



**PUBLIC TRUSTEE**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**ANNUAL REPORT 2009 - 2010**





**PUBLIC TRUSTEE**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

## **ANNUAL REPORT 2009 - 2010**



## CONTACTING THE PUBLIC TRUSTEE

Enquiries about this publication should be directed to:

<b>Public Trustee</b>	Andrew Taylor
<b>Office Address</b>	Ground Floor 221 London Circuit CANBERRA CITY ACT 2601
<b>Postal Address</b>	PO Box 221 CIVIC SQUARE ACT 2608
<b>Telephone</b>	(02) 6207 9800
<b>Facsimile</b>	(02) 6207 9811
<b>Internet</b>	<a href="http://www.publictrustee.act.gov.au">www.publictrustee.act.gov.au</a>
<b>Email</b>	<a href="mailto:publictrustee@act.gov.au">publictrustee@act.gov.au</a>
<b>Hours</b>	9.00am – 4.30pm Monday to Friday

This Annual Report is published on the Public Trustee's website at [www.publictrustee.act.gov.au](http://www.publictrustee.act.gov.au)

© Copyright Public Trustee for the ACT

All rights reserved. Apart from any use as permitted under the Copyright Act 1968, no part of this publication may be produced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without written permission of the publisher.

→ Produced for PTACT by –



T: 02 6280 0991, [www.wilddigital.com.au](http://www.wilddigital.com.au)

→ Printed for PTACT by –



T: 02 62807477, [www.bluestargroup.com.au](http://www.bluestargroup.com.au)

ENGLISH	If you need interpreting help telephone
ARABIC	إذا كنت بحاجة إلى مترجم هاتفياً، اتصل برقم الهاتف
CHINESE	如果你需要翻译员的帮助，请打电话：
CROATIAN	Ako vam treba pomoć telefonski, nazovite broj
GREEK	Αν χρειάζεστε βοήθεια τηλεφωνικά, καλέστε τον αριθμό
ITALIAN	Se avete bisogno di un interprete telefonate al numero
PERSIAN	اگر به ترجمه تلفنی احتیاج دارید به این شماره تلفن کنید
PORTUGUESE	Se você precisar de um intérprete, telefone
SERBIAN	Ako vam je potrebna pomoć, pozovite broj telefona
SPANISH	Si necesita la asistencia de un intérprete, llame al
TURKISH	Tercümanlık hizmeti için telefon ediniz
VICTIMANES	Nếu bạn cần một người thông thạo hai ngôn ngữ để

**TRANSLATING AND INTERPRETING SERVICE**  
**131 450**  
Canberra and District: 24 hours a day, 7 days a week

## TRANSMITTAL CERTIFICATE



**PUBLIC TRUSTEE  
FOR THE AUSTRALIAN CAPITAL TERRITORY**

PO BOX 221  
CIVIC SQUARE ACT 2608

Mr Simon Corbell MLA  
Attorney General  
ACT Legislative Assembly  
London Circuit  
**CANBERRA ACT 2601**

Dear Attorney General

I am pleased to present the Annual Report for the Public Trustee for the ACT for the year ended 30 June 2010.

This Report has been prepared under Section 6(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements referred to in the Chief Minister's 2007-2010 Annual Report Directions. It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the Public Trustee for the ACT.

I hereby certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of the Public Trustee for the ACT during the period 1 July 2009 to 30 June 2010 has been included and that it complies with the Chief Minister's Annual Report Directions.

I also hereby certify that fraud prevention has been managed in accordance with Public Sector Management Standard 2, Part 2.4.

S.13 of the *Annual Reports (Government Agencies) Act 2004* requires that you cause a copy of the Report to be laid before the Legislative Assembly within 3 months of the end of the financial year.

Yours sincerely

Andrew Taylor  
**PUBLIC TRUSTEE**  
2 August 2010

WILLS • ESTATES • PERSONAL MANAGEMENT SERVICES • TRUSTS

Grnd Flr, ActewAGL Hse, 221 London Cct, Canberra ACT 2601  
[www.publictrustee.act.gov.au](http://www.publictrustee.act.gov.au)  
ABN 45 801 644 305



## CONTENTS

CONTACTING THE PUBLIC TRUSTEE	ii
TRANSMITTAL CERTIFICATE	iii
CHIEF EXECUTIVE'S RETROSPECTIVE 2009-10	vii
<b>PERFORMANCE AND FINANCIAL MANAGEMENT REPORTING</b>	<b>1</b>
A.1 THE ORGANISATION	2
A.2 OVERVIEW	6
A.3 HIGHLIGHTS	9
A.4 OUTLOOK	10
A.5 MANAGEMENT DISCUSSION AND ANALYSIS	12
A.6 FINANCIAL REPORT	17
A.7 STATEMENT OF PERFORMANCE	17
A.8 STRATEGIC INDICATORS	17
A.9 ANALYSIS OF AGENCY PERFORMANCE	17
A.10 TRIPLE BOTTOM LINE REPORT	27
<b>CONSULTATION AND SCRUTINY REPORTING</b>	<b>29</b>
B.1 COMMUNITY ENGAGEMENT	30
B.2 INTERNAL AND EXTERNAL SCRUTINY	40
B.3 LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS	42
B.4 LEGISLATION REPORT	44
<b>LEGISLATIVE AND POLICY BASED REPORTING</b>	<b>47</b>
C.1 RISK MANAGEMENT AND INTERNAL AUDIT	48
C.2 FRAUD PREVENTION	50
C.3 PUBLIC INTEREST DISCLOSURE	50
C.4 FREEDOM OF INFORMATION	51
C.5 INTERNAL ACCOUNTABILITY	53
C.6 HUMAN RESOURCE PERFORMANCE	60
C.7 STAFFING PROFILE	61
C.8 LEARNING AND DEVELOPMENT	64
C.9 WORKPLACE HEALTH AND SAFETY	67
C.10 WORKPLACE RELATIONS	68
C.11 STRATEGIC BUSHFIRE MANAGEMENT PLAN	69
C.12 STRATEGIC ASSET MANAGEMENT	69
C.13 CAPITAL WORKS	71
C.14 GOVERNMENT CONTRACTING	71
C.15 COMMUNITY GRANTS, ASSISTANCE, SPONSORSHIP	72

C.16 TERRITORY RECORDS	72
C.17 HUMAN RIGHTS ACT 2004	73
C.18 COMMISSIONER FOR THE ENVIRONMENT	74
C.19 ACT MULTICULTURAL STRATEGY 2010-2013	75
C.20 ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING	75
C.21 ECOLOGICALLY SUSTAINABLE DEVELOPMENT	76
C.22 ACT WOMEN'S PLAN 2010-2015	76
C.23 MODEL LITIGANT GUIDELINES	77
<b>ANNEXURE – FINANCIAL STATEMENTS</b>	<b>79</b>
<b>INDEXES AND GLOSSARIES</b>	<b>191</b>
ALPHABETICAL INDEX	194
GLOSSARY OF ABBREVIATIONS AND ACRONYMS	196
GLOSSARY OF TECHNICAL TERMS	198

## CHIEF EXECUTIVE'S RETROSPECTIVE 2009-10

2010 marks the 25th year since the establishment of the Office of Public Trustee for the ACT (PTACT).

PTACT was created in response to a need to establish an office with powers and responsibilities comparable to other jurisdictions. The Public Trustee was originally an office within the Community Affairs Division of the (C'th) Attorney-General's Department and was transferred to the Legislation and Regulation Division of the Department of Territories on 18 April 1986. The activities of the former Curator of Estates of Deceased Persons were subsumed into the Office of Public Trustee at that time. PTACT became part of the then ACT Attorney-General's Department upon self-government in 1988.

PTACT's impact upon the ACT community in those 25 years has been immeasurable. Our work in the community is part of a valuable social system designed to protect the financial interests of persons with or without capacity to make decisions during their lives or in the event of their death. Many of our clients lead forgotten lives, are socially isolated and have diminished opportunities. Often our work is undertaken under extremely difficult circumstances as there is understandable resentment to the intrusion of a public official into one's life or family affairs.

PTACT was founded on the belief that every member of the community should have access to affordable, reliable processes through which they can make decisions about the management of their financial matters in the event of their loss of capacity or death. Today, PTACT is seen as a valued, trusted and dependable manager and custodian of government and community assets.

In March 2010 PTACT published a two-page broadsheet lift-out in the Canberra Times celebrating its 25 year anniversary and highlighting PTACT's services. In the lift-out, Attorney General Simon Corbell commended the office and its staff "for their professionalism and for their compassion and empathy in often challenging areas of community service" over 25 years.

A free community seminar on the importance of having an up-to-date Will and Enduring Power of Attorney was held in March 2010 in conjunction with Seniors' Week and International Women's Day.

Our 25th year also heralded a new disability-friendly website incorporating an interactive Wills Fact Finder and an upgraded Unclaimed Money Search.

PTACT is also expanding its presence in the City Centre through the upgrade and expansion of its business premises as part of a change of ownership and subsequent major upgrade of 221 London Circuit.

The year in review has been a mixed one. On the one hand, demand for our services continues to increase and, notwithstanding the passage of the Global Financial Crisis (GFC), traditional sources of revenue only started to recover during the last quarter of 2009-10. The last quarter recorded pleasing revenue results cutting back our predicted deficit from the original Budget forecast of \$297,000.00 (revised to \$353,000.00) to \$87,276.00.



We have also invested in innovative technology through the acquisition and installation of –

- Chameleon Will drafting software;
- MYOB/AE income tax management software providing sophisticated tax management for some 800 income tax clients; and
- Precedent Management Database to manage PTACT's 500 precedent letters and forms.

In June, PTACT held the first meeting of its Internal Audit Committee which reviewed PTACT's business, operational and workplace health and safety risk.

Since the beginning of 2010, I assumed the additional role of co-trustee for the National Travel Compensation Fund representing the interests of Tasmania, South Australia and the ACT. The Travel Compensation Fund is Australia's primary means of providing compensation to eligible travellers who suffer loss as a result of the financial collapse of a participating travel agency business. The TCF also helps guard against the failure of participating travel agents through an analysis of financial capability of prospective agents as well as financial monitoring of existing agencies.

I have also adopted a secretarial role to the Australian Guardianship and Administration Council (AGAC). AGAC is a national forum for the State and Territory agencies that protect adults with a cognitive disability through guardianship, advocacy and financial management. In that capacity, I have undertaken a communications role through the establishment and development of the Council's new website. This year, the Public Trustee will co-host a meeting of the AGAC Council in Canberra on 22 October.

During the year the Public Trustee influenced the making of legislation that established a framework under which statutory wills can be made on behalf of adults who do not have testamentary capacity and who have never made a valid will.

2010 also marks a major milestone for GreaterGood - The Capital Region Community Foundation. In the seven short years since its establishment, GreaterGood has distributed its one-millionth dollar to charity. Established by PTACT in 2003, GreaterGood now holds \$6.28M in accumulated funds which benefit some 39 charities. GreaterGood has gathered momentum in the ACT and Region and has become well-known through its support for disadvantaged youth through Outward Bound scholarships and the Young Endeavour Scheme as well as teacher scholarships through the Francis Carroll Fund. Through the generosity of one of its account holders GreaterGood has reached out to the homeless and lonely by co-funding the St John's Care Christmas Lunch as an annual signature event benefitting approximately 400 people each year.

Reaching our 25th anniversary is not merely a time to reflect on our proud achievements, but also a time to look ahead and make plans for the future.

Our outlook for the next 5 years is promising. With the return of financial markets and the buoyant state of the ACT property market, PTACT's revenue is steadily returning. PTACT negotiated a new ten-year lease of our expanded and modernised premises at 221 London Circuit, capable of addressing our needs into the future.

September 2010 marks the end of my 5-year term of appointment as Public Trustee. During that term, the Public Trustee has progressed in all measures including business

levels, staffing restructure and succession, accommodation, IT, client service and profitability. The public perception of PTACT has also improved considerably.

Over the next five years we will continue to develop the commercial aspects of our business to achieve financial self-sufficiency. We will investigate the introduction of a modern document management system which will facilitate the capture of the legal Will and associated documents.

As in every Annual Report, I gratefully acknowledge the people that help to make our work possible including the Chief Executive, Dept Justice and Community Safety - Kathy Leigh, Deputy Chief Executive - Stephen Goggs and JACS staff, PTACT's highly valued and dedicated staff, members of the PTACT Investment Board as well as the work of the board of GreaterGood, the Capital Region Community Foundation.



Andrew Taylor  
**PUBLIC TRUSTEE/  
CHIEF EXECUTIVE**





**PUBLIC TRUSTEE**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SECTION A**

**PERFORMANCE AND FINANCIAL  
MANAGEMENT REPORTING**



## A.1 THE ORGANISATION

### WHO WE ARE

The Public Trustee for the ACT (PTACT) was established as an independent statutory office under the *Public Trustee Act 1985* to provide trustee services to the ACT Government and Community.

### WHAT DOES A PUBLIC TRUSTEE DO?

All State/Territory governments have established statutory Offices of Public Trustee to ensure that every person in our respective communities has access to affordable Will-making services, Enduring Power of Attorney, Funds Management and estate and trust administration services.

People in our community often need someone to manage their financial (and property) affairs either temporarily or permanently, whether through choice, disability or death. A Public Trustee satisfies that need.

We also look after unclaimed moneys, confiscated criminal assets and moneys held in trust by government on behalf of the community eg the Residential Rental Bonds Trust Account.

We have also established and operated GreaterGood, the Capital Region Community Foundation, a community charitable trust.

The ACT's Public Trustee receives minimal funding from Government and does not exist to make a profit.

### WHY DOES THE COMMUNITY NEED A PUBLIC TRUSTEE?

The government and the community need to ensure that all persons in the community take responsibility for making plans in the event of their death or disability. The Public Trustee assists people in the community to make such plans and, also in the event that those plans are not made. The Public Trustee also acts as government and community trustee in the management and investment of trust moneys.

By establishing an agency that promotes and provides these services to the community, the burden of personal financial management and estate administration does not fall to the rest of the community.

A Public Trustee provides people with the assurance that a skilled, professional, perpetual public official can represent their wishes upon their death or disability.

### WHAT WE DO

#### Wills

We prepare Wills on a fee for service basis where the Public Trustee is appointed as Executor.

#### Enduring Powers of Attorney (EPA's)

We provide advice and prepare EPAs where the Public Trustee is engaged as attorney for financial management purposes.

<b>Estate Administration</b>	We administer deceased estates where appointed as executor or under letters of administration.
<b>Trust Administration</b>	We administer trusts as trustee, manager or receiver of funds for minors, or for those unable to manage their assets.
<b>Financial Management</b>	We act as financial manager for persons with a decision-making disability under orders of ACAT.
<b>Funds Administration</b>	We manage funds in respect to government and non-government trusts.
<b>Investment Services</b>	Our investment framework provides investment services under the 'Prudent Person Investment Rule' in the <i>Trustee Act 1925</i> .
<b>Confiscated Criminal Assets</b>	We administer assets restrained under the <i>Confiscation of Criminal Assets Act 2003</i> .
<b>Unclaimed Moneys</b>	We receive, invest and manage claims for unclaimed moneys under the <i>Unclaimed Moneys Act 1950</i> , <i>Legal Practitioners Act 1970</i> and the <i>Agents Act 2003</i> .
<b>Private Financial Managers' accounts</b>	We examine accounts prepared by private financial managers appointed under order of ACAT to act on behalf of persons with a decision-making disability.
<b>Trustee Services</b>	We are Trustees for - <ul style="list-style-type: none"> <li>→ GreaterGood</li> <li>→ Our Wellness Foundation</li> <li>→ The Perpetual Care Trust (under the <i>Cemeteries and Crematoria Act 2003</i>)</li> </ul>

## OUR VISION

We aspire to be the ACT community's first choice for trustee services.

## OUR VALUES

Honesty, professionalism and accountability and to consistently exceed client expectations.

## OUR STRUCTURE

PTACT is a government-owned business comprising 34 staff. Our staff has a broad and complementary range of skills including legal, accounting, financial management, financial planning and taxation. We have one centrally located office located in the City Centre, and our responsibilities are broadly -

- Estates/Trusts/Wills
- Financial Management

- Funds Management/Investment
- Finance/Administration.

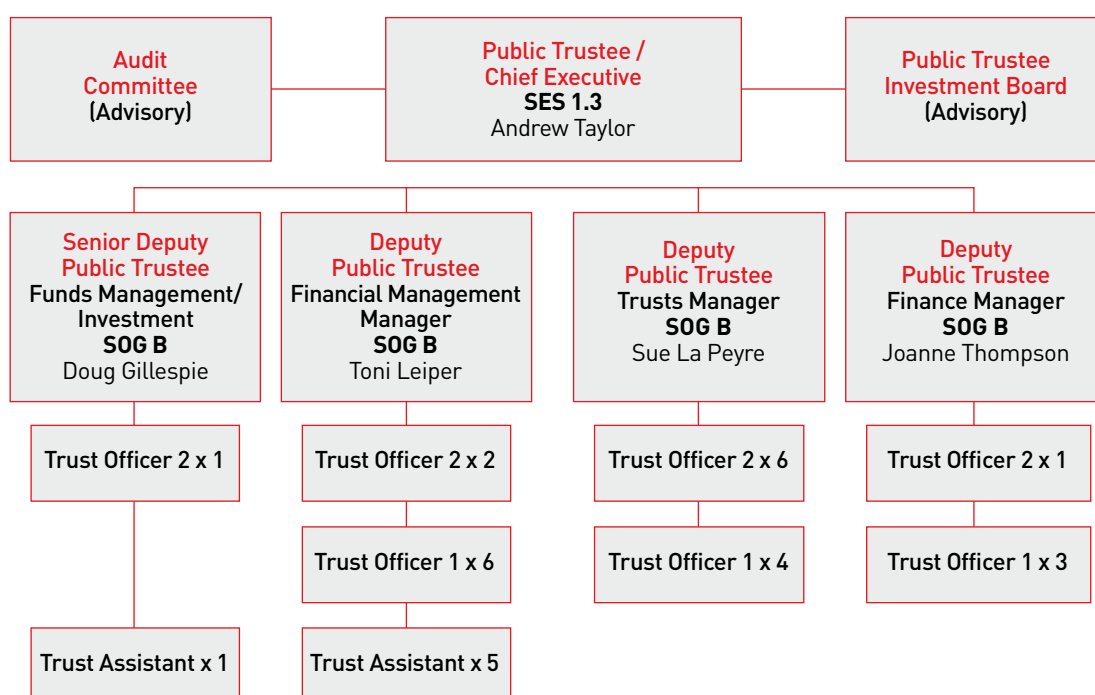
Each of our business units is headed by a Deputy Public Trustee who, together with the Public Trustee form a Management Committee. A Senior Deputy Public Trustee is responsible for the Public Trustee's significant investment and fund management services.

The Public Trustee is provided with investment advice by a statutory board established under the *Public Trustee Act 1985* comprising industry representatives appointed by the Attorney General.

PTACT's Audit Committee is comprised of a number of business unit representatives as well as the Chief Executive, ACT Long Service Leave Authority, Mr Phil Collins.

PTACT is essentially self-funding with minimal base appropriation provided directly by ACT Treasury under a Statement of Intent. PTACT is administratively attached to the Department of Justice and Community Safety (JACS) and reports to JACS under a Memorandum of Understanding.

Our Organisation Chart is set out below -



The profile of our staff is described in detail under C.7 in this report.

## OUR CLIENTS

Our clientele is a cross-section of the ACT community, comprising vulnerable people who need a trusted long-term representative, as well as people at every socio-economic level who need Will drafting, Enduring Power of Attorney and Estate/Trust administration services. We also provide fund management services to government. Through our charitable foundation GreaterGood, we aim to “Link Good People with Good Causes” and accordingly our clientele includes philanthropists as well as charitable organisations.

## OUR STAKEHOLDERS

Our stakeholders have both representative and educative expectations of us.

Our principal stakeholders are the ACT Attorney General, the ACT Treasurer and the ACT community.

We partner with the Public Advocate of the ACT and ACAT in the provision of our services. A PTACT representative attends ACAT hearings in respect to financial management matters on a weekly basis.

Non-government agencies committed to achieving outcomes for intellectually disabled persons also have an interest in our outcomes and we work closely with these agencies to ensure the best result for our mutual clients.

Public Trustees in other jurisdictions have an interest in the Public Trustee for the ACT upholding and promoting the professionalism and high level of integrity of the Australian Public Trustee branding generally.



## A.2 OVERVIEW

### HOW WE PERFORMED IN SUMMARY

The performance of our funds is discussed more fully under “Funds Management” in Section A.9 of this report.

PTACT’s 2009-10 Business Plan identified Key Result Areas and Strategic Priorities. Our performance against these objectives is set out in the following table -

√√√ fully achieved  
√√ partly achieved  
X not achieved

KEY RESULT AREA	STRATEGIC PRIORITY	RESULT
Business Development	• Maintain efficient and professional estate and trust services	√√√
	• Promote and market the Capital Region Community Foundation – A Workplace-Giving scheme was established with the Aerial (Taxi) Group. A new website was completed and launched.	√√√
	• Market the PTACT brand to the broad community. PTACT has a comprehensive marketing program and holds an annual seminar on Wills and EPAs to celebrate Seniors Week and International Women’s Day. A free Will was provided to all women in attendance.	√√√
Service Delivery and Client Satisfaction	• Responded to and implemented recommendations in the ACT Auditor-General’s audit report	√√√
	• Developed and launched a new PTACT website incorporating a Will Fact Finder and a revised Unclaimed Moneys search tool.	√√√
	• Review performance of fund managers and asset consultant. Board monitored performance through external assets consultant. Discontinued external market consultant contract.	√√√
	• Maintain representation on industry forums. Undertake secretarial and website development and maintenance for AGAC. Act as Executive Committee member, National Council, Trustee Corporations of Australia Inc (TCA)	√√√
	• Maintain high level of investment and marketing in PTACT brand.	√√√
Strategic Relationships	• Established Privacy Policy.	√√√
	• Maintain membership of PTACT Investment Board.	√√√

KEY RESULT AREA	STRATEGIC PRIORITY	RESULT
	<ul style="list-style-type: none"> <li>Maintain relationship with key stakeholders incl Law Society, ACT Community, Public Advocate, ACAT &amp; Nursing Homes.</li> </ul>	√√√
	<ul style="list-style-type: none"> <li>Published two page lift-out in Canberra Times celebrating 25 year anniversary.</li> </ul>	√√√
	<ul style="list-style-type: none"> <li>Sponsored Life's Reflection.</li> </ul>	√√√
Systems Development	<ul style="list-style-type: none"> <li>Implemented Chameleon Will software</li> </ul>	√√√
	<ul style="list-style-type: none"> <li>Finalised MYOB/AE tax software implementation</li> </ul>	√√√
Staffing & Capability	<ul style="list-style-type: none"> <li>Filled all vacant positions</li> </ul>	√√√
	<ul style="list-style-type: none"> <li>Staff achievement and development plans completed.</li> </ul>	√√√
	<ul style="list-style-type: none"> <li>Provided privacy training to PTACT staff and OH&amp;S training for senior managers</li> </ul>	√√√
	<ul style="list-style-type: none"> <li>Maintained industry training program - University of Western Sydney.</li> </ul>	√√√

## OUR PLANNING FRAMEWORK AND DIRECTION SETTING

We have a dual planning and accountability framework reporting to the Chief Executive JACS, whilst financially accountable to ACT Treasury.

Planning responsibilities are undertaken through a Management Committee representing all business units as well as the Audit Committee. PTACT's Performance Management Plan is closely linked to the strategies contained in the Business Plan.

Our direction is established by a Statement of Intent with ACT Treasury and by a MOU with JACS.

PTACT participates in the strategic planning and management of JACS through Departmental forums including JACSCOM, SOHO and JACS IM/ICT (Information Management) Committees.

Another important element of our strategic planning framework is the Public Trustee Investment Board which establishes and varies policy in respect to investment and funds management.

The Public Trustee is trustee for GreaterGood, The Capital Region Community Foundation, through which the strategic direction of the foundation is established and directed.

## OUR ORGANISATIONAL ENVIRONMENT

Whilst PTACT is one of the smaller Australian Public Trustees, our activities are more diverse. Our community is unique compared to others in Australia in that we are largely city dwelling and with a different socio-economic demographic to other states/territories.

Whilst we do not have the organisational issues confronting other Public Trustees, given our size and concentrated population, PTACT delivers trustee services across a more diverse suite of trustee responsibilities including unclaimed moneys, management of government trust funds, confiscated criminal assets and Community Foundation.

PTACT has a strong organisational relationship with a number of Dept of Justice and Community Safety agencies, including the Public Advocate of the ACT and ACAT and works closely with the Department on matters of common interest including legislative reform, trust administration and funds management and investment. In respect to our statutory trust activities however, the Public Trustee has autonomy and independence.

Our executive has a flat management structure, representative of our four main business areas and of the specialised nature of our activities.

Organisationally, PTACT is largely self-contained however IT services are provided by the ACT Government's IT Service Provider InTACT.

## RESPONSE TO SIGNIFICANT ORGANISATIONAL CHANGE/REVISION TO ADMINISTRATIVE ARRANGEMENTS

PTACT has not experienced any significant organisational change or revision of administrative arrangements during 2009-10.

## ADMINISTRATION OF LEGISLATION

The Public Trustee's powers and responsibilities are established by the *Public Trustee Act 1925* and the *Trustee Act 1925* as well as other ACT and Commonwealth legislation.

The laws that empower and govern the activities of the Public Trustee as a trustee are listed at Section B.4 of this report. The Public Trustee has no regulatory activities.

## SUBSIDIARIES, JOINT VENTURES AND PARTNERSHIPS

PTACT has no subsidiaries, joint ventures or partnerships, however strong collaborative relationships are maintained with a number of agencies as reported under B1 of this report.

## A.3 HIGHLIGHTS

### OPERATIONAL ACHIEVEMENTS

The following operational achievements reflect our progress against strategic outputs and service delivery priorities.

A significant portion of PTACT's revenue is derived from user charges in the form of income commission. Whilst the total of funds managed on behalf of ACT Government agencies increased, an effect of the Global Financial Crisis (GFC) was that plummeting interest rates and property values significantly reduced this normally reliable source of revenue.

A major achievement however was that through strong business development over the past several years, following the easing of the GFC, PTACT has managed to avoid a significant loss and revenue returned strongly in the last quarter.

Highlights are as follows -

- Reduced Budget deficit forecast of \$297,000.00 (revised to \$353,000.00) to \$87,276.00.
- Funds under Management from \$199.9M to \$235.9M.
- Increased the quantum of funds managed on behalf of ACT Government agencies by \$16.26M to \$128,383,944.58.
- Total expenses were \$35,530.00 lower than the 2008-09 budget estimate for expenses of \$3.8M.
- Conducted Annual Wills & Powers of Attorney seminar.
- Established Workplace Giving in the private sector with a further ACT Government Department committing to a scheme.
- 10 complaints to Ombudsman resulted in no finding of administrative deficiency.
- Public donations to GreaterGood were \$576,383.00 increasing the corpus to \$6.28M (after distributions);
- Establishment of PTACT Audit Committee.
- Designed and implemented new PTACT website with embedded Will Fact Finder and revised Unclaimed Moneys Search tool.
- Negotiated a new 10 year lease of premises as well as additional accommodation immediately adjacent to current premises at minimal cost to government.

### MAJOR CHALLENGES FACING THE PUBLIC TRUSTEE

Once again, our major challenge has been to maintain our capability as a prudent financial manager during the GFC.

PTACT derived 78% of its 2009-10 revenue from fees and charges. The bulk of these charges represent either income commission from investment activities or a capital commission on assets. The GFC has affected the value of assets under management and the percentage rate of income return on investments. Traditionally, PTACT's income is affected by fluctuations in the financial sector and, whilst the Public Trustee's

surplus in recent years had grown to \$571,557.00 for 2007-08, the impact of the GFC caused PTACT to estimate a deficit of \$297,000.00. Strong performance in the fourth quarter however significantly reduced this deficit to \$87,276.00, a decrease of \$209,724.00 on the 2009-10 budget estimate and a decrease of \$30,238.00 over the previous year for the same period.

PTACT has been able to avoid the estimated trading loss mainly because of the strength of our business in which our management fees and other income fees are both now recording strong increases. Common Fund investments received a higher rate of return than what was originally anticipated. The improvement in revenue has occurred mainly as a result of the upturn in the investment market.

## PROGRESS AGAINST STRATEGIC OUTPUTS AND SERVICE PRIORITIES

PTACT made significant progress towards its key strategic outputs as detailed under “How we Performed in Summary” and “Operational Achievements” above.

### A.4 OUTLOOK

#### OUR FUTURE PRIORITIES

Our 25th year celebration marks a quarter of a century of achievement in the ACT community and heralds a further period of sustained recovery.

A major priority has been the continued development of GreaterGood both as a major community benefit and as a significant factor in achieving future financial independence for PTACT. It is pleasing to note that, during the year, the corpus increased from \$5.191M to \$6.28M. PTACT established its workplace-giving scheme in the private sector with King Financial, Aerial (Taxis) Consolidated Group, OurWellness@Health as well as commitment by a further ACT Government Department to establish a scheme. An increasing number of new Wills have established bequests to GreaterGood. PTACT has now made 171 Wills containing a future bequest to GreaterGood. The establishment of the new website provides greater convenience to prospective Wills clients through a new Wills Fact Finder and showcases PTACT products and services.

Once again, a continuing longer-term priority is to ensure that PTACT is viable and equipped to deal with the demands of an ageing population. Together with other Australian Public Trustees, PTACT is cooperating in the conduct of a study by the University of Queensland into the patterns, practices and principles of Wills and inheritance in contemporary Australia. This study will aim to provide Public Trustees with foundational data on prevalence, current practices and matters to inform policy and improve service delivery models around estate planning and administration.

With the growth and change in generation of ACT's older population and the corresponding demand for PTACT services, PTACT has adapted by implementing smarter means of doing business recognising the value of online services and by introducing smart software to the Will-making process.

## TRENDS AND FORECAST CHANGES IN OUR OPERATING ENVIRONMENT

### Australian Public Trustees' Forum

At a meeting of all Australian Public Trustees held in March 2010, Public Trustees resolved to work more closely with each other to develop their unique shared branding. This may involve using our collective size and influence to achieve better marketing, investment and purchasing capability.

There have already been a number of areas where this cooperation has produced recent benefits for members –

- Acquisition by most Public Trustees of Chameleon Wills software,
- Protection of the intellectual property in the Public Trustees' branding from abuse;
- Agreements with the Australian Taxation Office in respect to low value returns; and
- Providing informed comment to government inquiries.

As part of this cooperative forum, PTACT has elected to make a submission to the ACT Supreme Court seeking its agreement to the Public Trustee providing machine-produced certified copies of original signed Wills and EPAs to the Court in support of applications for the Grant of Probate.

### Effect of increasing age of ACT's population

Another area of change in our community environment concerns the increase in the number of people suffering an intellectual disability including rights of persons with a decision-making disability to have or to make a Will. At the recommendation of the Public Trustee, the ACT Government introduced legislation during 2010 to make provision for Statutory Wills". This will empower the Court, upon application, to issue an order making or altering a Will for a person who no longer has testamentary capacity to do so.

## SIGNIFICANT IMMEDIATE FUTURE RISKS AND ISSUES

Significant potential risks facing the Public Trustee, identified in a review of our Fraud, Risk and Corruption Mitigation Strategy include –

- **Economic Viability.**  
PTACT must build its reputation, develop its clientele, establish reliable long-term revenue sources and deploy smart technological solutions.
- **Staff Competence and Well-being.**  
PTACT's staff is critical to its business and the risk of skill loss or depletion must be addressed through a strong attraction, training and retention policy. PTACT has focused strongly on Workplace Health and Safety through the conduct of a Workplace Health and Safety Risk Analysis and the treatment of all identified risks and rigid application of staff safety and protection measures.
- **Statutory Compliance.**  
Failure to comply with legislation, policies and procedures poses a strong potential risk and this must be address by rigid QA, training and workflow-based systems.

→ **Potential for Fraud.**

The potential risk of fraud and corruption both internal and external must be addressed by a Fraud, Risk & Corruption Management Plan, reviewed on a regular basis.

→ **Business System Failure.**

The risk of business system failure affecting access to information poses a strong potential risk which must be addressed by the establishment and continual maintenance of a Business Continuity Plan.

→ **Financial Loss.**

Prudent funds management is vital, particularly having regard to recent economic conditions. The constant risk of market fluctuation and a diligent and prudent approach to the review of investment arrangements including fund managers is necessary.

The Public Trustee's Fraud, Risk and Corruption Management Plan is reviewed biennially and was comprehensively reviewed in conjunction with the establishment of the PTACT Audit Committee in June 2010.

## A.5 MANAGEMENT DISCUSSION AND ANALYSIS

### OBJECTIVES

PTACT's primary objective is to provide professional trustee services to government and to the community.

Our principal activities include –

- preparation of Wills where the Public Trustee is named as executor or co-executor;
- administration of deceased estates under Will or intestacy;
- acting as trustee for life interest estates and persons lacking legal capacity;
- financial management under Enduring Power of Attorney, and under Order of ACAT;
- examination of accounts of external managers under the *Guardianship and Management of Property Act 1991*;
- asset services in relation to the confiscation of criminal assets;
- taxation and safe custody services for established clients;
- acting as agent for Unclaimed Moneys; and
- undertaking investment responsibility for ACT Government Trust Funds.

## RISK MANAGEMENT

Our Fraud, Corruption and Risk Management Plan covers all investment, financial, operational and administrative responsibilities as well as Workplace Health and Safety. This strategy documents business processes undertaken by the Public Trustee, identifies key risks associated with these processes and measures undertaken to control risk.

The following potential risks may influence our future position -

- Maintenance of market share in respect to commercial services provided by PTACT. These activities substantially fund the cost of providing PTACT's Community Service Obligations to the community. This risk is addressed through customer satisfaction surveys, brand development and marketing.
- Risk of significant skill depletion through retirement. We are reviewing workforce training as part of the business and strategic plan to ensure skills are retained.
- Ongoing business system reliability and integrity is a major potential risk to our business. We have made continuing changes to our IT infrastructure aimed at minimising these risks.

Of particular interest to the Public Trustee's Investment Board during the year was the Public Trustee's exposure to fidelity risk with external fund managers. A study was undertaken which indicates that the Public Trustee's level of insurance coverage at both ACTIA and fund manager level is adequate.

## REVENUE

Revenue figures are based upon actual figures to 30 June 2010, the audited Financial Report for 2009-10 and 2009-10 budget estimates contained in the 2009-10 Budget Paper Number 4.

Our operating deficit for the year ended 30 June 2010 was (\$87,276.00), a decrease of \$209,724.00 on the 2009-10 budget estimate of \$297,000.00 for the same period, and a decrease of \$30,238.00 over the previous year. The deficit is primarily due to the effect of the GFC causing -

- decreased operating revenue;
- decreased value of, and income received on, Common Fund investments;
- market downturn and lower than anticipated values in estates being finalized.

