



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY
ANNUAL REPORT 2007 - 2008





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**ANNUAL REPORT
2007 - 2008**

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TRANSMITTAL CERTIFICATE



PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY

PO BOX 221
CIVIC SQUARE ACT 2608

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

Dear Attorney General

I am pleased to present the Annual Report for the Public Trustee for the ACT for the year ended 30 June 2008.

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

I hereby certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of the Public Trustee for the ACT during the period 1 July 2007 to 30 June 2008 has been included and that it complies with the Chief Minister's Annual Report Directions.

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

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

Yours sincerely

Andrew Taylor
PUBLIC TRUSTEE
1 August 2008

WILLS • ESTATES • PERSONAL MANAGEMENT SERVICES • TRUSTS

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www.publictrustee.act.gov.au
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CHIEF EXECUTIVE'S REPORT

The role of a Public Trustee remains unfamiliar to many members of the community, attributable partly to the particular nature of the name and also to the fact that the value of our work in the community is largely unseen, whilst of significant value to those that we assist. There may also be a perception by many in the community that they are too young to have a Will and none of us are too keen to seriously consider an aspect of good planning in the event of death.

A significant part of our work is undertaken in the community at unfortunate times in people's lives. We are involved with members of the community who may have lost capacity and need representation. We are appointed by the Courts to act for and take care of a person's financial and property interests when they have lost decision-making ability. We work closely with people who have lost relatives in the administration of deceased estates.....and we develop lifelong relationships with those for whom we are appointed as trustee in the event of severe acquired disability.

Another significant aspect of the Public Trustee's work involves the provision of professional trustee services. These services include, the preparation of Wills, the administration of trusts and deceased person's estates and a sizeable funds management portfolio. We have over 23 years experience in the ACT community and are equipped to address all trust requirements.

The Public Trustee has assembled a team of highly qualified, experienced and hard-working individuals who share a common ethos of caring and making a difference for those that use our services. They go about their business often in times of great difficulty and under extreme duress, however this is far outweighed by the satisfaction they derive in experiencing the result and value of their work first-hand.

In addition to dealing with the complexity and volume of our everyday work, our efforts have been directed towards improving our capability including the acquisition of appropriately qualified staff, completing a structural review of the organisation, implementing the findings of a review of our investment arrangements and sourcing new markets for our services. We have made strong inroads into our strategy of strengthening our branding and recognition, building a strong and capable staff to address succession issues and working towards financial autonomy.

Our stakeholders have provided us with a strong report card for the year and I pay tribute to all PTACT staff for their skill, dedication, loyalty and expertise. I acknowledge their commitment to the community and their professional and collegiate response to increased workloads. I also thank members of our Investment Board and the Patron/Board/Management Committee of GreaterGood for their advice and support of the Public Trustee's goals.

During the year a number of highly valued and experienced people retired, and I acknowledge the difference they have made in their careers with PTACT.

I also thank the Chief Executive, Justice and Community Safety, Renée Leon, and her executive team for their support.

It is my privilege to present, on behalf of PTACT staff, the Annual Report of the Public Trustee for the ACT for 2007-08. This Report incorporates the Annual Reports of the Public Trustee, the Public Trustee Investment Board and the Capital Region Community Foundation (GreaterGood).



Andrew Taylor
PUBLIC TRUSTEE



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

SECTION A

PERFORMANCE AND FINANCIAL MANAGEMENT REPORTING

A.1 THE ORGANISATION

WHO WE ARE

The Public Trustee for the ACT (PTACT) is a Territory Authority established to provide trustee services to ACT Government and to the Community. These services are provided under a Statement of Intent entered into with the ACT Treasurer. The Public Trustee is however administratively responsible to the Chief Executive, ACT Department of Justice and Community Safety.

WHAT WE DO

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

We are Trustees for.....

- The Capital Region Community Foundation (known as GreaterGood)
- The Capital Country Healthcare Foundation
- The Perpetual Care Trust (under the *Cemeteries and Crematoria Act 2003*)
- The Canberra International Arboretum and Garden Bonsai Trust Fund.

OUR VISION

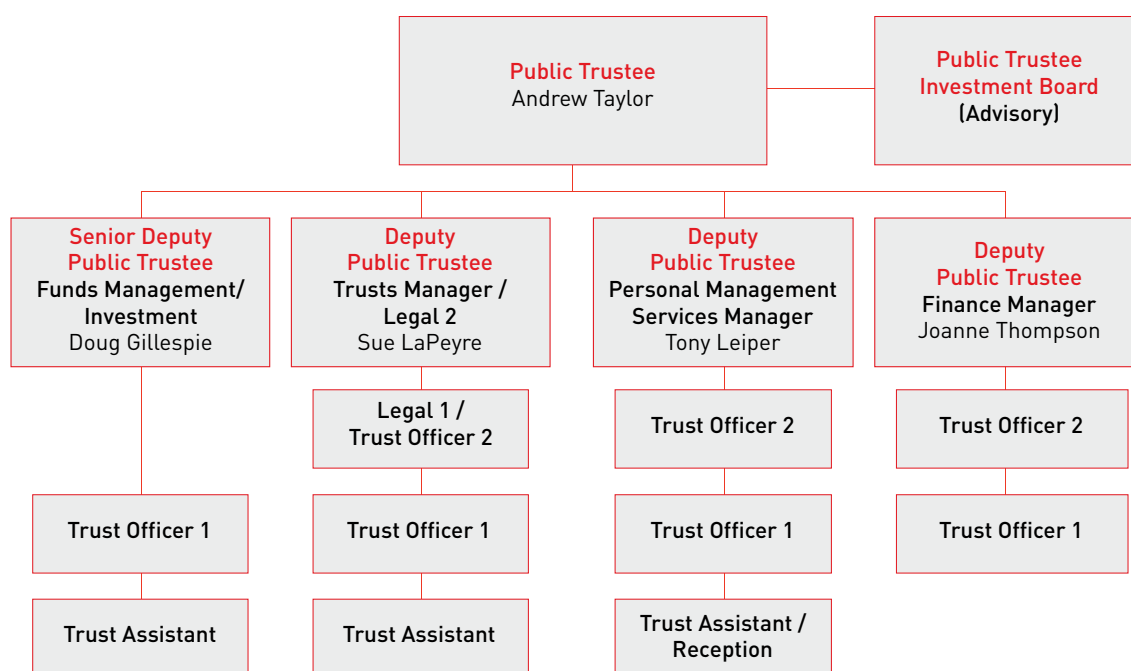
To be the ACT community's first choice for Trustee services.

OUR VALUES

Honesty, professionalism and accountability and to consistently exceed our clients' expectations.

OUR STRUCTURE

Public Trustee for the ACT - Organisational Chart



The staffing profile of the Public Trustee is described in detail under C.7 in this report.

OUR CLIENTS

We provide a diverse range of services to clients ranging from highly vulnerable people in the community to those accessing our professional services including Government.

OUR STAKEHOLDERS

Our primary stakeholders are members of the ACT community who require professional trustee services, Government agencies as well those more vulnerable members of the community that use our financial management services. We partner with the Public Advocate of the ACT and the ACT Guardianship and Management of Property Tribunal in the provision of our services. The ACT Department of Justice and Community Safety and the ACT Treasury have an ownership/administrative interest in our activities. A number of non-government agencies, committed to achieving outcomes for intellectually disabled persons, also have a stake in our responsibilities.

A.2 OVERVIEW

HOW WE PERFORMED IN SUMMARY

PTACT's 2007-08 Business Plan identified Key Result Areas and Strategic Priorities. Our performance against these objectives is set out in the following table -

••• fully achieved

•• partly achieved

X not achieved

KEY RESULT AREA	STRATEGIC PRIORITY	RESULT
Business Development	• Maintain or increase commercial business volumes – highest annual revenue and dividend achieved	•••
	• Promote and market the Capital Region Community Foundation – Corpus increased by 98.7%	•••
	• Market the PTACT brand to a broader demographic	•••
	• Implement fees review	•••
	• Review PTACT's investment arrangements	•••
	• Establish International Equities Fund	•••
	• Review Cash Common Fund investment arrangements	•••
Service Delivery	• Legislate to permit the payment of small amounts without Grant	•••
	• Review performance of fund managers and asset consultant	•••
	• Maintain representation on industry forums	•••
	• Develop and implement PTACT staff code of conduct	•••
	• Provide PTACT staff with Mental Health Training	•••
	• Upgrade security at Reception	•••
Strategic Relationships	• Implement Terms of Engagement for service delivery providers to PTACT clients	•••
	• Sponsor Life's Reflection Photographic Competition	•••
	• Sign MOU with JACS	•••
	• Maintain relationships with Law Society, Financial Planners, TCA and National Committee of Estate/Account Managers, MACA etc	•••
	• Sponsor OzHarvest	•••

KEY RESULT AREA	STRATEGIC PRIORITY	RESULT
Systems Development	• Implement replacement income tax system	••
	• Implement Online Wills Fact Finder	••
	• Implement People and Relationships	••
	• Implement centralised label printing	••
Staffing & Capability	• Complete review and restructure of Managers PMS and Finance	•••
	• Create and fill new position of T02 PMS	•••
	• Review level of Wills Officer and Trusts Manager	•••
	• Finalise Public Trustee Practice Manual	••
	• Review management structure	•••
	• Implement training program - University of Western Sydney	•••
	• Undertake refurbishment of Estates/Trusts Unit	•••

WHERE WE VARIED FROM OUR DESIRED RESULT

- Implement replacement income tax system – Difficulties have been experienced with technical issues relating to a centralised server, however this has now reached the implementation stage.
- Implement Online Wills Fact Finder - This project has been delayed by implementation issues relating to the need for remote servicing by the supplier, however is now at the implementation stage.
- Implement centralised label printing - Awaiting component from InTACT.
- Implement People and Relationships - This has been delayed by problems in accessing the correct version of Wintegrate software.
- Finalise Public Trustee Practice Manual – This project has been delayed for some time however it has been re-commenced as a Project to be undertaken by a Manager undertaking the “Take the Lead” program.

OUR PLANNING FRAMEWORK AND DIRECTION SETTING

The Public Trustee has a dual planning and accountability framework reporting to the Chief Executive, Justice and Community Safety (JACS), whilst financially accountable to ACT Treasury.

Management responsibilities are undertaken through a Management Committee representing all business units. PTACT's Performance Management Plan is closely linked to the strategies contained in the Business Plan.

PTACT participates in the strategic planning and management of JACS through Departmental forums including JACSCOM, SOHO and JACS IM/ICT (Information

Management) Committee. During the year a MOU, establishing PTACT's relationship with JACS, was signed.

OUR ORGANISATIONAL ENVIRONMENT

As a Statutory Office Holder, the Public Trustee reports to the Chief Executive, JACS through a Deputy Chief Executive. PTACT is part of the JACS organisational environment and is represented on JACSCOM (JACS Management Forum) and SOHO (Statutory JACS Office-Holders' Forum). PTACT receives minimal funding under a Statement of Intent with ACT Treasury.

In his trust activities the Public Trustee is responsible to the client and is not subject to direction by government.

PTACT has a single, centrally-located office, housing all functions. Our organisational structure has been reviewed to achieve a flatter management structure, more representative of our four main business areas and of the specialist nature of activities within the organisation. Incidental to that review was the appointment of a Senior Deputy Public Trustee and three Deputy Public Trustees. The Public Trustee Investment Board undertakes an investment advisory role only.

Organisationally, PTACT is connected to JACS, however, in most respects is self-contained. IT services are provided by the ACT Government's IT Service Provider InTACT.

PTACT has a strong organisational relationship with a number of JACS agencies, including the Public Advocate of the ACT and the Guardianship and Administration of Property Tribunal.

RESPONSE TO SIGNIFICANT ORGANISATIONAL CHANGE

PTACT's management structure now has a Senior Deputy Public Trustee and three Deputy Public Trustees reporting directly to the Public Trustee. This was achieved through the re-classification of management positions together with an amendment to the *Public Trustee Act 1925* permitting the appointment of more than one Deputy Public Trustee. This organisational change is a response to the growing responsibility and workloads attaching to each organisational activity and the need to create a more direct reporting line to the Public Trustee.

ADMINISTRATION OF LEGISLATION

The laws that empower and govern the activities of the Public Trustee are listed at Section B.4 of this report. The Public Trustee has no regulatory activities.

SUBSIDIARIES

The Public Trustee has no subsidiaries.

A.3 HIGHLIGHTS

OPERATIONAL ACHIEVEMENTS

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

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

- Increased revenue by \$449,105.00 over budget estimate of \$3,531,000.00, or 13.6% overall;
- Allowing for a one -off receipt of \$527,000.00. last fin year, PTACT recorded its highest real surplus of \$571,557.00 and dividend of \$285,778.00;
- Increased Funds under Management from \$169.18M to \$182.04M, an increase of 7.4%;
- Increased 'greatergood' funds by 98.7%;
- Reviewed Management structure;
- Implemented revised investment arrangements;
- Further diversified investments through a new International Equities Common Fund;
- Reviewed Cash Enhanced and Listed Property Fund Management arrangements;
- Conducted Annual Wills & Powers of Attorney seminar;
- 5 complaints to Ombudsman resulted in no finding of administrative deficiency;
- Implemented revised capital commission-based fee structure;
- Developed Online Wills Fact Finder;
- Refurbished Estates/Trusts Unit to accommodate further workstations.

PTACT made progress towards achieving financial autonomy by containing expenses and by further increasing revenue, operating surplus and the quantum of the dividend to ACT Treasury.

MAJOR CHALLENGES FACING THE PUBLIC TRUSTEE

Following the completion of a strategic planning exercise, a business model has been established.

The business model identifies challenges facing PTACT. These include -

- Satisfaction of both commercial and community service client issues.
- Development of investment strategies that address and fulfil clients' specific needs.
- Development of the Capital Region Community Foundation.
- Positive promotion of PTACT to the broader community.
- Protection and development of funding/revenue bases.
- Maintenance of contemporary legislation.

- Maintenance of workable partnerships with industry peers.
- Maintenance and improvement of market share for commercial activities.
- Maintenance of a balance between community service, cost recovery and profitability.
- Identification and management of risk.
- Utilisation of appropriate technology.
- Maintenance of a high standard of skills and expertise.

PROGRESS AGAINST STRATEGIC OUTPUTS AND SERVICE PRIORITIES

PTACT made significant progress towards its key strategic outputs as detailed under “How we Performed in Summary” and “Operational Achievements” above.

A.4 OUTLOOK

OUR FUTURE PRIORITIES ARE...

Our longer-term priority is to ensure that PTACT is viable and equipped to deal with the demands of an ageing population. Trends in ACT demographics suggest that this will impact greatly on the Public Trustee’s role as a Financial Manager. Changes in family life, the incidence of blended and globally scattered families, and greater complexity in personal financial circumstances dictate that the Public Trustee must continuously respond to and adapt to environmental change.

Another significant priority is to continuously review and diversify our investment arrangements to ensure that our fund managers are performing well in an ever-changing and volatile financial environment.

TRENDS AND FORECAST CHANGES IN OUR OPERATING ENVIRONMENT

An Ageing population

Our life expectancy is Australia’s highest - Between 2000 and 2005, the life expectancy of Australians continued to increase markedly from 76.2 years to 79.9 years for males, and from 81.8 years to 84 years for females. According to the 2003-05 Australian Bureau of Statistics (ABS) Life Tables, ACT residents have higher life expectancy at birth than residents of other states and territories (1.4 years higher for males and .7 years higher for females).

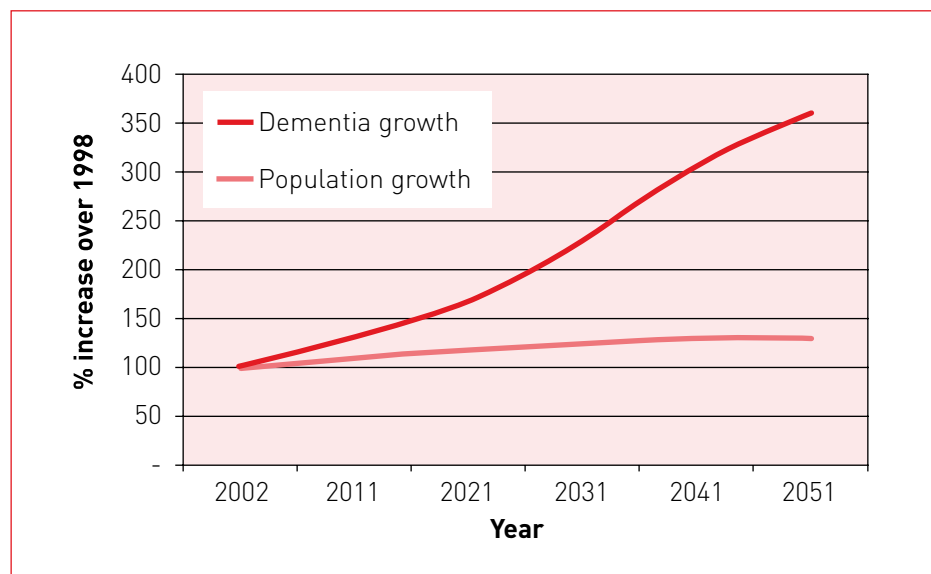
Our death rate is Australia’s lowest - In 2005, the ACT recorded the lowest number (of all states/territories) of deaths at 5.6 deaths per 1,000 people, together with a higher than national median age at death at 78.5 years.

Our birth rate is Australia’s lowest - In 2005, ACT women recorded the lowest fertility rate of all state/territories at 1.65 births per woman against the national average of 1.81 births per woman.

The incidence of dementia is higher - ACT has fewer births and our age at death and life expectancy are the highest in Australia...our population is clearly ageing. As a result, the incidence of dementia is increasing.

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

Incidence of Dementia



Increased demand for representation through Enduring Powers of Attorney

The ACT's revised *Powers of Attorney Act 2006* seeks to mitigate the incidence of elder abuse in the community. Whilst the new legislation limits the Public Trustee's representation as attorney to property and financial matters, it is likely that the Public Trustee will be appointed as attorney for an increasing number of Canberrans.

Increased need for appointment as Financial Manager

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

Estate administration

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

The net result is that the Public Trustee must ensure that it has the funding and a qualified staffing resource to address these likely trends. It is vital that we develop our commercial undertakings to fund these increased demands.

SIGNIFICANT IMMEDIATE FUTURE RISKS AND ISSUES ARE...

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

- risks to long term economic viability;
- potential loss of key professional staff;

- risk of non-compliance with legislation, policies and procedures;
- potential fraud resulting in misappropriation of funds and property;
- system failure affecting access to information;
- threats to personal safety of staff; and
- financial loss in relation to funds management.

Measures to remove or mitigate these risks have been identified and built into the Strategy and are managed through the Public Trustee's Business Plan, Risk Management Plan and Activity Agenda.

A.5 MANAGEMENT DISCUSSION AND ANALYSIS

OBJECTIVES

PTACT's primary objective is to provide professional trustee services to residents of the ACT.

Our principal activities include –

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

RISK MANAGEMENT

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

The following potential risks may influence our future position –

- Maintenance of market share in respect to commercial services provided by PTACT. These activities substantially fund the cost of providing PTACT's Community Service Obligations to the community. This risk is addressed through customer satisfaction, brand development and marketing.

- Risk of significant skill deterioration in workforce through retirement. We are reviewing the workforce training as part of the business and strategic plan to ensure skills are retained. During the year, PTACT recruited a further legal practitioner to address estate/Wills pressures. Through our relationship with PTNSW we have accessed NSW Wills precedents.
- Ongoing business system reliability and integrity is a major potential risk to our business. We have made continuing changes to our IT infrastructure aimed at minimising these risks. We have also incorporated changes to the PTACT business system 'TACT' to address the requirements of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

REVENUE

The following financial information is based upon actual figures to 30 June 2008, the audited Financial Report for 2007-08 and 2007-08 budget estimates contained in the 2007-08 Budget Paper Number 4.

