

ANNUAL REPORT

2018/19



**PUBLIC TRUSTEE
AND GUARDIAN**



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Transmittal Certificate



PUBLIC TRUSTEE AND GUARDIAN

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5 September 2019

Mr Gordon Ramsay 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 2019.

This Report has been prepared under Section 7(2) 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 information in 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 2018 to 30 June 2019.

I also certify that fraud prevention has been managed in accordance with Part 2.3 (see section 113, Public Sector Management Standards 2016).

S.13 of the *Annual Reports (Government Agencies) Act 2004* requires that present the Report to the Legislative Assembly within 15 weeks of the end of the reporting year.

Yours sincerely

Andrew Taylor
Public Trustee and Guardian

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

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221 London Circuit Canberra ACT 2601
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Message from The Public Trustee and Guardian



2018-19 has been a year of significant and positive change for the office of the Public Trustee and Guardian (PTG). The end of the year marked the completion of a number of major phases of our Business Transformation Project aimed at modernising, integrating and making our services more responsive to the needs of our clients.

A key feature of the project was the establishment of new accommodation to satisfy the needs of PTG and its clients for the next 10 years. In April 2019, PTG completed the fit-out of level 9, 221 London Circuit which now accommodates all of PTG's operational staff and Executive. This completed the second stage of the project and, at 30 June 2019, the third and final stage, the refurbishment of a reduced Reception, Office Services and Finance Unit accommodation on Ground Floor was almost complete.

Another important part of the Project is the establishment of a new ICT platform. After several years of planning and preparation, PTG successfully introduced/completed the following during the year -

- A Microsoft Dynamic 360 CRM
- Test/Dev/Prod instances of the CRM
- ICT Cloud environment
- Two modules of the CRM into production with a further two in test and another (Precedent Letter Database) awaiting commencement
- Replacement Income Tax preparation software MYOB/AE
- Upgraded Optic Fibre connection to 221 London Crct
- Scanning of all Wills and EPA's into PTG's EDRMS
- Conversion of all staff to laptops and dual screens
- Preparation for upgrade to Windows 10

The modernisation of technology is a critical aspect of the PTG's Business Transformation Project.

The merger of Public Guardian and Public Trustee functions highlighted the disparate nature of the two different and incompatible legacy staff Classification systems. PTG has taken advantage of the review of the Enterprise Agreement to rationalise the classification of its Guardianship and Trustee staff. Following consultation with staff and the CPSU through a Workplace Consultative Committee, PTG has now completed the move to a single ASO Classification system across the agency.

This annual report of our performance is one way in which the PTG accounts to government, clients and the public in respect to our responsibilities.

Striving to meet performance targets is a task taken very seriously by all staff. This year, PTG reported on its revised Strategic and Accountability Indicators for the first time. The revised indicators established in response to the ACT Auditor-General's Report provide a more meaningful way of reporting in respect to all measured activities.

PTG continued to build its capacity to deliver reliable and effective services to the community. I want to acknowledge the valued contribution of time and expertise made by the members of PTG's Investment Board Investment and Audit Committee. I also acknowledge the contribution made by members of the Board of PTG's public charitable foundation 'GreaterGood' and the excellent work undertaken by two key Workplace Consultative Committees in respect to the Accommodation Project and Classifications Review.

I also record my appreciation to all PTG staff for their professionalism and commitment to serving our clients across the community. It is a privilege to work with such a dedicated group of individuals.

ANDREW TAYLOR
Public Trustee and Guardian

Section B: Organisational Overview and Performance



B.1 Organisational Overview

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 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

- Guardianship and Management services
- Will and Executor service
- Enduring Power of Attorney services
- Trustee services
- External Manager services
- Official Visitor Scheme administration
- Confiscated Criminal Asset services
- Unclaimed Money
- Investing and Funds Management services
- GreaterGood – Public Ancillary Fund administration

Our Organisational Structure, Environment and Planning Framework



The Public Trustee and Guardian is unique in Australia, combining the functions of Public Guardian and Public Trustee in one single organisation.

The Public Trustee and Guardian is an independent statutory office-holder responsible to the Justice and Community Safety (JACS) Directorate.

The role of the ACT's Public Trustee and Guardian is unique in Australia in that the Public Trustee and Public Guardian functions are merged into a single entity with one single decision-maker.

PTG has all of the functions of a traditional Public Trustee complemented by the role of a Public Guardian in making personal and health care decisions for persons with a decision-making disability.

Structure

PTG has four business units – Guardianship, Financial Management Services, Wills/Estates/Trusts and Finance – each headed by a Director/Deputy Public Trustee and Guardian.

An Office Services Unit provides governance, HR, training and facilities management support to the office. The structure and classification of positions across the office was reviewed and implemented during the year as part of the new Enterprise Agreement.

PTG's Investment Board, was established under the **Public Trustee and Guardian Act 1985**, to provide investment advice to the Public Trustee and Guardian. The Board must comprise the Public Trustee and Guardian as Senior Member and at least two external members appointed by the Minister on an honorary basis. Four members are currently appointed.

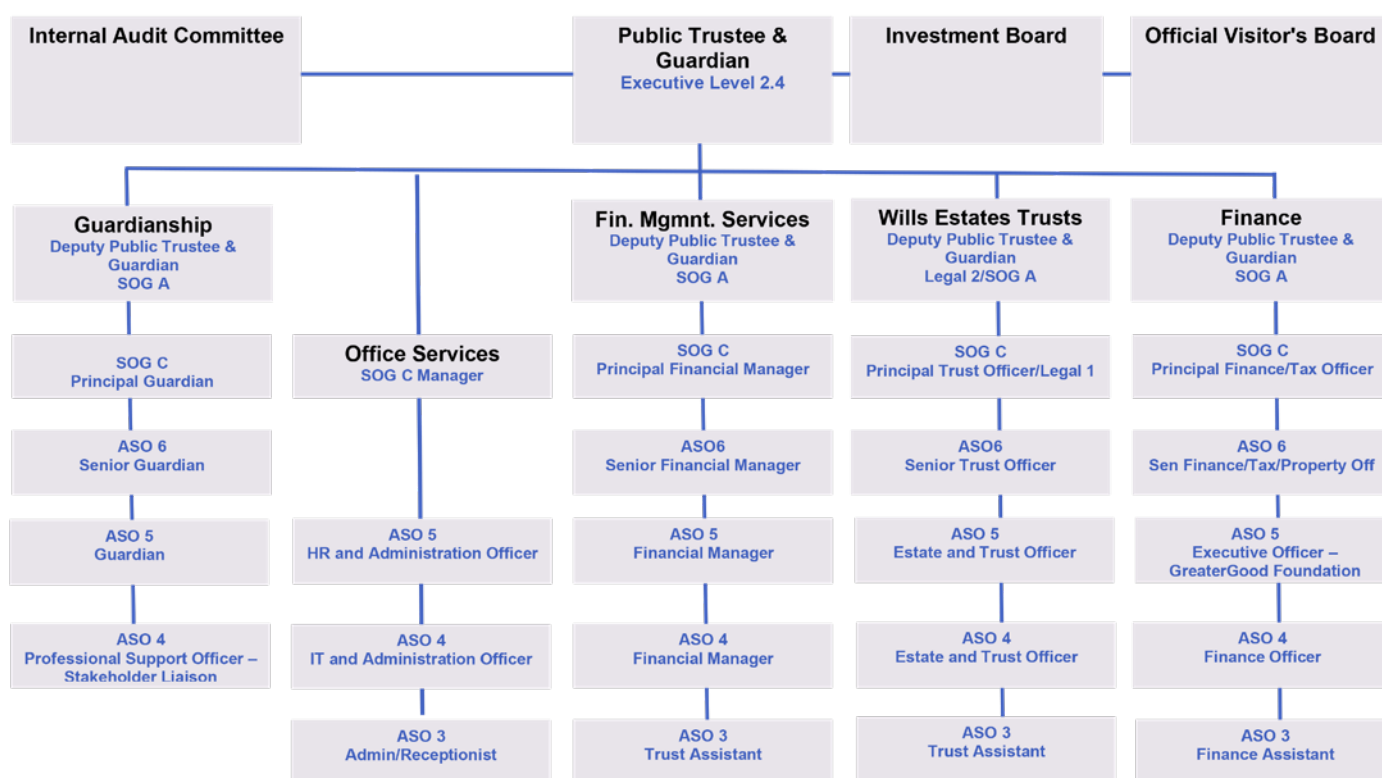
PTG's Audit Committee comprises a number of business unit representatives and, in the reported year, was independently chaired by Mr Roger Broughton. Mr Broughton resigned his appointment with effect from the end of the reported year.

PTG's administrative structure is set out in the Organisation Chart opposite.

PUBLIC TRUSTEE AND GUARDIAN

ORGANISATION CHART

(30 JUNE 2019)



(this Chart does not indicate the number of staff at each classification)

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 some responsibilities as Chief Executive Officer of a Territory Authority.

The Public Trustee and Guardian is responsible for PTG's governance including the following Boards:

- **Public Trustee and Guardian Investment Board (Senior Member)**
- **Official Visitors Board (Chair)**
- **GreaterGood (Trustee)**

The Public Trustee and Guardian reports to the Deputy Director-General (Justice), Justice and Community Safety Directorate (JACS) and has financial management responsibilities to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD). In his trustee/guardian roles however, the Public Trustee and Guardian is autonomous and independent.

PTG prepares its own annual report under the **Annual Reports (Government Agencies) Directions 2019**.

PTG's organisation environment is broader and more diverse than its peer state/territory agencies. These include guardianship, unclaimed money, uncollected goods, government trust funds, confiscated criminal assets, GreaterGood (The Capital Region Community Foundation) as well as administration of aspects of the ACT Official Visitor Scheme.

PTG has a strong organisational relationship with a number of JACS agencies including the Public Advocate and the ACT Civil and Administrative Tribunal.

Planning Framework and Direction Setting

PTG's Senior Leadership Group is the strategic planning body. Personal Achievement and Development Plans (PADP) are aligned with business plan strategies and set the direction for the staff learning and development program.

PTG's Senior Leadership Group is the strategic planning body. Personal Achievement and Development Plans (PADP) are aligned with business plan strategies and set the direction for the staff learning and development program.

During 2018–19, PTG's Business Transformation Project completed an independent review of position classifications. A Workplace Consultative Committee comprising representatives of Executive, Business Units and Union managed the project in consultation with an external consultant.

PTG participates in the strategic planning and management of JACS as a member of the JACS Executive Communication Forum (JEC).

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 Public Ancillary Fund and community charitable foundation.

As Chair of the ACT Official Visitors Board, the Public Trustee and Guardian is responsible for the appointment, training and administration of the Official Visitor Scheme. The scheme covers corrections, mental health, disability, homelessness and children and young people. PTG continued to partner JACS in a review of the Official Visitor Scheme.



Summary of Performance

PTG's performance is measured by its Strategic and Accountability Indicators. These indicators were modified following agreement by the Treasurer and Attorney-General in the lead up to the 2019–20 budget estimates process. Performance is reported against these Indicators in B.2 Performance Analysis and in the Statement of Performance accompanying the financial statements annexed to this report.

In summary -

- **Source of revenue** - PTG's revenue is sourced from non-Government user-charges, interest, Controlled Recurring Payments (CRP) and Community Service Obligation (CSO) funding.
- **Community Service Obligation** Funding for 2018-19 was \$518,000.
- **Outcome** - for 2018-19, PTG has a revised estimated deficit of \$153,000.00 against a budget surplus of \$120,000.00.
- **Revenue** -PTG estimated total revenue of \$8,003,771. Revenue is \$179,771 higher than budget due to higher User Charges.
- **Expenses** - PTG's total estimated expenses were \$8,487,627. Expenses are \$783,627 higher than budget. The increase mainly relates to higher employee and superannuation expenses due to a higher than expected number of staff employed to accommodate higher client numbers and more complex client portfolios, staff on extended leave and tasks associated with short term business transformation projects..
- **Dividend to Government** - under an agreement with the ACT Treasurer, PTG pays ACT Treasury an annual dividend of 50% of any end-of-year operating surplus. The dividend for 2018-19 is Nil.
- **Funds Management** - PTG operates seven externally managed statutory Common Funds and an internally managed Cash Common Fund. All external funds are under index or 'passive style' management. PTG's external fund manager Vanguard, reported that PTG's externally managed funds all achieved index and performed well against comparative indices.
- **Cash Common Fund** - PTG's internally managed Cash Common Fund achieved well, and in excess of all indices measured against by PTG's asset/markets consultant PricewaterhouseCoopers (PWC).
- **Investment Strategy** - PTG operates four risk models designed to maximise investment performance and overall return at client level. Returns compared to 2017/18 were - Growth 6.60% to previous 5.18%, Balanced 7.50% to previous 3.90%, Conservative 6.30% to previous 2.29%, Capital Stable 1.60% to previous 1.52%. This is entirely reflective of normal and expected financial market volatility.
- **Government Funds** - Government funds invested and managed by PTG increased from \$177.0M to \$180.60M.
- **Deposits to Confiscated Criminal Assets Trust Fund** - PTG deposited \$904,911.97 to the fund compared to \$868,758.00 in 2017-18. This resulted from a higher number and value of forfeitures made by the Supreme Court under the **Confiscation of Criminal Assets Act 2003**.
- **Unclaimed Money** - The balance of funds held in the Unclaimed Money Trust Account grew from \$35.86 in 2017-18 to \$40.61m in 2018-19.
- **Perpetual Care Trusts** - deposits made under the **Cemeteries and Crematoria Act 2003** grew from \$10.19M to \$12.05M.
- **The corpus of funds** held in GreaterGood (The Capital Region Community Foundation) increased from \$19m to \$21.84M.
- **GreaterGood** distributed \$1,576,745 to charitable causes mainly in the ACT during 2018-19.

Assessment of Performance Against 2018–19 Objectives

PTG's Statement of Intent set out PTG's priorities for the reporting year.

The following objectives are taken from PTG's Statement of Intent 2018-19

2018-19 OBJECTIVES	OUTCOMES
<p>Continue the implementation of PTG's Business Transformation Project. In 2018-19, PTG will complete its accommodation renewal, reclassification of all of its staff, implement several modules of its ICT integrated Customer Relationship Management System (CRM) including Guardianship, External Management, Unclaimed Money, Precedent/letter Database and EDRMS.</p> <p>Continue to implement efficiencies through the merger of the Public Trustee and Public Guardian functions. 2018-19 will see the implementation of a new structure for the Guardianship Unit and associated recruitment.</p>	<ul style="list-style-type: none"> Acquisition, fit-out and occupation of level 9, 221 London Crct completed. All staff have now vacated Ground Floor and are either permanently accommodated on level 9 or using churn space on level 2 pending refurbishment of reduced Ground Floor accommodation. Refurbishment of Ground Floor commenced in May 2019 and is expected to be completed by August 2019. Reclassification Project completed as part of the Administrative and Related Classifications Enterprise Agreement 2017-2021 resulting in uniform ASO classification across the office. Wills, Powers of Attorney modules completed in the CRM. Guardianship module in test prior to implementation. Precedent Letter database has been specified and costed. Wills and EPA's completed in EDRMS and project commenced to rollout across the office. Recruitment to one single ACAT Liaison Officer position (Guardian and Management) completed. Guardianship Unit Structure finalised and implemented.
<p>Raise awareness in the community of the role of the Public Trustee and Guardian including developing and undertaking a range of presentations and information seminars which highlight the importance of estate planning including a well drafted Will and EPA as well as what happens in the event of incapacity. This will be achieved through continual development of PTG's website, fact sheets, seminars, forums, newsletters and expos.</p>	<ul style="list-style-type: none"> Two public forums conducted in Seniors Week and Wills Week. Presentations at Law Society, Centrelink and Commonwealth Superannuation Corporation Forums as well as many community and stakeholder groups. Video published to PTG's website. Philanthropy Breakfast held at the Realm Hotel with 95 in attendance. Videos and stories developed and published to GreaterGood website.
<p>Participating in industry forums to identify and implement best practice. This will be achieved through close cooperation with state/territory trustee and guardian agencies as well as through membership of industry representative organisations such as AGAC. PTG will also work closely with ACAT in establishing practice that achieves efficient processes under the Guardianship and Management of Property Act 1991. A new collaborative forum between PTG and ACAT has been implemented in order to identify and implement better practice.</p>	<ul style="list-style-type: none"> PTG continues to work closely with other PT&Gs in the development of practice. PTG has regular meetings with ACT Civil and Administrative Tribunal Presidential Member to discuss improvements. Public Trustee and Guardian appointed as Director/Treasurer/Trustee of Australian Guardianship and Administration Council (AGAC). PTG co-hosted the conduct of the 2019 AGAC National Conference in Canberra attended by 256 delegates from Australia, Asia, Netherlands, and Canada.



Outlook and Priorities

PTG's Outlook and Priorities are tied to its Operating Model established as part of the Business Transformation Project.



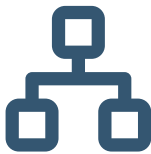
- Complete the accommodation fit-out of Ground Floor, 221 London Crct.



- Increase community awareness of PTG's role, its services and products through a strong Community Engagement program.



- Investigate replacement Trust Accounting systems.



- Implement new ASO classifications as part of the Classification Review and review adequacy of staff across the office.
- Finalise Review of PTG Delegations legislation by JACS.



- Commission a replacement Precedent Letter database as part of Its Customer Relationship Management (CRM) System.
- Roll out PTG's Objective EDRMS to other business units and link with the CRM.



- Participate in industry/peer forums to identify and implement best practice.



Operating Model

Stakeholder Value → Our Ethos

Enabling Culture

Core Enablers



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.



OUR TRANSFORMATION:

A modern, functional and responsive agency

Stakeholder Outcomes:

- Consistent management and staff buy-in to transformation leading to better outcomes
- Community engagement through regular education and information
- Community value delivered through strong relationships and beneficial outcomes
- Client trust built through empathy, skill, transparency, objectivity and timeliness
- Client satisfaction through a high level of client feedback
- Financial sustainability for government
- Improved lives of ACT residents
- Greater efficiency through modern systems and processes
- Government trust in our capacity to contribute to its aims and programs
- Clear, responsive, compassionate and effective decision-making as Guardian and Manager

ACT Government Strategic Goals:

- Delivering quality frontline services in an open, inclusive and tolerant manner.
- Building safe, caring and connected communities by ensuring the future capacity of the organisation is able to meet current and emerging needs.



Who We Are

We are an organisation dedicated to making a difference to peoples lives through the delivery of a range of consistent, dependable and unique services.

We are committed to our purpose and mission and are accepting of our clients no matter their situation or needs.

We are supportive within the community sector and will provide and maintain a leadership profile that is informed by our unique capabilities and perspective.



What We Do

We bring imagination and optimism to everything we do, demonstrating resilience, highly ethical behaviour and empathy to provide a sense of security to our clients and their families.

We challenge the status quo in order to be an organisation that is adaptive, forward looking, energetic and open minded. We apply diligence and thoroughness in achieving outcomes for clients.

We are a service orientated and trusted organisation focussed on achieving positive outcomes for the community.



How We Work

We are a unified team, passionate about our work, and care for each other. Our approach is flexible, adaptable, balanced and efficient.

We work in an integrated manner, building and maintaining strong internal networks by sharing data, information, insights and developments that facilitate an end to end, single client view.

We apply social intelligence to our work – a community orientation characterised by empathy, entrepreneurialism, leadership and connection.

As a learning organisation we value personal development and apply reflective practice, act on feedback and are continually scanning our environment for opportunities.



How We Are Seen

Our Value Proposition

- A **unique mix** of **responsive** services that reflect **excellence** and **achievement**
- A **trusted** and **respected decision maker** and **advisor** in the ACT community
- High levels of **integrity, compassion** and **sensitivity**, particularly with vulnerable clients
- A **confident, open minded, flexible** learning organisation that displays **adaptability** and **proactivity**
- **Accessible** service delivery, catering for the **diversity of needs** within the ACT community



Outcomes

Sector Leadership
Organisational Sustainability
Community Respect
Career Opportunities
Professional Knowledge
Recognition



Service Philosophy

Serving the ACT Community:
...services built on solid foundations of professionalism, integrity, responsiveness and sound financial management practices...

Respect Always:
...treating others with the sensitivity, courtesy and understanding we would wish for ourselves...

Making the Law Accessible:
...access to services to support whole of life decisions and provide peace of mind...

Protecting The Vulnerable:
...we give voice to the voiceless, stepping in where there is no one else who can...



Business Processes

Modern:

- Accessible services using multiple platforms and channels – web, face to face, phone, community outreach
- Continuous systems integration and improvement to facilitate single client view and improve efficiency
- Ongoing digitisation of records to improve access and retrieval

Functional:

- Sound investment strategies, business continuity and forward planning
- Benchmark setting legal services and care for protected persons

Responsive:

- High levels of governance and scrutiny



Workforce Capabilities

Specialised Knowledge:

- Law – ACT legislation, wills, trusts, estates, EPOA's
- Taxation
- Property
- Social Welfare
- Financial Management and Accounting
- Business Management

Public Sector Capabilities:

- ACTPS Values and Signature Behaviours
- ACTPS Shared Capability Framework

Institutional Strengths:

- Reflective practice
- Client centric approach
- Community focussed
- Accountable and transparent
- Nationally active with other Trustees
- Knowledge managers
- Receptive to change



Sustainability Focus

Maintain a Sound Financial Base:

The PTG has a strong financial base to build upon in order to continue to operate, improve and respond to an environment where there continues to be growth in client numbers and complexity without corresponding funding increases from government.

Seek Opportunities for Expansion:

The PTG must continue to offer high quality and competitive legal services and build on current institutional capabilities and strengths to expand into neighboring regions that face limited choice and service options.

Strengthen and Expand Community Links

The PTG must continue to be responsive and flexible in meeting the needs of the community based on high awareness of the services, performance and value it presents to the ACT community.

Internal Accountability

PTG is committed to achieving the highest standards of internal accountability and corporate governance.

PTG is a largely self-funding independent Territory Authority with a significant degree of statutory autonomy, however its internal accountability practices reflect ACT Public Sector requirements.

PTG complies with key legislation including -

Public Trustee and Guardian Act 1985
Administration and Probate Act 1929
Cemeteries and Crematoria Act 2003
Confiscation of Criminal Assets Act 2003
Financial Management Act 1996
Guardianship and Management of Property Act 1992
Official Visitor Act 2012
Powers of Attorney Act 2006
Trustee Act 1925
Unclaimed Moneys Act 1950
Wills Act 1968

The Public Trustee and Guardian reports to the Director-General, Justice and Community Safety Directorate through the Deputy Director-General (Justice). PTG reports directly to ACT Treasury in respect to financial and budget matters.



Executive/Senior Leadership Group

PTG's four business units are each headed by a Director (Senior Officer Grade A) following a review of PTG's Organisational Structure and Manager classification completed during the reported year.

PTG's Management and Governance is the responsibility of the Senior Leadership Group comprising the Public Trustee and Guardian assisted by its four Directors and the Manager, Office Services Unit.

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**
- **Generate efficiencies.**



ANDREW TAYLOR

Public Trustee and Guardian

Andrew Taylor is an Executive in the ACT Public Service and was appointed to the statutory office of Public Trustee and Guardian on 1 April 2016. Prior to that Mr Taylor was appointed as both Public Trustee for the ACT and as Public Advocate of the ACT. The statutory office of Public Trustee and Guardian has responsibilities as Guardian and Manager as well as a traditional trustee role in addition to governance and responsibilities as an ACT Government Executive.

Mr Taylor is Senior Member of PTG's Investment Board, Trustee for GreaterGood (The Capital Region Community Foundation) and Chair of the Official Visitor Board.

Mr Taylor is also appointed as Director/Treasurer/Trustee of the Australian Guardianship and Administration Council (AGAC), a not for profit company limited by guarantee and registered charity.



CHRISTINA THOMPSON

Director, Guardianship Unit - Deputy Public Trustee and Guardian

Christina Thompson was appointed as Director, Guardianship Unit in 2016. Ms Thompson was previously employed with the Public Advocate of the ACT for over nine years during which she established the role of Senior Advocate, Mental Health and Forensic. She is a Senior Psychologist with extensive clinical and forensic experience. During the last part of the reported year, Christina was seconded at Executive level to the Queensland Public Guardian for three months.



JOANNE THOMPSON

Director, Finance Unit - Deputy Public Trustee and Guardian

Joanne Thompson was appointed as Director, Finance Unit in 2006 and has 29 years' experience with PTG following a career in the superannuation industry. Ms Thompson manages all PTG accounting functions including office management, government trust accounts, investment/funds management, taxation and property and has responsibility for financial reporting. She is also responsible for administering PTG's Cash Common Fund and to maximise return on cash investments.



KATHRYN TOY

Director, Financial Management Services Unit - Deputy Public Trustee and Guardian

Kathryn Toy was appointed as Director, Financial Management Services in 2014. Ms Toy trained as a 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 ACAT and under Enduring Powers of Attorney.



GREGORY BURN

(January to June 2019)

Director, Wills/Estates/Trusts Unit - Deputy Public Trustee and Guardian

Gregory Burn was appointed as Director, Trusts Unit in 2015. Mr Burn was previously appointed as Senior Legal Officer – Wills at NSW Trustee and Guardian. Prior to that he was a sole practitioner in his own legal practice. He is responsible for the preparation of Wills and Enduring Powers of Attorney, administration of deceased estates as executor or administrator and the administration of trusts including Confiscated Criminal Assets. Mr Burn is a Practising Solicitor in NSW and ACT.

During the reported year, Mr Burn was seconded as Departmental Liaison Officer in the Office of the ACT Attorney-General between July 2018 and January 2019.

STEPHEN KELLETT

(July 2018 to January 2019)

A/g Director, Wills, Estates and Trusts Unit - Deputy Public Trustee and Guardian

Stephen Kellett has over 40 years' experience in the trustee industry, having been admitted as a Member of the Executor and Trustee Institute in 1993. Mr Kellett was appointed as Acting Director of the Wills/Estates/Trusts Unit during the temporary absence of Gregory Burn.

TINA MARTINOVIC

(May 2019 to 30 June 2019)

A/g Director, Guardianship Unit - Deputy Public Trustee and Guardian

Throughout her 25 year government career, Tina Martinovic's experience ranged from the criminal justice system and law enforcement to the community services field. Ms Martinovic has a Degree in Social Sciences with majors in law and sociology and membership with the Golden Key International Honour Society. Ms Martinovic has held the position of a guardian for over 12 years and was appointed as Acting Deputy Director, Guardianship during the temporary absence of Christina Thompson.



