



ACT
Government



Annual Report 2022–23

Public Trustee and Guardian



ACT
Government



Annual Report 2022–23

Public Trustee and Guardian

The Public Trustee and Guardian acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

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Freedom of information requests can be made by emailing: jacs@foi.gov.au

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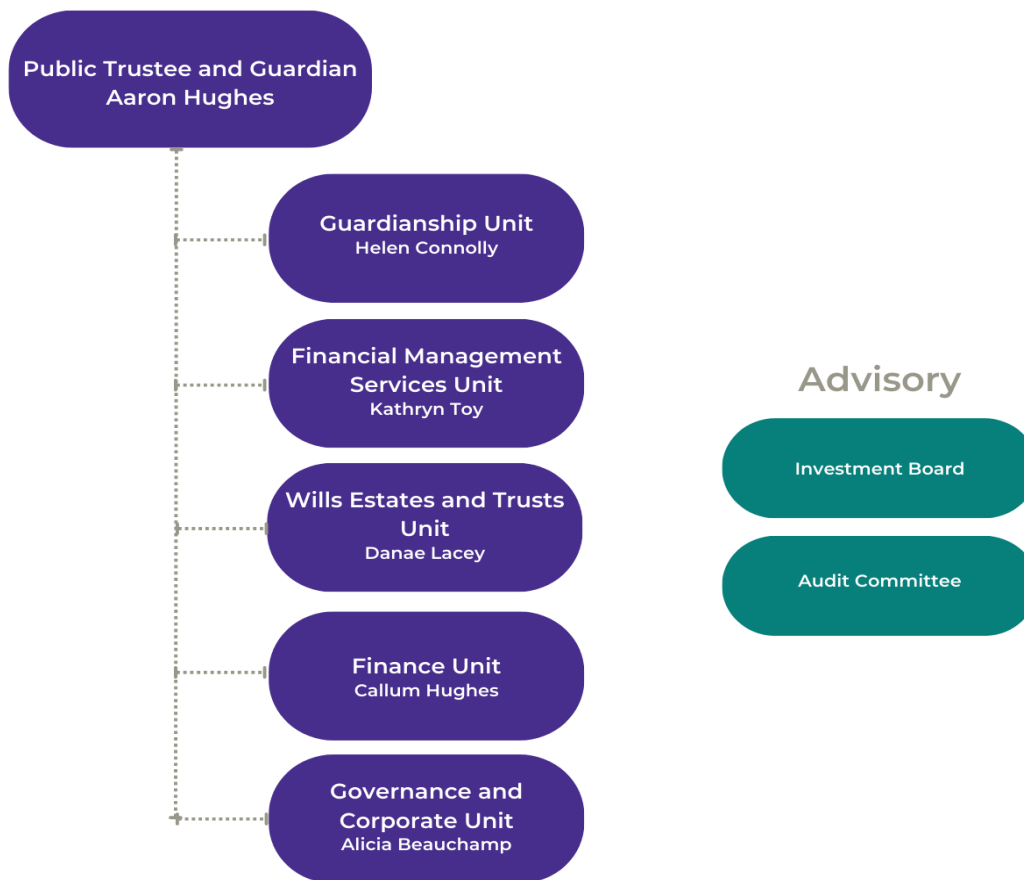
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Organisation Chart



Notes to organisational chart

The Public Trustee and Guardian is a statutory office holder. Under the *Public Trustee and Guardian Act 1985 (PTG Act)*

- the Public Trustee and Guardian is the person exercising the functions of public trustee and guardian in the public service and
- the public trustee and guardian is a corporation sole.

Operations of the Public Trustee and Guardian were carried out by five (5) business units in 2022-23. These were:

- The Guardianship Unit – this unit primarily performs the role of guardian when the Public Trustee and Guardian is appointed by the ACT Civil and Administrative Tribunal,
- The Financial Management Services Unit - this unit primarily performs the role of financial manager when the Public Trustee and Guardian is appointed by the ACT Civil and Administrative Tribunal,
- The Wills, Estate and Trusts Unit – this unit provides will and enduring power of attorney drafting services, estate and trust administration, and the administration of the Unclaimed Deceased Persons scheme and the Confiscation of Criminal Assets arrangements,
- The Finance Unit – this unit provides financial services for the agency alongside property management, taxation services, investment activities and support for the Investment Board, and
- The Governance and Corporate Unit - this unit supports the operations of the agency through people management, contact centre administration and a range of other support services.

Each business unit is headed by a Senior Director apart from the Governance and Corporate Unit which is headed by an Assistant Director.

Two advisory bodies support the Public Trustee and Guardian. Refer to the section headed Organisational structure and internal accountability for further information about these bodies.

Compliance Statement

The 2022-23 Public Trustee and Guardian for the Australian Capital Territory Annual Report must comply with the Annual Report Directions (the Directions) made under section 8 of the Annual Reports Act. The Directions are found at the ACT Legislation Register: www.legislation.act.gov.au.

The Compliance Statement indicates the subsections, under Parts 1 to 5 of the Directions, that are applicable to the Public Trustee and Guardian for the Australian Capital Territory and the location of information that satisfies these requirements:

Part 1 Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and records keeping of annual reports. The 2022-23 Public Trustee and Guardian for the Australian Capital Territory Annual Report complies with all subsections of Part 1 under the Directions.

To meet Section 15 Feedback, Part 1 of the Directions, contact details for the Public Trustee and Guardian for the Australian Capital Territory are provided within the Public Trustee and Guardian for the Australian Capital Territory Annual Report to provide readers with the opportunity to provide feedback.

Part 2 Reporting Entity Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all reporting entities and the Public Trustee and Guardian for the Australian Capital Territory complies with all subsections. The information that satisfies the requirements of Part 2 is found in the 2022-23 Public Trustee and Guardian for the Australian Capital Territory Annual Report as follows:

- a) Transmittal Certificate, see page 9
- b) Organisational Overview and Performance, inclusive of all subsections, see pages 11-40
- c) Financial Management Reporting, inclusive of all subsections, see pages 42-119

Part 3 Reporting by Exception

The Public Trustee and Guardian for the Australian Capital Territory has nil information to report by exception under Part 3 of the Directions for the 2022-23 reporting year.

Part 4 Directorate and Public Sector Body Specific Annual Report Requirements

The following subsections of Part 4 of the 2023 Directions are applicable to the Public Trustee and Guardian for the Australian Capital Territory and can be found within the 2022-23 Public Trustee and Guardian for the Australian Capital Territory Annual Report:

- [*Confiscation of Criminal Assets Act 2003*](#) section 104, see page 121.

Part 5 Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to the Public Trustee and Guardian for the Australian Capital Territory. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Service directorates, as follows:

- Bushfire Risk Management, see the annual report of the Justice and Community Safety Directorate;
- Human Rights, see the annual report of the Justice and Community Safety Directorate;
- Legal Services Directions, see the annual report of the Justice and Community Safety Directorate
- Public Sector Standards and Workforce Profile, see the annual State of the Service Report; and
- Territory Records, see the annual report of Chief Minister, Treasury and Economic, Development Directorate.

ACT Public Service Directorate annual reports are found at the following web address: http://www.cmd.act.gov.au/open_government/report/annual_reports

Foreword



I am pleased to present the 2022-23 Annual Report of the Public Trustee and Guardian for the Australian Capital Territory. This report is the first since I was appointed the Public Trustee and Guardian in February 2023. This report demonstrates the important work this agency has undertaken for members of the Canberra community in the last financial year. Our performance is reported against our planned outcomes set at the start of the 2022-23 year and published in the 2022-23 Budget Statement of Intent.

Highlights for the 2022-23 year have included:

- Further progress towards supported decision making in guardianship and financial management services in the ACT with the passage of changes to the [*Guardianship and Management of Property Act 1991*](#);
- Successful community engagement with key stakeholders and promotion of the role and services of the Public Trustee and Guardian; and
- Continued positive outcomes for clients including supporting skills development for individuals to recommence their own decision making and the revocation of guardianship and financial management orders.

2022-23 has also provided a chance for the Public Trustee and Guardian to reflect on areas of our work that can be improved. This includes:

- On 28 June 2022, the ACT Auditor-General tabled his report on Financial Management Services for Protected Persons and found a number of governance and process areas requiring improvement;
- A further operating loss has been reported due to lower revenue than expected and the economic environment;
- Feedback from clients through complaints and other mechanisms critical of our service and responsiveness; and
- Internal reviews of governance arrangements identifying the need for change and improvement in areas such as internal audit, risk management, records management and project management.

The Public Trustee and Guardian has used the latter part of 2022-23 to internally re-set our purpose and direction and to define our services in a clearer and more coherent way. In 2023-24, clients and stakeholders can expect our agency to engage and confirm the purpose of the agency and our role, improve service delivery, and collaborate on the design and benefits of changes to our services. We will work to develop a culture of continuous improvement using recent audit findings and review findings as benchmarks and standards we must meet. Our future work will be informed by a further audit by the ACT Auditor-General on the historical business transformation projects of this agency.

I look forward to leading the Public Trustee and Guardian in the years ahead and improving the important service we provide to the ACT community.

Aaron Hughes

Public Trustee and Guardian for the Australian Capital Territory

2

Part A

Transmittal Certificate

Transmittal Certificate



PUBLIC TRUSTEE AND GUARDIAN

ABN 45 801 644 305

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

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

Dear Mr Rattenbury

I present the Annual Report for the Public Trustee and Guardian for the Australian Capital Territory for the 2022-23 financial year. This report has been prepared in accordance with section 7(2) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the Annual Report Directions.

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

I certify that information in the attached annual report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of the Public Trustee and Guardian for the Australian Capital Territory has been included for the period 1 July 2022 to 30 June 2023.

I hereby certify that fraud prevention has been managed in accordance with the Public Sector Management Standards 2006 (repealed), Part 2.3 (see section 113, Public Sector Management Standards 2016).

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

Yours sincerely

Aaron Hughes
Public Trustee and Guardian for the Australian Capital Territory
28 September 2023

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

GPO Box 239, Canberra, ACT 2601
221 London Circuit, Canberra ACT 2601
Web: www.ptg.act.gov.au **Email:** ptg@act.gov.au

Part B

Organisation Overview
and Performance

Organisational Overview

In the 2022-23 financial year, the Public Trustee and Guardian for the Australian Capital Territory (also referred to as Public Trustee and Guardian or PTG) applied the following, vision, mission and values.

Vision

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

Mission

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

- building and fostering trust in the delivery of our services
- connecting with clients, the community and stakeholders in service delivery
- promoting our products/services and those of the ACT Civil and Administrative Tribunal
- providing a respectful and professional service within a human rights framework.

Values

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

Role, functions and services

The Public Trustee and Guardian aims to promote and support the rights, interests and life decisions of our clients and to deliver excellent trustee outcomes for the ACT community. We perform a range of functions, deliver services under a range of legislation and work closely with other ACT Government agencies and stakeholders.

We promote our role, services and important life decision information to our clients through:

- delivery of up-to-date, relevant, accessible information through our website, call team, seminars and specific communication campaigns
- our membership of, and contribution to, the Australian Guardianship and Administration Council and its national initiatives
- our engagement with the ACT Law Society, relevant elder and estate planning groups, and participation in working groups and boards such as the Official Visitors Board and
- specific community events like the National Wills Week, attendance at community group meetings and conferences.

The Public Trustee and Guardian supports our clients' decision making by:

- performing Guardianship and Financial Management services when appointed by the ACT Civil and Administrative Tribunal (ACAT)
- acting for clients under a power of attorney when the Public Trustee and Guardian is nominated
- supporting Private Managers (individuals appointed by ACAT to manage another person's financial matters) and examining accounts for appropriateness and
- providing estate planning services including will and power of attorney drafting.

The Public Trustee and Guardian is the ACT's statutory public trustee. We deliver:

- Estate management services - performing the role of Executor for community members where appointed or where an individual passes away without a will.
- Performing the role of Trustee (or similar):
 - for community members
 - for other ACT Government entities
 - for the Capital Region Community Foundation (Greater Good)
 - under Confiscation of Criminal Assets arrangements
 - for the Unclaimed Monies scheme, and
 - under the Unclaimed Deceased Persons arrangements.
- Investment services – managing funds we hold on trust to ensure value is maintained or improved in line with our fiduciary obligations and informed by our Investment Board.

Clients and stakeholders

As a service delivery agency, the Public Trustee and Guardian works closely with a range of clients and stakeholder bodies to achieve positive outcomes. The table below identifies our key engagement groups:

Table 1. *Public Trustee and Guardian Clients and Stakeholders*

Government Stakeholders and Clients	External Stakeholders and Clients
ACT Government, Ministers and Members of the Legislative Assembly	ACT community
Attorney-General	
Justice and Community Safety Directorate (including Government Solicitor's Office and ACT Courts and Tribunals)	Australian Guardianship and Administration Council (and sub-groups)
ACT Policing	National Disability Insurance Agency
ACT Human Rights Commission	Australian Taxation Office
Official Visitors and Official Visitors Board	ACT Law Society and legal service providers
Canberra Health Services	Council of the Ageing
Chief Minister, Treasury and Economic Development Directorate	Capital Region Community Foundation (GreaterGood) Board
Canberra Cemeteries	Master Builders ACT

Organisational structure and internal accountability

The Public Trustee and Guardian organisation chart depicting the structure as at 30 June 2023 is on page 4 of this Annual Report.

The Public Trustee and Guardian is a Territory Authority operating under the Justice and Community Safety Directorate (JACS) umbrella. Pursuant to a memorandum of understanding, the Public Trustee and Guardian has access to JACS Directorate planning, people management, freedom of information and similar advice and services. In common with other business units and entities under the JACS umbrella, the JACS Strategic Management Committee meets with the Public Trustee to discuss its business plan, risk management approach and contemporary issues on a quarterly basis.

Senior executive and their responsibilities

The role of Public Trustee and Guardian is the only senior executive role in the agency. Three individuals performed this role in 2022-23:

Table 2. *Individuals performing the role of Public Trustee and Guardian in 2022-23*

Name	Time in role
Mr Andrew Taylor	1 July 2022 to 28 October 2022
Ms Tracy Savage	31 October 2022 to 28 February 2023
Mr Aaron Hughes	20 February 2023 to 30 June 2023 (ongoing)

The governance arrangements for the Public Trustee and Guardian are established by legislation. Primarily:

- [Public Trustee and Guardian Act 1985](#)
 - The Public Trustee and Guardian is the person exercising the functions of public trustee and guardian (however described) in the public service (section 5)
 - The public trustee and guardian is a corporation sole (section 8)
- [Financial Management Act \(Territory Authorities\) Guidelines 2020 \(No. 2\)](#)
 - The Public Trustee and Guardian is a Territory Authority (clause 3 n) and this means that Part 8 of the [Financial Management Act 1996](#) applies (section 54).

These laws mean that the Public Trustee and Guardian is bound by all ACT public service laws, guidelines and policies in the same way as any other directorate or agency. That is, the agency is required to produce a Budget Statement of Intent, Annual Report, participate in Estimates processes, establish and maintain appropriate audit, assurance and fraud prevention arrangements. The Public Trustee and Guardian is responsible for the effective and efficient financial management of the agency's resources, and is subject to annual financial statement and statement of performance audits as well as other performance audits by the Auditor-General when relevant. It should be noted that the Director-General Justice and Community Safety Directorate has specific responsibilities under the [Public Sector Management Act 1994](#) for the staff of the Public Trustee and Guardian.

Senior executive remuneration

The ACT Remuneration Tribunal is an independent statutory body with responsibility for setting the remuneration, allowances, and entitlements for public officials in the ACT including the ACT Government. Further information can be found on the ACT Remuneration Tribunal website: www.remunerationtribunal.act.gov.au/home.

Significant committees and their roles

Investment Board

The [Public Trustee and Guardian Act 1985](#) establishes an Investment Board to advise on the investment of money that is from time to time in a common fund or otherwise in the hands of the public trustee and guardian and available for investment (s47). The person in the role of Public Trustee and Guardian is the Senior Member of the Board. All other Board members are appointed by the relevant Minister (s48). The Investment Board does not advise the Minister and Investment Board members are not remunerated. The table below sets out Investment Board members, their relevant experience, terms of appointment and meetings attended. More detail on the Investment Board's work and the performance of the Public Trustee and Guardian's investment activities in 2022-23 is provided as an Annexure to this report.

Audit Committee

An internal Audit Committee operated in the 2022-23 financial year. The committee was focused on risks for the Public Trustee and Guardian and the financial and performance reporting of the agency.

Following appointment of a new Public Trustee and Guardian in February 2023, an internal review of the Audit Committee arrangements was conducted against the ACT Government's Framework for Internal Audit Committee and Function. The review found that the Public Trustee and Guardian's audit committee arrangements were not well aligned with this framework. In consultation with JACS Corporate Division, an interim approach better aligned to the ACT Government framework was implemented while longer term arrangements are put in place.

In the 2023-24 financial year, the Public Trustee and Guardian will implement revised audit committee arrangements aligned with the ACT Government framework. These new arrangements will recognise that the JACS Audit and Risk Committee also periodically engages with the Public Trustee and Guardian on contemporary issues and risks.

Senior Leadership Group

The Senior Leadership Group is the key governance body for the Public Trustee and Guardian and works to set the strategic direction and governance for the agency. Membership of the group comprises the Public Trustee and Guardian, four Senior Directors and the Assistant Director, Governance and Corporate. In 2022-23, the Senior Leadership Group revised its terms of reference to make clear its role in:

Delivery of outcomes

- Management and oversight of risk
- Recommendations for statutory decisions
- Improvement opportunities, and
- Escalation of risks, issues and other matters.

Operating environment

In 2022-23, the Public Trustee and Guardian operated in often complex service delivery environments and difficult economic conditions. The impact of these environments is explored further in the sections on performance and financial analysis below.

Planning framework

The Public Trustee and Guardian has adopted the JACS planning framework to guide its business planning. In 2022-23, an annual business plan was developed for the agency. In addition to the business plan, the Public Trustee and Guardian maintains an investment strategy based on advice from the Investment Board and external consultants.

Summary of performance

The Public Trustee and Guardian's performance against the priorities and key performance indicators set out in the 2022-23 Budget Statement have been mixed.

Priorities focused on community engagement and better practice have been successful with:

- Eleven events arranged and attended by the Public Trustee and Guardian throughout the year to promote the agency's services and the important life decisions of our community.
- Proactive submission to and attendance at ACT Civil and Administrative Tribunal hearings of applications for the appointment of a guardian and/or financial manager to ensure a person's supported decision-making options were promoted above a substitute decision maker being appointed.
- Contributing to legislative change of the [Guardianship and Management of Property Act 1991](#) moving decisions from substitute to supported decision making frameworks and raising awareness of this change.
- In collaboration with Community Services Directorate and the Human Rights Commission, the Public Trustee and Guardian was successful in securing funding from the federal Department of Social Services to develop resources and training modules for individuals appointed as guardians for another person (known as 'private guardians').
- In collaboration with the other members of the Australian Guardianship and Administration Council, the agency supported submissions to the review of the National Disability Insurance Scheme calling out ideas for reform where the national disability scheme intersects with the work of guardians and financial managers.

The agency's Business Transformation Project objectives were not met. The Microsoft Dynamics platform (also referred to as the CRM) and a single electronic document records management system have not been rolled out to all business units and the Ezescan software has not been finalised for deployment. These results were driven by emerging priorities requiring a change in direction and projects. Alternative technology projects and deployments were achieved and these are set out in more detail below. The Auditor-General's report into financial management services, a further audit of the Business Transformation Project by the Audit Office, and a need to confirm the best technology solutions for the functions of the agency will guide a future, revised technology strategy in 2023-24.

Against the agency's key performance indicators:

- A number of indicators did not reach anticipated volumes due to a lower than expected need or demand for the service from the community. For example, guardianship and financial management orders were lower than expected.
- One indicator (examination of accounts) did not meet the expected volumes due to delays in reminder letters being sent to clients and changes to the way examinations are processed.
- A number of indicators met, or were very close to, expected performance. For example, enduring powers of attorney, police call-outs and welfare funerals.
- A number of indicators exceeded the expected volumes. This included deceased estate administration and trusts.

More detail on the performance of the Public Trustee and Guardian can be found in the Performance Analysis and financial reporting sections of this report.

Outlook

In the 2023-24 financial year and forward years, the PTG's priorities will be:

- Improving our service delivery for clients – taking a customer-centred approach to our work, meeting timeframes, promoting our role and service level commitment, and improving client experience.
- Setting and implementing a technology, digital and data roadmap – building on historical work by the PTG, we will look for further digital solutions and platforms to create efficiencies, replace legacy systems where appropriate, and provide assurance over data assets and how we meet our privacy and other legal obligations.
- Financial sustainability – ensuring our fees charged are appropriate and our investment efforts are the best possible.
- Operating model – focusing on our people, governance and support models to ensure delivery of high-quality outcomes.

Performance Analysis

The Public Trustee and Guardian's performance against the priorities and key performance indicators set out in the 2022-23 Budget Statement have been mixed.

2022-23 priorities

Business transformation project

For some years, the Public Trustee and Guardian has been progressing a Business Transformation Project. This term has been used to describe a wide array of business initiatives and projects designed to improve the services we deliver.

