

estates  
powers of attorney  
wills  
trusts  
estates  
wills  
trusts  
powers of attorney



# PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY

ANNUAL REPORT 2004 | 05



ACT Government



WILLS  
ESTATES  
POWERS OF  
ATTORNEY  
TRUSTS

# PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY

ANNUAL REPORT 2004 | 05

"YOUR FIRST CHOICE FOR TRUSTEE SERVICES IN THE ACT"



ACT Government



WILLS  
ESTATES  
POWERS OF  
ATTORNEY  
TRUSTS

## PUBLIC TRUSTEE FOR THE ACT

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Produced for the Public Trustee by:



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ARABIC	إذا احتجت لمساعدة في الترجمة الشفوية، إتصل برقم الهاتف:
CHINESE	如果你需要传译员的帮助，请打电话:
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**PUBLIC TRUSTEE  
FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**GPO Box 515  
CANBERRA ACT 2601**

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

Mr Jon Stanhope MLA  
Attorney General  
ACT Legislative Assembly  
London Circuit  
**CANBERRA ACT 2601**

Dear Attorney General

I am pleased to present the Annual Report for the Public Trustee for the ACT for the year ended 30 June 2005.

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

I hereby certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of the Public Trustee for the ACT during the period 1 July 2004 to 30 June 2005 has been included and that it complies with the Chief Minister's Annual Report Directions.

I also hereby certify that fraud prevention has been managed in accordance with the Public Sector Management Standard 1, Part 4.

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

Yours sincerely

A handwritten signature in black ink, appearing to read "Andrew Taylor".

Andrew Taylor  
**PUBLIC TRUSTEE FOR THE ACT**



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## PART A – CHIEF EXECUTIVE REVIEW



Andrew Taylor – Public Trustee.

## A.1: OVERVIEW OF THE AGENCY

The Public Trustee is a Territory Authority established on 8 March 1985, under S.5 of the *Public Trustee Act 1985* (the Act) to provide permanent and secure Trustee and Estate Administration services to the ACT Community.

The Public Trustee's activities are of a unique and vital nature, and are of a kind that, whilst not always visible, is highly valued by government and the community.

Services provided by the Public Trustee include -

- professional executor or trustee services;
- a Will making service;
- managing deceased estates so that assets at death are dealt with according to the client's wishes, or under the laws of intestacy where there is no Will;
- managing personal assets and helping members of the community to plan for their future under an Enduring Power of Attorney;
- acting as trustee for trusts created in Wills, Deeds and Court Orders for families, infants and people with disabilities;
- acting as agent for the Territory to receive, manage and dispose of assets forfeited under the *Confiscation of Criminal Assets Act 2003*;
- administer moneys declared *Unclaimed Moneys Act 1950*, *Legal Practitioners Act 1970* and *Agents Act 2003* including receiving moneys, processing claims and investing funds;
- investing moneys held in specified government trust funds;
- acting for people with disabilities where ordered by a court; and
- assisting private financial managers by providing an annual examination of the accounts maintained on behalf of people with impaired decision-making ability.

The guiding principles of the Public Trustee are encapsulated in our Mission, Vision and Values, and are applied to decision-making, policy development and service delivery.

### Mission (purpose of existence) -

*To deliver to the ACT Community, a full range of quality trustee and related services.*

### Vision (goal for the future) -

*To be your first thought and choice for trustee services in the ACT.*

The Public Trustee's Annual Report serves as an accountability medium through which the Office of the Public Trustee accounts for its activities both to the Minister and to our valued clients.

A particular focus during 2004/2005, our 20th year, has been to develop and consolidate the business opportunities of the Public Trustee, to improve the market share of the Public Trustee's commercial activities and to develop a strong market presence of the Public Trustee's branding and services through public perception and location.

**Our Values (ideals) are -**

- *Act with honesty, discretion and integrity*
- *Treat all people with empathy, respect and courtesy*
- *Acknowledge a person's rights to be included in our decision-making*
- *Act professionally and in a competent manner*
- *Maintain your right to privacy*
- *Act in an independent and accountable manner*
- *Operate in a commercially responsible manner.*

**Legislation**

A number of laws guide, govern and regulate the activities of the Public Trustee -

- *Public Trustee Act 1985;*
- *Audit Act 1989;*
- *Adoption Act 1993;*
- *Administration and Probate Act 1929;*
- *Crimes Act 1900;*
- *Financial Management Act 1996;*
- *Guardianship and Management of Property Act 1992;*
- *Powers of Attorney Act 1956;*
- *Confiscation of Criminal Assets Act 2003;*
- *Trustee Act 1925;*
- *Unclaimed Moneys Act 1950; and*
- *Wills Act 1968.*

## A.2: MAJOR ISSUES, CHALLENGES AND ACHIEVEMENTS FOR THE REPORTING YEAR

In the financial year in review, the Public Trustee achieved a net operating profit of \$266,536.00 after allowing \$150,000.00 for a major upgrade of the Public Trustee's IT infrastructure. This represented an increase of \$193,536.00 over estimate (\$73,000.00) and an increase of \$314,048.00 over the previous year.

Significant factors contributing to the result included –

- increased operating revenue as a result of an increase in the value of, and income received on, Common Fund investments;
- sustained value of property and assets;
- a change in office policy in regard to various fees charged under the Public Trustee determination of fees. As a result, revenue rose at a higher rate than expenditure; and
- increased and targeted marketing of Public Trustee products and services.

During the year, work volumes grew in most areas of business with increases in major business areas as follows –

- Estate Administrations of a value over \$100,000.00 rose by 20%;
- Trusts held under a legal disability under \$100,000.00 rose by 8%;
- Trusts held under a legal disability over \$100,000.00 rose by 9%; and
- Wills (new) increased by 23%.

The business of the Public Trustee is built upon trust and accordingly, our customers are our highest priority. We continuously survey our customers throughout the year and undertake to address all issues raised. During the reported year, 245 responses were received from clients/stakeholders spread across all services provided. The survey indicated that 95% of clients felt that the Public Trustee met or exceeded their expectations.

The number of Wills held and prepared during a reporting year is an important performance indicator. During the year, the Public Trustee increased the number of Wills in its Wills Bank to 9,836.

Overall income was \$414,395.00 higher than the previous year. For the year ended 30 June 2005, total income was \$2,759,820.00, compared to \$2,345,425.00 for the year ended 30 June 2004.

Overall expenses were \$100,346.00 higher than the previous year. For the year ended 30 June 2005 total expenses were \$2,493,284.00 compared to \$2,392,938.00 for the year ended 30 June 2004. This was primarily attributable to allowance of \$150,000.00 made for the upgrade of the Public Trustee's IT infrastructure.

The implementation of a revised approach to charging for examination of the accounts of external managers in 2005/2006 will further serve to make our business more cost effective.

During the year, the Public Trustee participated as a member of the Elder Abuse Prevention Implementation Taskforce, which resulted in proposals for reform of the *Powers of Attorney Act 1956*.

We have commenced a review of our approach to the procurement of fund managers in the pursuit of a more streamlined alternative.

The selection and ongoing review of Fund Managers is a critical component of managing the investment of Public Trustee funds. The Public Trustee Investment Board reviews all Fund Managers and considers what options are available for clients. A procurement process has recently been completed for the selection of Fund Managers for the Public Trustee's Common Funds for a period of up to five years. The Public Trustee is in the process of securing a new fund manager for the Australian Equities Fund as a result of that process.

A revised Business and Strategic Planning Framework has been completed. The framework will involve the publication of an annual business plan in lieu of the former three-yearly plan.

Our IT infrastructure was identified as requiring a major upgrade to address perceived contingency problems and to ensure that the Public Trustee's growing business needs will be accommodated into the future. A replacement server was acquired and located in the ACT Government's server farm remote from the office to address security, backup and contingency concerns. Additionally, the TACT business system is in the process of being upgraded to version 7.2. The contract also includes the acquisition of the 'People and Relationships' application to permit the Public Trustee to manage its client business in a more efficient and informative manner.

During the year, administrative arrangements relating to the examination of the accounts prepared by external financial managers were reviewed. This review was conducted under the auspices of a national committee of Public Trustee representatives, which met in Brisbane during 2005. The review resulted in a number of changes to the fees structure, development of revised forms and removal of the perception that the examination constitutes an audit.

The Public Trustee is the manager of unclaimed moneys under the *Unclaimed Moneys Act 1950*. A fee payable to the Public Trustee in respect to its administrative role in receiving and paying moneys under the Act, has now been determined.

The Public Trustee is the foremost provider of trustee services to the ACT community. At 30 June 2005, the office had over 1500 matters in its care, and funds of over \$143M under management.

Our highly successful conduct of the Public Trustee's seminar on Wills, Estates and Powers of Attorney during Senior's Week has prompted us to hold the seminar bi-annually.

Financial plans have been prepared for all clients under plenary financial management orders and are regularly reviewed. A review of investment plans prepared in accordance with the 'Prudent Person Principle' has been ongoing.

The Public Trustee's business strategy is to continue to develop commercial business and rationalise costs. We will also seek to ensure that the subsidy from Government to fund Community Service Obligations and IT services is commensurate with costs.

The Capital Region Community Foundation was established in 2003 to build a permanent, growing philanthropic fund enabling individuals, families and companies to donate to support community-based projects, activities and charities in the Canberra Region. During the year, the Foundation received assets to the value of \$301,882.00, in addition to assets bequeathed for charitable purposes.

The Foundation undertook a number of "soft" launches in 2005 including the Walter Turnbull Ball for GreaterGood. A board is being formed and the management committee has been busy with a number of issues including establishing a permanent office, designing and trade-marking the foundation's logo, publicity and speaking to Canberra Region business organisations to gain support for the concept.



## FUNDS MANAGEMENT



Mr. Doug Gillespie – Deputy Public Trustee

The Public Trustee retains its focus on the delivery of quality estate, management and trust-related services to the ACT community. An integral part of these trust services is funds management and the securing of sound investment returns for clients.

## THE FUNDS

The Public Trustee operates four asset sector common funds to service the investment needs of clients. The aim of the funds is to provide income, growth and security through diversification across the asset sectors.

The common funds are operated in accordance with the provisions of the *Public Trustee Act 1985* and client funds are invested in accordance with the 'Prudent Person investment Principle'.

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

The four sector common funds operated by the Public Trustee are -

### Cash Common Fund

This fund has been managed internally for over 20 years. Cash funds are invested in a range of bank and non-bank financial institution deposits, notes and bills of exchange. Funds are available for withdrawal at call and interest is paid quarterly on daily balances. The flexibility of the fund facilitates the daily financial operations of accounts under administration, and ensures all funds received generate an interest return from day of receipt. Interest return varies with the market cash rate and as at 30 June 2005, the interest rate was 4.75% and the fund size was \$44 million.

### Australian Equities Common Fund

This fund is invested into a managed portfolio of stocks listed on the Australian share market. Funds under investment total \$23.5 million.

### Australian Fixed Interest Common Fund

This fund is invested into a managed portfolio of corporate and government bonds and floating rate notes. Funds under investment total \$10.7 million.

### Australian Listed Property Trust Common Fund

This fund is invested through a managed Property Security Fund in listed property trusts across retail, industrial and commercial sectors. Funds under investment total \$2.85 million.

## INVESTMENT STRATEGIES

The Australian Equities, Australian Fixed Interest and Listed Property Trust Common Funds act as vehicles for investment of funds for office clients in asset allocations reflective of individual risk profiles. In addition to these



client specific asset allocations, the Public Trustee operates three risk models where clients of like risk profile are grouped for investment into the common funds in asset allocations suited to their circumstances -

### Growth Model Portfolio

The objective of the Growth investment strategy is to attain long-term returns in excess of inflation. Allocation to Australian equities provides greater potential for growth plus potential taxation benefits of franked dividends. Performance for the year after fees has been 21.98%.

### Balanced Model Portfolio

The objective of the Balanced investment strategy is to provide a balance between return and volatility. It is suitable for medium term trusts or those with a mix of income and capital needs for beneficiaries. Performance after fees for the year has been 17.72%.

### Income Stable Model Portfolio

The objective of the Income Stable investment strategy is to provide income return with moderate volatility plus potential for some growth to protect the real value of the trust. It is suitable for trusts with income needs, short terms and conservative risk profiles. Performance return after fees for the reported year has been 14.54%.

### Capital Stable Model Portfolio

Accounts requiring stability of capital are invested through the Cash Common Fund providing a market interest return on daily balances with funds available at call. The Cash Common Fund is suitable for cash balances and trusts of uncertain term.

## SERVICES TO GOVERNMENT

The Public Trustee is the nominated trustee for moneys held in Government Trust Funds and acts as agent for the purposes of forfeited assets under the *Confiscation of Criminal Assets Act 2003*.

The Public Trustee's activities include sale of assets, receipt, management and investment of moneys including those flowing from the following activities.

The Public Trustee also acts as agent for the Territory in receiving, investing and paying out claims for moneys under the *Unclaimed Moneys Act 1950*.

## Government Trust Moneys

The office holds responsibility for the investment of trust moneys held within government in accordance with the 'Prudent Person Investment Principle'.

Funds held as at 30 June 2005 amounted to \$45,897,409.00 in respect to the following accounts –

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

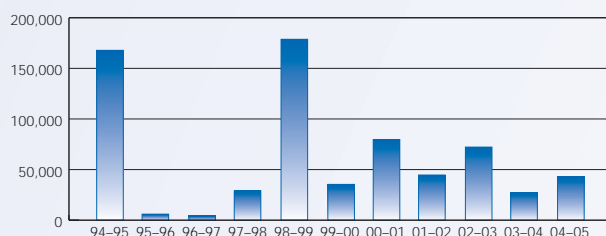
Moneys held in these accounts are invested in a range of securities including bank bills and financial institution deposits managed internally, a cash enhanced trust managed by Alliance Capital Management Australia Limited and a Fixed Interest Trust managed by Suncorp Metway Investment Management Limited.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

## Criminal Assets

The *Confiscation of Criminal Assets Act 2003* (COCA) established a scheme to permit the confiscation of the proceeds of crime and other criminal assets, and empowers the Public Trustee to administer assets restrained under the Act.

The Public Trustee acts as an agent of the ACT Government in relation to the forfeiture of assets under COCA. Forfeited assets are secured and sold and moneys realised are deposited into the Confiscated Assets Trust Fund held by the Department of Justice and Community Safety for community safety initiatives. The Public Trustee deposited \$42,847.96 into the Confiscated Assets Trust Fund during the reported financial year.

### VALUE OF CRIMINAL ASSETS CONFISCATED BY YEAR ENDING 30 JUNE 2005



## Unclaimed Moneys

The Public Trustee administers moneys that have been declared unclaimed under the *Unclaimed Moneys Act 1950*, the *Legal Practitioners Act 1970* and the *Agents Act 2003*. In general, unclaimed moneys are accounts of various types that have been inactive over time. Examples of these can include deposits, dividends, superannuation benefits and retirement savings accounts of persons over retirement age.

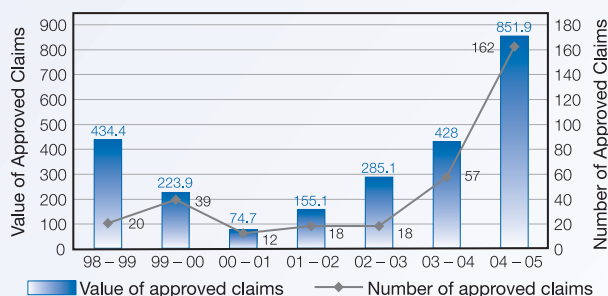
An electronic register of unclaimed moneys has been developed and may be searched on the Public Trustee's website at [www.publictrustee.act.gov.au](http://www.publictrustee.act.gov.au) stimulating an increase in claims and representing a significant increase in workload.

At 30 June 2005, funds held under all three Acts totalled \$3,360,915.86. During the year, 43 lodgements were received totaling \$433,820.97. 162 claims totalling \$851,000.83 were received and paid. The average claim paid was \$5,258.84.

The breakup of claims was as follows –

- Directions by Office of Fair Trading 3
- *Legal Practitioners Act 1970* 5
- *Unclaimed Moneys Act 1950* 14
- *Unclaimed Moneys Act 1950* (Superannuation) 140

## VALUE OF CLAIMS FOR UNCLAIMED MONEYS BY YEAR ENDED 30 JUNE 2005



## Cemeteries and Crematoria Amendment Bill 2005

The *Cemeteries and Crematoria Amendment Bill 2005* came into effect on 29 June 2005. The Bill had the effect of amending the *Cemeteries and Crematoria Act 2003* (the Act), including appointing the Public Trustee as trustee of the Perpetual Care Trust in place of the cemetery/crematorium operator.

A Perpetual Care Trust is defined as a charitable trust, established for public charitable purposes to be kept in respect to each cemetery or crematorium, for the maintenance of grounds, monuments and infrastructure.

Each cemetery or crematorium operator is required to deposit a specified percentage of their receipts. Moneys held in the Trust from time to time will be invested through the Public Trustee's common funds.

## PRODUCTS AND SERVICES



Ms. Sue La Peyre – Manager - Trusts

### Wills

The Public Trustee is a leading Will-maker in the ACT, having made in excess of 10,000 Wills. We offer expert advice and a low cost Will-making service where the Will appoints the Public Trustee as executor or joint executor.

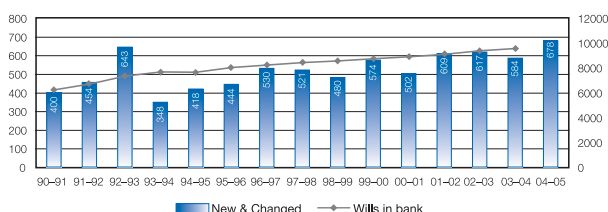
An important function of the Public Trustee is the promotion in the community of the importance of making a Will and keeping it up to date.

For customers of the office with special needs, our officers conduct home, nursing home and supported accommodation visits.

During 2004-2005, the Public Trustee prepared 678 new Wills (or amendments) compared with 584 in the previous year.

At 30 June 2005 there were 9,836 Wills held in the Public Trustee's Wills Bank, compared with 9,542 for the previous year.

#### NUMBER AND ACTIVITY OF WILLS IN WILL BANK AS AT 30 JUNE 2005



### Estates

The Public Trustee administers in the order of 100 estates each year irrespective as to whether a Will was left, and cannot decline to accept an appointment on the ground only of the low value of the estate.