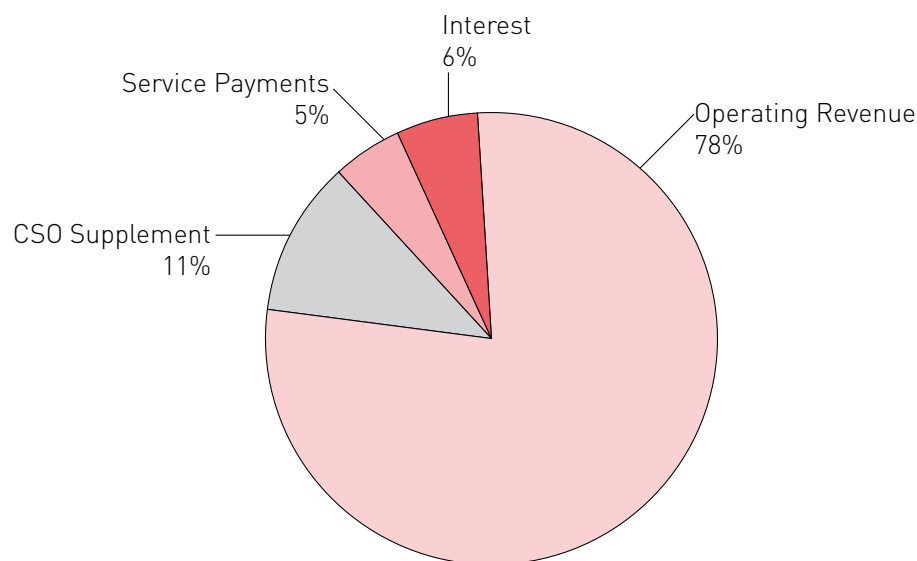
The operating surplus for the year ended 30 June 2008 was \$571,557.00, an increase of \$438,557.00 on the 2007-08 budget estimate of \$133,000.00, and a decrease of \$381,400.00 over the previous year. The result should be seen in the context of a one-off capital injection of \$527,000.00 from the Commonwealth for refurbishment in 2006-07. The surplus is largely due to increased operating revenue as a result of a continued increase in the value of, and income received on, Common Fund investments and the continued finalisation of a number of high value estates. As a result, revenue rose at a higher rate than expenditure.

PTACT derived 78% of its revenue from fees and charges relating to the provision of trustee services.

Total revenue for the year ending 30 June 2008 was \$3,980,105.00. This is \$449,105.00 higher than the 2007-08 budget estimate of \$3,531,000.00 for the same period and a decrease of \$50,576.00 over the 2006-07 actual outcome of \$4,030,681.00 for the same period. This increase is attributable to the continued increase in the value of, and income received on, Common Fund investments and the continued finalisation of a number of high value estates. Total revenue is 1.25% lower than total revenue for the same period in the previous year. However, as mentioned, allowance should be made for a one-off receipt of \$527,000.00 from the Commonwealth Government in 2006-07.

Income has risen quite significantly over the past few years. As the Public Trustee's client base continues to grow, it is anticipated that revenue will continue to do so as well. The main components of Public Trustee revenue are commissions and management fees. Both of these revenue items are percentage-based and as such, will continue to grow with increases in the client base and the value of their assets being managed.

Total Revenue for 2007-08



EXPENSES

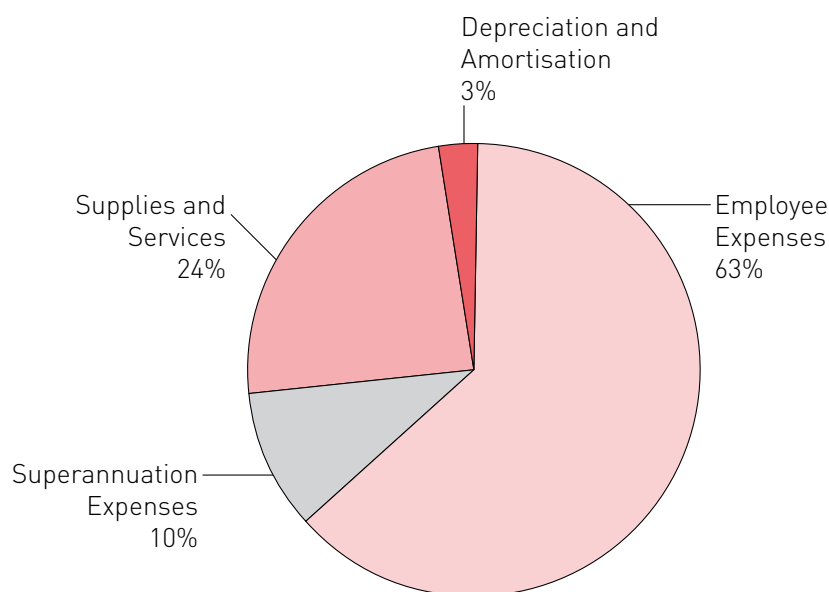
The Public Trustee's core business is the provision of estate, trustee and financial management services. Accordingly, the main expense items were typically employee expenses and administrative expenses relating to the provision of core services.

Total expenses for the year ending 30 June 2008 was \$3,408,548.00 of which \$2,481,318.00 or 72.80%, was employee-related. Total expenses was \$10,548.00 higher than the 2007-08 budget estimate of \$3,398,000.00 for the same period. By comparison, actual expenses for the previous year were \$3,083,142.00 for the same period. The increase in expenses compared to the same period for the prior year is attributable to -

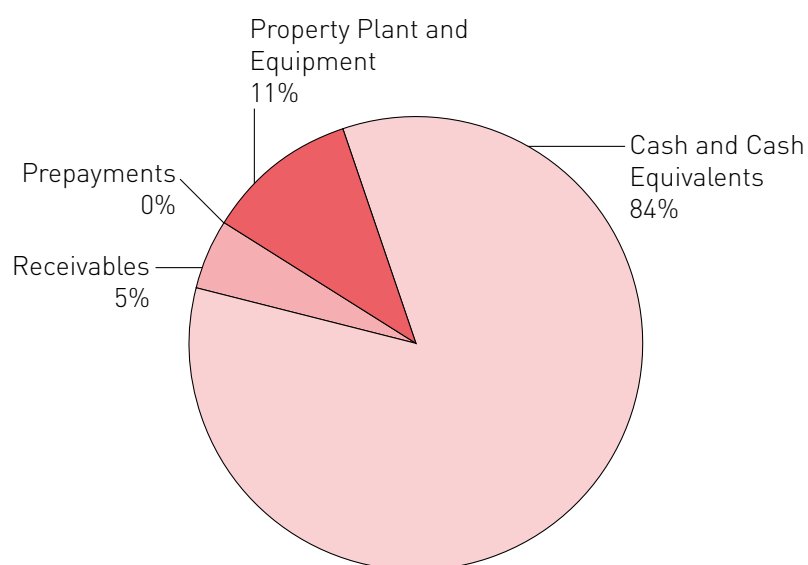
- depreciation expenses in relation to the office fit-out that did not occur until the finalisation of accounts for 2006-07 and have been expended for a full year in 2007-08;
- an increase in employee expenses due to the 2007-10 Justice and Community Safety Certified Agreement; and
- the reclassification of a number of positions to recognise the unique and difficult workload required by staff.

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

Expenses rose due to depreciation expenses in relation to the 2006 office fit-out that did not occur until the finalisation of accounts for 2006-07.

Total Expenses for 2007-08**PUBLIC TRUSTEE FINANCIAL POSITION**

Key indicators of the health of the Public Trustee's financial position are the ability to sustain the existing asset base, the ability to pay debts falling due in the short term and maintaining prudent levels of longer term liabilities. The graph below indicates assets held by the Public Trustee at 30 June 2008.

Assets as at 30 June 2008

As shown in the graph below, the Public Trustee has total assets of \$4,051,105.00 of which a sizeable amount (\$3,050,000.00) is invested with various financial institutions and \$323,274.00 is held in short term cash accounts for ongoing expenses. The balance of assets, \$677,831.00, is made up of receivables of \$216,466.00, prepayments of \$19,694.00 and Property, Plant and Equipment of \$441,671.00. The main variance

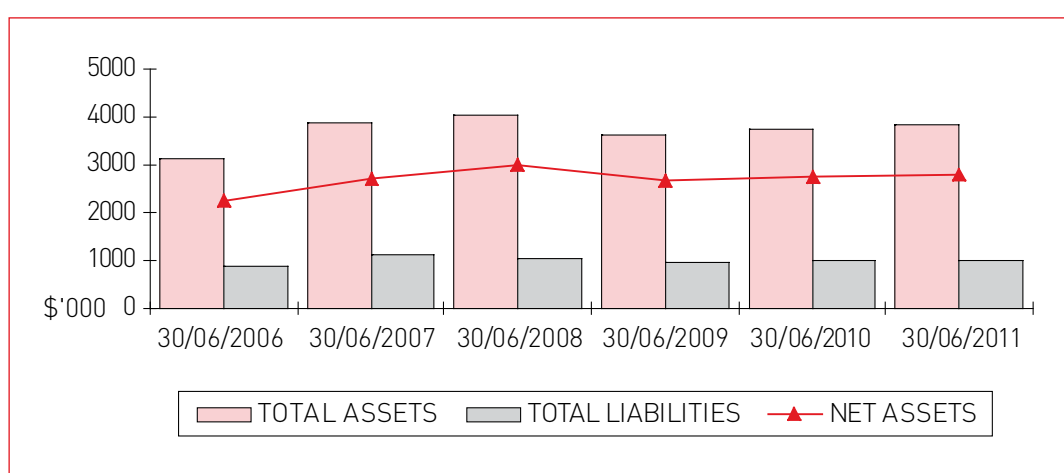
against the same period in 2006-07 is an increase in Cash and Cash Equivalents as a consequence of an increase in fees and commissions received. The decrease in Property, Plant and Equipment is attributable to depreciation charges. The Asset balance is higher than the 2007-08 budget estimate of \$3,515,000.00.

SUSTAINED ASSET BASE

Our ability to sustain our asset base is indicated by changes in net assets. The graph below illustrates the Public Trustee's strong net asset position due to the increased level of funds under management, in comparison with liabilities.

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

Comparative Statement of Financial Position



LIQUIDITY

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

Liquidity - Current Ratio

	PRIOR YEAR ACTUAL \$'000 2007	CURRENT YEAR ACTUAL \$'000 2008	CURRENT YEAR BUDGET \$'000 2008	FORWARD YEAR BUDGET \$'000 2009	FORWARD YEAR BUDGET \$'000 2010	FORWARD YEAR BUDGET \$'000 2011
Total Current Assets	3 372	3 609	3 197	3 421	3 609	3 790
Total Current Liabilities	1 136	1 013	885	935	960	980
Current Ratio	2.96:1	3.56:1	3.61:1	3.66:1	3.76:1	3.87:1

The Public Trustee's current ratio at 30 June 2008 is 3.56 to 1, a decrease on the budgeted current ratio at 30 June 2008 of 3.61 to 1. We anticipate current assets to remain relatively stable and will maintain a strong level of liquidity.

LIABILITIES

The Public Trustee's total liabilities for the year ending 30 June 2008 were \$1,046,561.00. This balance is \$131,561.00 higher than the 2007-08 budgeted figure of \$915,000.00 and lower than the actual balance as at 30 June 2007 by \$101,594.00. The main increase compared to budget is attributable to the dividend payable at the end of June 2008 being higher than anticipated due to an increase in Revenue. The main decrease compared to the 2006-07 year is attributable to a decrease in the dividend calculated and owing at 30 June 2007.

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

The ratio at 30 June 2008 as indicated in the table below is 3.43 to 1 and remains constant in forward years. The ratio of 3.43 to 1 is an increase from 2.95 to 1 at 30 June 2007, indicating that the Public Trustee's liquidity is more than adequate.

Financial Assets to Total Liabilities Ratio

	PRIOR YEAR ACTUAL \$'000 2006-07	CURRENT YEAR BUDGET \$'000 2007-08	CURRENT YEAR ACTUAL \$'000 2007-08	FORWARD YEAR BUDGET \$'000 2008-09	FORWARD YEAR BUDGET \$'000 2009-10	FORWARD YEAR BUDGET \$'000 2010-11
Total Financial Assets	3,354	3,177	3,590	3,400	3,587	3,767
Total Liabilities	1,136	915	1,047	967	995	1018
Financial Assets to Liabilities Ratio	2.95:1	3.47:1	3.43:1	3.51:1	3.61:1	3.70:1

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

A.6 FINANCIAL REPORT



ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

PUBLIC TRUSTEE'S OFFICE

To the Members of the ACT Legislative Assembly

Audit Opinion

In my opinion, the financial report of the Public Trustee's Office for the year ended 30 June 2008:

- (i) is presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) presents fairly the financial position of the Public Trustee's Office as at 30 June 2008 and the results of its operations and its cash flows for the year then ended.

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

Responsibility for the Financial Report

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

Contents of the Financial Report

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

The Auditor's Responsibility

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

The Audit Scope

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

Level 4, 11 Moore Street, Canberra City, ACT 2601 | PO Box 275, Civic Square, ACT 2608
Telephone: 02 6207 0833 | Facsimile: 02 6207 0836 | Email: actauditorgeneral@act.gov.au

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

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

My procedures included:

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

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

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

Electronic Presentation of the Audited Financial Report

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

Independence

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



Tu Pham
Auditor-General
2 August 2008

**Public Trustee for the A.C.T.
Financial Report
For the Year Ended 30 June 2008**

Statement of Responsibility

In my opinion, the financial report is in agreement with the Public Trustee's accounts and records and fairly reflects the financial operations of the Public Trustee for the year ended 30 June 2008 and the financial position of the Public Trustee on that date.



Andrew Taylor
Chief Executive
Public Trustee ACT

16 July 2008

**Public Trustee for the A.C.T.
Financial Report
For the Year Ended 30 June 2008**

Statement by the Chief Finance Officer

In my opinion, the financial report has been prepared in accordance with generally accepted accounting principles, and is in agreement with the Public Trustee's records and fairly reflects the financial operations of the Public Trustee for the year ended 30 June 2008 and the financial position of the Public Trustee on that date.



Joanne Thompson
Chief Finance Officer
Public Trustee ACT

16 July 2008

**PUBLIC TRUSTEE FOR THE ACT
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2008**

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

INDICATOR	TARGET 2007-08	Actual Outcome 2007-08	% Variance	Notes
No. of Current Financial Management under Orders of the Guardianship and Management of Property Tribunal (GMPT)	407	442	9%	1
No. of active financial management accounts under Power of Attorney and Enduring Power of Attorney	96	69	(28%)	2
No. of responses to community call outs following death	4	5	25%	3
No. of Welfare funerals arranged	8	3	(63%)	3
No. of Examinations of accounts provided from external managers under GMPT	318	243	(24%)	4
No. of Deceased Estate Administrations completed < \$100,000	72	33	(54%)	5
No. of Deceased Estate Administrations completed > \$100,000	43	40	(7%)	5
No. of trusts held under legal liability less than <\$100,000	339	442	(23%)	6
No. of trusts held under legal liability > \$100,000	40	34	(15%)	6
Wills	628	691	9%	7
Percentage of expenditure over total income	98%	88%	(10%)	8

Notes

1. The number of clients under Guardianship and Management of Property Orders has increased due to the appointment of the Public Trustee as manager of last resort.
2. The number of Enduring Power of Attorneys has reduced in 2007-08 due to number of deaths, transfer of clients to Guardianship and Management of Property Orders and due to individuals now having their affairs in order and having the ability to manage their own funds.
3. The number of Welfare Funerals and AFP call-outs is dependent upon the level of funds of deceased persons and the ability to

contact known family members. Public Trustee involvement is usually last resort.

4. The number of accounts examined is reliant upon external managers providing accounts to the office on an annual basis.
5. The number of deceased estates being administered by the Public Trustee that have a value of less than, or more than \$100,000, is solely dependent upon the level of assets at date of death.
6. The number of trusts with a value of less than, or more than \$100,000, depends solely upon court awarded settlements. Changes to legislation and court nominations affect the number of clients being administered by the Public Trustee.
7. The number of requests for new and changed wills remains relatively high due to marketing strategies, community education, excellent customer feedback and the employment of a full-time Legal Officer.
8. Income increased from original budget for the 2007-08 by 13% yet expenses only increased slightly. Therefore the percentage of expenditure over income has decreased from original budget for 2007-08.

PUBLIC TRUSTEE FOR THE ACT
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2008

Financial Performance Measurement Analysis

	2007-08 Target	2007-08 Actuals	Variance %	Explanation
Profitability				
Return on Assets	3.72%	14.46%	289%	1
Return on Equity	5.12%	19.03%	272%	2
Profit Margin	3.98%	15.28%	284%	3
Liquidity				
Current Ratio	3.61:1	3.56:1	(1%)	4
Cash Position	.8413	.8326	(1%)	
Receivables	11.87	16.36	38%	
Turnover				
Financial Stability				
Debt Ratio	26.03	25.85	(1%)	
Capital Ratio	35	35	0%	

- *Return on Assets*=(operating result b.t. +interest expense)/average total assets for period
- *Return on Equity*=operating result b.t. /equity
- *Profit Margin*=operating result b.t. /(Govt & nonGovt usercharges+taxes, fees and fines)
- *Current Ratio*=current assets/current liabilities
- *Cash Position*=(cash+current investments)/total assets
- *Receivables Turnover*=(non-Govt user charges+taxes, fees & fines)/average non-Gov't receivables for period
- *Debt Ratio*=total liabilities/total assets
- *Capital Ratio*=total liabilities/equity capital
- *Debt Service Coverage*=cash flow from operations/interest expenditure

- 1/2/3. The high variance in the Profitability Ratios is mainly due to an increase in income as a result of continued increase in the value of, and income received on, Common Fund investments and the finalisation of a number of high value estates have also assisted in increasing our operating result which has affected the Return on Assets, Return on Equity and the Profit margin.
4. Receivables at the end of the 2007-08 were higher than the balance at the end of 2006-07. This increase is mainly attributable to income yet to be received in relation to Managed Funds. As returns on investments increase, Management Fees increase as well.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	<u>Actual</u>	2008 <u>Budget</u>	2007 <u>Actual</u>
		\$	\$	\$
INCOME				
Service Payments from General Government Sector	3	203 000	203 000	198 000
Community Service Obligation Payment	3	428 000	428 000	415 000
User Charges	4	3 111 898	2 712 000	2 694 028
Interest	5	237 207	188 000	196 653
Other Income	6	-	-	527 000
Total Income		3 980 105	3 531 000	4 030 681
EXPENSES				
Employee Expenses	7	2 235 960	2 021 000	1 867 953
Superannuation Expenses	7	245 338	330 000	307 784
Supplies and Services	8	815 883	951 000	828 583
Depreciation	9	111 347	96 000	78 822
Total Expenses		3 408 548	3 398 000	3 083 142
Operating Surplus	23	571 557	133 000	947 539

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
BALANCE SHEET
AS AT 30 JUNE 2008**

	Notes	<u>Actual</u>	2008 <u>Budget</u>	2007 <u>Actual</u>
		\$	\$	\$
CURRENT ASSETS				
Cash and Cash Equivalents	11	3 373 274	2 957 000	3 126 171
Receivables	12	216 466	220 000	227 348
Prepayments		19 694	20 000	18 643
Total Current Assets		3 609 434	3 197 000	3 372 162
NON-CURRENT ASSETS				
Plant and Equipment	13	441 671	318 000	482 631
Total Non-Current Assets		441 671	318 000	482 631
Total Assets		4 051 105	3 515 000	3 854 793
CURRENT LIABILITIES				
Payables	14	126 524	118 000	84 245
Employee Benefits	15	601 424	701 000	557 306
Other Liabilities	16	285 778	66 000	473 769
Total Current Liabilities		1 013 726	885 000	1 115 320
NON CURRENT LIABILITIES				
Employee Benefits	15	32 835	30 000	20 706
Total Non-Current Liabilities		32 835	30 000	20 706
Total Liabilities		1 046 561	915 000	1 136 026
Net Assets		3 004 544	2 600 000	2 718 767
EQUITY				
Accumulated Funds	17	2 999 126	2 600 000	2 713 351
Asset Revaluation Reserve	17	5 418	-	5 418
Total Equity		3 004 544	2 600 000	2 718 769

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	2008 <u>Actual</u>	<u>Budget</u>	2007 <u>Actual</u>
Balance at the Beginning of the Reporting Period		2 718 769	2 533 000	2 239 581
Operating Surplus	23	571 557	133 000	947 539
<i>Reserves</i>				
Increase in the Asset Revaluation Reserve	17	-	-	5 418
Total Income and Expense Recognised Directly in Equity for the Reporting Period		571 557	133 000	952 957
<i>Transactions involving Equity Holders Affecting Accumulated Funds</i>				
Dividend Approved	16	(285 778)	(66 000)	(473 769)
Balance at the End of the Reporting Period		3 004 544	2 600 000	2 718 769

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	2008 <u>Actual</u>	<u>Budget</u>	2007 <u>Actual</u>
		\$	\$	\$
Cash Flows from Operating Activities				
Receipts				
Operating Revenue		370 304	350 000	400 583
Management Fees		1 000 391	990 000	905 875
Commission Received		1 753 983	1 376 000	1 346 191
Interest Received		225 304	176 000	190 071
Community Service Obligations payment		428 000	428 000	415 000
Service Payments from the General Government Sector		203 000	203 000	198 000
GST Charged on Fees & Commissions		313 847	250 000	262 620
Other		25 152	20 000	552 205
Total Receipts from Operating Activities		4 319 981	3 793 000	4 270 545
Payments				
Related to Employee Payments		2 391 483	2 311 000	2 218 635
Related to Supplies and Services		810 390	947 000	818 942
GST Paid on Supplies		89 860	85 000	120 858
GST Paid to Australian Taxation Office		222 151	165 000	147 548
Other		14 836	15 000	22 613
Total Payments from Operating Activities		3 528 720	3 523 000	3 328 596
Net Cash Inflows from Operating Activities	24	791 261	270 000	941 949
Cash Flows from Investing Activities				
Payments				
Plant and Equipment		70 387	-	547 145
Total Payments from Investing Activities		70 387	-	547 145
Net Cash (Outflows) from Investing Activities		(70 387)	-	(547 145)

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
CASH FLOW STATEMENT (Continued)
FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 <u>Actual</u>	<u>Budget</u>	2007 <u>Actual</u>
		\$	\$	\$
Cash Flows from Financing Activities				
Payments				
Payment of Dividend		473 769	293 000	199 889
Total Payments from Financing Activities		473 769	293 000	199 889
Net Cash (Outflows) from Financing Activities		(473 769)	(23 000)	(199 889)
Net Increase in Cash Held		247 103	(23 000)	194 915
Cash and Cash Equivalents at the Beginning of the Reporting Period		3 126 171	2 980 000	2 931 256
Cash and Cash Equivalents at the End of the Reporting Period	23	3 373 274	2 957 000	3 126 171

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

1. OBJECTIVES OF THE PUBLIC TRUSTEE

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

This general purpose financial report has been prepared in accordance with 'generally accepted accounting practice' as required by the FMA. The financial report has been prepared in accordance with:

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

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

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

b) The Reporting Period

The financial report states the financial performance and cash flows of the Public Trustee for the year ending 30 June 2008 and the financial position of the Public Trustee as at 30 June 2008.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

c) Comparative Figures

Budget Figures

Budget information for 2007-08 has been presented in the financial report in accordance with the Financial Management Act 1996 to facilitate a comparison with the Statement of Intent. Budget numbers in the financial report are the original budget numbers that appear in the Statement of Intent.

