



Government of **Western Australia**
Department of the **Attorney General**



Public Trustee

Public Trustee Annual Report 2016/17



STATEMENT OF COMPLIANCE

For the year ended 30 June 2017

HON. JOHN R. QUIGLEY LLB JP MLA
ATTORNEY GENERAL

In accordance with section 63 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 financial year ended 30 June 2017.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Sean Conlin B Bus Grad Dip Acct, CA
Acting Public Trustee

6 September 2017



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OVERVIEW

Executive Summary

The Public Trustee is a Statutory Authority that provides a range of Will, Deceased Estate Administration and Trustee services which are available to all Western Australians. We are also responsible for examining the accounts of private administrators. We manage client net assets of around \$1.2 billion, including the assets of some 5,720 trust clients who are considered to be some of the more vulnerable members of our community.

The Public Trustee achieved self-funding for the sixth consecutive financial year. It is important for the Public Trustee to retain a strong financial position so that services remain accessible throughout the community, regardless of ability to pay.

The Public Trustee has focused its priorities this year on business improvement strategies. This year the Public Trustee introduced the 'PT2020 and Beyond' project to develop innovative solutions to transform the office through enhancements to technology, policy and procedures. A primary focus of the project is to reduce the amount of manual tasks performed by staff to allow more quality time with clients.

There are an increasing number of people in the community who are losing the capacity to manage their own legal and financial affairs through head injury, mental illness, cognitive impairment related to substance abuse or dementia. Where estates are not properly managed, there is often an opportunity for unscrupulous people to take advantage of the vulnerable.

The Australian Law Reform Commission released a report on Elder Abuse in June 2017 highlighting the continued concern around the topic of elder abuse in our community and making a number of recommendations around law reform in this area. The Public Trustee will continue to play an active role in helping to minimise the incidents of such abuse as well as

helping to bring to account those people who have engaged in such activity.

Demand for the Public Trustee Will drafting services remains very high. This year the Public Trustee was able to introduce a number of business improvements which resulted in halving the waiting time for Will appointments. Feedback from testators indicates their depth of confidence in the Public Trustee's ability to properly document their last wishes and administer their estates.

Despite increased demand for services satisfaction levels remain high, with independent research finding that 75% of clients reporting that the Public Trustee meets their needs well.

The Public Trustee provides a number of educational activities to ensure community awareness and accessibility of services. There continues to be a demand for this service, with 50% of adult Western Australians still reporting a total lack of or possession of an out of date Will. The Public Trustee emphasises the importance of estate planning, with WA Will Week, Seniors Week and Law Week events being in significant demand.

Public Trustee initiatives such as the WA Will Bank, WA Will Week and Give2Good Foundation continue to be popular with Western Australians.

Public Trustee staff perform a difficult role administering the financial and legal affairs of vulnerable and grieving Western Australians. I would like to express my appreciation to all our staff for all their hard work and dedication.

I welcome the new Attorney General to his new role and thank the Director General for his continued leadership and support.

Sean Conlin

Acting Public Trustee



Public Trustee

Fast Facts (as at 30 June 2017)



STATUTORY AUTHORITY created to administer the Public Trustee Act 1941 & Public Trustee Regulations 1942



Provides high quality and **ACCESSIBLE** trustee and asset management services to the Western Australian community



Managed **5,720 TRUSTS**



Received **872 NEW TRUST CLIENTS** (including 693 referred by the State Administrative Tribunal)



Wrote **2,456 WILLS**



Employed **153 STAFF** (58% Female, 42% Male)



Managed assets valued at **\$1.2 BILLION**



Submitted **401 PROBATE** applications



75% of clients say the Public Trustee met their needs WELL



Celebrated **76 YEARS** of service



Examined **1,334 ACCOUNTS** for Private Administrators of SAT orders



Kept **96,420** Wills safely stored in the WA Will Bank



Achieved **SELF-FUNDING**



Undertook **51** new **INVESTIGATIONS** of financial elder abuse



Had **\$6 MILLION** in pledges to Give2Good Foundation

Operational Structure

The Public Trustee delivers services through five directorates and seventeen 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 the client's accommodation and transport needs.

Deceased Estates Administration

Estate managers administer estates where the Public Trustee is appointed executor, as well as estates where executors have died or renounced. The Public Trustee also administers assets frozen or confiscated by the Director of Public Prosecutions and some estates where a person has died intestate (without a Will). Estate managers also manage testamentary trusts as well as provide guidance to beneficiaries of smaller estates to aid them to administer the estate themselves.

When someone passes away and no family members or friends are prepared to arrange the funeral, the deceased becomes an 'unclaimed body'. Estate managers arrange for the deceased to receive an appropriate funeral using the Public Trustee's contracted service provider.

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 these administrators.

2. Directorate: Legal Services

The Legal directorate provides in-house 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.

In-house lawyers often conduct their own litigation, appearing in the Courts and the State Administrative Tribunal. Legal work is also outsourced to private practitioners where appropriate.

Lawyers and paralegals also provide professional Will drafting and safe custody services to Western Australians who appoint either the Public Trustee or another person as Executor of their Will. Will drafting services include appointments at the Perth city office, a telephone service to remote regions and a 'Wills on Wheels' service to clients confined to their home/care facility due to infirmity.

3. Directorate: Business Development & Marketing

Business Development

Business Development is responsible for leading strategic developments and managing changes within the office, such as the PT2020 initiative.

Marketing & Communications

Marketing staff are responsible for research, public education, advertising and promotion, website and publications, engagement with clients and stakeholders, and new business development initiatives such as the WA Will Bank and Give2Good Foundation.

4. Directorate: Business Services

Investments

The Investments Team manage assets and invest funds to meet clients' immediate and long-term needs. The team also manage the sale and purchase of properties on behalf of trust and deceased estate clients.

Taxation Services

Registered tax agents prepare, review and lodge income tax returns for trust and estate administration clients.

Business Support

The Business Support Team process trust and estate clients' payments and receipts. The team manages the secure storage of the WA Will Bank and is responsible for records administration. The team also coordinate Freedom of Information applications and Registry searches for client properties.

5. Directorate: Corporate Support

Finance

The Finance team manage the Public Trustee Bank Account and are responsible for operational and Common Account payments and receipts.

The team provide financial data to the Corporate Executive, including monthly operational reports and expenditure forecasts, quarterly key performance indicator analysis, budget analysis, budget statement preparation, and financial models and reports on the sustainability of services.

Systems & Technology

Technical staff maintain the day-to-day operational support of Information Technology systems and deliver a number of key strategic projects.

Training & Development

The Training and Development team assess training needs and develop and deliver in-house training and induction programs as well as coordinate external professional development enrolments. The team also manage periodic reviews of Public Trustee policies and procedures.

Contracts Management

Public Trustee contracts fall within two broad groups - those where the cost of purchasing goods and services for corporate needs are sourced from corporate funds, and contracts where the cost of purchasing services are paid for from funds held on behalf of Public Trustee clients.

Human Resources

Human Resources provide in-house recruitment and employment advice to management and staff and coordinate the Employee Development system, workers compensation and performance management.

Internal Audit

Internal Audit review key business processes endorsed through the Risk Management and Audit Committee and provide recommendations for existing processes and suggestions for further process improvements. The findings and recommendations assist the Office of the Auditor General in his end of year review.

A summary of the performance of each unit appears in [Report on Operations](#).



Public Trustee Wills Reception

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 the Attorney General.

Responsible Minister

Honourable John R. Quigley LLB JP MLA
Attorney General.



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 SERVICE

Our clients have varied service needs. We strive to achieve and maintain credible and professional services to diverse client groups 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 communications and decisions. We take responsibility for our behaviours, which are governed by the legal system, agreed standards, and codes.

5 PROFESSIONAL AUTONOMY

We respect the differing professional attributes that are developed and nurtured in our business areas and the rights of our people to provide objective, frank and fearless advice to their clients and the community.

4 COLLABORATION AND LEARNING

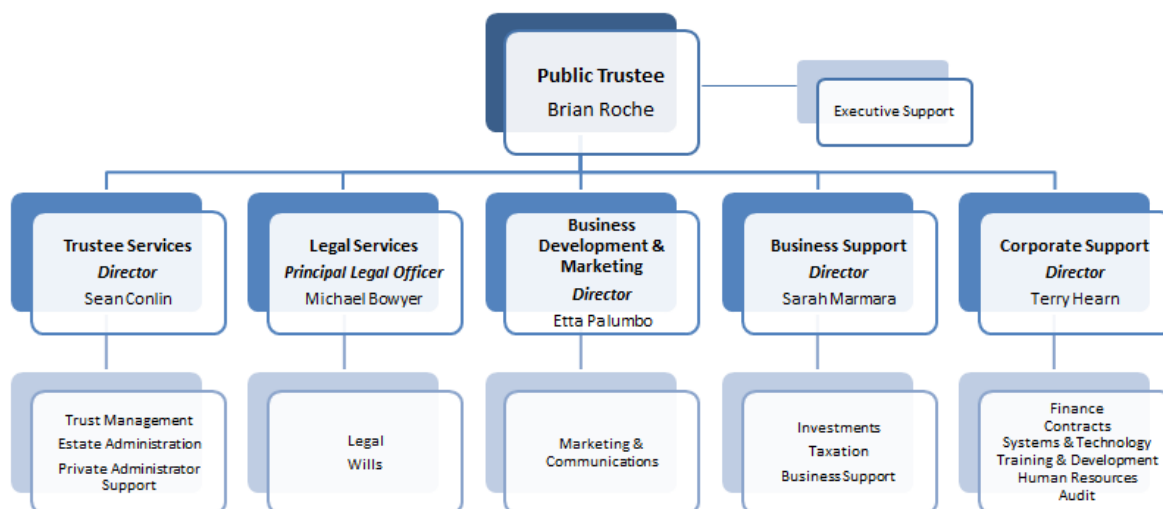
Our people take pride in their work and the value they contribute to the agency. We recognise the knowledge and skills of our people and support their continuous learning and development.

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 Structure



Corporate Executive Committee Profiles



Brian Roche



Sean Conlin



Michael Bowyer

Public Trustee, Brian Roche BBus, MMgt has 25 years senior management experience in the public and private sectors. Prior to his appointment as the Public Trustee of Western Australia he was a senior executive at the Department of Treasury. Brian is currently a Board member of the Brightwater Care Group. Brian has been a board member of the Art Gallery of Western Australia and of Alzheimer's Australia (Western Australia).

Director Trustee Services, Sean Conlin BBus, Grad Dip Acct, CA has 18 years public sector management experience, and 17 years financial services accounting and management experience in the private sector.

Principal Legal Officer, Michael Bowyer LLB has 25 years legal advisory experience in the public sector and is a member of the Law Society's Elder Law and Succession Committee.

Corporate Executive Committee Profiles



Etta Palumbo



Terry Hearn



Sarah Marmara

Director Business Development & Marketing, Etta Palumbo BPsych, MAICD, FLWA has 13 years professional services marketing experience and 18 years research, strategic planning and communications experience in the public and private sectors. She is a Board member of the Swancare Group.

Director Corporate Support, Terry Hearn BBus, Assoc Dip Bus has 40 years financial and management accounting experience in both the public and private sectors, including 32 years in public sector management.

Director Business Services, Sarah Marmara BBus (Acct), CPA has 25 years management, financial services and accounting experience in both the public and private sectors. This includes 14 years public sector management and accounting experience.



Public Trustee Brian Roche delivers a staff briefing

Administered Legislation

The Attorney General and the Public Trustee administer the [Public Trustee Act 1941](#) and the [Public Trustee Regulations 1942](#).

Other key legislation impacting on Public Trustee 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 and Crime Commission 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](#)
- [Legal Profession Act 2008](#)
- [Non-contentious Probate Rules 1967](#)
- [Occupational Safety and Health Act 1984](#)
- [Public Interest Disclosure Act 2003](#)
- [Public Sector Management Act 1994](#)
- [Public Trustee Act 1941](#)
- [Public Trustee Regulations 1942](#)
- [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](#)
- [Workers Compensation and Injury Management Act 1981](#)

Commonwealth Laws

- [A New Tax System \(Goods and Services Tax Administration\) 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](#)
- [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 responsible financial management, achieving results in key service delivery areas for the benefit of all Western Australians and ensuring economic activity is managed in a socially and environmentally responsible manner.

These three 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

Financial and Economic Responsibility: responsible financial management through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.

Desired outcome	Services	Indicators
Achieve earning rate that maximizes the investment potential of the fund within acceptable prudential levels	Investments Financial analysis	1.8(a) Common Account Earning Rate 1.8(b) Public Trustee's Common Account Performance vs WA State Treasury and CMT Benchmark Earning Rates (net basis); and 1.8(c) Common Account Investment Cost per \$ Invested

Outcomes Based Service Delivery: greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

Desired outcome	Services	Indicators
Achieve high quality and accessible services that meet the needs of the community	Trust Management Deceased Estates Wills Private Administrator Support (PAS)	1.1 Extent to which trustee services meet the needs of clients 1.2 Percentage of Western Australian deceased estates administered 1.3 Percent of estates finalised within 12 months of being reported 1.5 Cost per trust managed 1.6 Cost per deceased estate administered 1.7 Cost per Will prepared

Social and Environmental Responsibility: ensuring economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

Desired outcome	Services	Indicators
Provide services free of charge or for a fee that does not cover the cost of the service to those who cannot afford to pay	Trust Management PAS Legal Wills WA Will Bank Give2Good Foundation	1.4 The percentage of clients who have services provided by the Public Trustee under an operating subsidy rebate

Changes to Outcome Based Management Framework

The Public Trustee's Outcome Based Management Framework did not change during 2016/17.

Shared Responsibilities with Other Agencies

The Public Trustee did not share any responsibilities with other agencies in 2016/17. 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 for Local Government and Communities, Department of Health, Disability Services Commission, Legal Aid Western Australia, Office of the Public Advocate and Western Australia Police.

The Public Trustee is also a member of the Advance Care Planning cross agency consortium coordinated by Palliative Care WA, which includes the Office of the Public Advocate, Department of Health, Council of the Ageing Western Australia, Silver Chain and a broad range of other Government and community organisations.