At the start of 2022-23, the agency identified the continuation of the project as a priority and aimed to:

- complete the rollout of the Customer Relationship Management solution (Microsoft Dynamics) and an Electronic Documents Management System to all business units
- implement the Ezescan software for incoming invoice processing and
- continue work on the GreaterGood fund arrangements and the design of a Wills Register for the ACT.

As a result of changing priorities in the year, the technology objectives were not met. The changing priorities included the agency's software solution for guardianship matters reaching end of life, an ICT direction to move away from certain software to improve security settings, and a need to consolidate and review historical technology projects to ensure project completion had been reached and benefits realised. The agency moved away from the original priorities and in their place:

- Developed a further Microsoft Dynamics module for the examination of private financial manager accounts. The Public Trustee and Guardian examines accounts of private citizens appointed as financial managers for protected persons. This development work delivered the capacity to produce reminder letters and enabled team members to process examinations using a consistent platform with other business units.
- Developed a further Microsoft Dynamics module for the processing of Unclaimed Monies claims. The Public Trustee and Guardian administers money that has been declared unclaimed. This module has been developed to move claims to a more consistent, secure platform.
- Progressed adoption of the Ezescan software – a solution designed to automate and workflow invoices received by the Public Trustee and Guardian for quicker review and payment. While not deployed the solution has been tested and is close to finalisation.
- Progressed upgrades to the core trust and financial system for the Public Trustee and Guardian, TACT. One upgrade related to the adoption of Ezescan while a further upgrade related to moving access to the system to a more secure, reliable solution.
- To facilitate information sharing in a more secure way, the agency tested and adopted Objective Connect – a solution enabling secure sharing of files or records by one agency with an identified other party.
- Migrated the Public Trustee and Guardian website to a more secure content management service. This work prepares our websites for further review and updates of content in the year ahead.

The Microsoft Dynamics platform (also referred to as the CRM) and a single electronic document records management system have not been rolled out to all business units as planned however the technology project progress in 2022-23 has been substantial.

The Public Trustee and Guardian was able to continue to promote and support the GreaterGood fund arrangements – Canberra’s public charitable foundation – and the GreaterGood Board. In addition, work continued on the design of a Wills Register for the ACT. The agency contributed to legislative change focused on the transfer of will documents to the Public Trustee and Guardian and the necessary fee arrangements to support the Wills Register.

The Auditor-General’s report into financial management services, a further audit of the Business Transformation Project by the Audit Office, and a need to confirm the best technology solutions for the functions of the agency will guide a future, revised technology strategy in 2023-24.

Community awareness and engagement

Priorities focused on community engagement have been successful. 11 events were attended by the Public Trustee and Guardian throughout the year to promote the agency’s services and the important life decisions of our community.

Table 3. Community engagement event details for 2022-23

Event	Clients / stakeholders involved	Date	Key message / presentation
Community Engagement	Care Financial Services	6 September 2022	Wills and Enduring Power of Attorney’s
Community Engagement	Silver is Gold Veterans & Seniors Expo	28 September 2022	PTG Services
Community Engagement	Black Mountain School	13 October 2022	Guardianship & Financial Management
Community Engagement	Gawangal Mental Health	23 November 2022	Financial Management & Guardianship
Community Engagement	Seniors Expo in Autumn	15 March 2023	PTG Services
Community Engagement	Black Mountain School	17 April 2023	Supported decision making
Community Engagement	Community Options	29 March 2023	Wills and Guardianship
Community Engagement	Warrigal Care	12 April 2023	Financial Management & Guardianship
Community Engagement	Communities@work	09 May2023	EPOA, Financial Management & Guardianship
Law Week	ACT Law Society	11 May 2023	Supported decision making
Community Engagement	Communities@work	12 May 2023	EPOA, Financial Management & Guardianship

Public Trustee and Guardian team members proactively attended the ACT Civil and Administrative Tribunal hearings of applications for the appointment of a guardian and/or financial manager to ensure a person's supported decision-making options were promoted above a substitute decision maker being appointed.

During the year, section 8 of the [Guardianship and Management of Property Act 1991](#), was amended to require the ACT Civil and Administrative Tribunal to first consider whether a person could be supported in their decision making before an order appointing a substitute decision maker. The Public Trustee and Guardian engaged with the Tribunal to ensure all documentation and literature provided to applicants reflected this requirement. This has supported the consideration and application of supported decision making in the ACT.

Better Practice

The Public Trustee and Guardian is engaged in forums, working groups and initiatives designed to identify, adopt and evaluate better practice in areas we work in.

Decision making better practice

The Public Trustee and Guardian's guardianship and financial management functions involve the agency supporting individuals in life decisions. In 2022-23, the Public Trustee and Guardian continued to:

- engage with the Australian Guardianship and Administration Council on better practice guardianship and financial management standards and apply these standards in our work
- collaborate with community advocacy organisations, community service providers and financial support agencies to identify opportunities for individuals to build the capacity to make decisions themselves
- in consultation with our clients, progress referrals to entities like Care Financial and the Salvation Army's Moneycare service to help individuals build the capacity to make financial decisions themselves and seek a revocation of an ACT Civil and Administrative Tribunal order.

The [Guardianship and Management of Property Act 1991](#) was amended through the year to include consideration of whether a person could make decisions with support available prior to the issuing of an order. As a result, the practices of the agency incorporated this change including engagement with clients to ascertain support options.

Case Study

Josie* is 30 years old with an intellectual disability and lives by herself in a rented property. She had a financial management order that appoints the Public Trustee and Guardian to manage her finances. After a number of years, Josie was looking to gain more financial independence to manage her finances herself.

Supported decision-making in financial management can be trialled through a staged self-management progressing to a referral to a financial counselling/coaching service to support and assist in this. Self-management allows the client to deal initially with a specific portion of their financial affairs where they demonstrate skill and ability. In this case study, chemist account and utility payments were trialled first.

Josie managed her electricity and gas bills by setting up Centrepay deductions on her own. The Public Trustee and Guardian supported Josie by monitoring these accounts, and after two financial quarters confirmed there were no issues. Josie's support worker supported Josie's goal for self-management and accompanied her to her sessions with a financial counsellor/coach.

PTG was satisfied with Josie's demonstrated ability in managing her current bills, along with the advocacy from her support worker. Together they submitted an application to ACAT to have the current ACAT order reviewed. As a period of 12-months had been trialled, with Josie in receipt of her pension and PTG monitoring her financial circumstances and no issues arising, PTG provided a report for the ACAT hearing supporting the revocation of the order in line with the legislation. The legislation was amended in February this year, noting that if support is provided to a person to make, participate and communicate their own decisions, with it being reasonably likely that their needs would be met and interests adequately protected, then an order should not be made.

* The name and characteristics of this case study have been made up to protect the person's privacy.

Estate planning and administration initiatives

Public Trustee and Guardian team members participated and contributed to the ACT Elder Law Sub-Committee and actively participated in the ACT Estate Planning Group throughout the year. Each forum provides an opportunity to collaborate with our industry peers and keep the community aware of our projects and services. We have also engaged in national initiatives including the Digital Assets Working Group, National Wills Week Planning and work towards ensuring nationally consistent enduring power of attorney instruments.

Key performance indicators

The Public Trustee and Guardian published key performance indicators in our 2022-23 Budget Statement of Intent.

A number of indicators did not reach anticipated volumes due to a lower than expected need or demand for the service from the community. For example, guardianship and financial management orders were lower than expected. One indicator (examination of accounts) did not meet the expected volumes due to delays in reminder letters being sent to clients and changes to the way examinations are processed. A number of indicators met, or were very close to, expected performance. For example, enduring powers of attorney, police call-outs and welfare funerals. A number of indicators exceeded the expected volumes. This included deceased estate administration and trusts.

The table below shows the key performance indicators set by the agency for 2022-23 and performance. Reasons for variations against each indicator follows.

Table 4. Public Trustee and Guardian Key Performance Indicator outcomes

Indicator	Original Budget / Planned 2022-23	Actual Outcome 2022-23	Variance	Notes
Guardianship Orders - number of people for whom PTG acted as Guardian appointed by the ACT Civil and Administrative Tribunal (ACAT) under the Guardianship and Management of Property Act 1991 (GMPA) during the reported period	230	216	(6)	1
Management Orders - number of orders in which PTG was appointed as Manager by ACAT under the GMPA current at the end of the reported period by ACAT	510	477	(6)	2
Enduring Power of Attorney (EPoA) - number of EPoAs appointing PTG for all matters made during the reported period	70	36	(49)	3
Enduring Power of Attorney (EPoA) - number of EPoAs appointing PTG for financial and property matters under active management at the end of the reported period	35	30	(14)	4
Enduring Power of Attorney (EPoA) - number of EPoAs appointing PTG for personal and health care matters active at the end of the reported period	7	4	(43)	5
Police Call-outs - number of responses to call outs by police and community following death during the reported period	0	0	0	
Welfare funerals - number arranged by PTG during the reported period	0	0	0	
Examination of Accounts - number examined by PTG during the reported period upon filing by External Managers appointed by ACAT for Protected Persons	600	534	(11)	6
Deceased Estate Administrations - number of deceased estate administrations completed during the reported period	75	92	23	7

Trusts (for all purposes) – number held at end of reported period	730	734	1	
Wills - number of wills prepared by PTG during the reported period	300	213	(29)	8
Customer Survey - % of clients responding to PTG’s survey during the reported year that reported PTG met or exceeded their expectations	90	100	11	9

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

1. The lower than anticipated number of Guardianship Orders is related to increased efforts to consider alternatives to the appointment of a substitute decision maker and interagency collaboration to identify alternatives for specific decision making domains.
2. The lower than anticipated number of Management Orders is related to increased efforts to consider alternatives to the appointment of a substitute decision maker and interagency collaboration to identify alternatives for specific decision-making domains.
3. The number of EPoAs drafted is driven by the demand for this service from the community.
4. The number of EPoAs appointing PTG for financial and property matters under active management at the end of the reported period was lower than expected. An EPoA is enacted when a person has impaired decision-making capacity. This result indicates less people experienced such an impairment requiring enactment of the instrument.
5. The number of EPoAs appointing PTG for personal and health care matters active at the end of the reported period was marginally lower than expected. An EPoA is enacted when a person has impaired decision-making capacity. This result indicates less people experienced such an impairment requiring enactment of the instrument.
6. The lower than anticipated number of Examinations of Accounts is a result of reminder letters of accounts due not being sent until December 2022. The number of Examinations of Accounts rose by 172 compared to 2021-22.
7. The number of deceased estate administrations completed was higher than anticipated due to a number of matters previously finalised being reinstated upon receipt of additional funds. Reopened matters carry a considerable workload and hence are included in the statistics.
8. The number of Wills drafted is driven by the demand for this service from the community.
9. A small number of PTG clients (15), largely from our wills and power of attorney drafting and estate administration area completed our client surveys. PTG has also received complaints about our services during the financial year which are indicators of our customer satisfaction (refer below).

Complaints

The Auditor-General's report into the Public Trustee and Guardian's delivery of financial management services identified areas for improvement in the agency's complaints handling. The audit report recommended the publication of complaints information in the Annual Report including timeliness of complaint resolution and actions take to resolve complaints. The table below provides information on the complaints received in 2022-23.

Table 5. *Complaints to the Public Trustee and Guardian for the ACT in 2022-23*

Complaint area or service	Number of complaints received	Number of complaints resolved in two weeks from receipt	Actions taken to resolve complaint
Wills, Estates and Trusts	7	6	Complaints related to the time taken to administer estate / trust actions. One complaint related to fees. A formal response was provided to all complainants explaining time delays and actions required. Feedback provided has been incorporated into processes and procedures.
Financial Management	2	1	Complaints related to service delivery or attendance at the Tribunal. A formal response was provided explaining the agency's role and our actions.
Guardianship	1	1	Complaints related to service delivery. A formal response was provided explaining the actions of the agency.
TOTAL	10	8	

The Public Trustee and Guardian Complaints Policy advises the agency's target is to resolve all complaints within two (2) weeks from the date of receipt. There were two instances in 2022-23 where an initial response was provided within that timeframe but the finalisation of the complaint and a further response took longer. This is reflected in the table above.

The Public Trustee and Guardian will use the 2023-24 financial year to review its business accountability indicators. This review will seek to engage with stakeholders on appropriate performance measures for the agency incorporating the ACT's Wellbeing Framework.

Scrutiny

The Public Trustee and Guardian for the Australian Capital Territory is subject to scrutiny undertaken by the ACT Auditor-General, the ACT Ombudsman and committees established by the ACT Legislative Assembly. The agency works to ensure responses are provided to any recommendations and where required actions to address the finding.

ACT Ombudsman

In 2022-23, the Public Trustee and Guardian was not made aware of any approaches to the ACT Ombudsman in relation to complaints about the agency or its services. This is down from 7 approaches to the Ombudsman in 2021-22.

ACT Auditor-General Reports

Annual financial audits

Each year the ACT Auditor-General's office conducts:

- an audit of the Public Trustee and Guardian's financial statements and a review of the statement of performance
- an audit of the Special Purpose Financial Statements of the Public Trustee and Guardian trust account, Capital Region Community Foundation Gift Fund and Capital Region Community Foundation Open Fund
- a compliance audit of the Capital Region Community Foundation Gift Fund against the Public Ancillary Fund Guidelines.

No recommendations from the 2021-22 financial audits were carried forward into this reporting period.

The table below sets out the audit findings and recommendations for the 2022-23 financial year.

Table 6. ACT Auditor-General's Audit Management Report for the Year Ended 30 June 2023

Recommendation Number and Summary	Status and Action
Recommendation 1 – Agreed	In progress
The Public Trustee and Guardian should:	The Public Trustee and Guardian will implement a revised process from July 2023
<ul style="list-style-type: none">• Document evidence of the satisfactory receipt of goods or services on supporting payment documentation prior to payment of invoices. This documentation should include the name and position of the officer and a clear statement that goods or services were satisfactorily received; and• Not process payments unless supporting payment documentation has clear evidence of the satisfactory receipt of goods or services.	Due date: 30 September 2023

Recommendation 2 – Agreed

The Public Trustee and Guardian should:

- define what constitutes a ‘timely review’ of salary reports and this is documented in a salary review policy document; and
- perform review of salary reports on a regular and timely basis. Documentation of these reviews should be maintained, including the dates of reviews, name and position of reviewing officers and resolution of any issues identified from these reviews.

In progress

The Public Trustee and Guardian receives a payroll report from Shared Services fortnightly. Due to the risk that employee locations, higher duties or other HR system actions or requests may not be actioned quickly enough by i) Public Trustee and Guardian in providing these to Shared Services, or ii) Shared Services actioning the request, a check of employee costs is required. Actions upstream from this finding would benefit all ACT Government agencies and reduce the issues with payroll and create an efficiency in checking employee costs.

In the absence of a better solution, the Public Trustee and Guardian agrees to the creation of a Standard Operating Procedure which will address the recommendations made here.

Due date: 30 September 2023

Performance audits

The ACT Auditor-General completed a performance audit in 2023 relating to the Public Trustee and Guardian - [Report No. 3 of 2023: Financial Management Services for Protected Persons](#). The report was tabled on 28 June 2023.

The report sets out 17 recommendations for consideration. In line with section 21 of the *Auditor-General’s Act 1996* a response from the Attorney-General as the relevant Minister will progress in the 2023-24 financial year. Implementation of seven (7) of the recommendations has already been completed.

Risk Management

Effective risk management supports the Public Trustee and Guardian's work and the achievement of our outcomes. This section provides an overview of the agency's risk management approach in 2022-23. In the 2023-24 year, we will review and revise our approach to risk management to respond to recommendations made by the ACT Auditor-General and to improve our risk culture and awareness.

Approach to risk management in 2022-23

Teams in the Public Trustee and Guardian identify and consider risk as it relates to the functions and services they perform for our clients. For example, higher risk financial management or guardianship matters will be assigned to more senior, experienced team members and may attract two approval layers (the second by a more senior officer). Financial transactions incorporate a dual workflow and approval process to manage the risk of fraud or incorrect payments. The approach used reflect the significant operational or financial risks the agency manages and is documented in team manuals and standard operating procedures.

Each team contributes to a Public Trustee and Guardian risk register. The risk register uses the template issued by the ACT Insurance Agency.

In some areas, the Public Trustee and Guardian's risks are shared with the JACS Directorate. This reflects the operating model of the agency coming within the umbrella of the directorate. Whole of directorate treatment plans often cover the Public Trustee and Guardian with any agency-specific treatments additionally implemented.

The Senior Leadership Group and risk owners are ultimately responsible for managing risks. Business processes, delegations, system controls, internal and external audits and quality assurance and review mechanisms are all tools used by the agency to manage risks. The risk register was monitored by the Senior Leadership Group and Audit Committee in 2022-23.

Emerging risk can be identified from management reporting, outcomes and client feedback. In addition, emerging risks can be identified in our environment and engagement with stakeholders. Where a new or emerging risk arises, the Senior Leadership Group primarily considers the issue and actions required to ensure it is captured in risk documentation and managed appropriately.

Future approach to risk management

The Auditor-General in his report No. 3 of 2023 Financial Management Services for Protected Persons recommended the Public Trustee and Guardian review and updates its risk registers on a regular basis, and identify appropriate actions for high risks.

Following an internal review in February to April 2023, the Public Trustee and Guardian is committed to implementing a revised approach to risk identification, management and monitoring. This includes ensuring alignment of the agency's risk management and treatments with the Justice and Community Safety Directorate actions where appropriate.

In 2023-24, the Public Trustee and Guardian will review its approach to risk management. The revised approach will focus on the key risk areas of:

- People – risks associated with our people resources including attraction, retention, development, and work health and safety;
- Financial – risks associated with the performance of our investments, our financial processes and assurance controls, and the appropriateness of fees and appropriation to meet PTG service costs;
- Fraud and corruption – risks of potential fraud or corrupt behaviour by stakeholders involved in the PTG’s work; and
- Information and communication technology – risks associated with PTG’s legacy systems, disaster recovery, increasing cyber security threats and requirements, and risks relating to the sourcing and deployment of new platforms and technology and their capability to meet human centred design goals.

Internal Audit

The Public Trustee and Guardian's internal audit arrangements for 2022-23 are described in this section. A internal review of the internal audit arrangements against the [ACT Government's Framework for Internal Audit Committee and Function](#) was conducted in 2023. The review outcomes were consulted with the Justice and Community Safety Directorate, Corporate Division. The review found the Public Trustee and Guardian's arrangements did not align with the ACT Government guidance. Interim actions have been taken prior to 30 June 2023 to improve the internal audit arrangements and further actions will occur in 2023-24.

The Justice and Community Safety Directorate Audit Committee also covers some aspects of the Public Trustee and Guardian, particularly people and performance, due to the operating arrangements whereby the agency comes under the umbrella of the Directorate and consistent with the memorandum of understanding between the agencies.

Internal audits completed and reported in 2022-23

There was no documented internal audit program or plan for the Public Trustee and Guardian for 2022-23. A taxation compliance review was completed by the consulting firm KPMG during the year and confirmed the appropriateness of the Public Trustee and Guardian's taxation arrangements and processes.

In lieu of an internal audit program, the business units of the Public Trustee and Guardian completed internal reviews, quality assurance checks and other assurance checks which form part of internal controls addressing risk. These reviews and checks are documented and carried out by senior officers. For example, the estate management work of the agency saw over 260 assurance checks throughout the year and at different points of estate administration. All wills and powers of attorney drafted by the agency were reviewed by a senior officer. 178 file reviews were completed by the Financial Management Services Unit and all files were reviewed at end of financial year to ensure accuracy of date and information.

Internal audit arrangements

An Audit Committee operated for the Public Trustee and Guardian in 2022-23. The committee operated with a charter, had two chairs during the year and was mostly made up of Public Trustee and Guardian employees.

The Audit Committee considered the financial statements and statement of performance for the 2021-22 financial year; internal controls used across the agency and the agency's risk register and assessments. The Audit Committee worked alongside the Investment Board and the Senior Leadership Group.

Audit committee

The table below lists the Audit Committee chairs and members for the 2022-23 year. Public Trustee and Guardian employees from across different business units formed the Audit Committee as it was configured in 2022-23. A Senior Director provided the Chair with support and secretariat for the committee. Only two meetings of this Audit Committee were held.

Table 7. *Public Trustee and Guardian Audit Committee Members 2022-23*

Name of Chair	Position	Tenure	Meetings attended
Malcolm Prentice	Chair	July to September 2022	1
Roberto Gaspari	Chair	September 20-22 to April 2023	1
Alicia Beauchamp	Member	July 2022 to April 2023	1
Maria Vocisano	Member	July 2022 to April 2023	1
Rehana Richards	Member	July 2022 to April 2023	1
Shanali Fernando	Member	July 2022 to April 2023	1
Therese Cunningham	Member	July 2022 to April 2023	1
Zahidul Huq	Member	July 2022 to April 2023	2

As mentioned above, a review of the internal audit and audit committee arrangements in 2023 identified improvements for the Audit Committee and internal audit arrangements. Interim arrangements were implemented and members of the Senior Leadership Group worked to provide oversight for part of the 2022-23 year. The agency will use 2023-24 to implement improved Audit Committee and internal audit arrangements.