DENISE CALDWELL

Manager, Office Services Unit

Denise Caldwell was appointed as Manager, Office Services Unit in April 2016. Prior to that Denise was appointed as a Senior Advocate with the Public Advocate of the ACT. Her responsibilities include, governance, HR, training and facilities management support to the office. Denise is a former Registered Nurse.

Remuneration

Remuneration for the position of Public Trustee and Guardian is as an ACT Government Executive in accordance with a Determination of the ACT Remuneration Tribunal. PTG staff are remunerated under the ACT Public Sector **Administrative and Related Classifications Enterprise Agreement 2018-2021** (and its predecessor the ACT Public Sector **Administrative & Related Classifications Enterprise Agreement 2013-2017**), with the exception of PTG's two legal officers who are covered by the **ACT Public Sector Legal Professionals Enterprise Agreement 2013-17**.



Public Trustee and Guardian Investment Board

PTG's 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 meetings of PTG's Investment Board is provided as an annexure to this report.

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

Appointment Title	Position	Member	Expiry Date
Public Trustee and Guardian (Investment Board)	Senior Member	Mr Andrew Taylor	Ongoing
Public Trustee and Guardian (Investment Board)	Member	Mr Michael Davison	02/03/2021
Public Trustee and Guardian (Investment Board)	Member	Ms Serhan Mackey	09/09/2021
Public Trustee and Guardian (Investment Board)	Member	Ms Tracy Savage	04/12/2021
Public Trustee and Guardian (Investment Board)	Member	Mr Patrick McAuliffe	28/03/2022
Public Trustee and Guardian (Investment Board)	Member	Ms Jill Charker	Resgd 09/7/2018

PTG's Director (Finance), Accountant and Investment Officers attend 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 has representation by all business units.

Mr Broughton resigned his appointment and PTG takes this opportunity to thank him for his significant and valued contribution to PTG. The role will be filled by Mr Malcolm Prentice of the Office of the Legislative Assembly, formerly an auditor with the ACT Auditor-General.

Public Trustee and Guardian Senior Leadership Group

PTG's Senior Leadership Group is an internal governance forum focusing on:

- Overall governance responsibility
- Implementing PTG's strategic/business plans
- Resource management

Official Visitors Board

The composition of the Official Visitors Board is determined by the **Official Visitor Act 2012**. At 30 June 2019, the Board comprised:

- **Andrew Taylor – Public Trustee and Guardian 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)**
- **Shannon Pickles – Official Visitor (Mental Health/ Corrections), nominated by official visitors as representative (Member)**
- **Narelle Hargreaves OAM – Official Visitor (Disability) nominated by official visitors as representative (Member).**

The Board is a representative panel whose function is 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**
- **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 meetings of the Official Visitors Board is provided as an annexure to this report.

B.2 Performance Analysis



Key Performance Indicators for 2018-19 to 2021-22

Indicator	Actual Outcome 2017-18	2018-19 Budget	Estimated Outcome 2018-19	Planned 2019-20	Planned 2020-21	Planned 2021-22	Planned 2022-23
Guardianship Orders - no. of people for whom PTG acted as Guardian appointed by the ACT Civil and Administrative Tribunal (ACAT) under the <i>Guardianship and Management of Property Act 1991</i> (GMPA) during the reported period	191	225	220	230	235	240	245
Management Orders - no. of orders in which PTG was appointed as Manager by ACAT under the GMPA current at the end of the reported period by ACAT	499	495	508	510	515	520	525
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for all matters made during the reported period ¹	121	100	125	130	135	140	145
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for financial and property matters under active management at the end of the reported period	38	37	38	38	39	39	40
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for personal and health care matters active at the end of the reported period	N/A	7	6	7	7	7	7
Police Call-outs - no. of responses to call outs by police and community following death during the reported period ²	8	3	1	1	1	1	1
Welfare funerals - no. arranged by PTG during the reported period ³	4	6	2	2	2	2	2
Examination of Accounts - no. examined by PTG during the reported period upon filing by External Managers appointed by ACAT for Protected Persons	506	550	550	570	590	610	630
Deceased Estate Administrations - no. of deceased estate administrations completed during the reported period ⁴	95	100	87	100	105	110	115
Trusts (for all purposes) – no. held at end of reported period ⁵	425	585	644	648	652	655	658
Wills - no. of wills prepared by PTG during the reported period ⁶	423	410	460	465	475	475	495
Customer Survey - % of clients responding to PTG's survey during the reported year that reported PTG met or exceeded their expectations	N/A	90%	90%	90%	90%	90%	90%

Notes:

1. The number of EPA's made by PTG for all purposes increased mainly due to the number of people choosing either to make an EPA as a result of increased and more effective marketing by PTG at Wills Week, Seniors Week, Senior's Expo and Community Forums as well as through more informative Fact Sheets and the popularity of PTG's publication "The Power to Choose".
2. Police call-outs - PTG's performance in this regard is purely reactive following callout by ACT Policing or the community, PTG is however not compelled to respond to a police callout or to act as an administrator as a result. Reasons for refraining from responding to a police callout include that PTG may become liable for significant costs with no possibility of recovery. This statistic is included as a measure of Community Service Obligations (CSO).
3. PTG's performance in this regard is purely reactive, PTG is however not compelled to respond to requests to arrange welfare funerals. Reasons for refraining from responding to requests for welfare funerals include that PTG may become liable for significant costs with no possibility of recovery. This statistic is included as a measure of CSOs.
4. The number of deceased estate administrations completed during the reported period decreased by 13 as a result of –
 - The abnormally high number of estates that are complex in nature including tax, family provision, informal Wills, non-resident beneficiary.
 - PTG normally finalises a greater number of estate administrations in the last part of the June quarter when issues such as tax completions and distributions are finalised. The figures for the last two months of the financial year are however estimated on the conservative side.
 - There has been a churn in skilled staff resulting in a depletion of expertise.
 - This depletion of expertise has placed a higher burden on remaining skilled staff to provide training.
5. The number of all trusts for all purposes has increased. Whilst PTG has no control over the number of trusts awarded to its care, reasons for increases in such awards may include - higher numbers of testamentary trusts in estates under administration, increases in the number of Victims of Crime trusts, higher numbers of Court awarded trusts and an increase in Confiscated Criminal Assets trusts. PTG is regarded by the Courts as default trustee for trusts under \$100,000.
6. The number of Wills made by PTG has increased due to –
 - Increased and more effective marketing of Wills by PTG at Wills Week, Seniors Week, Seniors Expo and Community Forums as well as the "Start Making your Will now" facility on PTG's website.
 - The bedding down of PTG's new policy adopted some 18-24 months ago in which PTG will only make Wills where appointed as executor or as secondary executor to a spouse/partner. Whilst this policy led to lower numbers of Wills made, it increased the percentage of Will made where PTG was appointed as executor.
 - PTG increased its Will drafting resources during the March and June quarters of 2019.
 - Limiting the number of will-drafters to two has permitted a greater degree of familiarity with PTG's new OWLS Will drafting software. PTG is now drafting in excess of 99% of its Wills using the new software.

Client Investment Services and Products

Funds Management

Funds Management/Investment is a fundamental role of PTG. During the reported year, PTG completed the implementation of the recommendations contained in a report prepared by PricewaterhouseCoopers (PwC) following a scheduled 5-yearly review of its investment strategy conducted in 2016.

PTG offers clients a suite of three externally managed funds for investment purposes in addition to an internally managed Cash Common Fund.

This suite comprises -

- Conservative Common Fund
- Balanced Common Fund
- Growth Common Fund

The externally managed funds are managed by Vanguard Investments, under contract with ACT Treasury. PTG's Investment Board utilises an external independent asset/markets consultant (PricewaterhouseCoopers) to gauge fund manager performance against investment objectives, strategic asset allocation and risk parameters, having considered client risk profiles and return objectives.

PTG Common Funds

Fund sizes and performances for the period 1 April 2017 to 31 March 2018 were as follows:

Cash Common Fund

Managed internally and 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 and, at 30 June 2019, the interest rate was 1.50%. Funds currently under investment total \$99.8m.

Conservative Common Fund

Invested in a diversified index trust. Performance return after fees for the 12 months to 30 June 2019 has been 6.3%. Funds currently under investment total \$13.6m.

Balanced Common Fund

Invested in a diversified index trust. Performance return after fees for the 12 months to 30 June 2019 has been 7.5%. Funds currently under investment total \$35.3m.

Growth Common Fund

Invested in a diversified index trust. Performance return after fees for the 12 months to 30 June 2019 has been 6.6%. Funds currently under investment total \$61.2m.

Comparative Performance of Common Funds

Performance period to 30/06/19	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Inception
Cash Common Fund	0.40	0.80	1.60	1.60	1.80	2.90	3.80
Conservative Common Fund*	3.70	9.50	6.30	n/a	n/a	n/a	5.20
Balanced Common Fund*	4.50	11.90	7.50	n/a	n/a	n/a	5.90
Growth Common Fund*	5.70	15.40	6.60	n/a	n/a	n/a	8.00

**Information for these funds are limited to 3 months to 1 year as these fund were established in December 2017.*

Investment Strategy

Investment Strategy is guided by PTG's Investment Board. PTG's external asset/markets consultant, PwC, 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.

Objectives

PTG's investment objectives are particularly useful for:

- Setting investment strategy
- Giving clients some idea of what to expect from their investment
- 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 reflecting the likelihood of the portfolio losing money in a year
- Targets for a total return reflecting both income and capital growth.

Investments reflect individual client risk profiles as assessed and are reviewed annually in accordance with the 'prudent person trustee investment principle' in the **Trustee Act 1925**. Clients of similar risk profiles are grouped into four risk models, Conservative, Balanced, Growth and Capital Stable for investment in appropriate allocations into the common funds. Returns are in respect to the 12 months to 30 June 2019.

Conservative Model Portfolio

The objective is to provide income return, moderate volatility and potential for some growth to protect the real value of the trust. It is suitable for trusts with income needs, shorter terms or conservative risk profiles. Performance return after fees for the 12 months to 30 June 2019 has been 5.13%.

Balanced Model Portfolio

The objective is to provide a balance between income and capital return with moderate volatility. It is suitable for medium term trusts or those with a mix of income and capital needs for beneficiaries. Performance return after fees for the 12 months to 30 June 2019 has been 7.09%.

Growth Model Portfolio

The objective is to attain higher long term returns in excess of inflation. A higher weighting in growth assets provides potential for superior long term returns for clients able to accept increased volatility in the short term and provides prospective tax efficiencies associated with franked dividends and capital growth. Performance return after fees for the 12 months to 30 June 2019 has been 6.35%.

Capital Stable Portfolio

Accounts requiring stability of capital are invested through the cash common fund providing a market interest return on daily balances with funds available at call. The cash common fund is suitable for cash balances and trusts of uncertain term. Credit interest rate during the period remained stable with interest rates being 1.50%.

At 30 June 2019, PTG had funds under management of \$391.47M. Client funds are 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 providing clients potential for a mix of capital growth, income returns and tax effectiveness.

Client (non-government) moneys held in these funds were \$209.14M in 2018–19 compared to \$193.32 in 2017–18. 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. PTG's investment strategy and risk profiles enable tailored investment portfolios providing clients potential for a mix of capital growth, income returns and tax effectiveness. Government moneys held in these funds were \$180.60M in 2018–19 compared to \$177.0M in 2017–18.

Comparative Performance of Risk Models

Performance period to 30/06/19	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Inception
Capital Secure Risk Profile	0.40	0.80	1.60	1.60	1.80	2.90	3.80
Conservative Risk Profile	2.88	7.33	5.13	2.95	4.05	5.75	5.38
Balanced Risk Profile	4.21	11.12	7.09	5.60	5.71	7.46	6.22
Growth Risk Profile	5.44	14.67	6.35	8.16	7.60	8.98	6.84

Services to Government

Government Trust Moneys

By instrument 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.

Government funds held at 30 June 2019 were \$180,060,199.02 compared to \$179,801,381.18 at 30 June 2018 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 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 Act) 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.

Under the COCA Act, the Minister must, at least once in each financial year, decide the amount of distributable funds available for payment from the CAT Fund.

In 2018-19, PTG deposited a total of \$904,911.97 to the CAT fund compared with \$868,758.00 in 2017-18.



Funds were derived from confiscated cash and the sale of one property, and 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.

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. The Uncollected Goods Trust Account is held by JACS and maintained by PTG.

At 30 June 2019, there was a total of 1,488,538.48 in the Uncollected Goods Trust Account compared to \$1,301,233.32 in 2017-18.



Unclaimed Money

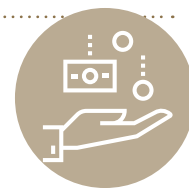
At 30 June 2019, PTG held \$40,613,401.09 in unclaimed money compared to \$35,853,549.48 at 30 June 2018.

During the reported year:

- 56 lodgements were received for a total of \$6,795,009.26 compared to 51 lodgements for a total of \$3,921,171.27 in the previous year.
- 415 claims for a total of \$1,145,093.31 were received and paid compared to 379 claims for a total of \$824,066.21 for the previous year.
- The average claim for 2018-19 was \$2,759.26 compared to \$2,173.32 for the previous year.
- 337 individual fees were charged for a total of \$25,185.00 compared to 262 individual fees charged for a total of \$25,485.00 in 2017-18.

Income of \$488,141.01 from the investment of unclaimed moneys was identified and will be paid in the next quarter.

At 30 June 2019, no unclaimed estate money was paid to the Territory under Schedule 6, Part 6.2, Item 4 of the **Administration and Probate Act 1929**.



Cemeteries and Crematoria Trusts

PTG is trustee for the Perpetual Care Trusts under the **Cemeteries and Crematoria Act 2003** (the Act). These 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.

Deposits made to the Perpetual Care Trusts under the **Cemeteries and Crematoria Act 2003** grew from \$10.19m in 2017-18 to \$12.05m in 2018-19.

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 30/06/2019 (\$)
Gungahlin Cemetery	5,622,760	5,585,985	49,130	- 430	85,476
Gungahlin Cemetery Reserve	1,563,482	148,614	274,722	186,785	1,876,376
Hall Cemetery	109,896	136,140	17,968	12,888	4,612
Hall Cemetery Reserve	310,153	6,365	49,828	22,364	375,980
Woden Cemetery	5,601,081	6,092,531	526,265	114,340	149,155
Woden Cemetery Reserve	4,769,091	111,523	882,859	616,667	6,157,094
Woden Mausoleum	607,638	383,427	44,210	-	268,421
Woden Mausoleum Reserve	1,124,883	526,929	141,650	108,652	848,256
Norwood Park Reserve	112,162	-	38,751	12,982	163,896



Products and Services

At the commencement of the reported year, PTG adopted revised Accountability Indicators. Given the extent and nature of the changes, this affected PTG's ability to draw comparison with some of the Indicators reported against in the 2017-18 year.

Wills

During the reported year, 476 wills were completed, compared with the target of 410 and against 423 in the previous year. The higher than expected number of Wills results from increased and more efficient marketing of Wills. PTG has also increased its will-drafting resources during the March and June quarters of 2019.

Deceased Estate Administration

77 estates were finalised during the year with an estimated gross value of \$50,870,477.40, compared to 95 estates finalised during the year with an estimated value of \$60,143,463 for the previous year. During the reported period 2 matters were finalised under PTG's Executor Assist service. The number recorded was lower than expected due to an abnormally high number of complex estates which were unable to be completed due to issues such as tax finalisations, family provision claims and beneficiaries residing overseas.

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 630 compared to 425 for the previous year. This is due to the higher number of orders made by the Magistrates and Supreme Courts appointing PTG as trustee. The number also reflect the number of trusts made under the Victims of Crime Compensation Scheme.

Enduring Powers of Attorney (EPA)

The number of EPAs under active management by PTG during 2018-19 was 4 compared to 7 for the previous year due to a lower number of persons where the EPA was not activated by loss of capacity.

The number of EPA's made appointing PTG for all matters during the reported period was 136 compared to 121 for the previous year. This reflects more effective marketing by PTG as well as greater resources allocated to drafting EPAs during the March and June quarters of 2019.

Financial Management

At 30 June 2019, the number of orders in which PTG was appointed as Manager by ACAT and which were current at the end of the reported period was 509.

Taxation Services

PTG was appointed by the Australian Taxation Office (ATO) as a registered tax agent in 1986, providing specialist taxation services incidental to Estate, Trust and Individual Income tax return activities. PTG prepared and lodged 1,388 income tax returns in 2018/2019 compared to 1,323 in 2017/2018. Income tax returns are lodged with the ATO substantially in electronic form, online and in paper form where appropriate, throughout the financial year.

Revenue from Taxation Services has increased by 48.32% from \$192,289 to \$285,212. This was due to a new taxation fee structure introduced by PTG as well as an increase in the number of complex tax matters dealt with. The number of tax returns lodged was higher due to PTG discontinuing the outsourcing of preparation and lodgement of tax returns as well as an increased number of taxation clients during the 2019 financial year.

Property Services

PTG completed 21 property settlements during 2018-19 compared to 42 in 2017-18. The total value of property conveyed was \$11,604,000.00 compared to \$22,708,000.00 in 2017-18. During the year, PTG had 75 properties under management and PTG's Property Officers made 18 property visits. PTG's property sales attract an average agent's commission of 1.81% using 9 different real estate firms. All real estate agents used are subject to PTG's Code of Conduct for Service Providers.

The fall in the numbers of properties settled was consistent with the reduction in the number of deceased estates administered.

Guardianship

The Public Trustee and Guardian (PTG) is appointed by the ACT Civil and Administrative Tribunal (ACAT) to act as Guardian under the **Guardianship and Management of Property Act 1991**, as substitute decision maker in relation to matters such as accommodation, legal, medical, health and welfare.

PTG provided guardianship services to 228 people during the reporting period, with 223 appointments by ACAT. PTG acted as Attorney for personal and health care of an Enduring Power of Attorney for 5 people (see Table *Guardianship Unit Appointments*).

During the reporting period, the appointment of PTG as Guardian ceased for 36 individuals either through revocation, deceased clients or transfer to private guardianship (as per s.19C of the **GMPT Act**).

When PTG is appointed by ACAT to act as Guardian under the **Guardianship and Management of Property Act 1991**, decision-making primarily relates to complex, domain-specific health and personal welfare matters e.g. where a person lives and who they live with, the medical treatment they receive, the nature of the supports to be provided and instructions in legal matters.

Guardianship Unit Appointments

Statutory Guardianship Number	Number	% Change
2018-19	228	+5.6%
2017-18	216	+9.1%
2016-17	198	+40.1% against previous reporting period -2.93% against last full financial year (2014-15)
2015-16 (to 31.3.16)	142	-20.5% (however, not a full financial year)
2014-15	205	-5.9%
2013-14	218	-1%
2012-13	221	-12%
2011-12	252	+9%
2010-11	232	+30%
2009-10	178	+21%

Profile of Substitute Decisions made by PTG

This section provides an overview of the number and types of guardianship decisions made by PTG in this reporting period. As in 2017-18, the majority of decisions were in relation to the National Disability Insurance Scheme (NDIS). In this reporting period, PTG introduced its own Service Agreements which has assisted in streamlining and expediting the process. Decisions in relation to NDIS service agreements (33.52%) reported a significant increase compared to 2017-18 (18.6%). Decisions in respect of exchange of information (13.83%), accommodation (13.05%) and medical including surgical (7.74%) followed as the next most common type of guardianship decision-making during 2018-19 (see the table below: *Guardianship Decisions Made*).

Decisions made for emergency Guardianship Appointments

S. 67(1)(a) & (1)(b) of the **Guardianship and Management of Property Act 1991** enable PTG to be appointed as Emergency Guardian when an urgent decision is required. During 2018-19 PTG was appointed guardian for six (6) people with all emergency decisions relating to medical decisions including surgical.

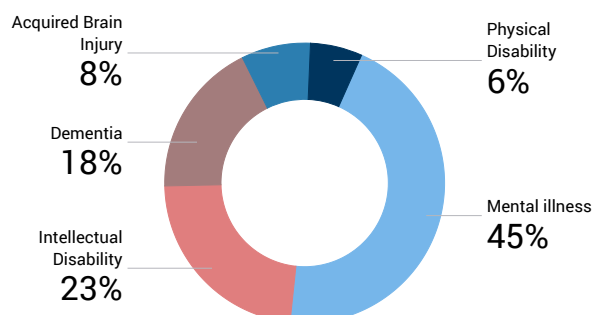
Guardianship Decisions Made

Decision Type	% of Total
Referral to Aged Care Assessment Team	0.66%
Medical and dental	9.95%
Care and support	6.31%
Exchange of information	13.83%
Accommodation	13.05%
Social	1.22%
Legal	1.88%
Training	0%
Employment	0.11%
Travel	0.88%
Mental Health	1.44%
NDIS – Access to scheme	0.66%
NDIS – Accommodation	2.21%
NDIS – Appointment of providers	2.77%
NDIS – Exchange of information	9.40%
NDIS – Review of plans	1.11%
NDIS – Reviewable decisions	0.33%
NDIS – Change of circumstances	0.66%
NDIS – Service Agreements	33.52%

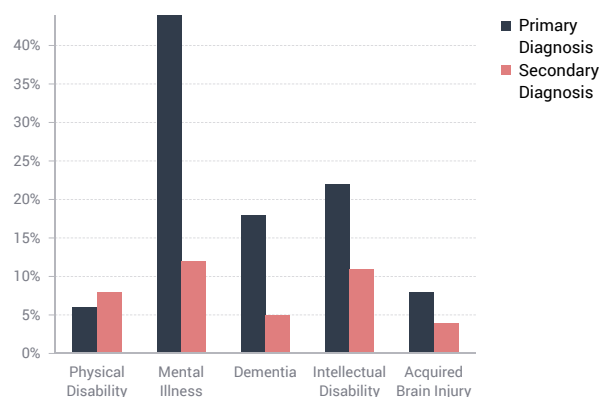
Demographic profile of Guardianship clients

In 2018-19, approximately 52% of Guardianship clients were female and 48% of clients were aged between 66 and 80 years (see graph, Age Profile of Guardianship Clients). Co-morbidity diagnoses accounted for 84% of clients, followed by a mental health illness (43%) and intellectual (22%) (see graphs *Primary and Secondary Diagnosis*).

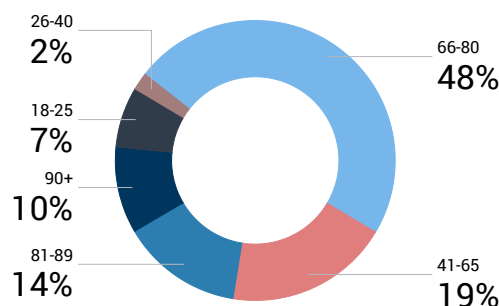
Primary Disability/Diagnosis



Primary and Secondary Diagnoses



Age Profile of Guardianship Clients



PTG as Attorney for personal and health care matters under Enduring Power of Attorney

Under S.13 and S.14 of the **Powers of Attorney Act 2006**, PTG can be appointed as attorney for personal care and health care matters, when requested by an individual. In relation to personal care and health care matters, an Enduring Power of Attorney only takes effect after the person has been proven to have lost capacity to make their own decisions. During the reporting year, PTG acted as attorney for five (5) people.

Reports to ACAT

S. 24A of the **Public Trustee and Guardian Act 1985** requires PTG to report to ACAT on a matter before ACAT when requested. This has included the views and wishes of the person in respect of an application for the appointment of a Guardian/Manager. However ACAT now requires people to

appear in order for ACAT to obtain their views and wishes. PTG therefore will no longer provide views and wishes reports which were provided by guardians as part of their 'advocacy' role with the former Public Advocate of the ACT.

Other reports PTG provides to ACAT include review reports on existing Guardianship Orders and complex applications before ACAT application for a Prescribed Medical Procedure (e. g. contraception, hysterectomy, sterilisation or termination) and applications for Directions and Reviews may require PTG to provide a comprehensive report of the circumstances surrounding the application.

During the reporting period PTG submitted a total of 136 reports to ACAT.

Represent people appearing before ACAT

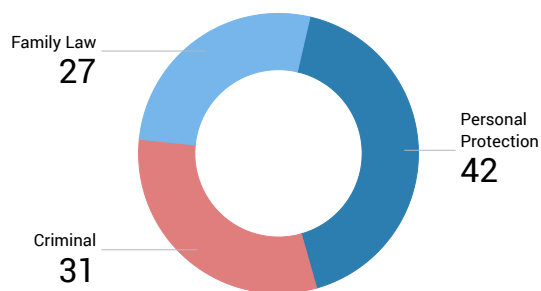
Division 3.3 of the **Public Trustee and Guardian Act 1985** applies if PTG is appointed by ACAT as a Guardian or Manager. S. 19B(1)(a) requires PTG to represent people with a disability before ACAT in relation to guardianship applications. As in previous years however, PTG attended all ACAT hearings for guardianship and management applications, irrespective of whether PTG is appointed. PTG will limit ACAT attendance in keeping with this Division.

In 2018–19, PTG's Tribunal Delegate attended a total of 652 hearings in respect to new applications and reviews of existing orders, an increase of 39 hearings over the previous period.

Represent people appearing before Court

When appointed guardian for legal matters, or as litigation guardian, PTG attends Court on behalf of a vulnerable person to facilitate the person's access to justice. This includes providing instructions to the legal representative on behalf of, and in consultation with (if possible) the protected person. During 2018-19, PTG attended Court on 19 occasions for criminal, personal protection and care and protection matters (see graph *Guardianship Court Attendance*).

Guardianship Court Attendance



B.3 SCRUTINY



Ombudsman

During the reported year, 10 approaches were made to the ACT Ombudsman about the Public Trustee and Guardian. One was investigated and was stopped following withdrawal of the complaint.

The table below indicates the comparative number of approaches to the ACT Ombudsman between 2011-12 and 2018-19.

Comparative Table of Approaches to the ACT Ombudsman

2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
17	8	5	1	14	10	10	10

ACT Auditor-General

The ACT Auditor-General provides audit services to PTG as follows -

- Audit of the financial statements and review of the statement of performance for the Public Trustee and Guardian;
- Audits of the special purpose financial statements of the Public Trustee and Guardian Trust Account, Capital Region Community Foundation Gift Fund and Capital Region Community Foundation Open Fund; and
- Audit of the Capital Region Community Foundation against the Public Ancillary Fund Guidelines.