The Public Trustee administers estates where-

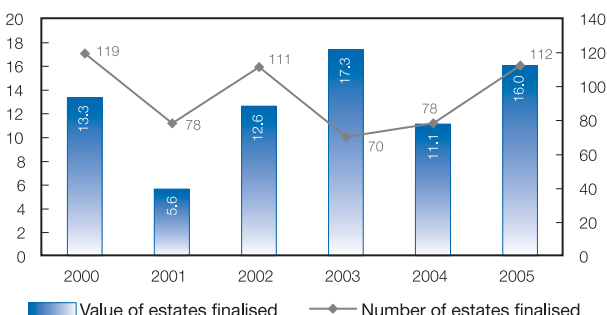
- appointed as executor in a Will;
- the executor names in a Will requests the Public Trustee to administer;
- there is no Will and no appropriate person to administer; or,
- the next of kin requests the Public Trustee to do so.

The Public Trustee accepts referral of estates from executors or administrators who wish to discontinue their involvement in estates entrusted to them. A number of estates are also referred to the Public Trustee by solicitors.

The administration of estates requires a professional understanding of complex probate, trustee and wills legislation, and of taxation, accounting and business practices. The Public Trustee has skilled, professional people to provide the highest quality estate management services, including Legal Practitioner, Certified Practising Accountant, Taxation and Investment/Fund Management personnel.

The number of new estates commenced during the year totalled 102 at an estimated committed value of \$26,659,900.00. There were 112 estates finalised during the year with an estimated committed value of \$16,011,870.00. This is primarily due to the increased value of estates that include properties and share portfolios. 17 real estate properties were sold and 2 purchased for Public Trustee clients, with a total estimated value of \$7,154,333.00.

#### ESTATES FINALISED YEAR ENDING 30 JUNE 2005



### Trusts

The Public Trustee acts as trustee, manager or receiver of funds for infants, or for those unable to manage their funds. Trust management services include –

- court awarded trusts in the case of minors or people with impaired decision-making ability;
- testamentary trusts created as a consequence of an estate (e.g. funds managed on behalf of a minor, life estates); or
- charitable or philanthropic trusts.

Our prime concern is the client's best interests. In limited cases we will advise on the acquisition of dwellings, special modifications to accommodate any disability or assistance for the purchase.

The Public Trustee Investment Board, in conjunction with an external asset/market consultant, advises the Public Trustee on core financial areas related to the development and management of all common funds on behalf of all public trustee client investors.

The value of new trusts received during year was \$9,475,134.00, compared with \$2,095,666.00 for the previous year.

### Powers of Attorney

A Power of Attorney is as important for life planning as making a Will. The Public Trustee actively promotes the preparation of an Enduring Power of Attorney (EPA) by all members of the ACT Community.

An appropriately completed EPA allows a person to direct the management of their affairs in the event of their incapacity. Early consideration of an EPA will ensure that a person's affairs are administered by a person or professional organisation of choice, and in accordance with specific instructions.

The Public Trustee will act as attorney and assist in identifying the best solution for individual needs.

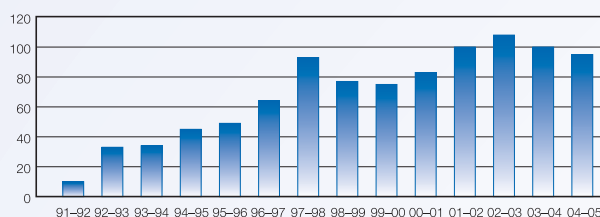
Failure to prepare an EPA during a person's capacity may result in a Manager/Guardian being appointed by the Guardianship and Management of Property Tribunal, upon loss of capacity.

The number of active EPAs under management by the Public Trustee has decreased this year. It is however, still anticipated that the general upward trend will be sustained, given the ageing of the ACT population. The graph below indicates the number of persons who have chosen to place their financial affairs under the control of the Public Trustee and to activate the instructions contained in the EPA.

Activation generally occurs when a person no longer wishes to, or no longer has capacity to, manage their affairs. The information below does not include data on the number of inactive EPAs held in safe custody by the Public Trustee.

Fees are only charged for creation of EPAs and upon activation.

### ACTIVE ENDURING POWERS OF ATTORNEY AS AT 30 JUNE 2005



### Financial Management

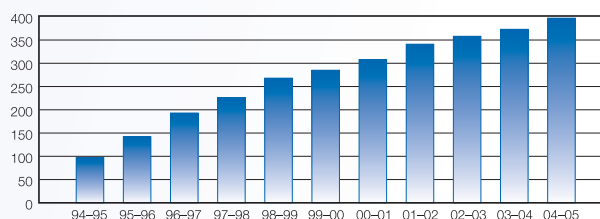
The Guardianship and Management of Property Tribunal may appoint a Financial Manager to protect the interests of adult persons in the community who have impaired decision-making ability, or lack the capacity to manage their own financial affairs.

*The Guardianship and Management of Property Act 1991* favours the appointment of a family member or other interested person, preferably within the ACT, otherwise the Public Trustee is 'manager of last resort'. The Public Trustee is appointed as plenary, or absolute manager, in approximately 52% of cases.

When appointed as Manager, the Public Trustee is concerned to ensure that the represented person receives the maximum benefit of their income, whilst being protected and provided with the ability to live in the community with dignity.

A representative of the Public Trustee attends all Tribunal hearings and reviews.

### PLENARY OR EMERGENCY MANAGEMENT CASES ON HAND AS AT 30 JUNE 2005



### Taxation Services

The Public Trustee provides specialist taxation services incidental to its other services and is a registered tax agent. The office completes and lodges tax returns for deceased estates, trusts, Court trusts and Enduring Power of Attorney clients. During the year, 975 tax returns were completed and lodged both for individuals and trusts under administration. Of these 778 were lodged electronically and 197 were lodged manually.

## A.3: OVERVIEW OF AGENCY PERFORMANCE AND FINANCIAL RESULTS

### Key Challenges And Plans

The Public Trustee's Business Plan for 2003/2005 identified the following key result areas:

- Business Development – to diversify and build estate and trust business opportunities to promote service sustainability and expansion. The Public Trustee's business continues to grow with significant advances made in the areas of Trusts and development of the Capital Region Community Foundation);
- Service Delivery and Client Satisfaction – to enhance and streamline core work processes for efficient and effective delivery of high quality services and rates of return. Our customers and stakeholders reported 95% satisfaction or better with services provided by the Public Trustee.
- Strategic Relationships – to develop constructive relationships with key stakeholders to enhance leverage and influence in the marketplace and within the ACT community. We have developed a professional relationship with ACT Law Society through its Wills and Estates Committee. We are a member of the Trustee Corporations of Australia; Australian Guardianship and Administration Committee, Elder Abuse Prevention Implementation Task Force and Legal Support Group and the Ministerial Council on Ageing;
- Systems Development and Implementation – to provide best practice systems and support infrastructure to ensure transparency and accountability for all transactions and decisions. We have initiated a significant upgrade of our IT infrastructure involving revised cheque-printing security, acquisition of a replacement server and software upgrade; and
- Staffing and Capabilities – to attract and retain skilled and capable people who are committed to the role of the Public Trustee and superior client service (we have reviewed the level of a number of positions and created a number of others).

The 2005/2006 Statement of Intent establishes the Public Trustee's measures of performance.

The degree to which the Public Trustee is able to develop business such as retirement and estate planning is a key result indicator.

Whilst the Public Trustee receives some government funding for its Community Service Obligations (CSOs), our operations are primarily self-sustaining.

The capacity of the Public Trustee to continue to supplement government funding for CSOs is closely linked to business growth.

### Performance Indicators

The Public Trustee fulfills a range of objectives, which form part of the Government's social and fiscal responsibilities. The Public Trustee has both government and non-government stakeholders and maintains systems to monitor and report on performance. During 2005, the Public Trustee participated in a Departmental review of Performance Indicators. The aim of the project was to implement an effective performance reporting system for each agency, and for the Department as a whole.



**Performance measures from 1 July 2005  
are as follows -**

Success	Performance Indicator	Basis for Comparison
<b>Quality</b>		
Reasonable investment performance by Public Trustee, reflected by market trends and giving no indication of future performance	% return on the internally managed cash common fund, exclusive of Public Trustee fees.	Trends over time (reflected by market trends)
Reasonable investment performance by Public Trustee, reflected by market trends and giving no indication of future performance	% return earned on externally managed funds, relative to investment industry benchmarks, exclusive of Public Trustee fees – <ul style="list-style-type: none"> <li>• Australian Equities Fund</li> <li>• Australian Fixed Interest Fund</li> <li>• Australian Listed Property Fund</li> </ul>	Trends over time (reflected by market trends)
High client satisfaction	% and number of clients satisfied with: <ul style="list-style-type: none"> <li>a) professionalism of staff</li> <li>b) efficiency</li> <li>c) client standards implemented</li> <li>d) clarity of advice.</li> </ul>	Trends over time
	Qualitative evaluation of client satisfaction, using focus groups and stakeholder evaluation.	
	% and number of clients who would refer the Public Trustee to others.	Trends over time
Dividend provided to the Territory	% change and \$ value of dividend provided.	Trends over time
High level of compliance	Unqualified audits.	
	Qualitative evaluation using comments from judiciary and stakeholders.	
Reasonable level of services provided	% change and number of services provided, by type of service.	Trends over time
<b>Cost and Revenue</b>		
Revenue covers cost	% and \$ value of revenue that meets costs.	Trends over time
Reasonable cost efficiency	Cost to operate the Public Trustee per employee.	Trends over time
Reasonable revenue efficiency	Revenue earned by the Public Trustee per employee.	Trends over time

## FINANCIAL PERFORMANCE

The Public Trustee's financial statements may be found at Appendix 1.1 of this Report.

## A.4: OUTLOOK FOR THE COMING YEAR

A major focus for 2005/2006 will be to build a strong market presence in the Community. We propose to do this by prospecting opportunities for re-location, developing in the community a strong understanding of our activities and by promoting in the community a perception of our strengths “Reliability, Respect, Responsibility and Reputation”. We will continue to build upon our highly successful Public Trustee seminars on Wills, Estates and Powers of Attorney following positive feedback from 2004/2005.

A revised business-planning framework will be implemented in 2005-2006 in place of the former three-yearly plan. The single year format is preferred because of the nature of the Public Trustee's commercial business and to accord with Departmental practice.

The findings of the review of the examination of external managers' accounts will be implemented. These include amendments to fees determinations, lodgement process, forms and reports.

The term of appointment of Public Trustee Investment Board members expires on 2 March 2006. We will review appointments to the Public Trustee Investment Board.

We will implement a Fraud, Risk and Corruption Management/Minimisation Plan.

We will seek to further develop the Public Trustee's Practice and Induction Manuals to assist in staff training and as a means of retaining technical knowledge as a corporate asset.

The office has absorbed major increases in workload during the year. We will seek to implement the findings of reviews a number of key positions and make a number of structural changes aimed at multi-skilling in key areas.

We will continue to support the Capital Region Community Foundation.

I acknowledge the patronage of Lady Helen Deane and the hard work of the Board's Chair, Margaret Reid, Board Members Zeke Ezra, John Hanna, Richard Gibson, Brian Acworth AM, Doug Gillespie, Chic Henry and Management Committee Members, Diane Kargas (Executive Officer), Catherine Andrews, Bea Brickhill, Shane Godbee, Jennie Cameron and Michael Byrne.

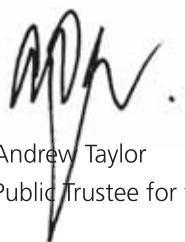
I would also take this opportunity to thank those involved in the highly successful conduct of Life's Reflection 2005, in particular our judges Helen Ennis, Heide Smith and Martyn Jones; our presenter, the Director of the National Portrait Gallery, Andrew Sayers; our curators, John Thompson and Richard

Stone; the Executive and Board of COTA–National Seniors and a special thanks to Peter Brady and Linda Tregonning from the ACT Office for Ageing.

In reviewing what has been a successful year, I record my thanks to members of the Public Trustee Investment Board Glenys Roper, Len Early and Roger Broughton. Their range and blend of skills has been invaluable during the challenging acquisition and transition phases of the selection of fund managers. The Board provides expert assistance to the Public Trustee on an honorary basis.

I thank our many customers for choosing the Public Trustee's services and products and assure you of our continued high level of service. We pledge to provide our services to you in the context of your specific needs with respect, dignity and concern for your privacy. Feedback received from customer during the year has been invaluable and essential to our ethos of continuous improvement.

In closing, I acknowledge the leadership, guidance and support of the outgoing Chief Executive, Justice and Community Safety, Tim Keady, and of officers of the Department for their expertise and support.



Andrew Taylor  
Public Trustee for the ACT





PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
2004-05 ANNUAL REPORT

## PART B – AGENCY PERFORMANCE

## B.1: KEY STRATEGIC ACHIEVEMENT

Our key strategic achievements during the reported year may be summarised as follows. These achievements reflect desired outcomes identified in the Public Trustee's Statement of Intent, Budget Papers and Business Plan –

- Operating profit after expenses of \$266,536.00.
- Identified and implemented an IT upgrade program within budget and without external funding.
- Attraction of a significant number of new high value estates and trusts.
- Launch of the Capital Region Community Foundation 'GreaterGood', securing and registering trademarks and the attraction of a number of significant bequests.
- Conduct of 'Life's Reflection' photographic competition in conjunction with Seniors Week 2005.
- Conduct of Public Trustee Seminars resulting in significant new business.
- Review of all Public Trustee marketing and information material including brochures, PowerPoint presentations, Customer Survey (reply paid), and Seminar Information Kits.
- Development of a Fraud Risk Corruption Management Policy.
- Development of an annual business-planning framework.
- Compliance with the *Territory Records Act 2002*.
- Development of an options framework for re-location of the office.

### Strategic Themes or Priorities for Action of the Canberra Plan

The Canberra Plan was established by the ACT Government as a guide to the development and growth of Canberra. The Canberra Plan establishes an ideal framework for the Public Trustee's development as a vital service to the community. The Public Trustee has embodied the themes and visions of the Canberra Plan into its Strategic Business Plan. The principles of the Canberra Plan focus on seven strategic themes or priorities for action –

#### • Investing in our People

The Public Trustee's business is people-oriented. We conduct that business with tact, discretion, empathy and respect for our customers' dignity and need for privacy. The Public Trustee provides an increasing number of Canberrans

with Community Services at little or no cost. We conduct our business in such a way that maximises commercial opportunities, providing services to those who can afford our services to subsidise the Community Service Obligation (CSO) funding received from Government for those who cannot afford to pay for our services. Our services are often provided to customers at unfortunate times in their lives. The Public Trustee always seek to invest in the well-being of Canberra's people and to protect and safeguard their interests.

The Public Trustee has a policy of investing in staff through the development of career opportunities and through a strong learning philosophy.

#### • Building a Stronger Community

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

Our continued support of Senior's Week through the conduct of 'Life's Reflection' photographic competition seeks to demonstrate the value of Seniors to the ACT and region community, whilst engaging in a positive sense with this most important customer group.

#### • A City for all Ages

The ACT population is now 320,000. Within the next 30 years, there is expected to be a decline in almost every age group up to 32. By contrast, the population over 32 is expected to grow by 86,000 (of which 68,000 will be in the 60 years and over age group). By far the most significant expected growth will be in the oldest age groups and the largest expected rate will be in those aged in their 70's. This suggests that the key business areas of the Public Trustee, i.e. Wills, Powers of Attorney, Estate Management, Trust and Financial Management will continue to be in demand and grow. This will bring an imperative to ensure that Community Service Obligation funding is commensurate with the level and value of services provided by the Public Trustee. We will also continue to educate all ages in the community in the importance and value of having a properly drawn Will and Enduring Power of Attorney. Our focus will be on developing

products and services that recognise and respond to the diverse needs of generations. Our culture is to attract, recruit and develop appropriately skilled and qualified staff, and to retain expertise and knowledge as a corporate asset. We actively acknowledge the value of seniors in our business with 41% of our employees over 50 years.

#### • Canberra's Knowledge Future

The business of the Public Trustee depends upon highly skilled and trained staff. The office actively sponsors external training through local and interstate institutions and maintains membership of the Trustee Corporations of Australia to access appropriate industry training. During the year, all staff members undertook training of some kind at a cost to the office of \$41,000.00. Our relatively small size brings with it a responsibility to be a learning organisation and to ensure that we pass on the legacy of knowledge to successive Public Trustee staff.

We will also seek to invest in the best resources available to ensure that the latest innovation and developments are readily available to Public Trustee staff.

It is a longer-term plan of the office to develop and publish a Public Trustee Practice Manual and an Induction Manual which will be dynamic documents seeking to capture and record vital information and knowledge about our policies and practices for current and future staff.

#### • A Dynamic Heart

The Public Trustee seeks to develop its presence within the City Centre and to ensure that all Canberrans are aware of our services. We are reviewing our current accommodation requirements to ensure that the office enhances the public perception of the Public Trustee, and represents the best value for money.

#### • Partnerships for Growth

Trust, transparency, accountability, respect and partnerships are very much the basis of the Public Trustee's longer-term strategy. We seek to initiate and develop strong, co-operative, dynamic and adaptive long-term partnerships with our customer groups and stakeholders. These include relationships with the Capital Region Community Foundation, COTA-National Seniors, the ACT Office for Ageing, ACT Courts & Tribunals, ACT Community Advocate, Fund Managers and

consultants together with our interstate peers in the trust industry.

#### • Living with the Environment

The Public Trustee adopts an environmentally responsible corporate presence in the ACT Community, minimising our impact upon non-renewable resources.

### B.2: HUMAN RIGHTS ACT 2004

Our business requires us to interact with a broad spectrum of persons in the community. Often, our services are provided to those who have little choice about our intervention in their affairs. Additionally, our services may be provided to people at unfortunate, and sometimes tragic, times in their lives.

In our particular role as plenary manager, we undertake financial management for persons with impaired decision-making ability. In this role, we constantly balance the need for our intervention in people's lives against their wishes. In all cases, the protected person's wishes, as far as they can be ascertained, are respected, unless making the decision in accordance with their wishes is likely to significantly adversely affect the person's interests. Our intervention seeks to impose the minimal impact necessary and seeks to encourage protected persons to live in the general community as independently as possible.