Fraud Prevention

The Public Trustee and Guardian adopts and contributes to the Justice and Community Safety Directorate fraud risk register and Fraud and Corruption Prevention Plan. The Directorate reports on the overarching fraud prevention activities in its Annual Report.

The content below outlines additional Public Trustee and Guardian fraud prevention activities.

Fraud risk assessments

In addition to the fraud risk register maintained by the Justice and Community Safety Directorate, the Public Trustee and Guardian's risk registers also identify fraud and corruption risks. These risks were reviewed in the 2022-23 financial year. The new approach to risk identification and assessment in 2023-24 will specifically identify fraud and corruption risks that could arise from the work of the Public Trustee and Guardian.

Fraud control plans prepared (or revised)

The Public Trustee and Guardian contributes to the review of the JACS Directorate fraud control plan. Any other planned activity to mitigate fraud or corruption risks are captured in the Public Trustee and Guardian risk register.

No other fraud prevention strategies were adopted.

Fraud awareness training

In the 2022-23 financial year two (2) team members completed fraud awareness training and five (5) team members completed integrity and corruption awareness training courses. In addition, all new Public Trustee and Guardian team members completed face to face induction in the agency and had access to online induction materials.

Reports or allegations of fraud or corruption

In 2022-23, there were no reports or allegations of fraud or corruption received by the Public Trustee and Guardian.

Freedom of Information

Making a Freedom of Information request

The JACS Directorate process Freedom of Information requests for the Public Trustee and Guardian.

Section 96 of the [Freedom of Information Act 2016 \(FOI Act\)](#) sets out the FOI reporting requirements for agencies and Ministers. The Directorate is committed to upholding the principles of open government and the community's right to access government information.

To request information under the FOI Act, please visit the [Freedom of Information \(FOI\) page](#) on the Directorate's website. Applications should be submitted using the provided form and sent via email to JACSFOI@act.gov.au (preferred method) or posted to:

Freedom of Information
Justice and Community Safety Directorate
GPO Box 158
Canberra ACT 2601

There is no application fee for making an FOI request, however processing charges may apply. Details of FOI requests processed by the Directorate, including copies of any released documents, can be viewed on the [Directorate's Disclosure Log](#). Requests for personal information are not published.

Requests

Data satisfying the requirements of section 96 of the FOI Act are included in the Justice and Community Safety Directorate Annual Report. 2022-23. The Directorate processed one application for this agency during the 2022-23 financial year, with one further application received and carried over to 2023-24 for a decision.

Community Engagement and Support

Community engagement and promotion of important life decision information are key functions of the Public Trustee and Guardian. In the above section on Performance Analysis the activities, support and outcomes of our community engagement is detailed.

The Public Trustee and Guardian is the trustee for the Capital Region Community Foundation (GreaterGood). GreaterGood is not a charity, it is a charitable fund that aims to link good people with good causes. This is achieved by making it possible for individuals and organisations to establish their own charitable foundation in a low-cost, tax-effective manner under the umbrella of GreaterGood.

In the 2022-23 year, the GreaterGood Foundation made the following notable distributions:

- Rosevale Park Foundation – \$10 000 ANU College of Health and Medicine Dean’s Fund, specifically to benefit the work of Professor Mark Polizzotto. Mark is Professor of Medicine in the College of Health and Medicine, Group Leader in Cancer and Genome Science at the John Curtin School of Medical Research, and leads the newly-established ANU Clinical Hub for Interventional Research (CHOIR).
- Bob Henry Memorial Fund – \$25 180 to Yeddung Mura Mentoring program. The program seeks to address physical, mental and emotional health for our Indigenous community.
- Barry Runnstrom Memorial Fund – \$147 320 to The Kolling Foundation, responsible for investigating some of the biggest health challenges of our time from heart and kidney disease to musculoskeletal conditions, chronic pain and neurodegenerative disorders.
- Alan Thomas Bishop Memorial Fund – \$3 470 ACT Athletics. Their mission is to provide the opportunities, facilities and support structures for athletics, for the Canberra Region Community.
- The de-Niet Memorial Fund – \$11 905 RSPCA ACT and \$11 905 to Salvation Army.
- Francis Carrol Scholarship Fund - \$2 500 scholarship to ACU. ACU established a perpetual fund in 2005 to provide ongoing scholarships to assist students from rural and regional areas attend the University’s Canberra Campus (Signadou).
- Prance Family Memorial Fund - \$109 190 distributed in equal parts to Make a Wish, RSPCA, ACT Jewish Community and Guide Dogs NSW/ACT.
- Menslink Foundation - \$24,300 to Menslink. Menslink supports young men in the Canberra region through free counselling, volunteer mentoring and education programs.
- Ralf Iannuzzi Memorial Fund - \$254 225.75 Fund total distributed to the National Library after 10 years as per the Will.
- Poorcountry Charitable Trust - \$196 590 distributed to 17 charities, including Oxfam, UNICEF, The Fred Hollows Foundation, Childfund Australia, World Vision and many more.

Aboriginal and Torres Strait Islander Reporting

Programs, projects and initiatives that benefit Aboriginal and Torres Strait Islander Peoples

Will drafting services

The Public Trustee and Guardian provides free will drafting services to persons identifying as Aboriginal or Torres Strait Islander.

In the 2022-2023 financial year four Wills were prepared for Aboriginal or Torres Strait Islander persons.

GreaterGood funding

Last financial year the distribution from the Bob Henry Memorial Fund, facilitated through GreaterGood, was directed to Yeddung Mara Aboriginal Corporation. This amount of \$25 180 is to aid the Dhuniai Mentoring Program, a program that provides support for indigenous detainees at the Alexander Maconochie Centre to adjust to life outside of prison. This will be provided through one-to-one support by Aboriginal volunteers who have received specialist training to establish support networks, promote healthy decision-making, enhance social skills and encourage released prisoners to navigate their lives independently.

This program aligns with the request of local philanthropist Mr Bob Henry who established a GreaterGood memorial fund through his estate to enhance the lives of disadvantaged Aboriginal and Torres Strait Islander people within ACT Community.

Services generally

The Public Trustee and Guardian maintains data about our clients with appropriate consent and information privacy. Our guardianship and financial management services can identify clients who are Aboriginal and Torres Strait Islander. We work with our clients to ensure supported decisions take into account their preferences. Our guardians and financial managers have access to diversity training and other resources

Work Health and Safety

The Public Trustee and Guardian aims to achieve physically and mentally safe work for our employees.

Legislative notices

In the 2022-23 financial year, the Public Trustee and Guardian did not:

- Receive any improvement, prohibition, or non-disturbance notice issued under Part 10 of the [Work Health and Safety Act 2011](#) (WHS Act)
- Receive any finding by the regulator of a failure to comply with a notice issued under Part 10 of the WHS Act
- Enter into any enforceable undertakings under Part 11 of the WHS Act
- Receive any findings by the regulator of a failure to comply with an enforceable undertaking under Part 11 of the WHS Act
- Receive any findings by the regulator of a failure to comply with a safety duty under Part 2 Division 2.2, 2.3 or 2.4 of the WHS Act
- Receive notice of any instances of a failure to address any finding of failing to comply with a safety duty under Part 2 Division 2.2, 2.3 or 2.4 of the WHS Act.

Work Health and Safety information

Table 8. Work Health and Safety information for the 2022-23 financial year

Item	Number	Commentary
Elected Health and Safety Representatives	1	
Number of resources dedicated to work health and safety functions	N/A	All employees are required to dedicate some of their time to work health and safety in the form of training, risks workshops or treatments. The agency falls under the Justice and Community Safety Directorate and collaborates with and makes use of the resources dedicated to work health and safety in the Directorate.
Work Health and Safety Audits	0	
Notifications to the regulator	0	

Worker consultation arrangements

The Public Trustee and Guardian falls under the umbrella of the JACS Directorate. The worker consultation arrangements described by the Directorate in its Annual Report apply to the agency and agency resources contribute to the consultation activities.

In addition, specific Public Trustee and Guardian risks are assessed and managed by Public Trustee teams and individuals. Further, where specific change management activities or work health and safety issues arise the agency will seek advice from the Directorate and implement any consultation requirements with individuals affected and relevant unions.

Top three risks

The top three work health and safety risks for the Public Trustee and Guardian are consistent with the JACS Directorate as set out in the Directorate's annual report.

Injury prevention programs

The JACS Directorate injury prevention programs as detailed in their annual report have applied to the Public Trustee and Guardian in the 2022-23 financial year.

Human Resource Management

The Public Trustee and Guardian has a relatively small workforce. Our people require a number of skillsets including case management, stakeholder engagement, advocacy, legal, financial management and more. The agency leverages the work of the Justice and Community Safety Directorate for human resource management and workforce planning alongside Public Trustee and Guardian specific initiatives to ensure the resource levels and capability required for our functions.

Human Resource Data

The Public Trustee and Guardian full-time equivalent (FTE) employee numbers was 67.80 and our headcount was 70 in the 2022-23 financial year.

Table 9. FTE and headcount by gender

	Female	Male	Non-Binary	Total
FTE	54.2	13.60	0	67.80
Headcount	56	14	0	70
Percentage (%) of workforce based on headcount	80	20	0	

Table 10. Headcount by classification and gender

Classification Group	Female	Male	Non-Binary	Total
Administrative Officers	44	9	0	53
Executive Officers	0	2	0	2
Legal Officers	0	1	0	1
Senior Officers	12	2	0	14
Statutory Office Holder	0	0	0	0
Total	56	14	0	70

Table 11. Headcount by employment category and gender

Employment category	Female	Male	Non-Binary	Total
Casual	1	1	0	2
Permanent Full-time	43	8	0	51
Permanent Part-time	4	2	0	6
Temporary Full-time	7	3	0	10
Temporary Part-time	1	0	0	1
Total	56	14	0	70

Table 12. Headcount by diversity group

Diversity Group	Headcount	Percentage (%) of Total Workforce
Aboriginal and/or Torres Strait Islander	0	0
Culturally and linguistically diverse	20	28.60
People with a disability	1	1.4

Table 13. Headcount by age group and gender

Age group	Female	Male	Non-Binary	Total
Under 25	2	0	0	2
25-34	10	1	0	11
35-44	13	7	0	20
45-54	10	3	0	13
55 and over	21	3	0	24
Total	56	14	0	70

Table 14. Headcount by average length of service and gender

	Female	Male	Non-Binary	Total
Average years of service	7.4	8.1	0	7.5

Table 15. Recruitment and separation rates

	Rate (%)
Recruitment	8.3
Separation	6.7

Learning and development

The Public Trustee and Guardian has leveraged the Justice and Community Safety Directorate learning and development programs including whole of government and Directorate-specific offerings. Information about learning and development programs included in the Directorate's annual report is applicable to the Public Trustee and Guardian.

Other learning and development activities specific to the Public Trustee and Guardian include:

Work Experience and Support Program

Since 2020, the Public Trustee and Guardian has offered and successfully hosted work experience opportunities to Work Experience and Support Program (WESP) participants. The WESP assists culturally and linguistically diverse Canberrans to build their skills and knowledge about ACT government operations and Australian workplaces. WESP participants complete eight weeks of work experience while completing a nationally recognised Certificate II in Workplace Skills from the CIT.

In 2022-23, the agency supported seven (7) participant placements across four business units. As a result, six (6) participants were offered and accepted paid employment contracts and four (4) participants have been successful in recruitment processes and remain ACT Government employees.

Study assistance and professional qualification support

Two (2) Public Trustee and Guardian employees have accessed formal study assistance in 2022-23.

The Public Trustee and Guardian supports employees through financial support for professional memberships such as legal practice or financial industry body memberships. These memberships incorporate access to continuing professional development for which time and financial support can be made available as well.

Ecological Sustainability Reporting

The JACS Directorate Annual Report 2022-23 covers the Public Trustee and Guardian in relation to Ecological Sustainability Reporting.

Part C

Financial Management
Reporting

Financial Management Analysis

Public Trustee and Guardian Management Discussion and Analysis for year ended 30 June 2023

General Overview

Objectives

The operations and functions of the Public Trustee and Guardian are established by the *Public Trustee and Guardian Act 1985*.

PTG promotes our role, services and important life decision information to our clients through:

- Delivery of up-to-date, relevant, accessible information through our website, call team, seminars and specific communication campaigns;
- Our membership of, and contribution to, the Australian Guardianship and Administration Council and its national initiatives;
- Our engagement with the ACT Law Society, relevant elder and estate planning groups, and participation in working groups and boards such as the Official Visitors Board; and
- Specific community events like the National Wills Week, attendance at community group meetings and conferences.

PTG supports our clients' decision making by:

- Performing Guardianship and Financial Management services when appointed by the ACT Civil and Administrative Tribunal (ACAT);
- Acting for clients under a power of attorney when PTG is nominated;
- Supporting Private Managers (individuals appointed by ACAT to manage another person's financial matters) and examining accounts for appropriateness; and
- Providing estate planning services including will and power of attorney drafting.

PTG is the ACT's statutory public trustee. We deliver:

- Estate management services - performing the role of Executor for community members where appointed or where an individual passes away without a will.
- Performing the role of Trustee (or similar):
 - for community members
 - for other ACT Government entities
 - for the Capital Region Community Foundation (Greater Good)
 - under Confiscation of Criminal Assets arrangements
 - for the Unclaimed Monies scheme, and
 - under the Unclaimed Deceased Persons arrangements.
- Investment services – managing funds we hold on trust to ensure value is maintained or improved in line with our fiduciary obligations and informed by our Investment Board.

Risks

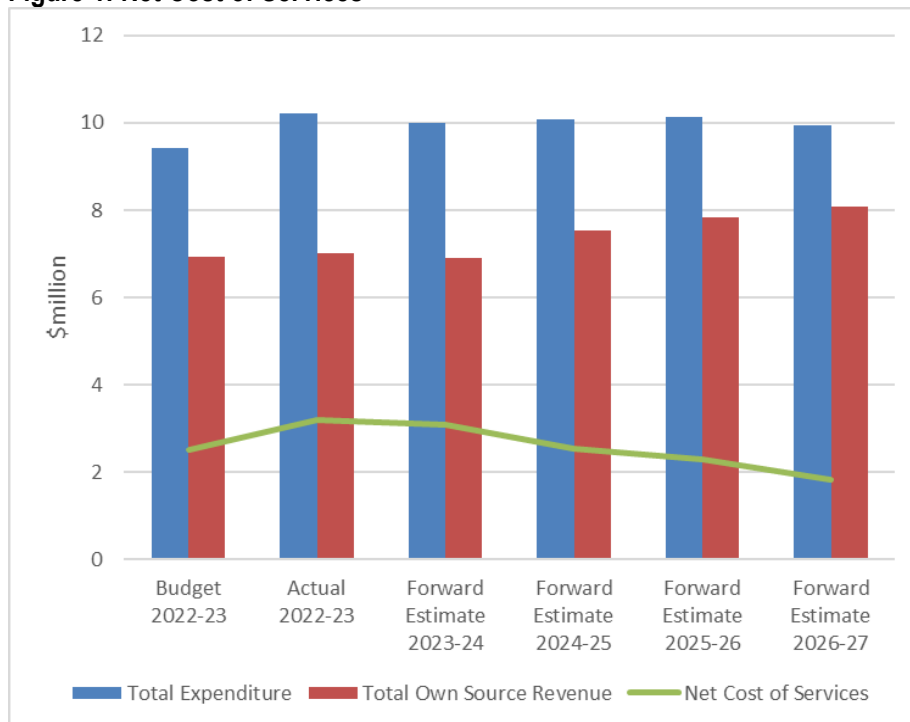
PTG's key business risk areas comprise:

- People – risks associated with our people resources including attraction, retention, development, and work health and safety;
- Financial – risks associated with the performance of our investments, our financial processes and assurance controls, and the appropriateness of fees and appropriation to meet PTG service costs;
- Fraud and corruption – risks of potential fraud or corrupt behaviour by stakeholders involved in the PTG's work; and
- Information and communication technology – risks associated with PTG's legacy systems, disaster recovery, increasing cyber security threats and requirements, and risks relating to the sourcing and deployment of new platforms and technology and their capability to meet human-centred design goals.

Financial Performance

Estimates presented below for 2023–24 through to 2026–27 are based on the 2023–24 Budget. *Figure 1* below shows the Net Cost of Services, being Total Expenditure less Total Own Source of Revenue, equating to **\$3.192 million** in 2022–23 and indicating a general downward trend over the forward estimates **from \$3.098 million** in 2023–24 to **\$1.840 million** in 2026–27.

Figure 1: Net Cost of Services



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

Table 1: Comparison of Net Cost of Services to Budget

	2023 Budget	2023 Actual	Variance	
	\$'000	\$'000	\$'000	%
Employee Expenses	7,204	7,888	684	9.49%
Supplies and Services	1,730	1,785	55	3.18%
Depreciation and Amortisation	495	539	44	8.89%
Borrowing Costs	-	3	3	n/a
Total Expenses	9,429	10,215	786	8.34%
User Charges – Non-ACT Government	6,807	6,817	10	0.15%
Interest	66	143	77	116.67%
Grants and Contributions	47	58	11	23.40%
Gain on Sale of assets	-	5	5	n/a
Total Own Source revenue	6,920	7,023	103	1.49%
Net Cost of Services	2,509	3,192	683	27.22%

Comparison to Budget (refer to Table 1 above for more detail)

The net cost of services (**\$3.192 million**) was **\$0.683 million** or **27.22%** higher than budget, due to higher Employee Expenses (**\$0.684 million**) due to higher than anticipated employee costs and increases to salaries from the new Enterprise Bargaining Agreement (EBA).

Comparison to 2021-22

The net cost of services in 2022-23 **\$3.192 million** remained constant when compared to **\$3.167 million** in 2021-22. In 2022-23 Employee Expenses were **\$0.722 million** higher than 2021-22 due to a higher average of FTE employees 68.13 in 2022-23 compared with 62.97 in 2021-22 together with an increase in wages due to the EBA. The higher Employee Expense were offset by an increase in Sales of Goods and Services from Contracts with Customers **\$0.790 million** mainly from an increase in Management Fees noting that in 2021-22 Management Fees were reduced due to the low interest rate environment.

Future Trends

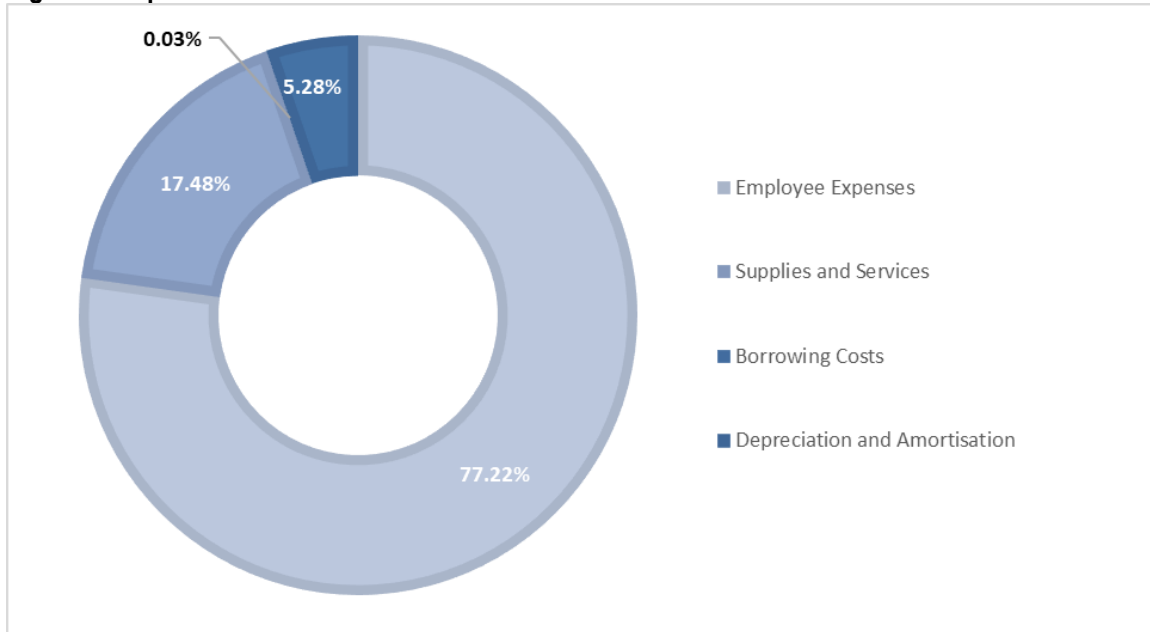
It is expected that the net cost of services will remain consistent in 2023-24 with the 2022-23 figures. Total Own Source Revenue will be slightly higher than in 2022-23 with the fees increasing with CPI, this will be offset by a full year effect of the increase in wages from the EBA.

Expenditure

Components of Expenditure

Figure 2 below shows that the largest component of expenditure is Employee Expenses, representing 77.21% (\$7.88 million) of the total expenditure of \$10.216 million.

Figure 2: Expenditure



Comparison to budget

Total expenditure was higher than budget (\$0.786 million) due to higher Employee Expenses (\$0.684 million) arising from higher than anticipated employee costs and increases to salaries from the new EBA.