Prior Year Comparatives

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

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

d) Rounding

Use of "-" represents zero amounts or amounts rounded down to zero.

e) Revenue Recognition

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

f) Employee Benefits

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

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

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

f) Employee Benefits (continued)

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

g) Waivers of Debt

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

h) Current and Non-Current Items

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

i) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents include short-term investments managed by the Public Trustee Office internally. Bank overdrafts are included in cash and cash equivalents in the cash flow statement but are classified as current liabilities in the Balance Sheet.

Cash is measured at nominal value.

j) Receivables

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

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

(k) Acquisition and Recognition of Plant and Equipment

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

Plant and equipment acquired at no, or minimal, cost is recognised at fair value.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(j) Measurement of Plant and Equipment After Initial Recognition

All plant and equipment is measured at cost. The motor vehicle is measured at fair value.

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

(m) Depreciation of Non-Current Assets

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

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

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Motor Vehicle	Straight line	8
Furniture and Fittings	Straight line	5 - 20
Computer Equipment	Straight line	5
Computer Equipment	Straight line	5

n) Payables

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

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

o) Leases

Operating Leases

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

p) Trust Funds

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

3. REVENUE FROM GOVERNMENT

	2008 \$	2007 \$
Service Payments from General Government Sector	203 000	198 000
Community Service Obligation	428 000	415 000
	<u>631 000</u>	<u>613 000</u>

4. OPERATING REVENUE

Commission Received	1 753 983	1 350 141
Management Fees	975 084	946 845
Other Fees	382 831	397 042
	<u>3 111 898</u>	<u>2 694 028</u>

There is a significant increase in Commission Received and Management Fees for 2007-08. This mainly relates to an increase in the number of clients being managed and administered by the Public Trustee and the value of their assets.

5. INTEREST

Interest Income	<u>237 207</u>	<u>196 653</u>
	<u>237 207</u>	<u>196 653</u>

Interest income fluctuates with changes in market interest rates. Overall, Cash and Cash Equivalents increased during the year providing an increased base for interest returns. With interest rates rising over the last twelve months the return for the 2007-08 financial year compared to the previous financial year and the 2007-08 budget is higher.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

6. OTHER INCOME

	2008 \$	2007 \$
Funds received from the Commonwealth Government	-	527 000
	-	527 000

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

7. EMPLOYEE EXPENSES

	2008 \$	2007 \$
Salaries - General	1 917 495	1 590 023
- Business development and investment policy	163 464	150 174
- SES allowance	-	1 250
Termination payments/retirements	33 946	36 149
Productivity Component	81 669	60 340
Fringe Benefits Tax	(4 934)	10 567
Comcare Premiums	40 441	16 818
Other Employee Expenses	3 899	2 632
	2 235 980	1 867 953
Superannuation	245 338	307 784
	2 481 318	2 175 737

Due to reclassification of a number of key positions within the Office, together with a new certified agreement and an increase in staffing numbers, salary costs for the year increased significantly. Fringe Benefits Tax was incorrectly calculated for in the 2006-07 year and was adjusted in January 2008. Comcare premiums also increased significantly during 2007-08, this was mainly due to an increase in salary costs together with an overall increase in the calculation rate from .8867% to 2.09% for the Department of Justice and Community Safety, which the Public Trustee forms part of for calculation purposes.

Superannuation charges have also decreased as new employees now form part of the PSSAP scheme of which there is no employer component contributed. As the Office has had a number of new staff employed over the last twelve months this has allowed for the decrease.

The reclassification of staff, the new certified agreement and the increase in staffing numbers have also reflected an increase compared to the 2007-08 budget.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

8. SUPPLIES AND SERVICES

	2008 \$	2007 \$
Business Development Costs	52 168	60 081
Computer Expenses	164 181	148 245
Motor Vehicle Expenses	16 220	18 752
Rental Lease Payments/Cleaning	193 071	185 270
Repairs/Maintenance	69 936	52 889
Printing/Stationery	44 216	42 154
Telephones	21 876	22 249
Staff Training	24 054	27 183
Postage	16 605	15 017
Audit Fee	31 000	29 700
Subscriptions/Memberships	17 523	16 425
Office Equipment	20 352	18 415
Leasing – Computers	29 682	33 270
Travel Expenses	8 577	8 875
Conference Costs / Meeting Expenses	1 094	3 797
Insurance Risk Management Levy	36 525	33 085
Advertising	1 787	370
Bad Debts	3 127	1 756
Bank Charges	3 296	4 457
Other Expenses	27 368	20 744
Electricity	14 758	12 554
Business Application Upgrade	17 800	28 635
Relocation Costs	665	44 660
	<u>815 883</u>	<u>828 583</u>

9. DEPRECIATION

Plant and Equipment	<u>111 347</u>	<u>78 822</u>
	<u>111 347</u>	<u>78 822</u>

In late 2007-08, further work was performed to enhance office space, including security screens and an increase in workstations. As a result of this there was an increase in capital expenditure and therefore a corresponding increase in depreciation charges.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

10. WAIVERS AND WRITE-OFFS

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

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

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

		2008		2007
Ordinary Activities	No.	\$	No.	\$
Write-offs				
Irrecoverable Debts	2	2 873	14	784
Total Write-offs		<u>2 873</u>		<u>784</u>

The write-offs occurred as a result of client accounts being overdrawn and balances being deemed unrecoverable. The Public Trustee approves all write-off balances.

11. CASH AND CASH EQUIVALENTS

	2008	2007
	\$	\$
Cash at Bank	322 824	225 990
Cash on Hand	450	181
Investments	3 050 000	2 900 000
	<u>3 373 274</u>	<u>3 126 171</u>

The Public Trustee Office held deposits at call throughout the year. The weighted average interest rate returned on these investments was 6.67%. Due to an increase in the total of income received for the year the balance of Cash and Cash Equivalents exceeded the balance held at the end of June 2007.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

12. RECEIVABLES

	2008 \$	2007 \$
Current Receivables		
Trade Debtors	164 443	178 971
Less: Allowance for Impairment Losses	-	-
	<u>164 443</u>	<u>178 971</u>
Other Debtors	8 653	16 858
Accrued Revenue	43 370	31 519
	<u>43 370</u>	<u>31 519</u>
Total Receivables	<u>216 466</u>	<u>227 348</u>
Ageing of Receivables		
Receivables are aged as follows:		
Overdue for less than 30 days	154 192	170 057
Overdue for 30 to 60 days	-	-
Overdue for more than 60 days	62 274	57 291
Less: Total Allowance for Impairment Losses	-	-
Total Receivables	<u>216 466</u>	<u>227 348</u>
Split of Government/Non-Government Receivables		
Receivables with Other ACT Government Entities		
Net Trade Debtors	32 320	18 354
Other Debtors	7 741	5 044
	<u>7 741</u>	<u>5 044</u>
Total Receivables with Other ACT Government Entities	<u>40 061</u>	<u>23 398</u>
Receivables with Entities Outside Government		
Net Trade Debtors	132 123	160 617
Other Debtors	912	11 814
Accrued Revenue	43 370	31 519
	<u>43 370</u>	<u>31 519</u>
Total Receivables with Entities Outside Government	<u>176 405</u>	<u>203 950</u>
Total Receivables	<u>216 466</u>	<u>227 348</u>

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

13. PLANT AND EQUIPMENT

	2008 \$	2007 \$
Motor Vehicle (at valuation)	13 000	15 873
Less: Accumulated Depreciation	(1 625)	(2 873)
	<u>11 375</u>	<u>13 000</u>
The motor vehicle was valued at market value by Pickles Auctions Pty Limited on 17 May 2007.		
Furniture and Fittings (at cost)	19 268	19 268
Less: Accumulated Depreciation	(2 036)	(742)
	<u>17 232</u>	<u>18 526</u>
Computer Equipment (at cost)	3 336	3 336
Less: Accumulated Depreciation	(1 199)	(532)
	<u>2 137</u>	<u>2 804</u>
Office Fitout (at cost)	587 728	524 541
Less: Accumulated Depreciation	(183 863)	(76 241)
	<u>403 865</u>	<u>448 300</u>
Security System (at cost)	7 200	3 336
Less: Accumulated Depreciation	(138)	(532)
	<u>7 062</u>	<u>2 804</u>
Total Plant and Equipment (at cost)	630 533	563 018
Less: Accumulated Depreciation	(188 862)	(80 388)
Total Carrying Value	<u>441 671</u>	<u>482 630</u>

The increase in Plant and Equipment was primarily due to the capitalisation of further costs associated with the adjustments to the fitout of the Office's new accommodation.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

13. PLANT AND EQUIPMENT (continued)

Reconciliations of the carrying amounts of Plant and Equipment at the beginning and the end of the current and previous reporting periods.

	2008 \$	2007 \$
Motor Vehicle		
Carrying amount at the Beginning of the Reporting Period	13 000	8 889
Revaluation	-	5 418
Depreciation	(1 625)	(1 307)
Carrying Amount at the End of the Reporting Period	<u>11 375</u>	<u>13 000</u>
Furniture and Fittings		
Carrying amount at the Beginning of the Reporting Period	18 526	-
Additions	-	19 268
Depreciation	(1 294)	(742)
Carrying Amount at the End of the Reporting Period	<u>17 232</u>	<u>18 526</u>
Computer Equipment		
Carrying amount at the Beginning of the Reporting Period	2 804	-
Additions	-	3 336
Depreciation	(667)	(532)
Carrying Amount at the End of the Reporting Period	<u>2 137</u>	<u>2 804</u>
Office Fitout		
Carrying amount at the Beginning of the Reporting Period	448 300	-
Additions	63 188	524 541
Depreciation	(107 623)	(76 241)
Carrying Amount at the End of the Reporting Period	<u>403 865</u>	<u>448 300</u>
Security System		
Carrying amount at the Beginning of the Reporting Period	-	-
Additions	7 200	-
Depreciation	(138)	-
Carrying Amount at the End of the Reporting Period	<u>7 062</u>	<u>-</u>

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

14. PAYABLES

	2008 \$	2007 \$
Current Payables		
Trade Creditors	126 524	84 245
Total Payables	126 524	84 245
Payables are aged as follows:		
Overdue for less than 30 Days	125 582	76 325
Overdue for more than 30 days and less than 60 days	942	7 920
Overdue for more than 60 Days	-	-
Total Payables	126 524	84 245
Split of Government/Non-Government Payables		
Payables with Other ACT Government Entities		
Trade Creditors	69 579	5 727
Total Payables with Other ACT Government Entities	69 579	5 727
Payables with Entities Outside ACT Government		
Trade Creditors	56 945	78 518
Total Payables with Entities Outside ACT Government	56 945	78 518
Total Payables	126 524	84 245

The increase in payables is mainly attributable to the receipt of invoices relating to the 2007-08 year being received after 30 June 2008, but dated prior to 30 June 2008 and remaining partly unpaid. These invoices related to Service Level Agreement charges and Concave Premiums for 2007-08. Also GST payable at the end of June was higher than the previous year due to an increase in revenue received.

15. EMPLOYEE BENEFITS

	2008 \$	2007 \$
CURRENT EMPLOYEE BENEFITS		
Annual Leave	208 092	195 641
Long Service Leave	364 858	345 679
Accrued Employee Expenses	28 474	15 985
Total Current Employee Benefits	601 424	557 305
NON CURRENT EMPLOYEE BENEFITS		
Long Service Leave	32 835	20 706
Total Employee Benefits	634 259	578 011

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

15. EMPLOYEE BENEFITS (continued)

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

The overall increase in Employee Benefits is largely due to staff who have now reached five years employment with the Public Service deemed entitled to Long Service Leave benefits. The increase in staffing numbers has also had an effect on Annual Leave balances.

For disclosure purposes only		
Estimated Amount Payable within 12 Months	2008 \$	2007 \$
Accrued Employee Expenses	28 474	15 985
Annual Leave	208 092	195 641
Long Service Leave	-	24 644
	236 566	236 270
Estimated Amount Payable after 12 Months		
Long Service Leave	397 693	341 741
	397 693	341 741
Total Employee Benefits	634 259	578 011

At the end of the 2008 financial year the Public Trustee for the Australian Capital Territory had 32 staff employed. (2007 – 30 staff)

16. OTHER LIABILITIES

Dividend Payable	285 778	473 769
-------------------------	----------------	----------------

The dividend payable each year is based on fifty percent of the net profit in any given financial year. The dividend for the 2007-08 financial year is less than accrued in the prior financial year. This is mainly due to the receipt of a one-off payment from the Commonwealth Government in 2006-07.

17. EQUITY

Total Equity at the End of the Reporting Period

Accumulated Funds	2 999 127	2 713 351
Asset Revaluation Reserve	5 418	5 418
Total Equity	3 004 545	2 718 769

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

Movements in Equity during the Reporting Period

Accumulated Funds

	2008 \$	2007 \$
Balance at the Beginning of the Reporting Period	2 713 348	2 239 581
Operating Surplus	571 557	947 539
Dividends Approved	(285 778)	(473 769)
Balance at the End of the Reporting Period	2 999 127	2 713 351

Asset Revaluation Reserve

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

In the 2007 financial year the office Motor Vehicle was revalued. As a result, the value of the vehicle had increased. The budget for 2007-08 does not reflect the increase as the budget was prepared prior to the valuation of the vehicle being performed.

18. COMMITMENTS

Operating Leases

Non-Cancellable Operating Lease Commitments are Payable as follows:

Not later than one year	218 583	220 378
Later than one year but not later than five years	528 349	750 102
Later than five years but not later than ten years	-	-
Total Operating Lease Commitments	746 932	970 480

The ACT Government has an operating lease with AclowAGL Distribution for part of the ground floor of 221 London Circuit, Canberra. The term of the lease is for a period of 10 years with a 5-year option. This lease commenced in September 2006.

19. CONTINGENT LIABILITIES

As at 30 June 2008 the Office of the Public Trustee had no contingent liabilities.

20. SEGMENT REPORTING

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

21. AUDITOR'S REMUNERATION

	2008 \$	2007 \$
Remuneration to the ACT Auditor-General's Office for auditing the Financial Report for the Reporting Period.	31 000	31 000

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

22. RECONCILIATION OF CASH AND CASH EQUIVALENTS

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

Cash	323 274	226 171
Investments	3 050 000	2 900 000
	<u>3 373 274</u>	<u>3 126 171</u>

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

Operating Surplus	571 557	947 539
Depreciation of Property Plant and Equipment	111 347	78 822
Cash Before Changes in Operating Assets and Liabilities	<u>682 904</u>	<u>1 026 361</u>
Change in Operating Assets and Liabilities:		
(Increase) Decrease in Receivables	10 882	(68 474)
(Increase) Decrease in Prepayments	(1 051)	(798)
Increase in Payables	42 279	28 994
(Decrease) Increase in Employee Benefits	<u>56 247</u>	<u>(44 154)</u>
Net Cash Inflows from Operating Activities	<u>791 261</u>	<u>941 949</u>

24. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

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

The Public Trustee's financial assets consist of cash and cash equivalents and receivables and its financial liabilities are comprised of payables.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

24. FINANCIAL INSTRUMENTS (continued)

The Public Trustee's maximum exposure to interest rate risk relating to these financial assets and liabilities is shown below in Note 24(e): 'Maturity Analysis and Exposure to Interest Rates'.

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

A significant proportion of the Public Trustee's financial assets consist of cash and cash equivalents. As these are held in floating interest arrangements, the Public Trustee is exposed to movements in the amount of interest it may earn on cash and cash equivalents.

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

(b) Credit Risk

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

Credit risk is managed the Public Trustee for investments by only investing surplus funds with various financial institutions, who have a AAA credit rating or greater. There is no other collateral held as security for financial assets. The Public Trustee also manages credit risk for receivables by undertaking an analysis of the concentration of credit risk to ensure that it is not too high. No concentration of credit risk was identified in this analysis. There have been no changes in risk exposure or processes for managing risk since last year.

The Public Trustee's maximum exposure to credit risk relating to these cash equivalents is shown below in Note 24(e) 'Maturity Analysis and Exposure to Interest Rates'.

(c) Liquidity Risk

Liquidity risk is the risk that the Public Trustee will encounter difficulty in meeting obligations associated with financial liabilities. To limit its exposure to liquidity risk, the Public Trustee ensures that it does not have a large portion of its financial liabilities maturing in any one financial year 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's exposure to liquidity risk and the management of this risk has not changed since last financial year.

