



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



**Public Trustee**

# Public Trustee Annual Report 2015/16



# STATEMENT OF COMPLIANCE

For the year ended 30 June 2016

HON. MICHAEL MISCHIN LLB (HONS) BJURIS  
(HONS) MLC  
ATTORNEY GENERAL; MINISTER FOR  
COMMERCE

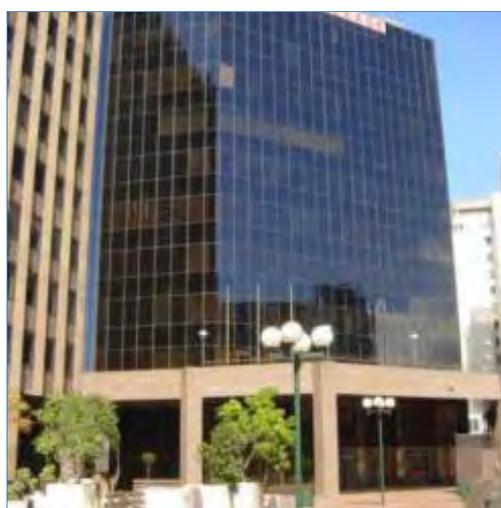
In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Public Trustee for the financial year ended 30 June 2016.

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



Brian Roche BBus MMgt  
Public Trustee

12 September 2016



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# Table of Contents

STATEMENT OF COMPLIANCE .....	2
OVERVIEW .....	4
EXECUTIVE SUMMARY .....	4
OPERATIONAL STRUCTURE .....	6
PERFORMANCE MANAGEMENT FRAMEWORK .....	12
<i>Outcome Based Management Framework</i> .....	12
<i>Changes to Outcome Based Management Framework</i> .....	13
<i>Shared Responsibilities with Other Agencies</i> .....	13
AGENCY PERFORMANCE .....	14
REPORT ON OPERATIONS.....	14
<i>Trustee Services</i> .....	14
<i>Legal Services</i> .....	15
<i>Business Development &amp; Marketing</i> .....	16
<i>Business Support</i> .....	18
<i>Corporate Support</i> .....	19
<i>Actual Results versus Budget Targets</i> .....	21
SIGNIFICANT ISSUES IMPACTING THE AGENCY.....	22
OUR PEOPLE .....	23
DISCLOSURES & LEGAL COMPLIANCE.....	27
FINANCIAL STATEMENTS .....	27
<i>Certification of Financial Statements</i> .....	27
<i>Statement Of Comprehensive Income</i> .....	28
<i>Statement Of Financial Position</i> .....	29
<i>Statement Of Changes In Equity</i> .....	30
<i>Statement Of Cash Flows</i> .....	31
<i>Index of Notes to the Financial Statements</i> .....	32
<i>Notes To The Financial Statements</i> .....	34
KEY PERFORMANCE INDICATOR INFORMATION.....	68
MINISTERIAL DIRECTIONS .....	74
OTHER FINANCIAL DISCLOSURES .....	74
GOVERNANCE DISCLOSURES.....	76
OTHER LEGAL REQUIREMENTS .....	77
GOVERNMENT POLICY REQUIREMENTS .....	79

## OVERVIEW

### Executive Summary

The Public Trustee manages the financial and legal affairs of many at-risk community members, managing around 5,000 trusts with assets valued at \$1.2 billion. We also provide affordable deceased estate administration and Will writing services to the general public.

The Public Trustee achieved self-funding for the fifth consecutive financial year. Maintaining a strong financial position, as well as high profile and reputable brand, ensures services remain accessible to all members of our community, regardless of ability to pay.

Demand for services continued to present resourcing challenges. State Administrative Tribunal Administration orders appointing Public Trustee as administrator have continued to increase. This is our core business where we look after clients 'at-risk' due to a cognitive impairment. Financial administration for Represented Persons has been our resourcing priority and the focus of our business improvement strategies.

I am pleased to report that satisfaction levels remain high with independent research finding that 77% of clients reported the Public Trustee was meeting their needs well.

I am also pleased with the Office of the Auditor General's very favourable findings in the way we manage complaints and customer feedback from Represented Persons.

Financial elder abuse is at the forefront of our minds with continued efforts to assist those affected and to capture data, engage with supporting agencies, and generate public awareness through community education.

Despite private sector options and increasing waiting periods, demand for Will drafting services remains very strong. This is driven by favourable word of mouth referrals, and testators report strong confidence in the Public Trustee's ability to document their last wishes and seek to entrust the Public Trustee with the drafting of their Will and administration of their estate. Demand for Wills and deceased estate community education remains high.

Initiatives such as the WA Will Bank, WA Will Week and Give2Good Foundation continue to resonate with Western Australians as valuable community services. These have strengthened our brand reputation. A strong positive brand provides reassurance to current and future beneficiaries, Represented Persons and their families when the Public Trustee is appointed as Executor or administrator of an estate.

The landscape is always changing and we are committed to positioning our business to manage demand driven by an ageing population and policy changes such as the National Disability Insurance Scheme and Consumer Directed Care. There will be challenges, but we remain on track to continue to deliver quality trustee services to the Western Australian community.

I sincerely thank my staff for their strong customer focus, positive attitude and hard work throughout the year.

I also thank the Attorney General and his staff for their governance and support, and the Director General of the Department of the Attorney General for her leadership and guidance during the year.

Brian Roche

Public Trustee



# Public Trustee

## Fast Facts (as at 30 June 2016)



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



Managed **5,595 TRUSTS**



Wrote **2658 WILLS**



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



Received **896 NEW TRUST CLIENTS** (including 684 referred by the State Administrative Tribunal)



Employed **145 STAFF** (55% Female, 45% Male)



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



Submitted **521 PROBATE** applications



Met the needs of **77%** of clients



Celebrated **75 YEARS** of service



Examined **1667 ACCOUNTS** for Private Administrators of SAT orders



Kept **94,766** Wills safely stored in the WA Will Bank



Achieved **SELF-FUNDING**



Undertook **81** new **INVESTIGATIONS** of financial elder abuse



Had **\$5MILLION** in pledges to Give2Good Foundation

## Operational Structure

The Public Trustee delivers services through five directorates and 17 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. They provide guidance to beneficiaries of smaller estates to aid them to administer the estate themselves and they assist executors through the Executor Assist service.

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 our contracted service provider.

#### Private Administrator Support

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

### 2. Directorate: Legal Services

#### Legal Branch

The Legal Branch provides in-house legal services including probate, property, commercial, debt recovery, personal injuries and family law so the Public Trustee can perform its duties as trustee, administrator, attorney and executor.

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

#### Wills Branch

Lawyers and paralegals 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 are offered at the Perth city office, a telephone service to remote regions and a 'Wills on Wheels' service to clients confined to their homes/care facility due to infirmity.

The Legal and Wills branches officially merged on 1 July 2016.

### 3. Directorate: Business Development & Marketing

#### Client Service Centre

Client Service Officers are the public face of the Public Trustee and provide reception, switchboard, and contact centre services for all public enquiries and Wills administration.

#### Marketing & Communications

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

## 4. Directorate: Business Services

### Investments

The Investments Team manage clients' assets and invest surplus funds to meet clients' immediate and long-term needs. They 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

Staff provide a file and mail service, including security storage of Wills and other sensitive documents, as well as routine receipting and payments online, and purchase all office equipment and consumables.

## 5. Directorate: Corporate Support

### Finance

Finance manages the Public Trustee Bank Account and is responsible for operational and Common Account payments and receipts.

Staff 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 team assesses training needs and develops and delivers in-house training and induction programs as well as coordinates 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

This unit provides in-house recruitment and employment advice to management and staff and coordinates the Employee Development system, workers compensation and performance management.

### Internal Audit

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

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



*Public Trustee Wills Reception*

## Enabling Legislation

The Public Trustee was established by the [Public Trustee Act 1941](#) and is a Statutory Authority within the provisions of the [Financial Management Act 2006](#).

It pays for administrative support from the Department of the Attorney General.

## Responsible Minister

Honourable Michael Mischin LLB (Hons) BJuris (Hons) MLC Attorney General; Minister for Commerce.



# Public Trustee

## Vision, Role, Values

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

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

The Public Trustee's values include:

### 1 EXCELLENT SERVICE

Our clients have varied service needs. We strive to achieve and maintain credible and professional services to diverse client groups through effective communication and by making services relevant, responsive, accessible, accurate and fair.

### 2 INTEGRITY AND ACCOUNTABILITY

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

### 5 PROFESSIONAL AUTONOMY

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

### 4 COLLABORATION AND LEARNING

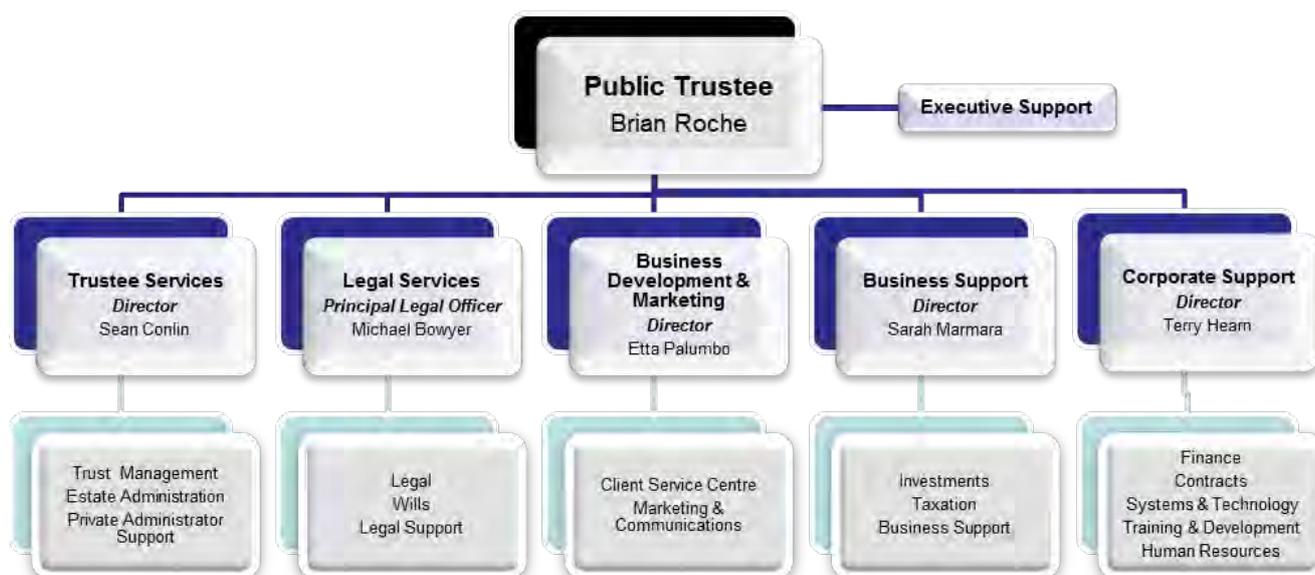
Our people take pride in their work and the value they contribute to the agency. We recognise the knowledge and skills of our people and support their continuous learning and development.

### 3 EQUITY AND FAIRNESS

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



## Organisational Structure



## Corporate Executive Committee Profiles



*Brian Roche*



*Sean Conlin*



*Michael Bowyer*

**Public Trustee, Brian Roche BBus, MMgt** has 25 years senior management experience, including 15 years in Local and State Government and 10 years in private sector. Prior to his appointment as Public Trustee he was a senior executive at the Department of Treasury. He is a Board member of the Art Gallery of Western Australia and the Brightwater Care Group.

