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ACT
Government

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This Annual Report is published on the Public Trustee and Guardian (PTG) website at www.ptg.act.gov.au.

Disclaimer

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Interpreter service

The ACT Government is committed to providing accessible services to people from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the Annual Report, please contact PTG and an interpreter will be arranged to communicate the report to you.

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Compliance Statement

The Public Trustee and Guardian (PTG) is required to comply with the Annual Report (Government Agencies) Directions 2021 (the Directions) made under s. 8 of the Annual Reports (Government Agencies) Act 2004. The Directions are found at the ACT Legislation Register at <https://www.legislation.act.gov.au/ni/2021-373/>

This Compliance Statement indicates those parts of the Directions subsections that are applicable to PTG and the location of the information in this report that satisfies these requirements -

Part 1 - Directions Overview

PTG complies with all sub-sections of Part 1 of the Directions relating to the purpose, timing & distribution and record-keeping of annual reports.

Contact details for the Public Trustee and Guardian are provided within this report in compliance with s. 15, Part 1 of the Directions, to provide readers with the opportunity to provide feedback.

Part 2 - Reporting Entity Annual Report Requirements

PTG complies with all subsections under Part 2 of the Directions. The information that satisfies these requirements may be found in this report as follows -

- A. Transmittal Certificate, see page no 5
- B. Organisational Overview and Performance, inclusive of all subsections, see page numbers 9 - 40
- C. Financial Management Reporting, inclusive of all subsections, see page numbers 41 - 49.

Part 3 - Reporting by Exception

PTG has no information to report by exception under Part 3 of the Directions for the 2020-21 reporting year.

Part 4 - Directorate and Public Sector Body Specific Annual Report Requirements

Part 4 of the 2021 Directions is applicable to PTG and is reported at - Annual Report Requirements for Specific Reporting Entities – Confiscation of Criminal Assets Act 2003 page 50 of this report.

Part 5 - Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to PTG and information satisfying these requirements is reported as follows -

- Bushfire Risk Management, see the Justice and Community Safety (JACS) Directorate Annual Report
- Human Rights, see page 51 of this report, as well as the JACS Directorate Annual Report
- Legal Services Directions, see page 53 of this report, as well as the JACS Directorate Annual Report
- Public Sector Standards and Workforce Profile, see page 54 of this report, as well as the State of the Service Report
- Territory Records, see page 53 of this report as well as the Chief Minister, Treasury and Economic, Development Directorate Annual Report.

A. Transmittal Certificate



PUBLIC TRUSTEE AND GUARDIAN

ABN 45 801 644 305

When Replying
Please Quote: AJT

Telephone: (02) 6207 9800
Facsimile: (02) 6207 9811

3 November 2021

Mr Shane Rattenbury MLA
Attorney General
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601

Dear Minister

I am pleased to present the Annual Report for the Public Trustee and Guardian for the ACT for the year ended 30 June 2021.

This Report has been prepared in accordance with s. 7(2) of the *Annual Reports (Government Agencies) Act 2004* and in compliance with the requirements of the *Annual Reports (Government Agencies) Directions 2021*.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the Public Trustee and Guardian for the ACT.

I certify that information in the attached Annual Report and the information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of the Public Trustee and Guardian for the ACT has been included for the period 1 July 2020 to 30 June 2021.

S.13 of the *Annual Reports (Government Agencies) Act 2004* requires that I present the 2020-21 Annual Report to the Legislative Assembly within 15 weeks after the end of the reporting year. However, under s. 14, the Chief Minister has granted an extension of the time when the report must be presented by you to the Legislative Assembly. The Chief Minister has granted the extension to the Legislative Assembly sitting day on 2 December 2021.

Yours sincerely

**Andrew
Taylor**

Andrew Taylor

Public Trustee and Guardian

Digitally signed by
Andrew Taylor
Date: 2021.11.03
08:57:29 +11'00'

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

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

Message From The Public Trustee and Guardian

The Public Trustee and Guardian marked an important five-year milestone during the reported year. Legislation establishing the Office of the Public Trustee and Guardian commenced on 1 April 2016, merging the functions of Public Trustee and Public Guardian into one single agency, the first in of its kind in Australia.

It was intended that the reform would result in a joined-up service for (Guardianship and Management) clients and bring a wider range of experienced staff with expert personal guardianship and financial management skills together to act for Canberrans with impaired decision-making capacity.

Five years on, a report on the implementation of those reforms was presented to government noting -

"on the basis of extensive stakeholder feedback, we are confident that each independent office holder is able to perform their functions within the 2016 protection of rights framework. This is partly due to the functionality of the architecture of those reforms.... the professionalism and capabilities of the office holders and their teams who make it work....the Public Trustee and Guardian benefits from capable leadership, effective governance, fierce independence, and a commitment to collaborative operation across other office holders, other oversight bodies and wider stakeholders. These are critical success factors for the ACT's protection of rights framework, and ought to continue to be a central consideration in the selection of future office holders....The overall picture....is positive and....strengths ought to be recognised, maintained and built upon."

Consistent with PTG's Business Transformation Strategy established soon after commencement of the new agency, the Public Trustee and Guardian -

- Expanded its digital capability by implementing modules to PTG's Customer Relationship Management (CRM) System for Guardianship and Private Manager functions
- Continued the rollout of its Electronic Document and Records Management System
- Conducted a feasibility study into the establishment of a Wills Register
- Conducted a review of PTG's funding model successfully doubling Community Service Obligation funding and determining increases in key fees to address sustainability.

Additionally, PTG -

- Completed a comprehensive review of the ACT's Official Visitor Scheme resulting in the handover of administrative responsibility to the ACT Human Rights Commission
- Completed the establishment of a framework for dealing with the disposal of the remains of unclaimed deceased persons
- Increased charitable funds held in GreaterGood (Capital Region Community Foundation) by 30.35% to \$30.49M.

The year in review saw a full year of operation under the COVID-19 pandemic, a period of significant uncertainty and volatility for staff, stakeholders and clients. The year commenced with an overall direction to staff to work from home and ended with around two-thirds of staff (on rotation) having returned to work at the office. On a positive note, this has facilitated the practical trial of PTG's Business Continuity



Andrew Taylor
PUBLIC TRUSTEE AND GUARDIAN

Plan including trial of flexible workplaces and the identification of any inhibiting technological issues.

PTG's end of year results reflect effects of the COVID-19 pandemic including reduced fee revenue in some areas and continued decline in returns on the cash investment market, but on a more positive note, increases in the share and property markets.

Access to the ACT Civil and Administrative Tribunal (ACAT) has been largely through online hearings and have resulted in slowdowns and higher costs. Interestingly, despite the ACT not having formally implemented the practice of Supported Decision-Making, the adoption by ACAT of Supported Decision-Making principles has seen a flattening out of the number of new orders, in contrast to other jurisdictions.

Despite the operational difficulties experienced, PTG maintained strong focus on excellent customer service as reflected in a letter to the Public Trustee and Guardian in May, in which a grateful client of the Public Trustee and Guardian wrote -

"I've been meaning to write and thank you for both our conversations about the guardian and health attorney issues from a couple of weeks ago, and for your kind forwarding of various information and documents. You were most helpful at a time when I was floundering around a bit about how to deal with these issues."

..and from another -

"A short note to express my personal thanks to you and the team for managing my sister's estate through to settlement. I...make special mention of the interim distributions....provided, the timing of which were critically important to addressing various pressing needs. I was able to give my father-in-law the best medical treatment available in the circumstances and prolong his life by another 12 months until he eventually lost the fight last week..... I find that PTG's administration of the estate produced a very positive outcome and I am most grateful for the efforts made.... to achieve it."

I acknowledge and thank the stewardship, support and direction of Richard Glenn, Director-General, Justice and Community Safety Directorate and Deputy Director-General (Justice) Jennifer McNeill during the year as well as the invaluable support of the Directorate.

I also acknowledge the excellent work undertaken by members of the Public Trustee and Guardian Investment Board, PTG's Internal Audit Committee and the GreaterGood Board.

During the year, PTG formally farewelled Christina Thompson, former Deputy Public Trustee and Guardian (Guardianship) following 18 months with the Queensland Public Guardian and Joanne Thompson, Deputy Public Trustee and Guardian (Finance) to retirement. Christina played an important role in implementing the merger of the Public Trustee and Public Guardian functions whilst Joanne was PTG's long term much valued CFO. We were also pleased to welcome two new Deputy Public Trustees and Guardian, Callum Hughes (Finance) and Helen Connolly (Guardianship) to our Senior Leadership Group.

Most of all I thank our wonderful staff who have worked tirelessly and under difficult circumstances during the year. The feedback received from clients continues to attest to the good work they do and the difference they make in the lives of those they serve in the community.

Whilst Performance Indicators are our formal means of reporting success and achievement, the positive differences we make at the most difficult times in people's lives make everything we do, no matter how difficult, the most worthwhile.

We look forward to a year of positive achievement and continued protection and support of rights, choices, security and justice for all persons in the ACT community.

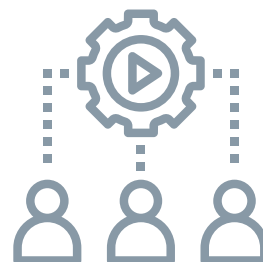


Andrew Taylor
PUBLIC TRUSTEE AND GUARDIAN

B.1 Organisational Overview

Vision

*Protection and support of rights, choices, security and justice for all persons
in the ACT community*



Mission

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

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

Values

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

Role, Functions and Services

- Will drafting and acting as Executor
- Enduring Power of Attorney (EPOA) - drafting EPOAs and acting as Attorney
- Trustee services
- Guardianship and Management under the *Guardianship and Management of Property Act 1991*
- External Manager - Examination of Accounts under the *Guardianship and Management of Property Act 1991*
- Official Visitor Scheme administration (transferred to Human Rights Commission from 1 July 2021)
- Confiscated Criminal Assets - acting as trustee
- Unclaimed Money administration
- Investment and Funds Management services
- GreaterGood – Charitable foundation administration

Organisational Structure, Environment and Planning Framework

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

The PTG incorporates the functions of Guardian and Manager as substitute decision-maker for persons with a decision-making disability.

Structure

PTG comprises business units as follows –

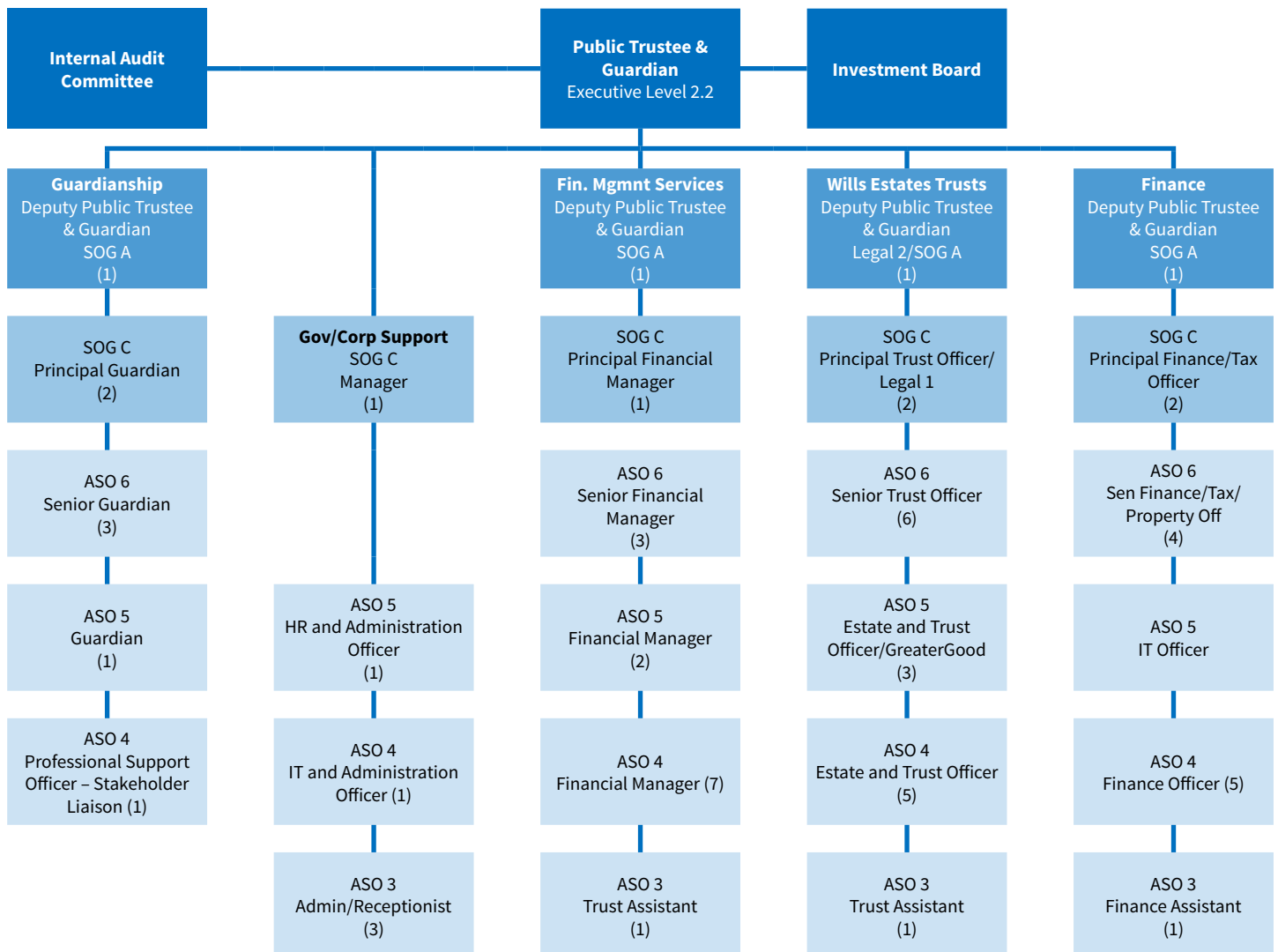
- Guardianship
- Financial Management Services
- Wills/Estates/Trusts
- Finance
- Governance and Corporate.


Each business unit is headed by a Senior Director/Deputy Public Trustee and Guardian, with the exception of the Governance and Corporate Unit which is headed by an Assistant Director.

PTG's Investment Board, established under the *Public Trustee and Guardian Act 1985*, provides investment advice to the Public Trustee and Guardian. The Board comprises the Public Trustee and Guardian as Senior Member and at least two external members appointed by the Minister on an honorary basis. Four members are currently appointed (refer Annexures - PTG Investment Board Report).

PTG's Audit Committee comprises representatives of business units and, during the reported year, was independently chaired by Mr. Malcolm Prentice, a former auditor with the ACT Auditor-General's Office.

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





The Public Trustee and Guardian is trustee for GreaterGood, a Public Ancillary Fund, registered charity and community charitable foundation.

Organisational Environment

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

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

- Public Trustee and Guardian Investment Board (as Senior Member)
- Official Visitors Board (Chair to 30 June 2021)
- GreaterGood (Trustee).

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

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

PTG's responsibilities are broader and more diverse than many of its peer state/territory agencies. These include guardianship, unclaimed money, uncollected goods, government trust funds, confiscated criminal assets, GreaterGood (The Capital Region Community Foundation), as well as an ongoing role as a member of the Board of the ACT Official Visitor Scheme.

PTG has a close relationship with several JACS agencies including the ACT Human Rights Commission, Public Advocate, ACT Legal Aid and the ACT Civil and Administrative Tribunal.

Planning Framework and Direction Setting

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

PTG participates in the strategic planning and management of JACS, as a member of the JACS Executive Communication Forum (JEC). The Public Trustee and Guardian reports to the Deputy Director-General (Justice) JACS and reports quarterly to the JACS Strategic Management Committee (SMC).

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

The Public Trustee and Guardian is trustee for GreaterGood, a Public Ancillary Fund, registered charity and community charitable foundation.

As Chair of the ACT Official Visitors Board during the reported year, the Public Trustee and Guardian was responsible for the appointment, training of Official Visitors and administration of the Official Visitor Scheme. The scheme covers corrections, mental health, disability, homelessness and children and young people disciplines. The term of appointment of the Public Trustee and Guardian as Chair expired on 30 June 2021, pending the appointment of a replacement Chair by the Minister. The Public Trustee and Guardian will remain as a member of the Board.

Summary of Performance

PTG's performance is measured and reported against its Strategic and Accountability Indicators. These indicators were modified following agreement by the Treasurer and Attorney-General in the lead up to the 2019–20 budget estimates process. Performance is reported against these indicators in B.2 Performance Analysis and in the Statement of Performance accompanying the financial statements annexed to this report. The indicators will be reviewed in the 2021-22 financial year.

In summary -

- **Source of revenue** – PTG's revenue is sourced from non-Government user-charges, interest, Controlled Recurrent Payments (CRP) and Community Service Obligation (CSO) funding.
- **Community Service Obligation Funding** for 2020-21 was \$950,000.
- **Outcome** for 2020-21. PTG recorded a revised operating profit of \$774,982 against budget of \$168,000. The increase is mainly related to the transfer of internally generated software from the PTG Trust Account.
- **Revenue** - PTG received total revenue of \$10,381,345, \$1,072,345 higher than budget. Revenue is \$1,719,580 higher than the previous reporting period of \$8,661,765 mainly due to an increase in CSO funding, a write back of a lease incentive liability and the transfer of PTG's internally generated software from the PTG Trust Account.
- **Expenses** - PTG's total expenses were \$9,606,363.00. Expenses were \$460,363 higher than budget. This resulted mainly from higher employee and superannuation expenses (\$796,752) due to a higher-than-expected number of staff employed to accommodate higher client numbers and more complex client portfolios, this was partially offset by a decrease in supplies and services \$471,786.
- **Dividend to Government** - under an agreement with the ACT Treasurer, PTG pays ACT Treasury an annual dividend of 50% of any end-of-year operating surplus. The dividend declared for 2020-21 is \$387,490.
- **Funds Management** - PTG operates three externally managed Common Funds and an internally managed Cash Common Fund. All external funds are under index or 'passive style' management. PTG's external fund manager, Vanguard, reported that PTG's externally managed funds whilst slightly under index, performed well against comparative indices.
- **Cash Common Fund** - PTG's internally managed Cash Common Fund performed within expectation having regard to declining low rates on offer. Interest returns varied with the market cash rate and, at 30 June 2021, the interest rate was .05%. Funds invested in Cash at 30 June 2021 amounted \$127.46m.
- **Investment Strategy** - PTG operates four risk models designed to maximise investment performance and overall return at client level. Returns compared to 2019/20 were - Growth 23% to previous .1%, Balanced 14.7% to previous 2.4%, Conservative 10% to previous 2.80%, Capital Stable .20% to previous 0.80%. This is entirely reflective of normal and expected financial market volatility.
- **Government Funds** - Government funds invested and managed by PTG decreased from \$183.87m to \$181.69m.
- **Deposits to Confiscated Criminal Assets Trust (CAT) Fund** - PTG deposited \$1,850,206.48 to the CAT fund compared with \$1,457,331.18 in 2019–20. This resulted from a higher number and value of forfeitures made by the Supreme Court under the *Confiscation of Criminal Assets Act 2003*.
- **Unclaimed Money** - The balance of funds held in the Unclaimed Money Trust Account grew from \$46.24m in 2019-20 to \$50.28m in 2020-21.
- **Perpetual Care Trusts** - Deposits made to the Perpetual Care Trusts under the *Cemeteries and Crematoria Act 2003 Act* grew from \$13.49m in 2019-20 to \$13.71m in 2020-21.
- **The corpus of funds held in GreaterGood** (The Capital Region Community Foundation) increased from \$23.3m at 30 June 2020 to \$30.49m at 30 June 2021. GreaterGood distributed \$1,287,264.00 to charitable causes mainly in the ACT region during 2020-21.

Assessment of Performance against 2020-21 Objectives

PTG's Budget Paper is its Statement of Intent which sets out priorities for the reporting year.

The following objectives are taken from PTG's Statement of Intent 2020-21 -

2020-21 OBJECTIVES	OUTCOMES
Secure adequate funding base for 2020-21 and for the next three financial years. This will be undertaken through the implementation of the budget bid for increase to Community Service Obligation (CSO) funding and the roll out of amendments to specified fees adjustments.	<p>Increase in Community Service Obligation Funding by \$400,000 from \$518,000 to a total of \$918,000.</p> <p>Increases in key fees and charges to an estimated revenue increase of between \$400k-\$500k pa.</p>
Continue the implementation of PTG's Business Transformation Project. In 2020-21, PTG will implement several modules of its ICT integrated Customer Relationship Management (CRM) System including Guardianship and External Management. In the next three financial years PTG will concentrate on rolling out the CRM and EDRMS to other business units including Unclaimed Money, Financial Management Services Unit as well as Estates and Trusts.	<p>Three CRM modules implemented and a fourth undergoing testing.</p> <p>Progressive roll-out of EDRMS to all Business Units.</p> <p>ACT Graduate program project prepared a business case for the proposed Will Register. Consultation with ACT Courts Administration and the ACT Law Society in progress.</p>
Raise awareness in the community of the role of the Public Trustee and Guardian including developing and undertaking a range of presentations and information seminars which highlight the importance of estate planning including a well-drafted Will and EPOA as well as what happens in the event of incapacity. This will be achieved through continual development of PTG's website, fact sheets, seminars, forums, newsletters, expos and an online facility to "Book a Presentation by the Public Trustee and Guardian".	<p>PTG's Book-a-Presentation web page received 10 requests for presentations to the community. During the COVID Emergency period, PTG curtailed its public presentations.</p> <p>Videos and stories developed and published to GreaterGood website and Facebook.</p> <p>PTG continues to maintain its website, Fact Sheets and published its "Going Public" booklets.</p>
<p>Participating in industry forums to identify and implement best practice. This will be achieved through close cooperation with state/territory trustee and guardian agencies as well as through membership of industry representative organisations such as AGAC.</p> <p>PTG will also continue to work closely with ACAT in establishing practice that achieves efficient processes under the <i>Guardianship and Management of Property Act 1991</i>.</p> <p>PTG will continue to foster a collaborative relationship with ACAT to identify and implement better practice.</p>	<p>Funded staff membership of key umbrella industry groups for continuing professional development.</p> <p>Collaborated with other Public Trustees and Public Guardians through membership of the Australian Guardianship and Administration Council (AGAC). AGAC holds meetings every six months and conducts a national conference every two years.</p> <p>The Public Trustee and Guardian appointed as Director/Treasurer/Trustee of AGAC. Attends ACAT hearings as appropriate and regularly consults with Presidential Members. Undertook to take over the role of initiating new Private Managers from ACAT in the interests of greater efficiency. The processes will be built into the Private Manager module of PTG's CRM.</p>

Outlook and Priorities

Current and future priorities are as follows -



- Achieve and maintain financial viability through appropriate funding, increased revenue and efficiency and the development of existing and future products and services



- Develop CRM workflow-based business system and rollout of EDRMS



- Leverage best practice in all policies and practices
- Establish a scheme for the disposal of the remains of unclaimed bodies



- Develop PTG's Will Register
- Improve community education about PTG's products and services.



PTG is a largely self-funding, independent Territory Authority with a significant degree of statutory autonomy

Internal Accountability

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

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

PTG's main responsibilities are established under the following -

- | | |
|---|---|
| • <i>Administration and Probate Act 1929</i> | • <i>Official Visitor Act 2012</i> |
| • <i>Cemeteries and Crematoria Act 2003</i> | • <i>Powers of Attorney Act 2006</i> |
| • <i>Confiscation of Criminal Assets Act 2003</i> | • <i>Public Trustee and Guardian Act 1985</i> |
| • <i>Financial Management Act 1996</i> | • <i>Trustee Act 1925</i> |
| • <i>Guardianship and Management of Property Act 1991</i> | • <i>Unclaimed Money Act 1950</i> |
| • <i>Mental Health Act 2015</i> | • <i>Wills Act 1968.</i> |

Executive/Senior Leadership Group

The Public Trustee and Guardian reports to -

- *Deputy Director-General (Justice), Justice and Community Safety (JACS) Directorate*
- *Director-General, JACS Directorate*
- *JACS Strategic Management Committee (SMC)*
- *ACT Treasury (financial and budget)*

Business units are headed by a Senior Director/Deputy Public Trustee and Guardian. PTG's Governance and Corporate Unit is headed by an Assistant Director.

Management and Governance is the responsibility of the Senior Leadership Group comprising the Public Trustee and Guardian, four Senior Directors and an Assistant Director.

Andrew Taylor

Public Trustee and Guardian

Andrew Taylor, an Executive in the ACT Public Service, is appointed as Public Trustee and Guardian. Mr Taylor has previously held appointments as Public Trustee for the ACT, Public Advocate of the ACT and Registrar-General. Mr Taylor is Senior Member of PTG's Investment Board, Trustee for GreaterGood (Capital Region Community Foundation) and Chair/Member of the Official Visitors' Board. Mr Taylor is appointed as Director/Treasurer/Trustee of the Australian Guardianship and Administration Council (AGAC), a not-for-profit company limited by guarantee and registered charity.



Helen Connolly

Senior Director, Guardianship Unit - Deputy Public Trustee and Guardian

Helen Connolly was appointed as Senior Director/Deputy Public Trustee and Guardian - Guardianship Unit during the reported year. Ms Connolly was previously employed with ADACAS, a private advocacy agency as a Manager of projects exploring supported decision-making in the ACT, leading supported decision-making in health care decisions, grant applications, policy review and advocacy and generating solutions in individual, organisational and systemic engagement with vulnerable people. Helen is a qualified Specialist Occupational Therapist and Case Manager.



Callum Hughes

Senior Director, Finance Unit - Deputy Public Trustee and Guardian

Callum Hughes was appointed as Senior Director/Deputy Public Trustee and Guardian - Finance Unit during the reported year. Mr Hughes has had an extensive career in all aspects of government financial accounting. He is responsible for the management of PTG's corporate and client accounting functions including office, trust, government trust accounts, investment/funds management, budget, taxation and property and has had responsibility for financial reporting. He has also been responsible for administering the Cash Common Fund and for maximising the return on cash investments. Mr Hughes has undertaken the JACS Leadership Development Program, a Bachelor of Business (Accounting) at Charles Sturt University and is a Certified Practising Accountant.





Kathryn Toy

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

Kathryn Toy was appointed as Senior Director/Deputy Public Trustee and Guardian - Financial Management Services Unit in 2014. Ms Toy trained as a nurse at The Canberra Hospital and joined PTG from the private sector. She is experienced in business management, administration and financial management and has overall responsibility for decision-making in respect to the financial and property affairs of represented persons both under order of the ACT Civil and Administrative Tribunal (ACAT) and under Enduring Powers of Attorney (EPOA).



Gregory Burn

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

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



Denise Caldwell

Manager, Governance and Corporate Support Unit

Denise Caldwell was appointed as Manager, Governance and Corporate Support Unit in April 2016. A former registered nurse, Ms Caldwell was previously appointed as Senior Advocate, Public Advocate of the ACT. Her responsibilities include governance, HR, training and facilities management.

Remuneration

Remuneration for the position of Public Trustee and Guardian is as an ACT Government Executive in accordance with a Determination of the ACT Remuneration Tribunal.

PTG staff are remunerated under the ACT Public Sector *Administrative and Related Classifications Enterprise Agreement 2018-2021* except for PTG's two legal officers who are covered by the *Legal Professionals Enterprise Agreement 2018-21*.

Public Trustee and Guardian Investment Board

PTG's Investment Board was established by s. 46 of the *Public Trustee and Guardian Act 1985*. The Board advises the Public Trustee and Guardian on investment matters and strategy. The Board has no governance responsibilities and does not provide advice to the Minister.

