



Government of **Western Australia**  
Department of **Justice**



**Public Trustee**

# Public Trustee Annual Report 2019/20



# STATEMENT OF COMPLIANCE

For the year ended 30 June 2020

**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 reporting period ended 30 June 2020.

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



**Brian Roche** BBus, MMgt  
Public Trustee  
4 September 2020



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# Public Trustee

## Fast Facts (as at 30 June 2020)



Achieved  
**SELF-FUNDING**



Continued to manage the affairs of  
**6,542 TRUST CLIENTS**



Wrote **2,033 WILLS**



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



Acquired **1,084 NEW TRUST CLIENTS**  
(including 770 referred by the State  
Administrative Tribunal)



Employed **170.4 STAFF**  
(59% Female, 41% Male)



Managed assets valued at  
**\$1.22 BILLION**



Submitted **459 PROBATE**  
applications



Achieved **78%** client  
satisfaction



Celebrated  
**79 YEARS** of service



Examined **2,203 ACCOUNTS** for Private  
Administrators of SAT orders



Stored **124,108** Wills safely in  
the WA Will Bank



The Public Trustee  
held 34 **SEMINARS** across  
WA, reaching approximately  
2,897 people



Identified **88 CASES**  
of alleged elder abuse



Increased charitable endowments  
through bequests & donations to  
Give2Good Foundation

## OVERVIEW

### Executive Summary

The Public Trustee offers a range of will, deceased estate administration and trustee services for all Western Australians. The statutory authority manages net assets of around \$1.2 billion and is responsible for managing the legal and financial affairs of many vulnerable people in our community, as well as examining the accounts of private administrators. The Public Trustee is also custodian of the WA Will Bank, Give2Good Foundation and WA Will Week.

After a strong and productive end to 2019, the COVID-19 pandemic significantly affected vulnerable Western Australians and the broader WA community. Working closely with the DoJ COVID-19 Response Team, the Public Trustee quickly and successfully implemented a COVID-19-specific business continuity plan, which included uninterrupted delivery of all essential services, postponement of non-critical services and events, transition to and from work from home arrangements, effective internal and external communications, and flexible strategies to support the well-being of clients and staff through the crisis. By the close of the financial year, Public Trustee had returned to 'business as usual', with infection control measures in place and a clear understanding of how it will respond to any future potential disruption.

Despite the COVID-19 and fiscal challenges during the 2019/20 financial year, the Public Trustee continued to achieve self-funding. While the Public Trustee's common account and investment funds performed satisfactorily against comparable benchmarks, COVID-19 restrictions, continuing low interest rates, volatile property and share markets, rising unemployment and mixed fortunes in eligibility for government financial support all negatively affected revenue, costs and client returns.

At the close of the financial year, the Public Trustee managed trusts for 6,452 clients. There was continued growth in demand for financial administration services with 1,084

new trust clients, the majority referred by the State Administrative Tribunal.

The Public Trustee provided subsidised services at nominal cost for many trust clients as part of its community service obligation, ensuring all clients have access to trustee services, regardless of their ability to pay.

The Private Administrator Support team conducted 2,203 account examinations, where total assets exceeded \$3,783 million. As at 30 June 2020, the total number of private administrator clients increased to 2,667 clients.

The increase in financial administration appointments is attributed to the rising number of people whose decision-making capabilities are adversely affected by conditions such as dementia, intellectual disability, mental illness, acquired brain injury or substance abuse, which can leave them vulnerable to neglect, abuse or exploitation.

The Public Trustee plays an important role in protecting vulnerable Western Australians accepting 88 new referrals alleging financial elder abuse. The Public Trustee actively represents vulnerable Western Australians on the Australian Guardianship and Administration Council and Alliance for the Prevention of Elder Abuse.

Independent client satisfaction research found 78% of clients agreed that the "Public Trustee is meeting their needs well" and 91% of staff rated the Public Trustee positively as a place to work.

Significant effort was invested in business transformation projects, which delivered benefits and efficiencies for both clients and staff. Business development reserve funds were approved to make corresponding upgrades to technology supporting digitisation and automation objectives.

I thank staff for their efforts and professionalism performing difficult roles under difficult circumstances over the past financial year. I also thank Director General, Dr Adam Tomison, for his leadership and his Department's continued support.

**Brian Roche** Public Trustee

## 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 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 coordinating transformational changes within the office, such as the PT2020 initiative. The business development team also explores new product and service development to generate revenue and increase funds under management, including initiatives such as the WA Will Bank and Give2Good Foundation.

#### Marketing & Communications

Marketing staff are responsible for market research, public education, advertising and promotion, media, social media, website, publications, events and awareness raising and engagement with the public, clients and stakeholders.

## 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 and digitisation and distribution of mail. 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.

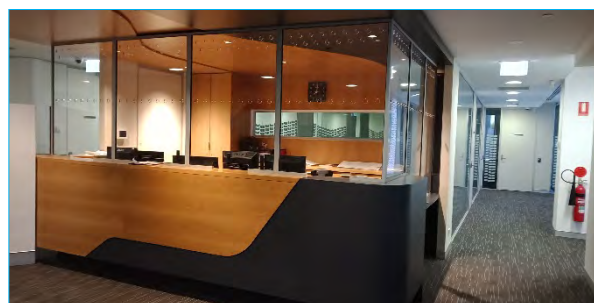
### Human Resources

Human Resources provide 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](#).



*The new look Public Trustee Trust 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 Justice (DoJ).

## 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 CLIENT-FOCUSSED SERVICE

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

### 2 INTEGRITY AND ACCOUNTABILITY

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

### 5 PROFESSIONAL AUTONOMY

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

### 4 COLLABORATION AND LEARNING

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

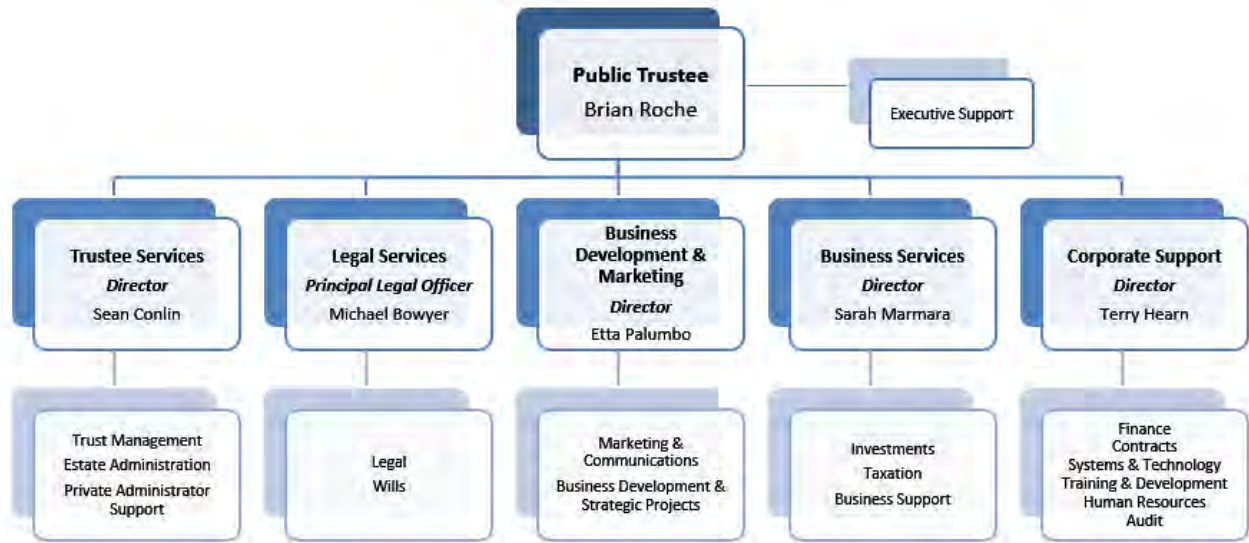
### 3 EQUITY AND FAIRNESS

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





## Organisational Structure



## Corporate Executive Committee Profiles



*Brian Roche*



*Sean Conlin*



*Michael Bowyer*

**Public Trustee, Brian Roche** is the Public Trustee of Western Australia. Brian has extensive senior management experience in the private and public sectors. Prior to his appointment as the Public Trustee he was a senior executive at the Department of Treasury. Brian was a past recipient of a prestigious Churchill Fellowship by the Winston Churchill Memorial Trust. Brian is currently a non-executive director of the Brightwater Care Group and was previously a non-executive director of the Art Gallery of Western Australia.

**Director Trustee Services, Sean Conlin** has 21 years public sector management experience, and 17 years financial services accounting and management experience in the private sector.

**Principal Legal Officer, Michael Bowyer** has 28 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** has 20 years professional services marketing experience and 28 years research, strategic planning, organisational development and communications experience in the public and private sectors. Etta is the Chairman of the Board for Swancare Group.

**Director Corporate Support, Terry Hearn** has substantial financial and management accounting experience in both the public and private sectors. He is a career public servant having accumulated 35 years in public sector management of which 25 years experience has been gained at the Public Trustee.

**Director Business Services, Sarah Marmara** has 28 years management, financial services and accounting experience in both the public and private sectors. This includes 17 years public sector management and accounting experience.



*Public Trustee staff briefing, December 2019*

## 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 Misconduct Act 2003](#)
- [Criminal Property Confiscation Act 2000](#)
- [Equal Opportunity Act 1984](#)
- [Financial Management Act 2006](#)
- [Freedom of Information Act 1992](#)
- [Guardianship and Administration Act 1990](#)
- [Family Provision Act 1972](#)
- [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 \(Goods and Services Tax\) 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

**Sustainable Finances:** responsible financial management and better service delivery

Desired outcome	Services	Indicators
Achieve earning rate that maximises 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

**Strong communities:** safe communities and supported families, with 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 Percentage of estates finalised within 12 months 1.5 Cost per trust managed 1.6 Cost per deceased estate administered 1.7 Cost per Will prepared
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 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 2019/20.

## Shared Responsibilities with Other Agencies

The Public Trustee did not share any responsibilities with other agencies in 2019/20. It does, however, work collaboratively with a wide range of Commonwealth and State Government agencies to ensure accessible, effective and timely delivery of trustee and legal services to its clients, namely the elderly and 'at risk' Western Australians.

## Inter-agency Partnerships

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

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.



*Members of the public celebrating WA Will Week in Coogee*

## AGENCY PERFORMANCE

### Report on Operations

#### Trustee Services

Demand for core services continued the increasing trend.

