territory Records Act 2002* has been granted to prevent public access to PTG's client files including client files of the former Curator of Estates of Deceased Persons. The application was granted on 4 July 2008 (Exemption no 97).

The following table sets out details of PTG's Records Disposal Schedule

Records Disposal Schedule Name	Effective	Year and Notifiable Instrument No.
PTACT Records Disposal Schedule	February 2006	NI 2006-30

ANNEXURE - FINANCIAL STATEMENTS



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



REPORT OF FACTUAL FINDINGS

PUBLIC TRUSTEE AND GUARDIAN

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of the Public Trustee and Guardian for the year ended 30 June 2016 has been reviewed.

Responsibility for the statement of performance

The Public Trustee and Guardian is responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures used to measure the results of the accountability indicators reported in the statement of performance.

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*, I am responsible for providing a report of factual findings on the statement of performance.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the accountability indicators reported in statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Public Trustee and Guardian, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets.

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No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

Electronic presentation of the statement of performance

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the statement of performance. If users of the statement of performance are concerned with the inherent risks arising from the electronic presentation of information, then they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the review.

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicators, reported in the statement of performance of the Public Trustee and Guardian for the year ended 30 June 2016, are not fairly presented in accordance with the *Financial Management Act 1996*.

This review opinion should be read in conjunction with the other information disclosed in this report.

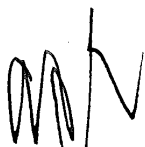


Bernie Sheville
Director, Financial Audits
8 September 2016

**Public Trustee and Guardian
Statement of Performance
For the Year Ended 30 June 2016**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with Public Trustee and Guardian's records and fairly reflects the service performance of the Public Trustee and Guardian for the year ended 30 June 2016 and also fairly reflects the judgements exercised in preparing it.



Andrew Taylor
Public Trustee and Guardian

6 September 2016

**PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2016**

Performance of the Public Trustee and Guardian (PTG) is measured by the increase in volume of new business, which includes PTG's ability to meet agreed standards and provide professional and efficient services to the ACT community.

INDICATOR	Target 2015-16	Actual Outcome 2015-16	Variance %	Notes
Number of current financial management accounts under orders of the <i>Guardianship and Management of Property Act 1991</i> (GMP Act) by the ACT Civil and Administrative Tribunal (ACAT)	515	484	(6.02)	
Number of active financial management accounts under Power of Attorney and Enduring Power of Attorney (EPA)	51	44	(13.73)	1
Number of responses to community call outs following death	3	12	300.00	2
Number of welfare funerals arranged	5	12	140.00	3
Number of examinations of accounts provided from external managers under orders of the <i>Guardianship and Management of Property Act 1991</i> by ACAT	496	501	1.01	
Number of deceased estate administrations completed < \$100,000	41	44	7.32	
Number of deceased estate administrations completed > \$100,000	43	57	32.56	4
Number of trusts held under legal disability < \$100,000	355	338	(4.79)	
Number of trusts held under legal disability > \$100,000	59	56	(5.08)	
Wills	745	596	(20.00)	5
Percentage of expenditure over total income	88%	94%	6.82	

Notes

- The number of clients appointing the Public Trustee and Guardian (PTG) was less than expected. This is due to a number of factors including –
  - the Enduring Power of Attorney (EPA) being revoked;
  - Enduring Powers of Attorney being replaced with an Order appointing an individual or the PTG as Manager by the ACT Civil and Administrative Tribunal;
  - death of the person appointing PTG as Attorney; and
  - lower numbers of persons whose EPA's were activated through loss of capacity to make decisions.

**PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2016**

2. The number of call-outs by ACT Policing following death is entirely reliant upon ACT Policing contacting PTG as required. There were more than expected callouts in 2015-16.
3. The number of welfare funerals arranged is entirely dependent upon an individual's circumstances and capacity to pay. More welfare funerals were arranged in 2015-16 for people with insufficient funds and where family members could not be contacted.
4. The number of finalised estates over \$100,000 in value is attributable to –
  - increasing value of property in estates;
  - a higher number of deaths for people who appointed PTG as their executor; and
  - a greater level of efficiency in the Will, Estates and Trusts Unit providing a higher than anticipated number of estates finalised in the 2015-16 year.
5. The number of Wills prepared is lower than expected due to the introduction of a pricing structure that provided for a higher cost to prepare a Will where the client appoints PTG in an alternate executor capacity. This is because the true cost of preparing a Will is recovered through the executor/administration process and it is less likely that a will appointing PTG as alternate executor will result in an estate being administered by PTG. Additionally, PTG raised the subsidy threshold for free Wills from 60 years to 65 years.

INDEPENDENT AUDIT REPORT

PUBLIC TRUSTEE AND GUARDIAN

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the Public Trustee and Guardian for the year ended 30 June 2016 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

Responsibility for the financial statements

The Public Trustee and Guardian is responsible for the preparation and fair presentation of the financial statements in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

Under the *Financial Management Act 1996*, I am responsible for expressing an independent audit opinion on the financial statements of the Public Trustee and Guardian.

The audit was conducted in accordance with Australian Auditing Standards to obtain reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

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

The audit is not designed to provide assurance on the appropriateness of budget information included in the financial statements or to evaluate the prudence of decisions made by the Public Trustee and Guardian.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of these financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from these financial statements. If users of these financial statements are concerned with the inherent risks arising from the electronic presentation of information, then they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements of the Public Trustee and Guardian for the year ended 30 June 2016:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Public Trustee and Guardian at 30 June 2016 and the results of its operations and cash flows for the year then ended.

This audit opinion should be read in conjunction with the other information disclosed in this report.



Bernie Sheville
Director, Financial Audits
7 September 2016

**Public Trustee and Guardian
Financial Statements
For the Year Ended 30 June 2016**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Public Trustee and Guardian's accounts and records and fairly reflect the financial operations of the Public Trustee and Guardian for the year ended 30 June 2016 and the financial position of the Public Trustee and Guardian on that date.



Andrew Taylor
Public Trustee and Guardian

1 September 2016

**Public Trustee and Guardian
Financial Statements
For the Year Ended 30 June 2016**

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and are in agreement with the Public Trustee and Guardian's accounts and records and fairly reflect the financial operations of the Public Trustee and Guardian for the year ended 30 June 2016 and the financial position of the Public Trustee and Guardian on that date.



Joanne Thompson
Chief Finance Officer
Public Trustee and Guardian

1 September 2016

PUBLIC TRUSTEE AND GUARDIAN
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note No.	Actual 2016 \$	Original Budget 2016 \$	Actual 2015 \$
INCOME				
Government Payment for Outputs	5	1,120,001	1,251,000	1,062,605
User Charges - ACT Government	6	263,794	321,000	299,294
User Charges - Non-ACT Government	6	4,780,759	4,318,000	4,556,911
Insurance Recoveries	7	-	-	398,956
Interest		181,468	132,000	183,672
Other Gains		-	-	30,358
Total Income		6,346,022	6,022,000	6,531,796
EXPENSES				
Employee Expenses	8	3,842,783	3,270,000	3,494,483
Superannuation Expenses	9	523,995	501,000	493,490
Supplies and Services	10	1,420,132	1,392,000	1,598,097
Depreciation		201,893	151,000	203,275
Other Expenses		-	-	33,340
Total Expenses		5,988,803	5,314,000	5,822,685
Operating Surplus		357,219	708,000	709,111

The above Operating Statement should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN

BALANCE SHEET
AT 30 JUNE 2016

	Note No.	Actual 2016 \$	Original Budget 2016 \$	Actual 2015 \$
CURRENT ASSETS				
Cash and Cash Equivalents	13	6,762,293	6,789,000	6,243,211
Receivables	14	776,543	554,000	507,181
Other Assets		40,819	35,000	34,258
Total Current Assets		7,579,655	7,378,000	6,784,650
NON-CURRENT ASSETS				
Plant and Equipment	15	83,783	170,000	278,927
Other Non-Current Assets		1,497	-	4,109
Total Non-Current Assets		85,280	170,000	283,036
Total Assets		7,664,935	7,548,000	7,067,686
CURRENT LIABILITIES				
Payables	16	550,353	315,000	236,905
Employee Benefits	17	1,591,679	1,519,000	1,458,077
Finance Leases		-	5,000	-
Other Provisions	18	178,610	354,000	354,557
Total Current Liabilities		2,320,642	2,193,000	2,049,539
NON CURRENT LIABILITIES				
Employee Benefits	17	152,568	122,000	95,210
Finance Leases		-	28,000	-
Other Provisions	18	104,425	99,000	101,859
Total Non-Current Liabilities		256,993	249,000	197,069
Total Liabilities		2,577,635	2,442,000	2,246,608
Net Assets		5,087,300	5,106,000	4,821,078
EQUITY				
Accumulated Funds		4,605,511	4,624,000	4,339,289
Asset Revaluation Surplus	19	481,789	482,000	481,789
Total Equity		5,087,300	5,106,000	4,821,078

The above Balance Sheet should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated Funds Actual 2016 \$	Asset Revaluation Surplus Actual 2016 \$	Total Equity Actual 2016 \$	Original Budget 2016 \$
Balance at 1 July 2015	4,339,289	481,789	4,821,078	4,752,000
Comprehensive Income				
Operating Surplus	357,219	-	357,219	708,000
Total Comprehensive Income	357,219	-	357,219	708,000
Transactions Involving Owners Affecting Accumulated Funds				
Dividend Approved	(178,610)	-	(178,610)	(354,000)
Net assets transferred in	87,613	-	87,613	-
Total Transactions Involving Owners Affecting Accumulated Funds	(90,997)	-	(90,997)	(354,000)
Balance at 30 June 2016	4,605,511	481,789	5,087,300	5,106,000

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated Funds Actual 2015 \$	Asset Revaluation Surplus Actual 2015 \$	Total Equity Actual 2015 \$
Balance at 1 July 2014	3,984,735	481,789	4,466,524
Comprehensive Income			
Operating Surplus	709,111	-	709,111
Total Comprehensive Income	709,111	-	709,111
Transactions Involving Owners			
Affecting Accumulated Funds			
Dividend Approved	(354,557)	-	(354,557)
Total Transactions Involving Owners	(354,557)	-	(354,557)
Balance at 30 June 2015	4,339,289	481,789	4,821,078

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note No.	Actual 2016 \$	Original Budget 2016 \$	Actual 2015 \$
Cash Flows from Operating Activities				
Receipts				
Government Payment for Outputs		624,001	755,000	578,605
Community Service Obligations		496,000	496,000	484,000
		<u>1,120,001</u>	<u>1,251,000</u>	<u>1,062,605</u>
User Charges		4,749,702	4,647,000	5,027,057
Interest Received		174,470	127,000	194,035
Goods and Services Tax Collected from Customers		469,877	464,000	499,033
Insurance Recoveries		146,715	-	2,217,814
Other		165,994	-	13,578
Total Receipts from Operating Activities		<u>6,826,759</u>	<u>6,489,000</u>	<u>9,014,122</u>
Payments				
Employee		3,800,451	3,247,000	3,434,110
Superannuation		531,126	490,000	497,453
Supplies and Services		1,127,792	1,381,000	3,095,278
Goods and Services Tax Paid to Suppliers		86,511	140,000	148,146
Goods and Services Tax Remitted to the Australian Taxation Office		390,579	322,000	282,579
Other		9,913	-	6,276
Total Payments from Operating Activities		<u>5,946,372</u>	<u>5,580,000</u>	<u>7,463,842</u>
Net Cash Inflows from Operating Activities	22(b)	<u>880,387</u>	<u>909,000</u>	<u>1,550,282</u>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN
CASH FLOW STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

	Note No.	Actual 2016 \$	Original Budget 2016 \$	Actual 2015 \$
Cash Flows from Investing Activities				
Receipts				
Proceeds from the sale of Plant and Equipment		-	-	2,727
			-	2,727
Payments				
Payments for Plant and Equipment		6,748	-	46,510
Total Payments from Investing Activities		6,748	-	46,510
Net Cash (Outflows) from Investing Activities		(6,748)	-	(43,783)
Cash Flows from Financing Activities				
Payments				
Repayment of Finance Lease Liabilities		-	-	3,987
Payment of Dividends		354,557	285,000	91,274
Total Payments from Financing Activities		354,557	285,000	95,261
Net Cash (Outflows) from Financing Activities		(354,557)	(285,000)	(95,261)
Net Increase in Cash and Cash Equivalents		519,082	624,000	1,411,238
Cash and Cash Equivalents at the Beginning of the Reporting Period		6,243,211	6,165,000	4,831,973
Cash and Cash Equivalents at the End of the Reporting Period	22(a)	6,762,293	6,789,000	6,243,211

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2016

	Original Budget 2016 \$	Total Appropriated 2016 \$	Appropriation Drawn 2016 \$	Appropriation Drawn 2015 \$
Government Payments for Outputs	1,251,000	1,461,000	1,120,001	1,062,605
Total Appropriation	1,251,000	1,461,000	1,120,001	1,062,605

Column Heading Explanations:

The *Original Budget* column shows the amounts that appear in the Cash Flow Statement in the Statement of Intent. This amount equals the sum of Government Payments for Outputs and Community Service Obligation shown in the Cash Flow Statement.