The Public Trustee's maximum exposure to liquidity risk relating to these financial liabilities is shown below in Note 24(e): 'Maturity Analysis and Exposure to Interest Rates'.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

24. FINANCIAL INSTRUMENTS (continued)

(d) Fair Value of Financial Assets and Liabilities

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

	Carrying Amount 2008 \$	Fair Value 2008 \$	Carrying Amount 2007 \$	Fair Value 2007 \$
Financial Assets				
Cash and Cash Equivalents	3 373 274	3 373 274	3 126 171	3 126 171
Receivables	216 466	216 466	227 348	227 348
Total Financial Assets	3 589 890	3 589 890	3 353 519	3 353 519
Financial Liabilities				
Payables	126 524	126 524	84 245	84 245
Other Liabilities	285 578	285 578	473 769	473 769
Total Financial Liabilities	412 102	412 102	558 014	558 014

The following table sets out the Public Trustee'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 as at 30 June 2008. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

24. FINANCIAL INSTRUMENTS (continued)

(e) Maturity Analysis

Financial Assets	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	\$		%		\$		\$	
	2008	2007	2008	2007	2008	2007	2008	2007
Cash	3 373 274	3 126 171	7.33	6.48	-	-	3 373 274	3 126 171
Receivables	-	-	-	-	216 466	227 348	216 466	227 348
Total	3 373 274	3 126 171			216 466	227 348	3 589 740	3 353 519
Financial Liabilities	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	\$		%		\$		\$	
	2008	2007	2008	2007	2008	2007	2008	2007
Payables	-	-	-	-	126 524	84 245	126 524	84 245
Other Liabilities	-	-	-	-	285 578	473 769	285 578	473 769
Total	-	-	-	-	412 102	558 014	412 102	558 014
Net Financial Assets/ (Liabilities)	3 373 274	3 126 171	-	-	(195 636)	(330 666)	3 177 638	2 795 505



ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

Public Trustee for the ACT Trust Account

To the Members of the ACT Legislative Assembly

Audit Opinion

In my opinion, the financial report of the Public Trustee for the ACT Trust Account (the Trust) for the year ended 30 June 2008:

- (i) is presented in accordance with the Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) presents fairly the financial position of the Trust as at 30 June 2008 and the results of its operations and its cash flows for the year then ended.

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

Responsibility for the Financial Report

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

Contents of the Financial Report

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

The Auditor's Responsibility

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

The Audit Scope

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

I formed the audit opinion by performing procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with the Accounting

Standards and other mandatory financial reporting requirements in Australia, a view that is consistent with my understanding of the financial position and performance of the Trust.

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

My procedures included:

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

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

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

Electronic Presentation of the Audited Financial Report

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

Independence

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



Tu Pham
Auditor-General
14 August 2008

**Public Trustee for the A.C.T.
Trust Account
Financial Report
For the Year Ended 30 June 2008**

Statement of Responsibility

In my opinion, the financial report is in agreement with the Public Trustee's Trust accounts and records and fairly reflects the financial operations of the Public Trustee Trust Account for the year ended 30 June 2008 and the financial position of the Public Trustee Trust Account on that date.



Andrew Taylor
Chief Executive
Public Trustee ACT

16 July 2008

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

Operating Statement - Common Fund Interest Account
Year ended 30 June 2008

	Note	2008 \$	2007 \$
INCOME			
Investment Income		9 006 684	5 868 446
		<u>9 006 684</u>	<u>5 868 446</u>
EXPENDITURE			
Interest paid to Estates and Trusts		2 523 252	2 042 762
Distributions to Estates and Trusts		5 078 167	2 512 978
Management Fees		1 246 461	1 101 993
Custodian Fees		36 505	35 485
		<u>8 884 385</u>	<u>5 693 198</u>
NET OPERATING SURPLUS	10	<u>122 299</u>	<u>175 248</u>

Operating Statement - Guarantee and Reserve Account
Year ended 30 June 2008

	Note	2008 \$	2007 \$
INCOME			
Investment Income		137 651	118 251
		<u>137 651</u>	<u>118 251</u>
EXPENDITURE			
Management Fees		19 329	20 366
Income Commission		6 862	6 334
Consultancy Fee		55 000	-
Depreciation		6 493	5 000
		<u>87 684</u>	<u>31 700</u>
NET OPERATING SURPLUS	11	<u>49 967</u>	<u>86 551</u>

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

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

Balance Sheet as at 30 June 2008			
	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	45 820 931	40 596 843
Accrued Investment Income		746 848	341 669
Unrealised Assets	4	60 051 621	48 974 258
TOTAL CURRENT ASSETS		106 619 400	89 912 770
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	244 496	75 000
Investments	3	44 022 863	55 430 667
TOTAL NON-CURRENT ASSETS		44 267 359	55 505 667
TOTAL ASSETS		150 886 759	145 418 437
CURRENT LIABILITIES			
Trust Liabilities	6	5 551 852	1 384 780
TOTAL CURRENT LIABILITIES		5 551 852	1 384 780
NON-CURRENT LIABILITIES			
Estates, Trusts etc under Administration	7	142 644 435	141 691 440
TOTAL NON-CURRENT LIABILITIES		142 644 435	141 691 440
TOTAL LIABILITIES		148 196 287	143 076 220
NET ASSETS		2 690 472	2 342 217
EQUITY			
Common Fund	10	483 121	360 822
Guarantee and Reserve Account	11	2 006 527	1 958 560
Asset Revaluation Reserve	12	200 824	24 835
TOTAL EQUITY		2 690 472	2 342 217

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

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

STATEMENT OF RECOGNISED INCOME AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$	2007 \$
Opening Balance		2 342 217	2 680 418
Operating Surplus – Interest account		122 299	175 248
Operating Surplus – Guarantee and Reserve account		49 967	86 551
Total Income and Expenses Recognised Directly in Equity		172 266	261 799
Increase in Asset Revaluation Reserve		175 989	-
Closing Balance		2 690 472	2 342 217

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2008**

1. ACTIVITIES OF THE PUBLIC TRUSTEE

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of accounting

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

b) Estate assets

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

c) Property, Plant and Equipment

Buildings are valued at fair value in accordance with AASB 116 Property Plant and Equipment. The last revaluation of buildings was in May 2008. The valuation was performed by an independent valuer, Herron, Todd, White. The fair value of buildings is measured using current prices in an active market for similar properties.

d) Depreciation

Depreciation is provided on assets acquired by the Public Trustee at rates which will be sufficient to write the assets off over their estimated useful lives. Non-current assets with a limited useful life are depreciated over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued it is depreciated/amortised over the remaining useful life of that asset.

e) Investments

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2008**

e) Investments (continued)

funds in proportions determined by one or more of the standard investment strategies provided by the Public Trustee.

- Capital Secure
- Income Stable
- Growth
- Balanced

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

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

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

f) Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Public Trustee has made the following judgements that have the most significant impact on the amounts recorded in the financial report:

- (i) *Fair Value of Land and Buildings:* The Public Trustee has made a significant judgement regarding the fair value of its land and buildings. Land and buildings have been recorded at the market value of similar properties as determined by an independent valuer.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

CASH COMMON FUND

	2008 \$	2007 \$
Cash at Bank	25 598	4 145
Short Term Money Market and Interest Bearing Deposits and Securities	45 796 333	40 592 698
TOTAL CASH AND CASH EQUIVALENTS	45 820 931	40 596 843

The increase in Cash and Cash Equivalents is mainly attributable to the increase in funds received for the administration of Deceased Estates, Trusts and Personal Management Clients.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2008

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

INVESTMENTS

	2008 \$	2007 \$
Australian Equities Common Fund	28 746 387	36 398 333
Australian Fixed Interest Common Fund	13 295 810	14 326 211
Australian Listed Property Common Fund	2 882	4 706 123
International Equities Common Fund	1 977 784	-
TOTAL INVESTMENTS	44 022 863	55 430 667

The decrease in investments is due to the decline in the value of investments as a result of market fluctuations.

4. UNREALISED ASSETS

Unrealised assets have been brought to account as follows.

Real Estate	24 695 907	23 979 706
Nursing Home/Retirement Village Bonds	6 634 532	6 213 105
Cash or Cash Equivalent	28 575 017	18 445 137
Personal Effects	146 165	336 310
	60 051 621	48 974 258

The increase in Unrealised Assets is attributable to an increase in Real Estate properties under Management as well as an increase in the value of Cash or Cash Equivalent investments due to the increase of the client base under Management.

5. PROPERTY, PLANT AND EQUIPMENT

Leasehold building	247 000	80 000
Less: Accumulated Depreciation	2 504	(5 000)
	244 496	75 000

A valuation of the Public Trustee warehouse at Mitchell was performed during the financial year ending 30 June 2008. The valuation indicated the value of the warehouse exceeded its carrying amount. Consequently the asset was revalued.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2008**

6. TRUST LIABILITIES

Trust liabilities have been brought to account as follows.

	2008	2007
	\$	\$
Mortgages	74 112	406 644
Funeral Expenses	40 508	20 753
Bank Loans and Credit cards	20 497	49 150
Medical/Dental costs	10 320	23 256
Property/Utility costs	48 780	34 948
Sundry Debts	54 282	37 480
Other	5 303 353	812 849
	<u>5 551 852</u>	<u>1 384 780</u>

Trust Liabilities have increased due to the value of funds transferred from cash investments and transferred to the Common Fund controls pending investment.

7. ESTATES, TRUSTS ETC UNDER ADMINISTRATION

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

Deceased Estates	34 473 206	24 679 661
Power of Attorney	14 984 157	19 811 530
Court Trusts	42 141 751	48 931 777
Protected Estates	409 592	351 549
Estate Trusts	17 361 641	16 311 157
Proceeds of Crime	5 668	6 014
Cemetery Trusts	821 258	712 147
Management Orders	26 945 307	26 082 896
Unclaimed Monies	5 519 136	4 794 045
Unallocated Assets *	2 719	664
	<u>142 644 435</u>	<u>141 691 440</u>

Due to an increase in the number estate clients and the value of their portfolios, the value under Administration balance has increased accordingly. Although the number of Power of Attorney and Court Trust clients have stayed relatively stable, the value of their assets have decreased due to a large number of clients being invested in Common Funds. The Common Funds have decreased in value quite dramatically as they are affected by market fluctuations.

The movement in the total value of accounts under administration represents the value of new trusts and estates received less finalisations and distributions during the year 1 July 2007 to 30 June 2008.

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2008**

8. RECONCILIATION OF CASH

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

	2008	2007
	\$	\$
Cash at Bank	25 598	4 145
Cash Equivalents	45 795 333	40 592 698
Total Cash and Cash Equivalents	<u>45 820 931</u>	<u>40 596 843</u>

9. RECONCILIATION OF NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS

Operating Surplus - Interest account	122 299	175 248
Operating Surplus - Guarantee and Reserve Account	49 967	88 551
Increase/(Decrease) in Accrued Income	(405 179)	(84 205)
Depreciation	6 493	5 000
Net Cash (Used in)/Provided by Operating Activities	<u>(226 420)</u>	<u>202 594</u>

10. EQUITY – COMMON FUND

CASH COMMON FUND

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

Movements in the interest account reserve were as follows.

Balance at the beginning of the year	360 822	185 574
Operating Surplus/(Deficit)	<u>122 299</u>	<u>175 248</u>
Balance at the end of the year	<u>483 121</u>	<u>360 822</u>

11. EQUITY - COMMON FUND GUARANTEE AND RESERVE ACCOUNT

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2008**

11. EQUITY - COMMON FUND GUARANTEE AND RESERVE ACCOUNT (continued)

Movements in the reserve were as follows.

	2008 \$	2007 \$
Balance at the beginning of the year	1 958 560	1 870 009
Operating Surplus	49 967	86 551
Balance at the end of the year	<u>2 008 527</u>	<u>1 956 560</u>

12. ASSET REVALUATION RESERVE

Balance at the beginning of the year	24 835	24 835
Revaluation of Property, Plant and Equipment	175 989	-
Balance at the end of the year	<u>200 824</u>	<u>24 835</u>

13. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

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

The Public Trustee's financial assets consist of cash and cash equivalents.

The Public Trustee's maximum exposure to interest rate risk relating to these financial assets is shown below in Note 13(f): 'Maturity Analysis and Exposure to Interest Rates'.

A significant proportion of the Public Trustee's financial assets consist of cash and cash equivalents. As these are held in floating interest arrangements, the Public Trustee is exposed to movements in the amount of interest it may earn on cash and cash equivalents.

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

(b) Credit Risk

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2008**

13. FINANCIAL INSTRUMENTS (continued)

Credit risk is managed the Public Trustee for investments by only investing surplus funds with various financial institutions, who have a AAA credit rating or greater. There is no other collateral held as security for financial assets.

The Public Trustee's maximum exposure to credit risk relating to these financial assets is shown below in Note 13(f): 'Maturity Analysis and Exposure to Interest Rates'.

(c) Liquidity Risk

Liquidity risk is the risk that the Public Trustee will encounter difficulty in meeting obligations associated with financial liabilities. The Public Trustee ensures that funds are available to meet client needs and also ensures 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's exposure to liquidity risk and the management of this risk has not changed since last financial year.

The Public Trustee's maximum exposure to liquidity risk relating to these financial assets and liabilities is shown below in Note 13(f): 'Maturity Analysis and Exposure to Interest Rates'.

(d) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

In complying with trust investment requirements of the *Trustee Act 1925*, the Public Trustee is exposed to market price fluctuations in the units of its trust investments portfolios, Australian Equities, Australian Fixed Interest, International Equities and Listed Property Trusts caused by movements in the underlying investments of the individual portfolios. External fund managers manage stock selection of the underlying investments diversifying investments in keeping with investment strategies. Investments are exchange traded securities and a variety of Government bonds, bank deposits and investment-grade corporate issues.

This price risk is managed by diversification of asset classes, diversification of the external funds managers and diversification of the underlying investments in each asset class in keeping with the criteria of section 14 of the *Trustee Act 1925*.

The Public Trustee's exposure to price risk and the management of this risk is monitored continuously

13. FINANCIAL INSTRUMENTS (continued)

under risk management strategies set and supervised under the advice of the Public Trustee Investment Board.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2008**

(e) 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:

	Carrying Amount 2008 \$	Fair Value 2008 \$	Carrying Amount 2007 \$	Fair Value 2007 \$
Financial Assets				
Cash and Cash Equivalents	45 820 931	45 820 931	40 596 843	40 596 843
Investments	44 022 863	44 022 863	55 430 667	55 430 667
Total Financial Assets	<u>89 843 794</u>	<u>89 843 794</u>	<u>96 027 510</u>	<u>96 027 510</u>

The following table sets out the Public Trustee'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 as at 30 June 2008. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT YEAR ENDED 30 JUNE 2008

13. FINANCIAL INSTRUMENTS (continued)

(f) Maturity Analysis and exposure to interest rates

Financial Assets	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	\$		%		\$		\$	
	2008	2007	2008	2007	2008	2007	2008	2007
Cash and Cash Equivalents	45 820 931	40 596 843	6.15	5.07	-	-	45 820 931	40 596 843
Investments	44 022 863	55 430 667	6.96	15.6	-	-	44 022 863	55 430 667
Total	89 843 794	96 027 510			-	-	89 843 794	96 027 510
Financial Liabilities	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	\$		%		\$		\$	
	2008	2007	2008	2007	2008	2007	2008	2007
Trust Liabilities	-	-			5 377 491	1 384 780	5 377 491	1 384 780
Total	-	-			5 377 491	1 384 780	5 377 491	1 384 780
Net Financial Assets/ (Liabilities)	89 843 794	96 027 510			(5 377 491)	(1 384 780)	84 466 303	94 642 730

15. ADDITIONAL INFORMATION

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

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

Operating Statement - Common Fund Interest Account
Year ended 30 June 2008

	Note	2008 \$	2007 \$
INCOME			
Investment Income		9 006 684	5 868 446
		<u>9 006 684</u>	<u>5 868 446</u>
EXPENDITURE			
Interest paid to Estates and Trusts		2 523 252	2 042 762
Distributions to Estates and Trusts		5 078 167	2 512 978
Management Fees		1 248 461	1 101 993
Custodian Fees		36 505	35 465
		<u>8 884 385</u>	<u>5 693 198</u>
NET OPERATING SURPLUS	10	<u>122 299</u>	<u>175 248</u>

Operating Statement - Guarantee and Reserve Account
Year ended 30 June 2008

	Note	2008 \$	2007 \$
INCOME			
Investment Income		137 651	118 251
		<u>137 651</u>	<u>118 251</u>
EXPENDITURE			
Management Fees		19 329	20 366
Income Commission		6 862	6 334
Consultancy Fee		55 000	-
Depreciation		6 493	5 000
		<u>87 684</u>	<u>31 700</u>
NET OPERATING SURPLUS	11	<u>49 967</u>	<u>86 551</u>

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



ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

Capital Region Community Foundation Gift Fund

To the Public Trustee

Audit Opinion

In my opinion, the financial report of the Capital Region Community Foundation Gift Fund (the Fund) for the year ended 30 June 2008:

- (i) is presented in accordance with the Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) presents fairly the financial position of the Fund as at 30 June 2008 and the results of its operations and its cash flows for the year then ended.

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

Responsibility for the Financial Report

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

Contents of the Financial Report

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

The Auditor's Responsibility

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

The Audit Scope

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

I formed the audit opinion by performing procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with the Accounting Standards and other mandatory financial reporting requirements in Australia, a view

that is consistent with my understanding of the financial position and performance of the Fund.

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

My procedures included:

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

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

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

Electronic Presentation of the Audited Financial Report

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

Independence

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



Tu Pham
Auditor-General
18 August 2008

**Capital Region Community Foundation
Gift Fund
Financial Report
For the Year Ended 30 June 2008**

Statement of Responsibility

In my opinion, the financial report is in agreement with the Capital Region Community Foundation Gift Fund accounts and records and fairly reflects the operations of the Gift Fund for the year ended 30 June 2008 and the financial position of the Gift Fund on that date.



Andrew Taylor
Chief Executive
Public Trustee ACT

16 July 2008

CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$	2007 \$
INCOME			
Gifts	3	2 932 694	883 406
Interest	3	16 275	9 015
Gain on Investments	3	-	209 952
Dividends	3	271 892	84 734
Rent	3	8 833	8 297
Total Income		3 229 694	1 195 404
EXPENSES			
Funds Transferred to Beneficiaries	4	159 176	120 811
Administration	4	15 665	1 618
Bank Charges	4	-	17
Investment Property Expenses	4	1 188	1 111
Other	4	6 366	15 749
Loss on Investments	4	815 777	-
Total Expenses		998 172	139 305
OPERATING SURPLUS		2 231 522	1 056 099

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

CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

BALANCE SHEET

AS AT 30 JUNE 2008

	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	237 544	105 629
TOTAL CURRENT ASSETS		<u>237 544</u>	<u>105 629</u>
NON-CURRENT ASSETS			
Investments	6	4 267 753	2 167 836
Investment Property	7	<u>170 000</u>	<u>170 000</u>
TOTAL NON-CURRENT ASSETS		<u>4 437 753</u>	<u>2 337 836</u>
TOTAL ASSETS		<u>4 675 297</u>	<u>2 443 465</u>
CURRENT LIABILITIES			
Accrued Expenses		<u>2 310</u>	<u>2 000</u>
TOTAL CURRENT LIABILITIES		<u>2 310</u>	<u>2 000</u>
TOTAL LIABILITIES		<u>2 310</u>	<u>2 000</u>
NET ASSETS		<u>4 672 987</u>	<u>2 441 465</u>
EQUITY			
Accumulated Funds		<u>4 672 987</u>	<u>2 441 465</u>
Total Equity		<u>4 672 987</u>	<u>2 441 465</u>

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

CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
Balance at the Beginning of the Reporting Period	2 441 465	1 385 366
Operating Surplus	<u>2 231 522</u>	<u>1 056 099</u>
Total Income and Expense Recognised Directly in Equity	2 231 522	1 056 099
Balance at the End of the Reporting Period	<u>4 672 987</u>	<u>2 441 465</u>

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

CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008	2007
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Gifts		1 163 672	883 406
Interest		16 275	9 015
Dividends		271 892	84 734
Rent		8 833	8 297
Total Receipts from Operating Activities		1 460 672	985 452
PAYMENTS			
Administration		15 665	1 618
Bank Charges		-	17
Rental		1 188	1 111
Other		6 056	13 748
Funds Transferred to Beneficiaries		159 176	120 811
Total Payments from Operating Activities		182 085	137 305
Net Cash Inflows from Operating Activities		1 278 587	848 147
CASH FLOWS FROM INVESTING ACTIVITIES			
PAYMENTS			
Purchase of Investments		1 146 672	845 702
Net Cash Outflows from Investing Activities	10	(1 146 672)	(845 702)
Net Increase in Cash Held		131 915	2 445
Cash and Cash Equivalents at the Beginning of the Reporting Period		105 629	103 184
Cash and Cash Equivalents at the End of the Reporting Period	5	237 544	105 629

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

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

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

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Comparative Figures

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

(c) Rounding

All amounts in the financial report have been rounded to the nearest dollar.