On completion of the end-of-year financial audit for the year ended 30 June 2018, the ACT Auditor-General summarised her findings as follows -

Category	Previously Reported	Resolved	New	Balance
Reporting	3	(3)	1	1
Governance	-	-	-	-
Internal controls	-	-	-	-
Fraud	-	-	-	-
Total	3	(3)	1	1

At 30 June 2018, on completion of the end of year audit, the Auditor-General reported the following -

Auditor-general report – audit management report for the year ended 30 June 2018

Recommendation and Summary	Action	Status
New Audit Finding The Public Trustee and Guardian should: <ol style="list-style-type: none"> document its assessment of the impact of applying accounting standards issued but not yet effective; and disclose the impact in its financial statements where their application will have a material impact on its financial statements in future years. 	PTG agreed to make the recommended change commencing in the next financial year	Completed

Legislative Assembly Committees

Standing Committee on Justice and Community Safety – Inquiry into Annual and Financial Reports – 5 April 2019

Recommendation	Government Response
Recommendation 10 The Committee recommends that the Public Trustee, take all necessary steps to locate and advise persons to whom money is owed from the trust funds administered by the Public Trustee to ensure that these moneys are made available.	Not Agreed. This was clarified in amendments made to S.33 of the Unclaimed Money Act 1950 in which the requirements of the Public Trustee and Guardian in respect to Unclaimed Money amounts were clarified. Prior to the Public Trustee and Guardian (PTG) taking on the role of managing Unclaimed Money, there was no register and it was only possible for persons to attend an office to search computer printout. PTG implemented a database register which has been made available through PTG's website. The register has a claims facility and is commonly used by persons to claim unclaimed money. Very little of the money held in the register is held on account of persons who live in the ACT. Additionally, unclaimed money is not provided to PTG until the money has been held by the bank, agent, legal practitioner or liquidator for a statutory period. This is to ensure that the organisation has made some effort to locate their client. The Unclaimed Money Act 1950 establishes no responsibility on PTG to conduct a search to find the owners of the money. PTG's online claims register is an efficient and much used service and results in many claims being made to the rightful owners of the money. PTG practice is similar to the practice in place in respect to the Commonwealth's Lost Superannuation Register The average value of claims is not high at \$371 and it is submitted that the cost of searching for the owners of the money would be financial unviable.
Recommendation 11 The Committee recommends that a program be implemented to encourage more people to deposit their Wills with the Public Trustee to allow Wills to be made available to the Courts by electronic means and to avoid loss or destruction of Wills.	Not agreed. This is not, and should not be, a function of the Public Trustee and Guardian. This function would more properly be undertaken by Access Canberra which already has a general Register of Deeds under which Powers of Attorney are currently registered.
Recommendation 12 The Committee recommends that the Public Trustee be empowered and resourced to hold Power of Attorney documents electronically pending the establishment of a national register for this purpose.	Not agreed. This is not, and should not be, a function of the Public Trustee and Guardian. This function would more properly be undertaken by Access Canberra which already has a general Register of Deeds under which Powers of Attorney are currently registered.
Recommendation 13 The Committee recommends that funding sought by the Public Trustee for two extra guardians be provided and that, in light of the increase in demand for guardianship services resulting from the development and implementation of the National Disability Insurance Scheme (NDIS), this service be provided as soon as possible.	Agreed. This has been extensively covered in a recent budget bid and I understand the bid has been tentatively supported.
Recommendation 28 The Committee recommends that steps be taken to review the current requirement for the Official Visitor for Disability Services to obtain consent to view records in residences visited by the Official Visitor.	Agreed Legislation to achieve this is being recommended as part of the Review of the Official Visitor Scheme.

Recommendation 29 The Committee recommends that a mechanism be developed which will enable the Official Visitor for Disability Services to work with organisations providing disability support so the Official Visitor for Disability Services can make sure personnel found to be unsuitable for work in disability support services do not take up repeat employment in disability support. The Committee also recommends that the Official Visitor for Disability Services be empowered to follow up cases of personnel unsuitable for work in disability support services without breaching the privacy of the individuals involved.	MJCARS – LPP – Civil – (Seek input from PTG if needed) – Confirmed Noted. PTG has no comment to make in this regard.
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Budget Estimates Committee

At hearing 25 June 2019

Question taken on notice	Response
Asked by Bec Cody MLA: In relation to: Can you provide list of the JACS staffing compliment including contractors vs casual vs permanent JACS employees and ongoing and no ongoing staff?	The Public Trustee and Guardian responded to this question by providing to the Committee advice that it does not employ or engage contractors.



B.4 Risk Management

Process for Developing Risk Management Plan

PTG's Internal Audit Committee monitors PTG's Risk Management Plan. Risk is identified through business practices, identified failures, audits, liaison with other Public Trustees/Public Guardians and through complaint. As each risk is identified, PTG analyses the source, impact, risk owner, risk controls currently in place and attributes a risk rating. PTG then develops a risk treatment owner, action to be taken, a revised risk rating and a process for monitoring and reviewing.

Approach to Identifying Areas of Significant Operational or Financial Risk

The Plan 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 through internal and external audits and through workshops facilitated by the JACS Directorate.

PTG collaborates with Public Trustees/Public Guardians/Public Advocates in 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. All Service Providers are required to sign and note a Code of Conduct prior to their engagement.

A Conflict of Interest Declaration and Register have been established.

PTG continues to progress its Business Transformation Project which addresses a range of identified risks including outdated ICT platform, inadequate accommodation, insufficient space for growth, the need for up-to-date Manuals, a statistics reporting tool and a revised Investment Strategy.

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's Senior Leadership Group oversees PTG's risk management processes.

The risk management framework is structured and transparent and allows PTG to identify, assess and manage risk across the agency systematically and consistently.

The Group comprises key Directors/Manager responsible for supporting the Public Trustee in fulfilling his oversight responsibilities relating to the identification, assessment, and management of risk, whilst adhering to internal risk management policies and procedures. Working with the Public Trustee and Guardian, the Group supports management through the mitigation of risks and through proactive identification and development of controls.

Fraud Control

PTG has a number of management systems, processes, controls, training and procedures directed at preventing, detecting and minimising the risk of fraud.

The Senior Leadership Group oversees management systems and the investigation of any fraud matters. All findings and recommendations are reported to the Internal Audit Committee and to JACS.

The Process for Identifying and Responding to Emerging Risk

State/Territory Public Trustees and Public Guardians meet every six months and exchange information including about risk and risk mitigation.

PTG has published a number of policies dealing with risks to the organisation and resulting from risk investigation and assessment. These policies are open access and have been published to PTG's intranet.

Business Continuity Planning

PTG's Business Continuity Plan is designed to ensure that critical processes continue if a serious unplanned event occurs that can disrupt its functions. The Plan defines PTG's approach to the management of business disruption and provides the minimum standard to ensure the effective management of such risk in order to support the achievement of the organisation's objectives.

PTG's Business Continuity Plan was reviewed externally on 17 June 2019. An extract from the report issues by the contractor follows -

"As a team, the leadership of the PTG responded very well to the scenario and its challenges. The plan was implemented with the team outlining options and actions which were possible if the scenario deteriorated further. In identifying the response, the team demonstrated a solid understanding of the capabilities and restrictions of their people, equipment and options."

Recommendation 1: The plan be reviewed to address improvements identified during the exercise.

Recommendation 2: Consider identifying locations or facilities appropriate for securing urgent documentation immediately in the event of an alarm or potential evacuation.

With these improvements and continued exercising, the PTG will maintain its highly capable and prepared position for responding to an emergency or continuity event."

B.5 Internal Audit

Internal Audit Arrangements

PTG's Risk Management 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.

The Internal Audit Committee also has an important role in overseeing the development and review of key performance indicators, preparation and finalisation of PTG's annual financial statements and to ensure that the recommendations contained in audit reports, both internal and external, are implemented.

Audit Committee Charter and Operations

PTG's Internal Audit Charter was last revised on 1 November 2016 and accepted by the Committee. PTG records its thanks to retiring Independent Chair Mr Roger Broughton for the significant value and expertise he brought to the Committee. PTG welcomes incoming Chair Mr Malcolm Prentice who has significant audit experience as Senior Director, Financial Audits, at the ACT Auditor-General's Office.

Links with Risk Review Processes

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

Membership of Internal Audit Committee

Membership of the committee consists of staff representatives and, during the reported year was headed by Mr Roger Broughton and Mr Malcolm Prentice.

The Board met on 4 occasions during 2018–19 with the following matters discussed -

- PTG Risk Register and Audit Program
- Workplace Health and Safety risks
- Implementation of Electronic Payment process

- PTG's Governance Calendar
- Tax Compliance Review
- Client Statements
- Income Tax Return Audits
- Random File audits in all business units
- Credit card forms and training
- Response to Auditor-General Findings
- Access to Service Provider Register
- Business Continuity
- Guardianship Budget Bid
- Authorised signatories
- Clean Desk Policy refresher training
- PTG Strategic Accountability Indicators
- PTG's Business Transformation Strategy
- Outcome of End of Year Financial Audits 2017-18
- Draft Financial Statements 2018-19 pre-audit review.

Risk Profile Models Address Client Investment Needs

PTG is bound by the "Prudent Person Investment Principle" in the **Trustee Act 1925**, which requires that a trustee must only invest funds entrusted to them 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 Cash, Conservative, Balanced and Growth. Funds are invested through sector common funds in tactical asset allocations, set in consultation with PTG's asset/markets consultant PwC.

B.6 Fraud Prevention

Risk Assessments Conducted

PTG's Risk Register identifies risks and establishes appropriate controls and checks in compliance with the ACT Insurance Authority as well as ACT Government and JACS Directorate standards.

PTG's Business Transformation Strategy has as its central aim, the modernisation of all aspects of the office to address current and emerging risk and addresses -

- Accommodation requirements for the next 10 years
- A uniform staff classification system for all PTG staff
- A contemporary and robust investment strategy
- Enhancement of PTG's ICT infrastructure
- A Customer Relationship IT system
- Replacement Tax preparation software
- Development of a CRM (Customer Relationship Management) System
- Further development of the Electronic Document and Record Management System

Significant progress was made against these objectives during the reported year -

- Acquisition and implementation of MYOB/AE replacement income tax preparation and lodgement software
- Establishment of PTG cloud environment
- Establishment of Test/Development/Production instances of PTG's CRM
- Completion of testing form implementation of Windows 10
- Acquisition of dual screens and laptops for all PTG staff.
- Completion of level 9, 221 London Cct fit-out
- Completion and Implementation of revised PTG staff classification
- Commissioning of replacement Precedent Letter Database
- Finalisation of new 10 year lease for PTG premises at 221 London Cct.

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:

- End of year Audit by ACT Auditor-General
- Information Privacy Audit
- Clean Desk Audit
- Business Continuity Plan Audit
- Information Privacy Policy Audit.

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

Fraud control plans prepared/revised

PTG continually revises its Risk Register through the Internal Audit Committee.

Other fraud prevention strategies adopted

PTG has established a Code of Conduct for its staff as well as for external service providers. The code reflects 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. The code contains specific clauses relating to confidentiality, email and information technology, conflict of interest, and personal behaviour. It expressly addresses dealing with breaches and non-compliance with the code.

Each staff member is required to acknowledge the Code of Conduct each year. The Code incorporates ACT Public Service values and signature behaviours of respect, integrity, collaboration and innovation.

PTG has also established a Service Provider Code of Conduct. The Code is published to PTG's website and must be completed and declared by service providers prior to engagement by PTG.

A summary of controls and policies implemented/amended during the reported year is as follows -

- Information Security
- Responsibilities of PTG in Intestate or insolvent estates including funerals
- Declaration/Claim for Payment
- Privacy Policy
- Appointment of Representatives by PTG
- Delivery and Transmission of client documents
- PTG Authorised Persons

Conflict of interest

PTG staff are required to take care to avoid actual or apparent conflicts of interest between their private affairs and their employment responsibilities.

A Conflict of Interest Declaration Form and Register have been established to record all declarations and any outcome.

During the year, no declarations were made by PTG staff or Board members as to possible Conflicts of Interest.

Fraud awareness training

All PTG staff are required to undergo mandatory fraud/risk training following engagement. During the reported year 8 staff attended fraud/risk training. As previously mentioned, all staff are required to acknowledge the Staff Code of Conduct on an annual basis.

Fraud detection strategies

PTG has adopted a range of strategies designed to detect and minimise the risk of fraud. These include separation of duties and cross-checking of financial and client matters, review of delegations to determine and establish awareness of all delegation applying to each affected position and random audits by either the Audit Committee or external.

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

PTG has worked with KPMG and has adopted fraud detection strategies contained in its publication "Analysis of Global Patterns of Fraud". Many of the strategies contained in that report have been incorporated into office policy. A significant part of that is maintaining awareness among staff of fraud risk and building a consideration of fraud risk into new processes.

B.7 Freedom of Information

PTG refers all of its Freedom of Information (FOI) requests to the Assistant Director, Freedom of Information in the Governance Branch of the Justice and Community Safety Directorate for assistance in responding.

OPEN ACCESS INFORMATION - SECTION 96 (3) (A) (I), (II) AND (III) FREEDOM OF INFORMATION ACT 2016

- PTG made no decisions to publish Open Access information.
- PTG made no decisions not to publish Open Access information.
- PTG made no decisions not to publish a description of Open Access information withheld.

FOI APPLICATIONS RECEIVED AND DECISION TYPE - SECTION 96 (3) (A) (IV), (VII), (VIII) AND (IX) FREEDOM OF INFORMATION ACT 2016

- PTG received one access applications during the reported year.
- Access to all information requested was given in one case.
- PTG did not refuse access to any information during the reported year.

FOI PROCESSING TIMEFRAME - SECTION 96 (3) (V) AND (VI); SECTION 96 (3) (D) FREEDOM OF INFORMATION ACT 2016

- One application was decided within the time to decide under section 40.
- No applications were not decided within the time to decide under section 40.
- The only application made was responded to in 8 working days.

AMENDMENT TO PERSONAL INFORMATION - SECTION 96 (A) (X) AND SECTION 96 (3) (E) FREEDOM OF INFORMATION ACT 2016

- No requests were made to amend personal information.

REVIEWS – SECTION 96 (3) (B); SECTION 96 (3) (C) FREEDOM OF INFORMATION ACT 2016

- No applications were made to Ombudsman for review under section 74.
- No applications were made to ACAT for review under section 84.

FEES - SECTION 96 (3) (F) FREEDOM OF INFORMATION ACT 2016

- No fees and charges were collected from any access applications.

PROCESS ON HOW TO LODGE AN FOI REQUEST

PTG has included on the Home Page of its website a menu item outlining the process on how to lodge FOI requests with PTG as the reporting entity. The item includes a link to the Justice and Community Safety Directorate's web page and a Disclosure Log.

ACT OMBUDSMAN REPORT

Refer JACS Annual Report.

B.8 Community Engagement and Support

PTG staff work collaboratively to deliver quality outcomes for their clients in a culture that celebrates individual and collective success.

By developing service improvements and creating products that better enable us to deliver on our purpose, we remain focused on getting the best outcomes for our clients and our community.

PTG has a history of promoting charitable causes, establishing GreaterGood (The Capital Region Community Foundation) in 2003 including JACS4GreaterGood, also established by PTG including enabling employees to donate to charities to make a real and long lasting contribution to the beneficial outcomes in their community. At 30 June 2019, GreaterGood had provided \$1,576,745.00 to charitable causes predominantly providing benefit within our community.

PTG's community engagement is assessed by reference to the following activities -

- Public forums during Seniors Week and Wills Week
- Regular community group visits and presentations
- Bi-Annual newsletter "Going Public" - 6 published and updated

- Interactive website - (continually updated to reflect feedback)
- Facebook page - GreaterGood (regularly updated)
- Comprehensive Fact Sheets
- Sponsorship of community events
- GreaterGood (community philanthropy)
- Continuous Customer Survey
- "50+ Lifestyle and Living" newspaper supplement (Canberra and Queanbeyan Chronicle)
- Will it Your Way website and Facebook (Ambassador)
- Free Wills for Seniors of 60 years and over.

PTG conducts a number of presentations aimed at informing and educating community groups in respect to its statutory responsibilities. During the year, PTG presented at 31 community forums across its Will/Estates/Financial Management and Guardianship responsibilities.

PTG's continuous customer survey seeks to measure customer satisfaction, identify unhappy customers and find potential advocates for our business. The survey is printed on a reply-paid post basis.



The Public Trustee and Guardian personally responds to any survey response where the level of service has been found to fall short of expectations or includes a complaint. In responding the Public Trustee and Guardian seeks to identify and address any areas where service has fallen short of client expectations.

During the reported year 66 clients responded to our survey with 95.15% of clients reporting that PTG met or exceeded their expectations, against 91% reported for the same period last year. Of all clients surveyed, 60% responded that PTG exceeded their expectations, 35% felt that PTG met their expectations, 2% did not provide a rating and 3% of respondents found PTG below expectation.

None of the activities referred to would be considered major or significant community engagement activities.

PTG did not provide any grants/assistance or sponsorship during the financial year.

During the year PTG engaged with a firm of lawyers to second a solicitor with succession law skills to work at PTG for three months to provide assistance in a number of complex estate matters and also to serve as a learning exercise for that placement. In return, PTG placed one of its own staff with the same firm to undertake the required period of training to qualify for admission as a barrister and solicitor of the ACT Supreme Court.

Community Engagement Activities

During the reported year, no formal community consultation was undertaken. PTG seeks to build strong, ongoing relationships with community and organisations in the pursuit of its objectives. These relationships are vital to PTG's success and sustainability.

During the reported year, PTG maintained strong and effective relationships with NGOs (community services), peer Public Trustee and Guardian Organisations, ACT Government agencies, service providers and community groups.

PTG undertook the following community engagement activities during 2018-19 -

Form of Community Engagement	Outcome
Co-hosted National Conference of the Australian Guardianship and Administration Council (AGAC) - March 2019	The Conference was an overwhelming success attended by 256 delegates from Australia, Europe and North America. The Conference provided, local, national and international delegates with exposure to contemporary thinking around Guardianship, Administration and Elder Abuse
Calvary Hospital Auxiliary - 4 Sept 2018	Auxiliary members informed about Estate Planning
Centrelink Financial Information Service	Social workers at The Canberra Hospital informed about PTG's role and processes and timeframes to progress matters
November 2018	CSS staff and Members educated and informed about Substitute Decision-Making, Enduring Powers of Attorney and Wills
Canberra Hospital and Calvary Hospital	Carers informed about the importance of having an up to date and Enduring Power of Attorney
Periodically	Social workers informed about PTG's role and processes and timeframes to progress matters
Wills Week Forums - 22-24 Oct 2018	Members of the Tuggeranong and Inner North communities educated and informed about Substitute Decision-Making, Enduring Powers of Attorney and Wills
Carers - 20 & 28 Nov 2018	Carers informed about the importance of having an up to date Will and Enduring Power of Attorney
Indonesian Govt Delegation - 21 Feb 2019	Aspects of Will making, deceased estate administration, Guardian and Financial Management as appointed by ACAT, Attorney services under an EPOA, Trustee Services and Investment & fund management services
COTA, Seniors Expo - 21 Mar 2019	PTG attended the Expo with information packs, engaging with attendees on PTG services
Seniors Week Forums - 18 & 20th Mar 2019	Members of the Tuggeranong and Gungahlin communities educated and informed about Substitute Decision-Making, Enduring Powers of Attorney and Wills

Canberra Lung Life Support - 9 May 2019	PTG staff addressed the group on Enduring Powers of Attorney
Salvation Army Tuggeranong Seniors Group, 16 May 2019	Staff from ACT Legal Aid and PTG informed the group on Advanced Care Directives, Enduring Power of Attorney, Wills and Guardianship
Vietnamese CALD Carers - 17 Apr 2019	PTG staff addressed the group through an interpreter on Wills
Probus Club Gungahlin - 6 May 2019	Members educated and informed about Wills and Enduring Powers of Attorney
Commonwealth Superannuation Commission, 30 May 2019	PTG addressed staff on topics of Public Trustee functions, Wills, Enduring Powers of Attorney and Elder Abuse.
Communities at Work - 7 & 21 Jun 2019	Groups engaged in conversation on Wills and Enduring Power of Attorney
World Elder Abuse Awareness Day Expo - 13 Jun 2019	Expo organised by ACT Legal Aid to inform consumers of services\ resources available. PTG staff attended a stall, handing out information packs and engaging with attendees
Attorney-General's Department - 7 April 2019	Members of the staff of an AGD agency were educated and informed about Substitute Decision-Making, Enduring Powers of Attorney and Wills

PTG's Community Engagement program seeks to increase -

- awareness of the functions of and services provided by PTG
- the number of people who are aware of the importance of having an up-to-date will and EPA and are willing to appoint the Public Trustee and Guardian as executor or attorney
- awareness in the community of GreaterGood as a medium for philanthropy.

A function of the agency, under s. 91B of the **Public Trustee and Guardian Act 1985**, is to promote community discussion and provide community education and information, about the functions of the ACT Civil and Administrative Tribunal (ACAT) under the **Guardianship and Management of Property Act 1991**. PTG has prepared a Fact Sheet directed to private Managers appointed by ACAT to manage the financial affairs of those with an impaired decision-making disability. PTG has also prepared a number of other Fact Sheets to educate and inform the community about the functions of ACAT.

Through GreaterGood (The Capital Region Community Foundation), PTG seeks to maximise philanthropy within our community.

During 2017–18 PTG continued to make significant progress towards these community activities through the following public awareness programs -

- PTG and GreaterGood websites
- Advertisements and editorials in the Canberra Times/ Canberra Chronicle as well as for special promotions including Seniors Week and Wills Week
- Advertisements in the ACT Seniors Card Directory and Yellow Pages
- Brochures/fact sheets in Canberra Connect shopfront
- Implementation of Google Translate to PTG's website, allowing the website and its contents to be translated to almost any language
- Publication of "The Power to Choose", a guide to Enduring Powers of Attorney
- Publication of PTG's biannual newsletter "Going Public" and GreaterGood e-News
- Free public forums on Wills and substitute decision-making
- A new web based facility that allows a member of the community to book a presentation online.

PTG's video "Make it Happen, Make a Will" aims to increase community awareness about Wills as well as the number of will appointments. The video is now broadcast in all ACT Access Canberra shopfront as well as on the PTG website. Posters were printed of six screens from the video and have been placed strategically in the office, in retirement villages, nursing homes, hospitals and hospices.

During the reported year, PTG commissioned a series of videos depicting stories about persons setting up charitable funds under GreaterGood. These continue to form the basis of a web page "Our Stories" on the GreaterGood website.

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:

Form of Community Engagement	Outcome
FORUM	DESCRIPTION
State/Territory Public Trustees' and Guardians'/ Advocates forums	PTG maintains a co-operative, working relationship with State/ Territory Public Trustees and Public Guardians/Advocates through bi-annual meetings. Public Trustees and Public Guardians/Advocates cooperate in the development of best practice, products and services, ICT solutions, 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 e.g. National Disability Insurance Scheme, Ageing and Disability matters etc. PTG representatives met with State/ Territory Public Trustees/Public Advocates/Public Guardians during August 2018 and March 2019.
Australian Guardianship and Administration Council (AGAC)9.	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 coinciding with the meetings above.
Financial Planners' Association ACT Chapter	PTG retains membership of the Financial Planners' Association. PTG worked cooperatively with the FPA in the conduct of a Philanthropy Seminar at The Realm Hotel at which CPD points were available for FPA members attending.
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 conduct of ACT Seniors Week activities as well as the ACT Seniors Card Directory through which PTG advertises.
Law Society of the ACT Succession Law	Carers informed about the importance of having an up to date Will and Enduring Power of Attorney
Planning Committee	PTG is represented on this ACT Law Society joint industry/government forum.
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.
Philanthropy Australia	PTG is a member of Philanthropy Australia through GreaterGood.

B.9 Aboriginal and Torres Strait Islander reporting

Progress towards programs, projects and initiatives that benefit aboriginal and torres strait islander people.

PTG has undertaken to provide Wills at no cost to persons identifying as of Aboriginal or Torres Strait Islander background. This program is aimed at ensuring that Aboriginal and Torres Strait Islander People have access to a professional Will to ensure that their assets are protected upon death. During the year 6 persons accessed this service..

During the year PTG volunteered to administer the estate of a deceased Aboriginal man. PTG worked with the funeral director to dispose of the person's remains. The person's remains had not been claimed and no Will had been left. Administration of the estate is ongoing.

Services provided to Aboriginal and Torres Strait Islander persons

Service Provided	No of Persons
Wills	6 wills
Estates	1
Financial Management Services	12
Guardianship	6
Trusts	Nil
Enduring Powers of Attorney	3
External Manager (Account Examination)	1



B.10 Work Health and Safety

Work Health and Safety Act 2011

PTG is committed to protecting the health, safety and wellbeing of its employees, contractors, clients and visitors.

PTG's Workplace Health and Safety representative is a member of PTG's Internal Audit Committee. This ensures cooperation between management and employees in developing and carrying out measures designed to ensure a safe and healthy working environment.

The JACS Annual Report 2017–18 incorporates PTG's statistics in respect to S. 171 and S. 172 of the **Work Health and Safety Act 2011**. During the year, PTG had two elected workplace health and safety representatives.

Programs initiated/Implemented to improve return to work performance

PTG has no employees on long-term sick/injury leave.

The following initiatives were undertaken in 2018-19 in the interests of creating a safer workplace -

- Conducted security audit and engaged new security provider as part of PTG's Accommodation Project
- Undertook Clean Desk Audit and implementing revised duress alarm policy and hardware as part of the Accommodation project
- Commissioned review of CCTV installation and completing as part of the Accommodation project
- Maintained appointment of an RED Contact Officer
- Supported JACS White Ribbon Accreditation, held two morning teas and displayed White Ribbon banners in PTG's foyer
- Ergonomic seating provided to suit the individual needs of staff as required
- Hazardous Chemicals Substance Register maintained
- Workplace inspections to cover all areas of identified risk
- Influenza vaccine administered to 36 PTG staff
- All electrical appliances tested and tagged
- 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
- Smoke alarms and sprinklers tested annually
- Bullying and harassment training undertaken by staff
- Pest extermination for office premises and warehouse.

