



Government of **Western Australia**  
Department of Justice



**Public Trustee**



# Public Trustee

Annual Report 2022/23



## **Acknowledgement of Country**

The Public Trustee respectfully acknowledges the traditional custodians of the land as being the first peoples of this country. We embrace the vast Aboriginal cultural diversity throughout Western Australia and recognise their continuing connection to country, water and sky.

We pay our respects to Elders past, present and emerging.

The Public Trustee is committed to fostering respectful partnerships with our Aboriginal colleagues, clients and those in our care.

## **STATEMENT OF COMPLIANCE**

For the year ended 30 June 2023

Hon. John R. Quigley MLA

ATTORNEY GENERAL

In accordance with s63 of the [Financial Management Act 2006](#), I hereby submit for your information and presentation to Parliament, the Annual Report of the Public Trustee for the reporting period ended 30 June 2023.

The Annual Report has been prepared in accordance with the provisions of the [Financial Management Act 2006](#).

The financial statements comply with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board.

*Brian Roche*

**Brian Roche**

Public Trustee

10 December 2023

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## Overview

### Executive Summary

I am pleased to present the 2022/23 annual report for the Public Trustee which plays an important role in protecting and supporting Western Australian adults with a decision-making disability.

Our agency continues to experience increasing demand for its financial administration services and currently manages the financial matters of 7,547 clients, having been appointed to manage a further 986 clients under Administration Orders. The growing demand can be largely attributed to the rising number of people whose decision-making capabilities are adversely affected by conditions such as dementia, mental illness, acquired brain injury or substance abuse, which can leave them at risk of neglect, abuse or exploitation.

The Public Trustee continued to provide services for clients, including 67% of trust clients, as part of its community service obligation, ensuring all have access to financial management services, regardless of ability to pay.

In August 2022 the Office of the Auditor General tabled in Parliament its report on the Public Trustee's Administration of Trusts and Deceased Estates. The report identified areas for improvement but found that the Public Trustee understands its high-level fraud risks, has a co-ordinated approach to manage those risks, and has a detailed fraud and corruption plan.

The Public Trustee accepted the report's recommendations and acknowledged that, once implemented, they will further improve its business operations.

During the year, progress continued towards implementing the first four recommendations and the fifth recommendation was undertaken by the Department of Treasury. The Department of Treasury conducted a review of the Public Trustee's fees, self-funding model and governance arrangements and presented its interim report to Government in April 2023.

As part of the 2023/24 State Budget, the Government announced \$13 million towards fee relief over the next two years for the Public Trustee's most vulnerable trust clients, while the review into the Public Trustee's fees and funding model continues.

The Government also announced the establishment of an interim Advisory Board to oversee the development of a revised fee model and fee waiver policy to improve equity and transparency for Public Trustee clients.

The Government further approved the transition to an independent Governing Board subject to the progress of legislative changes. The transition to a Governing Board is to ensure the Public Trustee's statutory obligations are delivered effectively and efficiently in the best interests of its clients.

Fee relief included a 50 per cent reduction in selected trust fees from 1 July 2023 and removing the \$35 minimum monthly fee for those under an Administration Order.

The Office of the Auditor General's Forensic Audit continued throughout the year with the final report expected to be tabled in Parliament in 2024.

The many achievements this year would not have been possible without the commitment and contribution of our dedicated staff. I would like to acknowledge their work during what has been another challenging year. Regular feedback received from clients continues to attest to their tireless contribution in making a lasting difference to the lives of others.

I would also like to take this opportunity to thank the Director General of the Department of Justice Dr Adam Tomison, for his strong leadership and guidance and for his Department's continued support.

## Operational Structure

The Public Trustee delivers services through four directorates and 14 business units.

### 1. Directorate: Trustee Services

#### Trust Management

Trust Managers act as trustee, manager, donee, substitute trustee, or administrator for people who are unable to manage their own financial affairs. Administering trusts may include setting up investment portfolios, collecting income, determining budgets and attending to a person's accommodation and transport needs.

#### Deceased Estates

Estate Managers administer estates where the Public Trustee is appointed executor, as well as estates where beneficiaries have authorised the Public Trustee to act. The Public Trustee also administers assets frozen or confiscated by the Director of Public Prosecutions, estates where the Supreme Court has appointed the Public Trustee and some estates where a person has died intestate (without a Will). Estate Managers also manage testamentary trusts.

#### Private Administrator Support

Staff assist private administrators to understand their role and responsibilities, provide technical advice regarding the preparation of annual accounts, and examine annual accounts submitted by the private administrators.

### 2. Directorate: Legal Services

In-house lawyers provide legal services including probate, property, commercial, debt recovery, personal injuries and family law so the Public Trustee can perform its duties as trustee, administrator, attorney and executor, and often conduct their own litigation, appearing in the Courts and the State Administrative Tribunal (SAT). Legal work is also outsourced to legal firms where appropriate.

Lawyers and paralegals also provide Will drafting services to those who appoint the Public Trustee as executor/substitute executor of their Will by appointment at the Perth CBD office, telephone for those in regional areas, and a visiting Will service to those confined to their home/care facility due to infirmity.

### 3. Directorate: Business Services

#### Investments Business Unit

Manages financial assets and investments to meet clients' immediate and long-term needs, and responsible for the sale and purchase of properties on behalf of clients.

#### Taxation Services Unit

Prepares, reviews and lodges income tax returns for clients.

#### Business Support Unit

Processes clients' payments and receipts, manages the WA Will Bank, responsible for records administration and the digitisation and distribution of mail, and coordinates Freedom of Information applications and Registry searches for client properties.

#### Business Analyst

Analyses, develops and reviews business transformation processes across all directorates of the Public Trustee by collaboratively working with business areas to identify areas of improvement, and initiates changes to ensure positive outcomes and efficiencies are achieved.

### 4. Directorate: Corporate Support

#### Finance Unit

Manages the Public Trustee's bank account and responsible for operational and Common Account payments and receipts, provides financial data (including monthly operational reports and

expenditure forecasts, quarterly key performance indicator analysis, budget analysis and budget statement preparation) to the Corporate Executive.

They also manage financial models, reports on the sustainability of services, and conducts “back office” duties for money market investments.

### **Information Systems Unit**

Maintain the day-to-day operational support of information technology systems, such as the core Management Accounting Trust Environment (MATE) application, and manages delivery of key strategic IT projects.

### **Training and Development Unit**

Assesses training needs, and develops and delivers in-house training and induction programs, as well as coordinates external professional development enrolments, manages periodic reviews of Public Trustee policies and procedures and a range of other people development initiatives.

### **Procurement and Contracts Unit**

Contracts fall within two broad groups - those where the costs of purchasing services are paid from funds held on behalf of Public Trustee clients, and those where the cost of purchasing goods and services for corporate needs are sourced from corporate funds. Tender development, coordination and management are key deliverables for both the Public Trustee and its clients.

### **Human Resources Unit**

Provides recruitment and employment advice to both management and staff, coordinates the Performance, Planning and Development system, assists with workers’ compensation matters and performance management, and is a key contact with DoJ HR staff.

A summary of the performance of each unit begins on page 11.

### **Enabling legislation**

The Public Trustee was established by the [Public Trustee Act 1941](#) and is a Statutory Authority within the provisions of the [Financial Management Act 2006](#). It pays for administrative support from the Department of Justice (DoJ).

### **Responsible Minister**

Honourable John R. Quigley LLB JP MLA, Attorney General.

## Organisational structure Mission



# Public Trustee

## Vision, Role, Values

The Public Trustee's vision is to be a trusted organisation recognised for professionalism, integrity, and respect and whose clients feel valued and protected.

Its role is to enhance the lives of Western Australians by providing high quality and accessible trustee and asset management services.

The Public Trustee's values include:

### 1 EXCELLENT CLIENT-FOCUSED SERVICE

We exist for our diverse group of clients who have varied needs. We deliver credible and professional services through effective communication and by making services relevant, responsive, accessible, accurate and fair.

### 2 INTEGRITY AND ACCOUNTABILITY

We are open, honest, impartial and ethical in our communication and decisions. We take responsibility for our behaviours, which are governed by the legal system, agreed standards and codes.

### 5 PROFESSIONAL AUTONOMY

We respect and nurture differing professional attributes and the rights of our people to professionally provide objective, frank and fearless advice to our clients and the community.

### 4 COLLABORATION AND LEARNING

Our people take pride in their work and we value their contribution. We review and recognise the knowledge, skills and capabilities of our people and teams and we support their ongoing learning and development.

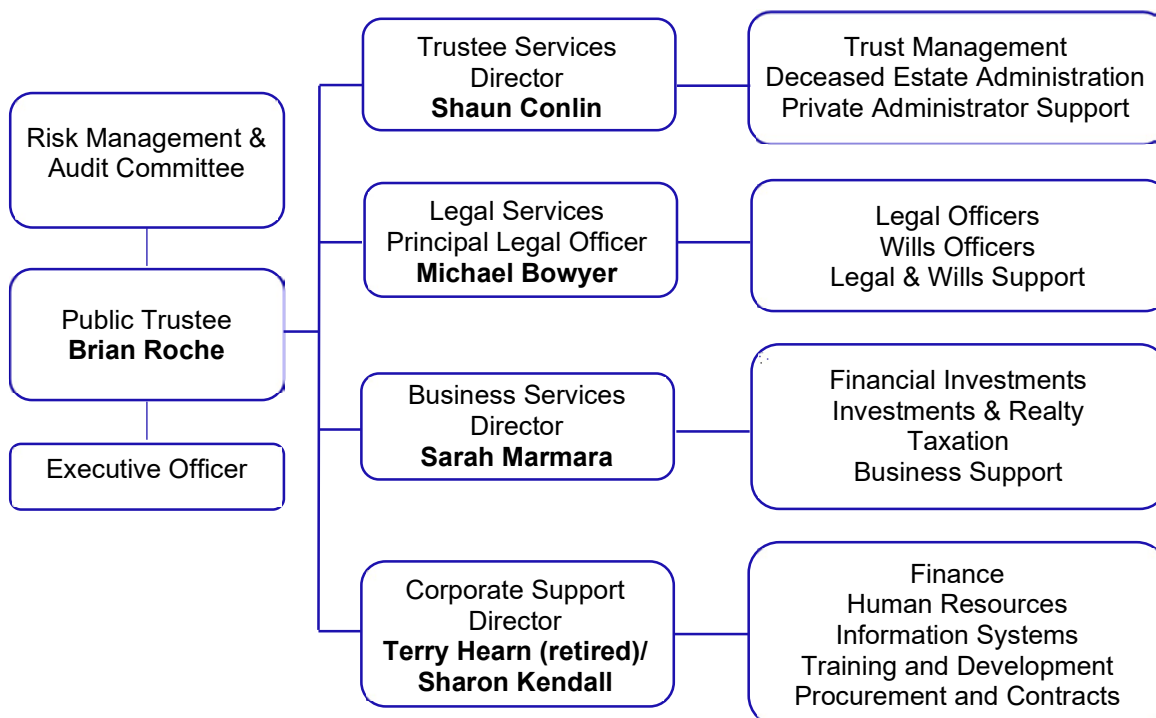
### 3 EQUITY AND FAIRNESS

We respect diversity and know that we sometimes have to treat our staff, the community and client groups differently to reach fair outcomes. We treat people with respect, courtesy and sensitivity and recognise their interests, rights, safety and welfare.





## Organisational chart



## Senior Officers

**Brian Roche** MMgt, BBus (Public Trustee) has extensive senior management experience in both the private and public sectors. He is a past recipient of a Churchill Fellowship by the Winston Churchill Memorial Trust, and currently a non-executive director of the Brightwater Care Group, Trustee of the Give2Good Charitable Foundation and Foundation Chair of the Criminology Advisory Board, Murdoch University. He is also Adjunct Professor in the discipline of Law and Criminology at Murdoch University.

**Shaun Conlin** BBus CA (Director Trustee Services) has 24 years public sector management experience, and 19 years financial services, accounting and management experience in the private sector.

**Michael Bowyer** LLB (Principal Legal Officer) has 31 years legal advisory experience in the public sector and is a member of the Law Society’s Elder Law and Succession Committee.

**Sarah Marmara** BBus CPA (Director Business Services) has 31 years management, financial services and accounting experience in both the public and private sectors. This includes 20 years public sector management and accounting experience.

**Sharon Kendall** GradCertMgmt, GAppMngt, GExecLead (Director Corporate Support) has over 38 years public sector experience. This includes 13 years business and corporate services management experience including human resources, finance and governance.

## Administered legislation

The Public Trustee’s legislative authority is contained in the [Public Trustee Act 1941](#) and the [Public Trustee Regulations 1942](#).

## Other key legislation impacting the Public Trustee's activities

In the performance of its functions, the Public Trustee is subject to relevant written laws including:

### Western Australian laws

- [Aboriginal Affairs Planning Authority Act 1972](#)
- [Administration Act 1903](#)
- [Auditor General Act 2006](#)
- [Corruption, Crime and Misconduct Act 2003](#)
- [Criminal Property Confiscation Act 2000](#)
- [Equal Opportunity Act 1984](#)
- [Financial Management Act 2006](#)
- [Freedom of Information Act 1992](#)
- [Guardianship and Administration Act 1990](#)
- [Family Provision Act 1972](#)
- [Non-contentious Probate Rules 1967](#)
- [Procurement Act 2020](#)
- [Public Interest Disclosure Act 2003](#)
- [Public Sector Management Act 1994](#)
- [Rules of the Supreme Court 1971](#)
- [State Administrative Tribunal Act 2004](#)
- [State Records Act 2000](#)
- [Trustees Act 1962](#)
- [Unclaimed Money Act 1990](#)
- [Wills Act 1970](#)
- [Work Health and Safety Act 2020](#)
- [Workers' Compensation and Injury Management Act 1981](#)

### Commonwealth laws

- [A New Tax System \(Goods and Services Tax\) Act 1999](#)
- [Australian Securities and Investments Commission Act 2001](#)
- [Australian Charities and Not-for-profits Commission Act 2012](#)
- [Income Tax Assessment Act 1936](#)
- [Income Tax Assessment Act 1997](#)
- [Income Tax Assessment \(1936 Act\) Regulation 2015](#)
- [Income Tax Assessment \(1997 Act\) Regulations 2021](#)
- [International Tax Agreements Act 1953](#)
- [Income Tax Rates Act 1986](#)
- [Social Security Act 1991](#)
- [Superannuation Industry \(Supervision\) Act 1993](#)
- [Taxation Administration Act 1953](#)
- [Tax Agent Services Act 2009](#)

## Performance Management Framework

The Public Trustee focuses on the goals of achieving results in key service delivery areas and ensuring economic activity is managed in a responsible manner.