Joint community education seminar with the Department for Local Government and Communities and the Office of the Public Advocate

AGENCY PERFORMANCE

Report on Operations

Trustee Services

Demand for core services continued the increasing trend.

	2015/16	2016/17
New trusts	896	872
New court trusts	141	146
Total trusts	5,595	5,720

	2015/16	2016/17
New SAT orders	684	693
Total SAT clients	3,534	3,795
SAT reviews	983	969

	2015/16	2016/17
Probate applications	521	401

	2015/16	2016/17
Account examinations	1,667	1,334

	2015/16	2016/17
New investigations alleging elder abuse (aged 65 or older)		
Trust Management Clients	81	48
Private Administrator Support Clients	0	3
TOTAL	81	51

Trust Management

The total number of trusts on hand increased to 5,720, an increase of 2% over the previous year.

The total number of new clients, including appointments by the State Administrative Tribunal (SAT), was 872, 3% less than the previous year. SAT referred 693 new cases to the Public Trustee, a similar level to last year's 684 orders.

The continuing high level of SAT appointments of 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 Assessor of Criminal Injuries Compensation increased to 146. The size of these trusts varies from thousands of dollars to millions of dollars.

SAT also reviewed 969 administration orders for which the Public Trustee was the appointed administrator.

There were 51 new investigations alleging elder abuse (aged 65 or older), which represents a 38% decrease on last year.

Estate Management

The number of applications to the probate division of the Supreme Court made by the Public Trustee decreased to 401, which equates to a 5% market share.

Private Administrator Support (PAS)

PAS conducted 1,334 account examinations where total assets exceeded \$1,559 million.

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

Agency Performance

Legal Services

This directorate has two business areas - General Legal and Wills.

Matters	2015/16	2016/17
New	319	263
Finalised	298	262
On hand	586	587

	2015/16	2016/17
Wills	2,658	2,456

Legal

As at 30 June 2017, the Legal directorate had 587 legal matters on hand (not including wills, estate distributions, standard probate and conveyancing applications and various other routine and minor matters). It received 263 new matters and finalised 262 matters during the year.

A significant proportion of the legal matters result 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. They include recovery of misappropriated assets and proving Wills in contentious circumstances.

Wills

In 2016/17, 2,456 Wills were executed.

The majority of Wills are drafted and executed at the end of each 1.5-2 hour Will consultation. As with previous years, demand for Wills services remained very high, but thanks to business improvements, the typical waiting time for an appointment was halved.



Senior Legal Officer Yasmin Salleh presents a seminar on Enduring Powers of Attorney

Business Development & Marketing

The Business Development & Marketing directorate aims to raise community awareness, understanding and accessibility of Public Trustee services.

WA Will Bank	2015/16	2016/17
Deposits	1,332	1,208

Public Education	2015/16	2016/17
Public Seminars	26	26
Seminar Attendees	2,910	1,582

WA Will Bank

The Public Trustee's free Will storage service maintains its value, with 1,208 Wills deposited in 2016/17.

96,420 Wills are actively managed and safely stored in the Public Trustee's WA Will Bank, leading to reduced incidence of lost Wills and lower levels of intestacy for Western Australians.

Marketing & Communications

Business development and marketing initiatives were moderated during 2016/17 due to high demand for services and to allow a reduction in wait list times, particularly for the preparation of Wills. Marketing and communications activities focused on:

- WA Will Week, Law Week and Seniors Week community education;
- 26 Wills and Deceased Estates public seminars attracting 1,582 attendees;
- information sessions to community groups, professional service providers and Government agencies relating to the role of the Public Trustee, Financial Administration and Elder Abuse;
- professional development sessions for funeral directors and other stakeholder groups; and

- community education sessions targeted at awareness of elder abuse run during World Elder Abuse Awareness Day.

Client satisfaction research revealed 75% of clients felt the Public Trustee was meeting their needs well (6+ out of 10).

Public Trustee 2020 & Beyond

As part of constantly striving for sustained and continuous improvement, this year the Public Trustee introduced the PT2020 & Beyond project.

The PT2020 & Beyond project team consists of staff from all areas of the Public Trustee and draws on their ideas and experience. The innovations produced by the team are future focused and have helped improve efficiencies throughout the Public Trustee. These innovations are being incrementally introduced and will, in the long term, help the Public Trustee to achieve service excellence and allow staff more quality time with clients.

Give2Good Foundation

The Public Trustee's Give2Good Foundation has been an attractive giving mechanism for testators wanting to leave a charitable bequest.

Give2Good is an easy, secure, cost-effective and convenient vehicle that enables everyday Western Australians to make a lasting difference in their community during their lifetime and beyond.

Donations and bequests are made to Give2Good in the form of endowed funds, which accumulate to form a corpus of funds intended to be invested indefinitely. Over time, Give2Good will add to the Public Trustee's total funds under management and to the pool of charitable funds distributed.

Testators have so far promised over \$6 million to the Foundation in the form of charitable bequests.

Agency Performance

Business Support

Funds under management	2015/16 \$,000s	2016/17 \$,000s
Common Account	270,073	285,215
PTIFs	217,703	226,040
Bank deposits	151,017	168,075
Equities	36,765	43,848
Unit trusts	9,330	10,236
Life policies	3,077	3,677
Real estate	463,446	439,690
Other assets	41,438	48,352
TOTAL	1,191,791	1,225,132

Fund type	30/6/16 \$,000s	30/6/17 \$,000s
Cash	Nil	Nil
Conservative	42,912	42,119
Growth	160,353	173,876
Growth Plus	2,593	2,819
TOTAL	205,858	218,814

	2015/16 ,000s	2016/17 ,000s
Properties sold	167	150
Value \$	\$78,995	\$62,228

Common Account

The Common Account operates as a cash management account with funds available at call. As at 30 June 2017 the Public Trustee managed \$283 million in cash and short term deposits with the Western Australian Treasury Corporation and banks rated A2 to A1+, as well as a CBD building valued at \$36.3 million.

Clients received interest distributions higher than average market returns for 2016/17.

Public Trustee Investment Funds (PTIFs)

The Public Trustee continued to use the PTIFs for investment of clients' funds to enhance long-term capital and income growth. Regular reviews of clients' investments are undertaken and portfolios adjusted for any changes in circumstances and needs of the clients going forward.

All new clients with funds that can be invested outside the Common Account will be invested in the most appropriate PTIF for their individual needs.

Property Function

During 2016/17 the Investments Team sold 150 properties for a total value of \$62 million.

Taxation Services

The Taxation business area actioned 1,528 client files and lodged 1,452 income tax returns in 2016/17.



Public Trustee Investments Team

Agency Performance

Corporate Support

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

	2015/16	2016/17
Operational budget	\$23.3 million	\$22.3 million
Revenue budget	\$23.8 million	\$23.9 million

Common Account	30/6/16	30/6/17
Balance	\$14.5 million	\$13.5 million
Total \$ value of receipts/disbursements during the year	\$1,232.6 million	\$1,594 million

Finance

The Public Trustee had an operational expenditure budget of \$22.3 million and a revenue budget of \$23.9 million. There was a 4% decrease in operational expenditure budget and a slight increase in revenue budget from the previous financial year.

The Public Trustee Common Account Bank Account averaged a daily balance of \$29 million.

Systems & Technology

Significant efforts and liaison with other business areas resulted in improvements to the Management and Trust Environment (MATE) application over the past twelve months. The development and introduction of new screens, functionality and modules (as part of the PT2020 initiative) provided business benefits to Private Administrator Support and Taxation areas.

Recent upgrades to the Client Correspondence screen improved client document management in MATE and resulted in significantly reducing the need to print or store client related documents outside MATE.

Business improvement projects continue to seek further improvements to MATE by simplifying and automating business processes in line with Federal and State initiatives.

The drive to introduce technology innovations to reduce cost and simplify process will continue in 2017/18. Cost saving measures such as the introduction of digital corporate stationery and digital faxing from staff computers have recently been introduced.

Contract Management

The Public Trustee procures and awards contracts for corporate and client needs and does so in accordance with the relevant procurement authority and policy.

Contracts awarded during the year include Indigent Funerals, Auction Services, Real Estate Settlement Services and Storage Services – Goods.

One exemption from competitive requirements was granted during 2016/17, that being for the provision of maintenance and support of software for MATE.

Internal Audit

As the appointed contract audit provider, William Buck conducted three reviews that identified many areas of strength and highlighted opportunities for both further improvement and corrective action to address and strengthen internal controls.

The reviews focused on Business Support, Private Administrator Support and Financial Management.

Achievements

During 2016/17 the Public Trustee achieved the following outcomes, which are additional to its normal day-to-day activities:

- growth in revenue of \$1.06M (6.5)%;
- improved digitisation of client correspondence systems;
- completed the business transformation of the Wills, Legal and Client Service Centres;
- expanded Enduring Powers of Attorney services and the promotion of State Administrative Tribunal Administration Orders to reduce the risk of financial elder abuse in Western Australia;
- introduced a new, multi-faceted training system for Wills lawyers; and
- introduced the 'PT2020 and Beyond' project to transform the office through technological enhancements.

Looking Ahead in 2017/18

The Public Trustee will:

- aim to engage with stakeholders in new forums;
- continue to research and invest in innovation and technology developments to take advantage of cost savings from digital advances and in preparation for digital disruption affecting business practices (e.g. stakeholders moving to online payments and online applications);
- improve use of electronic documents in Records Management;
- enhance client service by understanding modern day needs, and updating and simplifying the way we engage with our clients;
- continue to improve inter-organisational communication for the benefit of mutual clients;
- continue office-wide structure, business process and risk management reviews to identify more efficient, flexible and productive ways of delivering service;
- be market focussed, relevant and commercially aware in policy setting and decision making;
- research and invest in innovation and technology developments to take advantage of cost savings from digital advances and in preparation for digital disruption affecting business practices (e.g. stakeholders moving to online payments and online applications);
- promote initiatives such as Give2Good Foundation, WA Will Bank and WA Will Week; and
- explore new services or markets to grow funds under management.



Public Trustee's WA Will Week talk at Joondalup

Actual Results versus Budget Targets

A detailed explanation of the significant variations between actual and target is presented at Note 23(b) of the Notes to the Financial Statements.

Financial Targets	Target	Actual	Variation
Total cost of services (expense limit) (\$,000s)	22,316	23,169	853
Net cost of services (\$,000s)	(1,560)	0	1,560
Approved full-time equivalent staff	160	152.2	7.8

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 Extent to which trust management services meet the needs of customers	85%	75%	(10%)
1.2 Percentage of Western Australian deceased estates administered by the Public Trustee	6.5%	4.3%	(2.2%)
1.3 Percentage of estates finalised within 12 months of being reported	64%	55%	(9%)
1.4 Percentage of clients who have services provided by the Public Trustee under an operating subsidy	35%	54%	19%
1.5 Cost per trust managed	\$1,796	\$1,812	0.9%
1.6 Cost per deceased estate administered	\$2,523	\$2,639	4.6%
1.7 Cost per Will prepared	\$731	\$655	(10.4%)
1.8 (a) Common Account earning rate	n/a	3.87%	n/a
1.8 (b) Return from Common Account for clients	n/a	0.25%-2%	n/a
1.8 (c) Common Account investment cost/\$ invested	n/a	0.09%	n/a

Significant Issues Impacting the Agency

Key impacts that will shape the Public Trustee's business over the next five years include:

Demographics of future client base

Between 2012 and 2061, Western Australia's population is projected to increase by 263%, while the population of people aged 65 years and over is projected to increase by 439%¹.

This demographic change, together with trends such as the increasing prevalence of mental illness, growth in blended families and breakdown of family relationships, and spiralling drug and alcohol addictions continue to increase the 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.

There are further challenges in the increasing volume and complexity of work from the State Administrative Tribunal.

Financial performance

Record low interest rates, falling property prices and volatile share market prices affect the investment performance the Public Trustee secures on funds invested on behalf of clients. The prolonged downturn in shares decreased the return on investments of some Public Trustee clients with long-term needs.

The lower returns, together with higher costs of living and wage increases for service providers such as carers, impacts on many clients for whom the Public Trustee acts as trustee and adds to the complexity of managing clients' affairs.

¹ Regional Projections, Australia, Series B, Australian Bureau of Statistics, December 2013

Government policies

State and Commonwealth Governments' efficiency dividends, budget cuts, decentralisation of services, and increased outsourcing make maintaining self-funding a challenge.

The State and Commonwealth Governments' policies to develop and grow regional areas through delivery of services will be difficult for us to implement as Western Australians are serviced from a single office based in Perth.

The National Disability Insurance Scheme rollout will result in more clients being referred for financial management services and pressures to change from substitute to supportive decision making on behalf of clients requires more staff and increases their workloads.

The recommendations from the national enquiry into elder abuse² and the 10-year Commonwealth Redress Scheme commencing March 2018 for survivors of institutional child sexual abuse will also place added strain on existing resources.

Competition

The trustee marketplace is competitive, and legal firms and private trustee companies often target the more profitable business with attractive incentives, leaving many low value, more difficult cases to the Public Trustee.

The perception of 'trustee of last resort', together with market concerns about caseloads and fully disclosed fees, impacts negatively on the Public Trustee's corporate image and ability to compete.

² Elder Abuse— A National Legal Response, Australian Law Reform Commission Report 131, May 2017

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.

Legal

There is increasing complexity in laws relating to matters affecting clients including superannuation, taxation, Wills and deceased estates which increases the risk of corporate liability.

Technology

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.

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.

Compliance

The risk of contingent liabilities for work performed in the past continues to influence policy and procedures and limits innovation in the way the Public Trustee performs.

Compliance requirements, especially in the superannuation, company law, financial planning and regulatory fields, are more complex, including obtaining information from superannuation funds and the need for legal officers to witness staff signatures.

Our People

This section provides an overview on the Public Trustee's people, initiatives, safety practices, codes of conduct, diversity and equality.

Employee Assistance Program

Optum (formerly PPC Worldwide) provided seven employees and/or their immediate families with professional counselling.