The *Total Appropriated* column includes all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the Public Trustee and Guardian during the reporting period. This amount equals the sum of Government Payments for Outputs and Community Service Obligation shown in the Cash Flow Statement.

The Total Appropriated amount was not drawn down in full in 2015-16. Funds required to administer the Official Visitors Scheme were not as high as budgeted and savings initiatives implemented by the ACT Government reduced the funds received during the year.

The above Statement of Appropriation should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN
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FOR THE YEAR ENDED 30 JUNE 2016

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PUBLIC TRUSTEE AND GUARDIAN NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. OBJECTIVES OF THE PUBLIC TRUSTEE AND GUARDIAN

The Public Trustee and Guardian was established on 1 April 2016, merging the former Public Trustee for the ACT with the Guardianship Unit of the Public Advocate of the ACT. Whilst the Public Trustee for the ACT operated until 31 March 2016, the undertakings of the Public Trustee continued in effect as those of the Public Trustee and Guardian.

The objectives of the Public Trustee and Guardian, as authorised by the *Public Trustee and Guardian Act 1985* and the *Trustee Act 1925*, is to protect and support rights, choices, security and justice for all persons in the ACT Community by preparing wills and enduring powers of attorney, administering estates and trust management. The Public Trustee and Guardian is also responsible for the protection of the financial personal and property interests of persons with a legal disability, where appointed under the *Guardianship and Management of Property Act 1991* as a financial manager and/or guardian.

The Public Trustee and Guardian acts as agent for the Territory under the *Confiscation of Criminal Assets Act 2003*, is agent of the Territory for unclaimed moneys under the *Unclaimed Money Act 1950* and holds investment responsibility for government and non-government trust funds.

The Public Trustee and Guardian is trustee for the Perpetual Care Trusts under the *Cemeteries and Crematoria Act 2003* and for the Capital Region Community Foundation (GreaterGood).

The Public Trustee and Guardian is chair of the Official Visitors Board under the *Official Visitors Act 2012* and is responsible for providing administration services to Official Visitors.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The *Financial Management Act 1996 (FMA)* requires the preparation of annual financial statements for ACT Government Agencies.

The FMA and the *Financial Management Guidelines* issued under the Act, requires the Public Trustee and Guardian's financial statements to include:

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

These general purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA. The financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of Preparation (Continued)

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for assets included in plant and equipment which were valued at fair value in accordance with the valuation policies applicable to the Public Trustee and Guardian.

These financial statements are presented in Australian dollars, which is the Public Trustee and Guardian's functional currency.

The Public Trustee and Guardian is an individual reporting entity.

b) The Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Public Trustee and Guardian for the year ending 30 June 2016 and the financial position of the Public Trustee and Guardian at 30 June 2016.

c) Comparative Figures

Budget Figures

The FMA requires the statements to facilitate a comparison with the Statement of Intent. The budget numbers in the Financial Statements 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 statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

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

d) Rounding

All amounts in the financial statements have been rounded to the nearest whole dollar (\$). 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. In addition, the following specific recognition criteria must also be met before revenue is recognised:

Government Payment for Outputs

Government Payment for Outputs are recognised as revenues when the Public Trustee and Guardian gains control over the funding. Control over appropriated funds is obtained on the receipt of cash.

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Revenue Recognition (Continued)

Government Payment for Outputs

Government Payment for Outputs are recognised as revenues when the Public Trustee and Guardian gains control over the funding. Control over appropriated funds is obtained on the receipt of cash.

User Charges – Commission, Management and, Other Fees

Revenue from providing Trustee services is recognised as revenue once the service has been provided.

Insurance Recoveries

Insurance Recoveries are recognised as revenue when the expense that is recoverable under the insurance policy has been incurred. Refer to Note 2 (v) *Significant Accounting Judgement and Estimates* and to Note 7 *Insurance Recoveries*.

Interest

Interest revenue is recognised using the effective interest method.

f) Waivers of Debt

Debts waived are expensed during the reporting period in which the right to payment was waived. Further details of waivers are disclosed at Note 11 *Waivers and Write-offs*.

g) Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Public Trustee and Guardian does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

h) Cash and Cash Equivalents

Cash includes cash at bank and cash on hand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts and are subject to an insignificant risk on changes in value.

i) Receivables

Accounts receivable are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Receivables (Continued)

The allowance for impairment losses represents the amount of receivables the Public Trustee and Guardian estimates will not be repaid. The Public Trustee and Guardian determines the allowance for impairment losses based on objective evidence and a review of overdue balances. The Public Trustee and Guardian considers the following is objective evidence of impairment:

- a) becoming aware of financial difficulties of debtors;
- b) default payments; and
- c) debts more than 180 days overdue.

j) Acquisition and Recognition of Plant and Equipment

Plant and equipment is initially recorded at cost.

Where plant and equipment is acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition. However, property, plant and equipment acquired at no cost or minimal cost as part of a restructuring of administrative arrangements is measured at the transferor's book value. Plant and equipment with a minimum value of \$2,000 is capitalised.

k) Measurement of Plant and Equipment after Initial Recognition

Plant and equipment are measured at fair value.

Plant and Equipment is revalued every three years. However, if at any time it is considered that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to Plant and Equipment at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any accumulated depreciation relating to plant and equipment is written back with the change in the gross carrying amount so that the net carrying amount of those assets after revaluation equals its revalued amount.

l) Depreciation of Non-Current Assets

Depreciation is applied to physical assets such as plant and equipment.

Leasehold improvements and plant and equipment under a finance lease are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

Depreciation is calculated on a straight-line basis and the useful lives of all major assets held by the Public Trustee and Guardian are reviewed annually. Depreciation of Plant and Equipment is determined as follows:

Class of Asset	Depreciation Method	Useful Life (Years)
Furniture and Fittings	Straight line	5-25
Computer Equipment	Straight line	5
Office Fit-out	Straight line	5-33
Security System	Straight line	5
Motor Vehicle	Straight line	8

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Payables

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Payables include Trade Payables, Accrued Expenses and Other Payables.

n) Provision for Make Good

The Public Trustee and Guardian has recorded a liability and a corresponding asset for the estimated cost of returning the premises occupied by the Public Trustee and Guardian, to a similar condition to that which existed prior to the occupancy if the Public Trustee and Guardian was to leave.

The provision for make good was estimated by an independent valuer. (Mr Ty Noble FAPI CPV (P&M), Executive Director, Australian Valuation Solutions Pty Limited) on 30 June 2014.

o) Provision for Compensation of Trust Clients

The Public Trustee has recorded a liability and corresponding expense for compensating trust clients for irregularities under investigation. The provision has been estimated using information on irregularities identified during the investigation referred to in Note 4 *Irregularities in Trust Funds Administered by the former Public Trustee*.

p) Leases

The Public Trustee and Guardian has entered into operating leases.

Operating Leases

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

Motor Vehicle Leasing Arrangements

Changes were made to the whole-of-government motor vehicle leasing arrangements with SG Fleet as a result of which all such leases were classified as operating leases rather than finance leases from 23 April 2015. The leased vehicles held as Plant and Equipment (under the previous finance lease arrangement with SG Fleet) were derecognised. The corresponding finance lease liability (current and non-current) was also derecognised. Accordingly, gross amounts for the loss on the derecognition of the leased vehicles and the gain on the derecognition of the finance lease liability were reported separately rather than on a net basis, in the financial statements in 2014-15.

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Employee Benefits

Employee benefits include:

- short-term employee benefits, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services, such as wages and salaries, annual leave loading, and applicable on-costs;
- other long-term benefits, such as long service leave and annual leave; and
- termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

Wages and Salaries

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

Annual and Long Service Leave

Annual and long service leave, including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At each reporting period end, the present value of future payments is calculated using market yields on Commonwealth Government Bond Rate with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. The rate used to estimate the present value of future annual leave payments is 101.4% at 30 June 2016 (101.0% at 30 June 2015).

The rate used to estimate the present value of future payments for long service leave is 114.7% at 30 June 2016 (104.2% at 30 June 2015).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the Public Trustee and Guardian has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Superannuation

The Public Trustee and Guardian receives funding for superannuation payments as part of the Government Payments for Outputs. Superannuation payments are made to the Territory Banking Account each year, to cover the Public Trustee and Guardian's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS employer contribution, but does not include the productivity component. The productivity component is paid directly to the Commonwealth Superannuation Corporation (CSC) by the Public Trustee and Guardian. The CSS and PSS are defined benefit superannuation plans meaning that the defined benefits received by employees are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of the superannuation accumulation schemes. This includes schemes of employee's choice.

The total Territory superannuation liability for the CSS and PSS is recognised in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account and the CSC and the external schemes recognise the superannuation liability for the PSSAP and other schemes respectively. This superannuation liability is not recognised at individual agency level.

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the CSS and PSS in respect of the ACT Government Service provided after 1 July 1989. These reimbursement payments are made from the Superannuation Provision Account.

s) Insurance

Major risks are insured through the ACT Insurance Authority. The excess payable, under this arrangement, varies depending on each class of insurance held.

t) Trust Funds

Separate financial statements are prepared for the trusts, estates and Capital Region Community Foundation accounts which are administered by the Public Trustee and Guardian.

u) Budgetary Reporting

Explanations of major variances between the 2015-16 original budget and the 30 June 2016 actual results are discussed in Note 24 *Budgetary Reporting*.

The definition of 'major variances' is provided in Note 2 (v) *Significant Accounting Judgements and Estimates – Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts*.

v) Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Public Trustee and Guardian has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements. These estimates involve the making of judgements about the future. Accounting estimates will, by definition, seldom equal the actual results. These estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are explained below.

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) Significant Accounting Judgements and Estimates (Continued)

Employee Benefits

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual leave and long service leave requires a consideration of the future wage and salary levels, experience of employee departures and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave, probability that leave will be taken and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019.

Plant and Equipment – Fair Value

Note 2 k) *Measurement of Plant and Equipment after Initial Recognition* discloses that plant and equipment is measured at fair value.

The fair value of the Office fit-out, furniture and fittings, computer equipment, the security system and the motor vehicle have been estimated by independent valuers. The valuations were performed on the basis that the assets would be replaced with assets similar, if not the same, in nature. See Note 15 *Plant and Equipment* for further information.

Provision for Make Good

Note 2 n) *Provision for Make Good* discloses that the cost of returning the premises occupied by the Public Trustee and Guardian to a similar condition to that which existed prior to the occupancy if the Public Trustee and Guardian was to leave the premises. This cost has been estimated by an independent valuer. The dollar value has been compared to recent make good payments by other government departments and depends on a variety of factors like location, area, density and quality of the fit-out.

Estimation of the Useful Lives of Plant and Equipment

The Public Trustee and Guardian has made a significant estimate in determining the useful lives of its Plant and Equipment. The estimation of useful lives of Plant and Equipment has been based on the historical experience of similar assets and in some cases has been based on valuations provided by an independent valuer. The useful lives are assessed on an annual basis and any adjustments are made when considered necessary.

Further information concerning useful lives can be found at Note 2 l) *Depreciation of Non-Current Assets*.

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) Significant Accounting Judgements and Estimates (Continued)

Budgetary Reporting – Explanation of Major Variances between Actual Amounts and Original Budget Amounts

Significant judgements have been applied in determining what variances are considered as 'major variances' requiring explanations in Note 24 *Budgetary Reporting*. Variances are considered to be major variances if both of the following criteria are met:

- The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Further information on this is provided in Note 2 u) *Budgetary Reporting*.

w) Impact of Accounting Standards Issued but yet to be Applied

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Public Trustee and Guardian does not intend to adopt these standards and interpretations early. Where applicable, these Australian Standards will be adopted from their application date.

- AASB 9 Financial Instruments (application date 1 January 2018);
This standard supersedes AASB 139 Financial Instruments: Recognition and Measurement. The main impact of AASB 9 is that it will change the classification, measurement and disclosures of the Public Trustee and Guardian's financial assets. No material financial impact on the Public Trustee and Guardian is expected.
- AASB 15 Revenue from Contracts with Customers (application date 1 January 2018);
AASB 15 is the new standard for revenue recognition. It establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 111 Construction Contracts and AASB 118 Revenue. The Public Trustee and Guardian is currently assessing the impact of this standard and has identified there could be a potential impact on the timing of the recognition of revenue for user charges. At this stage Public Trustee and Guardian is not able to estimate the impact of this new standard on its financial statements. The Public Trustee and Guardian will make a more detailed assessment of the impact over the next 12 months.
- AASB 16 Leases (application date 1 January 2019)
AASB 16 is the new standard for leases. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset value is low. At this stage the Public Trustee and Guardian is not able to estimate the impact of this new standard on its financial statements. Public Trustee and Guardian will make a more detailed assessment of the impact over the next 12 months.

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

w) Impact of Accounting Standards Issued but yet to be Applied (Continued)

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 127] (application date 1 January 2018);

This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 9 in December 2010. No material financial impact on the Public Trustee and Guardian is expected.