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

The composition of the Board is established by s. 48(1) of the *Public Trustee and Guardian Act 1985* and comprised the following persons during the reported period -

Body	Position	Member	Expiry Date
Investment Board	Sen Member	Mr Andrew Taylor	ex officio
Investment Board	Member	Mr Michael White	3 May 2024
Investment Board	Member	Ms Serhan Mackey	9 Sept 2021
Investment Board	Member	Ms Tracy Savage	4 Dec 2021
Investment Board	Member	Mr Patrick McAuliffe	28 Aug 2022
Investment Board	Member	Mr Michael Davison	3 Mar 2021

Meetings are also attended by PTG's Senior Director (Finance) and Investment Officer.

Internal Audit Committee

Headed by independent chair Mr Malcolm Prentice, a former auditor at ACT Auditor-General. The Committee manages and reviews all aspects of risk in PTG's Risk Register.

Public Trustee and Guardian Senior Leadership Group

An internal governance forum focussing on -

- Governance
- Policy
- Staffing
- Strategic/business planning
- Resource management.

Official Visitor Scheme and Board

The ACT Human Rights Commission assumed responsibility for the Scheme from 1 July 2021. Andrew Taylor's appointment as chair expired on 30 June 2021, pending the appointment of a replacement chair. The Board prepares a separate Annual Report to the responsible Minister under s. 23DA of the *Official Visitor Act 2012*.

B.2 Performance Analysis

Key Performance Indicators for 2021-22 to 2024-25

INDICATOR	Interim Outcome 2020-21	Planned 2020-21	Planned 2021-22	Planned 2022-23	Planned 2023-24	Planned 2024-25
Guardianship Orders - no. of people for whom PTG acted as Guardian appointed by the ACT Civil and Administrative Tribunal (ACAT) under the <i>Guardianship and Management of Property Act 1991</i> (GMPA) during the reported period	235	225	230	230	230	230
Management Orders - no. of orders in which PTG was appointed as Manager by ACAT under the GMPA current at the end of the reported period by ACAT	507	510	510	510	510	510
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for all matters made during the reported period ¹	67	130	70	100	100	100
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for financial and property matters under active management at the end of the reported period	38	39	39	39	40	40
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for personal and health care matters active at the end of the reported period ²	9	7	7	7	7	7
Police Call-outs - no. of responses to call outs by police and community following death during the reported period ³	0	1	0	0	0	0
Welfare funerals - no. arranged by PTG during the reported period ⁴	1	2	0	0	0	0
Examination of Accounts - no. examined by PTG during the reported period upon filing by External Managers appointed by ACAT for Protected Persons ⁵	688	570	600	605	610	615
Deceased Estate Administrations - no. of deceased estate administrations completed during the reported period ⁶	74	85	75	75	75	75
Trusts (for all purposes) - no. held at end of reported period ⁷	740	660	730	730	730	730
Wills - no. of wills prepared by PTG during the reported period ⁸	281	400	300	350	400	400
Customer Survey - % of clients responding to PTG's survey during the reported year that reported PTG met or exceeded their expectations ⁹	96	90	90	90	90	90

Notes:

- The lower than anticipated number of EPA's prepared is attributed to the COVID-19 pandemic with EPA drafting appointments significantly curtailed in the first half of the reported year to accord with protocols established to protect PTG's staff and members of the community.
- The number of EPA's appointing PTG for personal and health care matters was marginally higher than expected. It is normal for people to appoint family first for these kinds of decisions, if there are no family members available the PTG may be used.
- We did not receive any police call-outs during the period. PTG's performance in this regard is purely reactive following callout by ACT Policing.
- We did not attend to any Welfare funerals during the period. PTG's performance in this regard is purely reactive following callout by ACT Policing. However, in July 2020 we finalized the arrangements for the disposal of unclaimed bodies that had been held at Forensic Medicine Centre as part of the JACS COVID response.
- In 2020-21 PTG changed the process undertaken for the Examinations of Private Managers' Accounts as a result of a risk assessment. PTG considered that any movements considered immaterial in the assessment of movement in represented persons' financial assets are acceptable. Otherwise, a full examination would be completed. This resulted in the number of examinations by PTG being higher than expected.
- The number of estate administrations completed was the same as the previous year, however lower than expected. This was due to a high number of complex estates that were unable to finalised due to ongoing taxation issues, family provisions claims, a greater number of beneficiaries residing overseas and the resourcing constraints during the COVID-19 pandemic.
- The higher than anticipated number of trusts reflects a change adopted by PTG in the types of matters to be reported as trusts. Previously PTG had not reported some accounts as they had not been formally regarded as trusts.
- The lower than anticipated number of Wills prepared is attributed to the COVID-19 pandemic with will drafting appointments significantly curtailed during the first half of the year to accord with protocols established to protect PTG's staff and members of the community.
- The higher than anticipated percentage of clients responding to PTG's survey during the reported year stating that PTG met or exceeded their expectations reflects PTG's continual efforts to provide a professional level of service to our clients.

Client Investment/Fund Management Services

Statutory requirements

- S.55(1) *Public Trustee and Guardian Act 1985 (PTG Act)*
Establish and maintain Common Funds and pay specified money into those funds.
- S.25A PTG Act
Invest and manage client funds, held on behalf of a person under disability, into superannuation.
- S.14A *Trustee Act 1925*
Invest client funds in accordance with the 'Prudent Person Investment Principle'.

Investment Strategy

Strategy is guided by PTG's Investment Board. External asset/markets consultant, PricewaterhouseCoopers (PwC), gauges external fund manager performance against investment objectives, strategic asset allocation and risk parameters, having considered client risk profiles and return objectives.

PwC prepares reports and recommendations to the Board, in accordance with recommended objectives. The Strategy is designed to maximise investment performance and overall return for a client's investment portfolio and is reviewed on a 5-yearly basis (last reviewed in 2017).

Non-Cash funds are managed by Vanguard Investments, accessed under ACT Treasury contract. Through Vanguard, PTG offers clients a suite of three externally managed funds for investment purposes comprising -

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

in addition to PTG's internally managed Cash Common Fund.

Objectives

Investment objectives are particularly useful for:

- Setting investment strategy
- Informing clients what they can expect from their investment
- Assessing the performance of the portfolio in achieving its investment goals.

The following issues are considered in setting investment objectives:

- Level of dependence upon investment income for living expenses
- Risk of loss objectives reflecting the likelihood of the portfolio loss in a year
- Targets for a total return reflecting both income and capital growth.

Investment Strategy/risk profiles enable tailored investment portfolios providing clients potential for a mix of capital growth, income returns and tax effectiveness.

2020 Risk Management Review

During the reported year, PwC commissioned a review of elements of the Investment Strategy and Risk Management, including -

- Investment arrangements for the Cash Common Fund
- Review of performance of external Fund Manager, Vanguard.

The review followed discussion with state/territory Public Trustees on Cash Investment models. PwC's report made a number of observations and recommendations, most of which were accepted by the Board and have been implemented. The report commented that PTG's Fund Manager, Vanguard, remains a suitable manager for the portfolios and that performance vs benchmark should be monitored.

Funds under Management

PTG had total funds under management of \$482.75m at 30 June 2021, compared to \$409.56m in 2019-20.

Client (non-government) funds managed as trustee were \$262.03m at 30 June 2021 compared to \$225.69m in 2019-20.

Government funds managed as trustee were \$181.66m at 30 June 2021 compared to \$183.87m in 2019-20.

PTG Common Funds

Cash Common Fund

Managed internally and 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 2021, the rate was .05%. Invested funds at 30 June 2021 were \$127.46m.

Conservative Common Fund

Invested in a diversified index trust, performance return* for the period to 30 June 2021 was 10.10%. Invested funds at 30 June 2021 were \$15.9m.

Balanced Common Fund

Invested in a diversified index trust, performance return* for the period to 30 June 2021 was 14.70%. Invested funds at 30 June 2021 were \$43.26m.

Growth Common Fund

Invested in a diversified index trust, performance return* for the 12 months to 30 June 2021 was 23.00%. Invested funds at 30 June 2021 were \$75.75m.

(* figures reported are net of fees)

Comparative Performance of Common Funds 2020-21

Performance period to 30 June 2021	3 Mths	6 Mths	1 YR	3 YRS	5 YRS	10 YRS	INCEP
Cash Common Fund	0.00	0.00	0.20	0.90	1.20	2.20	3.50
Conservative Common Fund*	1.10	3.30	10.10	6.20	n/a	n/a	5.40
Balanced Common Fund*	2.30	5.70	14.70	7.90	n/a	n/a	6.70
Growth Common Fund*	5.10	10.60	23.00	10.20	n/a	n/a	9.20

*Information in respect to these funds is limited to between 3 months and 3 years as these funds were established following a review implemented in December 2017.

Risk Models

Risk models are used in identifying, analysing and managing the client's level of tolerance to investment risk. Clients of similar risk profiles are grouped into four risk models, Conservative, Balanced, Growth and Capital Stable for investment in appropriate allocations into the common funds. Client risk profiles are reviewed annually.

Conservative Model Portfolio

The objective is to provide income return, moderate volatility and potential for some growth to protect the real value of the trust and is suitable for trusts with income needs, shorter investment terms or conservative risk profiles. Performance return* for the 12 months to 30 June 2021 has been 10.10%.

Balanced Model Portfolio

The objective is to provide a balance between income and capital return with moderate volatility and is suitable for medium term trusts or those with a mix of income and capital needs for beneficiaries. Performance return* for the 12 months to 30 June 2021 has been 14.70%.

Growth Model Portfolio

The objective is to attain higher long term returns in excess of inflation. A higher weighting in growth assets provides potential for superior long term returns for clients able to accept increased volatility in the short term and provides prospective tax efficiencies associated with franked dividends and capital growth. Performance return* for the 12 months to 30 June 2021 has been 23.00%.

(* figures reported are net of fees)

Capital Stable Portfolio

Accounts requiring stability of capital are invested through PTG's Cash Common Fund providing a market interest return on daily balances with funds available at call. The fund is suitable for cash balances and trusts of uncertain term. Credit interest rate during the period decreased with interest rates being .20%.

Comparative Performance of Risk Models 2020-21

Performance period to 30/06/21	3 Mths	6 Mths	1 YR	3 YRS	5 YRS	10 YRS	INCEP
Capital Secure Risk Profile	0.00	0.00	0.20	0.90	1.20	2.20	3.50
Conservative Risk Profile*	1.10	3.30	10.00	4.90	4.50	6.00	5.80
Balanced Risk Profile*	2.30	5.70	14.70	7.50	6.80	7.20	6.05
Growth Risk Profile*	5.10	10.60	23.00	10.80	9.40	8.90	7.30

Common Fund Guarantee and Reserve account

S.61 of the *Public Trustee and Guardian Act 1985* requires that PTG must establish and maintain a Guarantee and Reserve Account (GRA) separately from the Common Funds.

The GRA is financed by transfers from the income account of the common funds and is applied for -

- payment to a common fund for any loss sustained upon the realisation of an investment made from a common fund; and
- payment of costs and expenses incurred in protecting investments made from a common fund.

PTG will commission a review of the adequacy of the funds held in the GRA during the 2021-22 financial year.

Services to Government

Government Trust Moneys

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

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

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

Funds invested and managed by PTG on 30 June 2021 were \$181.77m, compared to \$184.35m in respect to the following accounts -

- ACT Civil and Administrative Tribunal
- ACT Health
- ACT Health Ethics Committee
- ACT Procurement Solutions
- ACT Planning and Land Authority
- Agents Act Consumer Compensation
- Canberra Cemeteries - Perpetual Care Trust
- Confiscated Criminal Assets Trust Fund
- Default Insurance Fund – Uninsured Employer Fund
- Default Insurance Fund – Collapsed Insurer Fund
- Motor Vehicle Dealers Compensation Fund
- Office of the Nominal Defendant of the ACT Fund
- Residential Rental Bonds Trust Account
- Uncollected Goods Trust Account.

Criminal Assets

The *Confiscation of Criminal Assets Act 2003* (COCA Act) authorises the confiscation of the proceeds of crime and other criminal assets. PTG's statutory role is limited to administering assets restrained or forfeited under the Act. Forfeited assets are secured and non-cash assets are sold. PTG is required to pay reserved funds to the Territory at least twice each year by depositing the funds into the Confiscated Assets Trust (CAT) Fund.

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

During 2020-21, PTG deposited a total of \$1,850,206.48 to the CAT fund compared with \$1,457,331.18 in 2019-20.

During the reported year the ACT Director of Public Prosecutions (DPP) obtained Court Orders restraining property with a value over \$10M, being the largest restraint of COCA property in ACT's history. The assets restrained include seven properties – one in Canberra, two in Queensland and four in NSW – and 32 bank accounts. To give effect to the Court Orders, PTG is working closely with ACT Policing, DPP,

financial institutions, ACT Land Titles Office, NSW Crime Commission and the QLD DPP to ensure the value of the assets is maintained and the interests of the Territory are protected.

On 28 August 2020, the *Confiscation of Criminal Assets (Unexplained Wealth) Amendment Act 2020* commenced. The purpose of the amendments is to more effectively deter and disrupt serious criminal activity, including organised crime, and ensure those involved in such crime do not profit from their illegal activities.

The Public Trustee and Guardian has responsibilities under the new provisions including -

- sale or disposal of property under an unexplained wealth charge
- paying funds into the Confiscated Assets Trust
- paying any surplus to the person against whom the order was made.

Refer also Part 4 of this report for reporting by PTG as a specific reporting entity under s.104(1) of the COCA Act.

Uncollected Goods

The *Uncollected Goods Act 1996* provides for the surrender of goods, or proceeds of disposed goods, that were lost or abandoned in public places or on unleased Territory land. The Uncollected Goods Trust Account is administered by the Justice and Community Safety Directorate (JACS) and maintained by PTG.

On 30 June 2021, PTG held \$291,397.56 in the Uncollected Goods Trust Account compared to \$699,706.00 in 2019-20.

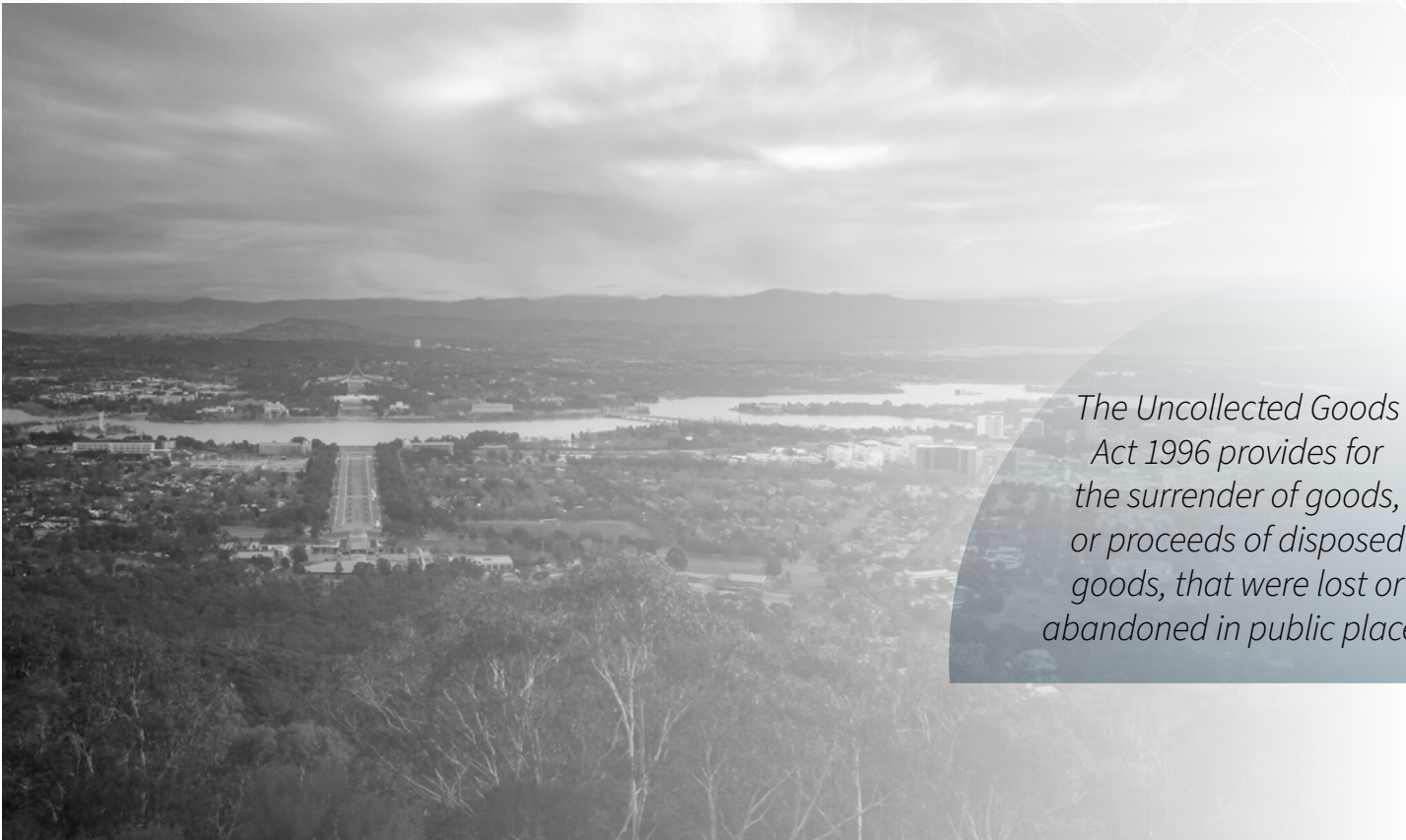
Unclaimed Money

At 30 June 2021, the balance of funds held in the Unclaimed Money Trust Account was \$50,277,114.73, compared to \$46,236,677.03 at 30 June 2020

During the reported year:

- 39 lodgements were received for a total of \$7,304,792.32 compared to 27 lodgements for a total of \$7,095,019.60 in the previous year.
- 660 claims for a total of \$2,851,941.55 were received and paid compared to 485 claims for a total of \$1,317,476.25 for the previous year.
- The average claim in 2020-21 was \$4,321.12 compared to \$2,716.45 for the previous year.
- 660 individual fees were charged for a total of \$61,927.28 compared to 478 individual fees charged for a total of \$35,378.00 in the previous year.

At 30 June 2021, no unclaimed estate money was paid to the Territory under Schedule 6, Part 6.2, Item 4 of the *Administration and Probate Act 1929*.



The Uncollected Goods Act 1996 provides for the surrender of goods, or proceeds of disposed goods, that were lost or abandoned in public places

Cemeteries and Crematoria Trusts

The *Cemeteries and Crematoria Act 2020* (the Act) establishes a Perpetual Care Trust in respect to each of the public cemeteries or crematoria in the Territory. The trusts are established for the purposes of maintenance of the relevant cemetery or crematorium.

Each Perpetual Care Trust is a charitable trust established for public charitable purposes. PTG is trustee for the Perpetual Care Trusts under the Act. These trusts are charitable trusts, kept in respect to each cemetery and crematorium, for the maintenance of grounds, monuments and infrastructure. Each cemetery or crematorium operator is required to deposit a specified percentage of their receipts into the fund to be held in trust and invested through the common funds.

Deposits made to the Perpetual Care Trusts under the Act grew from \$13.49m in 2019-20 to \$13.71m in 2020-21.

Deposits to Perpetual Care Trust 2020-21

Cemetery/ Crematorium	Deposits to date (all) (\$)	Withdrawals to date (all) (\$)	Net Income to date (all) (\$)	Net Growth on Investments (\$)	Balance as at 30/06/2021 (\$)
Gungahlin Cemetery	6,696,381	6,659,606	64,897	- 430	101,242
Gungahlin Cemetery Reserve	1,706,950	148,614	492,767	310,841	2,361,945
Hall Cemetery	113,104	139,348	21,002	12,888	7,646
Hall Cemetery Reserve	328,036	6,365	92,906	46,737	461,314
Woden Cemetery	6,157,134	6,648,584	590,363	123,426	222,340
Woden Cemetery Reserve	4,900,701	111,523	1,594,091	1,016,261	7,399,529
Woden Mausoleum	614,603	390,392	53,365	-	277,576
Woden Mausoleum Reserve	1,125,776	526,929	239,199	163,206	1,001,252
Norwood Park Reserve	129,807	-	57,306	23,881	210,993

Services to The Community

Wills

PTG prepared 281 Wills during the reported year compared with 324 for the previous year. The number of Wills completed continued to be adversely impacted by PTG's COVID-19 Will preparation policy which PTG relaxed during the second quarter of the year.

Deceased Estate Administration

PTG completed 74 deceased estate administrations during the reported year with an estimated gross value of \$35,489,965.07, compared to 74 estates for the previous year with an estimated value of \$44,734,912.06. Four matters were finalised under PTG's Executor Assist service compared to 8 for the previous year.

Trusts

PTG acts as trustee, manager or receiver of funds for those unable to manage their funds. These trusts are separate from those entrusted to PTG as trustee by government and include -

- Testamentary Trusts (including Discretionary Testamentary Trusts)
- Life tenancies
- Supreme Court Trusts
- Magistrates Court trusts
- Agency Trusts
- Superannuation death benefit trusts
- Unclaimed trust (without and without Tax File Numbers)
- Special disability trusts
- Victims of overseas terrorism trusts
- Trusts held on behalf of children under the care of the Director-General, ACT Community Services Directorate
- Trusts established under the Victims of Crime Financial Assistance Scheme
- Motor Accident Insurance Commission compensation trusts.

PTG held 740 trusts at the end of the reported year compared to 656 for the previous year. The number of trusts has increased in part due to the inclusion of life estates.

The value of trusts under administration at 30 June 2021 was \$171,018,991.13 compared to \$147,940,861.26 in the previous year. The value of trusts has increased due to the value of the life estates and the capital growth in trust funds invested.

Enduring Powers of Attorney (EPOA)

The number of EPOA's prepared by PTG for all matters during the reported period was 67 compared to 118 for the previous year. The number of EPOA's completed continued to be adversely impacted by PTG's COVID-19 Will preparation policy which PTG relaxed during the second quarter of the year.

The number of EPOA's appointing PTG for financial and property matters under active management at the end of the reported period was 38 compared to 39 for the previous year.

The number of EPOA's appointing PTG for personal and health care matters under active management at the end of the reported period was 9 compared with 7 for the previous year.

Taxation Services

PTG has been approved by the Australian Tax Practitioners Board as a registered tax agent since 1986, providing specialist taxation services incidental to its Deceased Estate, Court Trust, Management and Charitable Trust activities. PTG also provides professional taxation services to its financial management clients.

PTG prepared and lodged 1,555 income tax returns in 2020-21 compared to 1,532 in 2019-20. Income tax returns are lodged electronically with the Australian Taxation Office (ATO) online or manually with paper forms as required throughout the financial year.

Revenue from Taxation Services was \$383,473 compared to \$381,875 for the previous year and is expected to continue to rise following approval of a new scale of fees as part of the 2020-21 Budget Cabinet process.

The year saw a higher number of returns completed and lodged as well as a considerable increase in the complexity of tax matters. PTG has also been required to adapt to a large number of taxation law amendments by the ATO requiring changes to current practices to ensure compliance. These changes have impacted on PTG's client base, with complications relating to the administration of deceased estates and taxation related matters becoming a regular occurrence.

The total of taxation revenue foregone due to write-offs for insolvent estates, "Day 1 Notifications", Community Service Obligations etc was \$91,200.

Property Services

PTG completed 14 property settlements during 2020-21 compared to 27 in 2019-20. The total value of property conveyed was \$6,973,000.00 compared to \$16,201,000.00 in 2019-20. During the reported year, PTG had 144 properties under management and PTG's Property Officers made 64 property visits. PTG's property sales attract an average agent's commission of 1.56% using 5 different real estate firms. All real estate agents engaged by PTG are subject to PTG's Code of Conduct for Service Providers.

The decrease in property sales compared to the previous year was the result of -

- timing (7 settlements in July 2021)
- a slowdown in the processes leading to sale
- only one property sold under the *Confiscated Criminal Assets Act* compared to 6 in the previous year.

At the end of the reported year PTG had 144 properties in its Property Register comprising properties -

- where PTG is the registered proprietor
- under the care of PTG as Manager under an order of the ACT Civil and Administrative Tribunal
- in the form of a Confiscated Criminal Asset under the *Confiscation of Criminal Assets Act 2003*
- vested in PTG as Executor or Administrator of a deceased estate appointed by the Supreme Court.
- held by PTG under other forms of trust e. g. under a testamentary trust, a Special Disability Trust or other form of trust.

PTG is in consultation with the ACT Insurance Authority (ACTIA) to source blanket property insurance for the 144 properties (June 2021) either under the ownership or management of PTG. This will significantly enhance the consistency of insurance terms and premiums, reduce risk and increase office efficiency.

The ABC reported in August 2020, that low supply and high demand was driving property values up resulting in ACT's house prices reaching record highs during the COVID-19 pandemic and affecting the value of property sold by PTG.

Examination of External Managers' Accounts

S.27(1) of the *Guardianship and Management of Property Act 1991* requires the Public Trustee and Guardian (PTG) to examine accounts maintained by Managers other than the PTG appointed under the *Guardianship and Management of Property Act 1991* to manage the financial and property affairs of persons with a decision-making disability.

The number of accounts examined by PTG during the reported period was 688 compared to 453 for the previous year.

Financial Management

As Manager appointed by order of the ACT Civil and Administrative Tribunal (ACAT) PTG under the *Guardianship and Management of Property Act 1991*, PTG makes financial and property decisions for persons with a decision-making disability. Where appointed as both Manager and Guardian for a person, these decisions are made in consultation with PTG's Guardianship Unit.

PTG also makes financial and property decisions for persons who appoint PTG as attorney under Enduring Power of Attorney (EPOA).

The number of orders in which PTG was appointed as Manager by ACAT, current at the end of the reported year, was 507 compared with 508 in the previous year.

The number of clients currently managed under the authority of an

EPOA current at the end of the reported year was 38.

The churn of clients for newly appointed and revoked orders (including through death) was 107 matters during the reported year. The workload arising from such churn is significant, being undertaken in addition to the ongoing financial administration of the 541 current clients, where PTG is appointed as either Manager by ACAT, or Attorney by the client. The intense and urgent nature of financial administration, particularly during the COVID Emergency Period, continues to place an increasing demand on resources.

The circumstances of persons for whom PTG is appointed as Manager continue to be increasingly complex and involve neglected taxation obligations, property management/remediation/sale, eviction, dysfunctional family dynamics/estrangements, family law and litigation.

Case Study

PTG was appointed Manager and Guardian for Barry. Barry had medical issues which saw him admitted to hospital for a prolonged period. Barry had complex financial problems, including a significant but poorly maintained and managed property portfolio, a business on the brink of insolvency, accumulated liabilities and over 15 years of outstanding tax returns.

Barry had a hoarding disorder developed over several decades making a safe return to home difficult. PTG implemented a structured management arrangement for the property portfolio, ensuring rental income was maintained. A professional advisor was engaged to review the viability of the business and avoid insolvency. Barry's cashflow significantly improved to meet his living costs. Barry's outstanding debts were settled and his outstanding tax returns were prepared and lodged.

Within 12 months, Barry's financial situation went from perilous to healthy. PTG's Guardianship unit continued to work with Barry's providers to address his hoarding disorder. The complexity of Barry's affairs was such that it drew upon many of PTG's internal services and was managed through regular meetings to discuss progress and to ensure that each unit was working collaboratively and in accordance with his views and wishes. This collaboration and conjoined decision-making was paramount to PTG's success in helping Barry receiving an income stream, transitioning from hospital, managing his property and returning his business to profitability.

Whilst PTG's involvement in an individual's life is not always welcome, our appointment provides positive ongoing outcomes for vulnerable people where they have no-one else willing or suitable to do so.

Case Study

PTG is appointed as Manager for Sally who has struggled for years with substance abuse. Medical advice was for her to reduce her consumption. Her supports advised she would spend her Centrelink pension entirely on alcohol.

