

Annual Report

2000/01

Public Trustee



***To The Honourable Jim McGinty MLA
Attorney General***

In accordance with section 66 of the Financial Administration and Audit Act 1985 I hereby submit for your information and presentation to Parliament the Report of the Public Trustee for the year ended 30 June 2001

The Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

A.R. (Nina) MCLAREN

Public Trustee

Date: 30 August 2001



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VISION

To lead in the provision of trust and asset management services to Western Australians.

DIRECTION

At the Public Trust Office we aim to:

- ?? Focus on the core business of Trust Management, Estate Administration and Wills.
- ?? Maximise operational efficiencies.
- ?? Offer products and services that meet the needs of our clients.

TO CONTACT THE PUBLIC TRUSTEE

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Postal address:	GPO Box M946 PERTH WA 6001
Telephone:	(08) 9222 6777 Freecall 1800 642 777
Email:	public.trustee@pto.wa.gov.au
Facsimile:	(08) 9221 1102
Internet site:	www.justice.wa.gov.au (Go to "Wills, Estates and Trusts")



THE PUBLIC TRUSTEE

The Public Trustee is a statutory authority within the provisions of the *Financial Administration and Audit Act 1985*. The Public Trustee provides a comprehensive range of affordable, professional, secure and impartial financial services to the people of Western Australia. The Public Trust Office, which is administered by the Public Trustee, has three main directorates: Client Services, Business Services, and Corporate Support. A fourth directorate, Mortgage Information Service, was created in September 2000 on a project basis and has received funding until December 2001.

The key services offered are:

Estate Administration

The Public Trustee administers the estates of deceased persons in the absence of an executor of a will, when an executor is unwilling to act, or when actually named as executor. The Public Trust Office may also administer the estates of persons who die intestate (without making a will).

Trust Management

The Public Trustee provides a comprehensive range of financial services for people who, through age or disability, are unable to manage their financial affairs. Services include funds management and investment services to clients through the operation of a Common Fund, an at-call investment facility backed by the State Government.

Power of Attorney Services

If appointed by an individual, the Public Trustee can act under a Power of Attorney or Enduring Power of Attorney to help that individual manage his or her affairs.

Agency Assistance

The Public Trustee manages specific investment, financial, legal and administrative tasks as agent for people who do not wish to undertake these tasks themselves.

Will Assistance

The Public Trustee offers professional advice to those seeking to make a will appointing the Public Trustee as executor of their will.

Christmas Island and Cocos (Keeling) Island Services

An agreement negotiated between the Commonwealth and the State Government enables trustee services to be provided to communities on Christmas Island and on the Cocos Islands on a cost recovery basis. The Commonwealth Government meets any shortfall between the Public Trustee's normal fees charged for trustee services and the actual cost of delivery.



Other Trustee Services

The Public Trustee also offers a number of other services and reports on those services including taxation, legal, property and contract assistance are included in this annual report.

Mortgage Information Service

The service provides information and practical assistance and support to investors who have suffered losses with failed finance brokers.



HIGHLIGHTS

During 2000-2001, the Public Trustee:

- ?? Finalised the selection of ‘purpose-built’ web-enabled software which will be the catalyst for increased efficiency and improved service delivery across the organisation;
- ?? Successfully reviewed and revised 70% of policies, procedures and delegations;
- ?? Introduced the Mortgage Information Service to offer assistance and support to investors who had lost money through failed finance brokers;
- ?? Established a Call Centre to provide more efficient customer service;
- ?? Oversaw the outsourcing of property settlements to a service provider and finalised tenders for funeral services, genealogy services and the auction of goods; and
- ?? Successfully implemented the GST.

THE FUTURE

In the year ahead, the Public Trustee will:

- ?? Implement the ‘purpose-built’ web-enabled software to achieve greater efficiency and improve service;
- ?? Continue to work towards industry best practice through continued review and revision of all policies, procedures and delegations;
- ?? Evaluate all key services in order to ensure client service improvement is achieved and that continuous improvements are implemented to meet increasing community demands; and
- ?? Introduce a customer feedback policy.



FROM THE PUBLIC TRUSTEE

In 2000/2001 staff and customers of the Public Trust Office began to see the benefits of massive cultural change.

It has been a two-year process which began in 1999. The appointment of a new management team to the Public Trust Office and the reorganisation of the Office into directorates better reflects our customer services, our business development ambitions and the corporate support the organisation requires. It is not an exaggeration to say the Public Trust Office has undergone a transformation, which will continue into the next financial year. This year, we have begun to emerge as a more efficient, customer focussed and dynamic organisation.

In our bid to implement industry best practice, we have now completed a comprehensive review of more than 70% of our policies, procedures and delegations. Perhaps more importantly, we have acted quickly to improve management controls, reduce duplication and document customary practices.

The systems changes we are implementing – combined with a new computer system to be implemented next year – will not only mean better service, but a more accountable Public Trustee. The Office's standard of financial reporting, for example, has risen dramatically over the past two years and continues to improve.

Such a significant change process right across the organisation is a challenge for everyone and it is a credit to my colleagues that this transformation has only served to strengthen their commitment to customer service – delivered with care, diligence and impartiality.

Many changes to accountability and decision making for trust officers are not yet supported by the new, tailored computer system that will be implemented next year. So in many cases, Trust Office staff are working harder to achieve a better result in the knowledge that the automated system is not far away. I commend their faith and commitment to the organisation and our customers.

To provide certainty and security for employees, we have accelerated staff appointments during the year to fulfil the new structure. Levels four and five officers have been appointed during this financial year and the remaining staff will be appointed early in 2001/2002.

Customers have begun to enjoy the benefits of our new approach to business, including the introduction of a Call Centre – a 'one-stop-shop' for queries and faster decision-making as a result of greater autonomy for Trust Officers. In the year ahead, we look forward to delivering more practical improvements in customer service, including new, ground-floor client meeting rooms.

Fundamental to the improvement in efficiency and satisfaction will be the adoption of new computer technology and software – internally and externally – to modernise our services. As well as being documented, all our customary practices will be translated into a web-based format and made available on the intranet for ready access by all staff throughout their working day.



The implementation of new web-enabled software in the year ahead, tailored specifically for our work in Trust Management and Estate Administration, will create a more user-friendly system for both for customers and staff. It will mean faster processing, faster production of financial statements and additional services including direct daily crediting.

We are acutely aware that we operate in a very commercial environment and external factors including social trends will continue to challenge us. The move towards private executors over the past year, for example, has meant a significant fall in Deceased Estate business for the Trust Office, and an increase in complaints to the Ombudsman reflects a more vocal customer base with increasing expectations.

I note also that while the delay in the passage of amendments to the Public Trustee Act has meant some changes to the Office have been deferred, it has not diminished our determination to successfully establish a 21st Century Public Trust Office capable of meeting increasing community demands.

In the year ahead, our focus will be firmly on local service improvement, backed by more sophisticated business systems, very capable management and a committed Public Trust Office team.

We know we also move into the year ahead with strong support from Mr Alan Piper, Director General of the Department of Justice, and his staff. I take this opportunity to thank them for their ongoing advice and assistance.

A.R. (Nina) McLaren
PUBLIC TRUSTEE



THE PUBLIC TRUST OFFICE MANAGEMENT

In 2000-2001, Sales and Marketing ceased to be a separate division of the Public Trust Office though it's critical functions including product promotion and advertising continue to be carried out at the Corporate Executive level. The decision to restructure the functions followed delays to legislative amendments affecting the Public Trust Office.

PUBLIC TRUSTEE

Nina McLaren

Nina McLaren holds a Bachelor of Arts (English) and a Master of Business Administration. She joined the Department in 1999, having previously worked in management in the private sector. She brings to her position a proven track record in financial services and management, having held senior positions with ASGARD Capital Management Ltd and UWL Ltd.

CLIENT SERVICES

Sean Conlin

Sean Conlin holds a Bachelor of Business degree and a graduate diploma in Business. He is also a member of the Institute of Chartered Accountants in Australia. Sean joined the Public Trust Office in 1999 having spent the previous 15 years working in the financial services sector in accounting and management roles with organisations such as ASGARD Capital Management Ltd, Growth Equities Mutual Limited and Coopers and Lybrand.

BUSINESS SERVICES

Kerry Wilson

Kerry Wilson holds a Bachelor of Business in Accounting, a diploma in Financial Planning and is a registered Tax Agent. She is a member of the Australian Society of Certified Practising Accountants. After a decade with the Australian Taxation Office and then having establishing a career in public accounting, Kerry took up the post of Executive Manager of Finance and Corporate Services with CSA Credit. In 1995 she joined SGIO Insurance as Corporate Services Manager of Personal Insurance. Kerry was appointed Director of Business Services with the Public Trust Office in 1999.

CORPORATE SUPPORT

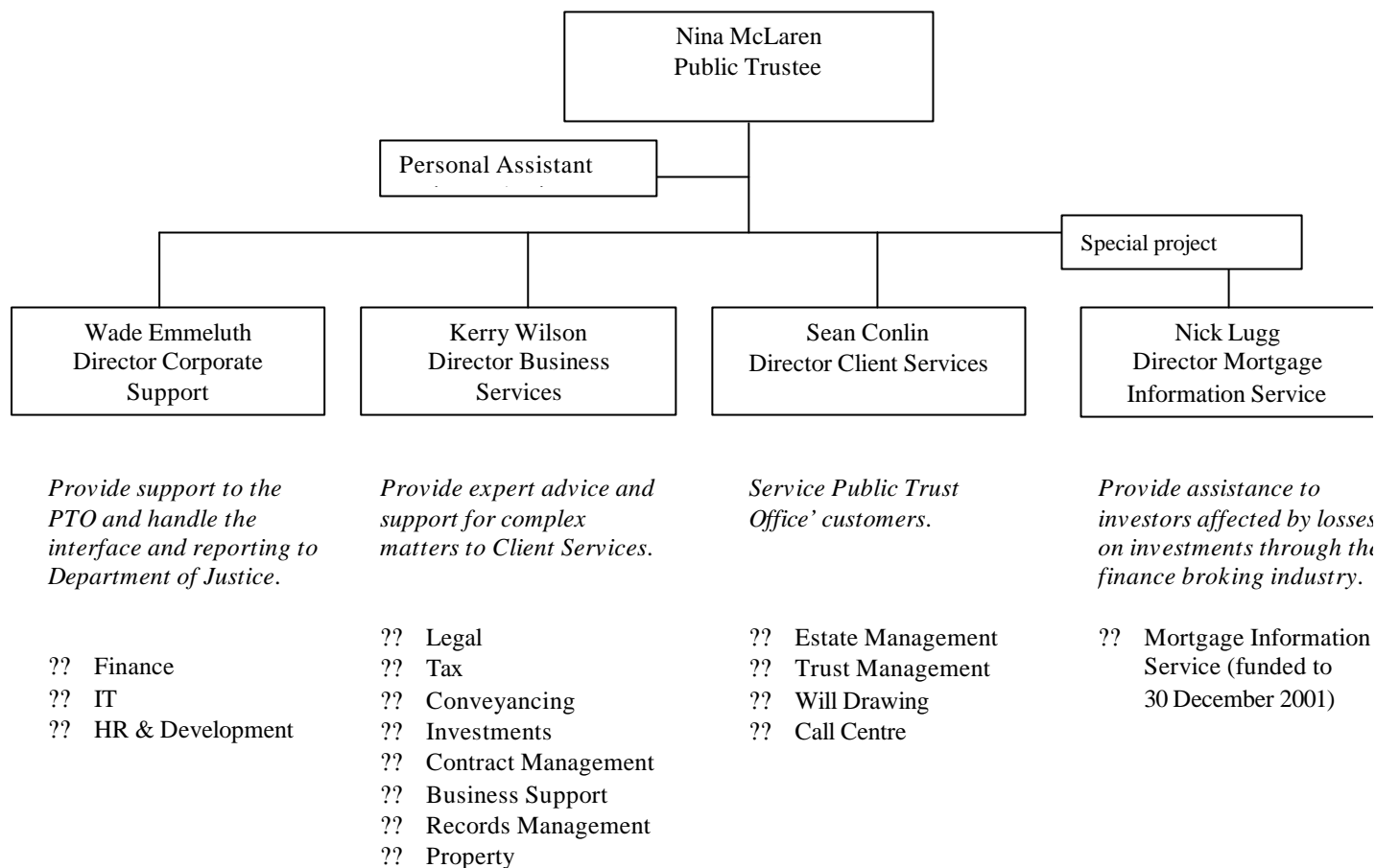
Wade Emmeluth

Wade Emmeluth holds a Bachelor of Business and Master of Business Administration. He joined the Department in 1999, having previously worked in local government management. He brings to his position a proven track record in public sector management, having held management positions with the Town of Victoria Park and City of Perth.