Comparison to 2021-22

In comparison to the previous period, the increase of \$0.821 million was due to higher Employee Expenses (\$0.722 million) due to a higher average of FTE employees 68.13 in 2022-23 compared with 62.97 in 2021-22 together with an increase in wages due to the EBA.

Future trends

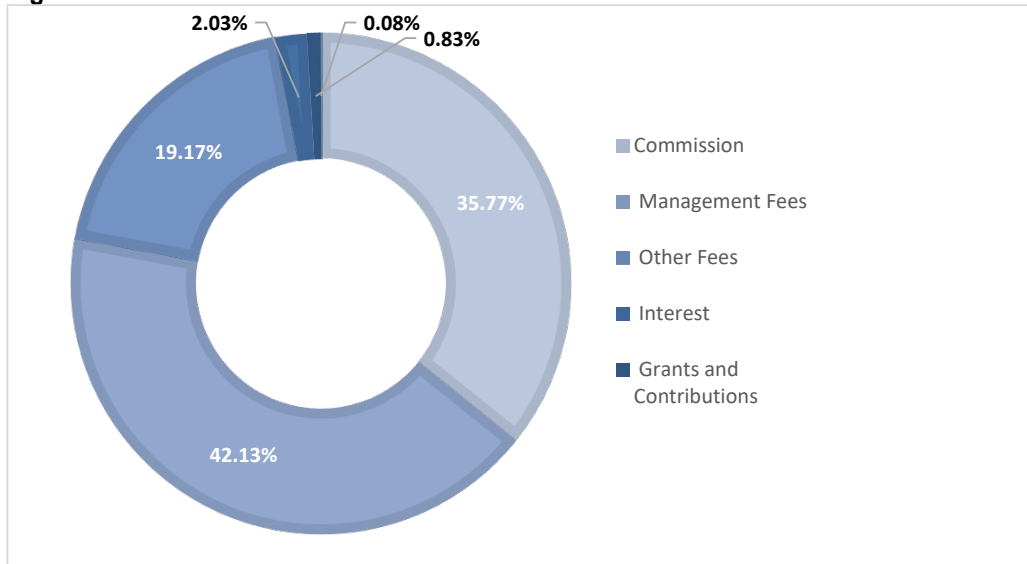
Total Expenditure is expected to remain consistent in 2023-24 with the 2022-23 result.

Own Source Revenue

Components of Own Source Revenue

Total own source revenue was **\$7.023 million** in 2022-23 of this **97.06%** is from the Sales of Goods and Services from Contracts with Customers, these sales consist of Management Fees, Commission on Funds and Other Fees. Figure 3 below shows that Management Fees made up **42.13%** (40.23% in 2021-22), Commission on Funds **35.77%** (35.95% in 2021-22) and Other Fees **19.17%** (20.54% in 2021-22).

Figure 3: Own Source Revenue



Comparison to Budget

Total own source revenue was **\$7.023 million**. This is **1.5%** (**\$0.103 million**) higher than the budget of **\$6.920 million**. This was mainly due to higher Investment Revenue (**\$0.077 million**) due to an increase in the interest rate available on the cash market.

Comparison to 2021-22

Total own source revenue was **\$7.023 million**, **12.76%** (**\$0.795 million**) higher than 2021-22 due to:

- Higher Management Fees (**\$0.450 million**) - in 2021-22 these fees were reduced due to the low interest rate environment.
- Higher Commission (**\$0.272 million**) due to increased returns on PTG's Trust Cash Common Fund.

Future Trend

It is expected that 2023-24 Total Own Source Revenue will be higher than in 2022-23 with the increase of fees for CPI.

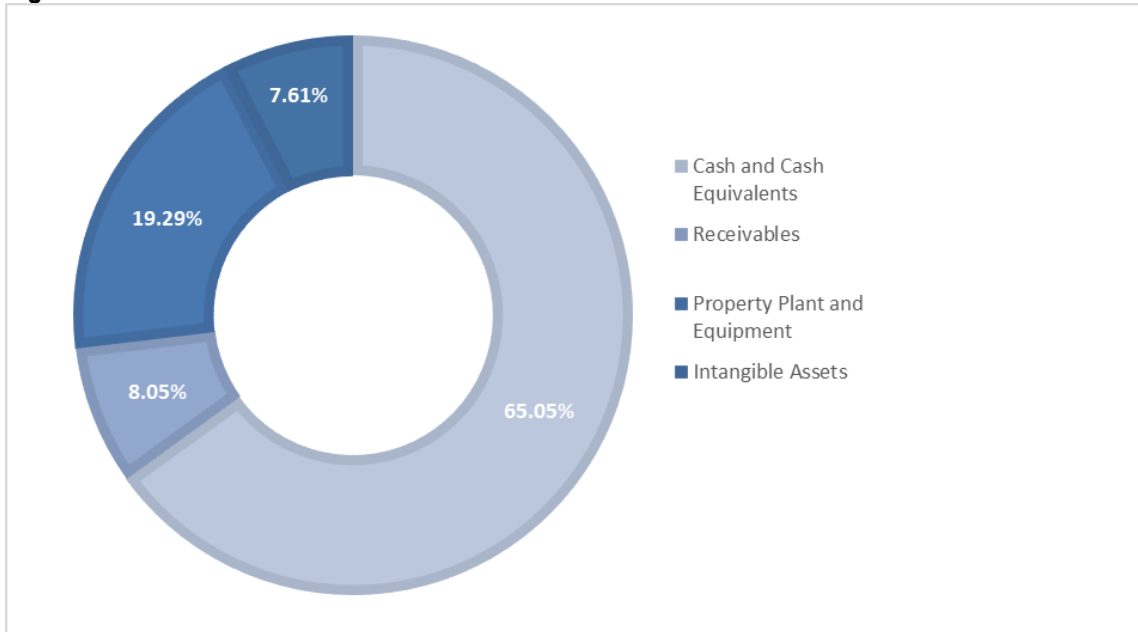
Financial Position

Total Assets

Components of Total Assets

Figure 4 below shows that Cash and Investments is **65.05%** of total assets and property, plant and equipment is **19.29%**, with the remainder of assets being receivables and intangible assets. **73.1%** of assets are current assets.

Figure 4: Total Assets



Comparison to budget

Total assets at 30 June 2023 were **\$7.319 million**. This is **\$0.327 million** higher than budget (**\$6.992 million**). This is due to higher Plant and Equipment (**\$0.390 million**) from a revaluation performed by an independent valuer as at 30 June 2023.

Comparison to 2021-22 actual

Total assets decreased by **\$0.205 million** compared to the 2021-22 result of **\$7,524 million**. This is due to:

- Lower Intangibles (**\$0.206 million**) due to depreciation and amortisation.
- Lower Cash and Investments (**\$0.118 million**) due to lower net cash inflows associated with the Operating Loss throughout the year.

This has been partially offset by an increase in Receivables (**\$0.074 million**) due to receipts from Grants being outstanding as at 30 June 2023.

Future trends

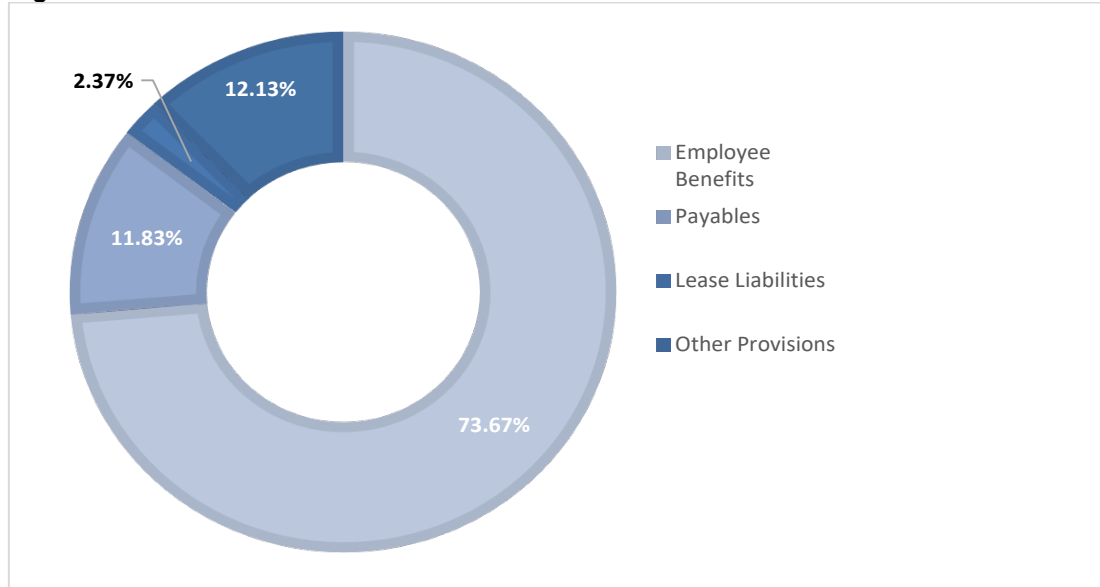
It is anticipated that assets will remain stable in 2023-24, with the main differences resulting from the revaluation of Plant and Equipment.

Total Liabilities

Components of Total Liabilities

Figure 5 below shows that employee benefits make up 73.67% of liabilities. Other Provisions is 12.13% of liabilities and payables is 11.83% of liabilities.

Figure 5: Total Liabilities



Comparison to budget

Total liabilities (**\$3.472 million**) are **12.72%** (**\$0.392 million**) higher than the budget of **\$3.080 million** mainly due to higher Other Provisions (**\$0.268 million**) due to the increase in the Make Good provision following the independent valuer's assessment.

Comparison to 2021-22 actual

In comparison to the previous period, the increase of **\$0.516 million** was mainly due to:

- Higher Other Provisions (**\$0.271 million**) due to an increase in the provision to Make Good.
- Higher Employee Benefits (**\$0.123 million**) due to an accrual for back payment of benefits in relation to the EBA.

Future Trends

It is anticipated that overall liabilities will decrease in 2023-24 with payment of Employee Benefits in relation to the back payment for the EBA to occur and employees taking their leave entitlements.

Liquidity

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

Table 2 below shows the current ratio for Public Trustee and Guardian at 30 June 2023 compared to the actual results for the prior year and the estimate for 2023–24.

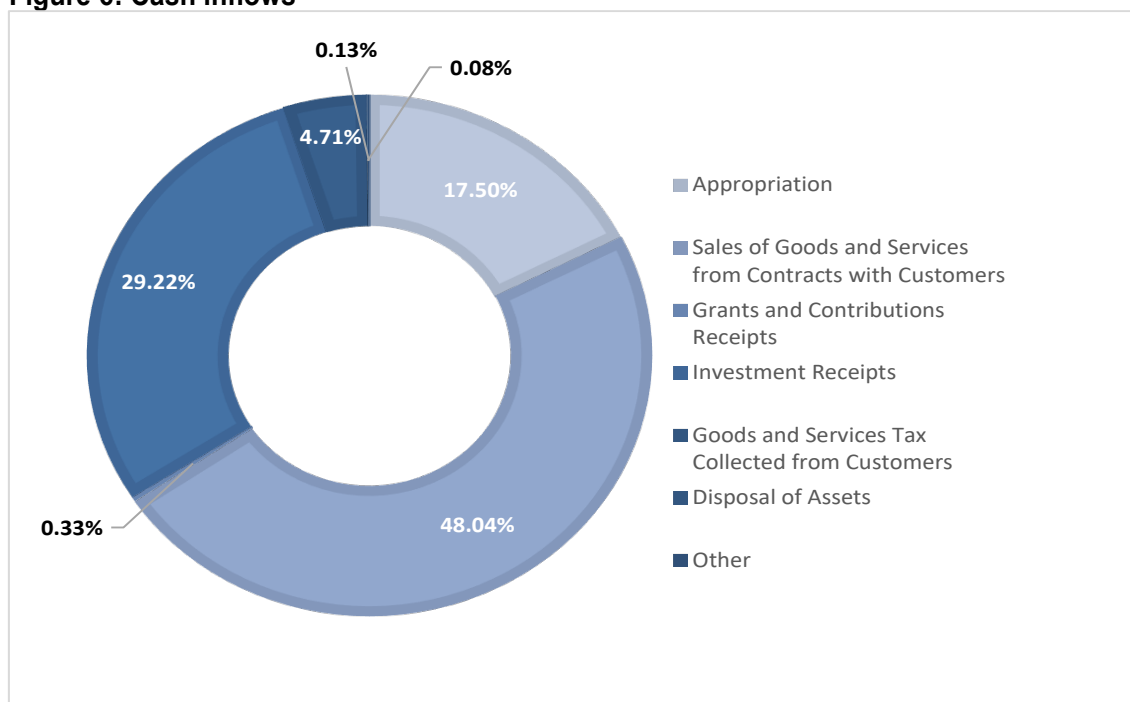
Table 2: Current Ratio

	Actual 2021–22 \$'000	Budget 2022–23 \$'000	Actual 2022–23 \$'000	Estimate 2023–24 \$'000
Total Current Assets	5,395	5,429	5,351	4,646
Total Current Liabilities	2,586	2,676	2,760	2,814
Current Ratio	2.09:1	2.03:1	1.94:1	1.65:1

At 30 June 2023, Cash and Investments were **\$4.762 million**, which is **\$0.226 million** lower than the **\$4.988 million** budget. The lower year-end cash holding is due to the lower net cash inflows associated with the Operating Loss throughout the year and the increase in Receivables.

As indicated in *Figure 6* below, sale of goods and services from contracts with customers makes up **48.04%** of all cash inflows, with appropriation being **17.50%**. The other major cash inflows are derived from the proceeds of Investments (**29.22%**). This is expected to be lower in 2023-24 due to all PTG funds currently being held in the bank account.

Figure 6: Cash inflows

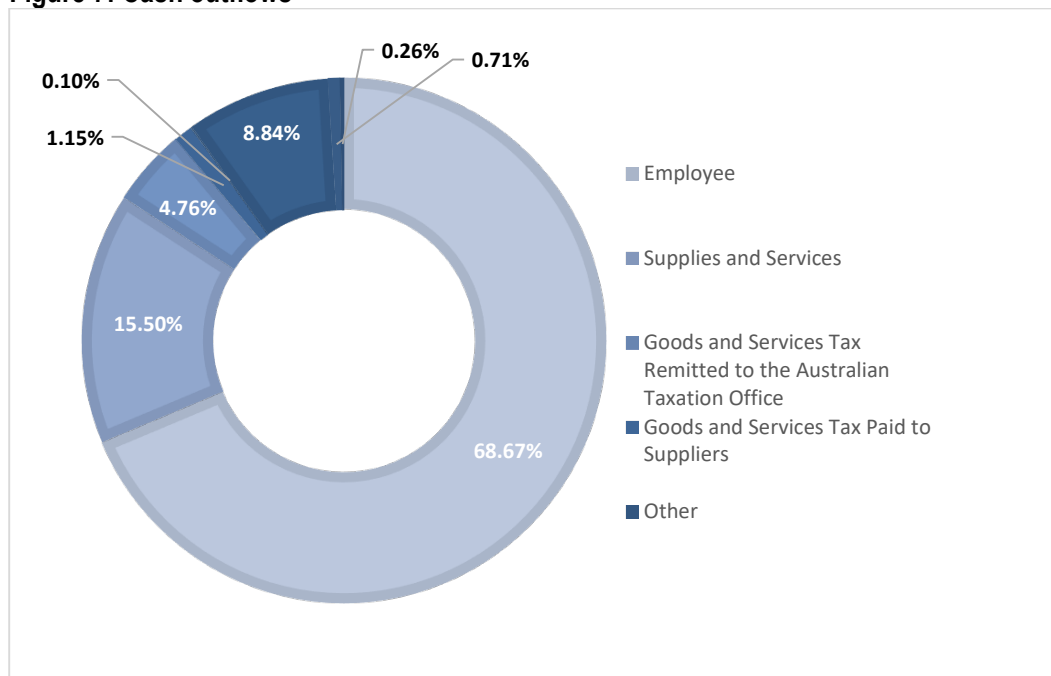


Total cash inflows amounted to **\$14.192 million**, **\$3.149 million** higher than budget. The higher inflows compared to budget are mainly due to:

- Higher Sale of Investments (**\$2.951 million**) - funds invested in term deposits were redeemed to take advantage of higher interest rates available on funds in the bank account.
- Higher Interest Received (**\$0.081 million**) due to an increase in the interest rate on cash investments.
- Higher Grants and Contributions (**\$0.047 million**) being a grant received for Australia's Disability Strategy safety targeted action plan project.

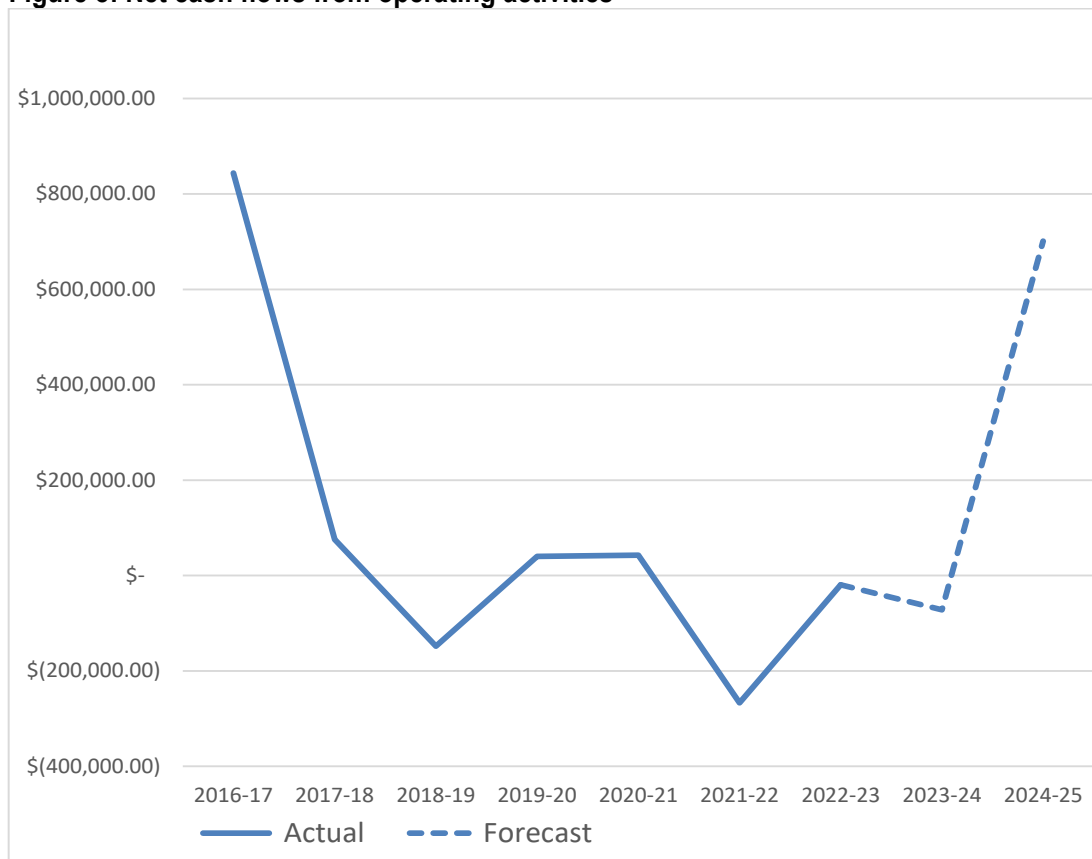
As indicated in *Figure 7* below, the major cash outflows are employee expenses and superannuation making up **68.67%** of all outflows. The other major cash outflows are for supplies and services **15.50%** and investment payments **8.84%**.

Figure 7: Cash outflows



Cash outflows amounted to **\$11.310 million**, **\$0.804 million** higher than budget. The higher outlays compared to budget are mainly due to higher payments for Employees (**\$0.598 million**) due to higher than anticipated number of staff employed to cover absences.

Figure 8: Net cash flows from operating activities



Cash flows from operations is expected to trend slightly downwards in 2023-24 with the increase in employee payments. This is only partially offset by the increase in sale of goods and services from contracts with customers.

Financial Statements

PUBLIC TRUSTEE AND GUARDIAN FINANCIAL STATEMENTS

**For the Year Ended
30 June 2023**

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Public Trustee and Guardian for the year ended 30 June 2023 which comprise the operating statement, balance sheet, statement of changes in equity, statement of cash flows, statement of appropriation and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Public Trustee and Guardian's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

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

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

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

Responsibilities of the Public Trustee and Guardian for the financial statements

The Public Trustee and Guardian is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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



Ajay Sharma
Assistant Auditor-General, Financial Audit
28 September 2023

**Public Trustee and Guardian
Financial Statements
For the Year Ended 30 June 2023**

Statement of Responsibility

As the Chief Executive Officer of the Public Trustee and Guardian I am responsible for the preparation of the annual financial statements as well as the judgements exercised in preparing it. In my opinion, the Authority's financial statements fairly reflect the financial operations for the year ended 30 June 2023 and the financial position on that date.