(d) Revenue Recognition

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

(e) Interest Income

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

(f) Dividend Income

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

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investments

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

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

- Capital Secure
- Income Stable
- Growth
- Balanced

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

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

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

(h) Non-Current Property Investment

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

3. INCOME

	2008 \$	2007 \$
Gifts/Settlements	2 932 694	983 406
Interest	16 275	9 015
Gain on Investments	-	209 962
Dividends	271 892	84 734
Rent	8 833	8 297
	<u>3 229 694</u>	<u>1 195 404</u>

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

3. INCOME (continued)

Gifts/Settlements increased for the year with an inflow of new funds from a deceased estate. There is no gain on investments this year due to a downturn in the market. However while the market has declined, returns on investments in the first part of the financial year had increased compared to the previous year.

4. EXPENSES

	2008 \$	2007 \$
Funds Transferred to Beneficiaries	159 176	120 811
Administration	15 665	1 618
Bank Charges	-	17
Property Expenses	1 188	1 111
Other	6 366	15 748
Loss on Investments	815 777	-
	<u>998 172</u>	<u>139 305</u>

The Foundation Board has recommended the Trustee make further distributions from income received including 3 fund transfers and 10 scholarships as part of the ongoing youth programme.

Administration costs mainly relate to fees and charges and are commission based. The higher the income received, the higher the administration charge.

Due to a downturn in the market there was a significant loss on invested funds.

5. CASH AND CASH EQUIVALENTS

Excess credit balances, as at 30 June 2008, were pooled with credit balances in the Public Trustee Cash Common Fund for investment purposes.

Cash	17 544	25 629
Short Term Money Market and Interest Bearing Deposits and Securities Cash	<u>220 000</u>	<u>80 000</u>
	<u>237 544</u>	<u>105 629</u>

6. INVESTMENTS

Public Trustee Growth Fund (see Note 2(g))	2 754 497	2 167 836
Share Portfolio	<u>1 513 256</u>	<u>0</u>
	<u>4 267 753</u>	<u>2 167 836</u>

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

7. INVESTMENT PROPERTY

	2008 \$	2007 \$
Property Investment (see Note 2(h))	170 000	170 000
	<u>170 000</u>	<u>170 000</u>

8. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

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

The Capital Region Community Foundation Gift Fund's financial assets consist of cash and cash equivalents.

The Capital Region Community Foundation Gift Fund's maximum exposure to interest rate risk relating to these financial assets is shown below in Note 6: 'Maturity Analysis and Exposure to Interest Rates'.

The Capital Region Community Foundation Gift Fund's financial assets consist of cash and cash equivalents, these are held in floating interest arrangements. The Capital Region Community Foundation Gift Fund is exposed to movements in the amount of interest it may earn on cash and cash equivalents.

As the Capital Region Community Foundation Gift Fund's operating cash flows are not significantly dependant on interest earned from cash and cash equivalents, a sensitivity analysis of the interest rate risk has not been performed.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Capital Region Community Foundation Gift Fund's credit risk is limited to the amount of the financial assets it holds net of any provision for impairment, the Capital Region Community Foundation Gift Fund expects to collect all financial assets that are not past due or impaired.

Credit risk is managed the Capital Region Community Foundation Gift Fund for investments by only investing surplus funds with various financial institutions, who have a AAA credit rating or greater. There is no other collateral held as security for financial assets.

The Capital Region Community Foundation Gift Fund's maximum exposure to credit risk relating to the financial assets and liabilities is shown below in Note 6: 'Maturity Analysis and Exposure to Interest Rates'.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

8. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Capital Region Community Foundation Gift Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Capital Region Community Foundation Gift Fund ensures that it has a large portion of its financial liabilities maturing in any one financial year so that funds are available to meet client needs and also ensures that at any particular point in time it has a sufficient amount of current financial assets to meet its current financial liabilities.

The Capital Region Community Foundation Gift Fund's exposure to liquidity risk and the management of this risk has not changed since last financial year.

The Capital Region Community Foundation Gift Fund's maximum exposure to liquidity risk relating to the financial assets and liabilities is shown below in Note 6: 'Maturity Analysis and Exposure to Interest Rates'.

(d) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

In complying with trust investment requirements of the *Trustee Act 1925*, the Capital Region Community Foundation Gift Fund is exposed to market price fluctuations in the units of its trust investments portfolios, Australian Equities, Australian Fixed Interest, International Equities and Listed Property Trusts caused by movements in the underlying investments of the individual portfolios. External fund managers manage stock selection of the underlying investments diversifying investments in keeping with investment strategies. Investments are exchange traded securities and a variety of Government bonds, bank deposits and investment-grade corporate issues.

This price risk is managed by diversification of asset classes, diversification of the external funds managers and diversification of the underlying investments in each asset class in keeping with the criteria of section 14 of the *Trustee Act 1925*.

The Capital Region Community Foundation Gift Fund's exposure to price risk and the management of this risk is monitored continuously under risk management strategies set and supervised under the advice of the Capital Region Community Foundation Gift Fund Investment Board.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

8. FINANCIAL INSTRUMENTS (continued)

Sensitivity Analysis

Taking into account past performance, future expectations and economic forecasts, the impact on profit or loss and the impact on equity in the table below are 'reasonably possible' over the next 12 months if unit values change by +/- 7.15%, which is one standard deviations from the 2007-08 average unit price.

	Carrying Amount	-7.15%		+7.15%	
		Profit/ (Loss)	Equity	Profit/ (Loss)	Equity
Financial Assets					
Investments	4 267 763	(305 145)	(305 145)	305 145	305 145

(e) 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:

	Carrying Amount 2008 \$	Fair Value 2008 \$	Carrying Amount 2007 \$	Fair Value 2007 \$
Financial Assets				
Cash and Cash Equivalents	237 544	237 544	105 629	105 629
Investments	4 267 763	4 267 763	2 167 836	2 167 836
Total Financial Assets	4 505 297	4 505 297	2 273 465	2 273 465

The following table sets out the Capital Region Community Foundation Gift Fund maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2008. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

8. FINANCIAL INSTRUMENTS (continued)

Financial Assets	Floating Interest Rate		Weighted Average Interest Rate		Non-Interest Bearing		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	%	%	\$	\$	\$	\$
Cash and Cash Equivalents	237 544	105 629	6.15	5.07	-	-	237 544	105 629
Investments	4 267 753	2 167 836	7.63	23.5	-	-	4 267 753	2 167 836
Total	4 505 297	2 273 465			-	-	4 505 297	2 273 465
Net Financial Assets	4 505 297	2 273 465			-	-	4 505 297	2 273 465

9. RELATED PARTY DISCLOSURES

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

9. RELATED PARTY DISCLOSURES (continued)

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

Hon Margaret Reid AO
Brian Acworth AM
Richard Gibson
Doug Gillespie
John Hanna
Jonathan Forrest
Councillor Paul Baybrook
Christopher Peters AM
Larry King
Sarah Paic

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

(c) There were no related party transactions between the Capital Region Community Foundation Gift Fund and the members of the Board, or parties related to members of the Board.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

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

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

	2008	2007
Cash and Cash Equivalents	237 544	105 629
Operating Surplus	2 231 522	1 056 099
Add/(Less) Items Classified as Investing or Financing		
Loss/(Gain) on Investments	815 777	(209 962)
Transfer of share portfolio from Public Trustee Trust account as per will instruction	(1 769 022)	-
(Add)/Less Non-Cash Items		
Accrued Expenses	(310)	2 000
Net Cash Inflows from Operating Activities	1 278 587	848 147

9. AUDITOR'S REMUNERATION

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

2 310	2 000
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No other services were provided by the ACT Auditor-General's Office during the reporting period.



ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

Capital Region Community Foundation Open Fund

Audit Opinion

In my opinion, the financial report of the Capital Region Community Foundation Open Fund (the Fund) for the year ended 30 June 2008:

- (i) is presented in accordance with the Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) presents fairly the financial position of the Fund as at 30 June 2008 and the results of its operations and its cash flows for the year then ended.

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

Responsibility for the Financial Report

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

Contents of the Financial Report

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

The Auditor's Responsibility

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

The Audit Scope

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

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

Level 4, 11 Moore Street, Canberra City, ACT 2601 | PO Box 275, Civic Square, ACT 2608
Telephone: 02 6207 0833 | Facsimile: 02 6207 0826 | Email: actauditorgeneral@act.gov.au

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

My procedures included:

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

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

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

Electronic Presentation of the Audited Financial Report

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

Independence

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



Tu Pham
Auditor-General
18 August 2008

**Capital Region Community Foundation
Open Fund
Financial Report
For the Year Ended 30 June 2008**

Statement of Responsibility

In my opinion, the financial report is in agreement with the Capital Region Community Foundation Open Fund accounts and records and fairly reflects the operations of the Open Fund for the year ended 30 June 2008 and the financial position of the Open Fund on that date.



Andrew Taylor
Chief Executive
Public Trustee ACT

16 July 2008

CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND

OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$	2007 \$
INCOME			
Gifts/Settlements	3	380	28 165
Interest	3	2 333	1 428
Gain on Investments	3	-	35 549
Dividends	3	35 533	14 941
Total Income		38 246	80 083
EXPENSES			
Donations	4	1 200	20 580
Administration	4	2 083	556
Other	4	3 720	3 767
Loss on Investments	4	70 435	-
Total Expenses		77 438	24 903
OPERATING (DEFICIT)/SURPLUS		(39 192)	55 180

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

CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND

BALANCE SHEET

AS AT 30 JUNE 2008

	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	30 178	31 201
TOTAL CURRENT ASSETS		30 178	31 201
NON-CURRENT ASSETS			
Investments	5	295 035	332 894
TOTAL NON-CURRENT ASSETS		295 035	332 894
TOTAL ASSETS		325 213	364 095
CURRENT LIABILITIES			
Accrued Expenses		2 310	2 000
TOTAL CURRENT LIABILITIES		2 310	2 000
TOTAL LIABILITIES		2 310	2 000
NET ASSETS		322 903	362 095
EQUITY			
Accumulated Funds		322 903	362 095
Total Equity		322 903	362 095

STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
Balance at the Beginning of the Reporting Period	362 095	306 915
Operating (Deficit)/Surplus	(39 192)	55 180
Total Income and Expenses recognised Directly in Equity	(39 192)	55 180
Balance at the End of the Reporting Period	322 903	362 095

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

CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Gifts		380	28 165
Interest		2 333	1 428
Dividends		35 533	14 941
Total Receipts from Operating Activities		<u>38 246</u>	<u>44 534</u>
PAYMENTS			
Donations		(1 200)	(20 580)
Administration		(2 083)	(556)
Other		(3 410)	(1 767)
Total Payments from Operating Activities		<u>(6 693)</u>	<u>(22 903)</u>
Net Cash Inflows from Operating Activities	8	<u>31 553</u>	<u>21 631</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
PAYMENTS			
Purchase of Investments		<u>(32 576)</u>	<u>(187 800)</u>
Net Cash Outflows from Investing Activities		<u>(32 576)</u>	<u>(187 800)</u>
Net (Decrease) in Cash Held		(1 023)	(166 169)
Cash and Cash Equivalents at the Beginning of the Reporting Period		31 201	197 370
Cash and Cash Equivalents at the End of the Reporting Period	5	<u>30 178</u>	<u>31 201</u>

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

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

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

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Comparative Figures

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

(c) Rounding

Use of “-” represents amounts rounded down to zero.

(d) Revenue Recognition

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

(e) Interest Income

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

(f) Dividend Income

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

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investments

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

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

- Capital Secure
- Income Stable
- Growth
- Balanced

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

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

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

3. INCOME

	2008 \$	2007 \$
Gifts/Settlements	360	28 165
Interest	2 333	1 428
Gain on Investments	-	35 549
Dividends	35 533	14 941
	<u>38 246</u>	<u>80 083</u>

Settlement of new funds into the Open Fund has decreased this financial year. Donors have directed the majority of their funds into the Capital Region Community Gift Fund, this is mainly due to the Tax Deductable status it holds. There was no gain on investments this financial year due to a downturn in the market. However, while the market has declined, dividends on investments in the first part of the financial year have increased compared to the previous year.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

4. EXPENSES

	2008 \$	2007 \$
Donations	1 200	20 580
Administration	2 083	556
Other	3 720	3 767
Loss on investment	70 435	-
	<u>77 438</u>	<u>24 903</u>

Although the Foundation Board had made recommendations in regard to the distribution of funds prior to 30 June 2008, at that date grant applications had not been received for evaluation. Administration costs mainly relate to income received and are commission based. The higher the income received, the higher the administration charge. Due to a downturn in the market there was a significant loss on invested funds.

5. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Excess credit balances, as at 30 June 2008, were pooled with credit balances in the Public Trustee Cash Common Fund for investment purposes.

CASH AND CASH EQUIVALENTS

Cash	10 178	11 201
Short-Term Money Market and Interest Bearing Deposits and Securities Cash	<u>20 000</u>	<u>20 000</u>
	<u>30 178</u>	<u>31 201</u>

INVESTMENTS

Public Trustee Growth Fund	<u>295 035</u>	<u>332 894</u>
	<u>295 035</u>	<u>332 894</u>

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

6. FINANCIAL INSTRUMENTS (Continued)

Sensitivity Analysis

Taking into account past performance, future expectations and economic forecasts, the impact on profit or loss and the impact on equity in the table below are 'reasonably possible' over the next 12 months if unit values change by $\pm 7.15\%$, which is one standard deviation from the 2007-08 average unit price.

	Carrying Amount	-7.15% Profit/ (Loss)	Equity	+7.15% Profit/ (Loss)	Equity
Financial Assets					
Investments	295 035	(21 095)	(21 095)	21 095	21 095

(a) 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:

	Carrying Amount 2008 \$	Fair Value 2008 \$	Carrying Amount 2007 \$	Fair Value 2007 \$
Financial Assets				
Cash and Cash Equivalents	30 178	30 178	31 201	31 201
Investments	295 035	295 035	332 894	332 894
Total Financial Assets	325 213	325 213	364 095	364 095

The following table sets out the Capital Region Community Foundation Open Fund maturity analysis for financial assets as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2008. All financial assets that have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

6. FINANCIAL INSTRUMENTS (Continued)

Financial Assets	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	2008 \$	2007 \$	2008 %	2007 %	2008 \$	2007 \$	2008 \$	2007 \$
Cash and Cash Equivalents	30 178	31 201	6.15	5.07	-	-	30 178	31 201
Investments	295 035	332 894		9.37	-	-	295 035	332 894
Total	325 213	364 095			-	-	325 213	364 095
Net Financial Assets	325 213	364 095			-	-	325 213	364 095

7. RELATED PARTY DISCLOSURES

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

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

Hon Margaret Reid AO
Brian Acworth AM
Richard Gibson
Doug Gillespie
John Hanna
Jonathan Forrest
Councillor Paul Baybrook
Christopher Peters AM
Larry King
Sarah Pelic

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

(c) There were no related party transactions between the Capital Region Community Foundation Open Fund and the members of the Board, or parties related to members of the Board.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

8. RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO THE OPERATING (DEFICIT)/SURPLUS

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

	2008 \$	2007 \$
Cash and Cash Equivalents	31 201	31 201
Operating (Deficit)/Surplus	(39 192)	55 180
(Less)/Add Items Classified as Investing or Financing		
Loss/ (Gain) on Investments	70 435	(35 549)
Add/(Less) Non-Cash Items		
Accrued expenses	310	2 000
Net Cash Inflows from Operating Activities	31 553	21 631

9. AUDITOR'S REMUNERATION

Remuneration to the ACT Auditor-General's Office for auditing the Financial Report for the Reporting Period.	2 310	2 000
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No other services were provided by the ACT Auditor-General's Office during the reporting period.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

6. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

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

The Capital Region Community Foundation Open Fund's financial assets consist of cash and cash equivalents.

The Capital Region Community Foundation Open Fund's maximum exposure to interest rate risk relating to these financial assets is shown below in Note 6: 'Maturity Analysis and Exposure to Interest Rates'.

A significant proportion of the Capital Region Community Foundation Open Fund's financial assets consist of cash and cash equivalents. As these are held in floating interest arrangements, the Capital Region Community Foundation Open Fund is exposed to movements in the amount of interest it may earn on cash and cash equivalents.

As the Capital Region Community Foundation Open Fund's operating cash flows are not significantly dependant on interest earned from cash and cash equivalents, a sensitivity analysis of the interest rate risk has not been performed.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Capital Region Community Foundation Open Fund's credit risk is limited to the amount of the financial assets it holds net of any provision for impairment, the Capital Region Community Foundation Open Fund expects to collect all financial assets that are not past due or impaired.

Credit risk is managed the Capital Region Community Foundation Open Fund for investments by only investing surplus funds with various financial institutions, who have a AAA credit rating or greater. There is no other collateral held as security for financial assets.

The Capital Region Community Foundation Open Fund's maximum exposure to credit risk relating to the financial assets is shown below in Note 6: 'Maturity Analysis and Exposure to Interest Rates'.

(c) Liquidity Risk

Liquidity risk is the risk that the Capital Region Community Foundation Open Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Capital Region Community Foundation Open Fund ensures that it has a large portion of its financial liabilities maturing in any one

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

6. FINANCIAL INSTRUMENTS (Continued)

financial year so that funds are available to meet client needs and also ensures that at any particular point in time it has a sufficient amount of current financial assets to meet its current financial liabilities.

The Capital Region Community Foundation Open Fund's exposure to liquidity risk and the management of this risk has not changed since last financial year.

The Capital Region Community Foundation Open Fund's maximum exposure to Liquidity risk relating to the financial assets and liabilities is shown below in Note 6: 'Maturity Analysis and Exposure to Interest Rates'.

(d) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

In complying with trust investment requirements of the *Trustee Act 1925*, the Capital Region Community Foundation Open Fund is exposed to market price fluctuations in the units of its trust investments portfolios, Australian Equities, Australian Fixed Interest, International Equities and Listed Property Trusts caused by movements in the underlying investments of the individual portfolios. External fund managers manage stock selection of the underlying investments diversifying investments in keeping with investment strategies. Investments are exchange traded securities and a variety of Government bonds, bank deposits and investment-grade corporate issues.

This price risk is managed by diversification of asset classes, diversification of the external funds managers and diversification of the underlying investments in each asset class in keeping with the criteria of section 14 of the *Trustee Act 1925*.

The Capital Region Community Foundation Open Fund's exposure to price risk and the management of this risk is monitored continuously under risk management strategies set and supervised under the advice of the Public Trustee Investment Board.

A.7 STATEMENT OF PERFORMANCE

Refer Section A.6.

A.8 ANALYSIS OF AGENCY PERFORMANCE

2007-08 has again been a productive year for the Public Trustee. Our performance in brief is as follows -

- Net operating Surplus of \$571,557.00 for 2007-08, representing an increase over estimate of \$133,000.00 and an increase in real terms of \$151,018.00 over 2006-07.
- Income continued to climb recording \$3,980,105.00, up from \$3,503,681.00 in 2006-07 and representing an increase of \$476,424.00 or 13.6%.
- Highest annual dividend yet to ACT Treasury.
- Expenses were \$3,408,548.00, up on 2006-07 by \$325,406.00 or 9.5%.
- Investment arrangements were reviewed.
- GreaterGood corpus increased from \$2,671,023.42 to \$5,307,963.00
- Customer satisfaction at 93.49%.

FUNDS MANAGEMENT

At 30 June 2008, PTACT had funds under management of \$182,040,000.00, up from \$169,180,000.00 in 2006-07.

Funds management is a fundamental and rapidly growing business component. PTACT now operates five asset sector common funds satisfying client investment requirements. The investment strategy provides investment clients with income, growth and security through diversification.

Client moneys are invested through these Common Funds in accordance with the prudent person investment principle of the *Trustee Act 1925*.

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

Client funds held in the moneys decreased from \$97.45M in 2006-07 to \$96.95M in 2007-08. Generally this resulted from a negative market performance in both the Australian share market and Listed Property Trusts sector.

PTACT's five asset class common funds are -

Cash Common Fund

Internally managed cash funds are invested in a range of bank and non-bank financial institution deposits, notes and bills of exchange. Interest returns vary with the market cash rate and, at 30 June 2008, the interest rate was 7.5% (up from 5.25% at 30 June 2007) and the fund size was \$44.7M, up from \$41.4M at 30 June 2007. Fluctuations are a normal and expected occurrence due to the changing circumstances of clients involved and timing of the investment into the market.

Australian Equities Common Fund

An externally managed portfolio of Australian stocks. Funds under investment total \$30.9M, a decrease of 7.7% over the previous year.