Staff Development

The Public Trustee continues to commit its support to the personal and professional development of staff. Greater emphasis on technical, exemplary customer service skills and cultural awareness was a key target area for this financial year.

Employees received over 702 days of in-house (91%) and externally provided (8%) training.

Technical in-house sessions in 2016/17 were a main focus with refresher courses reiterating the importance and responsibilities of roles within the Public Trustee. The training area has worked collaboratively intra-department and with external agencies this year to provide free training as part of ongoing skills development.

Some of the courses provided to staff were:

- Aboriginal Cultural Awareness training
- Worksafe Mutual Respect in the Workplace
- Peer Support training
- Understanding our Clients training
- Effectively Dealing with our Clients and De-escalation behaviour training
- AUSKEY Centrelink user training
- Fraud and Corruption Prevention

The Employee Development System continues to identify training and development opportunities for staff to increase their level of skills and provide a more structured learning environment through direct two-way feedback on employee performance.

Training (hrs)	2015/16	2016/17
External	38	513
Internal	2,090	5,265
Total	2,128	5,778

Wellness program

A committee of staff volunteers coordinate the Wellness Program. Activities including team sports, exercise classes, and health consultations were well supported by staff who reported benefits in general health, wellbeing and morale.

Unions

A number of Public Trustee staff are members of the Community and Public Sector Union/Civil Service Association.

Industrial Action

No industrial action was taken by Public Trustee employees.

Workplace Profile

No. of Staff by gender	2015/16		2016/17	
	M	F	M	F
Professional	9	9.6	9	10.3
Clerical	56	70.8	55	78.7
Total	65	80.4	64	89

Workforce profile	2015/16	2016/17
Business Development	7.6	1.1
Business Services	18.8	17.8
Executive/ Administration	2	2
Corporate Support	13	14
Legal	16	21.5
Trustee Services	88	96.6
Total	145.4	153

AUDIT OPINION



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

PUBLIC TRUSTEE

Report on the Financial Statements

Opinion

I have audited the financial statements of the Public Trustee which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and 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 Public Trustee for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, 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 am independent of the Trustee in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Fees and charges

Fees and charges represent a substantial component of income for the Public Trustee. The accuracy of income amounts recorded is an inherent audit risk and the income is required to be calculated in accordance with the approved *Public Trustee Scale of fees* and the *Current Agreement 2016-17*.

My audit procedures included, amongst others, obtaining an understanding of the Public Trustee's process for recording fees and charges. In addition, I performed testing on a statistical sample of fees charged for the year to test whether the fees were in accordance with the *Scale of fees* and the *Current Agreement 2016-17*. The accounting policy for Fees and Charges is included at note 2(i) to the financial statements.

Trust and Estate management

The management of trusts and estates by the Public Trustee is a key area to the operation of the Public Trustee. The nature of a class of the clients of the Public Trustee represents a fraud risk due to payments and receipts being undertaken by the Public Trustee on behalf of trusts and estates.

My audit procedures included, amongst others, obtaining an understanding of the process associated with the management of trusts and estates. In addition, we assessed and tested the work performed by the Public Trustee's internal audit provider in relation to their testing of the operating effectiveness of internal controls related to receipting and payments within the common account. We also performed testing of the operating effectiveness of internal controls over the procedures for opening and closing trusts and performed substantive testing on interest paid to estates and trusts. Trust and estate assets that are invested in the common account are reported in the statement of financial position of the Public Trustee Common Account at note 25(b) to the financial statements.

Responsibility of the Public Trustee for the Financial Statements

The Public Trustee is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Public Trustee 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 agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and 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 Responsibility 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Public Trustee.
- Conclude on the appropriateness of the Public Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with the Public Trustee, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Public Trustee. The controls exercised by the Trustee are those policies and procedures established by the Public Trustee 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 legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Public 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 legislative provisions during the year ended 30 June 2017.

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 Engagements 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 and 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 the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the 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 the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance 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 Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Public Trustee for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the 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 Public 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 2017.

The Public Trustee's Responsibility 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 control 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 Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

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 agency'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 Control Relating to the Reports on 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 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Public Trustee for the year ended 30 June 2017 included 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 and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. 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 refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
7 September 2017

FINANCIAL STATEMENTS

Certification of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2017

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 financial year ended 30 June 2017 and the financial position as at 30 June 2017.

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

BComm, CPA

Chief Finance Officer

6 September 2017

Sean Conlin

BBus, Grad Dip Acct, CA

Acting Accountable Authority

6 September 2017

Financial Statements

Statement Of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
COST OF SERVICES			
EXPENSES			
Write-offs and doubtful debts	6	264,734	241,551
Employee benefits expense	7	14,761,254	14,742,526
Depreciation	7	770,131	922,909
Administration expenses	7	2,654,380	2,694,511
Accommodation expenses	7	2,678,664	2,787,366
Corporate service expenses	7	2,301,553	2,405,931
Loss on disposal of non-current assets	8	3,342	-
Total expenses before payments to Consolidated Account		23,434,058	23,794,794
Fees paid to Consolidated Account	9	18,629,000	17,998,000
Surplus Common Account Interest paid to Consolidated Account	10	4,530,002	5,100,000
Total cost of services		46,593,060	46,892,794
INCOME			
Fees and charges		17,252,326	16,189,409
Public Trustee 6% fee from Common Account	25(a)	759,842	800,170
Management fee from Strategic Common Accounts		1,095,017	1,065,248
Receipts from Common Account Surplus Interest	25(a)	4,530,002	-
Interest revenue	25(a)	1,001,780	1,229,268
Other revenue		41,698	88,201
Total income other than income from State Government		24,680,665	19,372,296
NET COST OF SERVICES	14(b)	21,912,395	27,520,498
INCOME FROM STATE GOVERNMENT			
Recoups and other revenue from Department of the Attorney General	7	10,322	67,324
Corporate revenue allocation from Department of the Attorney General	7	-	122,553
Services received free of charge from Department of the Attorney General	7	23,159,002	23,363,366
Total income from State Government		23,169,324	23,553,243
SURPLUS/(DEFICIT) FOR THE PERIOD		1,256,929	(3,967,255)
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		1,256,929	(3,967,255)

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

Financial Statements

Statement Of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	14(a)	28,316,725	26,546,117
Receivables	13	19,566	11,075
Total Current Assets		28,336,291	26,557,192
TOTAL ASSETS		28,336,291	26,557,192
LIABILITIES			
Current Liabilities			
Accrued fees payable to Consolidated Account	12	919,752	398,000
Payables		163,366	162,948
Total Current Liabilities		1,083,118	560,948
TOTAL LIABILITIES		1,083,118	560,948
NET ASSETS		27,253,173	25,996,244
EQUITY			
Indemnity reserve	11(a)	4,115,282	4,013,837
Business development reserve	11(a)	14,936,877	14,936,877
Accumulated surplus	11(b)	8,201,014	7,045,530
TOTAL EQUITY		27,253,173	25,996,244

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

Financial Statements

Statement Of Changes In Equity

For the year ended 30 June 2017

	Indemnity Reserve	Business Development Reserve	Accumulated surplus	Total equity
Note	\$	\$	\$	\$
Balance at 1 July 2015	11 3,861,928	20,036,877	6,064,694	29,963,499
Deficit	-	-	(3,967,255)	(3,967,255)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(3,967,255)	(3,967,255)
Transfers between accumulated surplus and reserves:				
Transfers to reserves	355,330	-	(355,330)	-
Transfers from reserves	(203,421)	(5,100,000)	5,303,421	-
Total	151,909	(5,100,000)	4,948,091	-
Balance at 30 June 2016	4,013,837	14,936,877	7,045,530	25,996,244
Balance at 1 July 2016	4,013,837	14,936,877	7,045,530	25,996,244
Deficit	-	-	1,256,929	1,256,929
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	1,256,929	1,256,929
Transfers between accumulated surplus and reserves:				
Transfers to reserves	340,480	4,530,002	(4,870,482)	-
Transfers from reserves	(239,035)	(4,530,002)	4,769,037	-
Total	101,445	-	101,445	-
Balance at 30 June 2017	4,115,282	14,936,877	8,201,014	27,253,173

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

Financial Statements

Statement Of Cash Flows

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Fees raised from Estates and Trusts		17,252,326	16,189,409
Public Trustee 6% fee from Common Account		759,842	800,170
Management fee from Strategic Common Accounts		1,091,738	1,072,400
Receipts from Common Account Surplus Interest		4,530,002	-
Interest received		1,001,780	1,229,268
GST receipts on fees		2,310,750	2,241,300
Other revenue		41,691	88,209
Payments			
Payments on clients' behalf written-off		(269,946)	(235,301)
GST payments on purchases		(233,990)	(259,557)
GST payments to taxation authority		(2,076,335)	(2,341,236)
Net cash provided by operating activities	14(b)	24,407,858	18,784,662
CASH FLOWS TO STATE GOVERNMENT			
Fees paid to Consolidated Account		(18,107,248)	(18,260,033)
Surplus Common Account Interest paid to Consolidated Account		(4,530,002)	(5,100,000)
Net cash provided to State Government		(22,637,250)	(23,360,033)
Net increase/(decrease) in cash and cash equivalents		1,770,608	(4,575,371)
Cash and cash equivalents at the beginning of the period		26,546,117	31,121,488
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	14(a)	28,316,725	26,546,117

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

Financial Statements

Index of Notes to the Financial Statements

For the year ended 30 June 2017

Subject	Policy Note	Disclosure Note	Title of Policy Note
General	1		Australian Accounting Standards
General	1		General
General	1		Early adoption of standards
General	2		Summary of significant accounting policies
General	2 (a) (i)		General statement
General	2 (a) (ii)		Basis of preparation
General	2 (a) (iii)		Reporting entity
Asset	2 (b)		Investments (Common Account)
Asset	2 (b) (i)	25(g)	Properties
Asset	2 (b) (ii)		Cash and cash equivalents
Asset	2 (c)	25, 26	Trust Accounts
Equity	2 (d)	11(a)(i), 11(a)(ii), 25(i)(i)	Reserves
General	2 (e)	7, 21	Reporting of assets and liabilities used by the Public Trustee
General	2 (f)		Foreign currency translation
General	2 (g)		Comparative figures
General	2 (h)		Financial instruments
General	2 (i)		Revenue recognition
Income	2 (j)		Services received free of charge or for a nominal cost
General	2 (k)		Goods and Services Tax (GST)
Asset	2 (l)		Receivables
Liability	2 (m)		Payables
Expense	2 (n)		Operating Leases
Asset	2 (o)		Impairment of assets
Asset	2 (o) (i)		Non-current assets
Asset	2 (o) (ii)		Financial assets
General	2 (p)		Disclosure of changes in accounting policy and estimates
General	2 (p)		Initial application of an Australian Accounting Standard
General	2 (p)		Future impact of Australian Accounting Standards not yet operative
General	3		Judgments made by management in applying accounting policies
General	3		Operating lease commitments
Liability	4		Key sources of estimation uncertainty
Liability	4		Litigation in progress
General	5		Events occurring after the end of the reporting period
Expense	6		Write-offs and doubtful debts
Income	7		Income from State Government

This index does not form part of the financial statements.

Financial Statements

Index of Notes to the Financial Statements (continued) For the year ended 30 June 2017

Subject	Policy Note	Disclosure Note	Title of Policy Note
Income	8		Net loss on disposal of non-current assets
Expense	9		Fees paid to Consolidated Account
Expense	10		Interest and other revenue paid to the Consolidated Account
Expense	10 (a)		Surplus Common Account Interest paid to Consolidated Account
Expense	10 (b)		Other payments to Consolidated Account
Equity	11		Equity
Equity	11 (a)		Reserves
Equity	11 (a) (i)		Indemnity Reserve
Equity	11 (a) (ii)		Business Development Reserve
Equity	11 (b)		Accumulated surplus
Liability	12		Accrued fees payable to Consolidated Account
Assets	13		Receivables
Cash Flow	14		Notes to the Statement of Cash Flows
Cash Flow	14 (a)		Reconciliation of cash
Cash Flow	14 (b)		Reconciliation of net cost of service before Income from State Government to net cash flows provided by operating activities
General	15		Compensation of Key Management Personnel
General	15 (a)		Compensation of members of the Public Trustee
General	15 (b)		Compensation of senior officers
General	16		Remuneration of auditor
General	17		Contingent liabilities
General	18		Commitments
Assets	19		Impairment of Assets
Assets/Liability	20		Financial Instruments
General	20 (a)		Financial risk management objectives and policies
General	20 (b)		Categories of financial instruments
General	20 (c)		Financial instrument disclosures
General	21	7	Related Party Transactions
General	22		Indian Ocean Territories - Christmas Island and Cocos (Keeling) Island
General	23		Explanatory statement
General	23 (a)		Significant variances between current and prior year actual
General	23 (b)		Significant variances between estimated and actual results for the financial year
Liability	24		Estates and Trusts under administration
Liability	24 (a)		Equities, unit trusts and Strategic Common Accounts
Liability	24 (b)		Life policies
Liability	24 (c)		Real estate
Liability	24 (d)		Other assets
Liability	25		Public Trustee Common Account
Liability	26		Public Trustee Strategic Common Accounts

This index does not form part of the financial statements.

Notes To The Financial Statements

For the year ended 30 June 2017

1. Australian Accounting Standards

General

The Public Trustee's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Public Trustee has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Public Trustee cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian accounting Standards that have been issued or amended (but not operative) by the Public Trustee for the annual reporting period ended 30 June 2017.

2. Summary of significant accounting policies

2 (a) (i) General statement

The Public Trustee is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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.

2 (a) (ii) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land, buildings and infrastructure, which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest whole dollar.

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Public Trustee's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 (a) (iii) Reporting entity

The reporting entity comprises the Public Trustee and no other related bodies.

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2 (b) Investments (Common Account)

Investments have been brought to account as follows:

2 (b) (i) Properties

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, representing open-market value determined annually by external valuers - refer to note 25(g). Changes in fair value are recorded in profit or loss in the periods in which they arise.

2 (b) (ii) Cash and cash equivalents

Government and other money market securities are recorded at cost, on a constant yield basis over the period to maturity.