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

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

## Corporate Executive Committee Profiles



*Etta Palumbo*



*Terry Hearn*



*Sarah Marmara*

**Director Business Development & Marketing, Etta Palumbo BPsych, MAICD, FLWA** has 12 years professional services marketing experience and 17 years research, strategic planning and communications experience in the public and private sectors. She is a Board member of the Swancare Group.

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

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



*The Public Trustee congratulates graduating School Based Trainees after successful rotation through various roles around the Office*

## 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 our activities

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

### Western Australian Laws

- [Aboriginal Affairs Planning Authority Act 1972](#)
- [Administration Act 1903](#)
- [Auditor General Act 2006](#)
- [Corruption and Crime Commission Act 2003](#)
- [Criminal Property Confiscation Act 2000](#)
- [Equal Opportunity Act 1984](#)
- [Financial Management Act 2006](#)
- [Freedom of Information Act 1992](#)
- [Guardianship and Administration Act 1990](#)
- [Family Provision Act 1972](#)
- [Legal Profession Act 2008](#)
- [Non-contentious Probate Rules 1967](#)
- [Occupational Safety and Health Act 1984](#)
- [Public Interest Disclosure Act 2003](#)
- [Public Sector Management Act 1994](#)
- [Public Trustee Act 1941](#)
- [Public Trustee Regulations 1942](#)
- [Rules of the Supreme Court 1971](#)
- [State Administrative Tribunal Act 2004](#)
- [State Records Act 2000](#)

- [Trustees Act 1962](#)
- [Unclaimed Money Act 1990](#)
- [Wills Act 1970](#)
- [Workers Compensation and Injury Management Act 1981](#)

### Commonwealth Laws

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

## Performance Management Framework

The Public Trustee focuses on the goals of responsible financial management, achieving results in key service delivery areas for the benefit of all Western Australians and ensuring economic activity is managed in a socially and environmentally responsible manner.

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

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

### Outcome Based Management Framework

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

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

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

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

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

Desired outcome	Services	Indicators
Provide services free of charge or for a fee that does not cover the cost of the service to those who cannot afford to pay	<ul style="list-style-type: none"> <li>• Trust Management</li> <li>• PAS</li> <li>• Wills</li> <li>• Legal services</li> <li>• Client Services Centre</li> <li>• WA Will Bank</li> <li>• Give2Good Foundation</li> </ul>	1.4 The percentage of clients who have services provided by the Public Trustee under an operating subsidy rebate

## Changes to Outcome Based Management Framework

The Public Trustee's Outcome Based Management Framework did not change during 2015/16.

## Shared Responsibilities with Other Agencies

The Public Trustee did not share any responsibilities with other agencies in 2015/16. 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, Office of Senior Interests and Volunteering, Health, Office of the Public Advocate, Legal Aid, Police and the Disability Services Commission.

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

The Public Trustee continues to play a substantial role in various Aboriginal Wills initiatives including working with Law Access, Aboriginal Legal Service, Legal Aid, Artists in Black and Ashurst Lawyers.



*Helping reduce the rate of intestacy among remote Aboriginal people with the assistance of Kimberley Development Commission Royalties for Regions Community Chest Funding*

## AGENCY PERFORMANCE

### Report on Operations

#### Trustee Services

Demand for core services continued the increasing trend.

	2014/15	2015/16
New trusts	791	896
New court trusts	126	141
Total trusts	5,378	5,595

	2014/15	2015/16
New SAT orders	600	684
Total SAT clients	3,285	3,534
SAT reviews	718	983

	2014/15	2015/16
Probate applications	505	521

	2014/15	2015/16
Account examinations	1,998	1,667

	2014/15	2015/16
New investigations alleging elder abuse (aged 65 or older)		
Trust Management Clients	42	81
Private Administrator Support Clients	3	0
TOTAL	45	81

#### Trust Management

The total number of trusts on hand increased to 5,595, an increase of 4.0% over the previous year.

The total number of new clients, including appointments by the State Administrative Tribunal (SAT) was 896, 13% more than the previous year. SAT referred 684 new cases to the Public Trustee, an increase of 14% new referrals from the previous year's 600 orders.

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

The number of new court trusts for the year from the District Court and the Assessor of Criminal Injuries Compensation increased to 141. The size of these trusts varies from thousands of dollars to millions of dollars.

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

There were 81 new investigations alleging elder abuse (aged 65 or older), which represents a 93% increase on last year.

#### Estate Management

The number of applications to the probate division of the Supreme Court made by the Public Trustee increased to 521, which equates to a 7.2% market share.

#### Private Administrator Support (PAS)

PAS conducted 1,667 account examinations where total assets exceeded \$1,705 million.

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

## Legal Services

This Directorate consists of two business units - Legal and Wills.

Matters	2014/15	2015/16
New	255	319
Finalised	183	298
On hand	565	586

	2014/15	2015/16
Wills	2,951	2,658

### Legal

As at 30 June 2016, the Legal Directorate had 586 legal matters on hand (not including estate distributions, standard probate and conveyancing applications and various other routine and minor matters). It received 319 new matters and finalised 298 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 2015/16, the Wills branch executed 2658 Wills.

The majority of Wills are drafted and executed at the end of each 1.5-2 hour Will consultation. As with previous years, demand for Wills services remained very high with the average waiting time for an appointment averaging 16 weeks. The Public Trustee's strong reputation in drafting Wills, high client satisfaction and significantly lower than market cost has led testators to wait for appointments rather than seek other options such as private practice lawyers, Citizens Advice Bureau or community legal centres.



*Supporting the Society of Trustee & Estate Practitioners (STEP) to provide continuing professional development to the legal profession at the Public Trustee*

# Agency Performance

## Business Development & Marketing

The Business Development & Marketing Directorate aims to provide frontline customer service and raise community awareness, understanding and accessibility of Public Trustee services.

WA Will Bank	2014/15	2015/16
Deposits	1,110	1,332

Public Education	2014/15	2015/16
Public Seminars	23	26
Seminar Attendees	2,217	2,910

## Client Service Centre

The Client Service Centre comprises the Wills Reception and Public Trustee Online Enquiries and Call Centre. Client Service Officers answer over 65,000 calls per annum and respond to over 20,000 email and post enquiries. Email and web enquiries continued to show an increasing trend reflecting a growing engagement with the public through online communication.

With increasing complexity and specialty knowledge required across the wide range of services offered, work commenced on unbundling the Client Service Centre and realigning parts to the relevant business area under the guidance of the area specialist rather than a generalist manager. The advantages include higher efficiency through less double handling across teams, faster and better client outcomes, and cost savings from reduced number of business areas needing resources and management.

## WA Will Bank

The Public Trustee's free Will storage service continues to grow in popularity with 1,332 Wills deposited, a 21% increase on 2014/15. 94,766 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 Australian's.

## Marketing & Communications

Business development and marketing initiatives were moderated during 2015/16 due to high demand for services, particularly for the preparation of Wills. Marketing & communications activities focused on:

- WA Will Week, Law Week and Seniors Week community education;
- 26 Wills and Deceased Estates public seminars attracting 2,910 attendees;
- 21 information sessions to community groups, professional service providers and Government agencies relating to the role of the Public Trustee, Financial Administration and Elder Abuse;
- Regional visits to the South West and also to the Kimberley, Peel and Gascoyne regions following successful Royalties for Regions Community Chest funding from Development Commissions;
- Client satisfaction research revealed 77% of clients felt the Public Trustee was meeting their needs well (6+ out of 10);
- Working with Palliative Care WA to develop an Advanced Care Planning Workshop; and
- Working with the Alliance for the Prevention of Elder Abuse to 'help stop elder abuse', including introducing a new community education session run during Law Week and on World Elder Abuse Awareness Day.



Trustee staffer Etta Palumbo helps promote awareness. Picture: Jon Hewson d455594

## Give2Good Foundation

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

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

Donations and bequests are made to Give2Good in the form of endowed funds, which accumulate to form a corpus of funds intended to be invested indefinitely. Over time, Give2Good will add to the Public Trustee's total funds under management and to the pool of charitable funds distributed. Testators have so far promised over \$6million to the Foundation in the form of charitable bequests.

## Office of the Auditor General Report

On 30 June 2016, the Auditor General tabled his report *Management of Feedback from Public Trustee Represented Persons* in Parliament. The report reassures the Public Accounts Committee, who commissioned the performance audit, and carers of at-risk members of the community that the Public Trustee's complaints management processes and client satisfaction surveys allow clients to provide feedback and assist the Public Trustee to improve the quality of its service.

The audit concluded that "Overall, the Public Trustee is satisfactorily collecting, managing and using information from complaints and client satisfaction surveys to improve services to Represented Persons. The number of complaints the Public Trustee receives from Represented Persons is small. The complaints we reviewed showed that the Public Trustee provided complainants with timely and informed explanations in its responses."



*Business Development & Client Service staff play a role in facilitating philanthropy through the Give2Good Foundation*

## Business Support

Funds under management	2014/15 \$,000s	2015/16 \$,000s
Common Account	269,607	270,073
PTIFs	217,841	217,703
Bank deposits	145,670	151,017
Equities	29,515	36,765
Unit trusts	7,432	9,330
Life policies	3,772	3,077
Real estate	431,708	463,446
Other assets	35,259	41,438
<b>TOTAL</b>	<b>1,140,804</b>	<b>1,191,791</b>

Fund type	30/6/15 \$,000s	30/6/16 \$,000s
Cash	Nil	Nil
Conservative	46,943	44,718
Growth	170,141	167,367
Growth Plus	2,989	2,648
<b>TOTAL</b>	<b>220,073</b>	<b>214,733</b>

	30/6/15 ,000s	30/6/16 ,000s
Properties sold	160	167
Value \$	\$77,312	\$78,995

## Common Account

The Common Account operates as a cash management account with funds available at call. As at 30 June 2016 the Public Trustee managed \$264.5million in cash and short term deposits with the Western Australian Treasury Corporation and banks rated A2 to A1+, as well as a CBD building valued at \$33.15 million.

Clients received interest distributions higher than average market returns for 2015/16.

## 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 2015/16 the Investments business area sold 167 properties for a total value of \$79million.

## Taxation Services

The Taxation business area actioned 1,598 client files and lodged 1,497 income tax returns in 2015/16.



*Public Trustee Investments Team*

## Corporate Support

This Directorate provides finance, IT, training and development, contract management, internal audit and human resources services.

	2014/15	2015/16
Operational budget	\$22.3 million	\$23.3 million
Revenue budget	\$22.7 million	\$23.8 million

Common Account	30/6/15	30/6/16
Balance	\$13.8 million	\$14.5 million
Total \$ value of receipts/disbursements during the year	\$870.8 million	\$1,232.6 million

## Finance

The Public Trustee had an operational expenditure budget of \$23.3 million and a revenue budget of \$23.8 million, an increase of 4.5% and 4.8% respectively from the previous financial year.

The Public Trustee Common Account Bank Account averaged a daily balance of \$15 million.

## Systems & Technology

The Public Trustee's Customer Relationship Management (CRM) system was replaced with an additional module in the Management and Trust Environment (MATE), the Public Trustee's core business system. It will be supported under the current MATE maintenance contract.

A new payment method has been added to the MATE by using Australia's electronic bill payment system, BPay.

A MATE new interface was deployed, providing modern look and introducing navigation that is in line with the current trends in application development.

The Public Trustee Information Technology group is also working on various technology improvements such as centralised management of its fleet of Ricoh Multifunction Devices (MFDs) and the gradual replacement of fax machines with MFDs.

## Contracts Management

The Public Trustee procures and awards contracts for corporate and client needs in accordance with proper relevant procurement authority.

