



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

ANNUAL REPORT

2012 – 2013





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12 August 2013

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

Dear Attorney General

I am pleased to present the Annual Report for the Public Trustee for the ACT for the year ended 30 June 2013.

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 2012-2013 Annual Report Directions. It has been prepared in conformity with other legislation applicable to the preparation of Annual Reports by the Public Trustee for the ACT.

I hereby certify that this 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 2012 to 30 June 2013 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 Public Sector Management Standard 2, Part 2.4.

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

Yours sincerely

Andrew Taylor
PUBLIC TRUSTEE

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CHIEF EXECUTIVE'S RETROSPECTIVE 2012-13

I am pleased to present the annual report for the Public Trustee for the ACT.

PTACT operates in an environment that is influenced by the impacts of continuing global financial uncertainty and increasing regulatory and compliance costs. At the beginning of 2012-13, the ACT Government Budget Outlook stated that the Territory's budget continues to be shaped by the events and responses related to the Global Financial Crisis. It was also predicted that the Territory's economy would continue to moderate with own sources of revenue softening due to the moderation of the housing market and commercial activities. In retrospect, whilst the Public Trustee's financial result has been dampened by those same economic indicators, it is however pleasing to report that PTACT recorded a surplus \$307,105 and a dividend to government of \$153,553.

During the year, the Public Trustee participated in the development of national initiatives including contributing to national consultation on the National Disability Insurance Scheme (NDIS), the National Injury Insurance Scheme (NIIS) and the establishment of the Australian Charities and Not for Profit Commission (ACNC). The Public Trustee makes this contribution through its active membership of a number of peak body organisations including the Australian Guardianship and Administration Council (AGAC) and the Financial Services Council (FSC).

PTACT manages significant assets on behalf of financial management clients, trust/estate clients, government agencies as well as Confiscated Criminal Assets including real estate, vehicles and other assets. The diverse requirements associated with caring for these assets range from ensuring that all property is adequately insured and maintained to getting the best deal for clients with service providers including tradesmen and real estate agents. To enhance our performance in this regard, PTACT established a dedicated position of Property Officer during 2012-13. At 30 June 2013, the property portfolio consisted of over 110 properties with a value of around \$50M.

In administering the work of the Public Trustee, our people embrace ACT Public Service values and signature behaviours of respect, integrity, collaboration and innovation. Their dedication to their work and to their clients during 2012-13 reflects an alignment with PTACT's values both corporately and in the way they go about their work. It was once again pleasing that Public Trustee staff were well represented, receiving recognition across three different areas in the 2013 JACS Director-General's Awards. In May 2013, ACT Chief Minister Katy Gallagher MLA presented PTACT's Senior Deputy Public Trustee Doug Gillespie with the "Respect" award in the 2013 ACT Public Service Award for his efforts in initiating the Capital Region Community Foundations known as GreaterGood.



Chief Minister Katy Gallagher MLA presents Senior Deputy Public Trustee Doug Gillespie with the 2013 ACT Public Service Award in the 'Respect' category



PTACT staff with awards in the JACS Director-General's Awards 2013

PTACT has a strong focus on ensuring that it has a happy and productive workplace and a strong reputation for its products and services. Our staff recorded a 97% response to the 2012 Justice and Community Safety Directorate Staff Survey. An increasingly higher number of staff reported that the Public Trustee is a 'truly great place to work' however high individual workloads remain a concern for management in meeting increasing demands and complexity. PTACT conducted a Staff Planning Day on 25 May to address issues arising from the survey

and to formulate a strong, cohesive plan for the immediate future. In our rolling customer survey, 99% of customers surveyed stated that PTACT met or exceeded their expectations.

GreaterGood ended the year on a high with a corpus of \$11.4M (before distributions), total distributions of \$2.4M, and annual distributions of in excess of \$400K. A record of \$505,814.37 was distributed out of GreaterGood during the reported year. GreaterGood was also entrusted with accounts for the National Arboretum Canberra and the Capital Woodland and Wetlands Conservation Trust as well as a number of new accounts bringing the total to 65 funds. In May 2013 GreaterGood partnered with the ACT Law Society in the establishment of the ACT Law Society Foundation which will seek to bridge opportunity gaps in the Canberra community.

PTACT continued to review the legislation and processes in respect to Unclaimed Money. During the year PTACT recommended and introduced a further suite of amendments to the *Unclaimed Money Act 1950* aimed at streamlining the claims and payments process. PTACT engaged a contractor to develop and complete a replacement Unclaimed Money database and web interface. On completion of these changes, PTACT will seek to assume responsibility for all unclaimed money held by ACT Government.

We were saddened on 24 February 2013 to lose our good friend and GreaterGood Board Chair Dr Christopher Peters AM OI. Chris lost his battle with cancer but left a lasting legacy and his significant contribution to the foundation is acknowledged.

I acknowledge the leadership and support of the Director-General, Justice and Community Safety Directorate (JACS) - Kathy Leigh, Deputy Directors-General JACS Justice - Alison Playford and Sandra Georges, members of the PTACT Investment Board and the GreaterGood Board as well as independent Internal Audit Committee Chair - Corinne Appleby.

It is my continuing pleasure to work with the excellent staff at PTACT as well as PTACT Investment Board and GreaterGood Board members and I thank them for their continued support and assistance.



Andrew Taylor

PUBLIC TRUSTEE

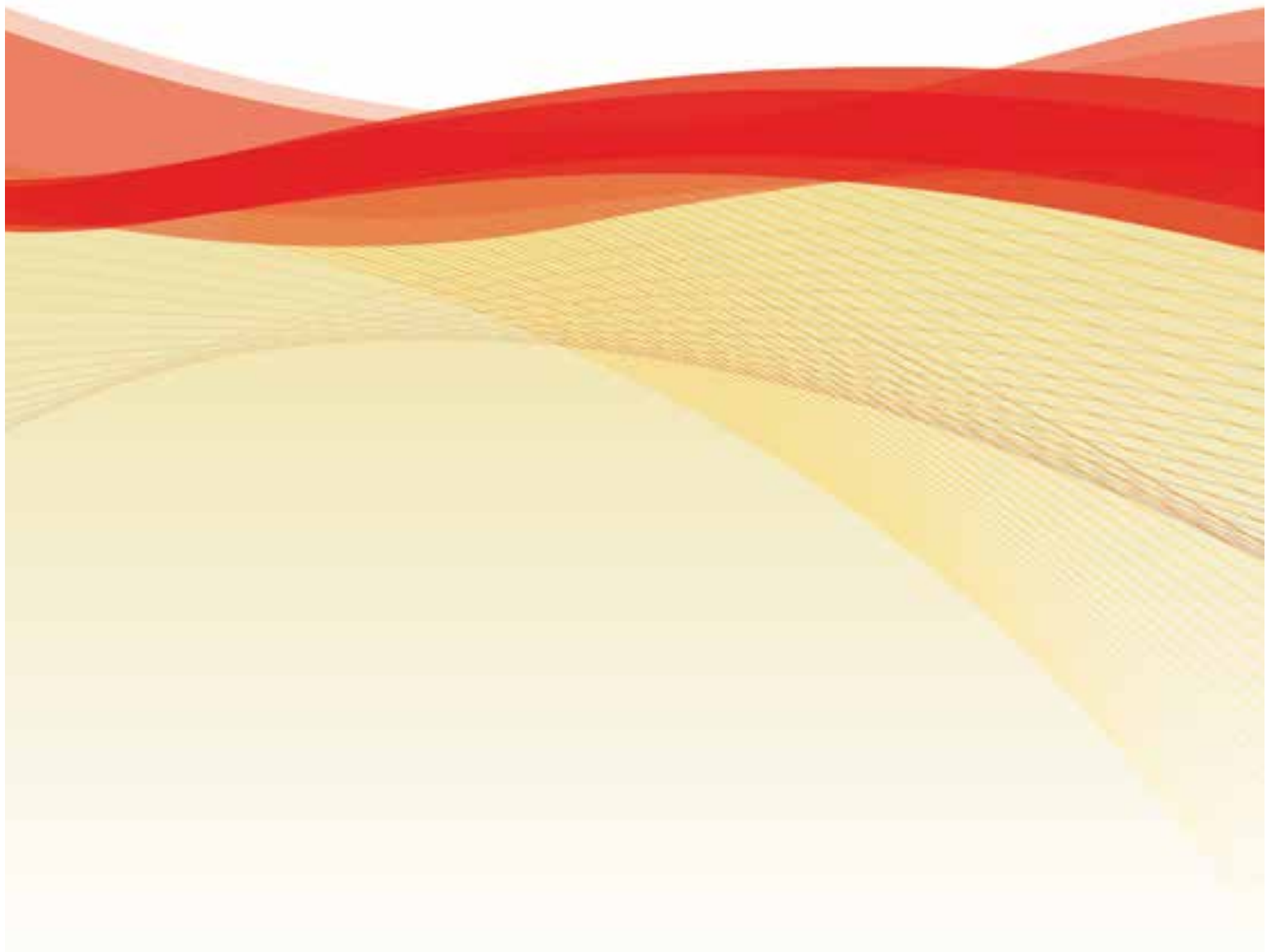
The Public Trustee acknowledges the traditional custodians of the ACT, the Ngunnawal people. The Public Trustee acknowledges and respects their continuing culture and the contribution they make to the life of this city and this region.



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

SECTION A

PERFORMANCE AND FINANCIAL MANAGEMENT REPORTING



A.1 THE ORGANISATION

ROLE

PTACT is an independent statutory office established under the *Public Trustee Act 1985*.

Our services include -

- Will services (as executor)
- Enduring Powers of Attorney services (as attorney)
- Estate Administration (as executor or administrator)
- Trust Administration
- Financial Management for persons with a decision-making disability
- Funds administration/investment for government and non-government trusts
- Asset management under the *Confiscation of Criminal Assets Act 2003*
- Unclaimed Money - administration under the *Unclaimed Money Act 1950*
- Examination of accounts prepared by private financial managers appointed by the ACT Civil and Administration Tribunal (ACAT)
- Administration of GreaterGood - The Capital Region Community Foundation

The Public Trustee has been appointed as *ex officio* Chair of the Official Visitor's Board established under the *Official Visitor Act 2012* with effect from 1 September 2013.

MISSION AND VALUES

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

To deliver value through the ACT Public Service values of respect, integrity, collaboration and innovation and to consistently exceed client expectations.

STRUCTURE

Under the *Administrative Arrangements 2012 (No 2)*, the ACT Attorney-General is responsible for the administration of justice including the *Public Trustee Act 1985* and the *Trustee Act 1925*.

The Public Trustee is a Senior Executive in the ACT Public Service remunerated under the *Remuneration Tribunal Act 1995* and is responsible for the overall administration of PTACT including exercising the relevant statutory responsibilities. Each of PTACT's four business units Estates/Trusts, Finance, Financial Management Services and Investment/Funds Management is headed by a Deputy Public Trustee who, together with the Public Trustee, form a Management Committee.

The Public Trustee Investment Board, established under the *Public Trustee Act 1985*, provides investment advice to the Public Trustee. The Public Trustee is *ex officio* Senior Member together with four external advisors.

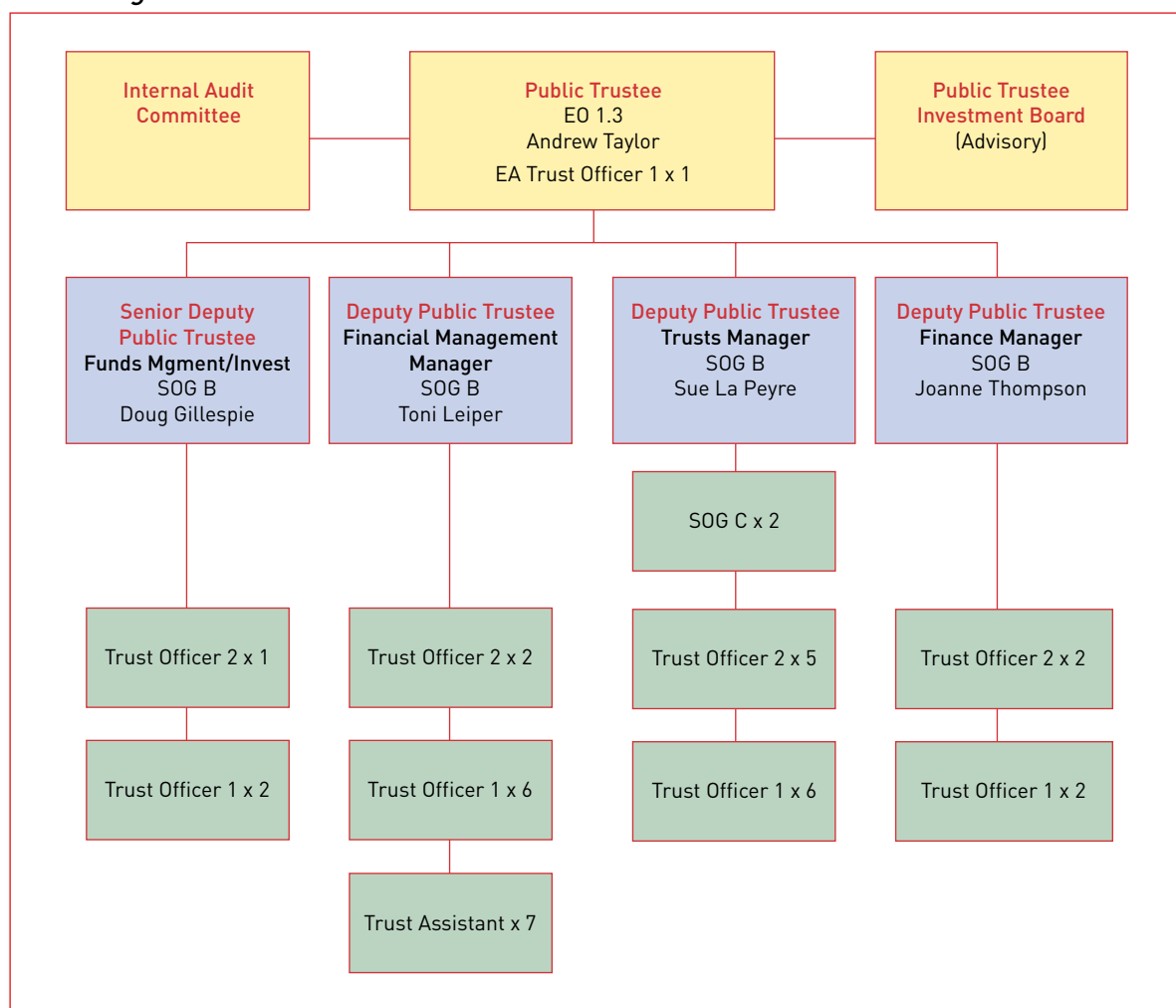
PTACT's Audit Committee comprises a number of business unit representatives under the guidance of external Chair Ms Corinne Appleby - Finance Manager, ACT Courts Administration.

The Public Trustee enters into a Statement of Intent each year with the ACT Treasurer in respect to Community Service Obligation funding.

During the reported year, the Public Trustee entered into a Memorandum of Understanding with the Director-General JACS to define areas of responsibility between PTACT and JACS having regard to the statutory independence of the Office of Public Trustee. The MOU continues in effect until November 2015.

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

PTACT Organisational Chart – 30 JUNE 2013



PTACT's Staff Profile is described in detail under C.7 in this report.

CLIENTS AND STAKEHOLDERS

As a largely self-funding Territory Authority, PTACT works directly with the ACT community, assisting vulnerable people through financial and trust management services as well as people needing Will drafting, Enduring Power of Attorney and Estate administration services. PTACT also provides investment/fund management services to ACT government and the

community. Through GreaterGood, PTACT provides an important means for persons in the community to give back to their community through philanthropy.

Our principal stakeholders include the ACT Attorney-General, the ACT Treasurer, the Director-General - JACS Directorate as well as the ACT community.

We work collaboratively with the Public Advocate of the ACT and the ACT Civil and Administrative Tribunal (ACAT) in providing services to persons in the community with impaired decision-making disability. PTACT also works closely with non-government agencies committed to achieving outcomes for intellectually disabled persons to ensure the best result for clients.

Public Trustees are also stakeholders in upholding and promoting the role of "Public Trustee" as well as the professionalism, ethos and high level of integrity associated with Public Trustee branding generally.

A.2 OVERVIEW

SUMMARY OF PERFORMANCE

A significant indicator of PTACT's performance is reflected in the performance of its common funds. This is covered more fully under "Funds Management" in Section A.9 of this report.

PTACT's 2012-13 Business Plan identified Key Result Areas and Strategic Priorities.

Revenue

PTACT recorded total revenue for the period ending 30 June 2013 of \$5,040,986. This is \$21,986 higher than the 2012-13 budget estimate of \$5,019,000 and a decrease of \$209,008 compared to the same period in the 2011-12 year. The decrease in income is due to a reduction in commission based income as a result of a decline in interest rates and a decrease in the value of client funds under administration.

Expenses

PTACT recorded total expenses for the period ending 30 June 2013 of \$4,733,881 of which \$3,589,406 or 76% were employee-related (including superannuation). Total expenses were \$484,755 higher than the 2012-13 budget estimate of \$4,206,000 for the corresponding period. By comparison, actual expenses for the previous year were \$4,495,960 for the same period.

The main fluctuation in expenses was in relation to an increase in employee expenses, due to increases in staff numbers and wages through the JACS Directorate Enterprise Agreement 2011-13, and an increase in supplies and services as a result of the increased workload, staffing numbers and the implementation of Risk Management strategies. In future years it is anticipated that employee expenses will increase due to changes in wage conditions, the employment of professional staff to cope with the ever-changing workload and the continually increasing client base.

PTACT's performance is measured by the volume of business, the return on investment of client funds, and by client satisfaction and the ability to meet agreed standards and provide professional and efficient services to the ACT community.

INDICATOR	ACTUAL OUTCOME 2011-12	TARGET 2012-13	ACTUAL OUTCOME 2012-13	VARIANCE %	NOTES
Number of current financial management accounts under orders of the ACT Civil and Administrative Tribunal (ACAT)	481	473	486	2.75	1
Number of active financial management accounts under Power of Attorney and Enduring Power of Attorney	56	56	53	(5.36)	2
Number of responses to community call outs following death	4	3	4	33.33	3
Number of welfare funerals arranged	1	3	2	(33.33)	4
Number of examinations of accounts provided from external managers under orders of the ACT Civil and Administrative Tribunal (ACAT)	425	460	445	(3.26)	5
Number of deceased estate administrations completed ← \$100,000	40	43	36	(16.28)	6
Number of deceased estate administrations completed → \$100,000	68	72	55	(23.61)	6
Number of trusts held under legal liability ← \$100,000	368	383	348	(9.14)	7
Number of trusts held under legal liability → \$100,000	49	49	53	8.16	7
Wills	704	720	743	3.19	8
Percentage of expenditure over total income	86%	91%	94%	3.3	9

Notes

1. The number of clients under ACT Civil and Administrative Tribunal (ACAT) Orders was higher than expected due to the appointment of the Public Trustee as manager when no other person is willing or available.
2. The number of Enduring Power of Attorneys was less than expected in 2013-13 due to death, transfers of clients to ACT Civil and Administrative Tribunal (ACAT) Orders and individuals now having their affairs in order and having the ability to manage their own funds.

3. The number of Australian Federal Police call-outs following death are dependent upon the ability to contact/find known family members. Public Trustee involvement is usually a last resort.
4. The number of welfare funerals arranged are dependent upon the level of funds of deceased persons and the ability of the Public Trustee to contact known family members.
5. The number of accounts examined is reliant upon external managers providing accounts to the Public Trustee on an annual basis once contacted by the ACT Civil and Administrative Tribunal.
6. The number of finalised deceased estates being administered by the Public Trustee that have a value of less than, or more than \$100,000, is solely dependent upon the level of assets at date of death.
7. The number of trusts with a value of less than, or more than \$100,000, depends solely upon court awarded settlements. Changes to legislation and court nominations affect the number of clients being administered by the Public Trustee.
8. The number of requests for new and changed wills are greater than anticipated due to a higher demand for will services. The increase in will making services is due to marketing strategies, community education, excellent customer feedback and the employment of a full-time legal officer.
9. Due to an increase in employee expenses as a result of staff increases and wage adjustments and the implementation of Risk Management measures expenses have increased over budget by 12.55%. As a result the percentage of expenditure over income is higher than the 2012-13 target.

PLANNING FRAMEWORK AND DIRECTION SETTING

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

In May 2013, a Staff Planning Day was held to follow up issues arising from the JACS Staff Survey and to involve staff in forward planning. The Planning Day was well attended and outcome objectives included -

- Invest more effort to engage with each other;
- communicate more clearly and gain recognition of the value that we deliver to the ACT Government and the Community;
- clarify individual accountability and sharpen decision-making processes; and,
- commit to more outstanding performance both as individuals and as a team.

PTACT's Statement of Intent is an expression of PTACT's budgetary intent and strategic direction for the fiscal year ahead.

As a member of JACSCOM, the Public Trustee participates in the strategic planning and management of the JACS Directorate. The Public Trustee is also represented on the JACS Statutory Office-Holders' Forum (SOHO), the JACS IM/ICT Committee and the JACS Reconciliation Action Plan Working Group. The Public Trustee is JACS Executive Sponsor for Respect Equity and Diversity and is Chair of the Official Visitors Board.

As Senior Member, Public Trustee Investment Board, the Public Trustee is responsible for overseeing investment strategy as well as establishing and varying policy in respect to funds management.

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

ORGANISATIONAL ENVIRONMENT

The Public Trustee for the ACT is a corporation sole with perpetual succession. Under S.55 of the *Financial Management Act 1996*, the Public Trustee has responsibilities as Chief Executive Officer of a Territory Authority. The Public Trustee is responsible for PTACT's governance and is advised by the Public Trustee Investment Board in respect to investment/fund management matters.

The Public Trustee reports to the JACS Director-General, through the JACS Deputy Director-General (Justice) and has responsibilities to the Chief Minister and Treasury Directorate. In respect to trust matters the Public Trustee is an independent statutory office-holder.

PTACT does not have the organisational issues of larger Public Trustees. However, given the ACT's geographic size, demography and concentrated population, PTACT delivers services across a more diverse suite of trustee responsibilities. These include unclaimed moneys, management of government trust funds, confiscated criminal assets, Capital Region Community Foundation as well as Chair of the Official Visitors Board.

PTACT has a strong organisational relationship with a number of JACS Directorate agencies and works closely with JACS on matters of common interest including guardianship, judicial, legislative development and review, trust administration and funds management and investment matters. In respect to statutory trust activities however, the Public Trustee has autonomy and independence.

RESPONSE TO SIGNIFICANT ORGANISATIONAL CHANGE/REVISION TO ADMINISTRATIVE ARRANGEMENTS

Apart from expected changes to board membership, PTACT has not experienced any significant organisational change during 2012-13.

Under amendments made to the *Official Visitor Act 2012* (S.23A) an Official Visitors Board will be established on 1 September 2013. The board will consist of the Public Trustee (Chair), the Public Advocate, a Commissioner of the Human Rights Commission and two official visitors. Appropriation has been made to fund the Public Trustee's new responsibilities.

ADMINISTRATION OF LEGISLATION

PTACT is a service provider and has no regulatory role. The Public Trustee's powers and statutory responsibilities are established by the *Public Trustee Act 1985* and the *Trustee Act 1925* as well as other ACT and Commonwealth legislation listed at Section B.4 of this report.

A.3 HIGHLIGHTS

OPERATIONAL ACHIEVEMENTS

A significant portion of PTACT's revenue is derived from user charges in the form of income commission and management fees. Effectively, the income from both of these forms of commission is directly related to the performance of financial and property markets, neither of which are able to be influenced by PTACT. Bond rates have steadily decreased over the past

year with the rate paid on PTACT's Cash Common Fund in May 2013 being 3.00% compared to 4.5% in March 2012. PTACT revenue in the form of commissions on the management of trusts and client funds are also lower as a result of the lower asset value of their funds.

The ACT property market is reported to be seeing the inverse of Sydney's current surge of consumer confidence. Whilst historically strong and almost certain to recover, the market has been reflecting a lack of confidence due to market outlook uncertainties. The unfortunate result for PTACT is that despite the same level of inputs the predicted output in terms of revenue is lower.

Highlights for the reported year are as follows -

- Amendments to the *Unclaimed Money Act 1950* addressing privacy issues and establishing a framework for the Public Trustee to better manage claims.
- A replacement Unclaimed Money database was commissioned and completed by 30 June 2013. All outstanding claims were processed with no current backlog. Design and specifications for a revised online unclaimed money search/claims facility were commenced in June 2013 and will be completed in the new financial year.
- TACTICS software was acquired and implemented providing significant improvement and flexibility in the use of data in the TACT system for reporting purposes.
- Co-operation with Australian Public Trustees through the Financial Services Council (FSC) in a submission to the Department of the Treasury (C'th) on the Australian Charities and Not-for-profits Commission (ACNC) draft governance standards.
- Co-operation with Australian Public Trustees through the FSC in a submission to the Senate Standing Committee on Community Affairs on the *National Disability Insurance Scheme Bill 2012*.
- First outcomes paper from the ARC Linkage Grant Project on contemporary will-making patterns.
- Engagement of PricewaterhouseCoopers (PWC) to review the Public Trustee's preparation of financial statements in response to the 2011-12 end-of-financial year audit.
- PTACT staff received awards in three different categories in the JACS Director-General Awards 2013.
- PTACT Senior Deputy Public Trustee, Doug Gillespie, was awarded the ACT Government Service Award for 2013 in the "Respect" category.
- PTACT's Electronic Document and Records Management System (EDRMS) commenced and back-capture of Wills, Enduring Powers of Attorney and tax records is underway.
- Revenue was \$5,040,986 a drop of 3.98% on 2011-12 delivering a surplus of \$307,105 and a dividend to government of \$153,553.
- Funds under Management increased by 3.78% from \$282.37M to \$293.03M
- GreaterGood assets increased from \$9.4M to \$11.5M.
- Appointed Executive Director, ACT Law Society, Larry King to Chair, GreaterGood Board.

- PTACT developed a Staff Code of Conduct which has been acknowledged and signed by all staff.

MAJOR CHALLENGES

It is a role of Public Trustees to educate and inform Australians about the importance of having an up-to-date Will and Enduring Power of Attorney. Public Trustees are lead agencies in preparing and executing Wills and in public education around estate planning, providing significant benefit to the Australian community.

Low numbers of persons making Wills

Public Trustees share concern at the relatively low number of people making Wills as well as misunderstandings about the laws of intestacy (dying without having made a valid Will). PTACT continued to collaborate with all Australian Public Trustees, the Victoria University and the Queensland University of Technology in the development of an Australian Research Council Linkage Grant Project to develop and explore prevalence, patterns, practices and principles used in making and contesting Wills and distributing assets. The first paper on the prevalence survey was released for media comment in April 2013 and has been published to the PTACT website.

Aboriginal and Torres Strait Islander succession law issues

Another challenge in our community, in particular the JACS Directorate, is to improve opportunities and outcomes for Aboriginal and Torres Strait Islander people in our community. In this regard, the NSW Trustee and Guardian funded an initiative undertaken by Professor Prue Vines MA Syd, DipEd SydTeachColl, LLB UNSW, University of New South Wales on succession law and the impact of Australian law on Indigenous people's inheritance. Public Trustees will use the publication "Aboriginal Wills Handbook" to assist in addressing succession issues including will-making and estate administration for Aboriginal and Torres Strait Islanders in our community.

PTACT as a viable self-sustaining service to the community

An ongoing challenge is to continue to develop PTACT as a viable self-funding enterprise capable of supporting its core commercial activities and subsidising the increasing cost of CSOs. PTACT is pursuing a number of opportunities aimed at securing its commercial viability.

Our Ageing population

Canberra's ageing population presents both opportunities and challenges in the areas of Will-making, estate planning/administration and financial management for persons with a decision-making disability. PTACT is keen to ensure that it is at the forefront in succession and estate planning for this growing cohort in the community.

PROGRESS AGAINST STRATEGIC OUTPUTS AND SERVICE PRIORITIES

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

A.4 OUTLOOK

PRIORITIES

PTACT's continuing priorities are to -

- provide professional, accessible trustee services to the community and government;
- ensure PTACT's staff is skilled, united and has an appropriate succession plan;
- acquire and maintain appropriate technology to satisfy current and future needs;
- project a respected, trusted and reliable reputation in the community;
- ensure that the Public Trustee name enjoys a strong reputation in the community;
- focus on providing value;
- provide a respectful, equitable and safe workplace free of discrimination; and
- actively contribute to and influence our industry, Directorate and Government.

TRENDS AND LIKELY CHANGES IN THE OPERATING ENVIRONMENT

Unclaimed money

The second stage of a review of the *Unclaimed Money Act 1950* was implemented addressing housekeeping issues, redundant provisions, streamlining processes and removing confusing terminology. PTACT commissioned the development of a new database including an online unclaimed money search and claim facility.