- AASB 2014-1 Amendments to Australian Accounting Standards – Part E Financial Instruments AASB 1, 3, 4, 5, 7, 9 (December 2009), 9 (December 2010), 101, 102, 108, 112, 118, 120, 121, 132, 136, 137, 139, Interpretation 2, 5, 10, 12, 16, 19, and 107] (application date 1 January 2018);

Part E of this standard defers the application of AASB 9 to 1 January 2018. No material financial impact on the Public Trustee and Guardian is expected.

- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 [AASB 1, 3, 4, 9 (December 2009) (December 2010), 101, 102, 112, 116, 132, 134, 137, 138, 139, 140, 1023, 1038, 1039, 1049, 1053, 1056, Interpretation 12, 127, 132, 1031, 1038 and 1052] (application date 1 January 2018).

This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 15. The Public Trustee and Guardian is assessing the potential impact of AASB 15.

- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) [AASB 1, 2, 3, 4, 5, 7, 13, 101, 102, 108, 110, 112, 120, 121, 123, 128, 132, 133, 136, 137, 139, 1023, 1038, 1049, Interpretation 2, 5, 10, 12, 16, 19 and 127] (application date 1 January 2018).

This standard makes consequential amendments to a number of standards and interpretations as a result the issuing of AASB 9 (December 2014). No material financial impact on the Public Trustee and Guardian is expected.

- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 and 1049] (application date 1 July 2016)

This standard extends the scope of AASB 124 *Related Party Transactions* to the not-for-profit sector and updates AASB 124 to include implementation guidance (including illustrative examples) to assist not-for-profit entities to apply the new requirements. While there is no material financial impact in implementing this standard there will be increased disclosure required by Public Trustee and Guardian.

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

w) Impact of Accounting Standards Issued but yet to be Applied (Continued)

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (application date 1 January 2017)

This standard amends AASB 107 Statement of Cash Flows to require agencies preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

This standard relates to disclosure only and there is no material financial impact on Public Trustee and Guardian.

x) Accounting Standards adopted early for the 2015-16 reporting period

AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 and AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-For-Profit Public Sector Entities* have been early adopted for the 2015-16 reporting period, even though the standards are not required to be applied until annual reporting periods beginning on or after 1 July 2016.

AASB 2015-2 amends AASB 101 *Presentation of Financial Statements* including clarifying that agencies should not be disclosing immaterial information and that the presentation of information in notes can and should be tailored to provide users with the clearest view of an agency's financial performance and financial position. AASB 2015-7 amends AASB 13 *Fair Value Measurement* to provide disclosure relief to not-for profit public sector agencies from certain disclosures about the fair value measurements of property, plant and equipment held for their current service potential rather than to generate net cash inflows. This includes relief from disclosures of quantitative information about the significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs.

PUBLIC TRUSTEE AND GUARDIAN**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016****3. CHANGE IN ACCOUNTING ESTIMATES***Change in Accounting Estimates*

Public Trustee and Guardian had the following changes in Accounting Estimates during the reporting period:

The Public Trustee and Guardian estimates the present value of long service leave liabilities which do not fall due in the next 12 months. Last financial year the rate used to estimate the present value of these liabilities was 104.2%, however, due a change in the Commonwealth Government bond rate the rate was changed to 114.7%. The change to employee benefits is disclosed under Note 17 *Employee Benefits*.

4. IRREGULARITIES IN TRUST FUNDS ADMINISTERED BY THE FORMER PUBLIC TRUSTEE

In 2013-14 the former Public Trustee detected irregularities in Trust Funds administered by the former Public Trustee Trust Account under order of the ACT Civil and Administrative Tribunal and under Enduring Power of Attorney. KPMG Forensic completed their investigation in October 2014, the investigation by ACT Policing is now complete and the matter is before the ACT Courts.

The Public Trustee and Guardian has a fidelity insurance policy with the ACT Insurance Authority (ACTIA). Under this insurance policy the former Public Trustee had claimed for expenses incurred in relation to the investigation of the irregularities and the reimbursements to trust accounts, including any loss of interest.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

4. IRREGULARITIES IN TRUST FUNDS ADMINISTERED BY THE FORMER PUBLIC TRUSTEE (CONTINUED)

The former Public Trustee recorded the following amounts relating to the irregularities in 2014-15. In 2015-16 there were no further claims as the matter was finalised.

	Note No.	2016 \$	2015 \$
Income			
Insurance Recoveries	7	-	398,956
Expenses			
Wages and Salaries Cost of Investigating Irregularities	8	-	97,703
Compensation of Trust Clients	10	-	85,389
Cost of Investigating Irregularities	10	-	215,864
Total Expenses		-	398,956
Net Expenses		-	-

The total amount of income and expenses recorded in relation to the irregularities since 2013-14 are shown below:

Income	
Insurance Recoveries	2,626,608
Expenses	
Wages and Salaries Cost of Investigating Irregularities	97,703
Compensation of Trust Clients	1,736,061
Cost of Investigating Irregularities	793,193
Total Expenses	2,626,957
Net Expenses	(349)

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

5. GOVERNMENT PAYMENT FOR OUTPUTS

Government Payment for Outputs (GPO) is revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government pays GPO appropriation on a fortnightly basis.

Community Service Obligations (CSO) is revenue received from the ACT Government to fund trustee services to the public at subsidised rates.

	2016 \$	2015 \$
Government Payment for Outputs	624,001	578,605
Community Service Obligations	496,000	484,000
Total Government Payment for Outputs	1,120,001	1,062,605

The number of Official Visitors increased during the reporting period, resulting in an increase in costs incurred for the Official Visitors Scheme, including training costs. The increase in Government Payment for Outputs is due to an increase in funds drawn down for the Official Visitors Scheme.

6. USER CHARGES

User charge revenue is derived by providing trustee related services to the public and to other ACT Government agencies. User-charge revenue is not part of ACT Government appropriation and is paid by the user of the services. This revenue is driven by consumer demand and is commercial in nature.

User Charges – ACT Government		
Commission (a)	262,594	293,844
Other Fees	1,200	5,450
	<u>263,794</u>	<u>299,294</u>
User Charges – Non ACT Government		
Commission (b)	1,996,386	1,769,161
Management Fees (c)	1,938,209	1,780,920
Other Fees (d)	846,164	1,006,830
	<u>4,780,759</u>	<u>4,556,911</u>
Total User Charges	5,044,553	4,856,205

(a) Commission is based on the return on invested funds on behalf of the Justice and Community Safety Directorate Trust Funds. The interest rate has decreased since the previous period.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

6. USER CHARGES (CONTINUED)

(b) Commission Income is charged on the value of the income earned and this has increased due to an increase in dividends received on Common Funds and a general increase in funds under management. Corpus Commission (i.e. Commission that is charged when administering estates) is percentage based and relates to the value of assets when a client's estate is finalised. The value of estates finalised in 2015-16 is higher than in 2014-15, therefore the fee received has increased.

(c) Management fees have increased due to an overall increase in the value of the Common Fund Investments from an improvement in the share and property investment market.

(d) Other fees have decreased due to the lower number and value of trusts being received to administer by the ACT Courts and lower amounts received to administer for Unclaimed Money than in the previous reporting period.

	2016 \$	2015 \$
7. INSURANCE RECOVERIES		
Insurance Recoveries	-	398,956
Total Insurance Recoveries	-	398,956

Insurance recoveries are amounts received or receivable under the Public Trustee and Guardian's fidelity insurance policy with the ACT Insurance Authority relating to the irregularities identified in Trust Accounts. The investigation into irregularities was completed in 2014-15 and there are no further amounts to be claimed.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
8. EMPLOYEE EXPENSES		
Wages and Salaries (a)	3,634,125	3,127,383
Wages and Salaries Costs of Investigating Irregularities (a)	-	97,703
Wages and Superannuation Cost of Official Visitors (b)	9,392	33,512
Annual Leave Expense (c)	40,476	86,656
Long Service Leave Expense (c)	89,977	19,353
Termination Payments (d)	9,627	53,797
Fringe Benefits Tax (e)	8,664	5,414
Workers' Compensation Insurance Premiums (f)	49,984	66,490
Other Employee Expenses and On-Costs (g)	538	4,174
Total Employee Expenses	3,842,783	3,494,483

(a) There were 51 staff employed at 30 June 2016 (46 at 30 June 2015). Wages and Salary costs have increased due to an increase in number of employees as a result of the transfer of Guardianship staff from the Public Advocate of the ACT to the Public Trustee and Guardian on 1 April 2016 and an increase in salary rates payable as a result of the current enterprise agreement. In 2015-16, there were no Wages and Salary costs in relation to the Investigation into Irregularities due to the finalisation of the investigation in the prior period.

(b) The decrease in Wages and Superannuation Costs of Official Visitors is due to a reclassification of Official Visitor remuneration for a staff member. All Official Visitors are appointed under the *Official Visitors Act 2012* and no longer classified as employees. Remuneration for Official Visitors are paid through Official Visitors Costs as part of supplies and services in 2015-16.

(c) Annual leave expenses decreased due to more staff taking leave during the reporting period. Long service leave expenses have increased due to an increase in staffing numbers and the benefits they are entitled to.

(d) Although more staff terminated their employment in 2015-16 compared to 2014-15, payments to these staff decreased due to lower employee entitlements of these staff.

(e) Fringe Benefits Tax costs increased due to the provision of an additional motor vehicle benefit and more education benefits being provided in 2015-16.

(f) Workers' Compensation Insurance Premium is assessed yearly and is calculated by the ACT Insurance Authority on an actuarial basis as a percentage of estimated salaries. The percentage basis for 2015-16 has decreased compared to 2014-15.

(g) The decrease in Other Employee Expenses and On-Costs is mainly due to ceasing the practice for staff to claim for eye testing and related expenses in 2015-16.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

9. SUPERANNUATION EXPENSES

The Public Trustee and Guardian makes fortnightly payments to the Territory Banking Account for CSS and PSS superannuation liabilities. The productivity benefit for these schemes is paid directly to the Commonwealth Superannuation Corporation (CSC).

Superannuation payments are also made to external providers as part of employee fund of choice arrangements.

	2016 \$	2015 \$
Superannuation Contributions to the Territory		
Banking Account	239,422	262,945
Productivity Benefit	34,235	36,811
Superannuation to External Providers	250,338	193,735
Total Superannuation Expenses	523,995	493,490

New staff, employed to replace retiring staff, are no longer able to contribute to superannuation accounts held with the Territory Banking Account. As retiring staff no longer contribute to the Territory Banking Accounts these contributions have decreased. New government employees can only contribute to External Providers.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
10. SUPPLIES AND SERVICES		
Audit Fee (a)	78,681	126,427
Borrowing Costs	2,567	2,504
Compensation of Trust Clients (b)	-	85,389
Computer Expenses (c)	275,731	292,780
Consultants Costs (d)	58,365	25,191
Costs of Investigating Irregularities (e)	-	215,864
Electricity	6,495	8,338
Insurance Risk Management Levy	28,278	28,278
Licence Fees	31,210	28,021
Marketing (f)	31,970	22,803
Motor Vehicle Expenses (g)	16,819	12,368
Office Equipment (h)	11,264	7,857
Official Visitors Expenses (i)	271,235	208,697
Other Expenses	37,702	34,142
Finance Lease Rental Payments (j)	-	1,894
Postage	15,428	15,612
Printing/Stationery (k)	34,745	28,865
Rental and Property Expenses	308,903	287,246
Repairs/Maintenance	102,870	108,813
Staff Training (l)	20,995	17,165
Subscriptions/Memberships	14,336	15,196
Telephones	19,686	22,290
Translation/Interpreter Costs	870	926
Relocation/Renovation Costs (m)	17,032	-
Protection of Rights Expenses (n)	31,193	-
Travel Expenses (o)	3,757	1,431
Total Supplies and Services	1,420,132	1,598,097

(a) 2015-16 audit fees relates only to the current period. In 2014-15 audit fees included an additional fee in respect of the 2013-14 audit as well as the 2014-15 audit fees.

(b) The Compensation of Trust Clients was completed in 2014-15. There were no costs incurred in the current period.

(c) Computer Expenses decreased in 2015-16 as there were no updates to software required in 2015-16 compared to 2014-15.

(d) Consultants Costs increased due to taking up a provision for external Accountant fees in respect of the 2015-16 year not taken up in 2014-15. Additionally, an independent Chairperson for the internal audit committee has been appointed in 2015-16.

(e) The investigation of irregularities in trust funds was completed in 2014-15. There were no costs relating to the investigation in 2015-16.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

10. SUPPLIES AND SERVICES (CONTINUED)

(f) Marketing costs increased in 2015-16 due to the implementation of new advertising techniques including a new video promotion and posters. No such advertising techniques were used in 2014-15.

(g) Motor vehicle expenses increased due to higher use of office vehicles and a transfer of the operating lease for one vehicle from Public Advocate of the ACT to the Public Trustee and Guardian in 2015-16.