International Equities Common Fund

An externally managed portfolio of non-Australian stocks. The International Equities Fund was established in May 2008 as part of the review of investment arrangements and, at 30 June 2008, \$2.12M had been invested.

Australian Fixed Interest Common Fund

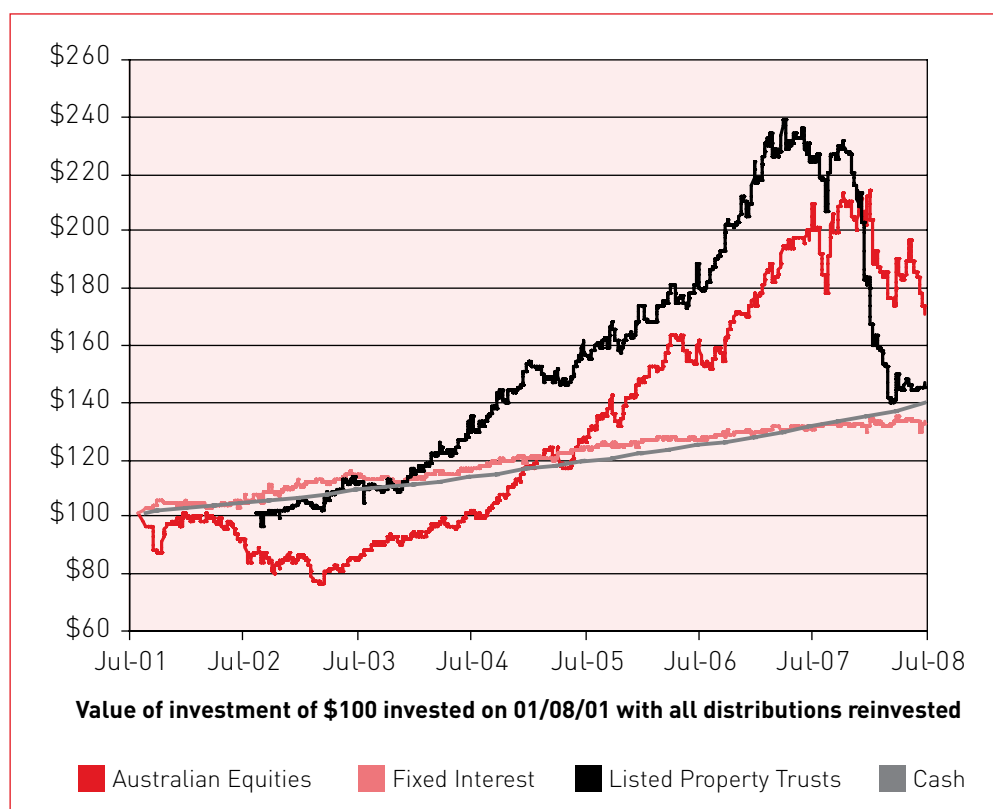
An externally managed portfolio of corporate and government bonds and floating rate notes. Funds under investment at 30 June 2008 were \$14.3M compared to \$15.1M at 30 June 2007.

Australian Listed Property Trust Common Fund

An externally Managed Property Security Fund invested in listed property trusts across retail, industrial and commercial sectors. Funds under investment at 23 May 2008 were \$5.0M compared to \$5.24M at 30 June 2007. At the time of this report PTACT was taking advice on the appointment of a new Fund Manager, following redemption of funds in May 2008.

The following graph sets out the comparative performance of the Australian Equities, Fixed Interest and Listed Property Common Funds.

Comparative Funds Performance



INVESTMENT STRATEGY

PTACT's investment strategy has been established on the advice of the Public Trustee Investment Board and an external asset/markets consultant and is designed to maximise the investment performance and overall return for a client's investment portfolio.

The Australian Equities, Australian Fixed Interest, Listed Property Trust and International Equities Common Funds act as vehicles for investment of client funds in asset allocations that reflect individual risk profiles. PTACT operates four risk models where clients with compatible risk profiles are grouped for investment into the common funds in asset allocations designed to address their needs –

Growth Model Portfolio

The Growth strategy seeks to achieve long-term returns in excess of inflation. Allocation to Australian Equities provides greater potential for growth plus potential taxation benefits of franked dividends. Performance for the year after fees was 11.22%.

Balanced Model Portfolio

The Balanced strategy seeks to provide a balance between return and volatility. It is suitable for medium term trusts, or those with a mix of income and capital needs for beneficiaries. Performance after fees for the year was 7.58%.

Income Stable Model Portfolio

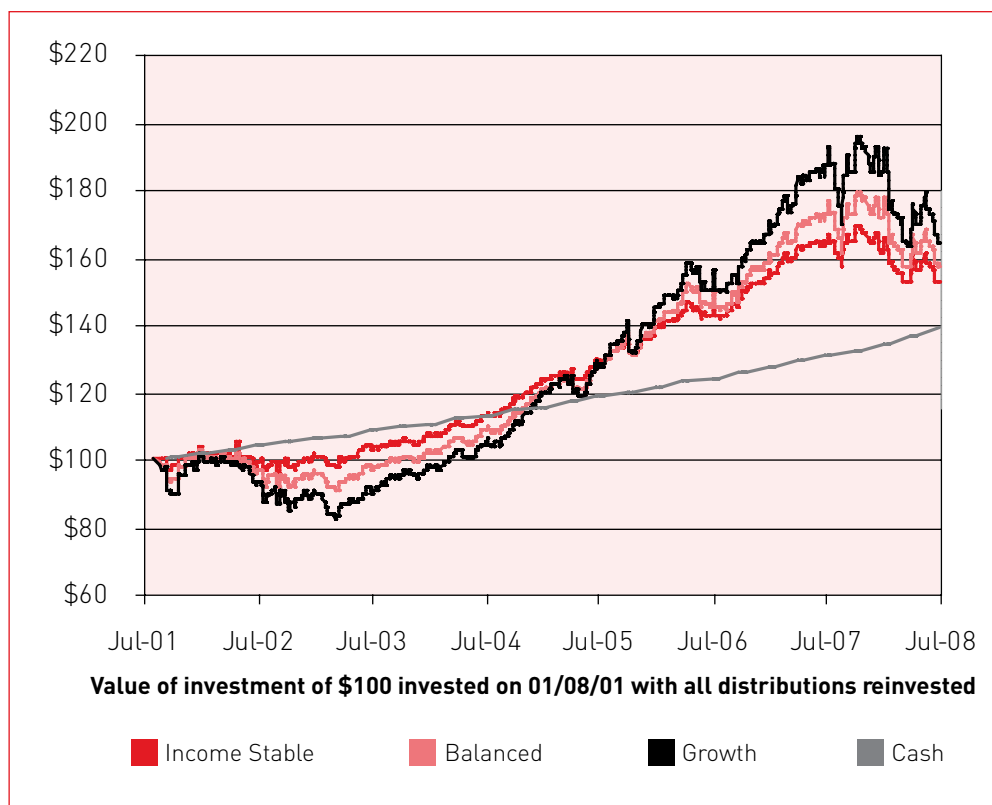
The Income Stable strategy seeks to provide income return with moderate volatility plus potential for some growth to protect the real value of the trust. It is suitable for trusts with income needs, short terms and conservative risk profiles. Performance return after fees for the reported year was 3.42%.

Capital Stable Model Portfolio

Accounts requiring stability of capital are invested through the Cash Common Fund providing a market interest return on daily balances with funds available at call. The Cash Common Fund is suitable for cash balances and trusts of uncertain term. The fund consistently returned 6.53% during the year, and closed at 7.50%.

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

Risk Model Comparative Performance



OUR SERVICES TO GOVERNMENT

Government Trust Moneys

Part 7 of the *Financial Management Act 1996* requires that all trust money and other non-public moneys managed by ACT Government departments should be invested with the Public Trustee.

PTACT invests these moneys in accordance with the prudent person investment principle of the *Trustee Act 1925* and returns a dividend to the particular account minus Public Trustee fees. Funds held at 30 June 2008 amounted to \$90.98M in respect to the following accounts -

- ACT Health;
- ACT Procurement Solutions;
- Land Development Agency;
- ACT Planning and Land Authority (ACTPLA);
- Justice and Community Safety;
- Default Insurance Fund
- Nominal Insurance Fund

Moneys held in these accounts are invested in a range of securities including bank bills and financial institution deposits managed internally and a Fixed Interest Trust

managed by Suncorp Metway Investment Management Limited. The circumstances of each account are reviewed regularly and investment strategies decided according to individual risk profiles, objects, needs for income and relevant legislation.

It should be noted that moneys held in these accounts are not invested in either Australian or International Equities and, as such, are not at risk of unethical investment.

The ACT Auditor-General's Performance Audit Report titled *Management of Trust Moneys and Other Non-Public Moneys* released in June 2006, found that a number of ACT Government agencies had failed in their obligation to invest identified trust funds with the Public Trustee. The Public Trustee has pursued the matter to ensure compliance.

Criminal Assets

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

The Public Trustee deposited \$97,949.07 into the Confiscated Assets Trust Fund during the reported financial year. These funds were realised from 20 convictions.

Unclaimed Moneys

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

At 30 June 2008, PTACT held \$4,759,777.54 in unclaimed moneys. During the year –

- 45 lodgements were received for a total of \$905,397.71.
- 336 claims for a total of \$477,939.51 were received and paid.

Average claims paid were –

- Unclaimed Moneys Act - \$960.98
- Unclaimed Moneys Act (Superannuation) - \$5,760.85

The breakup of claims paid is as follows –

- Directions by Office of Regulatory Services - 5 for a total of \$4,119.30
- Legal Practitioners Act - 7 claims for a total of \$37,664.91
- Unclaimed Moneys Act - 298 claims for a total of \$286,373.23
- Unclaimed Moneys Act (Superannuation) - 26 claims for a total of \$149,782.07

Cemeteries and Crematoria Act 2003

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

At 30 June 2008, a total of \$902,131.07 in deposits was held by the Public Trustee under the Act as follows –

Deposits to perpetual care trust

CEMETERY/ CREMATORIUM	DEPOSITED TO DATE (ALL) \$	NET DEPOSITS \$	2007/08 INCOME \$	GROWTH FROM INVESTMENTS \$	BALANCE 30/06/08 \$
Hall	32,198.36	20,466.60	1,162.54	0.00(*)	22,731.95
Woden	933,074.82	731,228.05	67,743.29	(79,299)	836,354.08
Norwood Park	36,366.57	36,366.57	3,941.76	(4,055)	43,045.04
TOTAL	1,001,639.75	788,061.22	72,847.59	(83,354)	902,131.07

* Hall Cemetery Perpetual Care Trust is held in cash only.

OUR PRODUCTS AND SERVICES

Wills

Will making is a core business of PTACT. We completed over 691 Wills during the year compared with 644 in the previous year, with in excess of 11,100 Wills in our Wills 'Bank'. This represents an increase of 10.73% over last financial year, a significant increase.

Estates

Estate volumes have reduced in line with the general market. Customer satisfaction with PTACT's estate management is extremely positive. 92 new estates were commenced during the year at an estimated committed value of \$38,530,800.60 compared to 101 at \$23,301,353.13 for the previous year. There were 75 estates finalised during the year with an estimated committed value of \$20,936,147.00 compared to 96 at \$23,649,390.57 for the previous year. This is primarily due to the increased value of estates that include properties and share portfolios. Whilst the numbers of incoming and finalised estates have reduced, this is in line with peer industry experience. The average value of incoming estates has however increased significantly from \$230,706.00 to \$418,813.00. The average value of completed estates increased from \$246,347.00 to \$275,475.00.

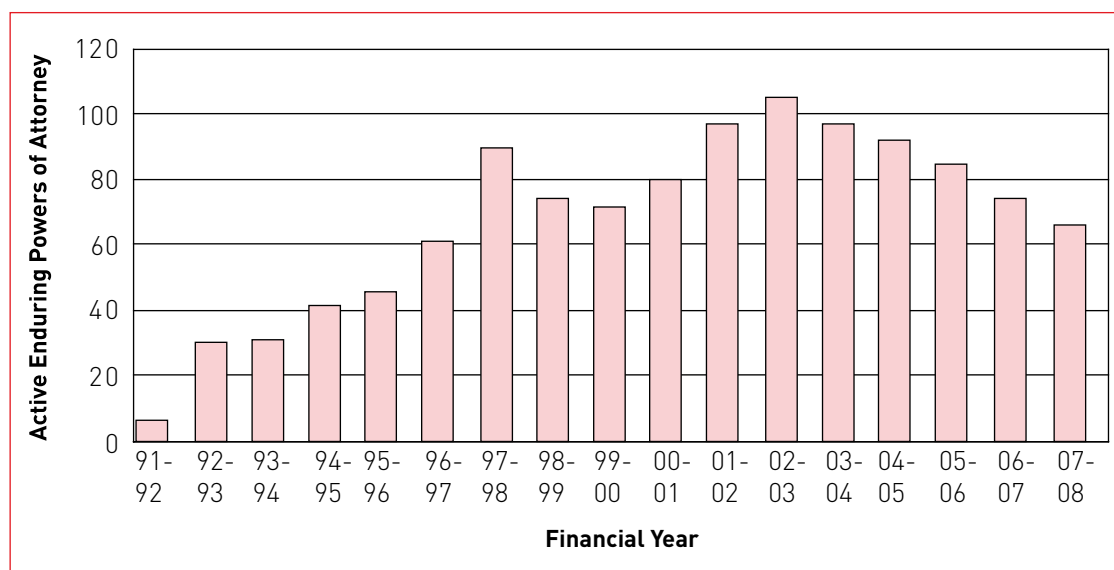
Trusts

The Public Trustee acts as trustee, manager or receiver of funds for infants, or for those unable to manage their funds. The number of trusts administered during the year dropped marginally from 483 in 2006-07 to 476 in 2007-08.

Powers of Attorney

PTACT actively promotes the preparation of an Enduring Power of Attorney (EPA) by all members of the ACT Community. The Public Trustee will act as attorney and assist in identifying the best solution for individual needs. The number of active EPAs under management by PTACT has marginally decreased from 77 last year to 69 and fell short of the target of 96 by 39%. Whilst the number of EPA's prepared by the Public Trustee has steadily risen due to publicity arising from the new legislation, the drop in active management under EPA reflects issues in people's lives outside of the influence or control of the Public Trustee.

Active Enduring Powers of Attorney



Financial Management

The Guardianship and Management of Property Tribunal may appoint a Financial Manager to protect the interests of adult persons in the community who have impaired decision-making ability, or lack the capacity to manage their own financial affairs. PTACT is appointed as plenary, or absolute manager, in approximately 50% of cases. At 30 June 2008, the Public Trustee was appointed as Financial Manager for 442 people, a marginal increase on 2006-07.

Taxation Services

PTACT is a registered tax agent, has qualified taxation personnel on staff and provides specialist taxation services incidental to estate/trust activities. During the year, 915 income tax returns (up by 7.3%) were completed and lodged for both individuals and trusts under administration.

Conveyancing Services

PTACT completed 33 property settlements during 2007-08 with a total value of \$16,478,200.00. Conveyancing fees received were \$24,000.00.

OUR KEY CHALLENGES AND PLANS

PTACT's Business Plan for 2007/08 identified the following key result areas:

- **Business Development** – to diversify and build estate and trust business opportunities to promote service sustainability and expansion. The value of the Public Trustee's business continued to grow with significant growth in the value of funds under management and development of the Capital Region Community Foundation.
- **Service Delivery and Client Satisfaction** – to enhance and streamline core work processes for efficient and effective delivery of high quality services and rates of return. Our customers and stakeholders reported 93.49% satisfaction or better with the products and services provided by the Public Trustee.
- **Strategic Relationships** – to develop constructive relationships with key stakeholders to enhance leverage and influence in the marketplace and the community. PTACT maintains relationships with many ACT and national businesses, agencies, charities and associations. During the year PTACT sought to access use of a new electronic Wills package through PT NSW. PTACT joined with other PT's and Trustee corporations in developing an application for specified exemptions under the *Anti-Money Laundering and Counter Terrorism-Financing Act 2006*.
- **Systems Development and Implementation** – to provide best practice systems and support infrastructure to ensure transparency and accountability for all transactions and decisions. During the year, PTACT upgraded to a replacement electronic tax lodgement package, developed an online Wills Fact Finder and evaluated an electronic Wills system.
- **Staffing and Capabilities** – to attract and retain skilled and capable people who are committed to the role of the Public Trustee and superior client service. During the year PTACT introduced Legal Officer classifications to two specialist positions and reviewed the level of two management positions. An additional practising solicitor was also recruited.

OUR STATEMENT OF INTENT

PTACT's Statement of Intent for the year ended 30 June 2007 established PTACT's performance measure and targets for the reporting year. The following table reports performance against these measures -

- $\text{Return on Assets} = (\text{operating result b.t.} + \text{interest expense}) / \text{average total assets for period}$
- $\text{Return on Equity} = \text{operating result b.t.} / \text{equity}$
- $\text{Profit Margin} = \text{operating result b.t.} / (\text{Govt \& nonGovt user charges} + \text{taxes, fees and fines})$
- $\text{Current Ratio} = \text{current assets} / \text{current liabilities}$
- $\text{Cash Position} = (\text{cash} + \text{current investments}) / \text{total assets}$
- $\text{Receivables Turnover} = (\text{non-Govt user charges} + \text{taxes, fees \& fines}) / \text{average non-Government receivables for period}$
- $\text{Debt Ratio} = \text{total liabilities} / \text{total assets}$

→ Capital Ratio=total liabilities/equity capital

→ Debt Service Coverage=cash flow from operations/interest expenditure

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

Financial Performance Measurement Analysis

	2007-08 TARGET	2007-08 ACTUALS	VARIANCE %	EXPLANATION
Profitability				
Return on Assets	3.46%	13.92%	302%	1
Return on Equity	5.12%	19.03%	278%	2
Profit Margin	4.24%	15.28%	260%	3
Liquidity				
Current Ratio	3.61:1	3.56:1	(1%)	
Cash Position	.8413	.8326	(1%)	
Receivables Turnover	12.33	14.41	17%	4
Financial Stability				
Debt Ratio	26.03	25.85	(1%)	

Notes

- Return on Assets=(operating result b.t. +interest expense)/average total assets for period
- Return on Equity=operating result b.t. /equity
- Profit Margin=operating result b.t. /(Govt & nonGovt usercharges+taxes, fees and fines)
- Current Ratio=current assets/current liabilities
- Cash Position=(cash+current investments)/total assets
- Receivables Turnover=(non-Govt user charges+taxes, fees & fines)/average non-Gov't receivables for period
- Debt Ratio=total liabilities/total assets
- Capital Ratio=total liabilities/equity capital
- Debt Service Coverage=cash flow from operations/interest expenditure

Explanation

1/2/3. The high variance in the Profitability Ratios is mainly due to an increase in income as a result of continued increase in the value of, and income received

on, Common Fund investments and the finalisation of a number of high value estates have also assisted in increasing our operating result which has affected the Return on Assets, Return on Equity and the Profit margin.

4. Receivables at the end of the 2007-08 were higher than the balance at the end of 2006-07. This increase is mainly attributable to income yet to be received in relation to Managed Funds. As returns on investments increase, Management Fees increase as well.

Non-Financial Performance Objectives

INDICATOR	TARGET 2007-08	ACTUAL OUTCOME 2007-08	% VARIANCE	NOTES
No. of Current Financial Management under Orders of the Guardianship and Management of Property Tribunal (GMPT)	407	442	9%	1
No. of active financial management accounts under Power of Attorney and Enduring Power of Attorney	96	69	(28%)	2
No. of responses to community call outs following death	4	5	25%	3
No. of Welfare funerals arranged	8	3	(63%)	3
No. of Examinations of accounts provided from external managers under GMPT	318	243	(24%)	4
No. of Deceased Estate Administrations completed < \$100,000	72	35	(106%)	5
No. of Deceased Estate Administrations completed > \$100,000	43	40	(7%)	5
No. of trusts held under legal liability less than < \$100,000	539	442	(22%)	6
No. of trusts held under legal liability > \$100,000	40	34	(18%)	6
Wills	628	691	9%	7
Percentage of expenditure over total income	96%	86%	(10%)	8

Notes

1. The number of clients under Guardianship and Management of Property Orders has increased due to the appointment of the Public Trustee as manager of last resort.
2. The number of Enduring Power of Attorneys has reduced in 2007-08 due to number of deaths, transfer of clients to Guardianship and Management of Property Orders and due to individuals now having their affairs in order and having the ability to manage their own funds.