PTACT derived 78% of its revenue from fees and charges relating to the provision of trustee services.

Total revenue for the year ended 30 June 2010 was \$3,695,194.00, which is \$174,194.00 higher than the 2009-10 budget estimate of \$3,521,000.00 for the same period and an increase of \$13,096.00 over the 2008-09 year.

The deficit improved on budget expectations due to Common Fund investments receiving a higher rate of return than was originally anticipated. An improvement in revenue has also been achieved as a result of an upturn in the investment market. The combination of lower revenue and higher expenses resulted in the operating deficit.



## EXPENSES

The Public Trustee's core business is the provision of estate, trustee and financial management services. Accordingly, the main expense items were typically employee and administrative expenses relating to the provision of core services.

Total expense for the year ended 30 June 2010 was \$3,782,470.00 of which \$2,895,872.00 or 77% was employee-related expense (incl superannuation). Total expense was \$35,530.00 lower than the budget estimate for 2009-10 of \$3,818,000.00 for the year. By comparison, actual expense for the previous year was \$3,799,612.00.

Expenses have risen only slightly over the last few years. In future years it is anticipated that employee expenses will increase due to changes in wage conditions, the employment of professional staff to cope with the ever changing workload and the continually increasing client base.

It is also anticipated that, due to the increasing workload of the office, an increase in supplies and service expenses will also occur. In the last few years major expenses in relation to the upgrade of Business Applications has occurred. In future, although enhancements of the applications will be performed, it is not anticipated in the immediate future that further major expenses will occur.

## PUBLIC TRUSTEE FINANCIAL POSITION

Key indicators of the health of the Public Trustee's financial position are the ability to sustain the existing asset base, the ability to pay debts falling due in the short term and maintaining prudent levels of longer term liabilities. The graph below indicates assets held by the Public Trustee at 30 June 2010.

As shown in the graph below, the Public Trustee has total assets of \$3,919,000.00, of which a sizeable percentage (\$3,050,000.00) is invested with various financial institutions, and \$374,560.00 is held in short term cash accounts for ongoing expenses. The balance of assets, \$494,440.00, is made up of receivables of \$247,107.00, prepayments of \$21,233.00 and Property Plant and Equipment of \$226,100.00.

The main variance against the same period in 2008-09 is an increase in Cash and Cash Equivalents due to the increase in fees collected in the last quarter of 2010.

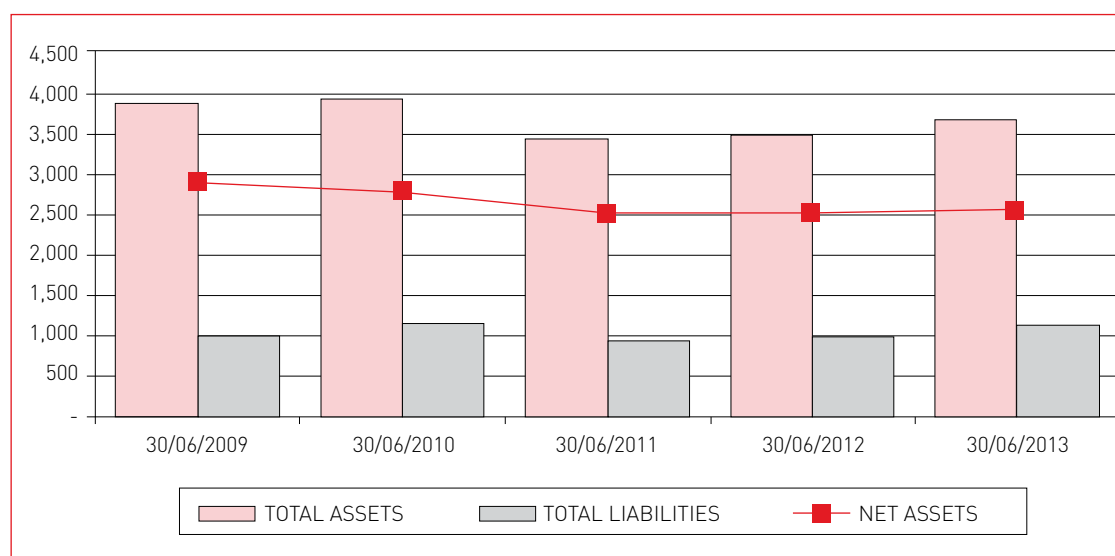
Plant and Equipment decreased in value at the end of June 2010 due to -

- (a) Devaluation of Plant and Equipment; and
- (b) Provision for make good as advised by the valuer.

## SUSTAINED ASSET BASE

The figure below illustrates the Public Trustee's strong net asset position due to the increased level of funds under management, in comparison with liabilities.

## Summary Statement of Financial Position



The net asset position continues to indicate an asset base capable of meeting the service requirements of our clients.

## LIQUIDITY

“Liquidity” is the ability to satisfy short-term debts as they fall due. A common indicator for liquidity is the current ratio, which compares the ability to fund short-term liabilities from short-term assets. A ratio of less than 1:1 may indicate a reliance on the next financial year’s operating revenue to meet short-term debts. The table below illustrates our liquidity position.

### Current Ratio

	PRIOR YEAR ACTUAL \$'000 2009	CURRENT YEAR ACTUAL \$'000 2010	CURRENT YEAR BUDGET \$'000 2010	FORWARD YEAR BUDGET \$'000 2011	FORWARD YEAR BUDGET \$'000 2012	FORWARD YEAR BUDGET \$'000 2013
<b>Total Current Assets</b>	3 557	3 693	3 402	3 381	3 402	3 483
<b>Total Current Liabilities</b>	908	1 024	838	1 064	1 128	1 220
<b>Current Ratio</b>	3.92:1	3.61:1	4.06:1	3.18:1	3.02:1	2.85:1

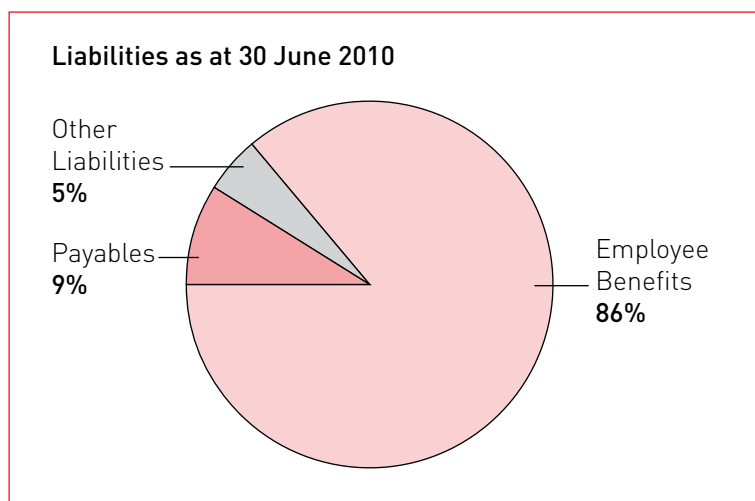
Our current ratio as at 30 June 2010 is 3.61:1, a decrease on the budgeted current ratio at 30 June 2009 of 4.06:1. We anticipate current assets to remain relatively stable and will maintain a strong level of liquidity.

## LIABILITIES

Total liabilities for the year ending 30 June 2010 were \$1,144,383.00. This balance is \$268,383.00 higher than the budget figure for 2009-10 of \$876,000.00 and higher than the actual balance as at 30 June 2009 by \$151,600.00.

The main fluctuation in liabilities is the change in the methodology used to calculate long service leave and annual leave resulting in an increase in the employee benefits provision.

### Liabilities



The 'financial assets to total liabilities ratio' is an indicator of financial strength and reflects the ability to meet current and recognised future obligations from those assets capable of being converted to cash. Financial assets include cash, investments and receivables.

The ratio at 30 June 2010 as indicated in Table 2 is **3.21 to 1**. The ratio of **3.21 to 1** is a decrease from **3.54 to 1** at 30 June 2009. This shows that the liquidity of the Public Trustee is more than adequate.

### Financial Assets to Total Liabilities Ratio

	PRIOR YEAR ACTUAL \$'000 2008-09	CURRENT YEAR BUDGET \$'000 2009-10	CURRENT YEAR ACTUAL \$'000 2009-10	FORWARD YEAR BUDGET \$'000 2010-11	FORWARD YEAR BUDGET \$'000 2011-12	FORWARD YEAR BUDGET \$'000 2012-13
<b>Total Financial Assets</b>	3 520	3 380	3 672	3 342	3 362	3 680
<b>Total Liabilities</b>	993	876	1 144	1 189	1 268	1 375
<b>Financial Assets to Liabilities Ratio</b>	3.54:1	3.86:1	3.21:1	2.81:1	2.65:1	2.68:1

## A.6 FINANCIAL REPORT

The Financial Statements and Auditor-General's Reports for all four accounts may be found in the Annexure at the end of this report.

## A.7 STATEMENT OF PERFORMANCE

Refer A6 above.

## A.8 STRATEGIC INDICATORS

Not applicable to PTACT.

## A.9 ANALYSIS OF AGENCY PERFORMANCE

2009-10 has been a year of recovery from the GFC with markets steadily returning and rates of return on investments improving. A significant indicator is the increase in revenue over and above estimate.

Our performance in brief is as follows -

- Our operating deficit for the year ended 30 June 2010 was (\$87,276.00), a decrease of \$209,724.00 on the 2009-10 budget estimate of \$297,000.00 for the same period, and a decrease of \$30,238.00 over the previous year. The strong return of revenue indicates that recovery is well underway and that PTACT's strategic aim in previous years of building the business has paid dividends.
- Expenses were \$35,530.00 lower than budget estimate of \$3,818,000.00.
- Adopted policy changes to Cash Management during GFC allowing PTACT to better manage risk.
- Accepted recommendation of the Public Trustee Investment Board and the Russell Investment Group to move the Public Trustee's Fixed Interest Fund from active to passive management. This is a reaction to an analysis of returns against risk and consistent with PTACT's need to comply with the Prudent Person Rule.
- GreaterGood corpus increased by \$576,383.00 to \$6.28M.
- 94% of customers stated that PTACT met or exceeded their expectations.

## FUNDS MANAGEMENT

Funds management continues to be a fundamental and rapidly-growing business component. PTACT operates five asset sector common funds satisfying client investment requirements. The investment strategy provides investment clients with income, growth and security through diversification.

At 30 June 2010, the PTACT had funds under management of \$235.9M an increase of \$36M.

Client moneys are invested through Common Funds in accordance with the “prudent person investment principle” established by the Trustee Act 1925.

This diversification enables PTACT to offer tailored investment portfolios giving clients potential for a mix of capital growth, income returns and tax effectiveness, in keeping with individual risk profiles.

Client funds held in these funds increased from \$87.77M in 2008-09 to \$100.44M in 2009-10. Generally this resulted from an increase in the value of client assets under administration.

PTACT’s five asset sector Common Funds are -

### **Cash Common Fund**

PTACT’s internally managed cash funds are invested in a range of bank and non-bank financial institution deposits, notes and bills of exchange. Interest returns vary with the market cash rate and, at 30 June 2010, the interest rate was 4.5% (up from 3.00% at 30 June 2009) and the fund size was \$51.76M, up from \$46.7M at 30 June 2009. Whilst fluctuations are a normal and expected occurrence, the rate has steadily risen over all quarters of the reported year.

### **Australian Equities Common Fund**

An externally managed portfolio of Australian stocks. Funds under investment total \$21.7M, up from \$20.12M at 30 June 2009.

### **International Equities Common Fund**

An externally managed portfolio of non-Australian stocks. At 30 June 2010, \$7.91M had been invested.

### **Australian Fixed Interest Common Fund**

An externally managed portfolio of corporate and government bonds and floating rate notes. Funds under investment at 30 June 2010 were \$20.5M compared to \$14.06M at 30 June 2009.

### **Australian Listed Property Trust Common Fund**

An externally Managed Property Security Fund invested in listed property trusts across retail, industrial and commercial sectors. Funds under investment at 30 June 2010 were \$4.33M compared to \$3.64M at 30 June 2009.

The following table sets out the comparative performance of the Australian Equities, Fixed Interest and Listed Property Common Funds over time.

**Comparative Funds Performance - Yield**

<b>FUND PERFORMANCE</b>	<b>3 MTHS</b>	<b>6 MTHS</b>	<b>1 YR</b>	<b>3 YRS</b>	<b>5 YRS</b>	<b>7 YRS</b>
<b>Cash Common Fund</b>	1.08	2.09	3.82	5.11	5.08	4.93
<b>Australian Equities C/Fund</b>	-12.84	-13.45	10.55	-8.38	3.83	8.85
<b>Fixed Interest C/Fund</b>	5.32	6.67	6.87	6.78	5.31	4.93
<b>Listed Property Trusts C/Fund</b>	-2.41	-1.79	18.13	-24.52	-9.82	-2.33
<b>International Equities C/Fund</b>	-11.04	-6.49	12.63	N/A	N/A	N/A

**INVESTMENT STRATEGY**

PTACT's investment strategy has been established on the advice of external asset/markets consultants in accordance with recommended objectives and is reviewed in consultation with the Public Trustee Investment Board. The strategy is designed to maximise investment performance and overall return for a client's investment portfolio.

PTACT's investment objectives take account of risk, return, diversification and liquidity and are realistic and achievable. They are particularly useful for -

- setting investment strategy;
- giving clients some idea of what to expect from their investment; and
- assessing the performance of the portfolio in achieving its investment goals.

The following issues are considered in setting investment objectives -

- Many PTACT clients are dependent upon income from their portfolio for day to day living expenses.
- Risk of loss objectives, which reflect the likelihood of the portfolio losing money in any given year.
- Targets for a total return reflecting both income and capital growth.

The Australian Equities, Australian Fixed Interest, Listed Property Trust and International Equities Common Funds act as vehicles for investment of client funds in asset allocations that reflect individual risk profiles. PTACT operates four risk models where clients with compatible risk profiles are grouped for investment into the common funds in asset allocations designed to address their needs. During the year the Public Trustee Investment Board recommended a change in Fund Manager style from Active to Passive for the Fixed Interest Common Fund in keeping with the Russell Report on PTACT's Investment strategy. As a consequence, only one of the PTACT Common Funds (Australian Equities) has an active style manager and it has been decided that PTACT no longer needs the services of an external markets consultant.

### Growth Model Portfolio

The Growth strategy seeks to achieve long-term returns in excess of inflation. Allocation to Australian Equities provides greater potential for growth plus potential taxation benefits of franked dividends.

Performance for the year after fees was – 11.27%.

### Balanced Model Portfolio

The Balanced strategy seeks to provide a balance between return and volatility. It is suitable for medium term trusts, or those with a mix of income and capital needs for beneficiaries. Performance after fees for the year was -10.09%.

### Income Stable Model Portfolio

The Income Stable strategy seeks to provide income return with moderate volatility plus potential for some growth to protect the real value of the trust. It is suitable for trusts with income needs, short terms and conservative risk profiles.

Performance return after fees for the reported year was -9.86%.

### Capital Stable Model Portfolio

Accounts requiring stability of capital are invested through the Cash Common Fund providing a market interest return on daily balances with funds available at call. The Cash Common Fund is suitable for cash balances and trusts of uncertain term.

The fund returned an average of 3.82% during the year, and closed at 4.5%.

The following table sets out the comparative performance of the Public Trustee's Risk Models.

### Risk Model Comparative Performance

RISK MODEL PERFORMANCE	3 MTHS	6 MTHS	1 YR	3 YRS	5 YRS	7 YRS
Capital Secure	1.08	2.09	3.82	5.11	5.08	4.93
Income Stable	-1.17	-0.55	9.86	1.11	4.76	6.23
Balanced	-3.36	-2.32	10.1	-2.1	4.48	7.1
Growth	-6.29	-5.22	11.3	-5.6	3.73	7.71

## OUR SERVICES TO GOVERNMENT

### Government Trust Moneys

Part 7 of the *Financial Management Act 1996* requires that all trust moneys and other non-public moneys managed by ACT Government departments should be invested with the Public Trustee.

Performance reporting in respect to individual trust accounts is a matter between the Public Trustee and the client. PTACT invests these funds in accordance with the

prudent person investment principle of the *Trustee Act 1925* and returns a dividend to the particular account minus Public Trustee fees. Funds held at 30 June 2010 amounted to \$128.77M in respect to the following accounts –

- ACT Civil and Administrative Tribunal
- ACT Health
- ACT Health Ethics Committee
- ACT Procurement Solutions
- ACT Planning and Land Authority
- Agents Act Consumer Compensation
- Canberra Cemeteries
- Confiscated Assets Trust
- Default Insurance Fund - CIF
- Default Insurance Fund - UEF
- Motor Vehicle Dealers Compensation Fund
- Nominal Defendant
- Rental Bonds Trust Account

Funds held in these accounts are invested in a range of securities including bank bills and financial institution deposits managed internally and a Fixed Interest Fund managed by Suncorp Metway Investment Management Limited. The circumstances of each account are reviewed regularly and investment strategies decided according to individual risk profiles, objects, needs for income and relevant legislation.

It should be noted that funds held in these accounts are not invested in either Australian or International Equities and are not at risk of unethical investment.

### Criminal Assets

The *Confiscation of Criminal Assets Act 2003* (COCA) authorises the confiscation of the proceeds of crime and other criminal assets, and empowers PTACT to administer assets restrained under the Act. Forfeited assets are secured and sold by the Public Trustee, and moneys realised are deposited into the Confiscated Assets Trust Fund for community safety initiatives.

PTACT deposited \$72,021.35 into the Confiscated Assets Trust Fund during the reported financial year realised from 22 convictions. This compared with \$115,695.11 realised from 21 convictions during 2008-09.

### Unclaimed Moneys

PTACT provides administrative services in respect to specified Unclaimed Moneys in the ACT under the *Unclaimed Moneys Act 1950*, the *Legal Practitioners Act 1970* and the *Agents Act 2003*. In general, unclaimed moneys are accounts of various types that have been inactive over time, including deposits, dividends, superannuation benefits and retirement savings accounts of persons over retirement age. An upgraded on-line search facility was developed and implemented on the Public Trustee's website to assist claimants to identify and claim unclaimed moneys.



At 30 June 2010, PTACT held \$10,794,501.00 in unclaimed moneys compared to \$9,670,090.00 at 30 June 2009. During the year –

- 41 lodgements were received for a total of \$1,673,851.52.
- 1,144 claims for a total of \$898,749.81 were received and paid.
- Average claim for 2009-10 was \$785.62 compared to \$1,231.45 for 2008-09.

Average claims paid were –

- Unclaimed Moneys Act - \$477.77
- Unclaimed Moneys Act (Superannuation) - \$2,981.21

The breakup of claims paid is as follows –

- Directions by Office of Regulatory Services - 1 claim - total of \$509.20
- Legal Practitioners Act - 4 claims - total of \$329,026.43
- Unclaimed Moneys Act - 1129 claims - total of \$539,402.13
- Unclaimed Moneys Act (Superannuation) - 10 claims - total of \$29,812.05

### ***Cemeteries and Crematoria Act 2003***

The Public Trustee is appointed as trustee of the Perpetual Care Trusts under the *Cemeteries and Crematoria Act 2003*. The Perpetual Care Trusts are charitable trusts kept in respect to each cemetery and crematorium, for the maintenance of grounds, monuments and infrastructure. Each cemetery or crematorium operator is required to deposit a specified percentage of their receipts into their fund to be held in trust by the Public Trustee and invested through the Public Trustee's common funds.

At 30 June 2010, a total of \$1,086,990.56 in deposits was held by the Public Trustee under the Act.

#### **Deposits to Perpetual Care Trust**

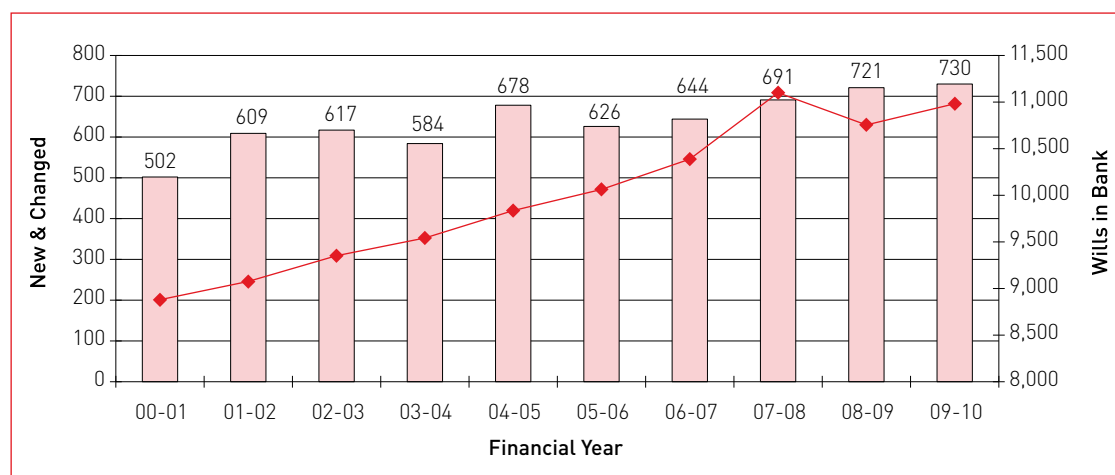
CEMETERY/ CREMATORIUM	DEPOSITED TO DATE (ALL) \$	NET DEPOSITS \$	2009/10 INCOME \$	GROWTH FROM INVESTMENTS TO DATE \$	BALANCE 30/06/10 \$
Hall	52,993.32	39,032.58	1,008.02	799	43,374.37
Woden	1,287,457.68	969,461.45	28,201.29	(96,836)	1,005,127.79
Norwood Park	36,366.57	36,366.57	1,258.04	(9,263)	38,488.40
<b>TOTAL</b>	<b>1,376,817.57</b>	<b>1,044,860.60</b>	<b>30,467.35</b>	<b>(105,300)</b>	<b>1,086,990.56</b>

## OUR PRODUCTS AND SERVICES

### Wills

Will-making is a core business of PTACT. 730 Wills were completed during the year compared with 721 in the previous year. PTACT now has in excess of 10,982 Wills in its 'Wills Bank'.

### Wills

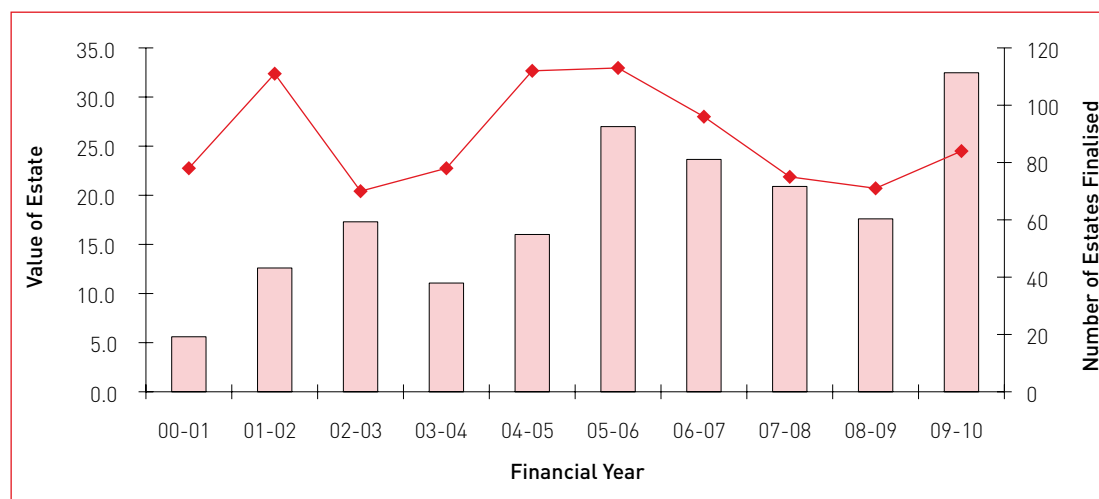


### Estates

Estate volumes have increased in line with general trends. 92 new estates were commenced during the year at an estimated committed value of \$47,056,410.22 compared to 99 at a committed value of \$24,915,000.00 for the previous year. 84 estates were finalised during the year with an estimated committed value of \$32,469,912.21 compared to 71 at \$17,594,411.87 for the previous year. This is primarily due to the decreased value of estates involving property and shares.

The number of estates administrations completed with a value under \$100,000.00 was 38, whilst the number of those \$100,000.00 and over was 46.

### Estates Finalised 2009-10



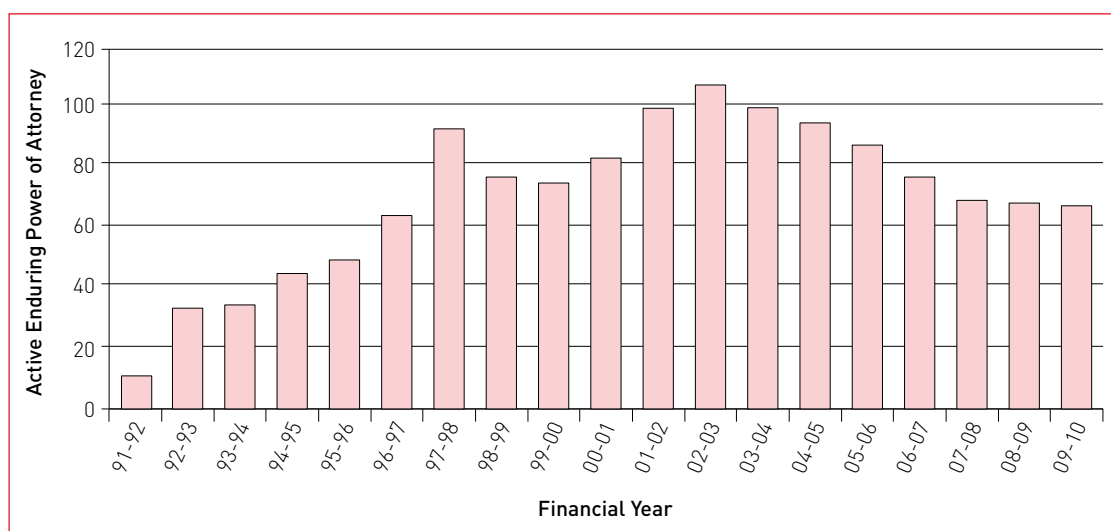
## Trusts

The Public Trustee acts as trustee, manager or receiver of funds for infants, or for those unable to manage their funds. The value of trusts under administration at 30 June 2010 was \$42,405,824.00.

## Powers of Attorney

PTACT actively promotes the preparation of an EPA by all members of the ACT Community. The Public Trustee will act as attorney and assist in identifying the best solution for individual needs. The number of active EPAs under management by the Public Trustee has marginally decreased from 68 last year to 67 this year. The graph below indicates the number of persons who have chosen to place their financial affairs under the control of the Public Trustee and to activate the instructions contained in the EPA.

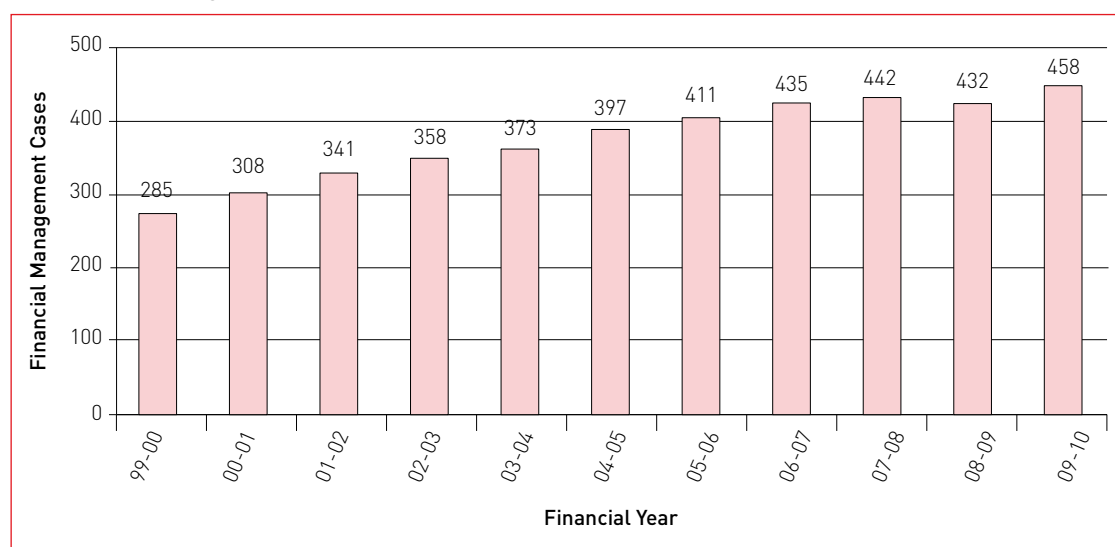
### Active Enduring Powers of Attorney 2009-10



## Financial Management

ACAT may appoint a person to act as Financial Manager to protect the interests of adult persons in the community who have impaired decision-making ability, or who lack the capacity to manage their own financial affairs. PTACT is appointed as plenary, or absolute manager, in approximately 50% of cases. At 30 June 2010, the Public Trustee was appointed as financial manager for 458 persons compared with 432 persons at 30 June 2009.

## Financial Management Cases 30 June 2010



### Taxation Services

PTACT is a registered tax agent, has qualified personnel on staff and provides specialist taxation services incidental to Estate, Trust and Individual activities.

A significant upgrade of Australian Taxation Office systems has caused PTACT's tax return completion figures to drop from 892 in 2009 to 850 in 2010. This decrease was caused by the "cleansing" of PTACT data against ATO records.

PTACT increased its taxation revenue by 10.83% from \$87,539.69 in 2008-09 to \$97,022.14 in 2009-10.

### Conveyancing Services

PTACT completed 22 property settlements during 2009-10, with a total value of \$9,358,500.00.

Revenue from conveyancing activities was \$15,400.00, compared with \$18,750.00 in 2008-09.

## OUR KEY CHALLENGES AND PLANS

PTACT's Business Plan for 2009-10 identified the following key result areas:

- **Business Development** – to diversify and build estate and trust business opportunities to promote service sustainability and expansion. The value of the Public Trustee's business continued to grow with significant growth in the value of funds under management and development of GreaterGood.
- **Service Delivery and Client Satisfaction** – to enhance and streamline core work processes for efficient and effective delivery of high quality services and rates of return. Our customers and stakeholders reported 94% satisfaction or better with the products and services provided by the Public Trustee, a marginal increase over last year.

- **Strategic Relationships** – to develop constructive relationships with key stakeholders to enhance leverage and influence in the marketplace and the community. PTACT maintains relationships with many ACT and national businesses, agencies, charities and associations.
- **Systems Development and Implementation** – to provide best practice systems and support infrastructure to ensure transparency and accountability for all transactions and decisions. During the year, PTACT finalised the implementation of the MYOB/AE replacement electronic income tax return package, launched a new website and implemented Chameleon Wills software. Development of a Precedent Management Database was also commenced in June 2010.
- **Staffing and Capabilities** – to attract and retain skilled and capable people who are committed to the role of the Public Trustee and superior client service.

## OUR STATEMENT OF INTENT

PTACT's Statement of Intent for the year 2009-10 established PTACT's performance measure and targets for the reporting year. The following table reports performance against these measures -

- Return on Assets = (operating result b.t.+interest expense)/average total assets for period
- Return on Equity = operating result b.t. /equity
- Profit Margin = operating result b.t. /(Govt & non Govt usercharges+taxes, fees and fines)
- Current Ratio = current assets/current liabilities
- Cash Position = (cash+current investments)/total assets
- Receivables Turnover = (non-Govt user charges+taxes, fees & fines)/average non-Government receivables for period
- Debt Ratio = total liabilities/total assets
- Capital Ratio = total liabilities/equity capital
- Debt Service Coverage = cash flow from operations/interest expenditure

## ACT STRATEGIC PLAN FOR POSITIVE AGEING 2010-2014

Under the "ACT Strategic Plan for Positive Ageing 2010-2014: Towards an Age-friendly City" PTACT has several action items for reporting in the period to June 2011 -

### Strategic Priority 3: Respect, Valuing and Safety

Action 23 – Promote ACT Enduring Power of Attorney (EPA) provisions and work with other jurisdictions to standardise EPA provisions - Lead Agency JACS

- **Performance Indicator – Number of EPA's registered**  
The function of registering EPAs is the responsibility of the Office of Regulatory Services within JACS.
- **Performance Indicator – Number of information sessions provided**  
A free information session on the importance of having an up to date Will and EPA

was conducted during Seniors Week. Additionally PTACT staff spoke at 10 other forums on the importance of having an up to date EPA. PTACT staff also provided information at the ACT Retirement and Lifestyle Expo and at the Law Week Market day. PTACT contributes to a joint government/industry forum on succession law including review of Powers of Attorney legislation. PTACT prepared 349 EPAs in 2009-10, compared to 385 in 2008-09, for clients appointing the Public Trustee as attorney or alternate attorney. The number of EPAs prepared reflects the number persons who sought to appoint the Public Trustee as attorney rather than a family member or other. PTACT offers a package of EPA and Will for persons appointing the Public Trustee as Executor/ alternate Attorney.

As a member of the Trustee Corporations of Australia (TCA), the Australian Guardianship and Administration Council (AGAC) and a joint government/industry forum on succession law, PTACT has been instrumental in achieving mutual recognition amongst Australian jurisdictions in respect to EPA law. Work is currently underway to review ACT EPA law and PTACT is working through AGAC to recommend an alternative standard Australian EPA.

### Strategic Priority 7: Work and Retirement

Action 56 – Foster and promote pre-retirement planning to assist individuals in planning for lifestyle changes – Lead Agency JACS

→ **Performance Indicator – Number of EPA seminars**

Refer Action 23 above.

## A.10 TRIPLE BOTTOM LINE REPORT

This has been largely covered in the Department of Justice and Community and Safety's Annual Report 2009-2010 with the exception of Economic and Social indicators as follows –

INDICATOR		2009-10 RESULT	2008-09 RESULT	% CHANGE
ECONOMIC	<b>Employee Expenses</b>			
	Number of staff employed at 30 June 2010 (head count)	33	35	(5.7%)
	Total employee expenditure (dollars)	\$2,895,872.00	\$2,818,057.00	2.76%
	<b>Operating Statement</b>			
	Total expenditure (dollars)	\$3,782,470.00	\$3,799,612.00	(.26%)
	Total own source revenue (dollars)	\$3,040,194.00	\$3,039,098.00	.03%
	Total net cost of services (dollars)			
	<b>Economic Viability</b>			
	Total assets (dollars)	\$3,919,000.00	\$3,879,813.00	(1.01%)
	Total liabilities (dollars)	\$1,144,383.00	\$992,783.00	(15.27%)

INDICATOR		2009-10 RESULT	2008-09 RESULT	% CHANGE
SOCIAL	<b>The Diversity of Our Workforce</b>			
	Women (Female FTEs as a percentage of the total workforce)	64.7%	64.7%	0%
	People with a disability (as a percentage of the total workforce)	0%	0%	0%
	Aboriginal and Torres Strait Islander people (as a percentage of the total workforce)	0%	0%	0%
	Staff with English as a second language (as a percentage of the total workforce)	2.94%	2.94%	0%
	<b>Staff Health and Wellbeing</b>			
	OH&S Incident Reports	2	2	0%
	Accepted claims for compensation (as at 31 August 2010)	2	1	100%
	Staff receiving influenza vaccinations	24	26	(7.69%)
	Workstation assessments requested	7	1	600%



**PUBLIC TRUSTEE**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

## **SECTION B**

## **CONSULTATION AND SCRUTINY REPORTING**





B.1 COMMUNITY ENGAGEMENT

PTACT provides services directly to individuals in the community and has a strong level of community engagement.