	2018/19	2019/20
New trusts	1,003	1,084
New court trusts	175	159
Total trusts	6,239	6,452

	2018/19	2019/20
New SAT orders	770	888
Total SAT clients	4,398	4,701
SAT reviews	858	1,358

	2018/19	2019/20
Probate applications	469	459

	2018/19	2019/20
Account examinations	1,158	2,203

New investigations alleging elder abuse (aged 65 or older)	2018/19	2019/20
Trust Management Clients	75	82
Private Administrator Support Clients	3	6
TOTAL	78	88



*Director Sean Conlin with Graduate Officers*

#### Trust Management

The total number of trusts on hand increased to 6,452, an increase of 3% over the previous year.

The total number of new clients, including appointments by the State Administrative Tribunal (SAT), was 1,084, 8.1% more than the previous year. SAT referred 888 new cases to the Public Trustee, a 15% increase over last year's figure of 770.

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

The number of new court trusts for the year from the District Court and the Assessor of Criminal Injuries Compensation decreased to 159, down from 175 received in the previous year. The size of these trusts varies from thousands of dollars to millions of dollars.

SAT also reviewed 1,358 administration orders for which the Public Trustee was the appointed administrator.

#### Estate Management

The number of applications to the probate division of the Supreme Court made by the Public Trustee decreased to 459, compared to 469 for the previous year.

#### Private Administrator Support (PAS)

PAS conducted 2,203 account examinations where total assets exceeded \$3,783 million.

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

# Agency Performance

## Legal Services

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

Matters	2018/19	2019/20
New	351	364
Finalised	309	334
On hand	741	821

	2018/19	2019/20
Wills	2,668	2,033

### General Legal

As at 30 June 2020, the Legal directorate had 821 legal matters on hand (not including Wills, estate distributions, standard probate and conveyancing applications and various other routine and minor matters).

It received 364 new matters and finalised 334 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 2019/20, 2,033 Wills were finalised.

Up to March 2020, the majority of Wills were drafted and executed at the end of each 1.5-2 hour Will consultation. As a result of the COVID-19 pandemic, the Public Trustee put in place alternative arrangements, so that most Wills clients could have appointments by telephone.

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



*Director Business Development & Marketing Etta Palumbo presenting in Busselton*

## Business Development & Marketing

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

### Marketing & Communications

Business development and marketing initiatives continued to focus on information sharing and elder abuse awareness in 2019/20.

Public Education	2018/19	2019/20
Public Seminars	60	34
Seminar Attendees	4,364	2,897

Planned Public Trustee's marketing and communications activities were hampered by COVID-19, with restrictions necessitating the cancellation of our Elder Abuse Forum, Law Week events, several local talks and regional events in the North Coast. Despite the restrictions, the Public Trustee:

- Ran an online campaign to increase awareness of financial elder abuse.
- Continued to provide information sessions to community groups, professional service providers and government agencies relating to the role of the Public Trustee, Financial Administration and Elder Abuse
- Ran events for Give2Good Week, WA Will Week, Carers Week, and Senior's Week providing community education about wills, estate planning, financial administration and elder abuse.
- 6 major speaking events, 5 community group presentations, 6 GESB talks and 3 PAS Training Sessions attracting approximately 2,897 attendees (regional and metropolitan), a decrease of 33% from 2018/19.

**Client Satisfaction Research** revealed that 78% of clients felt the Public Trustee was meeting their needs well (6+ out of 10).

WA Will Bank	2018/19	2019/20
Deposits	1,686	851

### WA Will Bank

The Public Trustee's free Will storage service maintains its value, with 851 Wills deposited in 2019/20. COVID-19 Restrictions halted in-person deposits of Wills from March-July, which likely accounts for the lower number of Will deposits.

124,108 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.

### People First 2020-2023

The Public Trustee's strategic focus for 2020 to 2023 will be 'People First'. The Public Trustee will be focussing on delivering services that enhance the lives of its clients. In order to achieve this, the Public Trustee will be undertaking research and data analysis to ensure our services meet modern day client needs and maximise their quality of life with the resources available to them. The Public Trustee is also committed to the success and wellbeing of our staff. This has never been more important in the wake of COVID-19, where staff were able to continue servicing the needs of our clients under highly restrictive circumstances. During COVID-19, the Public Trustee identified further enhancements to technology, service standards and policies and procedures.



## Give2Good Foundation

The Public Trustee's Give2Good Foundation is a charitable community foundation allowing donors and testators to leave a lasting legacy within their local community via donations and bequests to the Foundation's Charitable and Public Ancillary Funds. Funds are pooled and invested to generate returns, which are passed on as ongoing income supporting donor directed charities and causes for generations to come.

Community foundations take a significant time to establish. However, after a five year period of corpus building, Give2Good made the first series of distributions to the following charities.

Charity	2019/20
National Heart Foundation of Australia	\$1,050
Salvation Army	\$800
The Smith Family	\$500
Epilepsy Association of Western Australia Inc.	\$500
Police and Citizens Youth Centres	\$134

# Agency Performance

## Business Services

Business Services delivers taxation, property, investment and business support services at the Public Trustee.

Funds under management	2018/19 \$'000	2019/20 \$'000
Common Account	322,410	299,205
PTIFs	231,378	232,970
Bank deposits	182,412	166,359
Equities	35,542	41,906
Unit trusts	4,254	4,489
Life policies	1,699	1,463
Real estate	451,920	458,577
Other assets	60,411	75,955
<b>TOTAL</b>	<b>1,290,026</b>	<b>1,280,924</b>

Fund type	30/6/19 \$'000	30/6/20 \$'000
Cash	Nil	Nil
Conservative	38,992	36,624
Growth	180,882	180,967
Growth Plus	3,049	3,939
<b>TOTAL</b>	<b>222,923</b>	<b>221,530</b>

Property Function	2018/19	2019/20
Properties sold	167	215
Value \$'000s	59,761	72,875

Taxation Services	2018/19	2019/20
Client files actioned	1,678	1,918
Income tax returns lodged	1,376	1,398

## Common Account

The Common Account operates as a cash management account with funds available at call. As at 30 June 2020, the Public Trustee managed \$290 million in short term deposits with banks rated A2 to A1+, \$19 million in Cash managed by the Western Australian Treasury Corporation, and a CBD building valued at \$36.2 million.

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

## 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 2019/20 the Investments Team sold 224 properties by Private Treaty and Auction for a total value of \$78 million.

## Taxation Services

The Taxation business area actioned 1,918 client files and lodged 1,398 income tax returns in 2019/20.

# Agency Performance

## Corporate Support

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

	2018/19 \$ million	2019/2020 \$ million
Operational budget	23.9	25.1
Revenue budget	24.6	24.3

Common Account	2018/19 \$ million	2019/20 \$ million
Balance at year end	18	19
Total value of receipts/disbursements	1,665	1,709

## Finance

The Public Trustee had an operational expenditure budget of \$25.1 million and a revenue budget of \$24.3 million, a 5% increase and a 1% decrease respectively from the previous financial year.

The Public Trustee Common Account Bank Account averaged a daily balance of \$18 million.

Continuous improvement initiatives, including automation and digitisation, helped deliver efficiency gains in a range of Finance processes.

## Systems & Technology

The Public Trustee IT section continued to improve MATE functionality working closely with all business areas, focusing on process automation and business improvements. These projects are driven by what was the PT2020 theme, which has now evolved into the People First Project 2020-2023.

The DoJ GovNext ICT transition project has been completed, with all Public Trustee servers being relocated to the GovNext data centres. The IT area used the migration process to conduct clean installation and upgrades of the core business applications, being: MATE, Financial System SUN Infor and Open Practice.

The IT area provided good support in reacting to the COVID-19 pandemic. They assisted to arrange and assist staff members to work from home. Additional hardware was sourced,

forms for the remote access were processed as early as possible and training sessions on how to use the remote access were organised for staff.

IT equipment along with 85 staff members were relocated to work from home in a controlled manner over a three week period. This helped to protect our most vulnerable staff and provided the perfect opportunity to test our Business Continuity readiness and identify and implement improvements to the PT Disaster Recovery process. Overall this was deemed a resounding success and something that has provided valuable learnings and experience.

The introduction of a new CALLN telephony monitoring system was deployed to 120 desk phones as part of a People First initiative to monitor and improve client service response and practices.

In addition, the IT section during the year, managed 7 major and 47 minor MATE system upgrades.

## Contract Management

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

In 2019/20 two contracts were awarded and three contracts were extended. In addition, a number of client service contracts were extended beyond term to facilitate continuity of service provision during the COVID-19 pandemic, particularly where service delivery models were directly impacted. The Public Trustee worked closely with client service contractors, who adapted well to the challenges they faced and were able to continue providing a high standard of service.

Tendering processes for some client service contracts have been delayed, but are expected to be completed during the next six to eight months. No exemptions from competitive requirements have been approved during 2019/20.

## Internal Audit

As the appointed contract internal audit provider, William Buck conducted 4 reviews as part of the 2019/20 Audit Plan. The reviews focussed on Trusts, Wills, Give2Good Foundation and Financial Management.

In addition, the Office of the Auditor General also sought details in relation to the Public Trustee's "purchase cards" as part of a focus audit of selected government agencies.

These reviews identified many areas of strength and highlighted opportunities for both further improvement and improved risk management. A number of findings have resulted in corrective action to address and further strengthen internal controls.

## Achievements

During 2019/20 the Public Trustee achieved the following outcomes:

- Achieved self-funding and growth in investment returns.
- Managed trusts for 6,452 clients, including 1,084 new trust clients.
- Submitted 459 probate applications.
- Examined 2,203 private administrator accounts.
- Stored over 120,000 wills in the WA Will Bank.
- Delivered 34 seminars across Western Australia, reaching more than 2,890 people.
- Put into effect business improvements across the organisation to successfully wind up the PT2020 program, which promoted innovation and forward thinking over several years, and included the regular development and deployment of improvements to the MATE trust management software system.
- Successfully implemented a COVID-19 business continuity plan with limited disruption to client service.

- Total assets under management remained steady at \$1.22 billion.
- Revenues (before income from State Government) \$27.2 million, up 8% against budget and last year.
- Payments to Consolidated Account \$25.2 million, up 3% against budget and up 9% from last year.
- Maintained strong financial performance with operating surplus of \$1.5 million.
- Design and implementation of the Trust Management Business Process Review – automating and monitoring client reviews in a digital environment.
- Completion of the Private Administrator Support team service review.
- Completed the digitization of incoming mail which has resulted in the scanning of 73,500 pieces of incoming mail, including bills.
- Increased commitment to staff training, study and development.
- Completed a process review of Will writing, which resulted in streamlining Wills reception and appointment processes for all clients.
- Completed a cultural survey and introduced initiatives for enhancing staff engagement and internal communications.
- Continued communications with the community to focus on important messages through print, digital and social platforms, including the development of the new Government website.