PTG's Incident Summary for 2017–18

Statutory Office	S. 38 Notifiable Incidents	Incidents Without Injury	Minor Injuries	Lost Time Injuries	Total All Incidents
Public Trustee and Guardian	0	4	2	2	8

During the year, no accidents or dangerous occurrences, requiring the giving of notices under S. 38, S. 171 or S. 172 of the **Work Health and Safety Act 2011**, were reported.

PTG's Workers' Compensation Rate for 2018–19 was set at 1.32% (\$63,412) marginally down from 1.71% for the previous period. The Rate advised for 2019-20 is \$51,337, an 11% premium reduction.

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

PTG has trained Workplace Health and Safety representatives situated on each floor of PTG's premises.

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.

During the reported year PTG had one staff member appointed as elected Health and Safety Representative.

B.11 Staffing Profile

FTE and Headcount

Branch/Division	FTE	Headcount
Finance	13.0	13
Financial Management Services	11.7	13
Guardianship	6.0	7
Null	5.2	7
Office Services	6.1	7
Wills Estates and Trusts	16.7	17
Total	58.8	64

FTE and Headcount by Gender

	Female	Male	Total
FTE by Gender	42.0	16.7	58.8
Headcount by Gender	47	17	64
% of Workforce	73.4%	26.6%	100.0%

Headcount by Classification

Classification Group	Female	Male	Total
Administrative Officers	39	11	50
Executive Officers	0	1	1
Legal Officers	0	2	2
Senior Officers	8	3	11
TOTAL	47	17	64

Employment Category by Gender

Employment Category	Female	Male	Total
Casual	2	0	2
Permanent Full-time	33	12	45
Permanent Part-time	5	2	7
Temporary Full-time	7	3	10
Temporary Part-time	0	0	0
TOTAL	47	17	64

Average Length of Service by Gender

	Female	Male	Total
Average years of service	7.8	8.7	8.0

FTE Headcount by Age and Gender

Age Group	Female	Male	Total
Under 25	0	2	2
25-34	7	4	11
35-44	10	4	14
45-54	12	3	15
55 and over	18	4	22

Headcount by Diversity

	Headcount	% of Total Staff
Aboriginal and/or Torres Strait Islander	0	0.0%
Culturally & Linguistically Diverse	18	28.1%
People with a disability	1	1.6%
Senior Officers	9	2
TOTAL	43	13

Average Length of Service by Gender

Recruitment Rate	Separation Rate
18.7%	8.3%

PTG's Business Plan 2018-19 identified the following aims in respect to 'Our People' -

- Provide development opportunities for PTG staff and Management.
- Review PTG's structure to address efficiency.
- Review PTG's Trust Officer Classification.
- Review individual position documentation, classifications staff numbers to address work volume/complexity.
- Revise all PTG Policy/Procedure/Practice Manuals.
- Provide contemporary industry training to all staff/management.
- Complete PTG's accommodation enhancement project.
- PADP program implemented for all staff.
- Promote a healthy workforce and maintain a safe work environment.
- Continue to address issues arising from 2017 JACS Staff Survey.

Highlights during the reported year include -

- PTG funded several staff to undertake tertiary study including university and CIT courses. A report on training is provided below.
- PTG's structure is now complete following establishment of a permanent structure for the Guardianship Unit as well as the identification of several new positions including a new level of ASO5
- Completion of the review of PTG's staff classification review resulting in a single ASO classification across the office
- Review of adequacy of staff commenced and several new positions established and filled. This will be completed in early 2019-20
- Several manuals are currently in the process of completion and several new policies have been published (Refer B.6 above)
- Second stage of Accommodation Project completed with all Operational Units now located in new premises on level 9, 221 London Circuit. Refurbishment of a smaller Ground Floor premises to accommodate Finance and Office Services Units is well underway and completion expected in late July 2019.
- Policy on Occupational Violence commenced.
- PTG is continuing to address all issues arising from the 2017 JACS Staff Survey.

Learning and development delivered in key result areas

PTG reimburses the cost of membership of professional organisations for staff in key program areas. These include professionals in general accounting, trust/taxation accounting, succession law, CPA, psychology and social science. Such memberships enable those staff to access continuing professional education.

Study assistance was provided to several staff undertaking tertiary study including Law, CPA and Tax Accounting.

Diploma level training through the University of Western Sydney is provided to and accessed by PTG staff in trustee industry disciplines. This study is linked to PTG's Personal Achievement and Development Plans.

Enhancing skill and capability

PTG again extended the engagement of a Project Manager from ICT Shared Services to manage the implementation of several ICT initiatives during 2018-19 and 2019-20. The following achievements have been made to end 2018-19 -

- Establishment of a Microsoft Dynamic 360 CRM
- Establishment of Test/Dev/Prod instances of the CRM
- Establishment of a PTG Cloud environment
- Implementation of two modules of the CRM into production with a further two in test;
- Commissioning of a replacement Precedent Letter Database as a module of the CRM. This is now undergoing testing.
- Implementation of replacement Income Tax preparation software MYOB/AE
- Preparation for upgrade to Windows 10 complete
- Upgrade of Optic Fibre connection and relocation of patch panel for 221 London Crct as part of the Accommodation refurbishment
- Completion of scanning of all Wills and EPA's into PTG's EDRMS
- Conversion of all staff desktops to laptops and dual screens.

The tasks remaining to be undertaken during 2019-20 include -

- Completion of the CRM Precedent Letter Database and a review of associated precedents
- Source or build a replacement Trust Accounting system
- Establishment of Financial Management, Estates and Trust modules in the CRM
- Integration of the EDRMS into the CRM

Apprenticeships and traineeships

Not applicable.

Training

PTG provided 288 individual training instances to its staff during the reported year. These training instances included internal and external training courses and but not attendance at conferences, Learning is substantially provided through on-the-job training/ 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, cultural awareness and fraud awareness training. Other compulsory training provided through the Canberra Institute of Technology (CIT) includes:

- Aboriginal and Torres Strait Islander Cultural Awareness Training
- Respect, Equity and Diversity Training.

PTG is undertaking a comprehensive review of all PTG Practice/ Policy/Procedure Manuals. The completed body of work will be titled "PTG Knowledge Base" and will be published on PTG's Intranet site.

Study assistance program

PTG actively encourages its staff to undertake external study in areas of training relevant to PTG's undertakings. During the reported year, 3 members of staff engaged in external study under the Study Assistance program. PTG reimburses the cost of this study varying from 100% to 51% depending upon the course and the cost. PTG also provides leave to study for and attend exams.

Study undertaken during the reported year included Bachelor of Laws, CPA and English as a Second Language. PTG engaged in a staff secondment exercise involving secondment of one PTG staff member to a local law firm and secondment of a solicitor from a local law firm to PTG.



Learning and Development Provided to PTG Staff in 2018-19

Course Title	Participants
Aboriginal and Torres Strait Islander Cultural Awareness	6
ACTPS Domestic and Family Violence Training package	1
Administer a complex estate (certificate 4 in personal Trust administration)	1
Administer Powers of Attorney or Financial Administration Orders (certificate 4 in personal Trust administration)	1
Advise Clients in Estate Planning (certificate 4 in personal Trust administration)	1
Behavioural De-escalation	1
Building Resilience (stress management for lawyers)	1
Dealing with People in Difficult Situations	29
Disability Awareness	2
Diploma of Personal Trusts (Diploma core units)	1
Enhancing relationships at work	9
Essential Writing Skills	4
Excellence in People Management	3
Fringe Benefit Tax 2019	2
Fraud & Ethics Awareness	8
Human Dynamics	1
Interview Preparation and Practice	1
Introduction to Freedom of Information Act 2016	9
IPAA Future Leaders Executive Breakfast	1
JACS Induction	13
Land Titles	24
Leadership for Senior Officers	1
Leading and Managing Teams	3
Manage People Performance (Diploma of Personal Trusts)	1
Manage Risks (Diploma of Personal Trusts)	1
Managing Psychological Illness in the Workplace	1

Manage People Performance (Diploma of Personal Trusts)	1
Managing Time and Workloads	1
Menslink Business Breakfast	3
New JACS Recruitment and Staff Selection training	7
Preventing Dementia	1
Project Management & Governance (Fundamentals)	2
Provide First Aid	1
Records Management & Territory Records Act 2002	1
Recruitment and Staff Selection	1
RED	8
Running Your Own Brain and Hot Heads and Cranky People	2
SA EOC White Ribbon eLearning	7
Social Media	1
Statutory Wills	26
Supervisor Development Program	8
Tax Preparation	3
The 2019 Intensive (Day One only)	1
Understanding Dementia (Online course)	1
Wellbeing Matters (Self resilience)	5
White Ribbon Executive Session	1
Working With Monsters - The dark side of the law	1

Conference/Forum Attendance

Event Name	Participants
Australian Guardianship and Administration Council 2019 National Conference (Canberra)	15
Australian Guardianship and Administration Council 2018 Conference (Darwin)	2
Fifth ACT Wills and Estates Conference	2
2018 PTG Staff Conference Day 'Bootcamp for the Brain'	50+

Ptg staff who received study assistance reimbursement in the 2018-19 fin year

Course Title	Course Provider	Participants
Strategic Management Accounting	CPA Australia	1
Ethics and Governance	CPA Australia	2

Work Experience

Program	Participants
CSD Work Experience Support Program (WESP)	2

Secondments

Organisation	Participants
Snedden Hall & Gallop Lawyers	2

Special Employment Agreement (sea), Australian Workplace Agreement (awa) & Attraction And Retention Incentive (arin) arrangements

PTG had no Special Employment Agreement (SEA), Australian Workplace Agreement (AWA) & Attraction and Retention Incentive (ARIN) arrangements in place during the reported year.



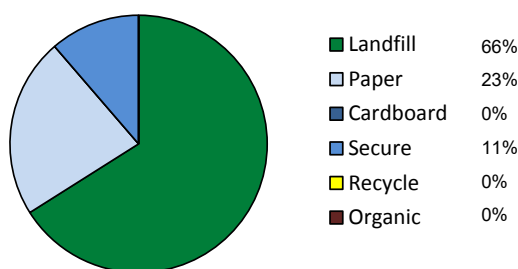
B.12 Ecologically Sustainable Development

Reported as part of JACS Annual Report.

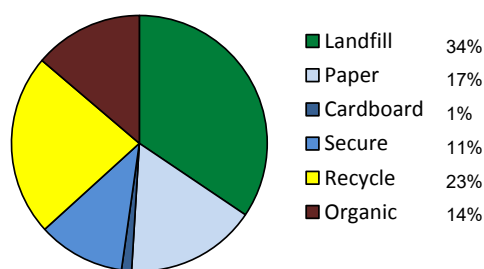
PTG was re-accredited by ACTSMART in July 2018. Regular audits are undertaken to ensure that appropriate levels of material are recycled and deposited to landfill.

Actsmart Office Scorecard									
Justice & Community Safety - Public Trustee and Guardian for the ACT									
As of 27 July 2018									
Joined Program: 05-Jul-2010			Accredited: 24-Oct-2017		Audits Completed: 7				
First Audit: 21-Jul-2011				Annual	Latest Audit: 18-Oct-2017				Annual
Waste	Annual		Annual	CO2 Equiv	Waste	Annual		Annual	CO2 Equiv
Stream	Waste	Weight	CO2 Equiv	Emissions	Stream	Waste	Weight	CO2 Equiv	Emissions
	in	in	in	Avoided		in	in	in	Avoided
	M3	Tonnes	Tonnes	Tonnes		M3	Tonnes	Tonnes	Tonnes
Landfill	36.4	5.5	5.3	0.0	Landfill	39.0	5.9	5.6	0.0
Paper	12.5	1.3	0.0	3.1	Paper	18.7	1.9	0.0	4.7
Cardboard	0.0	0.0	0.0	0.0	Cardboard	1.4	0.1	0.0	0.4
Secure	6.2	0.6	0.0	1.6	Secure	12.5	1.3	0.0	3.1
Recycle	0.0	0.0	0.0	0.0	Recycle	26.0	1.6	0.0	2.1
Organic	0.0	0.0	0.0	0.0	Organic	15.6	5.4	0.0	8.6

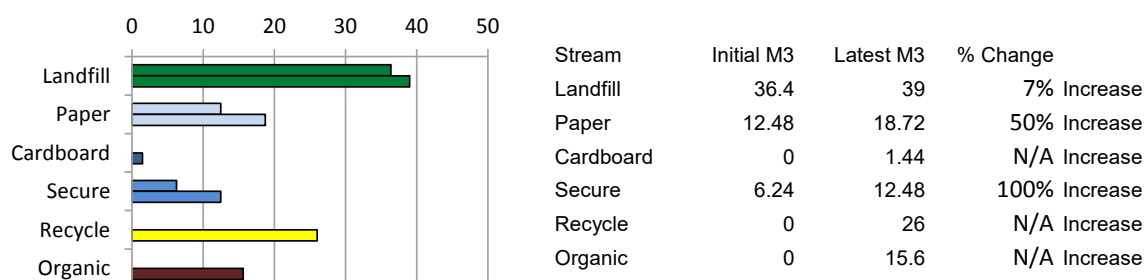
Initial Audit Composition



Latest Audit Composition



Cubic Metres of Waste by Stream - Initial Audit (Upper Bar) vs Latest Audit (Lower Bar)



Section C: Financial Management Reporting



C.1 Financial Management Analysis

General Overview

Objectives

The primary objective of the Public Trustee and Guardian for the ACT (PTG) is to protect and support rights, choices, security and justice for all persons in the community.

PTG's principal activities include:

- Guardianship and Management services
- Will and Executor services
- Enduring Power of Attorney services
- Trustee services
- External Manager services
- Official Visitor Scheme administration
- Confiscated Criminal Asset services
- Unclaimed Money
- Investing and Funds Management services
- GreaterGood – Public Ancillary Fund administration

Risk Management

PTG's Risk Register covers investment, financial, operational and administrative risk as well as workplace health and safety. PTG's major risks have been included in the Justice and Community Safety Directorate Risk Management Plan. The recommendations made by KPMG in its Review of Controls in the Financial Management Services Unit report have been substantially implemented.

Key risks include –

- failure to integrate guardianship and financial management services in a conjoined manner and without compromise to the two disciplines;
- Risk that rising costs and increases in non-viable business will result in cost exceeding income;
- risks to sustainability – the need to maintain income through appropriate fees and charges to fund rising costs associated with commercial/contestable activities and subsidise PTG's Community Service Obligations;
- risk that client funds are appropriately invested and managed;
- risk of failure to ensure a high level of integrity and honesty among all staff;
- risks caused by outdated systems and the need to ensure processes are innovative, robust and up to date; and,
- risk that PTG staff may not be adequately skilled to meet the demands of the community which they serve.

Financial Performance

The following financial information is based upon the audited actual figures for 2018-19, the audited Financial Statements for 2017-18 and the budget estimates for 2018-19 contained in the 2018-19 Budget Papers.

Total Net Cost of Services

Table 1: Total Net Cost of Services

	Actual 2017-18 \$m	Original Budget 2018-19 \$m	Actual 2018-19 \$m	Forward Estimate 2019-20 \$m	Forward Estimate 2020-21 \$m	Forward Estimate 2021-22 \$m
Total Expenditure		6.783	6.922	7.581	7.103	7.274
Total Own Source Revenue*		5.199	5.135	5.554	5.529	5.396
Net Cost of Services		1.584	1.787	2.027	1.574	1.878

* This table excludes Controlled Recurrent Payments (CRP).

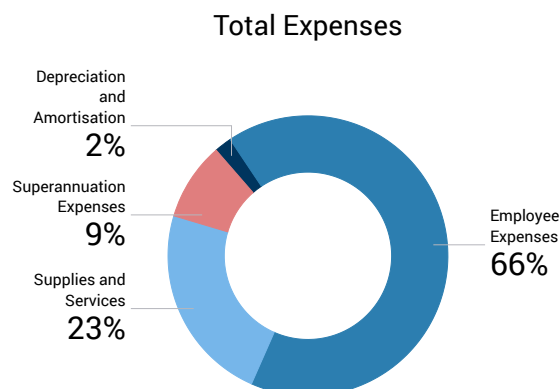
Table 1 reflects audited actual figures for 2017-18 and 2018-19 and estimated outcomes as shown in the 2018-19 Budget Papers.

Operating Result

The Operating Surplus for the year ended 30 June 2019 is \$29,840. The result is lower than the budget estimate of \$397,000. PTG also received Other Comprehensive Income of \$46,936 as a result of the write-back of the lease incentive over the term of the operating lease for 221 London Circuit. The overall result is a decrease of \$485,626 compared to the previous year.

Total Expenses

1. Components of Expenses



PTG's expenses for 2017-18 are largely related to employee and superannuation expenses which comprise 75% (or \$5,743,541) of total expenses. Supplies and services comprising 23% (or \$1,709,182) relates largely to Rental, ICT (Computing), Office and Official Visitor expenses.

2. Comparison to the original budget

Total expenses for the period ended 30 June 2019 was \$7,547,092. This is \$625,092 higher than the 2018-19 budget estimate of 6,922,000 and resulted from -

- higher employee and superannuation expenses (\$5,743,541) due to additional staff employed to accommodate:
 - higher than anticipated workload;
 - increased client numbers and complexity of client portfolios; and
 - a number of staff on various forms of extended leave.
- higher supplies and services costs (\$1,837,556) resulted from -
 - an increase in depreciation expenses as the result of a revaluation of assets at the end of the prior period.

3. Comparison to 2017-18 actual expenses

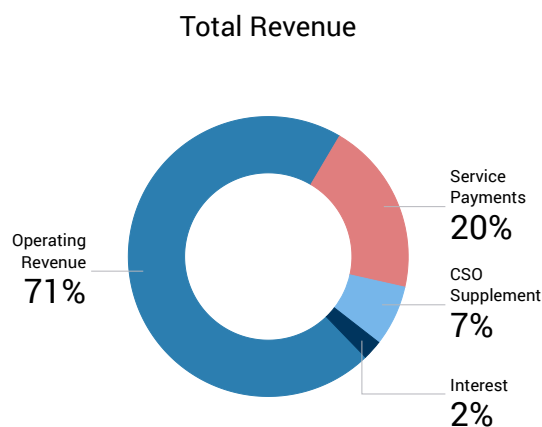
In comparison to the previous period, the increase of \$798,489 in expenses resulted from -

- an increase in employee and superannuation expenses (\$607,165) due to additional staffing numbers to assist with workloads, pay increases and the employment of temporary staff to replace staff on long term leave.
- an increase in supplies and services (\$191,324) resulted from -
 - rental and property expenses associated with the new operating lease in respect to a full year; and
 - Official Visitor expenses resulting from an increase in the number of Official Visitors and associated costs (e. g. training).

4. Future trends

Expenses are budgeted to increase in 2019-20 by \$122,903 primarily due to increases resulting from continuation of PTG's Business Transformation Project including accommodation, ICT, structure and classifications etc.

Total Revenue



1. Components of Revenue

PTG's income for 2018-18 largely relates to Operating Revenue comprising 71% (or \$5,382,079) of total income. The Community Service Obligation (CSO), Supplement and Service Payments of 27% (or \$2,057,000) are Controlled Recurrent Payments received from Government and the remaining 2% (or \$171,858) relates to interest earned on invested funds.

2. Comparison to the original budget

Total revenue for the period ended 30 June 2019 was \$7,610,937. This is \$291,937 higher than the 2018-19 budget estimate of \$7,319,000 and resulted from -

- higher income from management fees (\$2,271,688) associated with higher values of invested funds. These fees are calculated as a percentage commission based on the value of invested funds including Common Funds, Superannuation, Cash Balances and Unclaimed Moneys received at period end (monthly, quarterly or yearly);

3. Comparison to 2017-18 actual income

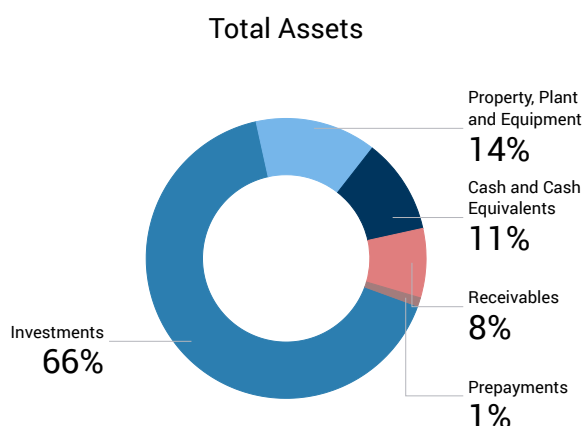
Total revenue for the period ended 30 June 2019 was \$265,928 higher than the 2017-18 result of \$7,345,009 primarily due to an increase in fees received from clients, resulting from the higher values of invested funds as described above.

4. Future Trends

Revenue for 2019-20 is budgeted to increase to \$7,824,000. This largely reflects a continued increase in commission-based revenue.

Financial Position

Total Assets



1. Components of Assets

Key indicators of PTG's financial health include the ability to sustain the existing asset base, pay debts falling due in the short term and maintain prudent levels of longer-term liabilities. The assets at 30 June 2018 relate to Cash and Cash Equivalents of 11% (\$987,439), Investments of 67% (\$6,000,000), Plant and Equipment of 14% (\$1,241,841), Receivables of 8% (\$706,738) and Prepayments of 1% (\$19,032).

2. Comparison to budget

The total asset position at 30 June 2019 is \$8,955,049, which was \$933,049 higher than the 2018-19 budget estimate of \$8,022,000.

The variance mainly resulted from -

- higher Plant and Equipment (\$1,189,841) due to purchase of the fit-out of level 9, 221 London Cct and the associated asset revaluation at the end of the prior period. Neither of these were anticipated in the budget.

This has been partially offset by lower -

- Cash and Cash Equivalents and Investments (\$210,561) due to a lower Operating Result; and
- Other Assets (\$22,968) resulting from lower than anticipated number of invoices paid in advance at 30 June 2018.

3. Comparison to 2017-18 actual

Total assets were \$110,087 lower than the 2017-18 result of \$9,065,137 due to -

- lower Cash and Cash Equivalents and Investments (\$1,103,961) resulting from a decrease in operating result.

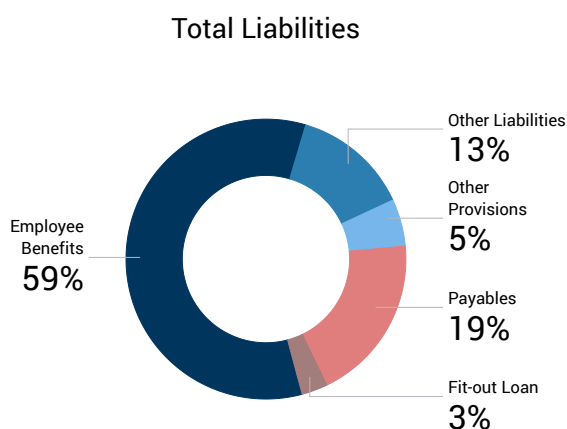
This has been partially offset by -

- higher Receivables (\$231,259) from fees owing to PTG at 30 June 2018.

4. Future trends

It is anticipated that assets will increase as a result of an increase in Cash and Cash Equivalents and Expenses due to an anticipated increase in the Operating Result.

Total Liabilities



1. Components of total liabilities

Liabilities at 30 June 2018 largely relate to Employee Benefits, which include annual and long service leave accrued by staff, accounting for 59% (or \$1,776,049) of Liabilities. Other Provisions and other liabilities comprise 22% (or \$645,456), including the dividend payable and lease related liabilities associated with a lease signed in 2017. Payables comprise 19% (or \$584,348) of liabilities and include accrued expenses.

2. Comparison to budget

Total liabilities are higher than the original 2018-19 budget of \$2,561,000.00 mainly due to -

- Employee Expenses (\$95,049) due to higher benefits accrued due to increased staff numbers and;
- Provisions (\$317,457) due to PTG receiving an accommodation fit-out lease incentive. This lease incentive is recorded as a liability and received and amortised over the term of the operating lease (10 years). This was not anticipated in the budget.

3. Comparison to 2017-18 actual

In comparison to the previous period, the decrease of \$211,446 in liabilities was due to decreases in -

- Other Liabilities (\$32,833) due to a write-back of part

of the accommodation lease provisions; and

- Other Provisions (\$266,280) for the dividend payable as a result of a decrease in the Operating Surplus in 2017-18.

This has been partially offset by higher -

- Employee Benefits (\$102,809) due to an increase in staff accruing benefits.

4. Future Trends

It is anticipated that overall liabilities will decrease over time as Other Liabilities are written back over the term of the Operating Lease for the two floors of 221 London Cct Canberra.

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 1:1 may indicate a reliance on the next financial year's operating revenue to meet short-term debts. Table 2 illustrates the current liquidity position.

Table 2: Current Ratio

	Prior Year Actual 2018 \$'000	Current Year Actual 2019 \$'000	Current Year Budget 2019 \$'000	Forward Year Budget 2020 \$'000	Forward Year Budget 2020 \$'000	Forward Year Budget 2022 \$'000	Forward Year Budget 2023 \$'000
Total Current Assets	7.696	7.712	8.022	7.838	7.971	7.974	8.003
Total Current Liabilities	2.379	2.364	2.281	2.198	2.177	2.173	2.193
Net Current Assets	5.617	5.348	5.741	5.640	5.794	5.801	5.810
Current Ratio	3.23:1	3.26:1	3.52:1	3.57:1	3.66:1	3.67:1	3.65:1

PTG's current ratio at 30 June 2019 is 3.26 to 1, marginally lower than the budgeted current ratio at 30 June 2019 of 3.52 to 1. This is due to higher than expected liabilities exceeding higher than expected assets. 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.

PTG Historical Financial Performance (rolling 10-year period)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Approp.	\$655,000	\$669,000	\$682,000	695,000	706,000	706,000	\$624,001	\$1,643,250	\$2,057,000	\$2,097,999
Revenue	\$3,543,000	\$5,007,132	\$5,249,994	\$5,040,986	\$6,398,431	\$6,531,796	\$6,346,022	\$7,345,009	\$7,610,937	\$8,003,771
Expend.	\$3,896,000	\$3,830,580	\$4,495,960	\$4,733,881	\$6,182,022	\$5,822,685	\$5,988,803	\$6,782,608	\$7,547,092	\$8,487,627
Result	(\$87,276)	\$1,176,552	\$754,034	\$307,105	\$216,409	\$709,111	\$357,219	\$562,401	\$29,840	(\$483,856)
Dividend	Nil	\$588,276	\$377,017	\$153,553	\$108,205	\$354,556	\$178,609	\$281,200	\$14,920	Nil
Staff (FTE)	34	35	39	39	40	42.8	51	54	54	58.8

C.2 Financial Statements

(Refer ANNEXURE - FINANCIAL STATEMENTS)

C.3 Capital Works

Fit-out in respect to PTG's Accommodation Project continued. This was undertaken by the landlord's contractor as part of the new 10 year lease and was not as such categorised as Capital Works on the part of PTG.