MORTGAGE INFORMATION SERVICE

Nick Lugg

Nick Lugg holds a Bachelor of Arts degree with postgraduate study in management and marketing. He has a background in both Government and private business sectors, and was the WA State Manager of a publicly listed company before joining the Public Trustee in 2000.





CORPORATE GOVERNANCE

The Public Trustee, in accordance with Section Four of the *Public Trustee Act 1941*, is a body corporate and is responsible for the administration of the Public Trust Office.

Risk Management

In September 2000, the Director Business Services initiated an extensive review of the Risk Management Plan. The review consisted of detailed risk management audit workshops being held for all management level staff with the assistance of RiskCover. The review included a security audit and issues identified were incorporated into the planning of new, ground floor interview rooms. No major changes to the plan have been made as a result of the review.

Risk management issues are subject to ongoing review and, as part of its risk management, the Public Trust maintains proper and adequate insurance cover which has been modified as a result of the review.

The Disaster Recovery Plan is currently under review to cater for new IT support arrangements effective from 1 July 2001.

Committees

The Public Trust has undergone significant structural and cultural change over the past two years. To assist in the implementation of that change and to ensure there is optimal service to our customers, a number of committees have been established to advise on specific areas of the Office's operations. These include:

Corporate Executive

ROLE: Provides support and advice to the Public Trustee on the management and operations of the Public Trust Office.

MEMBERSHIP: The Public Trustee and Director Business Services, Director Client Services, Director Corporate Services, and Director Mortgage Information Service.

Audit Committee

ROLE: Oversees compliance and statutory responsibilities; oversees internal accounting controls; reviews internal audit and the internal audit plan.

MEMBERSHIP: The Public Trustee, Director Business Services, Director Client Services, Director Corporate Services, a representative from the Office of the Auditor General and an independent member with risk management expertise.

Investment Committee

ROLE: Provides guidance and gives direction on the investment of the Common Fund.

MEMBERSHIP: The Public Trustee, Director Business Services, Director Client Services and the Manager Investments.



Investment Reference Group

ROLE: Advises on wider investment issues.

MEMBERSHIP: The Public Trustee, Director Business Services and external industry and government representatives.

Investment Portfolio Committee

ROLE: Authorises the approved investments for investment external to the Common Fund.

MEMBERSHIP: The Public Trustee, Director Business Services, Director Client Services, Manager Investments and an external government representative. The Committee takes specialist advice from the Public Trustee's nominated investment adviser.

Legal and Compliance Committee

ROLE: Develop an already strong compliance culture within the Office. It does this by providing a review and communication process regarding current legal issues, contentious legal issues, legislative changes, corporate legal matters and relationships with the Guardianship and Administration Board and other agencies.

MEMBERSHIP: The Public Trustee, Principal Legal Officer, Director Client Services and Director Business Services.

Risk Management Committee

ROLE: Reviews and monitors the risk management issues of the Public Trustee.

MEMBERSHIP: The Public Trustee, Director Client Services, Director Business Services and Director Corporate Services.

Occupational Safety and Health Committee

ROLE: Promotes a safe and healthy working environment for all employees and provides advice to the Corporate Executive on any areas of concern.

MEMBERSHIP: Manager Human Resources and staff representatives from all operational areas of the Office.

Department of Justice Committees

Representatives from the Public Trust Office also participate on a number of committees under the auspices of the Department of Justice including:

- ?? Corporate Management Committee
- ?? Corporate Services Executive Committee
- ?? Web Steering Committee
- ?? Compliance Management System Project Reference Group
- ?? Customer Feedback Steering Group
- ?? Peak Consultative Committee

Membership

The Public Trustee is a member of the Trustee Corporations Association of Australia (TCA) and actively participates through various sub-committees of the TCA in matters concerning the trustee industry.



PRINCIPAL LEGISLATION

The Public Trust Office was created by the *Public Trustee Act* (No. 26 of 1941) proclaimed to come into operation on the 1 July 1942 as successor in law to the Curator of Intestate Estates and Official Trustee.

The person appointed to administer the office is called the 'Public Trustee' and is also a body corporate under that name. The Public Trustee is a Statutory Authority within the provisions of the *Financial Administration and Audit Act* and operates as a program of the Department of Justice.

The operational expenses of the Public Trust Office form part of the appropriation for the Department of Justice.

LEGISLATION ADMINISTERED

In March 2001 endorsement was given for a project to develop and pilot a Compliance Management System across the Department of Justice. The Compliance Management System Project has commenced and a reference group, which includes representation from the Public Trustee, has been formed.

The first step (that of identifying all legislation which Department of Justice business areas are responsible for administering or complying with) has been completed. The Public Trustee has identified that it either administers or complies with 106 State or Federal Acts in conducting its business.

The Public Trustee has commenced the next step in the compliance review - that of a systematic analysis of the Public Trustee Act to identify and link compliance issues to all business processes. A team within the Public Trust Office is conducting the analysis using a specially designed compliance template developed by the Department of Justice Compliance Management System project team. The analysis will be completed in October 2001.

The Public Trustee administers the *Public Trustee Act 1941*.

Legislation impacting on the functions of the Public Trust Office

The following legislation has the most impact on the day-to-day operations of the Public Trustee:

? ? *Public Trustee Act 1941*

? ? *Administration Act 1903*

? ? *Trustees Act 1962*

? ? *Guardianship and Administration Act 1990*

? ? *Aboriginal Affairs Planning Authority Act 1972*

? ? *Inheritance (Family and Dependents Provision) Act 1972*



? ? *Wills Act 1970*

? ? *Criminal Property Confiscation Act 2000*

Many other laws impact on the commercial and public service activities of the Public Trustee.

RESPONSIBLE MINISTER

The Public Trustee is responsible to the Attorney General for the administration of the *Public Trustee Act 1941*.



STATEMENT OF COMPLIANCE

In the management of the Public Trust Office, the Public Trustee has complied with the requirements of all written law and exercised controls which provide reasonable assurance that the receipt and expenditure of monies and the acquisition and disposal of public property and incurring of liabilities has been in accordance with legislative provisions.

At the date of signing I am not aware of any circumstances which would render the particulars of this statement misleading or inaccurate.

A. R. (NINA) MCLAREN
PUBLIC TRUSTEE
30 August 2001



CLIENT SERVICES

The Client Services directorate is responsible for providing core services to clients of the Public Trustee including:

- ? ? Estate Administration
- ? ? Trust Management
- ? ? Wills
- ? ? Call Centre

Estate Administration

The Estate Administration area is responsible for administering the estates of people who die with or without a will.

During the year, the Public Trustee continued its policy of encouraging and assisting beneficiaries of estates where there are only limited or nominal assets to take a more active role to save costs. This policy, and an increasing trend towards beneficiaries either administering the estate themselves or with the assistance of a solicitor, has contributed to a 14% decline in the number of applications made to the Supreme Court during the year.

As a consequence of a 4% loss in market share (from 23% to 19%), revenue from Estate Administration has fallen by approximately \$325,000 over the previous year. Estate revenue was also significantly affected by GST issues and this is reported in more detail in the financial reports which form part of this document.

Applications to the Probate Registry

	Public Trustee	Other	Total
1997	1133	3591	4724
1998	1208	3743	4951
1999	1065	3763	4828
2000	1047	3790	4837
2001	903	3688	4591

NB: Statistics provided by the Supreme Court Probate Registry

CASE STUDY

Mrs “Jackson” died leaving a will naming the Public Trustee as executor of her estate. The estate was to be distributed between her three children and three nephews. Initial impressions were that the estate administration would be relatively straight forward as the main assets of the estate were a house property and furniture and effects.

When the administration began, it became obvious that one of the children did not get on well with the other beneficiaries and was very obstructive. Complicating matters further, the rear neighbour had built some stables which encroached onto the deceased’s land. The beneficiaries had widely varying opinions on the price at which the property should be put on



the market and what refurbishments, if any, were required prior to sale. The beneficiaries could also not agree on the distribution of furniture and effects.

By remaining impartial and trying to alleviate the beneficiaries' concerns, the Public Trustee made headway in the administration. On some issues, such as the sale price of the property, the Public Trustee had to take control and make some firm decisions. The Public Trustee was also able to broker a deal whereby the neighbour paid rent for the land on which his stables had been constructed.

At the completion of the Estate, all the beneficiaries were pleased with the Public Trustee's administration, including the difficult beneficiary.

Some of the beneficiaries have now had wills drawn up appointing the Public Trustee as their executor.

Trust Management

The Public Trustee acts as trustee, manager, substitute trustee and administrator for people who are unable or unwilling to manage their own affairs.

The total number of new trusts (including appointments by the Guardianship and Administration Board) reported for administration continued to decline. This year, they fell by 11% to 501, mainly because of a fall (from 39 in the previous year to 6 this year) in the number of testamentary trusts created.

Total files on hand at year-end excluding extended deceased and minor trusts

2001	2000	1999	1998	1997
3585	3529	3427	3323	3108

The main source of new trust allocations was court trust appointments and Guardianship and Administration Board appointments.

The number of new court trusts allocated to trust managers for the year remained steady at 219. Court trust allocations originate mainly from the District Court and the Assessor of Criminal Injuries Compensation. The size of these trusts varies from several thousand dollars to several million dollars. The nature of the work involved in administering those trusts includes setting up investment portfolios, collecting income, working out budgets for the beneficiaries and attending to their accommodation and transport needs.

The number of people for whom the Public Trustee acts as administrator as a result of being appointed by the Guardianship and Administration Board continues to increase. This year, the Board referred 212 cases to the Office. At year-end, there were 984 Guardianship and Administration Board files on hand, compared to 888 the previous year.

The increase in the Guardianship and Administration Board appointments may be attributable to the increase in the number of people in society with decision making disabilities due in the most part to the ageing of the population. People whose affairs are managed by the Public Trust



Office sometimes suffer dementia, an intellectual disability, mental illness or brain damage, and are susceptible to neglect, abuse or exploitation by others.

The Public Trustee takes on the role of administrator including making financial and legal decisions in the best interests of clients. The diversity of injuries and disabilities experienced by clients means specialist advisers are sometimes consulted to enable the Public Trustee to determine their needs and aspirations.

Ongoing communication with clients is achieved through meetings at the Public Trust Office and through nursing home and home visits by trust officers. During the year, trust managers interviewed 2711 clients within the office, made 55 nursing home visits and made 105 home or other residential visits.

Trust managers also attended 314 hearings at the Guardianship and Administration Board.

Other sources of work for the Trust Management area include Agency appointment, Enduring Powers of Attorney and Inter Vivos Trusts and testamentary trusts.