For the purpose of 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 insignificant risk of changes in value.

2 (c) Trust accounts

Section 39A of the *Public Trustee Act 1941* establishes the Common Account, which is a continuation to 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.

Section 39B of the *Public Trustee Act 1941* establishes the Strategic Common Accounts. The Public Trustee created four Strategic Common Accounts, these are also known as Public Trustee Investment Funds (PTIFs). The Strategic Common Accounts are named Cash strategic investment account, Conservative strategic investment account, Growth strategic investment account; and Growth Plus strategic investment account (also known as Public Trustee Investment Fund – Cash, Public Trustee Investment Fund – Conservative, Public Trustee Investment Fund – Growth and Public Trustee Investment Fund – Growth Plus). The Strategic Common Accounts were established on 1 July 2009.

Details of the Common Account are shown at note 25; details of the Strategic Common Accounts are shown at note 26.

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

2 (d) Reserves

On 1 July 2008, amendments to the *Public Trustee Act 1941* and *Public Trustee Regulations 1942* took effect. Pursuant to section 6B of the Act and regulation 6 of the Regulations, the Current Agreement prescribes the circumstances in which money may be transferred to or from a reserve fund and the uses of a reserve fund. The Current Agreement is a written agreement between the Minister and the Public Trustee for a 12-month period.

Sections 8 to 12 of the Current Agreement prescribe the use of the Public Trustee Reserves and Common Account Reserves.

The Public Trustee Indemnity Reserve has been established to meet any liability that the Public Trustee may incur, in a corporate capacity, at law to compensate a person for loss or damage that the person has or might have suffered. The reserve level is reviewed annually based on independent actuarial advice and represents a percentage of the total client assets and liabilities managed (refer note 11(a)(i)).

The Business Development Reserve has been established to meet future capital requirements (refer note 11(a)(ii)).

These reserves are in contrast to the Common Account Investment Reserve, which is used primarily for the operations of the Common Account, such as to stabilise interest paid to estates, meet losses on investments and maintain Common Account assets (refer note 25(i)(i)).

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2 (e) Reporting of assets and liabilities used by the Public Trustee

The Department of the Attorney General 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 the Attorney General's Financial Statements (refer note 7 & 21).

2 (f) Foreign currency translation

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange current at the end of the reporting period.

2 (g) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

2 (h) Financial instruments

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Receivables
- Financial Liabilities
 - Payables
 - Accrued fees payable to Consolidated Account

Initial recognition and measurement of financial instruments is at fair value, which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

2 (i) Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for business activities as follows:

- Fees raised from Estates and Trusts are recognised when the services are rendered, and are debited to the clients' accounts at the end of each month. No fees are receivable at month end.
- Public Trustee 6% fee from the Common Account is recognised at the end of each month, with a final adjustment at year-end.
- Management fees from Strategic Common Accounts are recognised monthly as they accrue.
- Receipts from Common Account surplus interest are recognised as they accrue.
- Receipts from Common Account Reserves are recognised when accrued.
- Interest revenue is recognised as it accrues, using the effective interest rate method.
- All other revenue is recognised and measured at the fair value of consideration received or receivable.

2 (j) Services received free of charge or for a nominal cost

Services received free of charge or for nominal cost that the Public Trustee would otherwise purchase if not donated, are recognised as income at the fair value of the services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

2 (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

2 (l) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). 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 (doubtful debts) is raised when there is objective evidence that the Public Trustee will not be able to collect the debts. The carrying amount is equivalent to fair value as they are generally settled within 30 days.

2 (m) Payables

Payables are recognised at the amounts payable when the Public Trustee becomes obligated to make future payments as a result of a purchase of assets or services at fair value, as they are generally settled within 30 days.

2 (n) Operating Leases

Operating leases are expensed on a straight line basis over their term as this represents the pattern of benefits derived from the leased properties.

2 (o) Impairment of assets

2(o) (i) Non-current assets

Non-current assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Public Trustee is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of the asset's fair value less cost to sell and the depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the recorded value reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

2(o) (ii) Financial 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 profit or loss.

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2(p) Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Public Trustee has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2016 that impacted on the Public Trustee:

AASB 1057	<i>Application of Australian Accounting Standards</i>	This Standard lists the application paragraphs for each other standard (and Interpretation), grouped where they are the same. There is no financial impact.
AASB 2015-1	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012 2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i>	These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012 2014 Cycle in September 2014, and editorial corrections. The Public Trustee has determined that the application of the Standard has no financial impact.
AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i>	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.
AASB 2015-6	<i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i>	The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Public Trustee cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Public Trustee has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Public Trustee. Where applicable, the Public Trustee plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<i>Financial Instruments</i>	1 Jan 2018
	This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments.	
	The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i> . The Public Trustee has not yet determined the application or the potential impact of the Standard.	
AASB 15	<i>Revenue from contracts with customers</i>	1 Jan 2019
	This Standard establishes the principles that the Public Trustee shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Public Trustee has not yet determined the application or the potential impact of the Standard.	
AASB 16	<i>Leases</i>	1 Jan 2019
	This standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Public Trustee has not yet determined the application or the potential impact of the Standard.	

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AASB 1058	<i>Income of Not-for-Profit Entities</i>	1 Jan 2019
	<p>This Standard clarifies and simplifies the income recognition requirements that apply to not for profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Public Trustee has not yet determined the application or the potential impact of the Standard.</p>	
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i>	1 Jan 2018
	<p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Public Trustee has not yet determined the application or the potential impact of the Standard.</p>	
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i>	1 Jan 2018
	<p>Part E makes amendments to AASB 9 and consequential amendments to other Standards. The Public Trustee has not yet assessed to determine the application or potential impact of the Standard.</p>	
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	1 Jan 2018
	<p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Public Trustee has not yet determined the application or the potential impact of the Standard.</p>	
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 Jan 2018
	<p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Public Trustee has not yet determined the application or the potential impact of the Standard.</p>	
AASB 2015-8	<i>Amendments to Australian Accounting Standards – effective date of AASB 15</i>	1 Jan 2019
	<p>This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not For Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Public Trustee has not yet determined the application or the potential impact of AASB 15.</p>	
AASB 2016-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017
	<p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	
AASB 2016-3	<i>Amendments to Australian Accounting Standards – clarifications to AASB 15</i>	1 Jan 2018
	<p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Public Trustee has not yet determined the application or the potential impact of the Standard.</p>	
AASB 2016-7	<i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 Jan 2017
	<p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB</p>	

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2014-5 Amendments to Australian Accounting Standards arising from AASB 15 for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.

AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* 1 Jan 2019

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

3. Judgments made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Public Trustee evaluates these judgements regularly.

Operating lease commitments

Pursuant to section 39(A)(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 terms and conditions determine that the Public Trustee will occupy specified areas of the building in exchange for a monthly charge, during the 10 years ending on 14 March 2021, and the Common Account will retain substantially all the risks and rewards incidental to ownership. Accordingly, this arrangement has been classified as an operating lease.

4. 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.

Other than the litigation in progress, there have been no key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

5. Events occurring after the end of the reporting period

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

6. Write-offs and doubtful debts

Write-offs represent losses incurred during the administration of estates and trusts, which have not been recouped and written off in accordance with section 48 of the *Financial Management Act 2006*.

	2017	2016
	\$	\$
Write-offs	269,946	185,008
Doubtful debts expense	(5,212)	56,543
	264,734	241,551

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7. Income from State Government Services received free of charge from the Department of the Attorney General

The Department of the Attorney General funds the operational costs of the Public Trustee pursuant to the Treasurer's net appropriation determination.

Resources provided free of charge to the Public Trustee are as follows:

	2017	2016
	\$	\$
Operating Expenses		
Employee benefits expense		
Salaries, fringe benefits and fringe benefits tax	13,454,624	13,399,517
Superannuation and pension	1,306,630	1,343,009
	<u>14,761,254</u>	<u>14,742,526</u>
Depreciation	770,131	922,909
Administration expenses	2,654,380	2,694,511
Accommodation expenses	2,678,664	2,787,366
Corporate service expenses	2,301,553	2,405,931
Loss on disposal of non-current assets	3,342	-
Total operating expenses	<u>23,169,324</u>	<u>23,553,243</u>
Resources received free of charge is recognised as revenue as follows:		
Operating Income		
Recoups and other revenue from Department of the Attorney General	10,322	67,324
Corporate revenue allocation from Department of the Attorney General	-	122,553
Resources received free of charge from Department of the Attorney General	23,159,002	23,363,366
Total operating income	<u>23,169,324</u>	<u>23,553,243</u>

8. Net loss on disposal of non-current assets

	2017	2016
	\$	\$
Carrying amount of non-current assets disposed		
Office equipment	3,342	-
Net loss	<u>3,342</u>	<u>-</u>

9. Fees paid to Consolidated Account

Pursuant to section 6B(2)(b) of the *Public Trustee Act 1941* and regulation 6(b) of the *Public Trustee Regulations 1942*, from 1 July 2008 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 determines that the Public Trustee is to transfer at least \$18,629,000 (2016: \$17,998,000) in fees to the Consolidated Account if the fees collected are in excess of this amount. Otherwise, all fees collected shall be paid to the Consolidated Account, via the Department of the Attorney General's net appropriation determination.

	2017	2016
	\$	\$
Fees paid to Consolidated Account	18,629,000	17,998,000

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10. Interest and other revenue paid to the Consolidated Account

Surplus Common Account Interest paid to Consolidated Account

Following the payment of interest to trusts, estates and to the Public Trustee (includes Public Trustee 6% fee), any surplus earnings are deemed to be Surplus Common Account Interest. Section 39A (8) of the *Public Trustee Act 1941* allows the Public Trustee to credit this Surplus Common Account Interest to a reserve fund. The Current Agreement section 10.3 determines that the Public Trustee is to pay \$4,607,000 (2016: \$5,100,000) in Surplus Common Account Interest to the Consolidated Account. In line with its self-funding commitment, the Public Trustee has paid the following amounts to the Consolidated Account.

	2017	2016
	\$	\$
Surplus Common Account Interest paid to Consolidated Account	4,530,002	5,100,000

11. Equity

Equity represents the residual interest in the net assets of the Public Trustee.

11 (a) Reserves

Pursuant to section 6B of the *Public Trustee Act 1941* and Regulation 6 of the *Public Trustee Regulations 1942*, the Current Agreement prescribes the circumstances in which money may be transferred to or from a reserve fund and the uses of a reserve fund. The Current Agreement is a written agreement between the Minister and the Public Trustee for a 12 month period.

Details of the Reserves are as follows:

	Note	2017	2016
		\$	\$
Total Reserves			
Balance at start of period		18,950,714	23,898,805
Transfer to Reserves		4,870,482	355,330
Transfer from Reserves		(4,769,037)	(5,303,421)
Balance at end of period		19,052,159	18,950,714
Represented by:			
Indemnity Reserve			
Balance at start of period		4,013,837	3,861,928
Transfer to Reserves		340,480	355,330
Transfer from Reserves		(239,035)	(203,421)
Balance at end of period	11(a)(i)	4,115,282	4,013,837
Business Development Reserve			
Balance at start of period		14,936,877	20,036,877
Transfer to Reserves		4,530,002	-
Transfer from Reserves		(4,530,002)	(5,100,000)
Balance at end of period	11(a)(ii)	14,936,877	14,936,877
Total balance of Reserves at end of period		19,052,159	18,950,714

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11 (a) (i) 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. The reserve level is reviewed annually based on an independent actuarial advice received in 2013 and represents a percentage of the total client assets and liabilities managed.

11 (a) (ii) Business Development Reserve

The uses of the Business Development Reserve are specified in section 10.4 of the Current Agreement that include payment of capital costs, meeting shortfalls in revenue paid to the consolidated account, and costs associated with the coming into operation of the *Public Trustee and Trustee Companies Legislation Amendment Act 2008*.

11 (b) Accumulated surplus

	2017	2016
	\$	\$
Balance at start of period	7,045,530	6,064,694
Surplus/(deficit) for the period	1,256,929	(3,967,255)
Transfer to reserves	(4,870,482)	(355,330)
Transfer from reserves	4,769,037	5,303,421
Balance at end of period	8,201,014	7,045,530

12 Accrued Fees payable to Consolidated Account

	2017	2016
	\$	\$
Fees payables to Consolidated Account	919,752	398,000

13 Receivables

	2017	2016
	\$	\$
Receivables	93,000	89,721
Allowances for impairment of receivables	(73,434)	(78,646)
Total current receivables	19,566	11,075

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Reconciliation of changes in the allowances for impairment of receivables

	2017	2016
	\$	\$
Balance at start of period	78,646	22,103
Doubtful debts expense	(5,212)	56,543
Balance at end of period	73,434	78,646

The Public Trustee does not hold any collateral or other credit enhancements as security for receivables.

14 Notes to the Statement of Cash Flows

14(a) Reconciliation of cash

All Public Trustee funds held within the Public Trustee Common Account are available at call. Cash at the end of the financial year, as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2017	2016
	\$	\$
Cash and cash equivalents	28,316,725	26,546,117

14(b) Reconciliation of net cost of service before Income from State Government to net cash flows provided by operating activities:

	2017	2016
	\$	\$
Net cost of service before income from State Government	(21,912,395)	(27,520,498)
Non-cash items		
Write-offs and doubtful debts	(5,212)	6,250
Employee benefits expense	14,761,254	14,742,526
Depreciation	770,131	922,909
Administration expenses	2,654,380	2,694,511
Accommodation expenses	2,678,664	2,787,366
Corporate service expenses	2,301,553	2,405,931
Loss on disposal of assets	3,342	-
Payments		
Fees paid to Consolidated Account	18,629,000	17,998,000
Surplus Common Account Interest paid to Consolidated Account	4,530,002	5,100,000
Change in assets and liabilities		
(Increase)/decrease in receivables	(3,279)	7,152
Increase/(decrease) in payables	418	(359,485)
Net cash provided by operating activities	24,407,858	18,784,662

15. Compensation of Key Management Personnel

The Public Trustee has determined that key management personnel include Cabinet Ministers and senior officers of the Public Trustee. However, the Public Trustee is not obligated to reimburse for the compensation of Ministers and therefore no disclosure is required. The disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

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15(a) Compensation of members of the Public Trustee

Compensation Band (\$)	2017	2016
290,001 - 300,000	-	1
340,001 - 350,000	1	-
	\$	\$
Short-term employee benefits	257,358	263,036
Post-employment benefits	21,715	22,142
Other long-term benefits	66,050	7,990
Total compensation of members of the Public Trustee	345,123	293,168

15(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 senior officers reported as members of the Public Trustee, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands is:

Compensation Band (\$)	2017	2016
110,001 - 120,000	1	-
160,001 - 170,000	1	3
170,001 - 180,000	1	-
190,001 - 200,000	1	1
200,001 - 210,000	1	1
	\$	\$
Short-term employee benefits	774,495	842,593
Post-employment benefits	68,208	72,046
Other long-term benefits	5,724	(11,780)
Total compensation of senior officers	848,427	902,859

No senior officers are members of the Pension Scheme.