C.4 Asset Management

Non-Government Assets

PTG manages significant non-government assets in its capacity as trustee. These assets are reported in the annexed financial statements.

Government Assets

No significant assets were added to, or removed from the corporate assets register during 2018-19.

Vehicle

The only government asset directly managed is:

- Volkswagen Golf valued at \$14,500 in 2016 by Ty Noble (FAPV CPV), Australian Valuation Solutions Pty Ltd.
- Volkswagen Caddy valued at \$14,500 in 2018 by Pickles Auctions upon acquisition at close of lease.

(Vehicles are insured through AON Insurance. Valuations are undertaken three-yearly)

Warehouse

PTG's has title to a 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 July 2019 by Herron Todd White at \$320,000. Revaluation is conducted on a three-yearly basis. The warehouse contains no hazardous materials..

Office accommodation and equipment

PTG employs 58.8 FTE staff, centrally accommodated on the Ground Floor and Level 9, 221 London Circuit, Canberra City. Several PTG staff were temporarily located on level 2, 221 London Circuit for several months pending completion of the refurbishment of the Ground Floor.

C.5 Government Contracting

Procurement Overview

PTG did not undertake any procurement activities during the reported year.

Government Procurement Services

PTG 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
- 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. Fees are charged as an income commission
- Ultradata for use under licence and technical support of the TACT trust accounting business system. Annual Licence fees are in the order of \$114,412.16
- Software Assistant (income tax software) licence on an annual basis \$2,701.50. This contract was terminated as at 30 June 2019 upon the acquisition and implementation of MYOB/AE 8
- MYOB/AE 8 (income tax software) licence on an annual basis \$3,299.58
- MYOB Premier 19 – for Business Financial System (annual subscription) \$1,560
- Filemaker Pro – Guardianship Unit Business System – Software adjustments \$247.50
- Nexon - Acquisition and modification of Microsoft Dynamic CRM - \$54,761.62 (this includes maintenance and training for OWLS and maintenance and set up for PLD)

Social Procurement

PTG continues to contract Sam Agyemang, a young man with a disability who owns Donkey Wash, a social enterprise laundry venture, to collect and drop off kitchen tea towels.

Aboriginal and Torres Strait Islander procurement policy

During the reported year, PTG did not –

- Issue any tender and quotation opportunities that were responded to by Aboriginal and Torres Strait Islander Enterprises;
- Spend any funds in dealing with Aboriginal and Torres Strait Islander Enterprises.

C.6 Statement of Performance

(Refer C.2 FINANCIAL STATEMENTS above and ANNEXURE – FINANCIAL STATEMENTS.)

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

The *Confiscation of Criminal Assets Act 2003* (COCA Act) 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's responsibilities are generally at the end of the criminal process and are largely reactive following court orders. It is expected that an increased number of matters currently before the courts will come to PTG's care during 2019-20.

PTG deposited a total of \$904,911.00 into the CAT Fund, being the net proceeds of funds available for the financial period to 30 June 2019. This compared with \$868,758.63 in 2017-18.

Under s.102 (1) of the COCA Act, PTG must give written notice of a proposed sale, modification or destruction of restrained property under s.101 to -

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

In accordance with the Act, notices were given to the owners of property and to anyone PTG believed had an interest in those properties.

S. 103 Emergency Modification or Destruction of Restrained Property

S. 103(1) of the COCA 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. PTG has an arrangement 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.

These 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
- 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 (eg 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 in consultation with the ACT Asbestos Response Taskforce.

PART 5 – Whole of Government Annual Reporting

5.1 Bushfire Risk Management

This section is not relevant to PTG's operations.

5.2 Human Rights

Education and Training

During the reported year, PTG provided several staff with human rights training through the JACS Directorate's training program.

Reviews For Compatibility With Human Rights

During the reported year, PTG developed a number of internal policies and published a Manual relating to the Financial Management Services Unit. These policies were developed having regard to human rights principles.

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
- 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 United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) seeks to change attitudes and approaches to persons with disabilities. It takes to a new height the movement from viewing persons with disabilities as "objects" of charity, medical treatment and social protection towards viewing persons with disabilities as "subjects" with rights, who are capable of claiming those rights and making decisions for their lives based on their free and informed consent as well as being active members of society.

Article 12 of the Convention "Equal recognition before the Law", underpins the work undertaken by PTG in acting as Guardian and Manager under appointment by ACAT. PTG's Guardianship and Financial Management Services Units have a strong understanding of the application of this important principle.

PTG has contributed to the development by the Australian Guardianship and Administration Council (AGAC) of National Standards for Guardians and Managers. During the reported

year, the Public Trustee and Guardian undertook, on behalf of AGAC to review the National Standards for Financial Managers. This important document establishes 12 national standards that set minimum service levels to be provided to persons with a decision-making disability by their appointed financial manager. The standards complement statutory requirements, policies, principles and practices, codes of professional conduct and ethical behaviour, privacy and confidentiality of personal information and records, and other requirements, which financial managers in each state/territory should aspire to.

The document is to be presented to AGAC's National Meeting in August 2018 and will be circulated through all members website and through Fact Sheets in member offices.

Complaints

Given the nature of its clientele, most complaints received relate to PTG's role as a decision-maker as Manager and Guardian for persons with a decision-making disability. The *Guardianship and Management of Property Act 1991* incorporate Decision-Making principles developed in accordance with Human Rights principles. Decision-making is always made having regard to the human rights principles established by the Act.

Contracts

PTG engages one contractor through social contracting. Under this contract the contractor, a disabled person is engaged to launder PTG's staff room linen. PTG engaged the contractor in contemplation of human rights principles.

Liaison

AGAC fosters a close and trusted working relationship between its Public Advocate/Public Guardian/Public Trustee and Tribunal members. Through AGAC, PTG continued to make representations to government in respect to a number of issues affecting personal rights, elder abuse and, in particular, through NDIA in respect to Transport Hub Funding.

PTG has also submitted a responses to a number of Royal Commissions in respect to human rights issues around disability and age care matters.

Reviews

The Public Trustee and Guardian is a member of AGAC's Elder Abuse National Projects Governance Group. In Its 2018-19 budget, Federal Government announced funding for its "More Choices for a Longer Life" package.

The federal government has also set aside funding to work with the States and Territories to establish a national online

register for Enduring Powers. The lack of consistency across states for the registration of enduring powers of attorney means there is no simple way for organisations, such as banks, to check the validity of a power of attorney, leaving older people vulnerable to financial abuse.

An online register was a key recommendation of the Australian Law Reform Commission's inquiry into elder abuse, and the Government to work with states and territories to reform enduring powers and establish the national register.

The 2018-19 Federal Budget provides funding to develop a national online register of Enduring Powers, subject to the in-principle agreement of state and territory governments to reform enduring powers.

The national online register of Enduring Powers will be a national source to assist in safeguarding against the misuse of an enduring document. The implementation of a national register is dependent on states and territories agreeing to, and developing, a nationally consistent approach to reforming enduring powers. The Australian Government will work with state and territory governments to agree consistent laws, tests and practices through the Council of Attorneys General.

AGAC has been commissioned by Government to provide guidance in this important initiative.

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 or as guardian for legal matters under appointment by ACAT.

5.3 Legal Service 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
- 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, EPA 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 approved 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 PTG may brief external practitioners in accordance with the Model Litigant Guidelines.

Compliance with Model Litigant Guidelines

PTG's Declaration by Service Provider ensures that providers of legal services are aware of the *Law Officer (Model Litigant) Guidelines 2010* and apply them in their representation of PTG and its clients.

5.4 Territory Records

PTG's Records Disposal Schedule is published on the ACT Legislation Register. 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) and renewed on 3 July 2018 (2018/12).

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

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

PART 6 – State of the Service Report

6.1 Workforce Profile

(Refer B.11).

PTG did not have any Attraction and Retention Initiatives (ARINs), or Special Employment Arrangements in respect to any staff member during the reported year.

6.2 Culture And Behaviour

Respect, Equity and Diversity (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. The RED Contact Officer has proven to be a highly useful Framework for staff at PTG.

PTG has a strong culture of working to provide protection and support for rights, choices, security and justice for all persons in the ACT community.

Our key values reflect a culture of -

- **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.

6.3 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 2017–18.

6.4 Public Service Standards Commissioner

No investigations were conducted by the Public Sector Standards Commissioner in respect to PTG.

Annexure: Financial Statements



Annexure – Financial Statements



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Public Trustee and Guardian for the year ended 30 June 2019.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2019 are not in agreement with the Public Trustee and Guardian's records or do not fairly reflect, in all material respects, the performance of the Public Trustee and Guardian, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

Public Trustee and Guardian's responsibilities for the statement of performance

The Public Trustee and Guardian is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Public Trustee and Guardian.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Public Trustee and Guardian's records or do not fairly reflect, in all material respects, the performance of the Public Trustee and Guardian, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Public Trustee and Guardian, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Public Trustee and Guardian.



Ajay Sharma
Assistant Auditor-General, Financial Audit
19 September 2019

**Public Trustee and Guardian
Statement of Performance
For the Year Ended 30 June 2019**

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 2019 and also fairly reflects the judgements exercised in preparing it.



Andrew Taylor
Public Trustee and Guardian

18 September 2019

**PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2019**

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	Original Target 2018-19	Actual Outcome 2018-19	Variance %	Notes
Guardianship Orders - no. of people for whom PTG acted as Guardian appointed by the ACT Civil and Administrative Tribunal (ACAT) under the <i>Guardianship and Management of Property Act 1991</i> (GMPA) during the reported period	225	223	(1)	
Management Orders - no. of orders in which PTG was appointed as Manager by ACAT under the GMPA current at the end of the reported period by ACAT	495	509	3	
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for all matters made during the reported period	100	136	36	1
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for financial and property matters under active management at the end of the reported period	37	35	(5)	2
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for personal and health care matters active at the end of the reported period	7	5	(29)	3
Police Call-outs - no. of responses to call outs by police and community following death during the reported period	3	1	(67)	4
Welfare funerals - no. arranged by PTG during the reported period	6	2	(67)	5
Examination of Accounts - no. examined by PTG during the reported period upon filing by External Managers appointed by ACAT for Protected Persons	550	454	(17)	6
Deceased Estate Administrations - no. of deceased estate administrations completed during the reported period	100	77	(23)	7
Trusts (for all purposes) - no. held at end of reported period	585	630	8	8
Wills - no. of wills prepared by PTG during the reported period	410	476	16	9
Customer Survey - % of clients responding to PTG's survey during the reported year that reported PTG met or exceeded their expectations	90	95	6	10

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

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

**PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2019**

Notes – Explanation of material variance (+/-5%)

1. The number of Enduring Powers of Attorney appointing PTG for all matters was higher than expected. The higher number of people choosing to make an EPA can be attributed to more effective marketing by PTG at Wills Week, Seniors Week, Senior's Expo and Community Forums as well as through more informative Fact Sheets and the popularity of PTG's publication "The Power to Choose".
2. The number of active Enduring Powers of Attorney (EPA) was lower than expected due to a lower number of principals (person giving the power) losing capacity.
3. The number of Enduring Power of Attorney (EPA) appointing PTG for personal and health care matters was lower than expected' as people would appoint family first for these kinds of decisions.
4. The number of callouts was lower than expected - PTG's performance in this regard is purely reactive following callout by ACT Policing.
5. The number of welfare funerals was lower than expected. PTG's performance in this regard is purely reactive upon request.
6. The number of examinations performed by PTG was lower than expected due to the higher time taken to perform the examinations. This was due to more communication with Managers and higher complexity of accounts submitted.
7. The number of estates administrations completed were lower than expected. This was due to a high number of estates that are complex in nature unable to be finalised due to ongoing taxation issues, family provision claims and a greater number of beneficiaries residing overseas.
8. The number of trusts (for all purposes) were higher than expected mainly due to the higher number of orders made by the Magistrates Court and Supreme Court appointing PTG as trustee.
9. The higher than expected number of Wills prepared is attributed to increased and more effective marketing of Wills by PTG at Wills Week, Seniors Week, Senior's Expo and Community Forums as well as the "Start Making your Will now" facility on PTG's website. PTG also increased its Will drafting resources during the second half of the 2019 financial year.

**PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2019**

Notes – Explanation of material variance (+/-5%) - continued

10. The higher than expected percentage of clients responding to PTG's survey during the reported year that stated PTG met or exceeded their expectations is testament to PTG's continual efforts to provide knowledgeable and professional services to the ACT Community.



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Public Trustee and Guardian for the year ended 30 June 2019 which comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Public Trustee and Guardian's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Public Trustee and Guardian in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Public Trustee and Guardian for the financial statements

The Public Trustee and Guardian is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996*, and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Public Trustee and Guardian to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statements of the Public Trustee and Guardian.

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My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Public Trustee and Guardian's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Public Trustee and Guardian;
- conclude on the appropriateness of the Public Trustee and Guardian's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Trustee and Guardian's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Public Trustee and Guardian to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Public Trustee and Guardian regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Sharma
Assistant Auditor-General
19 September 2019

**Public Trustee and Guardian
Financial Statements
For the Year Ended 30 June 2019**

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 2019 and the financial position of the Public Trustee and Guardian on that date.



Andrew Taylor
Public Trustee and Guardian

18 September 2019

Public Trustee and Guardian
Financial Statements
For the Year Ended 30 June 2019

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 2019 and the financial position of the Public Trustee and Guardian on that date.



Joanne Thompson
Director Finance
Public Trustee and Guardian

18 September 2019

PUBLIC TRUSTEE AND GUARDIAN
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	Note No.	Actual 2019 \$	Original Budget 2019 \$	Actual 2018 \$
Income				
Revenue				
Controlled Recurrent Payments	4	2,097,999	2,200,000	2,057,000
User Charges	5	5,738,412	5,444,000	5,382,079
Interest		167,360	180,000	171,859
Total Income		8,003,771	7,824,000	7,610,938
Expenses				
Employee Expenses	6	5,794,881	5,062,000	5,037,230
Superannuation Expenses	7	741,841	700,000	706,311
Supplies and Services	8	1,797,229	1,813,000	1,649,968
Borrowing Costs	9	3,976	-	12,280
Depreciation and Amortisation	15	149,700	129,000	141,304
Total Expenses		8,487,627	7,704,000	7,547,093
Operating (Deficit) / Surplus		(483,856)	120,000	63,845
Other Comprehensive Income				
<i>Items not reclassified subsequently to profit or loss</i>				
(Decrease) / Increase in Asset Revaluation Surplus	21	(412,631)	-	39,501
Total Other Comprehensive (Loss) / Income		(412,631)	-	39,501
Total Comprehensive (Loss) / Income		(896,487)	120,000	103,346

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

PUBLIC TRUSTEE AND GUARDIAN

BALANCE SHEET
AT 30 JUNE 2019

	Note No.	Actual 2019 \$	Original Budget 2019 \$	Actual 2018 \$
Current Assets				
Cash and Cash Equivalents	12	791,564	654,000	987,439
Receivables	13	445,234	481,000	706,738
Investments	14	5,100,000	6,684,000	6,000,000
Prepayments		17,692	19,000	17,974
Total Current Assets		6,354,490	7,838,000	7,712,151
Non-Current Assets				
Plant and Equipment	15	1,499,914	1,016,000	1,228,911
Prepayments		1,097	2,000	1,055
Total Non-Current Assets		1,501,011	1,018,000	1,229,966
Total Assets		7,855,501	8,856,000	8,942,117
Current Liabilities				
Payables	16	289,182	560,000	584,348
Interest Bearing Liabilities	17	-	-	90,340
Employee Benefits	18	1,914,372	1,517,000	1,627,300
Lease Incentive Liability	19	46,936	61,000	46,936
Other Provisions	20	-	60,000	31,923
Total Current Liabilities		2,250,490	2,198,000	2,380,847
Non-Current Liabilities				
Employee Benefits	18	132,464	213,000	148,749
Lease Incentive Liability	19	313,663	396,000	360,599
Other Provisions	20	136,111	140,000	132,662
Total Non-Current Liabilities		582,238	749,000	642,010
Total Liabilities		2,832,728	2,947,000	3,022,857
Net Assets		5,022,773	5,909,000	5,919,260
Equity				
Accumulated Funds		4,434,779	4,948,000	4,918,635
Asset Revaluation Surplus	21	587,994	961,000	1,000,625
Total Equity		5,022,773	5,909,000	5,919,260

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 2019

	Accumulated Funds Actual 2019 \$	Asset Revaluation Surplus Actual 2019 \$	Total Equity Actual 2019 \$	Original Budget 2019 \$
Balance at 1 July 2018	4,918,635	1,000,625	5,919,260	5,849,000
Comprehensive Income				
Operating (Deficit) / Surplus	(483,856)	-	(483,856)	120,000
(Decrease) in the Asset Revaluation Surplus	-	(412,631)	(412,631)	-
Total Comprehensive (Loss) / Income	(483,856)	(412,631)	(896,487)	120,000
Transactions Involving Owners Affecting Accumulated Funds				
Dividend Approved	-	-	-	(60,000)
Total Transactions Involving Owners Affecting Accumulated Funds	-	-	-	(60,000)
Balance at 30 June 2019	4,434,779	587,994	5,022,773	5,909,000

	Accumulated Funds Actual 2018 \$	Asset Revaluation Surplus Actual 2018 \$	Total Equity Actual 2018 \$
Balance at 1 July 2017	4,886,712	961,124	5,847,836
Comprehensive Income			
Operating Surplus	63,845	-	63,845
Increase in the Asset Revaluation Surplus	-	39,501	39,501
Total Comprehensive Income	63,845	39,501	103,346
Transactions Involving Owners Affecting Accumulated Funds			
Dividend Approved	(31,923)	-	(31,923)
Total Transactions Involving Owners Affecting Accumulated Funds	(31,923)	-	(31,923)
Balance at 30 June 2018	4,918,635	1,000,625	5,919,260

The above Statements 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 2019

	Note No.	Actual 2019 \$	Original Budget 2019 \$	Actual 2018 \$
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		2,097,999	2,200,000	2,057,000
User Charges		5,944,936	5,442,000	5,193,544
Interest Received		212,952	180,000	143,600
Goods and Services Tax Collected from Customers		591,540	540,000	512,918
Other		4,374	-	7,804
Total Receipts from Operating Activities		8,851,801	8,362,000	7,914,866
Payments				
Employee		5,522,518	5,040,000	4,938,795
Superannuation		745,941	689,000	700,038
Supplies and Services		2,121,612	1,802,000	1,643,766
Goods and Services Tax Remitted to the Australian Taxation Office		330,262	310,000	408,491
Goods and Services Tax Paid to Suppliers		275,622	246,000	137,919
Other		4,131	-	10,015
Total Payments from Operating Activities		9,000,086	8,087,000	7,839,024
Net Cash (Outflows) / Inflows from Operating Activities	24(b)	(148,285)	275,000	75,842

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 2019

	Note No.	Actual 2019 \$	Original Budget 2019 \$	Actual 2018 \$
Cash Flows from Investing Activities				
Receipts				
Sale of Investments		4,500,000	300,000	3,900,000
Total Receipts from Investing Activities		4,500,000	300,000	3,900,000
Payments				
Payments for Plant and Equipment		825,327	-	2,275
Purchase of Investments		3,600,000	579,000	9,900,000
Total Payments from Investing Activities		4,425,327	579,000	9,902,275
Net Cash Inflows / (Outflows) from Investing Activities		74,673	(279,000)	(6,002,275)
Cash Flows from Financing Activities				
Payments				
Payment of Dividends		31,923	1,000	281,200
Repayment of Borrowings		90,340	-	7,328
Total Payments from Financing Activities		122,263	1,000	288,528
Net Cash (Outflows) from Financing Activities		(122,263)	(1,000)	(288,528)
Net (Decrease) in Cash and Cash Equivalents Held		(195,875)	(5,000)	(6,214,961)
Cash and Cash Equivalents at the Beginning of the Reporting Period		987,439	659,000	7,202,400
Cash and Cash Equivalents at the End of the Reporting Period	24(a)	791,564	654,000	987,439

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 2019

	Original Budget 2019 \$	Total Appropriated 2019 \$	Appropriation Drawn 2019 \$	Appropriation Drawn 2018 \$
Controlled Recurrent Payments	2,200,000	2,200,000	2,097,999	2,057,000
Total Appropriation	2,200,000	2,200,000	2,097,999	2,057,000

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

Column Heading Explanations:

The *Original Budget* column shows the amounts that appear in the Operating Statement in the Budget Papers. This amount equals the Controlled Recurrent Payments 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 Controlled Recurrent Payments shown in the Cash Flow Statement.

Variances between 'Total Appropriated' and 'Appropriation Drawn'

The Appropriation drawn was \$102,001 less than the total appropriated. The full appropriation to administer the Official Visitors Scheme was not required.

PUBLIC TRUSTEE AND GUARDIAN

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PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. OBJECTIVES OF THE PUBLIC TRUSTEE AND GUARDIAN

The Public Trustee and Guardian is a corporation established under the *Public Trustee and Guardian Act 1985*. In 2016, the former Public Trustee for the ACT merged with the Guardianship unit of the Public Advocate of the ACT to form 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*, are 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 agents for the Territory under the *Confiscation of Criminal Assets Act 2003* and 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 the trustee for the Perpetual Care Trusts under the *Cemeteries and Crematoria Act 2003* and for the Capital Region Community Foundation (Greater Good).

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

2. SIGNIFICANT ACCOUNTING POLICIES

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

Appendix C - Impact of Accounting Standards Issued But Yet to Be Applied

3. CHANGE IN ACCOUNTING POLICY

Refer to Appendix D – Change in Accounting Policy.

4. CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments (CRP) is revenue received from the ACT Government to fund the costs of delivering outputs.

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

	2019 \$	2018 \$
Controlled Recurrent Payments	1,579,999	1,547,000
Community Service Obligations	518,000	510,000
Total Controlled Recurrent Payments	2,097,999	2,057,000

Controlled Recurrent Payments were higher in 2018-19 due to an increase in funds required to administer the Official Visitors Scheme as a result of an increase in the number of Official Visitors.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
5. USER CHARGES		
User charges revenue is derived by providing services to other ACT Government agencies and to the public. User charges revenue is legally retained by the Public Trustee and Guardian and is driven by consumer demand.		
User Charges – ACT Government		
Other Fees	600	1,200
Total User Charges - ACT Government	600	1,200
User Charges – Non-ACT Government		
Commission (a)	1,846,518	2,191,922
Management Fees (b)	2,357,485	2,271,688
Other Fees (c)	1,533,809	917,269
Total User Charges – Non-ACT Government	5,737,812	5,380,879
Total User Charges	5,738,412	5,382,079

(a) Commission from Non-ACT Government entities is charged on the value of the income earned for funds managed in the Public Trustee and Guardian and Government Trust Account. These commissions are earned from funds held on behalf of the general public. There has been a decrease in commission received due to lower interest revenue for funds managed in the Public Trustee and Guardian Trust and Government accounts.

(b) Management Fees are based on a percentage of the value of client funds invested in the Public Trustee and Guardian Trust account which has increased during the 2018-19 year.

(c) Public Trustee and Guardian recognised its full entitlement to the balance of fees receivable from the Unclaimed Money Trust Fund in 2018-19. In prior years, only a percentage of the fees receivable was recognised. This has resulted in an increase in Other Fees.

6. EMPLOYEE EXPENSES

Wages and Salaries (a)	5,290,209	4,895,390
Annual Leave Expense	41,527	12,391
Long Service Leave Expense (b)	293,492	9,892
Termination Payments	87,107	48,711
Fringe Benefits Tax	7,504	(1,145)
Workers' Compensation Insurance Premiums	69,109	69,271
Other Employee Expenses and On-Costs	5,933	2,720
Total Employee Expenses	5,794,881	5,037,230

(a) The Public Trustee and Guardian had an average of 58.27 FTE staff employed during 2018-19 (55.18 during 2017-18). The increase in Wages and Salaries relates to an increase in staffing numbers. Additional staff were employed due to an increase in the number of clients being serviced and the complexity of work, as well as to cover for absences of staff on annual and long service leave. A project manager was also employed to manage the relocation and renovation for Public Trustee and Guardian's premises at 221 London Circuit, Canberra.

(b) Long Service Leave expenses have increased due to higher staffing numbers, salary increases and associated impacts on the expense together with an increase in the present value factor used for calculating long service leave from 100.9 percent to in 2017-18 to 110.1 percent in 2018-19.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
7. SUPERANNUATION EXPENSES		
<p>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).</p> <p>Superannuation payments are also made to external providers as part of employee fund of choice arrangements.</p>		
Superannuation Contributions to the Territory	282,600	318,071
Productivity Benefit	40,837	44,346
Superannuation to External Providers	418,404	343,894
Total Superannuation Expenses	741,841	706,311
<p>The increase in superannuation expenses to External Providers is due to an increase in staffing numbers (Refer Note 6 <i>Employee Expenses</i>). Departing staff in the CSS and PSS Superannuation Funds were mostly replaced by new staff that are members of super schemes by external providers. Therefore, there was a decrease in the number of employees entitled to contribute to the CSS and PSS Funds.</p>		
8. SUPPLIES AND SERVICES		
Audit Fee	83,838	85,431
Computer Expenses (a)	354,142	295,653
Consultants Costs	57,060	53,735
Office Expenses	158,168	145,791
Postage, Printing and Stationery	57,631	52,212
Rental and Property Expenses (b)	459,118	430,642
Repairs and Maintenance	126,931	127,980
Travel Expenses	5,684	13,101
Staff Training	31,678	28,958
Marketing Expenses	37,922	26,311
Official Visitors Expenses (c)	360,567	317,007
Business Transformation Project (d)	43,643	28,467
Other Expenses	20,847	44,680
Total Supplies and Services	1,797,229	1,649,968

(a) Computer Expenses consist of computer leasing including infrastructure, software and storage costs as per Service Agreement with Shared Services ICT. An increase in the requirement of these services occurred due to an increase in staffing numbers and electronic storage required for client data.