Contracts awarded during the year include Client Property Repair, Inspection and Maintenance Service; Insurance Services; Real Estate Valuation Services; and a Search Inventory Removal Service.

No exemptions from competitive requirements were granted during 2015/16.

## Internal Audit

As the appointed contracted audit provider, William Buck conducted three reviews that identified many areas of strengths, and highlighted opportunities for further improvement. Corrective action was undertaken to further address and strengthen internal controls. The reviews focused on Trust Management, Purchasing Cards and Financial Management.

## Achievements

During 2015/16 we achieved the following outcomes, which are additional to our normal day-to-day activities:

- growth in revenue of \$1.1M (4.8)%;
- favourable Office of the Auditor General Performance Report regarding complaint management processes and client satisfaction survey for Represented Persons;
- maintained acceptable levels of service delivery and satisfaction whilst achieving cost savings required to meet efficiency dividend targets;
- commenced innovation and technology focus with implementation of BPay and analysis of client and staff research soliciting suggestions for improvements; and
- improved accessibility in regional areas through successful Royalties for Regions Community Chest Funding from Development Commissions in the Peel, Gascoyne and Kimberley Regions.

## Looking Ahead in 2016/17

The Public Trustee will:

- engage with stakeholders, such as banks, utilities, Centrelink and other Government departments to improve inter-organisational communication for the benefit of mutual clients;
- undertake office-wide structure, business process and risk management reviews to identify more efficient, flexible and productive ways of delivering service;
- be market focussed, relevant and commercially aware in policy setting and decision making;
- enhance client service by understanding modern day needs, and updating and simplifying the way we engage with our clients;
- research and invest in innovation and technology developments to take advantage of cost savings from digital advances and in preparation for digital disruption affecting business practices (eg stakeholders moving to online payments and online applications);
- expand Enduring Powers of Attorney services and/or promotion of State Administrative Tribunal Administration Orders to reduce the risk of financial elder abuse in WA;
- promote initiatives such as Give2Good Foundation, WA Will Bank and WA Will Week; and
- explore new services or markets to grow funds under management.

*300 people attend the Public Trustee's WA Will Week talk at Hillarys*



# Agency Performance

## Actual Results versus Budget Targets

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

Financial Targets	Target	Actual	Variation
Total cost of services (expense limit) (\$,000s)	23,291	23,553	(262)
Net cost of services (\$,000s)	(508)	12	(520)
Approved full-time equivalent staff	160	145.4	14.6

## Summary of Key Performance Indicators

Detailed performance indicator information relating to the services we provide 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%	77%	(8%)
1.2 Percentage of Western Australian deceased estates administered by the Public Trustee	6.5%	4.1%	(2.4%)
1.3 Percent of estates finalised within 12 months of being reported	65%	58%	(7%)
1.4 Percentage of clients who have services provided by the Public Trustee under an operating subsidy	35%	53%	18%
1.5 Cost per trust managed	\$1,912	\$1,870	(2.2%)
1.6 Cost per deceased estate administered	\$2,687	\$2,664	(0.9%)
1.7 Cost per Will prepared	\$746	\$797	6.8%
1.8 (a) Common Account earning rate	n/a	4.15%	n/a
1.8 (b) Return from Common Account for clients	n/a	0.50% - 2.25%	n/a
1.8 (c) Common Account investment cost/\$ invested	n/a	0.09%	n/a

## Significant Issues Impacting the Agency

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

### Financial performance

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

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

### Government policies

State and Commonwealth Governments' efficiency dividends, decentralisation of services, increased outsourcing and the need to maintain self-funding remain a challenge.

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

### Ageing population

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

This demographic change, together with trends such as the increasing prevalence of mental illness, growth in blended families and breakdown of family relationships continue to increase the demand for trust management and estate administration services.

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

<sup>1</sup> Regional Projections, Australia, Series B, Australian Bureau of Statistics, December 2013

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

### Competition

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

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

### Technology and user resistance

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

As a result of innovation and rapid product development, the rate at which processes and technologies become obsolete or need to be adapted in response is increasing.

### Compliance

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

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

### Growth in Subsidised Clients

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

## OUR PEOPLE

This section provides an overview on our people, initiatives, safety practices, diversity and equality.

### Employee Assistance Program

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

### Employee Development

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

Employees received over 278 days of in-house (98%) and externally provided (2%) training.

The Public Trustee continues to commit its support to the personal and professional development of its staff, specifically with the development of technical role based knowledge.

The training team has focused on developing staff by providing the following technical in-house sessions in 2015/16 and developing modules for externally offered skills, where possible:

- Trust and estate induction
- Modulated technical training (Estates/Trust) for Level 3 and above
- Microsoft product training such as Word and Excel
- Landgate Training
- Managing people for supervisors
- Collaborative upskilling with Centrelink sessions
- NDIS training for all Trust and Estates staff

### 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.

### Wellness program

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

### Workforce Profile

No. of Staff by gender	2014/15		2015/16	
	M	F	M	F
Professional	8	14.1	9	9.6
Clerical	60	69.8	56	70.8
Total	68	83.9	65	80.4

Workforce profile	2014/15	2015/16
Business Development	8	7.6
Business Services	19.8	18.8
Executive/ Administration	2	2
Corporate Support	13	13
Legal	19.1	16
Trustee Services	90	88
Total	151.9	145.4



Staff attendees of Deafness Awareness Training



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### PUBLIC TRUSTEE

#### Report on the Financial Statements

I have audited the accounts and financial statements of the Public Trustee.

The financial statements comprise the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

#### *Opinion*

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Public Trustee at 30 June 2016 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

#### *Public Trustee's Responsibility 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 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.

#### *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 based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trustee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Public Trustee, as well as evaluating the overall presentation of the financial statements.

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

## Report on Controls

I have audited the controls exercised by the Public Trustee during the year ended 30 June 2016.

Controls exercised by the Public 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.

### **Opinion**

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 2016.

### *Public Trustee's Responsibility for Controls*

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

### *Auditor's Responsibility for the Audit of Controls*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Public Trustee based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Trustee complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

## Report on the Key Performance Indicators

I have audited the key performance indicators of the Public Trustee for the year ended 30 June 2016.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

### **Opinion**

In my opinion, in all material respects, the key performance indicators of the Public Trustee are relevant and appropriate to assist users to assess the Trustee's performance and fairly represent indicated performance for the year ended 30 June 2016.

### *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 controls as the Public Trustee determines necessary to ensure that the key performance indicators fairly represent indicated performance.

## *Auditor's Responsibility for the Audit of Key Performance Indicators*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Public Trustee's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

## **Independence**

In conducting the above audits, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical 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 2016 included on the Trustee's website. The Trustee's management is responsible for the integrity of the Trustee's website. This audit does not provide assurance on the integrity of the Trustee's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
14 September 2016

## DISCLOSURES & LEGAL COMPLIANCE

### FINANCIAL STATEMENTS

#### Certification of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

The accompanying financial statements of the Public Trustee have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2016 and the financial position as at 30 June 2016.

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**

B Comm, CPA

Chief Finance Officer

12 September 2016



**Brian Roche**

B Bus, M Mgt

Accountable Authority

12 September 2016

## Statement Of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>COST OF SERVICES</b>			
<b>EXPENSES</b>			
Write-offs and doubtful debts	6	241,551	262,270
Employee benefits expense	7	14,742,526	14,485,776
Depreciation	7	922,909	1,133,496
Administration expenses	7	2,694,511	3,435,608
Accommodation expenses	7	2,787,366	2,774,965
Corporate service expenses	7	2,405,931	2,139,397
Loss on disposal of non-current assets	8	-	-
<b>Total expenses before payments to Consolidated Account</b>		<b>23,794,794</b>	<b>24,231,512</b>
Fees paid to Consolidated Account	9	17,998,000	17,196,033
Surplus Common Account Interest paid to Consolidated Account	10(a)	5,100,000	6,204,000
Other payments to Consolidated Account	10(b)	-	386,000
<b>Total cost of services</b>		<b>46,892,794</b>	<b>48,017,545</b>
<b>INCOME</b>			
Fees and charges		16,189,409	15,006,646
Public Trustee 6% fee from Common Account	25(a)	800,170	871,074
Management fee from Strategic Common Accounts		1,065,248	1,041,628
Receipts from Common Account Surplus Interest	25(a)	-	6,590,000
Interest revenue	25(a)	1,229,268	1,270,978
Other revenue		88,201	37,087
<b>Total income other than income from State Government</b>		<b>19,372,296</b>	<b>24,817,413</b>
<b>NET COST OF SERVICES</b>	14(b)	<b>27,520,498</b>	<b>23,200,132</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Recoups and other revenue from Department of the Attorney General	7	67,324	71,407
Corporate revenue allocation from Department of the Attorney General	7	122,553	111,802
Services received free of charge from Department of the Attorney General	7	23,363,366	23,786,033
<b>Total income from State Government</b>		<b>23,553,243</b>	<b>23,969,242</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(3,967,255)</b>	<b>769,110</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<b>(3,967,255)</b>	<b>769,110</b>

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

## Statement Of Financial Position

As at 30 June 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14(a)	26,546,117	31,121,488
Receivables	13	11,075	74,770
<b>Total Current Assets</b>		<b>26,557,192</b>	<b>31,196,258</b>
<b>TOTAL ASSETS</b>		<b>26,557,192</b>	<b>31,196,258</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accrued fees payable to Consolidated Account Payables	12	398,000	660,033
		162,948	572,726
<b>Total Current Liabilities</b>		<b>560,948</b>	<b>1,232,759</b>
<b>TOTAL LIABILITIES</b>		<b>560,948</b>	<b>1,232,759</b>
<b>NET ASSETS</b>		<b>25,996,244</b>	<b>29,963,499</b>
<b>EQUITY</b>			
Indemnity reserve	11(a)	4,013,837	3,861,928
Business development reserve	11(a)	14,936,877	20,036,877
Accumulated surplus	11(b)	7,045,530	6,064,694
<b>TOTAL EQUITY</b>		<b>25,996,244</b>	<b>29,963,499</b>

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

## Statement Of Changes In Equity

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Balance at beginning of period</b>		<b>29,963,499</b>	<b>29,194,389</b>
<b>RESERVES</b>			
<b>Indemnity Reserve</b>			
Balance at start of period		3,861,928	3,965,635
Transfers to reserves		355,330	35,240
Transfers from reserves		(203,421)	(138,947)
Balance at end of period	11(a)	4,013,837	3,861,928
<b>Business Development Reserve</b>			
Balance at start of period		20,036,877	20,066,331
Transfers to reserves		-	6,596,600
Transfers from reserves		(5,100,000)	(6,626,054)
Balance at end of period	11(a)	14,936,877	20,036,877
<b>ACCUMULATED SURPLUS</b>			
Balance at start of period		6,064,694	5,162,423
Total comprehensive income/(loss) for the period		(3,967,255)	769,110
Transfers from reserves		4,948,091	133,161
Balance at end of period	11(b)	7,045,530	6,064,694
<b>Balance at end of period</b>		<b>25,996,244</b>	<b>29,963,499</b>

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

## Statement Of Cash Flows

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Fees raised from Estates and Trusts		16,189,409	15,006,646
Public Trustee 6% fee from Common Account		800,170	871,074
Management fee from Strategic Common Accounts		1,072,400	1,019,588
Receipts from Common Account Surplus Interest		-	6,590,000
Interest received		1,229,268	1,270,978
GST receipts on fees		2,241,300	2,175,283
Other revenue		88,209	37,052
<b>Payments</b>			
Payments on clients' behalf written-off		(235,301)	(189,874)
GST payments on purchases		(259,557)	(181,660)
GST payments to taxation authority		(2,341,236)	(1,957,036)
<b>Net cash provided by operating activities</b>	14(b)	<b>18,784,662</b>	<b>24,642,051</b>
<b>CASH FLOWS TO STATE GOVERNMENT</b>			
Fees paid to Consolidated Account		(18,260,033)	(16,599,968)
Surplus Common Account Interest paid to Consolidated Account		(5,100,000)	(6,204,000)
Other payments to Consolidated Account from reserves		-	(386,000)
<b>Net cash provided to State Government</b>		<b>(23,360,033)</b>	<b>(23,189,968)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(4,575,371)</b>	<b>1,452,083</b>
Cash and cash equivalents at the beginning of the period		31,121,488	29,669,405
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	14(a)	<b>26,546,117</b>	<b>31,121,488</b>

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

## Index of Notes to the Financial Statements

For the year ended 30 June 2016

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

**This index does not form part of the financial statements.**

**Index of Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2016**

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

**This index does not form part of the financial statements.**

## Notes To The Financial Statements

For the year ended 30 June 2016

### 1. Australian Accounting Standards

#### General

The Public Trustee's financial statements for the year ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

#### Early adoption of standards

The Public Trustee cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian accounting Standards that have been issued or amended (but not operative) by the Public Trustee for the annual reporting period ended 30 June 2016.