16. Remuneration of auditor

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

	2017	2016
	\$	\$
Auditing the accounts, financial statements and key performance indicators	75,600	74,500

17. Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

Litigation in progress

The Public Trustee has 16 matters (2016: 18) where litigation against the Public Trustee may result or has started. They involve potential claims for damages to the value of \$13.2 million (2016: \$5.9 million) inclusive of court costs. These potential claims are covered by insurance, may not be finalised and it is likely that there will not be any material liability. Hence, no liability has been recognised in the Financial Statements.

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Contaminated sites

Under the *Contaminated Sites Act 2003*, the Public Trustee is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of 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 DEC.

18. Commitments

The Public Trustee has entered into a terms and conditions agreement for the occupancy of six floors in the Public Trustee building at 553 Hay Street. This arrangement is for 10 years concluding on 13 March 2021, cancellable at the Attorney General's approval. Rent is payable monthly in advance, with the minimum payment increasing by 4% annually. There is no option to extend the agreement after the end of the term. The agreement varied down the annual lease amount on 14 March 2016 to the prevailing market rate of \$1,549,835.

The commitments shown below are GST exclusive.

Cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year

1,763,496

1,647,588

Later than 1 year and not later than 5 years

4,763,854

6,684,852

Later than 5 years

-

-

6,527,350

8,332,440

19. Impairment of assets

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.

20. Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Public Trustee are cash and cash equivalents, receivables and payables. The Public Trustee has limited exposure to financial risks.

The Public Trustee invests exclusively in the Common Account. The investments of the Common Account are in compliance with section 39A of the *Public Trustee and Trustee Companies Legislation Amendment Act 2008*.

The Public Trustee's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Public Trustee's receivables defaulting on their contractual obligations resulting in financial loss to the Public Trustee.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 20(c) 'Financial instruments disclosure' and note 13 'Receivables'.

Credit risk associated with the Public Trustee's financial assets is minimal because the State Government guarantees all financial assets of the Common Account in terms of section 42 of the *Public Trustee Act 1941*. The Public Trustee monitors receivable balances on an ongoing basis with the result that the exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

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The only investment is the investment in the Common Account, which includes one building and cash term deposits in banks with the lowest credit rating being A2. Term deposits are not considered a credit risk.

There has been no change from the previous period in respect of exposure to credit risk.

Liquidity risk

Liquidity risk arises when the Public Trustee is unable to meet its financial obligations as they fall due.

The Public Trustee is exposed to liquidity risk through its trading in the normal course of business.

The Public Trustee has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet commitments.

The building at 553 Hay Street has been an asset of the Common Account since August 2008. The majority of the Common Account portfolio is in liquid form with an average daily balance of \$265 million in term deposits with banks and \$29 million held in a 24 hour at call account. The liquidity is monitored by the Manager Financial Investments, the Manager Finance and the Director Business Services. There has been no change from the previous period in respect of exposure to liquidity risk.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Public Trustee's income or the value of its holdings of financial instruments. The Public Trustee does not trade in foreign currency and is not materially exposed to other price risks.

The Public Trustee's exposure to market risk through changes in interest rates is limited to cash which is invested in the Common Account. Common Account investments are authorised by section 39 of the *Public Trustee Act 1941*; exposure to interest rate risk is limited to short term deposits and cash. There has been no change from the previous period in respect of exposure to market risk.

The Public Trustee has guidelines for limiting the exposure to any one level of bank rating, A1+ is maximum 70% of total term deposits and A1 and A2 are maximum 40%. This ensures that the risk is spread and deposits are not placed on seeking the highest rate available on the day of maturity alone but taking into account the risk involved. The return is measured against a number of indicators including the UBS 30 day bank bill rate and the interest paid by WATC.

20(b) Categories of 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:

	2017 \$	2016 \$
Financial Assets		
Cash and cash equivalents	28,316,725	26,546,117
Receivables	19,566	11,075
Financial Liabilities		
Accrued fees payable to Consolidated Account	919,752	398,000
Payables(*)	-	-

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

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20(c) Financial instrument disclosures

Credit risk

The State Government guarantees all financial assets of the Public Trustee Common Account and therefore limited credit risk exists in respect of those amounts.

The Public Trustee's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below.

The Public Trustee does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

The Public Trustee does not hold any financial assets that have had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Ageing analysis of financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired				More than 5 years \$'000	Impaired financial assets \$'000
			Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000		
2017								
Financial Assets								
Cash and cash equivalents	28,317	28,317	-	-	-	-	-	-
Receivables	19	19	-	-	-	-	-	-(a)
	28,336	28,336	-	-	-	-	-	-
2016								
Financial Assets								
Cash and cash equivalents	26,546	26,546	-	-	-	-	-	-
Receivables	11	11	-	-	-	-	-	-(a)
	26,557	26,557	-	-	-	-	-	-

(a) It is expected that none of the amount owing on the impaired receivables will be recovered. The carrying amount of the receivables before deducting the impairment loss was \$73,434 (2016:\$78,646).

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Liquidity risk and interest rate exposure

The following table details the Public Trustee's interest and contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Nominal amount	Maturity dates				
			Fixed Interest rate	Variable Interest Rate	Non-interest bearing		Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017											
Financial Assets											
Cash and cash equivalents	3.87	28,317	-	28,317	-	28,317	28,317	-	-	-	-
Receivables	-	19	-	-	19	19	19	-	-	-	-
		28,336	-	28,317	19	28,336	28,336	-	-	-	-
Financial Liabilities											
Payable to Consolidated account	-	920	-	-	920	920	920	-	-	-	-
Payables (*)	-	-	-	-	-	-	-	-	-	-	-
		920	-	-	920	920	920	-	-	-	-

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

	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Nominal amount	Maturity dates				
			Fixed Interest rate	Variable Interest Rate	Non-interest bearing		Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016											
Financial Assets											
Cash and cash equivalents	4.15	26,546	-	26,546	-	26,546	26,546	-	-	-	-
Receivables	-	11	-	-	11	11	11	-	-	-	-
		26,557	-	26,546	11	26,557	26,557	-	-	-	-
Financial Liabilities											
Payable to Consolidated account	-	398	-	-	398	398	398	-	-	-	-
Payables (*)	-	-	-	-	-	-	-	-	-	-	-
		398	-	-	398	398	398	-	-	-	-

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

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Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Public Trustee's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% (100 basis points) change in interest rates. A 1% movement is considered to be reasonably possible taking into account past performance, economic forecasts and management's knowledge and experience of financial markets. It is assumed that the change in interest rate is held constant throughout the reporting period.

	Carrying amount \$'000	-100 Basis Points (-1%)		+100 Basis Points (+1%)	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
2017					
Financial Assets					
Cash and cash equivalents	28,317	(283)	(283)	283	283
2016					
Financial Assets					
Cash and cash equivalents	26,546	(265)	(265)	265	265

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

21. Related Party Transactions

The Public Trustee is a Statutory Public Trustee that is controlled by the State of Western Australia. Related parties of the Public Trustee include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including their related bodies, that are included in the whole of government consolidated financial statements;
- associates and joint ventures of an entity that are included in the whole of Government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with Government-related entities

The Public Trustee's operational expenses are appropriated by Parliament through the Department of the Attorney General. Financial assistance was provided during the year – refer note 7 "Income from State Government". Full details on the financial operations of the Public Trustee are detailed in the Department of the Attorney General's Annual Report.

Material transactions with related parties

Outside of general citizen type transactions, the Public Trustee had no related party transaction with key management personnel or their close family members or their controlled or jointly controlled entities.

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22. 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 2017:

	2017 \$	2016 \$
Opening balance	3,010	3,180
Expenditure	(523)	(170)
Closing balance	2,487	3,010

23. Explanatory statement

23(a) Significant variances between current and prior year actual

Details and reasons for significant variances between actual results with the corresponding items of the preceding year are detailed below. Significant variations are those greater than 5% and \$923,000.

	2017 \$	2016 \$	Variance \$ + / (-)	Variance % + / (-)
Income				
Fees and charges revenue	17,252,326	16,189,409	1,062,917	7
Receipts from Common Account surplus interest	4,530,002	-	4,530,002	100

Fees and charges revenue

The increase was due to the annual increase in fees and charges and the higher demand for services.

Receipts from Common Account surplus interest

There were no receipts from Common Account surplus interest last year since it made a deficit for the year.

23(b) Significant variances between estimated and actual results for the financial year

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variances are considered to be those greater than 5% of estimates and \$923,000.

	2017 Estimate \$	2017 Actual \$	Variation \$ + / (-)	Variation % + / (-)
Income				
Fees and charges revenue	16,059,000	17,252,326	1,193,326	7
Receipts from Common Account surplus interest	5,617,000	4,530,002	(1,086,998)	(19)
Income from State Government				
Resources received free of charge from Department of the Attorney General	21,986,000	23,159,002	1,173,002	5

Fees and charges revenue

Actual fees and charges revenue was higher than estimated due to the higher demand for services.

Receipts from Common Account surplus interest

Actual receipts from Common Account surplus interest were lower than estimated due to overall lower interest environment.

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Resources received free of charge from Department of the Attorney General

Actual receipts were higher than estimated due to more resources required to meet higher demand for services.

24. Estates and Trusts under administration

The following statement of assets held and/or liabilities incurred in a trustee capacity is prepared in accordance with Treasurer's Instruction 1103(15)(ii). It includes all assets realised and non-realised which are under the control and administration of the Public Trustee.

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Statement of Estates and Trusts administered as at 30 June 2017 NET TRUST ASSETS UNDER ADMINISTRATION

	Note	2017 \$	2016 \$
ESTATES AND TRUSTS			
Deceased Estates		231,739,728	245,354,133
Direct Action		4,022,889	4,608,698
Entitled Trusts		344,217,077	332,112,037
Protected Management		478,569,275	453,560,372
Testamentary Trusts		63,319,269	63,600,988
Power of Attorney		20,425,110	21,831,778
Trusts		30,644,185	25,599,960
Safe-care		2,857,377	2,255,635
NET TRUST ASSETS		1,175,794,910	1,148,923,601
Represented by:			
Investments in Common Account	25(h)	285,214,818	270,013,201
Investments in Strategic Common Accounts	26(a)	226,039,596	217,703,586
Bank deposits		168,075,352	151,033,144
Equities	24(a)	43,848,011	37,577,841
Unit Trusts	24(a)	10,235,743	9,500,216
Life Policies	24(b)	3,676,755	3,077,529
Real Estate	24(c)	439,689,872	463,446,099
Other Assets	24(d)	48,351,805	41,421,596
Total Investment and Loan Assets		1,225,131,952	1,193,773,212
TOTAL TRUST ASSETS		1,225,131,952	1,193,773,212
CURRENT LIABILITIES			
Payables		32,150,399	28,350,330
Loans		1,368,413	916,180
Mortgages – Deceased estates		4,408,550	5,369,391
Total Current Liabilities		37,927,362	34,635,901
NON CURRENT LIABILITIES			
Mortgages – Trust estates		11,409,680	10,213,710
Total Non Current Liabilities		11,409,680	10,213,710
TOTAL TRUST LIABILITIES		49,337,042	44,849,611
NET TRUST ASSETS		1,175,794,910	1,148,923,601

BASIS OF VALUATIONS

24(a) 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(b) Life policies

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

24(c) 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 last valuation, cost or estimated value. Where estimates are made, appropriate Public Trustee personnel assess the value at 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(d) 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

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

Financial Statements

**25(a) PUBLIC TRUSTEE COMMON ACCOUNT
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2017**

	Note	2017 \$	2016 \$
EXPENSES			
Investment expenses	25(g)	1,926,883	1,774,340
Interest paid to Estates and Trusts	25(e)	3,417,620	4,578,812
Decrement from revaluation of investment property	25(g)	-	13,154,559
Total expenses before payments to Public Trustee		5,344,503	19,507,711
6% fee paid to the Public Trustee		759,842	800,170
Interest paid to the Public Trustee		1,001,780	1,229,268
Surplus Common Account Interest paid to Public Trustee		4,530,002	-
Total expenses		11,636,127	21,537,149
INCOME			
Investment income		14,590,905	15,110,510
Increment from revaluation of investment property	25(g)	2,629,609	-
Total income		17,220,514	15,110,510
SURPLUS/(DEFICIT) FOR THE YEAR	25(i)(ii)	5,584,387	(6,426,639)
OTHER COMPREHENSIVE INCOME/(LOSS)		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		5,584,387	(6,426,639)