(b) Rental and Property Expenses increased due to the annual percentage increase in rent as per the terms of the lease. Additionally, there was an increase in electricity costs due to new meterage charges applied for part of the leased premises. These electricity costs were previously not charged to the Public Trustee and Guardian in error and a component of these electricity charges include a back payment for prior periods.

(c) Official Visitors Expenses increased as a result of more Official Visitors being engaged due to a higher demand for their services. Official Visitors provide a monitoring and complaints system for entitled persons in a visitable place, who are dependent on the service provider or accommodation manager supporting them.

(d) The Public Trustee and Guardian is currently undergoing a 'Business Transformation' with the aim to change how the organisation operates, the infrastructure, organisational culture and services delivered. The expenses for this project in the 2018-19 year include a re-evaluation of Trust Officer positions and duty statements which outlines position responsibilities for all staff. Costs for this project are anticipated to decrease into the next financial year.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
9. BORROWING COSTS		
Interest Expense on Borrowings (a)	527	8,918
Finance Cost on Make Good	3,449	3,362
Total Borrowing Costs	3,976	12,280

(a) Interest Expense on Borrowings relate to the interest on the Fitout Loan for part of level 9 of 221 London Circuit, Canberra. The Fitout loan was fully repaid on 30 July 2018. Therefore, the associated interest expense relates to one month only.

10. WAIVERS AND WRITE-OFFS

There were no waivers in 2018-19. Similarly, there were no waivers in 2017-18.

The Public Trustee and Guardian approves the write-off of debts owed by third parties. Write-offs are made by the Public Trustee and Guardian under delegated authority for amounts that are unable to be recovered from clients.

	No.	No.	No.	No.
Write-offs				
Irrecoverable Debts	3	170	6	13,858
Total Write-offs	3	170	6	13,858

11. 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	83,838	85,431
Audit fees paid or payable by the Public Trustee and Guardian were:		
Financial Statements of the Public Trustee and Guardian (Office Account)	41,566	40,355
Financial Statements of the Public Trustee and Guardian (Trust Account) and Capital Region Gift and Open Funds	37,082	39,886
Compliance with Public Ancillary Guidelines	5,190	5,190
	83,838	85,431

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

12. CASH AND CASH EQUIVALENTS

The Public Trustee and Guardian holds a bank account with Westpac Banking Corporation as part of the ACT whole-of-government banking arrangements. The weighted average interest rate returned on the bank account was 2.08% in 2018-19 (2.35% in 2017-18).

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 2.70% in 2018-19 (2.61% in 2017-18).

	2019 \$	2018 \$
Cash at Bank (a)	790,864	986,739
Cash on Hand	700	700
Total Cash and Cash Equivalents	791,564	987,439

(a) The decrease in Cash at Bank is due to the payment of a number of invoices at the end of the financial year thereby reducing payables.

13. RECEIVABLES

Current Receivables

Trade Receivables (a)	419,371	635,283
Less: Allowance for Impairment Losses	-	-
	419,371	635,283
Accrued Revenue	25,863	71,455
Total Receivables	445,234	706,738

(a) The decrease in Trade Receivables is due to a lower return on investments and revenue invoiced for User Charges prior to year end.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13. RECEIVABLES (CONTINUED)

Ageing of Receivables	Days Past Due					
	Total \$	Not Overdue \$	1 - 30 Days \$	31 - 60 Days \$	61 - 90 Days \$	> 91 Days \$
30 June 2019						
Expected credit loss rate		0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	445,234	332,598	-	-	104,026	8,610
Expected credit losses	-	-	-	-	-	-
1 July 2018 (remeasurement)						
Expected credit loss rate		0%	0%	0%	0%	11%
Estimated total gross carrying amount at default	706,738	705,995	-	-	-	743
Expected credit losses	83	-	-	-	-	83

Receivables overdue for more than 90 days mainly relate to User Charges - Management Fees. These invoices are expected to be received during the first quarter of the 2019-20 financial year.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
13. RECEIVABLES (CONTINUED)		
Classification of ACT Government//Non-ACT Government Receivables		
Receivables with ACT Government Entities		
Trade Receivables	9,984	3,109
Total Receivables with ACT Government Entities	9,984	3,109
Receivables with Non-ACT Government Entities		
Net Trade Receivables	409,387	632,174
Accrued Revenue	25,863	71,455
Total Receivables with Non-ACT Government Entities	435,250	703,629
Total Receivables	445,234	706,738

14. INVESTMENTS

Short-term investments were held with a range of banks throughout the year for terms between 3 to 12 months. The weighted average interest rate returned on these investments was 2.70% in 2018-19 (2.61% in 2017-18).

Current Investments		
Term Deposits	5,100,000	6,000,000
Total Current Investments	5,100,000	6,000,000
Total Investments	5,100,000	6,000,000

The decrease in invested funds at 30 June 2019 is mainly attributable to funds being allocated towards the cost of the fitout of Level 9 of 221 London Circuit, Canberra instead of being invested in Term Deposits.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
15. PLANT AND EQUIPMENT		
Plant and equipment includes motor vehicles, computer equipment, furniture and fittings, office fit-out and a security system.		
Motor Vehicles (at Fair Value)	27,179	14,500
Less: Accumulated Depreciation	(3,250)	(1,201)
	<u>23,929</u>	<u>13,299</u>
Furniture and Fittings (at Fair Value)	21,950	27,650
Less: Accumulated Depreciation	(4,059)	(2,652)
	<u>17,891</u>	<u>24,998</u>
Computer Equipment (at Fair Value)	4,400	4,400
Less: Accumulated Depreciation	(2,400)	(1,200)
	<u>2,000</u>	<u>3,200</u>
Office Fit-out (at Fair Value)	1,639,155	1,321,140
Less: Accumulated Depreciation	(184,927)	(135,877)
	<u>1,454,228</u>	<u>1,185,263</u>
Security System (at Fair Value)	2,525	2,525
Less: Accumulated Depreciation	(659)	(374)
	<u>1,866</u>	<u>2,151</u>
Total Plant and Equipment	<u>1,499,914</u>	<u>1,228,911</u>

Valuation of Plant and Equipment

A qualified independent valuer, performed a valuation of the office fit-out, furniture and fittings, computer equipment, motor vehicles and security system at 30 June 2017.

As disclosed in Appendix B Note 20 *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 increase in the Office Fit-out relates to the fitout costs for the remainder of the premises at Level 9, 221 London Circuit, Canberra. The fair valuation of the office fit-out was based on its estimated depreciated replacement cost as the current operating lease of the office accommodation on part of the ground floor and part of level 9, 221 London Circuit has an expiry date of 6 March 2027.

The fair valuation of motor vehicles, furniture & fittings and computer equipment was based on the market approach that reflects recent transaction prices for similar plant and equipment.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Plant and Equipment - 2018-19

	Motor Vehicle	Furniture and Fittings	Computer Equipment	Office Fit-out	Security System	Total
	\$	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	13,299	24,998	3,200	1,185,263	2,151	1,228,911
Additions	12,680	-	-	820,653	-	833,333
Impairment Losses Recognised Directly in Other Comprehensive Income	-	(4,560)	-	(408,070)	-	(412,630)
Depreciation	(2,050)	(2,547)	(1,200)	(143,618)	(285)	(149,700)
Carrying Amount at the End of the Reporting Period	23,929	17,891	2,000	1,454,228	1,866	1,499,914

Reconciliation of Plant and Equipment - 2017-18

	Motor Vehicle	Furniture and Fittings	Computer Equipment	Office Fit-out	Security System	Total
	\$	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	14,500	27,650	4,400	1,321,140	250	1,367,940
Additions	-	-	-	-	2,275	2,275
Adjustment to Carrying Value	-	-	-	(39,501)	-	(39,501)
Revaluation Increment	-	-	-	39,501	-	39,501
Depreciation	(1,201)	(2,652)	(1,200)	(135,877)	(374)	(141,304)
Carrying Amount at the End of the Reporting Period	13,299	24,998	3,200	1,185,263	2,151	1,228,911

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. PLANT AND EQUIPMENT (CONTINUED)

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining 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.

Classification According to the Fair Value Hierarchy 2019

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Plant and Equipment at Fair Value				
Motor Vehicle	-	23,929	-	23,929
Furniture and Fittings	-	17,891	-	17,891
Computer Equipment	-	2,000	-	2,000
Office Fit-out	-	-	1,454,228	1,454,228
Security System	-	-	1,866	1,866
	-	43,820	1,456,094	1,499,914

Classification According to the Fair Value Hierarchy 2018

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Plant and Equipment at Fair Value				
Motor Vehicle	-	13,299	-	13,299
Furniture and Fittings	-	24,998	-	24,998
Computer Equipment	-	3,200	-	3,200
Office Fit-out	-	-	1,185,263	1,185,263
Security System	-	-	2,151	2,151
	-	41,497	1,187,414	1,228,911

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. PLANT AND EQUIPMENT (CONTINUED)

Valuation Techniques, Inputs and Processes

Level 3 Valuation Techniques and Significant Unobservable 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.

Significant Unobservable 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. There were no transfers in 2018-19 or 2017-18.

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

30 June 2019	Office Fit-out	Security System
	\$	\$
Fair Value at the Beginning of the Reporting Period	1,185,263	2,151
Additions	820,653	-
Impairment Losses Recognised Directly in Other Comprehensive Income	(408,070)	-
Depreciation	(143,618)	(285)
Fair Value at the End of the Reporting Period	1,454,228	1,866
30 June 2018	Office Fit-out	Security System
	\$	\$
Fair Value at the Beginning of the Reporting Period	1,321,140	250
Additions	-	2,275
Depreciation	(135,877)	(374)
Fair Value at the End of the Reporting Period	1,185,263	2,151

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
16. PAYABLES		
Current Payables		
Trade Payables	60,116	41,828
Accrued Expenses (a)	136,278	415,793
	<u>196,394</u>	<u>457,621</u>
Net Goods and Services Tax Payable	92,788	126,727
Total Current Payables	<u>289,182</u>	<u>584,348</u>
Payables are aged as follows:		
Not Overdue	286,785	584,046
Overdue for Less than 30 Days	-	-
Overdue for 30 to 60 Days	54	-
Overdue for More than 60 Days (b)	2,343	302
Total Current Payables	<u>289,182</u>	<u>584,348</u>
Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Trade Payables	1,758	939
Accrued Expenses	102,269	391,316
Total Payables with ACT Government Entities	<u>104,027</u>	<u>392,255</u>
Payables with Non-ACT Government Entities		
Trade Payables	58,358	40,889
Accrued Expenses	34,009	24,477
Net Goods and Services Tax Payable	92,788	126,727
Total Payables with Non-ACT Government Entities	<u>185,155</u>	<u>192,093</u>
Total Current Payables	<u>289,182</u>	<u>584,348</u>

(a) In 2017-18, a major component of accrued expenses was computer related costs. For 2018-19, these expense invoices were received and paid prior to year-end, thereby decreasing accrued expenses.

(b) Payables that are overdue for more than 60 days relate to an original credit note that was issued from a supplier in January 2019. The supplier then advised that the credit was to be refunded to the Public Trustee and Guardian and not credited against the value of invoices issued. The invoices were subsequently paid in July 2019.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
17. INTEREST-BEARING LIABILITIES		
Current Interest-Bearing Liabilities		
Other Borrowings	-	90,340
Total Current Interest-Bearing Liabilities	-	90,340
Total Interest-Bearing Liabilities	-	90,340

Public Trustee and Guardian received a loan of \$100,000 provided by Namazzi Pty Limited and Eudora (ACT) Pty Limited in March 2017. The loan assisted with the cost of the office fit-out at level 9 221 London Circuit, Canberra. The Public Trustee and Guardian repaid this loan in full on 30 July 2018.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
18. EMPLOYEE BENEFITS		
Current Employee Benefits		
Annual Leave	516,588	475,061
Long Service Leave (a)	1,286,515	976,739
Accrued Salaries (b)	59,779	130,301
Other Employee Benefits	51,490	45,199
Total Current Employee Benefits	1,914,372	1,627,300
Non-Current Employee Benefits		
Long Service Leave	132,464	148,749
Total Non-Current Employee Benefits	132,464	148,749
Total Employee Benefits	2,046,836	1,776,049

Estimated Amount Payable within 12 months		
Annual Leave	516,588	475,061
Long Service Leave	59,618	123,655
Accrued Salaries	59,779	130,301
Other Employee Benefits	51,490	45,199
Total Employee Benefits Payable within 12 months	687,475	774,216
Estimated Amount Payable after 12 months		
Long Service Leave	1,359,361	1,001,833
Total Employee Benefits Payable after 12 months	1,359,361	1,001,833
Total Employee Benefits	2,046,836	1,776,049

The Public Trustee and Guardian had 61.91 full time equivalent staff employed at 30 June 2019 (54.04 at 30 June 2018).

(a) Long Service leave accrues from the commencement of employment by a staff member. As the period of service increases, so do the benefits. Long service leave provision has increased due to a number of long term staff taking minimal long service leave as it falls due. There has also been an increase in the number of staff becoming eligible for Long Service Leave as well as an increase in the present value factor used for calculating leave from 100.9 percent in 2017-18 to 110.1 percent in 2018-19.

(b) In 2017-18, accrued salaries included an accrual for backpay under the Enterprise Agreement. There was no back pay accrued in the 2018-19 year.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
19. LEASE INCENTIVE LIABILITY		
Current Lease Incentive Liability		
Lease Incentive Liability	46,936	46,936
Total Current Lease Incentive Liability	46,936	46,936
Non-Current Lease Incentive Liability		
Lease Incentive Liability	313,663	360,599
Total Non-Current Lease Incentive Liability	313,663	360,599
Total Lease Incentive Liability	360,599	407,535
<p>The Public Trustee and Guardian entered into a lease on 6 March 2017 for part of the ground floor and level 9, 221 London Circuit, Canberra. The lease included a lease incentive of \$469,359 for the fit-out of level 9, 221 London Circuit, Canberra. The lease incentive is to be amortised over a 10 year period (i.e. to the end of the lease term). At 30 June 2019, the remaining term of the lease agreement is 8 years.</p>		
20. OTHER PROVISIONS		
Current Other Provisions		
Provision for Dividends	-	31,923
Total Current Other Provisions	-	31,923
Non-Current Other Provisions		
Provision for Make Good	136,111	132,662
Total Non-Current Other Provisions	136,111	132,662
Total Other Provisions	136,111	164,585
Provision for Dividends		
<p>The Public Trustee and Guardian will not be paying a dividend for the 2018-19 year as there is no surplus to distribute. The loss in the 2018-19 year is mainly attributed higher wage expenses (Refer Note 6 <i>Employee Expenses</i>).</p>		
Reconciliation of the Provision for Dividends		
Balance at the Beginning of the Reporting Period	31,923	281,200
Increase in Provision during the Reporting Period	-	31,923
Amount Paid during the Reporting Period	(31,923)	(281,200)
Provision for Dividends at the end of the Reporting Period	-	31,923

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

20. OTHER PROVISIONS (CONTINUED)

Provision for Make Good

On 6 March 2017, the Public Trustee and Guardian entered into a lease for part of the ground floor and level 9, 221 London Circuit, Canberra. There are clauses within the lease which require the Public Trustee and Guardian, upon cessation of the tenancy, to return the office space to the condition it was in before it was leased. The lease is for 10 years with a 5-year option to extend.

The provision for make good was valued at \$129,300 on 30 June 2017. The expected future outlay is estimated to be \$167,137 to meet the make good obligation. The present value using the 10 year Commonwealth Government bond rate as at 30 June 2017 (2.6%) is \$136,111.

	2019 \$	2018 \$
Reconciliation of Provision for Make Good		
Balance at the Beginning of the Reporting Period	132,662	129,300
Increase in Provision due to Unwinding of Discount	3,449	3,362
Balance at the End of the Reporting Period	136,111	132,662

21. 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	1,000,625	961,124
Increment in Plant and Equipment due to Revaluation to Fair Value	-	39,501
Decrease in Plant and Equipment due Impairment Loss of Office Fitout (Refer Note 15 Plant and Equipment)	(412,631)	-
Total (Decrease) / Increase in Asset Revaluation Surplus	(412,631)	39,501
Balance at the End of the Reporting Period	587,994	1,000,625

The Public Trustee and Guardian relocated offices from part of the ground floor at 221 London Circuit, Canberra to the ninth floor on the same premises whilst the ground floor was being renovated. As part of the relocation all existing fitout, furniture and fittings were considered impaired as they were unable to be sold, and relevant assets are no longer in use. Therefore, the disposal was offset against the Asset Revaluation Surplus.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. 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 (see Appendix B) *Significant Accounting Policies*.

(a) 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 made 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 payment is received prior to the service being completed.

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

Trade receivables are always measured at lifetime expected credit losses (the simplified approach).

(b) Liquidity Risk

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 exposure to liquidity risk and the management of this risk has not changed since the last reporting period.

The Public Trustee and Guardian's maximum exposure to liquidity risk relating to these financial liabilities is shown below in Note 22(d) *Maturity Analysis and Exposure to Interest Rates*.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair Value of Financial Assets and Liabilities

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

	Note No.	Carrying Amount 2019 \$	Fair Value 2019 \$	Carrying Amount 2018 \$	Fair Value 2018 \$
Financial Assets					
Cash and Cash Equivalents	12	791,564	791,564	987,439	987,439
Receivables	13	445,234	445,234	706,738	706,738
Investments	14	5,100,000	5,100,000	6,000,000	6,000,000
Total Financial Assets		6,336,798	6,336,798	7,694,177	7,694,177
Financial Liabilities					
Payables	16	196,394	196,394	457,621	457,621
Interest-Bearing Liabilities	17	-	-	90,340	90,340
Total Financial Liabilities		196,394	196,394	547,961	547,961

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. FINANCIAL INSTRUMENTS (CONTINUED)

(d) 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 2019. 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 2019	Note No.	Weighted Average Interest Rate	Fixed Interest Maturing In:					Total \$
				Floating Interest Rate \$	1 Year or Less \$	Over 1 Year to 5 Years \$	Over 5 Years \$	Non-Interest Bearing \$	
Financial Instruments									
Financial Assets									
Cash and Cash Equivalents	12		2.08%	790,864	-	-	-	700	791,564
Receivables	13			-	-	-	-	445,234	445,234
Investments	14		2.70%	-	5,100,000	-	-	-	5,100,000
Total Financial Assets				790,864	5,100,000	-	-	445,934	6,336,798
Financial Liabilities									
Payables	16			-	-	-	-	196,394	196,394
Total Financial Liabilities				-	-	-	-	196,394	196,394
Net Financial Assets				790,864	5,100,000	-	-	249,540	6,140,404

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. FINANCIAL INSTRUMENTS (CONTINUED)

(d) 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 2018. 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 2018	Note No.	Weighted Average Interest Rate	Fixed Interest Maturing In:					Non-Interest Bearing	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	12	2.61%	986,739	-	-	-	700	-	-	987,439
Receivables	13		-	-	-	-	706,738	-	-	706,738
Investments	14	2.61%	-	6,000,000	-	-	-	-	-	6,000,000
Total Financial Assets			986,739	6,000,000	-	-	707,438	-	-	7,694,177
Financial Liabilities										
Payables	16		-	-	-	-	457,621	-	-	457,621
Interest-Bearing Liabilities	17	7.00%	-	-	-	-	-	90,340	90,340	90,340
Total Financial Liabilities			-	-	-	-	457,621	90,340	90,340	547,961
Net Financial Assets / (Liabilities)			986,739	6,000,000	-	-	249,817	(90,340)	(90,340)	7,146,216

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. FINANCIAL INSTRUMENTS (CONTINUED)

(e) 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.

23. COMMITMENTS

The operating lease, with Namazzi Pty Limited and Eudora (ACT) Pty Limited, for part of the ground floor and level 9, 221 London Circuit, Canberra relates to the premises occupied by the Public Trustee and Guardian. The term of the lease is for a non-cancellable period of 10 years with an optional 5-year option. This lease commenced in March 2017 and the 10 year lease finishes in March 2027. There are 8 years remaining on the lease.

	2019	2018
	\$	\$
Non-Cancellable Operating Lease Commitments		
are Payable as follows:		
Not later than one year	507,427	490,270
Later than one year but not later than five years	2,227,262	2,151,955
Later than five years but not later than ten years	1,685,662	2,279,096
Total Operating Lease Commitments	4,420,351	4,921,321

All amount shown in the commitments note are inclusive of GST.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

24. 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.

	2019	2018
	\$	\$
Total Cash and Cash Equivalents Recorded in the Balance Sheet	791,564	987,439
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	791,564	987,439

(b) Reconciliation of the Operating Surplus to Net Cash Inflows from Operating Activities

Operating (Deficit) / Surplus	(483,856)	63,845
Add / (Less) Non-Cash Items		
Depreciation	149,700	141,304
Adjustment to Motor Vehicle Cost Base	3,684	-
Borrowing costs	3,449	3,362
Adjustment to Interest on Office Fitout 2016-17	-	2,314
Amortisation of lease incentive	(46,936)	(46,936)
Cash Before Changes in Operating Assets and Liabilities	(373,959)	163,889
Changes in Operating Assets and Liabilities		
Decrease / (Increase) in Receivables	261,504	(231,259)
Decrease in Prepayments	240	289
(Decrease) / Increase in Payables	(306,857)	41,116
Increase in Employee Benefits	270,787	101,807
Net Changes in Operating Assets and Liabilities	225,674	(88,047)
Net Cash (Outflows) / Inflows from Operating Activities	(148,285)	75,842

PUBLIC TRUSTEE AND GUARDIAN**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019****25. RELATED PARTY DISCLOSURES**

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP or/and their close family members individually or jointly have controlling interests.

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

KMP of the Public Trustee and Guardian are the Attorney-General, Director-General of the Justice and Community Safety Directorate and certain members of the Senior Management Team. The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of Public Trustee and Guardian.

This note does not include typical citizen transactions between the KMP and Public Trustee and Guardian that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITY

Public Trustee and Guardian is an ACT Government controlled entity. The consolidated Territory Government reporting entity is the parent of Public Trustee and Guardian.

(B) KEY MANAGEMENT PERSONNEL**B.1 Compensation of Key Management Personnel**

Compensation details for all Cabinet Ministers, including the Attorney-General, is disclosed in the note on related party disclosures, included in the ACT Executive's financial statements for the financial year ended 30 June 2019.

Compensation of the Head of Service is included in the note on related party disclosures, included in the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) financial statements for the financial year ended 30 June 2019.

The Director General of Justice and Community Safety Directorate is compensated by the Justice and Community Safety Directorate.

Three of the KMP are employees of the Public Trustee and Guardian and are compensated by the Public Trustee and Guardian.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

25. RELATED PARTY DISCLOSURES (CONTINUED)

(B) KEY MANAGEMENT PERSONNEL (CONTINUED)

B.1 Compensation of Key Management Personnel (continued)

Total Compensation for the Public Trustee and Guardian and others assessed to be KMP of the Public Trustee and Guardian paid by the Public Trustee and Guardian are set out below.

	2019	2018
	\$	\$
Short-term employee benefits	535,188	500,583
Post employment benefits	67,723	75,562
Other long-term benefits	12,691	11,909
Total Compensation by Public Trustee and Guardian to KMP	615,602	588,054

B.2 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no transactions with KMP that were material to the financial statements of the Public Trustee and Guardian.

B.3 TRANSACTIONS WITH PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statements of the Public Trustee and Guardian.

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

All transactions with other ACT Government controlled entities are disclosed in the relevant notes of the financial statements of the Public Trustee and Guardian.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

26. BUDGETARY REPORTING

Significant judgements have been applied in determining what variances are considered as 'major variances'. Variances are considered to be major variances if both of the following criteria are met:

- (i) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (ii) 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 2018-19	Original Budget* 2018-19	Variance	Variance	Variance Explanation
	\$	\$	\$	%	
Employee Expenses	5,794,881	5,062,000	732,881	14%	The higher than anticipated value of Employee Expenses is due to a higher number of staff employed during the year to cover for increasing workloads due to an increase in the number of clients serviced and complexity of work as well as to cover for staff on annual and long service leave. Actual full-time equivalent staff for the year was 61.91 compared to a budgeted figure of 55.2.
(Decrease) in Asset Revaluation Surplus	(412,631)	-	(412,631)	100%	The Public Trustee and Guardian relocated offices from part of the ground floor at 221 London Circuit, Canberra to the ninth floor on the same premises whilst the ground floor was being renovated. As part of the relocation all existing fitout, furniture and fittings were considered impaired as they were unable to be sold, and relevant assets are no longer in use. Therefore, the disposal was offset against the Asset Revaluation Surplus.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2018-19 Budget Papers). 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 2019

26. BUDGETARY REPORTING (CONTINUED)

Balance Sheet Line Items	Actual 2018-19	Original Budget* 2018-19	Variance	Variance	Variance Explanation
	\$	\$	\$	%	
Cash and Cash Equivalents	791,564	654,000	137,564	21%	The higher than anticipated value of Cash and Cash Equivalents is due to more than expected receipt of debtor funds before year end due to better management of receivables.
Investments	5,100,000	6,684,000	(1,584,000)	(24%)	The lower than anticipated value of Investments was mainly due to funds allocated towards the costs associated with the fitout of the premises at Level 9, 221 London Circuit, Canberra. This was not anticipated in the budget.
Plant and Equipment	1,499,914	1,016,000	483,914	48%	The higher than anticipated value of Plant and Equipment is related to the renovations and fitout costs for Level 9, 221 London Circuit, Canberra. These costs were not anticipated in the budget.
Payables	289,182	560,000	(270,818)	(48%)	The lower than anticipated value of Payables is because the budget figures were based on the June 2018 payables which included twelve months of accrued IT expenses. These expenses were not required to be accrued at 30 June 2019.
Current Employee Benefits	1,914,372	1,517,000	397,372	26%	The higher than anticipated value of Current Employee Benefits relates to an increase in staffing numbers and an increase in the number of staff choosing not to take their leave when it becomes due.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2018-19 Budget Papers). 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 2019

26. BUDGETARY REPORTING (CONTINUED)

Balance Sheet Line Items	Actual 2018-19	Original Budget* 2018-19	Variance	Variance	Variance Explanation
	\$	\$	\$	%	
Non-current Employee Benefits	132,464	213,000	(80,536)	(38%)	The lower than anticipated value of Non-current Employee Benefits is due to Long Service Leave being reclassified as Current Employee Benefits when staff have been employed for more than six years.
Non-Current Lease Incentive Liability	313,663	396,000	(82,337)	(21%)	The lower than anticipated Non-current Lease Incentive Liability relates to the amortisation of the lease incentive received from Namazzi Pty Limited and Eudora (ACT) Pty Limited for the lease for part of level 9 of 221 London Circuit, Canberra and was to cover part of the fitout costs. It is recognised as a liability and will be amortised over the term of the lease.
Statement of Changes in Equity Line Items These line items are disclosed in other financial statements.					
Cash Flow Statement Line Items					
Supplies and Services	2,121,612	1,802,000	319,612	18%	The higher than anticipated value of Supplies and Services is due to the payment of computer related expense invoices prior to year end. These invoices had been accrued in the prior years. These payments were not anticipated in the budget.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2018-19 Budget Papers). 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 2019

26. BUDGETARY REPORTING (CONTINUED)

Cash Flow Statement Line Items	Actual 2018-19 \$	Original Budget** 2018-19 \$	Variance \$	Variance %	Variance Explanation
Sale of Investments	4,500,000	300,000	4,200,000	1400%	Proceeds from the sale of Investments primarily relates to the maturity of Term Deposits. The increase in the Proceeds from the Maturity of Investments is due to the movement of funds between banking institutions to achieve the best return possible. Funds were also redeemed to cover the cost of the fitout for part of the ground floor and level 9, 221 London Circuit Canberra. This movement was not anticipated in the budget.
Payments for Plant and Equipment	825,327	-	825,327	100%	Relates to the fitout costs for the premises at Level 9, 221 London Circuit, Canberra. These costs were not anticipated in the budget.
Purchase of Investments	3,600,000	579,000	3,021,000	522%	Purchase of Investments primarily relates to the investment in Term Deposits. PTG obtains the best interest rates by investing in term deposits with banking institutions for varying periods, depending on rates of return. This was not anticipated in the budget.
Payment of Dividends	31,923	1,000	30,923	3092%	Per Treasury advice, dividends paid each year are required to be 50% of the operating surplus for the period. The surplus for the 2018 financial year was higher than budgeted for. This resulted in a higher dividend being paid out than initially expected.
Repayment of Borrowings	90,340	-	90,340	100%	The higher than anticipated Repayment of Borrowings is due to the full repayment of the loan received from Namazzi Pty Ltd for the office fitout for the ground floor and level 9 at 221 London Circuit, Canberra which was not budgeted for.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2018-19 Budget Papers). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

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 year and its financial position at the end of the reporting period.