PTG established a budget including scheduled regular payments for personal expenditure and small amount for savings. Sally's health has improved significantly as she has less to spend on alcohol. Her doctor is happy with this progress and the benefit to her health.

Sally's supports advised that Sally feels... "better off with financial management. She is very proud of the money she has managed to save for Christmas presents.

Guardianship

PTG may be appointed by ACAT as Guardian under the *Guardianship and Management of Property Act 1991* (the GMP Act) as substitute decision-maker in relation to the following matters -

- Accommodation - where and with whom the person may live
- Legal - to commence or continue legal proceedings
- Medical - decisions about medical treatments excepting specific procedures or care under the *Mental Health Act 2015*.

Orders are issued for periods up to three years and only where there is evidence of impaired decision-making or significant supports required to participate in the decision at hand.

When appointed as Guardian, decision-making by PTG primarily relates to complex, domain-specific health and personal welfare matters e. g. where a person lives and who they live with, the medical treatment they receive, the nature of the supports to be provided and instructions in legal matters. The number of orders made and the authority under which such orders were utilised has not changed significantly since the previous reporting period, however, the number and complexity of decisions made continued to grow.

Decisions made for Emergency Guardianship appointment enable PTG to be appointed as Emergency Guardian when an urgent decision is required (usually surgical).

Statistics for Guardianship/EPOA services 2020-21

No of people services provided to -	235
- female clients (105)	43%
- male clients (136)	56%

No of people PTG acted under EPOA for personal/health care matters	9
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Appointments as Guardian ceased	25
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Average caseload of clients per Guardian	41
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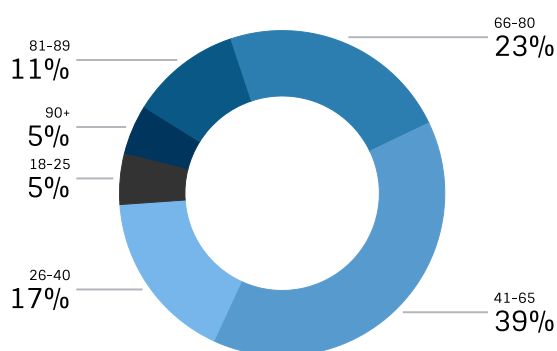
Aboriginal and Torres Strait Islander Guardianship clients (3.8)	4.3%
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Total decisions made	1,440
- NDIS decisions made (729)	51%

Emergency decisions made	1
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Court attendance (predominantly personal protection (9))	13
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Age Profile of Guardianship Clients



During the reported year, PTG provided services to persons with a variety of factors contributing to impaired decision-making ability. These include intellectual disability, mental illness, dementia and acquired brain injury.

PTG responds to enquiries and provides advice on the role of Guardians and specific advice to private guardians seeking support in their role as substitute decision-makers.

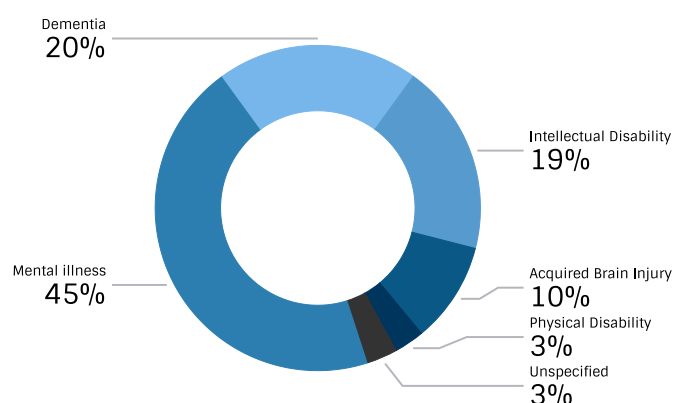
PTG collaborates across ACT Government Directorates and with organisations throughout the ACT and nationally on issues of importance to persons who require support in decision-making. Such issues include equitable access to services, safeguarding against abuse, exploitation or neglect, enabling development of decision-making ability.

A measure of PTG's success in this regard is evidenced by an email from Calvary Hospital -

"I wanted to reach out and acknowledge the great work of you and your team that is evidenced by the fact that there are no patients here awaiting a decision for them to move to residential care. I think this is first since I joined Calvary in early 2019!"

Social Work and the PTG have worked together to support some very complex patients over the past year, in particular. As you know, social workers are required to promote the rights of people to self-determine under the AASW Code of Ethics. My team wanted me to pass on our thanks to the Guardians in assisting us to do this and to achieve good outcomes for patients. We value this working relationship and look forward to continued opportunities to work and learn together to support the most vulnerable of people in our care."

Primary Disability/Diagnosis



Comparative Decision Summary - Guardianship & EPOA Clients - 2020-21

DECISION TYPE	2019-20	2020-21	% CHANGE
ACAT	8	11	27%
Accommodation	171	223	23%
Care and Support	102	81	-26%
Dental (incl. surgical)	27	20	-35%
Employment	0	2	100%
Exchange of Information	158	189	16%
Legal	24	17	-41%
Medical (incl. surgical)	48	132	64%
Mental Health Treatment	13	17	24%
NDIS – Access Request	3	4	25%
NDIS – Accommodation incl. Agreements	4	4	0%
NDIS – Appointment of service/supports	40	44	9%
NDIS – Change of circumstances	24	40	40%
NDIS – Exchange of Information	132	83	-59%
NDIS – Review of Plan	8	8	0%
NDIS- Reviewable Decision	13	4	-225%
NDIS - Service Agreement	474	542	13%
Social	4	3	-33%
Training	1	0	-100%
Travel	37	15	-147%
Other	0	1	100%
TOTAL	1291	1440	

Australia is a signatory to the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD). Additionally, the ACT is recognised as a national leader in the development of human rights-driven services. PTG opts for the lightest touch possible in the lives of those for whom we are appointed to further supported decision-making in line with Australia's obligations under the UNCRPD.

During the reported year, PTG has stretched resources to offer support to many clients appointed whilst improving our service opportunity through a successful budget bid. PTG endeavours to continually improve its service through efficiency by implementing a Microsoft Dynamic 365 Customer Relationship Management (CRM) Guardianship module as well as rolling out PTG's Electronic Document and Records Management System (EDRMS).

B.3 Scrutiny

Ombudsman

During the reported year, the ACT Ombudsman received 17 complaints about the Public Trustee and Guardian. Of these, 8 were managed and closed within the initial phone call (Category 1) and 7 were closed after some work, but without requiring an investigation (Category 2). There were two investigations.

The Ombudsman closed 18 cases, including one protracted matter carried forward from the previous year. The Ombudsman reported that they are not holding any open PTG cases, and all were closed by 30 June 2021.

The table below indicates the comparative number of approaches to the ACT Ombudsman between 2014-15 and 2020-21.

Comparative Table of Approaches to the ACT Ombudsman

2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	14	10	10	10	20	17

ACT Auditor-General

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

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

No unresolved matters had been carried forward from the Auditor-General's Audit Management Report following the audits for the year ended 30 June 2020. In that report, the Audit Office advised that no matters had come to the attention of the Audit Office during these audits.

Legislative Assembly Committees

Standing Committee on Justice and Community Safety – Inquiry into Annual and Financial Reports – Report dated March 2021

The Public Trustee and Guardian appeared before the Committee on 19 February 2021 in combined hearings into the 2020-21 Appropriation Bill (Estimates) and the 2019-20 Annual and Financial Reports.

The Committee asked several questions about PTG's Operating Expenses, Staff and Unclaimed Moneys Trust as follows -

1. PTG's Annual Report 2019-20 reports an operating loss for the reported year of \$623,159. This is a significantly different outcome from the budget estimate of \$215,000. Can you please outline why the operating loss was significantly worse than the estimate?

- (a) In the report, it notes that "staff on various forms of extended leave" is a major cause of the operating loss – approximately how much of the \$623,159 is attributed to extended leave?

The Minister responded as follows -

- This difference is largely attributable to higher than budgeted staffing costs, including \$216,750 to backfill the roles of five staff members who took extended personal leave (most commonly for medical reasons) in 2019-20.

2. PTG's Annual Report 2019-20 reports that PTG provided several staff with human rights training through the JACS Directorate's training program.

- (a) How many staff participated in the training? How much was spent on training for staff? What outcomes resulted from human rights training?

The Minister responded as follows -

- PTG provided training in Human Rights matters to 13 staff.
- This training included Respect, Equity and Diversity (8); Managing Mental Health (4); Family and Domestic Violence (1).
- The cost of this training is in the order of \$350 per attendance. The total expenditure is \$4,550.
- PTG's staff work within a highly diverse employment and client framework. PTG has 30% of staff from a culturally and linguistically diverse background. The significant proportion of PTG's clientele is made up of persons with a decision-making disability (729) or trust clients who may have a disability (648). Providing training to staff in discrimination, advocacy and decision-making issues is fundamental to the provision of an appropriate level of service. PTG staff are highly aware of all aspects of human rights in applying policy and legislation in their everyday work.

3. PTG's Annual Report 2019-20 notes that the balance of funds held in the Unclaimed Money Trust Account grew from \$40.61M in 2018-19 to \$46.24M in 2019-20.

- (a) What was the cause of this growth in funds? Were managers of the Trust Account provided with bonuses because of the fund's growth?

The Minister responded as follows -

- The growth in funds held in the Unclaimed Money Trust Account from \$40.61M in 2018-19 to \$46.24M in 2019-20 related to -
 - an increase in deposits from agencies required to lodge Unclaimed Money with PTG, principally a deposit from Link Market Services of \$6.789M.
 - the churn associated with claims. PTG maintains an online search facility enabling persons to identify unclaimed money. In the reported year \$1.3M was claimed through this facility.

B.4 Risk Management

Process For Developing Risk Management Plan

PTG's Internal Audit Committee monitors PTG's Risk Management Strategy. Risk is identified through analysis of business practices, identified failures, audits, liaison with peer agencies in other jurisdictions and through complaint.

As risk is identified, PTG analyses the source, impact, risk owner, risk controls currently in place and attributes a risk rating. PTG then develops a risk treatment owner, action to be taken, a revised risk rating and a process for monitoring and reviewing. Policies and practices are amended as appropriate.

PTG engaged Marsh Consulting, through ACTIA, to review its Risk Register in September/October 2020. The review was undertaken under the auspices of PTG's Internal Audit Committee, and two versions of the revised Register were approved -

- A comprehensive version of the register
- An abridged version (top 18 risks) of the register.

The Revised Register was approved by PTG's Senior Leadership Group and Internal Audit Committee on 23 October 2020.

Approach to Identifying Areas of Significant Operational or Financial Risk

PTG's Risk Management Strategy covers investment, financial, operational and administrative risk as well as workplace health and safety and addresses operational, tactical and strategic risk. PTG also carries responsibility for risk associated with client assets including real property. The process for identifying risk is outlined above.

PTG's staff members are required to note and sign a Staff Code of Conduct on an annual basis. All Service Providers engaged on behalf of PTG clients are required to sign and note a Code of Conduct prior to engagement. A Conflict-of-Interest Declaration and Register have been established.

Arrangements in Place to Manage and Monitor Risks

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

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

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

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

During the reported year, risk associated with client property and safe custody was audited.

Insurance

Insurance is a fundamental tool in PTG's approach to risk management. PTG's statutory authority insurance requirements are sourced through the ACT Insurance Authority (ACTIA) and meet the cost of future asset losses and legal liabilities that occur as a result of PTG's activities.

The premium for PTG's Agency Annual Insurance Premiums and Cover through ACTIA for 2020/21 was \$19,303.14 compared with the 2019-20 premium of \$19,323.16.

Following is an overview of cover provided by ACTIA -

- Property Insurance
- Public Liability and Professional Indemnity Insurance
- Directors and Officers Liability Insurance
- Corporate Travel Insurance.

Guarantee and Reserve Account

PTG is required to maintain a Guarantee and Reserve Account (GRA) under s. 61 of the *Public Trustee and Guardian Act 1985*. The purpose of the GRA is to provide a means of -

- Covering loss on the realisation of an investment
- Payment of costs and expenses incurred in protecting investments
- Payment of other expenses or charges incurred in the maintenance or administration of a common fund or investments from a common fund
- Payment of certain costs and expenses incurred in legal proceedings involving an estate or trust in respect of which moneys are held in the common fund
- Payment of the costs and expenses or part of the costs and expenses incurred by PTG in obtaining certain legal advice or proceedings.

The GRA does not provide a guarantee that all investment earnings will be positive. This risk has been significantly reduced, as a large part of the Common Fund investments, apart from the Cash Common Fund, are made through an external professional fund manager.

PTG has engaged Vanguard, under ACT Government contract, to manage the funds held in its three Common Funds. Using an external investment manager for these Common Funds has a significant impact on the needs of the GRA as the Common Funds are not directly exposed to individual investment default risk, and any defaults are reflected in the unit price of the investments and hence not payable from the GRA.

PTG's Cash Common Fund is directly managed by PTG and oversighted by PTG's Investment Board. The funds are spread across 10 financial institutions to reduce the impact of any financial institution default. Maturity dates of the term deposits are spread evenly to facilitate payments from the Trust Account. As with externally managed investments, the likelihood of a default occurring with any of these investments is extremely low.

A reasonable GRA holding could meet an individual product default as the investments are held in a significant number of separate term investments with face values between \$500,000 and \$1,500,000 with most having a face value of \$1,000,000 or less.

On recommendation of the Public Trustee and Guardian Investment Board, for risk management purposes, PTG diversifies cash investments through a range of Authorised Deposit-Taking Institutions with no more than 25% of the total fund placed with any one institution and no more than 10% with Building Society/Credit Unions and no lower than 'BBB' rating.

PTG will review the level of its GRA during late 2021.

Fraud Control

PTG has several management systems, processes, controls, training and procedures directed at preventing, detecting and minimising the risk of fraud. The Senior Leadership Group oversees management systems and the investigation of any fraud matters. All findings and recommendations are reported to the Internal Audit Committee and, where appropriate, to JACS.

During the reported year, one PTG staff attended compulsory fraud awareness training.

The Process for Identifying and Responding to Emerging Risk

State/Territory Public Trustees/Public Guardians/Public Advocates/Guardianship Tribunal heads meet every six months and exchange information including about risk identification, management and mitigation.

PTG has published several policies dealing with risk to the organisation resulting from risk investigation and assessment. These policies are published to PTG's Intranet for staff access and also for open access.

PTG reviewed its Risk Register through ACTIA in September/October 2020.

PTG reviewed its Safe Custody and Property and Property Insurance processes during the reported year under the auspices of PTG's Internal Audit Committee.

Business Continuity Planning

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

PTG's BCP was last reviewed externally on 17 June 2019. PTG internally reviews its BCP to ensure contacts and learnings from the COVID-19 Emergency Period are incorporated.

PTG Invoked its BCP shortly after the commencement of the COVID-19 pandemic in March 2021 and it remains open to date.

B.5 Internal Audit

Internal Audit Arrangements

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

Audit Committee Charter and Operations

The objective of PTG's Internal Committee is to ensure that PTG delivers high quality financial reporting and has governance structures in place that facilitate effective risk management. PTG's Internal Audit Charter was last reviewed on 31 July 2020.

Links with Risk Review Processes

The Risk Management Strategy informs PTG's Internal Audit Committee agenda. The Committee addresses and conducts audits of issues identified in PTG's Risk Register.

Membership of Internal Audit Committee

Under its Charter, the Committee consists of at least three members and a maximum of 6 members and should have an independent external Chair.

The table below details the membership of the Internal Audit Committee, the number of meetings held by the committee and attendees:

Name of Member	Position	Attended
Malcolm Prentice	Independent Chair	3/3
Kathryn Toy	Secretariat	3/3
Zahidul Huq	Member (Finance Unit)	2/3
Denise Caldwell	Member (Governance and Corporate Unit)	1/3
Lydia Beaven	Member (Guardianship Unit)	1/3
Jodie Travis	Member (Guardianship Unit)	2/3
Ellen McPhee	Member (Wills/Estates/Trusts Unit)	1/3
Rehana Richard	Member (Wills/Estates/Trusts Unit)	1/3
Therese Cunningham	Member (Financial Management Services Unit)	2/3
Danae Lacey	Member (Financial Management Services Unit)	1/3
Andrew Taylor	Observer - Public Trustee and Guardian	3/3
Callum Hughes	Observer - Senior Director Finance Unit	1/3

All members of the Internal Audit Committee are honorary.

The Committee met on three occasions during 2020/21.

The following issues were dealt with by the Committee during the reported year -

- Audit Close Report 2019-20
- COVID-19 Assurance process
- Draft Financial Statements for 2020-21
- Review of PTG's Risk Strategy and Register
- Review of PTG's Safe Custody Guidelines and Register
- PWC external review of Fund Manager and Internal Cash Management - PWC
- Advice on use of Brokers - Laminar - PWC
- Review of PTG's Property Unit Process
- Ongoing File Audits in all business unit
- Questions without Notice - Annual Report and Estimates Committee
- Data Integrity Audit (JACS) - Unclaimed Money and TACT databases
- Official Visitor Scheme - Work, Health and Safety Risk Register
- Review of Internal Audit Committee Charter
- Review of Occupational Violence Policy and Isolated Working policy
- Review of PTG's Property Insurance arrangements.

PTG's Investment Risk Profile Models Address Client Needs

PTG is bound by the "Prudent Person Investment Principle" (the Principle) at Part 2.2 of the Trustee Act 1925. The Principle requires that a trustee must exercise the care, diligence and skill that a prudent person engaged in that profession, business or employment would exercise in managing the affairs of other persons.

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

Major risk investment categories applied are Cash, Conservative, Balanced and Growth. Funds are invested through sector common funds in tactical asset allocations, set in consultation with PTG's asset/markets consultant PricewaterhouseCoopers and reviewed 5-yearly.

B.6 Fraud Prevention

Risk Assessments Conducted

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

PTG's revised Risk Register identifies the following main risks -

- Honesty, integrity and trust of all employees and contractors
- Abuse of official position by delegated officers
- Administration of assets (including financial) entrusted to the care of PTG
- Staff compliance with policy, procedure and guidelines
- Conflict of Interest
- Competitive neutrality in contestable commercial activities and in establishing fees and charges
- Appropriate Investment Strategy
- Staff dealings with contractors and service providers
- Adequate Community Service Obligation funding and revenue from fees and charges
- Compliance with the *Financial Management Act 1996* in respect to managed funds and trusts.

Fraud Control Plans Prepared/Revised

As mentioned, PTG reviewed its Fraud/Risk strategy in August 2020. PTG continues to embed the findings from the KPMG review in 2014 into its work practices.

Other Fraud Prevention Strategies Adopted

PTG's Code of Conduct for staff and external service providers reflects the trusted nature of our role in the community and informs expected standards and behaviours to be demonstrated when employed or engaged by PTG.

The code contains specific clauses relating to confidentiality, email and information technology, conflict of interest, and personal behaviour. It expressly deals with breaches and non-compliance with the code.

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

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

During the reported year, PTG engaged a person to review its policies.

Conflict of Interest

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

PTG has established a Conflict of Interest Declaration Form and maintains a Register recording all declarations and any outcome. During the year, one declaration of a potential conflict was made by a PTG statutory office-holder. The declaration was noted, and it was agreed there was no real conflict with the person's duties.

Fraud Awareness Training

All PTG staff are required to undergo mandatory fraud/risk training following engagement. During the reported year, one staff member attended fraud/risk training. This was largely due to staff working from home. As previously mentioned, all staff are required to acknowledge the Staff Code of Conduct on an annual basis.

Fraud Detection Strategies

PTG has adopted a range of strategies designed to detect and minimise the risk of fraud. These include routine file audits, separation of duties and cross-checking of financial and client matters, rotation of clients amongst staff, review of delegations to determine and establish awareness of all delegations applying to each affected position and random audits by PTG's Internal Audit Committee.

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

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

B.7 Freedom of Information

The Public Trustee and Guardian is Principal Officer for the purposes of the Freedom of Information Act 2016 (the FOI Act). PTG refers its Freedom of Information (FOI) requests to the Assistant Director, Freedom of Information, Justice and Community Safety (JACS) Directorate to coordinate responses.

The requirements in s.96 of the FOI Act are satisfied as part of the JACS Directorate Annual Report 2020/21.

Process on how to Lodge an FOI Request

PTG has included a menu item on the Home Page of its website outlining the process in respect to lodgement of FOI requests with PTG as the reporting entity. The item includes a link to the JACS web page.

ACT Ombudsman Report

Refer B.3 'Scrutiny' of this report.

B.8 Community Engagement and Support

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

By developing service improvements and creating products that better enable PTG to deliver on its purpose, PTG remains focused on achieving the best outcomes for its clients and for the community.

Community Engagement Activities

PTG's Community Engagement activities seek to increase -

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

A function of the agency, under s. 19B of the *Public Trustee and Guardian Act 1985*, is to promote community discussion and provide community education and information, about the functions of the ACT Civil and Administrative Tribunal (ACAT) under the *Guardianship and Management of Property Act 1991*.

PTG maintains and circulates a Fact Sheet directed to private Financial Managers appointed by ACAT to manage the financial affairs of those with an impaired decision-making disability. PTG has also prepared several Fact Sheets to educate and inform the community about the functions of ACAT.

During the reported year, PTG consulted with the Elder Law and Succession Law Committee of the ACT Law Society in respect to the development of the proposed Will Register. The Will Register will enable the ACT's legal practitioners to deposit Wills in a central repository and for a certified copy of those Wills to be admissible in Court as evidence of the Will.

Community presentations

PTG conducts community presentations aimed at informing and educating community groups in respect to its statutory responsibilities. During the year, PTG presented at 15 community forums across its Will/Estates/Financial Management and Guardianship responsibilities as follows -

Form of Community Engagement	Outcome
Legal Aid – 21/10/20	Presentation on Wills & Enduring Powers of Attorney (EPOA)
AUSTRAC – 12/11/20	Presentation on Wills & EPOAs
Community Options – 18/11/20	Information on Guardianship & EPOAs
Care Financial Services – 26/11/20	Presentation on Wills
Carers ACT – 6/1/21	Presentation on EPOAs
Care Financial Services – 4/3/21	Presentation on Wills & EPOAs
University of Canberra – 18/4/21	Presentation on Guardianship, Supported Decision-Making, consent & dignity of risk
Black Mountain School – 29/4/21	Presentation on Guardianship
Communities@work – 21/6/21	Elder Abuse Awareness Day/Expo
MARSS – 24/6/21	Presentation on Wills & EPOAs
Council on the Ageing – 14/5/21	Elder Abuse referral pathways panel
The Canberra Hospital (TCH) Social Work (SW) Department – 10/02/21	Presentation re Guardianship and Financial Management
University of Canberra (UC) Hospital SW and Allied Health 19/05/21	Presentation re Guardianship and Financial Management
Grand Rounds, Calvary 16/06/21	Elder Abuse Awareness and PTG response - panel
UC Hospital Dept of Aged Care 22/06/21	Elder Abuse Awareness and PTG response - panel

PTG's video "Make it Happen, Make a Will" seeks to increase community awareness about Wills as well as the number of Will appointments. The video is broadcast in all ACT Access Canberra shopfronts as well as on the PTG website.

Posters printed of six screens from the video and have been placed strategically in retirement villages, nursing homes, hospitals and hospices.

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

GreaterGood (Capital Region Community Foundation)

PTG is committed to promoting philanthropy in the Canberra region, having established GreaterGood (The Capital Region Community Foundation) in 2003.

PTG also established JACS4GreaterGood, a charitable account within GreaterGood, enabling JACS employees to donate to charities to make a real and long-lasting contribution to beneficial outcomes in their community.

GreaterGood consists of two charitable funds, a Gift Fund and an Open Fund. Capital held in both funds at 30 June 2021 was \$30.49M.

The total distributed to charitable causes during 2020-21 was \$1,287,264.00. The total distributed to charitable causes since inception in 2003 to 30 June 2021 was \$13,221,618.78

There were 88 individual charitable accounts within GreaterGood at 30 June 2021.

Community Outreach

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

- Public forums during Seniors Week and Wills Week
- Regular community group visits and presentations (these have again been curtailed during the COVID Emergency Period)
- Newsletter "Going Public" - 6 published and updated
- Interactive website
- Facebook page - GreaterGood
- Comprehensive Fact Sheets
- Continuous Customer Survey
- "50+ Lifestyle and Living" newspaper supplement (Canberra and Queanbeyan Chronicle)
- Will it Your Way website and Facebook (Ambassador)
- Free Wills for Seniors of 60 years and over.

Customer Survey

PTG undertakes a continuous voluntary customer survey inviting feedback against 5 measures across 6 of its main service areas. The survey form is available at both Receptions, Will Interview Rooms and is available at seminars and presentations. Customer participation is voluntary and involves completing the survey form and returning via pre-paid post.

The Customer Survey compliments PTG's Complaints Policy readily available through PTG's website at www.ptg.gov.au.

The percentage of clients responding to PTG's survey during the past five years that reported PTG met or exceeded their expectations is as follows -

Measure	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
% of clients	93%	93%	92%	93%	92%	95.15%	96%

During the reported year, 27 clients responded to the survey with 96% of clients reporting that PTG met or exceeded their expectations, against 95.15% reported for the previous year. Of responses received, 54% responded that PTG exceeded their expectations, 41% felt that PTG met their expectations and 4% of respondents found PTG below expectation. 89% of clients surveyed responded that they would recommend PTG's services.

Sponsorships

PTG did not provide any sponsorships during the reported year.

Representation on External Forums

PTG subscribes to several valuable forums, through which issues of community importance are discussed, negotiated and lobbied. These include:

Forum	Description
State/Territory Public Trustees' and Guardians'/Advocates forums	PTG maintains a co-operative, working relationship with State/Territory Public Trustees (PT's) and Public Guardians (PG's) /Public Advocates (PA's) through bi-annual meetings. These agencies co-operate in the development of best practice, products and services, ICT solutions, leveraging value and price from suppliers (incl superannuation) and also in benchmarking. PT's and PG's also cooperate in responding to issues of national importance e. g. National Disability Insurance Scheme, Ageing and Disability matters, National Inquiries. PTG representatives met with State/Territory Public Trustees/Public Advocates/Public Guardians in March 2021.
Australian Guardianship and Administration Council (AGAC)	PTG is a member of AGAC, a national forum of agencies whose role is to protect adults who have a disability that impairs their capacity to make decisions and manage their affairs. Agencies include PTs, PG's, PA's, Protective Commissioners as well as Boards and Tribunals. AGAC meets bi-annually*. One meeting was held in the reported period coinciding with the meetings above.
Financial Planners' Association ACT Chapter	PTG retains membership of the Financial Planners' Association.
Financial Services Institute of Australasia	PTG is a member of the Financial Services Institute of Australasia. Several staff have achieved qualifications in financial planning and management through the Institute.
COTA (ACT)	PTG is a member of the Council on the Ageing (COTA (ACT)). COTA is the peak older person's organisation in Australia representing issues at territory and federal levels. COTA (ACT) has conduct of ACT Seniors Week activities as well as the ACT Seniors Card Directory through which PTG advertises.
Law Society of the ACT Elder Law and Succession Law Committee	PTG is represented on this ACT Law Society joint industry/government forum.
Law Society of the ACT	PTG maintains Law Society membership for several PTG staff to access Continuing Professional Development (CPD). PTG has two staff on the Society's Succession Law and Elder Law Committee.
CPA Australia	Several PTG staff members are registered as Associate Members of the CPA
Financial Planning Association of Australia	PTG retains Certified Financial Planner membership for one staff member, providing 40 hours CPD annually.
Tax Practitioners Board	PTG retains membership of the Board for one staff member to access CPD.
Philanthropy Australia	PTG is a member of Philanthropy Australia through GreaterGood.