The goals and the specific outcomes delivered for each goal are summarised below.

Further information on the outcomes, achievements and future challenges relating to each goal is outlined in the remainder of the annual report.

### Outcome-based management framework

**Safe, strong and fair communities:** developing healthy and resilient communities.



### Changes to outcome-based management framework

The Public Trustee’s Outcome Based Management Framework did not change during 2022/23.

### Shared responsibilities with other agencies

The Public Trustee did not share any responsibilities with other agencies in 2022/23. It does, however, work collaboratively with a wide range of Commonwealth and State Government agencies to ensure accessible, effective and timely delivery of trustee and legal services to its clients, namely the elderly and ‘at risk’ Western Australians.

### Inter-agency Partnerships

The Public Trustee is a member of the Alliance for the Prevention of Elder Abuse Western Australia (APEA WA), which is the peak body responsible for formulating policies and developing strategies for the prevention and identification of elder abuse. Members include representatives from Government agencies and private sector community organisations including Advocare, Department of Communities, Department of Health, Legal Aid Western Australia, Office of the Public Advocate and Western Australia Police.

## Agency Performance

### Report on operations

#### Trustee Services

Demand for core services continued the increasing trend.

|                  | 2021/22 | 2022/23 |
|------------------|---------|---------|
| New trusts       | 1,082   | 1,193   |
| New court trusts | 200     | 207     |
| Total trusts     | 7,134   | 7,547   |

|                   | 2021/22 | 2022/23 |
|-------------------|---------|---------|
| New SAT orders    | 876     | 986     |
| Total SAT clients | 5,390   | 5,800   |
| SAT reviews       | 1,317   | 1,600   |

|                      | 2021/22 | 2022/23 |
|----------------------|---------|---------|
| Probate applications | 479     | 469     |

|                      | 2021/22 | 2022/23 |
|----------------------|---------|---------|
| Account examinations | 1,406   | 1,329   |

|  | 2021/22 | 2022/23 |
|--|---------|---------|
| New investigations alleging elder abuse (aged 65 or older) |         |         |
| Trust Management Clients                                   | 73      | 89      |
| Private Administrator Support Clients                      | 1       | 2       |
| TOTAL  | 74      | 91      |

#### Trust Management

The total number of new clients, including appointments by SAT was 1,193, a 10% increase on the previous year.

The total number of trusts on hand increased to 7,547, an increase of 6% over the past year.

SAT referred 986 new cases to the Public Trustee, a 12.5% increase over the previous year.

The continuing high level of SAT appointments for the Public Trustee can be attributed to the increase in the number of people with decision making disabilities who may have dementia, an intellectual disability, mental illness, acquired brain injury or substance abuse issues, and who are susceptible to neglect, abuse or exploitation.

The number of new court trusts for the year from the District Court and the Assessors of Criminal Injuries Compensation increased to 207, up from 200 received in the previous year. The size of these trusts varies from thousands of dollars to millions of dollars.

SAT also reviewed 1,600 administration orders for which the Public Trustee was the appointed administrator.

#### Estate Management

The number of applications to the probate division of the Supreme Court made by the Public Trustee decreased to 469, compared to 479 for the previous year.

#### Private Administrator Support (PAS)

PAS conducted 1,329 account examinations where total assets exceeded \$1.481 million.

The Public Trustee worked closely with the Office of the Public Advocate to present four training seminars for newly appointed private administrators.

## Client Satisfaction Survey

In February 2023, CATALYSE® conducted the Public Trustee’s client satisfaction survey.

Pre-notification letters were mailed to a random sample of 1,500 clients to provide notification of the study and an option to opt out from phone interviews.

Computer Assisted Telephone Interviews were administered by Edith Cowan University’s Survey Research Centre and a parallel online trial was continued with Wills, Estate Beneficiary and Private Administrator clients.

A sample of 402 responses, with 62% participation rate, represented the total population of approximately 15,000 clients serviced during the year.

The survey was done with sampling precision +/- 5% at the 95% confidence interval and completed in March 2023.

Clients giving a rating of 6 or more out of 10 were considered to have indicated that the Public Trustee is meeting their needs well.

Survey results show the Public Trustee is meeting most clients’ needs as, overall, 68% of clients feel the Public Trustee is meeting their needs well, giving a rating of 6+ out of 10. Wills clients continue to feel most positively about the Public Trustee.

This result is down 10% points from 2022. Significant variations are those greater than 10%. There was no significant variation with the previous year’s result.

65% of clients are happy with the service provided by the Public Trustee, with Wills clients being the happiest, followed by Private Administrators and Trust clients.

Clients are mainly happy that the Public Trustee meets their needs, that staff provide service in a professional, courteous and friendly manner, and that staff are informative and keep them updated.

In future years the Public Trustee will look at whether surveys should focus on one business area at a time rather than an all-clients approach to improve our chances of learning from the data and implementing improvements based on the results.

## Customer Feedback

The Public Trustee uses the DoJ’s Customer Feedback Management System (CFMS) which conforms to the principles of the Australian Standard on Complaints Handling and is designed to be accessible, fair and equitable.

Clients, their families, their advocates or support agencies, and members of the public can provide feedback in person, on the phone, in writing by email, fax or letter, or online via the Public Trustee or the DoJ websites.

The Public Trustee uses an early resolution complaints management strategy, where complaints resolved within 24 hours of receipt do not need to be recorded on the Department’s CFMS.

This is because the nature of staff contact with their clients is often frequent and continuous, and the relationship may range from six months (as in deceased estates) to many years, so feedback is dealt with as part of usual client contact.

If early resolution of a complaint is not possible, these complaints are recorded on the Department’s CFMS.

The feedback figures below represent those that could not be resolved early and were recorded as feedback, either by the client, their families, their advocates or support agencies, and members of the public, or Public Trustee and Department staff.

|              | 2021/22    | 2022/23    |
|--------------|------------|------------|
| Complaints   | 228        | 189        |
| Compliments  | 35         | 79         |
| Suggestions  | 3          | 1          |
| Other        | 0          | 0          |
| <b>Total</b> | <b>266</b> | <b>269</b> |

Where complaints remain unresolved at the agency level, the complainant is provided with information for referral to the Ombudsman of Western Australia or, for Represented Persons, the State Administrative Tribunal.

## Legal Services

This directorate has two business areas.

| Matters   | 2021/22 | 2022/23 |
|-----------|---------|---------|
| New       | 351     | 334     |
| Finalised | 285     | 248     |
| On hand   | 901     | 987     |

### General Legal

At 30 June 2023, the Legal directorate had 987 legal matters on hand (not including Wills, estate distributions, standard probate and conveyancing applications and various other routine and minor matters).

It received 334 new matters and finalised 248 matters during the year.

A significant proportion of the legal matters resulted in court actions, including in the Supreme Court.

Most matters concern issues arising from the administration of the estates of Represented Persons, deceased estates and trusts and include recovery of misappropriated assets and proving Wills in contentious circumstances.

### Wills

The Public Trustee has created, implemented and continues to develop a flexible, easy-to-use, purpose-built, in-house Will-making system.

In 2022/23, 909 Wills were finalised.

Most Will appointments took place in the Public Trustee office, with the majority of those Wills being drafted and executed at the end of a 1.5 - 2 hour Will consultation.

The Public Trustee is a party to DoJ's [Disability Access and Inclusion Plan 2018-2023](#) and in accordance with Outcome 1 *People with disability have the same opportunities as others to access the services and any events organised by us*, the Public Trustee offers a visiting Wills service to clients who are disabled and may need to have their Will prepared at their home, a care facility or in hospital. In 2022/23 Wills staff visited 44 clients living in the Perth metropolitan area.

## Business Services

Business Services delivers investment, property, taxation and business support services.

| Funds under management | 30/6/22<br>\$'000 | 30/6/23<br>\$'000 |
|------------------------|-------------------|-------------------|
| Common Account         | 372,383           | 395,830           |
| PTIFs                  | 262,963           | 282,389           |
| Bank deposits          | 265,383           | 253,600           |
| Equities               | 40,853            | 54,940            |
| Unit trusts            | 4,123             | 3,096             |
| Life policies          | 5,651             | 7,861             |
| Real estate            | 574,087           | 657,267           |
| Other assets           | 25,674            | 31,813            |
| <b>TOTAL</b>           | <b>1,551,117</b>  | <b>1,686,795</b>  |

### Common Account

The Common Account operates as a cash management account with funds available at call. As at 30 June 2023, the Public Trustee managed \$400 million in short term deposits with banks rated A2 to A1+; \$18.2 million in cash managed by the Western Australian Treasury Corporation; and a CBD building valued at \$45.5 million.

Clients received interest distributions higher than average market returns during the year.

| Interest rates paid to Clients                                   | 30/6/22<br>%         | 30/6/23<br>%         |
|--|----------------------|----------------------|
| Deceased Estates   | 0.25                 | 1.00                 |
| Protective Management and Power of Attorney                      | 0.25<br>0.35<br>0.50 | 4.25<br>4.75<br>5.25 |
| Other Trusts   | 0.25<br>0.35<br>0.50 | 4.25<br>4.75<br>5.25 |
| Bank cash management account (\$10,000) per Reserve Bank website | 0.05                 | 0.70                 |

All monies deposited to the Common Account are invested in the open market with the aim of achieving an attractive earning rate that maximises the investment potential of the fund within acceptable prudential levels.

### Common Account performance

|                       | 2021/22 | 2022/23 |
|-----------------------|---------|---------|
| Common Account (*)    | 1.09%   | 3.84%   |
| Treasury Earning Rate | 0.61%   | 2.64%   |
| CMT Benchmark Rate    | 0.24%   | 2.95%   |

(\*) excludes capital growth/loss

### Public Trustee Investment Funds (PTIFs)

The Public Trustee used the PTIFs for investment of clients' funds to enhance long-term capital and income growth. Clients' investments are regularly reviewed and portfolios adjusted for any changes in circumstances and clients' future needs.

| Fund type    | 30/6/22<br>\$'000 | 30/6/23<br>\$'000 |
|--------------|-------------------|-------------------|
| Cash         | Nil               | Nil               |
| Conservative | 36,874            | 35,318            |
| Growth       | 221,814           | 242,515           |
| Growth Plus  | 4,274             | 4,556             |
| <b>TOTAL</b> | <b>262,962</b>    | <b>282,389</b>    |

All new clients with funds that can be invested outside the Common Account are invested in the most appropriate PTIF for their individual needs, subject to Public Trustee policy.

The Prudential Guidelines for PTIFs were amended in August 2021 and now include a requirement to report the findings of the annual review of compliance by 31 October of each year. The results of the PTIF Review will appear in the 2022/23 Public Trustee Annual Report for the first time.

The Public Trustee Investment Funds were assessed against the Public Trustee's May 2021 Prudential Guidelines and the conclusion was reached that under these Guidelines there were no compliance matters which required attention. PTWA Strategic Investment Accounts have complied with the Guidelines.

### Property Function

| Property Function | 2021/22 | 2022/23 |
|-------------------|---------|---------|
| Properties sold   | 186     | 238     |
| Value \$'000s     | 97,065  | 121,724 |

## Taxation Services

| Taxation Services         | 2021/22 | 2022/23 |
|---------------------------|---------|---------|
| Client files actioned     | 3,513   | 3,197   |
| Income tax returns lodged | 2,256   | 1,785   |

## Corporate Support

This directorate provides finance, information technology, training and development, procurement and contract management, and human resources services.

|   | 2021/22        | 2022/23        |
|---|----------------|----------------|
| Operating expenses and write-offs               | \$27.3 million | \$29.5 million |
| Revenues other than those from State Government | \$29.1 million | \$31.4 million |

| Common Account                            | 2021/22        | 2022/23        |
|---|----------------|----------------|
| Balance at year end                       | \$21 million   | \$18 million   |
| Total value of receipts and disbursements | \$1.21 billion | \$1.31 billion |

## Finance

The Public Trustee had operating expenses of \$29.5 million and revenues of \$31.4 million, an 8% increase from the previous financial year.

The Public Trustee Common Account Bank Account averaged a daily balance of \$24.5 million.

Continuous improvement initiatives, including automation and digitisation, delivered efficiency gains in a range of finance processes during the year.

## Information Systems

The Public Trustee Information Technology section (PT IT) continued to assist business areas in delivering MATE system enhancements to increase functionality and improved service delivery.

There were a number of business-related projects delivered during 2022/23 across Private Administrator Support (PAS), Trust

Management, Finance, Tax and Deceased Estates, and two major and 44 minor releases.

Of note, PT successfully implemented the PAS Transformation project, which included a comprehensive range of enhancements in MATE. This allows the PAS team to conduct their business operations and improve their capability to service their clients more efficiently.

PT IT supported the Finance team to upgrade the Infor finance system to ensure continued supportability and security. PT IT also supported the Tax team to transition to Handisoft Online tax application in the cloud. This reduced the support and maintenance overhead previously required to operate the system internally.

PT IT is in the process of establishing a new server environment to support MATE, with the goal of providing additional Disaster Recovery capability, enhanced application performance and the upgrade of key underlying technologies which is expected to improve the MATE's resiliency and responsiveness for users.

## Procurement and Contracts

The Public Trustee procures and awards contracts for both corporate and client needs in accordance with the relevant procurement authorities and policies.

In 2022/23 the Public Trustee awarded nine and extended six corporate and client service contracts. A higher than usual number of client service contracts fell due for renewal, in part due to the extension beyond term of contracts during COVID-19. A 10-year forward procurement plan was implemented to



manage the recall of contracts in the future, to ensure contract renewals are managed efficiently.

The Public Trustee continued the review and update of governance, policy and procedure documents to meet procurement best practice guidelines, in line with the [Procurement Act 2020](#) and the Western Australian Procurement Rules.

**Internal Audit**

As the appointed contracted internal audit provider, William Buck, completed seven reviews for 2022/23.

The reviews focused on taxation, payroll, fraud and corruption, financial management and data analytics, estates, performance audit recommendations and Give2Good Foundation.