Online Trust Officer Manual

During the year, the online Trust Officer Manual was extensively redeveloped. The Manual gives each Trust Officer on-line, continuous access to policy, procedures, guidelines and delegations. The instant and reliable information concerning day-to-day operations provides better decision-making processes. The Trust Officer Manual will continue to be developed and integrated with the new, ‘purpose-built’ web-enabled software.

The Public Trust Office has also established a new delegation framework to improve customer service by streamlining decision-making.

CASE STUDY

“Thomas” is a middle-aged man who was severely injured in a motor vehicle accident whilst at work. As a result of the accident, Thomas is largely wheel-chair bound. The District Court awarded Thomas a substantial sum of money as compensation for his accident and the Public Trustee was appointed his Trustee. Thomas still resides at home and is dependent upon his wife and children to assist him with daily living activities, but he is capable of performing limited tasks.

After the Public Trustee received the award, we arranged a meeting with Thomas and his wife to ascertain their needs and to outline the Public Trustee’s operating procedures. Arrangements were then made to clear any outstanding debts Thomas had.

Once we had become familiar with Thomas’s financial affairs, it was ascertained that our client and his wife had signed a contract with a registered builder for major renovations to be done to the family home. These renovations had commenced prior to the Public Trustee being appointed and the builders were looking for progress payments to be made. The Public Trustee consulted with the builders and the client and arranged that all renovations would be overseen by the Public Trustee.



The Public Trustee ensured that the work was satisfactorily completed in accordance with the contract before progress payments were made. The client and his wife were kept informed of the progress claims and were asked to provide the Public Trustee with their comments. The family home was also mortgaged, so the Public Trustee made arrangements to have the mortgage paid out.

Garden renovations were also required to give our largely wheelchair bound client, who enjoyed being outdoors, access to the swimming pool, entertainment area and the front and back entrances to the house. These renovations were also overseen by the Public Trustee and payments made in accordance with the contract.

The Public Trustee also arranged for a suitable vehicle to be purchased, after discussions with the client, his wife and their occupational therapist.

The only income the family received was from our client, so, after the preparation of a weekly expenditure budget in consultation with the client and his wife, a living allowance has been established and arrangements were made to directly pay suppliers for all utilities, property and vehicle insurance, and vehicle registration.

The Public Trustee has advised the client and his wife that the funds are the welfare and benefit of the client and that future requests would be considered.

Wills

The professional will drawing service offered by the Public Trustee is becoming less significant, in part because more and more people choose to use ‘do it yourself’ kits or their solicitor to draw up their will. Nonetheless, at year’s end, more than 100,000 wills were held in safe custody.

The Public Trustee continues to provide an Enduring Power of Attorney service to ensure a person’s assets are protected during any period of incapacity. The Public Trustee makes enduring powers of attorney for clients who wish to appoint the Public Trustee as donee or substitute donee. The Wills on Wheels services continues to be provided in the metropolitan area.

Call Centre

A new Call Centre became operational on 1 March 2001, giving customers a single, first point of contact. Staff in the Call Centre can answer basic inquiries, book meetings with Client Services staff and mail out product and service information.

In the first four months of operation, the Call Centre took approximately 10,000 calls, or 120 calls per day.

Staff and customer feedback will enable the Public Trust to fine-tune the Call Centre and ensure it delivers better service, more efficiently.



Business Process Re-engineering

Following a five month review of business processes by KPMG starting January 1999, the Public Trust office immediately forged ahead with implementing the recommendations.

Major business process re-engineering project achievements this year include:

- ?? Finalising the contract for the purchase of 'purpose-built' web-enabled software;
- ?? Appointing staff to the positions in the proposed new operating structure. Level 6, level 5 and level 4 trust officers positions have been filled. The level 3 and level 2 trust officer positions are in the process of being filled and will be completed in 2001-02;
- ?? Developing and revising 70% of policies and procedures and delegations;
- ?? Introducing new work practices in estates to provide better service to customers and greater efficiency; and
- ?? Consolidating the Client Services Directorate onto two floors, also making possible greater efficiencies and better service.

THE FUTURE

In 2001-02, the Client Services division will:

- ?? Play its role in implementing the 'purpose-built' web-enabled software due to commence in December 2001;
- ?? Ensure staff are trained to maximise the potential of the new system to deliver better customer service;
- ?? Fill the remaining positions in the proposed new operating structure;
- ?? Introduce new team structures within Trust Management and Estate Management;
- ?? Introduce remaining delegations; and
- ?? Introduce a customer feedback policy.



BUSINESS SERVICES

The Business Services directorate provides professional advice and support for Client Services in complex matters such as:

- ? ? Legal Services
- ? ? Investments
- ? ? Taxation Services
- ? ? Conveyancing
- ? ? Contract Management
- ? ? Records Management
- ? ? Property

Legal Services

The Legal Services section is staffed by five full-time and one part-time solicitor and provides the internal legal resources the Public Trustee requires to perform its legal and statutory duties as trustee and executor. Duties cover a broad range of areas including property, estate, commercial, criminal and family law.

The Principal Legal Officer is a member of the Family Law Amendment Act Committee and the Non-Contentious Probate Committee and, with other legal officers, regularly provides comment on proposed changes to legislation affecting our client base.

The Legal Services section provides a comprehensive service similar to a private legal practice. For example, it may be required to assist a deceased estate trust manager in managing a business through the period of administration, help determine a difficult distribution from a complicated will or prepare a mortgage document.

The caseload continues to increase as the number of cases referred by the Guardianship Board and the Office of the Public Advocate grows. Public Trust Office Legal Officers regularly act as “next friend” for members of the community not able to instruct their own solicitor. These clients may not have their financial affairs managed by the Public Trustee.

During the year, the introduction of a new file movement system has meant improved administration and in the year ahead, the litigation tracking facilities available through the new computer system being implemented office-wide will mean even more efficient administration.

Conveyancing

The Conveyancing section manages the transfer of land, shares and registered securities as necessary during the management and distribution of trusts and deceased estates. The section also prepares and lodges legal documents with the Courts and researches and prepares applications for probate, working in conjunction with Legal Services for the more complex cases.

The Conveyancing section has successfully overseen the outsourcing of property settlements to a service provider in the last year and continues to monitor the progress of this contract. The



Public Trustee does not employ specialist settlement staff and costs are only incurred when work is generated.

The section has assisted in the development of online templates for the preparation of simple transfer of land documents making this procedure more efficient and thus streamlining the less complex work for the section. Work now flows more efficiently as trust and estate management staff can prepare their own transfers with limited input from Conveyancing.

CASE STUDIES

Investigating intestacies can be very interesting and the Public Trustee is often in the position of conveying good news (such as entitlement to part of all of an estate) or bad news (such as that a person brought up as a child of someone is legally the child of another person, or illegitimate).

One long-term resident of Graylands Mental Hospital died without any known next of kin. His medical records revealed only that he had been there since the age of six, the name and address of his mother some 50 years ago, and a touching letter from her to the hospital dated half a century ago enquiring after him. The difficulties in establishing his next of kin were compounded by the fact that his surname was spelt differently in the medical records and the letter written by his mother. After lengthy searches it was discovered that his mother had married and had other children who had died earlier than the deceased, leaving children who were hence nephews and nieces. They could recall their grandmother speaking fondly of her son but knew nothing of his history until contacted by the Public Trustee. The estate was distributed to the nephews and nieces of the deceased.

In another case, a resident of Sunset Hospital died with no known next of kin. He was known to have had three brothers but they had all predeceased him and none of the four boys had married. They had all been sent from London to Fairbridge Farm School as children and believed they were orphans. In fact the Public Trustee discovered that their mother had only died shortly before them, and had a daughter born after their emigration. She had no idea of her half-brother's existence but under the laws of intestacy, the half-sister was entitled to the estate.

Many of the people whose intestate estate the Public Trustee administers emigrated from Europe after World War 2. One such man emigrated via several refugee camps to Western Australia where he married. However his wife predeceased him and he had no children. The Public Trustee then discovered that he had a wife in the USSR who had, of course, been unable to emigrate to join him. They had never been divorced, the marriage in Australia could not be recognised and the Russian wife was entitled to the estate.

Another emigrant's file resulted in three different families in Romania claiming to be the deceased's family. Luckily, the deceased's marriage certificate (located at the Supreme Court on his divorce file) revealed who his parents were and the Public Trustee was able to identify the correct family.

Yet another man left a large estate (now around \$1 million) and a handwritten note that he had a half-sister (although he described her as a "step-sister") in Sydney. By the time the half-sister was located, she had died. In any event, she couldn't be proved to be related since they had completely different surnames and no link could be established. After exhaustive



searches, a birth certificate (in a completely different name) believed to be the deceased's was discovered and the Supreme Court authorised distribution to the half-sister's estate.

Investments

The Investments section manages the investment of the Common Fund and the individual investment portfolios of the larger value trusts under administration. The Investment Manager also assists the trust and estate managers with any queries they may have with individual client files.

The Investments Committee monitors the daily operations of the Investment section. In addition, this committee reviews the performance of investments and provides strategic investment policy for the office. It also acts as a review and approval panel for Common Fund mortgage applications.

The Investments section also supervises the preparation of individual portfolios for clients with investment needs that cannot be met by the Common Fund. These portfolios are prepared by a licensed financial planner under contract to the Public Trustee. The Investment Portfolio Review Committee approves the list of investments from which the financial planner draws the final recommendations, ensuring the investments are consistent with the needs of the client and the Trustee's responsibility. The total value of these individual portfolios exceeds \$45 million.

The mortgage portfolio of the Common Fund has been reduced but remains a quality portfolio of commercial properties situated in the Perth metropolitan area. The competition for commercial mortgage lending business has been intense during the last financial year with the major banking institutions willing to offer enhanced banking packages to win business.

Gross Assets Under Administration

	2000-2001	1999-2000
Investments in Common Fund	204,807,043	184,043,208
Bank Deposits	15,272,281	11,365,829
Shares	44,400,149	35,966,148
Unit Trusts	45,272,495	47,430,621
Life Policies	2,730,483	1,083,640
Real Estate	124,502,006	109,402,693
Other Assets	15,435,817	13,093,883
TOTAL:	452,420,274	402,341,022

Taxation Services

Taxation Services are provided by a Tax Manager who is a registered Tax Agent with more than 30 years experience in the industry. The Service oversees the preparation, review and electronic lodgement of all tax returns for both trust and estate administration clients. Work completed by the Public Trustee Office includes individual, business, company and trust returns. The Tax Manager also provides training for trust and estate managers and advises on complex tax matters to provide the most effective outcomes for trusts under administration.

Workload for Taxation Services continues to increase with Taxation Services lodging 1155 returns last year.



The Tax Manager also provides training for trust and estate managers and advises on complete tax matters to provide the most effective outcomes for trusts under administration.

Property Management

The Property section manages the sale, purchase and rental of properties on behalf of trust and deceased estate clients. To this end, the Property Manager liaises with the families and beneficiaries of trust and deceased clients to appoint a real estate agent and follows through on the terms of sale and negotiates the final sale price.

Property Transactions

	1997-98	1998-99	1999-2000	2000-2001
Number of properties sold	213	211	130	146
Value of properties sold	\$27.9 m	\$29.4 m	\$19.06	\$23.4
Average number of properties rented	183	177	155	115

This year, the section has updated its rental database in preparation for the new computer system, which will enable trust managers to manage rental properties more efficiently and without assistance from the Property section.

The Property Manager co-ordinates the Public Trust Office building maintenance. Improvements for this year included re-developing the ground floor to provide for a new commercial tenant and interview suites for trust management clients.

Contract Management

The Contracts Manager oversees the letting and management of contracts for the provision of services and supplies to the Public Trust Office. The contracts are managed in accordance with Western Australian Public Service requirements and, where required, in conjunction with the Department of Industry and Technology and the State Supply Commission.