B.9 Aboriginal and Torres Strait Islander Reporting

Progress Towards Programs, Projects and Initiatives That Benefit Aboriginal and Torres Strait Islander People

Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) Reporting

Reporting under the Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) is as follows -

Number of unique Aboriginal and Torres Strait Islander Enterprises that respond to Territory tender and quotation opportunities issued from the Approved Systems	No tenders issued
Number of unique Aboriginal and Torres Strait Islander Enterprises attributed a value of Addressable Spend in the financial year	One
Percentage of the financial year's Addressable Spend that is spent with Aboriginal and Torres Strait Islander Enterprises	0.56% of total supplies and services

Services Provided To Aboriginal And Torres Strait Islander Persons

SERVICE PROVIDED	NUMBER OF PERSONS
Wills	1
Estates	1
Financial Management Services	18
Guardianship	22
Trusts	1
Enduring Powers of Attorney	Nil
External Manager (Account Examination)	2

Complementary Wills

PTG provides Wills at no cost to persons identifying as of Aboriginal or Torres Strait Islander background. This program is aimed at ensuring that Aboriginal and Torres Strait Islander People have access to a professional Will to ensure that their assets are protected upon death.

Major charitable funding to local charities supporting Indigenous purposes

PTG administered a deceased estate during the reported year in which a substantial bequest was made to benefit Aboriginal and Torres Strait Islander Persons. An account was established in PTG's GreaterGood Charitable Foundation titled "The Bob Henry Memorial Fund" to administer the bequest.

Mr Henry directed that the income from the investment of the balance (\$848,423.42) held in the fund be paid to local charities supporting Indigenous purposes as the Trustee in its absolute discretion thinks fit having regard to the recommendations of the GreaterGood board on an annual basis or other basis.

The 2020/21 distribution from the account was \$91,298.00. In consultation with JACS' Reconciliation Action Plan (RAP) Committee, PTG, as trustee, paid the distribution to Menslink (\$39,500.00) and Winnunga Nimmityjah Aboriginal Health Service (49,500.00). Both are registered charities and Deductible Gift Recipients Category 1 for the purposes of the *Income Tax Assessment Act 1997*.

The distribution will enable Menslink to provide funding for 30 indigenous men to receive their services. Winnunga Nimmityjah will use the funds to provide health and allied services to indigenous persons in the ACT Community.

In future years, PTG will work with the JACS RAP Committee to develop educational scholarships with local universities/CIT as part of the annual distribution.

B.10 Work Health and Safety

Work Health and Safety Act 2011

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

One of PTG's two appointed Workplace Health and Safety representatives is a member of PTG's Internal Audit Committee, ensuring cooperation between management and employees in developing and carrying out measures designed to ensure a safe and healthy working environment.

PTG is also represented on JACS' Tier 1 Safety, Health and Wellbeing Committee.

The JACS Annual Report 2020–21 incorporates PTG's statistics in respect to s. 171 & 172 of the *Work Health and Safety Act 2011*.

During the COVID 19 Emergency Period, PTG returned up to 45 of its staff to work in the office on rotation to provide essential services to vulnerable clients and to finalise estates. In doing so, PTG satisfied JACS Workplace Health and Safety representatives that staff, health and safety was not compromised in doing so and has established the necessary protocols to achieve that.

Official Visitor Scheme

During the reported year, as administrator of the Official Visitor Scheme, PTG commissioned an Occupational Violence Risk Assessment for Official Visitors.

This body of work evaluated the occupational hazards associated with the performance of work by Official Visitors, identified existing risk controls, and proposed additional controls to effectively mitigate identified hazards.

Programs Initiated/Implemented to Improve Return to Work Performance

During the reported year, PTG worked with JACS People and Workplace Strategy in respect to return to work/rehabilitation of three staff that had accessed long term sick leave.

Initiatives included, mediation, engagement of rehabilitation provider and graduated return to work programs.

The following initiatives were undertaken in 2020-21 in the interests of creating a safer workplace -

- Funded several staff appointments with the Directorate's Employee Assistance Provider
- Maintained appointment of a RED Contact Officer
- Maintained the appointment of Work, Health and Safety Representatives
- Maintained representation on JACS Tier 1 Safety, Health and Wellbeing Committee
- Provided ergonomic seating/sit-stand workstations to all staff
- Conducted workplace inspections to cover areas of identified risk as required

- Facilitated influenza vaccine arrangements for interested staff
- Tested and tagged all electrical appliances
- Encouraged regular blood donations by PTG staff
- Inspected and replenished first aid kits for office and vehicles
- Provided PPE kits in office vehicles for site visits
- Participated in fire safety audit & fire evacuations
- Tested smoke alarms and sprinklers annually
- Provided training to staff in preventing bullying and harassment
- Carried out pest extermination for office premises and PTG's warehouse
- Provided protective clothing for staff in PTG's Property Unit.

PTG'S Incident Summary - 2017-21

Statutory Office	2017	2018	2019	2020	2021
Public Trustee and Guardian	6	9	8	3	6

PTG'S Incident Summary - 2020-21

Statutory Office	Section 38 Notifiable Incidents	Incidents Without Injury	Minor Injuries	Lost Time Injuries	Total All Incidents
Public Trustee and Guardian	0	2	1	1	6

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

Total workers' compensation premium costs were reduced in 2020-21 by 5% representing a reduction for the fifth year in a row. PTG's Workers' Compensation Premium Charge for 2020-21 was \$67,288.00. PTG's premium for 2020-21 was set at 2.25% of wages and salaries, representing a 5% reduction from the 2019-20 rate of 2.37%.

PTG's top three work, health and safety risks are -

- **Occupational violence** - being managed through a range of measures including group emails, switchboard, consideration of Workplace Protection Orders etc
- **Staff with leave in excess of 294 hours** - in consultation with JACS People and Workplace Strategy Unit to ensure staff take appropriate time out
- **Concerns for staff wellbeing in continued lockdowns** - during COVID lockdowns PTG has provided support for staff expressing anxiety around working from home.

All work, health and safety incidents are routinely reported through Riskman software reporting.

PTG has decided, in consultation with the HRC and JACS, and in consideration of injury surveys, that E-scooters must not be used for work purposes.

During the reported year PTG had two staff members appointed as elected Health and Safety Representatives.

Nature of Improvement, Prohibition, or Non-Disturbance Notice Under Part 10

Nil to report.

Compliance With Improvement, Prohibition or Non-Disturbance Notice Under Part 10

Nil to report.

Nature and Brief Description of Any Enforceable Undertaking Under Part 11

Nil to report.

Findings of a Failure to Comply With a Safety Duty Under Part 2 Division 2.2, 2.3 or 2.4

Nil to report.

Instances of a Failure to Address Any Finding of Failing to Comply With a Safety Duty

Nil to report.

Worker Consultation Arrangements

PTG has two appointed Work, Health and Safety Representatives. These representatives maintain regular contact with staff.

Number of Elected Health and Safety Representatives

Refer above.

Serious injury or illness and dangerous incidents that required notification to the regulator in accordance with part 3 section 38 of the Work Health and Safety Act 2011

Nil to report.

B.11 Human Resource Management

FTE and Headcount

	FTE	Headcount
FTE by Gender	68.3	70

FTE and Headcount by Gender

	Female	Male	Total
FTE by Gender	51.6	16.7	68.3
Headcount by Gender	53	17	70
% of Workforce	75.7%	24.3%	100%

Headcount by Classification and Gender

Classification Group	Female	Male	Total
Administrative Officers	43	10	53
Executive Officers	0	1	1
Legal Officers	0	2	2
Senior Officers	10	4	14
TOTAL	53	17	70

Employment Category by Gender

Employment Category	Female	Male	Total
Casual	0	0	0
Permanent Full-time	42	12	54
Permanent Part-time	2	2	4
Temporary Full-time	7	3	10
Temporary Part-time	2	0	2
TOTAL	53	17	70

Average Length of Service by Gender

Gender	Female	Male	Total
Average years of service	7.0	7.5	7.1

Headcount by Age and Gender

Age Group	Female	Male	Total
Under 25	0	2	2
25-34	11	4	15
35-44	11	5	16
45-54	11	2	13
55 and over	20	4	24

Headcount by Diversity

	Headcount	% of Total Staff
Aboriginal and/or Torres Strait Islander	0	0.0%
Culturally & Linguistically Diverse	20	28.6%
People with a disability	1	1.4%

Recruitment and Separation Rates

Classification Group	Recruitment Rate	Separation Rate
Total	7.2%	1.8%

Learning and Development Delivered in Key Result Areas

PTG reimburses the cost of membership of professional organisations for staff in key program areas. These include staff in accounting, taxation, financial planning, legal, CPA and social science. Such memberships enable those staff to access continuing professional education.

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

Enhancing Skill and Capability

PTG continued the engagement of a Project Manager from ICT Shared Services to manage the implementation of several ICT initiatives during 2020/21.

The following progress has been within the reported year -

- Production of the Guardianship Unit's CRM Module
- Continued development of the Private Managers' CRM module
- Completion of Naming Convention and Style Guides.
- Further rollout of PTG's EDRMS.

PTG engaged a contractor on a part-time basis to work with the office to roll out the EDRMS to all PTG Business Units.

Apprenticeships and Traineeships

Not applicable.

Training

PTG provided 59 individual formal training opportunities to its staff during the reported year (see table below). These training instances included internal and external training courses. Training was curtailed for part of the year during the COVID Emergency Period due to staff working from home.

Learning continues to be substantially provided through informal on-the-job training/experience with around 30% coming from exposure to peers, coaches and mentors as well as formal education.

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

Study Assistance Program

PTG actively encourages its staff to develop themselves through appropriate study relevant to PTG's responsibilities. PTG reimburses the cost of this study varying from 100% to 51% depending upon the relevance of the study and cost. PTG also provides study/exam leave.

Study opportunities provided to PTG staff during the reported year were as follows -

LEARNING AND DEVELOPMENT PROVIDED TO PTG STAFF	
COURSE TITLE	PARTICIPANTS
Aboriginal and Torres Strait Islander Cultural Awareness Workshop	1
ACT Public Service Induction Program e-Learn	1
Against All Odds: Stories of Recovery from the LGBTI+ Community	1
Best Practice Recruitment & Staff Selection	5
Career Ninja (Job Applications and Interview Skills)	2
Domestic and Family Violence Foundation Training - Module 1 – Awareness	3
Domestic and Family Violence Foundation Training - Module 3 - ACT Government Policies	1
Domestic and Family Violence Tier 2 - Domestic and Family Violence Tier 2	1
Excel - Intermediate (Formulas & Functions)	1
Fraud and Ethics Awareness	1
Gender Equality Network: explores masculinity and the workplace	2
Health & Safety Representative Training - 5 days (PAR)	1
How to Succeed in an Interview (without doing a hard sell or boasting about yourself)	1
HRIMS Demonstration	5
Mastering Time - How to Manage your time and energy for ultimate impact	1
Policy in the Public Sector Context - Core Principles of Policy Intervention Module 2 - (Virtual session)	1
Provide Cardiopulmonary Resuscitation	2
Respect, Equity and Diversity in Practice - General Training	2
Understanding domestic violence through an intersectional lens	1

CONFERENCE/FORUM ATTENDANCE	
EVENT NAME	PARTICIPANTS
AGAC Meetings - Hobart	2
Estate Planning Conference 2021	1
Sixth ACT Wills and Estates Conference	5
Wills & Estates Conference	6

STUDY ASSISTANCE/HIGHER EDUCATION APPLIED FOR AND REIMBURSED 2020-21		
COURSE TITLE	COURSE PROVIDER	PARTICIPANTS
Bachelor of Laws	University of Canberra	1
Financial Risk Management	CPA Australia	1

WORK EXPERIENCE	
PROGRAM	PARTICIPANTS
CSD Work Experience Support Program (WESP)	1

IN-HOUSE 'TRAINING WHEELS'	
SUBJECT	PARTICIPANTS
Financial Management Services Information session	9

Special Employment Agreement (SEA), Australian Workplace Agreement (AWA) & Attraction and Retention Incentive (ARIN) Arrangements

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

B.12 Ecologically Sustainable Development

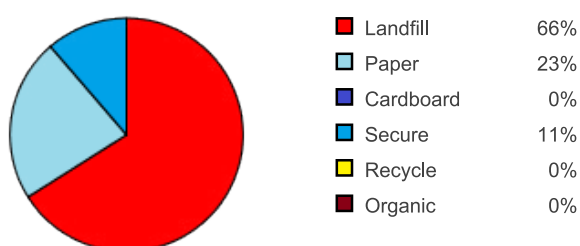
Reported as part of JACS Annual Report.

Re-accreditation under the ACTSMART program was undertaken on 12 July 2021 and the ACTSMART Scorecard is reproduced below. PTG continues to conduct regular audits to ensure that appropriate levels of material are recycled and deposited to landfill.

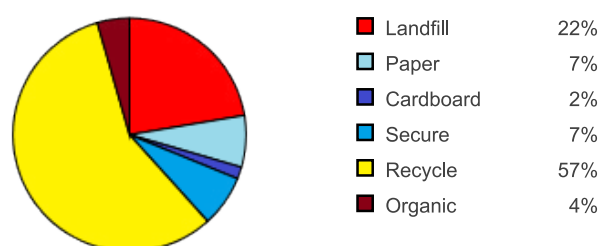
In the refurbishment of PTG's accommodation during the last three years, PTG completed the installation of high efficiency, low energy lighting and double roller blinds throughout the office.

Actsmart Office Scorecard									
Justice & Community Safety - Public Trustee and Guardian for the ACT									
As of 12-Jul-2021									
Joined Program: 05-Jul-2010				Accredited: 24-Aug-2020			Audits Completed: 9		
Comparison Audit: 21-Jul-2011					Latest Audit: 24-Aug-2020				
Waste Stream	Annual Waste in M3	Weight in Tonnes	Annual CO2 Equiv Emissions in Tonnes	Annual CO2 Equiv Emissions Avoided in Tonnes	Waste Stream	Annual Waste in M3	Weight in Tonnes	Annual CO2 Equiv Emissions in Tonnes	Annual CO2 Equiv Emissions Avoided in Tonnes
Landfill	36.4	5.5	5.3	0.0	Landfill	19.5	2.9	2.8	0.0
Paper	12.5	1.2	0.0	3.1	Paper	6.2	0.6	0.0	1.6
Cardboard	0.0	0.0	0.0	0.0	Cardboard	1.4	0.1	0.0	0.3
Secure	6.2	0.6	0.0	1.6	Secure	6.2	0.6	0.0	1.6
Recycle	0.0	0.0	0.0	0.0	Recycle	49.9	3.1	0.0	4.0
Organic	0.0	0.0	0.0	0.0	Organic	3.9	1.3	0.0	2.1

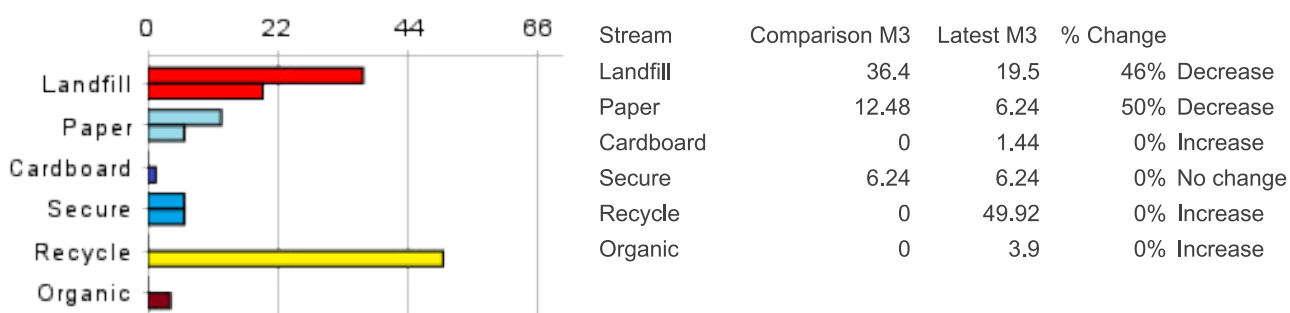
Comparison Audit Composition



Latest Audit Composition



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



C.1 Financial Management Analysis

*Public Trustee and Guardian
Management Discussion and Analysis for the year ended 30 June 2021*

General Overview

Objectives

The operations and functions of the Public Trustee and Guardian are established by the *Public Trustee and Guardian Act 1985*. The primary objective of the Public Trustee and Guardian for the ACT (PTG) is to protect and support rights, choices, security and justice for all persons in the community.

PTG's principal activities include:

- Guardianship and Financial Management services
- Will and Executor services
- Enduring Power of Attorney services
- Trustee services
- External Manager services
- Official Visitor Scheme administration (transferred to Human Rights Commission from 1 July 2021)
- Confiscated Criminal Asset services
- Unclaimed Money
- Investment and Funds Management services
- GreaterGood – Public Ancillary Fund administration

Risk Management

PTG's Risk Register covers investment, financial, operational and administrative risk as well as workplace health and safety. PTG's major risks have been included in the Justice and Community Safety Directorate Risk Management Plan.

Key risks include -

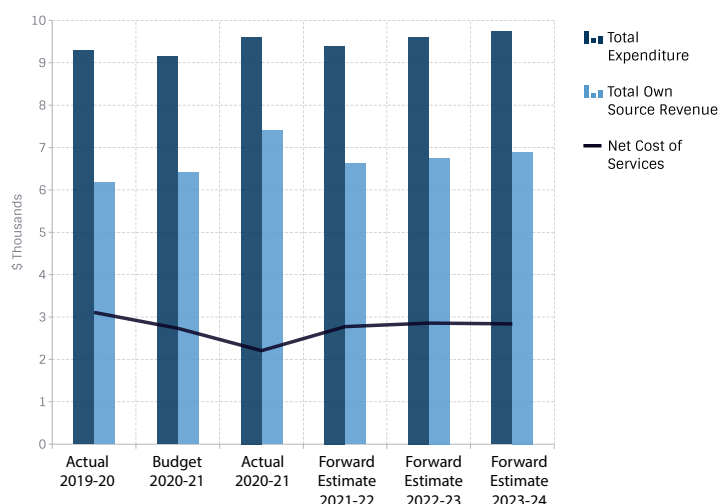
- risk of failure to provide timely services to clients with both simple and complex needs
- risk of failure to integrate guardianship and financial management services in a conjoined manner and without compromise to the two disciplines.
- risk that rising costs, increases in non-viable business and complexity of matters will result in cost exceeding income.
- risk to sustainability – the need to maintain income through appropriate fees and charges to fund rising costs associated with commercial/contestable activities and to subsidise PTG's Community Service Obligations.

- risk that client funds not inappropriately invested and managed
- risk of failure to ensure a high level of integrity and honesty among staff
- risk caused by outdated systems and the need to ensure processes are innovative, robust and up-to-date
- risk that PTG staff may not be adequately skilled to meet the demands of the community which they serve.

Financial Performance

Estimates presented below for 2021–22 through to 2024–25 are based on the 2021–22 Budget due to be released in the 2021–22 financial year. *Figure 1* below shows the Net Cost of Services, being Total Expenditure less Total Own Source of Revenue, equating to **\$2.207 million** in 2020–21 and indicating a general upward trend over the forward estimates from **\$2.774 million** in 2021–22 to **\$2.839 million** in 2023–24.

Figure 1: Net Cost of Services



Total Expenditure is for all services and includes costs associated with PTG's Guardianship and Official Visitor's functions. Total Own Source Revenue only includes fees that PTG charges for services. The above table excludes Controlled Recurrent Payments (CRP).

Comparison to Budget (refer to Table 3 for more detail)

The net cost of services (**\$2.207 million**) was **\$0.527** or **19.28%** lower than budget, due to:

- Lower Supplies and Services (**\$471,786**) due to a requirement in a Determination of the Remuneration Tribunal to pay Official Visitors Superannuation Guarantee.
- Higher Other Income (**\$266,726**) brought to account under new AASB 16 Leases standard that removes lease incentive liabilities from the Balance Sheet as PTG does not hold any rental leases in its own name, the lease incentive liability has now been recognised in the Operating Statement.
- Higher Grants and Contributions (**\$769,658**) from the transfer of PTG's internally developed Customer Relationship Manager (CRM) software, this was previously accounted for in PTG's Trust account.

This is partially offset by:

- Higher Employee Expenses (**\$786,715**), largely due to a requirement in a Determination of the Remuneration Tribunal to pay Official Visitors Superannuation Guarantee, higher annual leave expenses due to staff foregoing leave with the uncertainty around the COVID-19 Pandemic and a higher than anticipated number of staff employed to deal with more complex client portfolios.
- Higher Depreciation and Amortisation expenses (**\$143,421**) due to the amortisation of PTG's internally developed software, this was previously accounted for in PTG's Trust account.
- Lower Investment Revenue (**\$143,269**) largely due to the continued low interest environment.

Comparison to 2019-20

The net cost of services decreased by **\$901,642** in 2020-21 to **\$2.207** million when compared to **\$3.109 million** in 2019-20. The lower net cost of services in 2020-21 is mainly due to the following:

- Lower Supplies and Services (**\$303,586**) due to a requirement in a Determination of the Remuneration Tribunal to pay Official Visitors Superannuation Guarantee.
- Higher Sales of Goods and Services from Contracts with Customers (**\$299,623**) is due to higher returns on PTG's Trust Common Funds resulting in higher Commission.
- Higher Other Income (**\$266,726**) brought to account under new AASB 16 Leases standard that removes lease incentive liabilities from the Balance Sheet as PTG does not hold any rental leases in its own name, the lease incentive liability has now been recognised in the Operating Statement.
- Higher Grants and Contributions (**\$703,507**) from the transfer of PTG's internally developed Customer Relationship Manager (CRM) software, this was previously accounted for in PTG's Trust account.

This is offset by:

- Higher Employee Expenses (**\$497,423**), largely due to a requirement in a Determination of the Remuneration Tribunal to pay Official Visitors Superannuation Guarantee, increase in annual leave expenses due to staff foregoing leave with the uncertainty around COVID-19 and higher than anticipated number of staff employed to accommodate more complex client portfolios.
- Higher Depreciation and Amortisation expenses (**\$218,160**) due to the amortisation of PTG's internally generated software and an increase in the rate of depreciation for PTG's Office fit out due to a change in the useful life of the assets following a revaluation at the 30 June 2020.
- Lower Investment Revenue (**\$46,777**) largely due to the continued low interest environment.

Future Trends

It is expected that 2021-22 Total Own Source Revenue will be lower in 2021-22 with Other Income, Grants and Contributions and management fees on the Cash Common Fund expected to be lower. This will be partially offset with a full year effect of the fee increases implemented on 28 May 2021. PTG's management fee on the Cash Common Fund is expected to be lower due to the continued low interest rate environment, currently PTG's fee is reduced to the amount of interest accrued.

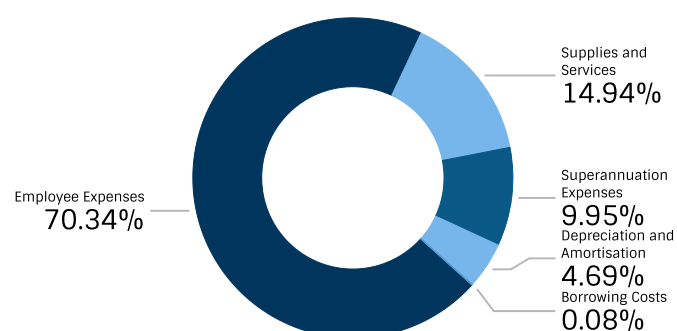
Total Expenditure is expected to decrease in 2021-22 with the Official Visitor Scheme moving to the Human Rights Commission following a change in administrative arrangement arising from the 2017 review of the Scheme.

Expenditure

Components of Expenditure

Figure 2 below shows that the largest component of expenditure is Employee Expenses and Superannuation Expenses, representing **80%** (\$7,725,752) of the total expenditure of \$9,606,364.

Figure 2: Expenditure



Comparison to budget

Table 1: Total Expenditure

2021	
Budget	9,146,000
Less: Actual Expenditure	9,606,364
Variance to be Explained	(460,364)

Total expenditure was higher than budget (\$460,364) due to the following:

- Higher Employee Expenses (\$786,715) largely due to a requirement in a Determination of the Remuneration Tribunal to pay Official Visitors Superannuation Guarantee, increase in annual leave expenses due to staff forgoing leave with the uncertainty around the COVID-19 Pandemic and higher than anticipated number of staff employed to accommodate more complex client portfolios.
- Higher Depreciation and Amortisation expenses (\$143,421) due to the amortisation of PTG's internally generated software, this was previously accounted for in PTG's Trust account.

This is partially offset by:

- Lower Supplies and Services (\$471,786) due to a requirement in a Determination of the Remuneration Tribunal to pay Official Visitors Superannuation Guarantee.

Comparison to 2019-20

In comparison to the previous period, the increase of **\$321,439** was due to the following:

- Higher Employee Expenses (\$497,423) largely due to a requirement in a Determination of the Remuneration Tribunal to pay Official Visitors Superannuation Guarantee, increase in annual leave expenses due to staff forgoing leave with the uncertainty around the COVID-19 Pandemic and a higher number of staff employed to accommodate more complex client portfolios, 65.57 FTE compared to 61.45 FTE in 2019-20.
- Higher Depreciation and Amortisation expenses (\$218,160) due to the amortisation of PTG's internally developed software and an increase in the rate of depreciation for PTG's Office fit-out due to a change in the useful life of the assets following a revaluation at the 30 June 2020.

This is partially offset by:

- Lower Supplies and Services (\$303,586) due to a requirement in a Determination of the Remuneration Tribunal to pay Official Visitors Superannuation Guarantee.

Future trends

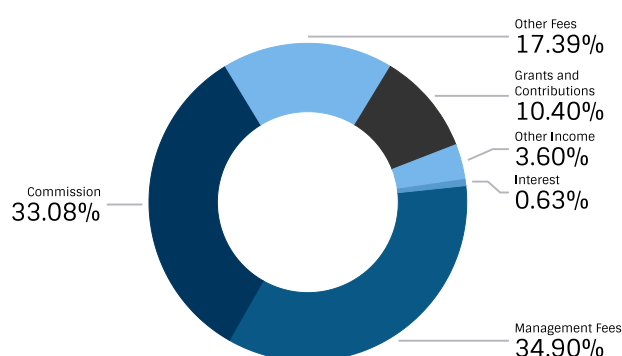
Total Expenditure is expected to decrease in 2021-22 with the Official Visitor Scheme moving to the Human Rights Commission following a change in administrative arrangement arising from the 2017 review of the Scheme. This will be offset by expected increases in Wage and Salary expenses once a new Enterprise Agreement is agreed upon.

Own Source Revenue

Components of Own Source Revenue

Figure 3 below shows that in 2020-21, **85.4%** of own source revenue comes from Sale of Goods and Services from Contracts with Customers, **34.90%** from Management Fees, **33.08%** from Commission on Funds and **17.39%** from Other Fees. This is slightly lower than the **97.5%** in 2019-20 due to Other Income of \$266,727 and Grants and Contributions \$769,658.

Figure 3: Own Source Revenue



Comparison to Budget

Total liabilities (\$3,321,099) are 1% (\$27,099) higher than the budget of \$3,294,000 mainly due to higher Other Provisions (\$388,605) and employee benefits (\$133,978) due to higher leave balances resulting from the uncertainty with restrictions around the COVID-19 Pandemic. This has been partially offset by lower Payables (\$227,128) and Lease Incentive Liability (\$262,000).

Comparison to 2019–20

In comparison to the previous period, the increase of \$11,401 was mainly due to higher Other Provisions (\$388,605) due to the provision to declare a dividend and Employee Benefits (\$151,326) due to higher leave balances resulting from the uncertainty with restrictions around the COVID-19 Pandemic. This has been partially offset by lower Payables (\$199,377). This was due to an invoice for the back-payment of Official Visitors Superannuation benefits outstanding at 30 June 2020, which wasn't required in 2021 and lower Lease Incentive Liability (\$313,663) brought to account under new AASB 16 Leases standard that removes lease incentive liabilities from the Balance Sheet as PTG does not hold any rental leases in its own name.