Planned contract management, and investment management and property transaction audits were rescheduled for following year consideration.

All reviews were presented to the Risk Management and Audit Committee for noting and discussion. These reviews identified many areas of strength and also highlighted opportunities for both further improvement and improved risk management. A number of findings have resulted in appropriate additional corrective action to address and further strengthen internal controls.

The Department of Treasury also completed an Interim Report into a Review of the Public Trustee’s Fees and Funding Model in March 2023 which was tabled as part of the 2023/24 budget process.

**Give2Good Foundation**

The Public Trustee’s Give2Good Foundation is a charitable community foundation allowing donors and testators to leave a legacy within their local community via donations and bequests to the Foundation’s Charitable and Public Ancillary Funds.

Funds are pooled and invested to generate returns, which are passed on as ongoing income supporting donor directed charities and causes for generations to come.

While still in its early stages, Give2Good made the next in its series of distributions to the following charities:

| Charity                                | 2021/22 | 2022/23 |
|--|---------|---------|
| Salvation Army                         | \$1,035 | \$1,084 |
| National Heart Foundation of Australia | \$1,142 | \$1,036 |
| Perth Children’s Hospital              |         | \$600   |
| Multiple Sclerosis Society             |         | \$559   |
| The Smith Family                       | \$600   | \$400   |
| Ronald McDonald House Charities Trust  |         | \$400   |
| Police and Citizens Youth Centres      | \$154   | \$157   |

### Actual results versus budget targets

An explanatory statement of the significant variations between actual and target is presented at Note 22(a) of the Notes to the Financial Statements.

| Financial Targets                                | Target | Actual   | Variation |
|--|--------|----------|-----------|
| Total cost of services (expense limit)<br>\$'000 | NA     | \$29,160 | NA        |
| Total comprehensive income \$'000                | NA     | \$1,801  | NA        |
| Approved full-time equivalent staff              | 195    | 185      | -10       |

### Summary of Key Performance Indicators

Detailed performance indicator information relating to the services provided by the Public Trustee appears at the end of this report.

| Key Performance Indicators  | Target  | Actual  | Variation |
|---|---------|---------|-----------|
| 1.1 Percentage of Western Australian deceased estates administered by the Public Trustee              | 4.0%    | 4.1%    | 2%        |
| 1.2 Percentage of clients who have services provided by the Public Trustee under an operating subsidy | 60%     | 67%     | 12%       |
| 1.3 Average cost per trust managed  | \$2,082 | \$2,261 | 9%        |
| 1.4 Average cost per deceased estate administered   | \$2,116 | \$2,114 | 0%        |
| 1.5 Average cost per Will prepared  | \$589   | \$804   | 37%       |

## Significant Issues Impacting The Agency

### Current and emerging issues and trends

#### Growth in client numbers

Demographic disrupters such as the ageing population, together with trends such as growth in blended families, breakdown of family relationships and drug and alcohol addictions, continue to increase demand for trustee services.

Other factors, such as the increasing incidence of dementia, financial elder abuse and longer life expectancies and an overall rise in the number and complexity of cases involving people with decision-making disabilities, will also contribute to the demand for services.

#### Growth in subsidised clients

The rapid growth of State Administrative Tribunal-referred clients with no or little capacity to pay for services has further increased the proportion of Public Trustee clients whose fees are rebated under the community service obligation (operating subsidy). This places additional pressure on the Public Trustee's ability to self-fund.

#### Technology

As a result of innovation and rapid product development, the rate at which processes and technologies become obsolete or need to be adapted in response is increasing. There are substantial costs involved in developing new and improved systems to keep up to date. Like trustee companies around the world, the Public Trustee's core client, financial and trust accounting systems are aging and significant investment will be required to maintain the required functionality to be able to deliver services and interface with other technology or agencies. Off the shelf solutions are not available.

The uptake of technology, such as smart phones and tablet computers, continues to change the nature in which clients communicate with the Public Trustee and adds to expectations of immediacy and client demand.

#### Economic and social trends

Cost of living pressures affect a large proportion of the Public Trustee's Represented Persons' client base who are on low incomes.

#### Changes in written law

There were no changes in any written law that affected the Public Trustee during 2022/23.

#### Likely development and forecast results of the operations

It is likely that the Public Trustee's operations will undergo a period of change during the next two years as a result of the impact of the fees and charges review being undertaken during the next financial year.

## Other statutory information

### Ministerial directions

No Ministerial directions were received during 2022/23.

### Other financial disclosures

#### Pricing Policies of Services Provided

The Public Trustee collects fees for a number of services. Fees are based on a user-pays system while recognising the Public Trustee offers an operating subsidy for clients unable to pay fees.

Whilst the review into the agency's fees and funding model continues, the Public Trustee is offering further fee relief over the next two years to its most vulnerable clients.

Fee relief includes a 50 per cent reduction in selected trust fees from 1 July 2023, and removing the \$35 minimum monthly fee for those under an administration order.

#### Summary of Current Agreement Scale of Fees

The Public Trustee charges fees for its services. These fees are determined by a Scale of Fees that commences on 1 July of each year. Unless otherwise specified, the Public Trustee is authorised to increase its fees by no more than 2.3%.

#### Consolidated Account

If the total fees collected:

- do not exceed the Public Trustee Contribution – Estate Fees and Other Revenue as determined in the 2022/23 Budget Statements, then all those fees shall be paid to the Consolidated Account;
- exceed the Public Trustee Contribution – Estate Fees and Other Revenue as determined in the 2022/23 Budget Statements, then a minimum of the Public Trustee Contribution – Estate Fees and Other Revenue as determined in the 2022/23 Budget Statements shall be paid to the Consolidated Account.

The DoJ will retain any fees paid to the Consolidated Account via a net appropriation determination, to finance the Public Trustee's expenditure.

### Reserve Funds

No new reserve funds will be established under s44A of the [Public Trustee Act 1941](#) ("the Act").

#### Indemnity Reserve

The Public Trustee may:

- credit any or all retained earnings from its account entitled Retained Earnings to this Reserve; and
- apply moneys in the Indemnity Reserve for a number of uses including to investigate, defend, settle, and/or compromise the matter and pay for any loss or damage (including costs and disbursements) that clients or other persons who have or might have suffered loss or damage for which the Public Trustee, in its corporate capacity, may be liable at law.

#### Business Development Reserve

The Public Trustee may credit to this Reserve:

- from its account entitled Retained Earnings any or all of the retained earnings for the period; and
- the balance of the interest received for the period.

The Public Trustee shall pay an amount of Public Trustee Contribution – Common Account Surplus Interest as determined in the 2022/23 Budget Statements from this Reserve to the Consolidated Account. The amount will be reduced by any amount paid to the Consolidated Account that is in excess of "Public Trustee Contribution – Estate Fees and Other Revenue" and also where overall revenue exceeds the net operating costs of the Public Trustee.

The Public Trustee may apply moneys in this Reserve to:

- pay the costs of implementing new business services;
- meet shortfalls in estimated retained revenue;

- self-fund any shortfall in budgeted recurrent expenditure;
- pay costs of reviewing, establishing, and/or maintaining computer applications; and
- pay other costs of implementing the [Public Trustee and Trustee Companies Legislation Amendment Act 2008](#).

### Common Account Investment Reserve

The Public Trustee may credit to this Reserve any or all of its Common Account Retained Earnings, and apply moneys in the Common Account Investment Reserve to:

- stabilise Common Account interest paid to estates;
- meet losses on Common Account investments; and
- maintain Common Account assets.

### Transfers Between Reserves

The Public Trustee may transfer from the:

- Business Development Reserve to the Indemnity Reserve if this is in accordance with actuarial advice;
- Indemnity Reserve to the Business Development Reserve as required; and
- Common Account Investment Reserve to the Business Development Reserve as required.

### Strategic Common Accounts

The Public Trustee shall operate four PTIFs (strategic common accounts) pursuant to s39B of the Act – Cash, Conservative, Growth, and Growth Plus.

### Interest Rates

The Public Trustee shall fix interest rates payable to estates pursuant to s39A(5) of the Act and must:

- inform the Minister of any changes in interest rates within 14 days, and publish these in the Western Australian Government Gazette; and
- obtain prior approval from the Minister before making any changes to interest rates under s44 of the Act.

### Enforceability

Pursuant to s6B(6) of the Act the Agreement is not legally enforceable.

### Capital Works

There were no new capital projects during the 2022/23 year.

### Employment and Industrial Relations

The current full time equivalent (FTE) level in the Public Trustee is 185.0, compared with 170.2 in 2021/22, and represents an increase of 8.7%.

| Staff profile (FTE)                | 2021/22 | 2022/23 |
|------------------------------------|---------|---------|
| Full-time permanent                | 147.3   | 145.0   |
| Full-time contract                 | 12.0    | 22.0    |
| Part-time measured on an FTE basis | 10.9    | 18.0    |
| On secondment                      | 0.0     | 0.0     |
| Staff FTE                          | 170.2   | 185.0   |

### Staff Development

The Public Trustee continues to support the personal and professional development of its staff in line with the People First strategy.

A key emphasis in 2022/23 was to provide targeted professional development and soft skills training for staff and Managers.

To achieve this aim, an internal training program was developed to address identified skills training and development needs in consultation with business area Managers.

Operational training also remained a priority with a focus on delivering exceptional customer service outcomes to our clients.

A number of employees also attended CPD events as a requirement of their roles.

In 2022/23, 198 staff (approximately 100% of PT employees) attended internal and external training events comprising 73 discrete operational and professional development courses.

| Training attendances | 2021/22 | 2022/23 |
|----------------------|---------|---------|
| Total staff          | 176     | 198     |
| Total courses        | 88      | 73      |

### Workers Compensation

No compensation claims of a minor nature were recorded during the financial year which compares favourably with no compensation claims of a minor nature recorded in 2021/22.

## Governance Disclosures

### Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment, no senior officers had any interest in existing or proposed contracts with the Department.

### Other legal requirements

#### Credit cards

There were no instances of unauthorised use of these cards.

#### Disability access and inclusion plan outcomes

The Public Trustee is included in DoJ's Disability and Access Inclusion Plan 2018-2023. See the DoJ's 2022/23 Annual Report for information on Disability Access and Inclusion Plan outcomes.

#### Advertising, market research, polling and direct mail

In compliance with s175ZE of the [Electoral Act 1907](#), the Public Trustee reports the following expenditure in advertising, market research, polling, direct mail and media advertising. Total expenditure was \$85,986 incurred in the following areas:

|                   | Supplier           | 2021/22<br>Expenditure \$ | 2022/23<br>Expenditure \$ |
|-------------------|--------------------|---------------------------|---------------------------|
| Graphic Design    | Orange Design      | 5,921                     | 2,130                     |
| Market Research   | Catalyse Pty Ltd   | 33,364                    | 37,502                    |
| Media Advertising | Sensis White Pages | 23,976                    | 17,627                    |
| Media Advertising | DPS Publishing     | 4,695                     | 0                         |
| Media Advertising | Facebook           | 462.31                    | 8                         |
| Media Advertising | Initiative         | 162                       | 23,557                    |
| Publications      | Optima Press       | 10,108                    | 5,162                     |
|                   | <b>TOTAL</b>       | <b>78,689</b>             | <b>85,986</b>             |

## Compliance with public sector standards and ethical codes

### Public Sector Management Act 1994 section 31(1) Compliance

1. In the administration of the Public Trustee, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.
2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in 1 is correct.
3. The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged: nil  
 Number of breaches found: nil  
 Number still under review: nil

*Brian Roche*

**Brian Roche**  
**PUBLIC TRUSTEE**  
 Accountable Authority  
 7 December 2023

## Compliance with Public Sector Code of Ethics

No reports of non-compliance with the Code of Ethics were received.

The Public Sector Code of Ethics is accessible to all Public Trustee employees through the intranet and references in relevant policies and procedures.

In 2022/23 DoJ's Management Engagement and Intervention (MEI) Directorate delivered an 'Integrity and Ethics Awareness' training sessions to all Public Trustee staff. These sessions provided employees with information about identifying, reporting and managing unethical conduct in conjunction with the Code of Ethics and Code of Conduct.

## Compliance with Public Sector Code of Conduct

No reports of non-compliance with the Code of Conduct were found.

The Public Trustee continues to create a workplace that fosters mutual respect and is intolerant of any form of harassment that creates a risk to work, health and safety by providing appropriate staff training.

All new Public Trustee staff undertake the DoJ Corporate Induction and the Public Trustee Induction where education on the Code of Ethics and Code of Conduct is delivered.

Public Trustee staff are compliant with the Code of Conduct and information can be accessed via the DoJ intranet.

## Recordkeeping plans

The Public Trustee uses the DoJ's electronic document and records management system (EDRMS) Micro Focus Content Manager for administrative records.

Under s19 of the [State Records Act 2000](#), the DoJ's Recordkeeping Plan was reviewed and approved by the State Records Commission in May 2023. The Public Trustee is included in this plan.

The Public Trustee's functional records continue to be retained under the Public Trustee Retention and Disposal Schedule DA 2013-046. The Disposal Authority will be reviewed in the next financial year and is applicable to all client files held by the Public Trustee.

Any Public Trustee records relating to children will be retained subject to the disposal freeze issued by the State Records Office.

The Public Trustee's induction program and the Department's online training includes employee roles and responsibilities for complying with the plan and record keeping.

## Government policy requirements

### Occupational safety, health and injury management

The Public Trustee complies with the injury management requirements of the [Workers' Compensation and Injury Management Act 1981](#).

The Public Trustee is committed to workplace health and safety including injury management and appoints trained Health and Safety Representatives to a Work Health and Safety Committee that meets at least quarterly to ensure compliance, and contributes to policy, procedures and training.