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

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25(b) PUBLIC TRUSTEE COMMON ACCOUNT STATEMENT OF FINANCIAL POSITION As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash at bank	25(j)(i)	13,465,238	14,460,149
Cash equivalents	25(j)(i)	270,000,000	250,000,000
Receivables	25(f)	87,412	6,148
Accrued income		1,807,101	1,673,599
Total Current Assets		285,359,751	266,139,896
Non-Current Assets			
Investment property	25(g)	36,300,000	33,150,000
Total Non-Current Assets		36,300,000	33,150,000
TOTAL ASSETS		321,659,751	299,289,896
LIABILITIES			
Current Liabilities			
Fees & accrued taxation		469,667	421,706
Payables		1,718	1,574
Public Trustee Funds	14(a)	28,316,725	26,546,117
Accrued Interest payable to Estates and Trusts		763,803	998,664
Total Current Liabilities		29,551,913	27,968,061
Non-Current Liabilities			
Estates & Trusts under Administration	25(h)	285,214,817	270,013,201
Total Non-Current Liabilities		285,214,817	270,013,201
TOTAL LIABILITIES		314,766,730	297,981,262
NET ASSETS		6,893,021	1,308,634
EQUITY			
Common Account investment reserve	25(i)(i)	-	-
Accumulated surplus	25(i)(ii)	6,893,021	1,308,634
TOTAL EQUITY		6,893,021	1,308,634

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

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**25(c) PUBLIC TRUSTEE COMMON ACCOUNT
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2017**

	Note	Investment Reserve \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2015	25(i)	7,682,380	52,893	7,735,273
Deficit		-	(6,426,639)	(6,426,639)
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	(6,426,639)	(6,426,639)
Transfers between accumulated surplus and reserves:				
Transfers to reserves		-	-	-
Transfers from reserves		(7,682,380)	7,682,380	-
Total		(7,682,380)	7,682,380	-
Balance at 30 June 2016		-	1,308,634	1,308,634
Balance at 1 July 2016		-	1,308,634	1,308,634
Deficit		-	5,584,387	5,584,387
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	5,584,387	5,584,387
Balance at 30 June 2017		-	6,893,021	6,893,021

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

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**25(d) PUBLIC TRUSTEE COMMON ACCOUNT
STATEMENT OF CASH FLOWS
For the year ended 30 June 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Investment income		14,376,139	15,306,979
Tax withheld from clients		18,341	17,663
Payments			
6% fee paid to Public Trustee		(759,842)	(800,170)
Interest paid to Estates and Trusts		(3,652,481)	(4,772,163)
Interest paid to Public Trustee		(1,001,780)	(1,229,268)
Investment expenses		(1,926,883)	(1,774,340)
Tax withholding paid to ATO		(17,454)	(17,947)
Net cash (used in) operating activities	25(j)(ii)	7,036,040	6,730,754
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for investment property improvements		(520,391)	(1,004,559)
Net cash provided by/(used in) investing activities		(520,391)	(1,004,559)
CASH FLOWS FROM ESTATES, TRUSTS & PUBLIC TRUSTEE			
Surplus Common Account Interest paid to Public Trustee		(4,530,002)	-
Net increase in Public Trustee Funds		1,770,608	(4,575,371)
Net increase/(decrease) in Estates and Trusts		15,248,834	517,298
Net cash provided by/(used in) estates, trusts & Public Trustee		12,489,440	(4,058,073)
Net increase/(decrease) in cash and cash equivalents		19,005,089	1,668,122
Cash and cash equivalents at the beginning of period		264,460,149	262,792,027
Cash and cash equivalents at the end of period	25(j)(i)	283,465,238	264,460,149

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

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25(e) Interest paid to estates and trusts

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*.

	2017	2016
	\$	\$
Interest paid to Estates and Trusts	3,417,620	4,578,812

25(f) Receivables

	2017	2016
	\$	\$
Receivable for Common account property	87,412	6,148

25(g) Investment Property

	2016	2015
	\$	\$
At fair value:		
Land and building – non-current assets	36,300,000	33,150,000

The revalued land and building consists 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, based on the nature, characteristics and risks of the property.

Fair value of the property was determined by both capitalised net rental income method and market comparable method. This means that the valuation performed by the valuer is based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation 30 June 2017, 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.

Significant unobservable inputs to valuation of investment property

Price per square metre should be toward the lower end of the range sub \$4,000 (2016: \$3,200 - \$3,600), an appropriate rate of \$3,780 (2016: \$3,451) per square metre is considered fair.

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

	2017	2016
	\$	\$
Rental income derived from investment property	6,844,546	6,885,172
Direct operating expenses generating rental income	(1,926,883)	(1,774,341)
Profit arising from investment property carried at fair value	4,917,663	5,110,831

The Public Trustee or the 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:

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	2017 \$	2016 \$
Carrying amount at beginning of period	33,150,000	45,300,000
Additions and capital improvements	520,391	1,004,559
Revaluation increment /(decrement)	2,629,609	(13,154,559)
Carrying amount at end of period	36,300,000	33,150,000

Fair Value measurements

Assets measured at fair value	Valuation Date	Level 1 \$	Level 2 \$	Level 3 \$	Fair Value at end of period \$
2017					
Investment property	30 June 2017	-	-	36,300,000	36,300,000
		-	-	36,300,000	36,300,000
2016					
Investment property	30 June 2016	-	-	33,150,000	33,150,000
		-	-	33,150,000	33,150,000

There were no transfers between Levels 1, 2 or 3 during the current and the previous periods.

25(h) 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.

	2017 \$	2016 \$
Activity		
Safe-care	37,018	27,002
Deceased Estates	59,563,665	56,011,252
Direct Action	3,680,406	4,218,545
Entitled Trusts	59,387,822	64,528,709
Protected Management	123,976,913	112,580,371
Testamentary Trusts	15,992,482	15,654,047
Power of Attorney	6,061,203	6,626,500
Trusts	16,515,308	10,366,775
Total estates and trusts under administration	285,214,817	270,013,201

25(i) Equity

25(i)(i) Reserves

Pursuant to section 6B of the *Public Trustee Act 1941* and regulation 6 of the *Public Trustee Regulations 1942*, the Current Agreement prescribes the circumstances in which money may be transferred to or from a reserve fund. The 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.

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	2017	2016
	\$	\$
Common Account Investment Reserve		
Balance at start of year	-	7,682,380
Transfer to accumulated surplus	-	(7,682,380)
Balance at end of year	-	-

25(i)(ii) Accumulated surplus

	2017	2016
	\$	\$
Balance at start of year	1,308,634	52,893
Surplus/(deficit)	5,584,387	(6,426,639)
Transfers from reserves	-	7,682,380
Balance at end of year	6,893,021	1,308,634

25(j) Notes to the Statement of Cash Flows

25(j)(i) Reconciliation of cash

For the purpose of 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 insignificant risk of changes in value. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2017	2016
	\$	\$
Cash at bank	13,465,238	14,460,149
Cash Equivalents	270,000,000	250,000,000
Cash & Cash Equivalents	283,465,238	264,460,149

25(j)(ii) Reconciliation of surplus/(deficit) to net cash provided by operating activities.

	2017	2016
	\$	\$
Surplus/(deficit)	5,584,387	(6,426,639)
<i>Non-cash item:</i>		
(Increment)/decrement from revaluation of investment property	(2,629,609)	13,154,559
Surplus Common Account interest paid to Public Trustee	4,530,002	-
<i>Decrease /(increase) in assets:</i>		
Receivables	(81,264)	55,334
Accrued income	(133,502)	141,135
<i>(Decrease)/increase in liabilities:</i>		
Fees and accrued taxation	887	(284)
Accrued interest	(234,861)	(193,351)
Net cash provided by operating activities	7,036,040	6,730,754

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25(k) Financial instruments

25(k)(i) Financial risk management objectives and policies

Financial instruments held by the Common Account are cash and cash equivalents, loans, receivables and payables. The Common Account has limited exposure to financial risks. The investments of the Common Account comply with section 39A of the *Public Trustee Act 1941*.

The Common Account's overall risk management program focuses on managing the risks identified below.

Credit risk

The State Government guarantees all financial assets of the Common Account and therefore limited credit risk exists in respect of those amounts. In addition, the buildings are covered by insurance and also professional indemnity insurance cover for staff involved with management of Common Account investments. Receivables balances are monitored on an ongoing basis with the result that the Common Account's exposure to bad debts is minimal. There are no significant concentrations of credit risk. There has been no change from the previous period in respect of exposure to credit risk.

Liquidity risk

The Public Trustee has appropriate procedures to manage cash flows of the Common Account by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments. There has been no change from the previous period in respect of exposure to credit risk.

Market risk

The Common Account does not trade in foreign currency and is not materially exposed to other price risks.

The Common Account's investments are authorised by sections 39A(3), 39D and 40A of the *Public Trustee Act 1941* and exposure to interest rate risk is limited to cash and cash equivalents and mortgages. At the end of the reporting period, there are no mortgages. There has been no change from the previous period in respect of exposure to credit risk.

25(k)(ii) Categories of 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 as follows:

	2017 \$	2016 \$
Financial Assets		
Cash at bank	13,465,238	14,460,149
Cash equivalents	270,000,000	250,000,000
Receivables	87,412	6,148
Accrued income	1,807,101	1,673,599
Financial Liabilities		
Fees and accrued taxation (*)	468,581	421,507
Payables	1,718	1,574
Public Trustee funds	28,316,725	26,546,117
Accrued Interest due to Estates and Trusts	763,803	998,664
Estates & Trusts under administration	285,214,817	270,013,201

(*) The amount of fees and accrued taxation excludes the tax withholding payable to the ATO (statutory payable).

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25(k)(iii) Financial instrument disclosures Credit risk, liquidity risk and interest rate risk exposures

The State Government guarantees all financial assets of the Common Account and therefore limited credit risk exists in respect of those amounts. The Common Account has no material exposure to liquidity risk.

The Common Account's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table is based on information provided to senior management of the Public Trustee.

The Common Account does not hold any financial assets that have had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Ageing analysis of financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired				More than 5 years \$'000	Impaired financial assets \$'000
			Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000		
2017								
Financial Assets								
Cash at Bank	13,465	13,465	-	-	-	-	-	-
Cash Equivalent	270,000	270,000	-	-	-	-	-	-
Receivables	87	87	-	-	-	-	-	-
Accrued income	1,807	1,807	-	-	-	-	-	-
	285,359	285,359	-	-	-	-	-	-
2016								
Financial Assets								
Cash at Bank	14,460	14,460	-	-	-	-	-	-
Cash Equivalent	250,000	250,000	-	-	-	-	-	-
Receivables	6	6	-	-	-	-	-	-
Accrued income	1,674	1,674	-	-	-	-	-	-
	266,140	266,140	-	-	-	-	-	-

Liquidity risk and interest rate exposure

The following table details the Public Trustee's interest and contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets

	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure			Nominal amount \$'000	Maturity dates					
			Fixed Interest rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000		Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000	
2017												
Financial Assets												
Cash at Bank	1.70	13,465	-	13,465	-	13,465	13,465	-	-	-	-	-
Cash Equivalent	2.69	270,000	-	270,000	-	270,000	85,000	130,000	55,000	-	-	-
Receivables		87	-	-	87	87	87	-	-	-	-	-
Accrued income		1,807	-	-	1,807	1,807	1,222	526	59	-	-	-
		285,359	-	283,465	1,894	285,359	99,774	130,526	55,059	-	-	-

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2016										
Financial Assets										
Cash at Bank	2.58	14,460	-	14,460	-	14,460	14,460	-	-	-
Cash Equivalent	2.96	250,000	-	250,000	-	250,000	75,000	140,000	35,000	-
Receivables	-	6	-	-	6	6	6	-	-	-
Accrued income	-	1,674	-	-	1,674	1,674	946	683	45	-
		266,140	-	264,460	1,680	266,140	90,412	140,683	35,045	-

The contractual amounts are representative of the undiscounted amounts at the end of the reporting period. The table includes interest and principal cash flows.

Maturity analysis is not provided due to nature of liabilities. Trust and estates liabilities comprises of deceased estates and trusts in various stages of administration and it is impractical to establish finalisation date for these cases. Public Trustee Funds liability represents value of the Public Trustee investment in the Common Account and there is no maturity date for this item.

Interest rate exposure of financial liabilities

	Weighted average effective interest rate %	Carrying amount \$'000	Interest Rate Exposure			Past due but not impaired \$'000	Impaired financial assets \$'000
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-Interest Bearing \$'000		
2017							
Financial Liabilities							
Fees and accrued taxation		470	-	-	470	-	-
Payables		2	-	-	2	-	-
Public Trustee Funds	3.87	28,317	-	28,317	-	-	-
Accrued interest Estates & Trusts		764	-	-	764	-	-
Estates & Trusts:							
Estates	0.29	60,055	-	60,055	-	-	-
Trusts & Other	0.79	68,539	-	68,539	-	-	-
Trusts & Other	1.54	114,253	-	114,253	-	-	-
Trusts & Other	2.04	44,679	-	44,679	-	-	-
Trusts & Other	5.50	(2,312)	-	(2,312)	-	-	-
Total Financial Liabilities		314,767	-	313,531	1,236	-	-
2016							
Financial Liabilities							
Fees and accrued taxation		422	-	-	422	-	-
Payables		2	-	-	2	-	-
Public Trustee Funds	4.15	26,546	-	26,546	-	-	-
Accrued interest Estates & Trusts		998	-	-	998	-	-
Estates & Trusts:							
Estates	0.73	57,099	-	57,099	-	-	-
Trusts & Other	1.23	65,888	-	65,888	-	-	-
Trusts & Other	1.92	627	-	627	-	-	-
Trusts & Other	1.98	115,850	-	115,850	-	-	-
Trusts & Other	2.48	32,864	-	32,864	-	-	-
Trusts & Other	5.50	(2,315)	-	(2,315)	-	-	-
Total Financial Liabilities		297,981	-	296,559	1,422	-	-

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Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Common Account's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% (100 basis points) change in interest rates. A 1% movement is considered to be reasonably possible taking into account past performance, economic forecasts and management's knowledge and experience of financial markets. It is assumed that the change in interest rates is held constant throughout the reporting period.