Future Trend

It is expected that 2021-22 Total Own Source Revenue will be lower in 2021-22 with Other Income, Grants and Contributions and management fees on the Cash Common Fund expected to be lower. This will be partially offset with a full year effect of the fee increases implemented on 28 May 2021. PTG's management fee on the Cash Common Fund is expected to be lower due to the continued low interest rate environment, currently PTG's fee is reduced to the amount of interest accrued.

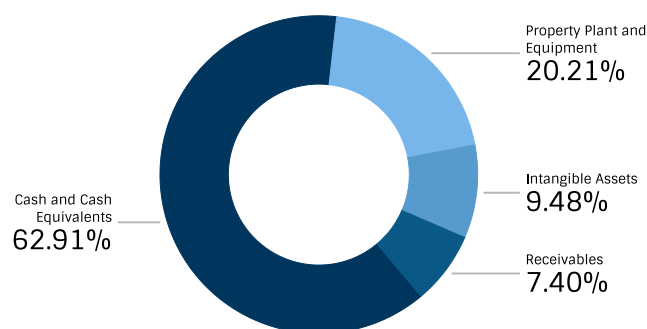
Financial Position

Total Assets

Components of Total Assets

Figure 4 below shows that cash and cash equivalents is 62.91% of total assets and property, plant and equipment is 20.21%, with the remainder of assets being receivables and intangible assets. 70.31% of assets are current assets.

Figure 4: Total Assets



Comparison to budget

Total assets at 30 June 2021 were \$8,196,808. This is \$251,808 higher than predicted (\$7,945,000). This is due to:

- Higher Cash and Cash Equivalents (\$3,450,640) due to the redemption of Investments to attain a higher interest rate on credit balances.
- Higher Receivables (\$97,155) due to an increase in the rate of commission charged on distributions for the PTG Trust Common Funds together with a higher rate of return on investment.
- Higher Intangible Assets (\$777,058) PTG's internally developed Customer Relationship Manager (CRM) software, this was previously accounted for in PTG's Trust account.

This has been partially offset by lower:

- Lower Investments (\$4,141,000) these were redeemed and placed in Cash and Cash Equivalents as discussed above to attain a better rate of interest.

Comparison to 2019-20 actual

Total assets increased by \$398,894 compared to the 2019-2020 result of \$7,797,915. This is due to an increase in Intangible Assets (\$777,058) as the internally developed CRM software was taken on from PTG's Trust account in October 2020, when the funding in the Trust account was exhausted. This has been partially offset by an expected decrease in Property, Plant and Equipment (\$286,497) due to depreciation.

Future trends

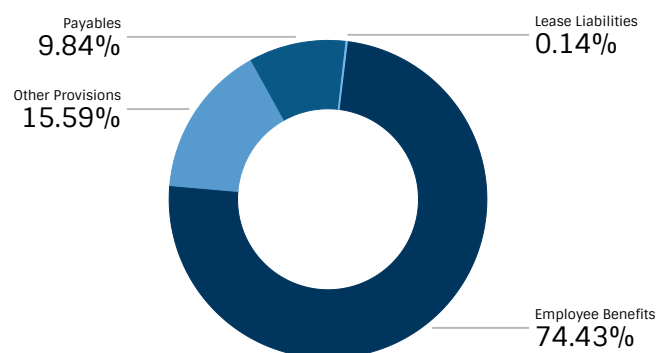
It is anticipated that assets will remain stable in 2021-22, with the continuation of PTG's continued development of the CRM software. This will be offset by depreciation and amortisation.

Total Liabilities

Components of Total Liabilities

Figure 5 below shows that employee benefits make up **74.43%** of liabilities, Other Provisions is **15.59%** of liabilities and payables is **9.84%** of liabilities.

Figure 5: Total Liabilities



Comparison to budget

Total liabilities (**\$2,963,270**) are **10% (\$330,730)** lower than the budget of **\$3,294,000** mainly due to lower Payables (**\$227,128**) and Lease Incentive Liability (**\$262,000**). This has been partially offset by higher employee benefits (**\$133,978**) due to higher leave balances resulting from the uncertainty with restrictions around the COVID-19 Pandemic.

Comparison to 2019-20 actual

In comparison to the previous period, the decrease of **\$346,428** was mainly due to lower payables (**\$199,377**). This was due to an invoice for the back-payment of Official Visitors Superannuation benefits outstanding at 30 June 2020, which wasn't required in 2021 and lower Lease Incentive Liability (**\$313,663**) brought to account under new AASB 16 Leases standard that removes lease incentive liabilities from the Balance Sheet as PTG does not hold any rental leases in its own name. This has been partially offset by increased Employee Benefits (**\$151,326**) due to higher leave balances resulting from the uncertainty with restrictions around the COVID-19 Pandemic.

Future Trends

It is anticipated that overall liabilities will remain constant for 2021-22.

Liquidity

Generally, the concept of liquidity focuses on whether there are sufficient short-term assets available to meet short-term liabilities. Therefore, a common indicator of liquidity is having a 1:1 ratio of current assets to current liabilities (current ratio).

Table 2 below shows the current ratio for Public Trustee and Guardian at 30 June 2021 compared to the actual results for the prior year and the estimate for 2021-22.

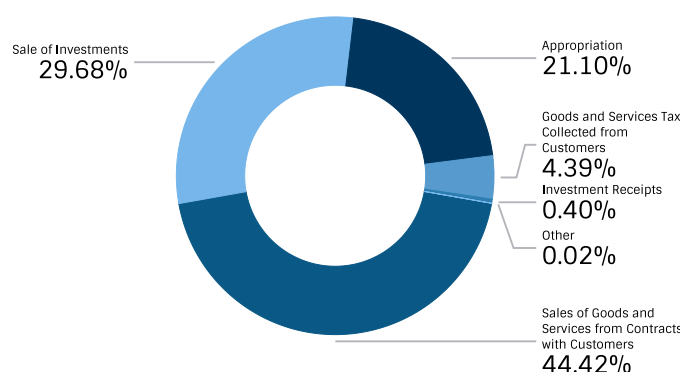
Table 2: Current Ratio

	Actual 2019-20 \$'000	Budget 2020-21 \$'000	Actual 2020-21 \$'000	Estimate 2021-22 \$'000
Total Current Assets	5,854	6,357	5,763	6,413
Total Current Liabilities	2,767	2,794	2,943	2,848
Current Ratio	2.11:1	2.28:1	1.96:1	2.25:1

At 30 June 2021, Cash and Cash Equivalents were **\$5,156,640**, which is **\$3,450,640** higher than the **\$1,706,000** budget. The higher year-end cash holding is due to the redemption of Investments during the year to earn a better rate of return.

As indicated in Figure 6 below, sale of goods and services from contracts with customers makes up **44.42%** of all cash inflows, with appropriation being **21.10%**. The other major cash inflows are derived from the proceeds of Investments which will not occur in 2021-22.

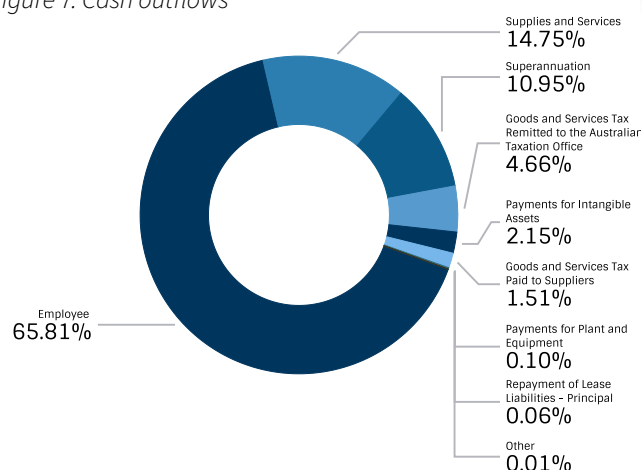
Figure 6: Cash inflows



Total cash inflows amounted to **\$14,020,629**, **\$3,222,629** higher than budget. The higher than budgeted result is due to the redemption of Investments to achieve a better rate of return.

As indicated in Figure 7, the major cash outflows are employee expenses and superannuation making up **76.76%** of all outflows. The other major cash outflows are for supplies and services **14.75%**.

Figure 7: Cash outflows



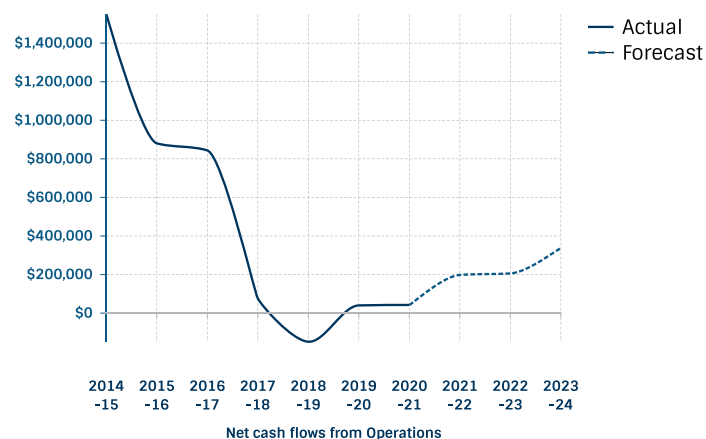
Cash outflows amounted to **\$10,058,769, \$228,231** lower than budget. The lower outlays compared to budget are mainly due to:

- Lower Purchase of Investments **(\$889,000)**.
- Lower Supplies and Services **(\$428,619)**.

This is partially offset by:

- Higher payments for Employees **(\$642,761)**.
- Higher payments for Superannuation **(\$165,734)**.
- Higher payments for Intangible Assets **(\$216,147)** previously paid for by PTG's Trust account until October 2020.

Figure 8: Net cash flows from operating activities



Cash flow from operations is expected to trend upwards in 2021-22 with a full year effect of the increase in fees and charges that was implemented on 28 May 2021. The impact of this increase in fees will see the net cash flows from operations continue to rise in the outyears.

Table 3: Comparison of Net Cost of Services to Budget

	2021 Budget	2021 Actual	Variance	%
Employee Expenses, including superannuation	6,929,000	7,725,752	796,752	11.50%
Supplies and Services	1,909,000	1,437,214	(471,786)	- 24.71%
Depreciation and Amortisation	308,000	451,421	143,421	46.57%
Borrowing Costs	-	(8,023)	(8,023)	n/a
	9,146,000	9,606,364	460,364	5.03%
User Charges - Non-ACT Government	6,222,000	6,315,729	93,729	1.51%
Interest	190,000	46,731	(143,269)	-75.40%
Grants and Contributions	-	769,658	796,658	n/a
Other income	-	266,727	266,727	n/a
	6,412,000	7,398,845	986,845	15.39%
Net Cost of Services	2,734,000	2,207,519	(526,481)	-19.26%

PTG Historical Financial Performance (rolling 10-year period)

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

	2016-17	2017-18	2018-19	2019-20	2020-21
Appropriation	\$1,643,250	\$2,057,000	\$2,097,999	\$2,486,000	\$2,982,500
Revenue	\$7,345,009	\$7,610,937	\$8,003,771	\$8,661,766	\$10,381,345
Expend.	\$6,782,608	\$7,547,092	\$8,487,627	\$9,284,925	\$9,606,363
Result	\$562,401	\$29,840	(\$483,856)	(\$623,159)	\$623,160
Dividend	\$281,200	\$14,920	Nil	Nil	
Staff (FTE)	54	54	58.8	61.45	65.57

C.2 Financial Statements

(Refer ANNEXURE - FINANCIAL STATEMENTS)

C.3 Capital Works

No capital works were undertaken or completed during the reported year.

C.4 Asset Management

Non-Government Assets

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

Government Assets

No significant assets were added to or removed from the corporate assets register during 2020-21.

Vehicle

Assets directly managed are -

- Volkswagen Golf valued at \$12,000 in 2020 by Ty Noble (FAPV CPV), JLL Public Sector Valuations Pty Ltd
- Volkswagen Caddy valued at \$17,500 in 2020 by Ty Noble (FAPV CPV), JLL Public Sector Valuations Pty Ltd.

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

Warehouse

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

The warehouse was inspected and valued in July 2019 by Herron Todd White at \$320,000. Revaluation is conducted on a three-yearly basis. The warehouse contains no hazardous materials.

Office Accommodation and Equipment

PTG is accommodated in one central location in the City. The building has a 4.5 NABERS rating. Bathrooms are fitted with hand dryers, 6-star Sensor taps, soap dispensers and 3L/4.4L half-full flush toilets.

PTG's office equipment was recently fully replaced as part of whole of office refurbishment. All staff have been allocated sit/stand desks, laptops and dual screens. Printing/copying/scanning functions are undertaken through multi-function devices located throughout the office.

C.5 Government Contracting

Procurement Overview

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

Government Procurement Services

PTG confirms that it has:

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

Additional Information For Procurements Exempted From Quotation and Tender Threshold Requirements

Contracts in this category currently entered into and continuing include -

- Ultradata - licence and technical support for the TACT trust accounting business system - \$109,748.95
- MYOB/AE 8 - licence for income tax software licence - \$3,278.20
- MYOB Premier 19 – licence for Business Financial System - \$254.54
- Nexon - Acquisition, modification and maintenance of Microsoft Dynamic CRM - \$88,830.00
- Objective - licence for EDRMS) software - \$12,308.50.

Secure Local Jobs Code

PTG has not sought exemption from the secure local jobs code requirements under s. 22G of the *Government Procurement Act 2001*.

Social Procurement

PTG contracts services from a young man with an intellectual disability.

Creative Services Panel

Reporting is through JACS. The bulk of PTG's own spending utilises client and corporate funds held in trust accounts, exempt from reporting on expenditure for creative services.

Aboriginal and Torres Strait Islander Procurement Policy

Refer JACS Directorate Annual Report 2020-21.

C.6 Statement of Performance

Refer ANNEXURE – FINANCIAL STATEMENTS.

Part 4 – Annual Report Requirements For Specific Reporting Entities

Report Relates to Legislation Confiscation of Criminal Assets Act 2003 Sections 102 and 103

S.102 Notice of Sale, Modification or Destruction of Restrained Property By Public Trustee

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

PTG's responsibilities are generally at the end of the criminal justice process and are largely reactive and in compliance with court orders.

In 2020-21, PTG deposited a total of \$1,850,206.48 to the CAT fund compared with \$1,457,331.18 in 2019-20 an increase of \$392,875.30.

During the reported year, PTG had a central role in a matter involving restrained assets of a value of over \$10M, the largest restraint of COCA property in the ACT to date. Assets restrained include seven properties in the ACT, QLD and NSW and funds held in 32 bank accounts. PTG is working with ACT Policing, DPP (ACT & QLD), relevant financial institutions, Access Canberra (ACT Land Titles) and NSW Crime Commission to maintain the value of the assets and protect the interests of the Territory.

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

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

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

Whilst the value of assets forfeited was higher, PTG's commission of sales of assets was lower, due to fewer real estate assets being sold. This appears to be the result of a practice by the DPP negotiating consent orders under which real estate is released back to the defendant whilst at the same time, forfeiting cash.

S. 103 Emergency Modification or Destruction of Restrained Property

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

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

These include, but are not limited to -

- Hydroponic equipment commonly used for the production of marijuana
- Chemicals commonly used in the manufacture of illicit drugs and other drug paraphernalia
- Firearms and ammunition
- Modified vehicles.

Current practice involves several different means of disposal or remediation depending upon the nature of the asset. Depending upon its nature, the asset may be immediately destroyed or disposed of by sale.

PTG may also deal with unsafe residential or commercial buildings (e.g. asbestos, illegal works or contaminated sites). PTG and its registered services providers are apprised of their obligations in respect to the presence of asbestos in residential properties.

Part 5 – Whole of Government Annual Reporting

5.1 Bushfire Risk Management

This item is not applicable to PTG's functions.

5.2 Human Rights

Education and Training

During the reported year, PTG provided training in Human Rights matters to 15 operational staff members.

This training included Respect, Equity and Diversity (4), Managing Mental Health (9); Family and Domestic Violence (2).

PTG's staff work within a highly diverse employment and client framework. PTG has 30% of staff from a culturally and linguistically diverse background. The significant proportion of PTG's clientele is made up of persons with a decision-making disability or trust clients who may have a disability. Providing training to staff in discrimination, advocacy and decision-making issues is fundamental to the provision of an appropriate level of service.

Reviews For Compatibility With Human Rights

During the reported year, PTG did not conduct any reviews involving compatibility with human rights principles. PTG was however instrumental in the development of legislation in respect to unclaimed bodies.

Contracts

PTG engages the services of a person with an intellectual disability to provide services to the office.

Guidelines or Checklists

PTG has contributed to the development and maintenance by the Australian Guardianship and Administration Council (AGAC) of National Standards for Guardians and Managers. These important documents establish 12 national standards that set minimum service levels to be provided to persons with a decision-making disability by their appointed financial manager. The standards complement statutory requirements, policies, principles and practices, codes of professional conduct and ethical behaviour, privacy and confidentiality of personal information and records, and other requirements, which financial managers in each state/territory should aspire to. The review developed Plain English versions of National Standards aimed at addressing human rights considerations for persons with disability

PTG also participated in the development of Guidelines for Australian Guardianship Tribunals.

Information

PTG embraces ACT Public Service values and signature behaviours of respect, integrity, collaboration and innovation. PTG's Staff Code of Conduct establishes expected standards of behaviour for staff including:

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

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

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

Complaints

The role of financial Manager and Guardian of last resort, in a substitute decision-making framework, is by nature, potentially intrusive and brings an expected level of complaint. The *Guardianship and Management of Property Act 1991* establishes that decision-making may be made contrary to the person's wishes where necessary to protect them from adverse consequences. This is balanced against the requirement for PTG as Manager/Guardian to consult with the person's carer/s. The Act incorporates decision-making principles developed in accordance with human rights principles.

Liaison

PTG partners with its Public Advocate/Public Guardian/Public Trustee and Tribunal members to make representations to government in respect to issues affecting the rights of persons with disabilities.

Reviews

PTG is a continuing member of AGAC's Elder Abuse National Projects Governance Group which has been tasked with a number of research and reporting projects by the federal government.

The Group continues to work with the federal government in the establishment of a national online register for Enduring Powers of Attorney. An online register was a key recommendation of the Australian Law Reform Commission's inquiry into elder abuse, and the Government to work with states and territories to reform enduring powers and establish the national register.

Litigation

PTG is appointed as Manager and Guardian by ACAT for persons with impaired decision-making ability. These appointments regularly require PTG to act as litigation guardian under Court order, or as guardian for legal matters under appointment by ACAT. In doing so, PTG seeks to ensure that the interests of a person who has impaired capacity are protected against the disadvantage that the person would otherwise be under.

Elder Abuse

During the year, PTG made application to ACAT involving elder abuse within a family. The case involved ACT Rights Protection Agencies (HRC, Legal Aid, PTG, ACAT, ACT Policing, ACTGSO) working together in the aftermath of the introduction of the *Crimes (Offences Against Vulnerable People) Legislation Amendment Act 2020* and amendments to the *Guardianship and Management of Property Act 1991* to respond to allegations of elder abuse.

The case involved a person whose Enduring Power of Attorney (EPOA) appointing PTG as attorney had been revoked by a member of the family in favour of that family member at a time the client was recovering from a stroke and the death of his spouse.

The outcome of the hearing was the revocation of the new EPOA and reinstatement of the EPOA appointing PTG for all matters. Additional orders were made empowering PTG to work with the family to ensure that the person's choices were paramount in his life.

5.3 Legal Service Directions

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

Compliance With Legal Services Directions

The Directions cover issues such as:

- Outsourcing of legal work
- Use of in-house lawyers as approved by the Attorney-General.

PTG is a government-owned Territory authority. Some of PTG's functions and responsibilities are akin to those of a trustee corporation or a legal practice in that the office acts as a consultant in respect to succession law matters and provides commercial legal services to the community including trust creation and administration, will drafting, EPOA drafting and estate administration.

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

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

Compliance With Model Litigant Guidelines

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

5.4. Territory Records

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

A declaration under s. 28 of the *Territory Records Act 2002* has been granted to make PTG client files including client files of the former Curator of Estates of Deceased Persons subject to the provisions of the *Freedom of Information Act 2016* and any exemptions under that Act. The application was granted on 4 July 2008 (Exemption no 97) and renewed on 3 July 2018 (2018/12).

Part 6 – State of the Service Report

6.1 Workforce Profile

(Refer B.11) PTG did not have any Attraction and Retention Initiatives (ARINs), or Special Employment Arrangements in respect to any staff member during the reported year.

6.2 Culture and Behaviour

Respect, Equity and Diversity (RED) training is mandatory for PTG's staff. The office has maintained the appointment of a Contact Officer since the commencement of the RED framework. The RED Contact Officer has proven to be a highly useful Framework for staff at PTG.

PTG has a strong culture of working to provide protection and support for rights, choices, security and justice for all persons in the ACT community. Consistent with the figure for 2019-20, our staff comprises 28.6% (headcount of 20) of persons from a culturally and linguistically diverse background.

Our key values reflect a culture of -

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

6.3 Public Interest Disclosure

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

No public interest disclosures were made during 2020–21.

6.4 Public Service Standards Commissioner

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



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Public Trustee and Guardian for the year ended 30 June 2021.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2021 are not in agreement with the Public Trustee and Guardian's records or do not fairly reflect, in all material respects, the performance of the Public Trustee and Guardian, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

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

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

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

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

The Public Trustee and Guardian is responsible for:

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

Auditor-General's responsibilities

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

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

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

Limitations on the scope

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

This limited assurance engagement does not provide assurance on the:

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



Ajay Sharma
Assistant Auditor-General, Financial Audit
23 September 2021

**Public Trustee and Guardian
Statement of Performance
For the Year Ended 30 June 2021**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with Public Trustee and Guardian's records and fairly reflects the service performance of the Public Trustee and Guardian for the year ended 30 June 2021 and also fairly reflects the judgements exercised in preparing it.



Andrew Taylor
Public Trustee and Guardian

23 September 2021

**PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2021**

INDICATOR	Original Budget 2020-21	Actual Outcome 2020-21	Variance %	Notes
Guardianship Orders - no. of people for whom PTG acted as Guardian appointed by the ACT Civil and Administrative Tribunal (ACAT) under the <i>Guardianship and Management of Property Act 1991</i> (GMPA) during the reported period	225	235	4	
Management Orders - no. of orders in which PTG was appointed as Manager by ACAT under the GMPA current at the end of the reported period by ACAT	510	507	(1)	
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for all matters made during the reported period	130	67	(48)	1
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for financial and property matters under active management at the end of the reported period	39	38	(3)	
Enduring Power of Attorney (EPA) - no. of EPA's appointing PTG for personal and health care matters active at the end of the reported period	7	9	29	2
Police Call-outs - no. of responses to call outs by police and community following death during the reported period	1	-	(100)	3
Welfare funerals - no. arranged by PTG during the reported period	2	1	(50)	4
Examination of Accounts - no. examined by PTG during the reported period upon filing by External Managers appointed by ACAT for Protected Persons	570	688	21	5
Deceased Estate Administrations - no. of deceased estate administrations completed during the reported period	85	74	(13)	6
Trusts (for all purposes) – no. held at end of reported period	660	740	12	7
Wills - no. of wills prepared by PTG during the reported period	400	281	(30)	8
Customer Survey - % of clients responding to PTG's survey during the reported year that reported PTG met or exceeded their expectations	90	96	7	9

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

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

**PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2021**

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

1. The lower than anticipated number of EPA prepared is attributed the COVID-19 pandemic with EPA drafting appointments significantly curtailed in the first half of the reported year to accord with protocols established to protect PTG's staff and members of the community.
2. The number of EPA's appointing PTG for personal and health care matters was marginally higher than expected. It is normal for people to appoint family first for these kinds of decisions, if there are no family members available then PTG may be used.
3. We did not attend to any police call-outs during the period. PTG's performance in this regard is purely reactive following callout by ACT Policing.
4. We did not attend to any Welfare funerals during the period. PTG's performance in this regard is purely reactive following callout by ACT Policing. However, in July 2020 we finalised the arrangements for the disposal of an unclaimed body that had been held at the Forensic Medicine Centre as part of the Justice and Community Safety Directorates COVID response this has been included under Welfare funerals.
5. In 2020-21, PTG changed the process undertaken for the Examination of Private Managers' Accounts as a result of a risk assessment. PTG considered that any movements considered immaterial in the assessment of movement in represented persons' financial assets are acceptable. Otherwise, a full examination would be completed. This resulted in the number of examinations by PTG being higher than expected.
6. The number of estate administrations completed was the same as for the previous year, however lower than budget. This was due to a high number of complex estates that were unable to be finalised due to ongoing taxation issues, family provision claims, a greater number of beneficiaries residing overseas and the resourcing constraints during the COVID-19 pandemic
7. The higher than anticipated number of trusts reflects a change adopted by PTG in the types of matters to be reported as trusts. Previously PTG had not reported some accounts as they had not been formally regarded as trusts.
8. The lower than anticipated number of Wills prepared is attributed the COVID-19 pandemic with Will drafting appointments significantly curtailed during the first half of the year to accord with protocols established to protect PTG's staff and members of the community.
9. The higher than anticipated percentage of clients responding to PTG's survey during the reported year that stated PTG met or exceeded their expectations reflects PTG's continual efforts to provide a professional level of service to our clients.



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Public Trustee and Guardian for the year ended 30 June 2021 which comprise the operating statement, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Public Trustee and Guardian's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for audit opinion

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

I am independent of the Public Trustee and Guardian in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Public Trustee and Guardian for the financial statements

The Public Trustee and Guardian is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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



Ajay Sharma
Assistant Auditor-General, Financial Audit
23 September 2021

**Public Trustee and Guardian
Financial Statements
For the Year Ended 30 June 2021**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Public Trustee and Guardian's accounts and records and fairly reflect the financial operations of the Public Trustee and Guardian for the year ended 30 June 2021 and the financial position of the Public Trustee and Guardian on that date.



Andrew Taylor
Public Trustee and Guardian

23 September 2021

**Public Trustee and Guardian
Financial Statements
For the Year Ended 30 June 2021**

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with the Public Trustee and Guardian's accounts and records and fairly reflect the financial operations of the Public Trustee and Guardian for the year ended 30 June 2021 and the financial position of the Public Trustee and Guardian on that date.