Aaron Hughes
Chief Executive Officer
Public Trustee and Guardian

28 September 2023

**Public Trustee and Guardian
Financial Statements
For the Year Ended 30 June 2023**

Statement by the Chief Finance Officer

In my opinion, the Public Trustee and Guardian's financial statements have been prepared in accordance with the Australian Accounting Standards, are in agreement with its accounts and records and fairly reflect its financial operations for the year ended 30 June 2023 and the financial position of the Authority on that date.



Callum Hughes
Senior Director Finance
Public Trustee and Guardian

28 September 2023

PUBLIC TRUSTEE AND GUARDIAN CONTENT OF FINANCIAL STATEMENTS

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PUBLIC TRUSTEE AND GUARDIAN

OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	Note No.	Actual 2023 \$	Original Budget 2023 \$	Actual 2022 \$
Income				
Controlled Recurrent Payments	#	2,483,000	2,483,000	2,471,000
Sales of Goods and Services from Contracts with Customers	5	6,817,002	6,807,000	6,027,162
Grants and Contributions Revenue	6	58,000	47,000	156,382
Investment Revenue		142,758	66,000	44,999
Gains from Disposal of Assets		5,481	-	-
Total Income		9,506,241	9,403,000	8,699,543
Expenses				
Employee Expenses	7	7,888,246	7,204,000	7,166,712
Supplies and Services	8	1,785,517	1,730,000	1,723,374
Borrowing Costs	9	3,146	-	19,160
Depreciation and Amortisation	13,14	538,890	495,000	485,484
Total Expenses		10,215,799	9,429,000	9,394,730
Operating Result		(709,558)	(26,000)	(695,187)
Other Comprehensive Income				
Decrease in the Asset Revaluation Surplus	13,18	(10,644)	-	-
Total Other Comprehensive Result		(10,644)	-	-
Total Comprehensive Result		(720,202)	(26,000)	(695,187)

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

Refer to the Statement of Appropriation

PUBLIC TRUSTEE AND GUARDIAN

**BALANCE SHEET
AS AT 30 JUNE 2023**

	Note No.	Actual 2023 \$	Original Budget 2023 \$	Actual 2022 \$
Current Assets				
Cash and Cash Equivalents	11	4,761,701	4,988,000	4,879,655
Receivables	12	589,181	441,000	515,154
Total Current Assets		5,350,882	5,429,000	5,394,809
Non-Current Assets				
Plant and Equipment	13	1,412,228	1,022,000	1,367,258
Intangible Assets	14	556,714	541,000	762,313
Total Non-Current Assets		1,968,942	1,563,000	2,129,571
Total Assets		7,319,824	6,992,000	7,524,380
Current Liabilities				
Payables	15	410,721	332,000	367,740
Lease Liabilities	16	34,000	-	4,628
Employee Benefits	17	2,315,296	2,344,000	2,213,768
Total Current Liabilities		2,760,017	2,676,000	2,586,136
Non-Current Liabilities				
Lease Liabilities	16	48,433	-	-
Employee Benefits	17	242,490	251,000	220,982
Other Provisions	18	421,074	153,000	149,250
Total Non-Current Liabilities		711,997	404,000	370,232
Total Liabilities		3,472,014	3,080,000	2,956,368
Net Assets		3,847,810	3,912,000	4,568,012
Equity				
Accumulated Funds		3,181,856	3,235,000	3,891,414
Asset Revaluation Surplus		665,954	677,000	676,598
Total Equity		3,847,810	3,912,000	4,568,012

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

PUBLIC TRUSTEE AND GUARDIAN

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Accumulated Funds Actual 2023 \$	Asset Revaluation Surplus Actual 2023 \$	Total Equity Actual 2023 \$	Total Equity Original Budget 2023 \$
Balance at 1 July 2022	3,891,414	676,598	4,568,012	3,938,000
Comprehensive Income				
Operating Result	(709,558)	-	(709,558)	(26,000)
Decrease in the Asset Revaluation Surplus	-	(10,644)	(10,644)	-
Total Comprehensive Result	(709,558)	(10,644)	(720,202)	(26,000)
Balance at 30 June 2023	3,181,856	665,954	3,847,810	3,912,000

	Accumulated Funds Actual 2022 \$	Asset Revaluation Surplus Actual 2022 \$	Total Equity Actual 2022 \$
Balance at 1 July 2021	4,199,111	676,598	4,875,709
Comprehensive Income			
Operating Result	(695,187)	-	(695,187)
Total Comprehensive Result	(695,187)	-	(695,187)
Transactions Involving Owners Affecting Accumulated Funds			
Dividend Waived	387,490	-	387,490
Total Transactions Involving Owners Affecting Accumulated Funds	387,490	-	387,490
Balance at 30 June 2022	3,891,414	676,598	4,568,012

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

PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note No.	Actual 2023 \$	Original Budget 2023 \$	Actual 2022 \$
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		1,929,000	1,929,000	1,917,000
Community Service Obligations		554,000	554,000	554,000
Sales of Goods and Services from Contracts with Customers		6,817,163	6,805,000	6,112,992
Grants and Contributions Receipts		46,584	-	-
Interest Received		146,884	66,000	40,872
Goods and Services Tax Collected from Customers		668,828	640,000	605,680
Other		18,186	-	874
Total Receipts from Operating Activities		10,180,645	9,994,000	9,231,418
Payments				
Employee Payments		7,766,336	7,168,000	7,203,802
Supplies and Services		1,753,315	1,685,000	1,708,904
Goods and Services Tax Remitted to the Australian Taxation Office		538,076	402,000	459,549
Goods and Services Tax Paid to Suppliers		130,536	202,000	122,926
Other		11,722	-	3,195
Total Payments from Operating Activities		10,199,985	9,457,000	9,498,376
Net Cash (Outflows) / Inflows from Operating Activities	11	(19,340)	537,000	(266,958)
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Plant and Equipment		10,977	-	-
Proceeds from Maturity of Investments		4,000,000	1,049,000	-
Total Receipts from Investing Activities		4,010,977	1,049,000	-
Payments				
Purchase of Plant and Equipment		1,000	-	-
Purchase of Intangible Assets		79,127	-	3,675
Purchase of Investments		1,000,000	1,049,000	3,000,000
Total Payments from Investing Activities		1,080,127	1,049,000	3,003,675
Net Cash Inflows / (Outflows) from Investing Activities		2,930,850	-	(3,003,675)
Cash Flows from Financing Activities				
Payments				
Repayment of Lease Liabilities - Principal		29,464	-	6,352
Total Payments from Financing Activities		29,464	-	6,352
Net Cash (Outflows) from Financing Activities		(29,464)	-	(6,352)
Net Increase / (Decrease) in Cash and Cash Equivalents Held		2,882,046	537,000	(3,276,985)
Cash and Cash Equivalents at the Beginning of the Reporting Period		1,879,655	1,451,000	5,156,640
Cash and Cash Equivalents at the End of the Reporting Period	11	4,761,701	1,988,000	1,879,655

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

PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2023

Description and Material Accounting Policies relating to Controlled Recurrent Payments

Controlled Recurrent Payments (CRP) are revenue received from the ACT Government to fund the costs of delivering outputs. Community Service Obligations (CSO) are revenue received from the ACT Government to fund services to the public at subsidised rates.

CRP and CSO are recognised when the Public Trustee and Guardian gains control over the funding which is obtained upon the receipt of cash, given they do not contain enforceable and sufficiently specific performance obligations as defined by AASB 15 *Revenue from Contracts with Customers*.

Column Heading Explanations

The *Original Budget* column shows the amounts that appear in the Operating Statement in the Budget Papers. This amount also appears in the Statement of Cash Flows.

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

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

	Original Budget 2023 \$	Total Appropriated 2023 \$	Appropriation Drawn 2023 \$	Appropriation Drawn 2022 \$
Controlled Appropriation				
Controlled Recurrent Payments	1,929,000	1,997,000	1,929,000	1,917,000
Community Service Obligations	554,000	554,000	554,000	554,000
Total Controlled Appropriation	2,483,000	2,551,000	2,483,000	2,471,000

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

Variiances between '2022-23 Controlled Recurrent Payments Appropriation Drawn' and '2021-22 Controlled Recurrent Payments Appropriation Drawn'

The increase in Controlled Recurrent Payments is mainly due to indexation parameters.

Variiances between 'Total Appropriated' and 'Appropriation Drawn'

	Controlled Recurrent Payments (CRP) \$
Reconciliation of Appropriation for 2022 - 23	
Original Appropriation	2,483,000
Supplementary Appropriation (Financial Management Act (FMA) s.13)	68,000
Total Appropriated	2,551,000

Total appropriated increased from Original Budget through the supplementary budget process for the Enterprise Agreement Bargaining and Pay Offer. This increase of \$68,000 remained undrawn as at 30 June 2023.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1. OBJECTIVES OF THE PUBLIC TRUSTEE AND GUARDIAN

The Public Trustee and Guardian is a corporation sole established under the *Public Trustee and Guardian Act 1985*.

The Public Trustee and Guardian aims to promote and support the rights, interests and life decisions of our clients and to deliver excellent trustee outcomes for the ACT community. We perform a range of functions and deliver services under a range of legislation and work closely with other ACT Government agencies and stakeholders.

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

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

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Legislative Requirements

The *Financial Management Act 1996 (FMA)* requires the preparation of annual financial statements for ACT Government territory authorities. The FMA and the *Financial Management Guidelines* issued under the Act, requires the Public Trustee and Guardian's financial statements

- (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 Statement of Cash Flows for the year;
- (v) a Statement of Appropriation for the year;
- (vi) the material accounting policies adopted for the year; and
- (vii) other statements as necessary to fairly reflect the financial operations of the Public Trustee and Guardian during the year and its financial position at the end of the year.

These general purpose financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards (as required by the FMA); and
- (ii) ACT Accounting and Disclosure Policies.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

Accrual Accounting

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

Currency

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

Individual Not-for-Profit Reporting Entity

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

Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Public Trustee and Guardian for the year ended 30 June 2023 and the financial position of the Public Trustee and Guardian as at 30 June 2023.

Comparative Figures

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget numbers for 2022-23 have been presented in the financial statements. Budget numbers in the financial statement are the original budget numbers that appear in the Budget Papers.

Prior Year Comparatives

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

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

Rounding

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

Going Concern

The 2022-23 financial statements have been prepared on a going concern basis as the Public Trustee and Guardian has been funded in the ACT Government 2023-24 Budget and the Budget Papers include forward estimates for the Public Trustee and Guardian.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3. IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

All Australian Accounting Standards and Interpretations issued but yet to be applied are applicable to future reporting periods and will be adopted from their application date, except for part of AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure to Accounting Policies and Definitions of Accounting Policies and Definition of Accounting Estimates* which was early adopted last financial year (in 2021-22).

Standards and Interpretations issued but yet to be applied have been assessed as not being relevant to the Public Trustee and Guardian or will have an immaterial financial impact on the Public Trustee and Guardian. However, the Public Trustee and Guardian is currently assessing whether AASB 2022-10 will have a material financial impact on the agency.

AASB 2022-10 amends AASB 13 by adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector agencies not held primarily for their ability to generate net cash inflows. The standard now:

(a) specifies that agencies are required to consider whether the asset's highest and best use differs from its current use only when it is held for sale or held for distribution to owners in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or it is highly probable that the asset will be used for an alternative purpose to its current use;

(b) clarifies that the asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capability of the asset to be used to provide needed goods or services to beneficiaries and the resulting cost of those goods or services;

(c) specifies that, if both the market selling price of a comparable asset and some market participant data required to measure the fair value of the asset are not observable, an agency uses its own assumptions as a starting point in developing unobservable inputs and adjusts those assumptions to the extent that reasonably available information indicates that other market participants (including, but not limited to, other not-for-profit public sector agencies) would use different data; and

(d) provides guidance on how the cost approach is to be applied to measure the asset's fair value, including guidance on the nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence.

NOTE 4. CHANGE IN ACCOUNTING ESTIMATES

Revisions of Useful Lives and Residual Values

The Public Trustee and Guardian reviewed the useful lives and residual values of its plant and equipment at the end of the reporting period. This review resulted in an increase of the residual value of some plant and equipment, for details see Note 13 *Plant and Equipment*.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

INCOME NOTES

Material Accounting Policies - Income

Income Recognition

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

AASB 15

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

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

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

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

AASB 1058

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

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 5. SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

Description and Material Accounting Policies relating to the Sale of Goods and Services

The Public Trustee and Guardian earns revenue from providing services to other ACT Government agencies and to the public. This revenue is legally retained by the Public Trustee and Guardian and driven by consumer demand. All revenue recognised in this note is user charge revenue.

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

The Public Trustee and Guardian undertakes an annual review to determine whether the services it provides need to be classified as revenue from contracts with customers in accordance with AASB 15. The Public Trustee and Guardian assessed its revenue from contracts with customers to determine the timing and nature of the satisfaction of performance obligations. As a result, Public Trustee and Guardian determined the services to be classified as revenue from contracts with customers which have been included in this note as outlined below:

User Charges (Investment Management Services)

This major revenue stream relates to management services for client funds invested in the Public Trustee and Guardian Trust. The revenue stream includes commissions earned and management fees. Commission from Non-ACT Government entities is charged on the income earned for funds managed in the Public Trustee and Guardian Trust Account and Government Trust Account. These commissions are earned from funds held on behalf of the general public. Management Fees are based on a percentage of the value of client funds invested in the Public Trustee and Guardian Trust account and recognised on a monthly basis.

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

Other Fees

Tax Return Preparation Fees

The Public Trustee and Guardian employs three in-house tax consultants that assist with tax return preparation for clients. Revenue is recognised at the completion of each service provided.

Other Fees per determination

A major portion of this revenue stream relates to the management of unclaimed monies which includes claim fees and fees for minor amounts that are less than the claim fee, time in attendance at properties and other miscellaneous services provided to clients. Revenue is recognised on completion as and when each service is provided.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 5. SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

	2023	2022
	\$	\$
Service Revenue		
- Commission Revenue (a)	2,512,135	2,239,664
- Management Fees Revenue (b)	2,958,613	2,508,135
- Other Fees Revenue (c)	1,346,254	1,279,363
Total Sales of Goods and Services from Contracts with Customers	6,817,002	6,027,162

(a) There has been an increase in Commission Revenue due to higher income returns on Public Trustee and Guardians Trust's Common Funds.

(b) Management Fees Revenue increased during the financial year. In 2021-22, the Public Trustee and Guardian reduced its management fees on the Cash Common Fund due to the continued low interest rate environment, however, this did not occur in 2022-23.

(c) Other Fees Revenue increased due to the entitlement of fees received from the Unclaimed Money Trust being higher.

NOTE 6. GRANTS AND CONTRIBUTIONS REVENUE

Description and Material Accounting Policies relating to Grants and Contributions Revenue

General Grants and Contributions Accounting Policy

Where the Public Trustee and Guardian receives an asset or services for significantly less than fair value then the transaction is in the scope of AASB 1058 and revenue is recognised on receipt of the asset / services. The related expense and/or asset is recognised in the line item to which it relates, when the services are received.

Goods and services received free of charge from ACT Government agencies are recognised as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recognised as grants, donations or contributions.

All the services listed below are recognised in the Operating Statement or Balance Sheet as appropriate as services received free of charge given they are reliably measurable and would have been purchased if not provided to the Public Trustee and Guardian free of charge.

Chief Minister, Treasury and Economic Development Directorate (CMTEDD) Resource Received Free of Charge

Shared Services Resource Received Free of Charge

The Public Trustee and Guardian is required by the ACT Government to use Shared Services for its HR processing. Shared Services is part of CMTEDD. Given Shared Services is directly appropriated by the ACT Government to provide certain services at a fixed cost to the Public Trustee and Guardian, it means that the Public Trustee and Guardian does not have to pay for these services.

Grants with Sufficiently Specific Performance Obligations

'Grants with Sufficiently Specific Performance Obligations' are recognised as revenue over time in accordance with AASB 15 when the Public Trustee and Guardian satisfies the milestones contained in the funding agreement. The funding payments are normally received in advance however are not recognised as revenue until after the relevant obligation is satisfied.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6. GRANTS AND CONTRIBUTIONS REVENUE (CONTINUED)

	2023	2022
	\$	\$
Resources Received Free of Charge		
Human Resources Services Provided by Shared Services	58,000	47,000
Total Resources Received Free of Charge	58,000	47,000
Other Contributions		
Transfer of Intangible Assets (a)	-	109,382
Total Other Contributions	-	109,382
Total Grants and Contributions	58,000	156,382

(a) There were no development costs incurred in relation to internally-generated software through the Public Trustee and Guardian Trust. Therefore, no further contributions were received in the 2022-23 financial year.

NOTE 7. EMPLOYEE EXPENSES

Description and Material Accounting Policies Relating to Employee Expenses

Employee benefits include:

- short-term employee benefits, such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services;
- other long-term benefits, such as long service leave and annual leave; and
- termination benefits.

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

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

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

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

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

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 7. EMPLOYEE EXPENSES (CONTINUED)

	2023	2022
	\$	\$
Wages and Salaries	6,710,927	6,057,477
Annual Leave Expenses	(6,934)	127,693
Long Service Leave Expense	(1,826)	(101,524)
Termination Payments	73,219	110,371
Fringe Benefits Tax	2,554	1,622
Workers' Compensation Insurance Premiums	84,204	85,098
Other Employee Expenses and On-Costs	3,252	8,415
Superannuation Contributions to the Territory Banking Account	287,746	234,290
Productivity Benefit	26,983	23,786
Superannuation to External Providers	708,121	619,484
Total Employee Expenses	7,888,246	7,166,712

Total Employee Expenses increased in 2022-23 due to an increase in full time equivalent staff 68.13 compared to 62.97 for 2021-22, together with an increase to salaries expected from the new Enterprise Bargaining Agreement.

NOTE 8. SUPPLIES AND SERVICES

Description and Material Accounting Policies Relating to Supplies and Services

General - Supplies and Services

Purchases of Supplies and Services generally represent the day-to-day running costs incurred in normal operations, recognised in the reporting period in which these expenses are incurred.

Auditor Service Fees

Audit Fees are included in the Contractors and Consultants line item. Auditor's remuneration consists of financial audit services provided to the Public Trustee and Guardian by the ACT Audit Office and any other services provided by a contract auditor engaged by the ACT Audit Office to conduct the financial audit. The Public Trustee and Guardian's audit fees for the audit of its 2022-23 financial statements was \$105,833 (2021-22: \$102,500). No other services were provided by the ACT Audit Office.

Insurance

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

Repairs and Maintenance

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

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 8. SUPPLIES AND SERVICES (CONTINUED)

	2023	2022
	\$	\$
Computer Expenses (a)	653,007	709,189
Contractors and Consultants	158,713	176,595
Office Expenses (b)	189,159	138,960
Postage, Printing and Stationery	34,920	44,976
Rental and Property Expenses (c)	668,415	593,697
Repairs and Maintenance	2,672	1,824
Travel Expenses	3,423	-
Staff Training	16,118	32,928
Marketing Expenses	16,555	2,629
Unclaimed Deceased Persons Arrangements	7,170	-
Other Expenses	35,365	22,576
Total Supplies and Services	1,785,517	1,723,374

(a) Computer Expenses consists of computer leasing, infrastructure, software and storage costs as well as ongoing technical support fees for the TACT software used by Public Trustee and Guardian Trust. In 2021-22, there were additional computer expenses due to the purchase of a license for scanning client invoices. In 2022-23, no such additional expenses were incurred.

(b) Office Expenses increased due to higher costs in relation to telephone calls and line rental, website hosting fees and HR services provided by ACT Government.

(c) Rental and Property Expenses increased due to an increase in the cost of rent together with the realisation of rent owing for temporary accommodation from the 2018-19 financial year.

NOTE 9. BORROWING COSTS

Description and Material Accounting Policies Relating to Borrowing Costs

All borrowing costs, including those that are directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred.

Interest on Lease Liabilities	3,146	25
Finance Cost on Make Good	-	19,135
Total Borrowing Costs	3,146	19,160

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 10. OTHER EXPENSES

Description and Material Accounting Policies Relating to Other Expenses

Waivers

A waiver is the relinquishment of a legal claim to a debt. The Public Trustee and Guardian approves the write-off of debts owed by third parties. Write-offs are made by the Public Trustee and Guardian under delegated authority for amounts that are unable to be recovered from clients. Waivers are expensed during the year in which the right to payment was waived.

Impairment Losses and Write-Offs – Accounts Receivables

A matrix is used to calculate the amount of lifetime expected credit loss which factors practical and justifiable forward looking information, including forecast economic changes expected to impact the Public Trustee and Guardian's receivables (See Note 12 *Receivables*).

	2023	2022
	\$	\$
Waivers	-	-
Write-offs (a)		
- Irrecoverable Debts	1,757	1,273
Total Other Expenses	1,757	1,273

(a) In 2022-23, Public Trustee and Guardian had written off one charge for the drafting of a Will and seven charges were written-off in relation to estates that were insolvent and could not afford the cost of advertising. In 2021-22, the Public Trustee and Guardian had written-off two fees for the drafting of an enduring power of attorney and four charges in relation to insolvent estates.

ASSET NOTES

Material Accounting Policies - Assets

Assets - Current and Non-Current

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

NOTE 11. CASH AND CASH EQUIVALENTS

Description and Material Accounting Policies Relating to Cash and Cash Equivalents

Cash and Cash Equivalents

The Public Trustee and Guardian holds a bank account with Westpac Banking Corporation as part of the ACT whole-of-government banking arrangements.