## Looking Ahead in 2020/21

The Public Trustee will:

- Ensure ongoing efficiencies from Trust Management Business Process Review.
- Implement process changes identified by the Deceased Estates Process Review.
- Implement recommendations made as a result of the Private Administrator Support Service Review.
- Continue to research and invest in innovation and technology developments to take advantage of service improvements, cost savings from digital advances and in preparation for digital disruption affecting business practices.
- Continue to customise software (MATE) to take advantage of the automation implemented as part of Trust Management and Deceased Estate process reviews.

# Agency Performance

## Actual Results versus Budget Targets

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

Financial Targets	Target	Actual	Variation
Total cost of services (expense limit) (\$'000s)	25,090	25,730	640
Total comprehensive income (\$'000s)	541	1,501	960
Approved full-time equivalent staff	175	170	(5)

## 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%	78%	(8%)
1.2 Percentage of Western Australian deceased estates administered by the Public Trustee	4.0%	4.8%	20%
1.3 Percentage of estates finalised within 12 months of being reported	64%	56%	(12%)
1.4 Percentage of clients who have services provided by the Public Trustee under an operating subsidy	50%	63%	26%
1.5 Cost per trust managed	\$1,928	\$1,995	3%
1.6 Cost per deceased estate administered	\$2,574	\$2,372	(8%)
1.7 Cost per Will prepared	\$616	\$829	35%
1.8 (a) Return from Common Account for clients	n/a	0.25%- 0.75%	n/a
1.8 (b) Common Account earning rate	n/a	2.21%	n/a
1.8 (c) Common Account investment cost/\$ invested	n/a	0.09%	n/a

# Our People

## 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

PeopleSense provided three employees and/or their immediate families with professional counselling.

### Staff Development

The Public Trustee continues to support to the personal and professional development of staff. Employees received over 756 days of in-house and 27 days of externally provided training.

Technical sessions based on Trust or Estate Manager business roles within the Public Trustee remain a priority within the People First strategy, which focusses on delivering exceptional customer service outcomes to our clients. A key emphasis this year has been on further developing technical skills and creating further in-house modules that complement the face to face sessions. Movement towards online training has been prioritised to ensure that staff are still able to upskill, particularly during the period where many were required to work from home.

The Training and Development Team continues to work collaboratively across all departments, including external agencies, to provide induction and ongoing development training in support of all staff skills development in line with Employee Development System reporting.

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

Training (hours)	2018/19	2019/20
External	122	207
Internal	4,554	5,673
Total	4,676	5,880

### Wellness program

The Wellness Committee continues to coordinate the Wellness Program including exercise classes and health consultations. A Request for Quotes was initiated and has subsequently been finalised this year to ensure that the Public Trustee had value for money when engaging providers to deliver this value staff program.

### 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

Staff by gender	2018/19		2019/20	
	M	F	M	F
Professional	10	13.5	10.6	13.4
Clerical	57.6	83.9	58.5	87.9
Total	67.6	97.4	69.1	101.3

Workforce profile	2018/19	2019/20
Business Development	3	4.6
Business Services	20.4	20.8
Executive/ Administration	2	2
Corporate Support	14.4	14.4
Legal	25.5	24.98
Trustee Services	99.7	103.6
Total	165	170.4

## DISCLOSURES & LEGAL COMPLIANCE

### Financial Statements

#### Certification of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2020

The accompanying financial statements of the Public Trustee have been prepared in compliance with the provisions of the [Financial Management Act 2006](#) from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2020 and the financial position as at 30 June 2020.

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  
4 September 2020



**Brian Roche BBus, MMgt**  
PUBLIC TRUSTEE  
Accountable Authority  
4 September 2020



# Disclosures & Legal Compliance

## Statement Of Comprehensive Income

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>COST OF SERVICES EXPENSES</b>			
Write-offs and expected credit losses	3	535,003	298,952
Employee benefits expense	4	17,650,148	16,423,230
Depreciation	4	2,471,170	768,616
Finance costs	4	44,103	-
Administration expenses	4	2,497,561	2,385,380
Accommodation expenses	4	896,482	2,703,221
Corporate service expenses	4	2,171,086	1,986,560
<b>Total expenses before payments to Consolidated Account</b>		<b>26,265,553</b>	<b>24,565,959</b>
Fees paid to Consolidated Account	5	21,603,764	20,122,000
Surplus Common Account interest paid to Consolidated Account	6	3,579,000	3,058,271
<b>Total cost of services</b>		<b>51,448,317</b>	<b>47,746,230</b>
<b>INCOME</b>			
Fees and charges	7(a)	21,235,789	18,365,908
Fee from Common Account	7(a)	481,022	718,880
Management fee from Strategic Common Accounts	7(a)	1,141,095	1,103,425
Surplus interest from Common Account	7(a)	3,579,000	3,998,000
Interest revenue	7(e)	708,166	1,022,844
Other revenue		58,068	45,927
<b>Total income other than income from State Government</b>		<b>27,203,140</b>	<b>25,254,984</b>
<b>NET COST OF SERVICES</b>		<b>24,245,177</b>	<b>22,491,246</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Recoups and other revenue from Department of Justice	4	8,753	38,400
Services received from Department of Justice	4	25,737,089	24,228,607
<b>Total income from State Government</b>		<b>25,745,842</b>	<b>24,267,007</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>1,500,665</b>	<b>1,775,761</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,500,665</b>	<b>1,775,761</b>

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

# Disclosures & Legal Compliance

## Statement Of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	34,272,854	31,932,327
Receivables	9	99,000	107,729
<b>Total Current Assets</b>		<b>34,371,854</b>	<b>32,040,056</b>
<b>Non-Current Assets</b>			
Right-of-use assets	10	1,278,617	-
<b>Total Non-Current Assets</b>		<b>1,278,617</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>35,650,471</b>	<b>32,040,056</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Lease liabilities	11	1,263,325	-
Accrued fees payable to Consolidated Account	12	847,764	-
Payables		90,715	92,054
<b>Total Current Liabilities</b>		<b>2,201,804</b>	<b>92,054</b>
<b>TOTAL LIABILITIES</b>		<b>2,201,804</b>	<b>92,054</b>
<b>NET ASSETS</b>		<b>33,448,667</b>	<b>31,948,002</b>
<b>EQUITY</b>			
Indemnity reserve	13(a)	4,277,432	4,308,272
Business development reserve	13(b)	18,676,941	18,676,941
Accumulated surplus		10,494,294	8,962,789
<b>TOTAL EQUITY</b>		<b>33,448,667</b>	<b>31,948,002</b>

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

# Disclosures & Legal Compliance

## Statement Of Changes In Equity

For the year ended 30 June 2020

	Note	Indemnity Reserve \$	Business Development Reserve \$	Accumulated surplus \$	Total equity \$
<b>Balance at 1 July 2018</b>	13	4,062,403	17,737,212	8,372,626	30,172,241
Surplus		-	-	1,775,761	1,775,761
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	1,775,761	1,775,761
Transfers between accumulated surplus and reserves:					
Transfers to reserves		499,411	3,998,000	(4,497,411)	-
Transfers from reserves		(253,542)	(3,058,271)	3,311,813	-
Total		245,869	939,729	(1,185,598)	-
<b>Balance at 30 June 2019</b>		<b>4,308,272</b>	<b>18,676,941</b>	<b>8,962,789</b>	<b>31,948,002</b>
<b>Balance at 1 July 2019</b>		4,308,272	18,676,941	8,962,789	31,948,002
Surplus		-	-	1,500,665	1,500,665
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	1,500,665	1,500,665
Transfers between accumulated surplus and reserves:					
Transfers to reserves		409,519	3,579,000	(3,988,519)	-
Transfers from reserves		(440,359)	(3,579,000)	4,019,359	-
Total		(30,840)	-	30,840	-
<b>Balance at 30 June 2020</b>		<b>4,277,432</b>	<b>18,676,941</b>	<b>10,494,294</b>	<b>33,448,667</b>

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

# Disclosures & Legal Compliance

## Statement Of Cash Flows

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Fees raised from Estates and Trusts		21,235,789	18,365,908
Fee from Common Account		481,022	718,880
Management fee from Strategic Common Accounts		1,149,824	1,108,425
Receipts from Common Account Surplus Interest		3,579,000	3,998,000
Interest received		708,166	1,022,844
GST receipts on fees		1,211,923	2,245,466
Other revenue		58,068	45,927
<b>Payments</b>			
Payments on clients' behalf written-off		(529,403)	(319,478)
GST payments on purchases		(182,681)	(180,779)
GST payments to taxation authority		(1,036,181)	(2,087,979)
<b>Net cash provided by operating activities</b>		<b>26,675,527</b>	<b>24,917,214</b>
<b>CASH FLOWS TO STATE GOVERNMENT</b>			
Fees paid to Consolidated Account		(21,603,764)	(20,122,000)
Surplus Common Account Interest paid to Consolidated Account		(2,731,236)	(3,311,284)
<b>Net cash paid to State Government</b>		<b>(24,335,000)</b>	<b>(23,433,284)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,340,527</b>	<b>1,483,930</b>
Cash and cash equivalents at the beginning of the period		31,932,327	30,448,397
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	8	<b>34,272,854</b>	<b>31,932,327</b>

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

## Notes To The Financial Statements

For the year ended 30 June 2020

### 1. Basis of preparation

The Public Trustee is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The entity is a not-for-profit entity as profit is not its principal objective.

The Public Trustee provides trustee, estate and will services to Western Australians.

These annual financial statements were authorised for issue by the Accountable Authority at the date of signing the certification of financial statements.

### Statement of compliance

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

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

The *Financial Management Act 2006* and the Treasurer's Instructions take precedence over AAS. Several AAS are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention, except for land, buildings and infrastructure, which have been measured at fair value. All values are rounded to the nearest whole dollar.

### Judgements and estimates

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

### 2. Adoption of new and amended Accounting Standards

#### (a) AASB 15 Revenue from Contract with Customers (“AASB 15”)

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Public Trustee adopted AASB 15 using the modified retrospective method of adoption. The adoption of AASB 15 had no material impact on the Public Trustee. Refer to Note 7(a) for the accounting policy in relation to revenue contacts with customers adopted from 1 July 2019.

# Disclosures & Legal Compliance

## (b) AASB 1058 Income of Not-for-Profit Entities (“AASB 1058”)

The Public Trustee adopted AASB 1058 Income of Not-for-Profit Entities on 1 July 2019.

AASB 1058 clarifies and simplifies the income recognition requirement 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 give rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset such as cash or another asset received by an entity.

The adoption of AASB 1058 had no material impact on the Public Trustee.

## (c) AASB 16 Leases (“AASB 16”)

The Public Trustee has adopted AASB 16 Leases as of 1 July 2019.

The leases recognised by the Public Trustee under AASB 16 predominantly relate to office premise and office car bays.

AASB 16 provides a new lessee accounting model which 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 depreciation of the lease assets and interest on the lease liabilities are recognised in the statement of comprehensive income.