### 2. Summary of significant accounting policies

#### 2 (a) (i) General statement

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

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

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

#### 2 (a) (ii) Basis of preparation

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

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

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

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

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

#### 2 (a) (iii) Reporting entity

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

**2 (b) Investments (Common Account)**

Investments have been brought to account as follows:

**2 (b) (i) Properties**

The Public Trustee Common Account owns an investment property, comprising of land and office building, which is held for long-term rental yields. The property is carried at fair value as mandated by TI 954, representing open-market value determined annually by external valuers - refer to note 25(g). Changes in fair value are recorded in profit or loss in the periods in which they arise.

**2 (b) (ii) Cash and cash equivalents**

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

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

**2 (c) Trust accounts**

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

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

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

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

**2 (d) Reserves**

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

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

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

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

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

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

The Department of the Attorney General provides the Public Trustee with resources in the form of staff, equipment and other operating expenses. The assets and liabilities relating to these provided resources are reported in the Department of the Attorney General's Financial Statements (refer note 7 & 21).

**2 (f) Foreign currency translation**

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

**2 (g) Comparative figures**

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

**2 (h) Financial instruments**

Financial instruments have been disaggregated into the following classes:

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

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

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

**2 (i) Revenue recognition**

Revenue is recognised and measured at the fair value of consideration received or receivable.

Revenue is recognised for business activities as follows:

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

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

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

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

**2 (k) Goods and Services Tax (GST)**

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

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

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

**2 (l) Receivables**

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (ie impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Public Trustee will not be able to collect the debts. The carrying amount is equivalent to fair value as they are generally settled within 30 days.

**2 (m) Payables**

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

**2 (n) Operating Leases**

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

**2 (o) Impairment of assets****2(o) (i) Non-current assets**

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

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

**2(o) (ii) Financial assets**

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

**2(p) Disclosure of changes in accounting policy and estimates****Initial application of an Australian Accounting Standard**

The Public Trustee has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2015 that impacted on the Public Trustee:

AASB 2015-3	<i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i> This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.
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### Future impact of Australian Accounting Standards not yet operative

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

		<b>Operative for reporting periods beginning on/after</b>
AASB 9	<i>Financial Instruments</i> This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i> . The Public Trustee has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 15	<i>Revenue from contracts with customers</i> This Standard establishes the principles that the Public Trustee shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Public Trustee has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 16	<i>Leases</i> This standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Public Trustee has not yet determined the application or the potential impact of the Standard.	1 Jan 2019
AASB 1057	<i>Application of Australian Accounting Standards</i> This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.	1 Jan 2016
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i> This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Public Trustee has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i> Part E makes amendments to AASB 9 and consequential amendments to other Standards. The Public Trustee has not yet assessed to determine the application or potential impact of the Standard.	1 Jan 2018
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i> This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Public Trustee has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i> This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Public Trustee has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2015-1	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 &amp; 140]</i> These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The Public Trustee has not yet determined the application or the potential impact of the Standard.	1 Jan 2016

AASB 2015-2	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</i></p> <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p>	1 Jan 2016
AASB 2015-6	<p><i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 &amp; 1049]</i></p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.</p>	1 Jul 2016
AASB 2015-8	<p><i>Amendments to Australian Accounting Standards – effective date of AASB 15</i></p> <p>The Standard amends the mandatory effective date of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Public Trustee has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2017
AASB 2016-2	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Public Trustee has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

### 3. Judgments made by management in applying accounting policies

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

#### Operating lease commitments

Pursuant to section 39(A)(3) of the Public Trustee Act 1941, the Attorney General approved on 3 June 2014 and the Public Trustee signed on 25 June 2014 the Terms and Conditions for the Public Trustee's occupation of office accommodation at 553 Hay Street Perth. The terms and conditions determine that the Public Trustee will occupy specified areas of the building in exchange for a monthly charge, during the period of 10 years ending on 14 March 2021, and the Common Account will retain substantially all the risks and rewards incidental to ownership. Accordingly, this arrangement has been classified as an operating lease.

### 4. Key sources of estimation uncertainty

#### Litigation in progress

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

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

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

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

**6. Write-offs and doubtful debts**

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

	2016	2015
	\$	\$
Write-offs	185,008	240,167
Doubtful debts expense	56,543	22,103
	<b>241,551</b>	<b>262,270</b>

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

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

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

	2016	2015
	\$	\$
<b>Operating Expenses</b>		
Employee benefits expense		
Salaries, fringe benefits and fringe benefits tax	13,399,517	13,180,164
Superannuation and pension	1,343,009	1,305,612
	<b>14,742,526</b>	<b>14,485,776</b>
Depreciation	922,909	1,133,496
Administration expenses	2,694,511	3,435,608
Accommodation expenses	2,787,366	2,774,965
Corporate service expenses	2,405,931	2,139,397
<b>Total operating expenses</b>	<b>23,553,243</b>	<b>23,969,242</b>

Resources received free of charge is recognised as revenue as follows:

<b>Operating Income</b>		
Recoups and other revenue from Department of the Attorney General	67,324	71,407
Corporate revenue allocation from Department of the Attorney General	122,553	111,802
Resources received free of charge from Department of the Attorney General	23,363,366	23,786,033
<b>Total operating income</b>	<b>23,553,243</b>	<b>23,969,242</b>

**8. Net gain/(loss) on disposal of non-current assets**Net proceeds from disposal of non-current assets

	2016	2015
	\$	\$
Office equipment	-	-
<u>Carrying amount of non-current assets disposed</u>		
Office equipment	-	-
<b>Net gain/(loss)</b>	<b>-</b>	<b>-</b>

**9. Fees paid to Consolidated Account**

Pursuant to section 6B(2)(b) of the *Public Trustee Act 1941* and regulation 6(b) of the *Public Trustee Regulations 1942*, from 1 July 2008 the Current Agreement sets out the proportion of the fees received by the Public Trustee to be credited to the Consolidated Account. The Current Agreement determines that the Public Trustee is to transfer at least \$17,998,000 (2015: \$16,536,000) in fees to the Consolidated Account if the fees collected are in excess of this amount. Otherwise, all fees collected shall be paid to the Consolidated Account, via the Department of the Attorney General's net appropriation determination.

	2016	2015
	\$	\$
Fees paid to Consolidated Account	17,998,000	17,196,033

**10. Interest and other revenue paid to the Consolidated Account****10(a) Surplus Common Account Interest paid to Consolidated Account**

Following the payment of interest to trusts, estates and to the Public Trustee (includes Public Trustee 6% fee), any surplus earnings are deemed to be Surplus Common Account Interest. Section 39A (8) of the *Public Trustee Act 1941* allows the Public Trustee to credit this Surplus Common Account Interest to a reserve fund. The Current Agreement section 10.2 determines that the Public Trustee shall credit to the Business Development Reserve the balance of the interest received during the year. Section 10.3 of the Current Agreement determines that the Public Trustee is to pay \$5,100,000 (2015: \$5,404,000) in Surplus Common Account Interest to the Consolidated Account. In line with its self-funding commitment, the Public Trustee has paid the following amounts to the Consolidated Account.

	2016	2015
	\$	\$
Surplus Common Account Interest paid to Consolidated Account	5,100,000	6,204,000

**10(b) Other payments to Consolidated Account**

These payments relate to outgoings incurred by the Department of Attorney General, on behalf of the Public Trustee, to indemnify certain clients for losses determined to be the Public Trustee's responsibility, and for the Public Trustee's capital works programs. The payments were funded via transfers from the Public Trustee's Indemnity and Business Development Reserves and other revenue:

	2016 \$	2015 \$
Transfers from the Business Development Reserve	-	386,000
<b>Other payments to Consolidated Account from reserves</b>	<b>-</b>	<b>386,000</b>

**11. Equity**

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

**11 (a) Reserves**

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

Details of the Reserves are as follows:

	Note	2016 \$	2015 \$
<b>Total Reserves</b>			
Balance at start of period		23,898,805	24,031,966
ADD Transfer to Reserves		355,330	6,631,840
LESS Transfer from Reserves		(5,303,421)	(6,765,001)
<b>Balance at end of period</b>		<b>18,950,714</b>	<b>23,898,805</b>
<b>Represented by:</b>			
<b>Indemnity Reserve</b>			
Balance at start of period		3,861,928	3,965,635
ADD Transfer to Reserves		355,330	35,240
LESS Transfer from Reserves		(203,421)	(138,947)
<b>Balance at end of period</b>	11(a)(i)	<b>4,013,837</b>	<b>3,861,928</b>
<b>Business Development Reserve</b>			
Balance at start of period		20,036,877	20,066,331
ADD Transfer to Reserves		-	6,596,600
LESS Transfer from Reserves		(5,100,000)	(6,626,054)
<b>Balance at end of period</b>	11(a)(ii)	<b>14,936,877</b>	<b>20,036,877</b>
<b>Total balance of Reserves at end of period</b>		<b>18,950,714</b>	<b>23,898,805</b>

**11 (a) (i) Indemnity Reserve**

If the Public Trustee, in its corporate capacity, is liable to compensate a person for loss or damage, the Public Trustee may 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, as specified in section 9.3 of the Current Agreement. The reserve level is reviewed annually based on an independent actuarial advice received in 2013 and represents a percentage of the total client assets and liabilities managed.