	-100 Basis Points (-1%)		+100 Basis Points (+1%)		
	Carrying amount \$'000	Surplus \$'000	Equity \$'000	Surplus \$'000	
2017					
Financial Assets					
Cash and cash equivalents	283,465	(2,835)	(2,835)	2,835	2,835
Financial Liabilities					
Public Trustee Funds	28,317	283	283	(283)	(283)
Estates & Trusts under administration	285,215	2,852	2,852	(2,852)	(2,852)
Total increase/(decrease)		300	300	(300)	(300)
2016					
Financial Assets					
Cash and cash equivalents	264,460	(2,645)	(2,645)	2,645	2,645
Financial Liabilities					
Public Trustee Funds	26,546	265	265	(265)	(265)
Estates & Trusts under administration	270,013	2,700	2,700	(2,700)	(2,700)
Total increase/(decrease)		320	320	(320)	(320)

Fair value

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

26. Public Trustee Strategic Common Accounts

The following are the financial statements of the Public Trustee Strategic Common Accounts established pursuant to section 39B of the *Public Trustee Act 1941*. Because the Trust's redemption unit price is based on different valuation principles to that applied in financial reporting, a valuation difference exists.

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.

Activity	2017	2016
	\$	\$
Deceased Estates	181,780	515,968
Entitled Trusts	169,526,803	163,768,730
Protected Management	33,585,067	32,334,434
Testamentary Trusts	13,046,416	12,399,207
Power of Attorney	3,875,151	3,697,195
Trusts	3,004,020	2,759,419
Safe-care	2,820,359	2,228,633
Total estates and trusts under administration	226,039,596	217,703,586

Financial Statements

26(b) PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS STATEMENTS OF CHANGES IN NET ASSETS For the year ended 30 June 2017

2017	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
Net Assets at the beginning of the reporting period	-	42,912	160,353	2,593	205,858
Applications	-	3,419	12,849	-	16,268
Redemptions	-	(4,879)	(7,210)	-	(12,089)
	-	41,452	165,992	2,593	210,037
Expenses					
Trustee's fees	-	230	901	15	1,146
Custody fees	-	70	269	6	345
Total expenses	-	300	1,170	21	1,491
Investment Income					
Interest income	-	-	2	-	2
Trust distributions	-	1,006	6,223	137	7,366
Net gains/(losses) on financial instruments held at fair value through profit or loss	-	1,044	9,751	227	11,022
Other income	-	161	527	11	699
Total net investment income/(loss)	-	2,211	16,503	375	19,089
Profit/(loss) before finance costs attributable to unit holders	-	1,911	15,333	354	17,598
Financing costs attributable to unit holders					
Distributions to unit holders	-	1,244	7,449	128	8,821
(Decrease) in net assets attributable to unit holders	-	667	7,884	226	8,777
Net Assets at the end of the reporting period	-	42,119	173,876	2,819	218,814

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PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS STATEMENTS OF CHANGES IN NET ASSETS For the year ended 30 June 2016

2016	Cash	Conservative	Growth	Growth Plus	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Net Assets at the beginning of the reporting period	-	44,780	160,461	2,757	207,998
Applications	-	5,540	14,089	-	19,629
Redemptions	-	(6,242)	(6,022)	-	(12,264)
	-	44,078	168,528	2,757	215,363
Expenses					
Trustee's fees	-	237	862	14	1,113
Custody fees	-	71	254	6	331
Total expenses	-	308	1,116	20	1,444
Investment Income					
Interest income	-	-	1	-	1
Trust distributions	-	1,962	9,833	152	11,947
Net gains/(losses) on financial instruments held at fair value through profit or loss	-	(502)	(6,635)	(163)	(7,300)
Other income	-	178	561	11	750
Total net investment income	-	1,638	3,760	-	5,398
Profit/(loss) before finance costs attributable to unit holders	-	1,330	2,644	(20)	3,954
Financing costs attributable to unit holders					
Distributions to unit holders	-	2,496	10,819	144	13,459
Increase/(decrease) in net assets attributable to unit holders	-	(1,166)	(8,175)	(164)	(9,505)
Net Assets at the end of the reporting period	-	42,912	160,353	2,593	205,858

Financial Statements

26(c) PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS STATEMENTS OF NET ASSETS As at 30 June 2017

2017	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
Assets					
Cash and cash equivalents	-	10	29	1	40
Receivables	-	816	5,375	123	6,314
Financial assets held at fair value through profit or loss	-	42,268	174,840	2,814	219,922
Total assets	-	43,094	180,244	2,938	226,276
Liabilities					
Distributions payable	-	950	6,263	118	7,331
Payables	-	25	105	1	131
Total liabilities (excluding net assets attributable to unit holders)	-	975	6,368	119	7,462
Net assets attributable to unit holders - liability	-	42,119	173,876	2,819	218,814
2016					
	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
Assets					
Cash and cash equivalents	-	61	5	1	67
Receivables	-	1,770	8,985	139	10,894
Financial assets held at fair value through profit or loss	-	43,232	161,140	2,589	206,961
Total assets	-	45,063	170,130	2,729	217,922
Liabilities					
Distributions payable	-	2,125	9,678	135	11,938
Payables	-	26	99	1	126
Total liabilities (excluding net assets attributable to unit holders)	-	2,151	9,777	136	12,064
Net assets attributable to unit holders - liability	-	42,912	160,353	2,593	205,858

Financial Statements

ESTIMATES 2018
PUBLIC TRUSTEE
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2018

	ESTIMATES 2018 \$000	ACTUAL 2017 \$000
COST OF SERVICES		
EXPENSES		
Write-offs and doubtful debts expense	300	265
Employee benefits expense	15,154	14,761
Depreciation expense	746	770
Administration expenses	2,281	2,654
Accommodation expenses	2,617	2,679
Corporate service expenses	2,211	2,302
Loss on disposal of non-current assets	-	3
Total expenses before payments to Consolidated Account	23,309	23,434
Fees paid to Consolidated Account	19,612	18,629
Surplus Common Account Interest paid to Consolidated Account	4,526	4,530
Other expenses and reserves paid to Consolidated Account	336	-
Total cost of services	47,783	46,593
INCOME		
Fees raised from Estates and Trusts	17,810	17,252
Public Trustee 6% fee from Common Account	702	760
Management fee from Strategic Common Account	1,100	1,095
Receipts from Common Account Surplus Interest	4,862	4,530
Interest revenue	984	1,002
Other revenue	25	42
Total Income other than income from State Government	25,483	24,681
Net Cost of Service before Income from State Government	22,300	21,912
INCOME FROM STATE GOVERNMENT		
Recoups and other revenue from the Department of the Attorney General	155	10
Corporate revenue from the Department of the Attorney General	448	-
Resources received free of charge from Department of Attorney General	22,406	23,159
Total income from State Government	23,009	23,169
SURPLUS FOR THE PERIOD	709	1,257
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	709	1,257

Financial Statements

**ESTIMATES 2018
PUBLIC TRUSTEE
STATEMENT OF FINANCIAL POSITION
As at 30 June 2018**

	ESTIMATES 2018 \$000	ACTUAL 2017 \$000
ASSETS		
Current Assets		
Cash and cash equivalents	28,767	28,317
Receivables	-	19
Total Current Assets	<u>28,767</u>	<u>28,336</u>
TOTAL ASSETS	<u>28,767</u>	<u>28,336</u>
LIABILITIES		
Current Liabilities		
Fees Payable to Consolidated Account	200	920
Payables	160	163
Total Current Liabilities	<u>360</u>	<u>1,083</u>
TOTAL LIABILITIES	<u>360</u>	<u>1,083</u>
NET ASSETS	<u>28,407</u>	<u>27,253</u>
EQUITY		
Indemnity reserve	4,347	4,115
Business Development reserve	15,802	14,937
Accumulated surplus	8,258	8,201
TOTAL EQUITY	<u><u>28,407</u></u>	<u><u>27,253</u></u>

KEY PERFORMANCE INDICATOR INFORMATION

CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

I hereby certify that the 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 2017.

Sean Conlin

BBus, Grad Dip Acct, CA

Acting Accountable Authority

6 September 2017

Key Performance Indicators

Public Trustee 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 agency level by more specific agency level desired outcomes. Agencies deliver services to achieve these desired outcomes that ultimately contribute to meeting the higher level Government goals. The following table illustrates the relationship between the Department of the Attorney General's (DotAG) desired outcomes, Public Trustee's services delivered and the Government's goals.

Government Goals	DotAG Desired Outcome	Public Trustee Services
Results-based service delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	Trustee services are accessible to all Western Australians.	Administer estates of people who die with or without a will (estate administration) Manage the financial affairs of people who are unable or unwilling to manage their financial affairs (trust management) Prepare wills and powers of attorney 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, in accordance with 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 reports.

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.

Key Performance Indicators

Effectiveness Indicators

1.1 Extent to which trustee services meet the needs of clients

This indicator measures client satisfaction with the quality of trustee services provided. Catalyse Research and Strategy consultants were engaged to conduct a telephone survey. Clients to be surveyed were identified through the Public Trustee's Client Database. The sample frame was defined as clients who:

- were aged over 18 and able to make meaningful comments;
- had an active account during the 2016 calendar year; and
- had telephone and mail contact details available.

Based on the above definition, a random sample of clients was generated and selected, representing a cross-section of clients who use trustee services. A sample of 402 responses, with a 72% participation rate, represented the total population of approximately 14,000 clients serviced during the year. The survey was done with sampling precision +/- 5% at the 95% confidence interval.

There have been no changes in the target since previous year.

	2013-14	2014-15	2015-16	2016-17	Target
Extent to which trust management services meet the needs of customers	80%	79%	77%	75%	85%

Significant variations are those greater than 10%. There is no significant variation with previous year's result. The KPI has been declining in the past four years and is 10% below target due to Public Trustee's reduced capacity to service increasing demand for services and increasing complexity and compliance issues in trust and estate administration.

1.2 The 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.

	2013-14	2014-15	2015-16	2016-17	Target
Percentage of Western Australian deceased estates administered by the Public Trustee	5.1%	4.7%	4.1%	4.3%	6.5%
Number of adult deaths in WA	13,446	13,842	14,353	14,742	NA
Number of new deceased estates administered	683	650	590	627	NA

The percentage of deceased estates administered is lower than target due to an increasing number of beneficiaries opting to administer the estate themselves.

1.3 Percentage of estates finalised within 12 months

This indicator, as agreed by the Trustee Corporations Association of Australia as a base indicator of efficiency, provides a measure of success from a client's perspective of the average time taken to administer an estate.

It would be impractical to include all estates closed during the 12 month period as some of the estates may have been under administration for as long as 50 years, as in case of a life interest. Issues such as life interests, taxation, family disputes and testator family maintenance actions contribute to the time taken to close an estate, which are outside the Public Trustee's control.

Key Performance Indicators

The average time taken to complete an estate, if completed within twelve months, was 7.1 months, based on the date of final completion.

The targets have not significantly changed since previous year.

	2013-14	2014-15	2015-16	2016-17	Target
Percent of estates finalised within 12 months of being reported					
Within 12 months	57%	59%	58%	55%	64%
Within 9 months	43%	44%	43%	39%	50%
Within 6 months	23%	24%	25%	21%	30%

There is no significant variation with previous year's result. The lower result compared to target is due to increased complexity and compliance issues in administration of deceased estates, sluggish property sales, delay in tax assessments and grants of probates, and an increasing number of *Family Provision Act 1972* claims since the target was last achieved in 2007.

1.4 The percentage of clients who have services provided by the Public Trustee under operating subsidy rebate (OS)

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.

	2013-14	2014-15	2015-16	2016-17	Target
The percentage of clients who have services provided by the Public Trustee under OS	49%	51%	53%	54%	35%
Number of OS files managed	2,873	3,062	3,347	3,504	NA

There is no significant variation with previous year's result. The higher than target result is due to an increasing number of appointments from the State Administrative Tribunal, where the Public Trustee provides services at a subsidised cost to vulnerable persons.

Efficiency Indicators

1.5 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 been changed from prior year due to changes in expenditure budget and CPI increase.

	2013-14	2014-15	2015-16	2016-17	Target
Cost per trust managed	\$1,983	\$1,919	\$1,870	\$1,812	\$1,796
Number of trusts managed	5,803	5,955	6,286	6,520	6,030

There is no significant variation with the target and prior year results.

Key Performance Indicators

1.6 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 year.

	2013-14	2014-15	2015-16	2016-17	Target
Cost per deceased estate administered	\$2,898	\$2,914	\$2,664	\$2,639	\$2,523
Number of deceased estates administered	3,099	3,118	3,148	3,257	3,200

There is no significant variation with the target and prior year results.

1.7 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 target for this indicator has not significantly changed from prior year.

	2013-14	2014-15	2015-16	2016-17	Target
Cost per Will prepared	\$825	\$751	\$797	\$655	\$731
Number of Wills prepared	2,612	2,951	2,656	2,456	3,000

The lower than target and previous years cost per will prepared is due to restructure of the will section where lawyers are replaced by more junior lawyers.

Common Account Indicators

Effectiveness Indicators

Of critical importance to potential customers is the rate of interest paid on their funds. Public Trustee clients expect a reasonable return on their funds, the effectiveness of the Public Trustee in achieving these objectives can be measured by a comparison of Public Trustee rates with those offered by other investment institutions.

1.8(a) Common Account Earning Rate

The returns paid by the Public Trustee's Common Account to clients after deducting expenses, and those paid by comparable "at call" investment institutions are as follows:

As at 30 June	Public Trustee Deceased Estates* %	Public Trustee Other Trusts* %	Public Trustee Investment Agencies* %	Bank Cash Management Accounts (\$10,000)** %
2014	1.25	1.75, 2.50 & 3.00	1.75, 2.50 & 3.00	1.25
2015	0.75	1.25, 2.00 & 2.50	1.25, 2.00 & 2.50	0.70
2016	0.50	1.00, 1.75 & 2.25	1.00, 1.75 & 2.25	0.55
2017	0.25	0.75, 1.50 & 2.00	0.75, 1.50 & 2.00	0.45

*Rates effective as at 30 June

**As published on the Reserve Bank of Australia Website.

All funds invested in the Public Trustee's Common Account are "at call".

Client earning rates from the Common Account are based on market interest rates and Reserve Bank of Australia (RBA) rates. The reduction in 2017 is due to a decline in interest rates on the money market and RBA rates.

Key Performance Indicators

1.8(b) Public Trustee's Common Account Performance versus WA State Treasury and CMT Benchmark Earning Rates (On a net basis).