A Memorandum of Understanding has been entered into with the ACT Community Advocate to ensure that, in cases where the Community Advocate has been appointed as guardian and the Public Trustee as manager, for a protected person, the Public Trustee and the Community Advocate work in partnership.

We recognise the stresses experienced by our people in their challenging work and actively promote human rights issues amongst staff. During the year, our Customer Service Officers undertook a two-day course aimed at educating staff in appropriate client interaction techniques. This training was specifically directed towards providing staff with the appropriate tools required in dealing with people at difficult times in their lives, and in how to empathise with and respect people's rights. Staff training was also provided in understanding the *Discrimination Act 1991*.

We foster and promote a working environment, which recognises human rights principles. Work practices have been reviewed to recognise equality, protect privacy, encourage active participation in office management and ensure the safety and security of office staff.

The Public Trustee has actively participated in a government review of elder abuse in the community

by representation on the Elder Abuse Prevention Implementation Taskforce. We are also represented on a Legal Support Group addressing possible amendment to substituted decision-making issues under the *Powers of Attorney Act 1956*. Through this representation we have reviewed provisions of the *Powers of Attorney Act 1956* with a view to minimising the potential for elder abuse through identification of competence at the time of making and upon activating Enduring Powers of Attorney.

The review has its origin in a number of recommendations the ACT Legislative Assembly Standing Committee on Health and Community Care made in its inquiry into "Elder Abuse", to address some problems affecting powers of attorney made by older people.

Our 'Life's Reflection' photographic competition, held during Seniors Week highlights the value of Seniors in the community by showcasing ageing in a positive light. Images from the competition are used extensively in our marketing and publicity material.

### B.3: ACCESS TO GOVERNMENT STRATEGY

The Public Trustee participated in the Department of Justice and Community Safety's Disability Access Audit. The results of that audit were published in the Disability Access Action Plan – Department of Justice and Community Safety (JACS) in September 2004.

The Action Plan identified a number of risks in respect to physical access, together with proposed departmental actions to address those risks. The Public Trustee will work to ensure that those actions are implemented and will report as part of the Department.

The Public Trustee's website will be reviewed during 2005/06 to ensure greater ease of access, particularly to older persons

### B.4: COMMUNITY ENGAGEMENT

#### Customer feedback

Our continuous Customer Survey seeks assessment against a range of criteria and clients are also asked if they would recommend the Public Trustee.

The Public Trustee's Customer Survey Form has been redesigned for simplicity, ease of completion and now includes reply-paid post.

Customer responses during the reported year indicate a high level of satisfaction against all measures.

#### Overall Rating:



- Below Expectation 1%
- Didn't Answer 4%
- Exceeded Expectation 65%
- Met expectation 30%

#### Efficiency:



- Below Expectation 1%
- Exceeded Expectation 64%
- Met expectation 28%
- Unknown 7%

#### Client Standards:



- Below Expectation 1%
- Exceeded Expectation 57%
- Met expectation 34%
- Unknown 8%

#### Professionalism:



- Below Expectation 1%
- Exceeded Expectation 62%
- Met Expectation 29%
- Unknown 8%

#### Understand Advice:



- Yes 97%
- No 0%
- Don't know 0%
- Unknown 3%

#### Hardship

The Public Trustee has statutory discretion to reduce charges for services on the basis of hardship and for other reasons. While the Public Trustee has a documented policy on fee/commission reduction, fees are required to be paid where there is capacity.

By developing and maximising commercial opportunities, the Public Trustee is able to subsidise the cost of Community Service Obligations.

#### Public Education

The Public Trustee has an extensive Public Education program seeking to increase awareness of its services within the community. This is largely driven through the program "Financial Planning for your Future" and focuses on informing the community about the importance of having a well-drafted Will and an Enduring Power of Attorney.

The Public Trustee provides regular articles to newspapers and periodicals circulating in the Territory.

During the year, presentations were made to a total of 900 members of community and government organisations in respect to Wills, Estate Administration, Enduring Powers of Attorney and the Role of the Public Trustee.

### Representation

The Public Trustee is represented on a number of forums as follows -

- The Business Development and Marketing Committee for Public Trustees, an Australia-wide Committee;
- The Taxation and Education Committee of the Trustee Corporations Association of Australia.
- Australian Guardianship and Administration Committee;
- Public Trustees Australian and New Zealand Bi-Annual Conference;
- Trustee Corporations Association National Council;
- Trustee Corporations Association – NSW/ACT Council;
- Ultradata Users' Conference;
- ACT Ministerial Advisory Council on the Ageing; and,
- ACT Elder Abuse Prevention Implementation Taskforce.

### Ministerial Advisory Council On Ageing

The ACT Ministerial Advisory Council on Ageing was formed in July 2002. The Public Trustee was a founding member of the Council. The key role of the Council is to assist the ACT Government to understand the needs and concerns of older Canberrans. The Council assists the ACT Government to advance the status and interests of older people, and provides advice on issues that are referred by the Chief Minister or raised through community consultation.

The Mission of the Council is to provide high quality, objective and responsive advice to assist the ACT Government in:

- developing and implementing policies for the advancement of older people in the ACT community;
- meeting the Government's commitment to foster positive ageing and a sense of well-being; and
- ensuring that older Canberrans feel safe and valued, and that they have access to appropriate programs and services.

The Public Trustee supports the aims of the Council through positive engagement with Seniors in key areas as identified in our 2005/2006 Business Plan.

### Seniors Week and Life's Reflection

The Public Trustee is a major sponsor of Seniors Week donating \$10,000.00 to the budget in 2005. The Life's Reflection photographic competition and exhibition was once again the focus of our involvement. The competition celebrates life over 50 in a positive manner and demonstrates the bond between seniors and the wider community. Accordingly the theme of the 2005 competition was 'Having the Time of our Lives'.

The competition was open to photographers in three age categories and more than 130 entries were received and exhibited at the Hughes Community Centre. Judging was undertaken by Helen Ennis, Heide Smith and Martyn Jones. We were honoured this year to have the Director of the National Portrait Gallery, Andrew Sayers open the exhibition and present prizes.

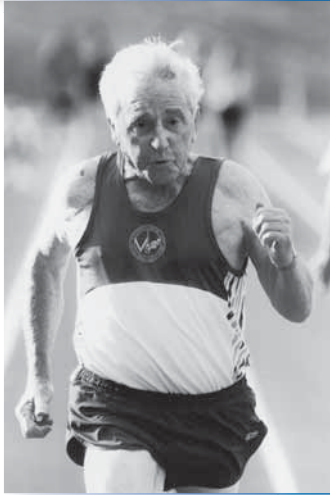
This year, Ephemera, capably managed by John Thomson and Richard Stone, undertook curator duties.

The Public Trustee is proud to have created the opportunity to promote and recognise the exceptional talents of those photographers who entered.

A special thanks to our sponsors who generously donated prizes for the winning entries –

- Konica Minolta
- Communities@Work
- ActewAGL
- RetireInvest
- The Framing Store, Phillip
- BICA PROLAB
- Dymocks Booksellers, Belconnen





A selection of entries from Life's Reflection 2005.

### Life's Reflection winners for 2005 were as follows –

- Intergenerational - Andrew Corson for 'Every breath counts celebrating 80 with her great grandson'
- Humorous – Jim O'Donnell for 'Up and over'
- Active Seniors – Barbie Robinson (Untitled)
- Senior Moments – Hanna Hosking for 'If music be the food of life, play on!'
- Public Trustee Award – Robert Lane for 'My Grand Anzac'
- Encouragement Award – Jim O'Donnell for 'I'm trying as hard as I can'
- Judge's Award – Andrew Corson for 'Every breath counts celebrating 80 with her great grandson'

### Promotion of the Public Trustee

The Public Trustee promotes its services principally through presentations and seminars and through media advertisements and articles. Seniors Week is also an important publicity medium.

All brochures and promotional material have been reviewed and redesigned with the assistance of ACT graphic design studio 'Fresh Creative'.

In 2005/06 we will be seeking to take advantage of re-location to new premises, preferably with a ground floor presence, adjacent to all amenities. This is seen as important means by which the Public Trustee can promote its presence and the services provided.

### Capital Region Community Foundation

The Capital Region Community Foundation, 'GreaterGood' is a perpetual, public charitable trust, established to encourage every one in their own way to become a philanthropist. The gifts contributed will fund causes and activities in our unique part of Australia, forever making a difference to the quality of life of our citizens.

GreaterGood holds Australian Taxation Office endorsement as an income tax exempt charity and its gift fund holds deductible gift recipient status (ABN 33 180 890 151).

The foundation provides the Canberra Region community with a convenient structure to deliver a permanent funding source to charities. A gift to the foundation is perpetual, as the foundation treats a gift as capital, which is preserved, and income generated is distributed regularly to nominated charities.

The Foundation's patron is Lady Helen Deane and a committee headed by Margaret Reid has been formed together with a Managing Committee capably headed by former Public Trustee Diane Kargas in an Executive

Officer capacity. The Board and Managing Committee comprise community-minded persons from various backgrounds who provide their time and expertise on an honorary basis.

Available gift choices include -

- General Fund, for worthy causes selected by the board;
- Named Charity, to benefit a selected charity;
- Naming Rights Fund, to a named fund; and,
- Corporate Workplace Giving Fund, to facilitate workplace giving programs.

During the reported year, the Foundation received \$301,882.00 in assets with a significant further amount being bequeathed in Wills.



## CAPITAL REGION COMMUNITY FOUNDATION BALL AUSTRALIAN WAR MEMORIAL 3 JUNE 2005



Chic Henry (Board), Lady Helen Deane (Patron), Brian Acworth (Board), Margaret Reid (Chair) & John Hanna (Board)



Diane Kargas (Executive Officer), Andrew & Trish Turnbull (Sponsors)



Lady Helen Deane (Patron) & Margaret Reid (Chair)



John Hanna (Board), David Barber, Andrew Taylor (Public Trustee) & Richard Perryman



### Report of the Capital Region Community Foundation Board

I would like to introduce to you the Capital Region Community Foundation – GreaterGood. 2004-05 has been the first full year for GreaterGood. During this time much has been achieved in raising awareness of the role of GreaterGood, and its aim of building a sustainable future for philanthropy within the Capital Region.

During the year, both the Honorary Board and the Management Committee were established. I was very pleased to be invited to take on the role of Chair for this most worthy cause. I am also pleased to say we are fortunate to have Lady Helen Deane as GreaterGood's Patron.

Our mission is to build a permanent growing public philanthropic fund to be used for community focused projects and activities within the Capital Region. The GreaterGood community comprises the South Eastern Region of NSW including: Tumut, Snowy River, Cooma-Monaro, Bombala, Bega Valley, Eurobodalla, Greater Queanbeyan, Eastern Capital City Region, Yass Valley, Upper Lachlan, GreaterArgyle, Boorowa, Young, Harden, Cootamundra, Gundagai and Tumbarumba.

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

GreaterGood has the potential to grow with our regional community and to develop in a way that builds and brings our community closer together. It can do this by:

- bringing together multiple sources of funding from a range of donors;
- providing a permanent and growing source of funding for charitable activities which will strengthen the Capital Region;
- supporting a regional focus on charitable giving and grant-making; and,
- investing initial donations so that they become the corpus, and grow with the income being distributed as grants on an annual basis.

This year has seen growing support for GreaterGood and it is appropriate that I mention our supporters and the valuable role they have played in providing collateral and resources. Without their help GreaterGood would not be where it is today.

We are deeply indebted to the following companies and organisations for their generous goodwill and commitment to the well-being of our region:

#### The Capital Region Community Foundation

GPO Box 515  
Canberra City ACT 2601  
02 6162 9219  
contact@greatergood.org.au  
www.greatergood.org.au  
ABN 66 967 359 885  
ABN 33 180 890 151

“the gift that keeps on giving”

- ZOO for artwork and marketing collateral and for developing the brand GreaterGood, the name by which the foundation will be known;
- WalterTurnbull for providing office and administrative support to our Board, Management Committee and Executive Officer, for hosting our first board room lunch and for sponsoring the first GreaterGood Ball;
- Pirion Printers for providing all our printing;
- The Public Trustee for accounting and other financial services; and
- Goldman Sachs JBWere, Mallesons Stephen Jaques and Westpac for sponsoring boardroom lunches and all other supporters of GreaterGood.

As part of our awareness raising strategy WalterTurnbull agreed to support GreaterGood at the inaugural WalterTurnbull Ball. The 30 and 40's themed ball was held at the Australian War Memorial on the 3<sup>rd</sup> of June 2005. Three hundred people attended with \$64,000 being raised. Andrew Turnbull, Chief Executive of WalterTurnbull, also made a donation of \$15,000 to GreaterGood.

In the coming year the focus will continue to be awareness raising in our Capital Region, launching the Foundation and our website and on securing ongoing funding for an administrative position to continue the valuable work undertaken by our Hon. Executive Officer.

In particular I would like to acknowledge the outstanding contribution from Diane Kargas whose involvement has been immeasurable in so many ways. It is fair to say that little would have been achieved without the vision, dedication and leadership of Diane who in a voluntary capacity as Executive Officer has in most weeks contributed more time than would have been by a full time employee.

Finally, I would like to take this opportunity to thank my fellow Board and Committee Members for their support and wisdom during the past year.



Margaret Reid AO

Date 16 August 2005



## B.5: MULTICULTURAL FRAMEWORK

The ACT Government's "Framework for a Multicultural ACT 2001/2005" was released in May 2001.

The Public Trustee has made a number of undertakings in accordance with the Framework –

- interpreter blocks included on all pamphlets;
- increased awareness, and active use, of interpreter services;
- addresses made to ethnic community groups on Wills, Powers of Attorney, Estate Administration and Financial Management;
- included a note to advise of interpreter services on the Public Trustee's website;
- promoted and ensured fairness and diversity in the appointment of staff; and
- upgraded the Public Trustee's website in accordance with audit findings.

## B.6: ABORIGINAL AND TORRES STRAIT ISLANDER (ATSI) REPORTING

The Public Trustee's responsibilities and activities touch and concern all members of the ACT Community. Broad strategies have been put in place to ensure that staff members are acquainted with ATSI issues and responsibilities and to deliver programs to a broad spectrum of the community from diverse backgrounds.

The Public Trustee counts a number of members of the ACT Aboriginal Community amongst its clients, providing Management, Wills, Power of Attorney, Trust and Estates services.

The Council of Australian Governments (COAG) published a report "Overcoming Indigenous Disadvantage, Key Indicators 2003 Report" listing a number of key indicators and priority outcomes.

By providing our services to members of ACT's ATSI Community, the Public Trustee contributes to a key priority outcome in the report "Improved wealth creation and economic sustainability for individuals, families and communities". The nature of our services assists in the building of functional and resilient families and communities.

## B.7: ACT WOMEN'S PLAN

In 2002, a Legislative Assembly Select Committee enquiring into the Status of Women found that, although ACT women enjoy a high standard of living, issues of equal representation, accessible and

appropriate health services, violence, housing, support and economic security were priorities.

The ACT Women's Plan followed, setting out the Government's vision for working with the community to improve the status of all women and girls, and provides a shared approach for working towards this vision across ACT Government agencies.

The Public Trustee's response to the Plan, against the six objectives identified, is as follows –

### Representation and recognition

- The Public Trustee follows ACT Government policy and guidelines in the appointment of Women to Boards and Committees and has demonstrated that in current appointments. There is also a strong balance at Management Committee level and in external representation.

### Good health and well-being

- Flu injections are made available to all staff at no cost.
- Workplace assessments and follow-up care provided for four female staff.
- PTO regularly addresses female community groups (Soroptimists and Zonta) on the value of having an Enduring Power of Attorney and an up to date Will.
- Providing training in dealing with stressful and threatening customer interactions.
- Providing nursing mother facilities in the workplace.

### Responsive housing

- As Manager appointed by the Guardianship and Management of Property Tribunal, PTO works closely with the Office of the Community Advocate to ensure that represented women with identified accommodation needs e.g. elderly and disabled are appropriately housed.

### Safe, inclusive communities

- Working with the Elder Abuse Prevention Implementation Taskforce and Legal Support Group to address options for dealing with elder abuse (with particular emphasis on women) in the community.

### Economic Security and Opportunities

- Promoting flexible work arrangements for working mothers.
- Promoting sensible and realistic working hours.
- An equity and diversity approach that provides mature age employment opportunities for female staff.
- Consideration for female staff with carer responsibilities.

### Flexible education and training

- Providing professional and paid training and study assistance for all staff.



## PART C – MANAGEMENT OF THE ORGANISATION

## C.1: MANAGING OUR PEOPLE

### C.1.1: HUMAN RESOURCE PERFORMANCE AND ANALYSIS

The Public Trustee has experienced significant increases in business during the past financial year and it is vital that staffing levels be maintained at a commensurate level to maintain the quality of service.

It is proposed to implement the recommendations of an independent review of specified classification levels in particular, Trust Officers. Staff rotations will be introduced in 2005/2006 to address succession-planning issues. These two initiatives, together with the completion of the PT Practice Manual, will ensure that the Public Trustee is well-placed to handle future business needs.

Negotiations are continuing with the National Council of the Trustee Corporations of Australia, with University of Western Sydney to provide appropriate industry training for the trustee industry.