(h) Office Equipment costs increased due to an increase in purchases of minor office equipment in 2015-16 compared to 2014-15.

(i) Official Visitors costs increased as a result of increased visits to clients and the number of Official Visitors in 2015-16. Additionally, Official Visitors are appointed under the *Official Visitors Act 2012* and are no longer classified as employees. Their remuneration is now classified under Supplies and Services in 2015-16. In 2014-15 Official Visitors remuneration was classified under Employee Expenses.

(j) There were no Finance Lease Rental Payments in 2015-16, due to the finalisation of the lease in the prior period.

(k) The increase in Printing and Stationery costs occurred due to the increased use of pre-printed folders for client files and the printing of the redesigned Public Trustee and Guardian survey form.

(l) More staff attended training courses in 2015-16 as more occupational specific courses were available for staff to undertake.

(m) Renovation/Relocation costs mainly relate to the preparation of architectural plans for the proposed future lease for the office premises at 221 London Circuit. No such costs were incurred in 2014-15.

(n) The Protection of Rights costs relate to rebranding as a result of the amalgamation of the Guardianship Unit of the Public Advocate of the ACT with the former Public Trustee. These costs include renaming of premises, new stationery and stamps.

(o) An increase in Travel Expenses occurred in 2015-16 due to increased travel by Public Trustee and Guardian employees to local and inter-state conferences.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

11. WAIVERS AND WRITE-OFFS

A waiver is the relinquishment of a legal claim to a debt over which the Public Trustee and Guardian has control. 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 and Guardian to recover the amount. The write-off of debts may occur for reasons other than waivers.

There were no waivers in 2015-16 (2014-15: none).

The Public Trustee and Guardian approved the write-off of debts owed by third parties. The write-offs disclosed below have occurred during the reporting period for Public Trustee and Guardian.

Ordinary Activities	No.	2016		2015	
		\$ No.		\$	
Write-offs					
Irrecoverable Debts	4	1,641	4	2,400	
Total Write-offs	4	1,641	4	2,400	

In 2015-16, write-offs were made by the Public Trustee and Guardian under delegated authority. Write-offs were due to amounts that were unable to be recovered from clients.

12. AUDITOR'S REMUNERATION

Auditor's remuneration consists of financial audit services provided to the Public Trustee and Guardian by the ACT Audit Office. No other services were provided by the ACT Audit Office.

Audit Fees Paid or Payable to the ACT Audit Office	78,681	78,681
Audit fees paid for by the Public Trustee and Guardian were:		
Financial Statements of the Public Trustee and Guardian (Office Account)	40 355	40,355
Financial Statements of the Public Trustee and Guardian (Trust Account)	38 326	38,326
	78 681	78,681

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

13. CASH AND CASH EQUIVALENTS

The Public Trustee and Guardian holds a bank account with Westpac Banking Corporation as part of the whole-of-government banking arrangements. The weighted average interest rate returned on the bank account was 2.82% in 2015-16 (3.21% in 2014-15).

The Public Trustee and Guardian held deposits with various other financial institutions at call throughout the year. The weighted average interest rate returned on these investments was 2.93% in 2015-16 (3.49% in 2014-15).

	2016 \$	2015 \$
Cash at Bank (a)	911,593	792,611
Cash on Hand	700	600
Short Term Investments (b)	5,850,000	5,450,000
Total Cash and Cash Equivalents	6,762,293	6,243,211

(a) The increase in Cash at Bank is due to suppliers invoices not being received and paid prior to year end as anticipated.

(b) The increase in Short Term Investments is the result of an increase in funds available for investment due to an operating surplus occurring in 2014-15.

14. RECEIVABLES

Current Receivables

Trade Receivables (a)	632,561	311,095
Less: Allowance for Impairment Losses	-	-
	632,561	311,095
Receivables - Insurance Recoveries (b)	-	146,715
Less: Allowance for Impairment Losses	-	-
	632,561	457,810
Accrued Revenue (c)	56,369	49,371
Other Current Receivables (d)	87,613	-
Total Receivables	776,543	507,181

PUBLIC TRUSTEE AND GUARDIAN**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016****14. RECEIVABLES (CONTINUED)**

(a) The increase in Trade Receivables relates to invoices for services provided not being paid prior to year end. Fees receivable from clients at 30 June 2016 increased compared to 30 June 2015 mainly due to commission increasing as a result of higher than estimated dividends received at year end.

(b) Due to the finalisation of Investigation into Client Irregularities in 2014-15 there were no claims on insurance policies in relation to Insurance Recoveries in 2015-16.

(c) Due to higher amount of funds being invested during the year, accrued interest receivable on these investments increased.

(d) Funds were provided by the Justice and Community Safety Department as part of the Administrative Restructure of the Public Trustee and Guardian on 1 April 2016. These funds were not received prior to year end.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

14. RECEIVABLES (CONTINUED)

Ageing of Receivables	Not Overdue	Overdue			Total
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	\$	\$	\$	\$	\$
2016					
Not Impaired					
Receivables	776,543	-	-	-	776,543
Impaired					
Receivables	-	-	-	-	-
2015					
Not Impaired					
Receivables	507,181	-	-	-	507,181
Impaired					
Receivables	-	-	-	-	-

Classification of ACT Government//Non-ACT Government Receivables

	2016 \$	2015 \$
Receivables with ACT Government Entities		
Trade Receivables	29,448	32,246
Net Receivables - Insurance Recoveries	-	146,715
Other Current Receivables	87,613	-
Total Receivables with ACT Government Entities	117,061	178,961
Receivables with Non-ACT Government Entities		
Net Trade Receivables	603,113	278,849
Accrued Revenue	56,369	49,371
Total Receivables with Non-ACT Government Entities	659,482	328,220
Total Receivables	776,543	507,181

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
15. PLANT AND EQUIPMENT		
Plant and equipment includes a motor vehicle, computer equipment, furniture and fittings, office fit-out and a security system.		
Motor Vehicle (at Fair Value)	21,000	21,000
Less: Accumulated Depreciation	(4,997)	(2,372)
	<u>16,003</u>	<u>18,628</u>
Furniture and Fittings (at Fair Value) (a)	36,747	32,128
Less: Accumulated Depreciation	(5,606)	(2,639)
	<u>31,141</u>	<u>29,489</u>
Computer Equipment (at Fair Value)	9,467	9,467
Less: Accumulated Depreciation	(3,267)	(869)
	<u>6,200</u>	<u>8,598</u>
Office Fit-out (at Fair Value) (b)	413,899	411,770
Less: Accumulated Depreciation	(383,604)	(191,430)
	<u>30,295</u>	<u>220,340</u>
Security System (at Fair Value)	3,600	3,600
Less: Accumulated Depreciation	(3,456)	(1,728)
	<u>144</u>	<u>1,872</u>
Total Plant and Equipment	<u>83,783</u>	<u>278,927</u>

(a) A new compactus was purchased to store client files in 2015-16.

(b) The increase in the office fit-out was the result of modifications to the existing office layout to accommodate increased staff levels.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

15. PLANT AND EQUIPMENT (CONTINUED)

Valuation of Plant and Equipment

Mr Ty Noble FAPI, CPV (P&M) Executive Director of Australian Valuation Solutions Pty Limited, an independent valuer, performed a valuation of the office fit-out, furniture and fittings, office equipment and security system at 30 June 2014. The motor vehicle was purchased in 2014-15 and the value shown is the written down value.

As disclosed in Note 2 n) *Provision for Make Good*, the Public Trustee and Guardian has included in the office fit-out valuation, the estimated cost of returning the premises occupied by the Public Trustee and Guardian to a similar condition to that which existed prior to the occupancy in the event the Public Trustee and Guardian were to leave the premises.

The fair valuation of the office fit-out, furniture and fittings, office equipment and security system is based on its assessed estimated depreciated replacement cost knowing that the current operating lease of the office accommodation on the ground floor of 221 London Circuit has an expiry date of 16 July 2016 (with an option to extend for a further five years). The next valuation is expected to be undertaken at 30 June 2017.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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15. PLANT AND EQUIPMENT (CONTINUED)

Reconciliations of the Carrying Amounts of Plant and Equipment.

The following table shows the movements of Plant and Equipment during 2015-16.

	Motor Vehicle	Furniture and Fittings	Computer Equipment	Office Fit-out	Security System	Total
Carrying Amount at the Beginning of the Reporting Period	\$ 18,628	\$ 29,489	\$ 8,598	\$ 220,340	\$ 1,872	\$ 278,927
Additions	-	4,618	-	2,130	-	6,748
Revaluation Increment	-	-	-	-	-	-
Depreciation	(2,625)	(2,966)	(2,398)	(192,175)	(1,728)	(201,892)
Other Movements	-	-	-	-	-	-
Carrying Amount at the End of the Reporting Period	16,003	31,141	6,200	30,295	144	83,783

The following table shows the movements of Plant and Equipment during 2014-15.

	Motor Vehicle	Furniture and Fittings	Computer Equipment	Office Fit-out	Security System	Total
Carrying Amount at the Beginning of the Reporting Period	\$ 40,305	\$ 18,400	\$ 150	\$ 409,305	\$ 3,600	\$ 471,760
Additions	21,000	13,728	9,316	2,465	-	46,509
Revaluation Increment	-	-	-	-	-	-
Depreciation	(6,610)	(2,639)	(868)	(191,430)	(1,728)	(203,275)
Other Movements	(36,067)	-	-	-	-	(36,067)
Carrying Amount at the End of the Reporting Period	18,628	29,489	8,598	220,340	1,872	278,927

PUBLIC TRUSTEE AND GUARDIAN

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15. PLANT AND EQUIPMENT (CONTINUED)

Fair Value Hierarchy

The Public Trustee and Guardian is required to classify plant and equipment into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the agency can access at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs that are unobservable for particular assets or liabilities.

Details of the Public Trustee and Guardian's plant and equipment at fair value and information about the Fair Value Hierarchy at 30 June 2016 are as follows:

Classification According to the Fair Value Hierarchy**30 June 2016**

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Plant and Equipment at Fair Value				
Motor Vehicle	-	16,003	-	16,003
Furniture and Fittings	-	31,141	-	31,141
Computer Equipment	-	6,200	-	6,200
Office Fit-out	-	18,615	11,680	30,295
Security System	-	-	144	144
	-	71,959	11,824	83,783

Details of the Public Trustee and Guardian's plant and equipment at fair value and information about the Fair Value Hierarchy at 30 June 2015 are as follows:

Classification According to the Fair Value Hierarchy**30 June 2015**

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Plant and Equipment at Fair Value				
Motor Vehicle	-	18,628	-	18,628
Furniture and Fittings	-	29,489	-	29,489
Computer Equipment	-	8,598	-	8,598
Office Fit-out	-	18,823	201,517	220,340
Security System	-	-	1,872	1,872
	-	75,538	203,389	278,927

Transfers Between Categories

There have been no transfers between Level 1, 2 and 3 during the reporting period.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

15. PLANT AND EQUIPMENT (CONTINUED)

Valuation Techniques, Inputs and processes***Level 2 Valuation Techniques and Inputs***

Valuation Technique: The valuation technique used to value the Motor Vehicle, Furniture and Fittings and Computer Equipment and some Office Fit-Out is the market approach that reflects recent transaction prices for similar plant and equipment.

Inputs: Prices and other relevant information generated by market transactions involving comparable assets were considered.

Level 3 Valuation Techniques and Inputs

Valuation Technique: The majority of the Office Fit-out and Security System were considered to be specialised assets with no observable market sales data. These were measured using the depreciated replacement cost approach that reflects the cost to a market participant to construct assets of comparable utility adjusted for obsolescence.

Inputs: In determining the value of Office Fit-out and Security System, consideration was given to the age and condition of the assets, their estimated replacement cost and current use.