Committee representatives:

- Conduct quarterly safety audits and reports-on and resolves issues where the work health and safety of employees may be at risk; and
- Support the continuation of employer-funded programs such as the Wellness and Influenza Vaccination programs.

| Measure  | Actual Results |         | Results against Target |          |
|--|----------------|---------|------------------------|----------|
|  | 2021/22        | 2022/23 | Target                 | Comment  |
| Number of fatalities   | 0              | 0       | 0                      | 0        |
| Lost time injury and/or disease incidence rate                               | 0              | 0       | 0 or 10% reduction     | achieved |
| Lost time injury/disease severity rate                                       | 0              | 0       | 0 or 10% reduction     | achieved |
| Percentage of injured workers returned to work:                              |                |         |                        |          |
| (i) within 13 weeks  | 0              | 0       | >80%                   | achieved |
| (ii) within 26 weeks   | 0              | 0       | >80%                   |          |
| Percentage of Managers trained in OHS and injury management responsibilities | 91%            | 97%     | >80%                   | achieved |

### Board and Committee Remuneration

The Public Trustee is a body corporate and an officer who administers the Statutory Authority, in accordance with s4 of the [Public Trustee Act 1941](#).

A management team, comprising of the Public Trustee, the Principal Legal Officer, Directors of Trustee Services, Business Services and Corporate Support and the Executive Officer, make up the Public Trustee's Corporate Executive Committee, which meets fortnightly. The Committee is responsible for the development and implementation of policies and strategies for the delivery of trustee and asset management services to the people of Western Australia.

There are five governance committees, which are sub-committees of the Public Trustee's Corporate Executive Committee. The role of each committee is to advise and make recommendations to the Corporate Executive Committee on areas covered in its terms of reference.



### 1. Risk Management and Audit Committee

The Committee oversees compliance, statutory responsibilities and internal accounting controls, the review of internal audits and the internal audit plan.

| Position | Member name      | Type of Remuneration | Period of membership | Term of appointment/ tenure  | Base salary/ sitting fees | Gross/ actual remuneration for 2022/23 |
|----------|------------------|----------------------|----------------------|------------------------------|---------------------------|--|
| Chair    | Rob McDonald     | Per meeting          | 2yrs 10 mths         | 3 years with options (1+1+1) | \$370/hr                  | \$9,645                                |
| Member   | Alexandra Filipe | Nil                  | 2yrs 10 mths         | 3 years to max of 6 years    | \$0                       | \$0                                    |
| Member   | Shaun Conlin     | Nil                  | 2yrs 10 mths         | 3 years to max of 6 years    | \$0                       | \$0                                    |
| Member   | Sarah Marmara    | Nil                  | 2yrs 10 mths         | 3 years to max of 6 years    | \$0                       | \$0                                    |

### 2. Interest Rate Committee

The Committee sets interest rates for the Common Account and reviews its performance.

| Position | Member name       | Type of Remuneration | Period of membership | Term of appointment/ tenure | Base salary/ sitting fees | Gross/ actual remuneration for 2022/23 |
|----------|-------------------|----------------------|----------------------|-----------------------------|---------------------------|--|
| Chair    | Brian Roche       | Nil                  | 5+ years             | Unlimited                   | \$0                       | \$0                                    |
| Deputy   | Shaun Conlin      | Nil                  | 5+ years             | Unlimited                   | \$0                       | \$0                                    |
| Member   | Sarah Marmara     | Nil                  | 5+ years             | Unlimited                   | \$0                       | \$0                                    |
| Member   | Terry Hearn (ret) | Nil                  | 5+ years             | Unlimited                   | \$0                       | \$0                                    |
| Member   | Sharon Kendall    | Nil                  | 4 months             | Unlimited                   | \$0                       | \$0                                    |
| Member   | vacant            |                      |                      |                             |                           |  |

### 3. Investment Committee

The Committee provides guidance, direction and reviews the Public Trustee Investment Funds.

| Position | Member name       | Type of Remuneration | Period of membership | Term of appointment/ tenure | Base salary/ sitting fees | Gross/ actual remuneration for 2022/23 |
|----------|-------------------|----------------------|----------------------|-----------------------------|---------------------------|--|
| Chair    | Brian Roche       | Nil                  | 5+ years             | Unlimited                   | \$0                       | \$0                                    |
| Deputy   | Shaun Conlin      | Nil                  | 5+ years             | Unlimited                   | \$0                       | \$0                                    |
| Member   | Sarah Marmara     | Nil                  | 5+ years             | Unlimited                   | \$0                       | \$0                                    |
| Member   | Terry Hearn (ret) | Nil                  | 5+ years             | Unlimited                   | \$0                       | \$0                                    |
| Member   | Marie Merrin      | Nil                  | 3 years              | Unlimited                   | \$0                       | \$0                                    |
| Member   | Richard Thomas    | Per meeting          | 2yrs 1mth            | 5 years                     | \$1,000                   | \$4,000                                |
| Member   | Sharon Kendall    | Nil                  | 4 months             | Unlimited                   | \$0                       | \$0                                    |
| Member   | vacant            |                      |                      |                             |                           |  |

#### 4. Work Health & Safety Committee

The Committee promotes a safe and healthy working environment and provides advice and support on any areas raised within the office.

| Position | Member name       | Type of Remuneration | Period of membership | Term of appointment/tenure | Base salary/sitting fees | Gross/ actual remuneration for 2022/23 |
|----------|-------------------|----------------------|----------------------|----------------------------|--------------------------|--|
| Chair    | Terry Hearn (ret) | Nil                  | 5+ years             | Unlimited                  | \$0                      | \$0                                    |
| Chair    | Sharon Kendall    | Nil                  | 4 months             | Unlimited                  | \$0                      | \$0                                    |
| Deputy   | Gordon Bowen      | Nil                  | 5+ years             | Unlimited                  | \$0                      | \$0                                    |
| Member   | Les Buzza         | Nil                  | 5+ years             | 3 years                    | \$0                      | \$0                                    |
| Member   | Yelena Radman     | Nil                  | 5+ years             | 3 years                    | \$0                      | \$0                                    |
| Member   | Jigna Patel       | Nil                  | 5 years              | 3 years                    | \$0                      | \$0                                    |

#### 5. Contracts Committee

The Committee endorses the awarding of contracts, prior to them being approved by the Public Trustee, where the cost of purchasing services is paid from funds held on behalf of Public Trustee clients and oversees the governance and due diligence of all contracts.

| Position | Member name                   | Type of Remuneration | Period of membership | Term of appointment / tenure | Base salary/sitting fees | Gross/ actual remuneration for 2022/23 |
|----------|-------------------------------|----------------------|----------------------|------------------------------|--------------------------|--|
| Chair    | Brian Roche                   | Nil                  | 5+ years             | Unlimited                    | \$0                      | \$0                                    |
| Deputy   | Shaun Conlin                  | Nil                  | 5+ years             | Unlimited                    | \$0                      | \$0                                    |
| Member   | Terry Hearn (ret)             | Nil                  | 5+ years             | Unlimited                    | \$0                      | \$0                                    |
| Member   | Sharon Kendall                | Nil                  | 4 months             | Unlimited                    | \$0                      | \$0                                    |
| Member   | vacant                        |                      |                      |                              |                          |  |
| Support  | Robyn Kelly<br>Denise Shedley | Nil                  | 5+ years<br>4 months | Unlimited                    | \$0                      | \$0                                    |

#### WA Multicultural Policy Framework

See the DoJ's 2022/23 Annual Report for this information.

#### Substantive equality

See the DoJ's 2022/23 Annual Report for this information.

## Disclosures And Legal Compliance

### Certification of financial statements

FOR THE YEAR ENDED 30 JUNE 2023

The accompanying financial statements of the Public Trustee have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

*Steven Lie*

**S Lie**

Chief Finance Officer

7 December 2023

*Brian Roche*

**B Roche**

Public Trustee

7 December 2023

## Financial statements

### Statement of comprehensive income

For the year ended 30 June 2023

|   | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|---|------|----------------|----------------|
| <b>COST OF SERVICES</b>   |      |                |                |
| <b>EXPENSES</b>   |      |                |                |
| Write-offs  | 2    | 374            | 415            |
| Employee benefits expense   | 3    | 19,695         | 18,222         |
| Depreciation expense  | 3    | 349            | 592            |
| Administration expenses   | 3    | 3,071          | 2,353          |
| Accommodation expenses  | 3    | 2,855          | 2,847          |
| Corporate service expenses  | 3    | 3,190          | 2,907          |
| <b>Total expenses before payments to the Consolidated Account</b> |      | <b>29,534</b>  | <b>27,336</b>  |
| Fees paid to the Consolidated Account                             | 4    | 26,037         | 23,185         |
| Surplus Common Account interest paid to the Consolidated Account  | 5    | 3,142          | 3,604          |
| <b>Total cost of services</b>                                     |      | <b>58,713</b>  | <b>54,125</b>  |
| <b>INCOME</b>   |      |                |                |
| Fees and charges  | 6(a) | 24,328         | 23,735         |
| Fee from the Common Account                                       | 6(a) | 1,046          | 270            |
| Management fee from the Strategic Common Accounts                 | 6(a) | 1,327          | 1,384          |
| Surplus interest from the Common Account                          | 6(a) | 3,127          | 3,246          |
| Interest income   | 6(b) | 1,425          | 383            |
| Other revenue   |      | 101            | 123            |
| <b>Total income other than income from State Government</b>       |      | <b>31,354</b>  | <b>29,141</b>  |
| <b>NET COST OF SERVICES</b>                                       |      | <b>27,359</b>  | <b>24,984</b>  |
| <b>INCOME FROM STATE GOVERNMENT</b>                               |      |                |                |
| Recoups and other revenue from the Department of Justice          | 3    | 2              | 21             |
| Services received from the Department of Justice                  | 3    | 29,158         | 26,900         |
| <b>Total income from State Government</b>                         |      | <b>29,160</b>  | <b>26,921</b>  |
| <b>SURPLUS FOR THE PERIOD</b>                                     |      | <b>1,801</b>   | <b>1,937</b>   |
| <b>OTHER COMPREHENSIVE INCOME</b>                                 |      | <b>-</b>       | <b>-</b>       |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                  |      | <b>1,801</b>   | <b>1,937</b>   |

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Statement of financial position**

As at 30 June 2023

|  | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|--|------|----------------|----------------|
| <b>ASSETS</b>                                |      |                |                |
| <b>Current Assets</b>                        |      |                |                |
| Cash and cash equivalents                    | 7    | 40,230         | 37,656         |
| Receivables                                  | 8    | 116            | 111            |
| <b>Total Current Assets</b>                  |      | <b>40,346</b>  | <b>37,767</b>  |
| <b>Non-Current Assets</b>                    |      |                |                |
| Right-of-use assets                          | 9    | -              | -              |
| <b>Total Non-Current Assets</b>              |      | <b>-</b>       | <b>-</b>       |
| <b>TOTAL ASSETS</b>                          |      | <b>40,346</b>  | <b>37,767</b>  |
| <b>LIABILITIES</b>                           |      |                |                |
| <b>Current Liabilities</b>                   |      |                |                |
| Lease liabilities                            | 10   | -              | -              |
| Accrued fees payable to Consolidated Account | 11   | 1,210          | 382            |
| Payables                                     |      | 69             | 119            |
| <b>Total Current Liabilities</b>             |      | <b>1,279</b>   | <b>501</b>     |
| <b>TOTAL LIABILITIES</b>                     |      | <b>1,279</b>   | <b>501</b>     |
| <b>NET ASSETS</b>                            |      | <b>39,067</b>  | <b>37,266</b>  |
| <b>EQUITY</b>                                |      |                |                |
| Indemnity reserve                            | 12   | 5,676          | 5,246          |
| Business development reserve                 | 12   | 18,663         | 18,677         |
| Accumulated surplus                          |      | 14,728         | 13,343         |
| <b>TOTAL EQUITY</b>                          |      | <b>39,067</b>  | <b>37,266</b>  |

The Statement of Financial Position should be read in conjunction with the accompanying notes.

## Statement of changes in equity

### For the year ended 30 June 2023

|   |      | Business<br>Indemnity Reserve | Development<br>Reserve | Accumulated<br>surplus | Total equity  |
|---|------|-------------------------------|------------------------|------------------------|---------------|
|   | Note | \$'000                        | \$'000                 | \$'000                 | \$'000        |
| <b>Balance at 1 July 2021</b>                       |      | 4,752                         | 18,677                 | 11,900                 | 35,329        |
| Surplus   |      | -                             | -                      | 1,937                  | 1,937         |
| Other comprehensive income                          |      | -                             | -                      | -                      | -             |
| Total comprehensive income for the period           |      | -                             | -                      | 1,937                  | 1,937         |
| Transfers between accumulated surplus and reserves: |      |                               |                        |                        |               |
| Transfers to reserves                               | 12   | 803                           | 3,604                  | (4,407)                | -             |
| Transfers from reserves                             | 12   | (309)                         | (3,604)                | 3,913                  | -             |
| Total   |      | 494                           | -                      | (494)                  | -             |
| <b>Balance at 30 June 2022</b>                      |      | <b>5,246</b>                  | <b>18,677</b>          | <b>13,343</b>          | <b>37,266</b> |
| <b>Balance at 1 July 2022</b>                       |      | <b>5,246</b>                  | <b>18,677</b>          | <b>13,343</b>          | <b>37,266</b> |
| Surplus   |      | -                             | -                      | 1,801                  | 1,801         |
| Other comprehensive income                          |      | -                             | -                      | -                      | -             |
| Total comprehensive income for the period           |      | -                             | -                      | 1,801                  | 1,801         |
| Transfers between accumulated surplus and reserves: |      |                               |                        |                        |               |
| Transfers to reserves                               | 12   | 711                           | 3,127                  | (3,838)                | -             |
| Transfers from reserves                             | 12   | (281)                         | (3,141)                | 3,422                  | -             |
| Total   |      | 430                           | (14)                   | (416)                  | -             |
| <b>Balance at 30 June 2023</b>                      |      | <b>5,676</b>                  | <b>18,663</b>          | <b>14,728</b>          | <b>39,067</b> |