Callum Hughes
Senior Director Finance
Public Trustee and Guardian

23 September 2021

PUBLIC TRUSTEE AND GUARDIAN

OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	Note No.	Actual 2021 \$	Original Budget 2021 \$	Actual 2020 \$
Income				
Revenue				
Controlled Recurrent Payments	3	2,982,500	2,897,000	2,486,000
Sales of Goods and Services from				
Contracts with Customers	4	6,315,729	6,222,000	6,016,106
Grants and Contributions	5	769,658	-	66,151
Investment Revenue		46,731	190,000	93,508
Other income		266,727	-	-
Total Income		10,381,345	9,309,000	8,661,765
Expenses				
Employee Expenses	6	6,768,715	5,982,000	6,271,292
Superannuation Expenses	7	957,037	947,000	1,035,865
Supplies and Services	8	1,437,214	1,909,000	1,740,800
Borrowing Costs	9	(8,023)	-	3,707
Depreciation and Amortisation	15,16	451,420	308,000	233,261
Total Expenses		9,606,363	9,146,000	9,284,925
Operating Income / (Deficit)		774,982	163,000	(623,160)
Other Comprehensive Income				
<i>Items not reclassified subsequently to profit or loss</i>				
Increase in Asset Revaluation Surplus		-	-	88,604
Total Other Comprehensive Income		-	-	88,604
Total Comprehensive Income / (Deficit)		774,982	163,000	(534,556)

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

PUBLIC TRUSTEE AND GUARDIAN

BALANCE SHEET
AT 30 JUNE 2021

	Note No.	Actual 2021 \$	Original Budget 2021 \$	Actual 2020 \$
Current Assets				
Cash and Cash Equivalents	12	5,156,640	1,706,000	1,194,780
Receivables	13	606,155	509,000	507,580
Investments	14	-	4,141,000	4,152,102
Prepayments		-	1,000	-
Total Current Assets		5,762,795	6,357,000	5,854,462
Non-Current Assets				
Plant and Equipment	15	1,656,956	1,588,000	1,943,453
Intangible Assets	16	777,057	-	-
Total Non-Current Assets		2,434,013	1,588,000	1,943,453
Total Assets		8,196,808	7,945,000	7,797,915
Current Liabilities				
Payables	17	326,872	554,000	526,249
Lease Liabilities	18	4,644	6,000	6,260
Employee Benefits	19	2,224,840	2,187,000	2,188,096
Lease Incentive Liability	20	-	47,000	46,936
Other Provisions	21	387,490	-	-
Total Current Liabilities		2,943,846	2,794,000	2,767,541
Non-Current Liabilities				
Lease Liabilities	18	-	5,000	4,644
Employee Benefits	19	247,138	151,000	132,556
Lease Incentive Liability	20	-	215,000	266,727
Other Provisions	21	130,115	129,000	138,230
Total Non-Current Liabilities		377,253	500,000	542,157
Total Liabilities		3,321,099	3,294,000	3,309,698
Net Assets		4,875,709	4,651,000	4,488,217
Equity				
Accumulated Funds		4,199,111	3,974,000	3,811,619
Asset Revaluation Surplus		676,598	677,000	676,598
Total Equity		4,875,709	4,651,000	4,488,217

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

PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated Funds Actual 2021 \$	Asset Revaluation Surplus Actual 2021 \$	Total Equity Actual 2021 \$	Original Budget 2021 \$
Balance at 1 July 2020	3,811,619	676,598	4,488,217	4,488,000
Comprehensive Income				
Operating Income	774,982	-	774,982	163,000
Total Comprehensive Income	774,982	-	774,982	163,000
Transactions Involving Owners Affecting Accumulated Funds				
Dividend Approved	(387,490)	-	(387,490)	-
Total Transactions Involving Owners Affecting Accumulated Funds	(387,490)	-	(387,490)	-
Balance at 30 June 2021	4,199,111	676,598	4,875,709	4,651,000

	Accumulated Funds Actual 2020 \$	Asset Revaluation Surplus Actual 2020 \$	Total Equity Actual 2020 \$
Balance at 1 July 2019	4,434,779	587,994	5,022,773
Comprehensive Income			
Operating (Deficit)	(623,160)	-	(623,160)
Increase in the Asset Revaluation Surplus	-	88,604	88,604
Total Comprehensive (Deficit) / Income	(623,160)	88,604	(534,556)
Balance at 30 June 2020	3,811,619	676,598	4,488,217

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

PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note No.	Actual 2021 \$	Original Budget 2021 \$	Actual 2020 \$
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		2,982,500	2,897,000 ¹	2,486,000
Sales of Goods and Services from Contracts with Customers		6,214,095	6,220,000	5,936,354
Investment Receipts		55,645	190,000	108,357
Goods and Services Tax Collected from Customers		614,095	591,000	584,221
Other		2,192	-	1,652
Total Receipts from Operating Activities		9,868,527	9,898,000	9,116,584
Payments				
Employee		6,618,761	5,976,000	6,007,004
Superannuation		1,101,734	936,000	876,522
Supplies and Services		1,483,381	1,912,000	1,669,325
Goods and Services Tax Remitted to the Australian Taxation Office		469,132	381,000	359,537
Goods and Services Tax Paid to Suppliers		151,702	193,000	161,675
Other		1,384	-	2,419
Total Payments from Operating Activities		9,826,094	9,398,000	9,076,482
Net Cash Inflows from Operating Activities	23(b)	42,433	500,000	40,102

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

¹ This amount is presented as controlled recurrent payments of \$2,357,000 and payments for community service obligations of \$540,000 in the Budget Papers.

PUBLIC TRUSTEE AND GUARDIAN

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

	Note No.	Actual 2021 \$	Original Budget 2021 \$	Actual 2020 \$
Cash Flows from Investing Activities				
Receipts				
Sale of Property, Plant and Equipment		-	-	3,684
Sale of Investments		4,152,102	900,000	4,800,000
Total Receipts from Investing Activities		4,152,102	900,000	4,803,684
Payments				
Payments for Plant and Equipment		10,176	-	584,217
Payments for Intangible Assets		216,147	-	-
Purchase of Investments		-	889,000	3,850,000
Total Payments from Investing Activities		226,323	889,000	4,434,217
Net Cash Inflows from Investing Activities		3,925,779	11,000	369,467
Cash Flows from Financing Activities				
Payments				
Repayment of Lease Liabilities - Principal		6,352	-	6,353
Total Payments from Financing Activities		6,352	-	6,353
Net Cash (Outflows) from Financing Activities		(6,352)	-	(6,353)
Net Increase in Cash and Cash Equivalents Held		3,961,860	511,000	403,216
Cash and Cash Equivalents at the Beginning of the Reporting Period		1,194,780	1,195,000	791,564
Cash and Cash Equivalents at the End of the Reporting Period	23(a)	5,156,640	1,706,000	1,194,780

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

PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget 2021 \$	Total Appropriated 2021 \$	Appropriation Drawn 2021 \$	Appropriation Drawn 2020 \$
Controlled Recurrent Payments	2,897,000	3,002,500	2,982,500	2,486,000
Total Appropriation	2,897,000	3,002,500	2,982,500	2,486,000

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

Column Heading Explanations:

The *Original Budget* column shows the amounts that appear in the Operating Statement in the Budget Papers.

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

The *Appropriation Drawn* is the total amount of appropriation received by the Public Trustee and Guardian during the reporting period. This amount equals the Controlled Recurrent Payments shown in the Statement of Cash Flows.

There was no significant impact on the Statement of Appropriation due to the COVID-19 Pandemic. Therefore, no additional disclosures have been made in this regard.

Variances between 'Total Appropriated' and 'Appropriation Drawn'

Reconciliation of Appropriation for 2020-21	Controlled Recurrent Payments \$
Original Appropriation for 2020-21	2,897,000
Transfer of funds (FMA s.14)	105,500
Total Appropriated	3,002,500
Budget Rollovers / Undrawn	(20,000)
Controlled Appropriation Drawn	2,982,500

The increase of \$105,500 between the Original Budget for Public Trustee and Guardian and the Total Appropriated is due to a transfer from the Justice and Community Safety Directorate under *Financial Management Act 1996* (FMA) Section 14, to fund the overspend in regards to the Official Visitor function.

PUBLIC TRUSTEE AND GUARDIAN

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PUBLIC TRUSTEE AND GUARDIANOther

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. OBJECTIVES OF THE PUBLIC TRUSTEE AND GUARDIAN

The Public Trustee and Guardian is a corporation solely established under the *Public Trustee and Guardian Act 1985*. In 2016, the former Public Trustee for the ACT merged with the Guardianship unit of the Public Advocate of the ACT to form the Public Trustee and Guardian.

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

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

The Public Trustee and Guardian was the trustee for the Perpetual Care Trusts under the *Cemeteries and Crematoria Act 2003* until 22 August 2020. The Public Trustee and Guardian is the trustee for the Capital Region Community Foundation (Greater Good).

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

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

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3. CONTROLLED RECURRENT PAYMENTS

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

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

Appropriations are recognised when the Public Trustee and Guardian gains control over the funding which is normally obtained upon the receipt of cash, given they do not contain enforceable and sufficiently specific performance obligations as defined by AASB 15.

	2021 \$	2020 \$
Controlled Recurrent Payments	2,032,500	1,959,000
Community Service Obligations	950,000	527,000
Total Controlled Recurrent Payments	2,982,500	2,486,000

Community Service Obligations increased in the 2020-21 financial year mainly due to a new budget initiative increasing support for Public Trustee and Guardian, this covers a portion of the shortfall in the provision of services, which are becoming more complex, to the public at subsidised rates.

4. SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

Public Trustee and Guardian earns revenue from providing goods and services to other ACT Government agencies and to the public. Public Trustee and Guardian has undertaken a review to determine whether the goods and services it provides need to be classified as revenue from contracts with customers in accordance with AASB 15. Sales of Goods and Services from Contracts with Customers revenue is legally retained by the Public Trustee and Guardian and is driven by consumer demand. Public Trustee and Guardian assessed its revenue from contracts with customers to determine the timing and nature of the satisfaction of performance obligations. As a result, Public Trustee and Guardian determined the goods and services to be classified as revenue from contracts with customers which have been included in this note as outlined below:

(i) User Charges - Investment Management Services - This major revenue stream relates to management services for client funds invested in the Public Trustee and Guardian Trust. The revenue stream includes commissions earned and management fees. Commission from Non-ACT Government entities is charged on the value of the income earned for funds managed in the Public Trustee and Guardian and Government Trust Account. These commissions are earned from funds held on behalf of the general public. Management Fees are based on a percentage of the value of client funds invested in the Public Trustee and Guardian Trust account. Public Trustee and Guardian has concluded that these services are not distinct within the context of the contract because the performance obligation is to ensure the funds are held until called upon by the customers, and as such, revenue is recognised as and when each investment held matures.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4. SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(ii) **Other Fees** - Public Trustee and Guardian has two main revenue streams for other fees which are:

- Tax Return Preparation Fees - Public Trustee and Guardian employs three in-house tax consultants that assist with tax return preparation for clients. Revenue is recognised at the completion of each service provided.
- Other Fees per determination - A major portion of this revenue stream relates to unclaimed monies, time in attendance at properties and other miscellaneous services provided to clients. Revenue is recognised on completion as and when each service is provided.

	2021 \$	2020 \$
ACT Government Customers		
Other Fees	600	600
Total Sales of Goods and Services from ACT Government Customers	600	600
Non-ACT Government Customers		
Commission (a)	2,447,428	2,104,071
Management Fees (b)	2,581,903	2,577,395
Other Fees (c)	1,285,798	1,334,040
Total Sales of Goods and Services from Non-ACT Government Customers	6,315,129	6,015,506
Total Sales of Goods and Services from Contracts with Customers	6,315,729	6,016,106

(a) There has been an increase in Commission from Non-ACT Government entities due to a higher amount of funds under management as well as higher income returns on Public Trustee and Guardian Trust's Common Funds.

(b) Management Fees has increased marginally during the financial year. The Public Trustee and Guardian reduced its management fees on the Cash Common Fund due to the current low interest rate environment. However, this was offset by a higher amount of funds under investment management.

(c) Although the entitlement for the balance of fees receivable from the Unclaimed Money Trust Fund was higher in 2020-21, this was offset by lower fees in administration of funds which resulted in an overall decrease in Other Fees.

5. GRANTS AND CONTRIBUTIONS

Resources Received Free of Charge

CMTEDD Shared Services - Finance and Human
Resource Charges

	54,000	66,151
Total Resources Received Free of Charge	54,000	66,151

Contributions Received

Transfer of Intangible Assets (a)

	715,658	-
Total Contributions Received	715,658	-
Total Grants and Contributions	769,658	-

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5. GRANTS AND CONTRIBUTIONS (CONTINUED)

(a) In 2016-17, Public Trustee and Guradian Trust had undertaken the development of a Customer Relationship Manager (CRM) software to increase efficiency with management of trust data. The core software management system had been in use since the 2018 financial year and additional modules were expected to be added in later years as deemed necessary. However, in October 2020 the Trust exhausted its excess funds and was unable to continue developing the software. The project was therefore transferred to the Public Trustee and Guardian.

All development and other software related costs including project management have been capitalised and recognised in the Operating Statement under Grants and Contributions.

	2021 \$	2020 \$
6. EMPLOYEE EXPENSES		
Wages and Salaries (a)	6,504,435	5,831,454
Annual Leave Expense (b)	189,913	161,707
Long Service Leave Expense (c)	(29,569)	108,071
Termination Payments (d)	28,776	102,841
Fringe Benefits Tax	1,101	7,608
Workers' Compensation Insurance Premiums	67,288	51,337
Other Employee Expenses and On-Costs	6,771	8,274
Total Employee Expenses	6,768,715	6,271,292

(a) The Public Trustee and Guardian had an average of 65.57 full time equivalent staff employed at 30 June 2021 (61.45 at 30 June 2020). The increase in Wages and Salaries is due to additional staff employed to manage an increased and more complex workload.

(b) Annual Leave expenses have increased in 2020-21 due to an increase in staff employed as well as staff forgoing leave due to uncertainty with restrictions relating to the COVID-19 Pandemic.

(c) Long Service Leave expenses have decreased due to the present value factor used for calculating long service leave decreasing from 113.6 percent in 2019-20 to 108.6 percent in the 2020-21 financial year. This has been partially offset by salary increases and associated impacts on the expense.

(d) Termination payments decreased in 2020-21 due to the staff leaving having lower leave entitlements at the time of cessation.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

7. SUPERANNUATION EXPENSES

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

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

Superannuation Contributions to the Territory		
Banking Account (a)	266,006	321,547
Productivity Benefit	28,863	30,890
Superannuation to External Providers (b)	662,168	683,428
Total Superannuation Expenses	957,037	1,035,865

(a) The decrease in Superannuation Contributions to the Territory Banking Account is due to a decrease in the number of employees who are able to contribute to PSS.

(b) The decrease in superannuation expenses to External Providers is due to a back payment of superannuation entitlements made for Official Visitors in the 2019-20 financial year following a change in the way Official Visitors were remunerated. This has been partially offset by an increase in staff that can only contribute to super schemes offered by external superannuation fund providers.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	Note No.	2021 \$	2020 \$
8. SUPPLIES AND SERVICES			
Audit Fee	11	92,056	86,669
Computer Expenses (a)		571,314	351,230
Consultants Costs		29,613	47,818
Office Expenses (b)		148,024	183,065
Postage, Printing and Stationery		45,321	45,975
Rental and Property Expenses		487,451	484,236
Repairs and Maintenance		2,071	135,140
Travel Expenses		2,231	3,907
Staff Training		22,545	11,657
Marketing Expenses (c)		-	25,549
Official Visitors Expenses (d)		15,005	354,131
Business Transformation Project		-	2,000
Other Expenses		21,583	9,423
Total Supplies and Services		1,437,214	1,740,800

(a) Computer Expenses consist of computer leasing, infrastructure, software and storage costs as well as ongoing technical support fees for the TACT software used by Public Trustee and Guardian Trust, previously recognised under Repairs and Maintenance.

(b) Office Expenses decreased due to a reduction in payroll management service fees. Additionally, Public Trustee and Guardian's relocation project was finalised in the 2019-20 financial year resulting in reduced office expenses compared to the last financial year.

(c) Public Trustee and Guardian mainly markets its services through public events such as Seniors' week and Wills week. All major events were cancelled in the 2020-21 financial year due to health and safety restrictions around the COVID-19 Pandemic. Therefore, no marketing expenses were incurred in the current financial year.

(d) Official Visitors provide a monitoring and complaints system for entitled persons in a visitable place, who are dependent on the service provider or accommodation manager supporting them. Official Visitor expenses have decreased due to salary and wages related to Official Visitors being reallocated to Employee Expenses (Refer Note 6 *Employee Expenses*).

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
9. BORROWING COSTS		
Lease Interest Expense	92	168
Finance Cost on Make Good (a)	(8,115)	3,539
Total Borrowing Costs	(8,023)	3,707

(a) Finance cost on Make Good is negative due to the expected future outlay for the Make Good Provision being calculated using -0.3% CPI (June 2020, All Groups). The negative CPI growth has resulted in the present value of the Make Good at 30 June 2021 being lower than the present value at 30 June 2020.

10. WAIVERS AND WRITE-OFFS

There were no waivers in 2020-21. Similarly, there were no waivers in 2019-20.

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

	No.	No.	
Write-offs			
Irrecoverable Debts	5	924	2 (13,014)
Total Write-offs	5	924	2 (13,014)

In 2020-21 Public Trustee and Guardian has written-off one fee for the drafting of an enduring power of attorney and 4 charges written-off in relation to an estate that was insolvent and could not afford the cost of advertising. In 2019-20 Public Trustee and Guardian had written-off one fee for the drafting of a will and enduring power of attorney. This had been more than offset by a refund from an estate matter that had previously been written-off in the 2017-18 financial year.

11. AUDITOR'S REMUNERATION

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

	2021 \$	2020 \$
Audit Fees Paid or Payable to the ACT Audit Office	92,056	86,669
Audit fees paid for by the Public Trustee and Guardian were:		
Financial Statements of the Public Trustee and Guardian (Office Account)	45,750	42,813
Financial Statements of the Public Trustee and Guardian (Trust Account) and Capital Region Gift and Open Funds	40,800	38,194
Compliance with Public Ancillary Guidelines	5,506	5,662
Total Auditor's Remuneration	92,056	86,669

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

12. CASH AND CASH EQUIVALENTS

The Public Trustee and Guardian holds a bank account with Westpac Banking Corporation as part of the ACT whole-of-government banking arrangements. The weighted average interest rate returned on the bank account was 1.00% in 2020-21 (1.51% in 2019-20).

The Public Trustee and Guardian held deposits with various other financial institutions at call throughout the year. The weighted average interest rate returned on these investments was 1.07% in 2020-21 (1.85% in 2019-20).

	2021 \$	2020 \$
Cash at Bank (a)	5,155,940	1,194,080
Cash on Hand	700	700
Total Cash and Cash Equivalents	5,156,640	1,194,780

(a) The increase in Cash at Bank is due to a transfer of funds previously held as term deposits. This is due to higher interest rates being offered on bank account balances. The bank interest rate as at 30 June 2021 was 0.95% whereas the rate on term deposits was 0.82%.

13. RECEIVABLES

Current Receivables

Trade Receivables (a)	606,155	498,666
Less: Expected credit loss allowance (b)	-	-
	606,155	498,666
Accrued Investment Revenue	-	8,914
Total Receivables	606,155	507,580

(a) The increase in Trade Receivables is due to a higher return on investments in the last quarter of 2020-21 along with an increase in the rate charged for commission. There was also an increase in funds under management in Public Trustee and Guardian's Trust account resulting in a higher management fee receivable.

(b) The Public Trustee and Guardian assesses credit risk at the end of each reporting date. No receivables are past due or impaired. An assessment for expected credit losses has been undertaken. The Public Trustee and Guardian has no historical credit loss experience and there is no indication that future recovery of those debts may be affected by changes in macroeconomic factors. As such, no allowance for impairment loss has been made.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

13. RECEIVABLES (CONTINUED)

Ageing of Receivables	Days Past Due					
	Total	Not Overdue	1 - 30 Days	31 - 60 Days	61 - 90 Days	> 91 Days
	\$	\$	\$	\$	\$	\$
30 June 2021						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	606,155	486,126	586	115,067	4,376	-
Expected credit loss allowance	-	-	-	-	-	-
30 June 2020						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	507,580	393,587	-	107,424	988	5,581
Expected credit loss allowance	-	-	-	-	-	-

There are no Receivables overdue for more than 90 days, amounts in the 61-90 days mainly relate to the Trust account and are expected to be recovered in the first quarter of 2021-22. The expected credit loss rate is nil as most receivables are due from the Trust account that Public Trustee and Guardian manages.

	2021	2020
	\$	\$
Classification of ACT Government//Non-ACT Government Receivables		
Receivables with ACT Government Entities		
Trade Receivables	1,157	4,830
Total Receivables with ACT Government Entities	1,157	4,830
Receivables with Non-ACT Government Entities		
Net Trade Receivables	604,998	493,836
Accrued Investment Revenue	-	8,914
Total Receivables with Non-ACT Government Entities	604,998	502,750
Total Receivables	606,155	507,580

14. INVESTMENTS

Short-term investments were held with a range of banks for part of the year for terms between 3 to 6 months. The weighted average interest rate returned on these investments was 1.07% in 2020-21 (1.85% in 2019-20).

These short-term investments have been transferred to Cash at bank resulting in a decrease in invested funds at 30 June 2021. This is due to the credit interest rate on the bank account being higher than the reinvestment interest rate for term deposits.

Current Investments	
Term Deposits	4,152,102
Total Current Investments	4,152,102
Total Investments	4,152,102

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021 \$	2020 \$
15. PLANT AND EQUIPMENT		
Plant and equipment includes motor vehicles, computer equipment, furniture and fittings, office fit-out, a security system and a right of use asset.		
Motor Vehicles (at Fair Value)	29,500	29,500
Less: Accumulated Depreciation	(4,665)	-
	<u>24,835</u>	<u>29,500</u>
Furniture and Fittings (at Fair Value)	16,350	16,350
Less: Accumulated Depreciation	(2,043)	-
	<u>14,307</u>	<u>16,350</u>
Computer Equipment (at Fair Value)	700	700
Less: Accumulated Depreciation	(700)	-
	<u>-</u>	<u>700</u>
Office Fit-out (at Fair Value)	1,894,607	1,884,430
Less: Accumulated Depreciation	(282,130)	-
	<u>1,612,477</u>	<u>1,884,430</u>
Security System (at Fair Value)	2,000	2,000
Less: Accumulated Depreciation	(522)	-
	<u>1,478</u>	<u>2,000</u>
Right of Use Assets (at Cost)	17,088	17,088
Less: Accumulated Depreciation	(13,229)	(6,615)
	<u>3,859</u>	<u>10,473</u>
Total Plant and Equipment	<u>1,656,956</u>	<u>1,943,453</u>

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

15. PLANT AND EQUIPMENT (CONTINUED)

Valuation of Plant and Equipment

A qualified independent valuer, performed a valuation of the office fit-out, furniture and fittings, computer equipment, motor vehicles and security system at 30 June 2020.

As disclosed in Appendix B Note 20 *Provision for Make Good*, the Public Trustee and Guardian has included in the office fit-out valuation, the estimated cost of returning the premises occupied by the Public Trustee and Guardian to a similar condition to that which existed prior to the occupancy in the event the Public Trustee and Guardian were to leave the premises.

The fair valuation of the office fit-out was based on replacement cost as the current lease of the office accommodation on part of the ground floor and level 9, 221 London Circuit has an expiry date of 6 March 2027.

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

The next valuation is expected to be undertaken at 30 June 2023.

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

15. PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Plant and Equipment - 2020-21

	Motor Vehicles	Furniture and Fittings	Computer Equipment	Office Fit-out	Security System	Right of Use Assets	Total
	\$	\$	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	29,500	16,350	700	1,884,430	2,000	10,473	1,943,453
Additions	-	-	-	10,177	-	-	10,177
Depreciation	(4,665)	(2,043)	(700)	(282,130)	(522)	(6,614)	(296,674)
Carrying Amount at the End of the Reporting Period	24,835	14,307	-	1,612,477	1,478	3,859	1,656,956

Reconciliation of Plant and Equipment - 2019-20

	Motor Vehicle	Furniture and Fittings	Computer Equipment	Office Fit- out	Security System	Right of Use Assets	Total
	\$	\$	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	23,929	17,891	2,000	1,454,228	1,866	-	1,499,914
Recognition of Right-of-use Assets on initial application of AASB16	-	-	-	-	-	17,088	17,088
Additions	-	-	-	571,620	907	-	572,527
Revaluation Increment/(Decrement)	8,357	488	(100)	78,945	(505)	-	87,185
Depreciation	(2,786)	(2,029)	(1,200)	(220,363)	(268)	(6,615)	(233,261)
Carrying Amount at the End of the Reporting Period	29,500	16,350	700	1,884,430	2,000	10,473	1,943,453

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

15. PLANT AND EQUIPMENT (CONTINUED)

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:

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

Classification According to the Fair Value Hierarchy 2021

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Plant and Equipment at Fair Value				
Motor Vehicle	-	24,835	-	24,835
Furniture and Fittings	-	14,307	-	14,307
Computer Equipment	-	-	-	-
Office Fit-out	-	-	1,612,477	1,612,477
Security System	-	-	1,478	1,478
	-	39,142	1,613,955	1,653,097

Classification According to the Fair Value Hierarchy 2020

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Plant and Equipment at Fair Value				
Motor Vehicle	-	29,500	-	29,500
Furniture and Fittings	-	16,350	-	16,350
Computer Equipment	-	700	-	700
Office Fit-out	-	-	1,884,430	1,884,430
Security System	-	-	2,000	2,000
Right of Use Assets	-	10,473	-	10,473
	-	57,023	1,886,430	1,943,453

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

15. PLANT AND EQUIPMENT (CONTINUED)

Valuation Techniques, Inputs and Processes

Level 3 Valuation Techniques and Significant Unobservable Inputs

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

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

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

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

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

30 June 2021	Office Fit-out	Security System
	\$	\$
Fair Value at the Beginning of the Reporting Period	1,884,430	2,000
Additions	10,177	-
Depreciation	(282,130)	(522)
Fair Value at the End of the Reporting Period	1,612,477	1,478
 30 June 2020	 Office Fit-out	 Security System
	\$	\$
Fair Value at the Beginning of the Reporting Period	1,454,228	1,866
Additions	571,620	907
Revaluation increments/(decrements) recognised in Other Comprehensive Income	78,945	(505)
Depreciation	(220,363)	(268)
Fair Value at the End of the Reporting Period	1,884,430	2,000

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
16. INTANGIBLE ASSETS		
The Public Trustee and Guardian has internally generated software which is recognised as an intangible asset.		
Computer Software		
Internally Generated Software	931,803	-
Less: Accumulated Amortisation	(154,746)	-
Total Internally Generated Software	<u>777,057</u>	<u>-</u>
Total Intangible Assets	<u>777,057</u>	<u>-</u>

Reconciliation of intangible Assets 2020-21

	Internally Generated Software \$	Total \$
Carrying Amount at the Beginning of Reporting Period	-	-
Additions	931,803	931,803
Amortisation	(154,746)	(154,746)
Carrying Amount at the end of Reporting Period	<u>777,057</u>	<u>777,057</u>

In 2016-17, Public Trustee and Guradian Trust had undertaken the development of a Customer Relationship Manager (CRM) software to increase efficiency with management of trust data. The core software management system had been in use since the 2018 financial year and additional modules were expected to be added in later years as deemed necessary. However, in October 2020 the Trust exhausted its excess funds and was unable to continue developing the software. The project was therefore transferred to the Public Trustee and Guardian.

All development and other software related costs including project management have been capitalised and a gain on transfer of all project costs has been recognised in the Operating Statement under Grants and Contributions. The software will be amortised on a straight-line basis over five years.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
17. PAYABLES		
Current Payables		
Trade Payables (a)	35,445	219,895
Accrued Expenses (b)	125,851	143,046
	<u>161,296</u>	<u>362,941</u>
Net Goods and Services Tax Payable	165,576	163,308
Total Current Payables	326,872	526,249
Total Payables	326,872	526,249
Payables are aged as follows:		
Not Overdue	34,999	19,113
Overdue for Less than 30 Days (c)	446	200,038
Overdue for 30 to 60 Days	-	-
Overdue for More than 60 Days	-	-
Total Current Payables	35,445	219,151
Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Trade Payables	26,903	2,729
Accrued Expenses	106,716	111,491
Total Payables with ACT Government Entities	133,619	114,220
Payables with Non-ACT Government Entities		
Trade Payables	8,542	217,166
Accrued Expenses	19,135	31,555
Net Goods and Services Tax Payable	165,576	163,308
Total Payables with Non-ACT Government Entities	193,253	412,029
Total Current Payables	326,872	526,249
Total Payables	326,872	526,249

(a) In 2019-20, Trade Payables included an invoice for back payment of superannuation entitlements for Official Visitors. This payment was made in July 2020 and was a one-off occurrence. Trade payables have therefore decreased in 2020-21.