**11 (a) (ii) Business Development Reserve**

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

**11 (b) Accumulated surplus**

	2016	2015
	\$	\$
Balance at start of period	6,064,694	5,162,423
Surplus/(deficit) for the period	(3,967,255)	769,110
Transfer to reserves	(355,330)	(6,631,840)
Transfer from reserves	5,303,421	6,765,001
<b>Balance at end of period</b>	<b>7,045,530</b>	<b>6,064,694</b>

**12 Accrued fees payable to Consolidated Account**

	2016	2015
	\$	\$
Fees payables to Consolidated Account	398,000	660,033

**13 Receivables**

	2016	2015
	\$	\$
<b>Current</b>		
Receivables	89,721	96,873
Allowances for impairment of receivables	(78,646)	(22,103)
<b>Total current receivables</b>	<b>11,075</b>	<b>74,770</b>

**Reconciliation of changes in the allowances for impairment of receivables**

	2016	2015
	\$	\$
Balance at start of period	22,103	-
Doubtful debts expense	56,543	22,103
<b>Balance at end of period</b>	<b>78,646</b>	<b>22,103</b>

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

**14 Notes to the Statement of Cash Flows****14(a) Reconciliation of cash**

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

	2016	2015
	\$	\$
Cash and cash equivalents	26,546,117	31,121,488

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

	2016	2015
	\$	\$
Net cost of service before income from State Government	(27,520,498)	(23,200,132)
<b>Non-cash items</b>		
Write-offs and doubtful debts	6,250	72,396
Employee benefits expense	14,742,526	14,485,776
Depreciation	922,909	1,133,496
Administration expenses	2,694,511	3,435,608
Accommodation expenses	2,787,366	2,774,965
Corporate service expenses	2,405,931	2,139,397
<b>Payments</b>		
Fees paid to Consolidated Account	17,998,000	17,196,033
Surplus Common Account Interest paid to Consolidated Account	5,100,000	6,204,000
Other payments to Consolidated Account from reserves	-	386,000
<b>Change in assets and liabilities</b>		
(Increase)/decrease in receivables	7,152	(22,040)
Increase/(decrease) in payables	(359,485)	36,552
<b>Net cash provided by operating activities</b>	<b>18,784,662</b>	<b>24,642,051</b>

**15. Remuneration of members of the Public Trustee and senior officers****15(a) Remuneration of members of the Public Trustee**

The number of members of the Public Trustee, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands is:

Remuneration Band (\$)	2016	2015
270,001 - 280,000	-	1
290,001 - 300,000	1	-
	\$	\$
Base remuneration and superannuation	255,215	244,912
Annual leave and long service leave accruals	4,548	(6,656)
Other benefits	33,405	35,598
<b>Total remuneration of members of the Public Trustee</b>	<b>293,168</b>	<b>273,854</b>

The total remuneration includes the superannuation expense incurred by the Public Trustee in respect of members of the Public Trustee.

**15(b) Remuneration 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:

Remuneration Band (\$)	2016	2015
150,001 - 160,000	-	1
160,001 - 170,000	3	2
190,001 - 200,000	1	2
200,001 - 210,000	1	-
	\$	\$
Base remuneration and superannuation	830,422	800,316
Annual leave and long service leave accruals	(12,505)	(28,190)
Other benefits	84,942	98,650
<b>Total remuneration of senior officers</b>	<b>902,859</b>	<b>870,776</b>

The total remuneration includes the superannuation expense incurred by the Public Trustee in respect of senior officers other than senior officers reported as members of the accountable Public Trustee. No senior officers are members of the Pension Scheme.

**16. Remuneration of auditor**

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

	2016	2015
	\$	\$
Auditing the accounts, financial statements and key performance indicators	74,500	70,000

**17. Contingent liabilities**

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

**Litigation in progress**

The Public Trustee has 18 matters (2015: 20) where litigation against the Public Trustee may result or has started. They involve potential claims for damages to the value of \$5.9 million (2015: \$6.6 million) inclusive of court costs. These potential claims are covered by insurance, may not be finalised and it is likely that there will not be any material liability. Hence, no liability has been recognised in the Financial Statements.

**Contaminated sites**

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

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

**18. Commitments**

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

The commitments shown below are GST exclusive.

**Cancellable operating lease commitments**

Commitments for minimum lease payments are payable as follows:

Within 1 year

Later than 1 year and not later than 5 years

Later than 5 years

	2016 \$	2015 \$
Within 1 year	1,647,588	1,896,472
Later than 1 year and not later than 5 years	6,684,852	-
Later than 5 years	-	-
	<b>8,332,440</b>	<b>1,896,472</b>

**19. Impairment of assets**

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

There are no surplus assets held at year end.

**20. Financial instruments****(a) Financial risk management objectives and policies**

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

The Public Trustee invests exclusively in the Common Account. The investments of the Common Account are in compliance with s39A *Public Trustee and Trustee Companies Legislation Amendment Act 2008*.

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

**Credit risk**

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

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

Credit risk associated with the Public Trustee's financial assets is minimal because the State Government guarantees all financial assets of the Common Account in terms of s42 of the Public Trustee Act 1941. The Public Trustee monitors receivable balances on an ongoing basis with the result that the exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

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

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

**Liquidity risk**

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

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

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

The building at 553 Hay Street has been an asset of the Common Account since August 2008. The majority of the Common Account portfolio is in liquid form with an average daily balance of \$262 million in term deposits with banks and \$15 million held in a 24 hour at call account with Western Australian Treasury Corporation (WATC). The liquidity is monitored by the Manager Financial Investments, the Manager Finance and the Director Business Services. There has been no change from the previous period in respect of exposure to liquidity risk.

**Market risk**

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

The Public Trustee's exposure to market risk through changes in interest rates is limited to cash which is invested in the Common Account. Common Account investments are authorised by s39 *Public Trustee Act 1941*; exposure to interest rate risk is limited to short term deposits and cash. There has been no change from the previous period in respect of exposure to market risk.

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

**20(b) Categories of financial instruments**

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

	2016 \$	2015 \$
<b>Financial Assets</b>		
Cash and cash equivalents	26,546,117	31,121,488
Receivables	11,075	74,770
<b>Financial Liabilities</b>		
Accrued fees payable to Consolidated Account	398,000	660,033
Payables(*)	-	50,292

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

**20(c) Financial instrument disclosures****Credit risk**

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

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

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

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

#### Ageing analysis of financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired					Impaired financial assets \$'000
			Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000	
<b>2016</b>								
<b>Financial Assets</b>								
Cash and cash equivalents	26,546	26,546	-	-	-	-	-	-
Receivables	11	11	-	-	-	-	-	(a)
	<b>26,557</b>	<b>26,557</b>	-	-	-	-	-	-
<b>2015</b>								
<b>Financial Assets</b>								
Cash and cash equivalents	31,121	31,121	-	-	-	-	-	-
Receivables	75	75	-	-	-	-	-	22
	<b>31,196</b>	<b>31,196</b>	-	-	-	-	-	22

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

#### Liquidity risk and interest rate exposure

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

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

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

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

	Weighted average effective interest rate %	Carrying amount \$'000	Interest rate exposure			Nominal amount \$'000	Up to 1 month \$'000	Maturity dates			
			Fixed Interest rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000			1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>2015</b>											
<b>Financial Assets</b>											
Cash and cash equivalents	4.37	31,121	-	31,121	-	31,121	31,121	-	-	-	-
Receivables	-	75	-	-	75	75	75	-	-	-	-
		<b>31,196</b>	<b>-</b>	<b>31,121</b>	<b>75</b>	<b>31,196</b>	<b>31,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>											
Payable to Consolidated account	-	660	-	-	660	660	660	-	-	-	-
Payables (*)	-	50	-	-	50	50	50	-	-	-	-
		<b>710</b>	<b>-</b>	<b>-</b>	<b>710</b>	<b>710</b>	<b>710</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

### Interest rate sensitivity analysis

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

	Carrying amount \$'000	-100 Basis Points (-1%)		+100 Basis Points (+1%)	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
<b>2016</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	26,546	(265)	(265)	265	265
<b>2015</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	31,121	(311)	(311)	311	311

### Fair values

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

### 21. Related bodies

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

**22. Indian Ocean Territories - Christmas Island and Cocos (Keeling) Island**

An agreement negotiated between the Commonwealth and the State Government, enables trustee services to be provided to both communities on a cost recovery basis.

The Commonwealth Government meets any shortfall between the Public Trustee normal fees charged for trustee services and the hourly rates. There were no visits to the islands during the financial year.

Statement of Receipts and Expenditure for the year ended 30 June 2016:

	2016 \$	2015 \$
Opening balance	3,180	3,346
Expenditure	(170)	(166)
<b>Closing balance</b>	<b>3,010</b>	<b>3,180</b>

**23. Explanatory statement****23(a) Significant variances between current and prior year actual**

Details and reasons for significant variances between actual results with the corresponding items of the preceding year are detailed below. Significant variations are those greater than 5% and \$942,000.

	2016 \$	2015 \$	Variance \$ + / (-)	Variance % + / (-)
<b>Expenses</b>				
Surplus Common Account Interest paid to Consolidated Account	5,100,000	6,204,000	(1,104,000)	(18)
<b>Income</b>				
Fees and charges revenue	16,189,409	15,006,646	1,182,763	8
Receipts from Common Account surplus interest	-	6,590,000	(6,590,000)	(100)

**Surplus Common Account interest paid to Consolidated Account**

The decrease was due to overall lower expenditures and the higher fees paid to the Consolidated account.

**Fees and charges revenue**

The increase was due to the annual increase in fees and charges.

**Receipts from Common Account surplus interest**

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

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

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variances are considered to be those greater than 5% of estimates and \$942,000.

	2016 Estimate \$	2016 Actual \$	Variation \$ + / (-)	Variation % + / (-)
<b>Income</b>				
Receipts from Common Account surplus interest	5,100,000	-	(5,100,000)	(100)

**Receipts from Common Account surplus interest**

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

**24. Estates and Trusts under administration**

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

**Statement of Estates and Trusts administered as at 30 June 2016****NET TRUST ASSETS UNDER ADMINISTRATION**

	Note	2016 \$	2015 \$
<b>ESTATES AND TRUSTS</b>			
Deceased Estates		245,354,133	226,024,232
Direct Action		4,608,698	4,422,368
Entitled Trusts		332,112,037	333,289,721
Protected Management		453,560,372	423,497,900
Testamentary Trusts		63,600,988	66,476,319
Power of Attorney		21,831,778	22,793,638
Trusts		25,599,960	23,841,750
Safe-care		2,255,635	830,318
<b>NET TRUST ASSETS</b>		<b>1,148,923,601</b>	<b>1,101,176,246</b>
<b>Represented by:</b>			
Investments in Common Account	25(h)	270,013,201	269,607,242
Investments in Strategic Common Accounts	26(a)	217,703,586	217,841,167
Bank deposits		151,033,144	145,669,982
Equities	24(a)	37,577,841	29,515,330
Unit Trusts	24(a)	9,500,216	7,432,115
Life Policies	24(b)	3,077,529	3,772,183
Real Estate	24(c)	463,446,099	431,708,167
Other Assets	24(d)	41,421,596	35,258,617
<b>Total Investment and Loan Assets</b>		<b>1,193,773,212</b>	<b>1,140,804,803</b>
<b>TOTAL TRUST ASSETS</b>		<b>1,193,773,212</b>	<b>1,140,804,803</b>
<b>CURRENT LIABILITIES</b>			
Payables		28,350,330	22,285,802
Loans		916,180	1,717,977
Mortgages – Deceased estates		5,369,391	6,735,767
<b>Total Current Liabilities</b>		<b>34,635,901</b>	<b>30,739,546</b>
<b>NON CURRENT LIABILITIES</b>			
Mortgages – Trust estates		10,213,710	8,889,011
<b>Total Non Current Liabilities</b>		<b>10,213,710</b>	<b>8,889,011</b>
<b>TOTAL TRUST LIABILITIES</b>		<b>44,849,611</b>	<b>39,628,557</b>
<b>NET TRUST ASSETS</b>		<b>1,148,923,601</b>	<b>1,101,176,246</b>