Electronic Document and Records Management System (EDRMS)

PTACT has established an EDRMS to address issues under the *Territory Records Act 2002* and permit the destruction of paper records. We are currently back-capturing Wills, Enduring Powers of Attorney and taxation records.

The need to accommodate part-time working arrangements

68.3% of PTACT's staff is female and 43.9% of staff are 50 years and over. Staff from both these groups have shown interest in transitioning to retirement or take advantage of extended leave entitlements following maternity leave. The office has responded by utilising part-time positions allowing their incumbents to 'job-share'.

SIGNIFICANT IMMEDIATE FUTURE RISKS AND ISSUES

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

- poor or inappropriate investment strategy;
- inadequate business systems, back-up and redundancy;
- poor business performance resulting in annual deficit;
- fraud or the potential for fraud;

- abuse of official position;
- employee mistake;
- inconsistent practice and procedure;
- failure to properly manage client property;
- lack of or ineffective strategic forward business planning; and
- ineffective governance.

A.5 MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

The Public Trustee's MDA for the year ended 30 June 2013 is reproduced below -

GENERAL OVERVIEW

Objectives

The primary objective of the Public Trustee for the Australian Capital Territory (PTACT) is to provide safe, accessible and permanent trustee services to residents of the Australian Capital Territory. The principal activities of PTACT include:

- preparing wills where PTACT is named as executor or co-executor;
- administering deceased estates under will or intestacy;
- acting as trustee for life interest estates and persons lacking legal capacity;
- providing financial management under Enduring Power of Attorney, and under Order of the ACT Civil and Administrative Tribunal;
- providing asset services in relation to confiscated criminal assets;
- providing taxation and safe custody services for established clients;
- acting as trustee for The Capital Region Community Foundation;
- acting as agent for Unclaimed Money; and
- undertaking investment responsibility for ACT Government Trust Funds.

Risk Management

PTACT's Fraud, Corruption and Risk Mitigation Strategy addresses ACT Government requirements in respect to risk assessment and mitigation. The plan covers investment, financial, operational and administrative risk as well as workplace health and safety. PTACT's major risks have now been included in the Justice and Community Safety Directorate Risk Management Plan.

PTACT is in the process of engaging KPMG to review the PTACT's Fraud, Corruption and Risk Mitigation Strategy and provide fraud awareness training to all PTACT staff.

Given PTACT's commercial focus, the approach to risk management provides clients with the assurance that low risk/high value services can be delivered. The Strategy covers operational, tactical and strategic risks.

PTACT has identified the following potential risks that may influence the future financial position of the Office –

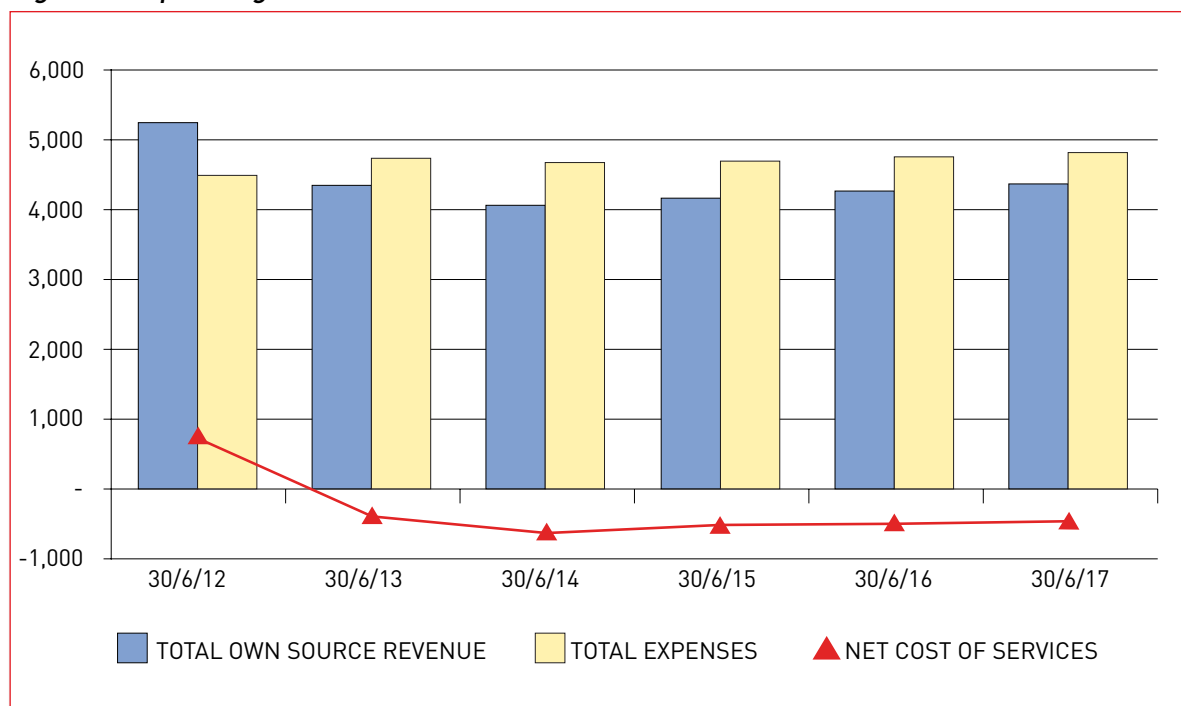
- PTACT must maintain its share of the ACT trustee and estate administration market to ensure sufficient funds exist to meet current and future budgets, which in turn subsidise PTACT's Community Service Obligations. PTACT has recently committed continuing support for the Life's Reflections Photographic Competition and the Silver Screen Film Festival. These activities are important events in the Office for Ageing calendar and are seen as ideal promotional opportunities for PTACT given its client demographic.
- PTACT must identify and acquire contemporary systems to address emerging business needs and workloads. PTACT has engaged a contractor to develop a replacement Unclaimed Money database. The database will be designed to streamline the process of identifying, claiming and paying unclaimed money and will reduce the administrative burden associated with phone enquiries. The database will support a revised web-based search and claim facility. Ultimately it is planned that PTACT will seek to become responsible for all unclaimed money in the hands of ACT Government agencies.
- PTACT engaged PricewaterhouseCoopers to act as (ongoing) Asset/Markets consultant and also to review the preparation and presentation of its end of year financial statements to ensure compliance with Accounting Standards and in response to the Auditor-General's Management Report 2011-12. The review of financial statements was completed in June 2013.

FINANCIAL PERFORMANCE

The following financial information is based upon the audited figures for 2012/13, the audited Financial Statements for 2011-12 and 2012-13 budget estimates contained in the 2012-13 Budget Paper Number 4.

Operating Result

The operating surplus for the period ending 30 June 2013 is **\$307,105**. The result is lower than the budget estimate of **\$813,000** for the same period, and a decrease of **\$446,929** over the previous year for the same period.

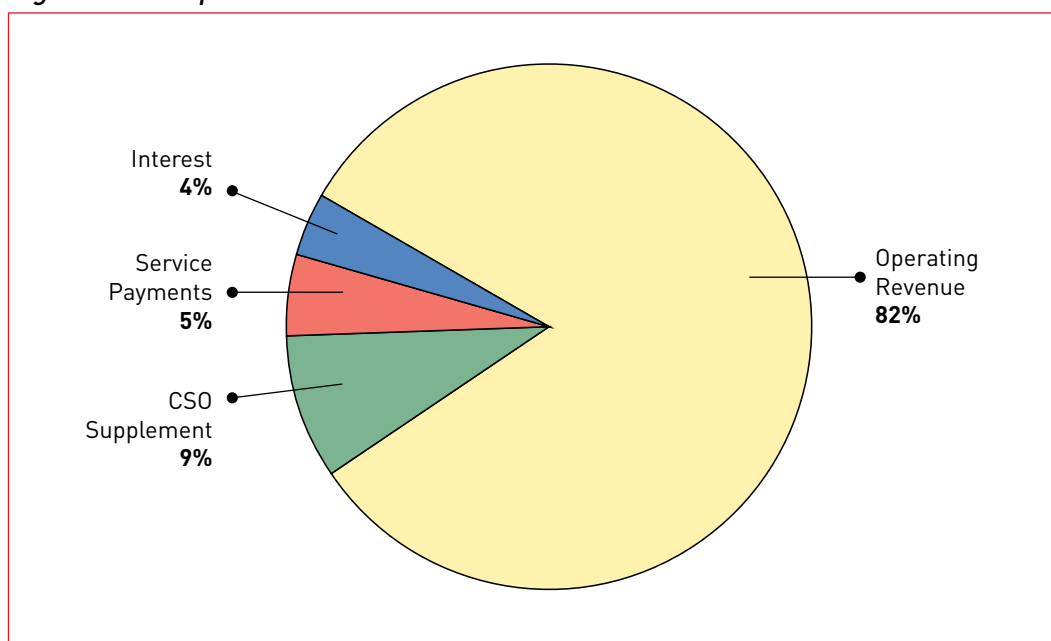
Figure 1 - Operating Result

The above chart reflects audited actual figures for 2011-12 and 2012-13 and estimated outcomes as shown in Budget Paper 4 of 2012-13.

A surplus has occurred. The surplus is lower than anticipated. This was due to decreased revenue resulting from a reduction in commission-based income, a decline in interest rates and a decrease in the value of client funds under administration. Expenses were also higher than anticipated, due to costs associated with the implementation of Risk Management measures.

Revenue

Total revenue for the period ending 30 June 2013 was **\$5,040,986**. This is **\$21,986** higher than the 2012-13 budget estimate of **\$5,019,000** and a decrease of **\$209,008** compared to the same period in the 2011-12 year. The decrease in income is due to a reduction in commission based income as a result of a decline in interest rates and a decrease in the value of client funds under administration.

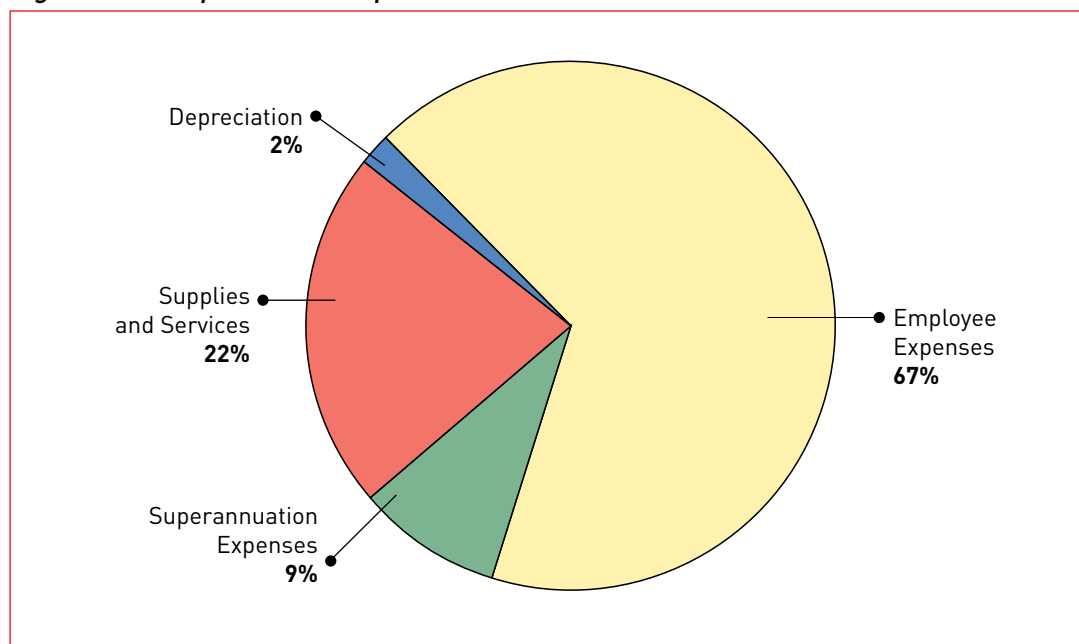
Figure 2 - Components of Revenue 2012-13

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

Expenses

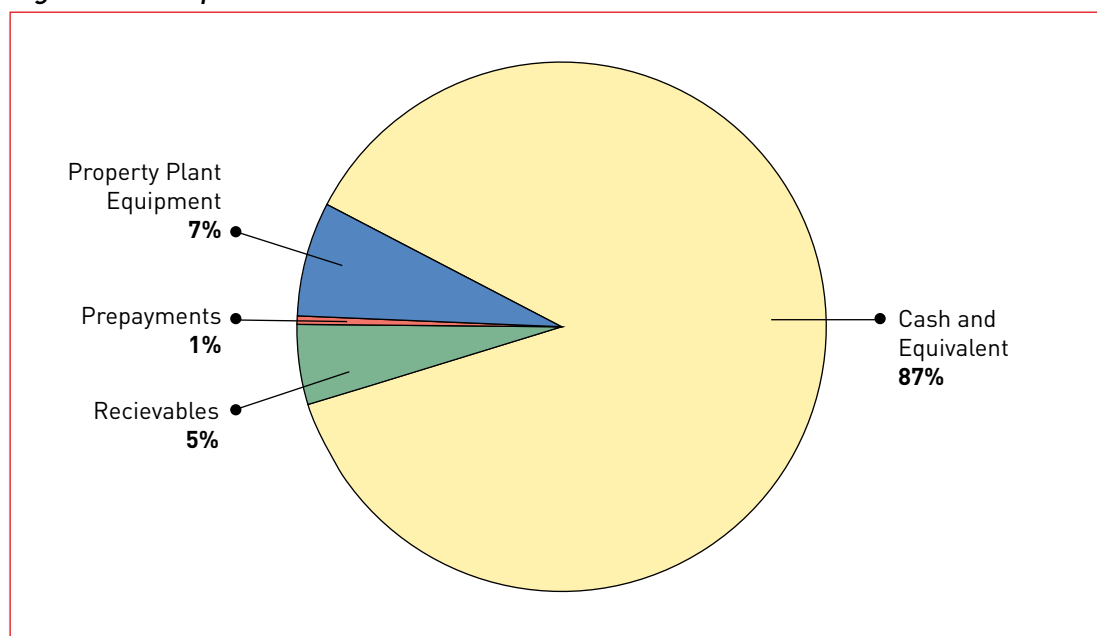
Total expenses for the period ending 30 June 2013 were **\$4,733,881** of which **\$3,589,406** or **76%** were employee-related (including superannuation). Total expenses are **\$484,755** higher than the 2012-13 budget estimate of **\$4,206,000** for the corresponding period. By comparison, actual expenses for the previous year were **\$4,495,960** for the same period.

The main fluctuation in expenses was in relation to an increase in employee expenses, due to an increase in staff numbers and an increase in wages due to the Justice and Community Safety Directorate Enterprise Agreement 2011-13 and an increase in supplies and services as a result of the increased workload, staffing numbers and the implementation of Risk Management strategies as mentioned in the general overview above. In future years it is anticipated that employee expenses will increase due to changes in wage conditions, the employment of professional staff to cope with the ever changing workload and the continual increased client base. It is also anticipated that, due to the increasing workload of PTACT, an increase in supplies and service expenses will also occur.

Figure 3 - Components of Expenses 2012-13

Public Trustee Financial Position

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

Figure 4 - Components of Assets at 30 June 2013

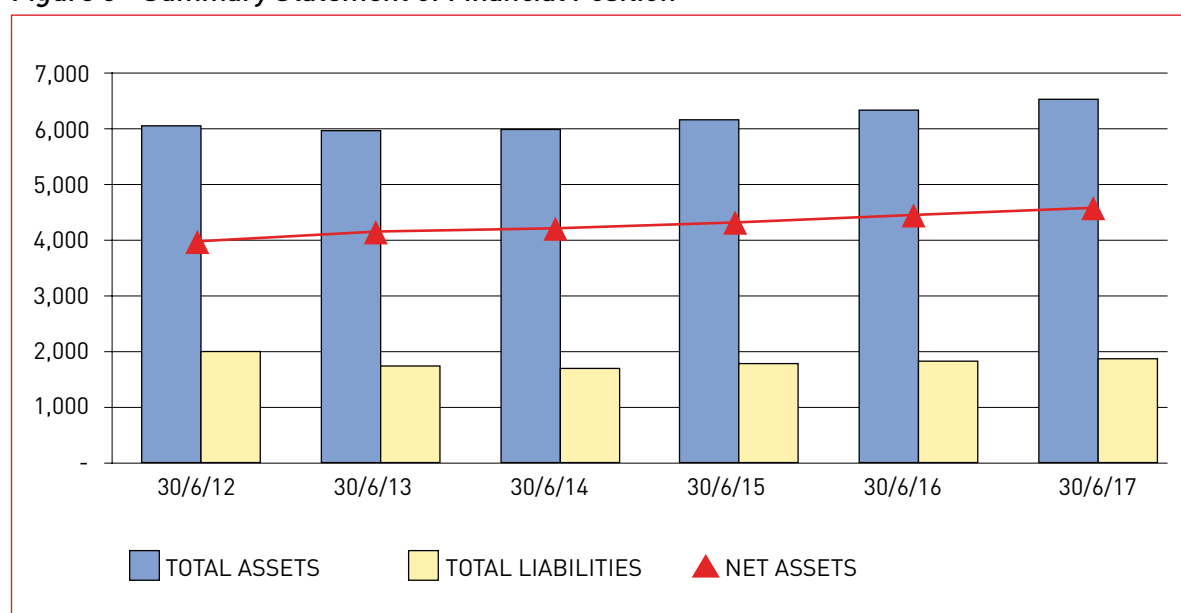
PTACT reported a total asset base of **\$5,963,163** of which **\$4,650,000** is invested in term deposits with various financial institutions and **\$540,013** is held in demand deposit cash accounts for ongoing expenses. The balance of assets, **\$773,149** is made up of receivables of **\$301,108**, prepayments of **\$32,607** and plant and equipment of **\$439,435**. Total assets are **\$299,837** lower than the budget estimate of **\$6,263,000** and **\$98,712** compared to the same period in the 2011-12 year. The lower amount of assets is attributable to fewer funds available for investment as a result of decreased commission based revenue.

Sustained Asset Base

The ability of PTACT to sustain its asset base is indicated by changes in net assets.

Figure 5 illustrates PTACT's ability to maintain a strong net asset position.

Figure 5 - Summary Statement of Financial Position



The above chart reflects audited figures as at 30 June 2012, actuals as at 30 June 2013 and estimated outcomes as shown in Budget Paper 4 of 2012-13.

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

Liquidity

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 PTACT.

Table 1 - Current Ratio

	PRIOR YEAR ACTUAL \$'000 2012	CURRENT YEAR ACTUAL \$'000 2013	CURRENT YEAR BUDGET \$'000 2013	FORWARD YEAR BUDGET \$'000 2014	FORWARD YEAR BUDGET \$'000 2015	FORWARD YEAR BUDGET \$'000 2016
Total Current Assets	5 486	5 524	5 811	5 631	5 921	6 207
Total Current Liabilities	1 788	1 508	1 579	1 451	1 514	1 547
Net Current Assets	3 698	4 016	4 232	4 180	4 407	4 660
Current Ratio	3.07:1	3.66:1	3.68:1	3.88:1	3.91:1	4.01:1

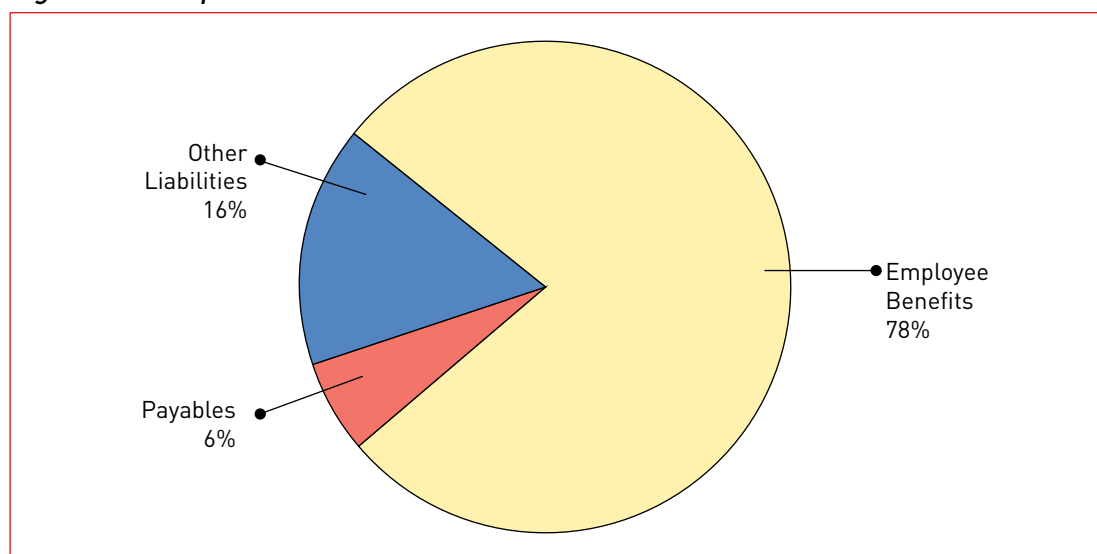
PTACT's current ratio as at 30 June 2013 is **3.66 to 1**, lower than the budgeted current ratio at 30 June 2013 of **3.68. to 1**.

PTACT anticipates current assets to remain relatively stable and will maintain a strong level of liquidity.

Liabilities

PTACT's total liabilities for the period ending 30 June 2013 were **\$1,739,460**. This balance is **\$45,540** lower than the 2012-13 budgeted figure of **\$1,785,000** and lower than the actual balance as at 30 June 2012 by **\$254,389**.

The main fluctuation in liabilities, compared to budget, is a decrease in Current Other Liabilities. This resulted from a lower dividend payable due to a lower than anticipated operating surplus being declared, lower than anticipated Payables as a result of invoices being paid when received and Employee Benefits increasing due to increased staffing levels and associated benefits.

Figure 6 - Components of Liabilities at 30 June 2013

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

The ratio at 30 June 2013 as indicated in Table 2 is **3.16 to 1**. The ratio of **3.16 to 1** is an increase from **2.74 to 1** at 30 June 2012. This shows that the liquidity of PTACT is adequate.

Table 2 - Financial Assets to Total Liabilities Ratio

	PRIOR YEAR ACTUAL \$'000 2011-12	CURRENT YEAR ACTUAL \$'000 2012-13	CURRENT YEAR BUDGET \$'000 2012-13	FORWARD YEAR BUDGET \$'000 2013-14	FORWARD YEAR BUDGET \$'000 2014-15	FORWARD YEAR BUDGET \$'000 2015-16
Total Financial Assets	5 456	5 491	5 785	5 599	5 888	6 173
Total Liabilities	1 994	1 739	1 785	1 687	1 765	1 813
Net Assets	3 462	3 752	4 000	3 912	4 123	4 360
Financial Assets to Liabilities Ratio	2.74:1	3.16:1	3.24:1	3.32:1	3.34:1	3.40:1

With financial assets to total liabilities ratios well in excess of 1:1, PTACT is well positioned to meet long term liabilities.

A.6 FINANCIAL REPORT

The Financial Statements and Auditor-General's Reports may be found in the Annexure at the end of this report. On advice from the ACT Auditor-General and PWC, PTACT will no longer publish the audited financial statements for the Capital Region Community Foundation (GreaterGood) Gift and Open Funds as part of its Annual Report. The figures will however be included in the statements for the Public Trustee's Trust Account.

A.7 STATEMENT OF PERFORMANCE

Refer A6 above.

A.8 STRATEGIC INDICATORS

There is a clear expectation that PTACT will cross-subsidise the cost of CSOs through its commercial undertakings. PTACT's historical financial indicators reflect a steady development in business and financial performance.

PTACT HISTORICAL FINANCIAL PERFORMANCE

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
APPROP	\$589,000	\$598,000	\$605,000	\$613,000	\$631,000	\$643,000	\$655,000	\$669,000	\$682,000	\$695,000
REVENUE	\$2,345,425	\$2,758,820	\$3,212,571	\$4,030,681	\$3,980,105	\$3,682,098	\$3,543,000	\$5,007,132	\$5,249,994	\$5,040,986
EXPEND	\$2,392,938	\$2,493,284	\$2,712,792	\$3,083,142	\$3,408,548	\$3,799,612	\$3,896,000	\$3,830,580	\$4,495,960	\$4,733,881
RESULT	\$47,51	\$266,536	\$499,779	\$947,539	\$571,557	(\$117,514)	(\$87,276)	\$1,176,552	\$754,034	\$307,105
DIVIDEND	Nil	\$133,268	\$199,889	\$473,769	\$285,778	Nil	Nil	\$588,276	\$377,017	\$153,553
STAFF (FTE)	26	27	29.6	31.6	32	34	34	35	39	39

NOTES

2000-04	Business Development Funding from ACT Treasury
2003-04	Loss relates to Long Service Leave liability
2005-06	Dividend reduced by \$100K to cover cost of removal to 221 London Crct
2006-07	Revenue injection of \$527K from vacation of 4 Mort St
2008-10	Loss relates to Global Financial Crisis
2010-11	PTACT recorded its best ever financial result and highest dividend to government
2011-12	Highest revenue recorded.

PTACT - HISTORICAL BUSINESS ACTIVITY

INDICATOR	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Financial Management Orders	358	369	397	411	435	442	432	458	473	481	486
Active Enduring Power of Attorney	108	95	95	88	77	69	68	67	61	56	53
Deceased Estates Admin ← \$100,000	70	48	77	62	55	35	37	37	38	40	36
Deceased Estates Admin → \$100,000	36	31	35	51	41	40	33	47	63	68	55
Examinations of accounts	254	265	246	276	261	243	318	370	440	425	445
Trusts ← \$100,000	562	561	522	491	452	442	417	399	374	368	348
Trusts → \$100,000	30	23	31	33	31	34	30	39	50	49	53
Wills	617	584	678	626	644	691	724	730	653	704	743

NOTES

Financial Management Orders - steady rise

Active EPA - Community choosing family member as first choice for attorney

Deceased estates under \$100K - Lower value estates dropping off with increases in asset values

Deceased estates above \$100K - Again asset values affect these figures. Also PTACT only generally administers estates when appointed as executor. Will-making patterns do not always reflect estate numbers ie the 'yield' in a year is unpredictable..also people are living longer

Examination of accounts - this correlates with Financial Management orders

Trusts under \$100K - PTACT is default trustee here - significant work with minimal cost recovery

Trusts over \$100K - PTACT is bidding more competitively for these.

Wills 2012-13 - Highest number of Wills recorded.

A.9 ANALYSIS OF AGENCY PERFORMANCE

Our performance in brief is as follows -

- Our operating surplus for the year ended 30 June 2013 was \$307,105, a decrease of \$446,929 on the 2012-13 budget estimate of \$813,000 for the same period, and a decrease of \$446,929 over the previous year.
- Expenses for the year were \$4,733,881 compared to \$4,495,960 in 2011-12.
- Funds under Management increased by 3.78% from \$282.37M to \$293.03M
- Wills up from 704 in 2011-12 to 743.
- 91 Estates completed at a value of \$41,312,721.72.
- Money held in Government Trust funds was \$161.5M compared to \$164M in 2011-12.
- GreaterGood assets increased from \$9.4M to \$11.4M.
- 99% of customers surveyed stated that PTACT met or exceeded their expectations.

FUNDS MANAGEMENT

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

At 30 June 2013, PTACT had funds under management of \$293.03M. Client moneys are generally invested through PTACT's common funds in accordance with the "prudent person investment principle" established under the *Trustee Act 1925*. This enables PTACT to offer tailored investment portfolios giving clients potential for a mix of capital growth, income returns and tax effectiveness. The *Public Trustee Act 1985* has been amended to permit PTACT to take advantage of tax benefits accruing to trust clients by investing funds into superannuation where appropriate. Client (non-government) moneys held in these funds decreased from \$136M in 2011-12 to \$131.53M in 2012-13.

Common Funds

PTACT's five asset sector Common Funds are -

Cash Common Fund

PTACT's internally managed cash funds are invested in a range of bank and non-bank financial institution deposits, notes and bills of exchange. Interest returns vary with the market cash rate. At 30 June 2013, the interest rate was 3.00% (down from 4.5% at 30 June 2012) and the fund size was \$68.05M, a marginal change from the fund size at 30 June 2012. Whilst fluctuations are a normal and expected occurrence, the cash rate was reduced throughout the year as a result of rate cuts made by the Reserve Bank of Australia.

Australian Equities Common Fund

An externally managed portfolio of Australian stocks. Funds under investment total \$26.15M compared to \$23.41M at 30 June 2012.

International Equities Common Fund

An externally managed portfolio of non-Australian stocks. At 30 June 2013, \$11.35M had been invested compared to \$9.64M at 30 June 2012.

Australian Fixed Interest Common Fund

An externally managed portfolio of corporate and government bonds and floating rate notes. Funds under investment at 30 June 2013 were \$18.42M compared to \$21.16M at 30 June 2012.