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

**Statement of cash flows**

For the year ended 30 June 2023

|  | Note | 2023<br>\$'000  | 2022<br>\$'000  |
|--|------|-----------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |      |                 |                 |
| <b>Receipts</b>  |      |                 |                 |
| Fees and charges   |      | 24,328          | 23,735          |
| Fee from the Common Account                                      |      | 1,046           | 270             |
| Management fee from the Strategic Common Accounts                |      | 1,322           | 1,388           |
| Receipts from Common Account Surplus Interest                    |      | 3,127           | 3,246           |
| Interest received  |      | 1,425           | 383             |
| GST receipts on fees   |      | 1,171           | 1,185           |
| Other revenue  |      | 101             | 123             |
| <b>Payments</b>  |      |                 |                 |
| Payments on clients' behalf written-off                          |      | (387)           | (410)           |
| GST payments on purchases  |      | (164)           | (159)           |
| GST payments to taxation authority                               |      | (1,044)         | (1,016)         |
| <b>Net cash provided by operating activities</b>                 |      | <b>30,925</b>   | <b>28,745</b>   |
| <b>CASH FLOWS TO STATE GOVERNMENT</b>                            |      |                 |                 |
| Fees paid to the Consolidated Account                            |      | (26,037)        | (22,738)        |
| Surplus Common Account Interest paid to the Consolidated Account |      | (2,314)         | (3,604)         |
| <b>Net cash paid to State Government</b>                         |      | <b>(28,351)</b> | <b>(26,342)</b> |
| <b>Net increase in cash and cash equivalents</b>                 |      | <b>2,574</b>    | <b>2,403</b>    |
| Cash and cash equivalents at the beginning of the period         |      | 37,656          | 35,253          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>        | 7    | <b>40,230</b>   | <b>37,656</b>   |

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

**Statement of Estates and Trusts administered as at 30 June 2023****As at 30 June 2023**

|  |             | <b>2023</b>      | <b>2022</b>      |
|--|-------------|------------------|------------------|
| <b>ESTATES AND TRUSTS</b>                | <b>Note</b> | <b>\$'000</b>    | <b>\$'000</b>    |
| Deceased Estates                         |             | 368,098          | 321,945          |
| Direct Action                            |             | 9,837            | 6,427            |
| Entitled Trusts                          |             | 372,481          | 364,839          |
| Protected Management                     |             | 773,508          | 690,160          |
| Testamentary Trusts                      |             | 62,152           | 60,852           |
| Power of Attorney                        |             | 6,534            | 8,408            |
| Trusts                                   |             | 27,610           | 45,055           |
| Safe care                                |             | 2,670            | 2,431            |
| <b>NET TRUST ASSETS</b>                  |             | <b>1,622,890</b> | <b>1,500,117</b> |
| <b>Represented by:</b>                   |             |                  |                  |
| Investments in Common Account            | 25(l)       | 395,830          | 372,383          |
| Investments in Strategic Common Accounts | 26(a)       | 282,389          | 262,963          |
| Bank deposits                            | 24(a)       | 253,600          | 265,383          |
| Equities                                 | 24(b)       | 54,940           | 40,853           |
| Unit trusts                              | 24(b)       | 3,096            | 4,123            |
| Life policies                            | 24(c)       | 7,861            | 5,651            |
| Real estate                              | 24(d)       | 657,266          | 574,087          |
| Other assets                             | 24(e)       | 31,813           | 25,674           |
| <b>TOTAL TRUST ASSETS</b>                |             | <b>1,686,795</b> | <b>1,551,117</b> |
| <b>CURRENT LIABILITIES</b>               |             |                  |                  |
| Payables                                 |             | 39,352           | 31,503           |
| Loans                                    |             | 3,289            | 3,381            |
| Mortgages – Deceased estates             |             | 5,686            | 3,013            |
| <b>Total Current Liabilities</b>         |             | <b>48,327</b>    | <b>37,897</b>    |
| <b>NON CURRENT LIABILITIES</b>           |             |                  |                  |
| Mortgages – Trust estates                |             | 15,578           | 13,103           |
| <b>Total Non Current Liabilities</b>     |             | <b>15,578</b>    | <b>13,103</b>    |
| <b>TOTAL TRUST LIABILITIES</b>           |             | <b>63,905</b>    | <b>51,000</b>    |
| <b>NET TRUST ASSETS</b>                  |             | <b>1,622,890</b> | <b>1,500,117</b> |



## Notes to the financial statements

### For the year ended 30 June 2023

#### 1. Basis of preparation

The Public Trustee is a Statutory Authority and a not-for-profit entity as profit is not its principal objective.

The Public Trustee's principal activities include the provision of trustee, estate and will services to Western Australians.

These annual financial statements were authorised for issue by the Public Trustee (themselves) at the date of signing the certification of financial statements.

The Public Trustee's registered office and principal place of business are the Public Trustee Building, 553 Hay Street, Perth WA 6000.

#### Statement of compliance

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

- The *Financial Management Act 2006 (FMA)*
- The Treasurer's Instructions (TIs)
- Australian Accounting Standards (AASs) – Simplified Disclosures
- Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TIs take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

#### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

#### Accounting for Goods and Services Tax (GST)

Income, expenses, and assets are recognised net of the amount of goods and services tax (GST), except that the:

- The amount of GST incurred as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- Receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for Right of Use Asset reconciliations.

## 1. Basis of preparation (cont'd)

### Judgements and estimates

Judgements, estimates, and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

## 2. Write-offs

|                                    | 2023   | 2022   |
|------------------------------------|--------|--------|
|                                    | \$'000 | \$'000 |
| Write-offs under the Authority of: |        |        |
| the Public Trustee (themselves)    | 374    | 415    |
| the Minister                       | -      | -      |
| the Treasurer                      | -      | -      |
|                                    | 374    | 415    |

Write-offs represent losses incurred during the administration of estates and trusts, which have not been recouped and written off under Section 48 of the *FMA*.

## 3. Income from State Government

### Services received from the Department of Justice

Services received that the Public Trustee would otherwise purchase if not provided, are recognised as income at the fair value of the services when they are received. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

The Department of Justice funds the operational costs of the Public Trustee according to the Treasurer's net appropriation determination.

The Department of Justice provides the Public Trustee with resources in the form of staff, equipment, and other operating expenses. The assets and liabilities relating to these provided resources are reported in the Department of Justice's Financial Statements.

Resources provided to the Public Trustee are as follows:

|                                 | 2023          | 2022          |
|---------------------------------|---------------|---------------|
|                                 | \$'000        | \$'000        |
| <b>Operating Expenses</b>       |               |               |
| Employee benefits expense       | 19,695        | 18,222        |
| Depreciation expense            | 349           | 592           |
| Administration expenses         | 3,071         | 2,353         |
| Accommodation expenses          | 2,855         | 2,847         |
| Corporate service expenses      | 3,190         | 2,907         |
| <b>Total operating expenses</b> | <b>29,160</b> | <b>26,921</b> |

Resources received is recognised as revenue as follows:

|  | 2023          | 2022          |
|--|---------------|---------------|
| <b>Operating Income</b>                              |               |               |
| Recoups and other revenue from Department of Justice | 2             | 21            |
| Resources received from Department of Justice        | 29,158        | 26,900        |
| <b>Total operating income</b>                        | <b>29,160</b> | <b>26,921</b> |

**4. Fees paid to the Consolidated Account**

|                                   | <b>2023</b>   | <b>2022</b>   |
|-----------------------------------|---------------|---------------|
|                                   | <b>\$'000</b> | <b>\$'000</b> |
| Fees paid to Consolidated Account | 26,037        | 23,185        |

According to section 6B(2)(b) of the *Public Trustee Act 1941* and regulation 6(b) of the *Public Trustee Regulations 1942*, the Current Agreement sets out the proportion of the fees received by the Public Trustee to be credited to the Consolidated Account. The Current Agreement is a written agreement between the Attorney General and the Public Trustee for 12 months. The Current Agreement determines that if the fees collected exceed \$26.0 million (2022: \$23.19 million), minimum fees of this amount shall be paid to the Consolidated Account. If the fees collected are less than the threshold, all fees collected shall be paid to the Consolidated Account, via the Department of Justice's net appropriation determination.

**5. Surplus Common Account Interest paid to the Consolidated Account**

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Surplus Common Account Interest paid to the Consolidated Account | 3,142         | 3,604         |

The Current Agreement section 10.3 determines that the Public Trustee is to pay \$1.8 million (2022: \$3.6 million) in Surplus Common Account Interest to the Consolidated Account as per budget. The amount is to be reduced by the excess of the overall revenue over the net operating expenses in line with the Public Trustee's self-funding commitment.

During the year ended 30 June 2023, the Public Trustee had to pay \$3.1 million, which was \$1.342 million more than budget to meet its self-funding commitment.

**6. Income****(a) Fees and charges**

The Public Trustee provides services in accordance with legislative directives. The fees and charges related to services provided to clients are gazetted annually. Fees and charges have been disaggregated based on type of services provided.

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Fees and charges from clients                |               |               |
| Trust fees                                   | 17,353        | 16,571        |
| Deceased Estate fees                         | 5,796         | 5,746         |
| Legal fees                                   | 249           | 304           |
| Will fees                                    | 108           | 179           |
| Tax preparation fees                         | 526           | 595           |
| Private Administrator Support (PAS) fees     | 296           | 340           |
|  | <b>24,328</b> | <b>23,735</b> |
| Fee from Common Account                      | 1,046         | 270           |
| Management fee from Strategic Common Account | 1,327         | 1,384         |
| Surplus interest from Common Account         | 3,127         | 3,246         |
|  | <b>29,828</b> | <b>28,635</b> |

The Public Trustee recognises revenue upon satisfaction of its performance obligation to a customer. Revenue recognition for each revenue stream is as follows:

## 6. Income

### (a) Fees and charges (cont'd)

| INCOME  | PERFORMANCE OBLIGATION   | TIMING OF RECOGNITION   |
|---|--|---|
| Trust fees including establishment fees, ongoing fees, and termination fees | <ul style="list-style-type: none"> <li>Establishment of trust.</li> <li>Ongoing management of clients' investments, income and expenses</li> <li>Termination of the trust</li> </ul> | <p>Over time as the relevant services are provided. Customers obtain control of services as they are delivered. Income is debited to the client's accounts at the end of each month. No fees are receivable or received in advance at month-end.</p> <p>When the trust has been terminated.</p> |
| Deceased Estate fees  | Estate administration and distribution   | <p>At the following points in time: 120 days after the opening of the estate file and upon completion of the administration and distribution of the estate.</p> <p>Revenues are determined based on the complexity of the estate.</p>   |
| Legal, will, tax, PAS fees  | Legal services, preparation of wills, tax returns and examination of accounts  | On completion of the provision of the relevant service. Revenues are determined based on the time spent and the complexity of client arrangements.  |
| Fee and surplus interest from Common Account                                | Governance and administration of the Common Fund and its related investments   | Over time as the relevant services are provided. Fee is calculated at 6% of the income of the Common Fund. Fee is debited at the end of each month with a final adjustment at year-end. No fee is receivable or received in advance at month-end.   |
| Management fee from Strategic Common Account                                | Governance and oversight of the Strategic Common Account   | Over time as the relevant services are provided. Fee is calculated as a percentage of the funds under management. Fee is recognised monthly as they accrue. No fee is receivable or received in advance at month-end.   |

### Judgment made by management in applying accounting policies on income

Key judgements in determining revenue from user fees and charges is the satisfaction of performance obligations.

### (b) Interest income

|                 | 2023   | 2022   |
|-----------------|--------|--------|
|                 | \$'000 | \$'000 |
| Interest income | 1,425  | 383    |

The Public Trustee is required by section 44A (4) of the *Public Trustee Act 1941* to invest money in a reserve fund in the Common Account. Interest income is earned and accrued based on the weighted average return of the Common Account's assets of 3.48% (2022: 1.08%).

## 7. Cash and cash equivalents

|                           | 2023   | 2022   |
|---------------------------|--------|--------|
|                           | \$'000 | \$'000 |
| Cash and cash equivalents | 40,230 | 37,656 |

For the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

All Public Trustee funds are held within the Common Account which is available at call and highly liquid.

## 8. Receivables

|             | 2023   | 2022   |
|-------------|--------|--------|
|             | \$'000 | \$'000 |
| Receivables | 116    | 111    |

Receivables are recognised at the original invoice amount less an allowance for any expected credit loss. The Public Trustee do not hold any collateral or other credit enhancements as security for receivables.

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (expected credit losses) is raised when there is objective evidence that the Public Trustee will not be able to collect the debts.

## 9. Right-of-use assets

|          | 2023   | 2022   |
|----------|--------|--------|
|          | \$'000 | \$'000 |
| Building | -      | -      |

Additions to right-of-use assets during the 2023 financial year were \$nil (2022: \$nil).

### Details of lease – 553 Hay Street Perth

Under section 39A(3) of the *Public Trustee Act 1941*, the Attorney General approved on 3 June 2014 and the Public Trustee signed on 25 June 2014 the Terms and Conditions for the Public Trustee's occupation of office accommodation at 553 Hay Street Perth. The arrangement was for 10 years which ended on 13 March 2021, cancellable at the Attorney General's approval. Rent was payable monthly in advance, with the minimum payment increasing by 4% annually. There was no option to extend the agreement after the end of the term.

Subsequently, new Terms and Conditions were signed, covering periods from 12 months until 13 March 2022, nine and a half months until 31 December 2022, and six months until 30 June 2023. These new agreements maintained similar terms as the previous one.

Currently, a draft for new Terms and Conditions, set for a ten-year duration starting from 1 July 2023, with no extension option and subject to the Attorney General's approval for cancellation, is under consideration.

### Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs, including dismantling and removing the underlying asset.

The Public Trustee has elected not to recognise right-of-use assets and lease liabilities for short term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less).

Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

### Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

### Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's estimated useful life and the lease term. If the Public Trustee is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's estimated useful life.

## 9. Right-of-use assets (cont'd)

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 14.

The Statement of Comprehensive Income shows the following amounts relating to leases:

|  | 2023   | 2022   |
|--|--------|--------|
|  | \$'000 | \$'000 |
| Right-of-use asset depreciation (included in Depreciation expense) | -      | -      |
| Lease interest expense (included in Finance cost)                  | -      | -      |
| Short-term leases (included in Accommodation expenses)             | 2,308  | 1,890  |

The Department of Justice funds the operational costs (including those related to right-of-use assets) of the Public Trustee according to the Treasurer's net appropriation determination. Hence, the total cash outflow for leases was \$nil (2022: \$nil).

## 10. Lease liabilities

|                                | 2023     | 2022     |
|--------------------------------|----------|----------|
|                                | \$'000   | \$'000   |
| Current                        | -        | -        |
| Non-current                    | -        | -        |
| <b>Total lease liabilities</b> | <b>-</b> | <b>-</b> |

### Initial measurement

At the commencement date, the Public Trustee measures a lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Public Trustee uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend 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 purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease; and
- Periods covered by extension or termination options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

### Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

**10. Lease liabilities (cont'd)****Short-term and low-value leases**

Payments associated with short-term and low-value leases are recognised as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets that are individually valued less than \$5,000 at cost. This excludes leases with another wholly owned public sector entity lessor agency.