Before the adoption of AASB 16, the Public Trustee classified each of its leases (as lessee) at inception as either a finance lease or operating lease. For operating leases, the leased item was not capitalised, and the lease payments were recognised in the statement of comprehensive income on a straight-line basis.

### Transition to AASB 16

The Public Trustee adopted the new standard using the modified retrospective approach and applied the practical expedient per AASB 16.C10(a) and (c). Lease liabilities are measured at the present value of future payments on the initial date of application, being 1 July 2019 and right-of-use assets are equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised on the statement of financial position immediately before the date of initial application. Refer to Notes 10 and 11 for the accounting policy in relation to right-of-use assets and lease liabilities adopted from 1 July 2019.

The effect of adopting AASB 16 as at 1 July 2019 on the Statement of Financial Position was:

	<b>Increase/ (decrease) 1 July 2019 \$</b>
<b>Assets</b>	
Right-of-use assets	<u>2,983,439</u>
<b>Total assets</b>	<u>2,983,439</u>
<b>Liabilities</b>	
Lease liabilities	<u>2,983,439</u>
<b>Total liabilities</b>	<u>2,983,439</u>
<b>Equity</b>	
Accumulated surplus	<u>-</u>
<b>Total Equity</b>	<u>-</u>

# Disclosures & Legal Compliance

## Measurement of lease liabilities

	\$
Operating lease commitments as at 30 June 2019	3,013,492
Effects of straight-lining, car parking lease and parking levy not recognised under lease liabilities as at 1 July 2019	<u>24,026</u>
Undiscounted lease liabilities	3,037,518
Weighted average incremental borrowing rate as at 1 July 2019 *	<u>2%</u>
<b>Lease liabilities recognised at 1 July 2019</b>	<b><u>2,983,439</u></b>
Current lease liabilities	1,745,109
Non-current liabilities	<u>1,238,330</u>
	<b><u>2,983,439</u></b>

\* The WATC incremental borrowing rate was used in calculating the lease transition opening balance.

### 3. Write-offs and expected credit losses

	2020	2019
	\$	\$
Write-offs	535,003	319,478
Movement in expected credit loss	-	(20,526)
	<b><u>535,003</u></b>	<b><u>298,952</u></b>

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

### 4. Income from State Government

#### Services received from the Department of Justice, recognised under AASB 1058

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

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

The Department of Justice provides the Public Trustee with resources in the form of staff, equipment and other operating expenses. The assets and liabilities relating to these provided resources are reported in the Department of Justice's Financial Statements (also refer note 20).

Resources provided to the Public Trustee are as follows:

# Disclosures & Legal Compliance

	2020	2019
<b>Operating Expenses</b>	<b>\$</b>	<b>\$</b>
Employee benefits expense	17,650,148	16,423,230
Depreciation	2,471,170	768,616
Finance costs (*)	44,103	-
Administration expenses	2,497,561	2,385,380
Accommodation expenses	896,482	2,703,221
Corporate service expenses	2,171,086	1,986,560
<b>Total operating expenses</b>	<b>25,730,550</b>	<b>24,267,007</b>

Resources received is recognised as revenue as follows:

<b>Operating Income</b>		
Recoups and other revenue from Department of Justice	8,753	38,400
Resources received from Department of Justice	25,737,089	24,228,607
<b>Total operating income</b>	<b>25,745,842</b>	<b>24,267,007</b>

(\*) Finance costs relate to the interest component of lease liability payments.

## 5. Fees paid to Consolidated Account

	2020	2019
	<b>\$</b>	<b>\$</b>
Fees paid to Consolidated Account	21,603,764	20,122,000

According to section 6B(2)(b) of the *Public Trustee Act 1941* and regulation 6(b) of the *Public Trustee Regulations 1942*, the Current Agreement sets out the proportion of the fees received by the Public Trustee to be credited to the Consolidated Account. The Current Agreement is a written agreement between the Attorney General and the Public Trustee for 12 months. The Current Agreement determines that the Public Trustee is to transfer at least \$20,756,000 (2019: \$20,122,000) in fees to the Consolidated Account if the fees collected are more than this amount. Otherwise, all fees collected shall be paid to the Consolidated Account, via the Department of Justice's net appropriation determination.

## 6. Surplus Common Account Interest paid to Consolidated Account

	2020	2019
	<b>\$</b>	<b>\$</b>
Surplus Common Account Interest paid to Consolidated Account	3,579,000	3,058,271

The Current Agreement section 10.3 determines that the Public Trustee is to pay \$3,579,000 (2019: \$3,998,000) in Surplus Common Account Interest to the Consolidated Account. The amount is to be reduced by the excess of the overall revenue over the net operating expenses in line with the Public Trustee's self-funding commitment.

## 7. Income

### (a) Revenue from contracts with customers

Revenue from contracts with customers has been disaggregated based on type of services provided and source of funds.



# Disclosures & Legal Compliance

	2020	2019
	\$	\$
Fees and charges from clients		
Trust fees	13,676,618	11,851,490
Deceased Estate fees	5,783,804	5,016,712
Legal fees	566,827	491,252
Will fees	393,122	428,992
Tax preparation fees	356,233	301,681
Private Administrator Support (PAS) fees	459,185	275,781
	<b>21,235,789</b>	<b>18,365,908</b>
Fee from Common Account	481,022	718,880
Management fee from Strategic Common Account	1,141,095	1,103,425
Surplus interest from Common Account	3,579,000	3,998,000
	<b>26,436,906</b>	<b>24,186,213</b>

The Public Trustee has adopted AASB 15 using the modified retrospective method, with the effect of initially applying this standard at the date of initial application (i.e. 1 July 2019). Accordingly, the information presented for 30 June 2019 has not been restated, i.e. it is presented, as previously reported, under AASB 118, AASB 111 and related interpretations. The Public Trustee recognises revenue when it transfers control over service to a customer. In the comparative period, revenue was measured at the fair value of the consideration received or receivable.

Under AASB 15, revenue recognition for each revenue stream is as follows:

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

The implementation of AASB 15 has had no impact on the timing of when the Public Trustee recognises revenues.

# Disclosures & Legal Compliance

## (b) Geographical information

The Public Trustee operates in Western Australia.

## (c) Major customer

The Public Trustee does not rely on any major customer.

## (d) Judgment made by management in applying accounting policies on income

Key judgement includes determining the timing of revenue from contracts with customers in terms of timing of satisfaction of performance obligations.

## (e) Interest revenue

	2020	2019
	\$	\$
Interest revenue	708,166	1,022,844

Interest revenue is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

## 8. Cash and cash equivalents

	2020	2019
	\$	\$
Cash and cash equivalents	34,272,854	31,932,327

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

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

## 9. Receivables

	2020	2019
	\$	\$
<b>Current</b>		
Receivables	99,000	88,000
Amount due from Department of Justice	-	19,729
<b>Total current receivables</b>	<b>99,000</b>	<b>107,729</b>

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

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

## 10. Right-of-use Assets

	2020	2019
	\$	\$
Balance at start of period	-	-
Adoption of AASB 16 Leases	2,983,439	-
Depreciation	(1,704,822)	-
Balance at end of period	1,278,617	-

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## Initial recognition

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

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

## Subsequent Measurement

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

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

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

Right-of-use assets are tested for impairment when an indication of impairment is identified.

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

	2020	2019
Right-of-use asset depreciation (included in depreciation expense)	1,704,822	-
Lease interest expense (included in Finance cost)	44,103	-

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

## 11. Leases

(a) The statement of financial position shows the following amounts relating to lease liabilities:

	2020	2019
	\$	\$
Current	1,263,325	-
Non-current	-	-
<b>Total lease liabilities</b>	<b>1,263,325</b>	<b>-</b>

(b) Leasing activities and how these are accounted for

Under section 39A(3) of the *Public Trustee Act 1941*, the Attorney General approved on 3 June 2014 and the Public Trustee signed on 25 June 2014 the Terms and Conditions for the Public Trustee's occupation of office accommodation at 553 Hay Street Perth.

The current 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.

When a lease contract contains a lease component and non-lease component, and if the non-lease component is material, the Public Trustee account for the amount of the non-lease component separately, where practicable from the lease amount by applying other applicable Standards.

Immaterial non-lease component(s) may be included in the lease amount, and accounted for as a single lease, by asset class.

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Lessees were required to classify leases as either finance leases or operating leases until 30 June 2019. From 1 July 2019, at the commencement date, lessees are required to recognise leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

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

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

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease.

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

## **(c) Extension and termination options**

Periods covered by extension or termination options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

## **Subsequent Measurement**

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

## **(d) Short-term and low-value leases**

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

## **(e) Judgment made by management in applying accounting policies on leases**

Key judgements to be made for AASB 16 include identifying leases within contracts, determination whether there is reasonable certainty around exercising extension and termination options, identifying whether payments are variable or fixed in substance and determining the stand-alone selling prices for lease and non-lease components.

Estimation uncertainty that may arise is the estimation of the lease term, determination of the appropriate discount rate to discount the lease payments and assessing whether the right-of-use asset needs to be impaired.

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## 12. Accrued Fees payable to Consolidated Account

	2020	2019
	\$	\$
Fees payable to Consolidated Account	847,764	-

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.

## 13. Reserves

	Note	2020	2019
		\$	\$
<b>Total Reserves</b>			
Balance at start of period		22,985,213	21,799,615
Transfer to Reserves		3,988,519	4,497,411
Transfer from Reserves		(4,019,359)	(3,311,813)
<b>Balance at end of period</b>		<b>22,954,373</b>	<b>22,985,213</b>
<b>Represented by:</b>			
<b>Indemnity Reserve</b>			
Balance at start of period		4,308,272	4,062,403
Transfer to Reserves		409,519	499,411
Transfer from Reserves		(440,359)	(253,542)
<b>Balance at end of period</b>	13(a)	<b>4,277,432</b>	<b>4,308,272</b>
<b>Business Development Reserve</b>			
Balance at start of period		18,676,941	17,737,212
Transfer to Reserves		3,579,000	3,998,000
Transfer from Reserves		(3,579,000)	(3,058,271)
<b>Balance at end of period</b>	13(b)	<b>18,676,941</b>	<b>18,676,941</b>
<b>Total balance of Reserves at end of period</b>		<b>22,954,373</b>	<b>22,985,213</b>

### 13 (a) Indemnity Reserve

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

### 13 (b) Business Development Reserve

Section 10.4 of the Current Agreement prescribes that the Business Development Reserve may be used for 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*.

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## 14. Commitments

### Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year

Later than 1 year and not later than 5 years

Later than 5 years

	2020 \$	2019 \$
Within 1 year	-	1,771,211
Later than 1 year and not later than 5 years	-	1,242,281
Later than 5 years	-	-
	-	<b>3,013,492</b>

From 1 July 2019, the Public Trustee has recognised the right-of-use assets and corresponding lease liability for all non-cancellable operating lease commitments, apart from short term and low value leases. Refer to Note 11.