3. The number of Welfare Funerals and AFP call-outs is dependent upon the level of funds of deceased persons and the ability to contact known family members. Public Trustee involvement is usually last resort.
4. The number of accounts examined is reliant upon external managers providing accounts to the office on an annual basis.
5. The number of deceased estates being administered by the Public Trustee that have a value of less than, or more than \$100,000, is solely dependent upon the level of assets at date of death.
6. The number of trusts with a value of less than, or more than \$100,000, depends solely upon court awarded settlements. Changes to legislation and court nominations affect the number of clients being administered by the Public Trustee.
7. The number of requests for new and changed wills remains relatively high due to marketing strategies, community education, excellent customer feedback and the employment of a full-time Legal Officer.
8. Income increased from original budget for the 2007-08 by 13% yet expenses only increased slightly. Therefore the percentage of expenditure over income has decreased from original budget for 2007-08.



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

SECTION B

CONSULTATION AND SCRUTINY REPORTING

B.1 COMMUNITY ENGAGEMENT

PTACT maintains strong community connections. During the year, our activities did not involve formal consultation with the community.

COMMUNITY ENGAGEMENT ACTIVITIES

- As part of Seniors Week on 8 April 2008, PTACT conducted a free public seminar on the importance of having an up-to-date Will and an Enduring Power of Attorney. Through this event we sought to increase community awareness in the importance of having an up to date Will and Enduring Power of Attorney.
- As Trustee for the Capital Region Community Foundation 'greatergood', PTACT's mission is to build a permanent, growing public charitable fund to be used for community-focused projects and activities within the Capital Region. greatergood seeks to link good people with good causes and encourages everyone to become a philanthropist. At 30 June 2008, the Foundation had \$5,307,963.00 in accumulated funds invested to earn income for chosen charities.
- PTACT sponsored Life's Reflection 2008, a photographic competition and exhibition held during Seniors Week. Life's Reflection celebrates life over 50 and demonstrates the bond between seniors and the wider community. PTACT also provided support to OzHarvest. OzHarvest is a charity that collects excess food and delivers it, free of charge, to organisations that feed disadvantaged people in our community.
- During the reported year, PTACT addressed community groups on 25 occasions in connection with our services.

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

OUR CUSTOMERS REPORTED

PTACT continuously surveys its clients against a range of criteria on a reply-paid post basis. The survey is also provided in electronic form for clients visiting the website.

Our customers provided 196 responses to Customer Surveys conducted throughout 2007-08. The survey indicated that 93.49% of clients felt that the Public Trustee met or exceeded their expectations.

OUR REPRESENTATION ON EXTERNAL FORUMS

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

- Australian Guardianship and Administration Council (AGAC);
- Trustee Corporations Association Inc – NSW/ACT Council;
- Public Trustees' Australian and New Zealand Bi-Annual Forum;
- ACT Ministerial Advisory Council on Ageing (MACA);
- Financial Planners' Association ACT Chapter; and
- Financial Services Institute of Australasia.

PUBLICITY/MARKETING

Under an established Statement of Intent with the ACT Treasurer, PTACT's funding model is commercially based with minimal funding provided by government.

Effective marketing is vital to PTACT's ongoing viability. Additionally, given the level of community uncertainty about the role of a Public Trustee and the government's expectations about the Public Trustee's market niche, marketing activities are balanced so as to be successful in promoting product or service that the community not only desires, but is willing to access. PTACT's marketing activities are as follows –

- the quality of our work is the most effective marketing tool – increase client referral;
- maximise experiences with existing clients through a continuous survey;
- investment in the PTACT branding/logo;
- monthly advertising through Canberra Times "Start Living", Capital Magazine and other publications;
- advertising in the ACT Seniors Card Directory;
- sponsor worthwhile community activities; and
- addresses to community groups.



Public Trustee - Andrew Taylor, presenting a cheque for \$41,000 to Trish Egan - General Manager-Executive, Vision Australia, at the "2008 Vision Australia Making a Difference and Volunteer Appreciation Awards" on 12 June 2008.

The Capital Region Community Foundation



Report of the Capital Region Community Foundation (GreaterGood) Board

This year has been one of consolidation for GreaterGood with our corpus closing in on \$5m.

GreaterGood is part of our large diverse rural and regional community and as such we face a range of complex social issues. GreaterGood aims over the coming years to work with individuals and communities to identify and help address many of those issues. A gift to GreaterGood is a gift forever - "The gift that keeps on giving".

Community Foundations continue to be the fastest growing form of philanthropy worldwide. In Australia, the thirty current Community Foundations are recognised as vehicles that can bring together a diverse range of people in rural, urban and regional communities to provide them with resources and tools to initiate key social, environmental and cultural development activities.

This year I am pleased to welcome Chris Peters AM - ACT Region Chamber of Commerce, Larry King - the ACT Law Society and Sarah Palic - Director, WalterTurnbull to our Board. It is with much sadness that we farewell Zeke Ezra, Brian Acworth AM, John Hanna and Jonathan Forrest from our Board. The role they have played in the early years in establishing GreaterGood has been exceptional and we thank them for their commitment, support and wise council over the years.

None of the work of GreaterGood would be achieved without the support of our sponsors and donors and their commitment to the GreaterGood concept. This year support was received from WalterTurnbull, Pirion and the Public Trustee for the ACT, Encode Poly Media and other Foundation supporters. I am immensely proud of what we have achieved since October 2004.

In 2007/08 the following new funds were established:

- The Ray and Claire Young Family Fund
- The Bungendore Community Fund
- The TAS Foundation
- Colin Cyril Telfer Memorial Fund
- The Ross and Barbara Goode Memorial Fund

The Board was privileged to recommend that \$241,000 be distributed to a range of charities and projects in 2007/08.

A brief outline of successful charities and projects supported in 2007/08 is detailed below:

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

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

The Capital Region Community Foundation

PO Box 221 - CIVIC SQUARE ACT 2608

Phone: (02) 6207 9800 - Fax: (02) 6207 9811 - Web: greatergood.org.au - Email: publictrustee@act.gov.au

The Capital Region Community Foundation



The Francis Carroll Scholarship Fund's second round of scholarships was held in June 2007 with a scholarship going to Ms Jessica Dunn a first year student from the Archdiocese of Canberra/Goulburn or Diocese of Wagga Wagga. This important scholarship continues to support young people to study at the Australian Catholic University in Canberra.

The Eric Crawford Memorial Fund continues to support to The Spastic Centre and the Royal Blind Society.

The Bob and Gurt Munro Memorial fund provides funds to the Children's Cancer Institute of Australia.

Our partnership with Outward Bound Australia is strong with the continued support from a range of donors. This year, five young people from Braidwood, Canberra, Cootamundra and Queanbeyan committed to and successfully completed the 12 day program that aims to challenge, discover, develop and achieve their potential.

Our first perpetual local donations have been welcomed by Marymead, National Heart Foundation and the ACT Cancer Council supported by the newly established Colin Cyril Telfer Memorial Fund.

This year we also participated in the ACT Government's 'A Review of Philanthropy in the Australian Capital Territory'. The report is one that will form the basis for ongoing discussion about philanthropy in the territory and it is seen as a way forward to enhance opportunities for business and governments to work with charitable organisations in to the future.

GreaterGood is honoured to host the 9th Annual Community Foundation Forum in the National Capital. This Forum enables Community Foundations to come together to share experiences and to learn from each other. It is organised by Philanthropy Australia and sponsored by The Foundation for Rural and Regional Renewal. It is to be held in Canberra in September 2008.

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

The Foundation is greatly indebted to our Honorary Executive Officer, Diane Kargas, for her ongoing commitment to promoting the Foundation and encouraging donors to participate and also to Pat Dart OAM for her tireless efforts in assisting with administration.

I wish to thank the Board and Management Committee for their capable and generous support in the past year.

Margaret Reid AO
Chairperson

Date
11-08-08

The Capital Region Community Foundation

PO Box 221 - CIVIC SQUARE ACT 2608

Phone: (02) 6207 9809 - Fax: (02) 6207 9811 - Web: greatergood.org.au - Email: publictrustee@act.gov.au

B.2 INTERNAL AND EXTERNAL SCRUTINY

The Auditor-General undertakes an annual audit of the Public Trustee's corporate and trust financial reports, in accordance with Australian Auditing Standards. PTACT is also audited as part of through the ACT Dept. of Justice and Community Safety's Internal Audit program.

The ACT Auditor-General provided unqualified Audit Reports for all four Public Trustee accounts.

Two PTACT executives attended the ACT Auditor-General's address on ethics and corporate governance in April 2008.

B.3 LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS

During the year the Public Trustee appeared before the –

- Standing Committee on Legal Affairs Inquiry into 2006-07 Annual Reports; and
- Select Committee on Estimates 2008-09.

STANDING COMMITTEE ON LEGAL AFFAIRS

The Standing Committee on Legal Affairs "Inquiry into 2006-07 Annual Reports" considered the Public Trustee's Annual Report on 1 November 2007. Ms Deb Foskey MLA asked the Public Trustee for the ACT a question about Ethical Investments and requested the Public Trustee to provide a list of current portfolio investments under its Australian Equities Common Fund.

SELECT COMMITTEE ON ESTIMATES

The Public Trustee appeared before the Select Committee on Estimates 2008-09 on 20 May 2008. The committee sought responses to Questions on Notice in respect to the following issues –

- employment of temporary/casual staff;
- vulnerable people checks;
- marketing activities;
- new funds management business;
- review of PTACT's investment arrangements;
- the online Wills Fact Finder project;
- number of financial management accounts;
- the extent to which market performance has affected PTACT's investment performance;
- PTACT's use of the Shared Services Centre; and
- growth of the Capital Region Community Foundation.

B.4 LEGISLATION REPORT

The Public Trustee has responsibilities under the following laws -

- *Aministration 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*;
- *Powers of Attorney Act 2006*;
- *Public Trustee Act 1985*;
- *Trustee Act 1925*;
- *Unclaimed Moneys Act 1950*; and
- *Wills Act 1968*.

Copies of these laws are on sale at ACT Government Shopfronts, or can be accessed at no cost through public libraries or via the internet at <http://www.legislation.act.gov.au/>.

An amendment was made to the following act effective from 6 September 2007 –

- ***Guardianship and Management of Property Act 1991***
 - Appointment of managers for missing persons' property

During the reported year, amendments were made under the *Justice and Community Safety Legislation Amendment Bill 2007(No 2)* to the following legislation affecting PTACT, effective from 7 May 2008 –

- ***Administration and Probate Act 1929***
 - Discharge or removal of executors and administrators
 - Whole blood and half-blood relationships
 - Update of monetary values
 - Proceedings for estates administered by the Public Trustee
 - Estates valued at \$30,000 or less
- ***Powers of Attorney Act 2006***
 - Application of Act to Powers of Attorney
 - Powers of Attorney forms under *Powers of Attorney Act 1956*
 - Powers of attorney to consent to body part donations
 - Approved Forms
- ***Public Trustee Act 1985***
 - Provision for more than one Deputy Public Trustee
 - Payment of money without grant of administration

→ ***Trustee Act 1925***

- Amendment of monetary amounts

→ ***Wills Act 1968***

- Complementary amendment re S.87B *Administration and Probate Act 1929*



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

SECTION C

LEGISLATIVE AND POLICY BASED REPORTING

C.1 RISK MANAGEMENT AND INTERNAL AUDIT

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

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

The Strategy is reviewed biennially in consultation with the Public Trustee Investment Board. The next scheduled review will take place in 2009.

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

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

WE HAVE DEVISED RISK PROFILE MODELS TO SUIT CLIENT NEEDS

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

Major risk investment categories applied are Growth, Balanced, Income Stable and Capital Secure. These are invested through sector common funds in tactical asset allocations, which have been set in consultation with an external assets/markets consultant. PTACT's investment arrangements were reviewed during the reported year in consultation with the Public Trustee Investment Board and an external asset consultant. As part of this review, an International Equities Fund was established to further diversify investment options and to further minimise client investment risk.

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

C.2 FRAUD PREVENTION

OUR ASSESSMENT OF RISK

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

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

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

The Australian Government has introduced the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CT Act) reforms in 2 separate tranches. The 1st Tranche of the reforms was introduced by the enactment of the AML/CT Act. The Act covers services primarily carried on by the financial services sector, the gaming industry and bullion dealers.

The 2nd Tranche of legislation will extend the coverage of the Act to a range of professional and business advisory services, including services provided by solicitors and accountants.

Tranche 1 - The AML/CT Act covers any person who carries out any of the 71 specific activities listed in the Act. Any person who carries out one or more of the designated services becomes a reporting entity and will be subject to the obligations imposed by the Act.

The designated services are divided into financial, bullion dealing, gambling and other. Emphasis is on the nature of the service provided to the customer.

Tranche 2 - Tranche 2 services are:

1. real estate – providing any of the designated services in the course of carrying on a business
2. professional services – providing any of the designated services in the course of carrying on a business
3. business services
4. bullion, precious stones and precious jewellery.

Public/State Trustees have engaged an independent legal advisor to assess the degree to which their services are regulated by the Act and to assess their risks in respect to Money Laundering and Terrorism Financing. Exemptions are being sought from AUSTRAC in respect to those Tranche 1 services considered to be of low risk.

During the year, PTACT provided training in respect to mental health issues in an attempt to raise awareness of issues that pose a risk or threat to staff in the conduct of their duties, and to learn appropriate techniques to minimise such risk.

OUR CODE OF CONDUCT

PTACT undertakes its responsibilities in an open, accountable and transparent manner.

Our Code of Conduct for Service Providers requires suppliers of services to our clients to undertake that any business on behalf of the Public Trustee will be conducted, respecting that code. The code reflects the special and trusted nature of the Public Trustee's role in the community, and the expectations that our clients have of us and of our service providers. Our aim is to ensure that our service providers act at all times in a manner that reflects and honours those expectations.

Similarly, our Staff Code of Conduct establishes expected standards of behaviour. The successful development of ethical work practices in PTACT arises both from management demonstrating ethical leadership, and from all staff taking responsibility for the pursuit of an ethical, efficient and effective work environment.

No reports or allegations of fraud were made in respect to PTACT during the year.

C.3 PUBLIC INTEREST DISCLOSURE

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

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

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

No public interest disclosures were made during 2007-2008.

C.4 FREEDOM OF INFORMATION

PTACT appointed, and provided training to, a new FOI officer during the reported year. The Public Trustee received two requests under the *Freedom of Information Act 1989*. In one application, PTACT provided all documents requested within the time at no cost to the applicant. The other application was received in late June 2008, and at the date of this report was being responded to.

STATEMENT UNDER S.7 FREEDOM OF INFORMATION ACT 1989

Establishment

PTACT incorporates the functions previously undertaken by the Curator of Estates of Deceased Persons, and carries out other functions similar to those undertaken by Australian Public/State Trustees.

Functions

PTACT's principal functions are to -

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

Arrangements for external participation

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

Categories of documents

The categories of documents held include -

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

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

Facilities for access

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

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

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

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

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

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

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

A Freedom of Information Statement is contained in the Department of Justice and Community Safety's Annual Report for 2007-08.

C.5 INTERNAL ACCOUNTABILITY

OUR SENIOR EXECUTIVE TEAM

ANDREW TAYLOR

Public Trustee/Chief Executive



Andrew Taylor was appointed to the statutory office of Public Trustee for a 5-year term on 30 September 2005, and undertakes the role of Chief Executive under the *Financial Management Act 1996*. The Public Trustee has specific responsibilities as Trustee established by legislation and is responsible to the Chief Executive, Department of Justice and Community Safety (JACS) through a Deputy Chief Executive.

Mr Taylor is Senior Member of the Public Trustee Investment Board, member of the National Council of the Trustee Corporations of Australia, member of the Australian

Guardianship and Administration Council, member of the National Council of the Trustee Corporations of Australia Inc and member of the ACT Ministerial Advisory Council on Ageing. He is trustee for the Capital Region Community Foundation (known as GreaterGood) and for the Capital Country Healthcare Foundation.

The Public Trustee's responsibilities relative to PTACT's organisational/output structure are to -

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

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

DOUG GILLESPIE

Senior Deputy Public Trustee



Doug Gillespie has over 41 years experience in the Trustee industry, including 18 years with PTACT. His position has a strong technical focus with a major emphasis on overseeing financial planning activities and professional investment services. He is also responsible for the provision of sound financial and investment advice to clients and the preparation of plans for each trust.

Mr Gillespie is an Associate of the Executor and Trustee Institute of Australia, a member of the Financial Planning

Association (ACT Chapter) and is a Senior Associate of the Financial Services Institute of Australasia (FINSIA). He is the Public Trustee's representative on the board of the Capital Region Community Foundation as well as a trustee for the AFL Canberra Foundation.

SUE LA PEYRE

Manager – Trusts



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

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

JOANNE THOMPSON

Manager – Finance



Joanne Thompson was appointed as Manager - Finance in 2006 and has 18 years experience with the Public Trustee. Ms Thompson manages all Public Trustee accounting functions including office management, government trust accounts, taxation and has responsibility for financial reporting. She is also responsible for ensuring maximum return on cash investments.

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

TONI LEIPER

Manager – Personal Management Services



Toni Leiper was appointed to this upgraded position in 2006, and is responsible for overseeing and running the Personal Management Services Unit. She has extensive experience in Public Trustee administration. Mrs Leiper and her staff have overall responsibility for the financial and property affairs of represented clients including approximately 442 clients subject to financial management orders, and 69 who have appointed the Public Trustee as their attorney.

PUBLIC TRUSTEE INVESTMENT BOARD

The Public Trustee Investment Board is established under the *Public Trustee Act 1925* and advises the Public Trustee. The Board is not a governance board and does not provide advice to the Minister. A full report on the Public Trustee Investment Board is separately provided in this section of the Annual Report.

PUBLIC TRUSTEE MANAGEMENT COMMITTEE

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

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

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

BUSINESS PLANNING

PTACT reports against its Business Plan during the year through its Status Reports to ACT Treasury and quarterly meetings with the Deputy Chief Executive.

INDEPENDENT ADVICE

During the year, the PTACT completed an independent review of investment arrangements through Russell Investment.

An external financial markets specialist provides appropriate independent advice in respect to fund and fund manager performance, investments, asset allocation and risk profiles.

Further investment advice was sourced during the year from fund managers including –

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

OUR LEGAL ADVISORS

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

DELEGATIONS

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



PUBLIC TRUSTEE INVESTMENT BOARD

PUBLIC TRUSTEE FOR THE ACT

ANNUAL REPORT 2007/08

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

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

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

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

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



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



Ms Glenys Roper is Director of Roex Management Pty Ltd, providing business and management advice. A former Chief Executive in the Commonwealth, Ms Roper was responsible for federal government strategy for electronic service delivery and processing. Ms Roper is a member of several other Boards, including the NSW Superannuation Administration Corporation and the ACT Government Procurement Board. She chairs the ACT Cleaning Industry Long Service Leave Board, responsible for investing and distributing long service leave entitlements.



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

Authority. He currently oversees around 60 percent of the ACT's revenue and 95 percent of its financial assets and liabilities.



Ms Christine Goode PSM has 34 years experience in Australian Public Service administration across constitutional development; public service central management; transport; communications and superannuation and has held senior executive positions for 20 years. Since retiring from full-time work Ms Goode has served on the Board of State Super Financial Services Ltd, and presently is Deputy Chair of the Board of Airservices Australia. She also consults on risk management and leadership.

The Board met on six occasions during the year – 9 August 2007, 19 September 2007, 13 November 2007, 22 January 2008, 21 February 2008 & 21 May 2008 - representing four scheduled quarterly meetings plus two special meetings specifically to consider the review of PTACT's investment arrangements. The Deputy Public Trustee and the Finance Manager provide reports and attend board meetings.

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

The board has overseen a quality performance of the Public Trustee's Common Funds during what has otherwise been a bleak investment year. In May 2008, the Board endorsed raising the Public Trustee's Cash Common Fund interest rate to 7.00% to incrementally reduce the reserve.