There has been no change to the above valuation techniques during the reporting period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

15. PLANT AND EQUIPMENT (CONTINUED)

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

30 June 2016	Office Fit-out	Security System
	\$	\$
Fair Value at the Beginning of the Reporting Period	201,518	1,872
Additions	-	-
Revaluation Increments/(Decrements) Recognised in Other Comprehensive Income	-	-
Depreciation	(189,838)	(1,728)
Fair Value at the End of the Reporting Period	11,680	144

Total gains or losses for the reporting period included in profit or loss, under 'Other Gains'

- -

Change in unrealised gains or losses for the reporting period included in profit or loss for assets held at the end of the reporting period

- -

30 June 2015	Office Fit-out	Security System
	\$	\$
Fair Value at the Beginning of the Reporting Period	391,355	3,600
Additions	-	-
Revaluation Increments/(Decrements) Recognised in Other Comprehensive Income	-	-
Depreciation	(189,837)	(1,728)
Fair Value at the End of the Reporting Period	201,518	1,872

Total gains or losses for the reporting period included in profit or loss, under 'Other Gains'

- -

Change in unrealised gains or losses for the reporting period included in profit or loss for assets held at the end of the reporting period

- -

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

15. PLANT AND EQUIPMENT (CONTINUED)

Information about Significant Unobservable Inputs (Level 3) in Fair Value Measurements

Description	Fair Value at 30 June		Significant Unobservable Inputs
	2016	2015	
	\$	\$	
Valuation Technique: Depreciation Replacement Cost			
Office Fit-out	11,680	201,517	Useful life
Security System	144	1,872	Useful life

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
16. PAYABLES		
Current Payables		
Trade Payables (a)	55,861	111,936
Accrued Expenses (b)	354,820	11,000
	<u>410,681</u>	<u>122,936</u>
Net Goods and Services Tax Payable	139,672	113,969
Total Current Payables	<u>550,353</u>	<u>236,905</u>
Payables are aged as follows:		
Not Overdue	545,181	236,863
Overdue for less than 30 Days	-	-
Overdue for more than 30 Days and less than 60 Days	-	-
Overdue for more than 60 Days	5,172	42
Total Current Payables	<u>550,353</u>	<u>236,905</u>
Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Trade Payables	17,444	86,550
Accrued Expenses (b)	338,270	11,000
Total Payables with ACT Government Entities	<u>355,714</u>	<u>97,550</u>
Payables with Non-ACT Government Entities		
Trade Payables	38,417	25,386
Accrued Expenses (b)	16,550	-
Net Goods and Services Tax Payable	139,672	113,969
Total Payables with Non-ACT Government Entities	<u>194,639</u>	<u>139,355</u>
Total Current Payables	<u>550,353</u>	<u>236,905</u>

(a) The decrease in trade payables is due to the timely payment of invoices upon receipt.

(b) Accrued expenses have increased due to suppliers invoices not being received prior to year end. Additional accruals taken up this year including audit fees, consulting fees and IT costs.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
17. EMPLOYEE BENEFITS		
Current Employee Benefits		
Annual Leave	471,992	424,207
Long Service Leave (a)	992,118	857,279
Accrued Salaries (b)	81,967	140,266
Other Employee Benefits (c)	45,602	36,324
Total Current Employee Benefits	1,591,679	1,458,077
Non-Current Employee Benefits		
Long Service Leave (a)	152,568	95,210
Total Non-Current Employee Benefits	152,568	95,210
Total Employee Benefits	1,744,247	1,553,287

Estimated Amount Payable within 12 months		
Annual Leave	471,992	424,207
Long Service Leave	45,838	136,489
Accrued Salaries	81,967	140,266
Other Employee Benefits	45,602	36,324
Total Employee Benefits Payable within 12 months	645,399	737,286
Estimated Amount Payable after 12 Months		
Long Service Leave	1,098,848	816,001
Total Employee Benefits Payable after 12 months	1,098,848	816,001
Total Employee Benefits	1,744,247	1,553,287

(a) The increase in Long Service Leave is mainly attributable to the transfer of employee benefits from the Guardianship Unit of the Public Advocate of the ACT to the Public Trustee and Guardian.

(b) Accrued salaries have decreased as a result of the timing of pay periods and the number of days salaries are accrued. In 2014-15, nine days were accrued compared to 2015-16 where only one day was required to be accrued.

(c) Other employee benefits relate to annual leave loading. Due to the increase in staffing numbers as a result of the transfer of the Guardianship Unit as referred to in (a) annual leave loading payable also increased.

The Public Trustee and Guardian had 47.2 full time equivalent staff employed at 30 June 2016 (42.8 at 30 June 2015).

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
18. OTHER PROVISIONS		
Current Other Provisions		
Provision for Compensation of Trust Clients	-	-
Provision for Dividends	178,610	354,557
Total Current Other Provisions	178,610	354,557
Non-Current Other Provisions		
Provision for Make Good	104,425	101,859
Total Non-Current Other Provisions	104,425	101,859
Total Other Provisions	283,035	456,415

Provision for Dividends

The Public Trustee and Guardian proposed a final dividend of \$178,610 and this amount was authorised to be paid before the end of the reporting period. This amount will be paid to the ACT Government in the 2016-17 financial year.

Reconciliation of the Provision for Dividends

Balance at the Beginning of the Reporting Period	354,557	91,274
Increase in Provision during the Reporting Period	178,610	354,557
Amount Paid during the Reporting Period	(354,557)	(91,274)
Provision for Dividends at the end of the Reporting Period	178,610	354,557

Provision for Compensation of Trust Clients

At 30 June 2014, the former Public Trustee made a provision for the compensation of trust clients for irregularities under investigation. Refer to Note 4 *Irregularities in Trusts Administered by the former Public Trustee*.

The finalisation of the investigation into irregularities in client account occurred during the 2014-15 financial year and all amounts were paid to trust clients. There is no requirement for a further provision to be made as at 30 June 2016.

Reconciliation of the Provision for

Compensation of Trust Clients		
Balance at the Beginning of the Reporting Period	-	1,294,919
Increase in Provision during the Reporting Period	-	85,389
Amount Paid during the Reporting Period	-	(1,380,308)
Balance at the End of the Reporting Period	-	-

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

18. OTHER PROVISIONS (CONTINUED)

Provision for Make Good

As disclosed in Note 2 n) *Provision for Make Good*, the Public Trustee and Guardian has included in the fit-out valuation the estimated cost of returning the premises occupied by the Public Trustee and Guardian to a similar condition to that which existed prior to the occupancy in the event the Public Trustee and Guardian were to leave the premises. However, as the lease expires on 16 July 2016 and a new lease is currently being negotiated, the provision remains.

	2016 \$	2015 \$
Reconciliation of Provision for Make Good		
Balance at the Beginning of the Reporting Period	101,859	99,355
Increase in Provision due to Unwinding of Discount	2,566	2,504
Balance at the End of the Reporting Period	104,425	101,859

19. EQUITY

Asset Revaluation Surplus

The Asset Revaluation Surplus is used to record the increments and decrements in the value of plant and equipment.

Balance at the Beginning of the Reporting Period	481,789	481,789
Increment in Plant and Equipment due to Revaluation to Fair Value	-	-
Increment in Make Good as a result of the Decrease in the Provision for Make Good	-	-
Total Increase / (Decrease) in Asset Revaluation Surplus	-	-
Balance at the End of the Reporting Period	481,789	481,789

**PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

20. FINANCIAL INSTRUMENTS

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 *Significant Accounting Policies*.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to movements in market interest rates.

The Public Trustee and Guardian's financial assets consist of cash and cash equivalents and receivables, and its financial liabilities are comprised of payables. This means a significantly greater proportion of financial assets are subject to floating interest rate arrangements, compared to financial liabilities, limiting the Public Trustee and Guardian's to movements in the amount of interest receivable.

As the Public Trustee and Guardian's operating cash flows are not significantly dependant on interest earned from cash and cash equivalents, a sensitivity analysis of the interest rate risk has not been performed.

The Public Trustee and Guardian's exposure to interest rate risk relating to these financial assets and liabilities is shown below in Note 20 (e) *Maturity Analysis and Exposure to Interest Rates*.

As receivables and payables are held in non-interest bearing arrangements, the Public Trustee and Guardian is not exposed to movements in interest rates in respect of these financial assets and liabilities.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the agency as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rate is immaterial.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Public Trustee and Guardian's credit risk is limited to the amount of financial assets it holds net of any allowance for impairment losses. The Public Trustee and Guardian expects to collect all receivables that are not past due or impaired.

Credit risk is managed by the Public Trustee and Guardian for cash and cash equivalents investments by only investing surplus funds with various financial institutions, who have a "BBB" credit rating or above indicating that they have adequate capacity to meet their financial commitments. There is no collateral held as security for financial assets. Investments are structured with the highest rating banks to ensure more security over funds invested.

Credit risk of receivables is managed by ensuring clients are invoiced for services, and requesting payment from clients when the service is performed.

There have been no changes in credit risk exposure since the last reporting period.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

20. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity Risk (Continued)

Liquidity risk is the risk that the Public Trustee and Guardian will encounter difficulty in meeting obligations associated with financial liabilities. To limit its exposure to liquidity risk, the Public Trustee and Guardian ensures that it does not have a large portion of its financial liabilities maturing in any reporting period and that, at any particular point in time it has a sufficient amount of current financial assets to meet its current financial liabilities.

The Public Trustee and Guardian's maximum exposure to liquidity risk relating to these financial liabilities is shown below in Note 20 (e) *Maturity Analysis and*

(d) Fair Value of Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting

	Note No.	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		2016	2016	2015	2015
		\$	\$	\$	\$
Financial Assets					
Cash and Cash Equivalents	13	6,762,293	6,762,293	6,243,211	6,243,211
Receivables	14	776,543	776,543	507,181	507,181
Total Financial Assets		7,538,836	7,538,836	6,750,392	6,750,392
Financial Liabilities					
Payables	16	410,681	410,681	122,936	122,936
Total Financial Liabilities		410,681	410,681	122,936	122,936

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

20. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Maturity Analysis and Exposure to Interest Rates

The following table sets out the Public Trustee and Guardian's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2016. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

30 June 2016	Note No.	Weighted Average Interest Rate	Fixed Interest Maturing In				Non-Interest Bearing	Total
			Floating Interest Rate	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years		
			\$	\$	\$	\$	\$	\$
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	13	2.93%	911,593	5,850,000	-	-	700	6,762,293
Receivables	14		-	-	-	-	720,174	720,174
Total Financial Assets			911,593	5,850,000	-	-	720,874	7,482,467
Financial Liabilities								
Payables	16		-	-	-	-	410,681	410,681
Total Financial Liabilities			-	-	-	-	410,681	410,681
Net Financial Assets			911,593	5,850,000	-	-	310,193	7,071,786

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PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

20. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Maturity Analysis and Exposure to Interest Rates

The following table sets out the Public Trustee and Guardian's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2015. Except for all financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	30 June 2015	Note No.	Weighted Average Interest Rate	Fixed Interest Maturing In				Non-Interest Bearing	Total
				1 Year or Less	Over 1 Year to 5 Years	Over 5 Years			
				\$	\$	\$		\$	\$
Financial Instruments									
Financial Assets									
Cash and Cash Equivalents	13		3.49%	792,611	5,450,000	-	600	6,243,211	
Receivables	14			-	-	-	457,810	457,810	
Total Financial Assets				792,611	5,450,000	-	458,410	6,701,021	
Financial Liabilities									
Payables	16			-	-	-	122,936	122,936	
Total Financial Liabilities				-	-	-	122,936	122,936	
Net Financial Assets				792,611	5,450,000	-	335,474	6,578,085	

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

20. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Fair Value Hierarchy

All financial assets and liabilities are measured subsequent to initial recognition at amortised cost and as such no Fair Value Hierarchy is disclosed.

21. COMMITMENTS

The operating lease, with the Molonglo Group, for part of the ground floor of 221 London Circuit Canberra, relates to the premises occupied by the Public Trustee and Guardian. The term of the lease is for a period of 10 years with a 5-year option. This lease commenced in July 2006 and the 10-year lease finishes in July 2016 (with an option to continue for a further 5 years). The option to continue has not been activated due to the proposed negotiation of a new lease.

	2016 \$	2015 \$
Non-Cancellable Operating Lease Commitments are Payable as follows:		
Not later than one year	-	294,871
Later than one year but not later than five years	-	13,734
Later than five years but not later than ten years	-	-
Total Operating Lease Commitments	-	308,605

The lease of the ground floor of 221 London Circuit, Canberra City terminated on 16 July 2016. A new lease is under negotiation and Public Trustee and Guardian is currently on a month-to-month rental arrangement. Therefore, no future lease commitment has been calculated at year end.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
22. CASH FLOW RECONCILIATION		
(a) Reconciliation of Cash and Cash Equivalents at the end of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet.		
Total Cash and Cash Equivalents Recorded in the Balance Sheet	6,762,293	6,243,211
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	6,762,293	6,243,211
(b) Reconciliation of the Operating Surplus to Net Cash Inflows from Operating Activities		
Operating Surplus	357,219	709,111
Add / (Less) Non-Cash Items		
Depreciation	201,893	203,275
Borrowing costs	2,566	2,504
Add / (Less) Items Classified as Investing or Financing		
(Gain) on Derecognition of Finance Lease	-	(29,750)
Loss on Disposal of Non-Current Assets	-	5,014
Loss on Derecognition of Leased Motor Vehicle	-	28,309
Receivables related to equity transfer	87,613	-
Cash Before Changes in Operating Assets and Liabilities	649,291	918,462
Changes in Operating Assets and Liabilities		
(Increase) / Decrease in Receivables	(269,362)	2,021,498
(Increase) in Prepayments	(3,950)	(4,791)
Increase / (Decrease) in Payables	313,448	(53,809)
(Decrease) in Provision for Compensation to Trust Clients	-	(1,294,919)
Increase / (Decrease) in Employee Benefits	190,960	(36,159)
Net Changes in Operating Assets and Liabilities	231,096	631,820
Net Cash Inflows from Operating Activities	880,387	1,550,281

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

23. BUDGETARY REPORTING

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if both of the following criteria are met:

- (a) The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements;
- (b) The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Operating Statement Line Items	Actual 2015-16	Original Budget* 2015-16	Variance	Variance	Variance Explanation
Government Payment for Outputs	1,120,001	\$ 1,251,000	\$ (130,999)	% -10%	The lower than expected Government Payment for Outputs is due to a reduction in funding received as a result of general savings requested by the ACT Government. In addition, not all funds appropriated for Official Visitors were drawn due to lower than anticipated costs compared to budget.
User Charges - Non-ACT Government	4,780,759	4,318,000	462,759	11%	User Charges - Non-ACT Government includes commission income, management fees and other fees. Management fees were higher than budgeted due to an overall increase in the value of Common Fund Investments as the share and property investment markets improved.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

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PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

23. BUDGETARY REPORTING (CONTINUED)

Operating Statement Line Items	Actual 2015-16	Original Budget* 2015-16	Variance	Variance	Variance Explanation
Employee Expenses	\$ 3,842,783	\$ 3,270,000	\$ 572,783	% 18%	The higher than expected Employee Expenses is due to the transfer of staff from the Public Advocate of the ACT to the Public Trustee and Guardian on 1 April 2016 which was not anticipated at the time the budget was prepared.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

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PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

23. BUDGETARY REPORTING (CONTINUED)

Balance Sheet Line Items	Actual 2015-16 \$	Original Budget* 2015-16 \$	Variance \$	Variance %	Variance Explanation
Plant and Equipment	83,783	170,000	(86,217)	-51%	The lower than expected Plant and Equipment is due to no allowance for Make Good depreciation being included in the budget and incorrect percentages applied to calculate depreciation in the budget.
Payables	550,353	315,000	235,353	75%	The higher than expected Payables is primarily due to invoices in relation to Information Technology costs not anticipated at the time of budget.
Non-Current Employee Benefits	152,568	122,000	30,568	25%	The higher than expected Non-Current Employee Benefits is due to more number of new staff being eligible to receive the benefits not anticipated at the time of budget.