## 15. Contingent liabilities

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

### Litigation in progress

The Public Trustee has 22 matters (2019: 32) where litigation against the Public Trustee may result or has started. They involve potential claims for damages to the value of \$7.8 million (2019: \$17.2 million) inclusive of court costs. These potential claims are covered by insurance, may not be finalised and/or it is likely that there will not be any material liability. Hence, no liability has been recognised in the Financial Statements.

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

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

### Contaminated sites

Under the *Contaminated Sites Act 2003*, the Public Trustee is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites 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 DWER.

## 16. Impairment of assets

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

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.

## 17. Financial instruments

### 17 (a) Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Public Trustee's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Public Trustee has applied the practical expedient, the Public Trustee initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Public Trustee has applied the practical expedient are measured at the transaction price determined under AASB 15. Refer to note 7 for the accounting policies on income.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Public Trustee's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Public Trustee. The Public Trustee measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gain and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Public Trustee's financial assets at amortised cost include receivables.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Public Trustee has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Public Trustee has transferred substantially all the risks and rewards of the asset; or the Public Trustee has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Public Trustee has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Public Trustee continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Public Trustee also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Public Trustee has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Public Trustee could be required to repay.

## **Impairment of financial assets**

The Public Trustee recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Public Trustee expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables, the Public Trustee applies a simplified approach in calculating ECLs. Therefore, the Public Trustee does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Public Trustee has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## **17 (b) Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Public Trustee's financial liabilities include accrued fees payable to Consolidated Account and other payables.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **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:



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	2020 \$	2019 \$
<b>Financial Assets</b>		
Cash and cash equivalents	34,272,854	31,932,327
Receivables	99,000	107,729
<b>Financial Liabilities</b>		
Lease liabilities	1,263,325	-
Accrued fees payable to Consolidated Account	847,764	-
Payables(*)	5,600	-

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

## 18. 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.

## 19. Key Management Personnel

The Public Trustee has determined key management personnel include Cabinet Ministers and senior officers of the Public Trustee. The Public Trustee does not incur expenditure to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

### 19 (a) Compensation of members of the Public Trustee

Compensation Band (\$)	2020	2019
260,001 - 270,000	1	-
280,001 - 290,000	-	1
	\$	\$
Total compensation of members of the Public Trustee	263,860	280,457

Long service leave taken during the year has resulted in reduced compensation amount and a downward movement in the compensation band.

### 19 (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 (\$)	2020	2019
150,001 - 160,000	1	-
160,001 - 170,000	1	1
170,001 - 180,000	-	1
180,001 - 190,000	2	2
220,001 - 230,000	1	-
250,001 - 260,000	-	1

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	\$	\$
Total compensation of senior officers	909,332	956,668

A combination of leave taken during the year and pay rises have resulted in the changes in compensation bands during the year.

No senior officers are members of the Pension Scheme.

## 20. 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 Cabinet 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 agencies and statutory authorities, including related bodies included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

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

### Significant transactions with Government-related entities

Significant transactions include:

- The Public Trustee's operational expenses are appropriated by Parliament through the Department of Justice. Financial assistance was provided during the year – refer note 4 "Income from State Government". Full details on the financial operations of the Public Trustee are detailed in the Department of Justice's Annual Report.
- Receivables (note 9)
- Accrued fees payable to Consolidated Account (note 12).
- Remuneration for services provided by the Auditor General.

### Significant transactions with other 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.

## 21. 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 2019:

	2020 \$	2019 \$
Opening balance	2,224	2,312
Expenditure	(89)	(88)
<b>Closing balance</b>	<b>2,135</b>	<b>2,224</b>

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## 22. Explanatory statement

All variances between estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are greater than 10% and \$1 million.

### 22 (a) Statement of Comprehensive Income Variances

	Variance Note	Estimate 2020	Actual 2020	Actual 2019	Variance estimate and actual	Variance actual 2020 and 2019
		\$000	\$000	\$000	\$000	\$000
<b>EXPENSES</b>						
Write-offs and doubtful debts		300	535	299	235	236
Employee benefits expense		17,460	17,650	16,423	190	1,227
Depreciation	(i), (a)	757	2,471	769	1,714	1,702
Finance costs		-	44	-	44	44
Administration expenses		2,086	2,498	2,385	412	113
Accommodation expenses	(i), (a)	2,770	896	2,703	(1,874)	(1,807)
Corporate service expenses		2,017	2,171	1,987	154	184
<b>Total expenses before payments to Consolidated Account</b>		<b>25,390</b>	<b>26,265</b>	<b>24,566</b>	<b>875</b>	<b>1,699</b>
Fees paid to Consolidated Account (CA)		20,756	21,604	20,122	848	1,482
Surplus Common Account interest paid to CA		3,579	3,579	3,058	-	521
Other payments to CA		5	-	-	(5)	-
<b>Total cost of services</b>		<b>49,730</b>	<b>51,448</b>	<b>47,746</b>	<b>1,718</b>	<b>3,702</b>
<b>INCOME</b>						
Fees and charges	(ii), (b)	19,094	21,236	18,366	2,142	2,870
Fee from Common Account		528	481	719	(47)	(238)
Management fee from Strategic Common Accounts		1,134	1,141	1,103	7	38
Receipts from Common Account surplus interest		3,584	3,579	3,998	(5)	(419)
Interest revenue		801	708	1,023	(93)	(315)
Other revenue		40	58	46	18	12
<b>Total income other than income from State Government</b>		<b>25,181</b>	<b>27,203</b>	<b>25,255</b>	<b>2,022</b>	<b>1,948</b>
<b>NET COST OF SERVICES</b>		<b>24,549</b>	<b>24,245</b>	<b>22,491</b>	<b>(304)</b>	<b>1,754</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Recoups and other revenue from Department of Justice (DoJ)		1	9	38	8	(29)
Services received free of charge from DoJ		25,089	25,737	24,229	648	1,508
<b>Total income from State Government</b>		<b>25,090</b>	<b>25,746</b>	<b>24,267</b>	<b>656</b>	<b>1,479</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>541</b>	<b>1,501</b>	<b>1,776</b>	<b>960</b>	<b>(275)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
		-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>541</b>	<b>1,501</b>	<b>1,776</b>	<b>960</b>	<b>(275)</b>

### Major estimate and actual (2020) variance narratives

- (i) Depreciation increased by \$1.7m while accommodation expenses decreased by \$1.9m due to the new AASB 16 Leases. See notes 2(c), 10 and 11 for further information.
- (ii) Fees and charges increased by \$2.1m due to the higher volume of services.

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## Major current and prior year actual variances narratives

- (a) Depreciation increased by \$1.7m while accommodation expenses decreased by \$1.8m from prior year mainly due to the new AASB 16 Leases. See notes 2(c), 10 and 11.
- (b) Fees and charges increased by \$2.9m from prior year due to the annual fee increase and the higher volume of services.

## 22 (b) Statement of Cash Flows Variances

	Variance Note	Actual 2020 \$000	Actual 2019 \$000	Variance actual 2020 and 2019 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Fees raised from Estates and Trusts	(a)	21,235	18,366	2,869
Public Trustee 6% fee from Common Account		481	719	(238)
Management fee from Strategic Common Accounts		1,150	1,108	42
Receipts from Common Account Surplus Interest		3,579	3,998	(419)
Interest received		708	1,023	(315)
GST receipts on fees	(b)	1,212	2,245	(1,034)
Other revenue		58	46	12
<b>Payments</b>				
Payments on clients' behalf written-off		(529)	(319)	(210)
GST payments on purchases		(182)	(181)	(1)
GST payments to taxation authority	(b)	(1,036)	(2,088)	1,052
<b>Net cash provided by operating activities</b>		<b>26,676</b>	<b>24,917</b>	<b>1,759</b>
<b>CASH FLOWS TO STATE GOVERNMENT</b>				
Fees paid to Consolidated Account		(21,604)	(20,122)	(1,482)
Surplus Common Account Interest paid to Consolidated Account		(2,731)	(3,311)	580
<b>Net cash paid to State Government</b>		<b>(24,335)</b>	<b>(23,433)</b>	<b>(902)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,341</b>	<b>1,484</b>	<b>857</b>
Cash and cash equivalents at the beginning of the period		<b>31,932</b>	<b>30,448</b>	<b>1,484</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>34,273</b>	<b>31,932</b>	<b>2,341</b>

## Major current and prior year actual variances narratives

- (a) Fees raised from Estates and Trusts increased by \$2.9m due to the annual fee increase, the higher volume of services and the GST exemption on regulatory fees.
- (b) GST receipts on fees and GST payments to taxation authority decreased by \$1m each due to the GST exemption on regulatory fees.

## 23. 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 2020

### NET TRUST ASSETS UNDER ADMINISTRATION

	Note	2020 \$	2019 \$
<b>ESTATES AND TRUSTS</b>			
Deceased Estates		243,399,890	251,549,699
Direct Action		5,164,029	6,363,985
Entitled Trusts		348,215,122	362,587,195
Protected Management		528,538,513	504,697,568
Testamentary Trusts		61,064,842	62,295,977
Power of Attorney		11,270,832	13,162,758
Trusts		21,062,355	26,857,462
Safe-care		3,407,845	3,420,225
<b>NET TRUST ASSETS</b>		<b>1,222,123,428</b>	<b>1,230,934,869</b>
<b>Represented by:</b>			
Investments in Common Account	24(h)	299,204,954	322,410,381
Investments in Strategic Common Accounts	25(a)	232,969,660	231,378,304
Bank deposits		166,358,563	182,412,239
Equities	23(a)	41,905,818	35,541,814
Unit Trusts	23(a)	4,488,817	4,253,747
Life Policies	23(b)	1,463,478	1,699,081
Real Estate	23(c)	458,576,934	451,919,560
Other Assets	23(d)	75,955,370	60,411,225
<b>TOTAL TRUST ASSETS</b>		<b>1,280,923,594</b>	<b>1,290,026,351</b>
<b>CURRENT LIABILITIES</b>			
Payables		36,075,549	39,574,375
Loans		1,650,898	1,706,743
Mortgages – Deceased estates		4,794,360	4,634,139
<b>Total Current Liabilities</b>		<b>42,520,807</b>	<b>45,915,257</b>
<b>NON CURRENT LIABILITIES</b>			
Mortgages – Trust estates		16,279,359	13,176,225
<b>Total Non Current Liabilities</b>		<b>16,279,359</b>	<b>13,176,225</b>
<b>TOTAL TRUST LIABILITIES</b>		<b>58,800,166</b>	<b>59,091,482</b>
<b>NET TRUST ASSETS</b>		<b>1,222,123,428</b>	<b>1,230,934,869</b>