Australian Listed Property Trust Common Fund

An externally Managed Property Security Fund invested in listed property trusts across retail, industrial and commercial sectors. Funds under investment at 30 June 2013 were \$5.19M compared to \$4.79M at 30 June 2012.

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

Comparative Funds Performance Table

PERFORMANCE (ENDING 30/06/13)	3M	6M	1Y	3Y	5Y	10Y	INCEPTION
Australian Equities Common Fund	-1.52	6.74	21.66	8.35	2.81	8.62	5.72
Fixed Interest Common Fund	0.23	-0.29	3.12	5.65	7.16	5.14	5.40
Listed Property Trusts Common Fund	1.91	6.62	22.10	11.26	-2.02	1.45	2.51
International Equities Common Fund	4.88	15.60	26.33	16.16	3.31	N/A	5.09
Cash Common Fund	0.76	1.62	3.73	4.50	4.45	4.78	4.68

INVESTMENT STRATEGY

PTACT's Investment Strategy is guided by its Investment Board with quarterly reports and recommendations by external asset/markets consultant PricewaterhouseCoopers, in accordance with recommended objectives. The strategy is designed to maximise investment

performance and overall return for a client's investment portfolio and is reviewed on a 5-yearly basis.

On the advice of PTACT's Investment Board, PTACT proposes to transition its Australian Equities mandated fund to a pooled trust with the same fund manager, Tyndall. Advantages accruing from this proposed transfer include lower risk and lower administration effort (unit pricing and distributions) and lower fees against marginally higher return.

Objectives

PTACT's investment objectives are particularly useful for -

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

The following issues are considered in setting investment objectives -

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

PTACT's investment strategy is reviewed every five years and was last reviewed in 2011 by PricewaterhouseCoopers (PwC). The strategy takes account of risk, return, diversification and liquidity and was reported to be realistic and achievable.

Risk models

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

Growth Model Portfolio

The Growth Model seeks to achieve long-term returns in excess of inflation. Allocation to Australian Equities provides greater potential for growth plus potential taxation benefits of franked dividends. Performance for the year after fees was 16.96%.

Balanced Model Portfolio

The Balanced Model seeks to provide a balance between return and volatility. It is suitable for medium term trusts, or those with a mix of income and capital needs for beneficiaries. Performance after fees for the year was 12.93%.

Income Stable Model Portfolio

The Income Stable Model seeks to provide income return with moderate volatility plus potential for some growth to protect the real value of the trust. It is suitable for trusts with

income needs, short terms and conservative risk profiles. Performance return after fees for the reported year was 9.39%.

Capital Stable Model Portfolio

Accounts requiring capital stability are invested through the Cash Common Fund providing a market interest return on daily balances with funds available at call. The Cash Common Fund is suitable for cash balances and trusts of uncertain term. The fund returned an average of 3.73% during the year, and closed at 3.00%.

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

Comparative Risk Model Performance Table

PERFORMANCE (ENDING 30/06/13)	3M	6M	1Y	3Y	5Y	10Y	INCEPTION
Capital Secure Risk Profile	0.76	1.62	3.73	4.50	4.45	4.78	4.68
Income Stable Risk Profile	-0.03	2.41	9.39	6.65	5.37	6.34	5.70
Balanced Risk Profile	0.63	4.73	12.93	8.37	5.30	7.45	6.07
Growth Risk Profile	0.67	6.48	16.96	9.48	4.47	8.19	6.05

OUR SERVICES TO GOVERNMENT

Government Trust Moneys

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

Performance reporting in respect to non-government individual trust accounts is a matter between the Public Trustee and the client. PTACT invests these funds in accordance with fifteen principles that make up the 'prudent person investment principle' in the *Trustee Act 1925* and returns a dividend to the particular account minus fees.

Funds held at 30 June 2013 amounted to \$161.5M compared to \$163.95M at 30 June 2012 in respect to the following accounts –

- ACT Civil and Administrative Tribunal
- ACT Health
- ACT Health Ethics Committee
- ACT Procurement Solutions

- ACT Planning and Land Authority
- Agents Act Consumer Compensation
- Canberra Cemeteries
- Confiscated Assets Trust Fund
- Default Insurance Fund - Uninsured Employer Fund
- Default Insurance Fund - Collapsed Insurer Fund
- Motor Vehicle Dealers Compensation Fund
- Office of the Nominal Defendant of the ACT
- Residential Rental Bonds Trust Account

Funds held in these accounts are invested in accordance with the *Trustee Act 1925* in a range of securities including bank bills and financial institution deposits managed internally as well as through the Public Trustee's Australian Fixed Interest Index Common Fund. The circumstances of each account are reviewed regularly and investment strategies established according to individual risk profiles, objectives, income needs and relevant legislation.

Funds held in these accounts are not invested in Australian or International Equities and are not at risk of unethical investment.

Criminal Assets

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

PTACT deposited \$397,574.64 into the Confiscated Assets Trust Fund during the reported year, compared with \$40,518.31 in 2011-12.

Unclaimed Money

PTACT provides administrative services in respect to specified unclaimed money under the *Unclaimed Money Act 1950*, the *Legal Profession Act 2006* and the *Agents Act 2003*. In general, unclaimed moneys are accounts of various types that have been inactive over time, including deposits and dividends. A search facility on the PTACT website assists claimants to identify and claim unclaimed money.

At 30 June 2013, PTACT held \$20,639,266.91 in unclaimed money compared to \$17,129,688.19 at 30 June 2012.

During the reported year –

- 38 lodgements were received for a total of \$4,343,132.89.
- 4,195 claims for a total of \$1,206,026.08 were received and paid.
- The average claim for 2012-13 was \$287.49 compared to \$290.87 for 2011-12.

The breakup of claims paid is as follows –

- Directions by Office of Regulatory Services - 2 claims - total of \$320.02
- Legal Profession Act - 6 claims - total of \$36,683.77
- Unclaimed Money Act - 4,187 claims - total of \$1,169,022.29

The increase in claims is attributable to the online claims service on the PTACT website. PTACT proposes to further develop the web search and claims facility to improve claims response turnaround time.

Income of \$681,912.64 from PTACT's investment of unclaimed moneys was transferred to the Territory on 30 June 2013.

A further \$37,006.94 in unclaimed money was transferred to the Territory under Item 4 of the *Administration and Probate Act 1991* on the same date.

Cemeteries and Crematoria Act 2003

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

Recovery of Dividend Imputation Credits

Following consultation with the Australian Taxation Office (ATO) and the ACT Government Solicitor, PTACT recommended amendments to the Act and Regulations to facilitate the recovery of Dividend Imputation Credits and the inclusion of a dissolution clause for the Perpetual Care Trusts. Following the amendments made during the year, PTACT lodged returns with the ATO and has now recovered imputation credits to a value of \$28,440 backdated to 2007.

At 30 June 2013 a total of \$2.41M in deposits was held by the Public Trustee under the Act compared to \$2.07M at 30 June 2012.

CEMETERY/ CREMATORIUM	DEPOSITS TO DATE (ALL)\$	NET DEPOSITS (\$)	2012/2013 INCOME \$	GROWTH FROM INVESTMENTS TO DATE \$	BALANCE 30/06/13 \$
Gungahlin Cemetery	795,699	10,168	9,042	(104)	24,025
Gungahlin Cemetery – Reserve	224,471	212,354	2,888	(604)	214,639
Hall Cemetery	70,718	38,757	1949	5,162	54,389
Hall Cemetery – Reserve	14,813	11,767	85	0	11,853

CEMETERY/ CREMATORIUM	DEPOSITS TO DATE (ALL)\$	NET DEPOSITS (\$)	2012/2013 INCOME \$	GROWTH FROM INVESTMENTS TO DATE \$	BALANCE 30/06/13 \$
Woden Cemetery	2,524,818	1,199,341	78,367	30,253	1,590,289
Woden Cemetery – Reserve	404,651	333,906	3,944	(905)	336,945
Woden Mausoleum	200,113	(300)	304	0	4
Woden Mausoleum – Reserve	201,599	124,065	1,456	0	125,521
Norwood Park	36,367	36,367	2,498	(2,333)	49,663
TOTAL	4,473,249	1,966,425	100,533	31,469	2,407,328

OUR PRODUCTS AND SERVICES

Wills

743 Wills were completed during the year compared with 704 in the previous year. At 30 June 2013 PTACT held 11,937 Wills in the Will Bank.

Estates

91 estates were finalised during the year with an estimated value of \$39,982,259.00 compared to 108 at \$49,960,987.73 for the previous year.

Trusts

The Public Trustee acts as trustee, manager or receiver of funds for those unable to manage their funds. The number of trusts administered during the year was 401 compared to 417 for the previous year. The value of trusts under administration at 30 June 2013 was \$75.3M.

Powers of Attorney

PTACT actively promotes the preparation of an EPA by all members of the ACT community having legal capacity and acts as financial attorney where appointed. The number of active EPAs under management by the Public Trustee has marginally decreased from 56 last year to 53 this year. This is not an unexpected fluctuation.

Financial Management

The ACT Civil and Administrative Tribunal (ACAT) may appoint a person to act as manager to protect the financial and property interests of adult persons in the community who have impaired decision-making ability or who lack the capacity to manage their own financial affairs. PTACT is appointed as manager in approximately 50% of cases. At 30 June 2013,

the Public Trustee was appointed as financial manager for 486 persons compared with 481 persons at 30 June 2012.

Taxation Services

PTACT is a registered tax agent, has qualified personnel and provides specialist taxation services incidental to Estate, Trust and Individual Income Tax Return activities. PTACT lodged 1,306 income tax returns in 2012-13 compared to 1,153 in 2011-12. Income tax returns are lodged electronically through the ATO portal.

Revenue from Taxation services decreased by 26.1% from \$173,325.58 down to \$128,000.00. During 2011/12 PTACT successfully submitted to the Australian Taxation Office (ATO) that a number of its trust clients no longer had an obligation to lodge an income tax return. As a result, either a simplified return, or no return, is now lodged and was charged out in 2012-13 at \$25 as opposed to \$191.

PTACT is negotiating arrangements between its business system provider and its tax accounting system provider to allow income tax returns to be prepared using data populated from PTACT's business system TACT for electronic lodgement through its ATO interface through its proprietary income tax return preparation system.

Conveyancing and Property Services

PTACT completed 24 property settlements during 2012-13 compared to 33 in 2011-12. The total value of property conveyed was \$11,892,500.00 compared to \$19,280,990 in 2011-12. PTACT established and appointed a dedicated Property Officer in the second half of the financial year, centralising the responsibility for all property matters into one position. PTACT has responsibilities in respect to 110 client properties and conducted 13 property inspections from 1 January 2013. PTACT's property sales attract an average agent's commission of 1.94% using 16 different real estate firms. All real estate agents used are subject to PTACT's Code of Conduct for Service Providers.

OUR KEY CHALLENGES AND PLANS

PTACT's Business Plan for 2012-13 identified the following continuing challenges for PTACT.

Disparate Client Groups

PTACT serves disparate client groups, broadly classified as 'Community Service' and 'Commercial' presenting challenges from client servicing and budgeting perspectives. Financial management clients understandably view the Public Trustee's management of their financial and property matters as an unwelcome intrusion in their lives. At the same time PTACT seeks to extend its commercial services in the community including to existing clients, families of existing clients and through referrals by existing clients.

Dynamic and changing marketplace

A continuing longer-term priority is to ensure that PTACT is economically viable, sustainable and equipped to deal with the demands of an ageing population. Trends in ACT demographics reported by the Australian Bureau of Statistics continue to suggest that this will impact greatly

on the Public Trustee's role as a Financial Manager. Changes in family life, the incidence of blended and globally scattered families, the emergence of superannuation as a tax-effective investment tool and greater complexity in personal financial circumstances dictate that the Public Trustee must continuously respond to and adapt to environmental change.

Maintenance of a strong, viable business

A key challenge is to maintain and grow the profitable areas of PTACT's business and to subsidise Community Service Obligations. This is a particular challenge for a business which operates within a constrained framework and which does not primarily exist to make a profit.

Government regulatory framework

PTACT has no regulatory functions. From a governance perspective however, unlike trustee corporations, PTACT operates within a regulatory framework that requires a higher level of accountability, transparency and governance. PTACT also seeks to influence the development of new and existing legislation.

Competitive neutrality

The Australian Government's policy of competitive neutrality ensures PTACT does not enjoy net competitive advantages over the private sector, simply by virtue of their public sector ownership. Whilst this provides some form of protection to the private sector, it inhibits PTACT's development of contestable areas of business.

Public perception

PTACT strives to promote a positive, responsive, respectful and service-oriented image and positive customer feedback reflects our progress in achieving that. A challenge is to maintain public confidence in what we do, notwithstanding that some areas of our business are viewed as intrusions into people's lives.

Need for sustainability

Given our funding arrangement, the major challenge is to build areas of business that provide a continuing income and sustainable business into the future. This is achieved by excelling in what we do and by the development of mandated areas of business eg acting as trustee and in investment and funds management.

Prudent investment

The need to invest in a prudent manner, in compliance with the *Trustee Act 1925*, against a conservative client group intolerant of market fluctuation presents unique challenges.

Statement of Intent

PTACT's Statement of Intent for 2012-13 established PTACT's performance measures and targets for the reporting year. The Statement of Intent, focussing on the 2012-13 budget year, was developed in the context of a four-year forward planning horizon and incorporated into the Public Trustee's strategic and business planning processes.

Business Plan

PTACT achieves the performance measures established in its Statement of Intent through its Business Plan prepared in conformity with the JAC Strategic Plan. The JACS Strategic Plan strives to-

- Improve the way JACS connects with it's community and makes informed decisions
- Be sufficiently flexible to focus on the highest priorities
- Ensure that JACS clients have good access to services that meet their needs
- Look for better ways to get the job done
- Realise the potential of JACS staff.

OUR STATEMENT OF INTENT

Part 1 - Purpose

The major corporate objectives of the Public Trustee relevant to this Statement of Intent are to:

- operate as a customer service-oriented entity along commercial lines subject to the *Public Trustee Act 1985*;
- use benchmarking to operate at least as efficiently as alternate service providers to provide high quality services and value for money in all aspects of the Public Trustee's operations;
- use financial practices and maintain accounts and records which satisfy the requirements of the *Financial Management Act 1996*, including the associated ACT Accounting Policy Manual, modelled on the requirements of Australian Accounting Standards, and which fairly present the Public Trustee's financial position, operational and cash flow results for planning and reporting purposes;
- adopt high standard operating practices to safeguard the environment and health and safety of staff;
- provide a productive and satisfying working environment for staff, and a commitment to high standards of human resource management based on the principles of equal employment opportunity; and
- undertake Community Service Obligations (CSOs) in respect to the provision of financial management services for persons with a decision making disability, acting as attorney under Enduring Powers of Attorney, administering trusts under \$100,000 in value, examination of accounts prepared by external financial managers, drafting wills in cases of financial hardship, police call-outs, welfare funerals and administering low value deceased estates.

Part 2 - Nature and scope of activities to be carried out

The Public Trustee provides the ACT community with professional executor and trustee services, including the preparation of Wills, Enduring Powers of Attorney and Estate Administration and Trust Management services. The Public Trustee is responsible for protecting the interests of people with a legal disability, where appointed by the ACT Civil and Administrative Tribunal (ACAT) as Financial Manager and also where acting as attorney for financial matters under an Enduring Power of Attorney.

The Public Trustee also acts as agent for the Territory in providing asset services under the *Confiscation of Criminal Assets Act 2003*, is the delegate for unclaimed moneys and holds investment responsibility for government and non-government trust funds, including the Perpetual Care Trust under the *Cemeteries and Crematoria Act 2003*. The Public Trustee is trustee for GreaterGood - The Capital Region Community Foundation.

In undertaking these functions the Public Trustee will:

- a) operate as a customer service oriented entity along commercial lines subject to the *Public Trustee Act 1985*. Financial markets have maintained the improved level of performance experienced during 2011-12, which has benefitted the Public Trustee's performance through income commissions. The Public Trustee has made a decision to invest in a number of projects that had been initiated including a Precedent Letter Database and a Document Management System. During the year, the Public Trustee identified that its critical
- b) use benchmarking to operate as efficiently as alternative service providers to provide high quality services and value for money in all aspects of the Public Trustee's operations. The Public Trustee has entered into agreement with peer Australian Public Trustees to share expertise, information and training. The Public Trustee has acquired the NSW Wills Manual and the QLD Genealogy Manual. The Public Trustee has contributed by developing an umbrella Public Trustees website which will be used to promote the Public Trustee brand and value proposition across Australia. The Public Trustee is also cooperating with all Public Trustees in an ARC Linkage Grant to study contemporary will-making patterns in Australia to establish how more people can be encouraged to have an up to date Will. An Expression of Interest is also being prepared along with all Public Trustees to identify the best value superannuation product for the Public Trustee's clients;
- c) use financial practices and maintain accounts and records which satisfy the requirements of the *Financial Management Act 1996*, including the ACT Accounting Policy Manual, modelled on the requirements of Australian Accounting Standards, and which fairly present the Public Trustee's financial position, operational and cash flow results for planning and reporting purposes. The Public Trustee achieved its best audit report resulting from its end of year audit by the ACT Auditor-General. The Public Trustee will be the subject of a fraud audit during the next 12 months. All recommendations made in past Auditor-General reports have been incorporated in the Public Trustee's Internal Audit Committee agenda and have been completed;
- d) adopt high standard operating practices to safeguard the environment and health and safety of staff. A comprehensive review of Workplace Health and Safety was undertaken by the Justice and Community Safety Directorate (JACS) in 2011. During the next 12 months the Public Trustee will move to incorporate all of the findings of the review into the Risk Management Plan;
- e) provide a productive and satisfying working environment for staff and a commitment to high standards of human resource management based on the principles of equal employment opportunity. The Public Trustee has appointed a Respect Equity and Diversity (RED) Contact Officer and the Public Trustee has accepted a JACS Executive sponsor for RED. All staff have undertaken RED training as well as indigenous awareness training. The Public Trustee has implemented changes to address the

findings of the 2010 JACS Staff Survey and will work actively to ensure full participation in the 2012 survey and to implement all findings; and

- f) undertake CSOs in respect to the provision of financial management services for persons with a decision making disability, preparing and acting as attorney under Enduring Powers of Attorney, administering trusts under \$100,000 in value, examination of accounts prepared by external financial managers, drafting wills in cases of financial hardship, police call outs, welfare funerals and administering low value deceased estates. The Public Trustee has decided to celebrate Wills Week along with all other Public Trustees. The first Wills Week was conducted in October 2011 and the Public Trustee utilised radio marketing for the first time. The Public Trustee proposes to hold seminars in Seniors Week in March and Wills Week in October each year. All seniors of 60 years and over will continue to be provided with a free Will where they appoint the Public Trustee as their executor.

Risk

The Public Trustee has identified prevailing and emerging risks to the delivery of its Statement of Intent objectives in its Fraud, Corruption and Risk Management Plan. As required, the plan has been prepared in consultation with the Public Trustee Investment Board and is continually reviewed. In 2012, the Public Trustee engaged the consultant PricewaterhouseCoopers to undertake a five yearly comprehensive review of the Public Trustee's investment strategy. The consultant reported favourably on the Public Trustee's strategy and the Board agreed to implement a number of minor recommended changes. The Public Trustee will also review the risk profile of all of its investment clients to ensure that their assets are invested appropriate to their needs.

Performance Measures

SUCCESS	PERFORMANCE INDICATOR		
QUALITY		2012-13 (PLANNED)	2012-13 (ACTUAL)
Reasonable investment performance by Public Trustee, reflected by market trends and giving no indication of future performance	Per cent return on the internally managed cash common fund, exclusive of Public Trustee fees.	Not forecast	3.69%
Reasonable investment performance by Public Trustee, reflected by market trends and giving no indication of future performance	Per cent return earned on externally managed funds, relative to investment industry benchmarks, exclusive of Public Trustee fees:		
	• Australian Equities Fund;	Not forecast	-6.47%
	• Australian Fixed Interest Fund;	Not forecast	7.80%
	• Australian Listed Property Fund; and	Not forecast	-0.72%
	• International Equities Fund.	Not forecast	-2.19%

SUCCESS	PERFORMANCE INDICATOR		
QUALITY		2012-13 (PLANNED)	2012-13 (ACTUAL)
High level of client satisfaction	% of clients responding who felt that the Public Trustee met or exceeded their expectations:	94%	91%
Dividend provided to the Territory	50 per cent of Operating Result.	\$406,000	\$153,553
High level of compliance	Unqualified audits.	Unqualified	Unqualified
Reasonable level of services provided	Per cent change and number of services provided, by type of service.		
	• Financial Management Orders	473	486
	• Active Enduring Powers of Attorney	56	53
	• Deceased Estates (under \$100,000)	43	36
	• Deceased Estates (over \$100,000)	72	55
	• Examination of External Manager Accounts	460	445
	• Trusts (under \$100,000)	383	348
	• Trusts (over \$100,000)	49	53
	• Wills	720	743

Cost and Revenue

SUCCESS	PERFORMANCE INDICATOR		
QUALITY		2012-13 (PLANNED)	2012-13 (ACTUAL)
Revenue covers cost	Per cent and dollar value of revenue that meets costs.	Rev - \$5.02M Exp - \$4.20M 119.5%	Rev \$5.04M2 Exp \$4.73M2 106.6% ²
Reasonable cost efficiency	Cost to operate the Public Trustee per employee.		
	• Staff (FTE)	37	39
	• Cost	\$113,513	\$121,282
Reasonable revenue efficiency	Revenue earned by the Public Trustee per employee		
	• Cost	\$135,676	\$129,231

A.10 TRIPLE BOTTOM LINE REPORT

This has been largely covered in the JACS Annual Report 2012-13 with the exception of Economic and Social indicators as follows –

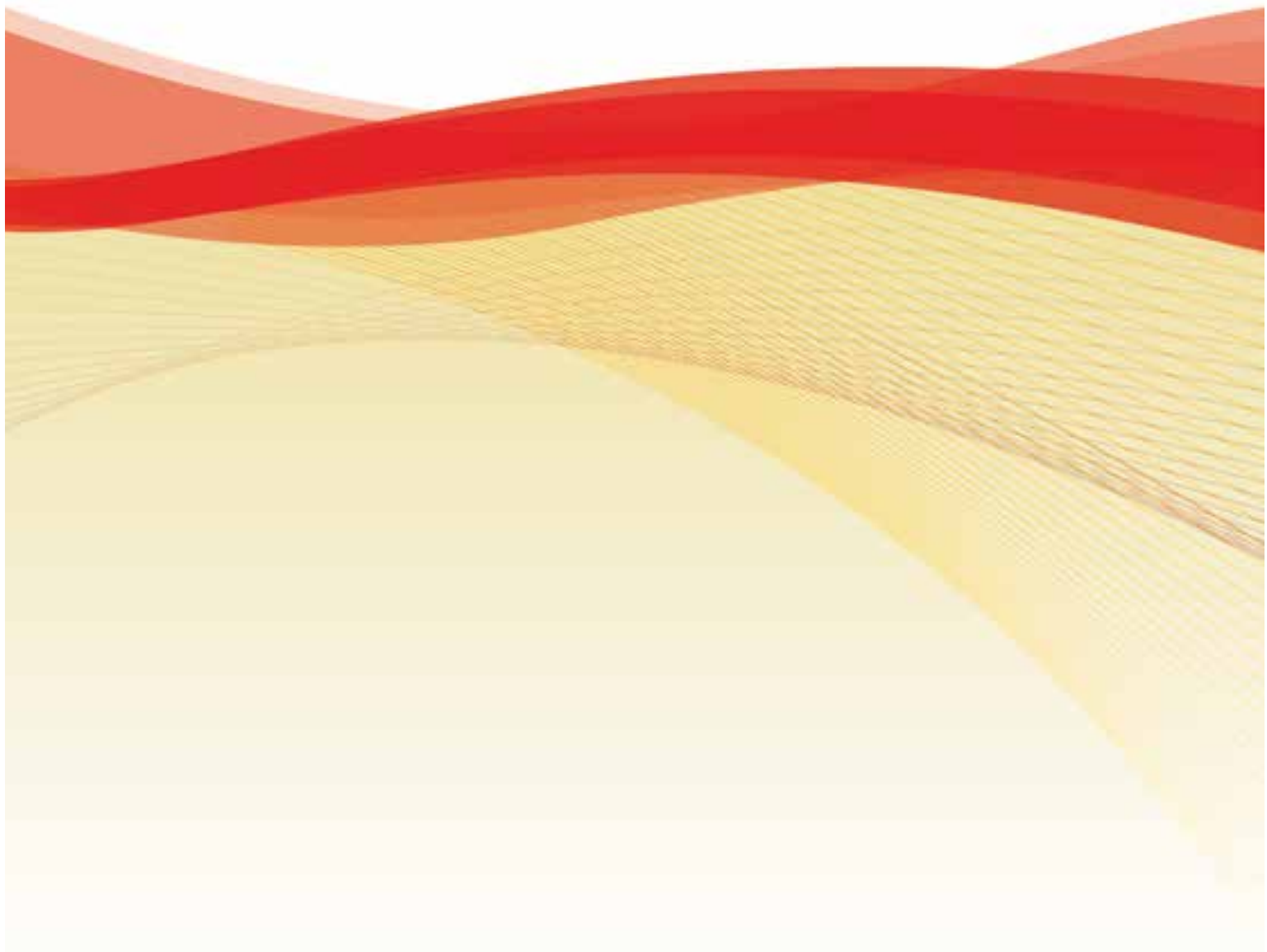
	INDICATOR	2011-12 RESULT	2012-13 RESULT	% CHANGE
ECONOMIC	Employee Expenses			
	Number of staff employed (head count)	39	41	+5.13%
	Total employee expenditure (dollars)	\$3,442,335	\$3,589,406	4.27%
	Operating Statement			
	Total expenditure (dollars)	\$4,495,960	\$4,733,881	5.29%
	Total own source revenue (dollars)	\$4,567,994	\$4,345,986	(4.86%)
	Total net cost of services (dollars)	\$72,034	(\$387,895)	(638.49%)
	Economic Viability			
	Total assets (dollars)	\$6,061,074	\$5,963,162	(1.62%)
	Total liabilities (dollars)	\$1,993,850	\$1,739,461	(12.76%)
SOCIAL	Diversity of Our Workforce (as % of workforce)			
	Women (Female FTE)	67%	68.3%	2.73%
	People with a disability	0%	0%	Nil
	Aboriginal and Torres Strait Islander people	0%	0%	Nil
	Staff with English as a second language	12.82%	17.1%	33.38%
	Staff Health and Wellbeing			
	OH&S Incident Reports	3	3	Nil
	Accepted claims for compensation (as at 30 June 2013)	0	0	Nil
	Staff receiving influenza vaccinations	28	27	-3.57%
	Workstation assessments requested	12	9	-25%



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

SECTION B

CONSULTATION AND SCRUTINY REPORTING



B.1 COMMUNITY ENGAGEMENT

COMMUNITY ENGAGEMENT ACTIVITIES

During the year PTACT's activities did not involve formal consultation with the community.

LINE AREA	PROJECT	CONSULTATION PROCESS (TOOLS USED)	GROUPS / INDIVIDUALS CONSULTED	APPROXIMATE NUMBER CONSULTED	OUTCOME
Public Trustee for the ACT	Nil	N/A	Nil	Nil	N/A

During 2012-13 PTACT undertook the following community engagement activities –

FORM OF COMMUNITY ENGAGEMENT	OUTCOME
Seniors Week Public Seminar - March 2012	Community educated on estate planning.
Life's Reflection and Multicultural Festival Sanctuary sponsorship - \$4,000	PTACT engaged with Seniors and demonstrated their value to the community
A record charitable distribution of \$505,814.37 through GreaterGood	Continuing and increased funding to charity in the ACT.
Addressed all JACS Induction training to demonstrate the value of Workplace Giving to new staff	JACS staff workplace giving scheme 'JACS4GreaterGood' now has a corpus of \$94,000. The 2013 distribution of \$2,350 will be made to Boundless Canberra
Participated in the Canberra Retirement and Lifestyle Expo 2013	Community educated about estate planning.
Participated in the 2013 ACT & Region Indigenous Expo	Raised awareness of career and education opportunities including support services available to Aboriginal and Torres Strait Islander people living in the ACT Region.
Addressed community groups on 21 occasions	Community educated on estate planning.
Conducted Wills Week in October 2012 including two free public seminars	Community educated on estate planning. A free Will was provided to all attendees.
Conducted home/hospital/hospice visits to clients to prepare Wills and Enduring Powers of Attorney	Mobility issues and social isolation is overcome in respect to Wills and EPAs.
Participated in joint government/industry estate planning forum	Public and private sector practitioners informed about complex estate administration and trust issues.
Distributed Francis Carroll annual scholarship	Funding for rural students to attend the Australian Catholic University.
Facilitated the establishment of the ACT Law Society Foundation	Philanthropic benefit to the disadvantaged in the ACT community.