These general purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

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

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to historical cost convention, except for plant and equipment which is valued at fair value in accordance with the valuation policies applicable to the Public Trustee and Guardian during the year.

CURRENCY

These financial statements are presented in Australian dollars.

INDIVIDUAL REPORTING ENTITY

The Public Trustee and Guardian is an individual reporting entity.

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 2019 and the financial position of the Public Trustee and Guardian as at 30 June 2019.

COMPARATIVE FIGURES

BUDGET FIGURES

To facilitate a comparison with the Budget Papers, as required by the FMA, budget numbers for 2018-19 have been presented in the financial statements. Budget numbers in the financial statement are the original budget numbers that appear in the Budget Papers.

PUBLIC TRUSTEE AND GUARDIAN**APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019****COMPARATIVE FIGURES (CONTINUED)****PRIOR YEAR COMPARITIVES**

Comparative information has been disclosed in respect of the previous period for 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.

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.

GOING CONCERN

The 2018-19 financial statements have been prepared on a going concern basis as the ongoing functions, activities and funding of the Public Trustee and Guardian are set out in the 2018-19 Budget Papers.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES - INCOME

REVENUE RECOGNITION

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. In addition, the specific recognition criteria in Notes 4 and 5 must also be met before revenue is recognised.

NOTE 4 – CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments are recognised as revenue when the Public Trustee and Guardian gains control over the funding. Control over appropriated funds is obtained upon receipt of cash.

NOTE 5 – USER CHARGES

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

SIGNIFICANT ACCOUNTING POLICIES - EXPENSES

NOTE 6 – EMPLOYEE EXPENSES

Employee benefits include:

- Short-term employee benefits, such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months (see Appendix B - Note 18 *Employee Benefits* if lower than 12 months) after the end of the annual reporting period in which the employees render the related services;
- 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.

(See Appendix B – Note 18 *Employee Benefits* for accrued wages and salaries and annual and long service leave).

NOTE 7 – SUPERANNUATION EXPENSES

Employees of the Public Trustee and Guardian will have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) Public Trustee and Guardian makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. The Public Trustee and Guardian also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

PUBLIC TRUSTEE AND GUARDIAN

**APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES (CONTINUED)**NOTE 7 – SUPERANNUATION EXPENSES (CONTINUED)**

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice) Public Trustee and Guardian makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

SUPERANNUATION LIABILITY RECOGNITION

For the Public Trustee and Guardian employees who are members of the defined benefit CSS or PSS the employer superannuation liabilities for superannuation benefits payable upon retirement are recognised in the financial statements of the Superannuation Provision Account.

NOTE 8 – SUPPLIES AND SERVICES**REPAIRS AND MAINTENANCE**

Maintenance expenses, which do not increase the service potential of an asset, are expensed.

OPERATING LEASES

Operating lease payments are recorded as Rental and Property Expenses in the Operating Statement on a straight-line basis over the term of the lease. The operating lease relates to the lease with Namazzi Pty Limited and Eudora (ACT) Pty Limited for part of the ground floor and level 9 of 221 London Circuit, Canberra. The lease had commenced in March 2017 for a period of 10 years with a 5 year option to extend.

NOTE 10 – WAIVERS AND WRITE-OFFS

Debts waived are expensed during the year in which the right to payment was waived. Debt write-offs are expensed during the year in which debt is written-off due to amounts that are unable to be recovered from clients. Further details are disclosed at Note 10 *Waivers and Write-offs*.

DEPRECIATION OF NON-CURRENT ASSETS

Depreciation is applied to physical assets such as plant and equipment. 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	5-10
Computer Equipment	Straight line	5
Office Fit-out	Straight line	5-10
Security System	Straight line	5
Motor Vehicle	Straight line	8

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

ASSETS – CURRENT AND NON-CURRENT

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – FAIR VALUE OF ASSETS

The Public Trustee and Guardian has made a significant estimate regarding the value of its assets. Office fit-out, furniture and fittings, computer equipment, security system and the motor vehicle have been recorded at fair value as determined by an independent valuer. See Note 15 *Plant and Equipment* for further information. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

NOTE 12 – 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 of cash and are subject to an insignificant risk on changes in value.

NOTE 13 - RECEIVABLES

ACCOUNTS RECEIVABLES

Accounts receivable are measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement (see Appendix B – Note 10 Waivers and Write-Offs).

IMPAIRMENT LOSS - RECEIVABLES

The allowance for expected credit losses represents the amount of receivables the Public Trustee and Guardian estimates will not be repaid. The allowance for impairment losses based on objective evidence and a review of overdue balances. The Public Trustee and Guardian measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions (AASB 9.5.5.17).

For trade receivables Public Trustee and Guardian applied the simplified approach under AASB 9, which uses a lifetime expected loss for all trade receivables.

A provision matrix is used to calculate the expected credit loss.

Where Public Trustee and Guardian has no reasonable expectation of recovering an amount owed by a debtor and ceases action to collect the debt, as the cost to recover the debt is more than the debt is worth, the debt is written-off by directly reducing the receivable against the credit loss allowance.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

SIGNIFICANT ACCOUNTING POLICIES – ASSETS (CONTINUED)

NOTE 14 – INVESTMENTS

Investments are held with the various Banking Institutions for a fixed period varying between three to twelve months. Any interest income is recognised in the Operating Statement as it accrues.

NOTE 15 – PLANT AND EQUIPMENT

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 are capitalised.

MEASUREMENT OF PLANT AND EQUIPMENT AFTER INITIAL RECOGNITION

Plant and equipment is subsequently 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.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – 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 on valuations provided by Australian Valuation Solutions Pty Limited as at 30 June 2017. The useful lives are assessed on an annual basis and any adjustments are made when necessary.

Further information concerning useful lives can be found in Appendix B – *Depreciation of Non-current Assets*.

Impairment of Assets

The Public Trustee and Guardian assesses, at each reporting date, 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. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES

LIABILITIES – CURRENT AND NON-CURRENT

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. Liabilities which do not fall within the current classification are classified as non-current.

NOTE 16 – 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 and Accrued Expenses.

NOTE 17 – INTEREST-BEARING LIABILITIES

Interest bearing liabilities are a financial liability and are measured at the fair value of the consideration received when initially recognised and at amortised cost subsequent to initial recognition, with any adjustments to the carrying amount being recorded in the Operating Statement. The associated interest expense is recognised in the reporting period in which it occurs.

NOTE 18 – EMPLOYEE BENEFITS

Employee benefits are listed in Appendix B – Note 6 *Employee Expenses*.

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 bonds 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. In 2018-19 the rate used to estimate the present value of future:

- Annual leave payments is 101.6% at 30 June 2019 (99.7% in 2017-18).
- Long service leave is 110.1% at 30 June 2019 (100.9% in 2017-2018).

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.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES (CONTINUED)

NOTE 18 – EMPLOYEE BENEFITS (CONTINUED)

ANNUAL AND LONG SERVICE LEAVE (CONTINUED)

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.

SIGNIFICANT JUDGEMENTS AND ESTIMATES – 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 April 2019. The assessment by an actuary is performed every 3 years. However it may be performed more frequently if there is a significant conceptual change in the parameter underlying the 2019 report. The next actuarial review is expected to be undertaken by early 2022.

NOTE 19 – LEASE INCENTIVE LIABILITY

The Public Trustee and Guardian has an agreement to lease the part of the ground floor and level 9 of 221 London Circuit, Canberra, from 6 March 2017. A lease incentive was provided by the landlord when the Public Trustee and Guardian entered into this lease. The lease incentive will be amortised over the term of the lease (10 years).

NOTE 20 – OTHER PROVISIONS

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 a qualified independent valuer at 30 June 2017.

PUBLIC TRUSTEE AND GUARDIAN**APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019****NOTE 20 – OTHER PROVISIONS (CONTINUED)****SIGNIFICANT JUDGEMENTS AND ESTIMATES – PROVISION FOR MAKE GOOD**

Provision for Make Good is 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 including location, area, density and quality of the fit-out.

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES**NOTE 22 – FINANCIAL INSTRUMENTS**

Financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

Financial liabilities are measured at amortised cost.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 15 *Revenue from Contracts with Customers* (application date 1 January 2018 for for-profit entities, 1 January 2019 for not-for-profit entities);

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. Some revenue may need to be deferred to a future reporting period if the Public Trustee and Guardian has received cash and has not met its associated performance obligations (this would create a liability until the performance obligations are met).

Public Trustee and Guardian will make a 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. This will result in Public Trustee and Guardian recognising a number of its operating leases as assets alongside the associated liability, rather than accounting for these as operating lease expenditure. The right-of-use asset will initially be recognised at cost and will give rise to a depreciation expense. The lease liability will initially be recognised as the present value of the lease payments during the term of the lease. Lease payments made will reduce this liability over time and also result in an interest expense.

ACT Property Group as the Territory's property manager enters into all leasing contracts on behalf of the Territory. The leasing arrangements are complex and require an accounting policy decision on whether or not individual lessee agencies recognise the right-of-use asset. Treasury is in the process of assessing the leasing arrangements against the criteria in the standard and developing a whole-of-government policy on this issue. Given the Treasury policy on this matter is pending, Public Trustee and Guardian is not able to currently estimate the impact of AASB 16 with its accommodation leases, on its future financial statements.

The Public Trustee and Guardian has assessed that the value of the operating lease commitments, if an assessment is not provided by ACT Property Group, to be \$3,912,924 for periods greater than 12 months.

At this stage Public Trustee and Guardian has assessed that only its motor vehicles will fall within the scope of AASB 16. The Public Trustee and Guardian currently has only one motor vehicle lease agreement. It is estimated the impact of these changes is \$15,589 being the present value of the expected lease payments for the remaining 2.5 years on this lease.

The Public Trustee and Guardian considers the impact of the changes to AASB 16 to be immaterial pending the review of accommodation leases.

PUBLIC TRUSTEE AND GUARDIAN**APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED
BUT YET TO BE APPLIED
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019****ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED (CONTINUED)**

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material [AASB 2, 101, 108, 110, 134, 137, the Framework, and AASB Practice Statement 2] (application date 1 January 2020).

PUBLIC TRUSTEE AND GUARDIAN

**APPENDIX D – CHANGE IN ACCOUNTING POLICY
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

CHANGE IN ACCOUNTING POLICY

Information provided below explains the impact of the adoption of AASB 9 on Public Trustee and Guardian's financial statements.

Initial Application of Australian Accounting Standard - AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment and hedge accounting.

Public Trustee and Guardian applied AASB 9 prospectively with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies. In accordance with AASB 9.7.2.15, Public Trustee and Guardian has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption (if any) have been recognised in the opening Accumulated Funds.

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	At 1 July 2018 (\$000)
Assets	
Trade Receivables	-
Total Assets	-
Total Adjustments on Equity	
Accumulated Funds	-

The nature of these adjustments are described below:

1. Classification and Measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: Public Trustee and Guardian's business model for managing the assets; and whether the asset's contractual cash flows represent 'solely payments of principal and interest' on the principal outstanding.

The assessment of Public Trustee and Guardian's business model was made at the date of initial application, on 1 July 2018. The assessment of whether contractual cash flows on financial assets are comprised solely of principal and interest was made based on the facts and circumstances at the initial recognition of the assets.

PUBLIC TRUSTEE AND GUARDIAN

**APPENDIX D – CHANGE IN ACCOUNTING POLICY
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

CHANGE IN ACCOUNTING POLICY (CONTINUED)**1. Classification and Measurement (Continued)**

The classification and measurement requirements of AASB 9 did not have a significant impact on Public Trustee and Guardian. The following are the classification of Public Trustee and Guardian's financial assets under AASB 9:

Items	Business Model Held to collect principal and interest/sell	Solely for payment of Principal and Interest SPPI Test (basic lending characteristics)	Classification
Cash and Cash Equivalents	Held to collect	Yes	Amortised cost
Trade Receivables	Held to collect	Yes	Amortised cost
Accrued Revenue	Held to collect	Yes	Amortised cost
Investments	Held to collect /& sell	No	FVTPL

In summary, upon the adoption of AASB 9, the Public Trustee and Guardian had the following required (or elected) reclassifications as at 1 July 2018:

	AASB 139	AASB 9		
	Amortised cost	Amortised cost	Fair Value through OCI	Fair Value through P&L
	(\$000)	(\$000)	(\$000)	(\$000)
Receivables				
Trade receivables*	759	759	-	-
	759	759	-	-

*There is no change in carrying amount after a reassessment of the impairment allowance. See the discussion on impairment below.

2. Impairment

The adoption of AASB 9 has changed the Public Trustee and Guardian's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss model with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Public Trustee and Guardian to recognise an allowance for ECLs for all financial assets other than those held at fair value through Profit and Loss.

Upon adoption of AASB 9, the Public Trustee and Guardian did not recognise an additional impairment on Trade Receivables as credit losses are not expected to be incurred evidenced by prior years.



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



INDEPENDENT AUDITOR'S REPORT

To the Public Trustee and Guardian

Opinion

I have audited the special purpose financial statements of the Public Trustee and Guardian Trust Account (the Trust Account) for the year ended 30 June 2019 which comprise the operating statement for the Common Fund Interest Account and Guarantee and Reserve Account, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

In my opinion, the financial statements:

- (i) present fairly the Trust Account's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended; and
- (ii) is presented in accordance with the basis of preparation described in Note 2 - Appendix A of the financial statements.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Trust Account in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

Without modifying the audit opinion, I draw attention to Note 2 – Appendix A of the financial statements which describes the purpose of the financial statements and the basis of accounting used to prepare the financial statements.

The Public Trustee and Guardian has determined that the basis of preparation is appropriate to meet its financial reporting requirements. As a result, these financial statements may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of the Trust Account for the financial statements

The Public Trustee and Guardian is responsible for:

- preparing and fairly presenting the financial statements in accordance with relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of financial statements so that they are free from material misstatements, whether due to error or fraud; and

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- assessing the ability of the Trust Account to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

I am responsible for issuing an auditor's report that includes an independent opinion on the financial statements of the Trust Account.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Trust Account's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust Account;
- conclude on the appropriateness of the Trust Account's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Account's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Trust Account to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Public Trustee and Guardian regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Sharma
Assistant Auditor-General, Financial Audit
19 September 2019

**PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

DECLARATION BY THE 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 15, present the Trust's financial position at 30 June 2019 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.

Public Trustee and Guardian



Andrew Taylor

Dated this 18TH September 2019

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT
OPERATING STATEMENT - COMMON FUND ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2019

	Note No.	2019 \$	2018 \$
Income			
Dividends		2,943,149	5,130,829
Interest		2,686,489	2,793,065
Management Fee Rebate		202,842	131,034
Net Gain on Investments	3	5,393,159	748,839
Total Income		11,225,639	8,803,767
Expenses			
Interest Distributed to Estates and Trusts		1,592,075	1,674,907
Dividend Distributed to Estates and Trusts		2,083,196	4,319,590
Net Gain Distributed to Estates and Trusts	3	5,393,159	748,839
Bank Fees		25	(26)
Management Fees		2,090,928	2,082,079
Total Expenses		11,159,383	8,825,389
Operating Surplus / (Deficit)		66,256	(21,622)

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 2019

	Note No.	2019 \$	2018 \$
Income			
Interest		44,475	50,573
Total Income		<u>44,475</u>	<u>50,573</u>
Expenses			
Consultancy Fees		-	5,228
Depreciation		15,000	15,000
Commission		2,856	2,083
Management Fees		19,269	21,364
Information Technology Costs	4	222,102	228,804
Other Expenses		2,090	60
Total Expenses		<u>261,317</u>	<u>272,539</u>
Operating (Deficit)		<u>(216,842)</u>	<u>(221,966)</u>
Other Comprehensive Income			
Increase in Asset Revaluation Surplus		65,000	-
Total Other Comprehensive Income		<u>65,000</u>	<u>-</u>
Total Comprehensive (Deficit)		<u>(151,842)</u>	<u>(221,966)</u>

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 2019

	Note No.	2019 \$	2018 \$
Assets			
Current Assets			
Cash and Cash Equivalents	5	1,314,445	618,300
Receivables	6	2,502,911	3,754,534
Investments	7	100,210,000	97,010,000
Unrealised Assets	8	189,652,775	155,345,887
Prepayments		7,952	2,037
Total Current Assets		293,688,083	256,730,759
Non-Current Assets			
Investments	7	109,885,554	97,753,835
Property	9	320,000	270,000
Prepayments		408	-
Total Non-Current Assets		110,205,962	98,023,835
Total Assets		403,894,045	354,754,594
Liabilities			
Current Liabilities			
Trust Liabilities	10	10,395,948	6,740,541
Other Liabilities	11	26,280	26,602
Total Current Liabilities		10,422,228	6,767,143
Non-Current Liabilities			
Estates and Trusts Under Administration	12	391,319,516	345,749,564
Total Non-Current Liabilities		391,319,516	345,749,564
Total Liabilities		401,741,744	352,516,707
Net Assets		2,152,301	2,237,887
Equity			
Common Fund Account		53,898	(12,358)
Guarantee and Reserve Account		1,662,375	1,879,217
Asset Revaluation Surplus		436,028	371,028
Total Equity		2,152,301	2,237,887

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 2019

	Asset Revaluation Surplus 2019	Common Fund Account 2019	Guarantee and Reserve Account 2019	Total 2019
YEAR ENDED 30 JUNE 2019	\$	\$	\$	\$
Balance at the Beginning of the Reporting Period	371,028	(12,358)	1,879,217	2,237,887
Comprehensive Income				
Common Fund Account - Operating Surplus	-	66,256	-	66,256
Guarantee and Reserve Account - Operating (Deficit)	-	-	(216,842)	(216,842)
Increase in Asset Revaluation Surplus	65,000	-	-	65,000
Total Comprehensive Income /(Deficit)	65,000	66,256	(216,842)	(85,586)
Balance at the End of the Reporting Period	436,028	53,898	1,662,375	2,152,301

	Asset Revaluation Surplus 2018	Common Fund Interest Account 2018	Guarantee and Reserve Account 2018	Total 2018
YEAR ENDED 30 JUNE 2018	\$	\$	\$	\$
Balance at the Beginning of the Reporting Period	371,028	9,264	2,101,183	2,481,475
Comprehensive Income				
Common Fund Account - Operating (Deficit)	-	(21,622)	-	(21,622)
Guarantee and Reserve Account - Operating (Deficit)	-	-	(221,966)	(221,966)
Total Comprehensive (Deficit)	-	(21,622)	(221,966)	(243,588)
Balance at the End of the Reporting Period	371,028	(12,358)	1,879,217	2,237,887

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 2019

	Note No.	2019 \$	2018 \$
Cash Flows from Operating Activities			
Receipts			
Interest		3,070,751	2,063,543
Dividends		3,880,916	5,749,675
Management Fee Rebate		2,383	-
Total Receipts from Operating Activities		6,954,050	7,813,218
Payments			
Management and Other Fees		2,317,458	2,303,650
Total Payments from Operating Activities		2,317,458	2,303,650
Net Cash Inflows from Operating Activities	14(b)	4,636,592	5,509,568
Cash Flows from Investing Activities			
Receipts			
Proceeds from the Sale / Maturity of Investments		67,542,740	155,810,000
Return of Capital		390	-
Total Receipts from Investing Activities		67,543,130	155,810,000
Payments			
Purchase of Investments		77,296,000	261,126,088
Total Payments from Investing Activities		77,296,000	261,126,088
Net Cash (Outflows) from Investing Activities		(9,752,870)	(105,316,088)
Cash Flows from Financing Activities			
Receipts			
Receipts from Trusts and Estates		79,082,286	93,626,535
Total Receipts from Financing Activities		79,082,286	93,626,535
Payments			
Payments to Trusts and Estates		73,269,863	97,971,298
Total Payments from Financing Activities		73,269,863	97,971,298
Net Cash Inflows / (Outflows) from Financing Activities		5,812,423	(4,344,763)
Net Increase / (Decrease) in Cash and Cash Equivalents		696,145	(104,151,283)
Cash and Cash Equivalents at Beginning of the Reporting Period		618,300	104,769,583
Cash and Cash Equivalents at End of the Reporting Period	14(a)	1,314,445	618,300

The above Cash Flow Statement 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 2019

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 under Enduring Powers of Attorney and as Guardian and Manager under order of the ACT Civil and Administrative Tribunal. These financial statements show the value of trust, attorney and management funds under administration at 30 June 2019 and the results of these operations for the year ended 30 June 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

	2019 \$	2018 \$
3. GAIN ON INVESTMENTS		
Realised Gain on Investments (a)	206,179	144,509
Unrealised Gain on Investments (b)	5,186,980	604,330
Total Gain on Investments	5,393,159	748,839
Realised Gain Distributed to Estates and Trusts (a)	206,179	144,509
Unrealised Gain Attributable to Estates and Trusts (b)	5,186,980	604,330
Total Gain Distributed to Estates and Trusts	5,393,159	748,839

(a) A review of Public Trustee and Guardian's Investment Strategy was conducted by PwC Australia in May 2017. In 2017-18, recommendations from the review were implemented and Public Trustee and Guardian restructured its investment strategy in accordance with the recommendations and advice of the Investment Board. As a result, during the 2017-18 financial year, 80% of the holdings in the original Common Funds were sold. This resulted in a gain being realised. This gain was then distributed to client's Estates and Trusts for reinvestment. In August 2018 the balance of funds (20%) were transferred to the new investment strategy. This resulted in a gain being received this year.

(b) Unrealised gains on Common Funds increased in the current financial year due to an increased capital return on investments (6%) than the prior period (1%), resulting in higher unrealised gains being recognised.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
4. INFORMATION TECHNOLOGY COSTS		
Information Technology Costs	222,102	228,804
Total Information Technology Costs	222,102	228,804

The Public Trustee and Guardian continues to undergo a 'Business Transformation Project' to improve how the organisation operates, the infrastructure, organisational culture and services delivered. The expenses for this project include upgrades of a number of software applications in addition to employment costs of a full-time Project Manager to oversee this transition.

This is an allowable application of the common fund Guarantee and Reserve account under S.61(5) (c) of the *Public Trustee and Guardian Act 1985*, any expenses not allowable under the act have been expensed in the Public Trustee and Guardian Office Account Financial Statements.

5. CASH AND CASH EQUIVALENTS

Cash at Bank - Common Fund	12,282	95,297
Cash at Bank - Guarantee and Reserve (a)	364,163	151,843
At call deposits (b)	938,000	371,160
Total Cash and Cash Equivalents	1,314,445	618,300

(a) Funds were withdrawn from "Investments - Guarantee and Reserve" and placed in Cash at Bank to cover the ongoing costs in relation to the Business Transformation Project (refer to Note 4 Information Technology Costs).

(b) The increase in cash and cash equivalents resulted from an increase in funds received from clients at year end that were placed into the call account until funds were able to be invested in "Investments - Common Fund".

6. RECEIVABLES**Current**

Interest Receivable (a)	1,060,959	1,400,746
Dividend Receivable (b)	1,317,725	2,255,492
Management Fee Rebates Receivable	53,677	37,255
Gifts Receivable	25,100	12,700
Reduced Input Tax Credits	45,450	48,341
Total Receivables	2,502,911	3,754,534

(a) Interest Receivable represents interest on invested funds not yet received. A decrease in interest receivable is due to a decrease in the interest rates on offer by financial institutions as a result of a declining market.

(b) Dividend Receivable has decreased due to a lower rate of return for the quarter ending 30 June 2019 compared to the same quarter in the 2017-18 financial year.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
7. INVESTMENTS		
Current Investments		
Investments - Common Fund	98,800,000	95,200,000
Investments - Guarantee and Reserve	1,410,000	1,810,000
Total Current Investments (a)	100,210,000	97,010,000
Non-Current Investments		
Australian Equities Common Fund	-	5,466,759
Australian Fixed Interest Common Fund	-	5,129,480
Australian Listed Property Common Fund		523,392
Conservative Common Fund	13,452,281	10,778,836
Balanced Common Fund	35,211,261	25,012,875
Growth Common Fund	61,222,012	48,018,190
International Equities Common Fund	-	2,824,303
Total Non-Current Investments (b)	109,885,554	97,753,835
Total Investments	210,095,554	194,763,835

S.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.