## BASIS OF VALUATIONS

### 23 (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.

### 23 (b) Life policies

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

### 23 (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.

### 23 (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.

## 24. Public Trustee Common Account

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

# Disclosures & Legal Compliance

**24 (a) PUBLIC TRUSTEE COMMON ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>EXPENSES</b>			
Investment expenses	24(g)	2,037,922	1,794,886
Interest paid to Estates and Trusts	24(e)	1,890,725	3,540,632
Decrement from revaluation of investment property	24(g)	955,000	-
<b>Total expenses before payments to Public Trustee</b>		<b>4,883,647</b>	<b>5,335,518</b>
Fee paid to the Public Trustee		481,022	718,880
Interest paid to the Public Trustee		708,166	1,022,844
Surplus Common account interest paid to Public Trustee		3,579,000	3,998,000
<b>Total expenses</b>		<b>9,651,835</b>	<b>11,075,242</b>
<b>INCOME</b>			
Investment income		10,045,310	14,075,220
Increment from revaluation of investment property	24(g)	-	534,071
<b>Total income</b>		<b>10,045,310</b>	<b>14,609,291</b>
<b>SURPLUS FOR THE YEAR</b>		<b>393,475</b>	<b>3,534,049</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>393,475</b>	<b>3,534,049</b>

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

# Disclosures & Legal Compliance

## 24 (b) PUBLIC TRUSTEE COMMON ACCOUNT STATEMENT OF FINANCIAL POSITION As at 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash at bank	24(j)	18,869,370	17,858,647
Cash equivalents	24(j)	290,000,000	311,000,000
Receivables	24(f)	446,792	7,318
Accrued income		1,354,491	1,683,769
<b>Total Current Assets</b>		<b>310,670,653</b>	<b>330,549,734</b>
<b>Non-Current Assets</b>			
Investment property	24(g)	36,245,000	37,200,000
<b>Total Non-Current Assets</b>		<b>36,245,000</b>	<b>37,200,000</b>
<b>TOTAL ASSETS</b>		<b>346,915,653</b>	<b>367,749,734</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Fees & accrued taxation		1,369,300	1,072,306
Payables		-	2,350
Public Trustee Funds	8	34,272,854	31,932,327
Accrued Interest payable to Estates and Trusts		242,261	899,561
<b>Total Current Liabilities</b>		<b>35,884,415</b>	<b>33,906,544</b>
<b>Non-Current Liabilities</b>			
Estates & Trusts under Administration	24(h)	299,204,954	322,410,381
<b>Total Non-Current Liabilities</b>		<b>299,204,954</b>	<b>322,410,381</b>
<b>TOTAL LIABILITIES</b>		<b>335,089,369</b>	<b>356,316,925</b>
<b>NET ASSETS</b>		<b>11,826,284</b>	<b>11,432,809</b>
<b>EQUITY</b>			
Common Account investment reserve	24(i)	-	-
Accumulated surplus		11,826,284	11,432,809
<b>TOTAL EQUITY</b>		<b>11,826,284</b>	<b>11,432,809</b>

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



## Disclosures & Legal Compliance

### 24 (c) PUBLIC TRUSTEE COMMON ACCOUNT STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2020

	Note	Common Account Investment Reserve \$	Accumulated surplus \$	Total equity \$
<b>Balance at 1 July 2018</b>		-	7,898,760	7,898,760
Surplus		-	3,534,049	3,534,049
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	3,534,049	3,534,049
<b>Balance at 30 June 2019</b>		-	<b>11,432,809</b>	<b>11,432,809</b>
<b>Balance at 1 July 2019</b>		-	11,432,809	11,432,809
Surplus		-	393,475	393,475
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	393,475	393,475
<b>Balance at 30 June 2020</b>		-	<b>11,826,284</b>	<b>11,826,284</b>

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

# Disclosures & Legal Compliance

## 24 (d) PUBLIC TRUSTEE COMMON ACCOUNT STATEMENT OF CASH FLOWS For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Investment income		9,935,114	14,203,413
Tax withheld from clients		4,230	7,918
<b>Payments</b>			
Fee paid to Public Trustee		(481,022)	(718,880)
Interest paid to Estates and Trusts		(2,548,025)	(3,447,405)
Interest paid to Public Trustee		(708,166)	(1,022,844)
Investment expenses		(2,037,922)	(1,794,886)
Tax withholding paid to ATO		(3,444)	(8,264)
<b>Net cash provided by operating activities</b>		<b>4,160,765</b>	<b>7,219,052</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for investment property improvements		-	(265,929)
<b>Net cash (used in) investing activities</b>		<b>-</b>	<b>(265,929)</b>
<b>CASH FLOWS FROM ESTATES, TRUSTS &amp; PUBLIC TRUSTEE</b>			
Surplus Common Account Interest paid to Public Trustee		(3,579,000)	(3,998,000)
Net increase in Public Trustee Funds		2,340,527	1,483,930
Net increase in Estates and Trusts		(22,911,569)	23,445,731
<b>Net cash (used in)/provided by estates, trusts &amp; Public Trustee</b>		<b>(24,150,042)</b>	<b>20,931,661</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(19,989,277)</b>	<b>27,884,784</b>
Cash and cash equivalents at the beginning of period		328,858,647	300,973,863
<b>Cash and cash equivalents at the end of period</b>	24(j)	<b>308,869,370</b>	<b>328,858,647</b>

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

# Disclosures & Legal Compliance

## 24 (e) Interest paid to estates and trusts

	2020	2019
	\$	\$
Interest paid to Estates and Trusts	1,890,725	3,540,632

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*.

## 24 (f) Receivables

	2020	2019
	\$	\$
Receivable for Common account property	446,792	7,318

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

## 24 (g) Investment Property

	2020	2019
	\$	\$
<b>At fair value:</b>		
Land and building – non-current assets	36,245,000	37,200,000

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. Changes in fair value are recorded in profit or loss in the periods in which they arise.

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.

As at the date of revaluation 30 June 2020 and 2019, 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.

	2020	2019
	\$	\$
Rental income derived from investment property	4,569,250	5,594,212
Direct operating expenses generating rental income	(2,037,922)	(1,794,886)
Profit arising from investment property carried at fair value	<b>2,531,328</b>	<b>3,799,326</b>

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

The Public Trustee or the 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:

# Disclosures & Legal Compliance

	2020	2019
	\$	\$
Carrying amount at beginning of period	37,200,000	36,400,000
Additions and capital improvements	-	265,929
Revaluation increment /(decrement)	(955,000)	534,071
Carrying amount at end of period	<b>36,245,000</b>	<b>37,200,000</b>

## Fair Value measurements

Assets measured at fair value	Valuation Date	Fair Value at end of period
		\$
<b>2020</b>		
Investment property	30 June 2020	<u>36,245,000</u>
<b>2019</b>		
Investment property	30 June 2019	<u>37,200,000</u>

## 24 (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.

	2020	2019
	\$	\$
<b>Activity</b>		
Safe-care	62,698	26,242
Deceased Estates	56,377,401	67,752,288
Direct Action	4,483,325	4,508,676
Entitled Trusts	60,753,820	70,432,323
Protected Management	153,301,961	148,587,911
Testamentary Trusts	11,772,528	12,474,930
Power of Attorney	3,711,227	4,644,877
Trusts	8,741,994	13,983,134
<b>Total estates and trusts under administration</b>	<b><u>299,204,954</u></b>	<b><u>322,410,381</u></b>

# Disclosures & Legal Compliance

## 24 (i) Common Account investment reserve

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

The reserve was reduced to nil in 2016 due to a decrement from revaluation of the investment property.

	2020	2019
	\$	\$
<b>Common Account investment reserve</b>		
Balance at start of year	-	-
Transfer to accumulated surplus	-	-
Balance at end of year	-	-

## 24 (j) Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank	18,869,370	17,858,647
Cash equivalents	290,000,000	311,000,000
<b>Cash and cash equivalents</b>	<b>308,869,370</b>	<b>328,858,647</b>

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 are subject to insignificant risk of changes in value. Short-term deposits are recorded at cost on a constant yield basis over the period to maturity.

## 25. Public Trustee Strategic Common Accounts

Section 39B of the *Public Trustee Act 1941* establishes the Strategic Common Accounts (also known as Public Trustee Investment Funds (PTIF)): Cash strategic investment account (PTIF Cash), Conservative strategic investment account (PTIF Conservative), Growth strategic investment account (PTIF Growth) and Growth Plus strategic investment account (PTIF Growth Plus). The Strategic Common Accounts were established on 1 July 2009.

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

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

# Disclosures & Legal Compliance

## 25 (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.

	2020	2019
	\$	\$
<b>Activity</b>		
Deceased Estates	247,315	515,490
Entitled Trusts	165,869,121	168,053,850
Protected Management	43,370,311	39,654,200
Testamentary Trusts	14,482,725	15,239,702
Power of Attorney	1,251,583	475,471
Trusts	4,403,458	4,045,608
Safe-care	3,345,147	3,393,983
<b>Total estates and trusts under administration</b>	<b>232,969,660</b>	<b>231,378,304</b>

## 25 (b) PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS STATEMENTS OF CHANGES IN NET ASSETS For the year ended 30 June 2020

2020	Cash	Conservative	Growth	Growth Plus	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net assets at the beginning of the reporting period</b>	-	38,992	180,882	3,049	222,923
Applications	-	2,045	26,810	1,200	30,055
Redemptions	-	(2,737)	(10,794)	-	(13,531)
	-	38,300	196,898	4,249	239,447
<b>Expenses</b>					
Trustee's fees	-	204	971	18	1,193
Custody fees	-	63	290	8	361
<b>Total expenses</b>	-	267	1,261	26	1,554
<b>Investment income</b>					
Interest income	-	-	1	-	1
Trust distributions	-	1,950	12,764	128	14,842
Net losses on financial instruments held at fair value through profit or loss	-	(1,395)	(12,008)	(309)	(13,712)
Other income	-	90	278	13	381
<b>Total investment income/(loss)</b>	-	645	1,035	(168)	1,512
<b>Profit/(loss) before finance costs attributable to unitholders</b>	-	378	(226)	(194)	(42)
<b>Financing costs attributable to unitholders</b>					
Distributions to unitholders	-	2,054	15,705	116	17,875
<b>Decrease in net assets attributable to unitholders</b>	-	(1,676)	(15,931)	(310)	(17,917)
<b>Net assets at the end of the reporting period</b>	-	36,624	180,967	3,939	221,530

# Disclosures & Legal Compliance

## PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS STATEMENTS OF CHANGES IN NET ASSETS For the year ended 30 June 2019