Statement of Changes in Equity Line Items

These lined items are disclosed in other financial statements.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

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PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

23. BUDGETARY REPORTING (CONTINUED)

Cash Flow Statement Line Items	Actual 2015-16 \$	Original Budget* 2015-16 \$	Variance \$	Variance %	Variance Explanation
Employee	3,800,451	3,247,000	553,451	17%	The higher than expected Employee Payments is due to the transfer of staff from the Public Advocate of the ACT to the Public Trustee and Guardian on 1 April 2016 resulting in a higher than expected number of staff not anticipated at the time of budget.
Supplies and Services	1,127,792	1,381,000	(253,208)	-18%	The lower than expected Supplies and Services is due to invoices in relation to Information Technology costs not raised by Creditors and therefore not paid prior to 30 June 2016.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

23. BUDGETARY REPORTING (CONTINUED)

Cash Flow Statement Line Items	Actual 2015-16 \$	Original Budget* 2015-16 \$	Variance \$	Variance %	Variance Explanation
Payments for Plant and Equipment	6,748	-	6,748	100%	Plant and Equipment were purchased during the year for the Guardianship unit to enhance workstations. This was not budgeted for.
Payments of Dividends	354,557	285,000	69,557	24%	The higher than expected Dividends paid compared to budget was due to a higher than anticipated Operating Revenue in the 2014-15 year. Dividend paid is 50% of net profit.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

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INDEPENDENT AUDIT REPORT

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

To the Public Trustee and Guardian

Report on the financial statements

The special purpose financial statements (financial statements) of the Public Trustee and Guardian Trust Account (the Trust Account) for the year ended 30 June 2016 have been audited. These comprise the operating statements for the Common Fund Interest Account and Guarantee and Reserve Account, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

Responsibility for the financial statements

The Public Trustee and Guardian is responsible for the preparation and fair presentation of the financial statements of the Trust Account. The Public Trustee and Guardian has determined that the basis of preparation described in Note 2 of the financial statements is appropriate.

The Public Trustee and Guardian is also responsible for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

I am responsible for expressing an independent audit opinion on the financial statements of the Trust Account.

The audit was conducted in accordance with Australian Auditing Standards to obtain reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

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

The audit is not designed to evaluate the prudence of decisions made by the Public Trustee and Guardian.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, then they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Account at 30 June 2016 and the results of its operations and cash flows for the year then ended in accordance with the basis of preparation described in Note 2 of the financial statements.

This audit opinion should be read in conjunction with the other information disclosed in this report.

Basis of accounting

Without modifying the audit opinion, I draw attention to Note 2 of the financial statements which describes the basis of preparation. The Public Trustee and Guardian has determined that the basis of preparation is appropriate. As a result, the financial statements may not be suitable for another purpose.



Bernie Sheville
Director, Financial Audits
15 September 2016

**PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

DECLARATION BY PUBLIC TRUSTEE AND GUARDIAN

The Public Trustee and Guardian declares that the Trust is not a reporting entity and that these special purpose financial statements are prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

I declare that:

1. the financial statements and notes, as set out on pages 2 to 17, present the Trust's financial position at 30 June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
2. in the Public Trustee and Guardian's opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Acting Public Trustee and Guardian



Joanne Dana Thompson

Dated this 14 September 2016

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT
OPERATING STATEMENT - COMMON FUND INTEREST ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Note No.	2016 \$	2015 \$
INCOME			
Dividends		4,981,139	2,828,486
Interest		2,484,443	2,724,114
Management Fee Rebate		120,908	108,249
Realised Gain on Investments		-	6,078,870
Reimbursement for Compensation of Trust Clients	3	-	85,389
Total Income		<u>7,586,490</u>	<u>11,825,108</u>
EXPENSES			
Compensation of Trust Clients	3	-	85,389
Custodian Fees		-	24,445
Realised Gains Distributed to Estates and Trusts		-	6,078,870
Interest Distributed to Estates and Trusts		1,642,017	1,930,175
Dividend Distributed to Estates and Trusts		4,045,563	2,186,870
Bank Fees		10	-
Management Fees		1,761,794	1,669,070
Total Expenses		<u>7,449,384</u>	<u>11,974,819</u>
Operating Surplus / (Deficit)		<u>137,106</u>	<u>(149,711)</u>
Total Comprehensive Income / (Deficit)		<u><u>137,106</u></u>	<u><u>(149,711)</u></u>

The above Operating Statement should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT
OPERATING STATEMENT - GUARANTEE AND RESERVE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Note No.	2016 \$	2015 \$
INCOME			
Interest		64,580	79,903
Reimbursement for Costs Associated with Controls Review	4	-	4,655
Total Income		64,580	84,558
EXPENSES			
Consultancy Fees		112,432	153,691
Costs Associated with Controls Review	4	-	4,655
Depreciation		14,500	14,500
Commission		3,414	3,950
Management Fees		23,180	24,361
Total Expenses		153,526	201,157
Operating (Deficit)		(88,946)	(116,599)
Total Comprehensive (Deficit)		(88,946)	(116,599)

The above Operating Statement should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

BALANCE SHEET
AS AT 30 JUNE 2016

	Note No.	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	79,936,016	83,463,858
Receivables	6	3,094,404	1,300,016
Unrealised Assets	7	103,486,247	107,354,915
Total Current Assets		186,516,667	192,118,789
NON-CURRENT ASSETS			
Investments	8	93,360,135	85,110,110
Property	9	300,000	260,250
Total Non-Current Assets		93,660,135	85,370,360
Total Assets		280,176,802	277,489,149
LIABILITIES			
CURRENT LIABILITIES			
Trust Liabilities	10	6,190,333	4,163,894
Provision for Compensation of Trust Clients	11	-	-
Other Liabilities	12	-	63,237
Total Current Liabilities		6,190,333	4,227,131
NON-CURRENT LIABILITIES			
Estates and Trusts Under Administration	13	271,412,827	270,790,787
Total Non-Current Liabilities		271,412,827	270,790,787
Total Liabilities		277,603,160	275,017,918
Net Assets		2,573,642	2,471,231
EQUITY			
Common Fund Interest Account		53,789	(83,317)
Guarantee and Reserve Account		2,148,824	2,237,770
Asset Revaluation Surplus	14	371,028	316,778
Total Equity		2,573,642	2,471,231

The above Balance Sheet should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Asset Revaluation Surplus 2016	Common Fund Interest Account 2016	Guarantee and Reserve Account 2016	Total 2016
YEAR ENDED 30 JUNE 2016	\$	\$	\$	\$
Balance at the Beginning of the Reporting Period	316,778	(83,317)	2,237,770	2,471,231
Comprehensive income				
Common Fund Interest Account - Operating Income	-	137,106	-	137,106
Guarantee and Reserve Account - Operating (Deficit)	-	-	(88,946)	(88,946)
Increase in the Asset Revaluation Surplus	54,250	-	-	54,250
Total Comprehensive Income/(Deficit)	54,250	137,106	(88,946)	102,410
Balance at the End of the Reporting Period	371,028	53,789	2,148,824	2,573,641

The above Statement of Changes in Equity should be read with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

	Asset Revaluation Surplus 2015 \$	Common Fund Interest Account 2015 \$	Guarantee and Reserve Account 2015 \$	Total 2015 \$
YEAR ENDED 30 JUNE 2015				
Balance at the Beginning of the Reporting Period	316,778	66,394	2,354,369	2,737,541
Comprehensive income				
Common Fund Interest Account - Operating (Deficit)	-	(149,711)	-	(149,711)
Guarantee and Reserve Account - Operating (Deficit)	-	-	(116,599)	(116,599)
Total Comprehensive (Deficit)	-	(149,711)	(116,599)	(266,310)
Balance at the End of the Reporting Period	316,778	(83,317)	2,237,770	2,471,231

The above Statement of Changes in Equity should be read with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note No.	2016 \$	2015 \$
Cash flows from Operating Activities			
Receipts			
Interest		2,562,321	2,891,480
Dividends		3,151,433	2,781,217
Reimbursement for Costs Associated with Controls Review		-	10,080
Reimbursement of Compensation paid to Trust Clients		-	1,380,308
Total Receipts from Operating Activities		5,713,754	7,063,085
Payments			
Management and Other Fees		1,915,902	1,239,829
Costs Associated with Controls Review		-	7,585
Total Payments from Operating Activities		1,915,902	1,247,414
Net Cash Inflows Operating Activities	15	3,797,852	5,815,671
Cash Flows from Investing Activities			
Receipts			
Proceeds from the Sale/Maturity of Investments		-	29,197,472
Total Receipts from Investing Activities		-	29,197,472
Payments			
Payments for Investments		7,276,000	40,196,622
Total Payments from Investing Activities		7,276,000	40,196,622
Net Cash (Outflows) from Investing Activities		(7,276,000)	(10,999,150)

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

	Note No.	2016 \$	2015 \$
Cash Flows from Financing Activities			
Receipts			
Receipts from Trusts and Estates		72,835,898	68,463,766
Total Receipts from Financing Activities		72,835,898	68,463,766
Payments			
Payments to Trusts and Estates		72,885,592	59,979,572
Total Payments from Financing Activities		72,885,592	59,979,572
Net Cash Inflows from Financing Activities		(49,694)	8,484,194
Net (Decrease) / Increase in Cash and Cash Equivalents		(3,527,842)	3,300,715
Cash and Cash Equivalents at Beginning of the Reporting Period		83,463,858	80,163,143
Cash and Cash Equivalents at End of the Reporting Period	5	79,936,016	83,463,858

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. ACTIVITIES OF THE PUBLIC TRUSTEE AND GUARDIAN

The functions of the Public Trustee and Guardian are defined in the *Public Trustee and Guardian Act 1985* and include the administration of deceased estates and trusts and the preparation of wills. The Public Trustee and Guardian also acts as Attorney and as Guardian and Manager under order from Guardianship and Management of Property Tribunal. These financial statements show the value of trust, attorney and management funds under administration at 30 June 2016 and the results of these operations for the year ended 30 June 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Public Trustee and Guardian are stated to assist in the general understanding of these financial statements. These policies have been consistently applied except as otherwise stated.

(a) Basis of Preparation

The financial statements have been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other significant accounting policies disclosed below, which the Public Trustee and Guardian has determined the basis of preparation of the financial statements is appropriate. The accounting policies are consistent with the previous reporting period unless stated otherwise.

These financial statements are special purpose financial statements that have been prepared for the sole purpose of preparing and distributing a financial report for stakeholders, including Trust Clients, the Public Trustee and Guardian and service providers.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. These financial statements have been presented in Australian dollars, which is the Trust's functional currency.

(b) Rounding

Amounts in the financial statements have been rounded to the nearest dollar.

(c) Revenue Recognition

Revenue is measured at the value of the consideration received or receivable in the Operating Statement.

Dividends

Dividend revenue is recognised when the right to receive a dividend has been established.

Interest

Interest revenue is recognised using the effective interest method.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment of Assets

The Public Trustee and Guardian, at each reporting date, assesses whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(e) Unrealised Assets

Estates and Trusts under administration represent both realised and unrealised assets. Unrealised assets of Estates and Trusts under administration are initially recorded by the Public Trustee and Guardian at the value the assets were received, in accordance with the Public Trustee and Guardian guidelines.