PTACT continually engages with the community to increase the number of people who are aware of the importance of having an up to date Will and Enduring Power of Attorney and are

willing to appoint the Public Trustee as executor or attorney. Through GreaterGood, PTACT seeks to maximise the level of philanthropy provided to the ACT community. PTACT has made significant progress towards this through appropriate public awareness programs as follows -

- PTACT and GreaterGood websites and a GreaterGood Facebook;
- Advertisements and editorials in the Canberra Times “Start Living” lift-out each month as well as for special promotions including Seniors Week and Wills Week;
- Advertisements in the Seniors Booklet, ACT Hospitals Services Guide and Yellow Pages; and
- PTACT brochures/fact sheets in Canberra Connect shop fronts.

PTACT is regularly requested to make presentations at succession law events and at public forums about our services.

A number of our brochures have been translated into five non-English speaking languages for publication to the PTACT website.

PTACT’S CUSTOMERS REPORTED

PTACT conducts a continuous customer survey against a range of criteria on a reply-paid post basis. The survey is also provided in electronic form for clients visiting PTACT’s website.

Clients are surveyed about a range of issues including -

- ease of contact/access;
- efficiency;
- friendliness;
- whether they understood the advice provided;
- which business unit they dealt with; and
- whether they would recommend PTACT to others in the community.

The Public Trustee personally responds to any survey response where the level of service did not meet client expectations.

During the reported year 183 clients were surveyed with 99% of clients reporting that the Public Trustee met or exceeded their expectations, against 94% reported for the same period last year. Of all clients surveyed, 70% responded that PTACT exceeded their expectations, 24% felt that PTACT met their expectations, 5% did not provide a rating and 1% of respondents found PTACT below expectation.

REPRESENTATION ON EXTERNAL FORUMS

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

FORUM	DESCRIPTION
State/Territory Public Trustees' forum	PTACT maintains a co-operative, working relationship with State/Territory Public Trustees through bi-annual meetings*. Public Trustees cooperate in the development of products and services, leveraging value and price from suppliers and also in benchmarking. Public Trustee also co-operate to respond to issues of national importance eg National Disability Insurance Scheme.
Australian Guardianship and Administration Council (AGAC)	PTACT is a member of AGAC, a national forum of agencies whose role is to protect adults who have a disability that impairs their capacity to make decisions and manage their affairs. Agencies include Public Trustees, Public Advocates, Public/Adult Guardians, Protective Commissioners as well as Boards and Tribunals. AGAC meets bi-annually*. The Public Trustee undertakes a secretarial role for AGAC.
Financial Services Council Inc (FSC)	The FSC represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and trustee industry including Public Trustees. The FSC promotes best practice for the financial services industry by setting mandatory standards for its members and providing guidance notes to assist in operational efficiency.
Financial Planners' Association ACT Chapter	PTACT retains membership of the Financial Planners' Association through its Manager, Investment and Funds Management Section.
Financial Services Institute of Australasia	PTACT is a member of the Financial Services Institute of Australasia. A number of PTACT staff have achieved qualifications in financial planning and management through the Institute.
Philanthropy Australia	Philanthropy Australia is the national peak body for philanthropy. PTACT has registered GreaterGood with Philanthropy Australia.
COTA (ACT)	PTACT is a member of the Council on the Ageing (COTA ACT). COTA is the peak older person's organisation in Australia representing issues at Territory and Federal levels. COTA ACT has conduct of ACT Seniors Week activities as well as the ACT Seniors Card Directory through which PTACT advertises.
Joint ACT industry/government forum on estate planning	The Public Trustee is represented on this joint industry/government forum on succession planning.
Law Society of the ACT	PTACT is a member of the ACT Law Society. The current Executive Director of the Society is Chair of GreaterGood. A number of PTACT staff are practising solicitors and members of the Society. PTACT staff access continuing legal education through the Society.
CPA Australia	Several PTACT staff are registered as Associate Members of the CPA.

* meetings are arranged to coincide where possible.

PUBLICITY/MARKETING

PTACT engages with the community in an educative role as well as a provider of services. Under its Statement of Intent (SOI) for 2013-14 with the ACT Treasurer signed on 31 May 2013, PTACT seeks to operate as a customer service-oriented entity along commercial lines. Effective marketing is vital to PTACT's ongoing viability.

Product and service quality are PTACT's most effective marketing tools. PTACT engaged in the following marketing activities in 2012-13 –

- Aim to excel in all of its services, enhance reputation and attract referred business.
- Polled clients for feedback through a continuous survey and rectify any reported problems.
- Used PTACT branding/logo prominently in all publications, advertising, sponsorship, public forums, letterheads, website; accommodation etc.
- Placed monthly editorial and advertisements in the Canberra Times and Canberra Chronicle.
- Provided seminars during Seniors Week (March) and Wills Week (October) each year.
- Placed advertisements in the ACT Seniors' Card Directory and Canberra/Calvary Hospital patient and inpatient information guides.
- Attended Canberra Retirement and Lifestyle Expo.
- Attended ACT & Region Indigenous Expo.
- Sponsored Life's Reflection and JACS4GreaterGood
- Regularly addressed community groups.

The Capital Region Community Foundation



ANNUAL REPORT 2012-13

I am pleased to report on the progress of GreaterGood during 2012-13.

WHO WE ARE

GreaterGood - The Capital Region Community Foundation was established by the Public Trustee for the ACT (PTACT) in 2003 and is the Canberra Region's foremost public charitable foundation.

GreaterGood is a perpetual charitable foundation, making it possible for people in the community to establish their own charitable funds in a low-cost, tax-effective manner. Under the umbrella of GreaterGood, people can name their own charitable fund, recommend the deductible charities to benefit, receive an immediate tax deduction and see their charitable causes benefit from the income generated perpetually.

Like many charitable foundations, GreaterGood preserves and invests amounts settled as capital to produce a permanent income for the benefit and support of recommended charitable causes. PTACT invests donations through common funds and distributions of income are made annually to recommended charitable beneficiaries.

The contribution made by GreaterGood to the Canberra community has been significant. GreaterGood has provided assistance and expertise in the establishment of a number of Canberra's philanthropic organisations including the Canberra Hospital Foundation (formerly Our Wellness Foundation), Hands Across Canberra and Boundless Canberra. GreaterGood provided the framework for these accounts to grow to what they are today through the preparation of Deeds, acting as trustee and receiving funds as Deductible Gift Recipient.

THE YEAR IN REVIEW

Whilst we have many achievements to celebrate in our tenth year, we look back on 2012-13 with mixed emotions. In February 2013 our good friend and Chair Dr Christopher Peters AM OI lost his battle with cancer. We acknowledge his significant contribution.

It is through the generosity of those that have established philanthropic funds in GreaterGood, and the excellent work of all of our people, that GreaterGood celebrated a number of milestones, passing the \$10M mark and closing the year at \$11.4M before distributions, an increase of \$1.4M over the previous year. GreaterGood has distributed some \$2.4 M to charitable organisations mainly in the Canberra region since 2003 and ended the year with a record \$505,814.37 distribution. During the year, GreaterGood was entrusted with accounts for the National Arboretum Canberra and the Capital Woodland and Wetlands Conservation Trust as well as a number of new private accounts bringing the total to 65 funds.

Mr Larry King, Executive Director of the ACT Law Society, was appointed as Chair of GreaterGood Board in June 2013. A member of the board for several years, Larry was

The Capital Region Community Foundation

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instrumental in founding the ACT Law Society Foundation which was launched at a function held at the ACT Legislative Assembly on 29 May 2013. The launch was addressed by Attorney-General Simon Corbell MLA, The Hon. Justice Patrick Keane QC, a Justice of the High Court of Australia and ACT Law Society President Noor Blumer. GreaterGood patron Lady Helen Deane and Canberra Centenary patron Sir William Deane AC KBE QC were in attendance, as well as past Chair The Hon. Margaret Reid AM. The foundation will seek to bridge opportunity gaps in the Canberra community.

The Australian Charities and Not-for-Profits Commission (ACNC) was established in October 2012 as the independent national regulator of charities. Both the GreaterGood Gift and Open Funds are registered with the ACNC. The ACNC exists to -

- protect and enhance public trust and confidence in the sector through increased accountability and transparency;
- support and sustain a robust, vibrant, independent and innovative not-for-profit sector; and
- promote the reduction of unnecessary regulatory obligations on the sector.

On the advice of the ACT Auditor-General at the close of the last financial year, GreaterGood accounts will be included in PTACT's Trust Account financial statements and will no longer be separately reported in the Public Trustee's Annual Report.

In February 2013 the board recommended that the balance of \$1,000 held in the Canberra Disaster Recovery Fund should be distributed to the Tasmanian Bushfire Appeal 2013 supported by the Australian Red Cross.

Our own workplace-giving scheme JACS4GreaterGood will achieve a corpus of \$100,000 during August/September 2013. Following a survey of contributing staff, Boundless Canberra was selected as the charity to receive the 2012-13 distribution of \$2,350. A presentation will be made by JACS Director-General Kathy Leigh to the Community Services Director-General and Boundless Canberra Director Natalie Howson at the JACS Trivia night on 23rd August 2013. The project was a fitting recipient given its plan to be funded by ACT public servants.

It was noteworthy that Doug Gillespie, Senior Deputy Public Trustee and initiator of GreaterGood received the ACT Government Service Award in the "Respect" category on 18 May 2013 recognising his remarkable efforts and foresight in setting up and driving the development of GreaterGood since 2003.

PERFORMANCE

The GreaterGood investment funds have achieved a strong positive result for 2012-13. The GreaterGood Gift Fund produced a total return of 17.51%, consisting of 13.81% capital growth and 3.70% income return from investment in the Australian share, fixed interest, listed property and international share markets. The GreaterGood Open Fund enjoyed similar results of a 17.14% total return consisting of 13.76% capital growth and 3.38% distribution income.

Due to the accreditation of GreaterGood with income tax exempt status, all dividend imputation tax credits (franking credits) will be claimed back from the Australian Taxation Office and added to the next round of distributions to GreaterGood accounts. Effectively this increases the above income distribution returns to 4.39% and 4.01% respectively.

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To ensure that the assistance provided by GreaterGood to charity is continued in perpetuity, it is essential that real value of capital funds is protected against inflation. This requires an investment strategy that will produce a capital growth return in conjunction with regular income for annual distributions. Returns will fluctuate from year to year, however a long term capital growth investment plan should perform stronger than capital stable investment strategies.

GreaterGood - Gift Fund - Growth Investment							
Inception Date: 09/03/2006		Investment Time Frame: 10+ years (Perpetual)					
Total Return Objective: CPI + 5.0%		Risk of Loss: 1 year in every 4 to 5 years					
Distribution Return Objective: 3.50%		Weighted ICR (%pa): 1.33%					
Performance (ending 30/06/13)	3m	6m	1y	3y	5y	10y	Inception
CPI Inflation	0.39	0.79	2.39	2.38	2.33	2.72	2.72
Total Return ¹	0.19	7.03	17.51	10.07	5.39	N.A.	5.17
Difference	-0.20	6.24	15.12	7.69	3.06	N.A.	2.45
Distribution Return ²	1.32	2.46	3.70	4.63	4.67	N.A.	5.90
Growth Return	-1.13	4.57	13.81	5.44	0.72	N.A.	-0.73
Current Holdings:	Value		%	Benchmark		Variance	
Cash Common Fund	\$	336,343	4.7%	5.0%		-0.3%	
PTACT Growth Investment Fund	\$	6,837,483	95.3%	95.0%		0.3%	
Total	\$	7,173,825	100.0%	100.0%		0.0%	
GreaterGood - Open Fund - Growth Investment							
Inception Date: 09/03/2006		Investment Time Frame: 10+ years (Perpetual)					
Total Return Objective: CPI + 5.0%		Risk of Loss: 1 year in every 4 to 5 years					
Distribution Return Objective: 3.50%		Weighted ICR (%pa): 1.33%					
Performance (ending 30/06/13)	3m	6m	1y	3y	5y	10y	Inception
CPI Inflation	0.39	0.79	2.39	2.38	2.33	2.72	2.72
Total Return ¹	0.52	6.67	17.14	9.85	5.11	N.A.	4.60
Difference	0.13	5.88	14.75	7.47	2.78	N.A.	1.88
Distribution Return ²	1.31	2.13	3.38	4.42	4.43	N.A.	5.89
Growth Return	-0.79	4.55	13.76	5.43	0.68	N.A.	-1.29
Current Holdings:	Value		%	Benchmark		Variance	
Cash Common Fund	\$	102,543	4.6%	5.0%		-0.4%	
PTACT Growth Investment Fund	\$	2,112,392	95.4%	95.0%		0.4%	
Total	\$	2,214,936	100.0%	100.0%		0.0%	

¹ Total Return is calculated on an annual basis between starting and ending unit prices with all distributions reinvested. ² The distribution return represents the amounts paid from the fund by way of distributions. Time periods less than one year are not annualised. ³ The Weighted Indirect Cost Ratio (ICR) represents all fees paid to the trustee from the fund's underlying investments as an annual percentage less reclaimable GST.

PROMOTION AND MARKETING

GreaterGood was promoted through 2012-13 at Seniors' Week and Wills Week seminars, the Retirement and Lifestyle Expo, an Institute of Chartered Accountants presentation and at various social and community groups. GreaterGood also advertised in the Seniors' Card Directory which is distributed to 37,000 households in the ACT and available online and throughout Australia. 'GG ENews', an electronic newsletter is distributed to account-holders, recipient charities, board members, associates and is available online.

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NEW FUNDS ESTABLISHED IN 2012-13

- Crookwell/Taralga Aged Care Open Fund
- Australian Security Medals Open Fund
- National Arboretum Open Fund
- The Downes Family Memorial Fund
- The ACT Law Society Foundation
- The Nancy Martin Memorial Fund

DISTRIBUTIONS 2012-13**Gift Fund**

The Public Ancillary Fund (PuAF) Guidelines under the *Taxation Administration Act 1953* contain 57 items to guide PuAF administrators. Guideline No 19 provides for a minimum annual distribution of 4%. The opening equity of the Gift Fund as per audited accounts as at 1 July 2012 was \$6,770,201 - (4% = \$270,808).

The distribution was as follows -

- Income to 30 June 2013 \$248,146.46
- Capital to 30/6/2013, \$18,540.00
- Accrued distributions \$5,580.00 totalling \$272,266.46 achieving the required 4% by \$1,458.46.

Open Fund

The Australian Charities and Not for Profit Commission (ACNC), has not confirmed the requirements of a percentage distribution. However, applying the same 4% ruling as above, the Opening Equity as 1 July 2012, was \$2,733,342 (4% = \$109,333.68)

- Income & Capital distribution to 30 June 2013 totalled \$204,934.64, exceeding the requirement by \$56,000.

GreaterGood has distributed over \$2,575,074.04 to local charities since 2003.

The distribution for the last 6 months of the 2012-13 financial year totalled \$390,258.02.

There are currently 65 active accounts with a total of \$11,173,888.00 (after distributions) in the corpus.

GreaterGood funds proudly supported the following charities in 2012-13-

GREATERGOOD FUND	DATE	CHARITY - BENEFICIARY	AMT (\$)
Hands Across Canberra	17/01/2013	Friends of Brain Injured Children	100.00
Hands Across Canberra	17/01/2013	Friends of Brain Injured Children	4,600.00
Hands Across Canberra	17/01/2013	St John's Care	100.00
Hands Across Canberra	17/01/2013	TADACT	500.00
Boundless Canberra	30/01/2013	Inv 11170 Production Magic	825.50
Hands Across Canberra	04/02/2013	Menslink	155.00
Capital Woodland and Wetlands	01/03/2013	MECU Bank Operating Account	2,000.00
Canberra Disaster Recovery Fund	05/03/2013	Tasmanian Bushfire 2013 Appeal	1,000.00
Hands Across Canberra	05/03/2013	Menslink	70.00
Hands Across Canberra	07/03/2013	Beryl Women Inc	100.00
Hands Across Canberra	12/04/2013	Koomarri	50.00
Hands Across Canberra	12/04/2013	Menslink	20.00
Hands Across Canberra	17/04/2013	Touched by Olivia Foundation	20.00
ACT Jewish Community	29/04/2013	Canberra Jewish Educational Building Fund	46,000.00
Brook Foundation	03/05/2013	Actionaid	1,402.00
Brook Foundation	03/05/2013	Anglicare Australia	1,000.00
Brook Foundation	03/05/2013	Australian Kidney Foundation	1,000.00
Brook Foundation	03/05/2013	Australian Red Cross Society	1,402.00
Brook Foundation	03/05/2013	Care Australia	1,402.00

The Capital Region Community Foundation

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Brook Foundation	03/05/2013	Child Fund Australia	1,402.00
Brook Foundation	03/05/2013	Christian Blind Mission	1,402.00
Brook Foundation	03/05/2013	Leprosy Mission Australia	1,402.00
Brook Foundation	03/05/2013	Medecins Sans Frontieres Australia	1,402.00
Brook Foundation	03/05/2013	Mission Australia	1,402.00
Brook Foundation	03/05/2013	Oxfam Australia	1,402.00
Brook Foundation	03/05/2013	Sane Australia	1,000.00
Brook Foundation	03/05/2013	Society of St Vincent de Paul Pty Ltd	1,000.00
Brook Foundation	03/05/2013	The Fred Hollows Foundation	1,402.00
Brook Foundation	03/05/2013	The Salvation Army	1,402.00
Brook Foundation	03/05/2013	UNICEF Australia	1,402.00
Brook Foundation	03/05/2013	World Vision Australia	1,402.00
Aerial4GreaterGood	08/05/2013	Domestic Violence Crisis Service	1,729.00
Silver Birch Foundation	14/05/2013	Australian Wildlife Conservancy	800.00
Silver Birch Foundation	14/05/2013	CBM Australia	1,000.00
Silver Birch Foundation	14/05/2013	Indigenous Community volunteers	400.00
Silver Birch Foundation	14/05/2013	Tear Australia Inc	300.00
Silver Birch Foundation	14/05/2013	World Vision Australia	600.00
Basil Vincent Memorial Fund	15/05/2013	Royal Institute For Deaf & Blind Children	6,626.00
Bob & Gert Munro Memorial Fund	15/05/2013	Children's Cancer Institute Australia	11,980.00
Colin Telfer Memorial Fund	16/05/2013	Cancer Council ACT	6,850.00
Colin Telfer Memorial Fund	16/05/2013	Heart Foundation	6,850.00
Colin Telfer Memorial Fund	16/05/2013	Marymead	6,850.00
Eric Crawford Memorial Fund	16/05/2013	Cerebral Palsy Alliance	15,430.00
Johanna Wyld Memorial Fund	17/05/2013	Cancer Council ACT	1,000.00
Johanna Wyld Memorial Fund	17/05/2013	Heart Foundation	1,000.00
Johanna Wyld Memorial Fund	17/05/2013	Multiple Sclerosis Association	1,000.00
Palmer Family Memorial Fund	17/05/2013	RSPCA	9,320.00
Ross And Barbara Goode M. Fund	20/05/2013	Tandem Respite Care	593.00
Capital Woodland and Wetlands	31/05/2013	Capital Woodland and Wetlands Cons Trust	5,000.00
Basil Vincent Memorial Fund	04/06/2013	House with no steps	6,626.00
Eric Crawford Memorial Fund	04/06/2013	Vision Australia	15,430.00
Johanna Wyld Memorial Fund	04/06/2013	Guide Dogs NSW / ACT	1,000.00
Johanna Wyld Memorial Fund	04/06/2013	Guide Dogs NSW / ACT	1,000.00
Johanna Wyld Memorial Fund	04/06/2013	The Shepherd Foundation	1,000.00
Sally Sinisoff Trust Fund	04/06/2013	Vision Australia	7,039.00
Capital Woodland and Wetlands	06/06/2013	Centre for Research & Env Studies (ANU)	35,758.00
Capital Woodland and Wetlands	06/06/2013	TAMS operating account	16,500.00
Gibson Family Foundation	06/06/2013	Chris O'Brien Lifehouse of RPA	1,000.00
Molly Murray Foundation	06/06/2013	TLC for Kids	225.00
Prance Family Trust Fund	06/06/2013	Guide Dogs NSW / ACT	16,575.00
Prance Family Trust Fund	06/06/2013	Make a Wish Foundation of Australia	16,575.00
Prance Family Trust Fund	06/06/2013	RSPCA	16,575.00
Boundless Canberra	07/06/2013	Boundless	54,277.25
Boundless Canberra	07/06/2013	Touched by Olivia Foundation	791.00
CRCF	11/06/2013	TAMS operating account	56.27
Hands Across Canberra	12/06/2013	Special Olympics ACT	20.00
Matthew Callaghan Memorial Fund	12/06/2013	Epilepsy Association ACT	395.00
Prance Family Trust Fund	12/06/2013	Canberra Jewish Educational Building Fund	16,575.00
Woolridge and Burrow Memorial Fund	12/06/2013	RSPCA	821.00
Francis Carroll Scholarship Fund	13/06/2013	ACU	2,500.00
Hands Across Canberra	13/06/2013	Menslink	1,115.00
Hands Across Canberra	13/06/2013	TADACT	150.00
Woolridge and Burrow Memorial Fund	13/06/2013	The Kids Cancer Project	821.00
Matthew Callaghan Memorial Fund	13/06/2013	Epilepsy Association ACT	395.00
Christopher van Leeuwen Asthma Fund	17/06/2013	Asthma Foundation	347.00
Linke Animal Welfare Trust	17/06/2013	RSPCA	221.00
Freida Nomchong Memorial Fund	17/06/2013	Calvary Health Care	2,470.00
Peter Blackshaw Charitable Trust	20/06/2013	Palliative Care ACT	504.00
Lifeline Canberra Foundation	20/06/2013	Lifeline	713.00
Richardson Family Trust	20/06/2013	Medecins Sans Frontieres Australia	531.50
Richardson Family Trust	20/06/2013	Anglicare Canberra & Goulburn	531.50
Harry and Helen Notaras Memorial Fund	26/06/2013	Lifeline	1,260.00

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Harry and Helen Notaras Memorial Fund	26/06/2013	Supporting Canberra Street Kids	1,260.00
Common Ground	26/06/2013	A Canberra Housing Proposal	1,520.00
King Financial Services Charitable Trust	26/06/2013	Cerebral Palsy Alliance	2,540.00
Bray Kargas Family Fund	26/06/2013	One Disease at a Time	1,000.00
Bray Kargas Family Fund	26/06/2013	A Canberra Housing Proposal	1,000.00
Bray Kargas Family Fund	26/06/2013	Touched by Olivia Foundation	1,000.00
BillBerry Blue Stocking Fund	28/06/2013	Indigo Foundation	1,100.00
David & Susan Chessell Fund	01/07/2013	The Salvation Army	230.00
Hands Across Canberra	09/07/2013	Menslink	20.00
Hands Across Canberra	09/07/2013	St John's Care	50.00
Hands Across Canberra	09/07/2013	TADACT	450.00
Hands Across Canberra	09/07/2013	The Salvation Army	300.00
Hands Across Canberra	09/07/2013	Koomarri	100.00
Hands Across Canberra	09/07/2013	Lifeline	300.00
Hands Across Canberra	09/07/2013	Beryl Women Inc.	200.00
Young Family Foundation	10/07/2013	Oasis Youth Network	710.00
Young Charity Fund	30/07/2013	Canberra PCYC	1,080.00
Young Charity Fund	30/07/2013	SIDS and Kids ACT	1,080.00
Young Charity Fund	30/07/2013	Cottage by the Sea Queenscliff Inc	1,080.00
Giving Heart Canberra's Health	31/07/2013	Health Directorate	346.00

MEETINGS

The Board met on five occasions during 2012-13 with attendance as follows -

ATTENDEE	24.7.12	11.9.12	13.11.12	12.2.13	16.4.13
Andrew Taylor (Trustee)	✓	X	✓	✓	✓
Chris Peters (Chair)	✓	✓	✓	X	-
Larry King (Dep Chair/Chair)	✓	✓	X	✓	✓
Maureen Cane	X	✓	X	X	✓
Richard Retshauge	✓	✓	✓	X	✓
Laurie Wilson	✓	✓	✓	✓	✓
Renee Le Grande	X	✓	X	✓	✓
Doug Gillespie (Trustee Rep)	✓	✓	✓	✓	✓

LOOKING FORWARD

The focus of GreaterGood for the coming year will be to continue to grow the Foundation by raising awareness of, and commitment to, charities and charitable causes under the GreaterGood umbrella throughout the Capital Region.

I acknowledge the continuing patronage of Lady Helen Deane. The commitment of our board members, our administrative staff and Public Trustee staff has ensured the continued success of this excellent facility in generating social benefit in our community.

I also express my gratitude to the ACT Auditor-General and staff for their assistance with the annual audit of the GreaterGood trust funds. GreaterGood received an unqualified audit report in 2012-13.



Larry King
CHAIR
30 June 2013



Andrew Taylor
TRUSTEE

The Capital Region Community Foundation

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The late Dr Christopher Peters AM OI, immediate past Chair GreaterGood



The Hon Justice Patrick Keane QC, Lady Helen Deane (GreaterGood Patron), Noor Blumer (ACT Law Society President) and The Hon Margaret Reid AO (former Chair GreaterGood at the launch of the ACT Law Society Foundation)



Matthew Court receives his Young Endeavour Certificate of Achievement from LCDR Mike Gough RAN. Funded by Haddon Spurgeon Charitable Trust, Walter Turnbull Charitable Trust, Mundango Charitable Trust and Harry and Helen Notaras Memorial Fund)

B.2 INTERNAL AND EXTERNAL SCRUTINY

ACT AUDITOR-GENERAL

The ACT Auditor-General undertakes an annual end-of-year audit of the Public Trustee's corporate and trust financial reports in accordance with Australian Auditing Standards. The Auditor-General provided unqualified audit reports for all four audited accounts.

The following issues were raised for attention as part of the Auditor-General's Management Report in respect to the 2011-12 audit -

1. Financial Statements

- Some errors were identified in the financial statements for the PTACT Trust Account and GreaterGood Gift and Open Funds submitted for audit. The financial statements were corrected and re-certified on 13 September 2012.
- PTACT undertook to ensure that the preparation procedures for the Public Trustee's Trust Account are reviewed for internal consistency, accuracy and completeness.

2. Basis of Accounting

- Financial statements for the PTACT's Trust Account and GreaterGood Gift and Open Funds state that the financial statements have been prepared on an accrual basis and in accordance with Trust Industry Practice. PTACT contracted

PricewaterhouseCoopers to advise an appropriate means of preparing and reporting such financial statements to address the concerns of the Auditor-General. PWC recommended that the trusts should prepare general purpose financial reports. The reports must state the basis of preparation and disclose that they are general purpose financial reports. General purpose financial reports cannot be aggregated and therefore the Trustee will need to continue to produce a financial report for each of the four entities.

3. Accounting Systems and Workpapers

- The Auditor-General identified errors in the calculation of balances. PTACT undertook to prepare its financial statements using an accounting system rather than Excel spreadsheets; and ensure that each balance in the financial statements is supported by work papers referenced to adequate supporting data.

PTACT has discussed with the Auditor-General its proposal to amend the Trust Deeds for the GreaterGood Gift and Open Funds to reflect that the financial statements under both trusts will now form part of, and be reported within, the Public Trustee's Trust Account.

TAXATION COMPLIANCE REVIEW

As a Territory authority PTACT is responsible for -

- Preparing the Business Activity Statement (BAS),
- Reporting and paying Fringe Benefits Tax (FBT),
- Reporting and paying Pay As You Go - Withholding Tax (PAYG; and
- Superannuation Guarantee (SG)

As a matter of good governance, PTACT conducts a taxation compliance review every three years through an external contractor. The review audits PTACT's activities as a taxpayer but does not encompass PTACT's tax affairs in its capacity as a trustee.

During the reported year KPMG were engaged to conduct the review. KPMG reported that, in general, PTACT complies with its taxation obligations.

A number of minor issues were reported for attention as follows -

- GST - several coding errors which have since been rectified.
- FBT - one transaction incorrectly excluded from the FBT return and log books for office vehicles required re-formatting. These have since been corrected.