We are acutely aware of the issues faced by our clients and we work closely with community groups and other government agencies to provide the best outcome for those clients.

COMMUNITY ENGAGEMENT ACTIVITIES

During the year, our activities did not involve formal consultation with the community. Our everyday activities involve us with all members of the community.

LINE AREA	PROJECT	CONSULTATION PROCESS (TOOLS USED)	GROUPS/ INDIVIDUALS CONSULTED	APPROXIMATE NUMBER CONSULTED	OUTCOME
PTACT	Nil	N/A	Nil	Nil	N/A



“Associate Director, Children’s Cancer Council, Dr Moira Clay receiving GreaterGood Distribution cheque for \$21,100.00 from GreaterGood Board Member and Executive Director, ACT Law Society, Larry King.”

Our engagement with the community during 2009-10 has involved the following activities –

FORM OF COMMUNITY ENGAGEMENT	OUTCOME
Seniors Week/International Women's Day Public Trustee Seminar - March 2010	Educating community about estate planning - free Will and EPA for all women attending.
Life's Reflection sponsorship - \$3,000	Seniors form a major component of our clientele. Life's Reflection engages Seniors, celebrates life over 50 and demonstrates their value to the community.
Distribution of approximately \$320K to local charity through GreaterGood	Development of social capital and social outcomes unable to be met by government or by individual community members.
Visits to 10 ACT Government Workplaces to demonstrate the value of Workplace Giving	Workplace Giving Fund established in JACS and 2 more under consideration by ACT Govt Departments.
Participated in Law Week Market - March 2010	Joined with other ACT Law providers in showcasing our services and informing the community about sources of legal assistance.
Participated in the Canberra Retirement and Lifestyle Expo 2010	Joined with other ACT Government agencies to promote PTACT services to retirees.
Addressed community groups on 15 occasions	Educating diverse community groups about the need to have an up to date Will and Enduring Power of Attorney.
Conducted home visits to clients	Interviewed clients and prepared Wills and EPA's from the comfort of home where mobility is an issue.
Participated in joint govt/industry estate planning forum	Exchanged ideas, expertise and information about complex estate administration/trust issues.
Close liaison with Public Advocate and President ACAT	More streamlined processes for the appointment of PTACT as Financial Manager of last resort and more appropriate emergency appointments.
Participated in the ACT Philanthropy Round Table – June 2010	The ACT Philanthropy Round Table is an initiative of the ACT Dept Disability, Housing and Community Services and seeks to develop and proliferate philanthropy in the ACT.

## OUR CUSTOMERS REPORTED

PTACT continuously consults its commercial clients through a rolling customer survey against a range of criteria on a reply-paid post basis. The survey is also provided in electronic form for clients visiting the website.

300 clients were surveyed during the reported year with 245 responses received.

Clients are surveyed about a range of issues including -

- Ease of contact/access
- Efficiency
- Friendliness
- Whether they understood the advice provided
- Which business unit the dealt with
- Whether they would recommend PTACT to others.

The survey indicated that 94% of clients felt that the Public Trustee met or exceeded their expectations, against 95.96% reported for the same period last year.

## OUR REPRESENTATION ON EXTERNAL FORUMS

The Public Trustee subscribes to a number of important forums, through which issues of community importance are discussed, negotiated and lobbied. These include –

State/Territory Public Trustees forum	PTACT maintains a close relationship with other State/Territory Public Trustees through bi-annual meetings*.
Australian Guardianship and Administration Council (AGAC)	PTACT is a member of AGAC. AGAC is a national forum of agencies whose role is to protect adults who have a disability that impairs their capacity to make decisions and manage their affairs. Agencies include Public Trustees, Public Advocates, Public/Adult Guardians, Protective Commissioners as well as Boards and Tribunals. AGAC meets bi-annually*.
Trustee Corporations of Australia Inc (TCA)	TCA is the peak representative body for the trustee corporations industry in Australia and meets bi-annually*. TCA is the trustee industry's voice in the community and in lobbying/consulting with government for change.
Financial Planners' Association ACT Chapter	The Public Trustee is a member of the Financial Planners' Association and regularly participates in, and makes presentations to, ACT Chapter meetings.
Financial Services Institute of Australasia	PTACT is a member of the Financial Services Institute of Australasia. A number of PTACT funds management staff have gained qualifications in financial planning and management through the Institute.
Joint ACT industry/government forum on estate planning	The Public Trustee is represented on this very important joint industry/government forum on estate planning.

\* meetings are arranged to coincide where possible.

## PUBLICITY/MARKETING

PTACT also seeks to engage with the community in an educative role as well as a provider of services. Under a Statement of Intent (SOI) with the ACT Treasurer, PTACT operates as a customer service-oriented entity along commercial lines and effective marketing is vital to PTACT's ongoing viability.

There is a level of community uncertainty about the role of a Public Trustee and the government's expectations about the Public Trustee's market niche. Marketing activities are balanced so as to be successful in promoting products or services that the community not only desires, but is willing to access. PTACT is also required to consider the principles of competitive neutrality in its marketing approach.

Product and service quality is PTACT's most effective marketing tool. PTACT's marketing activities are as follows –

- client feedback through a continuous survey and rectification of reported problems;
- investment in the PTACT branding/logo by using it prominently in all advertising, business documentation, website, accommodation etc;
- monthly advertisement and editorial in the Canberra Times "Start Living";
- conduct of an annual Seniors Week and International Womens Day seminar;
- advertisement in the ACT Seniors' Card Directory and Canberra and Calvary Hospital patient and inpatient information guides;
- participate in the Canberra Retirement and Lifestyle Expo each year;
- sponsorship of worthwhile community activities eg Life's Reflection and JACS4GreaterGood; and
- regular addresses to community groups.

The Capital Region Community Foundation



## ANNUAL REPORT 2009/10

### MISSION STATEMENT

To link good people with good causes by helping people create their own perpetual charitable funds.

### AIMS

- To establish and develop a Foundation facilitating the creation of perpetual tax-effective charitable funds.
- To encourage everybody in the community to become involved in philanthropy through GreaterGood.
- To give charities an additional unique funding arm.

### ABOUT GREATERGOOD

GreaterGood, The Capital Region Community Foundation, is the Canberra region's only public charitable foundation, established by the Public Trustee for the ACT.

GreaterGood is not a charity, however it is a charitable fund, making it possible for people in the community to establish their own charitable foundations in a low-cost, tax-effective manner under the umbrella of GreaterGood. People can name their charitable fund, recommend the deductible charities and charitable causes to benefit, receive an immediate tax deduction and see their charitable causes benefit from the income generated perpetually.

Unlike many charitable foundations, GreaterGood preserves and invests capital donations to produce a permanent income for the benefit and support of nominated charitable causes. The Public Trustee for the ACT invests donations through common funds and distributions of income are made annually to the recommended charitable beneficiaries.

I am proud to report on the progress of GreaterGood during the past year.

This year, GreaterGood has achieved a significant milestone in recording the distribution of the one-millionth dollar to charity on behalf of our funds. This milestone is tangible evidence that GreaterGood is delivering real benefits to the community in a way that other community foundations could only hope to.

By retaining the capital, investing it, and paying an annual distribution, GreaterGood achieves –

- perpetual benefits to recommended charities;
- increased capital and increased distributions each year; and
- a permanent growing legacy for our community.

I acknowledge the continuing patronage of our valued Patron, Lady Helen Deane.

The Capital Region Community Foundation

PO Box 221 CIVIC SQUARE ACT 2608

Phone: (02) 6207 9800 | Fax: (02) 6207 9811 | [www.greatergood.org.au](http://www.greatergood.org.au) | [publictrustee@act.gov.au](mailto:publictrustee@act.gov.au)

The hard work of our Deputy Chair Diane Kargas AM, our Board of Directors, our Executive and Administrative staff and our Trustee and Trustee staff has ensured the future success of this excellent facility in generating social benefit in our community.

The generous support of the following organisations is acknowledged – ZOO Group, Bluestar Print, Price WaterhouseCooper (incorporating Walter Turnbull), Corporate Express, Yellow Edge and Professional Public Relations.

At 30 June 2010, the Foundation had \$6.3M in accumulated capital and the Board is privileged to recommend to the Trustee income distributions in excess of \$320,000 to charities this year.

This brings total distributions by GreaterGood to charities to approximately \$1.2M since its establishment in 2003. This year, GreaterGood will celebrate this important milestone with a function to be held at Regatta Point on 31 August 2010.

Whilst GreaterGood has been affected by the Global Financial Crisis, the Trustee is pleased to note that our investments during the last year have returned strongly at 11.27% for the year. Our investments are appropriately diversified as per the requirements of the *Trustee Act 1925* and have been well-placed to take full advantage of the market recovery.

The Board appointed by the Trustee for the three year term expiring 30 June 2011 is as follows -

Margaret Reid AO (Chair)	Diana Forrester
Diane Kargas AM (Deputy Chair)	Richard Gibson
Grant Alleyn	Doug Gillespie (Trustee's Rep)
Catherine Andrews	Chic Henry
Paul Braybrooks OAM	Larry King
Bea Brickhill	Sarah Palic
Michael Byrne	Chris Peters AM
Jennie Cameron	

Two of our hard-working Board Members were honored during the year by Australia Day Awards. Diane Kargas (Deputy Chair) was awarded a Member in the General Division of the Order of Australia (AM) and Paul Braybrooks was awarded an Order of Australia Medal (OAM).

On behalf of the Board and Trustee I express my gratitude to our Executive Officer, Vashti Biffanti and to Pat Dart OAM for their continuing administrative support provided to the Board.

I also express my gratitude to ACT Auditor-General for their assistance with the annual audit of GreaterGood. GreaterGood received an unqualified audit report in 2009-10.

The Board held a Strategic Planning Day on 22 August 2009 re-affirming the Foundation's strategic direction and mapping out some new initiatives.

Our replacement website was completed and published on November 2009 through a collaborative arrangement with LintonAust. Since the launch of the website, a sponsors page was added as well as an acknowledgement of all past Board and Management Committee members. Looking forward, development will commence on -

- a GreaterGood Friends Page; and
- a News page.

During the year, the Trustee registered GreaterGood for GST and successfully recovered Reduced Input Tax Credits of \$2,122 (Open Fund) and \$4,383 (Gift Fund).

#### The Capital Region Community Foundation

PO Box 221 CIVIC SQUARE ACT 2608  
Phone: (02) 6207 9800 | Fax: (02) 6207 9811 | [www.greatergood.org.au](http://www.greatergood.org.au) | [publictrustee@act.gov.au](mailto:publictrustee@act.gov.au)

A Directors' Handbook was prepared by the Trustee in July 2009 incorporating the amended Deeds for the Gift and Open Funds, as well as a comprehensive guide to the governance framework and the administration of GreaterGood including the roles of the Patron, Trustee, Board Chair, Deputy Chair and Executive Officer.

A Branding/Style Guide was prepared to ensure that our reference and use of our name, logo, branding, tag lines etc is consistent.

It is pleasing to note that an increasing number of Wills is being written by Law Society members containing bequests through GreaterGood following an approach to all practice managers of ACT Law Society member practices.

Our sponsorship of the St John's Care, Canberra Community Christmas Lunch has been strengthened by the Board's agreement to adopt the event as an annual signature event. On Christmas Day 2009, GreaterGood teamed with the Snow Foundation in supporting the Lunch for over 400 people to enjoy the spirit of Christmas together. Some are homeless, unemployed, disadvantaged or lonely or on their own on this special day.

Our partnership with Outward Bound Australia continued with the valued support of a number of donors. In December 2009, 7 scholarships were awarded, 3 from Braidwood, 1 from Tumut, 1 from Ulladulla, 2 from Barnardos Canberra.

At the request of the Trustee, a new regulation was made under the *Charitable Collections Regulation 2009* to exempt charitable trust funds administered by trustee corporations (including the Public Trustee) from the operation of the Act. The Regulation came into effect in September 2009.

The Public Trustee successfully defended the intellectual property in our name on two occasions –

- The GreaterGood Foundation has agreed to cease all use of the GreaterGood Foundation trade mark and business name and also to cancel and cease the use of the domain name [www.thegreatergoodfoundation.com.au](http://www.thegreatergoodfoundation.com.au).
- Another body, The Greater Good Foundation, also agreed to discontinue the use of the Greater Good name.

A number of new workplace giving funds were established under GreaterGood including -

- Aerial4GreaterGood
- Our Wellness Foundation

A Generic workplace giving brochure was completed in July 2009. Trustee staff visited 10 workplaces during the year to raise awareness of workplace giving within ACT Government. The Public Trustee also addressed ACT Government's Executive Management Council.

The Francis Carroll Scholarship Fund was established by public appeal in 2006, in honour of Archbishop Francis Carroll's contribution to the Archdiocese of Canberra and Goulburn, on the occasion of his retirement as Archbishop. The Scholarship has a value of up to \$2,500 and is open to commencing students who relocate from rural or regional areas of the Archdiocese of Canberra/Goulburn or the Diocese of Wagga Wagga to undertake an Education course at the Canberra campus of the Australian Catholic University. The Fund's third round of scholarships was held on 30 June 2009 with the 2010 scholarship being awarded to Jane Houghton from Leeton NSW.

#### The Capital Region Community Foundation

PO Box 221 CIVIC SQUARE ACT 2608  
Phone: (02) 6207 9800 | Fax: (02) 6207 9811 | [www.greatergood.org.au](http://www.greatergood.org.au) | [publictrustee@act.gov.au](mailto:publictrustee@act.gov.au)

A consolidated list of charities assisted throughout the year is as follows -

ACT Palliative Care Society	Medecins Sans Frontieres Australia
Actionaid	Mission Australia
Anglicare Australia	North Canberra Bears MRLFC
Australian Cancer Research Foundation	Northbourne Community Centre
Australian Catholic University Scholarship	Open Family
Australian Red Cross Society	Outward Bound Australia
Australian Wildlife Conservancy	Oxfam Australia
Belconnen United Sharks JRLFC	Paperworks Incorporated
Bungendore Community Landcare Inc	Parentline ACT
Bungendore Junior Rugby League FC	Redcross Victorian Bushfire Appeal
Bungendore Public School Education Welfare Program	Royal Institute for Deaf & Blind Children
Bungendore Racecourse & Showground Trust	RSPCA
Bungendore Showground Trust	Sane Australia
Canberra Jewish Educational Building Fund	Scouts ACT
Care Australia	St John's Care
CBM Australia	St Vincent De Paul Society
Centre For Mental Health Research ANU	Tandem Respite Care
Child Fund Australia	Tear Australia Inc
Children's Cancer Institute Australia	The Canberra Endometriosis Centre
Companion House	The Cancer Council ACT
Disabled Wintersport Australia	The Fred Hollows Foundation
Epilepsy Association ACT	The Salvation Army
Epilepsy Foundation Of Victoria	The Sanctuary Counselling Centre
Father Chris Riley's Youth Off The Streets	The Spastic Centre
Guide Dogs NSW / ACT	Unicef Australia
Gungahlin Bulls MRLFC	Vision Australia
Heart Foundation	Vision Impaired Sport ACT
Kidney Health Australia	Wheelchair & Disabled Association of Australia
Lake George Men's Shed Community Development	Winnunga Nimmityjah Aboriginal Health Service
Leprosy Mission Australia	World Vision Australia
Make A Wish Foundation Of Australia	Young Endeavour
Marymead	

#### The Capital Region Community Foundation

PO Box 221 CIVIC SQUARE ACT 2608  
 Phone: (02) 6207 9800 | Fax: (02) 6207 9811 | [www.greatergood.org.au](http://www.greatergood.org.au) | [publictrustee@act.gov.au](mailto:publictrustee@act.gov.au)




During the reported year, the Board met on six occasions as follows –

ATTENDEE	7.7.09	13.10.09	15.12.09	09.2.10	13.4.10	8.6.10	TOTAL
<b>TRUSTEE</b>							
Andrew Taylor	x	✓	✓	✓	✓	✓	5/6
<b>BOARD</b>							
Margaret Reid	✓	✓	x	✓	x	✓	4/6
Diane Kargas	✓	✓	x	✓	✓	✓	5/6
Grant Alleyn	✓	✓	x	✓	x	✓	4/6
Catherine Andrews	✓	✓	✓	x	x	✓	4/6
Paul Braybrooks	✓	✓	x	✓	x	✓	4/6
Bea Brickhill	✓	✓	✓	✓	✓	x	5/6
Michael Byrne	x	✓	✓	✓	✓	✓	5/6
Jennie Cameron	✓	x	✓	✓	x	x	3/6
Diana Forrester	✓	x	✓	x	✓	x	3/6
Richard Gibson	✓	✓	✓	✓	x	✓	5/6
Doug Gillespie	✓	✓	✓	✓	✓	✓	6/6
Chic Henry	✓	✓	x	✓	x	✓	4/6
Sarah Palic	x	✓	✓	✓	✓	✓	5/6
Larry King	✓	✓	✓	✓	✓	✓	6/6
Chris Peters	✓	✓	✓	✓	✓	✓	6/6
<b>EXECUTIVE</b>							
Vashti Biffanti	✓	✓	x	✓	✓	✓	5/6
Pat Dart	✓	✓	✓	✓	✓	✓	6/6

Members of the Public Trustee and the GreaterGood Board attended three meetings of the Philanthropy Round Table. The Round Table seeks to raise awareness of philanthropy in the ACT, develop a "brand" for the work occurring around philanthropy in the ACT and create a website as an information portal to bring together philanthropy resources.

The continuing focus of GreaterGood for the coming year will be to grow the Foundation by continuing to raise awareness of, and commitment to, charities and charitable causes under the GreaterGood umbrella throughout the region.

Thanks once again to our donors for their continuing support for GreaterGood and its aims and to our hard-working team and our supporters for their capable and generous support during the past year.

  
 Margaret Reid AO  
 Chairperson 14 August 2010

The Capital Region Community Foundation

PO Box 221 CIVIC SQUARE ACT 2608  
 Phone: (02) 6207 9800 | Fax: (02) 6207 9811 | [www.greatergood.org.au](http://www.greatergood.org.au) | [publictrustee@act.gov.au](mailto:publictrustee@act.gov.au)



Diane Kargas AM (GreaterGood), Koula Notaras, Ginette Snow (Snow Foundation), Sue Jordan (St John's), Terry Snow (Snow Foundation), Bea Brickhill (GreaterGood) launch the St John's Community Christmas Lunch - Dec 2009



Outward Bound Scholarship recipients 2010



Peter Schwartz (Open Family) and ACT Chief Justice Terry Higgins AO (Chair, Open Family)" receiving a cheque for \$5,000 from Emmanuel Notaras on behalf of the Harry and Helen Notaras Memorial Foundation

## B.2 INTERNAL AND EXTERNAL SCRUTINY

### ACT AUDITOR-GENERAL

The ACT Auditor-General undertakes an annual end-of-year audit of the Public Trustee's corporate and trust financial reports in accordance with Australian Auditing Standards. The Auditor-General provided unqualified audit reports for all four Public Trustee accounts. In her report following the conduct of the 2008-09 audit, the Auditor-General recommended –

1. Although reporting on the financial risks associated with financial instruments had improved, the financial reports originally submitted for audit contained several errors and omissions and several amendments to these reports were required to bring the report to an acceptable standard. This indicates that the processes used to prepare these financial reports need to be improved.
2. The Public Trustee does not have an internal audit function or audit committee. Implementing an internal audit function and audit committee would provide the Public Trustee with greater assurance that its internal controls are adequate and operating effectively.

In response to these recommendations, PTACT established an Audit Committee which held its first meeting on 16 June 2010. The committee reviewed the Public Trustee's Fraud, Corruption and Risk Management Plan and Workplace Health and Safety and Injury Management Improvement Strategy. The committee also reviewed the Public Trustee's Financial Statements for 2009-10 prior to audit by the Auditor-General.

### DEPARTMENT OF JUSTICE AND COMMUNITY SAFETY ROLLING COMPLIANCE AUDIT PROGRAMME (RCAP)

PTACT is also audited as part of the ACT Department of Justice and Community Safety's Rolling Compliance Audit Programme (RCAP) conducted by Oakton. RCAP tests key compliance-related internal controls covering legislative, regulatory, fraud and integrity risks.

This approach covers a significant proportion of controls identified on the strategic risk assessments performed by internal audit. The outcome of RCAP is an impartial examination and reporting of –

- compliance with established legislative, regulatory, fraud and integrity assurance requirements and;
- application of internal controls achieving effective compliance.

During the reported year, Oakton conducted an audit to assess whether appropriate control frameworks are in place and whether PTACT is complying with these frameworks. The current rotation audited –

- internal control and consistency of cash management procedures and processes which include petty cash, credit cards and fuel cards;
- purchasing and procurement of goods and services which includes purchase orders, single select procurement and capital works; and
- implementation of fraud and corruption control planning, policies, procedures.

There were no non-compliance issues identified from testing around cash management controls. However, the following procedural findings were identified around petty cash and credit cards –

- Spot checks of petty cash should be performed every two months for each petty cash advance. PTACT has implemented procedures to ensure that this is undertaken.
- There could be better segregation of duties around credit card approvals. PTACT has now implemented a form “Credit Card Purchase Approval” to ensure that the Finance Manager’s credit card transactions are counter-signed by a Senior Manager.

There were no procedural or non-compliance issues identified from testing around payment controls, invoice processing, single select and capital works.

### **PTACT AUDIT COMMITTEE**

In her end-of-year audit report for 2008-09, the Auditor-General recommended that the Public Trustee establish an Audit Committee.

PTACT has established an Audit Committee which now has responsibility to coordinate all audit functions as well as overseeing responsibility for all PTACT risk management.

The Committee met once on 16 June and reviewed PTACT risk strategies.

### **ACT OMBUDSMAN**

PTACT enjoys a strong collaborative relationship with the Commonwealth Ombudsman and works closely with its officers to ensure fair and just outcomes for our clients.

During the 2009/10 financial year, the Commonwealth Ombudsman, acting in the capacity as ACT Ombudsman, received a total of 10 approaches concerning PTACT, representing no change from the previous period (10). Of these approaches, 8 were by telephone, 1 via email, and 1 via the Ombudsman’s online complaints form.

During the 2009/2010 financial year, the Ombudsman closed 11 approaches relating to the Public Trustee for the ACT, covering 12 separate issues. Of the approaches closed, 5 (45%) approaches covering 6 issues were investigated. There were no investigations where a finding of administrative deficiency was recorded.

## B.3 LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS

### STANDING COMMITTEE ON JUSTICE AND COMMUNITY SAFETY

The Standing Committee on Justice and Community Safety "Inquiry into 2008-09 Annual Reports" considered the Public Trustee's Annual Report in November 2009. No recommendations were made concerning the Public Trustee's Annual Report.

RECOMMENDATION	PUBLIC TRUSTEE RESPONSE	IMPLEMENTATION
Para 4.20 The Committee referred to a recommendation in the 2007-08 Annual Report Hearings that the ACT Government, including the Public Advocate and the Public Trustee, investigate the feasibility of establishing a register of enduring powers of attorney (EPA) in the ACT.	The Public Trustee disagreed with the Committee's recommendation on this issue, as the ACT already has a publicly accessible deeds register established under the <i>Registration of Deeds Act 1957</i> (ACT), allowing the registration and search of enduring powers of attorney. Registration under that Act is compulsory if the attorney wishes to register a dealing with the principal's land under the <i>Land Titles Act 1925</i> .	The Public Trustee agreed that more could be done to make the community aware of the importance of having an up to date EPA. PTACT addresses this by co-publishing and distributing "The Power to Choose", by conducting an annual seminar, by editorials in the Canberra Times and through talks to community groups. PTACT also promotes and drafts EPA's to its Will clients.

### SELECT COMMITTEE ON ESTIMATES

The Public Trustee appeared before the Select Committee on Estimates 2009-10 on 24 May 2010. The committee sought responses to Questions on Notice and Questions taken on Notice in respect to the following issues –

- Value of Confiscated Criminal Assets seized by the Public Trustee in the last financial year.
- PTACT 25th anniversary celebrations –
  - What is planned for the 25th anniversary celebrations?
  - When will the celebrations take place?
  - What will they cost?
  - What will be achieved in terms of public awareness of the services provided by the Public Trustee?
- Greater Good – Capital Region Community Foundation –
  - By how much has the fund grown during 2009-10 to date?
  - What is the target growth for 2010-11?
  - What promotional activities are planned for 2010-11?
  - What will those activities cost?

- Operating Statement –
  - Given the long-term aim of the Public Trustee to be financially independent from government funding, why are government payments for outputs budgeted to increase in the 2010-11 budget and in each of the out years?
- Operating result –
  - Why is the estimated operating result for 2009-10 a deficit of \$353,000?
  - Why are deficits forecast for 2010-11 and 2011-12?
- Statement of Intent –
  - Nature and scope of activities to be carried out
- Fees and charges
  - What are the current rates?
  - By what percentage will each of those rates increase?
  - What concessions are offered?
  - In what circumstances?
- 2010-11 to 2013-14 Key Performance Indicators –
  - Why did the profitability indicators spike in 2009-10 compared to 2008-09?
  - Why will the profitability indicators fall in 2010-11 compared to 2009-10?
- Review of performance against 2009-10 Objectives -
  - What impact did the Global Financial Crisis (GFC) have on the capital value of the various common funds managed by Public Trustee?
  - If not already fully recovered, when is it expected the capital values of the funds will fully recover?
  - To what extent was the level of investor “churn” higher or lower during the period of the GFC?
  - To what extent during the period of the GFC did investors leaving any of the funds sustain capital losses on their investments?
  - What strategies have been adopted to mitigate the effect of any future financial crises?

The Public Trustee satisfactorily responded to all questions within the required time.

## B.4 LEGISLATION REPORT

### LEGISLATION

The Public Trustee's operations are established by the –

- *Public Trustee Act 1985*;

The Public Trustee has responsibilities under the following laws –

- *Administration and Probate Act 1929*;
- *Cemeteries and Crematoria Act 2003*;
- *Confiscation of Criminal Assets Act 2003*;
- *Financial Management Act 1996*;
- *Guardianship and Management of Property Act 1992*;
- *Powers of Attorney Act 2006*;
- *Trustee Act 1925*;
- *Unclaimed Moneys Act 1950*; and
- *Wills Act 1968*.

Copies of these laws are on sale at ACT Government Shopfronts, or can be accessed at no cost through public libraries or via the internet at <http://www.legislation.act.gov.au/>

PTACT provided comment on the following legislative matters during the year –

- Corporate director liability
- Model Succession Bill
- Rationalisation of Trustee Companies legislation
- Perpetual Care Trusts under the Cemeteries and Crematoria Act 2003
- Enduring Powers of Attorney (EPA) and harmonisation of EPA laws.

### LEGISLATION ENACTED/AMENDED

#### *Wills Act 1968*

On the advice of PTACT, a new part was inserted into the *Wills Act* to implement the Standing Committee of Attorneys-General initiative to introduce statutory wills provisions. The amendments give the Supreme Court the power to make an order authorising a will to be made, altered or revoked for a person who does not have testamentary capacity. The amendment is intended to avoid circumstances where a person may not benefit due to the laws of intestacy and testamentary capacity, and is consistent with statutory wills provisions in other jurisdictions.

***Charitable Collections Regulation 2003***

PTACT sought and was granted a new Exempt Collection under Reg 6(1)(g) of the Charitable Collections Regulation 2003 effective from 29 September 2009.

Exemption was granted from-

- the need to apply for a licence in respect to the Public Trustee's activities as trustee in establishing, administering and promoting GreaterGood.
- the need to apply for a licence in respect to the Public Trustee's activities as trustee in the soliciting, receipt and distribution of funds into and out of the GreaterGood Gift Fund and GreaterGood Open Fund and other future enterprises within the auspices of GreaterGood.
- the need to apply for a licence in respect to the promotion of and fundraising activities of staff associated with a GreaterGood Fund.







**PUBLIC TRUSTEE**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

## **SECTION C**

## **LEGISLATIVE AND POLICY BASED REPORTING**



## C.1 RISK MANAGEMENT AND INTERNAL AUDIT

Given the nature and size of PTACT it is counterproductive to service separate governance committees. Essentially the Public Trustee's Management Committee undertakes management responsibility for the administrative operation of PTACT.

NAME OF MEMBER	POSITION	DURATION	MEETINGS ATTENDED/ YEAR
Andrew Taylor	Public Trustee	6 years	6
Doug Gillespie	Senior Deputy Public Trustee	20 years	6
Sue La Peyre	Deputy Public Trustee Manager Estates/Trusts	17 years	6
Joanne Thompson	Deputy Public Trustee Manager Finance	5 years	6
Toni Leiper	Deputy Public Trustee Manager Personal Management Services	5 years	6

PTACT's risk management framework is established by a Fraud, Risk and Corruption Management Strategy covering all investment, financial, operational and administrative responsibilities as well as a Workplace Health and Safety and Injury Management Improvement Strategy. These strategies form the basis of the Public Trustee's Audit Committee agenda.

These strategies document business processes and environmental issues, identify key risks and measures undertaken to control these risks. The strategies are reviewed biennially in consultation with the Public Trustee Investment Board. The next scheduled review will take place in 2011-12.

Under the strategies, a number of important risk management initiatives have been implemented during the year –

- Revised Code of Conduct for external service providers to PTACT to address privacy issues.
- Review of lease for the Ground Floor, 221 London Circuit, Canberra City to secure accommodation as well as an extra 85 sq metres for the next 6-10 years plus option.
- Review of safety around PTACT's warehouse in Mitchell resulting in new shelving and installation of a roller door motor.
- Structural review of PTACT's fees and charges to better reflect PTACT's costs and to address rising costs.
- Development of a Precedent Management System to manage the Public Trustee's precedent letters, forms etc.
- Asbestos Report and Register and Asbestos Management Plan conducted by Owners Corporation Manager in respect to PTACT's Mitchell warehouse.

The following table reflects the PTACT Audit Committee's membership, meetings and attendance –

NAME OF MEMBER	POSITION	DURATION	MEETINGS ATTENDED
Phil Collins	Independent Member	Apptd May 2010	1
Callum Hughes	Chair	Apptd May 2010	1
Doug Gillespie	Member	Apptd May 2010	1
David Stenhouse	Member	Apptd May 2010	1
Joanne Thompson	Observer	Apptd May 2010	1
Andrew Taylor	Observer	Apptd May 2010	1

## INSURANCE

PTACT's insurance risk is covered through policies with AON Insurance as well as through ACT Insurance Authority (ACTIA). The adequacy of these policies is reviewed annually by PTACT's Management Committee.

The Public Trustee also conducted a review of fidelity insurance provided by ACTIA as well as appointed Fund Managers and Custodians.

## WE HAVE DEVISED RISK PROFILE MODELS TO SUIT CLIENT NEEDS

The Public Trustee is subject to the "prudent person investment rule" contained in the *Trustee Act 1925*. This principle requires that a trustee must only invest funds entrusted to him/her as would a person of prudence, i.e. with discretion, care and intelligence.

PTACT complies with the principle ensuring that investments are made in accordance with an appropriate risk profile and reviewed on an annual basis.

Risk profiles applied are Growth, Balanced, Income Stable and Capital Secure. These are invested through sector diversified common funds in tactical asset allocations, which have been set in consultation with an external assets/markets consultant. During the year the PTACT Investment Board reviewed the Public Trustee's Investment Strategy and recommended a change from the current active style Fixed Interest Fund Manager to a passive style manager. This recommendation was made in response to the Russell Review conducted in 2009.

## C.2 FRAUD PREVENTION

### OUR ASSESSMENT OF RISK

Our Fraud, Risk and Corruption Management Strategy and Workplace Health and Safety and Injury Management Improvement Strategy establish appropriate controls and checks as safeguards to address potential fraud and to ensure a high level of security for our clients' assets as well as workplace safety.

Our trust-accounting system (TACT) has been designed specifically for use by the Trustee Industry and meets standards for client confidentiality and security control.

PTACT's Investment Board plays a significant role in advising the Public Trustee in respect to investment and funds management risk. This advice covers issues such as investment structure and strategy, asset consultant and fund manager supervision, investment review and financial governance matters.

### OUR CODE OF CONDUCT

PTACT undertakes its responsibilities in an open, accountable and transparent manner. Our Code of Conduct for Service Providers requires suppliers of services to our clients to undertake that any business on behalf of the Public Trustee will be conducted, respecting that code. The code reflects the special and trusted nature of the Public Trustee's role in the community, and the expectations that our clients have of us and of our service providers. Our aim is to ensure that our service providers act at all times in a manner that reflects and honours those expectations. The Code was reviewed during the year in response to an observation of the Privacy Commissioner.

Similarly, our Staff Code of Conduct establishes expected standards of staff behaviour. The successful development of ethical work practices in PTACT arises both from management demonstrating ethical leadership, and from all staff taking responsibility for the pursuit of an ethical, efficient and effective work environment.

No reports or allegations of fraud were made in respect to PTACT during the year.

## C.3 PUBLIC INTEREST DISCLOSURE

S.11 of the *Public Interest Disclosure Act 1994* requires the Public Trustee to establish and maintain procedures to facilitate disclosures about improper conduct or wrongdoing by the office.

The Department of Justice and Community Safety's Public Interest Disclosure Guidelines 2003 provide assistance to people who wish to disclose matters under the Act. Persons interested in making a disclosure may do so to the Department of Justice and Community Safety, the ACT Ombudsman or the ACT Auditor-General.

If the Public Trustee receives a disclosure directly, it will be forwarded to one of the above.

No public interest disclosures were made during 2009-10.

## C.4 FREEDOM OF INFORMATION

### STATEMENT UNDER S.7 FREEDOM OF INFORMATION ACT 1989

#### Establishment

PTACT incorporates the functions previously undertaken by the Curator of Estates of Deceased Persons, as well as a full trustee service similar to those undertaken by trustee corporations and Australian Public/State Trustees.

#### Functions

PTACT's principal functions are to -

- Act as Trustee of deceased estates.
- Act as Trustee of moneys paid as a result of litigation on behalf of intellectually disabled persons and minors.
- Administer deceased estates.
- Prepare Wills.
- Manage property under orders of the Guardianship and Management of Property Tribunal.
- Financial management under Enduring Power of Attorney.
- Examination of accounts of managers under the *Guardianship and Management of Property Act 1991*.
- Manage and dispose of assets under the *Confiscation of Criminal Assets Act 2003*.

#### Arrangements for external participation

The Public Trustee Investment Board provides direction on investment practice and funds management.