**Judgment made by management in applying accounting policies on leases**

Key judgements include identifying leases within contracts, determination whether there is reasonable certainty around exercising extension and termination options, identifying whether payments are variable or fixed in substance and determining the stand-alone selling prices for lease and non-lease components.

Estimation uncertainty that may arise is the estimation of the lease term, determination of the appropriate implicit interest rate/incremental borrowing rate to calculate the present value of the lease payments and assessing whether the right-of-use asset needs to be impaired.

**11. Accrued fees payable to the Consolidated Account**

|                                      | <b>2023</b>   | <b>2022</b>   |
|--------------------------------------|---------------|---------------|
|                                      | <b>\$'000</b> | <b>\$'000</b> |
| Fees payable to Consolidated Account | 1,210         | 382           |

The fees due to the Consolidated Account are payable within 12 months after the reporting period. Although no interest is charged on the outstanding amount, the carrying amount is equivalent to fair value.

**12. Reserves**

|   | Note  | 2023<br>\$'000 | 2022<br>\$'000 |
|---|-------|----------------|----------------|
| <b>Total Reserves</b>                             |       |                |                |
| Balance at start of period                        |       | 23,923         | 23,429         |
| Transfer to Reserves                              |       | 3,838          | 4,407          |
| Transfer from Reserves                            |       | (3,422)        | (3,913)        |
| <b>Balance at end of period</b>                   |       | <b>24,339</b>  | <b>23,923</b>  |
| <b>Represented by:</b>                            |       |                |                |
| <b>Indemnity Reserve</b>                          |       |                |                |
| Balance at start of period                        |       | 5,246          | 4,752          |
| Transfer to Reserves                              |       | 711            | 803            |
| Transfer from Reserves                            |       | (281)          | (309)          |
| <b>Balance at end of period</b>                   | 12(a) | <b>5,676</b>   | <b>5,246</b>   |
| <b>Business Development Reserve</b>               |       |                |                |
| Balance at start of period                        |       | 18,677         | 18,677         |
| Transfer to Reserves                              |       | 3,127          | 3,604          |
| Transfer from Reserves                            |       | (3,141)        | (3,604)        |
| <b>Balance at end of period</b>                   | 12(b) | <b>18,663</b>  | <b>18,677</b>  |
| <b>Total balance of Reserves at end of period</b> |       | <b>24,339</b>  | <b>23,923</b>  |

**12 (a) Indemnity Reserve**

If the Public Trustee is liable to compensate a person for loss or damage, the Current Agreement section 9.3 allows the Public Trustee to apply moneys from the Indemnity Reserve to pay to investigate, defend, settle and/or compromise the matter, or to pay for any loss or damage that the person has suffered, including costs and disbursements.

If the Public Trustee is acting for a person with a disability as next friend, guardian ad litem, litigation guardian or case guardian, or in a similar role, the Current Agreement section 9.4 allows the Public Trustee to apply moneys in the Indemnity Reserve to pay the costs and disbursements of the Public Trustee and/or another party, when it is not possible and/or not suitable for the estate of the person with a disability to pay them.

If the Public Trustee, in its corporate capacity, requires advice and representation, the Current Agreement section 9.5 allows the Public Trustee to apply money in the Indemnity Reserve to pay for the costs and disbursements of such advice or representation.

The reserve level is reviewed annually based on an independent actuarial advice and represents a percentage of the total client assets and liabilities managed. The most recent actuarial advice was procured in 2023, and subsequent reviews will occur at three-year intervals.

**12 (b) Business Development Reserve**

The Current Agreement section 10.1 allows the Public Trustee to credit to the Business Development Reserve from its account entitled "Accumulated surplus", any or all of the accumulated surplus for the year.

The Current Agreement section 10.3 prescribes that during the year, the Public Trustee shall pay an amount of "Public Trustee Contribution – Common Account Surplus Interest" as determined in the Department of Justice's 2022/23 Budget Statements from the Business Development Reserve to the Consolidated Account (refer to note 5). It will be reduced by any amount paid to the Consolidated Account that is more than "Public



Trustee Contribution – Estate Fees and Other Revenue” (refer to note 4) and also where overall revenue exceeds the net operating costs of the Public Trustee, as determined in the Department of Justice’s 2022/23 Budget Statements.

The Current Agreement section 10.4 prescribes that the Business Development Reserve may be used for paying capital costs, meeting shortfalls in revenue paid to the consolidated account, self-funding any shortfall in budgeted recurrent expenditure and paying costs associated with the coming into operation of the *Public Trustee and Trustee Companies Legislation Amendment Act 2008*.

### 13. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### (a) Contingent assets

There were no contingent assets.

#### (b) Contingent liabilities

#### Uncertainty in the interpretation of the *Public Trustee Act 1941* regarding payment of Common Account surplus interest to the Business Development Reserve

There is uncertainty in the interpretation of:

- section 39A(8) of the *Public Trustee Act 1941* which allows the Public Trustee to credit any balance of the interest received from investment of moneys forming part of the Common Account to a reserve fund after deduction of fees and interest; and
- section 10.2 of the Current Agreement 2022/23 which prescribes that the Public Trustee credits the surplus interest to the Business Development Reserve.

This matter has been referred for analysis and advice. The potential financial impact, if any, is unquantifiable at this time as the outcome of the analysis and advice is uncertain and the amount of any potential liability cannot be reliably estimated.

#### Litigation in progress

The Public Trustee has 13 matters (2022: 11) where litigation against the Public Trustee may result or has started. They involve potential claims for damages to the value of \$6.7 million (2022: \$8.7 million) inclusive of court costs. These potential claims are covered by insurance, may not be finalised and/or it is likely that there will not be any material liability. Hence, no liability has been recognised in the Financial Statements.

#### Key sources of estimation uncertainty – litigation in progress

Several estimations and assumptions are used in calculating the Public Trustee’s liability for potential clients’ damages claims including likelihood of claims, likelihood of success and expected future payments. Changes in these estimations and assumptions may impact on the amount of the potential liability.

#### Contaminated sites

Under the *Contaminated Sites Act 2003*, the Public Trustee is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites based on the risk to human health, the environment and environmental values. Where sites are classified as *contaminated – remediation required* or *possibly contaminated – investigation required*, the Public Trustee may have a liability in respect of investigation or remediation expenses.

During the year the Public Trustee reported no suspected contaminated sites to DWER.

### 14. Impairment of assets

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred)

discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the assets is reduced either directly or through use of an allowance account. The amount of the loss is recognised in Statement of Comprehensive Income.

There were no indications of impairment to assets at year end. The Public Trustee held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

There are no surplus assets held at year end.

## 15. Financial instruments

The carrying amount of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

|  | <b>2023</b><br><b>\$'000</b> | <b>2022</b><br><b>\$'000</b> |
|--|------------------------------|------------------------------|
| <b>Financial assets</b>                      |                              |                              |
| Cash and cash equivalents                    | 40,230                       | 37,656                       |
| Receivables                                  | 116                          | 111                          |
| <b>Financial liabilities</b>                 |                              |                              |
| Accrued fees payable to Consolidated Account | 1,210                        | 382                          |
| Payables (*)                                 | 2                            | 15                           |

(\*) The amount of payables excludes the GST payable to the ATO (statutory payable).

## 16. Events occurring after the end of the reporting period

Currently, a draft for new Terms and Conditions for the Public Trustee's occupation of office accommodation at 553 Hay Street Perth for ten years starting from 1 July 2023, with no extension option and cancellable at the Attorney General's approval, is under consideration.

There were no other events occurring after end of the reporting period that will materially impact the financial statements.

## 17. Key Management personnel

Key management personnel include the Public Trustee (themselves) and senior officers of the Public Trustee.

### 17 (a) Compensation of the Public Trustee

| Compensation band (\$'000)               | 2023          | 2022          |
|--|---------------|---------------|
| 300 - 350                                | 1             | 1             |
|  | <b>\$'000</b> | <b>\$'000</b> |
| Total compensation of the Public Trustee | 319           | 316           |

Leave taken during the year, pay rise and fringe benefit have resulted in the movement in the compensation amount and the compensation band.

### 17 (b) Compensation of senior officers

Senior officers are those who take part in the management of the Public Trustee and are deemed to be the Directors and the Principal Legal Officer. The number of senior officers, other than the Public Trustee (themselves), whose total fees, salaries, superannuation, non-monetary benefits, and other benefits for the financial year, fall within the following bands is:

| Compensation Band (\$'000)            | 2023          | 2022          |
|---------------------------------------|---------------|---------------|
| 0-50                                  | 1             | -             |
| 50-100                                | 1             | -             |
| 100 - 150                             | -             | 1             |
| 150 - 200                             | 1             | 1             |
| 200 – 250                             | 2             | 2             |
|                                       | <b>\$'000</b> | <b>\$'000</b> |
| Total compensation of senior officers | 753           | 733           |

Leave taken during the year and pay rises have resulted in the changes in compensation bands during the year.

Total compensation includes the superannuation expense incurred by the Public Trustee in respect of senior officers. No senior officers are members of the Pension Scheme.

## 18. Related party transactions

The Public Trustee is a Statutory Public Trustee. Related parties of the Public Trustee include:

- The Public Trustee (themselves) and their close family members, and their controlled or jointly controlled entities; and
- all senior officers and their close family members, and their controlled or jointly controlled entities.

All related party transactions have been entered into on an arm's length basis.

### Significant transactions with related parties

Disclosures relating to compensation of the Public Trustee (themselves) and senior officers are set out in note 17. The Public Trustee had no material related party transaction with the Public Trustee (themselves)/ senior officer or their close family members or their controlled or jointly controlled entities.

## 19. Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit is as follows:

|   | 2023   | 2022   |
|---|--------|--------|
|   | \$'000 | \$'000 |
| Auditing the accounts, financial statements, controls, and key performance indicators | 137    | 90     |

## 20. Indian Ocean Territories – Christmas Island and Cocos (Keeling) Island

An agreement between the Commonwealth and the State Government enables trustee services to be provided to both communities on a cost recovery basis. There were no visits to the islands during the financial year.

Statement of Receipts and Expenditure for the year ended 30 June 2023:

|                        | 2023     | 2022     |
|------------------------|----------|----------|
|                        | \$'000   | \$'000   |
| Opening balance        | 2        | 2        |
| Expenditure            | -        | -        |
| <b>Closing balance</b> | <b>2</b> | <b>2</b> |

## 21. Capital commitments

There were no contracted capital expenditure commitments additional to the amounts reported in the financial statements.

## 22. Correction of prior period errors/changes in accounting policy

There were no corrections of prior period errors or changes in accounting policy.

## 23. Supplementary financial information

### 23 (a) Losses through theft, defaults, and other causes

|   | 2023   | 2022   |
|---|--------|--------|
|   | \$'000 | \$'000 |
| Losses of public money and public and other property through theft or default | -      | -      |
| Amounts recovered   | -      | -      |
|   | -      | -      |

### 23 (b) Gifts of public property

The Public Trustee provided \$nil (2022: \$nil) gifts of public property during the year.

### 23 (c) Forgiveness of debts

The Public Trustee provided \$nil (2022: \$nil) by way of forgiveness of debts during the year.

## 24. Estates and Trusts under administration

Assets held and/or liabilities incurred in a trustee capacity includes all assets realised and non-realised which are under the control and administration of the Public Trustee.

### 24 (a) Bank deposits

Deposits consist of funds held with financial institutions, superannuation balances where the preservation age has been reached, and deposits held by aged care providers (refundable accommodation deposit). Deposits are valued at year-end based on information for financial institutions and superannuation funds, or at cost for deposits held by aged care.

**24 (b) Equities, unit trusts and Strategic Common Accounts**

For deceased estates, the valuation is at the date of death. In other matters, the valuation for equities, unit trusts and Strategic Common Accounts is at year-end and sourced from market publications.

**24 (c) Life policies**

Life policies have been valued based on the surrender value supplied by relevant insurance companies.

**24 (d) Real estate**

Registered valuers conducted the deceased estate valuations, with values effective at the date of death. In other matters, real estate is shown at the last valuation, cost or estimated value. Where estimates are made, appropriate Public Trustee personnel assess the value at the time of inspection. It is not the policy of the Public Trustee to regularly value real estate since it is considered an unnecessary expense to impose on the client.

**24 (e) Other assets**

Deceased estates' valuation is at the date of death. In other matters, valuation is either at the date the Public Trustee was appointed manager, administrator, new trustee or at the date of acquisition. Valuations are at cost or estimated disposal value.

For items of minor value (e.g., personal effects, furniture and other chattels) the beneficiaries' estimates are usually accepted. For more valuable items such as jewellery and motor vehicles, valuations from a registered jeweller or use of the Red Book Guide, are adopted.

**25. Public Trustee Common Account**

Section 39A of the *Public Trustee Act 1941* establishes the Common Account, which is a continuation of the Common Account referred to in section 40(1) of this Act immediately before the day on which section 25 of the *Public Trustee and Trustee Companies Legislation Amendment Act 2008* came into operation.

The Common Account holds monies received being:

- Public Trustee's reserve funds per section 44A of the *Public Trustee Act 1941*;
- collection or realisation of cash or other assets of the estates and trusts;
- income earned on investments by estates and trusts held outside of the Common Account;
- income earned on investments held in the Common Account;
- realisation of investments held in the Common Account; and
- other monies received under the *Public Trustee Act*.

The funds in the Common Account may be applied to:

- payments for goods, services, funeral and testamentary expenses, liabilities, creditors, fees, taxes and other expenses in the proper management or administration of estates and trusts or other performance of the Public Trustee's duties;
- payments to persons entitled to an estate;
- fees pursuant to section 39A(4) of the *Public Trustee Act*;
- interest pursuant to section 39A(7) of the *Public Trustee Act*;
- the authorised uses of a reserve fund, as set out in the Public Trustee's written current agreement with its Minister;
- expenses and disbursements in managing the Common Account;
- any investment that the Public Trustee may make with respect to an estate;
- any investment that the Public Trustee may make in the Common Account; and
- other matters or things for which the *Public Trustee Act*, *Trustees Act 1962* or any other written law authorises funds in the Common Account to be applied.