Public Trustee Management Team

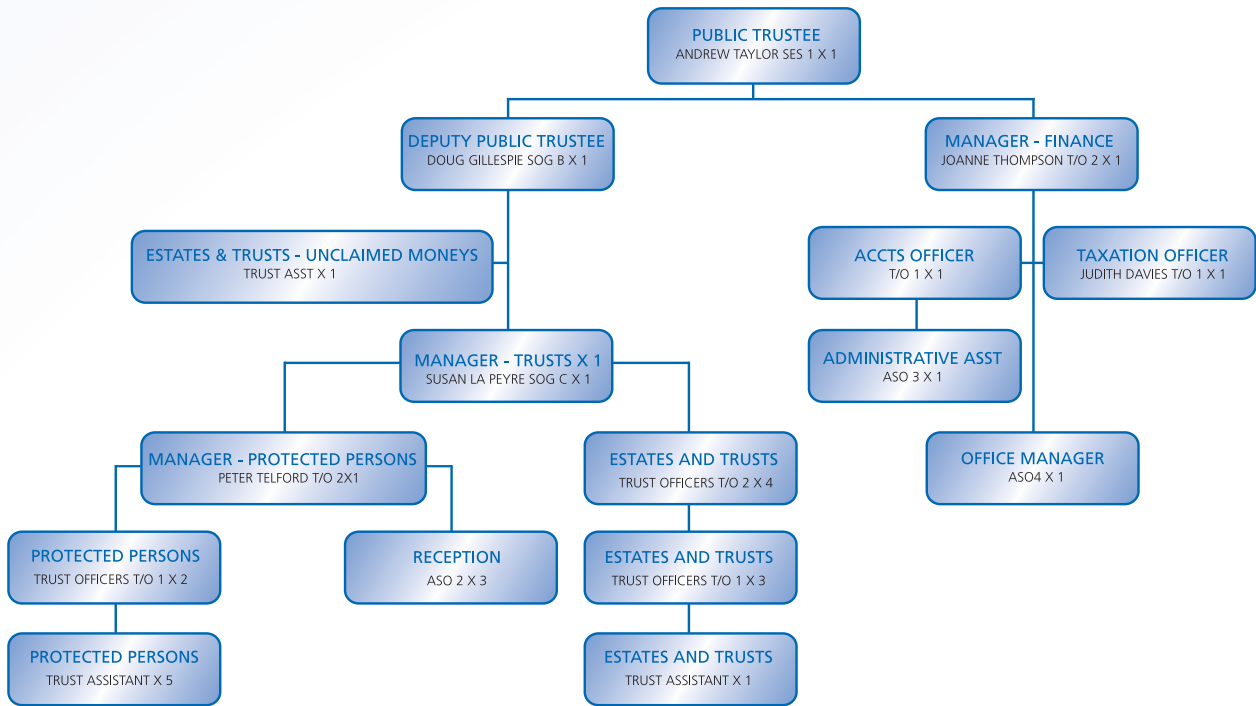
### C.1.2: STAFFING PROFILE



STAFF OF THE PUBLIC TRUSTEE



## ORGANISATION AND STAFFING STRUCTURE

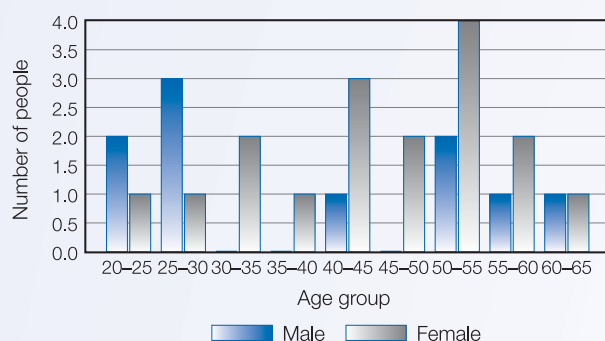


Bill Coughlin receiving the Commissioner for Public Administration Award 2005 with Cheryl Vardon (Commissioner) and Tim Keady (CEO Justice and Community Safety.)



The statistics provided in the following table include employees in receipt of salary as at 30 June 2004.–

TITLE	CLASSIFICATION	F	M	CATEGORY	EMPLOYMENT AUTHORITY
Public Trustee	Full time Statutory Office Holder		1	1 year Appt	Public Trustee Act 1985 (PTA)
Deputy Public Trustee	Sen Officer Gr B (Deputy Public Trustee)		1	Perm Appt	Public Sector M'ment Act 1994 (PSMA), PTA
Mgr - Trusts	Sen Officer Gr C	1		Perm Appt	PSMA
Mgr - Finance	Trust Officer 2	1		Perm Appt	PSMA
Mgr – Protected Persons	Trust Officer 2		1	Perm Appt	PSMA
Estates & Trusts	Trust Officer 2	1	2	Perm Appt	PSMA
Estates (Conv'g)	Trust Officer 2	1		Perm Appt	PSMA
Taxation Officer	Trust Officer 1	1		Perm Appt	PSMA
Finance Officer	Trust Officer 1	1		Perm Appt	PSMA
Estates & Trusts	Trust Officer 1	3		Perm Appt	PSMA
Protected Persons	Trust Officer 1	2		Perm Appt	PSMA
Office Manager	ASO 4	1		Perm Appt	PSMA
Estates & Trusts	Trust Asst	1	1	Perm Appt	PSMA
Finance Asst	Trust Asst	1		Perm Appt	PSMA
Protected Persons	Trust Asst	1		Perm Appt	PSMA
Reception	ASO 2	2	1	Perm Appt	PSMA
<b>TOTAL STAFF</b>		<b>17</b>	<b>10</b>		



### Employment Arrangements

Our people are engaged under the *Public Sector Management Act 1994*, as varied by the Department of Justice and Community Safety Certified Agreement 2003/2004.

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

### Workforce Planning

The Public Trustee's Management Committee has assumed responsibility for Workforce-Planning issues. The Committee reviews the staffing framework and develops workforce-planning initiatives.

## C.1.3: CULTURE AND VALUES

The business of the Public Trustee is built upon trust. The qualities of Respect, Responsibility, Reliability and Reputation are central to our culture.

Our strong training ethic and care in selecting appropriate staff reinforce this culture.

Public Trustee customers can expect –

- A consistently high level of customer service;
- high skill levels;
- fairness and equity;
- compassion and empathy; and
- honesty and integrity.

Our Fraud, Corruption and Risk Mitigation Plan underlines the value that we place in a culture based upon these qualities. This plan includes controls to ensure that our service providers also reflect and demonstrate our values. The plan incorporates a policy in respect to gifts and inducements.

In analysing customer feedback, we routinely follow up responses where the level of satisfaction is below expectation. The Public Trustee has developed a Fraud, Risk and Corruption Management Statement, which

reflects the ACT Public Service Code of Conduct and sets out strategies to address all risks, whether personal or environmental.

The Public Trustee strives to be the community's first choice for trustee services in the ACT. This aim is unaffected by a person's capacity to pay for the Public Trustee's services.

Regular meetings are held between management and trust officers to ensure staff awareness of Public Trustee practices, values and minimum required standards of conduct.

### C.1.4: WORKPLACE DIVERSITY

The Public Trustee recognises the contribution that a diverse workforce can make to organisational effectiveness, performance and staff morale. Our approach to Equity and Diversity centres around the following principles –

- creating an organisational culture that is inclusive, respectful and responsive to staff and Public Trustee stakeholders and customers. Our strategy for 2005/06 includes creating a safe and healthy workplace/ environment, providing training in discrimination issues, addressing the diverse needs of the community in delivering our services and re-designing our website to improve disability access to our services;
- promoting and facilitating access to work, equitable career opportunities and maximum participation for employees. Our strategy for 2005/06 includes staff participation in seminars and training programs, a flexible approach to working hours and supporting staff in advancement and development opportunities;
- achieving a workplace that is free from discrimination and harassment. Our strategy for 2005/2005 includes maintaining a trained Equity and Diversity staff representative and demonstrating strong awareness and support of the ACT Women's Plan; and
- ensuring procedural fairness in workplace structures, systems and procedures. Our strategy for 2005/2005 includes providing feedback to staff on performance and after a selection process, fostering participative management and work practices and introducing the Public Trustee's Induction Manual.

The broad nature of our client base and range of services dictates that we actively demonstrate the principles of equity and diversity.

Achievement of performance measures in EEO/Equity and Diversity planning for the Public Trustee is reflected in the Department of Justice and Community Safety's Annual Report 2004/2005

### C.1.5: WORKPLACE HEALTH AND SAFETY

#### Injury prevention

The following initiatives undertaken during 2004/2005 demonstrate our undertaking in respect to injury prevention –

- 33% of staff were trained to deal with aggressive client interactions.
- Training was provided to the PTO fire warden.
- Two officers undertook First Aid Training.
- Two officers attended Elder Abuse Prevention seminars.

The office undertook a workplace assessment for two staff through Donna Trevena & Associates. The assessment was implemented by attending to the following issues – new workstations; several workstations raised in height; corner lozenges, document holders, split keyboards, gel wrist rests and infra-red mice acquired; digital flat screen monitors purchased; hard plastic floor mats removed; electric leads checked and organised.

A special needs workplace assessment was undertaken for a disabled officer. As a result, digital monitors were acquired, their workstations were adjusted, new chairs purchased and lighting adjusted.

#### Injury prevention and Management Targets

The Public Trustee actively seeks to maintain its low level of workplace injury. This is continuously undertaken by conducting workplace assessments, providing safe work tools including introducing digital monitors, and modifying workstations to take temporary or permanent disabilities into account.

#### Workers Compensation

There were no workers' compensation claims reported during the reported year. The annual premium for the office in 2004/2005 was \$15,072.11. This premium reflects influences external to the office and is not indicative of the Public Trustee's claims history.

### C.1.6: LEARNING AND DEVELOPMENT

Formal training relevant to the Public Trustee's responsibilities is presently sourced through the Trustee Corporations of Australia (TCA). Public Trustee officers are encouraged to develop and enhance their skills and knowledge by undertaking study on topics that are relevant to the operations of the Public Trustee.

The University of Western Sydney, School of Law, has been requested to put forward a proposal to provide the current training program being offered by TCA.

During the reported year \$41,000.00 was allocated towards staff training.

Representatives of the Public Trustee's Management attended the ACTIA seminars on Corporate Governance and Risk Management.

The key business areas for training and development priorities are –

- Introduction to Trust Administration;
- Introduction to Investments;
- Diploma in Financial Advising;
- Business Development and Information Training; and
- Graduate Certificate in Public Sector Management.

The subjects covered by staff training during the reported year are included in the table titled "Training undertaken by Public Trustee staff 2004/2005" on the next page.



Joanne Thompson (PTO Finance Manager) graduating with a Diploma of Government Financial Management

### C.1.7: WORKPLACE RELATIONS

This has been covered in the Department of Justice and Community and Safety's Annual Report 2004/2005.

## C.2: GOVERNANCE

### C.2.1: INTERNAL ACCOUNTABILITY STRUCTURES AND PROCESSES

The Public Trustee was established in 1986 under the *Public Trustee Act 1985* (the Act) to provide permanent and secure trustee services to the ACT Community.

The Public Trustee is a statutory office-holder and is directly responsible to the Department of Justice and Community Safety under the ACT Attorney General.

The current Public Trustee is Andrew Taylor.

The Public Trustee's responsibilities are as follows –

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

The Act makes provision for the appointment of a Deputy Public Trustee. Doug Gillespie is currently appointed as Deputy Public Trustee.

## TRAINING UNDERTAKEN BY PUBLIC TRUSTEE STAFF 2004/2005

Title of Course	No of staff
Accrual Accounting	1
Australian Tax Office Satellite Seminar 2005	1
CCH – Electronic	2
Chris 21 & HR 21 Roadshow - new HR computer system	1
Company Analysis & Valuation	1
Estate Planning for blended families & the use of testamentary trusts	5
Dealing with hot heads & cranky people	9
Examination of Accounts	1
Financial Analysis & Valuation	1
Financial Industry Law & Ethics	1
Fundamentals of Portfolio Management	1
First Aid Refresher Course	2
Handisoft Ledger - Time & Billing	1
Handisoft Saga 2005	1
HR 21 Workshop	1
IAS Financial statements/Super funds	1
Inductions to PTO (includes trainer)	3
Interview Techniques	8
Introduction of the Discrimination Act	4
Introduction to the Legislative Assembly	2
Introduction to Record keeping	1
Job application writing	7
Mail – risk management techniques	3
Make it Happen – Building Your Community Foundation	1
Mediation	14
National Tax & Accountants' Association Tax Hotspots	1
National Tax & Accountants' Association Tax updates	1
St George Professional Workshop – superannuation	1
Superannuation update	1
Taxation Committee/Trustee Corporations Association	2
Tax Hot Spots	1
Trustee Corporation Association Courses	
Administer a non-complex trust	2
Establish Entitlements to an Intestate Estate	4
Establish Powers of Attorney	1
Prepare a Will	1
Estate Probate Committee	2
Executor & Trustee Institute Course Tele conference	2
Trust Officers & Guardianship in-house training	17
Ultradata Client Conference – computer software	1
Understanding & using a Thesaurus (records m'gement)	1
Wills, Succession & Estate Planning	2

## Public Trustee Investment Board



Andrew Taylor (Senior Member)



Mr Leonard Early



Ms Glenys Roper



Mr Roger Broughton

The Public Trustee Investment Board (the Board) was established under S.46 of the Act in accordance with the requirements of the 'Prudent Person Principle' under the *Trustee Act 1925*.

The *Public Trustee Act 1985* requires that the Board consists of the Public Trustee and at least two other members appointed by the Minister for a period not longer than 3 years.

### Our Board members are as follows -

- Andrew Taylor, Public Trustee, Senior Member.
- Mr. Len Early was a member of the original Public Trustee Investment Board commencing on 1 December 2002. Mr. Early brings to the Board, high level expertise in fund management, risk management and corporate governance. Mr. Early is a principal of Len Early Pty Ltd, providing advice on public sector policy and financial management, with a particular focus on public sector governance, public sector financial reform, budget reform, public sector superannuation and policy evaluation, since 1999. A former Deputy Secretary of Department of Finance and Administration (Clth), Mr Early holds a number of other current Board appointments.
- Ms. Glenys Roper was also a member of the original Public Trustee Investment Board. Ms. Roper is Director of Roex Management Pty Ltd, providing business and management advice. Ms. Roper was a former Chief Executive for the Office of Government Online, responsible for federal government strategy for electronic service delivery and 'back end' processing. Ms. Roper is a member of several other Boards, including the ACT Government Procurement Board.
- Mr. Roger Broughton is currently Executive Director, Investment and Economics, ACT Treasury. Mr. Broughton has extensive experience in financial and economic policy together with his responsibilities in the financial management and investment of ACT Government funds and superannuation liabilities and assets. Prior to embarking on a public service career, Mr. Broughton spent 17 years in the energy and water industries. Until recently, he was also Chair of the ACT Insurance Authority. He currently oversees around 60 percent of the ACT's revenue and 95 percent of its financial assets and liabilities.

The purpose of the Board is to foster and contribute to outcomes in the Public Trustee's overall funds management and investment activities. The Board provides expertise to ensure best practice in financial management and risk management, with the assistance of an external financial markets/asset management consultant.





## PUBLIC TRUSTEE INVESTMENT BOARD

GPO Box 515  
CANBERRA ACT 2601

### REPORT OF THE PUBLIC TRUSTEE INVESTMENT BOARD

The Public Trustee Investment Board met on four occasions during 2004/05 and considered and made recommendations in respect to a number of matters.

The Board recommended that the Public Trustee's Cash Common Fund interest rate be raised from 4.5% (Aug 2004) to 4.75% (May 2005). In doing so, the Board advised the Public Trustee to engage an external consultant to cost the internal administration of the Fund.

Following a tender process, Tasman Asset Management Limited trading as Tyndall was selected as a replacement sole funds manager for the Public Trustee Australian Equities Common Fund. The transition process is ongoing.

At the advice of the Board, the Public Trustee sought an amendment to the *Financial Management Act 1996* to remove any doubt that the Public Trustee can be regarded as "Crown" for the purposes of S.5A of the *Financial Sector Reform Act 2001(C'lt)*. Parts 8 and 9 of the *Financial Management Legislation Amendment Bill 2005* (to be presented in August 2005) will, if passed by the Legislative Assembly, achieve this purpose.

The Board agreed that the application of the *Government Procurement Act 2001* to certain activities of the Public Trustee creates a difficulty for the Public Trustee. Advice was sought from the ACT Government Solicitor in respect to an approach to the Procurement Board seeking exemption from the requirements for the selection of replacement fund managers.

The Board recommended that the Public Trustee prepare a Fraud, Corruption and Risk Management Plan and a revised Business Plan for 2005/2006.

It was noted that all existing Board memberships expire in March 2006. It was recommended that, in future, the periods of appointment of members be arranged to avoid the potential for a loss of continuity due to the replacement of all members simultaneously.

The Public Trustee's asset consultant was originally appointed under a continuing contract. The Board recommended that a review of asset consulting services be conducted upon completion of the current procurement exercise.

The Board noted progress with the upgrade of the Public Trustee's IT infrastructure involving acquisition of a replacement server to be located outside of the office and upgrade to current version of the TACT Business System.

  
Andrew Taylor  
SENIOR MEMBER

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4th Floor, Public Trustee House, 4 Mort Street, Canberra ACT 2600

[www.publictrustee.act.gov.au](http://www.publictrustee.act.gov.au)

ABN 45 801 644 305

**The Board advises the Public Trustee on –**

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

The appointments of members of the current Board expire on 2 March 2006.

Members of the Public Trustee Investment Board do not receive remuneration.

The Board met on four occasions during the year.

**Public Trustee Management Committee**

The Management Committee has assumed responsibility for all internal governance issues management including –

- Public Trustee investment management advisory issues, setting direction, approving investment and reviewing and endorsing asset allocations under the ‘Prudent Person Principle’.
- Risk management complementing the audit and management advisory functions.
- Resource management providing support and advice to the Public Trustee on the management and operations of the Public Trustee Office.

**Prudent Person Investment Principle**

The modern interpretation of the Prudent Person Principle was established by Putman J. in *Harvard College v Amory* 26 Mass (9 Pick) 446 (1830) as follows –

*“All that can be required of a trustee to invest is that he shall conduct himself faithfully and exercise a sound discretion. He is to observe men of prudence, discretion and intelligence manage their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probate income, as well as the probable safety of capital to be invested.”*

The *Trustee (Amendment) Act 1999* widened the investment powers of trustees, requiring trustees to invest funds with the care and skill that would be exercised by a prudent person.

To satisfy this requirement, the Public Trustee has

adopted an investment approach utilising additional sector-specific Common Funds in addition to the existing Common Fund. These funds offer greater choice and diversification to investment responsibilities and place greater discipline on the Public Trustee to achieve its aim of meeting both its own and clients’ financial needs.

The Public Trustee adopts a disciplined approach to the investment of trust funds on the advice of Robert Johnson and Associates. Mr. Johnston is engaged on the basis of his expertise in the trustee area and more particularly in the ‘Prudent Person Principle’, to provide appropriate independent advice to the office and to the Public Trustee Investment Board. This process ensures a standard practice for all trust investments leading to improved efficiency.

The adoption of the recommended process provides the Public Trustee with a sound platform on which to base the care, diligence and skill required in exercising investment powers.