The Chief Executive - ACT Long Service Leave Authority, Mr Phil Collins, was appointed as external representative on the Public Trustee's recently established Audit Committee.

#### Categories of documents

The categories of documents held include -

- Deceased Estate files
- Enduring Powers of Attorney
- Files of persons whose property is managed under Powers of Attorney or Guardianship and Management of Property Tribunal orders
- Investment Board minutes
- Tax return files
- Trust files
- Wills

(This information is strictly confidential and is available only to persons with a legal right to the information.)

### Facilities for access

All Freedom of Information requests should be directed to the Public Trustee at the address listed above.

### STATEMENT UNDER S.8 FREEDOM OF INFORMATION ACT 1989

The following documents are used by or provided by the Public Trustee for the purposes of making a decision or recommendation –

- Current determination of fees and commission
- Trust files \*
- Deceased Estate files\*
- Management (Order of the Guardianship and Management of Property Tribunal) files\*
- Investment Board Agenda and Minutes
- Income Tax files\*
- Wills/Powers of Attorney\*
- Unclaimed Moneys Records\*
- Confiscation of Criminal Assets files\*
- Procedures Manual and staff directions dealing with practice and procedure

(\*These files and documents are confidential and are available only to authorised persons).

### STATEMENT UNDER S.79 FREEDOM OF INFORMATION ACT 1989

One request was received for access to documents held by the Public Trustee under the *Freedom of Information Act 1996*. Access to a number of the documents which made reference to the applicant was provided within the prescribed time and no charge was made for the supply.

A Freedom of Information Statement is contained in the Department of Justice and Community Safety's Annual Report for 2009-10.

## C.5 INTERNAL ACCOUNTABILITY

### OUR SENIOR EXECUTIVE TEAM

#### ANDREW TAYLOR

#### PUBLIC TRUSTEE/CHIEF EXECUTIVE



Andrew Taylor was appointed to the statutory office of Public Trustee for a 5-year term on 30 September 2005, and undertakes the role of Chief Executive under the *Financial Management Act 1996*. The Public Trustee has specific responsibilities as Trustee established by legislation and is responsible to the Chief Executive, JACS through the Deputy Chief Executive, Statutory Support.

Mr Taylor is Senior Member of the Public Trustee Investment Board, member of the Executive of the National Council of the Trustee Corporations of Australia Inc, member of the Australian Guardianship and Administration

Council and past member of the ACT Ministerial Advisory Council on Ageing. He is trustee for the GreaterGood (Capital Region Community Foundation) and for Our Wellness Foundation. During the year Mr Taylor was appointed as Trustee for the National Travel Compensation Fund representing Tasmania, South Australia and the ACT.

The Public Trustee's responsibilities relative to PTACT's organisational/output structure are to -

- Lead and improve service delivery in Trustee administration.
- Effectively allocate budget, planning and resources.
- Deliver best practice trustee policies, practices and procedures.
- Ensure case management strategies meet the needs of clients and stakeholders.
- Minimise operational costs while maintaining a high level of client service.
- Ensure a high performance culture.

The Public Trustee is remunerated in accordance with a Determination of the Remuneration Tribunal. All other Public Trustee staff are remunerated under the *Public Sector Management Act 1994*.



**DOUG GILLESPIE**  
**DEPUTY PUBLIC TRUSTEE**

Doug Gillespie has over 43 years experience in the Trustee industry, including 20 years with PTACT. His position has a strong technical focus with a major emphasis on overseeing financial planning activities and professional investment services. He is also responsible for the provision of sound financial and investment advice to clients and the preparation of plans for each trust.

Mr Gillespie is an Associate of the Executor and Trustee Institute of Australia, a member of the Financial Planning Association (ACT Chapter) and is a Senior Associate of the Financial Services Institute of Australasia. He is the Public

Trustee's representative on the board of the Capital Region Community Foundation as well as a trustee for the AFL Canberra Foundation.

**SUE LA PEYRE**  
**MANAGER – TRUSTS**

Sue La Peyre has been with the Public Trustee since 1989, and is a practising solicitor and member of the Law Society of the ACT. She has experience in the private sector and her responsibilities involve a management, leadership and staff development focus. Her position also assumes a quality control function with the editing and reviewing of work to ensure statutory compliance. Ms La Peyre heads our Estates & Trusts Unit and has responsibility for the administration of more complex Estates, Trusts and Wills.

Ms La Peyre has attained a Bachelor of Arts and a Bachelor of Laws at Sydney University.

**JOANNE THOMPSON**  
**MANAGER – FINANCE**

Joanne Thompson was appointed as Manager-Finance in 2006 and has 20 years experience with the Public Trustee and, prior to that, 5 years with a superannuation trustee company. Ms Thompson manages all Public Trustee accounting functions including office management, government trust accounts, taxation and has responsibility for financial reporting. She is also responsible for ensuring maximum return on cash investments.

Ms Thompson has been awarded a Diploma and an Advanced Diploma in Government Financial Management.

## TONI LEIPER MANAGER - FINANCIAL MANAGEMENT



Toni Leiper was appointed as Manager – Financial Management in 2006, and is responsible for overseeing and running the Unit. She has extensive experience in Public Trustee administration and has overall responsibility for the financial and property affairs of represented clients. These include approximately 458 clients subject to financial management orders, and 67 who have appointed the Public Trustee as their attorney, as well as assets to the value of \$44,612,058.00.

## PUBLIC TRUSTEE INVESTMENT BOARD

The Public Trustee Investment Board was established under the *Public Trustee Act 1925* and advises the Public Trustee on investment matters and strategy. The Board has no governance responsibilities and does not provide advice to the Minister. A full report on the Public Trustee Investment Board is separately provided in this section of the Annual Report.



Public Trustee Investment Board (left to right) - Andrew Taylor (Senior Member) Christine Goode, Glenys Roper, Roger Broughton.

## PTACT AUDIT COMMITTEE

The Public Trustee's Audit Committee works with the Dept of Justice and Community Safety Audit Committee to manage all aspects of risk to the Public Trustee. The Committee has its first meeting on 16 June 2010.

## PUBLIC TRUSTEE MANAGEMENT COMMITTEE

The Public Trustee's Management Committee focuses on –

- Implementing the Public Trustee's Business Plan and Activity Agenda.
- Public Trustee Investment Management Advisory issues, setting direction, approving investment and reviewing and endorsing asset allocations under the prudent person investment principle.

- Internal Audit.
- Risk Management complementing the audit and management advisory functions.
- Resource Management providing support and advice to the Public Trustee on the management and operations of the office.

The Public Trustee's Organisation Chart is at Part A1 of this report.

## BUSINESS PLANNING

PTACT prepares a Business Plan at the commencement of each financial year.

At the same time, PTACT also prepares a Statement of Intent with the ACT Treasurer, in consultation with the ACT Attorney General. PTACT reports against its Business Plan during the year through Status Reports to ACT Treasury as well as through quarterly meetings with the Deputy Chief Executive Statutory Support, JACS.

PTACT also prepares a Management Discussion and Analysis (MD&A) at the close of each quarter, discussing numerous aspects of the Public Trustee. Among other things, the MD&A provides an overview of the previous period of operation and how the PTACT fared in that time period. The MD&A also touches on the upcoming year, outlining future goals and approaches to new projects.

## INDEPENDENT ADVICE

In May 2010, PTACT disengaged its external financial markets consultant. The consultant had been originally engaged to advise on the establishment of the 'prudent person investment principle' and more recently, to provide appropriate independent advice in respect to fund and fund manager performance, investments, asset allocation and risk profiles.

On the recommendation of the Russell Report in 2009, PTACT is in the process of moving its Fixed Income Fund Manager from an active style to a passive style manager, reducing the need for these services. Fund Manager performance will be monitored internally with assistance from ACT Treasury and individual Fund Managers.

## OUR LEGAL ADVISORS

In addition to our in-house practicing solicitors, the Public Trustee takes advice from the ACT Government Solicitor and, in relation concerning client matters, through the private sector.

## DELEGATIONS

Financial delegations are set under the *Public Trustee Act 1985*, the *Financial Management Act 1996* and the *Audit Act 1989*. Delegations are reviewed each financial year.



## PUBLIC TRUSTEE INVESTMENT BOARD PUBLIC TRUSTEE FOR THE ACT

### ANNUAL REPORT 2009/10

The Public Trustee Investment Board (the Board) was established under S.46 of the *Public Trustee Act 1985*.

Under the Act, the Board must consist of the Public Trustee as Senior Member, and at least two other members appointed by the Minister for a term not longer than three years. Members are not remunerated.

#### FUNCTION

Board members provide expertise to ensure best practice in financial and risk management and advise the Public Trustee on –

- investment strategies concerning moneys held in the common funds or otherwise available for investment;
- core financial areas related to the development and management of the common funds on behalf of Public Trustee client investors;
- Distribution of income; and
- aspects of policy and its implementation to ensure that it complies with of the *Public Trustee Act 1985* and the *Trustee Act 1925*.

#### MEMBERSHIP

The Board consists of the Public Trustee, Andrew Taylor and four members appointed by the ACT Attorney General.

The term of Board members expired in March 2009. The current Board was appointed for a further term, however to obviate the potential for all positions to be vacated simultaneously, appointments were made on a staggered basis.

The Investment board was appointed by the Attorney General as follows –

- |                   |                           |
|-------------------|---------------------------|
| • Len Early       | - 1 year to 3 March 2010  |
| • Glenys Roper    | - 2 years to 3 March 2011 |
| • Christine Goode | - 3 years to 3 March 2012 |
| • Roger Broughton | - 3 years to 3 March 2012 |

**Mr Len Early PSM** brought to the Board, high-level expertise in funds management, risk management and corporate governance. Mr Early is the principal of Len Early Pty Ltd, providing advice on public sector policy and financial management, with a particular focus on public sector governance, public sector financial reform, budget reform, public sector superannuation and policy evaluation, since 1999. From 1995 – 1999, Mr Early was Deputy Secretary, Department of Finance and Administration (Clth). Mr Early holds a number of other current Board appointments. Mr Early's term of appointment expired on 3 March 2010.

**Ms Glenys Roper** is Director of Roex Management, providing business and management advice. From 1997–2000, Ms Roper was Chief Executive for the Office of Government Online, responsible for federal government strategy for electronic service delivery and 'back end' processing. Ms Roper is a currently a member of several other Boards including Chair, Cleaning Industry Long Service Leave Board; Director, Canberra International Airport Board; Chair, Defence Assurance Board; Director, NSW Superannuation Administration Corporation and, Member, ACT Procurement Board. Ms Roper is also Chair and



Member of a number of Audit Committees of Commonwealth agencies and holds various Director/Chairing roles in the arts NFP sector including Chair, Canberra Symphony Orchestra.

**Ms Christine Goode PSM** has had 34 years experience with the Australian Public Service. Ms Goode has extensive experience in transport, communications and executive management, working at Deputy Secretary and Chief Executive Officer levels. Since retiring in 2002, Ms Goode has held Board appointments with Airservices Australia, State Super Financial Services Ltd; and National Foundation for Australian Women Ltd. She also chaired Comcare's Audit Committee for 3 years. Ms Goode is a consultant on risk management and leadership. She holds a BA Hons in English and a MA in Politics and Administration.

**Mr Roger Broughton** is currently Executive Director, Investment and Economics, ACT Treasury. Mr Broughton has extensive experience in financial and economic policy together with his responsibilities in the financial management and investment of ACT Government funds and superannuation liabilities and assets. Prior to embarking on a public service career, Mr Broughton spent 17 years in the energy and water industries. He currently oversees around 60 percent of the ACT's revenue and 95 percent of its financial assets and liabilities as well as the Government's Risk Management Policy.

The Board takes advice on market and fund manager performance through quarterly investment reports from an external financial markets/asset management consultant, Robert Johnson & Associates.

The Board has once again overseen a quality performance of the Public Trustee's Common Funds during the Global Financial Crisis. While capital values have been affected by the volatility in the market, income returns have been sound, particularly during the last quarter of the reported year.

#### MEETING ATTENDANCE TABLE

Board Member	Meeting			
	19.08.09	18.11.09	24.02.10	18.05.10
Andrew Taylor (Sen Member)	√	√	√	√
Len Early	√	√	√	X
Glenys Roper	√	√	√	√
Christine Goode	√	√	√	√
Roger Broughton	√	√	X	√

#### OUTCOMES

- During the year the following matters came before the Board for consideration-
- .. Review of external asset/market consultant arrangements involving consideration of alternative asset/market consulting services and review of the current consultant's contract.
  - .. Assessment of the level of indemnity (fidelity insurance) with Fund Managers.
  - .. Investigation of issues around the Suncorp Metway/Tyndall/Asteron relationship.
  - .. Superannuation arrangements where Public Trustee holds significant court damages awards as trustee on behalf of persons with a legal incapacity.
  - .. Review of active management of Public Trustee's Fixed Interest Common Fund.
  - .. Review of Guarantee and Reserve Account and adequacy of balance.
  - .. Supervision of and recommendation in respect to PTACT's internally managed Cash Common Fund with interest rates rising from 3.00% at 30 June 2009 to 4.5%.

I take this opportunity to thank outgoing Board member, Len Early for his significant contribution to the Public Trustee Investment Board since the Board's establishment under the Prudent Person Investment Rule.

I also record by thanks to Board members, Glenys Roper, Christine Goode and Roger Broughton, together with Senior Deputy Public Trustee, Doug Gillespie, Deputy Public Trustee and Finance Manager, Joanne Thompson as well as Robert Johnson & Associates for their valuable advice and contribution to the office during 2009/10.



Andrew Taylor  
**SENIOR MEMBER/  
PUBLIC TRUSTEE**  
1 August 2010

## C.6 HUMAN RESOURCE PERFORMANCE

PTACT's Human Resource performance accords with the following priorities derived from the priorities in the *Canberra Plan Towards The Second Century* –

### → Delivering for the Future

PTACT's core responsibilities are intrinsically tied to delivering for the future. In the preparation of Wills, PTACT assists clients to make appropriate decisions in the event of their death. Additionally, PTACT provides advice on and prepares Enduring Powers of Attorney, helping Canberrans to make appropriate plans and arrangements in the event of their loss of capacity. Our financial management and trusts services seek to ensure that our clients' moneys are appropriately managed to ensure that they have sufficient funds to permit a meaningful and quality life.

Canberra has an ageing population and the demand for services provided to older persons is on the increase. Strategically, PTACT seeks to develop its business and commercial activities to ensure adequate funding for its Community Service Obligations.

### → Strengthening Organisational Resilience

PTACT has adopted funds management policies and practices that have ensured that PTACT withstood the effects of the Global Financial Crisis. PTACT's clients require some degree of certainty that their funds are preserved and prudently invested to provide some degree of resilience to risk. We categorise and group our funds management clients into risk profiles to ensure rigorous and appropriate investment solutions to meet the demands of the circumstances. Our Investment Board has advised on the selection of fund managers best suited to PTACT's needs. There has been a gradual shift from active fund managers to passive fund managers to reduce risk, minimise exposure to financial disaster and to build a resilient and risk averse investment strategy. PTACT has also secured its accommodation for the next ten years in a prime, ground floor location in the CBD.

### → Sustaining Community Confidence

PTACT provides its services directly to the Canberra Community. We seek to engender community confidence in our services and products by surveying client sentiment following the delivery of services. We actively respond to client comment and suggestion and our clients routinely report that they would refer their family, friends and acquaintances to PTACT. We provide editorials through the Canberra Times every month seeking to inform and educate the Canberra community in trust and succession matters. We are also highly active in achieving financial support for local charity through GreaterGood, our community foundation by "linking good people with good causes".

### → Working Collaboratively

PTACT has strong industry and community links both at local and national levels. We work collaboratively as members of the Executive of the Trustee Corporations of Australia, Australian Guardianship and Administration Council and Public Trustee Forum. We have a close working relationship with the Public Advocate and ACT Civil and Administrative Tribunal and work collaboratively to achieve

the best result for financial management clients. PTACT also works closely with the Department of Justice and Community Safety to strengthen corporate support through the development of strong relationships. PTACT also works collaboratively with the ACT Office for Ageing by sponsoring Life's Reflections each year.

#### → Enhancing Skill and Capabilities

PTACT is a learning organisation and provides excellent opportunities to all of its staff to access contemporary industry training. We have invested in technology to facilitate better use of staffing resources and to improve capability across our product range.

## C.7 STAFFING PROFILE

### OUR STAFFING PROFILE



Financial Management Staff – Maureen McDonell, Toni Leiper, Marilyn Lennard, Lisa Blundell, Robyn Milligan and Susan Shaw

#### FTE and headcount

	FEMALE	MALE
FTE by Gender	21.2	12.00
Headcount by Gender	22	12
% of Workforce	62.9%	37.1%

#### Employment Type

PERMANENT	TEMPORARY	CASUAL
33	1	Nil



## Classifications

CLASSIFICATION GROUP	FEMALE	MALE	TOTAL
Administrative Officers	19	10	29
Executive Officers		1	1
Legal Officers	1		1
Senior Officers	2	1	3
TOTAL	22	12	34

## Employment Category by Gender

EMPLOYMENT CATEGORY	FEMALE	MALE	TOTAL
Casual	Nil	Nil	Nil
Permanent Full-time	19	11	30
Permanent Part-time	3	Nil	3
Temporary Full-time	Nil	1	1
Temporary Part-time	Nil	Nil	Nil
TOTAL	22	12	34

## Average Length of Service by Gender

AVERAGE LENGTH OF SERVICE	FEMALE	MALE	TOTAL
0-2	1	2	3
2-4	9	3	12
4-6	3	1	4
6-8	3	2	5
8-10	1	1	2
10-12	1	1	2
12-14	Nil	Nil	Nil
14+ years	4	2	6

## Total Average Length of Service by Gender

GENDER	AVE LENGTH OF SERVICE
Female	7.9
Male	8.1
Total	8.0

## Age Profile

AGE GROUP	FEMALE	MALE	TOTAL
←20	Nil	Nil	Nil
20-24	1	1	2
25-29	1	5	6
30-34	3	2	5
35-39	2	Nil	2
40-44	1	1	2
45-49	4	Nil	4
50-54	5	Nil	5
55-59	3	2	5
60-64	Nil	1	1
65-69	2	Nil	2
70+	Nil	Nil	Nil

## Agency Profile

BRANCH/DIVISION	FTE	HEADCOUNT
Public Trustee for the ACT	33.2	34

## Agency Profile by Employment Type

BRANCH/DIVISION	PERM	TEMP	CASUAL
	33	1	Nil

## Equity & Workplace Diversity

	A	B	C		
	ABORIGINAL AND/OR TORRES STRAIT ISLANDER EMPLOYMENT	CULTURALLY & LINGUISTICALLY DIVERSE (CALD) EMPLOYMENT	EMPLOYMENT OF PEOPLE WITH A DISABILITY	NUMBER OF EMPLOYEES WHO IDENTIFY IN ANY OF THE EQUITY & DIVERSITY CATEGORIES (A, B, C)*	WOMEN
Headcount	0	2	0	2	22
% Total Staff	0.0%	5.9%	0.0%	5.9%	64.7%

## EMPLOYMENT ARRANGEMENTS

Our people are engaged under the *Public Sector Management Act 1994*, as varied by the Department of Justice and Community Safety Certified Agreement 2007/2010.

The ACT Remuneration Tribunal determines the remuneration in respect to the occupant of the statutory Office of Public Trustee, as an Executive in the ACT Public Service.

*The foregoing statistics exclude board members: staff not paid by the ACT Public Service and people on leave without pay. Staff members who had separated from the ACT Public Service, but received a payment have been included.*

## C.8 LEARNING AND DEVELOPMENT

### TRAINING

A major and ongoing priority of the Public Trustee is to attract, develop and retain appropriately skilled persons. The Public Trustee Practice Manual is a “work in progress” and provides a resource for staff and management alike.

The Public Trustee participates with peer industry groups in accessing appropriate training and exposure to contemporary industry issues.

We provide access to Continuing Legal and Taxation Education as a vital tool in ensuring that our legal and accounting staff is competent to meet the demands of an increasingly complex legal/accounting/tax environment, and to ensure that our risk management strategies are effective.

Our officers are encouraged to access study appropriate to their needs through the ACT Government Study Assistance Scheme. It is pleasing to note the number of PTACT staff that undertook professional industry-standard training through the University of Western Sydney, as well as leadership and financial services industry training.

Formal industry training is presently sourced through the University of Western Sydney and the Financial Services Institute of Australasia.

During the reported year \$18,241.00 was spent towards staff training. This represents an amount of approximately \$552.76 per person spent on training. This figure does not include training that was provided at no cost.

The following table sets out Learning and Development opportunities provided to PTACT staff from all sources –

INITIATIVE	DETAILS (ATTENDEES)
Trustee Corporations of Association Inc National Council	1
Australian Guardianship and Administration Council (AGAC) Forum	1
Financial Literacy & Estate Planning CGT Reporter Software	4
Trust Officer in-house training – various during the year	23
Harassment & Bullying Workshop	1
Ethics, Bullying & Harassment	9
Health & Safety Representative Refresher Training	1
OH&S Information Session	1
Manage Budgets & Forecasts Workshop	1
SES Leader to Leader	1
Induction/Personal Achievement & Development Plan	1
Wills & Estate Planning	3
Senior First Aid Course Workplace L2 – Red Cross	2
Windows 7 Information Session	6
Workplace Safety for Managers/Supervisors	5
EAP Briefing Sessions	1
Certificate IV in Frontline Management	1
Manage Budgets & Forecasts Workshop	1
Financial Markets & Economic Principles 1/2/10 – 21/4/10	1
Techniques in Financial Analysis 31/5/10 – 18/8/10	1
Law Regulation & Ethics 31/5/10 – 18/8/10	1
Certificate IV Financial Services – Semester 2 – 2009 at University of Western Sydney College	
→ Administer a Non-complex Trust	5
→ Prepare a Will	7
→ Advise clients on Trust Structures	1

INITIATIVE	DETAILS (ATTENDEES)
Certificate IV Financial Services – Semester 1 – 2010 at University of Western Sydney College	
→ Establish Entitlements to an Intestate Estate	1
→ Administer a Non complex Estate	1
→ Administer a Non complex Trust	1
→ Administer a Complex Trust	4
→ Establish Powers of Attorney or Accept Appointment under Financial Administration Orders	1
→ Administer Powers of Attorney or Financial Administrative Orders	1
→ Advise Clients on Trust Structures	1
→ Advise Client in Estate Planning	1

## FUTURE LEARNING AND DEVELOPMENT

PTACT will continue to provide industry standard training through our relationship with the University of Western Sydney as well as through the ACT Public Service Training Calendar.

PTACT will provide continuing professional education to its professional staff of lawyers, financial managers and accountants through the ACT Law Society, FINSIA and MTAA.

PTACT proposes to develop an intranet as part of the roll-out of the JACS intranet. Training will be provided to a PTACT officer in the development of that application.

Appropriate training will also be provided to PTACT's replacement Deputy Workplace Safety Representative.

PTACT will provide training to its First Aid Officers upon their appointment.

Subscriptions are and will be maintained to a number of professional education publications including, Master Tax Guide, Lexis Nexis Wills, Probate Administration Service, Hutley's Australian Wills Precedents, CCH Australian Capital Gains and Tax Planner and Australian Income Tax Legislation.

## PERFORMANCE MANAGEMENT

PTACT's Performance Management Plan was first introduced in 2007 and seeks to approach performance management from a positive perspective. Rather than seeking continuous quantified improvements in the volume of individual outputs, it seeks to address our capability by in turn addressing those underlying issues, which support and develop capability at an individual level.

Through the plan, Public Trustee staff members have a more measured and disciplined approach to the competencies and skills required to undertake their responsibilities. Appropriate training, relevant to staff responsibilities, is encouraged and made available within the context of PTACT's performance management plan.

Managers of PTACT business units undertake audits of work completion in accordance with accepted industry standards eg completion of estates within an acceptable time frame and lodgement of income tax returns within the prescribed time.

## C.9 WORKPLACE HEALTH AND SAFETY

PTACT is subject to the Department of Justice and Community Safety's Occupational Health and Safety policy. The JACS Annual Report includes Public Trustee statistics in respect to S.171 & 172 of the Work Safety Act 2008.

PTACT has appointed two OH&S representatives to deal with health and safety management issues through our Management Committee. The PTACT representative also represents Group 4 agencies.

In August 2008, the ACT Legislative Assembly passed a new *Work Safety Act 2008* which replaced the *Occupational Health and Safety Act 1989* (OHS Act) on 1 October 2009.

As a consequence, during the year, PTACT Managers undertook Workplace Safety training. On the establishment of the PTACT Audit Committee, a Health and Safety risk analysis was conducted resulting in a Workplace Health and Safety and Injury Management Improvement Strategy for PTACT.

Under the strategy, the following health and safety measures were implemented –

- Serviced and repaired warehouse roller door and installed motor.
- Installed safe lifting signs in the office and warehouse.
- Checked sharps bins in both vehicles.
- Checked and tested all duress alarms.
- Ergonomic seating provided to suit the individual needs of staff as required.
- Influenza Vaccine administered to 24 out of 34 PTACT staff at no personal cost.
- Training was provided to both OH&S staff representatives.
- First Aid Training provided to two PTACT First Aid Officers.
- Tested and tagged all PTACT electrical appliances.
- Safety clothing kits audited and re-stocked.
- Checked and maintained First Aid Kit.
- Undertook a fire safety audit, fire evacuations and installed fire safety signs.
- Tested smoke alarms and sprinklers.
- Cleaned and shampooed carpet.

Two minor incidents were reported during the year. No costs were involved.

During the year no accidents or dangerous occurrences requiring the giving of notices under S. 38, 171 & 172 of the *Work Safety Act 2008* were reported.

No workers' compensation claims were reported during the reported year.

The annual workers' compensation premium for 2010-11 is \$45,135.33 (inc GST) compared to \$43,409.00 for 2009-10. Whilst the premium rate dropped from 1.75% in 2009-10 to 1.74% in 2010-11, the premium reflects influences external to the office and is not indicative of the Public Trustee's claims history.

## C.10 WORKPLACE RELATIONS

This has been covered in the Department of Justice and Community and Safety's Annual Report 2009-2010.

The following tables set out PTACT's SEA and AWA arrangements -

DESCRIPTION	NO. OF INDIVIDUAL SEAS	NO. OF GROUP SEAS	TOTAL EMPLOYEES COVERED BY GROUP SEAS**	TOTAL
	A	B	C	(A-C)
	SEAS			
Number of SEAs as at 30 June 2010	1	Nil	Nil	1
Number of SEAs entered into during period	1	Nil	Nil	1
Number of SEAs terminated during period	Nil	Nil	Nil	Nil
The number of SEAs providing for privately plated vehicles as at 30 June 2010	Nil	Nil	Nil	Nil
Number of SEAs for employees who have transferred from AWAs during period	Nil	Nil	Nil	Nil
	AWAs			
Number of AWAs as at 30 June 2010	Nil	Nil	Nil	Nil
Number of AWAs terminated/lapsed (including formal termination and those that have lapsed due to staff departures)	Nil	Nil	Nil	Nil

	CLASSIF. RANGE	REMUN AS 30. 6. 2010
Individual and Group SEAs	SOG GradeB	\$130,519.00
AWAs (includes AWAs ceased during period)	Nil	Nil

## C.11 STRATEGIC BUSHFIRE MANAGEMENT PLAN

This section is not relevant to the Public Trustee's operations.

## C.12 STRATEGIC ASSET MANAGEMENT

### NON-GOVERNMENT ASSETS

The Public Trustee manages significant non-government assets in its capacity as Trustee. These assets are not reported, as they are not within the scope of this requirement.

### GOVERNMENT ASSETS

The only government asset directly managed by the Public Trustee is a commercial van which was valued at \$11,000.00 in July 2010. This asset is internally managed in respect to insurance and maintenance and will not need replacing for at least two years. PTACT carried out only minor repairs and maintenance in addition to scheduled servicing during the year. The van is insured through ACTIA.

### WAREHOUSE

PTACT also has title to a small warehouse at 50-52 Grimwade Circuit, Mitchell. The asset is not recorded as a government asset and is recorded as a trust asset. The title to the warehouse is unencumbered.

The warehouse is used to store client effects relating to deceased estates and financial management clients. The warehouse is part of a unit title development consisting of four units. The owners' corporation is managed by Ray White Commercial. Building insurance is sourced through the owners' corporation whilst contents insurance is sourced through the Public Trustee's insurance portfolio with AON Risk Services.

The unit was inspected and valued on 30 June 2010 by Herron Todd White at \$305,000.00. During the year, PTACT spent \$2,200.00 for the installation of a roller door motor. The warehouse contains no hazardous materials.

During 2009-10 no significant assets were added to, or removed from, the Public Trustee's corporate assets register.

### OFFICE ACCOMMODATION

The Public Trustee employs 34 staff accommodated in 521 sq metres on the Ground Floor, 221 London Crct, Canberra City. The area currently occupied by each member of staff is 15.32 sq metres. All employees are accommodated in an office environment.

The Public Trustee uses the ATLAS system to track and manage IT equipment.





The Public Trustee’s premises has received a major facelift as part of the refurbishment of 221 London Circuit

## C.13 CAPITAL WORKS

No capital works were undertaken during 2009-010. In August 2010, PTACT will re-negotiate the lease for its premises and accept a further 85 sq metres of adjacent space. The fitout cost associated with this is expected to be approximately \$49,500.00. The fit-out has been approved and will be undertaken through a single select tender negotiated on behalf of PTACT by ACT Accommodation Strategy. Works are expected to be completed in September/October 2010.

## C.14 GOVERNMENT CONTRACTING

### PROCUREMENT PRINCIPLES AND PROCESSES

PTACT did not undertake any direct procurement activities during the year.

The ongoing review and selection of Funds Managers is a critical component of the management of the investment of the PTACT's funds and selection is made in accordance with procurement principles. The Public Trustee utilises the technical knowledge, expertise or resources of external Funds Managers to invest funds within domestic financial markets.

The selection of fund managers by PTACT is however exempt from the provisions of the *Government Procurement Act 2001* as the services procured are for trust purposes and not for government purposes. Notwithstanding the procurement principles set out in the Act are used as a guide.

### EXTERNAL SOURCES OF LABOUR AND SERVICES

Contracts currently entered into and continuing include –

- Robert Johnson and Associates for services as asset/markets consultant – Daily cost \$1,500 as required - Contract dated May 2000. Contract terminated in June 2010.
- Vanguard Investments Australia – Contract for the supply of Fund Manager Services in connection with PTACT's International Equities Fund and Listed Property Fund. Fee confirmed at 9 basis points – Accessed under existing contract with ACT Treasury.
- Tasman Asset Management Limited trading as Tyndal for services as Fund Manager for Australian Equities Common Fund – Rate .66% - contract dated November 2005
- Asteron – for custodian services in respect to the Public Trustee's Australian Equities Fund - Rate .1% - Contract dated November 2005.
- Suncorp Metway for Suncorp Metway Investment Management Limited – rate .22% - Contract dated August 2001.
- Ultradata for use under licence and technical support of TACT Business System – Rate for 2007-08 - \$70,071.89 – Contract dated 1986 and reviewed 2006 (does not include software updates).
- DPL for licence fees for the acquisition and ongoing use of the Chameleon Wills Drafting System.
- Promadis (final payment) for development of PTACT's Will Fact Finder.

## INTEREST PAID ON COMMERCIAL ACCOUNTS

No interest was paid under Part 4 of the *Government Procurement Act 2001*.

## C.15 COMMUNITY GRANTS, ASSISTANCE, SPONSORSHIP

NO.	ORGANISATION/ RECIPIENT	PROJECT DESCRIPTION/ PROCESS/PERIOD OF TIME ENGAGED	OUTCOMES	AMOUNT
1.	ACT Office for Ageing	Life's Reflection - Senior's Week - March 2010 - one week.	Engage with Seniors, a major PTACT client group.	\$3,000
2.	JACS4GreaterGood	Justice and Community Safety Workplace Giving Scheme - benefits charity in the ACT Region - one year.	Reflects PTACT's community engagement - invests in a major potential source of income for PTACT	\$5,000

## C.16 TERRITORY RECORDS

PTACT's Records Disposal Schedule is available at:

<http://www.legislation.act.gov.au/ni/2006-30/default.asp>

A records management framework has been implemented in accordance with the schedule.

Appropriate training and resources have been made available to Public Trustee staff to comply with the requirements of the Act.

PTACT has made arrangements for the exemption of PTACT client files from the public access provisions in the *Territory Records Act 2002*.

PTACT sought and was granted a *Territory Records Act 2002* S.28 declaration to prevent public access to its client files relating to the business of the Public Trustee and in its capacity as statutory successor to the Curator of Estates of Deceased Persons. The application was granted by the Director, Territory Records on 4 July 2008 (Exemption no 97).

Subject to the exemption, PTACT will provide access to a person to search their own records to establish links with their Aboriginal and Torres Strait Island Heritage.

The following table sets out details of PTACT's Records Disposal Schedule -

RECORDS DISPOSAL SCHEDULE NAME	EFFECTIVE	YEAR AND NOTIFIABLE INSTRUMENT NO.
PTACT Records Disposal Schedule	February 2006	NI 2006-30

## C.17 HUMAN RIGHTS ACT 2004

### TRAINING

All PTACT managers and middle managers were provided with Human Rights training during the reported year. All PTACT Managers attended a one-day course on workplace safety including harassment and bullying training.

### INFORMATION

PTACT has developed a Staff Code of Conduct establishing expected standards of behaviour for staff undertaking their work. The Code highlights the need for PTACT staff working within a human rights framework to exhibit expected standards including –

- Treating members of the public and work colleagues with the highest level of courtesy and sensitivity to their rights; and
- Refraining from engaging in or condoning sexual harassment or discrimination on the basis of gender, transgender, marital status, pregnancy, sexual preference, disability, age, race, religion, political conviction or carer's responsibilities.

The Public Trustee is represented on the Justice and Community Safety Workplace Consultative Committee through which human rights information is disseminated to staff.

### LIAISON

During the year, PTACT recommended and worked with Legal Policy to achieve an amendment to the *Wills Act 1968* to implement the Standing Committee of Attorneys-General initiative to introduce statutory wills provisions. The amendments give the Supreme Court the power to make an order authorising a will to be made, altered or revoked for a person who does not have testamentary capacity. This amendment is intended to avoid circumstances where a person may not benefit due to the laws of intestacy and testamentary capacity, and is consistent with statutory wills provisions in other jurisdictions.

This is an important human rights initiative recognising the needs of persons who otherwise would have no right or facility to have their testamentary wishes recorded.

### REVIEWS

The Public Trustee is a member of the Australian Guardianship and Administration Council (AGAC) and through this committee is apprised of and influences, human rights issues relating to Guardianship, Administration and Public Trustee matters in other Australian and international jurisdictions.

PTACT continues to work with AGAC to remove legislative barriers caused by the failure of jurisdictions to recognise each other's Enduring Powers of Attorney (EPA). Additionally, AGAC members are actively seeking the development of a single Australian EPA without the need for it to be registered in every jurisdiction where property is held in connection with estate administration.