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

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 11. CASH AND CASH EQUIVALENTS (CONTINUED)

	2023	2022
	\$	\$
(a) Cash and Cash Equivalent Balances		
Cash at Bank (i)	4,761,001	1,878,955
Cash on Hand	700	700
Short-Term Deposits (ii)	-	3,000,000
Total Cash	<u>4,761,701</u>	<u>4,879,655</u>

(i) The increase in Cash at Bank is due to transfer of funds from short-term deposits following an increase in the interest rates on the bank account. The bank interest rate as at 30 June 2023 was 4.95%.

(ii) The decrease in short-term deposits is due to lower interest rates available on term deposits, and these funds have been transferred to Cash at Bank.

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

Total Cash and Cash Equivalents Recorded in the Balance Sheet	<u>4,761,701</u>	<u>1,879,655</u>
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows	<u>4,761,701</u>	<u>1,879,655</u>

(c) Reconciliation of the Operating Result to Net Cash Inflows from Operating Activities

Operating Result	(709,558)	(695,187)
Add / (Less) Non-Cash Items		
Depreciation and Amortisation	538,890	485,484
Borrowing costs	3,146	19,160
Gain From Disposal of Assets	(5,481)	-
Transfer of Intangible Assets	-	(109,382)
Cash Before Changes in Operating Assets and Liabilities	<u>(173,003)</u>	<u>(299,925)</u>
Changes in Operating Assets and Liabilities		
(Increase) / Decrease in Receivables	(12,443)	91,001
Grants and Contributions Receipts Received in Advance	46,584	-
(Decrease) in Payables	(3,514)	(20,806)
Increase / (Decrease) in Employee Benefits	123,036	(37,228)
Net Changes in Operating Assets and Liabilities	<u>153,663</u>	<u>32,967</u>
Net Cash (Outflows) from Operating Activities	<u>(19,340)</u>	<u>(266,958)</u>

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 12. RECEIVABLES

Description and Material Accounting Policies Relating to Receivables

Accounts Receivable

Accounts receivable (including trade receivables and other trade receivables) are measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. Receivables relating to the Sale of Goods and Services from Contracts with Customers are recognised when invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment.

Impairment Loss - Accounts Receivables

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

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

The amount of the expected credit loss is recognised in the Operating Statement (see Note 10 *Other Expenses*). Where the Public Trustee and Guardian has no reasonable expectation of recovering an amount owed by a debtor and ceases action to collect the debt, as the cost to recover the debt is more than the debt is worth, the debt is written-off by directly reducing the receivable against the loss allowance.

The Public Trustee and Guardian applied the simplified approach under AASB 9, meaning that the allowance for expected credit losses of accounts receivables is measured at the lifetime expected credit losses at each reporting date. The Public Trustee and Guardian has established a provision matrix based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Receivables between ACT Government agencies are expected to have low credit risks. Consequently ACT Government policy is that directorates, territory authorities and territory-owned corporations consolidated into the whole-of-Government financial statements will generally not measure any loss allowance for receivables collectible from other ACT Government agencies consolidated into the whole-of-government financial statements.

The Public Trustee and Guardian has made a significant estimate in the calculation of the expected credit loss allowance for receivables in the Financial Statements. This estimate is based on the use of an expected credit loss provision matrix. These categorisations are considered by management to be appropriate and accurate.

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 12. RECEIVABLES (CONTINUED)

	2023	2022
	\$	\$
Current Receivables		
Trade Receivables (a)	573,359	515,154
Less: Expected credit loss allowance (b)	-	-
Accrued Revenue	15,822	-
Total Receivables	589,181	515,154

(a) The increase in Trade Receivables is due to Grant Funding in relation to Australia's Disability Strategy not yet received.

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

**Expected Credit Loss Allowance
Ageing of Receivables**

	Accounts Receivable		
	Estimated total gross carrying amount at default	Expected credit loss Allowance	Expected credit loss rate
	\$	\$	%
30 June 2023			
Not Overdue	445,648	-	0%
1-30 Days Past Due	312	-	0%
31-60 Days Past Due	127,399	-	0%
Total	573,359	-	0%
30 June 2022			
Not Overdue	397,506	-	0%
1-30 Days Past Due	298	-	0%
31-60 Days Past Due	117,350	-	0%
Total	515,154	-	0%

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 13. PLANT AND EQUIPMENT

Description and Material Accounting Policies relating to Plant and Equipment

The Public Trustee and Guardian has the following three classes of Plant and Equipment:

- **Leasehold improvements** are capital expenditure items incurred in relation to leased assets. Leasehold improvements represent fit-outs in leased buildings.
- **Plant and Equipment** are tangible assets that are used by an agency to produce goods or assist in providing services to the community. Plant and equipment tend to be smaller and more mobile in nature than other types of property, plant and equipment like buildings, roads and land. Plant and Equipment includes motor vehicles, furniture & fittings, computer equipment and a security system. Right-of-use Plant and Equipment are not included in the Plant and Equipment asset class.
- **Right-Of-Use Plant and Equipment** has the same definition as plant and equipment, with the exception that they are held under a lease. Plant and Equipment held by the Public Trustee and Guardian includes motor vehicles.
- **Right-Of-Use Buildings** are leased structures and land improvements that are separately identifiable from the land they are constructed upon. Right-Of-Use buildings includes a warehouse building in Mitchell, ACT.

Acquisition and Recognition of Plant and Equipment

Plant and Equipment are initially recorded at cost. Right-of-use assets are also measured at cost on initial recognition, where cost comprises the initial amount of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

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

Where payment for plant and equipment is deferred beyond normal credit terms, the difference between its cash price equivalent and the total payment is measured as interest over the period of credit. The discount rate used to calculate the cash price equivalent is an asset specific rate.

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

Measurement of Property, Plant and Equipment After Initial Recognition

Plant and Equipment is valued using the cost or revaluation model of valuation. The Public Trustee and Guardian measures leasehold improvements and plant and equipment at fair value.

After the commencement date, all right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of the lease liability. Right-of-use assets are presented in plant and equipment in their own separate asset class.

Valuation of Non-Current Assets

JLL Australia, an independent valuer, has performed all revaluations of the Public Trustee and Guardian's leasehold improvements. They hold a recognised and relevant professional qualification and have recent experience in the location and category of the plant and equipment involved. The valuation of assets was performed as at 30 June 2023.

The Public Trustee and Guardian has made a significant estimate regarding the fair value of its assets. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 13. PLANT AND EQUIPMENT (CONTINUED)

Revaluation

Leasehold improvements are revalued every three years. Towards the end of each financial year the Public Trustee and Guardian assesses whether there are any 'indicators' that the carrying amount of their plant and equipment is materially different to fair value. Where these indicators exist then the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation leasehold improvements at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Impairment of Assets

The Public Trustee and Guardian assesses, at each reporting date, whether there is any indication that plant and equipment may be impaired. Plant and Equipment is also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any resulting impairment losses, for plant and equipment and leasehold improvements, are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets. This is because these asset classes are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Depreciation and Useful Life

Depreciation is the systematic allocation of the cost of an asset less its residual value over its useful life. Depreciation is applied to physical assets such as plant and equipment.

Right-of-use assets, plant and equipment as well as leasehold improvements are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

All depreciation is calculated after first deducting any residual values, which remain for each asset.

Depreciation for non-current assets is determined as follows:

Class of Asset	Depreciation Method	Useful Life (Years)
Plant & Equipment	Straight line	5 - 10
Leasehold Improvements	Straight line	5 - 10

The Public Trustee and Guardian has made a significant estimate in determining the useful lives of its Plant and Equipment. The estimation of useful lives of Plant and Equipment has been based on the historical experience of similar assets and on valuations provided by Australian Valuation Solutions Pty Limited. The useful lives are assessed on an annual basis and any adjustments are made when necessary.

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 13. PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Plant and Equipment - 2022-23

	Leasehold Improvements	Right-of-Use Buildings	Plant & Equipment	Right-of-Use Plant and Equipment	Total
	\$		\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	1,330,188	-	33,389	3,681	1,367,258
Additions	1,000	128,273	-	-	129,273
Changes in right-of-use assets due to changes in lease liability	-	-	-	1,924	1,924
Revaluation Increment	224,036	-	13,294	-	237,330
Depreciation	(282,314)	(22,710)	(5,593)	(5,220)	(315,837)
(Disposal) of assets	-	-	(7,720)	-	(7,720)
Carrying Amount at the End of the Reporting Period	1,272,910	105,563	33,370	385	1,412,228

Carrying amount at the End of the Reporting Period, is represented by:

Gross Book Value	1,272,910	128,273	33,370	25,322
Accumulated Depreciation	-	(22,710)	-	(24,937)
Accumulated Impairment Losses	-	-	-	-

Reconciliation of Plant and Equipment - 2021-22

	Leasehold Improvements	Right-of-Use Buildings	Plant & Equipment	Right-of-Use Plant and Equipment	Total
	\$		\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	1,612,477	-	40,620	3,859	1,656,956
Additions	-	-	-	6,310	6,310
Depreciation	(282,289)	-	(7,231)	(6,488)	(296,008)
Carrying Amount at the End of the Reporting Period	1,330,188	-	33,389	3,681	1,367,258

Carrying amount at the End of the Reporting Period, is represented by:

Gross Book Value	1,894,606	-	48,550	23,398
Accumulated Depreciation	(564,419)	-	(15,161)	(19,717)
Accumulated Impairment Losses	-	-	-	-

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 13. PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Asset Revaluation Reserve - 2022-23

	Leasehold Improvements	Plant & Equipment	Make Good Provision	Total
	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	664,110	12,488	-	676,598
Revaluation Increment / (decrement)	224,036	13,294	(245,750)	(8,420)
Adjustment for (Disposal)	-	(2,223)	-	(2,223)
Carrying Amount at the End of the Reporting Period	888,146	23,559	(245,750)	665,955

Reconciliation of Asset Revaluation Reserve - 2021-22

	Leasehold Improvements	Plant & Equipment	Make Good Provision	Total
	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	664,110	12,488	-	676,598
Revaluation Increment / (decrement)	-	-	-	-
Adjustment for (Disposal)	-	-	-	-
Carrying Amount at the End of the Reporting Period	664,110	12,488	-	676,598

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 13. PLANT AND EQUIPMENT (CONTINUED)

Fair Value Hierarchy

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

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the agency can access at the measurement date, PTG does not have any assets in this category;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs that are unobservable for particular assets or liabilities.

Details of the Public Trustee and Guardian's plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June is as follows:

Classification According to the Fair Value Hierarchy 2023

	Level 2 \$	Level 3 \$	Total \$
Plant and Equipment at Fair Value			
Leasehold Improvements	-	1,272,910	1,272,910
Plant and Equipment	31,370	2,000	33,370
	31,370	1,274,910	1,306,280

Classification According to the Fair Value Hierarchy 2022

	Level 2 \$	Level 3 \$	Total \$
Plant and Equipment at Fair Value			
Leasehold Improvements	-	1,330,188	1,330,188
Plant and Equipment	32,433	956	33,389
	32,433	1,331,144	1,363,577

Transfers Between Categories

There have been no transfers between Levels 2 and 3 during the current and previous reporting period.

Valuation Techniques, Inputs and Processes:

Level 2 Valuation Techniques and Inputs

Valuation Technique: The valuation technique used to value Plant and Equipment is the market approach that reflects recent transaction prices for similar Plant and Equipment (comparable in location and size).

Inputs: Prices and other relevant information generated by market transactions involving comparable Plant and Equipment.

Level 3 Valuation Techniques and Significant Unobservable Inputs

Leasehold Improvements and Other Plant and Equipment

Valuation Technique: The majority of the Leasehold Improvement and Security System (part of Plant & Equipment) were considered to be specialised assets with no observable market sales data. These were measured using the current replacement cost approach that reflects the cost to a market participant to construct assets of comparable utility adjusted for obsolescence.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 13. PLANT AND EQUIPMENT (CONTINUED)

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

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

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

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Leasehold Improvements	Security System
30 June 2023	\$	\$
Fair Value at the Beginning of the Reporting Period	1,330,188	956
Additions	1,000	-
Revaluation Increment	224,036	1,567
Depreciation	(282,314)	(523)
Fair Value at the End of the Reporting Period	1,272,910	2,000
30 June 2022	\$	\$
Fair Value at the Beginning of the Reporting	1,612,477	1,478
Depreciation	(282,289)	(522)
Fair Value at the End of the Reporting Period	1,330,188	956

Change in unrealised gains or losses for the period are included in profit or loss for assets held at the end of the reporting period.

NOTE 14. INTANGIBLE ASSETS

Description and Material Accounting Policies Relating to Intangible Assets

The Public Trustee and Guardian's intangible assets are comprised of internally generated software for internal use only.

Recognition

Internally generated software is recognised when it meets the general recognition criteria outlined below and where it also meets the specific recognition criteria relating to intangible assets arising from the development phase of an internal project.

Measurement

Intangible Assets are measured at cost.

Amortisation

Capitalised software and other intangibles have a finite useful life. Amortisation is applied to intangible assets. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 5 years.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 14. INTANGIBLE ASSETS (CONTINUED)

Impairment

The Public Trustee and Guardian assesses, at each reporting date, whether there is any indication that an intangible asset may be impaired. Intangible assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

Impairment losses for intangible assets are recognised in the Operating Statement under Other Expenses, as intangibles are carried at cost. The carrying amount of the intangible asset is reduced to its recoverable amount.

Amortisation of Intangibles is determined as follows:

Class of Intangible Asset	Amortisation Method	Useful Life (Years)
Internally Generated Software	Straight line	5
	Internally Generated Software	Total
	\$	\$
Reconciliation of Intangible Assets - 2022-23		
Carrying Amount at the Beginning of the Reporting Period	762,313	762,313
Period	17,454	17,454
Additions	(223,053)	(223,053)
Amortisation	<u>556,714</u>	<u>556,714</u>
Carrying Amount at the End of the Reporting Period	556,714	556,714

Carrying amount at the End of the Reporting Period, is represented by:

Gross Book Value	1,123,988	
Accumulated Amortisation	(567,274)	
Accumulated Impairment Losses	-	
	Internally Generated Software	Total
	\$	\$
Reconciliation of Intangible Assets - 2021-22		
Carrying Amount at the Beginning of the Reporting Period	777,057	777,057
Period	174,732	174,732
Additions	(189,476)	(189,476)
Amortisation	<u>762,313</u>	<u>762,313</u>
Carrying Amount at the End of the Reporting Period	762,313	762,313

Carrying amount at the End of the Reporting Period, is represented by:

Gross Book Value	1,106,535	
Accumulated Amortisation	(344,222)	
Accumulated Impairment Losses	-	

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

LIABILITY NOTES

Liabilities - Current and Non-current

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Public Trustee and Guardian does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities, which do not fall within the current classification, are classified as non-current.

NOTE 15. PAYABLES

Description and Material Accounting Policies Relating to Payables

Payables

Payables include Trade Payables, Accrued Expenses and Other Payables.

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 14 days after the invoice date given the ACT Government accelerated the payments of invoices for local enterprises recognising the importance of cash flow to small and medium enterprises given the COVID-19 pandemic.

	2023	2022
	\$	\$
Current Payables		
Trade Payables (a)	14,467	55,484
Accrued Expenses (b)	105,287	134,095
Amounts Received Related to Contracts with Customers for Grants where the Performance Obligations has not yet been Satisfied	108,168	-
Net Goods and Services Tax Payable	182,799	178,161
Total Current Payables	410,721	367,740
Total Payables	410,721	367,740
 Payables are aged as follows:		
Not Overdue	13,857	20,491
Overdue for Less than 30 Days	-	-
Overdue for 30 to 60 Days	610	4,844
Overdue for More than 60 Days	-	30,149
Total Current Payables	14,467	55,484

(a) Trade payables have decreased in 2022-23 due to costs associated with IT Projects remaining unpaid as at 30 June 2022, and this has not occurred in 2022-23.

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

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 16. LEASE LIABILITIES

Description and Material Accounting Policies Relating to Lease Liabilities

The Public Trustee and Guardian as a Lessee

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

Terms and Conditions of Leases

Motor Vehicles

The Public Trustee and Guardian holds one motor vehicle lease. The extended lease term of 12 months ended in January 2023. The lease has been renewed for a further 6 months.

Building leases

The Public Trustee and Guardian has one lease for a warehouse building which expires in three years. The lease does not allow for any extension past the three years. There are clauses within the lease which require the Public Trustee and Guardian, upon cessation of the tenancy, to remove plant and equipment installed at the premises. The warehouse lease contains an annual pricing mechanism of 3% effective at each anniversary of the lease inception.

At inception of a contract, the Public Trustee and Guardian assesses whether a lease exists, that is, does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset;
- the Agency has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Agency has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that termination option.

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 16. LEASE LIABILITIES (CONTINUED)

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Public Trustee and Guardian's assessment of lease term.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, a rate that reflects the lessee's incremental borrowing rate is used, which is in line with ACT Government Accounting Policy.

Exemptions to Lease Accounting

The Public Trustee and Guardian has elected to apply the exemptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets.

The Public Trustee and Guardian recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

	2023	2022
	\$	\$
Current Lease Liabilities		
Motor Vehicles	323	4,628
Building Leases	33,677	-
Total Current Lease Liabilities	34,000	4,628
Non-Current Lease Liabilities		
Building Leases	48,433	-
Total Non-Current Lease Liabilities	48,433	-
Reconciliation of Lease Liabilities		
Opening Balance of Lease Liabilities	4,628	4,644
Add: Additional Lease Liabilities taken up in the Current Reporting Period	104,123	6,310
Add: Interest Expense	3,146	26
Less: Payments to Reduce the Principal of the Liability	(29,464)	(6,352)
Closing Balance of Lease Liabilities	82,433	4,628

Public Trustee and Guardian had total cash outflows relating to leases of \$29,464 in 2022-23 (\$6,352 in 2021-22).

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 17. EMPLOYEE BENEFITS

Description and Material Accounting Policies Relating to Employee Benefits

Accrued Wages and Salaries

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

Annual and Long Service Leave

Annual and long service leave, including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At each reporting period end, the present value of future payments is calculated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2022-23 the rate used to estimate the present value of future:

- Annual leave payments is 98.2% at 30 June 2023 (101.8% in 2021-22).
- Long service leave is 93.0% at 30 June 2023 (95.3% in 2021-22).

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

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.

Significant judgements have been applied in estimating the annual and long service leave liabilities, given that the Public Trustee and Guardian uses the Whole-of-Government present value, probability and on-cost factors. These factors are issued by ACT Treasury and apply to all ACT Government Agencies. ACT Treasury organises an actuarial review to be undertaken every three years by the Australian Government Actuary to estimate each of these factors. The latest assessment was undertaken in December 2021, with the next review expected to be undertaken by late 2024.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because Public Trustee and Guardian has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation Liability

The employer superannuation benefits payable to the Public Trustee and Guardian employees, who are members of the defined benefit CSS or PSS Schemes, are recognised in the financial statements of the Superannuation Provision Account.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 17. EMPLOYEE BENEFITS (CONTINUED)

	2023	2022
	\$	\$
Current Employee Benefits		
Annual Leave (a)	724,908	803,709
Long Service Leave (b)	1,151,641	1,174,974
Accrued Salaries	375,535	173,090
Other Employee Benefits	63,212	61,995
Total Current Employee Benefits	2,315,296	2,213,768
Non-Current Employee Benefits		
Long Service Leave	242,490	220,982
Total Non-Current Employee Benefits	242,490	220,982
Total Employee Benefits	2,557,786	2,434,750
Estimate of when leave is payable		
Estimated Amount Payable within 12 months		
Annual Leave	724,908	803,709
Long Service Leave	415,619	339,023
Accrued Salaries	375,535	173,090
Other Employee Benefits	63,212	61,995
Total Employee Benefits Payable within 12 months	1,579,274	1,377,817
Estimated Amount Payable after 12 months		
Long Service Leave	978,512	1,056,933
Total Employee Benefits Payable after 12 months	978,512	1,056,933
Total Employee Benefits	2,557,786	2,434,750

The Public Trustee and Guardian had an average of 68.13 full time equivalent staff employed at 30 June 2023 (62.97 at 30 June 2022).

(a) Annual leave liability has decreased in 2022-23 mainly as a result of more employees taking leave during the period and a decrease in the present value factor used for calculating annual leave falling from 101.8 percent in 2021-22 to 98.20 percent in 2022-23.

(b) Long Service leave accrues from the commencement of employment by a staff member. As the period of service increases, so do the benefits. However, the long service leave provision has decreased in 2022-23 mainly due to the present value factor used for calculating long service leave falling from 95.30 percent in 2021-22 to 93.30 percent in 2022-23.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 18. OTHER PROVISIONS

Description and Material Accounting Policies Relating to Other Provisions

Provisions are recognised when the Public Trustee and Guardian has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for Make Good

Public Trustee and Guardian has recorded a liability and a corresponding asset for the estimated cost of returning the premises occupied by the Public Trustee and Guardian as well as a warehouse building, to a similar condition to that which existed prior to the occupancy if the Public Trustee and Guardian was to leave. The provision for make good for the premises was estimated by a qualified independent valuer as at 30 June 2023. The provision for make good for the warehouse building was estimated using rates supplied by ACT Property Group at 30 June 2023.