This year, the Business Process Re-engineering project identified a number of services that could be more efficiently and cost effectively managed through outside service providers. The Contracts Manager has completed the tender process for these services. Recent tenders finalised were for funeral services, genealogy services and the auction of goods.

Contracts Management has revised the insurance arrangements by introducing a brokering system. The system increases efficiency by eliminating the need to seek several quotes for each policy and also benefits clients by providing a very competitive premium.

Records Management

Records Management provides the file and mail service for the office, ensuring all information flows smoothly. The section also handles the purchasing and asset management for all office needs, except computer and information technology items.

The arrival of a new computer system in 2001-02 will allow for innovative changes in Records



Management. In addition to significantly re-organising and archiving closed files, Records Management has also introduced a new file tracking and management system for legal files, thus reducing file search time. The addition of a new online purchasing system linked to the Department of Justice provides a quick and more cost effective method of purchasing

A newly organised Records team, to be called Business Support, will carry out routine receipting and payments online in addition to normal records management and purchasing duties.

THE FUTURE

In 2001-2002, the Business Services directorate will:

- ?? Introduce online receipting and payments to improve customer service;
- ?? Introduce a new file tracking and management system for legal files;
- ?? Monitor new contracts for funeral services, genealogy services, the storage of clients' effects and the auction of goods; and
- ?? Maximise other opportunities for increased efficiency made possible by the new computer system.



CORPORATE SUPPORT

Corporate Support is responsible for providing quality, cost-effective services that support the strategic objectives of the Public Trustee. Corporate Support continues to work on improving the way the Public Trustee manages and links business planning with funding models as a part of its overall strategic management framework.

Corporate Support has three main functions:

- ?? Finance
- ?? Human Resources
- ?? Information Technology

Computer System Contract

The Public Trustee signed a contract with Unisys West for a new computer system on 29 June 2001, which will be implemented in 2001-2002.

Implementation of the new, \$1.6 million system will take about five months and follows a two-year process to determine and tailor the best software for the Public Trust Office in Western Australia.

The new system, dubbed “MATE”, will deliver a range of efficiency and service benefits including:

- ?? Real time processing that will allow trust officers to determine the true financial position of the client;
- ?? Processing of payments and receipts on-line;
- ?? Web-based navigation that will enable multiple screens to be accessed at one time;
- ?? The capture of a broad range of information that will be validated and used for forms and letters, reducing the need for data entry;
- ?? The maintenance of historical information about assets;
- ?? A delegated level of payment authority that can be customised for every officer; and
- ?? A single database, replacing the four databases currently being used by the Trust Office.

Staff will be thoroughly trained in the use of the new system.

The new system will be similar to that which currently operates in Queensland and in the year ahead, the Public Trustee will enter into a joint arrangement with the Public Trustee of Queensland to develop the software even further. Negotiations for a Memorandum of Understanding will be completed in the first half of 2001-2002 and a user group will be established to examine areas of potential development.



IT Structure

The Public Trustee spent approximately nine months of the past year establishing the best structure for the IT area to support the new system and take our services into the 21st Century.

The Department of Justice is now responsible for IT and infrastructure support. The new arrangement will result in the following benefits:

- ?? Expanded management of IT as a result of the Department's Information Services Directorate providing project/contract management services and monitoring service delivery.
- ?? Additional technical support which will be required to manage the new infrastructure; and
- ?? The ability to draw upon the extensive resource/skill base of the Department of Justice, which will provide improved flexibility to respond to emerging IT needs.

A system administrator is to be recruited as part of the new structure in 2000-2001.

Finance

The Finance section provides the internal financial and accounting services for the Public Trust Office.

During the year, an effective new finance structure that aims to provide a more responsive financial reporting framework for the overall organisation has been developed, along with associated processes and procedures which will be revised in line with the new computerised system due for implementation in 2001-2002.

The new structure takes the emphasis off processing and increases the analytical and strategic functions of this section. A range of performance measures which form the basis of monthly reports was introduced in December 2000. Recruiting for positions for the new structure will be completed during 2000/01.

Trust Funding Model

The Trust Funding Model was reviewed in February 2001. The model enables the Public Trustee to look strategically at potential revenue streams, future funding requirements and areas of expenditure, which may need closer monitoring.

CSO Funding Model

The Public Trustee has a large community service obligation (CSO) and has developed a model, which clearly establishes the cost-price of delivering those services based on a variable set of assumptions. The model provides a more accurate understanding of the Public Trust Office's cost structure and the level of subsidy contributed by Government to specific services.



Goods and Services Tax

The implementation of the Goods and Services Tax (GST) was a significant undertaking for the Finance section.

As a result of a comprehensive report commissioned from Price Waterhouse Coopers last year, the Public Trustee sought a ruling from the Tax Office relating to whether the GST is payable on the Common Fund management fee. This ruling remains outstanding at 30 June 2001.

Legislation to increase fees to allow the recovery of the GST was passed in December. In the first five months of the year, the Public Trustee paid \$162,000 in GST, which could not be passed on to clients and was absorbed.

Human Resources

Human Resources continues to work on improving the way the Public Trust Office manages and links planning with performance to ensure that the Office achieves its objectives.

New positions created as part of the new Public Trust Office structure have been progressively filled throughout the year with the focus on accelerated appointments for levels four and five.

Preparations have also been undertaken for the accelerated appointments of levels two and threes in 2001-2002.

	1998/99	1999/00	2000/01
Employee turnover	20%	14%	20%
Sickness absence	8.6 days per employee per annum	6.8 days per employee per annum	9.7 days per employee per annum

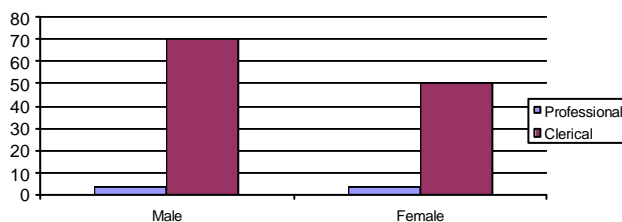
Number of Full Time Equivalent staff

The number of employees at the 30 June 2001 was 121 compared to 126 last year.

Employee Profile

	Male		Female		Total
Professional	3	50%	3	50%	6
Clerical	72	63%	43	37%	115
Total	75	62%	46	38%	121

% Professional & Clerical Staff by Gender

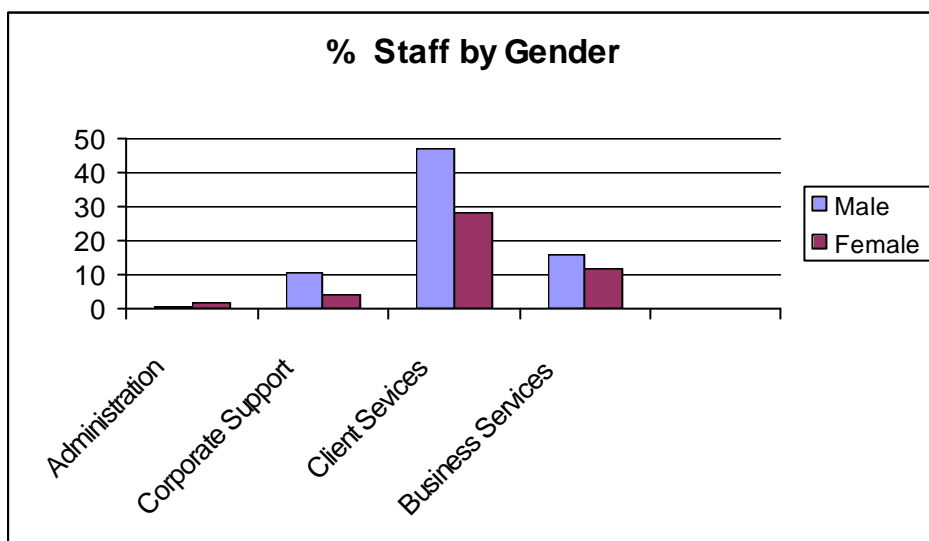




Program Basis

	Male		Female		Total
	No.	%	No.	%	
Administration	1		2	66.6	3
Corporate Support	11		4	26.6	15
Client Services	47		28.2	37.5	75.2
Business Services	16	57.55	11.8	42.44	27.8
Total	75	62	46	38	121

Note: Mortgage Information Staff are not included.



Training and Development

The Office is committed to the personal and professional development of its staff and as part of that commitment and during the year:

- ? ? The development of a training induction program available on the intranet was completed. It has acted as an online induction program for new staff and a 'refresher' tool for existing staff since January 2001;
- ? ? Two new positions focussing on training Trust and Estate Officers as well as improving the skills of new recruits were created for a three month period from December 2000 to February 2001;
- ? ? About 20 managers attended two management development training days held off site and focussing on the implementation of the new computer system and the development of operational plans linked to the business plan;
- ? ? Management development forums were held every two months to look at some of the more contemporary management issues including risk management; knowledge management; induction training; and the employee planning and management system;



- ? ? 27 Officers undertook various levels of training in word processing and use of spreadsheets; and
- ? ? 18 Officers attended training in navigation of the online Trust Officer' s Training Manual.

Succession Planning

The Public Trustee is acutely aware of the increased rate of staff turnover in the public service and a very healthy trend towards greater interchange between the private and public sectors. In recognition of this, and in the interests of good planning, a project is planned to commence early in 2002 which will identify key positions and key personnel within the organisation and ensure that staff are adequately trained and skilled to protect the continuity and quality of service delivery and other functions in the event of people moving on or being seconded to other organisations.

Staff Communication

The policy of open communication with staff continued during the year thus ensuring staff have the information they need to deliver a high standard of service and that they are able to contribute to decision-making on policy and service improvement. These communication activities, which also serve as forums in which staff can be recognised and rewarded include:

- ?? A regular staff newsletter which acknowledges the outstanding performance of staff nominated by their peers or manager;
- ?? Staff briefings held regularly to discuss significant projects and issues currently being addressed; and
- ?? A Reference Group comprised of the Public Trustee and representatives from each section to provide feedback on the organisational change process.

Occupational Safety and Health

The Public Trustee recognises the importance of maintaining a safe and healthy work environment for all employees and an Occupational Safety and Health Committee with representatives from all parts of the organisation meets quarterly (or more often if required) to ensure compliance and to help formulate and introduce policies, procedures and training for employees.

The Office is also represented on the Department of Justice' s employee welfare committee.

An employee assistance program provides staff with access to professional counselling for any personal or work related problems. In 2000-2001, 17 employees or their family members used these services.

Internal Audit

In May 2001, a comprehensive review of controls over purchasing and contracting activities was conducted. The report identified opportunities for improvement including documentation of delegations and the awareness-raising and coaching of staff in policies and processes.

A similarly comprehensive review of investment files was conducted in June 2001 to assess and report on the controls in place over the administration of investments in the Common Fund, as well as external investments. Opportunities for improvement identified included documentation of policies and procedures.



There was also preliminary work done on the implementation of the new computer system in relation to internal audit procedures. This work will continue in 2001-02.

The Audit Committee which oversees the management of the Internal Audit function met twice during the year to provide guidance and direction, review audit reports and recommend action to ensure maintenance of an efficient and effective internal audit function.

Advertising and Sponsorship

In accordance with the Section 175ZE of the Electoral Act, the following expenditure was incurred:

Advertising Agency	MJB and B Marketing	\$14,069
Media Buying Agency	Media Decisions WA	\$41,971

Publications

The following publications may be obtained from our office.

Code of Conduct	F.O.I. Information Statement
Annual Reports	Standards of Service Charter
About our charges	Who We Are, What We Do

Freedom of Information

A total of six applications were received under the Freedom of Information Act in 2000-2001. One is the subject of internal review by the Office or further external review by the Office of the Information Commissioner.