## LITIGATION

The Public Trustee is appointed as Financial Manager, by the Guardianship and Management of Property Tribunal for persons with impaired decision-making ability in approximately 50% of cases. This appointment brings with it a discipline to constantly balance the need for intervention in people's lives against their perceived wishes. We seek to impose the minimal impact necessary, mindful of the rights of represented persons and encourage protected persons to live in the general community as independently as possible.

PTACT acts in a range of capacities, where it is necessary to protect the rights of persons either with an age or intellectual disability. Additionally, as executor, the Public Trustee acts to protect the interests of the testator. Our responsibilities involve regular legal representation in respect to existing and prospective clients.

During the year, PTACT litigated in respect to–

- new or existing financial management orders by ACAT;
- a family law claim on behalf of a trust client;
- a number of damages awards;
- the defence of a number of estates in our role as executor; and
- the making of restraining orders on behalf of PTACT staff to protect their rights as well as those of disaffected clients.

## C.18 COMMISSIONER FOR THE ENVIRONMENT

S.23 of the *Commissioner for the Environment Act 1993* requires the Public Trustee to report on –

- requests for staff to assist in the preparation of the State of the Environment Report;
- assistance provided in response to such a request;
- investigations carried out by the Commissioner for Sustainability and the Environment of any activities carried out by the agency; and
- recommendations made by the Commissioner following an investigation of the agency's activities, and any actions taken in response to those recommendations.

No requests were made and no assistance provided. No investigations concerning the Public Trustee were made by the Commissioner.

## C.19 ACT MULTICULTURAL STRATEGY 2010-2013

PTACT's progress against the focus areas contained in the ACT Multicultural Strategy 2010-2013 is as follows -

FOCUS AREA	PROGRESS
Languages	PTACT uses plain English in its website and brochures and has included appropriate aids to assist in accessing interpreting services.
Children and Young People	PTACT acts as trustee for a number of minors. In doing so we respect their rights and needs and we seek to prudently manage any assets entrusted to us for their care and development.
Older People and Aged Care	PTACT continues to participate in the "SupportLink - Pathways for Elder Abuse Intervention" program to establish an agreed pathway for intervention in matters of reported abuse or mistreatment of older persons within the ACT. The Philosophy is to provide proactive assistance to people where possible and to work in collaboration with other services in order to achieve common goals. PTACT also provides addresses to older people in multicultural communities on the importance of having an up to date Will and Enduring Power of Attorney.
Women	PTACT celebrates International Women's Day by providing free access to a Wills and Estates seminar during March. A free Will was provided to all women attending the seminar
Refugees, Asylum Seekers and Humanitarian Entrants	PTACT does not have any direct involvement with Refugees, Asylum Seekers and Humanitarian Entrants other than through Will-making and EPA services
Intercultural Harmony and Religious Acceptance	PTACT provides a number of information seminars on an annual basis to people of diverse cultural and religious groups.

## C.20 ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING

### ANNUAL PROGRESS AGAINST PERFORMANCE INDICATORS

Report prepared by Environment and Compliance Management, JACS as part of the Dept of Justice and Community Safety Annual Report.

As a Community Service Provider, the Public Trustee provides services to the ACT Community, seeking to ensure that community members enjoy the same level of access to our services regardless of economic or cultural considerations.

In delivering our services we exercise compassion by partial or full waiver of fees and charges on the basis of hardship.

We provide our services at the convenience of our clients, undertaking home/hospital/nursing home visits where access is a problem.

We undertake Community Service Obligations for members of the community under a disadvantage, including those with impaired decision-making ability. These services include drafting Wills and Enduring Powers of Attorney and administration of deceased estates.

PTACT contributes to fair and equitable outcomes for those in our society who may otherwise be marginalised.

## C.21 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

Report prepared by Environment and Compliance Management, JACS as part of the Dept of Justice and Community Safety Annual Report.

## C.22 ACT WOMEN'S PLAN 2010-2015

The Public Trustee's response, against objectives identified in the ACT Women's Plan Action Plan 2010-2015, is as follows –

ECONOMIC	SOCIAL	ENVIRONMENTAL
<b>Strategic outcome</b> → Women and girls equally and fully participate in and benefit from the ACT economy.	<b>Strategic outcome</b> → Women and girls equally and fully participate in sustaining their families and communities and enjoy community inclusion and wellbeing.	<b>Strategic outcome</b> → Women and girls equally and fully participate in planning and sharing a safe, accessible and sustainable city.
<b>Priority areas</b> → Responsive education, training and lifelong learning → Flexible workplaces → Economic independence and opportunities → Leadership and decision making	<b>Priority areas</b> → Safe and respectful relationships → Good health and wellbeing → Safe and accessible housing	<b>Priority areas</b> → Safe and responsive transport and urban planning → Sustainable environment



ECONOMIC	SOCIAL	ENVIRONMENTAL
<b>Indicators of Progress</b> <ul style="list-style-type: none"> <li>→ PTACT provides professional and paid training and study assistance for its female staff.</li> <li>→ PTACT provides leadership training for its female staff - the ratio of male to female managers is 2/5.</li> <li>→ PTACT has a predominantly female staff and large proportion of decision-making in respect to client and financial matters is made by those female staff</li> <li>→ PTACT's female staff enjoy total equality with male employees.</li> </ul>	<b>Indicators of Progress</b> <ul style="list-style-type: none"> <li>→ PTACT celebrated International Women's Day in March 2009 providing a free will for all women attending</li> <li>→ PTACT provides a range of health benefits for its staff including flu injections, spectacle rebate and health and fitness initiative contribution.</li> </ul>	<b>Indicators of Progress</b> <ul style="list-style-type: none"> <li>→ PTACT administers two boards -               <ul style="list-style-type: none"> <li>- <b>PTACT Investment Board</b> provides advice to the Public Trustee on investment arrangements – female representation – 2/5</li> <li>- <b>GreaterGood</b> provides governance on charitable distributions – female representation – 8/15, female Chair and Patron.</li> </ul> </li> </ul>

## C.23 MODEL LITIGANT GUIDELINES

PTACT does not undertake litigation in respect to government matters however, given the nature of our responsibilities, litigation is undertaken on behalf of our trust, estate and financial management clients.

Arrangements have been made with the Public Trustee's panel of legal service providers to ensure that they are aware of the *Law Officer (Model Litigant) Guidelines 2010 (No 1)* and apply them in the representation of the Public Trustee and its clients.







**PUBLIC TRUSTEE**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

## **ANNEXURE – FINANCIAL STATEMENTS**





## ACT AUDITOR-GENERAL'S OFFICE



### REPORT OF FACTUAL FINDINGS

### PUBLIC TRUSTEE FOR THE ACT

#### To the Members of the ACT Legislative Assembly

#### Report on the statement of performance

I have reviewed the statement of performance of the Public Trustee for the ACT for the year ended 30 June 2010.

#### Responsibility for the statement of performance

The Public Trustee is responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error and for the systems and procedures to measure the results reported in the statement of performance.

#### The auditor's responsibility

My responsibility is to provide a report of factual findings that expresses an independent review opinion on the statement of performance of the Home Loan Portfolio as required by the *Financial Management Act 1996* and the *Financial Management (Statement of Performance Scrutiny) Guidelines 2008*.

I have reviewed the statement of performance of the Public Trustee for the ACT to report on whether any matters came to my attention which indicate that the statement of performance is not fairly presented in accordance with the *Financial Management Act 1996*.

This review was conducted in accordance with the Australian Auditing Standards applicable to review engagements. A review is primarily limited to inquiries of the representatives of the Public Trustee for the ACT, analytical and other review procedures and the examination of other available evidence. As review procedures do not provide all of the evidence that would be required in an audit, the level of assurance provided is less than given in an audit. I have not performed an audit and have not expressed an audit opinion on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the performance indicators reported in the statement of performance or the related performance targets.

I have not expressed an opinion on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

### **Electronic presentation of the statement of performance**

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from this statement. If users of this report are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

### **Independence**

I followed applicable independence requirements of Australian professional ethical pronouncements in conducting this review.

### **Review opinion**

Based on my procedures, no matters have come to my attention which indicate that the statement of performance of the Public Trustee for the ACT for the year ended 30 June 2010 does not fairly present the performance of the Public Trustee for the ACT in accordance with the *Financial Management Act 1996*.



Bernie Sheville  
Director, Financial Audits  
2 September 2010

**Public Trustee for the A.C.T.  
Statement of Performance  
For the Year Ended 30 June 2010**

**Statement of Responsibility**

In my opinion, the Statement of Performance is in agreement with Public Trustee's records and fairly reflects the service performance of the Public Trustee for the year ended 30 June 2010 and also fairly reflects the judgements exercised in preparing them.



Andrew Taylor  
Chief Executive  
Public Trustee ACT

4 August 2010

**PUBLIC TRUSTEE FOR THE ACT  
STATEMENT OF PERFORMANCE  
FOR THE YEAR ENDING 30 JUNE 2010**

Performance of the Public Trustee for the A.C.T. is measured by the increase in volume of new business, the return on investment of client funds, and by client satisfaction, which includes the ability of the office to meet agreed standards and to provide professional, and efficient services to the ACT community.

INDICATOR	Target 2009-10	Actual Outcome 2009-10	Variance %	Notes
Number of current financial management accounts under orders of the ACT Civil and Administrative Tribunal (ACAT)	449	458	2%	1
Number of active financial management accounts under Power of Attorney and Enduring Power of Attorney	71	67	(6%)	2
Number of responses to community call outs following death	5	3	(40%)	3
Number of welfare funerals arranged	3	2	(33%)	4
Number of examinations of accounts provided from external managers under orders of the ACT Civil and Administrative Tribunal (ACAT)	335	370	10%	5
Number of deceased estate administrations completed < \$100,000	30	37	23%	6
Number of deceased estate administrations completed > \$100,000	24	47	96%	6
Number of trusts held under legal liability < \$100,000	425	399	(6%)	7
Number of trusts held under legal liability > \$100,000	32	39	22%	7
Wills	720	730	1%	8
Percentage of expenditure over total income	109%	102%	(6%)	9

**Notes**

1. The number of clients under ACT Civil and Administrative Tribunal (ACAT) Orders was higher than expected due to the appointment of the Public Trustee as manager when no other person is willing or available.
2. The number of Enduring Power of Attorneys has reduced in 2009-10 due to death, transfer of clients to ACT Civil and Administrative Tribunal (ACAT) Orders and individuals now having their affairs in order and having the ability to manage their own funds.
3. The number of Australian Federal Police call-outs following death are dependent upon the ability to contact/find known family members. Public Trustee involvement is usually a last resort.

**PUBLIC TRUSTEE FOR THE ACT  
STATEMENT OF PERFORMANCE  
FOR THE YEAR ENDING 30 JUNE 2010**

**Notes (Continued)**

4. The number of Welfare Funerals arranged are dependent upon the level of funds of deceased persons and the ability of the Public Trustee to contact known family members.
5. The number of accounts examined is reliant upon external managers providing accounts to the Public Trustee on an annual basis once contacted by the ACT Civil and Administrative Tribunal.
6. The number of finalised deceased estates being administered by the Public Trustee that have a value of less than, or more than \$100,000, is solely dependent upon the level of assets at date of death.
7. The number of trusts with a value of less than, or more than \$100,000, depends solely upon court awarded settlements. Changes to legislation and court nominations affect the number of clients being administered by the Public Trustee.
8. The number of requests for new and changed wills remains relatively high due to marketing strategies, community education, excellent customer feedback and the employment of a full-time legal officer.
9. Whilst income was higher than budget by 4.95%, expenses were slightly lower than original budget for 2009-10. As a result the percentage of expenditure over income has decreased from the 2009-10 target.



PUBLIC TRUSTEE FOR THE ACT  
STATEMENT OF PERFORMANCE  
FOR THE YEAR ENDING 30 JUNE 2010

Financial Performance Measurement Analysis

	2009-10 Target	2009-10 Actuals	Variance %	Explanation
<b>Profitability</b>				
Return on Assets	(8.44%)	(2.26%)	(73.27%)	1
Return on Equity	(10.89%)	(3.17%)	(70.89%)	2
Profit Margin	(8.75%)	(2.49%)	(71.54%)	3
<b>Liquidity</b>				
Current Ratio	4.06:1	3.61:1	(11.08%)	4
Cash Position	.8707	.8739	0.37%	
Receivables Turnover	11.94	16.91	41.62%	5
<b>Financial Stability</b>				
Debt Ratio	24.31	29.19	20.07%	6
Capital Ratio	3.11	2.43	(21.86%)	7

- *Return on Assets*=(operating result b.t./average total assets for period)
- *Return on Equity*=operating result b.t. /equity
- *Profit Margin*=operating result b.t. /(Government & non-ACT Government user charges)
- *Current Ratio*=current assets/current liabilities
- *Cash Position*=(cash+current investments)/total assets
- *Receivables Turnover*=(non-Government user charges)/average non-ACT Government receivables for period
- *Debt Ratio*=total liabilities/total assets
- *Capital Ratio* = Equity capital/total liabilities

**Notes**

- 1/2/3. The variance in the profitability ratios is mainly due to an increase in income compared to budget. The improvement is mainly as a result of an increase in fees received for the provision of trustee services due to an increase in the value of client assets. The increase in income over budget has increased our operating result which, in turn, has resulted in a greater than expected Return on Assets, Return on Equity and Profit Margin.
4. Current ratio at the end of 2009-10 was lower than original budget. The decrease in the ratio is due to an increase in employee expenses as a result of the changes in the methodology used to calculate annual and long service leave.



PUBLIC TRUSTEE FOR THE ACT  
STATEMENT OF PERFORMANCE  
FOR THE YEAR ENDING 30 JUNE 2010

**Notes (Continued)**

5. Receivables turnover ratio at the end of 2009-10 was higher than original budget. The increase in receivables is due to an improvement in the return on investments.
6. The increase in debt ratio shows that the Public Trustee can more than adequately provide for the payment of creditors at any given time.
7. The decrease in the capital ratio shows that the Public Trustee's long term stability is sound.



## ACT AUDITOR-GENERAL'S OFFICE



### INDEPENDENT AUDIT REPORT PUBLIC TRUSTEE FOR THE ACT

To the Members of the ACT Legislative Assembly

#### Report on the financial statements

I have audited the financial statements of the Public Trustee for the ACT for the year ended 30 June 2010. The financial statements are comprised of the operating statement, balance sheet, statement of changes in equity, statement of appropriation, cash flow statement and accompanying notes.

#### Responsibility for the financial statements

The Public Trustee for the ACT is responsible for the preparation and fair presentation of the financial statements. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and estimates used in the preparation of the financial statements.

#### The auditor's responsibility

My responsibility is to express an independent audit opinion on the financial statements of the Public Trustee for the ACT.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion by performing audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to evaluate the prudence of decisions made by the Public Trustee for the ACT.

### Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of the statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

### Independence

I followed applicable independence requirements of Australian professional ethical pronouncements in conducting the audit.

### Audit opinion

In my opinion, the financial statements of the Public Trustee for the ACT for the year ended 30 June 2010:

- (i) are presented in accordance with the Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Public Trustee for the ACT as at 30 June 2010 and the results of its operations and its cash flows for the year then ended.

This audit opinion should be read in conjunction with the above information.




Bernie Sheville  
Director, Financial Audits  
23 August 2010

**Public Trustee for the A.C.T.  
Financial Report  
For the Year Ended 30 June 2010**

---

**Statement of Responsibility**

In my opinion, the financial report is in agreement with the Public Trustee's accounts and records and fairly reflects the financial operations of the Public Trustee for the year ended 30 June 2010 and the financial position of the Public Trustee on that date.



Andrew Taylor  
Chief Executive  
Public Trustee ACT

16 July 2010

**Public Trustee for the A.C.T.  
Financial Report  
For the Year Ended 30 June 2010**

---

**Statement by the Chief Finance Officer**

In my opinion, the financial report has been prepared in accordance with generally accepted accounting principles, and is in agreement with the Public Trustee's accounts and records and fairly reflects the financial operations of the Public Trustee for the year ended 30 June 2010 and the financial position of the Public Trustee on that date.



Joanne Thompson  
Chief Finance Officer  
Public Trustee ACT

16 July 2010

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
OPERATING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010**

	Note No.	Actual 2010 \$	Original Budget 2010 \$	Actual 2009 \$
<b>INCOME</b>				
Government Payment for Outputs	4	655 000	655 000	643 000
User Charges	5	2 875 247	2 732 000	2 842 740
Interest	6	164 947	134 000	196 358
<b>Total Income</b>		<b>3 695 194</b>	<b>3 521 000</b>	<b>3 682 098</b>
<b>EXPENSES</b>				
Employee Expenses	7	2 513 502	2 478 000	2 477 865
Superannuation Expenses	8	382 370	370 000	340 192
Supplies and Services	9	763 261	855 000	858 495
Depreciation	10	123 337	115 000	123 060
<b>Total Expenses</b>		<b>3 782 470</b>	<b>3 818 000</b>	<b>3 799 612</b>
<b>Operating (Deficit)</b>		<b>(87 276)</b>	<b>(297 000)</b>	<b>(117 514)</b>
<b>Other Comprehensive (Deficit)</b>				
(Decrease) in the Asset Revaluation Surplus		(25 137)	0	0
<b>Total Other Comprehensive (Deficit)</b>		<b>(25 137)</b>	<b>0</b>	<b>0</b>
<b>Total Comprehensive (Deficit)</b>		<b>(112 413)</b>	<b>(297 000)</b>	<b>(117 514)</b>

The above Operating Statement should be read in conjunction with the accompanying notes

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2010**

	Note No.	Actual 2010 \$	Original Budget 2010 \$	Actual 2009 \$
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	13	3 424 560	3 138 000	3 339 654
Receivables	14	247 107	242 000	180 476
Other Assets	16	21 233	22 000	37 209
<b>Total Current Assets</b>		<b>3 692 900</b>	<b>3 402 000</b>	<b>3 557 339</b>
<b>NON-CURRENT ASSETS</b>				
Plant and Equipment	15	226 100	202 000	322 474
<b>Total Non-Current Assets</b>		<b>226 100</b>	<b>202 000</b>	<b>322 474</b>
<b>Total Assets</b>		<b>3 919 000</b>	<b>3 604 000</b>	<b>3 879 813</b>
<b>CURRENT LIABILITIES</b>				
Payables	17	103 383	152 000	99 030
Employee Benefits	18	920 900	685 000	808 863
Other Liabilities		0	1 000	0
<b>Total Current Liabilities</b>		<b>1 024 283</b>	<b>838 000</b>	<b>907 893</b>
<b>NON CURRENT LIABILITIES</b>				
Employee Benefits	18	68 000	38 000	84 890
Other Liabilities	19	52 100	0	0
<b>Total Non-Current Liabilities</b>		<b>120 100</b>	<b>38 000</b>	<b>84 890</b>
<b>Total Liabilities</b>		<b>1 144 383</b>	<b>876 000</b>	<b>992 783</b>
<b>Net Assets</b>		<b>2 774 617</b>	<b>2 728 000</b>	<b>2 887 030</b>
<b>EQUITY</b>				
Accumulated Funds		2 774 617	2 723 000	2 881 612
Asset Revaluation Surplus	20	0	5 000	5 418
<b>Total Equity</b>		<b>2 774 617</b>	<b>2 728 000</b>	<b>2 887 030</b>

The above Balance Sheet should be read in conjunction with the accompanying notes

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010

	Accumulated Funds Actual 2010 \$'000	Asset Revaluation Surplus Actual 2010 \$'000	Total Equity Actual 2010 \$'000	Original Budget 2010 \$'000
Balance at the Beginning of the Reporting Period	2 881 612	5 418	2 887 030	3 025 000
Comprehensive (Deficit)				
Operating (Deficit)	(87 276)	0	(87 276)	(297 000)
Other Comprehensive (Deficit)	(19 719)	(5 418)	(25 137)	0
Total Comprehensive (Deficit)	(106 995)	(5 418)	(112 413)	(297 000)
Balance at the End of the Reporting Period	2 774 617	0	2 774 617	2 728 000

The above statement should be read in conjunction with the accompanying notes



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2009**

	Accumulated Funds Actual 2009 \$'000	Asset Revaluation Surplus Actual 2009 \$'000	Total Equity Actual 2009 \$'000
Balance at the Beginning of the Reporting Period	2 999 126	5 418	3 004 544
Comprehensive (Deficit)			
Operating (Deficit)	(117 514)	0	(117 514)
Increase(Decrease) in Asset Revaluation Surplus	0	0	0
Other Comprehensive Income	0	0	0
Total Comprehensive (Deficit)	(117 514)	0	(117 514)
Balance at the End of the Reporting Period	2 881 612	5 418	2 887 030

The above statement should be read in conjunction with the accompanying notes

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
STATEMENT OF APPROPRIATION  
FOR THE YEAR ENDED 30 JUNE 2010**

	Original Budget 2010 \$	Total Appropriated 2010 \$	Appropriation Drawn 2010 \$	Appropriation Drawn 2009 \$
Government Payments for Outputs	655 000	655 000	655 000	643 000
<b>Total Appropriation</b>	<b>655 000</b>	<b>655 000</b>	<b>655 000</b>	<b>643 000</b>

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

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010**

	Note No.	Actual 2010 \$	Original Budget 2010 \$	Actual 2009 \$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Operating Revenue		395 332	472 000	404 679
Management Fees		1 012 619	975 000	1 073 745
Commission Received		1 437 296	1 292 000	1 361 374
Interest Received		133 860	120 000	222 149
Cash from Government - Community Service Obligations				
		442 000	442 000	435 000
Cash from Government for Outputs		213 000	213 000	208 000
Goods and Services Tax Collected from Customers		280 346	320 000	271 549
Other		14 011	0	12 064
<b>Total Receipts from Operating Activities</b>		<b>3 928 464</b>	<b>3 834 000</b>	<b>3 988 560</b>
<b>Payments</b>				
Employee		2 419 883	2 452 000	2 254 978
Superannuation		380 635	362 000	338 057
Supplies and Services		763 686	844 000	867 849
Goods and Services Tax Paid to Suppliers		60 726	83 000	75 870
Goods and Services Tax Paid to the Australian Taxation Office				
		204 279	235 000	185 597
Other		14 349	0	10 187
<b>Total Payments from Operating Activities</b>		<b>3 843 558</b>	<b>3 976 000</b>	<b>3 732 538</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	24(b)	<b>84 906</b>	<b>(142 000)</b>	<b>256 022</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY**  
**CASH FLOW STATEMENT - Continued**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Note No.	Actual 2010 \$	Original Budget 2010 \$	Actual 2009 \$
<b>Cash Flows from Investing Activities</b>				
<b>Payments</b>				
Purchase of Investments		0	0	0
Purchase of Plant and Equipment		0	0	3 864
<b>Total Payments from Investing Activities</b>		<b>0</b>	<b>0</b>	<b>3 864</b>
<b>Net Cash (Outflows) from Investing Activities</b>		<b>0</b>	<b>0</b>	<b>(3 864)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Payments</b>				
Payment of Dividends		0	19 000	285 778
<b>Total Payments from Financing Activities</b>		<b>0</b>	<b>19 000</b>	<b>285 778</b>
<b>Net Cash (Outflows) from Financing Activities</b>		<b>0</b>	<b>(19 000)</b>	<b>(285 778)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents Held</b>		<b>84 906</b>	<b>(161 000)</b>	<b>(33 620)</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		3 339 654	3 299 000	3 373 274
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	24(a)	<b>3 424 560</b>	<b>3 138 000</b>	<b>3 339 654</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**1. OBJECTIVES OF THE PUBLIC TRUSTEE**

The objective of the Public Trustee for the ACT (Public Trustee), as authorised by the *Public Trustee Act 1985* and the *Trustee Act 1925*, is to be the community's first choice for trustee and related services that include preparing wills and enduring powers of attorney, administering estates and trust management. The Public Trustee is also responsible for the protection of the financial and property interests of persons with a legal disability, where appointed under the *Guardianship and Management of Property Act 1991* as financial manager.

The Public Trustee acts as an agent for the Territory under the *Confiscation of Criminal Assets Act 2003*, is the delegate for unclaimed moneys under the *Unclaimed Money Act 1950* and holds investment responsibility for government and non-government trust funds. The Public Trustee is trustee for the Perpetual Care Trusts under the *Cemeteries and Crematoria Act 2003* and for the Capital Region Community Foundation (GreaterGood).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Accounting**

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for Territory authorities.

The FMA and the *Financial Management Guidelines* issued under the Act, requires that the Public Trustee's financial statements include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Statement of Appropriation for the year
- (v) a Cash Flow Statement for the year;
- (vi) a summary of the significant accounting policies adopted for the year ; and
- (vii) such other statements necessary to fairly reflect the financial operations of the Public Trustee during the year and its financial position at the end of the year.

These general purpose financial statements has been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA. The financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting Policies.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for certain assets which were valued in accordance with the valuation policies applicable to the Public Trustee during the reporting period.

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

The Public Trustee for the Australian Capital Territory is an individual reporting entity.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**b) The Reporting Period**

These financial statements state the financial performance, changes in equity and cash flows of the Public Trustee for the year ending 30 June 2010 together with the financial position of the Public Trustee as at 30 June 2010.

**c) Comparative Figures**

*Budget Figures*

To facilitate a comparison with the Budget Papers, as required by the *Financial Management Act 1996*, budget information provided for 2009-10 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the budget papers.

*Prior Year Comparatives*

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

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

**d) Rounding**

All amounts in the financial statements have been shown as whole dollars (\$). Use of "0" represents zero amounts or amounts rounded down to zero.

**e) Revenue Recognition**

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Public Trustee and the revenue can be reliably measured. In addition, the following specific recognition criteria must also be met before revenue is recognised:

*User Charges*

Revenue from the sale of Trustee services is recognised as revenue once fees have been charged at the appropriate time and can be measured reliably and the costs of providing the services can be measured reliably.

*Interest*

Interest revenue is recognised using the effective interest method.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**f) Waivers of Debt**

Debts that are waived under section 131 of the *Financial Management Act 1996* are expensed during the year in which the right to payment was waived. Further details of waivers are disclosed at Note 11 – Waivers and Write-offs.

**g) Current and Non-Current Items**

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Public Trustee does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

**h) Cash and Cash Equivalents**

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents include short-term investments managed by the Public Trustee Office internally. Bank overdrafts are included in cash and cash equivalents in the cash flow statement but not in the cash and cash equivalents line on the Balance Sheet.

**i) Receivables**

Accounts receivable are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Total receivables arise in the normal course of providing Trustee services to other agencies and to the public. Trade receivables are payable in within 28 days after the issue of an invoice.

The allowance for impairment losses represents the amount of receivables the Public Trustee estimates will not be repaid. The Public Trustee determines the allowance for impairment losses based on objective evidence and a review of overdue balances. The Public Trustee considers the following is objective evidence of impairment:

- (a) becoming aware of financial difficulties of debtors;
- (b) default payments; and
- (c) debts more than 180 days overdue.

**j) Acquisition and Recognition of Plant and Equipment**

Plant and equipment is initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition, there is an obligation to remove the item).

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**j) Acquisition and Recognition of Plant and Equipment (Continued)**

Where plant and equipment is acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition. Plant and equipment with a minimum value of \$2,000 is capitalised.

**k) Measurement of Plant and Equipment After Initial Recognition**

Plant and equipment is measured at fair value. Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is measured using a market price in an active market where a market price is available for that asset (or a similar asset), as this is the best evidence of an asset's fair value.

**l) Depreciation of Non-Current Assets**

Non-current assets with a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued it is depreciated over its newly assessed remaining useful life. Depreciation is applied to Plant and Equipment.

Depreciation is calculated on a straight-line basis and the useful life of all major assets held by the Public Trustee are reviewed annually.

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Motor Vehicle	Straight line	8
Furniture and Fittings	Straight line	5-20
Computer Equipment	Straight line	5
Office Fit-out	Straight line	5
Security System	Straight line	5

**m) Payables**

Payables include trade payables, accrued expenses and other payables. Trade payables represent the amounts owing for goods and services received prior to the end of the reporting period and unpaid at the end of the reporting period and relating to the normal operations of the Public Trustee.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

**n) Leases**

*Operating Leases*

Operating leases do not effectively transfer to the Public Trustee substantially all the risks and rewards incidental to ownership of the leased asset. Operating lease payments are recognised as an expense in the Operating Statement on a straight-line basis over the term of the lease.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**o) Provision for Make Good**

The Public Trustee has recorded a liability and a corresponding asset of \$52 100 for the estimated cost of returning the premises occupied by the Public Trustee to a similar condition to that which existed prior to the occupancy if the Public Trustee was to leave the premises.

The estimated liability is based on an estimate provided by an independent valuer. (Mr Ian Robertson (AAPI, Plant and Machinery, MSAA), Senior Valuer Plant and Equipment, Australian Government Australian Valuation Office.

**p) Employee Benefits**

Employee benefits include wages and salaries, annual leave and long service leave and applicable on-costs. On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual and long service leave. These benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid. They are recorded as a liability and as an expense.

*Wages and Salaries*

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

*Annual and Long Service Leave*

Annual leave and long service leave that falls due wholly within the next twelve months is measured based on the amount of remuneration anticipated to be paid when the leave is taken.

Annual and long service leave including applicable on-costs that do not fall due wholly within the next twelve months is measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At each reporting date, the estimated future payments are discounted using market yields on Commonwealth Government Bonds with terms to maturity that match, as closely as possible, the estimated future cash flows. In 2009-10, the discount factor used to calculate the present value of these future payments is 92.9% (90.5% in 2008-09).

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

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in-service has been taken into account in estimating the liability for on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. However, where there is an unconditional right to defer settlement of the liability for at least 12 months, annual and long service leave have been classified as a non-current liability in the Balance Sheet.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**q) Superannuation**

Superannuation payments are made to the Territory Banking Account each year, to cover the Public Trustee's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS employer contribution, but does not include the productivity component. The productivity component is paid directly to ComSuper. The CSS and PSS are defined benefit superannuation plans meaning that the defined benefits received by employees are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of the superannuation accumulation schemes. This includes schemes of employees choice.

Superannuation employer contribution payments, for the CSS and PSS, are calculated by taking the salary level at an employee's anniversary date and multiplying it by the actuarially assessed nominal CSS or PSS employer contribution rate for each employee. The productivity component payments are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the employer contribution rate (approximately 3%) for each employee. Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay and multiplying it by the appropriate employer contribution rate.

A superannuation liability is not recognised in the Balance Sheet as the Superannuation Provision Account recognises the total Territory superannuation liability for the CSS and PSS, and ComSuper and the external schemes recognise the superannuation liability for the fund of choice scheme respectively.

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the CSS and PSS in respect of the ACT Government service provided after 1 July 1989. These reimbursement payments are made from the Superannuation Provision Account.

**r) Insurance**

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

**s) Trust Funds**

Separate financial statements are prepared for the trusts and estates and Capital Region Community Foundation accounts which are administered by the Public Trustee, and do not form part of these financial statements.

**t) Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies listed in this note, the Public Trustee has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements:

*Employee benefits*

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for employee benefits requires a consideration of the future wage and salary levels, experience of employee departures and periods of service. The estimate also includes an assessment of the probability that employees will meet the

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**t) Significant Accounting Judgements and Estimates (Continued)**

*Employee benefits (Continued)*

minimum service period required to qualify for long service leave and that on-costs will become payable. Further information on this estimate is provided in Note 2 (p) *Employee Benefits* and Note 3 *Change in Accounting Estimates*.

*Plant and Equipment – Fair Value*

Note 2 (k) "Measurement of Plant and Equipment after Initial Recognition" discloses that plant and equipment is measured at fair value.

The fair value of the Office fit-out and the market value of the motor vehicle have been estimated by independent valuers.

*Provision for Make Good*

Note 2(o): 'Provision for Make Good' discloses that the cost of returning the premises occupied by the Public Trustee to a similar condition to that which existed prior to the occupancy if the Public Trustee was to leave the premises has been estimated.

**u) Impact of Accounting Standards Issued but yet to be Applied**

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Public Trustee does not intend to adopt these standards and interpretations early. It is estimated that the effect of adopting the below pronouncements, when applicable, will have no material financial impact on the Public Trustee in future reporting periods:

- AASB 1 First-time Adoption of Australian Accounting Standards (application date 1 January 2010);
- AASB 5 Non-current Assets Held for Sale and Discontinued Operations (application date 1 January 2010);
- AASB 9 Financial Instruments (application date 1 January 2013);
- AASB 101 Presentation of Financial Statements (application date 1 January 2010);
- AASB 107 Statement of Cash Flows (application date 1 January 2010);
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (application date 1 January 2011);
- AASB 110 Events after the Reporting Period (application date 1 January 2011);
- AASB 117 Leases (application date 1 January 2010);
- AASB 118 revenue (application date 1 January 2010);
- AASB 119 Employee Benefits (application date 1 January 2011);
- AASB 132 Financial Instruments: Presentation (application date 1 January 2010);
- AASB 136 Impairment of Assets (application date 1 January 2010);
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (application date 1 January 2011);
- AASB 139 Financial Instruments: Recognition and Measurement (application date 1 January 2010);
- AASB 1031 Materiality (application date 1 January 2011);



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 106, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023& 1038 and Interpretations 10 & 12] (application date 1 January 2013);

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**u) Impact of Accounting Standards Issued but yet to be Applied (Continued)**

- AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (application date 1 January 2010);
- AASB Interpretation 4 Determining whether an Arrangement contains a lease (application date 1 January 2011); and
- AASB Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (application date 1 January 2011).

**3. CHANGE IN ACCOUNTING ESTIMATES**

*Revision of the Employee Benefit Discount Rate*

The Public Trustee uses a discount rate to calculate the present value of long service leave and annual leave liabilities classified as long term. The method takes into account future wage increases discounted back to present value using the Commonwealth Government bond rate. Last financial year the discount rate was 90.5%, however, due to a change in the Commonwealth Government bond rate the percentage is now 92.9%.

As such the estimate of long service leave and annual leave liabilities have changed.

This change has resulted in an increase to the estimate of the long service leave liability and expense in the current reporting period of approximately \$61,919. The change also resulted in the estimate of the annual leave liability and expense increasing by \$2,119.

*Revision of Useful Lives and Residual Values*

The Public Trustee reviewed the useful lives and the residual values of its plant and equipment at the end of the reporting period. This review resulted in the increase of the residual value of some plant and equipment.

**4. GOVERNMENT PAYMENTS FOR OUTPUTS**

Government Payment for Outputs (GPO) is revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government pays GPO appropriation on a fortnightly basis.

Community Service Obligations (CSO) are received by the Public Trustee for the provision of trustee services to the public at subsidised rates.

	2010 \$	2009 \$
Government Payments for Outputs	213 000	208 000
Community Service Obligations	442 000	435 000
	<u>655 000</u>	<u>643 000</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**5. USER CHARGES FOR GOODS AND SERVICES**

User charge revenue is derived by providing goods and services to the public and to other ACT Government agencies. User-charge revenue is not part of ACT Government appropriation and is paid by the user of the goods or services. This revenue is driven by consumer demand and is commercial in nature.