2019	Cash	Conservative	Growth	Growth Plus	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net assets at the beginning of the reporting period</b>	-	37,896	178,514	2,969	219,379
Applications	-	4,819	13,603	-	18,442
Redemptions	-	(3,867)	(12,996)	-	(16,863)
	-	<b>38,848</b>	<b>179,121</b>	<b>2,969</b>	<b>220,938</b>
<b>Expenses</b>					
Trustee's fees	-	203	935	15	1,153
Custody fees	-	62	278	7	347
<b>Total expenses</b>	-	265	1,213	22	1,500
<b>Investment Income</b>					
Interest income	-	-	3	-	3
Trust distributions	-	1,910	7,958	134	10,002
Net gains on financial instruments held at fair value through profit or loss	-	481	5,455	81	6,017
Other income	-	90	271	11	372
<b>Total investment income</b>	-	2,481	13,687	226	16,394
<b>Profit before finance costs attributable to unitholders</b>	-	2,216	12,474	204	14,894
<b>Financing costs attributable to unitholders</b>					
Distributions to unitholders	-	2,072	10,713	124	12,909
<b>Increase in net assets attributable to unitholders</b>	-	<b>144</b>	<b>1,761</b>	<b>80</b>	<b>1,985</b>
<b>Net assets at the end of the reporting period</b>	-	<b>38,992</b>	<b>180,882</b>	<b>3,049</b>	<b>222,923</b>

# Disclosures & Legal Compliance

## 25 (c) PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS STATEMENTS OF NET ASSETS As at 30 June 2020

2020	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
<b>Assets</b>					
Cash and cash equivalents	-	9	28	1	38
Receivables	-	1,429	9,058	105	10,592
Financial assets at fair value through profit or loss	-	36,641	181,966	3,929	222,536
<b>Total assets</b>	-	<b>38,079</b>	<b>191,052</b>	<b>4,035</b>	<b>233,166</b>
<b>Liabilities</b>					
Distributions payable	-	1,431	9,825	94	11,350
Payables	-	24	260	2	286
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	-	<b>1,455</b>	<b>10,085</b>	<b>96</b>	<b>11,636</b>
<b>Net assets attributable to unitholders - liability</b>	-	<b>36,624</b>	<b>180,967</b>	<b>3,939</b>	<b>221,530</b>
<b>2019</b>					
	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
<b>Assets</b>					
Cash and cash equivalents	-	9	30	2	41
Receivables	-	1,556	5,592	102	7,250
Financial assets at fair value through profit or loss	-	39,119	182,070	3,044	224,233
<b>Total assets</b>	-	<b>40,684</b>	<b>187,692</b>	<b>3,148</b>	<b>231,524</b>
<b>Liabilities</b>					
Distributions payable	-	1,670	6,709	97	8,476
Payables	-	22	101	2	125
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	-	<b>1,692</b>	<b>6,810</b>	<b>99</b>	<b>8,601</b>
<b>Net assets attributable to unitholders - liability</b>	-	<b>38,992</b>	<b>180,882</b>	<b>3,049</b>	<b>222,923</b>



## **CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2020**

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 2020.



**Brian Roche**

Accountable Authority

4 September 2020

# Disclosures & Legal Compliance

## 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 Public Trustee 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 Justice's (DoJ) desired outcomes, Public Trustee's services delivered and the Government's goals.

Government Goals	DoJ Desired Outcome	Public Trustee Services
Strong communities: Safe communities and supported families	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.

# Disclosures & Legal Compliance

## 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, with the question asked of "Overall, how well does the Public Trustee meet your needs". Clients giving a rating of 6 or more out of 10 were considered to have indicated that the Public Trustee is meeting their needs well. Catalyse Research and Strategy consultants were engaged to conduct the 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 2019 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 407 responses, with 78% participation rate, represented the total population of approximately 15,000 clients serviced during the year. The survey was done with sampling precision +/- 5% at the 95% confidence interval and was completed in April 2020.

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

	2016-17	2017-18	2018-19	2019-20	Target
Extent to which trust management services meet the needs of customers	75%	81%	80%	78%	85%

Significant variations are those greater than 10%. There is no significant variation with the target and previous year's result.

### 1.2 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.

	2016-17	2017-18	2018-19	2019-20	Target
Percentage of Western Australian deceased estates administered by the Public Trustee	4.3%	4.4%	4.1%	4.8%	4.0%

The higher than target and previous year's result was due to an increased number of deceased files administered by Public Trustee in this financial year.

### 1.3 Percentage of estates finalised within 12 months

This indicator 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. There were 224 such files completed during the year.

The average time taken to complete an estate, if completed within twelve months, was 7.3 months, based on the date of final completion.

The targets have not changed since the previous year.

## Disclosures & Legal Compliance

	2016-17	2017-18	2018-19	2019-20	Target
Percent of estates finalised within 12 months of being reported	55%	60%	60%	56%	64%

The lower than target result and previous year's result was due to the impact from COVID-19 which significantly delayed dealings with banks, overseas postal services, Government offices' services and properties sales.

### 1.4 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. The target has not changed since previous year.

	2016-17	2017-18	2018-19	2019-20	Target
Percentage of clients who have services provided by the Public Trustee under OS	54%	56%	57%	63%	50%

The higher than target and previous year's result was due to an increased number of trustee services delivered to vulnerable persons under an operating subsidy.

### 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 not significantly changed from prior year.

	2016-17	2017-18	2018-19	2019-20	Target
Cost per trust managed	\$1,812	\$1,808	\$1,822	\$1,995	\$1,928

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

#### 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.

	2016-17	2017-18	2018-19	2019-20	Target
Cost per deceased estate administered	\$2,639	\$2,815	\$2,478	\$2,372	\$2,574

There was no significant variation with the target.

#### 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.

	2016-17	2017-18	2018-19	2019-20	Target
Cost per Will prepared	\$655	\$653	\$662	\$829	\$616

# Disclosures & Legal Compliance

The higher than target and previous year's result was due to a lower number of wills prepared as a result of the COVID-19 which removed face-to-face appointments, and the reallocation of legal staff to work on matters other than wills.

## 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)** %
2017	0.25	0.75, 1.50 & 2.00	0.75, 1.50 & 2.00	0.45
2018	0.25	0.75, 1.50 & 2.00	0.75, 1.50 & 2.00	0.45
2019	0.25	0.75, 1.50 & 2.00	0.75, 1.50 & 2.00	0.35
2020	0.25	0.25 & 0.75	0.25 & 0.75	0.05

\*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.

#### 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:

	2017	2018	2019	2020
Treasury Earning Rate	1.96%	1.95%	2.07%	0.90%
CMT Benchmark Rate	1.52%	1.50%	1.48%	0.65%
Public Trustee Common Account (*)	3.87%	3.52%	3.37%	2.21%

(\*) excludes capital growth/loss.

In the twelve months to 30 June 2020, the Public Trustee Common Account achieved a net return of 2.21% (2019: 3.37%) on the investment of the funds comprising the Common Account. Average funds under management for the year to 30 June totalled \$362 million (2019: \$356 million).

# Disclosures & Legal Compliance

## 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, the total average value of the Common Account for the year was \$362 million (2019: \$356 million), with a further \$233 million (2019: \$231 million) invested in the financial market in the Strategic Common Accounts and \$46 million (2019: \$40 million) in equities and managed funds on behalf of clients.

	2016-17	2017-18	2018-19	2019-20
Cost of managing funds*	\$558,272	\$566,656	\$571,726	\$577,039
Percentage of funds under management.	0.09%	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, electricity and superannuation. On-costs are charged at 66% of direct salary.



*Director Business Development & Marketing Etta Palumbo presenting a Will Talk in Esperance*

## Opinion Of The Office Of The Auditor General



### 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 2020, 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 2020 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 Responsibility 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.

##### **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 entity'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.

Page 1 of 4

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A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of my auditor's report.

## 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 2020.

### **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 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 non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.



## Report on the 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 2020. 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 agency's performance and fairly represent indicated performance for the year ended 30 June 2020.

### **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 entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

### **My independence and quality 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 2020 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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
9 September 2020

## Ministerial Directions

No Ministerial directives were received during 2019/20.

## Other Financial Disclosures

### Capital Works

There were no new capital projects during the 2019/20 year.

## Employment and Industrial Relations

The current full time equivalent (FTE) level in the Public Trustee is 170.38, compared with 165 in 2018/19 and represents an increase of 3.26%.

Staff profile (FTE)	2018/19	2019/20
Full-time permanent	134	150.72
Full-time contract	19	9
Part-time measured on an FTE basis	11	10.66
On secondment	1	0
Staff FTE	165	170.38

# Disclosures & Legal Compliance

## Summary of Current Agreement 2019/20

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 2019 to 30 June 2020.

### Scale of Fees

The Public Trustee charges fees for its services. These fees are determined by a Scale of Fees that commences on 1 July of each year. Unless otherwise specified, the Public Trustee increased its fees by 2.1%.

### Consolidated Account

If the total fees collected:

- do not exceed the Public Trustee Contribution – Estate Fees and Other Revenue as determined in the 2019/20 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 2019/20 Budget Statements, then a minimum of the Public Trustee Contribution – Estate Fees and Other Revenue as determined in the 2018/19 Budget Statements shall be paid to the Consolidated Account.

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

### Reserve Funds

No new reserve funds will be established 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;
- 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;

- 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 2019/20 Budget Statements from this Reserve to the Consolidated Account. The amount will be reduced by any amount paid to the Consolidated Account that is in excess of "Public Trustee Contribution – Estate Fees and Other Revenue" and also where overall revenue exceeds the net operating costs of the Public Trustee.

The Public Trustee may apply moneys in this Reserve to:

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

## Common Account Investment Reserve

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

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

## Transfers Between Reserves

The Public Trustee may transfer from the:

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

## Interest Rates

The Public Trustee shall fix interest rates payable to estates pursuant to section 39A(5) of the [Public Trustee Act 1941](#) and must:

- inform the Minister of any changes in interest rates within 14 days, and publish these in the *Western Australian Government Gazette*; and
- obtain prior approval from the Minister before making any changes to interest rates under section 44 of the Act.

# Disclosures & Legal Compliance

## 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 was one accidental instance of a Government Purchasing Card being used by an employee for a personal purpose. This amount was reimbursed to DoJ and has been noted in their register. There were no instances of unauthorised use of these cards.

### Board and Committee Remuneration

The Public Trustee is a body corporate and an officer who administers the organisation, 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.