(b) Accrued Expenses relate mainly to ICT expenses, Rental expenses, Audit Fees and Professional Fees for accounting services.

(c) Payables that are overdue less than 30 days relate to an outstanding amount payable for a new scanner as Public Trustee and Guardian transitions to being a paper-light workplace.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

18. LEASE LIABILITIES

Agency as a Lessee

Public Trustee and Guardian currently has one lease where it is a lessee. Information relating to the lease in place and associated balances and transactions are provided below.

Terms and Conditions of Leases

Public Trustee and Guardian holds one motor vehicle lease. The lease term is for 3 years. The lease ends in January 2022.

Right-of-Use Assets

	Motor Vehicles	Total
	\$	\$
Balance at the beginning of the reporting period	10,473	10,473
Additions to right-of-use assets	-	-
Depreciation charge	(6,614)	(6,614)
Impairment of right-of-use assets	-	-
Balance at 30 June 2021	3,859	3,859

Lease Liabilities

The maturity analysis of lease liabilities at 30 June 2021 based on contractual undiscounted cash flows is shown in the table below.

< 1 year (\$)	1 – 5 years (\$)	> 5 years (\$)	Total Undiscounted Lease Liabilities (\$)	Total Lease Liabilities included in the Balance Sheet (\$)
4,644	-	-	4,644	4,644

	2021	2020
	\$	\$
Balance Sheet		
Current Lease liabilities	4,644	6,260
Non-Current Lease liabilities	-	4,644
Total Lease Liabilities	4,644	10,904

Operating Statement

The amounts recognised in the operating statement relating to leases where Public Trustee and Guardian is a lessee are shown below.

Depreciation of right-of-use assets	(6,614)	(6,614)
Interest on lease liabilities	92	168

Statement of Cash Flows

Total cash outflow of leases	6,352	6,353
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PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
19. EMPLOYEE BENEFITS		
Current Employee Benefits		
Annual Leave (a)	740,396	619,396
Long Service Leave (b)	1,250,342	1,394,494
Accrued Salaries	170,067	121,571
Other Employee Benefits	64,035	52,635
Total Current Employee Benefits	2,224,840	2,188,096
Non-Current Employee Benefits		
Long Service Leave	247,138	132,556
Total Non-Current Employee Benefits	247,138	132,556
Total Employee Benefits	2,471,978	2,320,652

Estimated Amount Payable within 12 months		
Annual Leave	740,396	619,396
Long Service Leave	22,083	90,006
Accrued Salaries	170,067	121,571
Other Employee Benefits	64,035	52,635
Total Employee Benefits Payable within 12 months	996,581	883,608
Estimated Amount Payable after 12 months		
Long Service Leave	1,475,397	1,437,044
Total Employee Benefits Payable after 12 months	1,475,397	1,437,044
Total Employee Benefits	2,471,978	2,320,652

The Public Trustee and Guardian had an average of 65.57 full time equivalent staff employed at 30 June 2021 (61.45 at 30 June 2020).

(a) Annual leave liability has increased in 2020-21 as a result of a number of staff forgoing leave due to uncertainty with restrictions relating to the COVID-19 Pandemic.

(b) Long Service leave accrues from the commencement of employment by a staff member. As the period of service increases, so do the benefits. However, long service leave provision has decreased in 2020-21 due to the present value factor used for calculating long service leave falling from 113.6 percent in 2019-20 to 108.6 percent in 2020-21.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
20. LEASE INCENTIVE LIABILITY		
Current Lease Incentive Liability		
Lease Incentive Liability	-	46,936
Total Current Lease Incentive Liability	-	46,936
Non-Current Lease Incentive Liability		
Lease Incentive Liability	-	266,727
Total Non-Current Lease Incentive Liability	-	266,727
Total Lease Incentive Liability	-	313,663

The ACT Property Group entered into a lease on 6 March 2017 on behalf of Public Trustee and Guardian for part of the ground floor and level 9, 221 London Circuit, Canberra. The lease included a lease incentive of \$469,359 for the fit-out of level 9, 221 London Circuit, Canberra.

The new AASB 16 Leases standard removes lease incentive liabilities from the Balance Sheet and they are now included in the measurements of both right-of-use assets and lease liabilities instead. As Public Trustee and Guardian does not hold any rental leases in its own name, the lease incentive liability has now been recognised in the Operating Statement as Other Income.

21. OTHER PROVISIONS		
Current Other Provisions		
Provision for Dividends	387,490	-
Total Current Other Provisions	387,490	-
Non-Current Other Provisions		
Provision for Make Good	130,115	138,230
Total Non-Current Other Provisions	130,115	138,230
Total Other Provisions	517,605	138,230

Provision for Dividends

The Public Trustee and Guardian proposed a final dividend of \$387,490 and this amount was authorised to be paid before the end of the reporting period. The dividend reflects 50% of the operating surplus for 2020-21. This amount will be paid to the ACT Government in the 2021-22 financial year.

Reconciliation of the Provision for Dividends

Balance at the Beginning of the Reporting Period	-	-
Increase in Provision during the Reporting Period	387,490	-
Amount Paid during the Reporting Period	-	-
Provision for Dividends at the end of the Reporting Period	387,490	-

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

21. OTHER PROVISIONS (CONTINUED)

Provision for Make Good

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

The provision for make good was valued at \$138,230 on 30 June 2020. The expected future outlay is estimated to be \$135,353 to meet the make good obligation. The present value using the average of 5 and 10 year Commonwealth Government bond rate as at 30 June 2020 (1.125%) is \$130,115.

	2021 \$	2020 \$
Reconciliation of Provision for Make Good		
Balance at the Beginning of the Reporting Period	138,230	136,111
(Decrease) / Increase in Provision due to		
Unwinding of Discount	(8,115)	3,539
(Decrease) in Provision due to revaluation of		
Make Good	-	(1,420)
Balance at the End of the Reporting Period	130,115	138,230

22. FINANCIAL INSTRUMENTS

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

(a) Credit Risk

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

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

Credit risk of receivables is managed by ensuring clients are invoiced for services, and requesting payment from clients when the service is performed. There have been no significant changes in credit risk exposure since last reporting period. Trade receivables are always measured at lifetime expected credit losses (the simplified approach).

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

22. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity Risk

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

The Public Trustee and Guardian's exposure to liquidity risk and the management of this risk has not changed since the last reporting period.

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

(c) Fair Value of Financial Assets and Liabilities

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

	Note No.	Carrying Amount 2021 \$	Fair Value 2021 \$	Carrying Amount 2020 \$	Fair Value 2020 \$
Financial Assets					
Cash and Cash Equivalents	12	5,156,640	5,156,640	1,194,780	1,194,780
Receivables	13	606,155	606,155	507,580	507,580
Investments	14	-	-	4,152,102	4,152,102
Total Financial Assets		5,762,795	5,762,795	5,854,462	5,854,462
Financial Liabilities					
Payables	17	161,296	161,296	362,941	362,941
Lease Liabilities	18	4,644	4,644	10,904	10,904
Total Financial Liabilities		165,940	165,940	373,845	373,845

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

22. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Maturity Analysis and Exposure to Interest Rates

The following table sets out the Public Trustee and Guardian's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2021. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

		Weighted Average Interest Rate	Fixed Interest Maturing In:							
			Floating Interest Rate \$	1 Year or Less \$	Over 1 Year to 5 Years \$		Over 5 Years \$	Non- Interest Bearing \$	Interest Bearing \$	Total \$
Financial Instruments										
Financial Assets										

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

22. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Maturity Analysis and Exposure to Interest Rates

The following table sets out the Public Trustee and Guardian's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2020. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	30 June 2020	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturing In:					Non- Interest Bearing	Interest Bearing	Total
				1 Year or Less	Over 1 Year to 5 Years	Over 5 Years					
	Note No.			\$	\$	\$			\$	\$	\$
Financial Instruments											
Financial Assets											
Cash and Cash Equivalents	12	1.51%	1,194,080	-	-	-	-	700	-	-	1,194,780
Receivables	13	-	-	-	-	-	-	507,580	-	-	507,580
Investments	14	1.85%	-	4,152,102	-	-	-	-	-	-	4,152,102
Total Financial Assets			1,194,080	4,152,102	-	-	-	508,280	-	-	5,854,462
Financial Liabilities											
Payables	17	-	-	-	-	-	-	362,941	-	-	362,941
Lease Liabilities	18	-	-	6,260	4,644	-	-	-	-	-	10,904
Total Financial Liabilities			-	6,260	4,644	-	-	362,941	-	-	373,845
Net Financial Assets / (Liabilities)			1,194,080	4,145,842	(4,644)	-	-	145,339	-	-	5,480,617

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

22. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair Value Hierarchy

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

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

23. CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the end of the Reporting Period in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet

	2021	2020
	\$	\$
Total Cash and Cash Equivalents Recorded in the Balance Sheet	5,156,640	1,194,780
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows	5,156,640	1,194,780

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

Operating Income / (Deficit)	774,982	(623,160)
Add / (Less) Non-Cash Items		
Depreciation and Amortisation	451,420	233,261
Borrowing costs	(8,023)	3,707
Adjustment to Interest on Investment reinvested	-	(2,102)
Amortisation of lease incentive	(46,935)	(46,935)
Reclassification of lease incentive	(266,727)	-
Transfer of Intangible Assets	(715,658)	-
Cash Before Changes in Operating Assets and Liabilities	189,059	(435,229)
Changes in Operating Assets and Liabilities		
(Increase) in Receivables	(98,575)	(66,031)
Decrease in Prepayments	-	18,789
(Decrease) / Increase in Payables	(199,377)	248,757
Increase in Employee Benefits	151,326	273,816
Net Changes in Operating Assets and Liabilities	(146,626)	475,331
Net Cash Inflows from Operating Activities	42,433	40,102

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

24. RELATED PARTY DISCLOSURES

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

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

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

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

(A) CONTROLLING ENTITY

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

(B) KEY MANAGEMENT PERSONNEL

B.1 Compensation of Key Management Personnel

Compensation details for all Cabinet Ministers, including the Attorney-General, is disclosed in the note on related party disclosures, included in the ACT Executive's financial statements for the financial year ended 30 June 2021.

Compensation of the Head of Service is included in the note on related party disclosures, included in the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) financial statements for the financial year ended 30 June 2021.

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

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

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

24. RELATED PARTY DISCLOSURES (CONTINUED)

(B) KEY MANAGEMENT PERSONNEL (CONTINUED)

B.1 Compensation of Key Management Personnel (continued)

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

	2021	2020
	\$	\$
Short-term employee benefits	625,564	626,747
Post employment benefits	89,669	87,224
Other long-term benefits	14,844	14,923
Total Compensation by Public Trustee and Guardian to KMP	730,077	728,894

B.2 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

B.3 TRANSACTIONS WITH PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

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

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

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

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

25. BUDGETARY REPORTING

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

- (i) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (ii) The variances (original budget to actual) are greater than plus (+) or minus (-) 2.5% and \$500,000 of the budget for the financial statement line item.

Operating Statement Line Items	Actual 2020-21	Original Budget* 2020-21	Variance	Variance	Variance Explanation
	\$	\$	\$	%	
Employee Expenses	6,768,715	5,982,000	786,715	13%	The higher than anticipated value of Employee Expenses paid during the year is due to a greater number of staff employed during the year to cover more complex workloads. Average fulltime equivalent staff for the year was 65.57 compared to a budgeted figure of 64.12. Additionally, this was the first full year where Official Visitors were being remunerated under Wages and Salaries following advice from the ACT Remuneration Tribunal. Annual leave expenses also increased due to a number of staff cancelling or forgoing leave due to health and safety directions around the COVID-19 pandemic.

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

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

25. BUDGETARY REPORTING (CONTINUED)

Balance Sheet Line Items	Actual 2020-21	Original Budget* 2020-21	Variance	Variance	Variance Explanation
Cash and Cash Equivalents	\$ 5,156,640	\$ 1,706,000	\$ 3,450,640	% 202%	The higher than anticipated value of Cash and Cash Equivalents held is due to transfer of funds from term deposits (short-term investments) to cash at bank. This was initiated to take advantage of higher interest rates on bank account balances compared to those on offer at maturity of short-term investments.
Intangible Assets	777,057	-	777,057	100%	The higher than anticipated value of Intangible Assets is related to the recognition of an internally generated Customer Relationship Manager software. The software was initially being developed using funds from the Trust Account with the Public Trustee and Guardian taking control from October 2020 as the Public Trustee and Guardian Trust was unable to fund the project to completion.

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

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

25. BUDGETARY REPORTING (CONTINUED)

Statement of Cash Flows Line Items	Actual 2020-21	Original Budget* 2020-21	Variance	Variance	Variance Explanation
Employee Expenses	\$ 6,618,761	\$ 5,976,000	\$ 642,761	% 11%	The higher than anticipated value of Employee Expenses paid during the year is due to a higher number of staff employed during the year to cover more complex workloads. Average fulltime equivalent staff for the year was 65.57 compared to a budgeted figure of 64.12. Additionally, this was the first full year where Official Visitors were being remunerated under Wages and Salaries following advice from the ACT Remuneration Tribunal. Annual leave expenses also increased due to a number of staff cancelling or forgoing leave due to health and safety directions around the COVID-19 pandemic.
Sale of investments	4,152,102	900,000	3,252,102	361%	The higher than anticipated value of Sale of Investments was due to transfer of funds from term deposits to cash at bank. This was initiated to take advantage of higher interest rates on bank account balances compared to those on offer at maturity of short-term investments.

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

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

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

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

- an Operating Statement for the reporting period;
- a Balance Sheet at the end of the reporting period;
- a Statement of Changes in Equity for the reporting period;
- a Statement of Cash Flows for the reporting period;
- a Statement of Appropriation for the reporting period;
- the significant accounting policies adopted for the reporting period; and
- such other statements as are necessary to fairly reflect the financial operations of the Public Trustee and Guardian during the year and its financial position at the end of the reporting period.

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

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

ACCRUAL ACCOUNTING

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

CURRENCY

These financial statements are presented in Australian dollars.

INDIVIDUAL NOT-FOR- PROFIT REPORTING ENTITY

The Public Trustee and Guardian is an individual not-for-profit reporting entity.

REPORTING PERIOD

These financial statements state the financial performance, changes in equity and cash flows of the Public Trustee and Guardian for the year ending 30 June 2021 and the financial position of the Public Trustee and Guardian as at 30 June 2021.

COMPARATIVE FIGURES

BUDGET FIGURES

To facilitate a comparison with the Budget Papers, as required by the FMA, budget numbers for 2020-21 have been presented in the financial statements. Budget numbers in the financial statement are the original budget numbers that appear in the Budget Papers.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

COMPARATIVE FIGURES (CONTINUED)

PRIOR YEAR COMPARITIVES

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

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

ROUNDING

All amounts in the financial statements have been rounded to the nearest whole dollar (\$). Use of “-” represents zero amounts or amounts rounded down to zero.

GOING CONCERN

The 2020-21 financial statements have been prepared on a going concern basis as the ongoing functions, activities and funding of the Public Trustee and Guardian are funded through appropriations from ACT Government and Fees and Charges of PTG’s Trust Fund. The 2021-22 Budget will be presented to the Legislative Assembly subsequent to the signing of Public Trustee and Guardian’s 2020-21 financial statements.

IMPACT OF THE COVID-19 PANDEMIC ON THE PUBLIC TRUSTEE AND GUARDIAN FINANCIAL RESULTS

The Public Trustee and Guardian has assessed the impact of the COVID-19 pandemic on its financial results.

The impact on the Public Trustee and Guardian has been minimal. Investment revenue is lower than budget and the prior year, largely due to a continued low interest rate environment. Sales of Goods and Services is higher than budget and the prior year, as there has been an increase in funds under management and an increase in the number of matters finalised generally. There has been a decrease in costs associated with Supplies and Services including staff training, marketing, postage and printing due to a majority of staff working from home. None of these items have had a material impact on the operating result. There has been no impact on balance sheet items. Some of the services provided by the Public Trustee and Guardian have been negatively affected, for example will and enduring power of attorney drafting and property visits, however these changes have had minimal impact on revenue.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES - INCOME

REVENUE RECOGNITION

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers where the contract is enforceable and contains sufficiently specific performance obligations, otherwise revenue is in the scope of AASB 1058 Income of not-for-Profit Entities.

AASB 15

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. identify the contract with the customer;
2. identify the performance obligations;
3. determine the transaction price;
4. allocate the transaction price; and
5. recognise revenue as or when control of the performance obligation is transferred to the customer.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of Public Trustee and Guardian have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Commissions are paid each month on the value of the income earned on all funds under management of the Public Trustee and Guardian. Management fees are paid based on a percentage of the client funds invested in the Public Trustee and Guardian Trust account.

AASB 1058

Where revenue streams are in the scope of AASB 1058, Public Trustee and Guardian recognises the asset received (generally cash or other financial asset) at fair value, recognises any related amount (e.g. liability or equity) in accordance with an accounting standard and recognises revenue as the residual between the fair value of the asset and the related amount on receipt of the asset.

NOTE 3 – CONTROLLED RECURRENT PAYMENTS

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

NOTE 4 – SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

Revenue from rendering of services is recognised when the Public Trustee and Guardian and Guardian satisfies the performance obligation by transferring the promised services. Public Trustee and Guardian charge fees and commission mainly from providing a range of trustee and financial management services. Performance obligation is typically satisfied when service is delivered.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES - EXPENSES

NOTE 4 – SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

(CONTINUED)

Revenue streams include:

- Commissions and fees for trustee matters are recognised at the time the charges are levied. The rates and timing of charges are governed by the Public Trustee and Guardian Regulation 2017.
- Public Trustee and Guardian charges a percentage value of the total value of chargeable assets in a client's estate for the financial management of that estate. Fees include management fees, investment fees, and other fees while retaining Public Trustee and Guardian's power to recover additional costs incurred, where applicable.
- Genealogy and legal fees are accrued and recognised as costs incurred.

NOTE 6 – EMPLOYEE EXPENSES

Employee benefits include:

- Short-term employee benefits, such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months (see Appendix B - Note 19 *Employee Benefits* if lower than 12 months) after the end of the annual reporting period in which the employees render the related services;
- Other long-term benefits, such as long service leave and annual leave; and
- Termination benefits.

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

(See Appendix B – Note 19 *Employee Benefits* for accrued wages and salaries and annual and long service leave).

NOTE 7 – SUPERANNUATION EXPENSES

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

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

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

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES (CONTINUED)

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

SUPERANNUATION LIABILITY RECOGNITION

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

NOTE 8 – SUPPLIES AND SERVICES

REPAIRS AND MAINTENANCE

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

NOTE 10 – WAIVERS AND WRITE-OFFS

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

NOTE 15 & 16 – DEPRECIATION & AMORTISATION OF NON-CURRENT ASSETS

Depreciation is applied to physical assets such as plant and equipment. Depreciation is calculated on a straight-line basis and the useful lives of all major assets held by the Public Trustee and Guardian are reviewed annually. Amortisation is applied to intangible assets and is calculated on a straight-line basis over the useful life of the asset. For intangible assets classified as software amortisation is applied on a straight-line basis for 5 years.

Depreciation & Amortisation of non-current assets is determined as follows:

Class of Asset	Depreciation Method	Useful Life (Years)
Furniture and Fittings	Straight line	5-10
Computer Equipment	Straight line	5
Office Fit-out	Straight line	5-10
Security System	Straight line	5
Motor Vehicle	Straight line	8
Software	Straight line	5

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

ASSETS – CURRENT AND NON-CURRENT

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

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – FAIR VALUE OF ASSETS

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

NOTE 12 – CASH AND CASH EQUIVALENTS

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

NOTE 13 - RECEIVABLES

ACCOUNTS RECEIVABLE

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

IMPAIRMENT LOSS - RECEIVABLES

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

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

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

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

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

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – ASSETS (CONTINUED)

NOTE 14 – INVESTMENTS

Investments are held with the various Banking Institutions for a fixed period varying between three to twelve months. Any interest income earned at the end of each fixed term is recognised in the Operating Statement.

NOTE 15 – PLANT AND EQUIPMENT

ACQUISITION AND RECOGNITION OF PLANT AND EQUIPMENT

Plant and equipment is initially recorded at cost.

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

Plant and equipment with a minimum value of \$2,000 are capitalised.

MEASUREMENT OF PLANT AND EQUIPMENT AFTER INITIAL RECOGNITION

Plant and equipment is subsequently measured at fair value.

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

Right-of-use assets are initially measured at cost. After the commencement date, right of use assets are measured at cost less any accumulated depreciation and accumulated losses and adjusted for any re-measurement of the lease liability. Right-of-use assets are presented in property, plant and equipment under the relevant asset class.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – USEFUL LIVES OF PLANT AND EQUIPMENT

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

Further information concerning useful lives can be found in Appendix B – Note 15 & 16 *Depreciation & Amortisation of Non-current Assets*.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – ASSETS (CONTINUED)

NOTE 16 – INTANGIBLE ASSETS

The Public Trustee and Guardian's intangible assets are comprised of internally generated software for internal use only. Internally generated software is recognised when it meets the general recognition criteria outlined below and where it also meets the specific recognition criteria relating to intangible assets arising from the development phase of an internal project. Internally generated software is capitalised when:

- (a) it is probable that the expected future economic benefits attributable to the software will flow to the Public Trustee and Guardian;
- (b) the cost of the software can be measured reliably; and
- (c) the acquisition cost is equal to or exceeds \$50,000.

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 5 years.

Intangible Assets are measured at cost.

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES

LIABILITIES – CURRENT AND NON-CURRENT

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Public Trustee and Guardian does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities which do not fall within the current classification are classified as non-current.

NOTE 17 – PAYABLES

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

Payables include Trade Payables and Accrued Expenses.

NOTE 18 – LEASE LIABILITIES

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that termination option.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES (CONTINUED)

NOTE 18 – LEASE LIABILITIES (CONTINUED)

After the commencement date, lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The rate at which the lease payments are discounted was not able to be readily determined, therefore the rate on the ACT Accounting website is used (<https://apps.treasury.act.gov.au/accounting>). This rate reflects the lessee's incremental borrowing rate consistent with Treasury policy.

At inception of a contract, Public Trustee and Guardian assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset;
- Public Trustee and Guardian has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- Public Trustee and Guardian has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement date, Public Trustee and Guardian recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Public Trustee and Guardian is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in Public Trustee and Guardian's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in the operating statement if the carrying amount of the right-of-use asset has been reduced to zero.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES (CONTINUED)

NOTE 18 – LEASE LIABILITIES (CONTINUED)

The Public Trustee and Guardian applies the exception to lease accounting for both short-term (i.e. leases with a term if less than or equal to 12 months) and leases of low-value (\$10,000 or less at the commencement of the lease), and recognise the payments associated with these leases as an expense on a straight-line basis over the lease term. The Public Trustee and Guardian has a lease over a motor vehicle and has elected not to adopt AASB 16 for leases of intangible assets.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – ESTIMATION OF THE IMPACT OF LEASE EXTENSION OPTIONS

Where a lease contains extension options, at commencement date and at each subsequent reporting date, the public Trustee and Guardian assesses whether it is reasonably certain that the extension options will be exercised. Lease extension options available have been assessed and amounts included in the value of the leases where extension options are reasonably certain.

NOTE 19 – EMPLOYEE BENEFITS

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

WAGES AND SALARIES

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

ANNUAL AND LONG SERVICE LEAVE

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

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2020-21 the rate used to estimate the present value of future:

- Annual leave payments is 100.2% at 30 June 2021 (100.9% in 2019-20).
- Long service leave is 108.6% at 30 June 2021 (113.6% in 2019-20).

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

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

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES (CONTINUED)

NOTE 19 – EMPLOYEE BENEFITS (CONTINUED)

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

SIGNIFICANT JUDGEMENTS AND ESTIMATES – EMPLOYEE BENEFITS

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

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in April 2019. The next actuarial review is expected to be undertaken by early 2022.

NOTE 20 – LEASE INCENTIVE LIABILITY

The ACT Property Group on behalf of the Public Trustee and Guardian has an agreement to lease the part of the ground floor and level 9 of 221 London Circuit, Canberra, from 6 March 2017. A lease incentive was provided by the landlord when the Public Trustee and Guardian entered into this lease. As the Public Trustee and Guardian currently does not hold any rental leases, the lease incentive has been reallocated to the Operating Statement and recognised as Other Income at its carrying value, in accordance with AASB 16 Leases.

NOTE 21 – OTHER PROVISIONS

PROVISION FOR MAKE GOOD

Public Trustee and Guardian has recorded a liability and a corresponding asset for the estimated cost of returning the premises occupied by the Public Trustee and Guardian, to a similar condition to that which existed prior to the occupancy if the Public Trustee and Guardian was to leave. The provision for make good was estimated by a qualified independent valuer at 30 June 2020.

SIGNIFICANT JUDGEMENTS AND ESTIMATES – PROVISION FOR MAKE GOOD

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

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES

NOTE 22 – FINANCIAL INSTRUMENTS

Financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both;
(a) the business model for managing the financial assets; and
(b) the contractual cash flow characteristics of the financial assets.

Financial liabilities are measured at amortised cost.

ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

All Australian Accounting Standards and Interpretations issued but yet to be applied are either not relevant to the Public Trustee and Guardian or have been assessed as having an immaterial financial impact on the Public Trustee and Guardian.

These standards and interpretations are applicable to future reporting periods. Public Trustee and Guardian does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date.



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the special purpose financial statements (financial statements) of the Public Trustee and Guardian Trust Account (Trust Account) for the year ended 30 June 2021 which comprise the operating statement for the Common Fund Interest Account and Guarantee and Reserve Account, balance sheet, statement of changes in equity, statement of cash flows and accompanying notes.

In my opinion, the financial statements:

- (i) present fairly the Trust Account's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended; and
- (ii) is presented in accordance with the basis of preparation described in Note 2 - Appendix A of the financial statements.