**Independent Advice**

Independent advice is taken with respect to investments and asset allocation of the the common funds. This independent advice is provided by fund managers including, but not limited to, investment advice provided by –

- Merrill Lynch;
- Suncorp Metway; and
- UBS Global Asset Management.

**Legal Advice**

The Government Solicitor for the ACT, Department of Justice and Community Safety, provides legal advice to the Public Trustee. Where appropriate, the Public Trustee seeks advice from non-government practitioners.

**C.2.2: STRATEGIC AND ORGANISATIONAL PLANNING**

The Public Trustee participates in the management of the Department of Justice and Community Safety through membership of JACSCOM and the Department’s Procurement Committee involving the development of strategic plans for the Department.

A Statement of Intent is entered into annually between the Public Trustee and the ACT Treasurer. The Statement of Intent establishes the Government’s ownership interest in the Public Trustee. It sets out

guidelines and performance requirements to ensure that the Government receives the best possible return from the resources employed by the Public Trustee.

The Public Trustee formulates a three-yearly business plan. The current plan expires on 30 June 2005. On the expiry of the current plan, Business Planning will be undertaken on an annual basis.

The Business Plan identifies a range of strategies, which provide the Public Trustee with the framework to build and sustain business, and to enhance the Public Trustee's role as a provider of quality trustee services to the ACT community.

Within the Business Plan, a Management Committee Activity Agenda is maintained as part of the committee's weekly meeting.

### C.2.3: FRAUD PREVENTION

Risk, integrity and fraud management form part of the Public Trustee's governance arrangements complementing the audit and management advisory functions.

The Public Trustee has appropriate controls and checks in place, as safeguards to ensure a high level of security for client funds and confidentiality. The Public Trustee's trust-accounting system (TACT) has been designed specifically for use by the Trustee Industry and meets standards for client confidentiality and security control.

The Public Trustee has developed a detailed fraud/corruption/risk assessment and mitigation strategy (See C.2.4 Risk Management and Internal Audit Arrangements". The strategy sets out prevention and detection mechanisms.

A number of risk assessments were undertaken during the year as part of the Department's risk management strategy. There were no reports or allegations of fraud or corruption received during the reported year.

### C.2.4: RISK MANAGEMENT AND INTERNAL AUDIT ARRANGEMENTS

#### Risk Management

Risk management is a vital component of the Public Trustee's corporate governance arrangements, complementing the audit and management advisory functions.

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

The Public Trustee's risk minimisation strategy covers all investment, financial, operational and administrative responsibilities. This strategy documents business processes undertaken by the office, identifies key risks associated with these processes and measures undertaken to control these risks.

The Management Committee oversees the implementation of this plan. Membership of the Committee comprises the Public Trustee, Investment Officer, Trusts Manager, Finance Manager, Manager - Financial Management Unit together with external advice as required. The committee meets weekly.

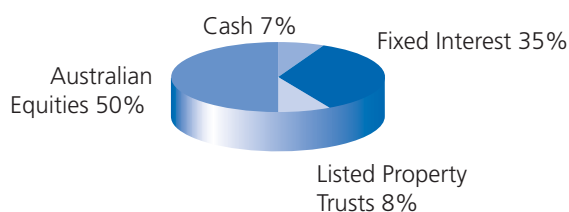
#### Risk Profile Models

The Public Trustee complies with the 'Prudent Person Investment Principle' of the *Trustee Act 1925* ensuring that trusts are reviewed on an annual basis and invested in accordance with the assessed risk profile.

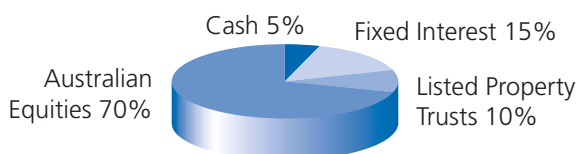
The major risk investment categories applied are Growth, Balanced, Income Stable and Capital Secure. These are invested through sector common funds in tactical asset allocations, which have been set in consultation with Robert Johnson and Associates.

(Refer also 'Investment Strategies' under Funds Management)

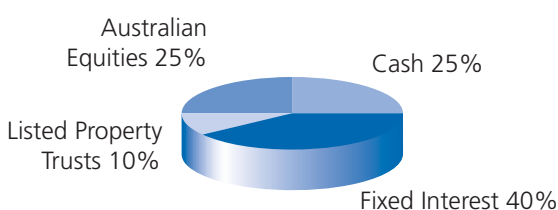
#### Balanced investment strategy:



#### Growth investment strategy:



#### Income stable investment model:





## Audit

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

Trust funds administered by the Public Trustee are audited by external auditors, in addition to audits made as part of the Department's Internal Audit program, under a departmental arrangement with Walter Turnbull.

## Delegations

Financial delegations are set in accordance with the *Public Trustee Act 1985* and the *Financial Management Act 1996* and the *Audit Act 1989*.

The Public Trustee and the Deputy Public Trustee have approval to sign and or countersign cheque requests and to make investment decisions and authorise investments and the withdrawal of investments on behalf of clients of the public trustee. The Management Committee approves investment and withdrawal of funds.

Details of delegations are recorded and kept as an official record.

## Internal Audit

As part of the Department of Justice and Community Safety's 2004-05 Strategic Internal Audit Program, a review of the trust funds administered by the Public Trustee was undertaken during January 2005.

The objectives of this audit were to assess the adequacy of the control framework surrounding the management of client moneys held in trust including –

- Receipt of trust moneys;
- Investment of trust moneys;
- Payments of trust moneys;
- Trust management systems;
- Reporting and disclosure requirements;
- Authorisation of transactions; and
- Assess the efficiency and effectiveness of the current systems for managing client moneys held in trust.

The report found that the Public Trustee has an effective control framework surrounding the administration of trust funds. There are significant controls over the receipt and payment of moneys on behalf of clients, including authorisation of transactions, to ensure that client funds are used appropriately.

The Public Trustee's investment strategies are consistent with the "Prudent Person Principle" required under the Trustee Act 1925.

The current systems used for the administration of client funds have appropriate controls to ensure the accuracy and integrity of client accounts, which will be further enhanced by the upgrade of the Public Trustee's client management system "TACT", expected to be implemented during 2005. The upgrade of TACT is also expected to improve reporting and statistical capabilities, which will improve client service.

The Auditor reported that the Public Trustee administers trust funds in an efficient and effective manner, however some minor issues were noted that may impact on the performance of the Public Trustee. These matters have been addressed and resolved to the satisfaction of the auditor and Public Trustee management.

## C.2.5: EXTERNAL SCRUTINY

### External Audit

The ACT Auditor-General annually reviews the corporate and trust financial reports as well as performance measures of the Public Trustee. Audits are conducted in accordance with Australian Auditing Standards and include examination of sample evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates.

No qualification was made in respect to the Public Trustee's financial reports.

### Reports by the Auditor-General

No adverse statements were made by the Auditor-General regarding the operations of the Public Trustee during the reported period.

The Auditor-General's Report may be found at Part D of this Report.

### Review by the ACT Ombudsman

The ACT Ombudsman provided the following report -

- 5 complaints covering 5 issues were received during the year, representing a significant decrease from the 16 recorded in the previous year.
- The 5 complaints received were finalised. Two complaints were investigated but terminated when the complaint was found not warranted. Two further complaints were found not warranted after the office conducted preliminary inquiries. The Ombudsman decided not to investigate the remaining complaint, referring the complainant back to the Public Trustee.

## Other Reviews

No judicial decisions or decisions of administrative tribunals were made having an impact on the operations of the Public Trustee.

No reports, having an adverse finding in respect to the operations of the Public Trustee, were made by the Auditor-General.

## C.2.6: REPORTS REQUIRED BY LEGISLATION

### FREEDOM OF INFORMATION

#### Section 7 Statement

Public Trustee for the ACT

4th Floor, Public Trustee House,

4 Mort St, Canberra 2601

#### Establishment

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

#### Functions

The principal functions of the office are to:

- act as Trustee of deceased estates
- act as Trustee of moneys paid as a result of litigation on behalf of mentally disabled persons and minors
- administer deceased estates
- prepare Wills
- manage property under orders of the Guardianship and Management of Property Tribunal
- financial management under Enduring Power of Attorney
- examination of accounts of managers under the *Guardianship and Management of Property Act 1991*;
- asset forfeiture services under the *Confiscation of Criminal Assets Act 2003*.

#### Arrangements for external participation

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

#### Categories of documents

The categories of documents held include:

- Deceased Estate files

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

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

#### Facilities for access

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

#### Section 8 Statement

Public Trustee for the ACT

4th Floor, Public Trustee House,

4 Mort St, Canberra 2601

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

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

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

#### Section 79 Statement

No requests under the *Freedom of Information Act 1996* were received in the year in review.

A Freedom of Information Statement is contained in the Department of Justice & Community Safety's Annual Report for 2004/2005.



## PUBLIC INTEREST DISCLOSURE

The objective of the *Public Interest Disclosure Act 1994* (the Act) is to encourage the disclosure of improper conduct or wrongdoing in the ACT Public Service. The Act requires the Public Trustee, in its capacity as a government agency, to establish and maintain procedures to facilitate the making of public interest disclosures.

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

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

No public interest disclosures were made during 2004/2005.

## TERRITORY RECORDS

The Public Trustee has prepared a Records Disposal Schedule, Records Management Policy and Records Management Procedures in accordance with the *Territory Records Act 2002*. The Records Management Policy was approved by the Chief Executive, Justice and Community Safety on 4 May 2005.

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

## C.2.7: SUSTAINABILITY AND THE ENVIRONMENT

### COMMISSIONER FOR THE ENVIRONMENT REPORTING

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

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

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

## ECOLOGICALLY SUSTAINABLE DEVELOPMENT

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

The Public Trustee seeks to provide its services to the ACT Community and Government in a manner, which supports ecologically sustainable development. The office does this by employing practices aimed at reducing waste. These practices include –

- acquiring equipment which automatically powers down when not in use;
- turning off power to computers, printers and copiers.
- installing a timer on office lighting to power down outside of office hours;
- using recyclable consumables for equipment including copier toner and unbleached paper;
- preparing publications, forms etc on recycled paper;
- recycling paper waste both internally and externally;
- promoting the use of email facilities to reduce the impact on paper usage;
- using smaller-engined office vehicles
- lodging tax returns electronically; and
- tinting office windows to save on electricity usage.

## C.2.8: CANBERRA BUSHFIRE RECOVERY APPEAL WIND-UP

The Canberra Bushfire Recovery Appeal Management Committee was established to gather donations and determine eligibility for assistance following the Canberra Bushfires on 18 January 2003.

The Public Trustee was appointed as the trustee administrator and the legal entity for the funds collected.

A total of \$8.9M was raised. The Appeal was wound up on 12 October 2004.



## AUDITOR-GENERAL

Australian Capital Territory



### INDEPENDENT AUDIT REPORT

#### CANBERRA BUSHFIRE RECOVERY APPEAL FUND

To the Members of the ACT Legislative Assembly

##### Audit Opinion

In my opinion, the financial statements of the Canberra Bushfire Recovery Appeal Fund for the period from 1 July 2004 to 12 October 2004:

- (i) are presented in accordance with the Canberra Bushfire Recovery Appeal Fund Declaration of Trust dated 22 January 2003, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Canberra Bushfire Recovery Appeal Fund as at 12 October 2004 and the results of its operations and its cash flows for the period from 1 July 2004 to 12 October 2004.

##### Responsibility for the Financial Statements

The Public Trustee is responsible for the financial statements of the Canberra Bushfire Recovery Appeal Fund. This includes responsibility for accounting policies and estimates used in the preparation of the financial statements and the maintenance of adequate accounting records and internal controls.

##### Contents of the Financial Statements

The financial statements are comprised of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and accompanying notes.

##### The Auditor's Responsibility

My responsibility is to express an opinion on the financial statements as required by the Canberra Bushfire Recovery Appeal Fund Declaration of Trust dated 22 January 2003.

##### The Audit Scope

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

Level 4, 11 Moore Street, Canberra City ACT 2601 PO Box 275, Civic Square ACT 2608  
Telephone: (02) 620 70833 Facsimile: (02) 620 70826  
Office Email: [actauditorgeneral@act.gov.au](mailto:actauditorgeneral@act.gov.au)

I formed the audit opinion by performing procedures to assess whether, in all material aspects, the financial statements present fairly, in accordance with the Canberra Bushfire Recovery Appeal Fund Declaration of Trust dated 22 January 2003, Accounting Standards and other mandatory financial reporting requirements in Australia, a view that is consistent with my understanding of the financial position and performance of the Canberra Bushfire Recovery Appeal Fund.

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

My procedures included:

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

I considered the effectiveness of internal controls when determining the nature and extent of my procedures, however the audit was not designed to provide assurance on internal controls. My audit also did not involve the evaluation of the prudence of decisions made by the Canberra Bushfire Recovery Appeal Fund.



Tu Pham  
Auditor-General  
3 June 2005

**CANBERRA BUSHFIRE RECOVERY APPEAL FUND****STATEMENT BY PUBLIC TRUSTEE****STATEMENT OF RESPONSIBILITY**

Under a Declaration of Trust dated 22 January 2003 relating to the Canberra Bushfire Recovery Appeal Fund (the fund) the Public Trustee for the Australian Capital Territory is responsible for the preparation of the financial statements of the fund and the judgements exercised in preparing them. The Public Trustee is also responsible for the financial transactions of the fund and the control over its assets and liabilities. The financial statements have been prepared by the Public Trustee in accordance with the accounts and records of the fund.

In the opinion of the Public Trustee, the financial statements of the fund present fairly the financial position of the fund as at 12 October 2004 and the results of the operations and its cash flows for the period from 1 July 2004 to 12 October 2004.



Andrew Taylor  
Public Trustee

/ June 2005



John Mackay  
Board Member

/ June 2005



## CANBERRA BUSHFIRE RECOVERY APPEAL FUND

## STATEMENT OF FINANCIAL POSITION

AS AT 12 OCTOBER 2004

ASSETS	Notes	12 OCTOBER 2004	30 JUNE 2004
		\$	\$
<b>CURRENT ASSETS</b>			
Cash at Bank	3	0	7 586
Accrued Investment Income		0	14
Investments		0	0
<b>TOTAL CURRENT ASSETS</b>		<b>0</b>	<b>7 600</b>
<b>TOTAL ASSETS</b>		<b>0</b>	<b>7 600</b>
<b>REPRESENTED BY:</b>			
Accumulated Funds		0	7 600
<b>Total Funds Employed</b>		<b>0</b>	<b>7 600</b>

## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE PERIOD ENDED 12 OCTOBER 2004

REVENUE	Notes	12 OCTOBER 2004	30 JUNE 2004
		\$	\$
Gift of funds	2(b)	0	197 712
Interest	2(c)	112	5 710
Resources received free of charge	4	0	580
<b>Total Ordinary Revenue</b>		<b>112</b>	<b>204 002</b>
<b>EXPENSES</b>			
Funds transferred to beneficiaries		7 712	351 540
Audit fees		0	580
<b>Total Ordinary Expenses</b>		<b>7 712</b>	<b>352 120</b>
<b>OPERATING (DEFICIT)</b>		<b>(7 600)</b>	<b>(148 118)</b>
<b>Total Changes in Equity including those resulting from Transactions with Owners as Owners</b>		<b>(7 600)</b>	<b>(148 118)</b>

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



## CANBERRA BUSHFIRE RECOVERY APPEAL FUND

## CASH FLOWS

FOR THE PERIOD ENDED 12 OCTOBER 2004

	Notes	12 OCTOBER 2004	30 JUNE 2004
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
INFLOWS			
Interest received		126	6 170
Gift of funds received		0	197 712
OUTFLOWS			
Funds distributed		7 712	(351 540)
Net cash (used) by operating activities		(7 586)	(147 658)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
INFLOWS			
Proceeds from sale of investments		0	253 458
OUTFLOWS			
Payment for purchase of investments		0	(143 458)
Net cash provided by investing activities		0	110 000
<b>Cash at the beginning of the reporting period</b>		<b>7 586</b>	<b>45 244</b>
<b>Cash at the end of the reporting period</b>	<b>3</b>	<b>0</b>	<b>7 586</b>

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

**CANBERRA BUSHFIRE RECOVERY APPEAL FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 12 OCTOBER 2004**

**1. ACTIVITIES OF THE PUBLIC TRUSTEE AS TRUSTEE FOR THE CANBERRA BUSHFIRE RECOVERY APPEAL FUND (THE FUND)**

The Fund is a public fund and is established to receive money and property which is to be appropriated to the aid and relief of persons affected by the 2003 Canberra Bushfires. The role and functions of the Public Trustee as Trustee of the Fund are defined in the Canberra Bushfire Recovery Appeal Fund Declaration of Trust dated 22 January 2003.

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

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

**(b) Revenue Recognition**

Funds were received from the community to assist those community groups that were affected by the January 2003 Canberra Bushfires and were in need the most. Funds received are brought to account as revenue on receipt of these funds.

**(c) Interest Income**

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

**(d) Investments**

Investments have been brought to account at cost and investment income is recognised in the Statement of Financial Performance on an accrual basis.

**(e) Liabilities**

As the Canberra Bushfire Recovery Appeal Fund is a Charitable Trust there are no liabilities to bring to account.

**(f) Income Tax**

No tax liabilities have been brought to account as the Fund is exempt from tax.

### 3. RECONCILIATION OF CASH

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in the bank. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows.

	12 OCTOBER 2004	30 JUNE 2004 \$
Cash	0	7 586

### 4. RESOURCES RECEIVED FREE OF CHARGE

Resources received free of charge relate to goods and/or services being provided free of charge.

The Fund received assistance from various organisations, Australia wide. It has however not always been possible to quantify the free resources received in the form of assistance and hence has not all been disclosed within the financial statements.

Audit services were provided, by the ACT Auditor General's Office, to the Fund free of charge.

### 5. WINDING UP OF THE FUND

The last meeting of the Canberra Bushfire Recovery Appeal Fund Board was held on 5 November 2003. At that meeting a motion was passed to apply the balance of up to \$100,000 to the open fund of the Capital Region Community Foundation specifically for the aid and relief of the burns victim Niki Van Buuren to assist in her rehabilitation and return to normal life.

Section 19 of the Trust Deed states that any surplus assets of the Canberra Bushfire Recovery Appeal Fund remaining after the payment of all its liabilities is to be transferred to another deductible gift recipient. On that basis the remaining funds were transferred to the Public Trustee Common Fund, in the name of the Bushfire Appeal on 12 October 2004.