**BASIS OF VALUATIONS****24(a) Equities, unit trusts and Strategic Common Accounts**

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

**24(b) Life policies**

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

**24(c) Real estate**

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

**24(d) Other assets**

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

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

**25. Public Trustee Common Account**

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

25(a) **PUBLIC TRUSTEE COMMON ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>EXPENSES</b>			
Investment expenses	25(g)	1,774,340	1,807,716
Interest paid to Estates and Trusts	25(e)	4,578,812	5,715,107
Decrement from revaluation of investment property	25(g)	13,154,559	9,246,976
<b>Total expenses before payments to Public Trustee</b>		19,507,711	16,769,799
6% fee paid to the Public Trustee		800,170	871,074
Interest paid to the Public Trustee		1,229,268	1,270,978
Surplus Common Account Interest paid to Public Trustee		-	6,590,000
<b>Total expenses</b>		21,537,149	25,501,851
<b>INCOME</b>			
Investment income		15,110,510	16,324,707
Doubtful debts recovered		-	1,991
<b>Total income</b>		15,110,510	16,326,698
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	25(i)(ii)	<b>(6,426,639)</b>	<b>(9,175,153)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>(6,426,639)</b>	<b>(9,175,153)</b>

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

**25(b) PUBLIC TRUSTEE COMMON ACCOUNT  
STATEMENT OF FINANCIAL POSITION  
As at 30 June 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash at bank	25(j)(i)	14,460,149	13,792,027
Cash equivalents	25(j)(i)	250,000,000	249,000,000
Receivables	25(f)	6,148	61,482
Accrued income		1,673,599	1,814,734
<b>Total Current Assets</b>		<b>266,139,896</b>	<b>264,668,243</b>
<b>Non-Current Assets</b>			
Investment property	25(g)	33,150,000	45,300,000
<b>Total Non-Current Assets</b>		<b>33,150,000</b>	<b>45,300,000</b>
<b>TOTAL ASSETS</b>		<b>299,289,896</b>	<b>309,968,243</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Fees & accrued taxation		421,706	309,371
Payables		1,574	2,854
Public Trustee Funds	14(a)	26,546,117	31,121,488
Accrued Interest payable to Estates and Trusts		998,664	1,192,015
<b>Total Current Liabilities</b>		<b>27,968,061</b>	<b>32,625,728</b>
<b>Non-Current Liabilities</b>			
Estates & Trusts under Administration	25(h)	270,013,201	269,607,242
<b>Total Non-Current Liabilities</b>		<b>270,013,201</b>	<b>269,607,242</b>
<b>TOTAL LIABILITIES</b>		<b>297,981,262</b>	<b>302,232,970</b>
<b>NET ASSETS</b>		<b>1,308,634</b>	<b>7,735,273</b>
<b>EQUITY</b>			
Common Account investment reserve	25(i)(i)	-	7,682,380
Accumulated surplus	25(i)(ii)	1,308,634	52,893
<b>TOTAL EQUITY</b>		<b>1,308,634</b>	<b>7,735,273</b>

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

**25(c) PUBLIC TRUSTEE COMMON ACCOUNT  
STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2016**

	Note	2016 \$	2015 \$
<b>Balance of equity at start of year</b>		<b>7,735,273</b>	<b>16,910,426</b>
<b>RESERVES</b>			
<b>Common Account Investment reserve</b>			
Balance at start of year		7,682,380	14,782,380
Transfers to accumulated surplus		(7,682,380)	(7,100,000)
Transfers from accumulated surplus		-	-
Balance at end of year	25(i)(i)	-	7,682,380
<b>ACCUMULATED SURPLUS</b>			
Balance at start of year		52,893	2,128,046
Total comprehensive income/(loss) for the year		(6,426,639)	(9,175,153)
Changes in reserves		7,682,380	7,100,000
Balance at end of year	25(i)(ii)	1,308,634	52,893
<b>Balance of equity at end of year</b>		<b>1,308,634</b>	<b>7,735,273</b>

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

**25(d) PUBLIC TRUSTEE COMMON ACCOUNT  
STATEMENT OF CASH FLOWS  
For the year ended 30 June 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Investment income		15,306,979	17,241,457
Doubtful debts recovered		-	1,991
Tax withheld from clients		17,663	27,514
<b>Payments</b>			
6% fee paid to Public Trustee		(800,170)	(871,074)
Interest paid to Estates and Trusts		(4,772,163)	(6,085,700)
Interest paid to Public Trustee		(1,229,268)	(1,270,978)
Investment expenses		(1,774,340)	(1,807,716)
Tax withholding paid to ATO		(17,947)	(35,450)
<b>Net cash provided by operating activities</b>	25(j)(ii)	<b>6,730,754</b>	<b>7,200,044</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for investment property improvements		(1,004,559)	(46,976)
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,004,559)</b>	<b>(46,976)</b>
<b>CASH FLOWS FROM ESTATES, TRUSTS &amp; PUBLIC TRUSTEE</b>			
Surplus Common Account Interest paid to Public Trustee		-	(6,590,000)
Net increase in Public Trustee Funds		(4,575,371)	1,452,083
Net increase/(decrease) in Estates and Trusts		517,298	(14,716,103)
<b>Net cash used in estates, trusts &amp; Public Trustee</b>		<b>(4,058,073)</b>	<b>(19,854,020)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,668,122</b>	<b>(12,700,952)</b>
Cash and cash equivalents at the beginning of period		262,792,027	275,492,979
<b>Cash and cash equivalents at the end of period</b>	25(j)(i)	<b>264,460,149</b>	<b>262,792,027</b>

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

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

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

	2016	2015
	\$	\$
Interest paid to Estates and Trusts	4,578,812	5,715,107

**25(f) Receivables**

Receivable for Common account property

	2016	2015
	\$	\$
Receivable for Common account property	6,148	61,482

**25(g) Investment Property****At fair value:**

Land and building – non-current assets

	2016	2015
	\$	\$
Land and building – non-current assets	33,150,000	45,300,000

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

Fair value of the property was determined by both capitalised net rental income method and market comparable method. This means that the valuation performed by the valuer is based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation 30 June 2016, the property's fair value is based on a valuation performed by a certified practising and licensed valuer at Western Australian Land Information Authority, an accredited independent valuer.

**Significant unobservable inputs to valuation of investment property**

Price per square metre between \$3,200 and \$3,600 (2015: \$3,207 and \$7,196), an appropriate rate of \$3,451 (2015: \$4,716) per square metre is considered fair.

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

	2016	2015
	\$	\$
Rental income derived from investment property	6,885,172	6,864,716
Direct operating expenses generating rental income	(1,774,341)	(1,807,716)
Profit arising from investment property carried at fair value	<b>5,110,831</b>	<b>5,057,000</b>

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:

	2016	2015
	\$	\$
Carrying amount at beginning of period	45,300,000	54,500,000
Additions and capital improvements	1,004,559	46,976
Revaluation increment /(decrement)	(13,154,559)	(9,246,976)
Carrying amount at end of period	<b>33,150,000</b>	<b>45,300,000</b>

## Fair Value measurements

Assets measured at fair value	Valuation Date	Level 1 \$	Level 2 \$	Level 3 \$	Fair Value at end of period \$
<b>2016</b>					
Investment property	30 June 2016	-	-	33,150,000	33,150,000
		-	-	<b>33,150,000</b>	<b>33,150,000</b>
<b>2015</b>					
Investment property	30 June 2015	-	-	45,300,000	45,300,000
		-	-	<b>45,300,000</b>	<b>45,300,000</b>

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

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

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

	2016 \$	2015 \$
<b>Activity</b>		
Safe-care	27,002	37,130
Deceased Estates	56,011,252	48,941,748
Direct Action	4,218,545	3,982,895
Entitled Trusts	64,528,709	64,117,819
Protected Management	112,580,371	111,764,133
Testamentary Trusts	15,654,047	21,632,108
Power of Attorney	6,626,500	7,660,643
Trusts	10,366,775	11,470,766
<b>Total estates and trusts under administration</b>	<b>270,013,201</b>	<b>269,607,242</b>

**25(i) Equity****25(i)(i) Reserves**

Pursuant to section 6B of the Public Trustee Act 1941 and Regulation 6 of the Public Trustee Regulation 1942 of the regulations, the Current Agreement prescribes the circumstances in which money may be transferred to or from a reserve fund. The Agreement prescribes that funds held in the Common Account Investment Reserve may be applied to stabilise the Common Account interest paid to estates, meet losses on Common Account Investments, maintain Common Account Assets, and may be transferred to the Business Development Reserve.

	2016 \$	2015 \$
<b>Common Account Investment Reserve</b>		
Balance at start of year	7,682,380	14,782,380
Transfer to accumulated surplus	(7,682,380)	(7,100,000)
Balance at end of year	-	<b>7,682,380</b>

**25(i)(ii) Accumulated surplus**

	2016	2015
	\$	\$
Balance at start of year	52,893	2,128,046
Surplus/(deficit)	(6,426,639)	(9,175,153)
Transfers from reserves	7,682,380	7,100,000
<b>Balance at end of year</b>	<b>1,308,634</b>	<b>52,893</b>

**25(j) Notes to the Statement of Cash Flows****25(j)(i) Reconciliation of cash**

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2016	2015
	\$	\$
Cash at bank	14,460,149	13,792,027
Cash Equivalents	250,000,000	249,000,000
<b>Cash &amp; Cash Equivalents</b>	<b>264,460,149</b>	<b>262,792,027</b>

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

	2016	2015
	\$	\$
Surplus/(deficit)	(6,426,639)	(9,175,153)
<i>Non-cash item:</i>		
(Increment)/decrement from revaluation of investment property	13,154,559	9,246,976
Surplus Common Account interest paid to Public Trustee	-	6,590,000
<i>Decrease /(increase) in assets:</i>		
Receivables	55,334	87,448
Accrued income	141,135	829,302
<i>(Decrease)/increase in liabilities:</i>		
Fees and accrued taxation	(284)	(7,936)
Accrued interest	(193,351)	(370,593)
<b>Net cash provided by operating activities</b>	<b>6,730,754</b>	<b>7,200,044</b>

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

Financial instruments held by the Common Account are cash and cash equivalents, loans, receivables and payables. The Common Account has limited exposure to financial risks. The investments of the Common Account comply with s39A Public Trustee Act 1941.

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

**Credit risk**

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

**Liquidity risk**

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

**Market risk**

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

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

**25(k)(ii) Categories of financial instruments**

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

	2016 \$	2015 \$
<b>Financial Assets</b>		
Cash at bank	14,460,149	13,792,027
Cash equivalents	250,000,000	249,000,000
Receivables	6,148	61,482
Accrued income	1,673,599	1,814,734
<b>Financial Liabilities</b>		
Fees and accrued taxation (*)	421,507	308,889
Payables	1,574	2,854
Public Trustee funds	26,546,117	31,121,488
Accrued Interest due to Estates and Trusts	998,664	1,192,015
Estates & Trusts under administration	270,013,201	269,607,242

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

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

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

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

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

## Ageing analysis of financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired				More than 5 years \$'000	Impaired financial assets \$'000
			Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000		
<b>2016</b>								
<b>Financial Assets</b>								
Cash at Bank	14,460	14,460	-	-	-	-	-	-
Cash Equivalent	250,000	250,000	-	-	-	-	-	-
Receivables	6	6	-	-	-	-	-	-
Accrued income	1,674	1,674	-	-	-	-	-	-
	<b>266,140</b>	<b>266,140</b>	-	-	-	-	-	-
<b>2015</b>								
<b>Financial Assets</b>								
Cash at Bank	13,792	13,792	-	-	-	-	-	-
Cash Equivalent	249,000	249,000	-	-	-	-	-	-
Receivables	61	61	-	-	-	-	-	-
Accrued income	1,815	1,815	-	-	-	-	-	-
	<b>264,668</b>	<b>264,668</b>	-	-	-	-	-	-