INTERNAL AUDIT COMMITTEE

The following table reflects PTACT's Internal Audit Committee's membership, meetings and attendance –

MEMBER	POSITION	DURATION	ATTENDED
Corinne Appleby	Chair	Apptd 2011	4
Carol McCallum	Member	Apptd 2012	3
Stephen Kellett	Member	Apptd 2012	3
David Stenhouse	Member	Apptd 2010	4
Kathryn Toy	Member	Apptd 2012	2
Adam Bownds	Member (WHS)	Apptd 2012	2
Joanne Thompson	Observer	Apptd 2010	1
Callum Hughes	Observer	Apptd 2012	2
Andrew Taylor	Observer	Apptd 2010	4
Jennifer Woolrych	Secretary/Minutes	Apptd 2012	3

The Committee met on 5 occasions during 2012-13 with the following outcomes –

- Consideration of the Public Trustee's financial statements prior to audit.
- Consideration of self-managed superannuation funds for clients
- Review of PTACT fee waivers
- Consideration of moving from a mandated to a pooled trust for the International Equities common fund
- Assessment of pre-paid cards as a means of dealing with threatening clients
- Health and Safety initiatives including insulation and air-conditioning
- Audit of PTACT's Gifts and Inducements Policy and Register
- Establishment of a Property Officer to streamline PTACT's management of all property matters
- Training audit resulting in establishment of "Training Wheels"
- Establishment of a Hazardous Chemicals Register to meet WH&S obligations
- Audit of stopped cheques
- IDRMS - progress following the departure of Project Officer and disposal plan
- Findings of the ACT Auditor-General on 2012 end of year audit
- ATO online security issue re Agents' AUSKEY facility
- Engagement of KPMG to review fraud, corruption and risk mitigation strategy and provide training to all PTACT staff in August 2013.

ACT OMBUDSMAN

PTACT works cooperatively with the ACT Ombudsman to ensure fair and just outcomes for its clients. In May 2013, the ACT Ombudsman made a presentation to PTACT staff on the functions of the Ombudsman.

During the 2012/13 financial year, the Ombudsman, received a total of 8 approaches concerning PTACT, compared to 17 in the previous year. Following explanation by PTACT, the Ombudsman closed all 8 approaches and there were no investigations where a finding of administrative deficiency was recorded.

B.3 LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS

STANDING COMMITTEE ON JUSTICE AND COMMUNITY SAFETY

The ACT Legislative Assembly's Standing Committee on Justice and Community Safety "Inquiry into 2011-12 Annual Reports" considered the Public Trustee's Annual Report on 25 March 2013. No recommendations were made concerning the report.

SELECT COMMITTEE ON ESTIMATES

The Public Trustee appeared before the Select Committee on Estimates 2011-12 on 20 June 2013. The Public Trustee satisfactorily responded to two Questions on Notice within the required time. The questions related to reporting requirements under the Australian Charities and Not for Profit Commission and the Public Trustee's performance measures in the 2013-14 Statement of Intent.

B.4 LEGISLATION REPORT

LEGISLATION

The Public Trustee's operations were established, and are directed, by the *Public Trustee Act 1985*.

The Public Trustee also has responsibilities under the following laws -

- *Administration and Probate Act 1929;*
- *Agents Act 2003*
- *Cemeteries and Crematoria Act 2003;*
- *Confiscation of Criminal Assets Act 2003;*
- *Financial Management Act 1996;*
- *Guardianship and Management of Property Act 1992;*
- *Legal Profession Act 2006;*
- *Powers of Attorney Act 2006;*

- *Trustee Act 1925*;
- *Official Visitor Act 2012*;
- *Unclaimed Money Act 1950*; and
- *Wills Act 1968*.

PTACT provided comment on the following legislative reform matters during the year –

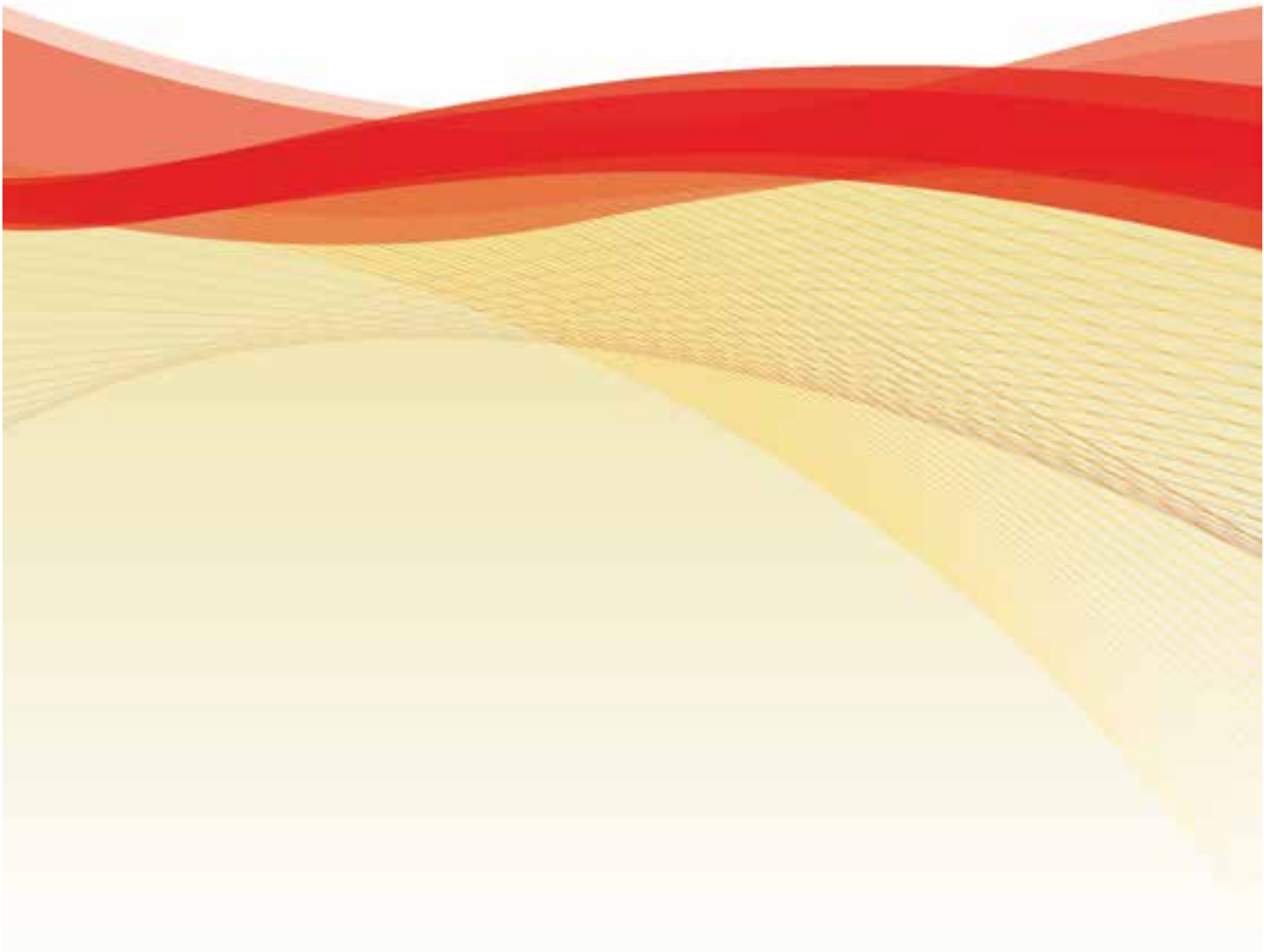
- *Official Visitor Act 2012* (establishment of Official Visitors' Board)
- *Confiscation of Criminal Assets Act 2003* (Caveats on land)
- *Unclaimed Money Act 1950* (Housekeeping)
- *Legal Profession Act 2006* (Payment of claims)
- *Electoral Regulation 1993* (PTACT access to electoral roll)
- *Powers of Attorney Act 2006* (Consistency with Guidelines)



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

SECTION C

LEGISLATIVE AND POLICY BASED REPORTING



C.1 RISK MANAGEMENT AND INTERNAL AUDIT

The Public Trustee's Management Committee undertakes management responsibility for administrative operations.

The following table reflects the composition of the Committee and meetings attended.

MEMBER	POSITION	SERVICE	ATTENDED
Andrew Taylor	Public Trustee	10 years	4
Doug Gillespie	Senior Deputy Public Trustee	22 years	4
Sue La Peyre	Deputy Public Trustee Manager Estates/Trusts	24 years	4
Joanne Thompson	Deputy Public Trustee Manager Finance	23 years	4
Toni Leiper	Deputy Public Trustee Manager Personal Management Services	26 years	4

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

A number of important risk management initiatives were implemented during the year. These are detailed under "Internal Audit Committee" at B2 of this report.

INSURANCE

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

RISK PROFILE MODELS ADDRESS CLIENT INVESTMENT NEEDS

The Public Trustee is bound by the "prudent person investment rule" contained in the *Trustee Act 1925*. This principle requires that a trustee must only invest funds entrusted to him/her as would a person of prudence, i.e. with discretion, care and intelligence.

PTACT complies with the principle ensuring that investments are made in accordance with an appropriate risk profile and reviewed on an annual basis. This involves an analysis of the circumstances and acceptable risk tolerance of each investment client. A review of all client risk profiles was completed in June 2013.

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

C.2 FRAUD PREVENTION

RISK ASSESSMENT

PTACT's Fraud, Risk and Corruption Management Strategy and Workplace Health and Safety Strategy establish appropriate risk controls and checks and comply with ACTIA, ACT Government and JACS Directorate standards. In March 2013 PTACT presented PTACT's top 10 identified risks to the JACS Internal Audit Committee for incorporation into the JAC Directorate Risk Register.

PTACT's trust-accounting system (TACT) has been designed for use by the trustee industry and meets standards for client confidentiality and security control as well as compliance with risk controls contained in the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (C'th).

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

PTACT engaged KPMG to undertake a review of PTACT's Fraud, Corruption and Risk Mitigation Strategy and to provide fraud awareness training to all PTACT staff in August 2013.

CODES OF CONDUCT

PTACT has established staff and service provider Codes of Conduct. The codes reflect the trusted nature of the Public Trustee's role in the community and inform expected standards and behaviours to be demonstrated when employed or engaged by the Public Trustee.

PTACT's Staff Code of Conduct incorporates ACT Public Service values and signature behaviours of respect, integrity, collaboration and innovation.

All PTACT staff have read and noted the Code and, during the reported year, two senior PTACT managers attended industry fraud/risk training presented from a trustee perspective.

No reports or allegations of fraud or improper misconduct were made during the year.

C.3 PUBLIC INTEREST DISCLOSURE

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

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

No public interest disclosures were made during 2012-13.

C.4 FREEDOM OF INFORMATION

STATEMENT UNDER S.7 FREEDOM OF INFORMATION ACT 1989

Establishment

PTACT incorporates the functions previously undertaken by the Curator of Estates of Deceased Persons, as well as a full trustee service similar to those undertaken by trustee corporations and Australian Public/State Trustees.

Functions

PTACT's principal functions are -

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

Arrangements for external participation

The Public Trustee Investment Board provides direction on investment practice and funds management. The Chief Finance Officer, ACT Courts Administration acts as external representative and Chair on the Public Trustee's Internal Audit Committee.

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 Freedom of Information requests are directed to the Public Trustee.

STATEMENT UNDER S.8 FREEDOM OF INFORMATION ACT 1989

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

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

(*Confidential and available only to authorised persons).

STATEMENT UNDER S.79 FREEDOM OF INFORMATION ACT 1989

During the reported year, no approaches were made to PTACT for access to records under the *Freedom of Information Act 1989*.

A Freedom of Information Statement is contained in the Justice and Community Safety Directorate's Annual Report for 2012-13.

C.5 INTERNAL ACCOUNTABILITY

SENIOR EXECUTIVE/MANAGEMENT



PTACT Management Committee - Sue La Peyre, Andrew Taylor (Public Trustee), Doug Gillespie, Joanne Thompson (Toni Leiper - absent)

ANDREW TAYLOR PUBLIC TRUSTEE/CHIEF EXECUTIVE

Andrew Taylor was re-appointed to the statutory office of Public Trustee in September 2010 for a term of 5 years. The Public Trustee has specific responsibilities as trustee established by legislation and is responsible to the Director-General JACS.

Mr Taylor is Senior Member of the Public Trustee Investment Board, member of the Financial Services Council of Australia, Secretary of the Australian Guardianship and Administration Council and is past member of the ACT Ministerial Advisory Council on Ageing. He is trustee for GreaterGood - The Capital Region Community Foundation and an immediate past Trustee representing the Ministerial Council on the National Travel Compensation Fund Board of Trustees (representing Tasmania, South Australia and the ACT). Mr Taylor is Executive Sponsor for Respect Equity and Diversity and a Reconciliation Action Plan (RAP) Ambassador in the JACS Directorate. Mr Taylor is appointed as Chair of the Official Visitors' Board under the *Official Visitors' Act 2012* with effect from September 2013.

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

- Lead and improve service delivery in Trustee administration.
- Effectively allocate budget, planning and resources.
- Deliver best practice trustee policies, practices and procedures.

- Ensure case management strategies meet the needs of clients and stakeholders.
- Minimise operational costs while maintaining a high level of client service.
- Ensure a high performance culture.

DOUG GILLESPIE

DEPUTY PUBLIC TRUSTEE

Doug Gillespie has 47 years experience in the trustee industry, including 23 years with PTACT. His position has a strong technical focus on investment/funds management unclaimed money and charitable trusts administration. He is responsible for annual client investment reviews under trustee legislation and overseeing the administration of financial assets in estates, trusts and financial management accounts.

Doug is an Associate of the Executor and Trustee Institute of Australia, a member of the Financial Planning Association (ACT Chapter) and is a Senior Associate of the Financial Services Institute of Australasia. He is the Public Trustee's representative on the board of GreaterGood - The Capital Region Community Foundation, Chair of Trustees for the AFL Canberra Foundation and is ACT Zone President of Rostrum Australia.

SUE LA PEYRE

MANAGER – TRUSTS

Sue La Peyre has been with the Public Trustee since 1989, and is a practising solicitor and member of the ACT Law Society. Her responsibilities have a management, leadership and staff development focus. Her position assumes a quality control function with the editing and reviewing of work to ensure statutory compliance. Sue heads PTACT's Estates & Trusts Unit and has responsibility for the administration of more complex Estates, Trusts and Wills.

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

JOANNE THOMPSON

MANAGER – FINANCE

Joanne Thompson was appointed as Manager-Finance in 2006 and has 23 years experience with the Public Trustee and, prior to that, 5 years with a superannuation trustee company. Joanne manages all Public Trustee accounting functions including office management, government trust accounts, taxation, Property Officer functions and has responsibility for financial reporting. She is also responsible for ensuring maximum return on cash investments.

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

TONI LEIPER

MANAGER - PERSONAL MANAGEMENT SERVICES

Toni Leiper has had a lengthy career with PTACT and was appointed as Manager-Financial Management in 2006. She is responsible for overseeing and running the Unit. She has extensive experience in Public Trustee administration and has overall responsibility for the financial and property affairs of represented clients.

REMUNERATION

The Public Trustee is remunerated in accordance with a Determination of the Remuneration Tribunal as an ACT Government Executive. PTACT's staff members are remunerated in accordance with the *JACS Enterprise Agreement 2011-13*.

PUBLIC TRUSTEE INVESTMENT BOARD

The Public Trustee Investment Board was established under the *Public Trustee Act 1925* and advises the Public Trustee on investment matters and strategy. The Board has no governance responsibilities and does not provide advice to the Minister. A full report on the Public Trustee Investment Board is separately provided in this section of the Annual Report.



Public Trustee Investment Board - Andrew Taylor (Senior Member), Patrick McAuliffe, Glenys Roper, Tom Babic and Christine Goode

INTERNAL AUDIT COMMITTEE

The Public Trustee's Internal Audit Committee manages and reviews all aspects of risk to the Public Trustee.

PUBLIC TRUSTEE MANAGEMENT COMMITTEE

The Public Trustee's Management Committee focuses on –

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

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

BUSINESS PLANNING

PTACT prepares a Business Plan at the commencement of each financial year as well as a Statement of Intent with the ACT Treasurer. PTACT reports against its Business Plan during the year through Status Reports to ACT Treasury as well as through quarterly meetings with the Deputy Director-General JACS.

PTACT also prepares a Management Discussion and Analysis (MDA) at the close of each quarter providing an overview of the previous period of operation.

INDEPENDENT ADVICE

PTACT engaged PricewaterhouseCoopers (PwC) in February 2011 as its external financial markets consultant. PwC provides appropriate independent advice to the Public Trustee and the Public Trustee Investment Board in respect to fund and fund manager performance, investments, asset allocation and risk profiles.

PTACT's Investment Board comprises one government and three non-government members who provide independent advice and guidance on investment matters.

PTACT engaged KPMG to review PTACT's Fraud, Corruption and Risk Mitigation Framework and to provide fraud awareness training to all staff in August 2013.

LEGAL ADVICE

By arrangement with the ACT Government Solicitor, PTACT employs two practicing solicitors. The Public Trustee also takes advice from the ACT Government Solicitor and, in client matters, through the private sector. Australian Public Trustees have also, on occasions, collaborated to take advice in respect to client matters eg death and disability cover in superannuation policies and whether Public Trustees can be removed as trustee of a charitable trust for breach of regulations.

DELEGATIONS

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



**PUBLIC TRUSTEE FOR THE ACT
PUBLIC TRUSTEE INVESTMENT BOARD**

ANNUAL REPORT 2012-13

I am pleased to report on the activities of the Public Trustee Investment Board for 2012-13.

THE BOARD

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

The Board provides expertise to ensure best practice in financial and risk management on –

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

MEMBERSHIP

Under the Act, the Board consists of the Public Trustee as Senior Member, and at least two other members appointed by the Minister for a term not longer than three years. Members are appointed on an honorary basis.

The Board consists of the Public Trustee and four members, including one member representing the Chief Minister and Treasury Directorate. To mitigate the potential for all positions to be vacated simultaneously, appointments are made on a staggered basis.

The membership of the board during 2012-13 was as follows–

Andrew Taylor	- Senior Member
Tom Babic	- Expires 3 March 2016
Christine Goode	- Expires 3 March 2015
Patrick McAuliffe	- Expires 3 March 2016
Glenys Roper	- Expires 3 March 2014

Mr Tom Babic has expertise in financial planning and investment. Mr Babic is the principal of consulting firm Ascent Consulting Group, providing advice on market research, corporate strategy, business development and procurement management. From 1997–2006, Mr Babic was Managing Director of Westpeak Global Advisors, and from 1991–1997 he was Senior Portfolio Manager, Total Risk Management, Commonwealth Funds Management. Mr Babic has a Bachelor of Commerce (Deakin

University) and a Certificate in Financial Planning (Securities Institute).

Ms Glenys Roper is Director of Roex Management, providing business and management advice. From 1997–2000, Ms Roper was Chief Executive for the Office of Government Online, responsible for federal government strategy for electronic service delivery and 'back end' processing. Prior to that, she held a number of CEO and executive positions in the Australian Public Service. Ms Roper is a currently Chair, ACT Long Service Leave Authority Board; Trustee/Director, AvSuper; and, Director, Aspen Corporate Medical Options. Ms Roper is also Chair and Member of a number of Risk and Audit Committees of Government agencies.

Ms Christine Goode PSM has had 34 years experience with the Australian Public Service. Ms Goode has extensive experience in transport, communications, finance and executive management, working at Deputy Secretary and Chief Executive Officer levels. Since retiring in 2002, Ms Goode has held Board appointments with Airservices Australia, State Super Financial Services Ltd, and National Foundation for Australian Women Ltd, as well as chairing Comcare's Audit Committee for 3 years. She is currently a Trustee Director of AvSuper Pty Ltd.

Mr Patrick McAuliffe is the Director, Investment Branch, ACT Chief Minister and Treasury Directorate. Mr McAuliffe is responsible for leading the development and implementation of key investment policies and strategies for the ACT Government's financial investment portfolios. Mr McAuliffe's is also responsible for the management and funding of the Government's borrowing program and the Government's unfunded defined benefit superannuation liabilities. Mr McAuliffe brings a wealth of knowledge and experience in investment and funds management to the Board.

ASSET CONSULTANT

PTACT appointed PricewaterhouseCoopers (PwC) in February 2011 to provide asset/markets consultancy services to the Board including quarterly reports. PwC was contracted to undertake a review of PTACT's investment and risk management and presented its report to the Board in February 2012. The recommendations in the report have been substantially implemented.

THE YEAR IN REVIEW

The board oversaw a year of good performance for the PTACT common funds, reflecting the sound recovery of the market with some easing during the June end of year quarter. While capital recovery has been strong, income return was weaker due to the prevailing low interest rates and softer company dividends. However, coming from a strengthened capital base will add value for PTACT clients invested through the common fund risk models of Income Stable, Balanced and Growth. Overall, the board monitored an encouraging financial year finishing on a positive note for all common fund investors.

ATTENDANCE TABLE

Member	20.08.12	19.11.12	20.02.13	21.05.13
Andrew Taylor	✓	✓	✓	✓
Tom Babic	✓	✓	✓	✓
Glenys Roper	✓	✓	✓	X
Christine Goode	✓	✓	✓	✓
Mr Patrick McAuliffe	✓	✓	✓	✓

OUTCOMES

During the year, Mr Tom Babic and Mr Patrick McAuliffe were re-appointed for further terms of three years expiring 3 March 2016.

The Board considered a range of issues during the year including -

- The continuing appropriateness of an active fund manager for PTACT's Australian Equities Fund.
- Whether PTACT's Australian Equities Fund should remain as a segregated fund or move to a mandated account.
- The effect on client investments in the event of transfer to a mandated account.
- PTACT's Australian Equities Fund Manager, Tyndall's investment timeframe becoming shorter from a 3 year+ focus to a 6 month focus.

Advice was sought from -

- PwC in respect to the appropriateness of PTACT retaining an active fund manager for the Public Trustee's Australian Equities Fund.
- PwC in response to concerns about Tyndall's investment time frame becoming shorter from a 3 year+ focus to a 6 month focus.
- Certus Law as to the ability of the Public Trustee establish self-managed superannuation funds for its superannuation clients.
- Tyndall in respect to a possible move from the current segregated fund arrangement to a pooled wholesale trust and a possible transfer of the mandated account with Tyndall.
- PwC in respect to the compatibility of benchmarks used in their quarterly report with reports provided by the fund managers.
- Australian Taxation Office as to whether there was any impediment to PTACT acting as trustee for self-managed superannuation funds.

Key decisions made by PTACT on the basis of Board advice were -

- That the benefits of active management for the Australian Equities Fund were insufficient to justify the added risk and to keep the fund under close scrutiny with a view to moving to an index manager.
- The fees and extra administration associated with the Australian Equities Fund may no longer warrant a mandated fund.
- To drop the cash rate paid by PTACT through four quarterly adjustments from 4.50% on 1 July 2012 to 3.00% at 30 June 2013

LOOKING FORWARD

I record my thanks to Board members Christine Goode, Glenys Roper, Tom Babic, and Patrick McAuliffe together with Senior Deputy Public Trustee Doug Gillespie, Deputy Public Trustee & Finance Manager, Joanne Thompson and PTACT Investments Officer David Stenhouse as well as PricewaterhouseCoopers for their valuable advice and contribution to the Board during 2012/13.



Andrew Taylor
SENIOR MEMBER/
PUBLIC TRUSTEE
30 June 2013

C.6 HUMAN RESOURCE PERFORMANCE

PTACT's human resource performance accords with the following priorities derived from the priorities in the "Canberra Plan - Towards the Second Century".

DELIVERING FOR THE FUTURE

PTACT's core responsibilities are intrinsically tied to delivering for the future. In the preparation of Wills, PTACT assists clients to make appropriate decisions in the event of their death. Additionally, PTACT prepares Enduring Powers of Attorney, helping Canberrans to make appropriate plans and arrangements in the event of their loss of capacity. Our financial management and trusts services seek to ensure that client money is appropriately managed so that they have sufficient funds to enjoy a meaningful and quality life.

The ACT's cohort of older persons is rapidly increasing with a commensurate increase in the demand for services provided to older persons. Strategically, PTACT seeks to develop its business and commercial activities to ensure adequate funding to subsidise its Community Service Obligations.

Through GreaterGood - The Capital Region Community Foundation, PTACT provides funding solutions for charities in perpetuity.

STRENGTHENING ORGANISATIONAL RESILIENCE

PTACT's business development activities and funds management policies and practices have enabled PTACT to recover well since the Global Financial Crisis. PTACT's clients require some degree of certainty that their funds are preserved and prudently invested to provide a degree of resilience to risk. PTACT categorises and groups its funds management clients into risk profiles to ensure rigorous and appropriate investment solutions to meet the demands of their circumstances. The recent independent Review of Investment Strategy and Risk Management conducted by PWC indicates that PTACT's Investment Strategy is appropriate for the next 3-4 years.

SUSTAINING COMMUNITY CONFIDENCE

PTACT provides its services directly to the Canberra Community. Community confidence in our services and products is fundamental and client sentiment is routinely surveyed. Complaints and Ombudsman referrals are rigorously investigated and responded to by the Public Trustee. PTACT provides editorials through the Canberra Times and the Canberra Chronicle every month seeking to inform and educate the Canberra community in trust and succession matters. The office is also active in achieving financial support for local charity through GreaterGood, our community foundation, by "linking good people with good causes".

WORKING COLLABORATIVELY

PTACT has strong industry and community links both at local and national levels. We work collaboratively as members of the Financial Services Council of Australia (FSC), Australian Guardianship and Administration Council (AGAC) and Australian Public Trustees' Forum. We have a close working relationship with the Public Advocate of the ACT and the ACT Civil and Administrative Tribunal (ACAT) in the interests of our financial management clients.

PTACT works closely with the JACS Directorate to contribute to the Directorate's strategies and outcomes. PTACT engages with the ACT Office for Ageing by sponsoring Life's Reflections and the Silver Screen Film Festival each year. PTACT is a member of the ACT Council on the Ageing and actively contributes to Seniors Week activities through annual seminars and sponsorships.

ENHANCING SKILL AND CAPABILITIES

PTACT is a learning organisation and provides excellent opportunities for its staff to access contemporary industry training. We have invested in technology to facilitate better use of staffing resources and to improve capability across our product and service range.

PTACT seeks to attract people with qualifications/skills and personal qualities commensurate with the needs of the organisation. Given the consumer-driven demand for PTACT's services, it is vital that PTACT has the flexibility to grow as demand dictates and within the budgetary context. Succession planning is vital to PTACT given the age profile and skill sets of its senior managers. Skill development and a strong training budget is fundamental to succession planning.

C.7 STAFFING PROFILE

OUR STAFFING PROFILE

Full Time Equivalent Staff and Headcount

	FEMALE	MALE
FTE by Gender	25.8	13
Headcount by Gender	28	13
% of Workforce	68.3%	31.7%

Classifications

CLASSIFICATION GROUP	FEMALE	MALE	TOTAL
Administrative Officers	24	9	33
Executive Officers	-	1	1
Legal Officers	1	1	2
Senior Officers	3	2	5
TOTAL	28	13	41

Employment Category by Gender

EMPLOYMENT CATEGORY	FEMALE	MALE	TOTAL
Casual	-	-	-
Permanent Full-time	22	11	33
Permanent Part-time	4	-	4
Temporary Full-time	1	2	3
Temporary Part-time	-	-	-
TOTAL	28	13	41

Average Length of Service by Age by Gender

AVERAGE LENGTH OF SERVICE	PRE BABY BOOMERS		BABY BOOMERS		GENERATION X		GENERATION Y		TOTAL	
	F	M	F	M	F	M	F	M	F	M
0-2	-	-	3	-	2	1	2	1	7	2
2-4	-	-	3	1	1	-	-	-	4	1
4-6	-	-	4	-	2	2	-	2	6	4
6-8	-	-	1	-	-	-	-	-	1	-
8-10	-	-	3	-	1	1	-	1	4	2
10-12	-	-	2	-	1	-	-	1	3	1
12-14	-	-	-	1	-	-	-	-	-	1
14+ years	-	-	3	2	-	-	-	-	3	2

Average Length of Service by Gender

GENDER	AVERAGE LENGTH OF SERVICE
Female	7.3
Male	9.7
Total	8.1

Age Profile

AGE GROUP	FEMALE	MALE	TOTAL
← 20	1	-	1
21-25	-	-	-
26-30	1	3	4
31-35	1	4	5
36-40	4	-	4
41-45	1	2	3
46-50	6	-	6
51-55	5	1	6
56-60	6	1	7
61-65	3	2	5
65-69	-	-	-
70+	-	-	-

Agency Profile

BRANCH/DIVISION	FTE	HEADCOUNT
PUBLIC TRUSTEE FOR ACT	38.8	41
Total	38.8	41

Agency Profile by Employment Type

BRANCH/DIVISION	PERMANENT	TEMPORARY	CASUAL
PUBLIC TRUSTEE FOR ACT	38	3	-
Total	38	3	-

Equity and Workplace Diversity

	A	B	C		
	ABORIGINAL AND/OR TORRES STRAIT ISLANDER	CULTURALLY & LINGUISTICALLY DIVERSE	PEOPLE WITH A DISABILITY	EMPLOYEES WHO IDENTIFIED IN A, B OR C*	WOMEN
Headcount	-	7	-	7	28
% of Total Staff	-	17.1%	-	17.1%	68.30%

EMPLOYMENT ARRANGEMENTS

PTACT's staff members are engaged under the Public Sector Management Act 1994, as varied by the *JACS Enterprise Agreement 2011-13*.