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

The provision for make good was valued at \$395,000 on 30 June 2023. The expected future outlay is estimated to be \$459,300 to meet the make good obligation. The present value using the 4 year Commonwealth Government bond rate (3.95%) as well as a CPI adjustment (5.2%; 5 year average, BPI Canberra) as at 30 June 2023 is \$395,000.

On 23 November 2022, the Public Trustee and Guardian entered into a lease for Unit 4, 34 Grimwade Street, Mitchell. There are clauses within the lease which require the Public Trustee and Guardian, upon cessation of the tenancy, to remove plant and equipment installed at the premises. The lease is for 3 years with no further extension to the lease term.

The provision for make good was estimated at \$26,074 on 30 June 2023. The expected future outlay is estimated to be \$27,340 to meet the make good obligation. The present value using the 2 year Commonwealth Government bond rate (2.40%) as well as a CPI adjustment (7.0%; All groups, Mar '23) as at 30 June 2023 is \$26,074.

Provision for Dividends

The Public Trustee and Guardian will not be paying a dividend for the 2022-23 year as there is no surplus to distribute. The loss in the 2022-23 year is mainly attributed to increased employee expenses (Refer Note 7 *Employee Expenses*).

	2023	2022
Non-Current Other Provisions	\$	\$
Provision for Make Good	421,074	149,250
Total Non-Current Other Provisions	421,074	149,250
Total Other Provisions	421,074	149,250

Reconciliation of Other Provisions - 2022-23

	Provision for Make Good
	\$
Provision at the Beginning of the Reporting Period	149,250
Additions to Provision during the Reporting Period	26,074
Increase in Provision due to a Change in Accounting Estimates	245,750
Provision at the end of the Reporting Period	421,074

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 19. FINANCIAL INSTRUMENTS

Material Accounting Policies Relating to Financial Instruments

Details of the material accounting 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 the note to which they relate. In addition to these policies, the following are also accounting policies relating to financial assets and liabilities.

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

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

The following are the classification of the Public Trustee and Guardian's financial assets under AASB 9:

Items	Business Model Held to collect principal and interest/sell	Solely for payment of Principal and Interest (SPPI) Test (basic lending characteristics)	Classification
Cash and Cash Equivalents	Held to collect	Yes	Amortised Cost
Accounts Receivables	Held to collect	Yes	Amortised Cost
Accrued Revenue	Held to collect	Yes	Amortised Cost

Financial liabilities are measured at amortised cost.

Credit Risk

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

Credit risk is managed by the Public Trustee and Guardian for cash and cash equivalents by holding bank balances with the ACT Government's bank, Westpac Banking Corporation (Westpac). Westpac holds a AA issuer credit rating with Standard and Poors. A 'AA' credit rating is defined as a 'very strong capacity to meet financial commitments'.

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

Liquidity Risk

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

Fair Value of Financial Assets and Liabilities

The carrying amount of financial assets and financial liabilities of the Public Trustee and Guardian approximate their fair value. All financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such no Fair Value Hierarchy is disclosed.

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 19. FINANCIAL INSTRUMENTS (CONTINUED)

The following tables set out the Public Trustee and Guardian's maturity analysis for financial liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity periods 30 June 2022 and 30 June 2023. Except for non-current payables, financial liabilities, which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

30 June 2023	Weighted Average Interest Rate	Floating Interest Rate	<u>Fixed Interest Maturing In:</u>				Non- Interest Bearing	Interest Bearing	Total
			1 Year or Less	Over 1 Year to 5 Years	Over 5 Years				
	Note No.	\$	\$	\$	\$	\$	\$	\$	
Financial Liabilities									
Payables	15	-	-	-	-	119,754	-	119,754	
Lease Liabilities	16	-	34,000	48,433	-	-	-	82,433	
Total Financial Liabilities		-	34,000	48,433	-	119,754	-	202,187	

30 June 2022	Weighted Average Interest Rate	Floating Interest Rate	<u>Fixed Interest Maturing In:</u>				Non- Interest Bearing	Interest Bearing	Total
			1 Year or Less	Over 1 Year to 5 Years	Over 5 Years				
	Note No.	\$	\$	\$	\$	\$	\$	\$	
Financial Liabilities									
Payables	15	-	-	-	-	189,579	-	189,579	
Lease Liabilities	16	-	4,628	-	-	-	-	4,628	
Total Financial Liabilities		-	4,628	-	-	189,579	-	194,207	

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 19. FINANCIAL INSTRUMENTS (CONTINUED)

	2023	2022
	\$	\$
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Financial Assets Measured at Fair Value through the Profit and Loss		
- Designated upon Initial Recognition	-	-
Financial Assets Measured at Amortised Cost	5,350,882	5,394,809
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	202,187	194,207

The Public Trustee and Guardian does not have any financial liabilities in the 'Financial Liabilities at Fair Value through Profit and Loss' category and, as such, this category is not included above.

NOTE 20. CONTINGENT LIABILITIES

Material Accounting Policies Relating to Contingent Liabilities

Contingent liabilities are not recognised in the Balance Sheet due to the uncertainty regarding any possible amount or timing of any underlying claim or obligation. Instead they are disclosed and, if quantifiable, the best estimate is disclosed.

Legal Claims

The Public Trustee and Guardian is subject to 3 legal claims (2022 – 2 legal claims). The Public Trustee and Guardian is potentially liable for \$35,000 (2022 - \$10,000) which represents the excess amount payable on these actions as the Public Trustee and Guardian is covered by the ACT Insurance Authority (ACTIA). If the Public Trustee and Guardian under the arrangements with ACTIA pays the full amount of a successful claim, the amount less the excess amount (\$10,000 per a claim in two matters and \$15,000 per claim for one matter) is reimbursed to the Public Trustee and Guardian by ACTIA. The estimated actuarially assessed liability covered by ACTIA is included in ACTIA's financial statements.

NOTE 21. RELATED PARTY DISCLOSURES

Description and Material Accounting Policies Relating to Related Party Disclosures

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

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

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

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

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 21. RELATED PARTY DISCLOSURES (CONTINUED)

(A) Controlling Entity

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

(B) Key Management Personnel

B.1 Compensation of Key Management Personnel

Compensation details for all Cabinet Ministers, including the Attorney-General, is disclosed in the note on related party disclosures, included in the ACT Executive's financial statements for the financial year ended 30 June 2023.

Compensation of the Head of Service is included in the note on related party disclosures, included in the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) financial statements for the financial year ended 30 June 2023.

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

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

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

	2023	2022
	\$	\$
Short-term employee benefits	595,918	589,064
Post employment benefits	95,268	62,936
Other long-term benefits	14,132	13,549
Total Compensation by Public Trustee and Guardian to KMP	705,318	665,549

B.2 Transactions with Key Management Personnel

No disclosure is required for typical citizen transactions between the KMP and the Public Trustee and Guardian that occur on terms and conditions no different to those applying to the general public, where no discretion is applied and no influence is exerted by the related parties over the terms and conditions of these transactions.

B.3 Transactions with parties related to Key Management Personnel

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

(C) Transactions with other ACT Government Controlled Entities

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

PUBLIC TRUSTEE AND GUARDIAN

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 22. BUDGETARY REPORTING

Significant Accounting Judgements and Estimates – Budgetary Reporting

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

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

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

	Variance Explanation	Actual 2022-23 \$	Original Budget 2022-23 \$	Variance \$	Variance %
Statement of Cash Flows Line Items					
Proceeds from Sale of Investments	3	4,000,000	1,049,000	2,951,000	281%

Variance Explanations

1. The higher than anticipated value of Plant and Equipment at the end of the reporting period is due to an increase in the fair value of assets following an independent valuation.
2. The higher than anticipated value of Other Provisions at the end of the reporting period is due to a revaluation of the make good provisions following an independent valuation.
3. The higher than anticipated value of Sale of Investments was due to transfer of funds from term deposits to cash at bank. This was initiated to take advantage of higher interest rates on bank account balances compared to those on offer at maturity of short-term investments.

Special Purpose Financial Statements

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT FINANCIAL STATEMENTS

**For the Year Ended
30 June 2023**

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the special purpose financial statements (financial statements) of the Public Trustee and Guardian Trust Account (Trust Account) for the year ended 30 June 2023 which comprise the operating statement for the Common Fund Interest Account and Guarantee and Reserve Account, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly the Trust Account's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended; and
- (ii) is presented in accordance with the basis of preparation described in Note 2 of the financial statements.

Basis for opinion

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

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

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

Emphasis of matter

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

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

Responsibilities of the Public Trustee and Guardian for the financial statements

The Public Trustee and Guardian is responsible for:

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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



Ajay Sharma

Assistant Auditor-General, Financial Audit

28 September 2023

**PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

DECLARATION BY THE PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT

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

I declare that:

1. the financial statements and notes, as set out on pages 2 to 16, present the Trust's financial position at 30 June 2023 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
2. in the Public Trustee and Guardian for the ACT's opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Public Trustee and Guardian for the ACT



.....
Aaron Hughes

Dated 28 September 2023

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

**OPERATING STATEMENT - COMMON FUND ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note No.	2023 \$	2022 \$
Income			
Dividends		3,030,414	4,603,535
Interest		3,883,335	847,396
Management Fee Rebate		261,142	256,972
Net Gain / (Loss) on Investments	3	<u>8,367,499</u>	<u>(18,906,837)</u>
Total Income		<u>15,542,390</u>	<u>(13,198,934)</u>
Expenses			
Interest Distributed to Estates and Trusts		2,523,287	64,112
Dividend Distributed to Estates and Trusts		1,950,700	3,495,203
Net Gain / (Loss) Distributed to Estates and Trusts	3	8,367,499	(18,906,837)
Bank Fees		160	110
Management Fees		<u>2,704,566</u>	<u>2,178,361</u>
Total Expenses		<u>15,546,212</u>	<u>(13,169,051)</u>
Operating Result		<u>(3,822)</u>	<u>(29,883)</u>
Total Comprehensive Result		<u>(3,822)</u>	<u>(29,883)</u>

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

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

**OPERATING STATEMENT - GUARANTEE AND RESERVE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note No.	2023 \$	2022 \$
Income			
Interest		41,289	6,641
Gains from Disposal of Assets		1,582	-
Total Income		42,871	6,641
Expenses			
Depreciation		7,959	16,000
Commission		2,447	324
Management Fees		15,989	14,352
Information Technology Costs	4	2,176	129,469
Other Expenses		-	7,260
Total Expenses		28,571	167,405
Operating Result		14,300	(160,764)
Other Comprehensive Income			
Increase in Asset Revaluation Surplus		-	128,000
Total Other Comprehensive Result		-	128,000
Total Comprehensive Result		14,300	(32,764)

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

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

BALANCE SHEET AS AT 30 JUNE 2023

	Note No.	2023 \$	2022 \$
Assets			
Current Assets			
Cash and Investments	5	127,327,558	128,188,195
Receivables	6	3,678,106	2,726,936
Unrealised Assets	7	233,578,417	205,226,658
Total Current Assets		364,584,081	336,141,789
Non-Current Assets			
Cash and Investments	5	139,120,679	123,970,904
Property	8	-	400,000
Total Non-Current Assets		139,120,679	124,370,904
Total Assets		503,704,760	460,512,693
Liabilities			
Current Liabilities			
Trust Liabilities	9	11,872,769	13,310,961
Other Liabilities		-	3,389
Total Current Liabilities		11,872,769	13,314,349
Non-Current Liabilities			
Estates and Trusts Under Administration	10	490,066,443	445,443,275
Total Non-Current Liabilities		490,066,443	445,443,275
Total Liabilities		501,939,212	458,757,624
Net Assets		1,765,548	1,755,070
Equity			
Common Fund Account		54,396	58,218
Guarantee and Reserve Account		1,711,152	1,132,824
Asset Revaluation Surplus		-	564,028
Total Equity		1,765,548	1,755,070

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

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Asset Revaluation Surplus 2023 \$	Common Fund Account 2023 \$	Guarantee and Reserve Account 2023 \$	Total 2023 \$
YEAR ENDED 30 JUNE 2023				
Balance at the Beginning of the Reporting Period	564,028	58,218	1,132,824	1,755,070
Comprehensive Income				
Common Fund Interest Account - Operating Result	-	(3,822)	-	(3,822)
Guarantee and Reserve Account - Operating Result	-	-	14,300	14,300
Transfer of Asset Revaluation Surplus	(564,028)		564,028	-
Total Comprehensive Result	(564,028)	(3,822)	578,328	10,478
Balance at the End of the Reporting Period	-	54,396	1,711,152	1,765,548

	Asset Revaluation Surplus 2022 \$	Common Fund Account 2022 \$	Guarantee and Reserve Account 2022 \$	Total 2022 \$
YEAR ENDED 30 JUNE 2022				
Balance at the Beginning of the Reporting Period	436,028	88,101	1,293,588	1,817,717
Comprehensive Income				
Common Fund Interest Account - Operating Result	-	(29,883)	-	(29,883)
Guarantee and Reserve Account - Operating Result	-	-	(160,764)	(160,764)
Increase in Asset Revaluation Surplus	128,000			128,000
Total Comprehensive Result	128,000	(29,883)	(160,764)	(62,647)
Balance at the End of the Reporting Period	564,028	58,218	1,132,824	1,755,070

The above Statement of Changes in Equity is to be read with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note No.	2023 \$	2022 \$
Cash Flows from Operating Activities			
Receipts			
Interest		2,079,140	718,180
Dividends		<u>3,923,642</u>	<u>6,003,402</u>
Total Receipts from Operating Activities		<u>6,002,782</u>	<u>6,721,582</u>
Payments			
Management and Other Fees		<u>2,694,077</u>	<u>2,345,073</u>
Total Payments from Operating Activities		<u>2,694,077</u>	<u>2,345,073</u>
Net Cash Inflows from Operating Activities	5(b)	<u>3,308,705</u>	<u>4,376,509</u>
Cash Flows from Investing Activities			
Receipts			
Proceeds from the Disposal of Assets		393,623	-
Proceeds from the Maturity of Investments		89,005,030	76,360,000
Proceeds from the Sale of Investments		<u>3,111,000</u>	<u>6,268,000</u>
Total Receipts from Investing Activities		<u>92,509,653</u>	<u>82,628,000</u>
Payments			
Purchase of Investments		<u>98,113,000</u>	<u>88,415,030</u>
Total Payments from Investing Activities		<u>98,113,000</u>	<u>88,415,030</u>
Net Cash (Outflows) from Investing Activities		<u>(5,603,347)</u>	<u>(5,787,030)</u>
Cash Flows from Financing Activities			
Receipts			
Receipts from Trusts and Estates		<u>79,804,557</u>	<u>95,740,845</u>
Total Receipts from Financing Activities		<u>79,804,557</u>	<u>95,740,845</u>
Payments			
Payments to Trusts and Estates		<u>77,865,522</u>	<u>91,338,082</u>
Total Payments from Financing Activities		<u>77,865,522</u>	<u>91,338,082</u>
Net Cash Inflows from Financing Activities		<u>1,939,035</u>	<u>4,402,763</u>
Net (Decrease) / Increase in Cash and Cash Equivalents		(355,607)	2,992,242
Cash and Cash Equivalents at Beginning of the Reporting Period		<u>3,433,165</u>	<u>440,923</u>
Cash and Cash Equivalents at End of the Reporting Period	5(a)	<u>3,077,558</u>	<u>3,433,165</u>

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

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. ACTIVITIES OF THE PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT

The functions of the Public Trustee and Guardian for the ACT are defined in the Public Trustee and Guardian Act 1985 and include the administration of deceased estates and trusts and the preparation of wills. The Public Trustee and Guardian for the ACT also acts as Attorney under Enduring Powers of Attorney and as Guardian and Manager under order of the ACT Civil and Administrative Tribunal. These financial statements show the value of trust, attorney and management funds under administration at 30 June 2023 and the results of these operations for the year ended 30 June 2023.

2. MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

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

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

The Public Trustee and Guardian for the ACT prepares two Operating Statements to ensure that the Guarantee and Reserve does not form part of a Common Fund as per s.61(2) of the Public Trustee and Guardian Act 1985.

These financial statements are special purpose financial statements that have been prepared for the sole purpose of preparing and distributing a financial report for stakeholders, including Trust Clients, the Public Trustee and Guardian and service providers.

ACCRUAL ACCOUNTING

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

CURRENCY

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

ROUNDING

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

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

PRIOR YEAR COMPARITIVES

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

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

IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

All Australian Accounting Standards and Interpretations issued but yet to be applied are applicable to future reporting periods and will be adopted from their application date, except for part of AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure to Accounting Policies and Definitions of Accounting Policies and Definition of Accounting Estimates which was early adopted last financial year (in 2021-22).

Standards and Interpretations issued but yet to be applied have been assessed as not being relevant to the Trust or will have an immaterial financial impact on the Trust.

MATERIAL ACCOUNTING POLICIES - INCOME

REVENUE RECOGNITION

AASB 1058 INCOME OF NOT-FOR-PROFIT ENTITIES

Where revenue streams are in the scope of AASB 1058 *Income of Not-for-Profit Entities*, the Public Trustee and Guardian Trust recognises the asset received (generally cash or other financial asset) at fair value, recognises any related amount (e.g. liability or equity) in accordance with an accounting standard and recognises revenue as the residual between the fair value of the asset and the related amount on receipt of the asset.

DIVIDENDS

Dividend revenue is recognised when the right to receive payment is established.

INTEREST

Interest revenue is recognised using the effective interest method.

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

MATERIAL ACCOUNTING POLICIES - EXPENSES

INTEREST DISTRIBUTIONS

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

DIVIDEND DISTRIBUTIONS

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

NET GAIN DISTRIBUTED TO ESTATES AND TRUSTS

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

MANAGEMENT FEES

Management fees are charged by the Public Trustee and Guardian for the ACT against the Common Funds at a rate of 1.1%. The Cash Common Fund fee is charged monthly and is based on the value of cash held in client accounts at the end of each month. The management fee on the Common Funds held as Investments is charged monthly on the value of the investment.

MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES - IMPAIRMENT OF ASSETS

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

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

3. NET GAIN / (LOSS) ON INVESTMENTS

	2023	2022
	\$	\$
Realised Gain / (Loss) on Investments	77,621	(243,929)
Unrealised Gain / (Loss) on Investments (a)	8,289,878	(18,662,908)
Total Net Gain / (Loss) on Investments	<u>8,367,499</u>	<u>(18,906,837)</u>
Realised Gain / (Loss) Distributed to Estates and Trusts	77,621	(243,929)
Unrealised Gain / (Loss) Attributable to Estates and Trusts (a)	8,289,878	(18,662,908)
Total Net Gain / (Loss) Distributed to Estates and Trusts	<u>8,367,499</u>	<u>(18,906,837)</u>

a) There is an unrealised gain for 2022-23 as a result of an increase in the market in the current financial year following a significant decrease being recognised for the prior year. Capital gain across the investments held was 6.7% on the funds in 2022-23 compared to a loss of 14.2% in 2021-22.

4. INFORMATION TECHNOLOGY COSTS

Information Technology Costs	<u>2,176</u>	<u>129,469</u>
Total Information Technology Costs	<u>2,176</u>	<u>129,469</u>

Costs incurred in 2022-23 relate solely to the maintenance of the Public Trustee and Guardian for the ACT's trust account system. In 2021-22 expenses related to the trust system maintenance and for projects for broader technology improvements. Funding for projects for broader technology improvements in the 2022-23 financial year were funded from the Public Trustee and Guardian for the ACT's accumulated cash reserves.

5. CASH AND INVESTMENTS

Cash and Cash Equivalents

The Public Trustee and Guardian holds two bank accounts with the Commonwealth Bank.

Cash includes cash at bank and cash at call. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in cash and cash equivalents in the Statement of Cash Flows but not in the cash and Investments line on the Balance Sheet.

Investments

S.55 of the *Public Trustee and Guardian Act 1985* provides for the pooling of the credit balances of current accounts in a range of Common Funds for investment purposes. The Public Trustee and Guardian operates four Common Funds that make investments with external institutions.

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5. CASH AND INVESTMENTS - CONTINUED

The Cash Common Fund is an investment portfolio with investments in short term deposits with a maximum duration of 12 months. These investments are convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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

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

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

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

The unit value changes in response to the underlying market value of the financial investments held. All unitholdings are designated at fair value through Profit or Loss with the carrying amount measured at fair value.

Fair value is the price that would be received to sell the units in an orderly transaction between market participants at the measurement date and reflects the best available prices of the underlying financial investments. Subsequent to initial measurement, investments are re-measured to fair value with changes in their fair value (gains/loss) recognised in the Operating Statement (see Note 3 - *Net Gain / (Loss) on Investments*). Distributions earned on these investments are disclosed on the Operating Statement for the Common Fund.

The investments that are not expected to be realised, sold or consumed in the normal operating cycle are classified as non-current investments.