An Information Statement has been prepared which provides details about the operations of the Office, documents held and advice on the manner by which the public can gain access to that information.

A copy of the Information Statement is available on request from the Freedom of Information Coordinator Public Trustee 6th Floor 565 Hay Street, Perth. A complete range of information and an online Freedom of Information application form is available on the Department of Justice website at www.justice.wa.gov.au.

Disability Services Plan

The Office recognises its responsibilities under the Department of Justice's Disability Services Plan by ensuring that people with disabilities, their families and carers are able to access the services provided.

The needs of people with disabilities were taken into account when designing new interview rooms on the ground floor of the Public Trust building.

The Wills on Wheels service enables severely disabled or infirm people to have a will prepared in their own home, nursing home or hospital. In the last financial year, 411 people were assisted in this way.



Equal Employment Opportunity

The Public Trustee is committed to equal opportunity and the encouragement of diversity in the workplace. All job description forms reflect Equal Opportunity principles and staff selection panels have received staff selection training which covers EEO principles.

During the year, one person has trained to take on the role of Grievance Resolution Officer.

The Grievance Resolution Officers are the first point of contact or referral for staff with EEO specific issues; act as a source of support and assistance; and provide general information on processes to supervisors, managers and colleagues.

Customer Focus Program

This year, external market research of a cross section of the Public Trustee's client base was conducted to ascertain the extent to which our Trustee Services met their needs. The research showed a decrease in the level of satisfaction compared to last year's survey. Details of the research conducted can be found in the Performance Indicators section of this report.

A draft Customer Feedback policy will be refined and introduced in 2001/02.

MORTGAGE INFORMATION SERVICE

The Mortgage Information Service (MIS) was established in September 2000 to provide investors who had suffered losses with failed finance brokers with information. The service is funded on a project basis to December 2001.

A team of professionals with financial and commercial experience in the private sector was recruited to provide practical assistance and support (but not financial or legal advice) to investors involved in mortgage investments arranged through a finance broker.

The MIS provides its services and facilities free of charge and remains an impartial service. It works in association with local government authorities and other Government agencies including the Water Corporation and the Department of Land Administration.

To date, the MIS has helped more than 880 investors establish the facts surrounding their investment as well as facilitating communication. Several positive results have been achieved for investors including the sale of or refinancing of several properties where the loan was in default.

Investors assisted	881
Investor and syndicate meetings held	161
Enquiries made for investors	629
Correspondence with investors	3743



STATEMENT OF COMPLIANCE WITH PUBLIC SECTOR STANDARDS

In the administration of the Public Trust Office I have complied with Public Sector Standards in Human Resource Management, the Public Sector Code of Ethics and our Code of Conduct in conjunction with the Department of Justice.

I have put in place procedures designed to ensure such compliance and conducted appropriate internal checks to satisfy myself that the statement made above is correct.

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

<i>?? Number lodged --</i>	<i>0</i>
<i>?? Number of breaches -</i>	<i>0</i>
<i>?? Number still under review --</i>	<i>0</i>

A R McLAREN
PUBLIC TRUSTEE
Date: 31 August 2001



CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators of the Public Trustee are based on proper records and fairly represent the performance of the Public Trustee for the financial year ended 30 June 2001.

Sean Conlin

B Bus, Grad Dip Bus, CA

Principal Accounting Officer

Date: 30 August 2001

A R (Nina) McLaren

MBA, B Arts

Public Trustee

Date: 30 August 2001



PERFORMANCE INDICATORS

OUTCOME: EQUITABLE ACCESS TO TRUSTEE SERVICES FOR ALL WESTERN AUSTRALIANS

The Public Trustee offers a high quality, personalised trustee services to meet the needs of all sectors of the Western Australian community.

“Trustee Services” includes:

- ?? Administering estates of people who die with or without a Will (Estate Administration)
- ?? Managing the financial affairs of people who are unable to manage their financial affairs or for people seeking assistance (Trust Management), and
- ?? Preparing Wills and Powers of Attorney for people who are willing to appoint the Public Trustee as their executor or agent (Wills).

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

Key Performance Indicators have been selected to measure the Office’s effectiveness and efficiency in fulfilling the duties of the Public Trustee Act.

Key Output/Service: 1. Trustee services

Description:

The management of the financial affairs of people who are unable to manage their funds, or for people seeking assistance.

Trust management also includes the administration of estates of people who die with or without a Will, in accordance with the terms of the Will or the relevant law and under the authority of the Supreme Court.

Effectiveness

1.1. Extent to which trust management services meets the needs of clients.

This indicator measures the level of client satisfaction with the quality of trust management services provided. An external consultant was engaged to conduct a telephone survey among a random sample of the Public Trustee client base. The sample client base parameters consisted of (a) Clients who were aged between 18 and 80 years (b) Clients who had an account that was current during the 2000/01 financial year. (c) Clients who were capable of making meaningful comment eg those who were known not to be suffering from mental incapacity.

Based on the above definition, the total population of the survey was 3,080 clients, of which 1,259 were randomly selected representing a cross-section of clients who use the various trustee services provided by the Public Trustee.

	1998/99	1999/00	2000/01 Actual	2000/01 Target
Extent to which trust management services meet the needs of customers	69%	88%	75%	78%

Notes:

1. The survey covered several criteria of customer satisfaction, including aspects of reliability and customer service attributes. Of these a decline was experienced in the former and customer service attributes remained on par with the previous financial year.



2. External consultants once again conducted the survey for 2000/01. Total survey population was 1,259; with 400 respondents, yielding a sampling error of 4.76% at 95% confidence. This was a notable improvement from the previous year's market research accuracy figures. The response rate in 2000/01 was 31.8%, which is an improvement of 13.4% from 1999/00.

1.2 Number of estates relative to the number of adult (18 years and over) deaths in Western Australia.

This indicator measures the Public Trust Office's performance in the market in order to monitor its success in providing an estate administration service for all Western Australians.

The Public Trustee administers estates regardless of whether it is appointed executor or not. Some estates may not require formal administration but still require work to be undertaken so that assets are registered in the survivor or beneficiaries name, eg joint assets, nominal bank accounts.

The indicator represents the number of estates/deaths reported as a percentage of the number of adult deaths in WA.

In 2000/01, 1,923 estates were referred to the office. 19% of all estates of people who died in 2000/01 were referred to the Public Trustee either as executor of the estate or the beneficiaries of the estate sought the assistance of the office. The Office aimed to reach a target of 25%.

	1996/97	1997/98	1998/99	1999/00	Actual 2000/01	Target 2000/01
Number of estates relative to the number of adult (18 years and over) deaths in Western Australia.	23%	24%	22%	23%	19%	25%

	1996/97	1997/98	1998/99	1999/00	Actual 2000/01	Target 2000/01
Number of adult deaths in WA	10326	10764	10582	10806	10301	N/A
Number of deceased estates referred	2378	2537	2295	2443	1923	2397

Notes:

1. The reduction in deceased estates referred can be attributed to the increasing number of solicitors or private persons being appointed executor of an estate.

1.3 Extent to which the Public Trustee maintains a market share in drawing Wills naming the Public Trustee as executor.

This indicator measures the Public Trust Office's performance in the market in order to monitor its success in providing a Will preparation service for all Western Australians.

The Public Trustee operates in a commercial environment offering services, which can be provided by any number of professional service providers.

This indicator represents the number of people who died during the year who had a Will prepared naming the Public Trustee as executor and is shown as a percentage of the total number of adult deaths in WA.

In 2000/01 the Public Trustee administered 1666 estates naming the Public Trustee as executor. The Public Trustee's market share for this period is 16%.



	1996/97	1997/98	1998/99	1999/00	2000/01 Actual	2000/01 Target
Extent to which Public Trustee maintains a market share in drawing Wills naming the Public Trustee as executor	19.5%	20%	18%	20%	16%	20%

	1996/97	1997/98	1998/99	1999/00		
Number of adult deaths in WA	10326	10764	10582	10806	10301	N/A
Number of estates in which the Public Trustee had prepared a Will.	2018	2104	1929	2125	1666	2161

Note:

1. The reduction in market share is directly attributable to the increasing numbers of estates being administered by solicitors and private persons. It has become an increasing trend for clients to select alternative forms of executorship thereby, reducing the numbers of referred estates for administration.



1.4 Percentage of estates finalised within 12 months of being reported.

This indicator provides a measure of success, from a client's perspective, of the average time taken to administer an estate.

In 2000/01, 76% of all estates reported for administration were finalised within 12 months. Issues such as life interests, taxation, family disputes and testator family maintenance actions contribute to the time taken to administer an estate and these are outside the control of the Public Trust Office.

The average time taken to complete an estate, if finalised within 12 months, was 5.8 months, based on the date final payment was made.

	1996/97	1997/98	1998/99	1999/00		
Percentage of estates finalised within 12 months of being reported.						
Within 12 months	70%	71%	68%	69%	76%	75%
Within 9 months	57%	61%	54%	53%	62%	65%
Within 6 months	39%	44%	33%	29%	42%	49%

Efficiency

1.5 Cost per trust managed.

This indicator measures the cost of managing a trust. It is calculated by dividing the total cost of providing trust management services by the number of trusts under management.

This indicator is presented in an Index format. The base year of 1994/95 was set at 100.

	1996/97	1997/98	1998/99	1999/00		
Cost per trust managed	144	187	176	186	209	217

Note:

1. The lower than expected result is attributed to the expenditure delays relating to the Efficiency and Service Improvement program.



	1996/97	1997/98	1998/99	1999/00		
Number of trusts managed	3565	3779	3928	5069	4785	5069

1.6 Cost per deceased estate administered and cost per will prepared.

The deceased estate administration service comprises two main cost areas. The indicator has been separated to provide a clear indication of the costs involved.

This indicator is presented in an index format. The base index of 100 was set in 1994/95.

	1996/97	1997/98	1998/99	1999/00	2000/01 Actual	2000/01 Target
Cost per deceased estate administered	116	129	134	198	188	213

Notes:

1. The lower than expected result is attributed to the expenditure delays relating to the Efficiency and Service Improvement program.

	1996/97	1997/98	1998/99	1999/00	2000/01 Actual	2000/01 Target
Number of deceased estates administered	4921	4575	4252	3135	3227	3135

Cost per Will prepared

	1996/97	1997/98	1998/99	1999/00	2000/01 Actual	2000/01 Target
Cost per Will prepared	128	125	108	146	180	147

Notes:

1. The cost of preparing a Will has increased due to a decline in the number of Wills prepared during 2000/01. The cost is calculated by the actual cost of operating the Wills Section divided by the number of wills.



	1996/97	1997/98	1998/99	1999/00	2000/01 Actual	2000/01 Target
Number of wills prepared	7667	8175	7673	7159	4849	6500

Notes:

1. The reduction in the number of wills prepared is attributed to reduced expenditure on advertising.

1.7 Common Fund Indicators.

Effectiveness

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

Common Fund Earning Rate

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

As at 30 June 2001	Public Trustee Deceased Estates	Other Trusts	Investment Agencies	Other Savings Bank** Investments (>\$15,000)	Bank A/C Call Deposits** (<\$15,000)	Cash Management Trusts**
	%	%	%	%	%	%
1997	5.50	6.00	5.50	0.45	0.3	4.90
1998	4.50	3.50 & 5.50	3.50 & 5.00	0.15	0.15	4.40
1999	4.50	3.50 & 5.50	3.50 & 5.50	0.10	0.10	4.10
2000	4.00	3.50, 4.50 and 5.50	3.50 & 5.50	0.40	0.20	5.25
2001	3.5	3.50, 4.00 and 5.00	4.00 & 5.00	0.05	0.05	4.50

(** As published in the Reserve Bank Bulletin - July 2001 issue)

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

During the year the Public Trustee's Common Fund continued to remain competitive against other comparable at call funds.