After initial recognition, unrealised assets are valued using the cost or revaluation model of valuation. Unit based assets are measured at fair value. Property and other assets are recorded at historical cost.

(f) Investments

Australian Equities, Fixed Interest, International Equities and Listed Property investments are valued at market value by the Public Trustee and Guardian'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 reporting date as advised by the managers of the funds.

The distributions received on the Fixed Interest, International Equities and Listed Property investments are recorded net of management fees and charges. These fees are deducted at the source prior to distribution.

(g) Property

The building is valued at fair value. The last valuation of the building was at 30 June 2016. The valuation was performed by David James (AAPI Certified Practising Valuer) of Herron Todd White. The fair value of the building is measured using current prices in a market for similar properties. Valuations are performed every three years.

(h) Depreciation of Non-Current Assets

Depreciation is applied the leasehold building

(i) Trust Liabilities

The Public Trustee and Guardian has made a significant judgement regarding Trust Liabilities. Liabilities are only brought to account for those clients that have available funds to pay their debts. Where a client is potentially insolvent, no liabilities are brought to account.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Significant Accounting Judgments and Estimates

(i) Unrealised Assets:

The Public Trustee and Guardian has made a significant judgement regarding Unrealised Assets being that properties are shown at historical cost, unit based assets are valued at 30 June each year based on current market values of investments and all other assets are valued at cost. This valuation uses significant judgements and estimates of investments to determine the fair value of investment unit based assets.

(ii) Revision of Useful Lives and Residual Values:

The Public Trustee and Guardian reviewed the useful lives and residual values of its leasehold building at 30 June 2016. This review resulted in a revaluation of the property, for details see Note 9 *Property*.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 20163. IRREGULARITIES IN TRUSTS FUNDS ADMINISTERED BY THE FORMER
PUBLIC TRUSTEE

In 2013-14, the former Public Trustee detected irregularities in Trust Funds administered by the former Public Trustee Trust Account. The irregularities relate to client financial accounts maintained under order of the ACT Civil and Administrative Tribunal and under Enduring Power of Attorney. KPMG Forensic completed their investigation in October 2014, the investigation by ACT Policing is now complete and the matter is currently in the hands of the ACT Courts.

The Public Trustee and Guardian has a fidelity insurance policy with the ACT Insurance Authority (ACTIA). Under this insurance policy, the former Public Trustee had claimed for expenses incurred in relation to the investigation of irregularities and the reimbursements to trust accounts, including any loss of interest.

The former Public Trustee Trust Account had recorded the following amounts relating to the irregularities in 2014-15. In 2015-16, there were no further claims as the matter was finalised.

	2016 \$	2015 \$
INCOME		
Reimbursement for Compensation of Trust Clients	-	85,389
EXPENSES		
Compensation of Trust Clients	-	85,389

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

4. COSTS ASSOCIATED WITH CONTROLS REVIEW

In the Financial Statements for the year ended 30 June 2014, the former Public Trustee disclosed that they had engaged KPMG Forensic to provide the former Public Trustee with consultancy services aimed at identifying weaknesses and reviewing existing controls.

The contract was paid out of the former Public Trustee's Guarantee and Reserve Account and the amount excluding GST was reimbursed through the former Public Trustee's fidelity insurance policy back to the former Public Trustee. The Guarantee and Reserve Account was reimbursed accordingly.

The contract with KPMG Forensic to review existing controls was completed in October 2014.

The former Public Trustee's Guarantee and Reserve account had recorded the following amounts relating to the consulting services in 2014-15. As this investigation is now completed, there are no further income or expense items in 2015-16:

	2016 \$	2015 \$
INCOME		
Reimbursement for Cost Associated with Controls Review	-	4,655
EXPENSES		
Costs Associated with Controls Review	-	4,655
Net Expenses	-	-

5. CASH AND CASH EQUIVALENTS

Cash at bank - Common Fund	11,268	17,372
Cash at bank - General Reserve	9,748	11,486
Investments - Common Fund	77,715,000	81,105,000
Investments - General Reserve	2,200,000	2,330,000
Total Cash and Cash Equivalents	79,936,016	83,463,858

6. RECEIVABLES

CURRENT		
Interest Receivable (a)	531,087	544,385
Dividend Receivable (b)	2,499,385	669,679
Management Fee Rebates Receivable	31,375	29,767
Gifts Receivable (c)	-	20,600
Reduced Input Tax Credits	32,557	35,585
Total Receivables	3,094,404	1,300,016

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

6. RECEIVABLES (CONTINUED)

(a) Interest Receivable has decreased due to a reduction in interest rates received in comparison to the previous year.

(b) Dividend Receivable has increased as a result of an increase in the underlying asset base together with improvements in the investment market. International Equities declared an additional dividend at year end.

(c) All gifts that were receivable at 30 June 2015 were received during 2015-16.

	2016 \$	2015 \$
7. UNREALISED ASSETS		
Properties at cost:		
Real Estate	43,761,173	43,409,859
Total Properties at Cost	43,761,173	43,409,859
Unit Based Assets - at Fair Value:		
Shares	5,300,143	13,421,768
Superannuation Policies	374,842	259,753
Managed Funds	-	14,160
Property and Unit Trusts	89,430	633,259
Total Unit Based Assets - at Fair Value	5,764,415	14,328,940
Other Assets at cost:		
Nursing Home/Retirement Village Bonds	9,783,782	8,350,969
Superannuation Policies	38,074,589	36,094,919
Prepaid Funerals	158,237	134,420
Managed Funds	641,567	554,732
Investments	4,956,074	4,213,546
Personal Effects	346,410	267,530
Total Other Assets at Cost	53,960,659	49,616,116
Total Unrealised Assets	103,486,247	107,354,915

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

The decrease in unrealised assets is a result of the finalisation of estates that had held a large number of shares. The remainder of unrealised assets have fluctuated with changes to client investment choices.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
8. INVESTMENTS		
Australian Equities Common Fund	35,345,352	32,221,671
Australian Fixed Interest Common Fund	33,340,494	31,036,323
Australian Listed Property Common Fund	8,719,750	7,246,118
International Equities Common Fund	15,954,539	14,605,998
Total Investments	93,360,135	85,110,110
9. PROPERTY		
Leasehold Building at Fair Value	390,000	335,750
Less: Accumulated Depreciation	(90,000)	(75,500)
	300,000	260,250
Total Property at Fair Value	300,000	260,250
An independent valuation of the Public Trustee and Guardian's warehouse at Mitchell was performed at 30 June 2016. The valuation indicated the value of the warehouse exceeded its carrying amount. The warehouse was therefore revalued upwards by \$54,250 at 30 June 2016.		
10. TRUST LIABILITIES		
Mortgages	2,892,870	2,399,140
Funeral Expenses	18,081	49,357
Bank Loans and Credit Cards	123,119	195,909
Medical/Dental Costs	28,453	35,092
Property/Utility Costs	45,043	29,858
Personal Expenses	165,251	51,884
Accommodation/Rent	150,195	390,918
Taxation Debts	82,637	-
Sundry Debts	289,088	230,446
Dividends to be Distributed	2,031,669	515,757
Accrued Income Commission	109,991	28,343
Accrued Management Fees	253,936	237,190
Total Trust Liabilities	6,190,333	4,163,894

Trust liabilities increased primarily as result of the International Equities Common Fund's dividends remaining outstanding at 30 June 2016. The associated distributions cannot be paid until the funds are received. The increase in mortgages occurred as a result of more clients having debt owing at 30 June 2016. Due to an increase in Taxation Debts the liability has been reclassified in 2015-16. In previous periods Taxation Debts formed part of Sundry Debts and were minimal in value.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
11. PROVISION FOR COMPENSATION OF TRUST CLIENTS		
CURRENT		
Provision for Compensation of Trust Clients	-	-
Reconciliation of the Provision for Compensation of Trust Clients:		
Balance at the Beginning of the Reporting Period	-	1,294,919
Increase in Provision during the Reporting Period	-	85,389
Amount Paid during the Reporting Period	-	(1,380,308)
Balance at the End of the Reporting Period	-	-
The Investigation into irregularities in client accounts was completed in the 2014-15 financial year. There was no balance carried forward to future years.		
12. OTHER CURRENT LIABILITIES		
Trade Creditors	-	37,408
Accrued Expenses	-	25,829
Total Other Current Liabilities	-	63,237
13. ESTATES AND TRUSTS UNDER ADMINISTRATION		
Unclaimed Monies	31,496,538	26,828,455
Capital Region Community Foundation - Gift Fund	10,590,930	10,062,767
Capital Region Community Foundation - Open Fund	6,059,220	6,194,830
Estates and Trusts	223,266,139	227,704,735
Total Estates and Trusts Under Administration	271,412,827	270,790,787
As a result greater levels of efficiency in the management of Estates and an increase in the number of estates finalised the value of their assets, Estates and Trusts Under Administration have decreased. Unclaimed Monies have increased to more funds being received and less claims being made.		
14. ASSET REVALUATION SURPLUS		
Asset Revaluation Surplus		
Balance at the Beginning of the Reporting Period	316,778	316,778
Increase in the Asset Revaluation Surplus	54,250	-
Balance at the End of the Reporting Period	371,028	316,778

An independent valuation of the Public Trustee and Guardian's warehouse at Mitchell was performed at 30 June 2016. The valuation indicated the value of the warehouse exceeded its carrying amount. The warehouse was therefore revalued upwards by \$54,250 at 30 June 2016.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

15. CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the End of the Financial Year in the Cash Flow Statement to the Equivalent Items in the Balance Sheet

	2016	2015
	\$	\$
Cash and Cash Equivalents	79,936,016	83,463,858
Total Cash and Cash Equivalents	<u>79,936,016</u>	<u>83,463,858</u>

(b) Reconciliation of the Operating Surplus/(Deficit) to Net Cash Inflows from Operating Activities

Operating Surplus/(Deficit) - Common Fund	137,106	(149,711)
Operating (Deficit) - Guarantee and Reserve Account	(88,946)	(116,599)

Add/(Less) Non-Cash Items

Depreciation	14,500	14,500
Management Fee Rebate	(120,908)	(108,249)
Interest Distributed to Estates and Trusts	1,642,017	1,930,175
Dividends Distributed to Estates and Trusts	4,045,563	2,186,870
Net Cash Inflow Before Changes in Operating Assets and Liabilities	<u>5,629,332</u>	<u>3,756,986</u>

Changes in Operating Assets and Liabilities:

(Increase)/Decrease in Receivables	(1,763,013)	1,258,455
(Decrease) in Provision of Compensation to Trust Clients	-	(1,294,919)
(Decrease)/Increase in Trust Liabilities	(5,230)	2,031,912
(Decrease)/Increase in Payables	(63,237)	63,237
Net Change in Operating Assets and Liabilities	<u>(1,831,480)</u>	<u>2,058,685</u>

Net Cash Inflows from Operating Activities	<u>3,797,852</u>	<u>5,815,671</u>

ANNEXURE - INSERTED REPORTS

PUBLIC TRUSTEE AND GUARDIAN INVESTMENT BOARD



PUBLIC TRUSTEE AND GUARDIAN PUBLIC TRUSTEE AND GUARDIAN INVESTMENT BOARD

ANNUAL REPORT 2015-16

I am pleased to report on the activities of the Public Trustee and Guardian (PTG) Investment Board (the Board) for 2015-16.

THE BOARD

The Board is established under s.46 of the *Public Trustee and Guardian Act 1985* (the Act) to provide expertise to ensure best practice in financial and risk management 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 PTG client investors;
- distribution of income; and
- aspects of policy and its implementation to ensure that it complies with the *Public Trustee and Guardian Act 1985* and the *Trustee Act 1925*.

MEMBERSHIP

The Act requires at s.48 that the Board be comprised of the Public Trustee and Guardian (Senior Member) and at least two other members appointed by the Minister for a term not longer than three years. Members are appointed on an honorary basis.

At 30 June 2016, the Board consisted of the Public Trustee and Guardian and three members, including one member representing the Chief Minister, Treasury and Economic Development Directorate as follows –

→ Mr Andrew Taylor	-Senior Member
→ Mr Tom Babić	-Expired 2 March 2016
→ Ms Christine Goodé	-Expired 2 March 2016
→ Mr Thach Huynh	-Expires 2 March 2017
→ Mr Patrick McAuliffe (rep ACT Treasury)	-Expires 2 March 2019
→ Dr Jill Charker	-Expires 2 March 2019

At the date of this report, a fourth member had been recommended for appointment to the Board.

Mr Tom Babić has expertise in financial planning and investment. He is principal of consulting firm Ascent Consulting Group, providing advice on market research, corporate strategy, business development and procurement management and has a Bachelor of Commerce (Deakin University) and a Certificate in Financial Planning (Securities Institute).

Ms Christine Goode PSM has extensive experience through 34 years in government including Deputy Secretary and CEO levels. She has held Board appointments with Airservices Australia, State Super Financial Services Ltd, and National Foundation for Australian Women Ltd, as well as chairing Comcare's Audit Committee for 3 years. She is currently a Trustee Director of AvSuper Pty Ltd.