In order to generate sufficient income to enable an attractive rate of interest to be paid to clients, all monies deposited to the Common Account are invested in the open market. The principal aim of the service is to achieve an attractive earning rate that maximises the investment potential of the fund within acceptable prudential levels.

A comparison of the performance with WA State Treasury's earning rate on the Public Bank Account and the earning rate of three leading cash management trusts (CMT) is as follows:

	2014	2015	2016	2017
	%	%	%	%
Treasury Earning Rate	2.80	2.70	2.26	1.96%
CMT Benchmark Rate	2.53	2.37	1.97	1.52%
Public Trustee Common Account ^(*)	4.49	4.37	4.15	3.87%

^(*) excludes capital growth/loss.

In the twelve months to 30 June 2017, the Public Trustee Common Account achieved a net return of 3.87% (2016: 4.15%) on the investment of the funds comprising the Common Account. Average funds under management for the year to 30 June totalled \$328 million (2016: \$321 million).

Efficiency Indicators

1.8(c) Common Account Investment Cost per Dollar Invested

The Public Trustee is responsible for the management and investment of the funds that comprise the Common Account, as well as funds invested in the financial market. At 30 June 2017, the total average value of the Common Account for the year was \$328 million (2016: \$321 million), with a further \$226 million (2016: \$218 million) invested in the financial market in the Strategic Common Accounts and \$54 million (2016: \$45 million) in equities and managed funds on behalf of clients.

	2013-14	2014-15	2015-16	2016-17
Cost of managing funds*	\$520,324	\$535,199	\$548,576	\$558,272
Percentage of funds under management.	0.04%	0.09%	0.09%	0.09%

* Costs include expenses incurred by all officers involved in the management of the fund including on-costs such as rent and electricity as well as superannuation and payroll tax. On-costs are charged at 66% of direct salary).

The cost of managing funds as a percentage of funds under management has increased since 2013-14 due to a decrease in the average value of funds under management following the completion of the administration of the Bell Group trust worth \$838 million in June 2014.

DISCLOSURES & LEGAL COMPLIANCE

Ministerial Directions

No Ministerial directives were received during 2016/17.

Other Financial Disclosures

Pricing policies of services

Under Treasurer's Instruction 903 section 13(i), the Public Trustee is required to advise of the policies underlying the pricing of its goods and services.

The pricing policy adopted by the Public Trustee in setting fees and charges is contained in legislation under the *Public Trustee Act 1941* and the Current Agreement.

Fees and charges are reviewed annually in the second quarter and proposed changes for the coming financial year are contained in the Current Agreement between the Public Trustee and the Attorney General to be signed in June of each year.

The Public Trustee can waive fees (either in whole or part) that were incurred under the scales of fees that have operated since 1 July 2008. Any fees incurred under earlier scales require the consent of the Attorney General to be waived.

Cabinet approved a CPI increase to the Public Trustee's fees for the 2016/17 year.

The list of fees and charges was published in the Gazette on 22 June 2016 and introduced from 1 July 2016. Details are available on the Public Trustee's website at www.publictrustee.wa.gov.au

Capital Works

There were no new capital projects during the year.

Employment and Industrial Relations

The current full time equivalent (FTE) level in the Public Trustee is 153, compared with 145.4 in 2015/16 and represents an increase of 5.2%.

Staff profile (FTE)	2015/16	2016/17
Full-time permanent	129	133
Full-time contract	9	10
Part-time measured on an FTE basis	7.4	9
On secondment	0	1
Staff FTE	145.4	153

Summary of Current Agreement 2016/17

In compliance with section 6B of the *Public Trustee Act 1941*, the following is a summary of the agreement between the Attorney General and the Public Trustee from 1 July 2016 to 30 June 2017.

Scale of Fees

The Public Trustee charges fees for its services which are subject to various limits and qualifications. These fees are determined by a Scale of Fees that commences on 1 July of each year. Unless otherwise specified, the Public Trustee cannot increase fees by more than 2.6 percent.

Consolidated Account

If the total fees collected:

- do not exceed the "Public Trustee Contribution – Estate Fees and Other Revenue" as determined in the 2016/17 Budget Statements, then all of those fees shall be paid to the Consolidated Account;
- exceed the "Public Trustee Contribution – Estate Fees and Other Revenue" as determined in the 2016/17 Budget Statements, then a minimum of the "Public Trustee Contribution – Estate Fees and Other Revenue" as determined in the 2016/17 Budget Statements shall be paid to the Consolidated Account.

The Department of the Attorney General 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 pursuant to section 44A of the *Public Trustee Act 1941*.

Indemnity Reserve

The Public Trustee may credit any or all retained earnings from its account entitled "Retained Earnings" to this Reserve.

The Public Trustee may 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 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.

The Public Trustee may also apply moneys from the Indemnity Reserve to pay:

- costs and disbursements that it is not possible and/or suitable for the estate of a person whom the Public Trustee represents to pay; and/or
- costs and disbursements of advice or representation required by the Public Trustee in its corporate capacity.

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 2016/17 Budget Statements from this Reserve to the Consolidated Account.

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:

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

Strategic Common Accounts

The Public Trustee shall operate the following Public Trustee Investment Funds:

- Cash strategic investment account;
- Conservative strategic investment account;
- Growth strategic investment account; and
- Growth Plus strategic investment account.

The Public Trustee may establish and operate a Moderate strategic investment account.

Interest Rates

The Public Trustee shall fix interest rates payable to estates pursuant to section 39A(5) of the *Public Trustee Act 1941*. The Public Trustee must inform the Minister of any changes in interest rates within 14 days and publish these in the *Government Gazette*.

The Public Trustee must obtain prior approval from the Minister before making any changes to interest rates under section 44 of the *Public Trustee Act 1941*.

Governance Disclosures

Contracts with Senior Officers

At the date of reporting, no Senior Officers, or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests, had any interests in existing or proposed contracts with the Public Trustee other than normal contracts of employment of service,

Unauthorised Use of Credit Cards

There were no instances of a Government Purchasing Card being used by an employee for a personal purpose; and no instances of unauthorised use of these cards.

Board and Committee Remuneration

The Public Trustee is a body corporate and is responsible for the administration of the Public Trustee, in accordance with section 4 of the *Public Trustee Act 1941*.

A management team, comprising the Public Trustee, Directors of Trustee Services, Business Development & Marketing, Business Services and Corporate Support, the Principal Legal Officer and the Executive Officer, make up the Corporate Executive of the Public Trustee. This team 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 (CorpEx) committee that meets fortnightly.

The role of each committee is to advise and make recommendations to the CorpEx on areas covered in its terms of reference.

Remuneration was received by one member of the Investment Committee.

Investment Committee

Members include the Public Trustee, Directors of Trustee Services, Business Services and Corporate Support, an independent external Member and the Manager Financial Investments who provide guidance and direction, and review the Public Trustee Investment Funds.

Risk and Audit Committee

Members include the Corporate Executive, DotAG's Management Assurance, Office of the Auditor General's representative and an independent member with risk management experience. The Committee oversee compliance, statutory responsibilities and internal accounting controls, and review internal audits and the internal audit plan.

Interest Rate Committee

Members include the Public Trustee, Directors of Trustee Services, Business Services and Corporate Support, and the Manager Financial Investments who set interest rates for the Common Account and review its performance.

Tenders Committee

Members include the Public Trustee, Director Corporate Support and a representative from DotAG's Contract & Procurement Services Branch. The Committee recommends the awarding of contracts where the cost of purchasing services is paid from funds held on behalf of Public Trustee clients and oversees the due diligence of all contracts.

Occupational Health & Safety Committee

Members include staff representatives from all floors, Manager Human Resources and the Director Corporate Support who promote a safe and healthy working environment and provide advice and support on any areas of concern.

Other Legal Requirements

Advertising

In compliance with section 175ZE 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 \$55,002 incurred in the following areas:

		\$
Advertising agencies	Orange Design	2,464
Market research	Catalyse Pty Ltd	30,250
Media advertising	Adcorp	2,025
	White Pages	12,852
	State Law Publisher	3,383
	DPS Publishing	4,028
	TOTAL	55,002

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

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, notice boards and references in relevant policies and procedures.

Compliance with Public Sector Code of Conduct

No report of non-compliance with the Code of Conduct was found.

Public Trust staff adhere to DotAG's Code of Conduct which can be accessed through its intranet.

Every two years, all staff are required to attend WorkSafe WA's refresher workshop on Conflict and Stress in the Workplace to reinforce the need to create a workplace that fosters mutual respect and is intolerant of any form of harassment that creates a risk to health and safety.

Sean Conlin B Bus Grad Dip Acct, CA

ACTING PUBLIC TRUSTEE
Accountable Authority
6 September 2017

Disability Access and Inclusion Plan Outcomes

In compliance with section 29 of the *Disability Services Act 1993*, the Public Trustee recognises its responsibilities under DotAG's Disability Access and Inclusion Plan 2013-18 by ensuring clients with physical, intellectual, sensory or cognitive disabilities, their families and carers are provided with professional and appropriate services.

Outcome 1:

People with disabilities have the same opportunities as others to access the services and any events organised by us.

The Public Trustee offers a mobile Wills service to clients who are severely disabled or infirm and may need to have their Will prepared at their home, a care facility or hospital. Wills staff visited 81 clients living within a 30km radius of the CBD.

Trust managers meet their clients at home or other appropriate locations and all events organised by the Public Trustee were accessible to people with disabilities.

Wills Week Community Awareness seminars were organised with the accessibility needs of the attendees considered.

Outcome 2:

People with disabilities have the same opportunities as other people to access our building and facilities.

The Public Trustee building at 553 Hay St has access standards greater than required under legislation to assist the specific needs of clients. It has purpose-built customer service facilities on the ground floor for clients, and holds large group public seminars on the 1st floor.

All external events organised by us used wheelchair-friendly venues and an audio loop for presentations.

Outcome 3:

People with disabilities receive information in a format that will enable them to access the information as readily as other people are able to access it.

The Public Trustee provides access to Auslan interpreters and brochures and publications include large fonts and alternative versions. The Public Trustee's website includes large print viewing.

Outcome 4:

People with disabilities receive the same level and quality of service from the staff as other people receive.

Most of the Public Trustee's Trust Management clients live with some type of disability or impairment, whether aged, infirm, or living with mental illness or impaired cognitive skills.

Staff receive training to help them effectively service clients with disabilities.

Outcome 5:

People with disabilities have the same opportunities as other people to make complaints.

All clients can access DotAG's Customer Feedback Management System to make complaints via a selection of feedback options.

Outcome 6:

People with disabilities have the same opportunities as other people to participate in any public consultation.

The Public Trustee welcomes feedback from people with disabilities and includes disability support organisations in its stakeholder engagement program.

Recruitment, Selection and Appointment Standard

11 permanent and fixed-term vacancies of more than 6 months were advertised from across all business areas, including 5 appointment pools, which were covered by the Recruitment, Selection and Appointment Standard, and attracted a total of 187 applicants.

	2015/16	2016/17
Advertised vacancies	4	11
Appointment Pools	4/209	5/187

The Public Trustee's approach of conducting information sessions about the nature of the work for trust and estate managers, as well as holding feedback sessions and providing candidates with individual results, has continued with applicants now gaining a better understanding of the work of the Public Trustee, its client base, the nature of the work undertaken at entry level and promotional positions to ensure a higher level of job satisfaction and employee retention.

Recordkeeping Plans

The Public Trustee uses the DotAG Hewlett Packard Enterprise Records Management (HPERM) system for administrative records.

Under s19 of the [State Records Act 2000](#), the Public Trustee's Recordkeeping Plan (RKP) was approved on 7 December 2012 by the State Records Commission and a submission for a new five-year plan is expected to be submitted by DotAG by 7 December 2017.

The RKP contains the retention and disposal schedule applicable to Public Trustee records and covers client files (seven years), Part A sub-files (20 years) and Wills (99 years).

The Public Trustee has complied with the State Records Commission's compliance requirements. Destruction of some records was delayed whilst seeking advice regarding their potential use.

The Public Trustee's induction program includes employee roles and responsibilities for complying with the RKP.

Government Policy Requirements

Substantive Equality

The Public Trustee follows the DotAG Policy Framework for Substantive Equality.

All Public Trustee policy and procedure review pays specific attention to ensure they promote sensitivity to the different needs of client groups and eliminate systemic racial discrimination.

Freedom of Information Requests

One valid application was received in 2016/17.

Customer Feedback

The Public Trustee has an accessible, fair and equitable complaints management system that conforms to the principles of the Australian Standard on Complaints Handling (AS ISO 10002-2006).

Clients, their families, their advocates or support agencies, and members of the public can voice their concerns in person, on the phone, in writing by email or letter, or online via the Public Trustee's website. More than 60% of complaints are resolved within 48 hours through our complaint early resolution process.

The complaints figures below represent those that could not be resolved early and were logged in the Customer Feedback Management System and responded to within ten business days.

Customer Feedback	2015/16	2016/17
Complaints	60	75
Compliments	21	11
Suggestions	6	1

Where complaints remain unresolved at the agency level, the complainant is referred to the Ombudsman.

Government Building Contracts

At the balance date, no contracts subject to the Government Building Training Policy had been awarded.

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 occupational safety and health and injury management and appoints trained staff to an Occupational Safety and Health Committee that meets at least quarterly to ensure compliance, and contribute to policy, procedures and training.

Committee representatives:

- conduct monthly safety audits and report on and resolve issues where the safety and health of employees may be at risk; and
- support the continuation of employer-funded programs such as the Wellness and flu vaccination programs.

Measure	Actual Results ³		Results against Target	
	2015/16	2016/17	Target	Comment
Number of fatalities	0	0	0	0
Lost time injury and/or disease incidence rate	0.58%	0.67%	0 or 10% reduction	Increase of 0.09%
Lost time injury/disease severity rate	.006%	0%	0 or 10% reduction	Target achieved
Percentage of injured workers returned to work:				
(i) within 13 weeks	100%	0%	>80%	Target not achieved
(ii) within 26 weeks	80%	N/A	>80%	
Percentage of managers trained in OHS and injury management responsibilities	94%	87%	>80%	Target achieved

³ Three year trend