Public Trustee's Common Fund Performance versus WA State Treasury and CMT Benchmark Earning Rates (On a Net Basis)

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



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

	1996-97	1997-98	1998-99	1999-00	2000-01
	%	%	%	%	%
Treasury Earning Rate	6.93	5.86	5.38	5.35	5.93
CMT Benchmark Rate	5.55	4.94	4.74	5.08	5.86
Public Trustee Common Fund	8.68	7.64	6.61	6.07	6.55

In the 12 months to 30 June 2001 the Public Trustee's Common Fund achieved a net return of 6.55% on the investment of the funds comprising the Common Fund. Funds under management as at 30 June totalled \$227.0 million.

Efficiency

Common Fund Investment Cost per Dollar Invested

The Public Trustee is responsible for the management and investment of the funds that comprise the Common Fund, as well as funds invested in the financial market. At 30 June 2001 the value of the Common Fund was \$227.0 million, with a further \$45 million invested in the financial market on behalf of individual clients.

The cost of managing these funds in 2000-01 was \$407,896* or 0.15% of the mean value of the funds under management.

Comparative costs for:	1999-00	was	\$376,970*	or	0.15%
	1998-99	"	\$398,043*	"	0.16%
	1997-98	"	\$378,532*	"	0.17%
	1996-97	"	\$195,474*	"	0.10%

(* Costs include expenses incurred by all officers involved in the management of the fund including on-costs such as rent and electricity as well as superannuation and payroll tax. For 2000-01, on-costs were charged at 66% of direct salary.)



OPINION OF THE OFFICE OF THE AUDITOR GENERAL.

Copy letter re: performance indicators



CERTIFICATION OF FINANCIAL STATEMENTS.

FOR THE YEAR ENDED 30 JUNE 2001

The accompanying financial statements of the Public Trustee have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985*, from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2001 and the financial position as at 30 June 2001.

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

Sean Conlin

B Bus, Grad Dip Bus, CA

Principal Accounting Officer

Date: 30 August 2001

A R (Nina) McLaren

MBA, B Arts

Public Trustee

Date: 30 August 2001



FINANCIAL STATEMENTS

PUBLIC TRUSTEE

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2001

	Note	2000-01 \$	1999-00 \$
REVENUE			
Revenue from ordinary activities			
Fees raised from Estates & Trusts	1(j)	4,222,362	4,932,086
Public Trustee 6% fee from Common Fund	1(j), 6, 20(a)	855,851	771,656
Receipts from Common Fund surplus interest	1(j), 6, 20(a)	2,333,000	2,781,183
Interest	1(j), 20(a)	427,111	377,265
Other Revenue	1(j)	61,191	39,667
Total revenue from ordinary activities		7,899,515	8,901,857
EXPENSES			
Expenses from ordinary activities			
Write Offs	3	42,819	7,292
Salaries	4	5,989,449	5,941,836
Superannuation and pension	4	1,484,679	1,222,049
Computer Services	4	49,391	144,200
Administration expenses	4	2,544,453	2,290,131
Accommodation expenses	4	470,284	475,323
Expensing of assets	4	-	396,383
Corporate Service expenses	4	510,964	641,480
Total expenses from ordinary activities		11,092,039	11,118,694
Loss from ordinary activities before payments to the Consolidated Fund		(3,192,524)	(2,216,837)
Fees paid to the Consolidated Fund	5	(5,034,225)	(5,807,851)
Surplus Common Fund Interest paid to Consolidated Fund	6	(2,333,000)	(2,781,183)
Loss from ordinary activities before grants and subsidies from government		(10,599,405)	(10,805,871)
Grants and Subsidies from Government			
Resources received free of charge from the Ministry of Justice	4, 15	11,049,220	11,111,402
NET PROFIT		489,471	305,531
Net initial adjustments on adoption of a new accounting standard AAS38 and UIG Abstract 31		-	-
Total revenues, expenses and valuation adjustments recognised directly in equity		-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		489,471	305,531

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



PUBLIC TRUSTEE

STATEMENT OF FINANCIAL POSITION

As at 30 June 2001

	Note	2000-01	1999-00
		\$	\$
Current Assets			
Investment in Common Fund	10(a)	7,420,053	6,958,989
Total Current Assets		7,420,053	6,958,989
Total Assets		7,420,053	6,958,989
Current Liabilities			
Accrued fees payable to Consolidated Fund	8	215,564	389,696
Tax liabilities	9	194,240	48,515
Total Current Liabilities		409,804	438,211
Total Liabilities		409,804	438,211
NET ASSETS		7,010,249	6,520,778
Equity			
Indemnity Reserve	7(a)(i)	2,232,982	1,982,013
General Reserve	7(a)(ii)	680,000	330,000
Superannuation Fund Reserve	7(a)(iii)	2,391,307	2,391,307
Retained profits	7(b)	1,705,960	1,817,458
TOTAL EQUITY		7,010,249	6,520,778

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



PUBLIC TRUSTEE
STATEMENT OF CASH FLOWS
for the year ended 30 June 2001

	Note	2000-01 Inflows (Outflows) \$	1999-00 Inflows (Outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Fees raised from Estates and Trusts		4,131,030	4,924,794
Public Trustee 6% fee		941,435	771,656
Common Fund surplus interest		2,333,000	2,781,183
Interest received from Common Fund		427,111	377,265
GST receipts on fees		416,409	-
GST receipts from taxation authority		-	-
Other Revenue		61,191	88,182
Payments			
GST payments on purchases		(63,944)	-
GST payments to taxation authority		(243,811)	-
Net Cash provided by operating activities	10(b)	(8,002,421)	8,943,080
CASH FLOW PROVIDED TO GOVERNMENT			
Fees paid to Consolidated Fund	5	(5,208,357)	(5,639,461)
Surplus Common Fund interest	6	(2,333,000)	(2,781,183)
Net Cash provided to Government		(7,541,357)	(8,420,644)
Net increase in cash held		461,064	522,436
Cash assets at the beginning of the financial year		6,958,989	6,436,553
Cash assets transferred from other sources		-	-
Cash assets at the end of the financial year	10(a)	7,420,053	6,958,989

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



PUBLIC TRUSTEE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2001

Note 1. Significant Accounting Policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

1(a) General Statement.

- (i) The financial statements are prepared in accordance with the Financial Administration and Audit Act 1985 (FAAA).
- (ii) The financial statements constitute a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards (AAS) and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The FAAA and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over AAS and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

The statements have been prepared on the accrual basis of accounting using the historical cost convention subsequent to initial recognition, with the exception of certain investment assets, which have been measured on the fair basis in accordance with the option under AAS 38(5.1). (see notes 1(b)(iii) and 20(f)(iii)).

1(b) Non-Current Assets.

The Public Trustee has applied revised AAS 38 Revaluation of Non-Current Assets for the first time from 1 July 2000. The adoption has not resulted in any changes in the accounting policies from the preceding year. Investments have been brought to account as follows:

- (i) Government and other money market securities are recorded at cost, adjusted for premium or discount amortisation, on a constant yield basis over the period to maturity. As these investments are held to maturity, no provision is considered necessary for the difference between the amortised book value and market value. In the event of sale, any differences between amortised value and proceeds are recognised in the Statement of Financial Performance.
- (ii) Mortgages are recorded at lending cost and remain fixed for the term of the loan.
- (iii) The building is recorded at market valuation - refer note 20(f)(iii). There was a change in accounting policy last financial year whereby the building was recorded at cost but is now recorded at fair value. Future revaluations will be performed on a regular three-year basis but will be assessed by management on an annual basis as to whether there is a need to conduct a valuation prior to the expiration of this period. The revaluation is undertaken by the Valuer General's Office for the Government Property Register and is recognised in the financial statements.



1(c) Trust Funds.

The total cash held on behalf of estates and trusts under the control of the Public Trustee is represented in the Public Trustee Common Fund Account, Note 20(b) and 20(g). Details of receipts and payments in the individual estates and trusts are not shown in the financial statements.

1(d) Reserves.

Reserves are determined by the Public Trustee, from earnings not paid to the Consolidated Fund. The Public Trustee Indemnity Reserve has been established to meet possible future liabilities of the Public Trustee in lieu of payment to the Consolidated Fund. This year has seen a consolidation of the Computer Replacement and Furniture Replacement Reserves into one (1) General Reserve, which will meet future capital requirements (refer Note 7(a)).

These reserves are in contrast to the Common Fund General Reserve, which is used primarily for the operations of the Common Fund; such as to stabilise interest paid to estates and meet losses on investments (refer Note 20(h)).

1(e) Reporting of Assets and Liabilities Used by the Public Trustee.

The Ministry of Justice provides the Public Trustee with resources in the form of staff, equipment and other operating expenses. The assets and liabilities relating to these provided resources are reported in the Ministry's Financial Statements (refer Note 4 & 15).

1(g) Foreign Currency Translation.

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency receivables and payables at balance date are translated at exchange rates current at balance date. Exchange gains and losses are brought to account in determining the result for the year.

1(h) Comparative Information.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and disclosures.

1(i) Net Fair Value.

Net fair values of financial instruments are determined on the following basis:

Monetary financial assets and liabilities not traded in an organised financial market:– cost basis for carrying amounts of investments in the Common Fund and accrued fees payable to the Consolidated Fund (which approximates net market value).

1(j) Revenue recognition

Revenue is recognised in the following manner:

1. Fees realised from Estates and Trusts are recognised in the period they are taken.
2. Public Trustee 6% fee from the Common Fund is recognised at the end of each month and adjusted at the year-end.
3. Receipts from Common Fund surplus interest are recognised at year-end.
4. Interest revenue is recognised as it accrues and accounted for on a monthly basis.
5. Other revenue is recognised at the time the transaction is recorded.



1(k) Resources received free of charge or for a nominal value

Resources received free of charge or for a nominal value which can reliably be measured are recognised as revenues and as assets or expenses as appropriate at fair value.

1(l) Goods and Services Tax

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

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

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

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

1(m) Recoverable amount of non-current assets valued on cost basis

The carrying amounts of non-current assets valued on the cost basis, are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

1(n) Reclassification of financial information

Some line items and sub-totals reported in the previous financial year have been reclassified and repositioned in the financial statements as a result of the first time application on 1 July 2000 of the revised standards AAS 1 *Statement of Financial Performance*, AAS 37 *Financial Report Presentation and Disclosures* and the new AAS 36 *Statement of Financial Position*.

Adoption of these standards has resulted in the transfer of the reconciliation of opening to closing retained profits from the face of the statement of financial performance to Note 7(b).

Note 2. Events Occurring Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Public Trustee, to affect significantly the operations of the Public Trustee, results of those operations or the state of affairs of the Public Trustee in future financial years.

Note 3 Write Offs

The amount of \$42,819 represents losses incurred during the administration of estates and trusts, which have been written off in accordance with Section 45 of the Financial Administration and Audit Act.



	2000-01 \$	1999-00 \$
Write Offs	42,819	7,292

Note 4. Resources Received Free of Charge from the Ministry of Justice.

The operational costs of the Public Trustee are funded from the Public Trust Administration program of the Ministry of Justice.

A breakdown of the resources provided free of charge to the Public Trustee is as follows:

	2000-01 \$	1999-00 \$
Operating Expenses		
Salaries	5,989,449	5,941,836
Superannuation and pension	1,484,679	1,222,049
Computer Services	49,391	144,200
Administration expenses	2,544,453	2,290,131
Accommodation expenses	470,284	475,323
Expensing of assets	-	396,383
Corporate Service expenses	510,964	641,480
Total Resources Received Free of Charge	11,049,220	11,111,402

Note 5. Fees paid to the Consolidated Fund.