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

5. CASH AND INVESTMENTS - CONTINUED

	2023	2022
	\$	\$
Current Cash and Investments		
Cash at Bank - Common Fund	2,614,626	2,485,879
Cash at Bank - Guarantee and Reserve	456,219	37,286
Investments - Funds at Call	6,713	910,000
Short Term Deposits - Common Fund (a)	123,000,000	123,505,030
Short Term Deposits - Guarantee and Reserve	1,250,000	1,250,000
Total Current Cash and Investments	<u>127,327,558</u>	<u>128,188,195</u>
Non-Current Cash and Investments		
Conservative Common Fund (b)	13,029,484	12,212,002
Balanced Common Fund (b)	38,862,983	38,886,646
Growth Common Fund (b)	87,228,212	72,872,256
Total Non-Current Cash and Investments	<u>139,120,679</u>	<u>123,970,904</u>
Total Cash and Investments	<u>266,448,237</u>	<u>252,159,099</u>

(a) Short Term Deposits - Common Fund are pooled balances invested under Section 55 of the *Public Trustee and Guardian Act 1985*.

(b) Investment have increased following an increase in the market together with further investment into the funds.

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

5. CASH AND INVESTMENTS - CONTINUED

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

	2023	2022
	\$	\$
Operating Result - Common Fund	(3,822)	(29,883)
Operating Result - Guarantee and Reserve Account	14,300	(160,764)
Add / (Less) Non-Cash Items		
Net (Gain) / Loss on Investments	(8,367,499)	18,906,837
Depreciation	7,959	16,000
Management Fee Rebates	(261,142)	(256,972)
Interest Distributed to Estates and Trusts	2,523,287	64,112
Dividends Distributed to Estates and Trusts	1,950,700	3,495,203
(Gain) from Disposal of Asset	(1,582)	
Net Gain / (Loss) Distributed to Estates and Trusts	8,367,499	(18,906,837)
Net Cash Inflows Before Changes in Operating Assets and Liabilities	4,229,700	3,127,696
Changes in Operating Assets and Liabilities:		
(Increase) / Decrease in Receivables	(948,337)	1,248,671
Increase / (Decrease) in Trust Liabilities	30,731	(3,246)
(Decrease) / Increase in Other Liabilities	(3,389)	3,388
Net Change in Operating Assets and Liabilities	(920,995)	1,248,813
Net Cash Inflows from Operating Activities	3,308,705	4,376,509

6. RECEIVABLES

Current		
Interest Receivable (a)	2,298,119	452,636
Dividend Receivable (b)	1,249,942	2,143,171
Management Fee Rebates Receivable	68,587	63,836
Gifts Receivable	10,200	11,450
Reduced Input Tax Credits	51,258	55,843
Total Receivables	3,678,106	2,726,936

(a) Interest Receivable represents interest on invested funds not yet received as at 30 June 2023. An increase in interest receivable is due to an increase in the interest rates on offer by financial institutions.

(b) Dividend Receivable has decreased due to a lower rate of return on investments at 30 June 2023.

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

7. 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 and Guardian at the value the assets were received, in accordance with the Public Trustee and Guardian guidelines.

After initial recognition, unrealised assets are valued using the cost or revaluation model of valuation. Unit based assets are measured at fair value. Properties are valued at market value. The market value of the Properties is measured using current prices in a market for similar Properties. Valuations are performed every three years.

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

	2023	2022
	\$	\$
Properties		
Real Estate	112,226,000	100,223,098
Total Properties (a)	<u>112,226,000</u>	<u>100,223,098</u>
Unit Based Assets - at Fair Value:		
Shares (b)	16,978,418	7,990,219
Superannuation Policies	-	-
Property and Unit Trusts	270,032	95,840
Total Unit Based Assets - at Fair Value	<u>17,248,450</u>	<u>8,086,059</u>
Other Assets - at Cost:		
Nursing Home/Retirement Village Bonds	13,413,625	13,868,533
Superannuation Policies (c)	78,242,248	74,439,559
Prepaid Funerals	79,870	95,423
Managed Funds	441,180	271,499
Investments	10,110,499	6,164,459
Personal Effects	1,816,545	2,078,028
Total Other Assets - at Cost	<u>104,103,967</u>	<u>96,917,501</u>
Total Unrealised Assets	<u><u>233,578,417</u></u>	<u><u>205,226,658</u></u>

(a) Real Estate holdings increased due to an increase in fair value together with an increase in the number of holdings by clients.

(b) Shares increased in value due to new deceased estates clients with high value share portfolios.

(c) Superannuation Policies increased in value during the year due to increased returns from the market fluctuations together with an increase in the number of holdings by clients.

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

8. PROPERTY

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

	2023	2022
	\$	\$
Leasehold Property at Market Value	-	400,000
Less: Accumulated Depreciation	-	-
Total Property	<u>-</u>	<u>400,000</u>

An independent valuation of the Public Trustee and Guardian's warehouse property at Mitchell was performed by Ashleigh Drekovic (AAPI Certified Practising Valuer) of Opteon at 30 June 2022, this was sold in the 2022-23 financial year.

9. TRUST LIABILITIES

The Public Trustee and Guardian has made a significant judgement regarding Trust Liabilities. Liabilities are only brought to account for those clients that have available funds to pay their debts. Where a client is potentially insolvent, no liabilities are brought to account.

	2023	2022
	\$	\$
Mortgages (a)	8,970,390	10,333,274
Funeral Expenses	58,399	31,041
Bank Loans and Credit Cards	331,975	31,333
Medical/Dental Costs	14,258	51,895
Property/Utility Costs	90,295	73,772
Personal Expenses	505,927	215,111
Accommodation/Rent	373,151	44,653
Taxation Debts	2,972	37,888
Sundry Debts	114,023	133,441
Dividends to be Distributed (b)	967,876	1,885,084
Accrued Income Commission	62,397	123,095
Accrued Management Fees	381,105	350,374
Total Trust Liabilities	<u>11,872,768</u>	<u>13,310,961</u>

(a) Mortgages decreased due to a decrease in the number of clients having a mortgage over their real estate holdings.

(b) Dividends to be Distributed decreased as a result of a decrease in the value of the Dividends to be Distributed from the last quarter of 2022-23 being 0.70%, compared with 1.52% for the same period in 2021-22.

PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT TRUST ACCOUNT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

10. ESTATES AND TRUSTS UNDER ADMINISTRATION

	2023	2022
	\$	\$
Unclaimed Monies (a)	56,931,772	58,044,047
Capital Region Community Foundation - Gift Fund (b)	31,816,676	22,297,821
Capital Region Community Foundation - Open Fund (c)	10,892,050	10,033,665
Estates and Trusts (d)	390,425,945	355,067,742
Total Estates and Trusts Under Administration	<u>490,066,443</u>	<u>445,443,275</u>

(a) Unclaimed monies has decreased due to a higher number of claims being processed and PTG no longer receiving new lodgement from Commonwealth Bank for unclaimed dividends

(b) Capital Region Community Foundation - Gift Fund has increased due to a gain on investments and an increase in gifts received.

(c) Capital Region Community Foundation - Open Fund has increased due to a gain on investments for the 2022-23 year.

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

11. CONTINGENT LIABILITIES

Legal Claims

The Public Trustee and Guardian Trust is not currently subject to any legal claims (2022: Nil).

Capital Works

The JACS Directorate Annual Report 2022-23 covers the Public Trustee and Guardian in relation to capital works.

Asset Management

The JACS Directorate Annual Report 2022-23 covers the Public Trustee and Guardian in relation to asset management.

Government Contracting

The online ACT Government Contracts Register records contracts with suppliers of good and services and works, with a value of \$25,000 or more. A full search of Public Trustee and Guardian contracts notified with an execution date from 1 July 2022 to 30 June 2023 can be made at <https://www.tenders.act.gov.au/contract/search>.

No exemptions to the Secure Local Jobs Code have been provided in the 2022-23 financial year.

In accordance with the Aboriginal and Torres Strait Islander Procurement Policy, the Public Trustee and Guardian did not identify any unique Aboriginal and Torres Strait Islander Enterprises that responded to quotation opportunities (noting the agency did not conduct any tenders in 2022-23). As a result, no unique Aboriginal and Torres Strait Islander Enterprises were attributed a value of addressable spend in 2022-23, nor was there a percentage of the 2022-23 financial year's addressable spend which was spent with Aboriginal and Torres Strait Islander Enterprises.

Statement of Performance

PUBLIC TRUSTEE AND GUARDIAN STATEMENT OF PERFORMANCE

**For the Year Ended
30 June 2023**

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Public Trustee and Guardian for the year ended 30 June 2023.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2023 are not in agreement with the Public Trustee and Guardian's records or do not fairly reflect, in all material respects, the performance of the Public Trustee and Guardian, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

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

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

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

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

The Public Trustee and Guardian is responsible for:

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

Auditor-General's responsibilities

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

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

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

Limitations on the scope

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

This limited assurance engagement does not provide assurance on the:

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



Ajay Sharma
Assistant Auditor-General, Financial Audit
28 September 2023

**Public Trustee and Guardian for the ACT
Statement of Performance
For the Year Ended 30 June 2023**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with Public Trustee and Guardian for the ACT's records and fairly reflects the service performance of the Public Trustee and Guardian for the ACT for the year ended 30 June 2023 and also fairly reflects the judgements exercised in preparing it.



Aaron Hughes
Public Trustee and Guardian

28 September 2023

**PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2023**

ACCOUNTABILITY INDICATOR	Original Budget 2022-23	Actual Outcome 2022-23	Variance %	Note
Guardianship Orders - number of people for whom PTG acted as Guardian appointed by the ACT Civil and Administrative Tribunal (ACAT) under the <i>Guardianship and Management of Property Act 1991</i> (GMPA) during the reported period	230	216	(6)	1
Management Orders - number of orders in which PTG was appointed as Manager by ACAT under the GMPA current at the end of the reported period by ACAT	510	477	(6)	2
Enduring Power of Attorney (EPoA) - number of EPoAs appointing PTG for all matters made during the reported period	70	36	(49)	3
Enduring Power of Attorney (EPoA) - number of EPoAs appointing PTG for financial and property matters under active management at the end of the reported period	35	30	(14)	4
Enduring Power of Attorney (EPoA) - number of EPoAs appointing PTG for personal and health care matters active at the end of the reported period	7	4	(43)	5
Police Call-outs - number of responses to call outs by police and community following death during the reported period	0	0	0	
Welfare funerals - number arranged by PTG during the reported period	0	0	0	
Examination of Accounts - number examined by PTG during the reported period upon filing by External Managers appointed by ACAT for Protected Persons	600	534	(11)	6
Deceased Estate Administrations - number of deceased estate administrations completed during the reported period	75	92	23	7
Trusts (for all purposes) – number held at end of reported period	730	734	1	
Wills - number of wills prepared by PTG during the reported period	300	213	(29)	8
Customer Survey - % of clients responding to PTG's survey during the reported year that reported PTG met or exceeded their expectations	90	100	11	9

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

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

**PUBLIC TRUSTEE AND GUARDIAN FOR THE ACT
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2023**

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

1. The lower than anticipated number of Guardianship Orders is related to increased efforts to consider alternatives to the appointment of a substitute decision maker and interagency collaboration to identify alternatives for specific decision making domains.
2. The lower than anticipated number of Management Orders is related to increased efforts to consider alternatives to the appointment of a substitute decision maker and interagency collaboration to identify alternatives for specific decision-making domains.
3. The number of EPoAs drafted is driven by the demand for this service from the community.
4. The number of EPoAs appointing PTG for financial and property matters under active management at the end of the reported period was lower than expected. An EPoA is enacted when a person has impaired decision-making capacity. This result indicates less people experienced such an impairment requiring enactment of the instrument.
5. The number of EPoAs appointing PTG for personal and health care matters active at the end of the reported period was marginally lower than expected. An EPoA is enacted when a person has impaired decision-making capacity. This result indicates less people experienced such an impairment requiring enactment of the instrument.
6. The lower than anticipated number of Examinations of Accounts is a result of reminder letters of accounts due not being sent until December 2022. The number of Examinations of Accounts rose by 172 compared to 2021-22.
7. The number of deceased estate administrations completed was higher than anticipated due to 17 matters previously finalised being reinstated upon receipt of additional funds. Reopened matters carry a considerable workload and hence are included in the statistics.
8. The number of Wills drafted is driven by the demand for this service from the community.
9. A small number of PTG clients (15), largely from our wills and power of attorney drafting and estate administration area completed our client surveys. PTG has also received complaints about our services during the financial year which are indicators of our customer satisfaction. Information about the complaints is provided in this Annual Report.

4

Annual Report
Requirements for Specific
Entities

Confiscation of Criminal Assets Act 2003, section 104

The [Confiscation of Criminal Assets Act 2003](#) (COCA Act) authorises the confiscation of the proceeds of crime and other criminal assets as well as unexplained wealth assets. The Public Trustee and Guardian administers assets restrained under the COCA Act in accordance with court orders. Forfeited assets are secured, sold and any moneys realised are deposited into the Confiscated Assets Trust (CAT) Fund. Section 104 of the COCA Act sets out the reporting requirements for the Public Trustee and Guardian.

In the 2022-23 financial year the following notices were given under the COCA Act:

Table 18. Notices given under section 102: Notice of sale, modification or destruction of restrained property by public trustee and guardian

Order Issue Date	Proposed action	Property type
19 September 2022	Sale	Motor vehicle
28 September 2022	Sale	Motor vehicle
18 October 2022	Sale	Motor vehicle
22 February 2023	Sale	Motor vehicle

The Public Trustee and Guardian did not issue any notices under section 103 of the COCA Act - Emergency modification or destruction of restrained property.

Annexure

Investment Board

Investment Board Performance



PUBLIC TRUSTEE AND GUARDIAN

The Board

The Board is established under section 46 of the [Public Trustee and Guardian Act 1985](#) to advise the public trustee and guardian on the investment of money that is from time to time in a common fund or otherwise in the hands of the public trustee and guardian and available for investment (section 47). In practical terms, the Board advises the public trustee and guardian on investment strategy, common fund management and related matters.

Membership

Section 48 of the Act requires that the Board be comprised of the Public Trustee and Guardian (Senior Member) and at least two other members appointed by the Minister for a term not longer than three years. Board members are not remunerated.

The table below sets out the members of the Investment Board for 2022-23, their appointment tenure and meetings attended in the reporting period.

Table 16. Investment Board Members 2022-23

Member	Position	Membership in 2022-23	Appointment end date	Meetings attended
Mr Andrew Taylor	Senior Member / Chair	1 July 2022 to 28 October 2022	28 October 2023	2 out of 2
Ms Tracy Savage	Senior Member / Chair	31 October 2022 to 17 February 2023	17 February 2023	3 out of 4
	Member	1 July 2022 to 30 June 2023	4 December 2024	
Mr Aaron Hughes	Senior Member / Chair	20 February 2023 to 30 June 2023	Upon cessation as Public Trustee and Guardian	2 out of 2
Mr Michael White	Member	1 July 2022 to 30 June 2023	3 May 2024	3 out of 4
Ms Serhan Mackey	Member	1 July 2022 to 30 June 2023	9 September 2024	3 out of 4
Ms Catherine Dube	Member	1 July 2022 to 30 June 2023	1 August 2024	3 out of 4

Michael White

Michael is currently Head of Investment Exposure Management, Colonial First State and manages the allocation of cash flows and investment exposures across the entire suite of funds with an average of 1,000 transactions per day worth approximately \$250m. He was formerly a non-executive Director on the Board of The Southern Highlands Foundation (TSHF), a local community foundation, for over three years including the Chair of Investment Committee and two years as Treasurer. The TSHF serves the local community and invests in local causes across indigenous, art, environment and health.

Ms Serhan Mackey

Serhan is the founder and principal adviser of Canberra Advice Financial Planning based in Canberra. She has over 15 years of experience in the finance industry. She has worked as a Financial Planner for the last 13 years including time spent with major wealth management firms such as the BT Group, AMP and AXA Charter in Melbourne and Commonwealth Superannuation Corporation in Canberra. Serhan was also on the panel of the Department of Defence-approved advisers specializing in Military Super, DVA, MSBS, and DFRDB from 2017 to 2019. Serhan has completed a Bachelor of Education, Master of Financial Planning, Master of Business, and an Advanced Diploma in Financial Services.

Ms Tracy Savage

Tracy is CEO and Registrar of the ACT Long Service Leave Authority. In that capacity, she currently manages some \$260M in assets under the four long service leave schemes administered by the Authority. Tracy has over 20 years' experience in Commonwealth Government defined benefits superannuation administration and has served on several Government Boards and Committees. Tracy holds an Executive Master of Public Administration.

Ms Catherine Dube

Catherine is a Non-Executive Director and an Actuary with over 25 years' professional experience across financial services. Catherine was Chief Risk Officer at AIG, a global insurer, from 2012 to 2019, where she led the execution of the risk management strategy for the Australasian region. Catherine brings strong financials skills, deep expertise in risk management and a solid understanding of the principles of good governance. Catherine is a Non-Executive Director and Chair of the Audit Committee for Challenger Retirement and Investment Services. She also serves as Director and Chair of the Audit and Risk Committees for Guild Group and its subsidiaries Guild Insurance, Guild Link and Gold Cross. Catherine is Deputy Chair on the Board of Sacré Coeur, an independent school, where she chairs the Risk Committee.

Common Funds Overview and Performance

Cash Common Fund

The Cash Common Fund is suitable for clients that require capital stability, have a low tolerance for market risk and have short-term investment timeframes. It ensures there is cash available for distribution and payments in relation to client estates and financial management.

The funds are invested in a diverse portfolio of term deposits across multiple banking institutions with a rating from BBB or higher. The overall performance return¹ for the period to 30 June 2023 was 1.90%. The Cash Common Fund had a total of \$123M invested as at 30 June 2023.

Conservative Common Fund

The Conservative Common Fund is suitable to clients that seek steady income with a small exposure to capital growth potential. This fund is suitable to clients with a short to medium-term investment timeframe.

The funds are invested in a diversified portfolio of securities, with an asset allocation of 65% defensive and 35% growth. The fund has a return objective of CPI +1.5% (before fees) over 5 year rolling period. The funds overall performance return¹ was 1.90% for the period to 30 June 2023. The Conservative Common Fund had a total of \$13.06M invested as at 30 June 2023.

Balanced Common Fund

The Balanced Common Fund is equally focus on income and capital growth that is suitable for clients that have a medium to long-term investment timeframe. The fund is suitable for clients requiring a balance between regular income and capital growth potential.

The funds are invested in a diversified portfolio of securities, with an asset allocation of 50% defensive and 50% growth. The fund has a return objective of CPI +2% (before fees) over 7 year rolling period. The performance return¹ for the period to 30 June 2023 was 5.40%. The Balanced Common Fund had a total of \$38.91M invested as at 30 June 2023.

Growth Common Fund

The Growth Common Fund is focus on long-term capital growth, suited for clients with a higher tolerance for market risk and low-income needs.

The funds are invested in a diversified portfolio of securities, with an asset allocation of 25% defensive and 75% growth. The fund has a return objective of CPI +3% (before fees) over a 10 year rolling period. The performance return¹ was 9.90% for the period to 30 June 2023. The Growth Common Fund had a total of \$87.55M invested as at 30 June 2023.

The following table shows the investment return for each of the Common Funds over a performance period to 30 June 2023:

Table 17. Common Funds Investment Return 2022-23

Performance return	3 Months (Apr – Jun 2023)	6 Months (Jan – Jun 2023)	1 year (Jul 2022 – Jun 2023)	3 Years (per annum)	5 Years (per annum)	10 Years (per annum)
CPI Inflation	0.08	2.20	6.00	5.30	3.40	2.70
Cash Common Fund ^{1,2,3}	0.80	1.30	1.90	0.70	0.90	1.50
Conservative Common Fund ^{1,2,3}	0.70	4.50	2.30	-0.30	1.60	3.50
Balanced Common Fund ^{1,2,3}	1.60	6.20	5.40	1.80	3.00	4.90
Growth Common Fund ^{1,2,3}	3.20	8.50	9.90	5.90	4.90	7.00

Notes:

1. figures reported are net of fees
2. Past performance is not an indication of future performance.
3. Returns assume reinvestment of all distributions. Returns for periods longer than 1 year are annualised.

Investment strategy review

Investment activities are planned and executed in line with an Investment Strategy the Board advises the Public Trustee and Guardian on. The strategy is five (5) years in duration and is reviewed by an external consultant before consideration by the Investment Board and advice to the agency.

The Investment Board considered the timing for the next review of the Investment Strategy in the reporting period noting the last review occurred in 2020. Given the prevailing economic conditions the Board advised that a review of the strategy is likely best carried out in 2024 and that the timing of this review should be monitored in the months ahead.

Looking Forward

The focus for 2023-24 will be on :

- Review the Investment Board Charter and seek to review Board operations and areas for improvement
- Undertake arrangements to appoint/reappoint Board members upon terms coming to an end
- Review the recommended minimum reserves of the Cash Common Fund
- Monitor the performance of the Investment Strategy and continue to determine the right timing for the next strategy review.

I record my thanks to Board Members as well as the Public Trustee and Guardian’s administrative staff who support the Board.

Aaron Hughes

Senior Member / Chair

Public Trustee and Guardian for the Australian Capital Territory

30 June 2023



ACT
Government