Basis for opinion

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

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

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

Emphasis of matter

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

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

Responsibilities of the Public Trustee and Guardian for the financial statements

The Public Trustee and Guardian is responsible for:

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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



Ajay Sharma
Assistant Auditor-General, Financial Audit
23 September 2021

**PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**


DECLARATION BY THE PUBLIC TRUSTEE AND GUARDIAN

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

I declare that:

1. the financial statements and notes, as set out on pages 2 to 16, present the Trust's financial position at 30 June 2021 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
2. in the Public Trustee and Guardian's opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Public Trustee and Guardian



Andrew Taylor

Dated 23 September 2021

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

OPERATING STATEMENT - COMMON FUND INTEREST ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Note No.	2021 \$	2020 \$
Income			
Dividends		13,518,592	4,726,200
Interest		1,109,060	1,985,494
Management Fee Rebate		246,546	231,039
Net Gain / (Loss) on Investments	3	7,302,951	(2,214,339)
Total Income		22,177,149	4,728,394
Expenses			
Interest Distributed to Estates and Trusts		101,004	853,406
Dividend Distributed to Estates and Trusts		12,489,065	3,761,757
Net Gain / (Loss) Distributed to Estates and Trusts	3	7,302,951	(2,214,339)
Bank Fees		115	115
Management Fees		2,282,990	2,294,276
Total Expenses		22,176,125	4,695,215
Operating Surplus		1,024	33,179
Total Comprehensive Income		1,024	33,179

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

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT
OPERATING STATEMENT - GUARANTEE AND RESERVE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2021

	Note No.	2021 \$	2020 \$
Income			
Interest		11,144	23,686
Total Income		11,144	23,686
Expenses			
Depreciation		16,000	16,000
Commission		628	1,721
Management Fees		14,980	17,008
Information Technology Costs	4	40,177	264,365
Other Expenses		32,538	200
Total Expenses		104,323	299,294
Operating (Deficit)		(93,179)	(275,608)
Other Comprehensive Income			
Increase in Asset Revaluation Surplus		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive (Deficit)		(93,179)	(275,608)

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

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

 BALANCE SHEET
 AS AT 30 JUNE 2021

	Note No.	2021 \$	2020 \$
Assets			
Current Assets			
Cash and Cash Equivalents	5	440,923	1,187,256
Receivables	6	3,998,325	3,243,448
Investments	7	128,460,000	106,963,038
Unrealised Assets	8	218,250,783	178,033,237
Total Current Assets		351,150,031	289,426,979
Non-Current Assets			
Investments	7	133,133,177	119,074,382
Property	9	288,000	304,000
Total Non-Current Assets		133,421,177	119,378,382
Total Assets		484,571,208	408,805,361
Liabilities			
Current Liabilities			
Trust Liabilities	10	17,273,528	11,538,368
Other Liabilities	11	-	23,295
Total Current Liabilities		17,273,528	11,561,663
Non-Current Liabilities			
Estates and Trusts Under Administration	12	465,479,963	395,333,826
Total Non-Current Liabilities		465,479,963	395,333,826
Total Liabilities		482,753,491	406,895,489
Net Assets		1,817,717	1,909,872
Equity			
Common Fund Interest Account		88,101	87,077
Guarantee and Reserve Account		1,293,588	1,386,767
Asset Revaluation Surplus		436,028	436,028
Total Equity		1,817,717	1,909,872

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

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Asset Revaluation Surplus 2021 \$	Common Fund Interest Account 2021 \$	Guarantee and Reserve Account 2021 \$	Total 2021 \$
YEAR ENDED 30 JUNE 2021				
Balance at the Beginning of the Reporting Period	436,028	87,077	1,386,767	1,909,872
Comprehensive Income				
Common Fund Interest Account - Operating Surplus	-	1,024	-	1,024
Guarantee and Reserve Account - Operating (Deficit)	-	-	(93,179)	(93,179)
Total Comprehensive Income /(Deficit)	-	1,024	(93,179)	(92,155)
Balance at the End of the Reporting Period	436,028	88,101	1,293,588	1,817,717

	Asset Revaluation Surplus 2020 \$	Common Fund Interest Account 2020 \$	Guarantee and Reserve Account 2020 \$	Total 2020 \$
YEAR ENDED 30 JUNE 2020				
Balance at the Beginning of the Reporting Period	436,028	53,898	1,662,375	2,152,301
Comprehensive Income				
Common Fund Interest Account - Operating (Surplus)	-	33,179	-	33,179
Guarantee and Reserve Account - Operating (Deficit)	-	-	(275,608)	(275,608)
Total Comprehensive Income /(Deficit)	-	33,179	(275,608)	(242,429)
Balance at the End of the Reporting Period	436,028	87,077	1,386,767	1,909,872

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

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2021

	Note No.	2021 \$	2020 \$
Cash Flows from Operating Activities			
Receipts			
Interest		1,230,261	2,640,267
Dividends		12,649,122	3,370,357
Total Receipts from Operating Activities		13,879,383	6,010,624
Payments			
Management and Other Fees		2,355,061	2,545,004
Total Payments from Operating Activities		2,355,061	2,545,004
Net Cash Inflows from Operating Activities	14(b)	11,524,322	3,465,620
Cash Flows from Investing Activities			
Receipts			
Proceeds from the Sale / Maturity of Investments		74,508,000	118,161,000
Total Receipts from Investing Activities		74,508,000	118,161,000
Payments			
Purchase of Investments		102,496,962	136,067,000
Total Payments from Investing Activities		102,496,962	136,067,000
Net Cash (Outflows) from Investing Activities		(27,988,962)	(17,906,000)
Cash Flows from Financing Activities			
Receipts			
Receipts from Trusts and Estates		77,322,500	83,787,890
Total Receipts from Financing Activities		77,322,500	83,787,890
Payments			
Payments to Trusts and Estates		61,604,193	69,474,699
Total Payments from Financing Activities		61,604,193	69,474,699
Net Cash Inflows from Financing Activities		15,718,307	14,313,191
Net (Decrease) in Cash and Cash Equivalents		(746,333)	(127,189)
Cash and Cash Equivalents at Beginning of the Reporting Period		1,187,256	1,314,445
Cash and Cash Equivalents at End of the Reporting Period	14(a)	440,923	1,187,256

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

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. ACTIVITIES OF THE PUBLIC TRUSTEE AND GUARDIAN

The functions of the Public Trustee and Guardian are defined in the *Public Trustee and Guardian Act 1985* and include the administration of deceased estates and trusts and the preparation of wills. The Public Trustee and Guardian also acts as Attorney under Enduring Powers of Attorney and as Guardian and Manager under order of the ACT Civil and Administrative Tribunal. These financial statements show the value of trust, attorney and management funds under administration at 30 June 2021 and the results of these operations for the year ended 30 June 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

	2021 \$	2020 \$
3. NET GAIN / (LOSS) ON INVESTMENTS		
Realised (Loss) / Gain on Investments	(3,395)	9,220
Unrealised Gain / (Loss) on Investments (a)	7,306,346	(2,223,559)
Total Net Gain / (Loss) on Investments	7,302,951	(2,214,339)
Realised (Loss) / Gain Distributed to Estates and Trusts	(3,395)	9,220
Unrealised Gain / (Loss) Attributable to Estates and Trusts (a)	7,306,346	(2,223,559)
Total Net Gain / (Loss) Distributed to Estates and Trusts	7,302,951	(2,214,339)

(a) There is an unrealised gain for 2020-21 as a result of an incline in the market in the current financial year following a significant decrease being recognised for the prior year. Capital growth across the investments held was 5.5% on the funds in 2020-21 compared to -2.52% in 2019-20.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
4. INFORMATION TECHNOLOGY COSTS		
Information Technology Costs	40,177	264,365
Total Information Technology Costs	40,177	264,365

The Public Trustee and Guardian continues to undergo a 'Business Transformation Project' to improve organisation efficiency, the infrastructure, organisational culture and services delivered. The expenses for this project include upgrades of a number of software applications in addition to costs of a full-time Project Manager to oversee this transition. Funding and management of the project was taken over by the Public Trustee and Guardian in October 2020 as the funds available had been depleted in the trust account.

This is an allowable application of the common fund Guarantee and Reserve account under S.61(5) (c) of the *Public Trustee and Guardian Act 1985*.

5. CASH AND CASH EQUIVALENTS

Cash at Bank - Common Fund	11,253	107,431
Cash at Bank - Guarantee and Reserve (a)	29,670	124,825
Investments - Common Fund (b)	400,000	955,000
Total Cash and Cash Equivalents	440,923	1,187,256

(a) Cash at Bank - Guarantee and Reserve decreased due to cash outflows for costs in relation to the Business Transformation Project (refer to Note 4 Information Technology Costs).

(b) Investments - Common Fund decreased due to funds received from clients at year end being lower than 2019-20, these funds were placed into the call account until they were able to be invested.

6. RECEIVABLES

Current		
Interest Receivable (a)	316,779	426,835
Dividend Receivable (b)	3,543,038	2,673,569
Management Fee Rebates Receivable	63,145	57,558
Gifts Receivable	32,500	36,500
Reduced Input Tax Credits	42,863	48,986
Total Receivables	3,998,325	3,243,448

(a) Interest Receivable represents interest on invested funds not yet received as at 30 June 2021. A decrease in interest receivable is due to a decrease in the interest rates on offer by financial institutions as a result of a declining market.

(b) Dividend Receivable has increased due to a higher rate of return at 30 June 2021.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
7. INVESTMENTS		
Current Investments		
Investments - Common Fund	127,050,000	105,553,038
Investments - Guarantee and Reserve	1,410,000	1,410,000
Total Current Investments (a)	128,460,000	106,963,038
Non-Current Investments		
Conservative Common Fund	15,737,108	15,866,027
Balanced Common Fund	42,652,640	40,013,880
Growth Common Fund	74,743,429	63,194,475
Total Non-Current Investments (b)	133,133,177	119,074,382
Total Investments	261,593,177	226,037,420

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

(a) Term Deposits have increased due to an increase in the amount of client funds under management.

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

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

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

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

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
8. UNREALISED ASSETS		
Properties at Cost:		
Real Estate	104,003,400	78,184,398
Total Properties at Cost (a)	104,003,400	78,184,398
Unit Based Assets - at Fair Value:		
Shares (b)	10,078,724	5,265,777
Superannuation Policies	358,972	731,163
Property and Unit Trusts	276,642	966,662
Total Unit Based Assets - at Fair Value	10,714,338	6,963,602
Other Assets - at Cost:		
Nursing Home/Retirement Village Bonds	15,366,166	15,450,599
Superannuation Policies (c)	81,044,118	66,418,071
Prepaid Funerals	170,113	164,518
Managed Funds	823,603	1,200,068
Investments (d)	4,896,489	8,397,195
Personal Effects	1,232,556	1,254,786
Total Other Assets - at Cost	103,533,045	92,885,237
Total Unrealised Assets	218,250,783	178,033,237

(a) Real Estate holdings increased due to a number of high value assets being forfeited through the *Confiscation of Criminal Assets Act 2003* together with an increase in fair value of holdings due to the increase in the market.

(b) Shares increased due to higher number of holdings together with an increase in the fair value as at 30 June 2021

(c) Superannuation Policies increased during the year due to increased returns from the rising market together with a large value superannuation for new clients of PTG.

(d) Investments decreased due to the closure of client bank accounts and term deposits in the day to day administration of clients assets.

9. PROPERTY

Leasehold Building at Market Value	320,000	365,000
Less: Accumulated Depreciation	(32,000)	(61,000)
Total Property	288,000	304,000

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

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
10. TRUST LIABILITIES		
Mortgages	12,312,331	7,791,119
Funeral Expenses	58,351	138,797
Bank Loans and Credit Cards	79,812	8,616
Medical/Dental Costs	37,793	147,887
Property/Utility Costs	79,666	40,023
Personal Expenses	242,800	63,706
Accommodation/Rent	232,226	106,342
Taxation Debts	335,853	220,599
Sundry Debts	54,046	138,737
Dividends to be Distributed	3,276,071	2,428,665
Accrued Income Commission	210,958	130,811
Accrued Management Fees	353,621	323,066
Total Trust Liabilities	17,273,528	11,538,368

Trust Liabilities increased primarily as result of an increase in the value of the Dividends to be Distributed from the last quarter of 2020-21 being 2.46%, compared with 2.04% for the same period in 2019-20.

11. OTHER LIABILITIES		
Payables	-	10,359
Accrued Expenses	-	12,936
Total Other Current Liabilities	-	23,295

PTG is in the process of developing a Customer Relationship Manager software from October 2020 this was no longer paid from the Guarantee and Reserve account. Funding was sourced from PTG's Office account from October 2020, hence there was no payables or accrued expenses at 30 June 2021.

12. ESTATES AND TRUSTS UNDER ADMINISTRATION		
Unclaimed Monies (a)	50,420,112	46,541,168
Capital Region Community Foundation - Gift Fund (b)	18,933,549	13,692,068
Capital Region Community Foundation - Open Fund (c)	10,801,667	9,229,448
Estates and Trusts (d)	385,324,635	325,871,142
Total Estates and Trusts Under Administration	465,479,963	395,333,826

(a) Unclaimed monies has increased due to the lodgement of Commonwealth Bank Dividends by Link Market Services in February 2021.

(b) Capital Region Community Foundation - Gift Fund has increased due to higher returns on investment and an increase in gifts received.

(c) Capital Region Community Foundation - Open Fund has increased due to higher returns on investment.

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

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

13. CONTINGENT LIABILITIES

Legal Claims

The Public Trustee and Guardian Trust is not currently subject to any legal claims (2020: Nil).

14. CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the end of the Financial Year in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet

	2021	2020
	\$	\$
Cash at Bank	440,923	1,187,256
Total Cash and Cash Equivalents	440,923	1,187,256

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

Operating Surplus - Common Fund	1,024	33,179
Operating (Deficit) - Guarantee and Reserve Account	(93,179)	(275,608)

Add / (Less) Non-Cash Items

Net (Gain) / Loss on Investments	(7,302,951)	2,214,339
Depreciation	16,000	16,000
Management Fee Rebates	(246,546)	(231,039)
Interest Distributed to Estates and Trusts	101,004	853,406
Reinvestment of Interest	-	(3,038)
Dividends Distributed to Estates and Trusts	12,489,065	3,761,757
Net Gain / (Loss) Distributed to Estates and Trusts	7,302,951	(2,214,339)
Net Cash Inflow Before Changes in Operating Assets and Liabilities	12,267,368	4,154,657

Changes in Operating Assets and Liabilities:

(Increase) in Receivables	(750,307)	(725,350)
Decrease in Prepayments	-	8,360
Increase in Trust Liabilities	30,556	25,637
(Decrease) / Increase in Other Liabilities	(23,295)	2,316
Net Change in Operating Assets and Liabilities	(743,046)	(689,037)
Net Cash Inflows from Operating Activities	11,524,322	3,465,620

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

BASIS OF PREPARATION

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

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

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

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

ACCRUAL ACCOUNTING

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

CURRENCY

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

ROUNDING

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

PRIOR YEAR COMPARATIVES

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

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

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES - INCOME

REVENUE RECOGNITION

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers where the contract is enforceable and contains sufficiently specific performance obligations, otherwise revenue is in the scope of AASB 1058 Income of not-for-Profit Entities.

AASB 15

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. identify the contract with the customer;
2. identify the performance obligations;
3. determine the transaction price;
4. allocate the transaction price; and
5. recognise revenue as or when control of the performance obligation is transferred to the customer.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Public Trustee and Guardian Trust have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

AASB 1058

Where revenue streams are in the scope of AASB 1058, the Public Trustee and Guardian Trust recognises the asset received (generally cash or other financial asset) at fair value, recognises any related amount (e.g. liability or equity) in accordance with an accounting standard and recognises revenue as the residual between the fair value of the asset and the related amount on receipt of the asset.

DIVIDENDS

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

INTEREST

Interest revenue is recognised using the effective interest method.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES - EXPENSES

INTEREST DISTRIBUTIONS

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

DIVIDEND DISTRIBUTIONS

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

NET GAIN DISTRIBUTED TO ESTATES AND TRUSTS

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

MANAGEMENT FEES

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

SIGNIFICANT ACCOUNTING POLICIES - ASSETS

NOTE 7 - INVESTMENTS

Balanced, Growth and Conservative fund investments are valued at market value by the Public Trustee and Guardian's external custodians using independently sourced prices and foreign exchange 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 distributions received on the Balanced Fund, Growth Fund and Conservative Fund investments are recorded net of management fees and charges. These fees are deducted at the source prior to distribution.

NOTE 8 - UNREALISED ASSETS

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

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

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - FAIR VALUE OF UNREALISED ASSETS

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

NOTE 9 - PROPERTY

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

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - IMPAIRMENT OF ASSETS

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

SIGNIFICANT ACCOUNTING POLICIES - LIABILITIES

NOTE 10 - TRUST LIABILITIES

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



PUBLIC TRUSTEE AND GUARDIAN

PUBLIC TRUSTEE AND GUARDIAN INVESTMENT BOARD

REPORT 2020-21

Following is a report on the activities of the Public Trustee and Guardian (PTG) Investment Board (the Board) for 2020-21.

THE BOARD

The Board is established under s.46 of the *Public Trustee and Guardian Act 1985* to provide expertise and to ensure best practice in financial and risk management on -

- investment strategies concerning moneys held in the common funds or otherwise available for investment
- core financial areas related to the development and management of the common funds on behalf of PTG client investors
- distribution of income
- aspects of policy and its implementation to ensure that it complies with the *Public Trustee and Guardian Act 1985* (the Act) and the *Trustee Act 1925*.

MEMBERSHIP

S.48 of the Act requires that the Board be comprised of the Public Trustee and Guardian (Senior Member) and at least two other members appointed by the Minister for a term not longer than three years. Members are appointed on an honorary basis.

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

Body	Position	Member	Expiry Date
Investment Board	Sen. Member	Mr Andrew Taylor	<i>ex officio</i>
Investment Board	Member	Mr Michael White	3 May 2024
Investment Board	Member	Ms Serhan Mackey	9 Sept 2021
Investment Board	Member	Ms Tracy Savage	4 Dec 2021
Investment Board	Member	Mr Patrick McAuliffe	28 Aug 2022
Investment Board	Member	Mr Michael Davison	3 Mar 2021

Michael White

The Board welcomed Michael to the Board on 8 June 2021. Michael is currently Head of Investment Exposure Management, Colonial First State and manages the allocation of cash flows and investment exposures across the entire suite of funds with an average of 1,000 transactions per day worth approximately \$250m. He was formerly a non-executive Director on the Board of The Southern Highlands Foundation (TSHF), a local community foundation, for over three years including the Chair of Investment Committee and two years as Treasurer. The TSHF serves the local community and invests in local causes across indigenous, art, environment and health.

Ms Serhan Mackey

Serhan is the founder and principal adviser of Canberra Advice Financial Planning based in Canberra. She has over 15 years of experience in the finance industry. She has worked as a Financial Planner for the last 13 years including time spent with major wealth management firms such as the BT Group, AMP and AXA Charter in Melbourne and Commonwealth Superannuation Corporation in Canberra. Serhan was also on the panel of the Department of Defence-approved advisers specializing in Military Super, DVA, MSBS, and DFRDB from 2017 to 2019. Serhan has completed a Bachelor of Education, Master of Financial Planning, Master of Business, and an Advanced Diploma in Financial Services.

Ms Tracy Savage

Tracy is CEO and Registrar of the ACT Long Service Leave Authority. In that capacity, she currently manages some \$260M in assets under the four long service leave schemes administered by the Authority. Tracy has over 20 years' experience in Commonwealth Government defined benefits superannuation administration and has served on several Government Boards and Committees. Tracy holds an Executive Master of Public Administration.

Mr Patrick McAuliffe

Patrick is Executive Branch Manager, Asset Liability Management, ACT Treasury in the ACT Chief Minister, Treasury and Economic Development Directorate. Patrick has responsibility for leading the development and implementation of key investment policies and strategies for the ACT Government's financial investment portfolios (\$5.4 billion); the management and funding of the Government's borrowing program (\$8.1 billion); managing the defined benefit employer superannuation liabilities of the Territory and the Government's liability funding strategy (\$10.1 billion); management of the Territory's 'public' account cash flows; and financial accountability and reporting in relation to the investment, borrowing and superannuation liability functions.

Mr Michael Davison is Advocacy Manager at CPA Australia, responsible for leading CPA Australia's advocacy and representation activities on behalf of members across all policy areas within the accounting profession, government and across the broader community. Formerly Senior Policy Adviser, superannuation and financial planning at CPA Australia, Michael has over 15 years' extensive policy and advocacy experience and 25 years' experience in the superannuation and financial services industry. Michael has a Bachelor of Science (ANU) with a mathematics major and a Postgraduate Diploma in Marketing Management at Macquarie Graduate School of Management. Michael's term expired in March 2021.

ASSET/MARKETS CONSULTANT

During the reported year, PTG utilised PricewaterhouseCoopers (PwC) to provide asset/markets consultancy services to the Board including quarterly reports. PTG has implemented most of the recommendations made by PwC contained in the 2020 report following review -

- Review of the investment arrangements of the Cash Common Fund
- Review of the performance of PTG's Fund Manager.

THE YEAR IN REVIEW

Cash Common Fund

Internally managed by PTG with assistance of an external broker. The 2020-21 financial year ended with a return of .20% compared with an interest rate of .80% for 2019-20. The PTG has maintained an interest rate of 0.05% since 1 December 2020, which has seen reserves remain stable due to the refund of input tax credits on management fees.

Conservative Common Fund

Invested in a diversified index trust, performance return for the period to 30 June 2021 was 10.10% compared to 2.8% at 30 June 2020. Invested funds at 30 June 2021 were \$15.9m.

Balanced Common Fund

Invested in a diversified index trust, performance return* for the period to 30 June 2021 was 14.70% compared to 2.4% at 30 June 2020. Invested funds at 30 June 2021 were \$43.26m.

Growth Common Fund

Invested in a diversified index trust, performance return* for the 12 months to 30 June 2021 was 23.00% compared to .1% at 30 June 2020. Invested funds at 30 June 2021 were \$75.75m.

Review of the 1.1% Capital Commission

The Board noted concerns about the continuing drop in rates in the cash investment market against PTG's 1.1% capital commission applied by PTG in its investment and fund management activities. PTG presented a paper to the Board setting out the rationale and history behind the 1.1% capital commission fee and including –

- experiences of other Public Trustees
- potential use of brokerage services in the administration of cash investments
- consideration of the rate paid to clients
- appropriateness of the parameters of PTG's Cash Common Fund Investment Policy
- consideration of advice provided to other Public Trustees
- revisiting the mandatory use of PTG in respect to Government Trust Accounts.

Policy on Debit Balances

Board recommended the development of a policy to underpin the quarterly report to the Board on debit balances in client accounts. It was agreed to defer the matter pending further development of PTG's CRM system.

Review of PTG's Fund Manager

A scoping document was circulated to the Board for comment and an amended version sent to PwC. The purpose of the exercise was to review the performance of PTG's Fund Manager Vanguard and also PTG's performance in respect to its Cash Common Fund investments. The Board considered and recommended the implementation of a number of changes and noted –

- the strength of Vanguard's performance
- issues around the liquidity of the Cash Common Fund
- PwC comment around the use of brokers in the Cash Common Fund
- affirmation of the Auditor-General's advice to distribute the maximum amount possible (while maintaining a reasonable working reserve balance) providing the most equitable treatment of clients
- consideration of a range of measure to resolve the issue of the Cash Common Fund return not covering the 1.1% commission.

Determination of rates paid to clients from the Cash Common Fund

The Board considered the rate payable to clients from investment of the Cash Common Fund on a quarterly basis and closed the year on a rate of .05%. Board noted that the Fund performed within expectation having regard to declining low rates on offer.

Adequacy of the Guarantee and Reserve Account

PTG engaged professional Financial Solutions (PFS) to undertake a review of the adequacy of the GRA. PFS reported at 30 June 2021. PFS reported that GRA's balance and Total Current Assets of \$1.73million (including PTG's warehouse valued at \$320,000) would be sufficient to meet the Recommended Minimum Reserve of \$1.29million.

Commencement of trial of a brokerage service

Board noted PwC's comment that both potential brokers Laminar and Imperium would assist PTG in digitising the manual processes involved in managing its two cash portfolios. Benefits include ability to transact with a larger number of financial institutions in a more time efficient manner, strengthening the governance arrangements and compliance with portfolio and removing the reliance on spreadsheets and the risk of errors in data entry. PTG has entered into a trial with Laminar.

ATTENDANCE TABLE

Member	24.08.20	27.11.20	29.04.21	08.06.21
Mr Andrew Taylor	√	√	√	√
Mr Patrick McAuliffe	√	X	√	√
Ms Tracey Savage*	√	√	√	√
Ms Serhan Mackey**	X	√	√	√
Mr Michael Davison	√	√	-	-
Mr Michael White	-	-	-	√

LOOKING FORWARD

The focus for 2021-22 will be on -

- developing a debit balances policy
- continuing to maximise PTG's return on investment in both cash and invested funds
- completing the trial of broker services

I record my thanks to Board Members as well as PTG's administrative staff to the Board. We acknowledge the valuable advice and contribution by PwC to the Board during 2020/21.

Andrew Taylor
SENIOR MEMBER/
PUBLIC TRUSTEE AND GUARDIAN

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Glossary of Abbreviations and Acronyms

ACAT	Australian Capital Territory Civil and Administrative Tribunal
AGAC	Australian Guardianship and Administration Council
AUSTRAC	Australian Transaction Reports and Analysis Centre
AWA	Australian Workplace Agreement
CAT	Confiscated Assets Trust Fund
COMMBIZ	Commonwealth Bank - Business
COTA	Council on the Ageing
CPA	Certified Practicing Accountant
CRM	Customer Relationship Management System
CSO	Community Service Obligations
EDRMS	Electronic Document and Records Management System
EPOA	Enduring Power of Attorney
ESD	Ecologically Sustainable Development
FMA	<i>Financial Management Act 1996</i>
FTE	Full time equivalent
GST	An indirect broad based consumption tax
JACS	Justice and Community Safety Directorate
JEC	JACS Executive Committee
MDA	Management Discussion and Analysis
MOU	Memorandum of Understanding.
PAACT	Public Advocate of the ACT
PTACT	Public Trustee for the Australian Capital Territory
PTG	Public Trustee and Guardian
PwC	PricewaterhouseCoopers
QA	Quality Assurance
SOG	Senior Officer Grade
SBMP	Strategic Bushfire Management Plan
TACT	Trust Accounting (System)
WHS	Work Health and Safety

Glossary of Technical Terms

Attorney	A person appointed by another to act in his or her place or represent them.
Common Fund	A fund held by more than one person to enable a greater return on the shared investment.
Criminal Assets	Items of value obtained by illegal or criminal acts, forfeited under the <i>Confiscation of Criminal Assets Act 2003</i> .
CSO	Community Service Obligations. Those obligations to the community that the ACT Government purchases from the Public Trustee and Guardian and broadly include financial management services under order of ACAT, Enduring Powers of Attorney, Welfare Funerals, AFP call-outs, examination of external financial manager's accounts, deceased estates less than \$100,000 and Trusts less than \$100,000.
Current Ratio	The ratio of current assets to current liabilities.
Enduring Power of Attorney	A formal instrument by which one person empowers another to represent him/her, or act in his/her place for certain purposes.
Estate	The sum of the transmittable assets less the liabilities of a person, especially of a deceased, a bankrupt or beneficiary.
Executor	The person or company appointed by a Will to administer an estate in accordance with the terms.
Manager	A person appointed under order of ACAT to make financial decisions in relation to a person's financial matters, or a matter affecting that person's property for persons where the person has impaired decision-making ability and is incapable of managing those matters (e.g. bank accounts or property or shares).
Funds Manager	A person or organisation responsible for investing moneys on behalf of another.
Goods and Services Tax	An indirect broad based consumption tax built into the price of specified goods and services and collected at point of sale.
Guardian	A substitute decision-maker appointed under order of ACAT, to make decisions relating to the health and welfare of a person with impaired decision-making ability. A guardian is appointed for a specific time and with specific functions (e.g. where to live, what services they will receive and what medical treatment they should receive or as litigation guardian).
Investment Strategy	A plan distributing assets amongst various investments for future financial return or benefit.
Liquidity	Available cash or the capacity to obtain it on demand.
Long-Term Liability	Payment not required within 12 months or liabilities not classified as current.

Minor	A person under the age of legal majority ie under 18 yrs.
Procurement	Acquisition of goods, services and works by Territory entities.
Prudent Person Principle	A legal rule requiring investment advisers to only make investments for their clients' discretionary accounts that a "prudent person" would make.
Public Interest Disclosure	A report made under "whistleblower" legislation under which a person may confidentially report any corrupt, illegal or fraudulent acts in the public sector.
PTG Investment Board	A board established under s. 47 of the <i>Public Trustee and Guardian Act 1985</i> to advise the Public Trustee and Guardian on investment and related matters.
Risk Profile	An individual's sensitivity to volatility of investments.
Statement of Intent	A statement under s. 58 of the <i>Financial Management Act 1996</i> setting out the activities, objectives and performance criteria of the authority for the year and relating to the ownership by the government in a territory authority or entity.
Sustained Asset Base	Ability to sustain asset base indicated by changes in net assets.
Trustee	A person who holds property in trust for another.
Unclaimed Moneys	Moneys surrendered to the Public Trustee and Guardian on behalf of the Territory under the <i>Unclaimed Money Act 1950</i> .
Will	A written statement made by an individual, which provides for the disposition of property upon death.
Workplace Diversity	The bringing together of different races, genders, cultures, abilities, ages, sexual orientations, family structures, lifestyles & experienced backgrounds in the workplace.