## PART D – ANALYSIS OF FINANCIAL PERFORMANCE



## D.1 AGENCY FINANCIAL RESULTS AND ANALYSIS OF FINANCIAL PERFORMANCE

The following financial information is based upon actual figures to 30 June 2005, the audited Financial Statements for 2003-04, and 2004-05 and budget estimates contained in the 2004-05 Budget Paper Number 4.

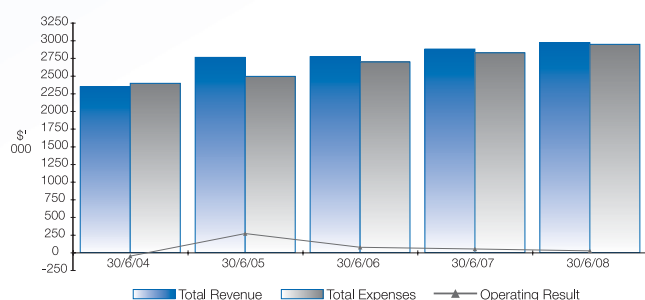
### Operating Result

The operating surplus for the twelve months ending 30 June 2005 was \$266,536.00, an increase of \$193,536.00 on the 2004-05 budget estimate of \$73,000.00 and an increase of \$314,048.00 over the previous year. The surplus was largely due to increased operating revenue as a result of an increase in the value of, and income received on, Common Fund investments as well as a change in office policy in regard to various fees charged under the Public Trustee determination of fees. As a result revenue rose at a higher rate than expenditure. Employee expenses increased due to the recruitment of extra staff and the payment of higher duties to a number of staff as a result of workforce planning processes. Supplies and service charges remained relatively static during the year.

Figure 1

### STATEMENT OF FINANCIAL PERFORMANCE TRENDS

Figure 1 illustrates that the Public Trustee anticipates increasing revenue and expenses with a gradual increase in operating surplus.



### Total Revenue

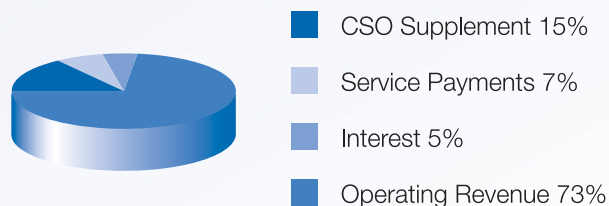
As illustrated in figure 2 the Public Trustee derives 73% of its revenue from fees and charges relating to the provision of trustee services.

Figure 2

### COMPONENTS OF REVENUE 2003-05

Total revenue for the year ending 30 June 2005 was \$2,759,820.00. This is \$101,820.00 higher than the total revenue for the twelve months ending 30 June 2004 (\$2,345,425.00) and \$101,820.00 higher than the 2004-05 budget estimate of \$2,658,000.00.

### Components of Revenue 2004 – 2005



Total revenue is 17.67% or \$414,395 higher than total revenue for the previous year.

### Total Expenditure

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

Total expenditure for the twelve months ending 30 June 2005 was \$2,493,284.00, of which \$1,752,057.00 or 70.28%, was employee-related expenditure. Budgeted expenditure for the year to date was \$2,565,000.00 and actual expenditure for the 2004-05 year was \$2,392,938.00. The increase of \$100,346.00 in actual expenditure over the prior year was primarily due to the implementation of new business software application, TACT.

### Public Trustee Financial Position

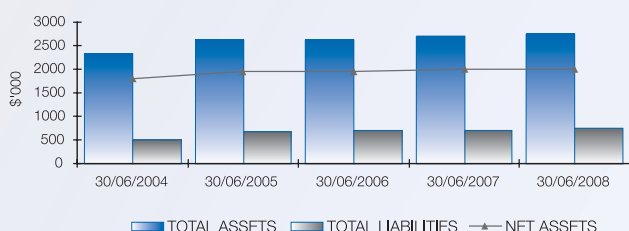
Key indicators of the health of the Public Trustee's financial position are the ability to sustain the existing asset base, the ability to pay debts falling due in the short term and maintaining prudent levels of longer term liabilities.

### Sustained Asset Base

The ability of the Public Trustee to sustain its assets base is indicated by changes in net assets. As Figure 3 below illustrates, the Public Trustee maintains a strong net asset position due to the increased level of funds under management, in comparison with liabilities.

Figure 3

## SUMMARY STATEMENT OF FINANCIAL POSITION



The net asset position as at 30 June 2005 of \$1,939,691.00 is \$2,691.00 higher than the 2004-05 budget estimate of \$1,937,000.00, and higher than the 30 June 2004 outcome by \$133,268.00. The net asset position continues to indicate an asset base capable of meeting the service requirements of clients of the Public Trustee.

## Liquidity

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

Table 1

## CURRENT RATIO

	Prior Year Actual \$'000 2003-04	Current Year Budget \$'000 2004-05	Current Year Actual \$'000 2004-05	Forward Year Budget \$'000 2005-06	Forward Year Budget \$'000 2006-07	Forward Year Budget \$'000 2007-08
Total Current Assets	2,318	2,552	2,625	2,543	2,605	2,682
Total Current Liabilities	238	400	363	329	324	341
Current Ratio	<b>9.73:1</b>	<b>6.38:1</b>	<b>7.23:1</b>	<b>7.72:1</b>	<b>8.04:1</b>	<b>7.87:1</b>

The Public Trustee's current ratio for the financial year ending 30 June 2005 was 7.23 to 1, an increase on the budgeted current ratio at 30 June 2005 of 6.38 to 1. This is mainly due to an increase in the dividend payable at 30 June 2005, due to the actual operating surplus being greater than budget.

The current ratio is expected to increase in forward years from the current ratio of 7.23 to 1 as the Public Trustee anticipates a lower net profit in forward years and therefore a decrease in current liabilities to provide for a dividend payable. Despite this, the Public Trustee will still maintain a strong level of liquidity.

## Long Term Liabilities

The Public Trustee's non-current liabilities for the twelve months ending 30 June 2005 were \$331,734.00, higher than the budgeted figure of \$215,000.00 and \$58,511.00 higher than the 2003-04 actual result of \$273,223.00. The sole non-current liability of the Public Trustee is a provision for employee benefits, representing staff entitlement to long service leave.

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

The ratio for 30 June 2005 as indicated in Table 2 is 3.73 to 1 and remains constant in forward years. The ratio of 3.73 to 1 is a decrease from 4.51 to 1 at 30 June 2004, however the liquidity of the Public Trustee is more than adequate.

The Public Trustee Investment Board approved a change in investment policy, which will provide clients with quarterly income distributions instead of bi-annual distributions. The change may have a slight impact on the ratios highlighted in Tables 1 and 2.

Table 2

## FINANCIAL ASSETS TO TOTAL LIABILITIES RATIO

	Prior Year Actual \$'000 2003–04	Current Year Budget \$'000 2004–05	Current Year Actual \$'000 2004–05	Forward Year Budget \$'000 2005–06	Forward Year Budget \$'000 2006–07	Forward Year Budget \$'000 2007–08
Total Financial Assets	2,304	2,506	2,598	2,528	2,589	2,665
Total Liabilities	511	615	695	645	661	699
Financial Assets to Liabilities Ratio	<b>4.51:</b>	<b>4.07:1</b>	<b>3.73:1</b>	<b>3.92:1</b>	<b>3.92:1</b>	<b>3.81:1</b>

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

**PUBLIC TRUSTEE FOR THE ACT**  
**STATEMENT OF PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2005**

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

INDICATOR	TARGET 2004-05	ACTUAL OUTCOME 2004-05	% Variance	Notes
No of Current Financial Management under Orders of the Guardianship and Management of Property Tribunal (GMPT)	350	397	13%	1
No of active financial management accounts under Power of Attorney and Enduring Power of Attorney	100	95	(5%)	2
No of responses to community call outs following death	12	9	(25%)	3
No of Welfare funerals arranged	4	12	200%	3
No of Examinations of accounts provided from external managers under GMPT	250	246	(2%)	4
No of Deceased Estate Administrations completed < \$100,000	76	77	1%	5/6
No of Deceased Estate Administrations completed > \$100,000	44	35	(20%)	5/6
No of trusts held under legal liability less than <\$100,000	565	522	(8%)	7/8
No of trusts held under legal liability > \$100,000	34	31	(9%)	7/8
Wills	550	678	23%	9
Percentage of expenditure over total income	85%	90%	5%	



## NOTES

1. The number of clients under Guardianship and Management of Property Orders has increased due to the need to appoint the Public Trustee as manager of last resort.
2. The number of Enduring Power of Attorneys has decreased due to a number of deaths and transfer of clients to Management of Property Orders.
3. Number of welfare funerals and AFP call-outs is dependent on the level of funds of deceased and the ability to contact known family members, PTO involvement is last resort.
4. The number of examinations conducted is reliant on external managers producing their accounts annually to the Public Trustee for examination.
- 5/6. The number of estates completed less than and greater than \$100,000.00 depends on the level of funds in the estate at the time of death.
- 7/8. The number of trusts under \$100,000.00 has reduced due to changes in the legislation for criminal injuries compensation involving minors or people lacking capacity together with legislation changes to the payment of structured settlements in court awards. The number of trusts over \$100,000.00 may decrease due to legislation that will bring in structured settlements. The PTO is, as part of a court award, required to manage the funds of minors and people lacking legal capacity. The office is reliant on being nominated by the Court and the legal team of the next friend as the appointed trustee for people lacking legal capacity. There may be changes in the manner in which awards are funded that may impact on trusts under the PTO care.
9. The number of requests for new and changed wills remains comparatively high due to the marketing strategies and community education conducted by the Office during the year.

## D.2 ASSET MANAGEMENT

The Public Trustee's assets are included in the Department of Justice and Community Safety's asset management strategy and reported on in the Department's Annual Report.

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

## D.3 CAPITAL WORKS MANAGEMENT

The Public Trustee did not undertake any Capital Works projects during the reported year.

## D.4 PROCUREMENT CONTRACTING PRINCIPLES AND PROCESSES

During the reported year, the Public Trustee finalised the procurement of a new Fund Manager for the Public Trustee's Australian Equities Common Fund for a period of up to five years.

The procurement process resulted in the selection of Tasman Asset Management Limited trading as Tyndall as sole funds manager for the fund.

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

## D.5 GOVERNMENT CONTRACTUAL DEBTS (INTEREST)

The *Government Contractual Debts (Interest) Act 1994* applied to all contracts entered into by the Public Trustee during the reported year.



PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
2004-05 ANNUAL REPORT

## APPENDICES

## 1. FINANCIAL REPORTS

### 1.1 FINANCIAL STATEMENTS



#### AUDITOR-GENERAL

Australian Capital Territory



#### INDEPENDENT AUDIT REPORT

#### PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY

To the Members of the ACT Legislative Assembly

##### Audit Opinion

In my opinion, the financial statements of the Public Trustee for the Australian Capital Territory for the year ended 30 June 2005:

- (i) are presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Public Trustee for the Australian Capital Territory as at 30 June 2005 and the results of its operations and its cash flows for the year then ended.

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

##### Responsibility for the Financial Statements

The Public Trustee for the Australian Capital Territory is responsible for the financial statements. This includes responsibility for accounting policies and estimates used in the preparation of the financial statements and the maintenance of adequate accounting records and internal controls.

##### Contents of the Financial Statements

The financial statements are comprised of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Performance and accompanying notes.

##### The Auditor's Responsibility

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

##### The Audit Scope

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

Level 4, 11 Moore Street, Canberra City ACT 2601 PO Box 275, Civic Square ACT 2608  
Telephone: (02) 620 70833 Facsimile: (02) 620 70826  
Office Email: [actauditorgeneral@act.gov.au](mailto:actauditorgeneral@act.gov.au)

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

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

My procedures included:

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

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

My audit also did not involve the evaluation of the prudence of decisions made by the Public Trustee for the Australian Capital Territory.

### **Statement of Performance**

My audit of the Statement of Performance included an assessment of whether reported performance measures are materially correct.

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

### **Independence**

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



Tu Pham  
Auditor-General  
| August 2005



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
STATEMENT OF RESPONSIBILITY  
FOR THE YEAR ENDED 30 JUNE 2005**

In my opinion, the financial statements are presented in accordance with the Public Trustee for the Australian Capital Territory's accounts and records, and fairly reflect the financial operations and service performance of the Public Trustee for the Australian Capital Territory for the year ended 30 June 2005, and the financial position on that date.



Andrew Taylor  
Public Trustee  
19 July 2005

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30TH JUNE 2005**

	Notes	<u>Actual</u>	2005 <u>Budget</u>	2004 <u>Actual</u>
		\$	\$	\$
<b>REVENUE</b>				
Service Payments from General Government Sector	4	195 000	195 000	192 000
Community Service Obligation Payment		403 000	403 000	397 000
Operating Revenue	5	2 029 861	1 944 000	1 638 377
Interest		131 959	116 000	118 048
<b>Total Ordinary Revenue</b>		<b>2 759 820</b>	<b>2 658 000</b>	<b>2 345 425</b>
<b>EXPENSES</b>				
Employee Expenses	6	1 752 057	1 662 000	1 652 430
Supplies and Services	7	740 968	903 000	740 507
Depreciation and Amortisation	8	259	0	0
<b>Total Ordinary Expenses</b>		<b>2 493 284</b>	<b>2 565 000</b>	<b>2 392 938</b>
<b>Operating Surplus/(Deficit)</b>	<b>16</b>	<b>266 536</b>	<b>93 000</b>	<b>(47 512)</b>
Change in Equity other than those resulting from Transactions with owners as owners		266 536	93 000	(47 512)
Dividend payable	16	(133 268)	(46 000)	0
<b>Total changes in Equity including those resulting from transactions with owners as Owners</b>		<b>133 268</b>	<b>47 000</b>	<b>(47 512)</b>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2005**

	Notes	<u>Actual</u>	2005 <u>Budget</u>	2004 <u>Actual</u>
		\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash	10	64 322	30 000	165 485
Investments		2 375 000	2 299 000	2 025 000
Receivables	11	158 897	177 000	113 916
Prepayments		26 417	46 000	13 237
<b>Total Current Assets</b>		<b>2 624 636</b>	<b>2 552 000</b>	<b>2 317 638</b>
<b>NON CURRENT ASSETS</b>				
Property Plant and Equipment	12	10 196	0	0
<b>Total Non Current Assets</b>		<b>10 196</b>	<b>0</b>	<b>0</b>
<b>Total Assets</b>		<b>2 634 832</b>	<b>2 552 000</b>	<b>2 317 638</b>
<b>CURRENT LIABILITIES</b>				
Payables	13	52 605	90 000	39 708
Employee Benefits	14	177 534	223 000	198 284
Other Liabilities	15	133 268	87 000	0
<b>Total Current Liabilities</b>		<b>363 407</b>	<b>400 000</b>	<b>237 992</b>
<b>NON CURRENT LIABILITIES</b>				
Employee Benefits	14	331 734	215 000	273 223
<b>Total Non-Current Liabilities</b>		<b>331 734</b>	<b>215 000</b>	<b>273 223</b>
<b>Total Liabilities</b>		<b>695 141</b>	<b>615 000</b>	<b>511 215</b>
<b>Net Assets</b>		<b>1 939 691</b>	<b>1 937 000</b>	<b>1 806 423</b>
<b>REPRESENTED BY:</b>				
Accumulated Funds	16	1 939 691	1 937 000	1 806 423
<b>Total Funds Employed</b>		<b>1 939 691</b>	<b>1 937 000</b>	<b>1 806 423</b>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2005**

	Notes	2005 <u>Actual</u>	<u>Budget</u>	2004 <u>Actual</u>
		\$	\$	\$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Operating Revenue		325 129	320 000	306 540
Management fees		712 352	661 000	587 759
Commission received		960 204	930 000	702 656
Interest received		129 114	104 000	111 686
Appropriations		598 000	598 000	589 000
GST charged on Fees & Commissions		195 747	164 000	164 029
Other		10 319	0	23 640
<b>Total Receipts from Operating Activities</b>		<b>2 930 865</b>	<b>2 777 000</b>	<b>2 485 310</b>
<b>Payments</b>				
Related to Employee Payments		1 709 436	1 626 000	1 558 951
Related to Supplies and Services		748 959	887 000	725 099
GST paid on Supplies		78 007	82 000	78 723
GST paid to ATO		122 870	80 000	71 458
Other		12 301	0	18 961
<b>Total Payments from Operating Activities</b>		<b>2 671 573</b>	<b>2 675 000</b>	<b>2 453 192</b>
<b>Net cash inflows from Operating Activities</b>	<b>22</b>	<b>259 292</b>	<b>102 000</b>	<b>32 118</b>
<b>Cash Flows from Investing Activities</b>				
<b>Payments</b>				
Property Plant and Equipment	<b>12</b>	10 455	0	0
<b>Total Payments from Investing Activities</b>		<b>10 455</b>	<b>0</b>	<b>0</b>
<b>Net cash outflows from Investing Activities</b>		<b>(10 455)</b>	<b>0</b>	<b>0</b>



PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
STATEMENT OF CASH FLOWS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	<u>Actual</u> 2005 \$	<u>Budget</u> \$	<u>Actual</u> 2004 \$
<b>Cash Flows from Financing Activities</b>				
<b>Payments</b>				
Dividend Paid		0	35 000	171 571
<b>Total Payments from Financing Activities</b>		<b>0</b>	<b>35 000</b>	<b>171 571</b>
<b>Net Cash (Outflows) from Financing Activities</b>		<b>0</b>	<b>(35 000)</b>	<b>(171 571)</b>
Net Increase/(Decrease) in cash held		248 837	67 000	(139 453)
Cash at the beginning of the financial year		2 190 485	2 262 000	2 329 938
<b>Cash at the end of the year</b>	<b>21</b>	<b>2 439 322</b>	<b>2 329 000</b>	<b>2 190 485</b>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**1. ACTIVITIES OF THE PUBLIC TRUSTEE**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Accounting**

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

Subsection 59(3) of the FMA and the *Financial Management Guidelines*, requires that the Public Trustee's financial statements include:

- (i) a Statement of Financial Performance for the year;
- (ii) a Statement of Financial Position for the year;
- (iii) a Statement of Cash Flows for the year;
- (iv) a summary of the significant accounting policies adopted by the Public Trustee for the year;
- (v) such other statements necessary to fairly reflect the financial operations of the Public Trustee during the year and its financial position at the end of the year; and
- (vi) Statement of Performance for the year.