## Liquidity risk and interest rate exposure

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

## Interest rate exposure and maturity analysis of financial assets

	Weighted average effective interest rate %	Interest rate exposure				Nominal amount \$'000	Maturity dates				
		Carrying amount \$'000	Fixed Interest rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000		Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>2016</b>											
<b>Financial Assets</b>											
Cash at Bank	2.58	14,460	-	14,460	-	14,460	14,460	-	-	-	-
Cash Equivalent	2.96	250,000	-	250,000	-	250,000	75,000	140,000	35,000	-	-
Receivables	-	6	-	-	6	6	6	-	-	-	-
Accrued income	-	1,674	-	-	1,674	1,674	946	683	45	-	-
		<b>266,140</b>	-	<b>264,460</b>	<b>1,680</b>	<b>266,140</b>	<b>90,412</b>	<b>140,683</b>	<b>35,045</b>	-	-
<b>2015</b>											
<b>Financial Assets</b>											
Cash at Bank	3.02	13,792	-	13,792	-	13,792	13,792	-	-	-	-
Cash Equivalent	3.39	249,000	-	249,000	-	249,000	94,000	110,000	45,000	-	-
Receivables	-	61	-	-	61	61	61	-	-	-	-
Accrued income	-	1,815	-	-	1,815	1,815	1,274	458	83	-	-
		<b>264,668</b>	-	<b>262,792</b>	<b>1,876</b>	<b>264,668</b>	<b>109,127</b>	<b>110,458</b>	<b>45,083</b>	-	-

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

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

#### Interest rate exposure of financial liabilities

	Weighted average effective interest rate %	Carrying amount \$'000	Interest Rate Exposure			Past due but not impaired \$'000	Impaired financial assets \$'000
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- Interest Bearing \$'000		
<b>2016</b>							
<b>Financial Liabilities</b>							
Fees and accrued taxation		422	-	-	422	-	-
Payables		2	-	-	2	-	-
Public Trustee Funds	4.15	26,546	-	26,546	-	-	-
Accrued interest Estates & Trusts		998	-	-	998	-	-
Estates & Trusts:							
Estates	0.73	57,099	-	57,099	-	-	-
Trusts & Other	1.23	65,888	-	65,888	-	-	-
Trusts & Other	1.92	627	-	627	-	-	-
Trusts & Other	1.98	115,850	-	115,850	-	-	-
Trusts & Other	2.48	32,864	-	32,864	-	-	-
Trusts & Other	5.50	(2,315)	-	(2,315)	-	-	-
<b>Total Financial Liabilities</b>		<b>297,981</b>	<b>-</b>	<b>296,559</b>	<b>1,422</b>	<b>-</b>	<b>-</b>
<b>2015</b>							
<b>Financial Liabilities</b>							
Fees and accrued taxation		309	-	-	309	-	-
Payables		3	-	-	3	-	-
Public Trustee Funds	4.37	31,121	-	31,121	-	-	-
Accrued interest Estates & Trusts		1,192	-	-	1,192	-	-
Estates & Trusts:							
Estates	1.15	50,057	-	50,057	-	-	-
Trusts & Other	1.65	63,595	-	63,595	-	-	-
Trusts & Other	2.40	121,380	-	121,380	-	-	-
Trusts & Other	2.90	36,510	-	36,510	-	-	-
Trusts & Other	5.50	(1,934)	-	(1,934)	-	-	-
<b>Total Financial Liabilities</b>		<b>302,233</b>	<b>-</b>	<b>300,729</b>	<b>1,504</b>	<b>-</b>	<b>-</b>

**Interest rate sensitivity analysis**

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

		-100 Basis Points (-1%)		+100 Basis Points (+1%)	
	Carrying amount \$'000	Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
<b>2016</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	264,460	(2,645)	(2,645)	2,645	2,645
<b>Financial Liabilities</b>					
Public Trustee Funds	26,546	265	265	(265)	(265)
Estates & Trusts under administration	270,013	2,700	2,700	(2,700)	(2,700)
<b>Total increase/(decrease)</b>		<b>320</b>	<b>320</b>	<b>(320)</b>	<b>(320)</b>
<b>2015</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	262,792	(2,628)	(2,628)	2,628	2,628
<b>Financial Liabilities</b>					
Public Trustee Funds	31,121	311	311	(311)	(311)
Estates & Trusts under administration	269,607	2,696	2,696	(2,696)	(2,696)
<b>Total increase/(decrease)</b>		<b>379</b>	<b>379</b>	<b>(379)</b>	<b>(379)</b>

**Fair value**

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

**26. Public Trustee Strategic Common Accounts**

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

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

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

Activity	2016 \$	2015 \$
Deceased Estates	515,968	932,148
Entitled Trusts	163,768,730	171,635,479
Protected Management	32,334,434	27,553,381
Testamentary Trusts	12,399,207	9,863,702
Power of Attorney	3,697,195	4,304,006
Trusts	2,759,419	2,759,265
Safe-care	2,228,633	793,186
<b>Total estates and trusts under administration</b>	<b>217,703,586</b>	<b>217,841,167</b>

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

2016	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
<b>Net Assets at the beginning of the reporting period</b>	-	44,780	160,461	2,757	207,998
Applications	-				
Redemptions	-				
<b>Expenses</b>					
Trustee's fees	-				
Custody fees	-				
<b>Total expenses</b>	-				
<b>Investment Income</b>					
Interest income	-				
Trust distributions	-				
Net gains/(losses) on financial instruments held at fair value through profit or loss	-				
Other income	-				
<b>Total net investment income/(loss)</b>	-				
<b>Profit/(loss) before finance costs attributable to unit holders</b>	-				
<b>Financing costs attributable to unit holders</b>					
Distributions to unit holders	-				
<b>Increase/(decrease) in net assets attributable to unit holders</b>	-				
<b>Net Assets at the end of the reporting period</b>	-				

**PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
For the year ended 30 June 2015

2015	Cash	Conservative	Growth	Growth Plus	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net Assets at the beginning of the reporting period</b>	-	38,407	143,415	2,641	184,463
Applications	-	11,675	18,167	-	29,842
Redemptions	-	(5,416)	(6,381)	-	(11,797)
		<b>44,666</b>	<b>155,201</b>	<b>2,641</b>	<b>202,508</b>
<b>Expenses</b>					
Trustee's fees	-	226	841	15	1,082
Custody fees	-	70	252	6	328
<b>Total expenses</b>	-	296	1,093	21	1,410
<b>Investment Income</b>					
Interest income	-	-	2	-	2
Trust distributions	-	1,976	7,917	187	10,080
Net gains/(losses) on financial instruments held at fair value through profit or loss	-	730	6,861	139	7,730
Other income	-	167	541	11	719
<b>Total net investment income/(loss)</b>	-	2,873	15,321	337	18,531
<b>Profit/(loss) before finance costs attributable to unit holders</b>	-	2,577	14,228	316	17,121
<b>Financing costs attributable to unit holders</b>					
Distributions to unit holders	-	2,463	8,968	200	11,631
<b>Increase/(decrease) in net assets attributable to unit holders</b>	-	114	5,260	116	5,490
<b>Net Assets at the end of the reporting period</b>	-	<b>44,780</b>	<b>160,461</b>	<b>2,757</b>	<b>207,998</b>

**PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
For the year ended 30 June 2015

2015	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
<b>Net Assets at the beginning of the reporting period</b>	-	38,407	143,415	2,641	184,463
Applications	-	11,675	18,167	-	29,842
Redemptions	-	(5,416)	(6,381)	-	(11,797)
		<b>44,666</b>	<b>155,201</b>	<b>2,641</b>	<b>202,508</b>
<b>Expenses</b>					
Trustee's fees	-	226	841	15	1,082
Custody fees	-	70	252	6	328
<b>Total expenses</b>	-	296	1,093	21	1,410
<b>Investment Income</b>					
Interest income	-	-	2	-	2
Trust distributions	-	1,976	7,917	187	10,080
Net gains/(losses) on financial instruments held at fair value through profit or loss	-	730	6,861	139	7,730
Other income	-	167	541	11	719
<b>Total net investment income/(loss)</b>	-	2,873	15,321	337	18,531
<b>Profit/(loss) before finance costs attributable to unit holders</b>	-	2,577	14,228	316	17,121
<b>Financing costs attributable to unit holders</b>					
Distributions to unit holders	-	2,463	8,968	200	11,631
<b>Increase/(decrease) in net assets attributable to unit holders</b>	-	114	5,260	116	5,490
<b>Net Assets at the end of the reporting period</b>	-	<b>44,780</b>	<b>160,461</b>	<b>2,757</b>	<b>207,998</b>

26(c) PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS  
STATEMENTS OF NET ASSETS  
As at 30 June 2016

2016	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
<b>Assets</b>					
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held at fair value through profit or loss	-	-	-	-	-
<b>Total assets</b>	-	-	-	-	-
<b>Liabilities</b>					
Distributions payable	-	-	-	-	-
Payables	-	-	-	-	-
<b>Total liabilities (excluding net assets attributable to unit holders)</b>	-	-	-	-	-
<b>Net assets attributable to unit holders - liability</b>	-	-	-	-	-
2015	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
<b>Assets</b>					
Cash and cash equivalents	-	16	190	1	207
Receivables	-	1,739	7,093	173	9,005
Financial assets held at fair value through profit or loss	-	45,003	161,034	2,758	208,795
<b>Total assets</b>	-	<b>46,758</b>	<b>168,317</b>	<b>2,932</b>	<b>218,007</b>
<b>Liabilities</b>					
Distributions payable	-	1,923	7,699	173	9,795
Payables	-	55	157	2	214
<b>Total liabilities (excluding net assets attributable to unit holders)</b>	-	<b>1,978</b>	<b>7,856</b>	<b>175</b>	<b>10,009</b>
<b>Net assets attributable to unit holders - liability</b>	-	<b>44,780</b>	<b>160,461</b>	<b>2,757</b>	<b>207,998</b>

## Key Performance Indicator Information

### **CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2016**

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 2016.



**Brian Roche BBus MMgt**

Accountable Authority

12 September 2016

**KEY PERFORMANCE INDICATORS**

**Public Trustee role**

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

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

**Relationships to Government goals**

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

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

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

**Business Area Output**

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

**Key performance indicators**

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

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

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

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

**Effectiveness Indicators****1.1 Extent to which trustee services meet the needs of clients**

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

- were aged over 18 and able to make meaningful comments;
- had an active account during the 2015 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 401 responses, with 74% participation rate, represented the total population of approximately 14,000 clients serviced during the year. The survey was done with sampling precision +/- 5% at the 95% confidence interval.

Significant variations are those greater than 10%. There have been no changes in the target since previous year.

	2012-13	2013-14	2014-15	2015-16	Target
<b>Extent to which trust management services meet the needs of customers</b>	75%	80%	79%	77%	85%

There are no significant variations with the target and prior year results. Percentage represents 6+ rating out of 10, being high (6-7) or very high (8-10).

**1.2 The percentage of Western Australian deceased estates administered by the Public Trustee**

The Public Trustee offers a secure value for money alternative for administration of deceased estates in Western Australia. This ensures that trustee services are accessible to all people in the state. The percentage of deceased estates administered by the Public Trustee indicates the use being made 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.

	2012-13	2013-14	2014-15	2015-16	Target
<b>Percentage of Western Australian deceased estates administered by the Public Trustee</b>	5.7%	5.1%	4.7%	4.1%	6.5%
Number of adult deaths in WA	13,230	13,446	13,842	14,353	NA
Number of new deceased estates administered	755	683	650	590	NA

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

**1.3 Percentage of estates finalised within 12 months**

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

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.

The average time taken to complete an estate, if completed within twelve months, was 6.8 months, based on the date of final completion.

The targets have not significantly changed since previous year.