	2010 \$	2009 \$
<b>User Charges – ACT Government</b>		
Commission Received (a)	277 277	320 696
<b>User Charges – Non ACT Government</b>		
Commission Received (b)	1 163 558	1 049 434
Management Fees (c)	1 040 749	1 068 148
Other Fees	393 663	404 462
	<u>2 875 247</u>	<u>2 842 740</u>

- (a) Commission received has decreased since the last financial period due to lower interest rates on offer. Although markets have returned since the Global Financial Crisis and interest rates are recovering, the improvement in rates has been slow.
- (b) Due to the increase in number and value of estate matters being finalised during the year there has been an increase in commission received.
- (c) Assets under management are recovering slowly from the Global Financial Crisis and the Management fee charged reflects the slow recovery as it is charged on a monthly basis.

**6. INTEREST**

Interest Income	164 947	196 358
	<u>164 947</u>	<u>196 358</u>

Interest income fluctuates with changes in market interest rates. Overall, Cash and Cash Equivalents increased during the year providing an increased base for interest returns. Interest rates still remaining lower than previous years and the return on investments reflect this.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

**7. EMPLOYEE EXPENSES**

	2010	2009
	\$	\$
Wages and Salaries (a)	2 379 155	2 187 903
Annual Leave Expense (b)	2 119	111 550
Long Service Leave Expense	61 919	136 081
Termination payments/retirements	4 917	7 459
Fringe Benefits Tax	1 339	(181)
Comcare Premiums	39 678	32 837
Other Employee Expenses (c)	24 375	2 216
<b>Total Employee Expenses</b>	<b>2 513 502</b>	<b>2 477 865</b>

- (a) The number of staff employed during the 2009-10 financial year fluctuated. Although there were only 33 staff employed at the end of June 2010, the Public Trustee was actually employing up to 36 staff during the year, and the increase in Wages and Salary costs reflects this.
- (b) The decrease in the Annual Leave Expense is attributable to the active Management of increased leave balances.
- (c) Other Employee Expenses include a provision for a sign on bonus in relation to the new JACS Enterprise Collective Agreement currently being negotiated. The sign on bonus represents \$20 800 of the total.

**8. SUPERANNUATION EXPENSES**

The Public Trustee makes payments on a fortnightly basis to the Territory Banking Account for the CSS and PSS superannuation liability. The productivity benefit for these schemes is paid directly to ComSuper.

Superannuation payments are also made to external providers as part of the new employee fund of choice arrangements, and to employment agencies for the superannuation contribution the Public Trustee is required to make for the contract staff it employs.

Superannuation Contributions to the Territory Banking Account	259 028	234 440
Productivity Benefit	37 457	37 071
Superannuation to External Providers	85 885	68 681
<b>Total Superannuation Expenses</b>	<b>382 370</b>	<b>340 192</b>

The increase in superannuation expenses reflects the number of staff being paid during the financial year

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**9. SUPPLIES AND SERVICES**

	2010	2009
	\$	\$
Business Development Costs	65 389	41 920
Computer Expenses	159 195	168 776
Motor Vehicle Expenses	15 214	18 042
Rental Lease Payments/Cleaning	207 927	203 621
Repairs/Maintenance	78 130	69 811
Printing/Stationery	32 664	39 574
Telephones	22 029	23 403
Staff Training	18 241	27 421
Postage	14 955	15 652
Audit Fee	33 600	32 300
Subscriptions/Memberships	16 295	19 970
Office Equipment	11 802	16 950
Travel Expenses	3 718	4 962
Insurance Risk Management Levy	25 896	38 818
Other Expenses	36 852	48 064
Electricity	14 202	16 036
Recruitment costs	7 152	16 326
Business Application Upgrade <sup>(a)</sup>	0	56 849
	<b>763 261</b>	<b>858 495</b>

(a) Due to the finalisation of the upgrade of packages used to prepare and lodge taxation returns there were no Business Application Upgrade expenses in 2009-10.

**10. DEPRECIATION**

Plant and Equipment	123 337	123 060
	<b>123 337</b>	<b>123 060</b>

**11. WAIVERS AND WRITE-OFFS**

Under section 131 of the *Financial Management Act 1996* the Treasurer may, in writing, waive the right to payment of an amount owed to the Territory.

There were no waivers during the year, however, the Public Trustee approved the write-off of debts owed by third parties. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Public Trustee to recover the amount. The write-off debts may occur for reasons other than waivers.

The write-offs listed below have occurred during the reporting period for Public Trustee.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**11. WAIVERS AND WRITE-OFFS (CONTINUED)**

	No.	2010 \$	No.	2009 \$
Ordinary Activities				
Write-offs				
Irrecoverable Debts	2	246	5	808
<b>Total Write-offs</b>		<b>246</b>		<b>808</b>

The write-offs occurred as a result of a client account being overdrawn and the balance being deemed unrecoverable and the non payment of an account. The Public Trustee approves all write-off balances.

**12. AUDITOR'S REMUNERATION**

Auditor's remuneration consists of financial audit services provided to the Public Trustee by the ACT Auditor-General's Office.

	2010 \$	2009 \$
Audit Fees Paid to the ACT Auditor-General's Office	33 600	32 300

No other services were provided by the ACT Auditor-General's Office.

**13. CASH AND CASH EQUIVALENTS**

The Public Trustee holds a bank account with the Commonwealth Bank as part of the whole-of-government banking arrangements. The Public Trustee Office held deposits at call throughout the year. The weighted average interest rate returned on these investments was 5.14 % (2009 5.76%).

Cash at Bank	373 960	389 204
Cash on Hand	600	450
Investments	3 050 000	2 950 000
	<b>3 424 560</b>	<b>3 339 654</b>

Due to an increase in user charges the funds available for investment increased during the year.



PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

**14. RECEIVABLES**

	2010 \$	2009 \$
<b>Current Receivables</b>		
Trade Receivables	197 580	162 749
Less: Allowance for Impairment Losses	0	0
	<u>197 580</u>	<u>162 749</u>
Other Trade Receivables	860	147
Accrued Revenue	<u>48 667</u>	<u>17 580</u>
<b>Total Receivables</b>	<u><b>247 107</b></u>	<u><b>180 476</b></u>

**Ageing of Receivables**

	Not Overdue	Past Due			Total
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	\$	\$	\$	\$	\$
<b>2010</b>					
Not Impaired Receivables	0	176 742	0	70 365	247 107
Impaired Receivables	0	0	0	0	0
<b>2009</b>					
Not Impaired Receivables	0	138 554	145	41 778	180 476
Impaired Receivables	0	0	0	0	0

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

14. RECEIVABLES (Continued)

	2010 \$	2009 \$
<b>Classification of ACT Government/Non-ACT Government Receivables</b>		
<b>Receivables with Other ACT Government Entities</b>		
Net Trade Receivables	45 855	41 952
Other Trade Receivables	220	0
<b>Total Trade Receivables with Other ACT Government Entities</b>	<b>46 075</b>	<b>41 952</b>
<b>Trade Receivables with Non-ACT Government Entities</b>		
Net Trade Receivables	151 725	120 797
Other Trade Receivables	640	147
Accrued Revenue	48 667	17 580
<b>Total Trade Receivables with Non-ACT Government Entities</b>	<b>201 032</b>	<b>138 524</b>
<b>Total Trade Receivables</b>	<b>247 107</b>	<b>180 476</b>

The increase in receivables is attributable to an increase in Management Fees owing at the end of June as well as an increase in accrued interest income. The increase in accrued interest income reflects the change in the number of days funds are invested. In the 2008-09 year, the majority of investments were for 90 days. In 2009-10 the majority of funds were invested for 180 days.

15. PLANT AND EQUIPMENT

Plant and equipment includes motor vehicle, office and computer equipment, furniture and fittings, office fitout and a security system.

Motor Vehicle (at valuation)	11 000	13 000
Less: Accumulated Depreciation	0	(3 250)
	<u>11 000</u>	<u>9 750</u>

The motor vehicle was independently valued at market value by Pickles Auctions Pty Limited in July 2010.

Furniture and Fittings (at Valuation)	12 496	19 268
Less: Accumulated Depreciation	0	(3 330)
	<u>12 496</u>	<u>15 938</u>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**15. PLANT AND EQUIPMENT (Continued)**

	2010	2009
	\$	\$
Computer Equipment (at Valuation)	685	3 336
Less: Accumulated Depreciation	0	(1 866)
	<u>685</u>	<u>1 470</u>
Office Fitout (at Valuation)	146 250	591 592
Plus: Make Good Provision	52 100	0
Less: Accumulated Depreciation	0	(301 897)
	<u>198 350</u>	<u>289 695</u>
Security System (at Valuation)	3 569	7 200
Less: Accumulated Depreciation	0	(1 578)
	<u>3 569</u>	<u>5 622</u>
Total Plant and Equipment (at Valuation)	174 000	634 396
Plus: Make Good Provision	52 100	0
Less: Accumulated Depreciation	0	(311 921)
Total Carrying Value	<u>226 100</u>	<u>322 475</u>

The balances at 30 June 2010 for the office fit-out and motor vehicles were measured at fair value. The independent valuation of the fit-out was performed at 30 June 2010 by Mr Geoff McInerney (AAPI, Certified Practising Valuer) and Mr Ian Robinson (Valuer in Training), Australian Government Australian Valuation Office and the motor vehicle was valued by Daniel Hallam General Vehicle Manager/Valuer of Pickles Auctions and was assessed at market value.

As disclosed in Note 2(o): 'Office Fit-out – Provision for Make Good', the Public Trustee Office has included in the office fit-out valuation, the estimated cost of returning the premises occupied by the Public Trustee to a similar condition to that which existed prior to the occupancy in the event the Public Trustee were to leave the premises.

The fair valuation of the office fit-out is based on its assessed estimated depreciated replacement cost and bases the valuation knowing that the current lease has an expiry date of 16 July 2011 (with an option to extend for a further five years).

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

15. PLANT AND EQUIPMENT (Continued)

Reconciliations of the carrying amounts of Plant and Equipment at the beginning and the end of the current and previous reporting periods.

	2010 \$	2009 \$
<b>Motor Vehicle</b>		
Carrying amount at the Beginning of the Reporting Period	9 750	11 375
Revaluation	2 875	0
Depreciation	(1 625)	(1 625)
Carrying Amount at the End of the Reporting Period	<u>11 000</u>	<u>9 750</u>
<b>Furniture and Fittings</b>		
Carrying amount at the Beginning of the Reporting Period	15 938	17 232
Devaluation	(2 148)	0
Depreciation	(1 294)	(1 294)
Carrying Amount at the End of the Reporting Period	<u>12 496</u>	<u>15 938</u>
<b>Computer Equipment</b>		
Carrying amount at the Beginning of the Reporting Period	1 470	2 137
Devaluation	(117)	0
Depreciation	(668)	(667)
Carrying Amount at the End of the Reporting Period	<u>685</u>	<u>1 470</u>
<b>Office Fitout</b>		
Carrying amount at the Beginning of the Reporting Period	289 695	403 865
Additions	0	3 864
Make Good Provision	52 100	0
Devaluation	(25 134)	0
Depreciation	(118 311)	(118 034)
Carrying Amount at the End of the Reporting Period	<u>198 350</u>	<u>289 695</u>
<b>Security System</b>		
Carrying amount at the Beginning of the Reporting Period	5 622	7 062
Devaluation	(613)	-
Depreciation	(1 440)	(1 440)
Carrying Amount at the End of the Reporting Period	<u>3 569</u>	<u>5 622</u>

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

**16. OTHER ASSETS**

	2010	2009
	\$	\$
<b>Current Other Assets</b>		
Prepayments	21 233	37 209
	<u>21 233</u>	<u>37 209</u>

**17. PAYABLES**

**Current Payables**

Trade Payables	103 383	99 030
<b>Total Current Payables</b>	<b>103 383</b>	<b>99 030</b>

**Payables are aged as follows:**

Overdue for less than 30 Days	93 769	78 680
Overdue for more than 30 Days and less than 60 Days	160	5 113
Overdue for more than 60 Days	9 454	15 237

<b>Total Current Payables</b>	<b>103 383</b>	<b>99 030</b>
-------------------------------	----------------	---------------

**Classification of ACT Government/Non-ACT Government Payables**

**Payables with ACT Government Entities**

Trade Creditors	25 885	34 756
<b>Total Payables with ACT Government Entities</b>	<b>25 885</b>	<b>34 756</b>

**Payables with Non-ACT Government Entities**

Trade Creditors	77 498	64 274
<b>Total Payables with Non-ACT Government Entities</b>	<b>77 498</b>	<b>64 274</b>

<b>Total Current Payables</b>	<b>103 383</b>	<b>99 030</b>
-------------------------------	----------------	---------------

The increase in payables is mainly attributable to the majority of invoices relating to the 2009-10 year being received just prior to 30 June 2010.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

**18. EMPLOYEE BENEFITS**

	2010 \$	2009 \$
<b>Current Employee Benefits</b>		
Annual Leave	321 760	319 642
Long Service Leave	527 694	448 885
Accrued Salaries	50 646	40 336
Other Employee Benefits	20 800	0
<b>Total Current Employee Benefits</b>	<b>920 900</b>	<b>808 863</b>
<b>Non- Current Employee Benefits</b>		
Long Service Leave	68 000	84 890
<b>Total Employee Benefits</b>	<b>988 900</b>	<b>893 753</b>

*For disclosure purposes only*

**Estimated Amount Payable within 12 Months**

Accrued Salaries	50 646	40 336
Other Employee Benefits	20 800	0
Annual Leave	321 760	319 642
Long Service Leave	5 944	7 192

<b>Total Employee Benefits Payable within 12 months</b>	<b>399 150</b>	<b>367 170</b>
---------------------------------------------------------	----------------	----------------

**Estimated Amount Payable after 12 Months**

Long Service Leave	589 750	526 583
	<b>589 750</b>	<b>526 583</b>

<b>Total Employee Benefits</b>	<b>988 900</b>	<b>893 753</b>
--------------------------------	----------------	----------------

At the end of the 2010 financial year, the Public Trustee for the Australian Capital Territory had 33 staff employed.  
(2009 – 35 staff)

**19. OTHER LIABILITIES**

Provision for Make Good	52 100	0
<b>Total Other Liabilities</b>	<b>52 100</b>	<b>0</b>

As disclosed in Note 2 (o): 'Office Fit-out – Provision for Make Good', the Public Trustee has included in the Public Trustee fit-out valuation, the estimated cost of returning the premises occupied by the Public Trustee to a similar condition to that which existed prior to the occupancy in the event the Public Trustee were to leave the premises.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**20. EQUITY**

	2010 \$	2009 \$
<b>Total Equity at the End of the Reporting Period</b>		
Accumulated Funds	2 774 617	2 881 612
Asset Revaluation Surplus	0	5 418
<b>Total Equity</b>	<b>2 774 617</b>	<b>2 887 030</b>

**Movements in Equity during the Reporting Period**

**Accumulated Funds**

Balance at the Beginning of the Reporting Period	2 881 612	2 999 126
Operating (Deficit)	(87 276)	(117 514)
Decrease in the Asset Revaluation Surplus	(19 719)	0
Dividends Approved	0	0
<b>Balance at the End of the Reporting Period</b>	<b>2 774 617</b>	<b>2 881 612</b>

**Asset Revaluation Surplus**

The Asset Revaluation Surplus is used to record the increments and decrements in the value of Plant and Equipment.

<b>Balance at the Beginning of the Reporting Period</b>	5 418	5 418
Decrement in Plant and Equipment due to Devaluation	(5 418)	0
<b>Balance at the End of the Reporting Period</b>	<b>0</b>	<b>5 418</b>

A valuation of the fit-out was performed at 30 June 2010 by Mr Geoff McInerney (AAPI) Acting Managing Valuer and Mr Ian Robertson (Valuer in Training) Australian Government Australian Valuation Office and the motor vehicle was valued by a senior employee of Pickles Auctions and was assessed at market value. Devaluation of the office fit-out totalled \$28,012 and the revaluation of the motor vehicle totalled \$2,875.

**21. FINANCIAL INSTRUMENTS**

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 *Summary of Significant Accounting Policies*, to the financial statements.

**(a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to movements in market interest rates.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**21. FINANCIAL INSTRUMENTS (CONTINUED)**

**(a) Interest Rate Risk (Continued)**

The Public Trustee's financial assets consist of cash and cash equivalents and receivables and its financial liabilities are comprised of payables. Most of the Public Trustee's financial assets consist of cash and cash equivalents. As these are held in floating interest arrangements, the Public Trustee is exposed to movements in the amount of interest it may earn on cash and cash equivalents.

As the Public Trustee's operating cash flows are not significantly dependant on interest earned from cash and cash equivalents, a sensitivity analysis of the interest rate risk has not been performed.

The Public Trustee's maximum exposure to interest rate risk relating to these financial assets and liabilities is shown below in Note 21(e): 'Maturity Analysis and Exposure to Interest Rates'.

As receivables and payables are held in non-interest bearing arrangements, the Public Trustee is not exposed to movements in interest rates in respect of these financial assets and liabilities.

**(b) Credit Risk**

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

Credit risk is managed by the Public Trustee for Cash and Cash Equivalents investments by only investing surplus funds with various financial institutions, who have a A credit rating or greater. There is no other collateral held as security for financial assets. Investments are now structured with the highest rating banks to ensure more security over funds invested.

The Public Trustee's maximum exposure to credit risk relating to these cash equivalents is shown below in Note 21(e): 'Maturity Analysis and Exposure to Interest Rates'.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Public Trustee will encounter difficulty in meeting obligations associated with financial liabilities. To limit its exposure to liquidity risk, the Public Trustee ensures that it does not have a large portion of its financial liabilities maturing in any one financial year and that at any particular point in time it has a sufficient amount of current financial assets to meet its current financial liabilities.

The Public Trustee's exposure to liquidity risk and the management of this risk has not changed since the last financial year.

The Public Trustee's maximum exposure to liquidity risk relating to these financial liabilities is shown below in Note 21(e): 'Maturity Analysis and Exposure to Interest Rates'.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**21. FINANCIAL INSTRUMENTS (CONTINUED)**

**(d) Fair Value of Financial Assets and Liabilities**

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	Carrying Amount 2010 \$	Fair Value 2010 \$	Carrying Amount 2009 \$	Fair Value 2009 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	3 424 560	3 424 560	3 339 654	3 339 654
Receivables	247 107	247 107	180 476	180 476
<b>Total Financial Assets</b>	<b>3 671 667</b>	<b>3 671 667</b>	<b>3 520 130</b>	<b>3 520 130</b>
<b>Financial Liabilities</b>				
Payables	103 383	103 383	99 030	99 030
<b>Total Financial Liabilities</b>	<b>103 383</b>	<b>103 383</b>	<b>99 030</b>	<b>99 030</b>

**(e) Maturity Analysis and Exposure to Interest Rates**

The following table sets out the Public Trustee's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2009 and 30 June 2010. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

21. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Maturity Analysis and Exposure to Interest Rates (continued)

2010	Floating Interest Rate	Non-Interest Bearing	Total
	\$	\$	\$
<b>Financial Instruments</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	3 424 560	0	3 424 560
Receivables		247 107	247 107
<b>Total Financial Assets</b>	<b>3 424 560</b>	<b>247 107</b>	<b>3 671 667</b>
Weighted Average Interest Rate	5.14%		
<b>Financial Liabilities</b>			
Payables	0	103 383	103 383
<b>Total Financial Liabilities</b>	<b>0</b>	<b>103 383</b>	<b>103 383</b>
<b>Net Financial Assets</b>	<b>3 424 560</b>	<b>143 724</b>	<b>3 568 284</b>
2009	Floating Interest Rate	Non-Interest Bearing	Total
	\$	\$	\$
<b>Financial Instruments</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	3 339 654		3 339 654
Receivables		180 476	180 476
<b>Total Financial Assets</b>	<b>3 339 654</b>	<b>180 476</b>	<b>3 520 130</b>
Weighted Average Interest Rate	5.76%		
<b>Financial Liabilities</b>			
Payables		99 030	99 030
<b>Total Financial Liabilities</b>		<b>99 030</b>	<b>99 030</b>
<b>Net Financial Assets</b>	<b>3 339 654</b>	<b>81 446</b>	<b>3 421 100</b>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**22. COMMITMENTS**

**Operating Leases**

Non-Cancellable Operating Lease Commitments are Payable as follows:

	2010 \$	2009 \$
Not later than one year	233 685	235 767
Later than one year but not later than five years	48 902	297 467
Later than five years but not later than ten years	0	0
<b>Total Operating Lease Commitments</b>	<b>282 587</b>	<b>533 234</b>

The ACT Government has an operating lease with the Molonglo Group for part of the ground floor of 221 London Circuit, Canberra. The term of the lease is for a period of 5 years with a 5-year option. This lease commenced in July 2006 and the 5 year lease finishes in July 2011(with an option to continue for a further 5 years). Currently a new lease is being renegotiated for a fixed period of 10 years commencing once current renovations to the building are complete.

**23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

*Estate Distribution*

As at 30 June 2010 the Public Trustee has a Contingent Liability of approximately \$200 000. This is in relation to a claim made by a beneficiary of an estate. The Public Trustee is insured by the ACT Insurance Authority and will be indemnified should this claim from the beneficiary be successful.

**24. RECONCILIATION OF CASH AND CASH EQUIVALENTS**

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

**CASH FLOW RECONCILIATION**

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

Total Cash and Cash Equivalents Recorded in the Balance Sheet	3 424 560	3 339 654
<b>Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement</b>	<b>3 424 560</b>	<b>3 339 654</b>

PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

24. RECONCILIATION OF CASH AND CASH EQUIVALENTS (CONTINUED)

CASH FLOW RECONCILIATION (Continued)

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

	2010 \$	2009 \$
Operating (Deficit)	(87 276)	(117 514)
<b>Add Non-Cash Items</b>		
Depreciation	123 337	123 060
(Increase) in Plant and Equipment	(52 100)	0
Increase in Other Liabilities – Provision for Make Good	52 100	0
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b>36 061</b>	<b>5 546</b>
<b>Changes in Operating Assets and Liabilities:</b>		
(Decrease)/Increase in Receivables	(66 631)	35 990
Decrease/(Increase) in Prepayments	15 976	(17 515)
Increase/(Decrease) in Payables	4 353	(27 493)
Increase in Employee Benefits	95 147	259 494
<b>Net Changes in Operating Assets and Liabilities</b>	<b>48 845</b>	<b>250 476</b>
<b>Net Cash Inflows from Operating Activities</b>	<b>84 906</b>	<b>256 022</b>



## ACT AUDITOR-GENERAL'S OFFICE



### INDEPENDENT AUDIT REPORT

#### PUBLIC TRUSTEE FOR THE ACT TRUST ACCOUNT

#### To the Members of the ACT Legislative Assembly

#### Report on the financial statements

I have audited the financial statements of the Public Trustee for the ACT Trust Account for the year ended 30 June 2010. The financial statements are comprised of the operating statements for the Common Fund Interest Account and the Guarantee and Reserve Account, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

#### Responsibility for the financial statements

The Public Trustee for the ACT is responsible for the preparation and fair presentation of the financial statements. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and estimates used in the preparation of the financial statements.

#### The auditor's responsibility

My responsibility is to express an independent audit opinion on the financial statements of the Public Trustee for the ACT Trust Account.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion by performing audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to evaluate the prudence of decisions made by the Public Trustee for the ACT.

**Electronic presentation of the audited financial statements**

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of the statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

**Independence**

I followed applicable independence requirements of Australian professional ethical pronouncements in conducting the audit.

**Audit opinion**

In my opinion, the financial statements of the Public Trustee for the ACT Trust Account for the year ended 30 June 2010:

- (i) are presented in accordance with the Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Public Trustee for the ACT Trust Account as at 30 June 2010 and the results of its operations and its cash flows for the year then ended.

This audit opinion should be read in conjunction with the above information.



Bernie Sheville  
Director, Financial Audits  
20 August 2010

**Public Trustee for the A.C.T.  
Trust Account  
Financial Report  
For the Year Ended 30 June 2010**

---

**Statement of Responsibility**

In my opinion, the financial report is in agreement with the Public Trustee's Trust accounts and records and fairly reflects the financial operations of the Public Trustee Trust Account for the year ended 30 June 2010 and the financial position of the Public Trustee Trust Accounts on that date.

  
Andrew Taylor  
Chief Executive  
Public Trustee ACT

29 July 2010



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
OPERATING STATEMENT - COMMON FUND INTEREST ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
<b>INCOME</b>		
Dividends Received	2 335 556	2 825 972
Interest Received	<u>2 199 864</u>	<u>2 737 639</u>
	<b>4 535 420</b>	<b>5 563 611</b>
<b>EXPENDITURE</b>		
Interest paid to Estates and Trusts	1 740 608	2 314 505
Distributions to Estates and Trusts	1 707 833	2 284 385
Management Fees	1 158 844	1 117 312
Custodian Fees	<u>22 175</u>	<u>25 269</u>
	<b>4 629 460</b>	<b>5 741 471</b>
<b>NET OPERATING (DEFICIT)</b>	<b>( 94 040)</b>	<b>(177 860)</b>
<b>Other Comprehensive Income</b>		
Increase/(Decrease) in Asset Revaluation Surplus	<u>0</u>	<u>0</u>
Total Other Comprehensive Income	<u>0</u>	<u>0</u>
<b>Total Comprehensive (Deficit)</b>	<b>(94 040)</b>	<b>(177 860)</b>

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



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
OPERATING STATEMENT - GUARANTEE AND RESERVE ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
<b>INCOME</b>		
Investment Income	97 394	121 032
	<u>97 394</u>	<u>121 032</u>
<b>EXPENDITURE</b>		
Management Fees	21 266	19 874
Income Commission	4 827	7 103
Consultancy Fee	0	9 240
Depreciation	12 350	12 350
	<u>38 443</u>	<u>48 567</u>
<b>NET OPERATING SURPLUS</b>	<u>58 951</u>	<u>72 465</u>
<b>Other Comprehensive Income</b>		
Increase/(Decrease) in Asset Revaluation Surplus	85 204	0
Total Other Comprehensive Income	<u>85 204</u>	<u>0</u>
<b>Total Comprehensive Income</b>	<u>144 155</u>	<u>72 465</u>

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

## PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

## BALANCE SHEET AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	51 757 410	46 655 450
Accrued Investment Income		547 203	313 650
Unrealised Assets	4	66 450 084	52 185 300
<b>TOTAL CURRENT ASSETS</b>		<b>118 754 697</b>	<b>99 154 400</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	5	305 000	232 146
Investments	3	48 687 377	41 133 671
<b>TOTAL NON-CURRENT ASSETS</b>		<b>48 992 377</b>	<b>41 365 817</b>
<b>TOTAL ASSETS</b>		<b>167 747 074</b>	<b>140 520 217</b>
<b>CURRENT LIABILITIES</b>			
Trust Liabilities	6	1 622 287	2 103 834
<b>TOTAL CURRENT LIABILITIES</b>		<b>1 622 287</b>	<b>2 103 834</b>
<b>NON-CURRENT LIABILITIES</b>			
Estates, Trusts etc under Administration	7	163 489 595	135 831 306
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>163 489 595</b>	<b>135 831 306</b>
<b>TOTAL LIABILITIES</b>		<b>165 111 882</b>	<b>137 935 140</b>
<b>NET ASSETS</b>		<b>2 635 192</b>	<b>2 585 077</b>
<b>EQUITY</b>			
Common Fund		211 221	305 261
Guarantee and Reserve Account		2 137 943	2 078 992
Asset Revaluation Surplus	10	286 028	200 824
<b>TOTAL EQUITY</b>		<b>2 635 192</b>	<b>2 585 077</b>

The above statement should be read in conjunction with the accompanying notes

## PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Accumulated Funds Actual 2010 \$'000	Asset Revaluation Surplus 2010 \$'000	Total Equity Actual 2010 \$'000
Balance at the Beginning of the Reporting Period	2 384 253	200 824	2 585 077
Comprehensive Income			
Operating Deficit – Interest Account	(94 040)	0	(94 040)
Operating Surplus – Guarantee and Reserve account	58 951	85 204	144 155
Total Comprehensive Income	(35 089)	85 204	50 115
Balance at the End of the Reporting Period	2 349 164	286 028	2 635 192

The above statement should be read in conjunction with the accompanying notes

## PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	Accumulated Funds Actual 2009 \$'000	Asset Revaluation Surplus 2009 \$'000	Total Equity Actual 2009 \$'000
Balance at the Beginning of the Reporting Period	2 489 648	200 824	2 690 472
Comprehensive Income			
Operating Deficit - Interest Account	(177 860)	0	(177 860)
Operating Surplus – Guarantee and Reserve Account	72 465	0	72 465
Total Comprehensive Income	(105 395)	0	(105 395)
Balance at the End of the Reporting Period	2 384 253	200 824	2 585 077

The above statement should be read in conjunction with the accompanying notes

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Income Received		4 399 282	6 117 842
<b>Total Receipts from Operating Activities</b>		<u>4 399 282</u>	<u>6 117 842</u>
<b>Payments</b>			
Interest Paid to Estates and Trusts		3 448 441	4 598 891
Other Payments		1 207 113	1 178 798
<b>Total Payments from Operating Activities</b>		<u>4 655 554</u>	<u>5 777 689</u>
<b>Net Cash (Outflows)/Inflows from Operating Activities</b>	9	<u>( 256 272)</u>	<u>340 153</u>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Proceeds from the Sale/Maturity of Investments		1 040 338	6 856 869
<b>Total Receipts from Investing Activities</b>		<u>1 040 338</u>	<u>6 856 869</u>
<b>Payments</b>			
Purchase of Investments		5 605 953	11 036 888
<b>Total Payments from Investing Activities</b>		<u>5 605 953</u>	<u>11 036 888</u>
<b>Net Cash (Outflows) from Investing Activities</b>		<u>( 4 565 615)</u>	<u>( 4 180 019)</u>

The above statement should be read in conjunction with the accompanying notes

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT**  
**CASH FLOW STATEMENT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>Cash Flows from Financing Activities</b>			
<b>Receipts</b>			
Receipts from Trusts and Estates		45 453 549	43 264 689
<b>Total Receipts from Financing Activities</b>		<u>45 453 549</u>	<u>43 264 689</u>
<b>Payments</b>			
Payments to Trusts and Estates		35 529 702	38 590 304
<b>Total Payments from Financing Activities</b>		<u>35 529 702</u>	<u>38 590 304</u>
<b>Net Cash Inflows from Financing Activities</b>		<u>9 923 847</u>	<u>4 674 385</u>
<b>Net Increase in Cash and Cash Equivalents held</b>		<u>5 101 960</u>	<u>834 519</u>
Cash and Cash Equivalents at Beginning of the Reporting Period		46 655 450	45 820 931
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	8	<u>51 757 410</u>	<u>46 655 450</u>

The above statement should be read in conjunction with the accompanying notes

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**1. ACTIVITIES OF THE PUBLIC TRUSTEE**

The functions of the Public Trustee are defined in the *Public Trustee Act 1985* and include the administration of deceased estates and trusts and the preparation of wills. The Public Trustee also acts as attorney and as Manager under order from Guardianship and Management of Property Tribunal. This financial Statement shows the value of trust, attorney and management funds under administration at the year-end.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted by the Public Trustee are stated to assist in the general understanding of these financial statements. These policies have been consistently applied except as otherwise stated.

**a) Basis of Accounting**

The financial statements have been prepared on an accrual basis and in accordance with Trust Industry Practice. The financial statements have been prepared under the historical cost convention method and do not reflect changing money values of non-current assets except where stated.

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

The Public Trustee Trust is an individual reporting entity. The principal accounting policies adopted by the Public Trustee as Trustee of the Trust are stated to assist in the general understanding of these financial statements. These policies have been consistently applied except as otherwise stated.

**b) Reporting Period**

These financial statements state the financial performance, changes in equity and cash flows of the Trust Account for the year ending 30 June 2010 together with the financial position of the Trust Account as at 30 June 2010.

**c) Rounding**

All amounts in the financial statements have been rounded to the nearest dollar. Use of "0" represents zero amounts or amounts rounded down to zero.

**d) Revenue Recognition**

Investment income is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Public Trustee and the revenue can be reliably measured.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Impairment of Assets**

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

**f) Unrealised assets**

Estates and Trusts under administration represent both realised and unrealised assets. Unrealised assets of Estates and Trusts under administration are included by the Public Trustee at the value the trust was received, in accordance with Public Trustee guidelines.

**g) Investments**

Common Funds managed by the Public Trustee have been established pursuant to Division 2 of the *Public Trustee Act 1985*. Investments in common funds (with the exception of direct investments in the Cash Common Fund) are by way of notional unit holding in the common funds. Contributors may invest in the cash common fund or alternatively invest in a selection of common funds in proportions determined by one or more of the standard investment strategies provided by the Public Trustee.

- |                  |            |
|------------------|------------|
| • Capital Secure | • Growth   |
| • Income Stable  | • Balanced |

Australian Equities, Fixed Interest, International Equities and Listed Property investments are valued at market value by the Public Trustee's external custodians using independently sourced prices and foreign exchange rates.

Investments in pooled investment funds are valued in accordance with unit prices at the balance date as advised by the managers of the funds.

The distribution received on the Australian Equities Wholesale Fund and the Listed Property Fund are net of management fees and charges. These fees are taken from the gross income earned prior to distribution.

**h) Property**

Buildings are valued at fair value in accordance with AASB 116 Property Plant and Equipment. The last revaluation of buildings was in July 2010. The valuation was performed by an independent valuer, Herron, Todd, White. The fair value of buildings is measured using current prices in a market for similar properties. Valuations are performed every year.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Depreciation**

Depreciation is provided on Property acquired by the Public Trustee at rates which will be sufficient to write the assets off over their estimated useful lives. Non-current assets with a limited useful life are depreciated over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued it is depreciated/amortised over the remaining useful life of that asset.

**j) Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies listed in this note, the Public Trustee has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

*(i) Fair Value of Buildings:* The Public Trustee has made a significant judgement regarding the fair value of its buildings. Buildings have been recorded at the market value of similar properties as determined by an independent valuer.

*(ii) Unrealised Assets:* The Public Trustee has made a significant judgement regarding Unrealised Assets. Properties are shown at historical cost while assets that are unit based are valued at the end of June based on current market values.