During the year, the Board considered and made recommendations in respect to –

- Addition of a fifth Common Fund, the Public Trustee's International Equities Common Fund.
- The rate of interest payable on the Public Trustee's Cash Common Fund.
- Engagement of an independent consultant to review the Public Trustee's investment arrangements.
- Review of the Public Trustee's Cash Common Fund Cash Management Policy
- A client-based strategic review of the business of the Public Trustee and the preparation of an appropriate business model.
- Noted the Public Trustee's Statement of Intent, Status Report and Management Discussion and Analysis (MDA).

The term of current Board members expires in March 2009. As required under the Public Trustee Act, the Minister will consider appointments for a 3-year term to take effect upon the expiry of the term of the current board.

I thank members of the Board together with my Senior Deputy Public Trustee – Doug Gillespie, Finance Manager – Joanne Thompson as well as Robert Johnson & Associates for their valuable advice and contribution to the office during 2007/08.

Andrew Taylor

SENIOR MEMBER/PUBLIC TRUSTEE

C.6 HUMAN RESOURCE PERFORMANCE

PTACT's Human Resource performance accords with the following themes derived from the seven strategic themes of the Canberra Plan –

- Delivering for the future.
- Strengthening organisational resilience.
- Sustaining Community Confidence.
- Working collaboratively.
- Enhancing skills and capabilities

During the reported year PTACT increased its total staff to 32 (FTE's). In addition, a number of important changes were made to the structure aimed at achieving a strong succession-planning base, capacity to attract and retain skilled staff, recognition of future leaders and ensuring that PTACT has strong future economic viability –

- Creation of positions of Legal 1 and Legal 2.
- Appointment of a further practicing solicitor to the Estates and Trusts Section.
- Reclassification of positions of Managers of Finance and Personal Management Services to SOGB
- Creation of a position of Trust Officer Grade 2 in Personal Management Services
- Adjustment of increment levels in recognition of workload, responsibility, learning and achievement.
- Sponsoring managers to undertake the Take the Lead Course.
- Maintenance of a strong learning culture through the JACS training program.

PTACT has a policy of staff rotation to ensure that our staff members are broadly experienced in Trustee matters and to address succession issues.

Our strong academic relationship with the University of Western Sydney provides contemporary and appropriate industry training for our staff.

PTACT has commenced a program of collaboration with the staff of the Public Advocate of the ACT to ensure that, in matters of mutual concern and responsibility, the best solution is delivered to the client.



Senior Deputy Public Trustee - Doug Gillespie with fellow recipients of the Commissioner for Public Administration Awards from Chief Minister Jon Stanhope MLA and Commissioner for Public Administration - Cathy Hudson

C.7 STAFFING PROFILE

At 30 June 2008, our total staff was 32 (FTE's). The Public Trustee's Organisation Chart is at Part A.1 "Our Structure" of this report.

OUR STAFFING PROFILE

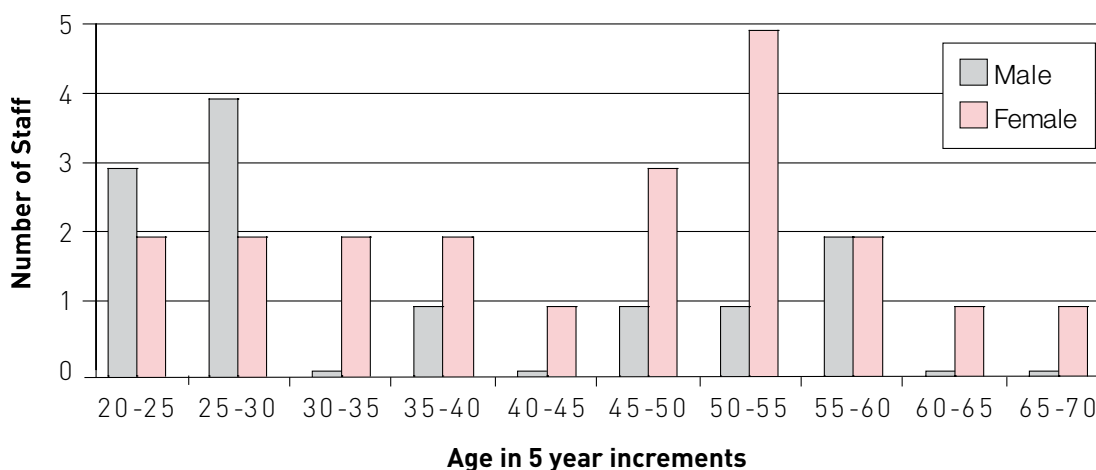
The profile of PTACT staff is indicated in the table below.

SECTION/ TITLE	CLASSIFICATION	F	M	CATEGORY	EMPLOYMENT AUTHORITY
Public Trustee/ Chief Executive	Full time Statutory Office Holder		1	5 yr contract	PSMA <i>Public Trustee Act</i>
Senior Deputy Public Trustee	Sen. Officer Gr B (SEA)		1	Perm Appt	PSMA <i>Public Trustee Act</i>
Mgr Trusts – Deputy Public Trustee	Legal 2	1		Perm Appt	PSMA
Mgr Finance – Deputy Public Trustee	Sen Officer Gr B	1		Perm Appt	PSMA
Mgr PMS – Deputy Public Trustee	Sen Officer Gr B	1		Perm Appt	PSMA
Taxation Officer	Trust Officer 2		1	Perm Appt	PSMA
Estates/Trusts	Legal 1	1			
Estates/Trusts	Trust Officer 2	2	2	Perm Appt	PSMA
PMS	Trust Officer 2	1		Perm Appt	PSMA
Estates/Trusts	Trust Officer 1	1	1	Perm Appt	PSMA
PMS	Trust Officer 1	5	1	Perm Appt	PSMA
Exec/Admin	Trust Officer 1	1	1	Perm Appt	PSMA
Finance Officer	Trust Officer 1	1	1	Perm Appt	PSMA
Pers Man Serv	Trust Asst	.4	1	Temp Appt	PSMA
Estates/Trusts	Trust Asst	1	2	Perm Appt	PSMA
Receptionist	Trust Asst	3		Perm Appt	PSMA
Exec/Admin	Trust Asst	.6		Perm Appt	PSMA
TOTAL		20	12		

OUR AGE PROFILE

The average length of service of our staff is 5.95 years. The gender and age profile of PTACT staff expressed in five-year increments is indicated in the graph below.

PTACT Age Profile of Staff



EMPLOYMENT ARRANGEMENTS

Our people are engaged under the *Public Sector Management Act 1994*, as varied by the Department of Justice and Community Safety Certified Agreement 2007/2010.

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

C.8 LEARNING AND DEVELOPMENT

TRAINING

A major and ongoing priority of the Public Trustee is to attract, develop and retain appropriately skilled persons. Work has re-commenced on the Public Trustee Practice Manual in order to provide a resource for staff and management alike.

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

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

Our officers are encouraged to access study appropriate to their needs through the ACT Government Study Assistance Scheme. Two PTACT staff are in their final units towards CPA and Bachelor of Business (Accounting major).

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

During the reported year an amount of approximately \$45,000.00 was allocated towards staff training. This represents an amount of \$1,363.00 per person spent on training.

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

Freedom of Information training was provided to PTACT's FOI officer.

PERFORMANCE MANAGEMENT

PTACT's Performance Management Plan was first introduced in 2007 and seeks to approach performance management from a positive perspective. Rather than seeking continuous quantified improvements in the volume of individual outputs, it seeks to address our capability by in turn addressing those underlying issues, which support and develop capability at an individual level.

The first Performance Management Plan provided PTACT management with useful information about individual staff career aspirations, training needs, work preferences, staff morale, workplace issues, staff safety and service standards.

C.9 WORKPLACE HEALTH AND SAFETY

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

PTACT has appointed two OH&S representatives to deal with health and safety management issues through our Management Committee.

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

- Installed security screens at PTACT's Reception to enhance receptionist safety and privacy.
- Checked and tested all duress alarms.
- Ergonomic seating provided to suit the individual needs of all staff.
- Influenza Vaccine provided at no cost to 18 staff.
- Training was provided to one replacement deputy OH&S staff representative.
- Mental health training provided to all PTACT staff.
- First Aid Training provided to two PTACT First Aid Officers.
- Tested and tagged all PTACT electrical appliances.
- Installed screens to all workstations adjacent to windows to inhibit draughts.
- Protective gloves provided to all staff in respect to visits to client premises.
- Provided protective clothing kits in vehicles for staff visits to client premises.
- Tested and re-balanced airconditioning.
- Checked and maintained First Aid Kit.

- Undertook a fire safety audit, fire evacuations and installed fire safety signs.
- Verosol blinds fitted to all western and north-western windows.
- Workplace protection orders taken out in respect to two clients considered a threat to staff safety.

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

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

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

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

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

No workers' compensation claims were reported during the reported year. The annual premium was \$35,745.00. This premium reflects influences external to the office and is not indicative of the Public Trustee's claims history. The increase in the premium from \$18,499.77 in 2006-07 relates to PTACT being moved from JACS-Other as a second tier devolution entity to a non-JACS first tier devolution entity. As such, PTACT's premium increased from a segment rate of .88% for 2006-07 to a rate of 3.20% in 2007-08. Whilst the segment rate for JACS-Other has dropped to 2.06% for 2007-08 and projected to 1.94% for 2008-09, PTACT's premium is projected to drop to 1.48% assuming no major claims are made.

PTACT is a Statutory Office within the Department of Justice and Community Safety and reporting requirements under the ACT Government's Workplace Health Strategic Plan 2005-2007 are covered in the Department's Annual Report.

C.10 WORKPLACE RELATIONS

This has been covered in the Department of Justice and Community Safety's Annual Report 2007-2008.

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

No PTACT staff members are covered by Australian Workplace Agreements (AWA's) and no staff members were transferred from AWA's to SEA's. No AWA's were terminated or lapsed.

C.11 STRATEGIC BUSHFIRE MANAGEMENT PLAN

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

C.12 STRATEGIC ASSET MANAGEMENT

NON-GOVERNMENT ASSETS

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

GOVERNMENT ASSETS

The only government asset directly managed by the Public Trustee is a commercial van valued at \$11,375.00. This asset is internally managed in respect to insurance and maintenance and will not need replacing for at least two years.

During 2007-08 no significant assets were added to, or removed from, the Public Trustee's corporate assets register.

OFFICE ACCOMMODATION

The Public Trustee employs 32 (FTE's) staff accommodated in 515 sq metres at ground level in ActewAGL House. The area currently occupied by each member of staff is 16.09 sq metres. All employees are accommodated in an office environment.

During the year, some minor works were undertaken to re-configure the floor plan.

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

C.13 CAPITAL WORKS

The capital works undertaken to re-configure the floor plan and provide an additional 2 workstations were undertaken by ACT Procurement Services to a value of \$55,000 and were funded within budget.

C.14 GOVERNMENT CONTRACTING

PROCUREMENT PRINCIPLES AND PROCESSES

PTACT did not undertake any direct procurement activities during the year, other than contracts entered into by ACT Procurement Solutions on behalf of PTACT, for minor works associated with the re-configuration of premises at ActewAGL House.

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

EXTERNAL SOURCES OF LABOUR AND SERVICES

Contracts entered into and continuing include –

- Robert Johnson and Associates for services as asset/markets consultant – Daily cost \$1,500 as required – Contract dated May 2000.

- Russell Investment Group – contract for the review of the Public Trustee’s investment arrangements. Rate \$55,000. Accessed under existing contract with ACT Treasury.
- Vanguard Investments Australia – Contract for the supply of Fund Manager Services in connection with PTACT’s recently established International Equities Fund. Accessed under existing contract with ACT Treasury.
- Tasman Asset Management Limited trading as Tyndal for services as Fund Manager for Australian Equities Common Fund – Rate .66% - contract dated November 2005
- Asteron – for custodian services in respect to the Public Trustee’s Australian Equities Fund - Rate .1% - Contract dated November 2005.
- Alliance Bernstein Australia Limited for services as Fund Manager for Alliance Cash Enhanced Trust Fund – Rate .22% - Contract dated June 2001 and terminated in May 2008.
- UBS Global Asset Management for services as Fund Manager for Listed Property Trusts Common Fund – Rate .85% - Contract dated June 2001 and terminated in May 2008.
- Suncorp Metway for Suncorp Metway Investment Management Limited – rate .22% - Contract dated August 2001.
- Ultradata for use under licence and technical support of TACT Business System – Rate for 2006-07 - \$56,106.13 – Contract dated 1986 and reviewed 2006.
- PROMADIS – in connection with the development of PTACT’s Online Wills Fact Finder – under existing government contracts with ORS - \$30,000.

INTEREST PAID ON COMMERCIAL ACCOUNTS

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

C.15 COMMUNITY GRANTS/ASSISTANCE/SPONSORSHIP

PTACT provided \$3,000.00 as major sponsor toward the conduct of Life’s Reflection by the ACT Office for Ageing, ACT Dept of Disability, Housing and Community Services. Our sponsorship of Life’s Reflection is our way of highlighting the positive aspects of ageing, the contribution by Seniors to our community and to engage with Seniors in this annual celebration of Seniors Week. Additionally \$5,000 was provided to OzHarvest by way of sponsorship.

C.16 TERRITORY RECORDS

PTACT’s Records Disposal Schedule has been made a notifiable instrument under S.19(2) of the *Territory Records Act 2002* and is available at:

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

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

PTACT has made arrangements for the exemption of PTACT client files from the public access provisions in the *Territory Records Act 2002*.

C.17 HUMAN RIGHTS ACT 2004

OUR ROLE AS DECISION-MAKER FOR FINANCIAL AND PROPERTY MATTERS

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

EDUCATION AND TRAINING OF STAFF ON HUMAN RIGHTS PRINCIPLES

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

During the reported year, training was provided by the Human Rights Unit JACS to PTACT staff in human rights issues. Additionally, the Mental Health Unit in ACT Health provided our staff with training in mental health issues.

DISSEMINATION OF INFORMATION ABOUT HUMAN RIGHTS

Information and policy documents relating to the legislative scrutiny process and such human rights/discrimination issues as workplace discrimination, harassment and bullying prevention was circulated to Public Trustee staff in April 2008. The Public Trustee is represented on the Justice and Community Safety Workplace Consultative Committee through which human rights information is disseminated to staff.

LEGISLATIVE SCRUTINY

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

LEGISLATIVE AUDITS

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

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

C.18 COMMISSIONER FOR THE ENVIRONMENT

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

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

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

C.19 ACT MULTICULTURAL STRATEGY

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

HUMAN RIGHTS

During the reported year, PTACT participated in the development of legislation responding to a Private Member's Bill dealing with the property of missing persons.

PTACT has actively participated in the "SupportLink - Pathways for Elder Abuse Intervention" program to establish an agreed pathway for intervention in matters of reported abuse or mistreatment of older persons within the ACT. The philosophy is to provide proactive assistance to people where possible and to work in collaboration with other services in order to achieve common goals.

ACCESS AND EQUITY

PTACT is in the process of implementing an Online Wills Fact Finder which will enable the Public Trustee's prospective Wills clients to provide important details necessary for the preparation of their Will through an online secure system, from the convenience of their office/home.

AGEING AND AGED CARE ISSUES

The Public Trustee is a member of the Ministerial Advisory Council on Ageing (MACA) and has participated in the 'Silver Lining Project' aimed at heightening awareness of the value of mature age employment.

CULTURAL AND RELIGIOUS ACCEPTANCE

PTACT provided a number of information seminars to people of non-English speaking backgrounds through community groups.

LANGUAGE POLICY

PTACT has placed appropriate aids on all brochures and on its website to assist in accessing interpreting services.

TERRORISM

PTACT has joined with other Public/State Trustees and Trustee corporations in addressing the requirements of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*. A joint submission has been submitted to AUSTRAC and to the federal Attorney-General's Department seeking exemption from the substantial requirements of the Act as they relate to Public Trustees.

C.20 ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING

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

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

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

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

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

C.21 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

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

During 2007-2008, PTACT's administration accorded with the principles of ecologically sustainable development by –

- Installing water-saving sensors on taps.
- Using recyclable consumables for equipment including copier toner and unbleached paper.
- Preparing publications, forms etc on recycled paper.
- Recycling all paper waste both internally and externally.
- Promoting the use of email facilities to reduce the impact on paper usage.

- Lodging tax returns electronically.
- A policy of duplex copying and printing.

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

Transport Fleet Management

The Public Trustee has two vehicles. Both vehicles have four cylinder engines, use low octane unleaded fuel and are serviced regularly. The total value and quantity of fuel used by both vehicles during the year was \$2843.35 - approximately 2,034.04 litres.

Energy Use Management

In 2007-08, PTACT's electricity consumption was 106,674kwhs, of which 10,668kwhs was renewable energy. No gas was consumed.

PTACT undertook the following measures to improve energy use management -

- Utilising office equipment, which automatically powers down when not in use.
- Observing 'Earth Hour 2008' by ensuring that all lights and appliances were switched off.
- Tinting office windows and installing blinds to better manage airconditioning.
- Using four cylinder office vehicles.
- Installing timer devices on office lighting.
- Installation of timing switch on warehouse lights to prevent persons leaving lights on for sustained periods.

C.22 ACT WOMEN'S PLAN 2004-2009

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

Representation and recognition

- During 2007/08, PTACT appointed women to key positions as Legal 1 and 2 and to newly classified positions of Manager - Finance and Manager - Personal Management Services.

Good health and wellbeing

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

Responsive housing

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

Safe, inclusive communities

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

Economic Security and Opportunities

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

Flexible education and training

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



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

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GLOSSARY OF ABBREVIATIONS AND ACRONYMS

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

GLOSSARY OF TECHNICAL TERMS

Attorney	A person appointed by another to act in his or her place or represent them.
Common Fund	A fund held by more than one person to enable a greater return on the shared investment.
Criminal Assets	Items of value obtained by illegal or criminal acts, forfeited under the 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 broadly include financial management services under order of the Guardianship and Management of Property Tribunal, Enduring Powers of Attorney, Welfare Funerals, AFP call-outs, examination of external financial manager's accounts, deceased estates less than \$100,000 and Trusts less than \$100,000.
Current Ratio	The ratio of current assets to current liabilities.
Enduring Power of Attorney	A formal instrument by which one person empowers another to represent him/her, or act in his/her place for certain purposes. An Enduring Power of Attorney continues to have effect after a person loses mental capacity.
Estate	The sum of the assets less the liabilities of a person, especially of a deceased, a bankrupt or beneficiary.
Executor	The person or company appointed by a Will to administer an estate in accordance with the terms.
Financial Manager	A person appointed under order of the Guardianship and Management of Property Tribunal to make financial decisions in relation to a person's financial matters, or a matter affecting that person's property for persons where the person has impaired decision making ability and is incapable of managing those matters (eg bank accounts or property or shares). A Financial Manager may make financial decisions for the represented person. Most financial management orders are permanent.
Funds Manager	A person or organisation responsible for investing moneys on behalf of another.
Goods and Services Tax	An indirect broad based consumption tax built into the price of specified goods and services and collected at point of sale.

Guardian	A substitute decision-maker appointed under order of the Guardianship and Management of Property Tribunal, to make decisions relating to the health and welfare of a person with impaired decision-making ability. A guardian is appointed for a specific time and with specific functions (eg where to live, what services they will receive and what medical treatment they should receive).
Investment Strategy	A plan distributing assets amongst various investments for future financial return or benefit.
Liquidity	Available cash or the capacity to obtain it on demand.
Long Term Liability	Payment not required within 12 months or liabilities not classified as current.
Manager	A person appointed pursuant to the Guardianship and Management of Property Act 1991 to manage the financial and property affairs of a represented person (ie having impaired decision-making ability).
Minor	A person under the age of legal majority ie under 18 yrs.
Procurement	Acquisition of good, services and works by Territory entities.
Prudent Person Principle	The care, diligence and skill that a prudent person would exercise in managing the affairs of another person.
Public Interest Disclosure	A report made under “whistleblower” legislation under which a person may confidentially report any corrupt, illegal or fraudulent acts in the public sector.
PT Investment Board	A board established under S.47 of the Public Trustee Act 1985 to advise the Public Trustee on investment and related matters.
Risk Profile	An individual’s sensitivity to volatility of investments.
Statement of Intent	A statement under S.58 of the 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 on behalf of the Territory under the Unclaimed Moneys Act 1950.
Will	A written statement made by an individual, which provides for the disposition of property upon death.



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