Fees received during the year are paid to the Consolidated Fund in accordance with Section 38(1) of the Public Trustee Act.

	2000-01 \$	1999-00 \$
Fees paid to the Consolidated Fund	5,034,225	5,807,851

Note 6. Public Trustee Common Fund Surplus Interest.

Following the payment of interest to trusts, estates and to the Public Trustee (includes Public Trustee 6% fee), any surplus earnings are deemed to be surplus common fund interest. As detailed in Note 7, the Public Trustee may, prior to paying Surplus Common Fund Interest into the Consolidated Fund (Section 40(4)(c) of Public Trustee Act), determine to retain a portion as reserves. If a determination is made then surplus interest received by the Public Trustee is reported as revenue and is transferred to Public Trustee reserves.

	2000-01 \$	1999-00 \$
Public Trustee Common Fund surplus interest	2,333,000	2,781,000

Note 7. Equity

(a) Reserves.

The Public Trustee has determined to retain a portion of the earnings as reserves. Funds that have been set aside to meet possible future liabilities of the Public Trustee have been transferred from the Common Fund to the reserves of the Public Trustee.



Details of the Reserves are as follows:

	Note	2000-01 \$	1999-00 \$
Total Reserves			
Opening balance		4,703,320	4,464,677
ADD Transfer to reserves		600,969	238,643
Closing balance		<u>5,304,289</u>	<u>4,703,320</u>
Represented by:			
Indemnity Reserve			
Opening Balance		1,982,013	1,743,370
ADD Transfer to Reserves		250,969	238,643
Closing Balance	7(a)(i)	<u>2,232,982</u>	<u>1,982,013</u>
General Reserve			
Opening Balance		330,000	330,000
ADD Transfer to Reserves		350,000	-
Closing Balance	7(a)(ii)	<u>680,000</u>	<u>330,000</u>
Superannuation Reserve			
Opening Balance		2,391,307	2,391,307
ADD Transfer to Reserves		-	-
Closing Balance	7(a)(iii)	<u>2,391,307</u>	<u>2,391,307</u>

7(a)(i) Indemnity Reserve.

The Indemnity Reserve is used to meet any losses that the Public Trustee may incur in a corporate capacity.

7(a)(ii) General Reserve

This year a general reserve has been established. Its purpose is to provide for future anticipated capital requirements. It also includes amounts previously held in the computer replacement and furniture reserves.

7(a)(iii) Superannuation Reserve.

The Consolidated Fund is liable to meet the superannuation liability of the Office of the Public Trustee in accordance with Section 39 of the Public Trustee Act.

In 1988 State Treasury approved the establishment of a "Superannuation Fund" to meet future superannuation commitments of the Consolidated Fund in relation to employees of the Public Trustee. Part of the surplus of the Common Fund, which is otherwise payable to the Consolidated Fund under Section 40 of the Public Trustee Act, is, with Treasury approval, set aside in the "Superannuation Fund". Payments are made to the Consolidated Fund, by way of statutory contributions, some time in the future when the superannuation costs become due.

Superannuation for the employees of the Office is provided through the appropriate Western Australian Government Superannuation Schemes. Initially it was the Superannuation and Family Benefits Act Scheme (SFBAS) established under the Superannuation and Family and Benefits Act 1938.

A new lump sum scheme, the Government Employees Superannuation Act Scheme (GESAS), was established on 1 July 1987 under the Government Employees Superannuation Act 1987. Members of the SFBAS were given the option of transferring to this new scheme.

The Public Trustee has set aside sufficient funds over a period of 15 years to meet the pre-transfer liability in respect of existing employees who have transferred to the GESAS and also, for funding future liability for existing employees who remained in the SFBAS.



(b) Retained Profits	2000-01	1999-00
	\$	\$
Opening balance	1,817,458	1,750,570
Net profit	489,471	305,531
Transfer to reserves	(600,969)	(238,643)
Net initial adjustments on adoption of a new accounting standard AAS38	-	-
Closing balance	<u>1,705,960</u>	<u>1,817,458</u>

Note 8. Accrued Fees

	2000-01	1999-00
	\$	\$
Current		
Accrued fees payable to the Consolidated Fund	<u>215,564</u>	<u>389,696</u>

Note 9. Tax Liabilities

	2000-01	1999-00
	\$	\$
Current		
BAD Tax payable	-	48,515
GST payable	<u>194,240</u>	<u>-</u>
	<u>194,240</u>	<u>48,515</u>

Note 10. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

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

	2000-01	1999-00
	\$	\$
Cash	<u>7,420,053</u>	<u>6,958,989</u>

(b) Reconciliation of profit from ordinary activities to net cash flows provided by operating activities:

	2000-01	1999-00
	\$	\$
Loss from ordinary activities	(3,192,524)	(2,216,837)
Non-cash items:		
Salaries	5,989,449	5,941,836
Superannuation and pension	1,484,679	1,222,049
Computer services	49,391	144,200
Administration expenses	2,544,453	2,290,131
Accommodation expenses	470,284	475,323
Expensing of assets	-	396,383
Corporate Service expenses	510,964	641,480
(Decrease)/increase in liabilities		
BAD tax payable	(48,515)	48,515
Net GST receipts/(payments)	-	-
Change in GST in payables	<u>194,240</u>	<u>-</u>
Net cash provided by operating activities	<u>8,002,421</u>	<u>8,943,080</u>



(c) Non-cash Financing and Investing Activities

During the year, there were no assets / liabilities transferred / assumed from other government agencies not reflected in the Statement of Cash Flows.

Note 11. Remuneration and Retirement Benefits of Members of the Accountable Authority and Senior Officers

	2000-01	1999-00
<u>Remuneration of Members of the Accountable Authority</u>		
The number of members of the Accountable Authority, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands are:		
\$70,000 - \$80,000	-	1
\$100,000 - \$110,000	1	-
Total remuneration for Accountable Officers	\$102,603	\$73,227

Retirement Benefits of Members of the Accountable Authority

The following amounts in respect of retirements benefits were paid or became payable for the financial year:

1. Redundancy payments	-	-
2. Total contributions to Gold State and West State Superannuation Scheme	\$8,616	\$5,858
3. Contribution to other Superannuation funds	-	-
Total retirement benefits for Accountable Officers	\$8,616	\$5,858

No members of the Accountable Authority are members of the Superannuation and Family Benefits Act Scheme.

Remuneration of Senior Officers

The number of senior officers other than members of the Accountable Authority, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands:

\$10,001 - \$20,000	-	2
\$20,001 - \$30,000	-	1
\$30,001 - \$40,000	-	3
\$40,001 - \$50,000	-	2
\$60,000 - \$70,000	2	-
\$70,000 - \$80,000	2	-
\$90,000 - \$100,000	1	-
Total remuneration of Senior Officers is:	\$376,279	\$243,465

Retirement Benefits of Senior Officers

The following amounts In respect of retirement benefits were paid or became payable for the financial year:

1. Redundancy payments	-	-
2. Total contributions to Gold State and West State Superannuation Scheme	\$28,304	\$16,291
Contribution to other Superannuation funds	-	-
Total retirement benefits for Senior Officers	\$28,304	\$16,291

No Senior Officers are members of the Superannuation and Family Benefits Act Scheme.

Note 12. Remuneration of Auditors.

	2000-01	1999-00
	\$	\$
The total fees paid (GST exclusive) or due and payable to the auditors of the Authority for the financial year are:		
Fees to the Auditor General	58,000	58,000



Note 13. Contingent Liabilities.

In addition to the liabilities incorporated in the financial statements, the Authority has two (2) matters where litigation against the Public Trustee may result. They involve potential claims for damages to the value of \$1,067,000, inclusive of court costs.

Note 14. Additional Financial Instruments Disclosures.

(a) Interest Rate Risk Exposure.

The Authority's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments are:

	Weighted average effective interest rate	Floating Interest rate	Fixed interest rate maturities			Non interest bearing	Total
			1 year or less	1 to 5 years	Over 5 Years		
30 June 2001	%	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Financial Assets							
Investment in Common Fund	6.55	7,420					7,420
Total financial assets		7,420					7,420
Financial Liabilities							
Accrued fee	-					216	216
Tax liabilities	-					194	194
Total financial liabilities						410	410
Net financial assets / (liabilities)	-	7,420	-	-	-	(410)	7,010

	Weighted average effective interest rate	Floating Interest rate	Fixed interest rate maturities			Non interest bearing	Total
			1 year or less	1 to 5 years	Over 5 Years		
30 June 2000	%	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Financial Assets							
Investment in Common Fund	6.07	6,959					6,959
Total financial assets		6,959					6,959
Financial Liabilities							
Accrued fee	-					390	390
Tax liabilities						48	48
Total financial liabilities						438	438
Net financial assets / (liabilities)	-	6,959	-	-	-	(438)	6,521



(b) Credit Risk Exposure.

The State Government guarantees all financial assets of the Public Trustee and therefore no credit risk exists in respect of those amounts.

(c) Net Fair Values.

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

Note 15. Related Bodies.

The Public Trustee is a Statutory Authority. However, its operational expenses are appropriated, by Parliament, to the Public Trust Administration, which is a program of the Ministry of Justice. Financial assistance is provided during the year – refer Note 4.

Full details, on the financial operations of the Public Trust Office, are detailed in the Ministry of Justice Annual Report.

Note 16. Financial Reporting by Segments.

Disclosure of outcome results in terms of Treasury Instruction 1101 is not required because the Public Trustee operates predominantly in one industry as defined in Paragraph 2 of Australian Accounting Standard 16.

Note 17. Indian Ocean Territories

Christmas Island and Cocos (Keeling) Island

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

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

Statement of Receipts and Expenditure for the year ending 30 June, 2001.

Opening Balance	Revenue	Expenditure	Closing Balance
\$	\$	\$	\$
11,170	5,784	3,497	13,457

Note 18. Explanatory Statement.

18(a) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% and \$100,000.

	2000-01	1999-00	Variance
	\$	\$	\$
Fees raised from estates & trusts	4,222,362	4,932,086	(709,724)
Receipts from Common Fund surplus interest	2,333,000	2,781,183	(448,183)
Superannuation and pension	1,484,679	1,222,049	262,630
Administration expenses	2,544,453	2,290,131	254,322



Expensing of assets	Nil	396,383	(396,383)
Corporate service expenses	510,964	641,480	(130,516)
Fees paid to the Consolidated Fund	5,034,225	5,807,851	(773,626)
Surplus Common Fund interest paid to the Consolidated Fund	2333,000	2,781,183	(448,183)
Transfer to reserves	(600,969)	(238,643)	(362,326)

Fees raised from estates & trusts

The variance is due to a reduction in the number of estates referred and administered during the year.

Receipts from Common Fund surplus interest

The variance is due to a reduced determination by the Public Trustee under Section 40(4)(c) of the Public Trustee Act 1941.

Superannuation and pension

The variance is due to the payment of superannuation benefits paid to retirees.

Administration expenses

The variance is due to the introduction of the Mortgage Information Services in September.

Expensing of assets

The variance is due to a change in asset policy introduced in the previous year.

Corporate service expenses

The variance is due to reduced corporate services provided by the Department of Justice.

Fees paid to the Consolidated Fund

The variance is the result of a reduced fee raised for work on estates, in turn reducing the amount available for payment to the Consolidated Fund.

Surplus Common Fund interest paid to the Consolidated Fund

The variance is due to a reduced determination by the Public Trustee under Section 40(4)(c) of the Public Trustee Act 1941.

Transfer to reserves

The variance is due to an increase to the indemnity reserve as per actuary recommendations and an increased provision for future capital requirements.

18(b) Significant variations between estimates and actual results for the financial year.