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

- (i) Australian Accounting Standards;
- (ii) Urgent Issues Group Abstracts;
- (iii) Other authoritative pronouncements of the Australian Accounting Standards Board; and
- (iv) ACT accounting policies.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention.

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

**b) The Reporting Period**

These financial statements report the financial performance and cash flows of the Public Trustee for the Australian Capital Territory for the financial year ended 30 June 2005 and the financial position of the Public Trustee for the Australian Capital Territory as at 30 June 2005.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**c) Comparative Figures**

**Budget Figures**

Budget information for 2004-05 has been provided, as presented in the Public Trustee's Statement of Intent and the amounts published in the ACT Budget Papers in 2004-05. The *Financial Management Act 1996* (FMA) requires the statements to facilitate a comparison with the Statement of Intent.

**Prior Year Comparatives**

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

**d) Employee Benefits**

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

Wages and salaries, annual leave and long service leave to be taken in the next twelve months are measured based on the nominal amounts of remuneration anticipated to be paid when the leave is taken.

A long service leave liability is recognised for employees with ten years or more service and employees with less than ten years of required qualifying service. For these employees with less than ten years of required qualifying service, the liability is calculated through a shorthand approach by recording 100% of the liability for employees with five or more years of service. Use of this shorthand approach is an approximation process to recognise the probable liability to eventuate for officers with less than ten years of service, when ten years of service is achieved. The determination of current and non-current portions is based on a past history of payments and any specific unknown factors. The long service leave liability is measured at the present value of the estimated future cash outflows. Consideration is given, when making this estimate, to expected future wage and salary levels, experience of employee departures and periods of service.

Non vesting sick leave entitlements are not recognised as a liability on the basis that past trends of sick leave usage indicate amounts of sick leave taken does not exceed amounts accrued.

**e) Insurance**

The Public Trustee maintains insurance cover over all assets held in trust.

**f) Trust Funds**

Separate financial statements are prepared for the agencies, trusts and estates which are administered by the Public Trustee, and do not form part of these statements.

**g) Depreciation of Non-Current Assets**

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Depreciation is applied to physical assets such as plant and equipment.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**g) Depreciation of Non-Current Assets - continued**

The useful life of all major assets held by the Public Trustee are reassessed on an annual basis.

Depreciation for non-current assets is determined as follows:

<b>Class of Asset</b>	<b>Depreciation/Amortisation Method</b>	<b>Useful Life (Years)</b>
Plant and Equipment	Straight Line	8

**3. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)**

Staff involved in the preparation of Public Trustee's financial statements have familiarised themselves with the Australian Equivalents to International Financial Reporting Standards (AIFRS) and assessed the impact of adopting AIFRS. Based on this assessment, there will be no material impact on Public Trustee's 2004-05 financial report had it been prepared using AIFRS.

**4. SERVICE PAYMENTS FROM GENERAL GOVERNMENT SECTOR**

	<b>2005 \$</b>	<b>2004 \$</b>
Information Technology assistance costs	169 000	167 000
Insurance Risk Management levy assistance costs	26 000	25 000
	<b>195 000</b>	<b>192 000</b>

**5. OPERATING REVENUE**

Commission received	960 204	689 118
Management Fees	720 722	677 715
Other	348 935	271 544
	<b>2 029 861</b>	<b>1 638 377</b>

Management Fees are fees charged for administration of moneys held in various common funds. Government Trust funds were charged Management fees to 30 September 2004 and income commission from 1 October 2004. The fee is calculated in accordance with the rate specified in an instrument signed by the Minister and is charged at the rate of one twelfth of the value of each fund as at the first business day of the month.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**6. EMPLOYEE EXPENSES**

	2005 \$	2004 \$
Salaries	1 373 892	1 336 677
- General		
- Business development and investment policy	108 130	105 535
- Unclaimed Moneys	0	8 275
Voluntary Redundancy	31 573	0
Superannuation	169 193	129 738
Productivity component	41 900	40 159
Fringe Benefits tax	4 732	1 100
Comcare premiums	15 072	25 839
Other employee expenses	7 565	5 107
	<b>1 752 057</b>	<b>1 652 430</b>

**7. SUPPLIES AND SERVICES**

Business Development costs	41 462	84 686
Computer expenses	104 457	189 972
Motor Vehicle Expenses	22 487	18 657
Rental Lease Payments/Cleaning	187 654	175 033
Repairs/Maintenance	51 945	38 411
Printing/Stationery	34 389	30 539
Telephones	21 042	28 265
Staff training	13 069	20 746
Postage	14 618	13 862
Audit Fee	25 660	24 750
Subscriptions/memberships	11 670	8 647
Office Equipment	17 945	12 024
Leasing – Computers	35 373	30 227
Travel Expenses	6 288	4 705
Conference Costs / Meeting Expenses	2 162	1 854
Insurance Risk Management Levy	31 470	28 609
Advertising	4 896	422
Bad Debts	1 825	1 474
Bank charges	7 526	5 447
Other expenses	12 747	16 612
Electricity	7 311	5 565
Business application upgrade	84 972	0
	<b>740 968</b>	<b>740 507</b>

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

**8. DEPRECIATION AND AMORTISATION**

	2005 \$	2004 \$
Plant and Equipment	259	0
	<u>259</u>	<u>0</u>

**9. WAIVERS AND WRITE-OFFS**

Under section 65 of the *Financial Management Act 1996* the Treasurer may, by instrument, waive the right to payment of an amount owed to the Territory. During the year the Public Trustee approved the write-off of debts owed from third parties. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Public Trustee to recover the amount. The write-off debts may occur for reasons other than waivers.

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

Ordinary Activities	No.	2005 \$'000	No.	2004 \$'000
<b>Write-offs</b>				
Irrecoverable Debts	33	1 825	21	1 474
<b>Total Write-offs</b>		<u>1 825</u>		<u>1 474</u>

**10. CASH**

Cash at Bank	64 050	165 135
Cash on Hand	272	350
	<u>64 322</u>	<u>165 485</u>

The Public Trustee Office held deposits at call throughout the year at floating interest rate between 5.10% and 5.35%.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**11. RECEIVABLES**

	2005 \$	2004 \$
<b>Current Receivables</b>		
Trade Debtors	128 663	93 160
Less: Allowance for Doubtful Debts	0	( 409)
	<hr/> 128 663	<hr/> 92 751
Other Debtors	7 383	215
Accrued Revenue	22 851	20 950
	<hr/> 22 851	<hr/> 20 950
<b>Total Receivables</b>	<hr/> <b>158 897</b>	<hr/> <b>113 916</b>
<b>Ageing of Receivables</b>		
Receivables are aged as follows:		
Overdue for less than 30 days	118 968	79 874
Overdue for 30 to 60 days	552	537
Overdue for more than 60 days	39 377	33 914
Less Total Allowance for Doubtful Debts	0	( 409)
<b>Total Receivables</b>	<hr/> <b>158 897</b>	<hr/> <b>113 916</b>
<b>Split of Government/Non-Government Receivables</b>		
<b>Receivables with Other ACT Government Entities</b>		
Net Trade Debtors	27 298	5 852
Other Debtors	3 851	215
	<hr/> 3 851	<hr/> 215
<b>Total Receivables with Other ACT Government Entities</b>	<hr/> <b>31 149</b>	<hr/> <b>6 067</b>
<b>Receivables with Entities Outside Government</b>		
Net Trade Debtors	101 365	86 899
Other Debtors	3 532	0
Accrued Revenue	22 851	20 950
	<hr/> 22 851	<hr/> 20 950
<b>Total Receivables with Entities Outside Government</b>	<hr/> <b>127 748</b>	<hr/> <b>107 849</b>
<b>Total Receivables</b>	<hr/> <b>158 897</b>	<hr/> <b>113 916</b>

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

**12. PLANT AND EQUIPMENT**

	2005 \$	2004 \$
<b>Plant and Equipment</b>		
Plant and Equipment at cost	10 455	0
Accumulated Depreciation	(259)	0
<b>Total Written Down Value of Plant and Equipment</b>	<u>10 196</u>	<u>0</u>

The following table shows the movement of Property Plant and Equipment during 2004-05

<b>Carrying amount at the Beginning of the Financial Year</b>	0	0
Additions	10 455	0
Depreciation and Amortisation	(259)	0
<b>Carrying Amount at the End of the Financial Year</b>	<u>10 196</u>	<u>0</u>

**13. PAYABLES**

**Current Payables**

Trade Creditors	52 605	39 708
<b>Total Payables</b>	<u>52 605</u>	<u>39 708</u>

**Payables are aged as follows:**

Overdue for less than 30 Days	51 190	38 965
Overdue for 30 to 60 Days	0	0
Overdue for more than 60 Days	1 415	743
<b>Total Payables</b>	<u>52 605</u>	<u>39 708</u>

**Split of Government/Non-Government Payables**

**Payables with Other ACT Government Entities**

Trade Creditors	18 970	3 614
<b>Total Payables with Other ACT Government Entities</b>	<u>18 970</u>	<u>3 614</u>

**Payables with Entities Outside ACT Government**

Trade Creditors	33 635	36 094
<b>Total Payables with Entities Outside ACT Government</b>	<u>33 635</u>	<u>36 094</u>



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

<b>Total Payables</b>	<b>52 605</b>	<b>39 708</b>
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**14. EMPLOYEE BENEFITS**

	2005 \$	2004 \$
Recreation Leave	171 072	181 894
Accrued employee expenses	6 462	16 390
<b>Total Current Employee Benefits</b>	<b>177 534</b>	<b>198 284</b>
Long Service Leave – Non Current	331 734	273 223
<b>Total Employee Benefits</b>	<b>509 268</b>	<b>471 507</b>

At the end of the 2005 financial year the Public Trustee for the Australian Capital Territory had 27 staff employed.  
(2004 – 26 staff)

**15. OTHER LIABILITIES**

**CURRENT OTHER LIABILITIES**

<b>Dividend Payable</b>	<b>133 268</b>	<b>0</b>
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**16. EQUITY**

<b>Total Equity at the End of the Year</b>		
Accumulated Funds	1 939 691	1 806 423
<b>Total Equity</b>	<b>1 939 691</b>	<b>1 806 423</b>
<b>Movements in Equity during the Year</b>		
<b>Accumulated Funds</b>		
Balance at the beginning of the year	1 806 423	1 853 935
Operating Surplus/(Deficit)	266 536	(47 512)
Total available for Appropriation	2 072 959	1 806 423
Dividend Payable	(133 268)	0
<b>Balance at the End of the Financial Year</b>	<b>1 939 691</b>	<b>1 806 423</b>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**17. COMMITMENTS**

**Operating Leases**

Non-Cancellable Operating Lease Commitments are Payable as follows:

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
Not later than one year	218 833	212 455
Later than one year but not later than five years	225 397	444 230
<b>Total Operating Lease Commitments</b>	<b>444 230</b>	<b>656 685</b>

**18. CONTINGENT LIABILITIES**

As at 30 June 2005 the Office of the Public Trustee had no contingent liabilities or capital commitments.

**19. SEGMENT REPORTING**

The Public Trustee for the Australian Capital Territory has one geographical location and one business segment. This means that the financial statements themselves set out the segment information required by AAS 16.

**20. AUDITOR'S REMUNERATION**

Remuneration to the ACTAGO for auditing the financial Statements for the reporting period.	28 700	25 600
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No other services were provided by the Auditor-General during the reporting period. The audit fees charged represents an audit of both the Trust and Office financial statements.

**21. RECONCILIATION OF CASH**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, short term cash investment net of outstanding bank overdrafts.

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash	64 322	165 485
Investments	2 375 000	2 025 000
	<b>2 439 322</b>	<b>2 190 485</b>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**22. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS**

Reconciliation of cash at the end of the Reporting Period in the Statement of Cash Flows to the Related Items in the Statement of Financial Position.

	2005 \$	2004 \$
Operating Surplus/(Deficit)	266 536	(47 512)
Add/(less) Items Classified as Investing or Financing		
Depreciation of Property Plant and Equipment	259	0
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b>266 795</b>	<b>0</b>
<b>Change in Operating Assets and Liabilities:</b>		
(Increase) in Receivables	(44 981)	(26 947)
(Increase) Decrease in Prepayments	(13 180)	32 664
Increase/(Decrease) in Payables	12 897	(19 905)
Increase in Employee Benefits	37 761	93 819
<b>Net Cash Inflows from Operating Activities</b>	<b>259 292</b>	<b>32 119</b>

**23. FINANCIAL INSTRUMENTS**

**(a) Terms, Conditions and Accounting Policies**

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

Financial Assets	Note	Accounting Policies	Terms & Conditions
Cash	10	Cash is stated at its nominal amount. Interest is recognised in the Operating Statement when earned.	Cash is kept in a Commonwealth bank account of which the weighted average interest rate is 5.18%
Investments		Investments are stated at their nominal value. Interest is recognised in the Operating Statement when earned.	Investments at balance date are held in the Australian short term money market. The weighted average interest rate on investments for the year is 6.12%

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**23. Financial Instruments - Continued**

<b>Financial Assets</b>	<b>Note</b>	<b>Accounting Policies</b>	<b>Terms &amp; Conditions</b>
Receivables	11	Debtors are recognised at the amounts that were charged at the date when the services or goods were supplied.	Debtor amounts are normally recovered within 1 month.

**Financial Liabilities**

Payables	13	Liabilities are recognised for amounts to be paid in the future for services received, whether or not billed to the entity.	Creditors are normally settled within 28 days as per ACT Government policy.
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**(b) Net Fair Values of Financial Instruments**

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

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

**(c) Unrecognised Financial Instruments**

There were no unrecognised financial assets or liabilities.

**(d) Credit Risk Exposure**

The Public Trustee's credit risk is limited to the fair value of the financial assets held by the trustee less any provision for doubtful debts.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

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

Financial Assets	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	\$		%		\$		\$	
	2005	2004	2005	2004	2005	2004	2005	2004
Cash	64 322	165 485	5.18	4.89			64 322	165 485
Investments	2 375 000	2 025 000	6.12	5.72			2 375 000	2 025 000
Receivables					158 897	113 916	158 897	113 916
<b>Total</b>	<b>2 439 322</b>	<b>2 190 485</b>			<b>158 897</b>	<b>113 916</b>	<b>2 598 219</b>	<b>2 304 401</b>

Financial Liabilities	Floating Interest Rate		Weighted Average Interest Rate		Non Interest Bearing		Total	
	\$		%		\$		\$	
	2005	2004	2005	2004	2005	2004	2005	2004
Payables					52 605	39 708	52 605	39 708
Other Liabilities					133 268	0	133 268	0
<b>Total</b>					<b>185 873</b>	<b>39 708</b>	<b>185 873</b>	<b>39 708</b>

<b>Net Financial Assets/ (Liabilities)</b>	<b>2 439 322</b>	<b>2 190 485</b>			<b>(26 976)</b>	<b>74 208</b>	<b>2 412 346</b>	<b>2 264 693</b>
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**Reconciliation of Financial Assets to Net Assets**

	2005 \$	2004 \$
Net Financial Assets	2 412 346	2 264 693
Prepayments	26 417	13 237
Employee Benefits – Current	(177 534)	(198 284)
Property Plant and Equipment	10 196	0
Employee Benefits – Non Current	(331 734)	(273 223)
	<b>1 939 691</b>	<b>1 806 423</b>

**PUBLIC TRUSTEE FOR THE ACT  
STATEMENT OF PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2005**

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

INDICATOR	TARGET 2004-05	ACTUAL OUTCOME 2004-05	% Variance	Notes
No of Current Financial Management under Orders of the Guardianship and Management of Property Tribunal (GMPT)	350	397	13%	1
No of <b>active</b> financial management accounts under Power of Attorney and Enduring Power of Attorney	100	95	(5%)	2
No of responses to community call outs following death	12	9	(25%)	3
No of Welfare funerals arranged	4	12	200%	3
No of Examinations of accounts provided from external managers under GMPT	250	246	(2%)	4
No of Deceased Estate Administrations completed < \$100,000	76	77	1%	5/6
No of Deceased Estate Administrations completed > \$100,000	44	35	(20%)	5/6
No of trusts held under legal liability less than <\$100,000	565	522	(8%)	7/8
No of trusts held under legal liability > \$100,000	34	31	(9%)	7/8
Wills	550	678	23%	9
Percentage of expenditure over total income	85%	90%	5%	

**NOTES**

1. The number of clients under Guardianship and Management of Property Orders has increased due to the need to appoint the Public Trustee as manager of last resort.
2. The number of Enduring Power of Attorneys has decreased due to a number of deaths and transfer of clients to Management of Property Orders.
3. Number of welfare funerals and AFP call-outs is dependent on the level of funds of deceased and the ability to contact known family members, PTO involvement is last resort.
4. The number of examinations conducted is reliant on external managers producing their accounts annually to the Public Trustee for examination.
- 5/6. The number of estates completed less than and greater than \$100,000 depends on the level of funds in the estate at the time of death.
- 7/8. The number of trusts under \$100,000 has reduced due to changes in the legislation for criminal injuries compensation involving minors or people lacking capacity together with legislation changes to the payment of structured settlements in court awards. The number of trusts over \$100,000 may decrease due to legislation that will bring in structured settlements. The PTO is, as part of a court award, required to manage the funds of minors and people lacking legal capacity. The office is reliant on being nominated by the Court and the legal team of the next friend as the appointed trustee for people lacking legal capacity. There may be changes in the manner in which awards are funded that may impact on trusts under the PTO care.
9. The number of requests for new and changed wills remains comparatively high due to the marketing strategies and community education conducted by the Office during the year.



## AUDITOR-GENERAL

Australian Capital Territory



### INDEPENDENT AUDIT REPORT

#### PUBLIC TRUSTEE FOR THE ACT TRUST ACCOUNT

To the Members of the ACT Legislative Assembly

##### Audit Opinion

In my opinion, the financial statements of the Public Trustee for the ACT Trust Account for the year ended 30 June 2005:

- (i) are presented in accordance with applicable Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Public Trustee for the ACT Trust Account as at 30 June 2005 and the results of its operations and its cash flows for the year then ended.