	2012-13	2013-14	2014-15	2015-16	Target
<b>Percent of estates finalised within 12 months of being reported</b>					
<b>Within 12 months</b>	<b>59%</b>	<b>57%</b>	<b>59%</b>	<b>58%</b>	<b>65%</b>
Within 9 months	44%	43%	44%	43%	50%
Within 6 months	26%	23%	24%	25%	30%

The current year's achievements are consistent with prior years' results. The difference with the target indicates increased complexity and compliance issues in administration of deceased estates since the target was last achieved in 2007.

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

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

The proportion of services provided free of charge or at a reduced cost under this rebate is a measure of the extent to which the Public Trustee supports the accessibility of trustee services.

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

	2012-13	2013-14	2014-15	2015-16	Target
<b>The percentage of clients who have services provided by the Public Trustee under OS</b>	<b>45.8%</b>	<b>49.3%</b>	<b>51.4%</b>	<b>53.2%</b>	<b>35%</b>
Number of OS files managed	2,603	2,873	3,062	3,347	NA

The higher than target result is due to a continual increase in the number of appointments from the State Administrative Tribunal, where the Public Trustee provides services at a subsidised cost to vulnerable persons.

#### Efficiency Indicators

##### 1.5 Cost per trust managed

This indicator measures the average cost of managing a trust. It is calculated by dividing the full cost of providing trust management services by the number of trusts under management. The target for this indicator has been changed from prior year due to changes in expenditure budget and CPI increase.

	2012-13	2013-14	2014-15	2015-16	Target
<b>Cost per trust managed</b>	<b>\$1,998</b>	<b>\$1,983</b>	<b>\$1,919</b>	<b>\$1,870</b>	<b>\$1,912</b>
Number of trusts managed	5,682	5,803	5,955	6,286	5,900

There are no significant variations 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.

	2012-13	2013-14	2014-15	2015-16	Target
<b>Cost per deceased estate administered</b>	<b>\$2,810</b>	<b>\$2,898</b>	<b>\$2,914</b>	<b>\$2,664</b>	<b>\$2,687</b>
Number of deceased estates administered	3,140	3,099	3,118	3,148	3,200

There are no significant variations with the target and prior year results.

**1.7 Cost per Will prepared**

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

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

	2012-13	2013-14	2014-15	2015-16	Target
<b>Cost per Will prepared</b>	<b>\$780</b>	<b>\$825</b>	<b>\$751</b>	<b>\$797</b>	<b>\$746</b>
Number of Wills prepared	2,916	2,612	2,951	2,656	3,000

There are no significant variations with the target and prior year results.

**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)** %
<b>2013</b>	1.50	2.00, 2.75, 3.25 & 3.34	2.00, 2.75 & 3.25	1.65
<b>2014</b>	1.25	1.75, 2.50 & 3.00	1.75, 2.50 & 3.00	1.25
<b>2015</b>	0.75	1.25, 2.00 & 2.50	1.25, 2.00 & 2.50	0.70
<b>2016</b>	0.50	1.00, 1.75 & 2.25	1.00, 1.75 & 2.25	0.55

\*Rates effective as at 30 June

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

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

Client earning rates from the Common Account are based on market interest rates and Reserve Bank of Australia (RBA) rates. The reduction in 2016 is due to a decline in interest rates on the money market and 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:

	2013	2014	2015	2016
	%	%	%	%
Treasury Earning Rate	3.55	2.80	2.70	2.26
CMT Benchmark Rate	3.40	2.53	2.37	1.97
Public Trustee Common Account <sup>(*)</sup>	5.55	4.49	4.37	4.15

<sup>(\*)</sup> excludes capital growth/loss.

In the twelve months to 30 June 2016, the Public Trustee Common Account achieved a net return of 4.15% (2015: 4.37%) on the investment of the funds comprising the Common Account. Average funds under management for the year to 30 June totalled \$321 million (2015: \$332 million).

**Efficiency Indicators****1.8(c) Common Account Investment Cost per Dollar Invested**

The Public Trustee is responsible for the management and investment of the funds that comprise the Common Account, as well as funds invested in the financial market. At 30 June 2016, the total average value of the Common Account for the year was \$321 million (2015: \$332 million), with a further \$218 million (2015: \$220 million) invested in the financial market in the Strategic Common Accounts and \$45 million (2015: \$37 million) in equities and managed funds on behalf of clients.

	2012-13	2013-14	2014-15	2015-16
Cost of managing funds*	\$490,197	\$520,324	\$535,199	\$548,576
Percentage of funds under management.	0.03%	0.04%	0.09%	0.09%

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

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

## Ministerial Directions

No Ministerial directives were received during 2015/16.

## Other Financial Disclosures

### Pricing policies of services

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

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

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

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

Cabinet approved above CPI increases to the Public Trustee's fees for the 2015/16 year.

The current list of fees and charges were published in the Gazette on 25 June 2015 and introduced from 1 July 2015. Details are available from the Public Trustee's website at [www.publictrustee.wa.gov.au](http://www.publictrustee.wa.gov.au)

### Capital Works

There were no new capital projects during the year.

## Employment and Industrial Relations

Staff profile (FTE)	2014/15	2015/16
Full-time permanent	129.8	129
Full-time contract	13	9
Part-time measured on an FTE basis	9.1	7.4
On secondment	0	0
Staff FTE	151.9	145.4

The current full time equivalent (FTE) level in the Public Trustee is 145.4, compared with 151.9 in 2014/15 and represents a decrease of 4.27%.

### Staff Development

The Public Trustee is committed to developing its employees by building a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

During the financial year, employees received in excess of 2,100 hours of in house and external training.

Training (hrs)	2014/15	2015/16
External	644	38
Internal	2,898	2,090
Total	3,542	2,128

## Summary of Annual Agreement 2015/16

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 2015 to 30 June 2016.

### Consolidated Account

If the total fees collected:

- do not exceed the "Public Trustee Contribution – Estate Fees and Other Revenue" as determined in the 2015/16 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 2015/16 Budget Statements, then a minimum "Public Trustee Contribution – Estate Fees and Other Revenue" as determined in the 2015/16 Budget Statements shall be paid to the Consolidated Account.

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

### Indemnity Reserve

The Public Trustee may credit to this Reserve from its account entitled "Retained Earnings", any or all of the retained earnings, and apply moneys in the Indemnity Reserve for a number of uses including to settle, compromise and pay the claims, demands and costs of clients or other persons who have or might have suffered loss or damage for which the Public Trustee, in its corporate capacity, may be liable at law.

### Business Development Reserve

The Public Trustee may credit to this Reserve:

- from its account entitled "Retained Earnings" any or all of the retained earnings for the period;
- 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 2015/16 Budget Statements from this Reserve to the Consolidated Account.

The Public Trustee may apply moneys in this Reserve to:

- pay the costs of implementing new business services;
- meet shortfalls in estimated retained revenue;
- self-fund any shortfall in budgeted recurrent expenditure;
- pay costs of reviewing the Wills function and establish and maintain an automated Wills drawing application; and
- pay other costs of implementing the *Public Trustee and Trustee Companies Legislation Amendment Act 2008*.

### Common Account Investment Reserve

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

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

### Transfers Between Reserves

The Public Trustee may transfer from the:

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

### Strategic Common Accounts

The Public Trustee shall operate the:

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

## Governance Disclosures

### Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, 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 and Senior Officers.

### Unauthorised Use of Credit Cards

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

### Board and Committee Remuneration

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

A management team, comprising the Public Trustee, Directors of Trustee Services, Business Development & Marketing, Business Services and Corporate Support, the Principal Legal Officer and the Executive Officer, make up the Corporate Executive of the Public Trustee. This team is responsible for the development and implementation of policies and strategies for the delivery of trustee and asset management services to the people of Western Australia.

There are five governance committees, which are sub-committees of the Public Trustee's Corporate Executive (CorpEx) committee that meets fortnightly.

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

Zero remuneration was received by any committee member.

#### Investment Committee

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

#### Risk and Audit Committee

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

#### Interest Rate Committee

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

#### Tenders Committee

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

#### Occupational Health & Safety Committee

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

## Other Legal Requirements

### Advertising

In compliance with s175ZE of the *Electoral Act 1907*, the Public Trustee reports the following expenditure in advertising, market research, polling, direct mail and media advertising. Total expenditure was \$83,344 incurred in the following areas:

		\$
Advertising agencies	Orange Design	3,300
Market research	Catalyse Pty Ltd	35,190
Media advertising	Sensis	3,263
	Adcorp	18,422
	White Pages	12,852
	State Law Publisher	3,672
	DPS Publishing	6,645
	<b>TOTAL</b>	<b>83,344</b>

### *Public Sector Management Act 1994* S31(1) Compliance

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



**Brian Roche** BBus MMgt

PUBLIC TRUSTEE  
 Accountable Authority  
 12 September 2016

### 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 the Department of the Attorney General'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 s29 of the *Disability Services Act 1993* the Public Trustee recognises its responsibilities under the Department of Attorney General's Disability Access and Inclusion Plan 2013-18 by ensuring clients with physical, intellectual, sensory or cognitive disabilities, their families and carers are provided with professional and appropriate services.

### Outcome 1:

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

We offer a mobile Wills service to clients who are severely disabled or infirm and may need to have their Will prepared at their home, a care facility or hospital. Wills staff visited 112 clients living within a 30km radius of the CBD.

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

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

### Outcome 2:

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

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

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

### Outcome 3:

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

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

### Outcome 4:

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

Most of our Trust Management clients live with some type of disability or impairment, whether aged, infirm, or living with mental illness or impaired cognitive skills.

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

### Outcome 5:

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

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

### Outcome 6:

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

We welcome feedback from people with disabilities and include disability support organisations in our stakeholder engagement program.



*Improving accessibility at Homeless Connect*

## Recruitment, Selection and Appointment Standard

Four permanent and fixed-term vacancies of more than six months were advertised from across all business areas, including four appointment pools, which were covered by the Recruitment, Selection and Appointment Standard, and attracted a total of 209 applicants.

	2014/15	2015/16
Advertised vacancies	10	4
Appointment Pools	2/80	4/209

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

## Recordkeeping Plans

The Public Trustee uses the DotAG TRIM recordkeeping system for administrative records.

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

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

The Public Trustee has complied with the State Records Commission's compliance requirements and destruction of records was completed during 2015/16.

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

## Government Policy Requirements

### Substantive Equality

The Public Trustee follows the Department of the Attorney General's (DotAG) Policy Framework for Substantive Equality.

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

### Freedom of Information Requests

Two valid applications were received in 2015/16.

### Customer Feedback

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

Clients, their advocates or support agencies, and members of the public can voice their concerns in person, on the phone, in writing by email or letter, or online via the Public Trustee's website. Almost 50% of complaints are resolved within 48 hours through our complaint early resolution process.

The complaints figures below represent those that could not be resolved early and were logged in CFMS and responded to within ten business days.

Customer Feedback	2014/15	2015/16
Complaints	36	60
Compliments	13	21
Suggestions	7	6

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

### Government Building Contracts

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

## Occupational, Safety, Health and Injury Management

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

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

Committee representatives:

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

Measure	Actual Results <sup>2</sup>		Results against Target	
	2014/15	2015/16	Target	Comment
Number of fatalities	0	0	0	0
Lost time injury and/or disease incidence rate	0.655%	0.58%	0 or 10% reduction	Target reduction achieved
Lost time injury/disease severity rate	100%	.006%	0 or 10% reduction	Target sustained
Percentage of injured workers returned to work:				
(i) within 13 wks	100%	100%	>80%	Target achieved
(ii) within 26 wks	100%	80%	>80%	
Percentage of managers trained in OHS and injury management responsibilities	94%	94%	>80%	Target achieved

<sup>2</sup> Three year trend