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

**k) Impact of Accounting Standards Issued but yet to be Applied**

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Fund does not intend to adopt these standards and interpretations early. It is estimated that the effect of adopting the below pronouncements, when applicable, will have no material financial impact on the Fund in future reporting periods:

- AASB 1 First-time Adoption of Australian Accounting Standards (application date 1 January 2010);
- AASB 5 Non-current Assets Held for Sale and Discontinued Operations (application date 1 January 2010);
- AASB 9 Financial Instruments (application date 1 January 2013);
- AASB 101 Presentation of Financial Statements (application date 1 January 2010);
- AASB 107 Statement of Cash Flows (application date 1 January 2010);
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (application date 1 January 2011);
- AASB 110 Events after the Reporting Period (application date 1 January 2011);

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Impact of Accounting Standards Issued but yet to be Applied (Continued)**

- AASB 117 Leases (application date 1 January 2010);
- AASB 118 revenue (application date 1 January 2010);
- AASB 119 Employee Benefits (application date 1 January 2011);
- AASB 132 Financial Instruments: Presentation (application date 1 January 2010);
- AASB 136 Impairment of Assets (application date 1 January 2010);
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (application date 1 January 2011);
- AASB 139 Financial Instruments: Recognition and Measurement (application date 1 January 2010);
- AASB 1031 Materiality (application date 1 January 2011);
- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (application date 1 January 2013);
- AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (application date 1 January 2010);
- AASB Interpretation 4 Determining whether an Arrangement contains a lease (application date 1 January 2011); and
- AASB Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (application date 1 January 2011).

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Section 55 of the *Public Trustee Act 1985* provides for the pooling of the credit balances of current accounts in a range of Common Funds for investment purposes.

**CASH COMMON FUND**

	2010 \$	2009 \$
Cash at Bank	14 793	19 318
Short-Term Money Market and Interest-Bearing Deposits and Securities	51 742 617	46 636 132
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>51 757 410</b>	<b>46 655 450</b>

The increase in Cash and Cash Equivalents is mainly attributable to the increase in funds received for the administration of deceased estates, trusts and personal management clients.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**INVESTMENTS**

	2010 \$	2009 \$
Australian Equities Common Fund	19 332 194	18 465 741
Australian Fixed Interest Common Fund	18 859 026	12 916 478
Australian Listed Property Common Fund	3 725 732	3 346 239
International Equities Common Fund	6 770 425	6 405 213
<b>TOTAL INVESTMENTS</b>	<b>48 687 377</b>	<b>41 133 671</b>

The increase in the balance of Common Fund investments is due to an increase of funds invested together with a revaluation of these investments.

**4. UNREALISED ASSETS**

Unrealised assets have been brought to account as follows.

Real Estate	37 919 765	29 274 035
Nursing Home/Retirement Village Bonds	9 403 211	7 862 472
Shares	11 757 736	8 191 682
Superannuation Policies	2 004 920	804 766
Investments	5 192 876	5 925 740
Personal Effects	171 576	126 605
	<b>66 450 084</b>	<b>52 185 300</b>

The overall increase in Unrealised Assets is attributable to a increase in the value of and number of clients owning real estate, choosing aged care facilities, owning shares and holding superannuation policies.

**5. PROPERTY**

Leasehold building	247 000	247 000
Plus: Revaluation	85 204	0
Less: Accumulated Depreciation	27 204	14 854
	<b>305 000</b>	<b>232 146</b>

An independent valuation of the Public Trustee warehouse at Mitchell was performed as at 30 June 2010. The valuation indicated the value of the warehouse exceeded its carrying amount. Consequently, the asset was revalued.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**6. TRUST LIABILITIES**

Trust liabilities have been brought to account as follows.

	2010	2009
	\$	\$
Mortgages	1 076 552	96 934
Funeral Expenses	39 060	12 804
Bank Loans and Credit Cards	5 280	30 903
Medical/Dental Costs	18 618	16 852
Property/Utility Costs	36 720	21 201
Sundry Debts	187 005	47 191
Funds Transferred from Cash Common Fund yet to be Invested	259 052	1 877 949
	<u>1 622 287</u>	<u>2 103 834</u>

The main decrease in Trust Liabilities is due to a decrease in funds held pending investment in Common Fund accounts at the end of the financial year. The increase in other liabilities is attributable to an increase in the number of clients and the value of their assets, and therefore increase in expenses.

**7. ESTATES AND TRUSTS UNDER ADMINISTRATION**

Estates and Trusts under administration have been brought to account as follows.

Deceased Estates	42 084 289	26 128 604
Power of Attorney	17 055 644	19 947 397
Court Trusts	42 405 824	38 469 803
Protected Estates	1 828 872	863 331
Estate Trusts	20 652 531	16 302 758
Proceeds of Crime	8 085	4 841
Cemetery Trusts	1 102 920	888 901
Management Orders	27 556 414	23 556 729
Unclaimed Monies	10 794 501	9 670 090
Other	515	(1 148)
	<u>163 489 595</u>	<u>135 831 306</u>

Due to an increase in the number of clients and the value of their portfolios, the value of client funds under Administration has increased accordingly.

The movement in the total value of accounts under administration represents the value of new client funds received less finalisations and distributions during the year 1 July 2009 to 30 June 2010.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**8. RECONCILIATION OF CASH**

For the purpose of the Cash Flow Statement cash includes cash on hand and in banks. Cash and Cash Equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows.

	2010 \$	2009 \$
Cash at Bank	14 793	19 318
Cash Equivalents	51 742 617	46 636 132
Total Cash and Cash Equivalents	<u>51 757 410</u>	<u>46 655 450</u>

**9. RECONCILIATION OF NET CASH (OUTFLOWS)/INFLOWS FROM OPERATING ACTIVITIES TO THE OPERATING (DEFICIT)/SURPLUS**

Operating Loss - Interest account	(94 040)	(177 860)
Operating Surplus - Guarantee and Reserve Account	58 951	72 465
(Increase)/Decrease in Accrued Income	(233 533)	433 198
Depreciation	<u>12 350</u>	<u>12 350</u>

Net Cash (Outflows)/Inflows from Operating Activities	<u>(256 272)</u>	<u>340 153</u>
-------------------------------------------------------	------------------	----------------

**10. ASSET REVALUATION SURPLUS**

Balance at the Beginning of the Reporting Period	<u>200 824</u>	<u>200 824</u>
	200 824	200 824
Increment in Property, Plant and Equipment	<u>85 204</u>	<u>0</u>
Total Increase in the Asset Revaluation Surplus	<u>85 204</u>	<u>0</u>
Balance at the End of the Reporting Period	<u>286 028</u>	<u>200 824</u>

**11. FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to movements in market interest rates.

The Public Trustee's financial assets consist of cash and cash equivalents. Current liabilities consist of unpaid client accounts that are owing at the end of the financial year as well as funds that have been transferred from the cash common fund and are awaiting investment.



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**11. FINANCIAL INSTRUMENTS (Continued)**

**(a) Interest Rate Risk (Continued)**

The Public Trustee's maximum exposure to interest rate risk relating to the financial assets is shown below in Note 11(g): 'Maturity Analysis and Exposure to Interest Rates'.

A significant proportion of the Public Trustee's financial assets consist of cash and cash equivalents. As these are held in floating interest arrangements, the Public Trustee is exposed to movements in the amount of interest it may earn on cash and cash equivalents.

The return on investments increased during the year ended 30 June 2010 this has resulted in an increase in the amount of interest received.

However, as the Public Trustee's operating cash flows are not significantly dependant on interest earned from cash and cash equivalents, so a sensitivity analysis of the interest rate risk has not been performed.

**(b) Credit Risk**

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

There has been a change in credit risk since last reporting period. Investments are now structured with the highest rating banks to ensure more security over funds invested. Credit risk is managed by the Public Trustee for investments by only investing surplus funds with various financial institutions, who have an "A" credit rating or greater. The "A" credit rating ensures that the Public Trustee is investing in those financial institutions which have a more secure rating than other financial institutions.

The Public Trustee's maximum exposure to credit risk relating to these financial assets and liabilities are shown below in Note 11(g): 'Maturity Analysis and Exposure to Interest Rates'.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Public Trustee will encounter difficulty in meeting obligations associated with financial liabilities. The Public Trustee ensures that funds are available to meet client needs by having investments structured to mature on a regular basis. By structuring investments this way the Public Trustee ensures that at any particular point in time it has a sufficient amount of current financial assets to meet its current financial liabilities.

The Public Trustee's exposure to liquidity risk and the management of this risk has not changed since last financial year.

The Public Trustee's maximum exposure to liquidity risk relating to these financial assets and liabilities is shown below in Note 11(g): 'Maturity Analysis and Exposure to Interest Rates'.

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**11. FINANCIAL INSTRUMENTS (Continued)**

**(d) Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

In complying with trust investment requirements of the *Trustee Act 1925*, the Public Trustee is exposed to market price fluctuations in the units of its trust investments portfolios, Australian Equities, Australian Fixed Interest, International Equities and Listed Property Trusts caused by movements in the underlying investments of the individual portfolios. External fund managers manage stock selection of the underlying investments diversifying investments in keeping with investment strategies. Investments are exchange traded securities and a variety of Government bonds, bank deposits and investment-grade corporate issues.

This price risk is managed by diversification of asset classes, diversification of the external funds managers and diversification of the underlying investments in each asset class in keeping with the criteria of section 14 of the *Trustee Act 1925*.

The Public Trustee's exposure to price risk and the management of this risk is monitored continuously under risk management strategies set and supervised under the advice of the Public Trustee Investment Board.

**Sensitivity Analysis**

Taking into account past performance, future expectations and economic forecasts, the impact on profit or loss and the impact on equity in the table below are "reasonably possible" over the next 12 months if unit values change by +/- 4.172%, which is one standard deviation from the 2009-10 average unit price.

	Carrying Amount	Profit/(Loss) \$	Equity \$	Profit/(Loss) \$	Equity \$
<b>Financial Assets</b>					
Investments	48 687 377	(2 031 237)	(2 031 237)	2 031 237	2 031 237

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**11. FINANCIAL INSTRUMENTS (Continued)**

**(e) Fair Value of Financial Assets and Liabilities**

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	Carrying Amount 2010 \$	Fair Value 2010 \$	Carrying Amount 2009 \$	Fair Value 2009 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	51 757 410	51 757 410	46 655 450	46 655 450
Investments	48 687 377	48 687 377	41 133 671	41 133 671
<b>Total Financial Assets</b>	<b>100 444 787</b>	<b>100 444 787</b>	<b>87 789 121</b>	<b>87 789 121</b>
<b>Financial Liabilities</b>				
Trust Liabilities	1 622 287	1 622 287	2 103 834	2 103 834
<b>Total Financial Liabilities</b>	<b>1 622 287</b>	<b>1 622 287</b>	<b>2 103 834</b>	<b>2 103 834</b>

**f) Fair Value Hierarchy**

The Public Trustee is required to classify financial assets and financial liabilities into a fair value hierarchy that reflects the significance of the inputs used to determine their fair value. The fair value hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Classification According to Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments with the Public Trustee Common fund				
Equities Common Fund	19 332 194	0	0	19 332 194
Fixed Interest Common Fund	18 859 026	0	0	18 859 026
International Equities Common Fund	6 770 425	0	0	6 770 425
Listed Property Common Fund	3 725 732	0	0	3 725 732
	48 687 377			48 687 377



**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**11. FINANCIAL INSTRUMENTS (Continued)**

**f) Fair Value Hierarchy (Continued)**

In accordance with the transitional provision of AASB 7 the Public Trustee has not provided comparative figures.

**Transfer between categories**

There have been no transfers of financial assets or financial liabilities between Level 1 and Level 2 during the reporting period.

**(g) Maturity Analysis and Exposure to Interest Rates**

The following table sets out the Public Trustee's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2010. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Floating Interest Rate	Non-Interest Bearing	Total
	\$	\$	\$
<b>Financial Instruments</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	51 757 410	0	51 757 410
Investments	48 687 377	0	48 687 377
<b>Total Financial Assets</b>	<b>100 444 787</b>	<b>0</b>	<b>100 444 787</b>
Weighted Average Interest Rate	3.40%		
<b>Financial Liabilities</b>			
Trust Liabilities	0	1 622 287	1 622 287
<b>Total Financial Liabilities</b>	<b>0</b>	<b>1 622 287</b>	<b>1 622 287</b>
<b>Net Financial Assets/(Liabilities)</b>	<b>100 444 787</b>	<b>1 622 287</b>	<b>98 822 500</b>

**PUBLIC TRUSTEE FOR THE AUSTRALIAN CAPITAL TERRITORY TRUST ACCOUNT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2010**

**11. FINANCIAL INSTRUMENTS (continued)**

**(g) Maturity Analysis and Exposure to Interest Rates (continued)**

The following table sets out the Public Trustee's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2009. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Floating Interest Rate	Non-Interest Bearing	Total
	\$	\$	\$
<b>Financial Instruments</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	46 655 450	0	46 655 450
Investments	41 133 671	0	41 133 671
<b>Total Financial Assets</b>	<b>87 789 121</b>	<b>0</b>	<b>87 789 121</b>
Weighted Average Interest Rate	5.70%		
<b>Financial Liabilities</b>			
Trust Liabilities	0	2 103 834	2 103 834
<b>Total Financial Liabilities</b>	<b>0</b>	<b>2 103 834</b>	<b>2 103 834</b>
<b>Net Financial Assets/(Liabilities)</b>	<b>87 789 121</b>	<b>2 103 834</b>	<b>85 685 287</b>



## ACT AUDITOR-GENERAL'S OFFICE



### INDEPENDENT AUDIT REPORT

#### Capital Region Community Foundation Gift Fund

#### To the Public Trustee

#### Report on the financial statements

I have audited the financial statements of the Capital Region Community Foundation Gift Fund for the year ended 30 June 2010. The financial statements are comprised of the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

#### Responsibility for the financial statements

The Public Trustee for the ACT is responsible for the preparation and fair presentation of the financial statements. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and estimates used in the preparation of the financial statements.

#### The auditor's responsibility

My responsibility is to express an independent audit opinion on the financial statements of the Capital Region Community Foundation Gift Fund.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion by performing audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to evaluate the prudence of decisions made by the Public Trustee for the ACT.

**Electronic presentation of the audited financial statements**

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of the statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

**Independence**

I followed applicable independence requirements of Australian professional ethical pronouncements in conducting the audit.

**Audit opinion**

In my opinion, the financial statements of the Capital Region Community Foundation Gift Fund for the year ended 30 June 2010:

- (i) are presented in accordance with the Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Capital Region Community Foundation Gift Fund as at 30 June 2010 and the results of its operations and its cash flows for the year then ended.

This audit opinion should be read in conjunction with the above information.



Bernie Sheville  
Director, Financial Audits  
20 August 2010

**Capital Region Community Foundation  
Gift Fund  
Financial Statements  
For the Year Ended 30 June 2010**

---

**Statement of Responsibility**

In my opinion, the financial statements are in agreement with the Capital Region Community Foundation Gift Fund accounts and records and fairly reflect the financial operations of the Gift Fund for the year ended 30 June 2010 and the financial position of the Gift Fund on that date.



Andrew Taylor  
Chief Executive  
Public Trustee ACT

04 August 2010

## CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

## OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>INCOME</b>			
Interest	4	19 919	18 180
Gifts	5	555 718	867 679
Dividends	5	251 997	273 039
Rent	5	13 058	9 194
Fundraising	5	46 638	-
Gain on Investment Property	6	-	80 000
Gain on Investments	6	562 106	-
<b>Total Income</b>		<b>1 449 436</b>	<b>1 248 092</b>
<b>EXPENSES</b>			
Funds Transferred to Beneficiaries	7	323 485	280 312
Administration	7	9 863	17 068
Investment Property Expenses	7	4 753	1 272
Other	7	16 485	4 079
Fundraising	7	23 133	-
Bank Fees	7	117	-
Loss on Investments	7	-	690 524
<b>Total Expenses</b>		<b>377 836</b>	<b>993 255</b>
<b>Operating (Deficit)/Surplus</b>		<b>1 071 600</b>	<b>254 837</b>
<b>Other Comprehensive Income</b>			
<b>Total Comprehensive Income</b>		<b>1 071 600</b>	<b>254 837</b>

The above statement should be read in conjunction with the accompanying notes.

## CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

## BALANCE SHEET

AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	9	456 269	471 922
Prepayments	9	250	-
<b>TOTAL CURRENT ASSETS</b>		<b>456 519</b>	<b>471 922</b>
<b>NON-CURRENT ASSETS</b>			
Investments	10	5 308 957	4 208 322
Investment Property	11	250 000	250 000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5 558 957</b>	<b>4 458 322</b>
<b>TOTAL ASSETS</b>		<b>6 015 476</b>	<b>4 930 244</b>
<b>CURRENT LIABILITIES</b>			
Accrued Expenses	12	2 602	2 420
Revenue Received in Advance	13	13 450	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>16 052</b>	<b>2 420</b>
<b>TOTAL LIABILITIES</b>		<b>16 052</b>	<b>2 420</b>
<b>NET ASSETS</b>		<b>5 999 424</b>	<b>4 927 824</b>
<b>EQUITY</b>			
Accumulated Funds		5 999 424	4 927 824
<b>Total Equity</b>		<b>5 999 424</b>	<b>4 927 824</b>

The above statement should be read in conjunction with the accompanying notes.

## CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

## STATEMENT OF CHANGES IN EQUITY

	Accumulated Funds Actual	Total Equity Actual
FOR THE YEAR ENDED 30 JUNE 2010	\$	\$
Balance at the Beginning of the Reporting Period	<u>4 927 824</u>	<u>4 927 824</u>
Comprehensive Income		
Operating Surplus	<u>1 071 600</u>	<u>1 071 600</u>
Total Comprehensive Income	<u>1 071 600</u>	<u>1 071 600</u>
Balance at the End of the Reporting Period	<u>5 999 424</u>	<u>5 999 424</u>

	Accumulated Funds Actual	Total Equity Actual
FOR THE YEAR ENDED 30 JUNE 2009	\$	\$
Balance at the Beginning of the Reporting Period	<u>4 672 987</u>	<u>4 672 987</u>
Comprehensive Income		
Operating Surplus	<u>254 837</u>	<u>254 837</u>
Total Comprehensive Income	<u>254 837</u>	<u>254 837</u>
Balance at the End of the Reporting Period	<u>4 927 824</u>	<u>4 927 824</u>

The above statement should be read in conjunction with the accompanying notes.



## CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Gifts		555 718	867 679
Interest		19 919	18 180
Dividends		251 997	273 039
Rent		13 058	9 194
Fundraising		60 088	-
<b>Total Receipts from Operating Activities</b>		<b>900 780</b>	<b>1 168 092</b>
<b>PAYMENTS</b>			
Administration		9 863	17 068
Rental		4 753	1 272
Other		16 303	3 969
Fundraising		23 383	-
Funds Transferred to Beneficiaries		323 485	280 312
Bank Fees		117	-
<b>Total Payments from Operating Activities</b>		<b>377 904</b>	<b>302 621</b>
<b>Net Cash Inflows from Operating Activities</b>	15	<b>522 876</b>	<b>865 471</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>PAYMENTS</b>			
Purchase of Investments		538 529	631 093
<b>Net Cash Outflows from Investing Activities</b>		<b>538 529</b>	<b>631 093</b>
<b>Net (Decrease)/Increase in Cash Held</b>		<b>(15 653)</b>	<b>234 378</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		471 922	237 544
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	9	<b>456 269</b>	<b>471 922</b>

The above statement should be read in conjunction with the accompanying notes.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**1. ACTIVITIES OF THE PUBLIC TRUSTEE AS TRUSTEE FOR THE CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND (THE FUND)**

The Fund is a public fund established under the Declaration of Trust dated 14 March 2003 to receive settlements and contributions of money and property from persons and their legal representatives and to distribute income to eligible recipients endorsed under sub-division 30-B of the *Income Tax Assessment Act 1997*.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for certain assets which were valued in accordance with the valuation policies applicable to the Fund during the reporting period.

These financial statements are presented in Australian dollars, which is the Fund's functional currency.

The Capital Region Community Foundation Gift Fund is an individual reporting entity. The principal accounting policies adopted by the Fund as Trustee of the Fund are stated to assist in the general understanding of these financial statements. These policies have been consistently applied except as otherwise stated.

**(b) The Reporting Period**

These financial statements state the financial performance, changes in equity and cash flows of the Fund for the year ending 30 June 2010 together with the financial position of the Fund as at 30 June 2010.

**(c) Comparative Figures**

*Prior Year Comparatives*

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

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

**(d) Rounding**

All amounts in the financial statements have been rounded to the nearest dollar. Use of "-" represents zero amounts or amounts rounded down to zero.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

(e) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. In addition, the following specific recognition criteria must also be met before revenue is recognised:

*Gifts*

Gifts were received from the community and businesses to assist eligible recipients. Gifts received are brought to account as revenue on receipt of these funds.

*Interest*

Interest is brought to account as revenue when it has been earned.

*Dividends*

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

*Rental revenue*

Revenue from the rental of investment properties is recognised by the Fund on a straight-line basis over the term of the lease.

*Fundraising*

Fundraising revenue was received from the community and business. Fundraising received is brought to account on receipt of these funds.

(f) Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Fund does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**(g) Cash and cash Equivalents**

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents include short-term investments managed by the Public Trustee Office. Bank overdrafts are included in cash and cash equivalents in the cash flow statement but not in the cash and cash equivalents line on the Balance Sheet.

**(h) Investments**

Current Investments (Common Fund – Growth Funds) have been brought to account at market value and investment income is recognised in the Operating Statement on a cash basis.

Common Funds managed by the Public Trustee have been established pursuant to Division 2 of the *Public Trustee Act 1985*. Investments in common funds (with the exception of direct investments in the Cash Common Fund) are by way of notional unit holding in the common funds. Contributors may invest in the cash common fund or alternatively investment in a selection of common funds in proportions determined by one or more of the standard investment strategies provided by the Public Trustee.

- |                  |            |
|------------------|------------|
| • Capital Secure | • Growth   |
| • Income Stable  | • Balanced |

Australian Equities, Fixed Interest and Listed Property investments are valued at market value by the Public Trustee's external custodians using independently sourced prices and foreign exchange rates.

Investments in pooled investment funds are valued in accordance with unit prices at the balance date as advised by the managers of the funds. Long-term investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date. The price of units in the unit trust fluctuates in value. The net gain or loss on investments consists of the fluctuation in price of the unit trust between the end of last reporting period and the end of this reporting period as well as any profit on the sale of units in the unit trust (the profit being the difference between the price at the end of last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The distribution received on the Australian Equities Wholesale Fund and the Listed Property Fund is net of management fees and charges. These fees are taken from the gross income earned prior to distribution.

**(i) Investment Properties**

Investment properties are measured at fair value. Fair value is the amount the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Changes in fair value are recorded in the Operating Statement. Investment properties are not depreciated.



**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**(j) Payables**

Accrued Expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

Other Payables are those unpaid invoices that do not directly relate to the normal operations of the Agency.

**(k) Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies listed in this note, the Fund has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements:

- (a) Fair Value of Investment Property: The Fund has made a significant judgement regarding the fair value of its assets. The Investment Property has been recorded at the market value of similar properties as determined by an independent valuer. This valuation uses significant judgement and estimates to determine the fair value, including the appropriate indexation figure and quantum of assets held.

**(l) Impact of Accounting Standards Issued but yet to be Applied**

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Fund does not intend to adopt these standards and interpretations early. It is estimated that the effect of adopting the below pronouncements, when applicable, will have no material financial impact on the Fund in future reporting periods:

- AASB 1 First-time Adoption of Australian Accounting Standards (application date 1 January 2010);
- AASB 5 Non-current Assets Held for Sale and Discontinued Operations (application date 1 January 2010);
- AASB 9 Financial Instruments (application date 1 January 2013);
- AASB 101 Presentation of Financial Statements (application date 1 January 2010);
- AASB 107 Statement of Cash Flows (application date 1 January 2010);
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (application date 1 January 2011);
- AASB 110 Events after the Reporting Period (application date 1 January 2011);
- AASB 117 Leases (application date 1 January 2010);
- AASB 118 revenue (application date 1 January 2010);
- AASB 119 Employee Benefits (application date 1 January 2011);
- AASB 132 Financial Instruments: Presentation (application date 1 January 2010);
- AASB 136 Impairment of Assets (application date 1 January 2010);
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (application date 1 January 2011);

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

- AASB 139 Financial Instruments: Recognition and Measurement (application date 1 January 2010);
- AASB 1031 Materiality (application date 1 January 2011);
- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023& 1038 and Interpretations 10 & 12] (application date 1 January 2013);
- AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (application date 1 January 2010);
- AASB Interpretation 4 Determining whether an Arrangement contains a lease (application date 1 January 2011); and
- AASB Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (application date 1 January 2011).

**3. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES, AND CORRECTION OF A PRIOR PERIOD ERROR**

**(a) Change in Accounting Policy**

The Fund had no changes in Accounting Policy during the reporting period.

**(b) Correction of Prior Period Errors**

The Fund had no correction of prior period errors during the reporting period.

**4. INTEREST**

	2010 \$	2009 \$
<b>Revenue from ACT Government Entities</b>		
Interest Revenue from Public Trustee ACT Common Fund	19 856	18 180
<b>Total Interest Revenue from ACT Government Entities</b>	<u>19 856</u>	<u>18 180</u>
<b>Other Revenue from Non-ACT Government Entities</b>		
Other Interest	63	-
<b>Total Revenue from non-ACT Government Entities</b>	<u>63</u>	<u>-</u>
<b>Total Interest</b>	<u>19 919</u>	<u>18 180</u>

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

4. INTEREST - (continued)

Interest income fluctuates with changes in market interest rates. Overall, Cash and Cash Equivalents increased during the year providing an increased base for interest returns. Interest rates still remaining lower than previous years and the return on investments reflect this.

5. INCOME

	2010 \$	2009 \$
<b>Income from ACT Government Entities</b>		
Dividends	251 997	273 039
<b>Total Income from ACT Government Entities</b>	<u>251 997</u>	<u>273 039</u>
<b>Income from Non-ACT Government Entities</b>		
Gifts	555 718	867 679
Rental Revenue from Investment Properties	13 058	9 194
Fundraising	46 638	-
<b>Total Income from Non-ACT Government Entities</b>	<u>615 414</u>	<u>876 873</u>

Dividends have decreased this year due to the sale of the share portfolio and the market still remaining lower than previous years and the return on investments reflect this.

Gifts and Settlements have decreased this year due to the decrease in new estate settlements transferred from Public Trustee estate distributions.

Fundraising has commenced due to marketing strategies being adopted by new foundation clients.

6. GAINS ON INVESTMENTS

Unrealised Gains on Investments	153 624	-
Realised Gains on Investments	408 482	-
Gain on Investment Property	-	80 000
<b>Total Gains on Investments</b>	<u>562 106</u>	<u>80 000</u>

Due to an improvement in the investment market, there was a gain on invested funds. As a result of advice received shares held by the Foundation were sold. As a result of the sale a gain was made.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**7. EXPENSES**

	2010 \$	2009 \$
Funds Transferred to Beneficiaries	323 485	280 312
Administration Expenses	9 863	17 068
Investment Property Expenses	4 753	1 272
Other	16 485	4 079
Fundraising Expenses	23 133	-
Bank Fees	117	-
Loss on Investments	-	690 524
<b>Total Expenses</b>	<b>377 836</b>	<b>993 255</b>

The Foundation Board has recommended the Trustee make further distributions from income received during the year.

Administration costs mainly relate to fees and charges and are commission based. As a result of an application to the Australian Taxation Office a refund of input tax credits (RITC) were received. These RITC's were applied against Administration Expenses.

Other expenses have increased as a result of costs associated with the establishment of new foundation clients.

Fundraising has commenced due to marketing strategies being adopted by new foundation clients.

**8. AUDITOR'S REMUNERATION**

**Audit Services**

Audit Fees paid to the ACT Auditor-General's Office	2 602	2 420
<b>Total Audit Fees</b>	<b>2 602</b>	<b>2 420</b>

No other services were provided by the ACT Auditor-General's Office.



**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**9. CASH AND CASH EQUIVALENTS**

Excess credit balances, as at 30 June 2010, were pooled with credit balances in the Public Trustee Cash Common Fund for investment purposes.

	2010 \$	2009 \$
Cash at Bank	6 269	11 922
Short Term Money Market and Interest - Bearing Deposits and Securities Cash	450 000	460 000
<b>Total Cash and Cash Equivalents</b>	<b>456 269</b>	<b>471 922</b>

**10. INVESTMENTS**

**Non-Current Investments**

Public Trustee Common Funds	5 308 957	3 261 400
Share Portfolio	-	946 921
<b>Total Non-Current Investments</b>	<b>5 308 957</b>	<b>4 208 321</b>

The increase in the balance of Common Fund investments is due to an increase of funds invested together with a revaluation of these investments.

As a result of advice received from RBS Morgan, shares held by the Foundation were sold. As a result of the sale, a gain was made.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**11. INVESTMENT PROPERTY**

The investment properties are held primarily for rental income. There are no restrictions on investment properties held of any restrictions on the income generated.

There are no contractual obligations to construct, purchase or develop investment properties. Further there is no contractual obligation for the repair, maintenance or enhancement of the investment properties.

The last revaluation of the property was performed during the financial year ending 30 June 2010. The valuation was performed by a member of Hodgkinson Real Estate. The valuation indicated the value of the investment property exceeded its carrying amount. Consequently the asset was revalued.

	2010 \$	2009 \$
Land and Buildings at Fair Value	250 000	250 000
<b>Total Investment Property</b>	<b>250 000</b>	<b>250 000</b>
<b>Income and Expenses from Investment Property</b>		
Rental Income	13 058	9 194
Less: Direct operating expenses of the Investment Property that Generated Investment Income	(4 753)	(1 272)
<b>Total Income and Expenses from Investment Property</b>	<b>8 305</b>	<b>7 922</b>

**12. PAYABLES**

**Current Payables**

Accrued Expenses	2 602	2 420
<b>Total Current Payables</b>	<b>2 602</b>	<b>2 420</b>

**13. REVENUE RECEIVED IN ADVANCE**

Fundraising	13 450	-
<b>Total Revenue Received in Advance</b>	<b>13 450</b>	<b>-</b>

During 2009-10 a new Foundation client was introduced. A function was arranged for July 2010 and fundraising income was received prior to 30 June 2010.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**14. FINANCIAL INSTRUMENTS**

Details of the Significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 Summary of Significant Accounting Policies, to the financial statements.

**(a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A significantly greater portion of financial assets are held in floating interest rates arrangements, compared to financial liabilities that are subject to floating interest rates. This means that the Fund is not significantly exposed to movements in interest payable, however, it is exposed to movements in interest receivable. Interest rates improved during the year ended 30 June 2010, however, interest rates on average still remain lower than previous years.

Interest rate risk for financial assets is managed by the Fund by only investing in floating interest rate investments that are low risk. Interest rate risk for financial liabilities is not actively managed by the Fund as there are no financial liabilities which are exposed to a floating interest rate. There have been no changes in risk exposure of processes for managing risk since last financial reporting period.

*Sensitivity Analysis*

A sensitivity analysis has not been undertaken for the interest rate risk of the Fund as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.

**(b) Credit Risk**

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

Credit risk is managed by the Fund for investments by only investing surplus funds with various financial institutions, who have an A credit rating or greater. There is no other collateral held as security for financial assets.

There have been no changes in credit risk exposure since last reporting period.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

14. FINANCIAL INSTRUMENTS - (continued)

**(c) Liquidity Risk**

Liquidity risk is the risk that the Fund will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Fund ensures that it has a sufficient amount of current financial assets to meet its current financial liabilities.

The Fund's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

**(d) Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. In complying with trust investment requirements of the *Trustee Act 1925*, the Fund is exposed to market price fluctuations in the units of its trust investments portfolios, Australian Equities, Australian Fixed Interest, International Equities and Listed Property Trusts caused by movements in the underlying investments of the individual portfolios. External fund managers manage stock selection of the underlying investments diversifying investments in keeping with investment strategies. Investments are held as exchange traded securities and a variety of Government bonds, bank deposits and investment-grade corporate issues. To limit price risk, all bonds that make up the underlying investments of the investment portfolio must have a long term credit rating of BBB- or greater. Anything rated BBB- or greater is considered 'investment grade'.

This price risk is managed by diversification of asset classes, diversification of the external funds managers and diversification of the underlying investments in each asset class in keeping with the criteria of section 14 of the *Trustee Act 1925*.

The Capital Region Community Foundation Gift Fund's exposure to price risk and the management of this risk is monitored continuously under risk management strategies set and supervised under the advice of the Capital Region Community Foundation Gift Fund Investment Board.

**Sensitivity Analysis**

Taking into account past performance, future expectations and economic forecasts, the impact on profit or loss and the impact on equity in the table below are "reasonably possible" over the next 12 months if unit values change by +/- 5.68%, which is one standard deviation from the 2009-10 average unit price.

	Carrying Amount	Profit/(Loss) \$	Equity \$	Profit/(Loss) \$	Equity \$
<b>Financial Assets</b>					
Investments	5 308 957	(301 549)	(301 549)	301 549	301 549

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

14. FINANCIAL INSTRUMENTS - (continued)

**(e) Fair Value of Financial Assets and Liabilities**

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	Carrying Amount 2010 \$	Fair Value 2010 \$	Carrying Amount 2009 \$	Fair Value 2009 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	456 269	456 269	471 922	471 922
Investments	5 308 957	5 308 957	4 208 321	4 208 321
<b>Total Financial Assets</b>	<b>5 765 226</b>	<b>5 765 226</b>	<b>4 680 243</b>	<b>4 680 243</b>
<b>Financial Liabilities</b>				
Payables	2 602	2 602	2 420	2 420
<b>Total Financial Liabilities</b>	<b>2 602</b>	<b>2 602</b>	<b>2 420</b>	<b>2 420</b>

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**14. FINANCIAL INSTRUMENTS - (continued)**

**(f) Maturity Analysis and Exposure to Interest Rates**

The following table sets out the Fund's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2010. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Floating Interest Rate	Non-Interest Bearing	Total
	\$	\$	\$
<b>Financial Instruments</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	456 269	-	456 269
Investments		5 308 957	5 308 957
<b>Total Financial Assets</b>	<b>456 269</b>	<b>5 308 957</b>	<b>5 765 226</b>
Weighted Average Interest Rate	4.04%		
<b>Financial Liabilities</b>			
Accounts Payable	-	2 602	2 602
<b>Total Financial Liabilities</b>	<b>0</b>	<b>2 602</b>	<b>2 602</b>
<b>Net Financial Assets/(Liabilities)</b>	<b>456 269</b>	<b>5 306 355</b>	<b>5 762 624</b>



**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

14. FINANCIAL INSTRUMENTS - (continued)

(f) Maturity Analysis and Exposure to Interest Rates - (continued)

The following table sets out the Fund's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2009. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Floating Interest Rate	Non-Interest Bearing	Total
	\$	\$	\$
<b>Financial Instruments</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	471 922	-	471 922
Investments		4 208 321	4 208 321
<b>Total Financial Assets</b>	<b>471 922</b>	<b>4 208 321</b>	<b>4 680 243</b>
Weighted Average Interest Rate	5.7%		
<b>Financial Liabilities</b>			
Accounts Payable	-	2 420	2 420
<b>Total Financial Assets</b>	<b>0</b>	<b>2 420</b>	<b>2 420</b>
<b>Net Financial Assets/(Liabilities)</b>	<b>471 922</b>	<b>4 205 901</b>	<b>4 677 823</b>



**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**14. FINANCIAL INSTRUMENTS - (continued)**

**(g) Fair Value Hierarchy**

The Public Trustee is required to classify financial assets and financial liabilities into a fair value hierarchy that reflects the significance of the inputs used to determine their fair value. The fair value hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2010

	Classification According to Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments with the Public Trustee Common fund				
Greater Good Growth Gift Fund	5 308 957	-	-	5 308 957

In accordance with the transitional provision of AASB 7 the Public Trustee has not provided comparative figures.