C.8 LEARNING AND DEVELOPMENT

TRAINING

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

PTACT also access significant training through programs provided by JACS. This training is vital to PTACT staff as public servants in the JACS Directorate consistent with that available to all JACS staff.

PTACT's staff have completed training in the ACT Government's Respect, Equity and Diversity Framework through Bullying and Harassment seminars as well as cross-cultural awareness training.

PTACT's Practice Manual continues to be a "work in progress" to provide a uniform practice resource for staff and management.

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

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

During the reported year, approximately \$40,000 was spent towards staff training. In addition some \$15,000 of training was provided by the JACS Directorate.

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

The following table sets out Learning and Development opportunities provided to PTACT staff –

INITIATIVE	PARTICIPANTS
Changes to Intestacy Law	2
Training Wheels Program -	
- Understanding Land Titles	16
- Tax Portal Training	20
- Reconciliation Action Plan	26
- Mental Health (ACT Mental Health	15
- Respecting Patient Choices	13
-Ombudsman awareness training	13
Excel 2007/2010 Beginner	4
Financial Services Council Parliamentary Series	1
Inductions – JACS	2
Bullying & Harassment Awareness	10
Managing Workplace Bullying & Harassment	1

INITIATIVE	PARTICIPANTS
Professional Development Programs	-
Professional Ethics and Risk Management	5
Managing Your Time	1
Outlook 2007/2010 – Beginner/Intermediate	2
NTAA Tax Hotspots II	3
Personal Achievement and Development Planning session	38
Private Seminars and Talks	15
Skills & Strategies for Difficult calls	2
Word Intermediate	2
Superannuation and Wills	5
Tips and Traps – Powers of Attorney	1
Word 2007/2010 Beginner	2
Certificate IV in Government (Project Management) Program	3
Certificate IV in Financial Services (Personal Trust Administration) -	
- Administer a Complex Trust	1
- Administer a Complex Estate	1
- Administer an Intestate Estate	2
- Administer a Non Complex Estate	1
- Administer a Non Complex Trust	1
- Establish Powers of Attorney	1
- Establish Entitlements to an Intestate Estate	2
- Administer Powers of Attorney	1
ACT Law Society -	
- Conflict of Interest	2
- Mediation	2
- Introduction to Human Rights	2
- Good Will Drafting	7
- Risk Management	1
- Update Property Law	1
- Tax Traps	1
- Statutory Interpretation	1
- Pick and Mix Intensive	1
- Time Mastery	1
First Aid Training	2
Aboriginal & Torres Strait Islander Awareness training	17

INITIATIVE	PARTICIPANTS
Fraud & Ethics Awareness training	7
Work Place Safety	1
Diploma of Government	2
Cert 111 & 1V in Accounting	1
Strategic Management in Accounting	1
Public Speaking for Women	2
Planning Day	37

PERFORMANCE MANAGEMENT

PTACT's Personal Achievement and Development Plan (PADP) was introduced in 2007 to address capability issues. The plan uses the JACS PADP scheme to support and develop capability at an individual level.

Managers of PTACT's business units undertake audits of work completion in accordance with accepted industry standards eg completion of estates and lodgement of income tax returns within the acceptable/prescribed timeframes.

C.9 WORKPLACE HEALTH AND SAFETY

PTACT has developed a Workplace Health and Safety and Injury Management Strategy as part of its risk management framework. The JACS Annual Report includes PTACT statistics in respect to S.171 & 172 of the *Work Safety Act 2008*.

PTACT has two Workplace Health and Safety representatives. Under PTACT's Workplace Health and Safety and Injury Management Strategy, the following health and safety initiatives were undertaken in 2012-13 –

- Annual check and test of all duress alarms - a 3-monthly audit has been implemented with a contractor.
- Ergonomic seating provided to suit the individual needs of staff as required.
- Hazardous Chemicals Substance Register maintained.
- Regular workplace inspections to cover all areas of identified risk.
- Influenza Vaccine administered to 27 PTACT staff.
- Tested and tagged all electrical appliances.
- Regular blood donations by two staff.
- First Aid Kit inspected and replenished.
- Fire safety audit & fire evacuations.
- Tested smoke alarms and sprinklers.

- All PTACT staff have now undertaken bullying and harassment training.
- Pest extermination for office premises.
- Two reimbursements made for staff eye-testing and 17 claims for reimbursement of health and well-being initiatives.

The table below sets out PTACT's Incident Summary for 2012-13 based upon information provided by the Workplace Injury Performance Unit of Chief Ministers Directorate.

STATUTORY OFFICE	SECTION 38 NOTIFIABLE INCIDENTS	INCIDENTS WITHOUT INJURY	MINOR INJURIES	LOST TIME INJURIES	TOTAL ALL INCIDENTS
Public Trustee for the ACT	0	2	1	0	3

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

The annual workers' compensation premium rate for 2013-14 is 1.82% and the total premium amount for 2013-14 is \$60,094, representing a marginal decrease on the premium rate of 2.27% and the premium amount of \$61,335 for 2012-13. This compares favourably with the ACTPS premium rate of 4.39%.

The premium rate, for the first time includes a .21% deficit levy to be applied on an ongoing basis. PTACT has been advised that the Comcare Scheme is running at a considerable deficit, due to adverse investment returns, changed economic assumptions and increasing long term claim costs. The deficit levy aims to return the scheme to surplus within ten years.

C.10 WORKPLACE RELATIONS

This has been covered in the JACS Annual Report 2012-13.

The following tables set out PTACT's SEA and AWA arrangements -

DESCRIPTION	NO. OF INDIVIDUAL SEAS	NO. OF GROUP SEAS	TOTAL EMPLOYEES COVERED BY GROUP SEAS**	TOTAL
	A	B	C	(A-C)
SEAs				
Number of SEAs as at 30 June 2013	1	Nil	Nil	1
Number of SEAs entered into during period	1	Nil	Nil	1
Number of SEAs terminated during period	Nil	Nil	Nil	Nil

DESCRIPTION	NO. OF INDIVIDUAL SEAS	NO. OF GROUP SEAS	TOTAL EMPLOYEES COVERED BY GROUP SEAS**	TOTAL
	A	B	C	(A-C)
The number of SEAs providing for privately plated vehicles as at 30 June 2012	Nil	Nil	Nil	Nil
Number of SEAs for employees who have transferred from AWAs during period	Nil	Nil	Nil	Nil
AWAs				
Number of AWAs as at 30 June 2013	Nil	Nil	Nil	Nil
Number of AWAs terminated/lapsed (including formal termination and those that have lapsed due to staff departures)	Nil	Nil	Nil	Nil
CLASSIF. RANGE			REMUN AS 30.6.2013	
Individual and Group SEAs	SOG Grade B		\$143,311.00	
AWAs (includes AWAs ceased during period)	Nil		Nil	

C.11 HUMAN RIGHTS ACT 2004

TRAINING

No human rights training was provided to PTACT staff during the reported year.

INFORMATION

Our staff members embrace the new ACT Public Service values and signature behaviours of respect, integrity, collaboration and innovation. PTACT's Staff Code of Conduct establishes expected standards of behaviour for staff including –

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

The Public Trustee is currently participating in a review of human rights protection agencies within JACS to examine whether existing arrangements meet the needs of ACT citizens and to ensure that human rights are protected.

LIAISON

PTACT is a member of the Australian Guardianship and Administration Council (AGAC). Through AGAC, PTACT made representations to government in respect to a number of issues affecting personal rights including -

- National Disability Insurance Scheme (NDIS);
- Submission to the Senate Enquiry into Aged Care Legislative Reform;
- Submission to Australian Federal Police re Pace Alerts; and
- Submission to Department of Foreign Affairs on passport fraud involving disabled persons.

REVIEWS

Through AGAC, PTACT is apprised of and influences human rights issues relating to Guardianship, Administration and Public Trustee matters in other Australian and international jurisdictions.

PTACT continues to work with AGAC to remove legislative barriers caused by the failure of jurisdictions to recognise each other's Enduring Powers of Attorney (EPA). AGAC is also seeking to influence the Smartraveller website by including information about services to travellers who become unwell whilst overseas and who may need repatriation.

LITIGATION

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

PTACT acts in a range of capacities, where it is necessary to protect the rights of persons either with an age or intellectual disability. Additionally, as executor, the Public Trustee acts to protect the interests of the testator. Our responsibilities involve legal representation for clients.

During the year, PTACT litigated in respect to issues such as -

- new or existing financial management orders by ACAT;
- the defence of its role as executor; and
- the making of Personal Protection (Workplace) Orders to protect PTACT staff.

C.12 STRATEGIC BUSHFIRE MANAGEMENT PLAN

This section is not relevant to PTACT's operations.

C.13 STRATEGIC ASSET MANAGEMENT

NON-GOVERNMENT ASSETS

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

GOVERNMENT ASSETS

During 2012-13 no significant assets were added to, or removed from, the Public Trustee's corporate assets register.

VEHICLE

The only government asset directly managed by the Public Trustee is a commercial van which was valued at \$9,000.00 in June 2013. This asset is internally managed in respect to insurance and maintenance and will not need replacing for several years. PTACT carried out minor repairs and maintenance in addition to scheduled servicing during the year. The van is insured through ACTIA.

WAREHOUSE

PTACT has title to a warehouse at 50-52 Grimwade Circuit, Mitchell. The asset is a trust asset and is unencumbered. The warehouse is used to store client effects relating to deceased estates and financial management clients. The warehouse may also be used to store confiscated criminal assets awaiting liquidation. The warehouse is part of a unit title development consisting of four units. Building insurance is sourced through the owners' corporation.

The warehouse was inspected and valued in June 2013 by Herron Todd White at \$290,000.00. Revaluation is conducted on a three-yearly basis. The warehouse contains no hazardous materials.

OFFICE ACCOMMODATION

PTACT employs 41 staff accommodated in 620 m² on the Ground Floor, 221 London Circuit, Canberra City.

C.14 CAPITAL WORKS

No Capital Works were undertaken during 2012-13.

C.15 GOVERNMENT CONTRACTING

PROCUREMENT PRINCIPLES AND PROCESSES

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

EXTERNAL SOURCES OF LABOUR AND SERVICES

Contracts currently entered into and continuing include –

- **PricewaterhouseCooper (PwC)** for services as asset/markets consultant following signing of a Letter of Engagement in February 2011– Cost per report is \$5,500 and four reports were provided during the year.
- **Vanguard Investments Australia** – Contract for the supply of Fund Manager Services in connection with PTACT's International Equities Fund and Listed Property Fund. Fee confirmed at 9 basis points – Accessed under existing contract with ACT Treasury.
- **Tasman Asset Management Limited trading as Tyndall** for services as Fund Manager for Australian Equities Common Fund – Rate .66% - contract dated November 2005
- **BNP Paribas (formerly Asteron)** – for custodian services in respect to the Public Trustee's Australian Equities Fund - Rate .1% - Contract dated November 2005.
- **Ultradata** for use under licence and technical support of the TACT trust accounting business system.
- **DPL** - licence fees of \$24,043.17 for ongoing use of the Chameleon Wills Drafting Software.
- **I & H Development** - for contract fees of \$30,000 for development of the unclaimed money database

INTEREST PAID ON COMMERCIAL ACCOUNTS

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

C.16 COMMUNITY GRANTS, ASSISTANCE, SPONSORSHIP

ORGANISATION/ RECIPIENT	PROJECT DESCRIPTION/ PROCESS/PERIOD OF TIME ENGAGED	OUTCOMES	AMOUNT
ACT Office for Ageing	Life's Reflection - Senior's Week - March 2013 - one week.	Engage with Seniors, a major PTACT client group.	\$4,000
ACT Office for Ageing	Silver Screen Film Festival	Engage with Seniors, a major PTACT client group.	\$2,200
JACS4GreaterGood	Justice and Community Safety Workplace Giving Scheme - benefits charity in the ACT Region - one year.	Reflects PTACT's community engagement - invests in a major potential source of income for PTACT and charitable causes in the ACT	\$5,000

C.17 TERRITORY RECORDS

PTACT's Records Disposal Schedule is available at:

<http://www.legislation.act.gov.au/ni/2006-30/default.asp>. A records management framework has been implemented in accordance with the schedule.

Two PTACT staff attended training in Records Management during the reported year.

A declaration under S.28 of the *Territory Records Act 2002* has been granted to prevent public access to PTACT's client files including client files of the former Curator of Estates of Deceased Persons. The application was granted on 4 July 2008 (Exemption no 97). PTACT will however provide access to a person to search their own records for the purposes of establishing links with their Aboriginal and Torres Strait Islander Heritage.

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

RECORDS DISPOSAL SCHEDULE NAME	EFFECTIVE	YEAR AND NOTIFIABLE INSTRUMENT NO.
PTACT Records Disposal Schedule	February 2006	NI 2006-30

C.18 COMMISSIONER FOR THE ENVIRONMENT

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

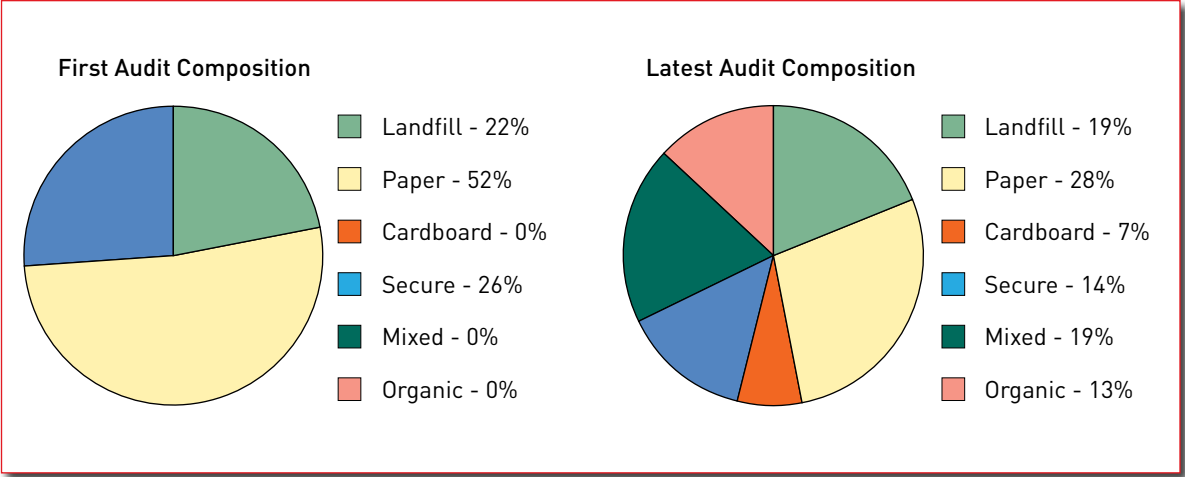
- requests for staff to assist in the preparation of the State of the Environment Report;
- assistance provided in response to such a request;
- investigations carried out by the Commissioner for Sustainability and the Environment of any activities carried out by the agency; and
- recommendations made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

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

C.19 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

Reported as part of the JACS Annual Report.

PTACT joined the ACTSmart Office Program on 5 July 2010 and was accredited on 24 July 2013. Three audits have now been completed with the results of the first and most recent indicated in the charts below.



The audits indicate that PTACT has had a 25% reduction in waste to landfill and a 54% reduction in paper waste and a 52% decrease in secure paper waste.

C.20 CLIMATE CHANGE AND GREENHOUSE GAS REDUCTION POLICIES AND PROGRAMS

Reported as part of the JACS Annual Report.

C.21 ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING

ANNUAL PROGRESS AGAINST PERFORMANCE INDICATORS

PTACT seeks to ensure that community members enjoy the same level of access to our services regardless of economic or cultural considerations. In delivering our services we exercise compassion by partial or full waiver of fees and charges on the basis of hardship.

PTACT has Community Service Obligations for members of the community under a disadvantage. These services include drafting Wills and Enduring Powers of Attorney and administration of deceased estates.

The Public Trustee is a continuing member of the JACS Reconciliation Action Plan (RAP) working group, a JACS RAP Ambassador and undertakes the role of JACS Executive Sponsor for Respect Equity and Diversity.

PTACT continues to collaborate with all Australian Public Trustees and The University of Queensland in an ARC Linkage Grant study “Families and generational asset transfers: making and challenging Wills in contemporary Australia”. The study is being conducted over four years and will consider a number of issues relevant to succession for indigenous Australians.

During the year, PTACT established and published a Fact Sheet titled “Wills for Aboriginal and Torres Strait Islander People”. A link was also created on the PTACT website to the “Aboriginal Wills Handbook”, a publication by Professor Prue Vines (UNSW).

C.22 ACT MULTICULTURAL STRATEGY 2010-2013

PTACT's progress against focus areas contained in the ACT Multicultural Strategy 2010-2013 is as follows -

FOCUS AREA	PROGRESS
Languages	<p>PTACT uses plain English in its website and brochures and has included appropriate aids to assist in accessing interpreting services.</p> <p>PTACT translated its top four Fact Sheets into five non-English languages advised by the ABS. The Fact Sheets will be published to the PTACT website in 2013-14.</p>
Children and Young People	PTACT acts as trustee for a number of minors. In doing so we respect their rights and needs and prudently manage any assets entrusted to us for their care and development.
Older People and Aged Care	PTACT makes presentations to older people in multicultural communities on the importance of having an up to date Will and an Enduring Power of Attorney.
Women	PTACT provides free Wills to women attending our Wills, Estates and Enduring Power of Attorney seminars during March and October.
Refugees, Asylum Seekers and Humanitarian Entrants	PTACT provides services at no cost to persons holding an ACT Services Access Card.
Intercultural Harmony and Religious Acceptance	PTACT provides a number of information seminars to people of diverse cultural and religious groups.

C.23 ACT STRATEGIC PLAN FOR POSITIVE AGEING 2010-14

PTACT addressed community groups on 21 occasions during the year in respect to the importance of having an up to date Will and Enduring Power of Attorney. Additionally public seminars were held in October 2012 during Wills Week and in March 2013 during Seniors Week. PTACT offers a free will-making service to those in attendance.

PTACT is also represented on the Elder Law Committee of the ACT Law Society which meets on a monthly basis.

C.24 ACT WOMEN'S PLAN 2010-2015

The Public Trustee's response, against objectives identified in the ACT Women's Plan Action Plan 2010-2015, is as follows –

ECONOMIC	SOCIAL	ENVIRONMENTAL
Strategic outcome Women and girls equally and fully participate in and benefit from the ACT economy	Strategic outcome Women and girls equally and fully participate in sustaining their families and communities and enjoy community inclusion and wellbeing.	Strategic outcome Women and girls equally and fully participate in planning and sharing an accessible and sustainable city.
Priority areas <ul style="list-style-type: none"> • Responsive education, training and lifelong learning • Flexible workplaces • Economic independence and opportunities • Leadership and decision making 	Priority areas <ul style="list-style-type: none"> • Safe and respectful relationships • Good health and wellbeing • Safe and accessible housing 	Priority areas <ul style="list-style-type: none"> • Safe and responsive transport and urban planning • Sustainable environment

ECONOMIC	SOCIAL	ENVIRONMENTAL
Indicators of Progress Education & training pathways for women and girls <ul style="list-style-type: none"> Professional training and study assistance for female staff. Increased opportunities for the advancement of women in the workforce Increased economic leadership and decision-making opportunities for women and girls <ul style="list-style-type: none"> Three out of four Deputy Public Trustees are female. Ratio of female to male staff is 2:1 - a large proportion of decision-making in respect to client and financial matters is made by female staff The GreaterGood Board and PTACT Investment Board have gender balanced membership Improved financial equity <ul style="list-style-type: none"> PTACT's female staff enjoys total equity with male employees. 	Indicators of Progress Recognition of women and girls' contribution to the community <ul style="list-style-type: none"> Nomination and award of a number of female staff in the 2013 JACS Director-General's Awards PTACT's female staff provide regular presentations to community groups on the importance of having an up to date Will and Enduring Power of Attorney Affordable and accessible gender and culturally sensitive services <ul style="list-style-type: none"> PTACT addresses women's and ethnic representative groups on the above services. Pathways for women experiencing disadvantage, social exclusion and isolation PTACT acts as advocate and financial manager for women who have lost decision-making ability and acts as attorney for women under EPA Addressing violence against women and their children and protection and support for victims. <ul style="list-style-type: none"> PTACT has no program in place however contributes to JACS Directorate outcomes in this regard. The Public Trustee has a female RED Contact Officer is appointed as JACS RED Exec. Sponsor. 	Indicators of Progress Available opportunities for women and girls in decisions about urban planning, transport and the environment <ul style="list-style-type: none"> Not applicable Consideration towards women and girls' safety, security and accessibility when designing, building or retrofitting public facilities. <ul style="list-style-type: none"> Not applicable.

C.25 MODEL LITIGANT GUIDELINES

PTACT does not undertake litigation in respect to government matters however litigation is undertaken on behalf of our trust, estate and financial management clients.

Arrangements have been made with the Public Trustee's panel of legal service providers to ensure that they are aware of the *Law Officer (Model Litigant) Guidelines 2010* and apply them in the representation of the Public Trustee and its clients.

C.26 NOTICES OF NON-COMPLIANCE

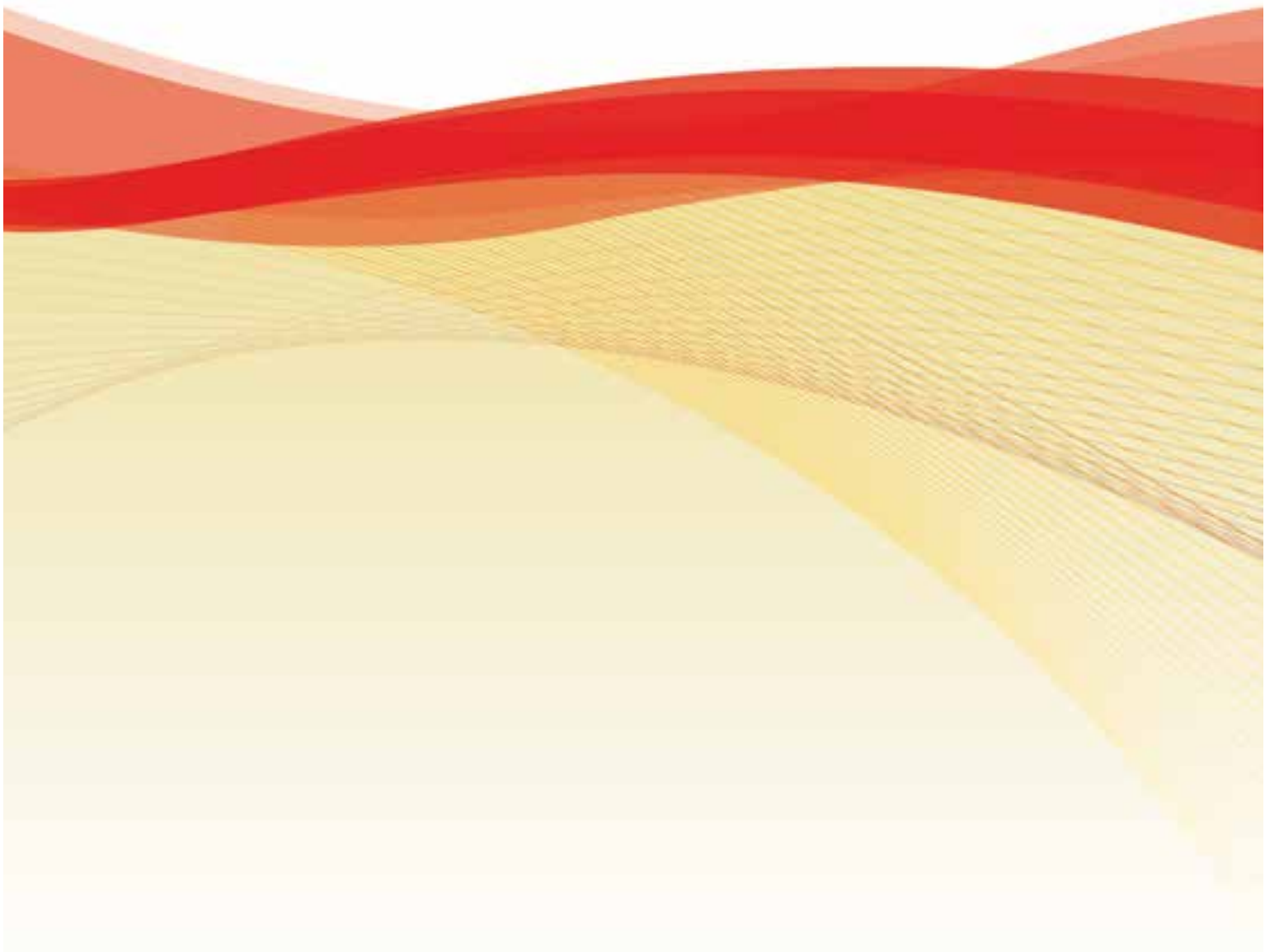
Not relevant to PTACT's operations.



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

ANNEXURE

FINANCIAL STATEMENTS





ACT AUDITOR-GENERAL'S OFFICE



REPORT OF FACTUAL FINDINGS

PUBLIC TRUSTEE FOR THE ACT

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of the Public Trustee for the ACT (the Public Trustee) for the year ended 30 June 2013 has been reviewed.

Responsibility for the statement of performance

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

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*, I am responsible for providing a report of factual findings on the statement of performance.

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

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

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

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

Electronic presentation of the statement of performance

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

Independence

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

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicators, reported in the statement of performance of the Public Trustee for the year ended 30 June 2013, are not fairly presented in accordance with the *Financial Management Act 1996*.

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




Bernie Sheville
Director, Financial Audits
12 September 2013

**Public Trustee for the A.C.T.
Statement of Performance
For the Year Ended 30 June 2013**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with Public Trustee's records and fairly reflects the service performance of the Public Trustee for the year ended 30 June 2013 and also fairly reflects the judgements exercised in preparing it.



Douglas Gillespie
Acting Chief Executive Officer
Public Trustee A.C.T.

12 September 2013

**PUBLIC TRUSTEE FOR THE A.C.T
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2013**

Performance of the Public Trustee for the A.C.T. is measured by the increase in volume of new business, the return on investment of client funds, and by client satisfaction, which includes the ability of the Public Trustee Office to meet agreed standards and to provide professional, and efficient services to the ACT community.

INDICATOR	Target 2012-13	Actual Outcome 2012-13	Variance %	Notes
Number of current financial management accounts under orders of the ACT Civil and Administrative Tribunal (ACAT)	473	486	2.75	1
Number of active financial management accounts under Power of Attorney and Enduring Power of Attorney	56	53	(5.36)	2
Number of responses to community call outs following death	3	4	33.33	3
Number of welfare funerals arranged	3	2	(33.33)	4
Number of examinations of accounts provided from external managers under orders of the ACT Civil and Administrative Tribunal (ACAT)	460	445	(3.26)	5
Number of deceased estate administrations completed < \$100,000	43	36	(16.28)	6
Number of deceased estate administrations completed > \$100,000	72	55	(23.61)	6
Number of trusts held under legal liability < \$100,000	383	348	(9.14)	7
Number of trusts held under legal liability > \$100,000	49	53	8.16	7
Wills	720	743	3.19	8
Percentage of expenditure over total income	91%	94%	3.30	9

Notes

1. The number of clients under ACT Civil and Administrative Tribunal (ACAT) Orders was higher than expected due to the appointment of the Public Trustee as manager when no other person is willing or available.
2. The number of Enduring Power of Attorneys was less than expected in 2012-13 due to death, transfer of clients to ACT Civil and Administrative Tribunal (ACAT) Orders and individuals now having their affairs in order and having the ability to manage their own funds.
3. The number of Australian Federal Police call-outs following death are dependent upon the ability to contact/find known family members. Public Trustee involvement is usually a last resort.

**PUBLIC TRUSTEE FOR THE ACT
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2013**

Notes (Continued)

4. The number of welfare funerals arranged are dependent upon the level of funds of deceased persons and the ability of the Public Trustee to contact known family members.
5. The number of accounts examined is reliant upon external managers providing accounts to the Public Trustee on an annual basis once contacted by the ACT Civil and Administrative Tribunal.
6. The number of finalised deceased estates being administered by the Public Trustee that have a value of less than, or more than \$100,000, is solely dependent upon the level of assets at date of death.
7. The number of trusts with a value of less than, or more than \$100,000, depends solely upon court awarded settlements. Changes to legislation and court nominations affect the number of clients being administered by the Public Trustee.
8. The number of requests for new and changed wills are greater than anticipated due to a higher demand for will services. The increase in will making services is due to marketing strategies, community education, excellent customer feedback and the employment of a full-time legal officer.
9. Due to an increase in employee expenses as a result of staff increases and wage adjustments and the implementation of Risk Management measures expenses have increased over budget by 12.55%. As a result the percentage of expenditure over income is higher than the 2012-13 target.



ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

PUBLIC TRUSTEE FOR THE ACT

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the Public Trustee for the ACT (the Public Trustee) for the year ended 30 June 2013 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

Responsibility for the financial statements

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

The auditor's responsibility

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

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

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

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

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

Electronic presentation of the audited financial statements

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

Independence

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

Audit opinion

In my opinion, the financial statements of the Public Trustee for the year ended 30 June 2013:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Public Trustee as at 30 June 2013 and the results of its operations and cash flows for the year then ended.

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



Bernie Sheville
Director, Financial Audits
19 August 2013

Public Trustee for the ACT
Financial Statements
For the Year Ended 30 June 2013

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Public Trustee's accounts and records and fairly reflect the financial operations of the Public Trustee for the year ended 30 June 2013 and the financial position of the Public Trustee on that date.



Andrew Taylor
Chief Executive Officer
Public Trustee for the ACT

15 August 2013

Public Trustee for the ACT
Financial Statements
For the Year Ended 30 June 2013

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and is in agreement with the Public Trustee's accounts and records and fairly reflect the financial operations of the Public Trustee for the year ended 30 June 2013 and the financial position of the Public Trustee on that date.



Joanne Thompson
Chief Finance Officer
Public Trustee for the ACT

15 August 2013

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Note No.	Actual 2013 \$	Original Budget 2013 \$	Actual 2012 \$
INCOME				
Government Payment for Outputs	4	695 000	695 000	682 000
User Charges	5	4 124 133	4 089 000	4 302 817
Interest	6	221 853	235 000	265 177
Total Income		5 040 986	5 019 000	5 249 994
EXPENSES				
Employee Expenses	7	3 134 604	2 763 000	3 026 021
Superannuation Expenses	8	454 802	446 000	416 314
Supplies and Services	9	999 816	889 000	945 594
Depreciation	10	144 659	108 000	108 031
Total Expenses		4 733 881	4 206 000	4 495 960
Operating Surplus		307 105	813 000	754 034
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in the Asset Revaluation Surplus	21	2 126	0	0
Total Other Comprehensive Income		2 126	0	0
Total Comprehensive Income		309 231	813 000	754 034

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
BALANCE SHEET
AS AT 30 JUNE 2013**

	Note No.	Actual 2013 \$	Original Budget 2013 \$	Actual 2012 \$
CURRENT ASSETS				
Cash and Cash Equivalents	13	5 190 013	5 519 000	5 184 305
Receivables	14	301 108	266 000	272 109
Other Assets	16	32 607	26 000	29 860
Total Current Assets		5 523 728	5 811 000	5 486 274
NON-CURRENT ASSETS				
Plant and Equipment	15	439 435	452 000	575 600
Total Non-Current Assets		439 435	452 000	575 600
Total Assets		5 963 162	6 263 000	6 061 874
CURRENT LIABILITIES				
Payables	17	102 193	132 000	292 690
Employee Benefits	18	1 251 886	1 030 000	1 118 499
Other Provisions	19	153 553	417 000	377 017
Total Current Liabilities		1 507 632	1 579 000	1 788 206
NON CURRENT LIABILITIES				
Employee Benefits	18	120 565	100 000	103 437
Other Liabilities	20	111 263	106 000	102 207
Total Non-Current Liabilities		231 828	206 000	205 644
Total Liabilities		1 739 461	1 785 000	1 993 850
Net Assets		4 223 702	4 478 000	4 068 024
EQUITY				
Accumulated Funds		3 893 462	4 150 000	3 739 910
Asset Revaluation Surplus	21	330 240	328 000	328 114
Total Equity		4 223 702	4 478 000	4 068 024

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

	Accumulated Funds Actual 2013 \$	Asset Revaluation Surplus Actual 2013 \$	Total Equity Actual 2013 \$	Original Budget 2013 \$
Balance at the Beginning of the Reporting Period	3 739 910	328 114	4 068 024	4 071 000
Comprehensive Income				
Operating Surplus	307 105	0	307 105	813 000
Increase in the Asset Revaluation Surplus	0	2 126	2 126	0
Total Comprehensive Income	307 105	2 126	309 231	813 000
Transactions Involving Owners Affecting Accumulated Funds				
Dividend Approved	(153 553)	0	(153 553)	(406 000)
Total Transactions Involving Owners Affecting Accumulated Funds	(153 553)	0	(153 553)	(406 000)
Balance at the End of the Reporting Period	3 893 462	330 240	4 223 702	4 478 000

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013**

	Accumulated Funds Actual 2012 \$	Asset Revaluation Surplus Actual 2012 \$	Total Equity Actual 2012 \$	Original Budget 2012 \$
Balance at the Beginning of the Reporting Period	<u>3 362 893</u>	<u>328 114</u>	<u>3 691 007</u>	<u>3 038 000</u>
Comprehensive Income				
Operating Surplus	<u>754 034</u>	<u>0</u>	<u>754 034</u>	<u>370 000</u>
Total Comprehensive Income	<u>754 034</u>	<u>0</u>	<u>754 034</u>	<u>370 000</u>
Transactions Involving Owners Affecting Accumulated Funds				
Dividend Approved	<u>(377 017)</u>	<u>0</u>	<u>(377 017)</u>	<u>(185 000)</u>
Total Transactions Involving Owners Affecting Accumulated Funds	<u>(377 017)</u>	<u>0</u>	<u>(377 017)</u>	<u>(185 000)</u>
Balance at the End of the Reporting Period	<u>3 739 910</u>	<u>328 114</u>	<u>4 068 024</u>	<u>3 223 000</u>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Note No.	Actual 2013 \$	Original Budget 2013 \$	Actual 2012 \$
Cash Flows from Operating Activities				
Receipts				
Operating Revenue		785 865	633 000	666 677
Management Fees		1 438 642	1 291 000	1 360 668
Commission Received		1 855 211	2 168 000	2 283 707
Interest Received		243 579	230 000	249 024
Community Service Obligations		466 000	466 000	459 000
Government Payment for Outputs		229 000	229 000	223 000
Goods and Services Tax Collected from Customers		368 546	393 000	405 073
Other		32 814	14 000	13 926
Total Receipts from Operating Activities		5 419 657	5 424 000	5 661 075
Payments				
Employee		2 980 354	2 763 000	2 849 904
Superannuation		453 329	434 000	413 841
Supplies and Services		1 182 544	878 000	761 809
Goods and Services Tax Paid to Suppliers		120 099	80 000	78 284
Goods and Services Tax Remitted to the Australian Taxation Office		269 373	311 000	320 611
Other		24 865	14 000	22 304
Total Payments from Operating Activities		5 030 564	4 480 000	4 446 753
Net Cash Inflows from Operating Activities	24(b)	389 093	944 000	1 214 322

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
CASH FLOW STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013**

	Note No.	Actual 2013 \$	Original Budget 2013 \$	Actual 2012 \$
Cash Flows from Investing Activities				
Payments				
Purchase of Plant and Equipment		6 368	0	19 279
Total Payments from Investing Activities		<u>6 368</u>	<u>0</u>	<u>19 279</u>
Net Cash (Outflows) from Investing Activities		<u>(6 368)</u>	<u>0</u>	<u>(19 279)</u>
Cash Flows from Financing Activities				
Payments				
Payment of Dividends		377 017	379 000	588 276
Total Payments from Financing Activities		<u>377 017</u>	<u>379 000</u>	<u>588 276</u>
Net Cash (Outflows) from Financing Activities		<u>(377 017)</u>	<u>(379 000)</u>	<u>(588 276)</u>
Net Increase in Cash and Cash Equivalents Held		<u>5 708</u>	<u>565 000</u>	<u>606 767</u>
Cash and Cash Equivalents at the Beginning of the Reporting Period		5 184 305	4 954 000	4 577 538
Cash and Cash Equivalents at the End of the Reporting Period	24(a)	<u>5 190 013</u>	<u>5 519 000</u>	<u>5 184 305</u>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2013**

	Original Budget 2013 \$	Total Appropriated 2013 \$	Appropriation Drawn 2013 \$	Appropriation Drawn 2012 \$
Government Payments for Outputs	695 000	695 000	695 000	682 000
Total Appropriation	695 000	695 000	695 000	682 000

The *Original Budget* column shows the amounts that appear in the Cash Flow Statement in the Budget Papers. This amount also appears in these financial statements, in the Cash Flow Statement.

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the Public Trustee during the year.

The above Statement of Appropriation 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 2013**

1. OBJECTIVES OF THE PUBLIC TRUSTEE

The objective of the Public Trustee for the ACT (Public Trustee), as authorised by the *Public Trustee Act 1985* and the *Trustee Act 1925*, is to be the community's first choice for trustee and related services that include preparing wills and enduring powers of attorney, administering estates and trust management. The Public Trustee is also responsible for the protection of the financial and property interests of persons with a legal disability, where appointed under the *Guardianship and Management of Property Act 1991* as financial manager.

The Public Trustee acts as an agent for the Territory under the *Confiscation of Criminal Assets Act 2003*, is the delegate for unclaimed moneys under the *Unclaimed Money Act 1950* and holds investment responsibility for government and non-government trust funds. The Public Trustee is trustee for the Perpetual Care Trusts under the *Cemeteries and Crematoria Act 2003* and for the Capital Region Community Foundation (GreaterGood).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

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

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

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

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

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) The Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Public Trustee for the year ending 30 June 2013 together with the financial position of the Public Trustee as at 30 June 2013.

c) Comparative Figures

Budget Figures

The *Financial Management Act 1996* requires the statements to facilitate a comparison with the Statement of Intent. The budget numbers are as per the Statement of Intent.

Prior Year Comparatives

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

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

d) Rounding

All amounts in the financial statements have been shown as whole dollars (\$). Use of '0' represents zero amounts or amounts rounded down to zero.

e) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Public Trustee and the revenue can be reliably measured. In addition, the following specific recognition criteria must also be met before revenue is recognised:

User Charges

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

Interest

Interest revenue is recognised using the effective interest method.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Waivers of Debt

Debts that are waived under section 131 of the *Financial Management Act 1996* are expensed during the year in which the right to payment was waived. Further details of waivers are disclosed at Note 11 – Waivers and Write-offs.

g) Current and Non-Current Items

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

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

h) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts. Cash equivalents include short-term investments that are managed by the Public Trustee internally.

i) Receivables

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

Total receivables arise in the normal course of providing Trustee services to other agencies and to the public. Trade receivables are payable in within 28 days after the issue of an invoice.

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

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

j) Acquisition and Recognition of Plant and Equipment

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

Where plant and equipment is acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition. Plant and equipment with a minimum value of \$2,000 is capitalised.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Measurement of Plant and Equipment after Initial Recognition

Plant and equipment is measured at fair value. Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction. Fair value is measured using a market price in an active market where a market price is available for that asset (or a similar asset), as this is the best evidence of an asset's fair value. Where the market price for an asset cannot be obtained because the asset is rarely sold the depreciated replacement cost is used as fair value. The policy for the revaluation Plant and Equipment is a valuation every three years.

l) Depreciation of Non-Current Assets

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

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

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

m) Payables

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

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

n) Leases

Operating Leases

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Provision for Make Good

The Public Trustee has recorded a liability of \$111,264 and a corresponding asset of \$102,207 for the estimated cost of returning the premises occupied by the Public Trustee, to a similar condition which existed prior to the Public Trustee occupying the premises.

The estimated cost is based on an estimate provided by an independent valuer. (Mr Ian Robertson (AAPI, Plant and Machinery, MSAA), Senior Valuer Plant and Equipment, Australian Government Australian Valuation Office.

p) Employee Benefits

Employee benefits include wages and salaries, annual leave, annual leave loading and long service leave and applicable on-costs. On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual and long service leave. These benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid. They are recorded as a liability and as an expense.

Wages and Salaries

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

Annual and Long Service Leave

Annual leave and long service leave that fall due wholly within the next twelve months is measured based on the amount of remuneration anticipated to be paid when the leave is taken.

Annual and long service leave including applicable on-costs that do not fall due wholly within the next twelve months is measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At each reporting date, the estimated future payments are estimated using market yields on Commonwealth Government Bonds with terms to maturity that match, as closely as possible, the estimated future cash flows. In 2012-13, the rate used to estimate the present value of these future payments is 101.3% (106.6% in 2011-12).

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

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Employee Benefits (Continued)

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. However, where there is an unconditional right to defer settlement of the liability for at least 12 months, annual and long service leave have been classified as a non-current liability in the Balance Sheet.

q) Superannuation

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

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

Superannuation employer contribution payments, for the CSS and PSS, are calculated by taking the salary level at an employee's anniversary date and multiplying it by the actuarially assessed nominal CSS or PSS employer contribution rate for each employee. The productivity component payments are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the employer contribution rate (approximately 3%) for each employee. Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay and multiplying it by the appropriate employer contribution rate.

A superannuation liability is not recognised in the Balance Sheet as the Superannuation Provision Account recognises the total Territory superannuation liability for the CSS and PSS, and ComSuper and the external schemes recognise the superannuation liability for the fund of choice scheme respectively.

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

r) Insurance

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

s) Trust Funds

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) Significant Accounting Judgements and Estimates

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

Employee benefits

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for employee benefits requires a consideration of the future wage and salary levels, experience of employee departures and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable. Further information on this estimate is provided in Note 2 p) *Employee Benefits* and Note 3 *Change in Accounting Estimates*.

Plant and Equipment – Fair Value

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

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

Provision for Make Good

Note 2 o) *Provision for Make Good* discloses that the cost of returning the premises occupied by the Public Trustee to a similar condition to that which existed prior to the occupancy if the Public Trustee was to leave the premises. This cost has been estimated by an independent valuer.

Estimation of the Useful Lives of Property Plant and Equipment (PPE)

The Public Trustee has made a significant estimate in determining the useful lives of its PPE. The estimation of useful lives of PPE has been based on the valuation provided by the Australian Valuation Office. The useful lives are assessed on an annual basis and any adjustments are made when considered necessary.

u) Impact of Accounting Standards issued but yet to be Applied

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Public Trustee does not intend to adopt these standards and interpretations early. It is estimated that the effect of adopting the below pronouncements, when applicable, will have no material financial impact on the Public Trustee in future reporting periods:

- AASB 9 Financial Instruments (application date 1 January 2015);

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u) Impact of Accounting Standards issued but yet to be Applied (Continued)

- AASB 10 Consolidated Financial Statements (application date 1 January 2013 for for-profit entities and 1 January 2014 for not-for-profit entities);
- AASB 13 Fair Value Measurement (application date 1 January 2013);
- AASB 119 Employee Benefits (application date 1 January 2013);
- AASB 1055 Budgetary Reporting (application date 1 July 2014);
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (application date 1 January 2015);
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124] (application date 1 July 2013);
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 101, 107, 112, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (application date 1 January 2013);
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14] (application date 1 January 2013);
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB132] (application date 1 January 2013);
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB132] (application date 1 January 2014);
- AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date AASB 9 and Transitioned Disclosures [AASB9, AASB 2009-11, AASB 2010-7 & AASB 2011-8] (application date 1 January 2013); and
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12] 132] (application date 1 January 2013).

3. CHANGE IN ACCOUNTING ESTIMATES

Estimate of Employee Benefits

The Public Trustee estimates the present value of long service leave liabilities which do not fall due in the next 12 months. Last financial year the rate used to estimate the present value of these liabilities was 106.6%, however, due to a change in the Commonwealth Government bond rate the rate was changed to 101.3%.

As such the estimate of the long service leave liability has changed.

This change has resulted in a decrease to the estimate of the long service leave liability and expense in the current reporting period of \$46,101.00.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

4. GOVERNMENT PAYMENTS FOR OUTPUTS

	2013 \$	2012 \$
Government Payments for Outputs	229 000	223 000
Community Service Obligations	466 000	459 000
Total Government Payments for Outputs	695 000	682 000

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

Community Service Obligations (CSO) are received by the Public Trustee for the provision of trustee services to the public at subsidised rates.

5. USER CHARGES

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

User Charges – ACT Government

Commission (a)	369 750	418 510
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User Charges – Non ACT Government

Commission (a)	1 519 814	1 845 667
Management Fees (b)	1 451 475	1 358 751
Other Fees (c)	783 094	679 889

Total User Charges	4 124 133	4 302 817
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(a) Commission revenue, which is percentage based, has decreased due to lower interest rates being received as a result of market fluctuations in interest rates on investment and term deposit returns

(b) Management fee revenue has increased due to an overall increase in the value of the Common Fund investments due to an improvement in the share and property investment market.

(c) An increase in other fees has occurred due to an increase in general business as a result of an increase in customer numbers.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

6. INTEREST

	2013 \$	2012 \$
Interest income	221 853	265 177
Total interest	221 853	265 177

Interest income fluctuates with changes in market interest rates and term deposit balances held during the year. The overall return on investments decreased during the year mainly due to lower interest rates.

7. EMPLOYEE EXPENSES

Wages and Salaries (b)	2 903 455	2 748 045
Annual Leave Expense (c)	36 097	28 569
Long Service Leave Expense (c)	124 863	141 227
Termination Payments (d)	4 947	62 163
Fringe Benefits Tax (e)	1 929	(7 000)
Workers' Compensation Insurance Premiums (f)	60 984	49 304
Other Employee Expenses	2 329	3 713
Total Employee Expenses (a)	3 134 604	3 026 021

a) The number of staff employed during the 2012-13 financial year fluctuated. There were 41 staff employed at 30 June 2013 (39 at 30 June 2012). Employee expenses increased by \$108,583 (3.6 percent) in 2012-13 due to the reasons below.

b) Salaries increased by \$155,410 (5.7 percent) mainly due to pay rises that included amounts to retain experienced staff and an increase in staff numbers to assist with an increased workload.

c) Annual Leave Expense increased due to the inclusion of the provision for Annual Leave Loading.

d) Long Service Leave Expenses decreased mainly due to a decrease in the rate used to estimate the present value of the annual and long service leave liabilities from 106.6 percent at 30 June 2012 to 101.3 percent at 30 June 2013.

e) Termination Payments decreased due to less retirements occurring.

f) Fringe Benefits Tax increased due to an amended return requiring lodgement for the 2012 Fringe Benefits Tax return and events occurring in the 2013 year requiring the lodgement of a return.

g) Workers' Compensation Insurance Premiums increased due to increased salary costs and staffing numbers.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

8. SUPERANNUATION EXPENSES

The Public Trustee makes fortnightly payments to the Territory Banking Account for CSS and PSS superannuation liability. The productivity benefit for these schemes is paid directly to ComSuper.

Superannuation payments are also made to external providers as part of the employee fund of choice arrangements; and to employment agencies for the contract staff it employs.

	2013 \$	2012 \$
Superannuation Contributions to the Territory Banking Account	282 295	259 276
Productivity Benefit	41 626	37 002
Superannuation to External Providers	130 881	120 036
Total Superannuation Expenses	454 802	416 314

The increase in superannuation expenses is a result of an increase in staff numbers during the reporting period.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

9. SUPPLIES AND SERVICES

	2013 \$	2012 \$
Business Development Costs (a)	153 256	126 151
Computer Expenses (b)	185 232	209 349
Motor Vehicle Expenses	14 851	14 623
Rental Lease Payments/Cleaning	264 339	256 965
Repairs/Maintenance	91 035	86 508
Printing/Stationery (c)	30 350	48 076
Telephones	21 615	22 979
Staff Training (d)	22 955	18 990
Postage	16 146	17 850
Audit Fee	41 301	38 116
Subscriptions/Memberships	11 978	9 047
Office Equipment	7 324	10 089
Travel Expenses (e)	10 516	6 399
Insurance Risk Management Levy	28 277	25 606
Other Expenses	23 604	26 339
Renovation Costs (f)	4 909	0
Consultants Costs (g)	39 835	0
Payroll Services	5 220	5 024
GST Compliance Costs (h)	3 900	0
Electricity	9 186	6 952
Recruitment costs (i)	498	10 533
Make Good Expense	9 056	0
Bank Charges	4 433	5 998
Total Supplies and Services	999 816	945 594

(a) There was an increase in Business Development Costs in 2012-13 due to the implementation of new procedures and practices in relation to the management of client records.

(b) There were one-off software licences purchased 2011-12. As a result, Computer Expenses decreased in 2012-13.

(c) There was a number of printing requirements in 2011-12 that were not replicated in 2012-13.

(d) Staff Training increased in 2012-13 as a result of requests by staff to enhance their skills.

(e) A number of staff attended the Australian Guardianship Conference in Melbourne in October 2012.

(f) As a result of changes to the office structure, renovations were required in 2012-13.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

9. SUPPLIES AND SERVICES (CONTINUED)

(g) Consultants were engaged in 2012-13 to assist in the production of the newly designed Public Trustee Trust and Foundation Accounts as well as a Planning Day for staff.

(h) A GST Compliance Audit was required and performed in 2012-13.

(i) As there were no major staffing movements in 2012-13, there was no requirement for a Recruitment drive.

10. DEPRECIATION

	2013 \$	2012 \$
Plant and Equipment	144 659	108 031
Total Depreciation	144 659	108 031

Due to further office fit-out enhancements in the last 18 months and an upgrade to the Office security system in 2012-13, depreciation costs increased to reflect an increase in the value of assets.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

11. WAIVERS AND WRITE-OFFS

Under section 131 of the *Financial Management Act 1996* the Treasurer may, in writing, waive the right to payment of an amount owed to the Territory.

There were no waivers during the year, however, the Public Trustee approved the write-off of debts owed by 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.

	2013		2012	
	No.	\$	No.	\$
Ordinary Activities				
Write-offs				
Irrecoverable Debts	2	370	6	2 755
Total Write-offs		<u>370</u>		<u>2 755</u>

The write-offs occurred as a result of a client account being charged twice for an account in error and the non payment of an account. The Public Trustee approves all write-off balances.

12. AUDITOR'S REMUNERATION

Auditor's remuneration consists of financial audit services provided to the Public Trustee by the ACT Auditor-General's Office.

Audit Fees Paid to the ACT Auditor-General's Office	<u>41 301</u>	<u>38 116</u>
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No other services were provided by the ACT Auditor-General's Office.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

13. CASH AND CASH EQUIVALENTS

The Public Trustee holds a bank account with the Commonwealth Bank as part of the whole-of-government banking arrangements. The Public Trustee Office held deposits with various financial institutions at call throughout the year. The weighted average interest rate returned on these investments was 4.8% (2012 6.0%).

	2013	2012
	\$	\$
Cash at Bank	539 413	383 705
Cash on Hand	600	600
Investments	<u>4 650 000</u>	<u>4 800 000</u>
Total Cash and Cash Equivalents	<u>5 190 013</u>	<u>5 184 305</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

14. RECEIVABLES

Current Receivables

	2013 \$	2012 \$
Trade Receivables (a)	260 622	208 717
Less: Allowance for Impairment Losses	0	0
	<u>260 622</u>	<u>208 717</u>
Other Receivables	1 775	2 955
	<u>262 397</u>	<u>211 672</u>
Accrued Revenue (b)	38 711	60 437
	<u>301 108</u>	<u>272 109</u>
Total Receivables	301 108	272 109

Ageing of Receivables

(a) Trade receivables have increased due to an increase in Management fees charged in the last quarter of the 2013 financial year.

(b) Accrued Revenue has decreased due to a reduction in interest rates being received on investments maturing in 2013-14.

	Not Overdue	Past Due			TOTAL
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	\$	\$	\$	\$	
2013					
Not Impaired					
Receivables	301 108	0	0	0	301 108
Impaired					
Receivables	0	0	0	0	0
2012					
Not Impaired					
Receivables	272 109	0	0	0	272 109
Impaired					
Receivables	0	0	0	0	0

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

14. RECEIVABLES (CONTINUED)

	2013 \$	2012 \$
Classification of ACT Government/Non-ACT Government Receivables		
Receivables with ACT Government Entities		
Net Receivables	33 237	40 181
Other Receivables	0	2 924
Total Receivables with ACT Government Entities	33 237	43 105
Receivables with Non-ACT Government Entities		
Net Receivables	227 385	168 536
Other Receivables	1 775	31
Accrued Revenue	38 711	60 437
Total Receivables with Non-ACT Government Entities	267 871	229 004
Total Receivables	301 108	272 109

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

15. PLANT AND EQUIPMENT

Plant and equipment includes motor vehicle, office and computer equipment, furniture and fittings, office fit-out and a security system.

	2013 \$	2012 \$
Motor Vehicle (at fair value)	13 125	11 000
Less: Accumulated Depreciation	<u>(4 125)</u>	<u>(2 750)</u>
	<u>9 000</u>	<u>8 250</u>
The motor vehicle was independently valued at market value by Pickles Auctions Pty Limited in June 2013.		
Furniture and Fittings (at fair value)	69 504	69 504
Less: Accumulated Depreciation	<u>(17 807)</u>	<u>(10 694)</u>
	<u>51 697</u>	<u>58 810</u>
Computer Equipment (at fair value)	1 434	1 434
Less: Accumulated Depreciation	<u>(574)</u>	<u>(287)</u>
	<u>860</u>	<u>1 147</u>
Office Fit-out (at fair value)	501 069	477 690
Plus: Additions (at cost)	0	19 279
Plus: Provision for make good	102 207	102 207
Less: Accumulated Depreciation	<u>(231 831)</u>	<u>(97 761)</u>
	<u>371 445</u>	<u>501 415</u>
Security System (at fair value)	9 740	7 472
Less: Accumulated Depreciation	<u>(3 308)</u>	<u>(1 494)</u>
	<u>6 433</u>	<u>5 978</u>
Total Plant and Equipment	<u>439 435</u>	<u>575 600</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

15. PLANT AND EQUIPMENT (Continued)

The office fit-out, furniture and fittings, office equipment, the security system and motor vehicles are measured at fair value. The independent valuation of the office fit-out, furniture and fittings, office equipment, the security system was performed at 30 June 2011 by Mr Ian Robertson (AAPI, Certified Practising Valuer) and the Australian Valuation Office, Canberra Office and the motor vehicle was valued by Mr Marc O'Loughlin General Vehicle Manager/Valuer of Pickles Auctions and was assessed as at 30 June 2013.

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

The fair valuation of the office fit-out, furniture and fittings, office equipment and the security system is based on its assessed estimated depreciated replacement cost and bases the valuation knowing that the current operating lease has an expiry date of 16 July 2016 (with an option to extend for a further five years).

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

	2013 \$	2012 \$
Motor Vehicle		
Carrying amount at the Beginning of the Reporting Period	8 250	9 625
Revaluation increment	2 126	0
Depreciation	<u>(1 375)</u>	<u>(1 375)</u>
Carrying Amount at the End of the Reporting Period	<u>9 001</u>	<u>8 250</u>
Furniture and Fittings		
Carrying amount at the Beginning of the Reporting Period	58 810	65 924
Additions	0	0
Revaluation increment	0	0
Depreciation	<u>(7 113)</u>	<u>(7 114)</u>
Carrying Amount at the End of the Reporting Period	<u>51 697</u>	<u>58 810</u>

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

15. PLANT AND EQUIPMENT (Continued)

	2013 \$	2012 \$
Computer Equipment		
Carrying amount at the Beginning of the Reporting Period	1 147	1 434
Revaluation increment	0	0
Depreciation	<u>(287)</u>	<u>(287)</u>
Carrying Amount at the End of the Reporting Period	<u>860</u>	<u>1 147</u>
Office Fit-out		
Carrying amount at the Beginning of the Reporting Period	501 415	583 881
Additions	4 100	19 279
Increase / (decrease) in Provision for Make Good	0	(3 984)
Revaluation increment	0	0
Depreciation	<u>(134 070)</u>	<u>(97 761)</u>
Carrying Amount at the End of the Reporting Period	<u>371 445</u>	<u>501 415</u>
Security System		
Carrying amount at the Beginning of the Reporting Period	5 978	7 472
Additions	2 269	0
Depreciation	<u>(1 814)</u>	<u>(1 494)</u>
Carrying Amount at the End of the Reporting Period	<u>6 433</u>	<u>5 978</u>

16. OTHER ASSETS

Current Other Assets

Prepayments	<u>32 607</u>	<u>29 860</u>
Total Other Assets	<u>32 607</u>	<u>29 860</u>

Prepayments increased due to a number of invoices being received and paid prior to year-end which relate to the 2013-14 financial year.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

17. PAYABLES

	2013 \$	2012 \$
Current Payables		
Trade Payables	102 193	292 690
Total Current Payables	<u>102 193</u>	<u>292 690</u>
Payables are aged as follows:		
Not Overdue	92 739	283 236
Overdue for less than 30 Days	0	0
Overdue for more than 30 Days and less than 60 Days	0	0
Overdue for more than 60 Days	9 454	9 454
Total Current Payables	<u>102 193</u>	<u>292 690</u>
Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Trade Creditors	13 884	215 541
Total Payables with ACT Government Entities	<u>13 884</u>	<u>215 541</u>
Payables with Non-ACT Government Entities		
Trade Creditors	88 309	77 149
Total Payables with Non-ACT Government Entities	<u>88 309</u>	<u>77 149</u>
Total Current Payables	<u>102 193</u>	<u>292 690</u>

The decrease in payables is mainly attributable to invoices from suppliers being paid upon receipt prior to year end. In the previous year they were received after year end for payment.