The Common Account is an agency special purpose account under the FMA Section 16(1)(b).

The following are the financial statements of the Public Trustee Common Account.

**25 (a) PUBLIC TRUSTEE COMMON ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 30 June 2023**

|   | Note  | 2023<br>\$'000 | 2022<br>\$'000 |
|---|-------|----------------|----------------|
| <b>EXPENSES</b>   |       |                |                |
| Investment expenses   | 25(h) | 1,697          | 2,448          |
| Interest paid to Estates and Trusts                         | 25(e) | 5,551          | 608            |
| <b>Total expenses before payments to the Public Trustee</b> |       | <b>7,248</b>   | <b>3,056</b>   |
| Fee paid to the Public Trustee                              |       | 1,046          | 270            |
| Interest paid to the Public Trustee                         |       | 1,425          | 383            |
| Surplus Common account interest paid to the Public Trustee  | 25(f) | 3,127          | 3,246          |
| <b>Total expenses</b>                                       |       | <b>12,846</b>  | <b>6,955</b>   |
| <b>INCOME</b>   |       |                |                |
| Investment income   | 25(g) | 19,124         | 6,955          |
| Increment from revaluation of investment property           | 25(h) | 1,665          | 1,480          |
| <b>Total income</b>   |       | <b>20,789</b>  | <b>8,435</b>   |
| <b>SURPLUS FOR THE YEAR</b>                                 |       | <b>7,943</b>   | <b>1,480</b>   |
| <b>OTHER COMPREHENSIVE INCOME</b>                           |       | <b>-</b>       | <b>-</b>       |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>              |       | <b>7,943</b>   | <b>1,480</b>   |

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**25 (b) PUBLIC TRUSTEE COMMON ACCOUNT  
STATEMENT OF FINANCIAL POSITION  
As at 30 June 2023**

|  | Note  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|-------|----------------|----------------|
| <b>ASSETS</b>                                  |       |                |                |
| <b>Current Assets</b>                          |       |                |                |
| Cash and cash equivalents                      | 25(i) | 418,176        | 385,855        |
| Receivables                                    | 25(j) | -              | 146            |
| Accrued income                                 | 25(k) | 3,557          | 878            |
| <b>Total Current Assets</b>                    |       | <b>421,733</b> | <b>386,879</b> |
| <b>Non-Current Assets</b>                      |       |                |                |
| Investment property                            | 25(h) | 45,490         | 43,825         |
| <b>Total Non-Current Assets</b>                |       | <b>45,490</b>  | <b>43,825</b>  |
| <b>TOTAL ASSETS</b>                            |       | <b>467,223</b> | <b>430,704</b> |
| <b>LIABILITIES</b>                             |       |                |                |
| <b>Current Liabilities</b>                     |       |                |                |
| Fees & accrued taxation                        | 25(l) | 1,529          | 1,460          |
| Public Trustee Funds                           | 7     | 40,230         | 37,656         |
| Accrued Interest payable to Estates and Trusts |       | 2,673          | 187            |
| <b>Total Current Liabilities</b>               |       | <b>44,432</b>  | <b>39,303</b>  |
| <b>Non-Current Liabilities</b>                 |       |                |                |
| Estates & Trusts under Administration          | 25(m) | 395,830        | 372,383        |
| <b>Total Non-Current Liabilities</b>           |       | <b>395,830</b> | <b>372,383</b> |
| <b>TOTAL LIABILITIES</b>                       |       | <b>440,262</b> | <b>411,686</b> |
| <b>NET ASSETS</b>                              |       | <b>26,961</b>  | <b>19,018</b>  |
| <b>EQUITY</b>                                  |       |                |                |
| Common Account investment reserve              | 25(n) | -              | -              |
| Accumulated surplus                            |       | 26,961         | 19,018         |
| <b>TOTAL EQUITY</b>                            |       | <b>26,961</b>  | <b>19,018</b>  |

The Statement of Financial Position should be read in conjunction with the accompanying notes.

**25 (c) PUBLIC TRUSTEE COMMON ACCOUNT  
STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2023**

|   | Note | Common<br>Account<br>Investment<br>Reserve<br>\$'000 | Accumulated<br>surplus<br>\$'000 | Total equity<br>\$'000 |
|---|------|--|----------------------------------|------------------------|
| <b>Balance at 1 July 2021</b>             |      | -  | 17,538                           | 17,538                 |
| Surplus                                   |      | -  | 1,480                            | 1,480                  |
| Other comprehensive income                |      | -  | -                                | -                      |
| Total comprehensive income for the period |      | -  | 1,480                            | 1,480                  |
| <b>Balance at 30 June 2022</b>            |      | <b>-</b>   | <b>19,018</b>                    | <b>19,018</b>          |
| <br>                                      |      |  |                                  |                        |
| <b>Balance at 1 July 2022</b>             |      | -  | 19,018                           | 19,018                 |
| Surplus                                   |      | -  | 7,943                            | 7,943                  |
| Other comprehensive income                |      | -  | -                                | -                      |
| Total comprehensive income for the period |      | -  | 7,943                            | 7,943                  |
| <b>Balance at 30 June 2023</b>            |      | <b>-</b>   | <b>26,961</b>                    | <b>26,961</b>          |

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



**25 (d) PUBLIC TRUSTEE COMMON ACCOUNT  
STATEMENT OF CASH FLOWS  
For the year ended 30 June 2023**

|  | Note  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|-------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |       |                |                |
| <b>Receipts</b>  |       |                |                |
| Investment income  |       | 16,591         | 6,424          |
| Tax withheld from clients  |       | 2              | 8              |
| <b>Payments</b>  |       |                |                |
| Fee paid to the Public Trustee                                   |       | (1,046)        | (270)          |
| Interest paid to Estates and Trusts                              |       | (3,065)        | (544)          |
| Interest paid to the Public Trustee                              |       | (1,425)        | (383)          |
| Investment expenses  |       | (1,697)        | (2,467)        |
| Tax withholding paid to ATO                                      |       | (1)            | (9)            |
| <b>Net cash provided by operating activities</b>                 |       | <b>9,359</b>   | <b>2,759</b>   |
| <b>CASH FLOWS FROM ESTATES, TRUSTS &amp; PUBLIC TRUSTEE</b>      |       |                |                |
| Surplus Common Account Interest paid to the Public Trustee       |       | (3,127)        | (3,246)        |
| Net movement in Public Trustee Funds                             |       | 2,574          | 2,403          |
| Net movement in Estates and Trusts under Administration          |       | 23,515         | 31,394         |
| <b>Net cash provided by estates, trusts &amp; Public Trustee</b> |       | <b>22,962</b>  | <b>30,551</b>  |
| <b>Net increase in cash and cash equivalents</b>                 |       | <b>32,321</b>  | <b>33,310</b>  |
| Cash and cash equivalents at the beginning of period             |       | 385,855        | 352,545        |
| <b>Cash and cash equivalents at the end of period</b>            | 25(i) | <b>418,176</b> | <b>385,855</b> |

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

**25 (e) Interest paid to estates and trusts**

|                                     | <b>2023</b>   | <b>2022</b>   |
|-------------------------------------|---------------|---------------|
|                                     | <b>\$'000</b> | <b>\$'000</b> |
| Interest paid to Estates and Trusts | 5,551         | 608           |

Interest is distributed to Estates and Trusts on 1 April and 1 October each year in accordance with Section 39A(7) of the *Public Trustee Act 1941*.

**25 (f) Surplus Common account interest paid to Public Trustee**

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Surplus Common account interest paid to Public Trustee | 3,127         | 3,246         |

Section 39A(8) of the *Public Trustee Act 1941* allows the Public Trustee to credit any balance of the interest received from investment of moneys forming part of the Common Account to a reserve fund after deduction of fees and interests. Section 10.2 of the Current Agreement prescribes that the Public Trustee credits the surplus interest to the Business Development Reserve. Refer to note 12(b).

**25 (g) Investment income**

|                                | <b>2023</b>   | <b>2022</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>\$'000</b> | <b>\$'000</b> |
| Rental income                  | 4,842         | 5,184         |
| Interest income                | 14,282        | 1,771         |
| <b>Total investment income</b> | <b>19,124</b> | <b>6,955</b>  |

**25 (h) Investment property**

|                         | <b>2023</b>   | <b>2022</b>   |
|-------------------------|---------------|---------------|
|                         | <b>\$'000</b> | <b>\$'000</b> |
| <b>At fair value:</b>   |               |               |
| Land                    | 10,000        | 10,000        |
| Improvements            | 35,490        | 33,825        |
| Total investment income | 45,490        | 43,825        |

The Public Trustee Common Account owns an investment property, comprising of land and office building, which is held for long-term rental yields. The property is carried at fair value as mandated by TI 954 *Revaluation of Non-Current Physical Assets*, representing open-market value determined annually by external valuers. Changes in fair value are recorded in profit or loss in the periods in which they arise.

The revalued land and building consist of an office tower located at 553 Hay Street, Perth Western Australia. Management determined that this property constitutes one class of asset under AASB 13 *Fair Value Measurement*, based on the nature, characteristics, and risks of the property.

As at the date of revaluation 30 June 2023 and 2022, the property's fair value is based on a valuation performed by a certified practising and licensed valuer at Western Australian Land Information Authority, an accredited independent valuer.

**Valuer's judgment**

Professional judgment by the valuer is required in estimating the property's fair value whether to apply the capitalisation of net rental income method or the direct comparison method. The valuer has placed more weight on the capitalisation of the net rental income method.

**25 (h) Investment property (cont'd)**

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Rental income derived from investment property                       | 4,842         | 5,184         |
| Direct operating expenses generating rental income                   | (1,697)       | (2,448)       |
| <b>Profit arising from investment property carried at fair value</b> | <b>3,145</b>  | <b>2,736</b>  |

Leases in which the Public Trustee does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Public Trustee or the Common Account has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance, and enhancements.

Reconciliation of the carrying amount of investment property at the beginning and end of the current and previous financial year is:

|   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| Carrying amount at beginning of period  | 43,825        | 42,345        |
| Revaluation increment                   | 1,665         | 1,480         |
| <b>Carrying amount at end of period</b> | <b>45,490</b> | <b>43,825</b> |

**Fair Value measurements**

| <b>Assets measured at fair value</b> | <b>Valuation Date</b> | <b>Fair Value at end of period \$'000</b> |
|--------------------------------------|-----------------------|---|
| <b>2023</b>                          |                       |   |
| Investment property                  | 30 June 2023          | 45,490                                    |
| <b>2022</b>                          |                       |   |
| Investment property                  | 30 June 2022          | 43,825                                    |

**25 (i) Cash and cash equivalents**

|                                  | <b>2023</b>    | <b>2022</b>    |
|----------------------------------|----------------|----------------|
|                                  | <b>\$'000</b>  | <b>\$'000</b>  |
| Cash at bank                     | 18,176         | 20,855         |
| Cash equivalents                 | 400,000        | 365,000        |
| <b>Cash and cash equivalents</b> | <b>418,176</b> | <b>385,855</b> |

For the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Short-term deposits are recorded at cost on a constant yield basis over the period to maturity.

**25 (j) Receivables**

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Receivable for Common account property | -             | 146           |

The carrying amount is equivalent to fair value as they are generally settled within 30 days.

**25 (k) Accrued income**

|                       | <b>2023</b>   | <b>2022</b>   |
|-----------------------|---------------|---------------|
|                       | <b>\$'000</b> | <b>\$'000</b> |
| Accrued interest      | 3,311         | 730           |
| Accrued rental income | 246           | 148           |
|                       | <b>3,557</b>  | <b>878</b>    |

**25 (l) Fees and accrued taxation**

|                      | <b>2023</b>   | <b>2022</b>   |
|----------------------|---------------|---------------|
|                      | <b>\$'000</b> | <b>\$'000</b> |
| Receipts in suspense | 1,530         | 1,440         |
| Other payables       | -             | 20            |
|                      | <b>1,530</b>  | <b>1,460</b>  |

Receipts in suspense represent amounts received that have not yet been allocated to the Estates and Trusts under administration. The carrying amount is equivalent to its fair value.

**25 (m) Estates and Trusts under Administration – Common Account**

The fair value of estate and trust assets at the end of the reporting period, held in the Public Trustee Common Account.

|  | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
|  | <b>\$'000</b>  | <b>\$'000</b>  |
| <b>Activity</b>                                      |                |                |
| Safe care  | 248            | 161            |
| Deceased Estates                                     | 105,957        | 94,321         |
| Direct Action  | 4,763          | 4,771          |
| Entitled Trusts                                      | 59,062         | 58,223         |
| Protected Management                                 | 203,485        | 189,410        |
| Testamentary Trusts                                  | 10,370         | 11,889         |
| Power of Attorney                                    | 1,631          | 2,214          |
| Trusts   | 10,314         | 11,394         |
| <b>Total estates and trusts under administration</b> | <b>395,830</b> | <b>372,383</b> |

**25 (n) Common Account investment reserve**

Pursuant to section 6B of the *Public Trustee Act 1941* and Regulation 6 of the *Public Trustee Regulations 1942*, section 11.2 and 12.3 of the Current Agreement prescribes that funds held in the Common Account investment reserve may be applied to stabilise the Common Account interest paid to estates, meet losses on Common Account Investments, maintain Common Account assets, and may be transferred to the Business Development Reserve.

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Common Account investment reserve</b> |               |               |
| Balance at start of year                 | -             | -             |
| Transfer to accumulated surplus          | -             | -             |
| Balance at end of year                   | -             | -             |

**26. Public Trustee Strategic Common Accounts**

Section 39B of the *Public Trustee Act 1941* establishes the Strategic Common Accounts (SCAs), also known as Public Trustee Investment Funds (PTIF) - Cash strategic investment account (PTIF Cash), Conservative strategic investment account (PTIF Conservative), Growth strategic investment account (PTIF Growth) and Growth Plus strategic investment account (PTIF Growth Plus). The SCAs will provide cost efficient investment options for estates and trusts that give access to different asset classes and mixes of investment managers and investment styles suitable to the client’s investment risk profile.

Details of receipts and payments in the individual estates and trusts are not shown in the financial statements.

The following are the financial statements of the Public Trustee Strategic Common Accounts. Because the Trust’s redemption unit price is based on different valuation principles to that applied in financial reporting, a valuation difference exists.