(a) Current Investments are placed in term deposits and have increased due to an increase in the amount of client funds under management.

(b) Public Trustee and Guardian's current investment strategy consists of three new Common Funds: Balanced, Growth and Conservative. The increase in the overall value of Non-Current Investments is due to an increase in fair value with an increase in invested funds.

The Conservative Common Fund is a diversified investment portfolio with investments in ten asset class portfolios, 35% of the funds invested in this portfolio are in growth markets with the remaining 65% in defensive. The Conservative Fund has been designed for clients that are expected to be with Public Trustee and Guardian for a minimum of 3 years upto 6 years, this can vary depending on the individual clients needs. The Conservative Common Fund is expected to have a negative return of no more than 1 in every 5 years.

The Balanced Common Fund is a diversified investment portfolio with investments in nine asset class portfolios, 50% of the funds invested in this portfolio are in growth markets with the remaining 50% in defensive. The Balanced Fund has been designed for clients that are expected to be with Public Trustee and Guardian for a minimum of 6 years and upto 10 years, this can vary depending on the individual clients needs. The Balanced Common Fund is expected to have a negative return of no more than 1 in every 4 years.

The Growth Common Fund is a diversified investment portfolio with investments in nine asset class portfolios, 75% of the funds invested in this portfolio are in growth markets with the remaining 25% in defensive. The Growth Fund has been designed for clients that are expected to be with Public Trustee and Guardian for a at least 10 years. The Growth Common Fund is expected to have a negative return of no more than 1 in every 3 years.

All the common funds are subject to risk depending on the level of investment in the different markets, major components of risk for these investments are Market Risk, Specific Risk and Volatility Risk.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
8. UNREALISED ASSETS		
Properties at Cost:		
Real Estate	85,019,760	64,452,299
Total Properties at Cost	85,019,760	64,452,299
Unit Based Assets - at Fair Value:		
Shares	8,120,733	9,019,342
Superannuation Policies	624,133	400,990
Property and Unit Trusts	755,218	448,812
Total Unit Based Assets - at Fair Value	9,500,084	9,869,144
Other Assets - at Cost:		
Nursing Home/Retirement Village Bonds	15,403,730	11,992,121
Superannuation Policies	66,963,201	62,568,260
Prepaid Funerals	127,660	138,714
Managed Funds	3,415,424	1,493,618
Investments	8,781,044	4,424,897
Personal Effects	441,872	406,834
Total Other Assets - at Cost	95,132,931	81,024,444
Total Unrealised Assets	189,652,775	155,345,887

The increase in unrealised assets is primarily the result of a change in policy regarding the recording of client real estate. Previously client assets were not recorded as an asset when this was their principle residence. PTG has subsequently reviewed this policy and determined that PTG has control of the real estate and therefore should recognise as assets held for clients. There was also an increase in the value and number of Confiscated Asset clients holding Real Estate.

9. PROPERTY

Leasehold Building at Market Value	365,000	300,000
Less: Accumulated Depreciation	(45,000)	(30,000)
	<u>320,000</u>	<u>270,000</u>
Total Property	320,000	270,000

An independent valuation of the Public Trustee and Guardian's warehouse at Mitchell was performed by David Jordan (AAPI Certified Practising Valuer) of Herron Todd White as at 30 June 2019. The next valuation is due to be performed on 30 June 2022.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
10. TRUST LIABILITIES		
Mortgages	8,048,327	3,527,150
Funeral Expenses	47,991	34,611
Bank Loans and Credit Cards	189,404	62,078
Medical/Dental Costs	43,536	30,106
Property/Utility Costs	74,811	48,638
Personal Expenses	123,936	151,513
Accommodation/Rent	223,054	379,377
Taxation Debts	87,957	6,122
Sundry Debts	115,578	72,717
Dividends to be Distributed	1,090,917	2,049,293
Accrued Income Commission	53,009	100,875
Accrued Management Fees	297,428	278,061
Total Trust Liabilities	10,395,948	6,740,541

Trust Liabilities increased primarily as result of an increase in the value and number of 'Confiscated Asset' clients holding real estate with respective mortgages (refer to Note 8 *Unrealised Assets*).

11. OTHER LIABILITIES		
GST Payable	5,301	10,088
Payables	173	16,514
Accrued Expenses	20,806	-
Total Other Current Liabilities	26,280	26,602

Accrued Expenses increased due to Creditor invoices in relation to IT costs being received after 30 June 2019 and recognised as Accrued Expenses. At 30 June 2018 these costs were received before year end and reported as Payables.

12. ESTATES AND TRUSTS UNDER ADMINISTRATION		
Unclaimed Monies	41,109,237	36,315,362
Capital Region Community Foundation - Gift Fund	14,060,537	12,810,049
Capital Region Community Foundation - Open Fund	7,514,015	6,349,237
Estates and Trusts	328,635,727	290,274,916
Total Estates and Trusts Under Administration	391,319,516	345,749,564

Estates and Trusts Under Administration have increased due to an overall increase in the number and value of net assets held for all clients.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13. CONTINGENT LIABILITIES

Legal Claims

The Public Trustee and Guardian Trust is not currently subject to any legal claims (2018: 1).

14. 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

	2019 \$	2018 \$
Cash at Bank	1,314,445	618,300
Total Cash and Cash Equivalents	1,314,445	618,300

(b) Reconciliation of Operating Surplus / (Deficit) to Net Cash Inflows from Operating Activities

Operating Surplus/(Deficit) - Common Fund	66,256	(21,622)
Operating (Deficit) - Guarantee and Reserve Account	(216,842)	(222,196)

Add / (Less) Non-Cash Items

Net Gain on Investments	(5,393,159)	(10,944,167)
Depreciation	15,000	15,000
Management Fee Rebates	(200,459)	(131,033)
Interest Distributed to Estates and Trusts	1,592,075	1,674,907
Dividends Distributed to Estates and Trusts	2,083,196	4,319,590
Net Gains Distributed to Estates and Trusts	5,393,159	10,944,167
Net Cash Inflow Before Changes in Operating Assets and Liabilities	3,339,226	5,634,646

Changes in Operating Assets and Liabilities:

Decrease / (Increase) in Receivables	1,279,855	(169,136)
(Increase) / Decrease in Prepayments	(6,321)	13,681
Increase in Trust Liabilities	19,367	32,764
Increase / (Decrease) in Other Liabilities	4,465	(2,617)
Net Change in Operating Assets and Liabilities	1,297,366	(125,308)
Net Cash Inflows from Operating Activities	4,636,592	5,509,338

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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 period unless stated otherwise.

The Public Trustee and Guardian has determined the financial statements to include:

- (i) an Operating Statement - Common Fund Account for the year;
- (ii) an Operating Statement - Guarantee and Reserve Account for the year;
- (iii) a Balance Sheet at the end of the year;
- (iv) a Statement of Changes in Equity for the year;
- (v) a Cash Flow Statement for the year; and
- (vi) the significant accounting policies adopted for the year.

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.

ACCRUAL ACCOUNTING

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes.

CURRENCY

These financial statements have been presented in Australian dollars, which is the Trust's functional currency.

ROUNDING

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

PRIOR YEAR COMPARATIVES

Comparative information has been disclosed in respect of the previous period for 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.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES - INCOME

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.

NET GAIN ON INVESTMENTS

The net gain or loss on investments consists of the fluctuation in price of the unit trust between the end of last reporting period and the end of this reporting period. As well, any profit on the sale of units in the unit trust (the profit being the difference between the price at the end of last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

SIGNIFICANT ACCOUNTING POLICIES - EXPENSES

INTEREST DISTRIBUTED TO ESTATES AND TRUSTS

Interest distributions are made to Estates and Trusts quarterly on an accrual basis. Interest rates are set by the Public Trustee and Guardian Investment Board. The recommended interest rate is based on the average yield earned on term deposits.

DIVIDEND DISTRIBUTED TO ESTATES AND TRUSTS

Dividend distributions are made to Estates and Trusts quarterly on a cash basis. The distribution is rate based and determined by the amount of dividend received less expenses directly related to the investment.

NET GAIN DISTRIBUTED TO ESTATES AND TRUSTS

Net Gain distributions are made to Estates and Trusts yearly on an accrual basis. The distribution consists of the fluctuation in price of the unit trust between the end of last reporting period and the end of this reporting period. As well, any profit on the sale of units in the unit trust.

MANAGEMENT FEES

Management fees comprising Cash Common Fund Fees and Investment Common Fund fees are charged by the Public Trustee and Guardian against the Common Funds at a rate of 1.1%. The Cash Common Fund fee is charged monthly and is based on the value of cash held in client accounts at the end of each month. The Common Funds fee is calculated monthly on the value of the investment and charged quarterly once distributions are received.

NOTE 7 - INVESTMENTS

Australian Equities, Fixed Interest, International Equities, Listed Property, Balanced, Growth and Conservative fund investments are valued at market value by the Public Trustee and Guardian's external custodians using independently sourced prices and foreign exchange rate.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

SIGNIFICANT ACCOUNTING POLICIES - ASSETS (CONTINUED)

NOTE 7 - INVESTMENTS (CONTINUED)

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

The distributions received on the Balanced Fund, Growth Fund and Conservative Fund investments are recorded net of management fees and charges. These fees are deducted at the source prior to distribution.

NOTE 8 - UNREALISED ASSETS

Estates and Trusts under administration represents 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.

In the 2018-19 financial year there was a change in policy regarding the recording of client real estate when the property is the principle residence of the client. The change in policy determined that PTG has control of the real estate when they are paying the expenses and organising the maintenance of real estate assets. If this policy was in effect in the 2017-18 reporting period Unrealised Asset - Real Estate would have been \$74,677,300.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - FAIR VALUE OF UNREALISED ASSETS

The Public Trustee and Guardian has made a significant judgement regarding Unrealised Assets measured at fair value. Unit based assets are valued at 30 June each financial year based on current market values of investments and all other assets are valued at cost. This valuation includes significant judgments and estimates of investments to determine the fair value of investment of unit based assets.

NOTE 9 - PROPERTY

The building is valued at market value. The market value of the building is measured using current prices in a market for similar properties. Valuations are performed every three years.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - 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.

SIGNIFICANT ACCOUNTING POLICIES - LIABILITIES

NOTE 10 - 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.

OFFICIAL VISITOR SCHEME

OFFICIAL VISITORS BOARD

ANNUAL REPORT 2018-19

I am pleased to report on the activities of the Official Visitors Board (the Board) for the year ended 2018-19.

The Official Visitor Scheme is an independent monitoring scheme for people who are being held in government institutions or staying in community facilities and who are dependent upon service providers. The people in this accommodation are described in the *Official Visitor Act 2012* (OV Act) as "entitled people". The places that can be visited by Official Visitors are known in the OV Act as "visitable places".

Official Visitors are independent statutory office holders, appointed for their skills and expertise. They meet and talk with entitled people in visitable places to hear their concerns and help them resolve any complaints. They make reports to the Minister with responsibility for the visitable place (operational Minister) about any issues of concern that they hear or observe, giving those Ministers valuable and direct insight into what is happening on the ground in these places.

Official Visitors visit Bimberi Youth Justice Centre and residential out-of-home care facilities for children and young people, the Alexander Maconochie Centre (AMC), mental health facilities, accommodation for people with disability and accommodation for homeless people. There is a requirement for some Official Visitors to be Aboriginal or Torres Strait Islander persons, to better meet the needs of Indigenous people.

THE BOARD

The Board is established under S. 23A of the OV Act.

The Official Visitors Board has the following functions under the Act -

- arrange training for Official Visitors (OV)
- facilitate interaction between OVs
- arrange for the provision of administrative assistance to OVs
- exercise any other function given to the Board under the Act, an Operational Act or another Territory law.

The Board has no involvement in the day-to-day activities of OVs, ensuring they are fully independent in the conduct of their responsibilities.

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*
- *Mental Health (Treatment and Care) Act 1994*

The Board is required to meet at least twice each year. During the reported year, the Board met on -

- 24 September 2018
- 20 May 2019.

MEMBERSHIP

In accordance with S. 23B of the OV Act, the Board comprises the following -

- Public Trustee for the ACT
- Public Advocate of the ACT
- A Commissioner from the Human Rights Commission, as determined by the Commission
- Two OVs, chosen by OVs as their representatives.

S. 23B(2) of the OV Act establishes the Public Trustee as *ex officio* Chair of the Board.

The Human Rights Commission has nominated the Public Advocate/Commissioner for Children and Young People, Ms Jodie Griffiths-Cook, as its representative on the Board.

Shannon Pickles and Narelle Hargreaves OAM were the OV's representatives on the Board.

Meeting attendances during the reported year were as follows -

MEMBER	NATURE OF APPOINTMENT	MEETING 24.09.18	MEETING 20.05.19
Mr Andrew Taylor	Public Trustee (Chair)	√	√
Jodie Griffiths-Cook	Public Advocate of the ACT/Children and Young People Commissioner	√	√
Ms Narelle Hargreaves OAM	OV for the purposes of the <i>Disability Services Act 1991</i> and the <i>Children and Young People Act 2008</i>	√	√
Mr Shannon Pickles	OV for the purposes of the <i>Mental Health (Treatment and Care) 1994 Act</i> and the <i>Corrections Management Act 2007</i> .	√	√

PTG staff member Stefan Dzwonnik attended meetings as Secretary/Finance Officer.

THE YEAR IN REVIEW

CALLS TO THE OFFICIAL VISITORS HOTLINE

During the reported year, calls were made to the Official Visitors Hotline 1800 150036 as follows –

1800 150 036	
Month	Calls
Jul-18	22
Aug-18	9
Sep-18	20
Oct-18	16
Nov-18	43
Dec-18	15
Jan-19	33
Feb-19	15
Mar-19	15
Apr-19	10
May-19	32
Jun-19	21
Total	251

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 disclosures were made by any Board member at any of the Board meetings.

MEETING – 24 SEPTEMBER 2018

The following matters were discussed by the Board -

- Review of the Official Visitor Scheme
- Successive terms by OVs
- Official Visitor Visit and Complaint Guidelines
- Official Visitor Training 2018
- Official Visitor Budget Report
- Amendment to timesheet
- Official Visitor Manual
- Operational Directorates' role in training OV's
- Concerns about inability for an Official Visitor to act in place of another
- Official Visitor Inbox
- Comparative jurisdiction report on OV activities
- OV Portal
- Meeting facility for OVs.

MEETING – 20 MAY 2019

The following matters were discussed by the Board -

- Review of the Official Visitor Scheme
- Visitable Places in respect to Homelessness
- Expressions of Interest for various Official Visitor appointments

- Awareness of the Scheme in Children and Young people, Disability and Homelessness disciplines
- Publication of the *Official Visitor (Corrections Management) Visit and Complaint Guidelines 2018*
- Completion of the online OV Portal
- Annual Training Day
- Appointments Schedule
- Official Visitor Scheme Budget
- Monthly reports by Mental Health OV's.

REVIEW OF THE OFFICIAL VISITOR SCHEME

At the time of this report, the *Official Visitor Amendment Bill 2019* was being finalised following meetings of the working group. Introduction of the Bill to the ACT Legislative Assembly was scheduled for September 2019.

The Justice and Community Safety Directorate conducted a review of the scheme in 2017, which involved consultation with Official Visitors, Operational Directorates and a range of community stakeholders.

The review confirmed that the Official Visitor scheme is valuable and that Official Visitors are highly trusted by clients and service providers alike.

The review identified opportunities to improve the operation of the scheme, particularly in increasing the consistency in the way that Official Visitors work in different areas, the reports that they make and the level of support that provided to them. The Bill will seek to make a range of changes to address the issues identified.

The Bill was developed in consultation with the Official Visitor Working Group. Members include the ACT Official Visitors, representatives of all Operational Directorates as well as the ACT Human Rights Commission and the Public Trustee and Guardian.

Key amendments proposed in the draft Bill include –

- Setting out more clearly the functions of an Official Visitor, including their role in highlighting systemic issues
- Stating that the functions of Official Visitors include visiting a place and meeting entitled people at the place, monitoring conditions and services at the place, investigating and seeking to resolve complaints from or on behalf of entitled people at the place, identifying and reporting on systemic issues adversely affecting entitled people at the place, referring complaints to other investigative entities where appropriate, and reporting to the Ministers as required
- Including legislative principles to guide the exercise of an Official Visitor's functions.
- Improving the coverage and flexibility of the scheme
- Ensuring entitled people are aware of their rights to contact Official Visitor
- Changing the *Housing Assistance Act* so that the Homelessness Official Visitor can visit more people
- Providing Official Visitors greater access to records kept in visitable places, in situations where this is reasonable and necessary
- Providing a more comprehensive reporting framework

- Abolishing the requirement for the Minister to specify addresses and details of visitable places in guidelines, replacing the guideline requirement with a requirement for the Director-General of an Operational Directorate to maintain a register of visitable places that can be more easily updated
- Clarifying the role and functions of the Official Visitors Board, strengthening the independence of Official Visitors by confirming that they are not subject to the direction of Operational Directorates or other entities
- Abolishing the title of Principal Mental Health Official Visitor as this was a remnant of the previous standalone Mental Health Official Visitor Scheme.

FINANCIAL MATTERS

The allocated budget for Official Visitor remuneration for the 2018-19 financial year was \$442,000 with actual expenditure being \$349,000. Surplus for the period was \$93,000. In comparison, the allocated budget for 2017-18 was \$460,000 with actual expenditure being \$292,000 resulting in a surplus of \$172,000. Expenditure from 2017-2018 to 2018-2019 has increased by approximately \$57,000.

Increased expenditure is due to -

- Increased number of visits by Official Visitors
- Changes to Official Visitor appointments
- Allowance given for accumulating time in taking phone calls per month
- Increased remuneration rates applicable following Remuneration Tribunal Determination - November 2018

Final discipline expenditure breakdown for 2018-19 is as follows:



APPOINTMENTS SCHEDULE

Current appointments and terms are as follows:

NAME	TERM					
	AREA	2016	2017	2018	2019	2020
K Barralet	M Health			25.06.18	28.06.19	

S Connor	M Health	29.05.16			03.06.19	
P Burton	M Health			23.07.18	22.07.19	
S Pickles	M Health			25.06.18	28.06.19	29.06.21
N Hargreaves	Disability		01.09.17	07.10.18	31.08.19	31.08.20
M Durkin	Disability		01.09.17		31.08.19	
C Redmond	C&YP				11.06.19	
T Harris	C&YP (Indigenous)				30.06.19	
D Brasser	Corrections		23.12.17			22.12.20
S Pickles	Corrections		17.12.17			16.12.20
D Lucas	Housing		01.09.17			31.08.20

TRAINING

The OV Training Day was held on Friday 16 November 2018. Guest speakers at the Training Day included –

- Sean Costello, Executive Manager, ACT Human Rights Commission
"Relevance of the Human Rights Act to Official Visitors"
- Colleen Pearce, Public Advocate, Office of the Public Advocate, Victoria
"Discussion around Quality and Safeguarding arrangements for NDIS"
- Richard Glenn, Deputy Director-General (Justice), Justice and Community Safety Directorate, representing Minister Shane Rattenbury as responsible for the Official Visitor Act "Progress on Review of the OV Scheme"
- Victor Martin, Executive Lead, Reducing Demand at the AMC "Building Communities, not Prisons"
- Autumn O'Keeffe, Senior Assistant Ombudsman, Commonwealth Ombudsman "Optional Protocol on Cruelty and Torture".

A number of Mental Health OV's also attended the 2018 National Official Visitor Scheme Meeting held in Adelaide.

LOOKING FORWARD

The Board will hold its Annual OV Training Day on 4 November 2019.

2019-20 will be a year of change and improvement to the scheme following the implementation of the *Official Visitor Amendment Bill 2019*.

It is proposed that the scheme will no longer be administered by the Public Trustee and Guardian. Instead the Board would be constituted of a Chair and Members appointed by the Minister which will use the services of an Executive Officer to administer the scheme.

I record my thanks to Board Members Jodie Griffiths-Cook, Narelle Hargreaves OAM and Shannon Pickles as well as to Stefan Dzwonnik for administrative and financial support.



Andrew Taylor
CHAIR - OFFICIAL VISITORS BOARD
PUBLIC TRUSTEE AND GUARDIAN



PUBLIC TRUSTEE AND GUARDIAN

PUBLIC TRUSTEE AND GUARDIAN INVESTMENT BOARD

ANNUAL REPORT 2018-19

I am pleased to report on the activities of the Public Trustee and Guardian (PTG) Investment Board (the Board) for 2018-19.

THE BOARD

The Board was 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
- 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

S. 48 of the Act requires 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.

During the year, the Board consisted of the Public Trustee and Guardian and four members, including one member representing the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) as follows –

- | | |
|------------------------|----------------------------|
| → Mr Andrew Taylor | - ex officio Senior Member |
| → Mr Patrick McAuliffe | - expires 2 March 2022 |
| → Ms Tracy Savage | - expires 4 December 2021 |
| → Ms Serhan Mackey | - expires 9 September 2021 |
| → Mr Michael Davison | - expires 2 March 2021 |

Mr Patrick McAuliffe is Director, Asset Liability Management, Economic and Financial Group, ACT Treasury, CMTEDD. He is responsible for leading the development and implementation of key investment policies and strategies for the ACT Government's financial investment portfolios.

Ms Tracy Savage is CEO of the ACT Long Service Leave Authority. In that capacity, Ms Savage currently manages some \$200M in assets under four long service leave schemes.

Ms Savage was a member of the ComSuper Audit and Risk Committee in which role she managed the merger of ComSuper into the Commonwealth Superannuation Corporation and the negotiation of a new agency Enterprise Agreement. She was a member of a cross-agency Steering Committee comprising senior representatives from the Department of Finance, Commonwealth Superannuation Corporation and ComSuper, established to oversee the superannuation scheme administration outsourcing.

Ms Serhan Mackey has over 15 years' experience in the finance industry and has worked as a Financial Planner for the last 11 years including time spent with major wealth management firms such as the BT Group, AMP and AXA Charter in Melbourne. Ms Mackey has been providing dedicated specialist advice to the Commonwealth Superannuation Corporation (CSC) and its members since 2013.

Ms Mackey has completed a Bachelor of Education, Master of Financial Planning, Master of Business and an Advanced Diploma in Financial Services.

Mr Michael Davison is Senior Policy Adviser (Superannuation and Financial Planning) at CPA Australia. He has 15 years' extensive policy and advocacy experience and 25 years' experience in the superannuation and financial services industry. Mr Davison has a Bachelor of Science (ANU) with a mathematics major and a Postgraduate Diploma in Marketing Management at Macquarie Graduate School of Management. Mr Davison's experience and qualifications in the superannuation sector have strong alignment with the interests of PTG's superannuation investment clients.

ASSET CONSULTANT

PTG appointed PricewaterhouseCoopers (PwC) in February 2011 to provide asset/markets consultancy services to the Board including quarterly reports. In that capacity, PwC reviewed PTG's Investment Strategy (including review of PTG's Cash Common Fund) in August 2016. The recommendations contained in that review are now fully implemented.

THE YEAR IN REVIEW

The financial year to 30 June 2019 was a challenging period for investors. The year saw interest rates fall to fresh record lows. This has placed a significant financial strain on PTG given the value of investment/funds management commissions to its revenue base.

During the year, the cash rate was reduced from 1.50 per cent to 1.25 per cent in June. Total returns on Australian shares lifted by 11.0 per cent over 2018/19, hitting record highs on 20 June 2019.

A review is currently underway to recommend a number of fee changes designed to stem the revenue flow from investment/fund management activities.

ATTENDANCE TABLE

Member	18.9.18	21.11.18	6.3.19	29.5.19
Mr Andrew Taylor	X	√	√	√
Mr Patrick McAuliffe	√	√	√	√
Ms Tracey Savage*			√	√
Ms Serhan Mackey**		√	√	√
Mr Michael Davison	√	√	√	√

*Appointed 4 December 2018

** Appointed 9 September 2018

OUTCOMES

The Board considered a range of issues during the year including:

- Media statement for PTG's website
- Undertaking to review PTG's 1.1% capital commission
- Research possible unit pricing systems to manage funds
- Ongoing advice on fraud controls
- Policy on treatment of debit balances and interest rate to be charged
- PTG Internal Audit Committee Minutes
- New Common Fund Performance Reports based upon actual client experiences across different fund structures over time
- Review and publish Investment Board Charter

LOOKING FORWARD

The focus for 2018-19 will be on:

- Maximising return on investment
- Management of risk associated with all forms of investment
- Reviewing the adequacy or appropriateness of PTG's 1.1% Capital Commission
- Ongoing advice on fraud controls
- Review of fees methodology and recommendations in respect to fee adjustments to address revenue shortfalls

I record my thanks to Board Members Patrick McAuliffe, Tracy Savage, Serhan Mackey and Michael Davison together with Deputy Public Trustee and Guardian/Finance Director Joanne Thompson and staff Callum Hughes, David Stenhouse and Stefan Dzwonnik. We acknowledge the valuable advice and contribution by PwC to the Board during 2018/19.


 Andrew Taylor
 SENIOR MEMBER/
 PUBLIC TRUSTEE AND GUARDIAN

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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 Practising 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
GFC	Global Financial Crisis
GST	An indirect broad based consumption tax
JACS	Justice and Community Safety Directorate
JEC	JACS Executive Committee
MDA	Management Discussion and Analysis
MOU	Memorandum of Understanding.
OH&S	Occupational Health and Safety
PAACT	Public Advocate of the ACT
PTACT	Public Trustee for the Australian Capital Territory
PTG	Public Trustee and Guardian
PwC	PricewaterhouseCoopers
QA	Quality Assurance
SOG	Senior Officer Grade
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 Confiscation of Criminal Assets Act 2003 .
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 (e.g. 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 (e.g. 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 (i.e. having impaired decision-making ability).
Minor	A person under the age of legal majority i.e. 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.
PTG Investment Board	A board established under S. 47 of the Public Trustee and Guardian Act 1985 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 Financial Management Act 1996 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 Unclaimed Money Act 1950 .
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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