**Transfer between categories**

There have been no transfers of financial assets or financial liabilities between Level 1 and Level 2 during the reporting period.

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**15. RECONCILIATION OF NET CASH INFLOWS FROM OPERATING ACTIVITIES TO THE OPERATING SURPLUS**

For the purpose of the Cash Flow Statement cash includes cash on hand and in banks.  
Cash and Cash Equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the equivalent items in the balance sheet as follows:

	2010 \$	2009 \$
Operating Surplus	1 071 600	174 837
Add/(Less) Items Classified as Investing or Financing		
Loss/(Gains) on Investments	(562 106)	690 524
(Add)/Less Non-Cash Items		
Accrued Expenses	182	110
Revenue Received in Advance	13 450	-
Prepayments	(250)	-
<b>Net Cash Inflows from Operating Activities</b>	<b>522 876</b>	<b>865 471</b>

**CAPITAL REGION COMMUNITY FOUNDATION GIFT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**16. RELATED PARTY DISCLOSURES**

Paragraph 6 of the Capital Region Community Foundation Gift Fund Declaration of Trust provides that for the purpose of recommending the allocation of income and capital of the fund the Trustee will act upon advice from Capital Region Community Foundation Gift Fund Board.

(a) The members of the Board during the year were:

Hon Margaret Reid AO  
Diane Kargas AM  
Catherine Andrews  
Councillor Paul Braybrooks OAM  
Bea Brickhill  
Michael Byrne  
Jennie Cameron  
Diana Forrester  
Richard Gibson  
Doug Gillespie  
Chic Henry  
Larry King  
Sarah Palic  
Chris Peters AM  
Grant Alleyn

**16. RELATED PARTY DISCLOSURES (continued)**

- (b) No members of the Board received remuneration for services provided to the Fund during the year.
- (c) There were no related party transactions between the Capital Region Community Foundation Gift Fund and the members of the Board, or parties related to members of the Board.



## ACT AUDITOR-GENERAL'S OFFICE



### INDEPENDENT AUDIT REPORT

#### Capital Region Community Foundation Open Fund

#### To the Public Trustee

#### Report on the financial statements

I have audited the financial statements of the Capital Region Community Foundation Open Fund for the year ended 30 June 2010. The financial statements are comprised of the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

#### Responsibility for the financial statements

The Public Trustee for the ACT is responsible for the preparation and fair presentation of the financial statements. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and estimates used in the preparation of the financial statements.

#### The auditor's responsibility

My responsibility is to express an independent audit opinion on the financial statements of the Capital Region Community Foundation Open Fund.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion by performing audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to evaluate the prudence of decisions made by the Public Trustee for the ACT.

**Electronic presentation of the audited financial statements**

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of the statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

**Independence**

I followed applicable independence requirements of Australian professional ethical pronouncements in conducting the audit.

**Audit opinion**

In my opinion, the financial statements of the Capital Region Community Foundation Open Fund for the year ended 30 June 2010:

- (i) are presented in accordance with the Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Capital Region Community Foundation Open Fund as at 30 June 2010 and the results of its operations and its cash flows for the year then ended.

This audit opinion should be read in conjunction with the above information.



Bernie Sheville  
Director, Financial Audits  
20 August 2010

**Capital Region Community Foundation  
Open Fund  
Financial Statements  
For the Year Ended 30 June 2010**

---

**Statement of Responsibility**

In my opinion, the Financial Statements are in agreement with the Capital Region Community Foundation Open Fund accounts and records and fairly reflect the financial operations of the Open Fund for the year ended 30 June 2010 and the financial position of the Open Fund on that date.



Andrew Taylor  
Chief Executive  
Public Trustee ACT

04 August 2010

## CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND

## OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>INCOME</b>			
Interest	4	524	1223
Gifts	5	11 665	12 260
Dividends	5	11 641	16 807
Fundraising	5	9 000	-
Gain on Investments	6	19 129	-
<b>Total Income</b>		<b>51 959</b>	<b>30 290</b>
<b>EXPENSES</b>			
Donations	7	12 500	19 300
Administration	7	669	992
Other	7	9 041	14 742
Loss on Investments	7	-	58 934
<b>Total Expenses</b>		<b>22 210</b>	<b>93 968</b>
<b>Operating Surplus/(Deficit)</b>		<b>29 749</b>	<b>(63 678)</b>
<b>Other Comprehensive Income</b>			
<b>Total Comprehensive Income/(Deficit)</b>		<b>29 749</b>	<b>(63 678)</b>

The above statement should be read in conjunction with the accompanying notes.



## CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND

## BALANCE SHEET

AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	9	11 109	14 044
<b>TOTAL CURRENT ASSETS</b>		<u>11 109</u>	<u>14 044</u>
<b>NON-CURRENT ASSETS</b>			
Investments	10	280 467	247 601
<b>TOTAL NON-CURRENT ASSETS</b>		<u>280 467</u>	<u>247 601</u>
<b>TOTAL ASSETS</b>		<u>291 576</u>	<u>261 645</u>
<b>CURRENT LIABILITIES</b>			
Accrued Expenses	11	2 602	2 420
<b>TOTAL CURRENT LIABILITIES</b>		<u>2 602</u>	<u>2 420</u>
<b>TOTAL LIABILITIES</b>		<u>2 602</u>	<u>2 420</u>
<b>NET ASSETS</b>		<u>288 974</u>	<u>259 225</u>
<b>EQUITY</b>			
Accumulated Funds		288 974	259 225
<b>Total Equity</b>		<u>288 974</u>	<u>259 225</u>

The above statement should be read in conjunction with the accompanying notes.

## CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND

## STATEMENT OF CHANGES IN EQUITY

	Accumulated Funds Actual	Total Equity Actual
FOR THE YEAR ENDED 30 JUNE 2010	\$	\$
Balance at the Beginning of the Reporting Period	259 225	259 225
Comprehensive Income		
Operating Surplus	29 749	29 749
Total Comprehensive Income	288 974	288 974
Balance at the End of the Reporting Period	288 974	288 974

	Accumulated Funds Actual	Total Equity Actual
FOR THE YEAR ENDED 30 JUNE 2009	\$	\$
Balance at the Beginning of the Reporting Period	322 903	322 903
Comprehensive Income		
Operating (Deficit)	(63 678)	(63 678)
Total Comprehensive (Deficit)	(63 678)	(63 678)
Balance at the End of the Reporting Period	259 225	259 225

The above statement should be read in conjunction with the accompanying notes.

## CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Gifts/Settlements		11 665	12 260
Interest		524	1 223
Dividends		11 641	16 807
Fundraising		9 000	-
<b>Total Receipts from Operating Activities</b>		<b>32 830</b>	<b>30 290</b>
<b>PAYMENTS</b>			
Donations		12 500	19 300
Administration		669	992
Other		8 859	14 632
<b>Total Payments from Operating Activities</b>		<b>22 028</b>	<b>34 924</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	13	<b>10 802</b>	<b>(4 634)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>PAYMENTS</b>			
Purchase of Investments		(13 737)	(11 500)
<b>Net Cash Outflows from Investing Activities</b>		<b>(13 737)</b>	<b>(11 500)</b>
<b>Net (Decrease) in Cash Held</b>		<b>(2 935)</b>	<b>(16 134)</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		14 044	30 178
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	9	<b>11 109</b>	<b>14 044</b>

The above statement should be read in conjunction with the accompanying notes.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**1. ACTIVITIES OF THE PUBLIC TRUSTEE AS TRUSTEE FOR THE CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND (THE FUND)**

The Fund is a public fund established under the Declaration of Trust dated 14 March 2003 to receive settlements and contributions of money and property from persons and their legal representatives and to distribute income to designated charities endorsed under sub-division 50-B of the *Income Tax Assessment Act 1997*.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for certain assets which were valued in accordance with the valuation policies applicable to the Fund during the reporting period.

These financial statements are presented in Australian dollars, which is the Fund's functional currency.

The Capital Region Community Foundation Open Fund is an individual reporting entity. The principal accounting policies adopted by the Fund as Trustee of the Fund are stated to assist in the general understanding of these financial statements. These policies have been consistently applied except as otherwise stated.

**(b) The Reporting Period**

These financial statements state the financial performance, changes in equity and cash flows of the Fund for the year ending 30 June 2010 together with the financial position of the Fund as at 30 June 2010.

**(c) Comparative Figures**

*Prior Year Comparatives*

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

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

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

(d) Rounding

All amounts in the financial statements have been rounded to the nearest dollar. Use of "-" represents zero amounts or amounts rounded down to zero.

(e) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. In addition, the following specific recognition criteria must also be met before revenue is recognised:

*Gifts*

Gifts were received from the community and businesses to assist eligible recipients. Gifts received are brought to account as revenue on receipt of these funds.

*Interest*

Interest is brought to account as revenue when it has been earned.

*Dividends*

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

*Fundraising*

Fundraising revenue was received from the community and business. Fundraising received is brought to account on receipt of these funds.

(f) Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Fund does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**(g) Cash and cash Equivalents**

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents include short-term investments managed by the Public Trustee Office. Bank overdrafts are included in cash and cash equivalents in the cash flow statement but not in the cash and cash equivalents line on the Balance Sheet.

**(h) Investments**

Current Investments (Common Fund – Growth Funds) have been brought to account at market value and investment income is recognised in the Operating Statement on a cash basis.

Common Funds managed by the Public Trustee have been established pursuant to Division 2 of the *Public Trustee Act 1985*. Investments in common funds (with the exception of direct investments in the Cash Common Fund) are by way of notional unit holding in the common funds. Contributors may invest in the cash common fund or alternatively investment in a selection of common funds in proportions determined by one or more of the standard investment strategies provided by the Public Trustee.

- |                  |            |
|------------------|------------|
| • Capital Secure | • Growth   |
| • Income Stable  | • Balanced |

Australian Equities, Fixed Interest and Listed Property investments are valued at market value by the Public Trustee's external custodians using independently sourced prices and foreign exchange rates.

Investments in pooled investment funds are valued in accordance with unit prices at the balance date as advised by the managers of the funds. Long-term investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date. The price of units in the unit trust fluctuates in value. The net gain or loss on investments consists of the fluctuation in price of the unit trust between the end of last reporting period and the end of this reporting period as well as any profit on the sale of units in the unit trust (the profit being the difference between the price at the end of last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The distribution received on the Australian Equities Wholesale Fund and the Listed Property Fund is net of management fees and charges. These fees are taken from the gross income earned prior to distribution.



**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**(i) Payables**

Accrued Expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

Other Payables are those unpaid invoices that do not directly relate to the normal operations of the Agency.

**(j) Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies listed in this note, the Fund has no judgements and estimates that have any significant impact on the amounts recorded in the financial statements:

**(k) Impact of Accounting Standards Issued but yet to be Applied**

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Fund does not intend to adopt these standards and interpretations early. It is estimated that the effect of adopting the below pronouncements, when applicable, will have no material financial impact on the Fund in future reporting periods:

- AASB 1 First-time Adoption of Australian Accounting Standards (application date 1 January 2010);
- AASB 5 Non-current Assets Held for Sale and Discontinued Operations (application date 1 January 2010);
- AASB 9 Financial Instruments (application date 1 January 2013);
- AASB 101 Presentation of Financial Statements (application date 1 January 2010);
- AASB 107 Statement of Cash Flows (application date 1 January 2010);
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (application date 1 January 2011);
- AASB 110 Events after the Reporting Period (application date 1 January 2011);
- AASB 117 Leases (application date 1 January 2010);
- AASB 118 revenue (application date 1 January 2010);
- AASB 119 Employee Benefits (application date 1 January 2011);
- AASB 132 Financial Instruments: Presentation (application date 1 January 2010);
- AASB 136 Impairment of Assets (application date 1 January 2010);
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (application date 1 January 2011);



**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

- AASB 139 Financial Instruments: Recognition and Measurement (application date 1 January 2010);
- AASB 1031 Materiality (application date 1 January 2011);
- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023& 1038 and Interpretations 10 & 12] (application date 1 January 2013);
- AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (application date 1 January 2010);
- AASB Interpretation 4 Determining whether an Arrangement contains a lease (application date 1 January 2011); and
- AASB Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (application date 1 January 2011).

**3. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES, AND CORRECTION OF A PRIOR PERIOD ERROR**

**(a) Change in Accounting Policy**

The Fund had no changes in Accounting Policy during the reporting period.

**(b) Correction of Prior Period Errors**

The Fund had no correction of prior period errors during the reporting period.

**4. INTEREST**

	2010 \$	2009 \$
<b>Revenue from within the ACT Government</b>		
Interest Revenue from Public Trustee ACT Common Fund	524	1 223
<b>Total Interest Revenue from within the ACT Government</b>	<u>524</u>	<u>1 223</u>

Interest income fluctuates with changes in market interest rates. Overall, investments increased during the year providing an increased base for interest returns. However, interest rates still remain lower than previous years and the return on investments reflect this.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**5. INCOME**

	2010 \$	2009 \$
<b>Income from ACT Government Entities</b>		
Dividends	11 641	16 807
<b>Total Income from ACT Government Entities</b>	<u>11 641</u>	<u>16 807</u>
<b>Income from Non-ACT Government Entities</b>		
Gifts	11 665	12 260
Fundraising	9 000	-
<b>Total Income from Non-ACT Government Entities</b>	<u>20 665</u>	<u>12 260</u>

Dividends have decreased this year due to the market still remaining lower than previous years and the dividends received reflect this.

Settlement of new funds into the Open Fund has increased this financial year. This is due to the success of fundraising events.

**6. GAINS ON INVESTMENTS**

Unrealised Gains on Investments	19 129	-
<b>Total Gains on Investments</b>	<u>19 129</u>	<u>-</u>

Due to an improvement in the investment market, there was a gain on invested funds.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**7. EXPENSES**

	2010 \$	2009 \$
Funds Transferred to Beneficiaries	12 500	19 300
Administration Expenses	669	992
Other	9 041	14 742
Loss on Investments	-	58 934
<b>Total Expenses</b>	<b>22 210</b>	<b>93 968</b>

Overall expenses decreased mainly due to an improvement in the investment market, which resulted in no loss on invested funds. Expenses also had minor reductions in funds transferred to beneficiaries and reduced operating costs. As a result of an application to the Australian Taxation Office a refund of input tax credits (RITC) were received. These RITC's were applied against Other Expenses.

Administration costs mainly relate to fees and charges and are commission based. The higher the income received from invested funds, the higher the administration charge.

**8. AUDITOR'S REMUNERATION**

**Audit Services**

Audit Fees paid to the ACT Auditor-General's Office	2 602	2 420
<b>Total Audit Fees</b>	<b>2 602</b>	<b>2 420</b>

No other services were provided by the ACT Auditor-General's Office.

**9. CASH AND CASH EQUIVALENTS**

Excess credit balances, as at 30 June 2010, were pooled with credit balances in the Public Trustee Cash Common Fund for investment purposes.

Cash at Bank	1 109	4 044
Short Term Money Market and Interest - Bearing Deposits and Securities Cash	10 000	10 000
<b>Total Cash and Cash Equivalents</b>	<b>11 109</b>	<b>14 044</b>

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**10. INVESTMENTS**

	2010 \$	2009 \$
<b>Non-Current Investments</b>		
Public Trustee Common Funds	280 467	247 601
<b>Total Non-Current Investments</b>	<u>280 467</u>	<u>247 601</u>

The increase in the balance of Common Fund investments is due to an increase of funds invested together with a revaluation of these investments.

**11. PAYABLES**

**Current Payables**

Accrued Expenses	2 602	2 420
<b>Total Current Payables</b>	<u>2 602</u>	<u>2 420</u>

**12. FINANCIAL INSTRUMENTS**

Details of the Significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 Summary of Significant Accounting Policies, to the financial statements.

**(a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A significantly greater portion of financial assets are held in floating interest rates arrangements, compared to financial liabilities that are subject to floating interest rates. This means that the Fund is not significantly exposed to movements in interest payable, however, it is exposed to movements in interest receivable. Interest rates improved during the year ended 30 June 2010, with this interest rates on average still remain lower than previous years.

Interest rate risk for financial assets is managed by the Fund by only investing in floating interest rate investments that are low risk. Interest rate risk for financial liabilities is not actively managed by the Fund as there are no financial liabilities which are exposed to a floating interest rate. There have been no changes in risk exposure of processes for managing risk since last financial reporting period.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**12. FINANCIAL INSTRUMENTS (Continued)**

*Sensitivity Analysis*

A sensitivity analysis has not been undertaken for the interest rate risk of the Fund as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.

**(b) Credit Risk**

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

Credit risk is managed by the Fund for investments by only investing surplus funds with various financial institutions, who have an A credit rating or greater. There is no other collateral held as security for financial assets.

There have been no changes in credit risk exposure since last reporting period.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Fund will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Fund ensures that at any particular point in time, it has a sufficient amount of current financial assets to meet its current financial liabilities.

The Fund's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**12. FINANCIAL INSTRUMENTS (Continued)**

**(d) Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. In complying with trust investment requirements of the *Trustee Act 1925*, the Fund is exposed to market price fluctuations in the units of its trust investments portfolios, Australian Equities, Australian Fixed Interest, International Equities and Listed Property Trusts caused by movements in the underlying investments of the individual portfolios. External fund managers manage stock selection of the underlying investments diversifying investments in keeping with investment strategies. Investments are held as exchange traded securities and a variety of Government bonds, bank deposits and investment-grade corporate issues. To limit price risk, all bonds that make up the underlying investments of the investment portfolio must have a long term credit rating of BBB- or greater. Anything rated BBB- or greater is considered 'investment grade'.

This price risk is managed by diversification of asset classes, diversification of the external funds managers and diversification of the underlying investments in each asset class in keeping with the criteria of section 14 of the *Trustee Act 1925*.

The Capital Region Community Foundation Open Fund's exposure to price risk and the management of this risk is monitored continuously under risk management strategies set and supervised under the advice of the Capital Region Community Foundation Open Fund Investment Board.

**Sensitivity Analysis**

Taking into account past performance, future expectations and economic forecasts, the impact on profit or loss and the impact on equity in the table below are "reasonably possible" over the next 12 months if unit values change by +/- 5.68%, which is one standard deviation from the 2009-10 average unit price.

	Carrying Amount	Profit/(Loss) \$	Equity \$	Profit/(Loss) \$	Equity \$
<b>Financial Assets</b>					
Investments	280 467	(15 931)	(15 931)	15 931	15 931



**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**12. FINANCIAL INSTRUMENTS (Continued)**

**(e) Fair Value of Financial Assets and Liabilities**

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	Carrying Amount 2010 \$	Fair Value 2010 \$	Carrying Amount 2009 \$	Fair Value 2009 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	11 109	11 109	14 044	14 044
Investments	280 467	280 467	247 601	247 601
<b>Total Financial Assets</b>	<b>291 576</b>	<b>291 576</b>	<b>261 645</b>	<b>261 645</b>
<b>Financial Liabilities</b>				
Payables	2 602	2 602	2 420	2 420
<b>Total Financial Liabilities</b>	<b>2 602</b>	<b>2 602</b>	<b>2 420</b>	<b>2 420</b>



**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**12. FINANCIAL INSTRUMENTS (Continued)**

**(f) Maturity Analysis and Exposure to Interest Rates**

The following table sets out the Fund's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2010. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note	Floating Interest Rate	Non-Interest Bearing	Total
		\$	\$	\$
<b>Financial Instruments</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents		11 109	-	11 109
Investments		280 467	-	280 467
<b>Total Financial Assets</b>		<b>291 576</b>	<b>-</b>	<b>291 576</b>
Weighted Average Interest Rate		3.7%		
<b>Financial Liabilities</b>				
Accounts Payable		-	2 602	2 602
<b>Total Financial Liabilities</b>		<b>0</b>	<b>2 602</b>	<b>2 602</b>
<b>Net Financial Assets/(Liabilities)</b>		<b>291 576</b>	<b>(2 602)</b>	<b>288 974</b>

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**12. FINANCIAL INSTRUMENTS (Continued)**

**(f) Maturity Analysis and Exposure to Interest Rates**

The following table sets out the Fund's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2009. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note	Floating Interest Rate	Non-Interest Bearing	Total
		\$	\$	\$
<b>Financial Instruments</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents		14 044	-	14 044
Investments		247 601	-	247 601
<b>Total Financial Assets</b>		<b>261 645</b>	<b>-</b>	<b>261 645</b>
Weighted Average Interest Rate		5.7%		
<b>Financial Liabilities</b>				
Accounts Payable		-	2 420	2 420
<b>Total Financial Liabilities</b>		<b>0</b>	<b>2 420</b>	<b>2 420</b>
<b>Net Financial Assets/(Liabilities)</b>		<b>261 645</b>	<b>(2 420)</b>	<b>259 225</b>

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**12. FINANCIAL INSTRUMENTS (continued)**

**(g) Fair Value Hierarchy**

The Public Trustee is required to classify financial assets and financial liabilities into a fair value hierarchy that reflects the significance of the inputs used to determine their fair value. The fair value hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2010

	Classification According to Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments with the Public Trustee Common fund				
Greater Good Growth Open Fund	280 467	-	-	280 467

In accordance with the transitional provision of AASB 7 the Public Trustee has not provided comparative figures.

**Transfer between categories**

There have been no transfers of financial assets or financial liabilities between Level 1 and Level 2 during the reporting period.

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**13. RECONCILIATION OF NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES TO THE OPERATING SURPLUS/(DEFICIT)**

For the purpose of the Cash Flow Statement cash includes cash on hand and in banks. Cash and Cash Equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the equivalent items in the balance sheet as follows:

	2010 \$	2009 \$
<b>Operating Surplus/(Deficit)</b>	<b>29 749</b>	<b>(63 678)</b>
<b>Add/(Less) Items Classified as Investing or Financing</b>		
(Gains)/Loss on Investments	(19 129)	58 934
<b>(Add)/Less Non-Cash Items</b>		
Accrued Expenses	182	110
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>10 802</b>	<b>(4 634)</b>

**14. RELATED PARTY DISCLOSURES**

Paragraph 6 of the Capital Region Community Foundation Open Fund Declaration of Trust provides that for the purpose of recommending the allocation of income and capital of the fund the Trustee will act upon advice from Capital Region Community Foundation Open Fund Board.

(a) The members of the Board during the year were:

Hon Margaret Reid AO  
Diane Kargas AM  
Catherine Andrews  
Councillor Paul Braybrooks OAM  
Bea Brickhill  
Michael Byrne  
Jennie Cameron  
Diana Forrester  
Richard Gibson  
Doug Gillespie  
Chic Henry  
Larry King  
Sarah Palic  
Chris Peters AM  
Grant Alleyn

**CAPITAL REGION COMMUNITY FOUNDATION OPEN FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**14. RELATED PARTY DISCLOSURES (continued)**

- (b) No members of the Board received remuneration for services provided to the Fund during the year.
- (c) There were no related party transactions between the Capital Region Community Foundation Open Fund and the members of the Board, or parties related to members of the Board.



**PUBLIC TRUSTEE**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

## INDEXES AND GLOSSARIES



**COMPLIANCE INDEX**

TRANSMITTAL CERTIFICATE	iii
-------------------------	-----

**PERFORMANCE AND FINANCIAL MANAGEMENT REPORTING 1**

A.1 THE ORGANISATION	2
A.2 OVERVIEW	6
A.3 HIGHLIGHTS	9
A.4 OUTLOOK	10
A.5 MANAGEMENT DISCUSSION AND ANALYSIS	12
A.6 FINANCIAL REPORT	17
A.7 STATEMENT OF PERFORMANCE	17
A.8 STRATEGIC INDICATORS	17
A.9 ANALYSIS OF AGENCY PERFORMANCE	17
A.10 TRIPLE BOTTOM LINE REPORT	27

**CONSULTATION AND SCRUTINY REPORTING 29**

B.1 COMMUNITY ENGAGEMENT	30
B.2 INTERNAL AND EXTERNAL SCRUTINY	40
B.3 LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS	42
B.4 LEGISLATION REPORT	44

**LEGISLATIVE AND POLICY BASED REPORTING 47**

C.1 RISK MANAGEMENT AND INTERNAL AUDIT	48
C.2 FRAUD PREVENTION	50
C.3 PUBLIC INTEREST DISCLOSURE	50
C.4 FREEDOM OF INFORMATION	51
C.5 INTERNAL ACCOUNTABILITY	53
C.6 HUMAN RESOURCE PERFORMANCE	60
C.7 STAFFING PROFILE	61
C.8 LEARNING AND DEVELOPMENT	64
C.9 WORKPLACE HEALTH AND SAFETY	67
C.10 WORKPLACE RELATIONS	68
C.11 STRATEGIC BUSHFIRE MANAGEMENT PLAN	69
C.12 STRATEGIC ASSET MANAGEMENT	69
C.13 CAPITAL WORKS	71
C.14 GOVERNMENT CONTRACTING	71
C.15 COMMUNITY GRANTS, ASSISTANCE, SPONSORSHIP	72
C.16 TERRITORY RECORDS	72
C.17 HUMAN RIGHTS ACT 2004	73



C.18 COMMISSIONER FOR THE ENVIRONMENT	74
C.19 ACT MULTICULTURAL STRATEGY 2010-2013	75
C.20 ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING	75
C.21 ECOLOGICALLY SUSTAINABLE DEVELOPMENT	76
C.22 ACT WOMEN'S PLAN 2010-2015	76
C.23 MODEL LITIGANT GUIDELINES	77
<b>ANNEXURE – FINANCIAL STATEMENTS</b>	<b>79</b>
<b>INDEXES AND GLOSSARIES</b>	<b>191</b>
ALPHABETICAL INDEX	194
GLOSSARY OF ABBREVIATIONS AND ACRONYMS	196
GLOSSARY OF TECHNICAL TERMS	198

## ALPHABETICAL INDEX

### A

Aboriginal and Torres Islander Reporting 28, 72, 75

### B

Bushfire Management Plan 69

### C

Capital Region Community Foundation viii, ix, 2, 6, 7, 34-38, 42, 53, 54

Capital Works 40, 41, 71

Chief Executive's Retrospective vii

Commissioner for the Environment 74

Community Engagement 30, 72

Contact details and website address ii

Criminal Assets 2, 3, 8, 12, 21, 42

### D

Deceased Estates 3, 12, 23, 51, 69, 76, 198

### E

Ecologically Sustainable Development 76

Enduring Powers of Attorney 2, 24, 26, 31, 42, 44, 51, 60, 73, 75, 76, 198

Estates vii, 3, 13, 23, 48, 51, 54, 66, 72, 74, 75

External Scrutiny 40

### F

Financial Report 13, 17, 40, 54

Fraud Prevention 50

Freedom of Information 51, 52

Funds Management 2, 4, 7, 8, 12, 17, 32, 50, 51, 60

### G

Glossary of Abbreviations and Acronyms 196

Glossary of Technical Terms 198

Governance 48, 50, 55, 77

Government Contracting 71

Government Trust Moneys 20

### H

Human Resource Performance 60

### L

Learning and Development 64, 65, 66

Legal Advisors 56

Legislation viii, 8, 11, 44, 199

Legislative Assembly Committee Inquiries and Reports 42

**M**

Management Committee 4, 7, 48, 49, 55, 67

Ministerial Advisory Council on Ageing 53

Model Litigant Guidelines 77

**O**

Ombudsman 9, 41, 50

**P**

Products and Services 23, 25

Prudent Person Investment Principle 18, 21, 49, 55, 56

Public Interest Disclosure 50

Public Trustee Investment Board 4, 7, 17, 19, 48, 51, 53, 55, 57-59

**R**

Records Management 72

Risk Management 13, 40, 41, 48, 56

**S**

Staffing Profile 61

Strategic Asset Management 69

Strategic Indicators 17

**T**

Taxation Services 25

Territory Records 72

Transmittal Certificate iii

Triple Bottom Line Report 27

Trusts 3, 18, 20, 22, 24, 44, 48, 54, 198

**U**

Unclaimed Moneys 2, 3, 6, 8, 9, 12, 21, 22, 44, 52, 199

**W**

Wills vii, 2, 3, 6, 9, 10, 11, 12, 23, 26, 31, 44, 51, 52, 54, 60, 65, 71, 73, 75, 76

Workplace Diversity 64, 199

Workplace Health and Safety viii, 11, 13, 40, 48, 50, 67

Workplace Relations 68



## GLOSSARY OF TECHNICAL TERMS

<b>Attorney</b>	A person appointed by another to act in his or her place or represent them.
<b>Common Fund</b>	A fund held by more than one person to enable a greater return on the shared investment.
<b>Criminal Assets</b>	Items of value obtained by illegal or criminal acts, forfeited under the <i>Confiscation of Criminal Assets Act 2003</i> .
<b>CSO</b>	Community Service Obligations. Those obligations to the community that the ACT Government purchases from the Public Trustee and broadly include financial management services under order of the Guardianship and Management of Property Tribunal, Enduring Powers of Attorney, Welfare Funerals, AFP call-outs, examination of external financial manager's accounts, deceased estates less than \$100,000 and Trusts less than \$100,000.
<b>Current Ratio</b>	The ratio of current assets to current liabilities.
<b>Enduring Power of Attorney</b>	A formal instrument by which one person empowers another to represent him/her, or act in his/her place for certain purposes. An Enduring Power of Attorney continues to have effect after a person loses mental capacity.
<b>Estate</b>	The sum of the assets less the liabilities of a person, especially of a deceased, a bankrupt or beneficiary.
<b>Executor</b>	The person or company appointed by a Will to administer an estate in accordance with the terms.
<b>Financial Manager</b>	A person appointed under order of the Guardianship and Management of Property Tribunal to make financial decisions in relation to a person's financial matters, or a matter affecting that person's property for persons where the person has impaired decision making ability and is incapable of managing those matters (eg bank accounts or property or shares). A Financial Manager may make financial decisions for the represented person. Most financial management orders are permanent.
<b>Funds Manager</b>	A person or organisation responsible for investing moneys on behalf of another.
<b>Goods and Services Tax</b>	An indirect broad based consumption tax built into the price of specified goods and services and collected at point of sale.

<b>Guardian</b>	A substitute decision-maker appointed under order of the Guardianship and Management of Property Tribunal, to make decisions relating to the health and welfare of a person with impaired decision-making ability. A guardian is appointed for a specific time and with specific functions (eg where to live, what services they will receive and what medical treatment they should receive).
<b>Investment Strategy</b>	A plan distributing assets amongst various investments for future financial return or benefit.
<b>Liquidity</b>	Available cash or the capacity to obtain it on demand.
<b>Long Term Liability</b>	Payment not required within 12 months or liabilities not classified as current.
<b>Manager</b>	A person appointed pursuant to the <i>Guardianship and Management of Property Act 1991</i> to manage the financial and property affairs of a represented person (ie having impaired decision-making ability).
<b>Minor</b>	A person under the age of legal majority ie under 18 yrs.
<b>Procurement</b>	Acquisition of good, services and works by Territory entities.
<b>Prudent Person Principle</b>	The care, diligence and skill that a prudent person would exercise in managing the affairs of another person.
<b>Public Interest Disclosure</b>	A report made under “whistleblower” legislation under which a person may confidentially report any corrupt, illegal or fraudulent acts in the public sector.
<b>PT Investment Board</b>	A board established under S.47 of the <i>Public Trustee Act 1985</i> to advise the Public Trustee on investment and related matters.
<b>Risk Profile</b>	An individual’s sensitivity to volatility of investments.
<b>Statement of Intent</b>	A statement under S.58 of the <i>Financial Management Act 1996</i> setting out the activities, objectives and performance criteria of the authority for the year and relating to the ownership by the government in a territory authority or entity.
<b>Sustained Asset Base</b>	Ability to sustain asset base indicated by changes in net assets.
<b>Trustee</b>	A person who holds property in trust for another.
<b>Unclaimed Moneys</b>	Moneys surrendered to the Public Trustee on behalf of the Territory under the <i>Unclaimed Moneys Act 1950</i> .
<b>Will</b>	A written statement made by an individual, which provides for the disposition of property upon death.
<b>Workplace Diversity</b>	The bringing together of different races, genders, cultures, abilities, ages, sexual orientations, family structures, lifestyles & experienced backgrounds in the workplace.

## GLOSSARY OF ABBREVIATIONS AND ACRONYMS

<b>ACAT</b>	Australian Capital Territory Civil and Administrative Tribunal.
<b>ACTIA</b>	ACT Insurance Authority.
<b>AFL</b>	Australian Football League.
<b>AGAC</b>	Australian Guardianship and Administration Council.
<b>AUSTRAC</b>	Australian Transaction Reports and Analysis Centre.
<b>AWA</b>	Australian Workplace Agreement.
<b>COMMBIZ</b>	Commonwealth Bank - Business.
<b>COTA</b>	Council On The Ageing.
<b>CPA</b>	Certified Practising Accountant.
<b>CSO</b>	Community Service Obligations. Those obligations to the community that the ACT Government purchases from the Public Trustee.
<b>EPA</b>	Enduring Power of Attorney - A formal instrument by which one person empowers another to represent him/her, or act in his/her place for certain purposes. An Enduring Power of Attorney continues to have effect after a person loses mental capacity.
<b>ESD</b>	Ecologically Sustainable Development.
<b>FMA</b>	Financial Management Act 1996.
<b>FTE</b>	Full time equivalent.
<b>GFC</b>	Global Financial Crisis.
<b>GST</b>	An indirect broad based consumption tax built into the price of specified goods and services and collected at point of sale.
<b>JACS</b>	ACT Department of Justice and Community Safety.
<b>JACS IM/ICT</b>	ACT Department of Justice and Community Safety committee for information management and information and communication technology
<b>JACSCOM</b>	Justice and Community Safety Communication. A representative forum for ACT Department of Justice and Community Safety executives and statutory office-holders.
<b>MACA</b>	Ministerial Advisory Council on Ageing.
<b>MOU</b>	Memorandum of Understanding.
<b>OH&amp;S</b>	Occupational Health and Safety.
<b>PTACT</b>	Public Trustee for the Australian Capital Territory.
<b>PT NSW</b>	Public Trustee for New South Wales.
<b>QA</b>	Quality Assurance.



<b>SOG</b>	Senior Officer Grade (Classification).
<b>SOHO</b>	Statutory Office-Holders. A representative forum for ACT Department of Justice and Community Safety statutory office holders.
<b>TACT</b>	Trust Accounting (System)
<b>TCA</b>	Trustee Corporations of Australia Inc.



**PUBLIC TRUSTEE**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

Ground Floor,  
221 London Circuit  
Canberra City ACT 2601

PO Box 221  
Civic Square ACT 2608

Tel (02) 6207 9800  
Fax (02) 6207 9811

Email [publictrustee@act.gov.au](mailto:publictrustee@act.gov.au)  
Web [www.publictrustee.act.gov.au](http://www.publictrustee.act.gov.au)