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

##### Responsibility for the Financial Statements

The Public Trustee for the ACT is responsible for the financial statements. This includes responsibility for accounting policies and estimates used in the preparation of the financial statements and the maintenance of adequate accounting records and internal controls.

##### Contents of the Financial Statements

The financial statements are comprised of the Statement of Financial Performance for the Common Fund Interest Account, Statement of Financial Performance for the Guarantee and Reserve Account, Statement of Financial Position, Statement of Cash Flows and accompanying notes.

##### The Auditor's Responsibility

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

##### The Audit Scope

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

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

Level 4, 11 Moore Street, Canberra City, ACT 2601 PO Box 275, Civic Square ACT 2608  
Telephone: (02) 620 70833 Facsimile: (02) 620 70826  
Office Email: [actauditorgeneral@act.gov.au](mailto:actauditorgeneral@act.gov.au)

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

My procedures included:

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

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

My audit also did not involve the evaluation of the prudence of decisions made by the Public Trustee for the ACT.

### **Independence**

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



Tu Pham  
Auditor-General  
31 August 2005



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY****STATEMENT BY PUBLIC TRUSTEE****STATEMENT OF RESPONSIBILITY**

The Public Trustee for the Australian Capital Territory is responsible for the preparation of the financial statements and the judgements exercised in preparing them, and the financial transactions of the Trust and the control over its assets and liabilities. The financial statements have been prepared by the Public Trustee in accordance with and consistent with the accounts and records of the Trust during the period.

In the opinion of the Public Trustee, the Trust Financial Statements:

- (i) show fairly the operations for the Trust financial functions of the Public Trustee for the Australian Capital Territory for the period 1 July 2004 to 30 June 2005; and
- (ii) show fairly the state of affairs for the Trust functions of the Public Trustee for the Australian Capital Territory as at 30 June 2005.



Andrew Taylor  
Public Trustee  
22 August 2005



## PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

Statement of Financial Performance - Common Fund Interest Account  
Year ended 30 June 2005

	Note	2005 \$	2004 \$
<b>INCOME</b>			
Investment Income		3 379 432	2 630 763
Resources Received Free of Charge	3	2 000	0
		<b>3 381 432</b>	<b>2 630 763</b>
<b>EXPENDITURE</b>			
Interest paid to Estates and Trusts		1 528 914	1 210 112
Distributions to Estates and Trusts		1 127 870	838 455
Management Fees		704 364	563 766
Other Expenditure	3	2 000	0
		<b>3 363 148</b>	<b>2 612 333</b>
<b>NET OPERATING SURPLUS</b>		<b>18 284</b>	<b>18 430</b>

Statement of Financial Performance – Guarantee and Reserve Account  
Year ended 30 June 2005

<b>INCOME</b>			
Investment Income		94 331	84 984
		<b>94 331</b>	<b>84 984</b>
<b>EXPENDITURE</b>			
Management Fees		16 217	16 327
Income Commission		5 352	4 620
Reimbursement of loss on investment		0	1 208
Depreciation		5 000	5 000
		<b>26 569</b>	<b>27 155</b>
<b>NET OPERATING SURPLUS</b>		<b>67 762</b>	<b>57 829</b>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT**  
**Statement of Financial Position as at 30 June 2005**

	Notes	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash at Bank		54 279	19 667
Accrued Investment Income		278 005	231 869
Investments	4	74 617 823	62 538 907
Unrealised Assets	5	46 399 233	31 060 084
<b><u>TOTAL CURRENT ASSETS</u></b>		<b>121 349 340</b>	<b>93 850 527</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	85 000	90 000
<b><u>TOTAL NON-CURRENT ASSETS</u></b>		<b>85 000</b>	<b>90 000</b>
<b>TOTAL ASSETS</b>		<b>121 434 340</b>	<b>93 940 527</b>
<b>CURRENT LIABILITIES</b>			
Trust Liabilities	7	734 265	1 447 269
<b><u>TOTAL CURRENT LIABILITIES</u></b>		<b>734 265</b>	<b>1 447 269</b>
<b>NON-CURRENT LIABILITIES</b>			
Estates, Trusts etc under administration	8	118 561 682	90 440 911
<b><u>TOTAL NON-CURRENT LIABILITIES</u></b>		<b>118 561 682</b>	<b>90 440 911</b>
<b>TOTAL LIABILITIES</b>		<b>119 295 947</b>	<b>91 888 180</b>
<b><u>NET ASSETS</u></b>		<b>2 138 393</b>	<b>2 052 347</b>
<b>EQUITY</b>			
Common Fund	11	315 248	296 964
Guarantee & Reserve Account	12	1 798 310	1 730 548
Asset Revaluation Reserve	13	24 835	24 835
<b><u>TOTAL EQUITY</u></b>		<b>2 138 393</b>	<b>2 052 347</b>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005**

	Notes	2005 \$	2004 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
INFLOWS			
Income received		3 427 627	2 652 880
OUTFLOWS			
Interest paid to estates and trusts		(2 656 784)	(2 319 776)
Other payments		(725 933)	(585 920)
Net cash provided/(used) by operating activities	10	44 910	(252 816)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
INFLOWS			
Proceeds from sale of investments		37 154 205	34 254 521
OUTFLOWS			
Payment for purchase of investments		(44 390 947)	(38 603 759)
Net cash used by investing activities		(7 236 742)	(4 349 238)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
INFLOWS			
Receipts to trusts and estates		38 133 008	29 866 229
OUTFLOWS			
Payments from trusts and estates		(30 906 564)	(25 275 436)
Net cash provided in financing activities		7 226 444	4 590 793
Net increase/(decrease) in cash held		34 612	(11 261)
Cash at beginning of financial year		19 667	30 928
Cash at end of financial year	9	54 279	19 667

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2005**

**1. ACTIVITIES OF THE PUBLIC TRUSTEE**

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

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

**a) Basis of accounting**

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

**b) Estate assets**

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

**c) Property, Plant and Equipment**

Buildings are valued at fair value in accordance with AASB 1041. The last revaluation of buildings was at 30 June 2002. The valuation was performed by an independent valuer, McCann and Associates.

**d) Depreciation**

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

**e) Investments**

Investments have been brought to account at cost and investment income is recognised in the Statement of Financial Performance on an accrual basis. Where, in the opinion of the Public Trustee, there has been a permanent diminution of the value of an investment it is written down accordingly.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2005**

**3. RESOURCES RECEIVED FREE OF CHARGE**

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

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b><i>Revenue from the ACT Government</i></b>		
<b><i>Revenue from Operating Activities</i></b>		
Land Titles Searches*	2 000	0

\* The Registrar General's Office provided Land Titles Searches to the Public Trustee during the financial year free of charge.

The amount of \$2,000 has been brought to account as Other Expenditure in the Statement of Financial Performance – Common Fund Interest Account.

**4. INVESTMENTS**

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

The value of these investments is as follows:

**CASH COMMON FUND**

<b>CURRENT</b>		
Short Term Money Market and Interest		
Bearing Deposits and Securities	38 073 203	31 616 461

**COMMON FUNDS**

<b>CURRENT</b>		
Australian Equities Common Fund	22 791 891	19 035 467
Australian Fixed Interest Common Fund	10 791 185	9 481 912
Australian Listed Property Common Fund	2 961 544	2 405 067
	<u>36 544 620</u>	<u>30 922 446</u>
<b>TOTAL INVESTMENTS</b>	<u>74 617 823</u>	<u>62 538 907</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2005**

**5. UNREALISED ASSETS**

Unrealised assets have been brought to account, as follows:

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
Real Estate	23 676 314	17 922 113
Nursing Home/Retirement Village Bonds	3 280 340	0
Cash or Equivalent	19 241 054	12 969 518
Personal Effects	201 525	168 453
	<u>46 399 233</u>	<u>31 060 084</u>

**6. PROPERTY, PLANT AND EQUIPMENT**

Leasehold building	90 000	95 000
Less: Accumulated Depreciation	<u>(5 000)</u>	<u>(5 000)</u>
	<u>85 000</u>	<u>90 000</u>

**7. TRUST LIABILITIES**

Estimated liabilities have been brought to account:

Mortgages	395 237	683 037
Funeral expenses	21 383	23 902
Bank Loans and Credit cards	20 626	116 812
Medical/Dental costs	16 153	10 945
Property/Utility costs	11 689	29 520
Sundry Debts	75 365	303 658
Other	<u>193 812</u>	<u>279 395</u>
	<u>734 265</u>	<u>1 447 269</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2005**

**8. ESTATES, TRUSTS ETC UNDER ADMINISTRATION**

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
Deceased Estates	31 870 525	19 132 097
Power of Attorney	12 273 992	10 045 448
Court Trusts	41 535 411	32 302 354
Protected Estates	670 093	465 995
Estate Trusts	10 859 701	8 947 588
Proceeds of Crime	70 488	30 950
Management Orders	18 203 705	15 974 161
Charitable Foundations *	0	178 724
Unclaimed Monies	3 076 948	3 363 807
Unallocated Assets **	819	(213)
	<u>118 561 682</u>	<u>90 440 911</u>

The movement in the total value of accounts under administration represents the value of new trusts and estates received less finalisations and distributions during the year 1 July 2004 to 30 June 2005.

\* Charitable Foundation funds have been removed from the Financial Statements of the Trust for the year ended 30 June 2005, as in accordance with the Declaration of Trusts for the Capital Region Community Foundation Gift and Open Funds dated 14 March 2003, will be reported on separately.

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

**9. RECONCILIATION OF CASH**

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

Cash	<u>54 279</u>	<u>19 667</u>
------	---------------	---------------

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

Operating Surplus – Interest account	18 284	18 430
Operating surplus – Guarantee and Reserve account	67 762	57 829
(Increase) in accrued income	(46 136)	(62 868)
(Decrease) in accrued interest payable	0	(271 209)
Depreciation	<u>5 000</u>	<u>5 000</u>
Net cash provided/(used) by operating activities	<u>44 910</u>	<u>(252 816)</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2005**

**11. EQUITY –COMMON FUND**

**CASH COMMON FUND**

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

**COMMON FUNDS (EQUITIES AND FIXED INTEREST)**

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

- Capital Secure
- Income Stable
- Growth
- Balanced

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

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

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

Movements in the interest account reserve were as follows:

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	296 964	278 533
Add : Surplus	18 284	18 431
Balance at end of year	<u>315 248</u>	<u>296 964</u>



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2005**

**12. EQUITY - COMMON FUND GUARANTEE AND RESERVE ACCOUNT**

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

Movements in the reserve were as follows:

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	1 730 548	1 672 719
Add : Surplus	<u>67 762</u>	<u>57 829</u>
Balance at end of year	<u><u>1 798 310</u></u>	<u><u>1 730 548</u></u>

**13. ASSETS REVALUATION RESERVE**

Opening balance	<u>24 835</u>	<u>24 835</u>
Closing Balance	<u><u>24 835</u></u>	<u><u>24 835</u></u>

**14. ADDITIONAL INFORMATION**

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

## 1.2 EXTERNAL SOURCES OF LABOUR AND SERVICES

The Public Trustee complies with the ACT Government Procurement Guidelines and Circulars and the Consultancy Guidelines in the selection management of consultants and contractors.

Contracts entered into and continuing in 2004/2005 include –

- Robert Johnson and Associates for Expert advice on the “Prudent Person Principle” - Daily cost \$1,500 as required - Contract dated May 2000
- Merrill Lynch Investment Managers Limited for Merrill Lynch Wholesale Australian Equities Fund – Rate .72% Contract dated August 2001.
- Alliance Capital Australia Limited for Alliance Cash Enhanced Fund Trust – Rate .22% - Contract dated June 2001
- UBS Global Asset Management for Fund Management for Property Trust Common Fund – Rate .85% - Contract dated June 2001
- Suncorp Metway for Suncorp Metway Investment Management Limited – rate .20% - Contract dated August 2001
- Ultradata for use under licence and technical support of TACT Business System – Rate \$48,150.00 pa – Contract dated April 1986

(All Funds Managers have been listed for consistency however the fees do not necessarily exceed \$50K per annum but will accrue over time.)

## 2. LEGISLATIVE/REGULATORY DATA REPORTS

### 2.1 LEGISLATION

The following laws guide, govern and regulate the activities of the Public Trustee. No new legislation was enacted, during the reporting year, affecting the operations of the Public Trustee.

- *Public Trustee Act 1985;*
- *Audit Act 1989;*
- *Adoption Act 1993;*
- *Administration and Probate Act 1929;*
- *Crimes Act 1900;*
- *Financial Management Act 1996;*

- *Guardianship and Management of Property Act 1992;*
- *Powers of Attorney Act 1956;*
- *Confiscation of Criminal Assets Act 2003;*
- *Trustee Act 1925;*
- *Unclaimed Moneys Act 1950; and*
- *Wills Act 1968.*

### 2.2 ADVISORY AND CONSULTATIVE BOARDS AND COMMITTEES

The Public Trustee does not have any consultative boards or committees that provide advice to the Minister.

The Public Trustee is Senior Member of the Public Trustee Investment Board.

### 2.3 SERVICE PURCHASING ARRANGEMENTS/ COMMUNITY GRANTS/ ASSISTANCE/SPONSORSHIP

#### Ministerial Advisory Council on Ageing

The Public Trustee is a founding member of the ACT Ministerial Advisory Council on Ageing.

The Council was formed in July 2002 to assist the ACT Government to understand the needs and concerns of older Canberrans. The Council assists the ACT Government to advance the status and interests of older people, and provides advice on issues that are referred by the Chief Minister or raised through community consultation.

#### Seniors Week

The Public Trustee provided \$10,000.00 as major sponsor for Life's Reflection, a photographic competition and exhibition during Seniors Week 2005. Life's Reflection celebrates life over 50 and demonstrates the bond between seniors and the wider community. The theme this year was “Having the time of our Lives”.

## 2.4 LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS

No inquiries were conducted by Legislative Assembly Committees, relating to the operations of the Public Trustee.

## 2.5 GOVERNMENT INQUIRIES AND REPORTS

No major Government Inquiries, Reviews or Reports were conducted, relevant to the operations of the Public Trustee.

## 2.6 REPORTS BY AUDITOR-GENERAL

Reports by the ACT Auditor-General appear with Financial Statements.

## 2.7 REPORTS BY OMBUDSMAN

There were no formal public reports released by the ACT Ombudsman, during the reporting year that relate to the operations of the Public Trustee.

Informal representations made to the ACT Ombudsman have been reported at Part C 2.5 of this Report.



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## GLOSSARY

## GLOSSARY OF ABBREVIATIONS AND ACRONYMS

### CSO

Community Service Obligations. Those obligations to the community that the ACT Government purchases from the Public Trustee

### EPA

Enduring Power of Attorney - A formal instrument by which one person empowers another to represent him/her, or act in his/her place for certain purposes. An Enduring Power of Attorney continues to have effect after a person loses mental capacity.

### GST

An indirect broad based consumption tax built into the price of specified goods and services and collected at point of sale.

### PTO

Office of the Public Trustee for the Australian Capital Territory

## GLOSSARY OF TECHNICAL TERMS

### Attorney

A person appointed by another to act in his or her place or represent them.

### Common Fund

A fund held by more than one person to enable a greater return on the shared investment.

### Criminal Assets

Items of value obtained by illegal or criminal acts. forfeited under the *Confiscation of Criminal Assets Act 2003*.

### CSO

Community Service Obligations. Those obligations to the community that the ACT Government purchases from the Public Trustee and broadly include financial management services under order of the Guardianship and Management of Property Tribunal, Enduring Powers of Attorney, Welfare Funerals, AFP call-outs, examination of external financial manager's accounts, deceased estates <\$100,000 and Trusts <\$100,000.

### Current Ratio

The ratio of current assets to current liabilities.

### Enduring Power of Attorney (EPA)

A formal instrument by which one person empowers another to represent him/her, or act in his/her place for certain purposes. An Enduring Power of Attorney continues to have effect after a person loses mental capacity.

### Estate

The sum of the assets less the liabilities of a person, especially of a deceased, a bankrupt or beneficiary.

### Executor

he person or company appointed by a Will to administer an estate in accordance with the terms.

### Financial Manager

A person appointed under order of the Guardianship and Management of Property Tribunal to make financial decisions in relation to a person's financial matters, or a matter affecting that person's property for persons where the person has impaired decision making ability and is incapable of managing those matters (eg bank accounts or property or shares). A Financial Manager may make financial decisions for the represented person. Most financial management orders are permanent.

### Funds Manager

A person or organisation responsible for investing moneys on behalf of another.

### Goods and Services Tax (GST)

An indirect broad based consumption tax built into the price of specified goods and services and collected at point of sale.

### Guardian

A substitute decision-maker appointed under order of the Guardianship and Management of Property Tribunal, to make decisions relating to the health and welfare of a person with impaired decision-making ability. A guardian is appointed for a specific time and with specific functions (eg where to live, what services they will receive and what medical treatment they should receive).

### Investment Strategy

A plan distributing assets amongst various investments for future financial return or benefit.

### Liquidity

Available cash or the capacity to obtain it on demand.

### Long Term Liability

Payment not required within 12 months or liabilities not classified as current.

### Manager

A person appointed pursuant to the Guardianship and Management of Property Act to manage the financial and property affairs of a represented person (ie having impaired decision-making ability).

### Minor

A person under the age of legal majority being 18 yrs.

### Procurement

Acquisition of good, services and works by Territory entities.

**Prudent Person Principle**

The care, diligence and skill that a prudent person would exercise in managing the affairs of another person.

**Public Interest Disclosure**

A report made under “whistleblower” legislation under which a person may confidentially report any corrupt, illegal or fraudulent acts in the public sector.

**Public Trustee Investment Board**

A board established under S.47 of the *Public Trustee Act 1985* to advise the Public Trustee on investment and related matters.

**Risk Profile**

An individual's sensitivity to volatility of investments.

**Statement of Intent**

A statement under S.58 of the *Financial Management Act 1996* setting out the activities, objectives and performance criteria of the authority for the year and relating to the ownership by the government in a territory authority or entity.

**Sustained Asset Base**

Ability to sustain asset base indicated by changes in net assets.

**Trustee**

A person who holds property in trust for another.

**Unclaimed Moneys**

Moneys surrendered to the Public Trustee on behalf of the Territory under the *Unclaimed Moneys Act 1950*, the *Legal Practitioners Act 1970* and the *Agents Act 2003*.

**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.