### Investment Committee

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

Position title	Member name	Type of remuneration	Membership period	Term of appointment / Tenure	Base salary / Sitting fees	Gross / actual remuneration for the financial year
Chair	Brian Roche	Nil	5+ years	Unlimited	\$0	\$0
Deputy	Sean Conlin	Nil	5+ years	Unlimited	\$0	\$0
Member	Sarah Marmara	Nil	5+ years	Unlimited	\$0	\$0
Member	Terry Hearn	Nil	5+ years	Unlimited	\$0	\$0
Member	Stephen Taylor	Nil	5+ years	Unlimited	\$0	\$0
Member	Marie Merrin	Nil	2 years	Unlimited	\$0	\$0
Member	Grant Robinson	Per meeting	1 year	5 years	\$1,000 / meeting	\$0

# Disclosures & Legal Compliance

## Risk and Audit Committee

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

Position title	Member name	Type of remuneration	Member-ship period	Term of appointment / Tenure	Base salary / Sitting fees	Gross / actual remuneration for the financial year
Chair	Rob McDonald	Per meeting	Newly appointed	3 years with options (1+1+1)	\$340 / hr	\$0
Deputy	Conley Manifis	Per meeting	Newly appointed	1 year only	\$126 / hr	\$0
Member	Alexandra Filipe	Nil	Newly appointed	Unlimited	\$0	\$0
Member	Mark Ambrose	Nil	Newly appointed	Unlimited	\$0	\$0
Member	Sean Conlin	Nil	Newly appointed	Unlimited	\$0	\$0
Member	Sarah Marmara	Nil	Newly appointed	Unlimited	\$0	\$0

## Interest Rate Committee

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

Position title	Member name	Type of remuneration	Member-ship period	Term of appointment / Tenure	Base salary / Sitting fees	Gross / actual remuneration for the financial year
Chair	Brian Roche	Nil	5+ years	Unlimited	\$0	\$0
Deputy	Sean Conlin	Nil	5+ years	Unlimited	\$0	\$0
Member	Sarah Marmara	Nil	5+ years	Unlimited	\$0	\$0
Member	Terry Hearn	Nil	5+ years	Unlimited	\$0	\$0
Member	Stephen Taylor	Nil	5+ years	Unlimited	\$0	\$0

# Disclosures & Legal Compliance

## Tenders Committee

The Tenders 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.

Position title	Member name	Type of remuneration	Membership period	Term of appointment / Tenure	Base salary / Sitting fees	Gross / actual remuneration for the financial year
Chair	Brian Roche	Nil	5+ years	Unlimited	\$0	\$0
Deputy	Sean Conlin	Nil	5+ years	Unlimited	\$0	\$0
Member	Terry Hearn	Nil	5+ years	Unlimited	\$0	\$0
Member	Roberto Vicentini	Nil	3 years	Unlimited	\$0	\$0
Member	Robyn Kelly	Nil	2 years	Unlimited	\$0	\$0

## Occupational Health & Safety Committee

The Occupational Health & Safety Committee promotes a safe and healthy working environment and provide advice and support on any areas of concern.

Position title	Member name	Type of remuneration	Membership period	Term of appointment / Tenure	Base salary / Sitting fees	Gross / actual remuneration for the financial year
Chair	Terry Hearn	Nil	5+ years	Unlimited	\$0	\$0
Deputy	Gordon Bowen	Nil	5+ years	Unlimited	\$0	\$0
Member	Jigna Patel	Nil	3 years	Unlimited	\$0	\$0
Member	Kate Malkovic	Nil	3 years	Unlimited	\$0	\$0
Member	Les Buzza	Nil	5+ years	Unlimited	\$0	\$0
Member	Yelena Radman	Nil	2 years	Unlimited	\$0	\$0



## 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 \$91,392 incurred in the following areas:

	Supplier	Expenditure
Market Research	Catalyse Pty Ltd	43,364
Media Advertising	Sensis White Pages	5,321
Media Advertising	DPS Publishing	8,740
Media Advertising	Facebook	915
Graphic Design	Orange Design	8,255
Media Advertising	Initiative	16,305
Media Advertising	Optima Press	8,492
	<b>TOTAL</b>	<b>91,392</b>

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

- 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.
- 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.
- The applications made for breach of standards review and the corresponding outcomes for the reporting period are:
 

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

**Brian Roche** BBus, MMgt  
**PUBLIC TRUSTEE**  
 Accountable Authority  
 4 September 2020

### 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 DoJ'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.

## Disability Access and Inclusion Plan Outcomes

In compliance with section 29 of the [Disability Services Act 1993](#), the Public Trustee recognises its responsibilities under DoJ's Disability Access and Inclusion Plan 2018-2023 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 disability 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 disabled and may need to have their Will prepared at their home, a care facility or hospital. Wills staff visited 44 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 planned with the accessibility needs of the attendees considered.

### Outcome 2:

People with disability 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.

### Outcome 3:

People with disability 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 disability receive the same level and quality of service from us as other people receive.

Public Trustee clients often live with some type of disability or impairment, whether aged, infirm, or living with mental illness or impaired cognitive skills.

Staff are trained to help them effectively service clients with a disability. All managers received mental health first aid training and the majority are now accredited.

### Outcome 5:

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

Clients can access the DoJ Customer Feedback Management System to make complaints via a selection of feedback options including telephone, online and post.

### Outcome 6:

People with disability 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.

Special survey research training and arrangements are in place to ensure people with disabilities can participate in the annual Client Satisfaction Survey.

### Outcome 7:

People with disability have the same opportunities as other people to obtain and maintain employment.

The Public Trustee follows DoJ's recruitment, selection and retention processes.

# Disclosures & Legal Compliance

## 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 300 applicants.

	2018/19	2019/20
Advertised vacancies	13/403	6/130
Appointment Pools	4/292	5/170

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 Department's electronic document and records management system (EDRMS) Micro Focus Content Manager for administrative records.

Under s19 of the [State Records Act 2000](#), the Public Trustee's Recordkeeping Plan is due for review in March 2023.

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

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

## Government Policy Requirements

### Substantive Equality

Substantive equality recognises that individuals have different needs, and may require different treatment to achieve equal outcomes.

The Public Trustee follows the whole of government [Policy Framework for Substantive Equality](#).

All Public Trustee policy and procedure review pays specific attention to ensure the policy/procedure promotes sensitivity to the different needs of client groups to eliminate all forms of systemic discrimination.

### Freedom of Information Requests

Five FOI applications were received in 2019/20, of which four were dealt with under s47 of the [Public Trustee Act 1941](#). One application referred to documents not held by the Public Trustee.

There were no valid FOI applications.

# Disclosures & Legal Compliance

## Customer Feedback

The Public Trustee uses DoJ's Customer Feedback Management System (CFMS) which conforms to the principles of the Australian Standard on Complaints Handling (AS ISO 10002-2006), and is designed to be accessible, fair and equitable.

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

The Public Trustee also uses an early resolution complaints management strategy where complaints resolved within 48 hours of receipt do not need to be recorded on the Department's CFMS. This is because the nature of staff contact with their clients is frequent and continuous, and the relationship may range from six months (as in deceased estates) to many years, so feedback is dealt with as part of the usual client contact.

Early resolution of complaints is not recorded on the Department's CFMS.

If early resolution of a complaint is not possible, clients are encouraged to lodge a formal complaint via the website, in writing by email or letter, by phone, or in person.

The feedback figures below represent those that could not be resolved early and were recorded in the CFMS.

Customer Feedback	2018/19	2019/20
Complaints	138	193
Compliments	39	81
Other	2	0
Suggestions	1	2
Total	180	276

The most commonly used feedback method was email (40%), followed by lodgment on the Public Trustee website (37%), telephone (12%) and in person (5%).

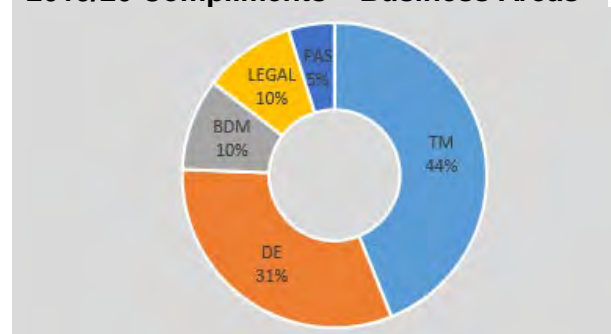
Further analysis of the complaints shows the most common were in relation to Access to Services (24%), Delivery of Services (22%), Communication (17%), Staff (13%), Processes and Procedure (11%), Decision Making (8%), and Costs (4%).

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

Compliments increased 107% this financial year to 81. The increase can be attributed to a combination of good customer service and improved levels of staff reporting. The period between November – February saw the highest number of compliments, with a drop once the pandemic took hold.

Consistent with previous data, business areas receiving the most compliments were client-facing, with Trust and Deceased Estate Management receiving the lion's share.

**2019/20 Compliments – Business Areas**



### Examples of client compliments:

#### Trust Management

"My mother's affairs have been managed by our Trust Manager for a number of years now. I cannot thank the staff enough. Recently mum needed to go into residential care. I found navigating the number of unexpected issues very difficult, but my TM worked with us every step of the way. He has been very prompt, empathetic, professional and a great trouble shooter. Please pass on my sincere thanks."

#### Estate Management

"We have been very impressed with the management of our mother's estate. Clearly it takes time and meticulous attention to detail. It has all gone very smoothly and we are very grateful. Thank you for your excellent service."

#### Legal (+ Wills)

"Our Legal Officer was a very knowledgeable. He explained to us how it works, what we need to do. He was very polite, nice and clear. We are very happy with his services and with his help and information given. Thank you."

# Disclosures & Legal Compliance

## **Business Development and Marketing**

“Thank you and your team for the opportunity to get such a clear and positive insight into the issue of Wills. The lady presenting the talk was very informative, tuned in, professionally interactive and pleasantly attentive to all questions. Impressive.”

## **Government Building Contracts**

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



*Marketing & Communications Officer Claire Sharman at a seminar in Esperance*

# Disclosures & Legal Compliance

## 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 influenza vaccination programs.

Measure	Actual Results		Results against Target	
	2018/19	2019/20	Target	Comment
Number of fatalities	0	0	0	0
Lost time injury and/or disease incidence rate	0	0.6	0 or 10% reduction	
Lost time injury/disease severity rate	0	0	0 or 10% reduction	Target achieved
Percentage of injured workers returned to work:				
(i) within 13 weeks	0	0	>80%	Target achieved
(ii) within 26 weeks	0	0	>80%	Target achieved
Percentage of managers trained in OHS and injury management responsibilities	89%	89%	>80%	Target achieved

## Contact Information:

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PO Box M946 PERTH WA 6843	553 Hay Street PERTH WA 6000	Internet: <a href="http://www.publictrustee.wa.gov.au">www.publictrustee.wa.gov.au</a> Email: <a href="mailto:public.trustee@justice.wa.gov.au">public.trustee@justice.wa.gov.au</a>  Telephone: Wills, Deceased Estates and EPA – 1300 476 116 Administration and Represented Persons – 1300 746 212