The Strategic Common Account is an agency special purpose account under the FMA section16(1)(b).

**26 (a) Estates and Trusts under administration Strategic Common Accounts**

The fair value of estate and trust assets at the end of the reporting period held in the Public Trustee Strategic Common Accounts.

|  | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
|  | <b>\$'000</b>  | <b>\$'000</b>  |
| <b>Activity</b>                                      |                |                |
| Deceased Estates                                     | 1,387          | 68             |
| Entitled Trusts                                      | 176,695        | 171,154        |
| Protected Management                                 | 76,276         | 67,597         |
| Testamentary Trusts                                  | 18,925         | 16,408         |
| Power of Attorney                                    | 1,501          | 1,411          |
| Trusts   | 5,183          | 4,054          |
| Safe care  | 2,422          | 2,271          |
| <b>Total estates and trusts under administration</b> | <b>282,389</b> | <b>262,963</b> |

**26 (b) PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**For the year ended 30 June 2023**

| 2023   | Cash   | Conservative  | Growth         | Growth Plus  | Total          |
|--|--------|---------------|----------------|--------------|----------------|
|  | \$'000 | \$'000        | \$'000         | \$'000       | \$'000         |
| <b>Net assets at the beginning of the reporting period</b>                   | -      | 36,021        | 211,055        | 4,047        | 251,123        |
| Applications   | -      | 2,473         | 22,784         | -            | 25,257         |
| Redemptions  | -      | (4,713)       | (10,618)       | -            | (15,331)       |
|  |        | <b>33,781</b> | <b>223,221</b> | <b>4,047</b> | <b>261,049</b> |
| <b>Expenses</b>  |        |               |                |              |                |
| Trustee's fees   | -      | 183           | 1,182          | 23           | 1,388          |
| Custody fees   | -      | 98            | 542            | 27           | 667            |
| Interest expense   | -      | -             | 3              | -            | 3              |
| <b>Total expenses</b>  | -      | <b>281</b>    | <b>1,727</b>   | <b>50</b>    | <b>2,058</b>   |
| <b>Investment Income</b>   |        |               |                |              |                |
| Trust distributions  | -      | 631           | 3,570          | 355          | 4,556          |
| Net gains on financial instruments held at fair value through profit or loss | -      | 1,188         | 19,143         | 198          | 20,529         |
| Other income   | -      | 112           | 608            | 17           | 737            |
| <b>Total investment income</b>   | -      | <b>1,931</b>  | <b>23,321</b>  | <b>570</b>   | <b>25,822</b>  |
| <b>Profit before finance costs attributable to unitholders</b>               | -      | <b>1,650</b>  | <b>21,594</b>  | <b>520</b>   | <b>23,764</b>  |
| <b>Financing costs attributable to unitholders</b>                           |        |               |                |              |                |
| Distributions to unitholders   | -      | 582           | 5,731          | 322          | 6,635          |
| <b>Increase in net assets attributable to unitholders</b>                    | -      | <b>1,068</b>  | <b>15,863</b>  | <b>198</b>   | <b>17,129</b>  |
| <b>Net assets at the end of the reporting period</b>                         | -      | <b>34,849</b> | <b>239,084</b> | <b>4,245</b> | <b>278,178</b> |

**26 (c) PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS**  
**STATEMENTS OF NET ASSETS**  
**As at 30 June 2023**

| 2023  | Cash<br>\$'000 | Conservative<br>\$'000 | Growth<br>\$'000 | Growth Plus<br>\$'000 | Total<br>\$'000 |
|---|----------------|------------------------|------------------|-----------------------|-----------------|
| <b>Assets</b>   |                |                        |                  |                       |                 |
| Cash and cash equivalents   | -              | 11                     | 63               | 4                     | 78              |
| Receivables   | -              | 511                    | 2,493            | 331                   | 3,335           |
| Financial assets at fair value through profit or loss                       | -              | 34,831                 | 240,193          | 4,227                 | 279,251         |
| <b>Total assets</b>   | <b>-</b>       | <b>35,353</b>          | <b>242,749</b>   | <b>4,562</b>          | <b>282,664</b>  |
| <b>Liabilities</b>  |                |                        |                  |                       |                 |
| Distributions payable   | -              | 483                    | 3,525            | 314                   | 4,322           |
| Payables  | -              | 21                     | 140              | 3                     | 164             |
| <b>Total liabilities (excluding net assets attributable to unitholders)</b> | <b>-</b>       | <b>504</b>             | <b>3,665</b>     | <b>317</b>            | <b>4,486</b>    |
| <b>Net assets attributable to unitholders - liability</b>                   | <b>-</b>       | <b>34,849</b>          | <b>239,084</b>   | <b>4,245</b>          | <b>278,178</b>  |
| <b>2022</b>   |                |                        |                  |                       |                 |
| 2022  | Cash<br>\$'000 | Conservative<br>\$'000 | Growth<br>\$'000 | Growth Plus<br>\$'000 | Total<br>\$'000 |
| <b>Assets</b>   |                |                        |                  |                       |                 |
| Cash and cash equivalents   | -              | 12                     | 62               | 5                     | 79              |
| Receivables   | -              | 893                    | 10,132           | 245                   | 11,270          |
| Financial assets at fair value through profit or loss                       | -              | 36,004                 | 211,846          | 4,029                 | 251,879         |
| <b>Total assets</b>   | <b>-</b>       | <b>36,909</b>          | <b>222,040</b>   | <b>4,279</b>          | <b>263,228</b>  |
| <b>Liabilities</b>  |                |                        |                  |                       |                 |
| Distributions payable   | -              | 866                    | 10,854           | 230                   | 11,950          |
| Payables  | -              | 22                     | 131              | 2                     | 155             |
| <b>Total liabilities (excluding net assets attributable to unitholders)</b> | <b>-</b>       | <b>888</b>             | <b>10,985</b>    | <b>232</b>            | <b>12,105</b>   |
| <b>Net assets attributable to unitholders - liability</b>                   | <b>-</b>       | <b>36,021</b>          | <b>211,055</b>   | <b>4,047</b>          | <b>251,123</b>  |

## **Audited Key Performance Indicators**

### **Certification of key performance indicators**

**FOR THE YEAR ENDED 30 JUNE 2023**

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Public Trustee's performance, and fairly represent the performance of the Public Trustee for the financial year ended 30 June 2023.

***Brian Roche***

**B Roche**

Public Trustee

7 December 2023



## Detailed information in support of key performance indicators

### Public Trustee’s role

Enhance the lives of Western Australians by providing high quality and accessible trustee and asset management services.

Equitable access to trustee services for all Western Australians is a crucial element in preserving and enhancing their right to justice and safety. Providing trustee services is the responsibility of the Public Trustee. The Public Trustee is a Statutory Public Trustee within the provisions of the *Financial Management Act 2006*. The Public Trustee offers high quality, personalised trustee services to meet the needs of all sectors of the Western Australian community. Key performance indicators have been selected to measure the Public Trustee’s effectiveness and efficiency in fulfilling the duties of the *Public Trustee Act 1941*.

### Relationships to Government goals

Broad high-level Government goals are supported at Public Trustee level by more specific agency level desired outcomes. Agencies deliver services to achieve these desired outcomes that contribute to meeting the higher-level Government goals. The following table illustrates the relationship between the Department of Justice’s (DoJ) desired outcomes, Public Trustee’s services delivered and the Government’s goals.

| Government Goals  | Desired Outcome  | Public Trustee Services  |
|---|--|--|
| Safe, strong and fair communities - developing healthy and resilient communities. | Trustee, Guardianship and Administration services are accessible to all Western Australians. | Administer estates of people who die with or without a will (estate administration)<br>Manage the financial affairs of people who are unable or unwilling to manage their financial affairs (trust management)<br>Prepare wills and powers of attorney<br>Examine the accounts of administration orders. |

Public Trustee services are available to all Western Australians irrespective of profitability or complexity.

### Business Area Output

The Public Trustee provides a funds management and investment service and acts as trustee or financial administrator pursuant to the orders of courts or tribunals. It also administers the estates of people who die with or without a will, per the terms of the will or the relevant law and under the Public Trustee of the Supreme Court. The Public Trustee offers high quality, personalised trustee services to meet the needs of all sectors of the Western Australian community.

### Key performance indicators

The Public Trustee is required under section 61 of the *Financial Management Act 2006* and Treasurer’s Instruction TI 904, to disclose key performance indicators in its annual report.

The Public Trustee has developed key performance indicators of effectiveness and efficiency to assist senior management and stakeholders assess and monitor the extent to which Public Trustee level desired outcomes have been achieved and the efficiency of service delivery. The Public Trustee’s Corporate Executive Committee regularly monitors the key performance indicators.

Key effectiveness indicators provide information on the extent to which Public Trustee level outcomes have been achieved, or contributed to, through the delivery of services.

Key efficiency indicators relate services to the level of resource inputs required to deliver them. Efficiency indicators have been developed for each of the services delivered by the Public Trustee. Each indicator shows the average cost per output to deliver the service.

## Effectiveness Indicators

### 1.1 Percentage of Western Australian deceased estates administered by the Public Trustee

The Public Trustee offers a secure value for money alternative for administration of deceased estates in Western Australia. This ensures that trustee services are accessible to all people in the State. The percentage of deceased estates administered by the Public Trustee indicates the use of the service and therefore the overall accessibility of trustee services to Western Australians.

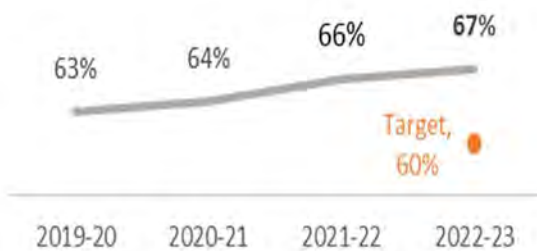


The indicator represents the number of deceased estate files reported as a percentage of the number of adult deaths in Western Australia. There have been no changes in the target since previous year.

The 2022-23 actual result of 4.1% shows minimal variation from the target of 4.0%. However, it is 13% lower than the 2021-22 actual result of 4.7% due to a reduction in the number of deceased files administered by the Public Trustee during the 2022-23 financial year.

### 1.2 Percentage of clients who have services provided by the Public Trustee under an operating subsidy

In addition to providing affordable services thereby making trustee services more accessible, the Public Trustee provides services free of charge, or at a reduced cost, to clients who cannot afford them. This further increases the accessibility of trustee services by ensuring that all Western Australians have access to trustee services.



The proportion of services provided free of charge or at a reduced cost under this rebate is a measure of the extent to which the Public Trustee supports the accessibility of trustee services. There have been no changes in the target since previous year.

The 2022-23 actual result of 67% is higher than target of 60% by 12% due to an increased number of trustee services delivered to vulnerable persons under an operating subsidy.

## Efficiency Indicators

### 1.3 Average cost per trust managed



This indicator measures the average cost of managing a trust. It is calculated by dividing the full cost of providing trust management services by the number of trusts under management. The target for this indicator has not significantly changed from prior year.

There was no significant variation between the current year's average cost of \$2,261 with the previous year's \$2,117 result and the \$2,082 target.

### 1.4 Average cost per deceased estate administered



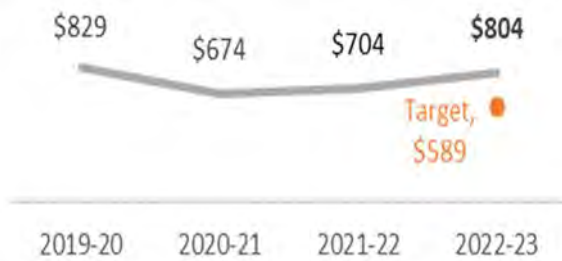
This indicator measures the average cost per deceased estate administered. It is calculated by dividing the full cost of the deceased estate service by the number of estates for the year.

The target for this indicator has not significantly changed from prior years.

There was no significant variation between the current year’s average cost of \$2,114 with the previous year’s \$2,145 result and the \$2,116 target.

### 1.5 Average cost per Will prepared

This indicator measures the average cost per Will prepared and signed. It is calculated by dividing the full cost of the Wills service by the number of Wills prepared for the year.



The 2022-23 actual result of \$804 is higher than the target of \$589 by 37% and the 2021-22 actual result of \$704 by 14% due to a decrease in the number of wills prepared during the 2022-23 financial year. The Public Trustee has reviewed its will services and, in response to increased work demands and staffing shortages in other legal areas, has decided to reallocate one lawyer. As a result, the number of will lawyers has been reduced from three to two.

# Independent Auditor's Report



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

2023

Public Trustee

To the Parliament of Western Australia

## Report on the audit of the financial statements

### Opinion

I have audited the financial statements of the Public Trustee (Trustee) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Trustee for the year ended 30 June 2023 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

### Basis for opinion

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

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

### Emphasis of matter – Contingent liabilities

I draw attention to Note 13(b) to the financial statements, which states that, there is an uncertainty in the interpretation of the *Public Trustee Act 1941* regarding payment of Common Account surplus interest to the Business Development Reserve. This matter has been referred for analysis and advice. My opinion is not modified in respect of this matter.

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### Responsibilities of the Public Trustee for the financial statements

The Public Trustee is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Public Trustee is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Trustee.

### Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. 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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## Report on the audit of controls

### Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Trustee. The controls exercised by the Public Trustee are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Trustee are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with the State's financial reporting framework during the year ended 30 June 2023.

### The Public Trustee's responsibilities

The Public Trustee is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

### Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagement ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

### Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

## Report on the audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Trustee for the year ended 30 June 2023. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Trustee are relevant and appropriate to assist users to assess the Trustee's performance and fairly represent indicated performance for the year ended 30 June 2023.

### The Public Trustee's responsibilities for the key performance indicators

The Public Trustee is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Public Trustee determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Public Trustee is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instructions 904 *Key Performance Indicators*.

### Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

### **My independence and quality management relating to the report on financial statements, controls and key performance indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with 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*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Other information**

The Public Trustee is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

### **Matters relating to the electronic publication of the audited financial statements and key performance indicators**

The auditor's report relates to the financial statements and key performance indicators of the Trustee for the year ended 30 June 2023 included in the annual report on the Trustee's website. The Trustee's management is responsible for the integrity of the Trustee's website. This audit does not provide assurance on the integrity of the Trustee's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Sandra Labuschagne  
Deputy Auditor General  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
8 December 2023