The amounts overdue for more than 60 days relate to accounts that are in dispute with a supplier.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

18. EMPLOYEE BENEFITS

	2013 \$	2012 \$
Current Employee Benefits		
Accrued Salaries	93 787	88 477
Annual Leave	335 030	346 346
Other Employee Benefits (a)	31 658	0
Long Service Leave	791 411	683 676
Total Current Employee Benefits	1 251 886	1 118 499
Non- Current Employee Benefits		
Long Service Leave	120 565	103 437
Total Employee Benefits	1 372 452	1 221 936

(a) Other employee benefits represent Annual Leave Loading that was not previously accounted for.

<i>For disclosure purposes only</i>		
Estimated Amount Payable within 12 Months (Short-term)		
Accrued Salaries	93 787	88 477
Annual Leave	335 030	346 346
Other Employee Benefits (a)	31 658	0
Long Service Leave	30 830	5 306
Total Employee Benefits Payable within 12 months	491 305	440 129
Estimated Amount Payable after 12 Months (Long-term)		
Long Service Leave	881 146	781 807
	881 146	781 807
Total Employee Benefits	1 372 452	1 221 936

At the end of the 2013 financial year, the Public Trustee had 41 staff employed. (2012 – 39 staff). The increase in employee provisions is mainly attributable to the increase in staff numbers and the low levels of long service leave being taken.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

19. OTHER PROVISIONS

	2013 \$	2012 \$
Current		
Provision for Dividends	153 553	377 017
Total Other Provisions	153 553	377 017

The decrease in the Provision for Dividend relates directly to the decrease in the Operating Surplus for the year ending 30 June 2013.

The Public Trustee has proposed a final dividend of \$153,553 and this amount was approved before the end of the reporting period. The amount will be paid to the ACT Government in the 2013-14 financial year.

20. OTHER LIABILITIES

Provision for Make Good	111 263	102 207
Total Other Liabilities	111 263	102 207

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

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

21. EQUITY

Asset Revaluation Surplus

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

	2013 \$	2012 \$
Balance at the Beginning of the Reporting Period	328 114	328 114
Increment in Plant and Equipment due to Revaluation	<u>2 126</u>	<u>0</u>
Balance at the End of the Reporting Period	<u>330 240</u>	<u>328 114</u>

A valuation of the Office fit-out, furniture and fittings, Office Equipment, the Security System was performed at 30 June 2011 by Mr Ian Robertson (Certified Practising Valuer) Australian Valuation Office, Canberra Office. A valuation of the motor vehicle was performed by Marc O'Loughlin General Vehicle Manager/Valuer of Pickles Auctions in June 2013. The revaluation of these assets is reflected in the Asset Revaluation Surplus.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

22. FINANCIAL INSTRUMENTS

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

(a) Interest Rate Risk

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

The Public Trustee's financial assets consist of cash and cash equivalents and receivables and its financial liabilities are comprised of payables. As some cash and cash equivalent balances are held in floating interest rate arrangements, the Public Trustee is exposed to movements in the amount of interest it may earn.

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

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

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

(b) Credit Risk

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

Credit risk is managed by the Public Trustee for Cash and Cash Equivalents investments by only investing surplus funds with various financial institutions, who have a A credit rating or greater. There is no collateral held as security for financial assets. Investments are structured with the highest rating banks to ensure more security over funds invested.

Credit risk of receivables is managed by ensuring clients are invoiced for services, and request for payment is made to clients when the service is performed, the risk in funds not being received is insignificant.

(c) Liquidity Risk

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

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

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

22. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity Risk (Continued)

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

(d) Fair Value of Financial Assets and Liabilities

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

	Carrying Amount 2013 \$	Fair Value 2013 \$	Carrying Amount 2012 \$	Fair Value 2012 \$
Financial Assets				
Cash and Cash Equivalents	5 190 013	5 190 013	5 184 305	5 184 305
Receivables	262 397	262 397	211 672	211 672
Total Financial Assets	<u>5 452 410</u>	<u>5 452 410</u>	<u>5 395 977</u>	<u>5 395 977</u>
Financial Liabilities				
Payables	102 193	102 193	292 690	292 690
Total Financial Liabilities	<u>102 193</u>	<u>102 193</u>	<u>292 690</u>	<u>292 690</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

22. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Maturity Analysis and Exposure to Interest Rates

The following table sets out the Public Trustee's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2013. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note	Weighted Average Interest Rate	Fixed Interest Maturing In				Total \$'000
			Floating Interest Rate \$'000	1 Year or Less to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	13	4.80%	539 413	4 650 000	0	0	5 190 013
Receivables	14		0	0	0	262 397	262 397
Total Financial Assets			539 413	4 650 000	0	262 997	5 452 410
Financial Liabilities							
Payables	17		0	0	0	102 193	102 193
Total Financial Liabilities			0	0	0	102 193	102 193
Net Financial Assets			539 413	4 650 000	0	160 804	5 350 217

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

22. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Maturity Analysis and Exposure to Interest Rates (Continued)

The following table sets out the Public Trustee's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2012. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note	Weighted Average Interest Rate	Fixed Interest Maturing In				Total \$'000
			Floating Interest Rate \$'000	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000	
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	13	6.0%	383 705	4 800 000	0	0	5 184 305
Receivables	14		0	0	0	211 672	211 672
Total Financial Assets			383 705	4 800 000	0	212 272	5 395 977
Financial Liabilities							
Payables	17		0	0	0	292 690	292 690
Total Financial Liabilities			0	0	0	292 690	292 690
Net Financial Assets			383 705	4 800 000	0	(80 418)	5 103 287

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

22. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Fair Value Hierarchy

All financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such no fair value hierarchy is disclosed.

23. Operating Leases

Non-Cancellable Operating Lease Commitments are Payable as follows:

	2013 \$	2012 \$
Not later than one year	278 942	275 184
Later than one year but not later than five years	605 866	893 374
Later than five years but not later than ten years	0	0
Total Operating Lease Commitments	884 808	1 168 558

The ACT Government has an operating lease with the Molonglo Group for part of the ground floor of 221 London Circuit, Canberra relating to the premises occupied by the Public Trustee. The term of the lease is for a period of 6 years with a 5-year option. This lease commenced in July 2010 and the 6-year lease finishes in July 2016 (with an option to continue for a further 5 years).

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

24. CASH FLOW RECONCILIATION

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

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

	2013 \$	2012 \$
Total Cash and Cash Equivalents Recorded in the Balance Sheet	5 190 013	5 184 305
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	<u>5 190 013</u>	<u>5 184 305</u>

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

Operating Surplus	307 105	754 034
Add Non-Cash Items		
Depreciation	<u>144 659</u>	<u>108 031</u>
Cash Before Changes in Operating Assets and Liabilities	451 764	862 065
Changes in Operating Assets and Liabilities:		
(Increase) in Receivables	(28 999)	(10 935)
(Increase) in Prepayments	(2 747)	(6 453)
(Decrease)/Increase in Payables	(190 497)	181 055
Increase in Make Good Provision	9 056	0
Increase in Employee Benefits	<u>150 516</u>	<u>188 590</u>
Net Changes in Operating Assets and Liabilities	<u>(62 671)</u>	<u>352 257</u>
Net Cash Inflows from Operating Activities	<u>389 093</u>	<u>1 214 322</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Public Trustee had no contingent liabilities and contingents assets to declare as at 30 June 2013

26. EVENTS OCCURING AFTER BALANCE DATE

There were no events occurring after balance date that would affect the Financial Statements in current or future reporting periods.



ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

PUBLIC TRUSTEE FOR THE ACT TRUST ACCOUNT

To the Public Trustee for the ACT

Report on the financial statements

The special purpose financial statements (financial statements) of the Public Trustee for the ACT Trust Account (the Trust Account) for the year ended 30 June 2013 have been audited. These comprise the operating statements for the Common Fund Interest Account and Guarantee and Reserve Account, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

Responsibility for the financial statements

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

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

The auditor's responsibility

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

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

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

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

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

Electronic presentation of the audited financial statements

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

Independence

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

Audit opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Account as at 30 June 2013 and the results of its operations and cash flows for the year then ended in accordance with the basis of preparation described in Note 2 of the financial statements.

Basis of accounting

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



Bernie Sheville
Director, Financial Audits
16 September 2013

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

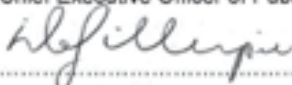
TRUSTEES' DECLARATION

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

I declare that:

1. the financial statements and notes, as set out on pages 1 to 15, present fairly the Trust's financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
2. in the Public Trustees' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Acting Chief Executive Officer of Public Trustee for the A.C.T.



.....
Douglas Gillespie

Dated this 13th day of ... September 2013

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
OPERATING STATEMENT - COMMON FUND INTEREST ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
INCOME		
Dividends Received	3 066 771	2 512 105
Interest Received	3 226 998	3 851 495
Other Income	63 017	83 687
Total income	<u>6 356 786</u>	<u>6 447 287</u>
EXPENSES		
Interest Distributed to Estates and Trusts	2 577 607	3 121 817
Dividend Distributed to Estates and Trusts	2 250 687	2 073 677
Management Fees	1 422 382	1 439 889
Custodian Fees	25 088	14 227
Total Expenses	<u>6 275 764</u>	<u>6 649 610</u>
Operating Surplus / (Deficit)	<u>81 022</u>	<u>(202 323)</u>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
OPERATING STATEMENT - GUARANTEE AND RESERVE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
INCOME		
Interest Received	108 822	130 247
Total Income	108 822	130 247
EXPENSES		
Management Fees	23 522	23 231
Income Commission	6 710	5 870
Consultancy Fee	4 950	36 850
Depreciation	15 250	15 250
Total Expenses	50 432	81 201
Operating Surplus	58 390	49 046
Other Comprehensive Income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Increase in the Asset Revaluation Surplus	30 750	0
Total Other Comprehensive Income	30 750	0
Total Comprehensive Income	73 890	49 046

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
BALANCE SHEET
AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	72 309 170	70 549 502
Accrued Investment Income	4	1 815 824	1 299 299
Unrealised Assets	5	89 380 964	85 443 938
Total Current Assets		163 505 958	157 292 739
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	290 000	274 500
Investments	3	61 100 800	57 511 773
Total Non-Current Assets		61 390 800	57 786 273
Total Assets		224 896 758	215 079 012
CURRENT LIABILITIES			
Trust Liabilities	7	1 719 960	1 271 416
Total Current Liabilities		1 719 960	1 271 416
NON-CURRENT LIABILITIES			
Estates and Trusts Under Administration	8	220 454 703	211 255 663
Total Non-Current Liabilities		220 454 703	211 255 663
Total Liabilities		222 174 663	212 527 079
Net Assets		2 722 095	2 551 933
EQUITY			
Common Fund Interest Account		76 762	(4 260)
Guarantee and Reserve Account		2 328 555	2 270 165
Asset Revaluation Surplus	9	316 778	286 028
Total Equity		2 722 095	2 551 933

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

FOR THE YEAR ENDED 30 JUNE 2013	Common Fund Interest Account \$	Guarantee and Reserve Account \$	Asset Revaluation Surplus \$	Total Equity \$
Balance at the Beginning of the Reporting Period	(4 260)	2 270 165	286 028	2 551 933
Comprehensive Income				
Operating Surplus - Common Fund	81 022	0	0	81 022
Operating Surplus – Guarantee and Reserve Account	0	58 390	0	58 390
Asset Revaluation	0	0	30 750	30 750
Total Comprehensive Income	81 022	58 390	30 750	170 162
Balance at the End of the Reporting Period	76 762	2 328 555	316 778	2 722 095

FOR THE YEAR ENDED 30 JUNE 2012	Common Fund Interest Account \$	Guarantee and Reserve Account \$	Asset Revaluation Surplus \$	Total Equity \$
Balance at the Beginning of the Reporting Period	198 063	2 221 119	286 028	2 705 210
Comprehensive Deficit / Income				
Operating Deficit – Common Fund	(202 323)	0	0	(202 323)
Operating Surplus – Guarantee and Reserve Account	0	49 046	0	49 046
Total Comprehensive Deficit / Income	(202 323)	49 046	0	(153 277)
Balance at the End of the Reporting Period	(4 260)	2 270 165	286 028	2 551 933

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Interest Received		3 539 405	4 009 986
Dividends Received		<u>2 346 662</u>	<u>3 763 042</u>
Total Receipts from Operating Activities		<u>5 886 067</u>	<u>7 773 028</u>
PAYMENTS			
Management and Other Fees		<u>1 517 753</u>	<u>1 493 595</u>
Total Payments from Operating Activities		<u>1 517 753</u>	<u>1 493 595</u>
Net Cash Inflows from Operating Activities	10	<u>4 368 314</u>	<u>6 279 433</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
RECEIPTS			
Proceeds from the Sale/Maturity of Investments		<u>4 200 000</u>	<u>2 052 434</u>
Total Receipts from Investing Activities		<u>4 200 000</u>	<u>2 052 434</u>
PAYMENTS			
Purchase of Investments		<u>948 901</u>	<u>1 075 378</u>
Total Payments from Investing Activities		<u>948 901</u>	<u>1 075 378</u>
Net Cash Inflows/(Outflows) from Investing Activities		<u>3 251 099</u>	<u>977 056</u>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
CASH FLOW STATEMENT - (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (Payments) to Trusts and Estates		<u>(5 859 745)</u>	<u>(5 749 563)</u>
Total Payments from Financing Activities		<u>(5 859 745)</u>	<u>(5 749 563)</u>
Net Cash (Outflows) from Financing Activities		<u>(5 859 745)</u>	<u>(5 749 563)</u>
Net Increase in Cash and Cash Equivalents		1 759 668	1 506 926
Cash and Cash Equivalents at Beginning of the Reporting Period		<u>70 549 502</u>	<u>69 042 576</u>
Cash and Cash Equivalents at the End of the Reporting Period	10	<u>72 309 170</u>	<u>70 549 502</u>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of preparation

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

These financial statements are therefore special purpose financial statements that have been prepared for the sole purpose of preparing and distributing a financial report.

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

b) Rounding

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

c) Revenue Recognition

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

Dividend revenue is recognised when the right to receive a dividend has been established. Interest revenue is recognised using the effective interest method.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Impairment of Assets

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

e) Unrealised Assets

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

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

f) Investments

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

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

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

g) Property

Buildings are valued at fair value. The last revaluation of buildings was in June 2013. The valuation was performed by Ronil Besele (AAPI CPV NSW) valuer of Herron, Todd, White. The fair value of buildings is measured using current prices in a market for similar properties. Valuations are performed every three years.

h) Depreciation

Non-current assets with a limited useful life are depreciated over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued it is depreciated over the remaining useful life of that asset.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Significant Accounting Judgments and Estimates

- (i) *Trust Liabilities:* The Public Trustee has made a significant judgement regarding Trust Liabilities. Liabilities are only brought to account for those clients that have available funds to pay their debts. Where a client is potentially insolvent, no liabilities are brought to account.
- (ii) *Unrealised Assets:* The Public Trustee has made a significant judgement regarding Unrealised Assets being that properties are shown at historical cost, unit based assets are valued at the end of June based on current market values and all other assets are valued at cost.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

	2013 \$	2012 \$
Cash at Bank	72 309 170	70 549 502
Total Cash and Cash Equivalents	72 309 170	70 549 502

INVESTMENTS

Australian Equities Common Fund	26 135 574	22 666 689
Australian Fixed Interest Common Fund	18 420 757	21 029 000
Australian Listed Property Common Fund	5 194 598	4 724 063
International Equities Common Fund	11 349 871	9 092 021
Total Investments	61 100 800	57 511 773

4. ACCRUED INVESTMENT INCOME

Interest Receivable (a)	706 212	909 796
Dividend Receivable (b)	1 109 612	389 503
Total Accrued Investment Income	1 815 824	1 299 299

(a) Interest Receivable has decreased due to a reduction in interest rates received in comparison to the previous year.

(b) Dividend Receivable has increased due an improvement in the investment market and a dividend being provided by the International Equities Common Fund that had not been received previously.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

5. UNREALISED ASSETS

	2013 \$	2012 \$
Real Estate	37 098 345	36 947 526
Nursing Home/Retirement Village Bonds	8 860 268	7 643 724
Shares	4 742 570	6 110 178
Superannuation Policies	33 192 487	30 561 175
Prepaid Funerals	59 246	83 201
Investments	5 265 064	3 904 647
Personal Effects	162 984	193 487
Total Unrealised Assets	89 380 964	85 443 938

The increase in Unrealised Assets has occurred due to an increase in the value of client assets under management.

6. PROPERTY

Leasehold building	305 000	305 000
Plus: Revaluation	30 750	0
	335 750	305 000
Less: Accumulated Depreciation	(45 750)	(30 500)
Total Property	290 000	274 500

An independent valuation of the Public Trustee warehouse at Mitchell was performed as at 30 June 2013. The valuation indicated the value of the warehouse exceeded its carrying amount. Consequently, the asset was revalued.

7. TRUST LIABILITIES

Mortgages	402 717	505 967
Funeral Expenses	38 226	35 425
Bank Loans and Credit Cards	47 760	46 698
Medical/Dental Costs	36 954	31 401
Property/Utility Costs	41 227	28 272
Sundry Debts	66 400	48 792
Dividends to be Distributed	833 268	389 503
Accrued Income Commission	45 830	0
Accrued Management Fees	207 578	185 358
Total Trust Liabilities	1 719 960	1 271 416

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

7 ESTATE LIABILITIES (CONTINUED)

An increase in Trust Liabilities has occurred as a result of an increase in the Dividends to be Distributed at 30 June 2013. This also provides for an increase in Management Fees. Accrued Income Commission was not provided for in previous years.

8. ESTATES AND TRUSTS UNDER ADMINISTRATION

	2013 \$	2012 \$
Deceased Estates	27 538 954	29 853 399
Power of Attorney	17 549 038	15 361 353
Court Trusts	76 271 403	78 113 596
Protected Estates	3 490 672	2 011 107
Estate Trusts	21 290 335	20 086 269
Proceeds of Crime	31 472	493 515
Community Trusts	2 939 639	2 700 073
Management Orders	38 292 011	34 953 722
Unclaimed Monies	20 706 991	18 246 638
Capital Region Community Foundation - Gift Fund	8 219 349	0
Capital Region Community Foundation - Open Fund	3 083 814	9 437 054
Trusts - Other	1 042 635	0
Other	<u>(1 610)</u>	<u>(1 063)</u>
Total Estates and Trusts Under Administrations	<u>220 454 703</u>	<u>211 255 663</u>

Due to an increase in the value of client Assets the value of Estates and Trusts Under Administration also increased. Due to the reclassification of some trusts due to changes in taxation laws trusts that were previously classified in Court Trusts are now shown as Trusts - Other.

9. ASSET REVALUATION SURPLUS

Balance at the Beginning of the Reporting Period	<u>286 028</u>	<u>286 028</u>
	286 028	286 028
Total Increase in the Asset Revaluation Surplus	<u>30 750</u>	<u>0</u>
Balance at the End of the Reporting Period	<u>316 778</u>	<u>286 028</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

10. CASH FLOW RECONCILIATION

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

	2013 \$	2012 \$
Cash at Bank	72 309 170	70 549 502
Total Cash and Cash Equivalents	72 309 170	70 549 502
Operating Surplus / Deficit – Common Fund	81 022	(202 323)
Operating Surplus - Guarantee and Reserve Account	58 390	49 046
Add / (Less) Non Cash Items		
Depreciation	15 250	15 250
Other Income	(63 017)	(83 687)
Dividends Distributed to Estates and Trusts	2 250 687	2 073 677
Interest Distributed to Estates and Trusts	2 577 607	3 121 817
Net Cash Inflow Before Changes in Operating Assets and Liabilities	4 919 939	4 973 780
Changes in Operating Assets and Liabilities		
(Increase) / Decrease in Accrued Investment Income	(516 525)	1 279 181
Increase / (Decrease) in Trust Liabilities	(35 100)	26 472
Net Change in Operating Assets and Liabilities	(551 625)	1 305 653
Net Cash Inflows from Operating Activities	4 368 314	6 279 433

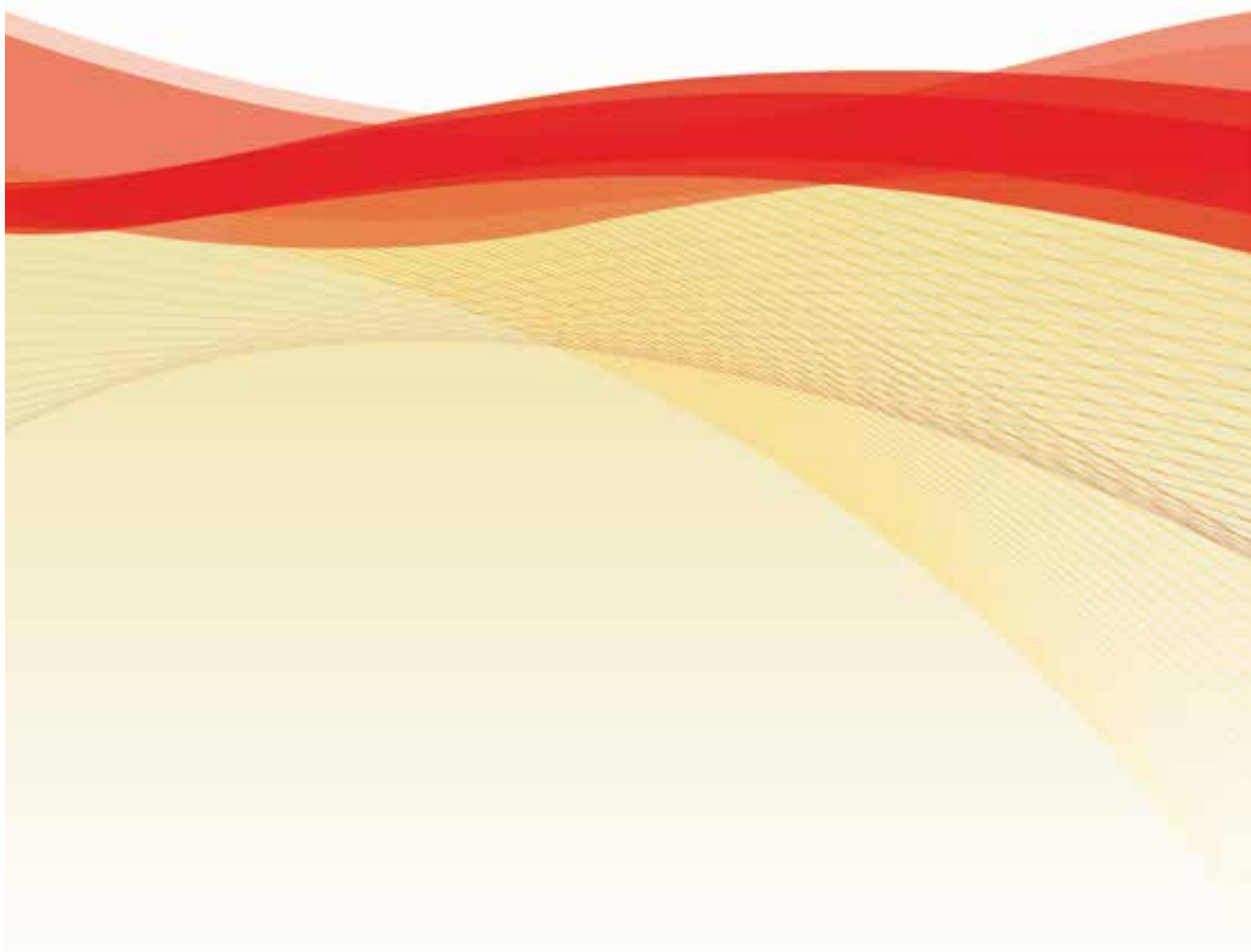
11. EVENTS OCCURRING AFTER BALANCE DATE

There were no events occurring after balance date that would affect the Financial Statements in current or future reporting periods.



PUBLIC TRUSTEE
FOR THE AUSTRALIAN CAPITAL TERRITORY

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GLOSSARY OF ABBREVIATIONS AND ACRONYMS

ACAT	Australian Capital Territory Civil and Administrative Tribunal.
ACNC	Australian Charities and Not-for-profits Commission
AFL	Australian Football League.
AGAC	Australian Guardianship and Administration Council.
AUSTRAC	Australian Transaction Reports and Analysis Centre.
AWA	Australian Workplace Agreement.
CAT	Confiscated Assets Trust Fund
COMMBIZ	Commonwealth Bank - Business.
COTA	Council on the Ageing.
CPA	Certified Practicing Accountant.
CSO	Community Service Obligations. Those obligations to the community that the ACT Government purchases from the Public Trustee.
EDRMS	Electronic Document and Records Management System
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.
ESD	Ecologically Sustainable Development.
FMA	Financial Management Act 1996.
FTE	Full time equivalent.
FSC	Financial Services Council
GFC	Global Financial Crisis.
GST	An indirect broad based consumption tax built into the price of specified goods and services and collected at point of sale.
JACS	Justice and Community Safety Directorate.
JACS IM/ICT	JACS committee for information management and information and communication technology
JACSCOM	JACS Communication. A representative forum for JACS Directorate executives and statutory office-holders.

MACA	Ministerial Advisory Council on Ageing.
MDA	Management Discussion and Analysis
MOU	Memorandum of Understanding.
OH&S	Occupational Health and Safety.
PTACT	Public Trustee for the Australian Capital Territory.
PWC	PricewaterhouseCoopers
QA	Quality Assurance.
SOG	Senior Officer Grade (Classification).
SOHO	Statutory Office-Holders. A representative forum comprising JACS statutory office holders.
SBMP	Strategic Bushfire Management Plan
TACT	Trust Accounting (System)
TCA	Trustee Corporations of Australia Inc.

GLOSSARY OF TECHNICAL TERMS

Attorney	A person appointed by another to act in his or her place or represent them.
Common Fund	A fund held by more than one person to enable a greater return on the shared investment.
Criminal Assets	Items of value obtained by illegal or criminal acts, forfeited under the Confiscation of Criminal Assets Act 2003.
CSO	Community Service Obligations. Those obligations to the community that the ACT Government purchases from the Public Trustee and broadly include financial management services under order of the Guardianship and Management of Property Tribunal, Enduring Powers of Attorney, Welfare Funerals, AFP call-outs, examination of external financial manager's accounts, deceased estates less than \$100,000 and Trusts less than \$100,000.
Current Ratio	The ratio of current assets to current liabilities.
Enduring Power of Attorney	A formal instrument by which one person empowers another to represent him/her, or act in his/her place for certain purposes. An Enduring Power of Attorney continues to have effect after a person loses capacity.
Estate	The sum of the transmittable assets less the liabilities of a person, especially of a deceased, a bankrupt or beneficiary.
Executor	The person or company appointed by a Will to administer an estate in accordance with the terms.
Financial Manager	A person appointed under order of the Guardianship and Management of Property Tribunal to make financial decisions in relation to a person's financial matters, or a matter affecting that person's property for persons where the person has impaired decision making ability and is incapable of managing those matters (eg bank accounts or property or shares). A Financial Manager may make financial decisions for the represented person. Most financial management orders are permanent.
Funds Manager	A person or organisation responsible for investing moneys on behalf of another.
Goods and Services Tax	An indirect broad based consumption tax built into the price of specified goods and services and collected at point of sale.
Guardian	A substitute decision-maker appointed under order of the Guardianship and Management of Property Tribunal, to make decisions relating to the health and welfare of a person with impaired decision-making ability. A guardian is appointed for

	a specific time and with specific functions (eg where to live, what services they will receive and what medical treatment they should receive).
Investment Strategy	A plan distributing assets amongst various investments for future financial return or benefit.
Liquidity	Available cash or the capacity to obtain it on demand.
Long Term Liability	Payment not required within 12 months or liabilities not classified as current.
Manager	A person appointed pursuant to the Guardianship and Management of Property Act 1991 to manage the financial and property affairs of a represented person (ie having impaired decision-making ability).
Minor	A person under the age of legal majority ie under 18 yrs.
Procurement	Acquisition of good, services and works by Territory entities.
Prudent Person Principle	A legal rule requiring investment advisers to only make investments for their clients' discretionary accounts that a "prudent person" would make.
Public Interest Disclosure	A report made under "whistleblower" legislation under which a person may confidentially report any corrupt, illegal or fraudulent acts in the public sector.
PT Investment Board	A board established under S.47 of the 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 <i>Unclaimed Moneys Act 1950</i> .
Will	A written statement made by an individual, which provides for the disposition of property upon death.
Workplace Diversity	The bringing together of different races, genders, cultures, abilities, ages, sexual orientations, family structures, lifestyles & experienced backgrounds in the workplace.



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FOR THE AUSTRALIAN CAPITAL TERRITORY

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