Mr Patrick McAuliffe is Director, Asset Liability Management, Economic and Financial Group, ACT Treasury. He is responsible for leading the development and implementation of key investment policies and strategies for the ACT Government's financial investment portfolios.

Mr Thach Huynh is a Director of Professional Financial Solutions with 18 year's experience advising superannuation funds, charities, government bodies and Public Trustees in actuarial and investment matters. Mr Huynh is a qualified actuary, has a degree in Economics (Actuarial Studies) from ANU and has completed a graduate diploma in financial planning.

Dr Jill Charker is Chief Operating Officer and Deputy Secretary Corporate Group at the (C'th) Department of Immigration and Border Protection and was formerly CEO ComSuper. Dr Charker holds a PhD from Griffith University, a Class 1 Honours degree in psychology, an Executive Masters degree in Public Administration, a graduate of the Australian Institute of Company Directors and a level-two qualified executive coach through the Institute of Executive Coaching and Leadership.

ASSET CONSULTANT

PTG appointed PricewaterhouseCoopers (PwC) in February 2011 to provide asset/markets consultancy services to the Board including quarterly reports. On the transition of management of PTG's Australian Equities Common Fund from active to passive fund management, the Board advised that a quarterly report was no longer necessary and that PwC should in future report on an annual basis with a 5-yearly strategy review. In that capacity, PwC will be contracted to review PTG's Investment Strategy (including review of PTG's Cash Common Fund) in August 2016.

THE YEAR IN REVIEW

This year reflected volatile, moderate investment growth with final quarter resurgence in investment value and strong distributions. Final quarter returns were primarily supported by International Equities as well as greater per unit distributions by Fixed Interest resulting in stronger returns for PTG's more growth-oriented risk models. While the final quarter provided optimistic investment growth, PTG maintains a moderate to positive outlook for the 2016-17 financial year. 2015-16 saw the final year of PTG's current investment strategy and the Board will implement a revised strategy for the next five years following the 2016 review.

ATTENDANCE TABLE

Member	14 Sep 2015	16 Mar 2016	17 Jun 2016
Andrew Taylor	√	√	√
Tom Babic (to 23.2016)	√	-	-
Christine Goode (to 2 Mar 2016)	√	-	-
Patrick McAuliffe	√	√	√

Thach Huynh	✓	✓	✓
Jill Charker [apptd 3 Mar 2016]	-	✓	X

OUTCOMES

The following changes to the Board occurred during the year -

- Tom Babic - term expired 2.3.2016
- Christine Goode - term expired 2.3.2016
- Jill Charker - appointed 3.3.2016.

The Board considered a range of issues during the year including -

- transition of the cash weighting into the actual risk profile. As the PwC review is imminent, the Board decided that this strategy should be reviewed at a later date;
- engagement of PwC as PTG's asset/markets consultant for a 5-year review will include review of PTG's management of the Cash Common Fund. The Board has also approved a broad range of considerations for PwC to address in the context of the review;
- updating PTG's performance reports to include a cover note explaining cash totals within the Risk Models and its effect on investment returns; and
- inclusion of comparison rates for cash distribution and reserve balances in Cash Common Fund reports.

The Board agreed to maintain the rate payable in respect to PTG's Cash Common Fund at 1.9% throughout the year.

LOOKING FORWARD

The focus for 2016-17 will be on implementing the results of the five-yearly review of PTG's Investment Strategy and PTG's management of its Cash Common Fund. This will respond to a number of much needed adjustments to strategy and will provide an independent assessment of the Cash Common Fund management.

I record my thanks to Board members Christine Goode, Jill Charker, Tom Babic, Thach Huynh, Patrick McAuliffe together with Deputy Public Trustee and Guardian & Finance Manager Joanne Thompson, Acting Deputy Public Trustee and Guardian & Manager Investment/Funds Manager David Sterhouse, Investments Officer Stefan Dzwonnik as well as PwC for their valuable advice and contribution to the Board during 2015/16.



Andrew Taylor
SENIOR MEMBER/
PUBLIC TRUSTEE AND GUARDIAN

OFFICIAL VISITOR SCHEME

OFFICIAL VISITORS BOARD ANNUAL REPORT 2015-16

I am pleased to report on the activities of the Official Visitors Board for 2015-16.

THE BOARD

The Official Visitors (OV) Board (the Board) was established under S.23A of the *OV Act 2012* (the Act).

The Board has no involvement in the day-to-day activities of OVs, making them truly independent in the conduct of their responsibilities.

The Board has the following functions under the Act -

- arrange training for OVs;
- facilitate interaction between OVs;
- arrange for the provision of administrative assistance to OVs; and,
- exercise any other function given to the board under the Act, an operational Act or another Territory law.

For the purposes of the Act, each of the following is an operational Act—

- *Children and Young People Act 2008*;
- *Corrections Management Act 2007*;
- *Disability Services Act 1991*;
- *Housing Assistance Act 2007*; and
- *Mental Health Act 2015*.

The Board is required to meet at least twice each year. During the reported year, the Board met on 22 September 2015 and 27 May 2016.

MEMBERSHIP

In accordance with S.23B of the Act, the Board comprises the following -

- the Public Trustee and Guardian (Chair);
- at least one Commissioner under the *Human Rights Commission Act 2005* nominated by the commissioner under that Act; and,
- two OVs, elected by the OVs as their representatives.

S.23B(2) of the Act appoints the Public Trustee and Guardian as Chair of the Board.

The Human Rights Commission nominated the Public Advocate and Children and Young People Commissioner as its representative on the Board.

Membership of the board and meeting attendances during the reported year was as follows -

MEMBER	NATURE OF APPOINTMENT	MEETING SEP 2015	MEETING MAY 2016
Mr Andrew Taylor	Public Trustee (Chair)	✓	✓
Ms Mary Durkin	Health Services Commissioner/Disability and Community Services Commissioner representing the Human Rights Commission	✓	Resig'd
Ms Sue Connor	Principal OV under the <i>Mental Health (Treatment and Care) Act 1994</i>	✓	✓
Ms Tracey Whetnall	OV under the <i>Children and Young People Act 2008</i> and <i>Corrections Management Act 2007</i> .	✓	✗
Ms Jodie Griffiths-Cooke	Public Advocate and Children and Young People Commissioner representing the Human Rights Commission.		New Apptmt

THE YEAR IN REVIEW

Prior to each meeting of the Board, members are required to disclose any material interest in an issue to be considered at the meeting. No interests were reported by any member at either meeting.

MEETING - 22 SEPTEMBER 2015

Administrative

Requirements of the *Official Visitor Act 2012* and the role of the Board.

Chair circulated new reporting tool used by South Australian Official Visitors.

Training Day 2015

Date for the OV's Training Day was set for 27 November 2015 to be held at The Boathouse by the Lake.

Appointments process

Board noted the following appointment actions/proposed actions -

- Narelle Hargreaves - appointment as OV Children and Young People expires 7 October 2015, proposed to reappoint for 2 years commencing October 2015.
- Tracey Whetnall - appointment as OV Children and Young People expires 7 October 2015, proposed to reappoint for 2 years commencing October 2015.
- Judy Putt - board noted the reappointment of Ms Putt from 30 June 2015, proposed to reappoint for 3 years commencing 30 June 2015.
- Sue Connor - appointment as OV and as Principal OV for Mental Health expires 3 June 2016, proposed to reappoint for 3 years commencing 4 June 2016.
- Proposal to appoint a third OV for Children and Young People in June 2016.

Secure Mental Health Facility - Symonston

Chair advised Board of the development of a Secure Mental Health Unit at Symonston and the implications for Official Visitors. Chair would raise the issue of OV visits to the facility either by Mental Health or Corrections OVs, noting the need for an OV from an Aboriginal and Torres Strait background.

Funding and remuneration.

Chair advised Board that Narelle Hargreaves' appointment as OV C&YP was proposed for re-

appointment on 8 October 2015. By consent, at that time Ms Hargreaves would revert to the standard daily rate and the Chair would contact the Remuneration Tribunal to remove the item in respect to the annual rate.

Website

The Official Visitor web page was changed with the Official Visitor contact number as well as the TTY number being included.

Guidelines

Chair circulated recently introduced *Children and Young People Services Visit and Complaint Guidelines 2015*.

Administrative Matters

The following matters were raised and attended to -

- Business Cards, Posters and stationery supplied to OVs.
- Issues around having the OV contact number added to the free call list at AMC and whether detainees are asked whether they identify as Aboriginal or Torres Strait Islanders.
- An approach was made to the HRC about issues raised in relation to the Adult Mental Health Unit and lack of drug and alcohol counselling.

MEETING - 27 MAY 2016

Appointments Schedule

Appointment/re-appointment action for the following OVs was completed -

- Narelle Hargreaves - appointment as OV Children and Young People expires 7 October 2015 for 2 years commencing October 2015.
- Tracey Whetnall - appointment as OV Children and Young People expires 7 October 2015, proposed to reappoint for 2 years commencing October 2015.
- Judy Putt - board noted the reappointment of Ms Putt from 30 June 2015, proposed to reappoint for 3 years commencing 30 June 2015.
- Sue Connor - appointment as OV and as Principal OV for Mental Health expires 3 June 2016, proposed to reappoint for 3 years commencing 4 June 2016.
- Bill Bashford - appointed as OV for Children and Young People for a term of two years commencing 1 June 2016.

Restructure of ACT Rights Protection Agencies

The significant change was that the composition of the Board was changed by removing the former Public Advocate as member and replacing the representation with at least one commissioner from the Human Rights Commission.

Training

Second OV Training Day to be held on 18 November 2016.

Remuneration Tribunal review

Meeting noted ACT Remuneration Tribunal Discussion Paper on Review of fees for Part Time Public Office Holders and a request by PTG to remove the annual rate for the Chair, Children and Young People OV as it is now redundant.

Advice by NSW OV Scheme re Mental Health Training

Meeting noted advice received from the NSW OV Scheme that it can no longer provide access to the NSW Training Day for Mental Health OVs. PTG is seeking alternate training through Jodie Bowden at ACT Health.

FINANCIAL MATTERS

Funding for the administration of the OV scheme by the Public Trustee and Guardian and the Board and for remuneration of OVs was provided as part of Government Payment for Outputs for the reported year.

Funding received for administrative purposes	- \$109,775
GPD - Official Visitors	- \$365,226.00
Total Funding received	- \$475,001.00

Expenditure by Public Trustee for administrative purposes	- \$109,775
Expenditure on remuneration	- \$263,134.12
Expenditure on administrative items	- \$8,101.38

LOOKING FORWARD

The Board will hold its Annual OV Training Day on 18 November 2016.

I record my thanks to Board members Ms Mary Durkin, Ms Sue Connor and Ms Tracey Whetnall as well as to PTG staff for their administrative and financial support.



Andrew Taylor
CHAIR/
PUBLIC TRUSTEE AND GUARDIAN

INDEXES AND GLOSSARIES

GLOSSARY OF ABBREVIATIONS AND ACRONYMS

ACAT	Australian Capital Territory Civil and Administrative Tribunal.
AGAC	Australian Guardianship and Administration Council.
AUSTRAC	Australian Transaction Reports and Analysis Centre.
AWA	Australian Workplace Agreement.
CAT	Confiscated Assets Trust Fund
COMMBIZ	Commonwealth Bank - Business.
COTA	Council on the Ageing.
CPA	Certified Practicing Accountant.
CSO	Community Service Obligations.
EDRMS	Electronic Document and Records Management System
EPA	Enduring Power of Attorney
ESD	Ecologically Sustainable Development.
FMA	Financial Management Act 1996.
FTE	Full time equivalent.
FSC	Financial Services Council
GFC	Global Financial Crisis.
GST	An indirect broad based consumption tax
JACS	Justice and Community Safety Directorate.
JACS IM/ICT	JACS committee for information management and information
JECS	JUSTICE Executive Committee Communication.
MACA	Ministerial Advisory Council on Ageing.
MDA	Management Discussion and Analysis
MOU	Memorandum of Understanding.
OH&S	Occupational Health and Safety.
PTACT	Public Trustee for the Australian Capital Territory.
PTG	Public Trustee and Guardian

PWC	PricewaterhouseCoopers
QA	Quality Assurance.
SOG	Senior Officer Grade (Classification).
SBMP	Strategic Bushfire Management Plan
TACT	Trust Accounting (System)

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 Guardian and broadly include financial management services under order of ACAT, 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	A formal instrument by which one person empowers another to represent him/her, or act in his/her place for certain purposes.
Estate	The sum of the transmittable 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 ACAT 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).
Funds Manager	A person or organisation responsible for investing moneys on behalf of another.
Goods and Services Tax	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 ACAT, 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 or as litigation guardian).

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 Guardianship and Management of Property Act 1991 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	A legal rule requiring investment advisers to only make investments for their clients' discretionary accounts that a "prudent person" would make.
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.
PT Investment Board	A board established under S.47 of the <i>Public Trustee and Guardian Act 1985</i> . to advise the Public Trustee and Guardian 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 and Guardian 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.



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