Section 42 of the *Financial Administration and Audit Act 1985* requires statutory authorities to prepare annual budget estimates. Treasurer's Instruction 945 requires an explanation of significant variations between these estimates and actual results.

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% of budget and \$100,000.

	2000-01 Estimates	2000-01 Actual	Variance
	\$	\$	\$
Fees raised from estates and trusts	4,706,000	4,222,362	483,638
Management fee	1,272,000	Nil	1,272,000
Public Trustee Common Fund surplus interest	1,500,000	2,333,000	(833,000)
Superannuation and pension	850,000	1,484,679	(634,679)
Administration expenses	4,041,000	2,544,453	1,496,547



Accommodation expenses	587,000	470,284	116,716
Fees paid to the Consolidated Fund	6,813,000	5,034,225	1,778,775
Surplus Common Fund interest paid to the Consolidated Fund	1,500,000	2,333,000	(833,000)
Resources received free of charge from the Department of Justice	12,149,000	11,049,220	1,099,780
Transfer to reserves	Nil	(600,969)	600,969

Fees raised from estates and trusts

The variance is due to a reduction in the number of estates referred and administered during the year.

Management fee

The variance is due to expected legislation changes not being introduced, to allow for the introduction of this new fee.

Public Trustee Common Fund surplus interest

The variance is due to the expected legislation changes not being introduced.

Superannuation and pension

The variance is due to the unexpected payment of superannuation benefits paid to retirees.

Administration expenses

The variance is due largely to the unexpected delays in the implementation of the Efficiency and Service Improvement Program.

Accommodation expenses

The variance is due mainly to a further rationalising of accommodation within the Public Trust and its Hay Street premises.

Fees paid to the Consolidated Fund

The variance is due to the expected legislation changes not being introduced.

Surplus Common Fund interest paid to the Consolidated Fund

The variance is due to the expected legislation changes not being introduced.

Resources received free of charge from the Department of Justice

The variance is due largely to the unexpected delays in the implementation of the Efficiency and Service Improvement Program.

Transfer to reserves

The variance is due to an increase to the indemnity reserve as per actuary recommendations and an increased provision for future capital requirements.



Note 19. Estates and Trusts under Administration.

The following statement of assets held and/or liabilities incurred in a trustee capacity, is prepared in accordance with Treasurer's Instruction 1103 (14)(ii). It includes all assets realised and non-realised which are under the control and administration of the Public Trustee.

Statement of Estates and Trusts being administered as at 30 June 2001:

NET TRUST ASSETS UNDER ADMINISTRATION WERE:

ESTATES AND TRUSTS	Note	2000-01 \$	1999-00 \$
Deceased Estates		101,619,325	87,216,884
Deceased Long-term		1,573,443	1,610,744
Extended Trust – Deceased		51,056,780	40,294,251
Extended Trust – Minor		12,241,004	11,346,996
Substitute Trusts		4,581,174	3,233,357
Enduring Power of Attorney		16,654,011	15,041,225
Court Trusts		164,833,744	150,291,215
Agency		6,293,332	7,557,989
Mental Health Act		5,963,058	6,947,765
Infirm		19,966,060	19,237,936
Represented Persons		55,354,068	49,481,272
Safe-care		6,457,181	5,730,528
Enquiry		3,137	23,688
NET TOTAL TRUST ASSETS		446,596,317	398,013,850

REPRESENTED BY:

INVESTMENTS AND LOANS

Investments in Common Fund	20(g)	204,807,043	184,043,208
Bank deposits		15,272,281	11,365,829
Equities	19(i)	44,400,149	35,966,148
Unit Trusts	19(i)	45,272,495	47,430,621
Life Policies	19(ii)	2,730,483	1,038,640
Real Estate	19(iii)	124,502,006	109,402,693
Other Assets	19(iv)	15,435,817	13,093,883
Total Investment and Loan Assets		452,420,274	402,341,022

TOTAL TRUST ASSETS **452,420,273** **402,341,022**

Deduct

CURRENT LIABILITIES

Creditors		3,894,480	2,983,978
Loans		292,404	201,772
Mortgages – Deceased estates		990,056	157,202
Total Current Liabilities		5,176,940	3,342,952

NON CURRENT LIABILITIES

Mortgages – Trust estates		647,016	984,220
Total Non Current Liabilities		647,016	984,220

TOTAL TRUST LIABILITIES **5,823,956** **4,327,172**

NET TRUST ASSETS **446,596,317** **398,013,850**



Basis of Valuation(s):

(i) Equities and Unit Trusts.

For deceased estates the valuation is at the date of death. In other matters the valuation for equities is at 30 June 2001 and sourced from market publications. Valuation of unit trusts is recorded at cost.

(ii) Life Policies.

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

(iii) Real Estate.

Deceased estate valuations are conducted by registered valuers effective at the date of death. In other matters real estate is shown at last valuation, cost or estimated value. Where estimates are made, Public Trustee Property personnel assess the value at time of inspection.

It is not the policy of the Public Trustee to regularly value real estate since it is considered to impose an unnecessary expense on the client.

(iv) Other Assets.

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

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



Note 20. Public Trustee Common Fund Account.

The following financial statements of the Public Trustee Common Fund Account are prepared in accordance with the Public Trust Office Trust Statement No. 13.

20(a) **PUBLIC TRUSTEE COMMON FUND ACCOUNT
STATEMENT OF FINANCIAL PERFORMANCE**
for the year ended 30 June 2001

	Note	2000-01	1999-00
		\$	\$
REVENUE			
Revenue from ordinary activities			
Income on Investments		14,178,588	12,860,937
Doubtful Debts Recovered		29,461	9,500
Total revenue from ordinary activities		14,208,049	12,870,437
EXPENSES			
Expenses from ordinary activities			
Government Fees and Charges		29,606	23,492
Doubtful Debts		284	16,461
Public Trustee's fee		855,851	771,656
Interest Distributed to Clients	20(d)	9,861,468	8,956,902
Loss on Common Fund investment		-	60,815
Interest paid to the Public Trustee		427,111	377,265
Decrement from revaluation of investment		-	170,153
Total expenses from ordinary activities		11,174,320	10,376,744
Profit(loss) from ordinary activities before payments to the Consolidated Fund		3,033,729	2,493,693
Payments to the Consolidated Fund (via Public Trustee)		(2,333,000)	(2,781,183)
Net Profit (loss)		700,729	(287,490)
Net initial adjustments on adoption of AAS38		-	-
Total revenues, expenses and valuation adjustments recognised directly in equity		-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		700,729	(287,490)

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



20(b) **PUBLIC TRUSTEE COMMON FUND ACCOUNT**
STATEMENT OF FINANCIAL POSITION
as at 30 June 2001

	Note	2000-01 \$	1999-00 \$
Current Assets			
Cash at Bank	20(i)(a)	143,967,114	5,794,584
Accrued Mortgage Fees		38,076	11,833
Advances to Estates	20(e)	394,542	533,994
Accrued Interest		656,758	772,789
Total Current Assets		145,056,490	7,113,200
Non-Current Assets			
Investments	1(b), 20(f)	81,939,743	198,940,974
TOTAL ASSETS		226,996,233	206,054,174
Current Liabilities			
Fees & Accrued Taxation		31,378	54,403
Tenancy Bonds		35,429	35,238
Stamp Duty Recouped		10,532	1,016
Interest Received in Advance		215,378	1,326,668
Public Trustee Funds	10(a)	7,420,053	6,958,989
Accrued Interest due to Estates and Trusts		2,362,644	2,221,605
Total Current Liabilities		10,075,414	10,597,919
Non-Current Liabilities			
Estates & Trusts Under Administration	1(c), 20(g)	204,807,043	184,043,208
TOTAL LIABILITIES		214,882,457	194,641,127
NET ASSETS		12,113,775	11,413,047
Equity			
General Reserve	20(h)(a)	11,282,380	10,540,380
Retained profits	20(h)(b)	831,395	872,667
TOTAL EQUITY		12,113,775	11,413,047

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



20(c) **PUBLIC TRUSTEE COMMON FUND ACCOUNT**
STATEMENT OF CASH FLOWS
for the year ended 30 June 2001

	Note	2000-01 Inflows (Outflows) \$	1999-00 Inflows (Outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Income on Investments		12,327,194	11,612,884
Doubtful Debts recovered		29,461	9,500
Payments			
Interest paid to Estates and Trusts		(9,861,468)	(8,956,902)
Interest paid to the Public Trustee		(427,111)	(377,265)
Other Expenditure		(29,606)	(23,492)
Net Cash provided by operating activities	20(i)(b)	2,038,470	2,264,725
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts/(Payments) on maturing investments		116,974,988	(66,118,672)
Proceeds from sale of investments		-	223,569
Net cash provided by/(used in) investing activities		116,974,988	(65,895,103)
CASH FLOWS FROM ESTATES, TRUSTS & PUBLIC TRUSTEE			
Surplus Common Fund Interest paid to the Public Trustee		(2,333,000)	(2,781,183)
From Public Trustee's liability		461,064	517,665
From Estates & Trusts		21,031,008	8,011,858
Net cash provided by estates, trusts & Public Trustee		19,159,072	5,748,340
CASH FLOWS FROM GOVERNMENT			
Repayment of surplus common fund interest		-	1,745,109
Net cash provided by government		-	1,745,109
Net increase/(decrease) in cash held		138,172,530	(56,136,929)
Cash assets at the beginning of financial year		5,794,584	61,931,513
Cash assets transferred from other sources		-	-
Cash assets at the end of the financial year	20(i)(a)	143,967,114	5,794,584

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

Cash flows in respect of Investments, Estates and Trusts and Public Trustee equity have been reported on a net basis in accordance with Australian Accounting Standards No. 28 Statement of Cash Flows, Paragraph 8.1.



20(d) Interest Distributed to Clients.

Interest is distributed to Estates and Trusts on the 1st of April and the 1st of October each year in accordance with Section 40(4)(b) of the Public Trustee Act 1941.

	2000-01	1999-00
	\$	\$
Interest distributed to clients	9,861,468	8,956,902

20(e) Advances to Estates.

	2000-01	1999-00
	\$	\$
Current		
Advances to Estates	394,826	563,455
Less Provision for Doubtful Debts	284	29,461
TOTAL	394,542	533,994

20(f) Common Fund Investments.

	Note	2000-01	1999-00
		\$	\$
Non-current			
(i) At Cost:			
Money Market Securities		-	100,000,000
Mortgage Loans		75,039,743	92,040,974
		75,039,743	192,040,974
(ii) At fair value:			
Land and Building	(iii)	6,900,000	6,900,000
Total		81,939,743	198,940,974

(iii) A revaluation of land and buildings was performed in June 2000 in accordance with an independent valuation by the Valuer General's Office. The valuation has been performed on the basis of current market values of the freehold interest in the Public Trust Building encumbered by the existing leases. The valuation was made in accordance with a regular policy of revaluation performed on a three-year basis but will be assessed by management on an annual basis- refer note 1(b)(iii).

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

	2000-01	1999-00
	\$	\$
Carrying amount at beginning of year	6,900,000	7,070,153
Revaluation decrement	-	(170,153)
Carrying amount at end of year	6,900,000	6,900,000

20(g) Estates and Trusts under Administration.

	2000-01	1999-00
	\$	\$
<u>Estates</u>		
Deceased Estates	26,193,433	23,319,062
Deceased Long-term	1,509,817	1,610,744
Total estates	27,703,250	24,929,806
<u>Trusts</u>		
Extended Trust Minor	10,885,653	10,216,622
Mental Health Act	3,389,101	4,267,875
Infirm Persons	12,972,170	12,973,647



Represented Persons	25,551,086	21,642,076
Court Trusts	84,619,696	73,198,570
Agency	4,348,947	5,421,989
Trusts Sundry	3,704,545	2,633,607
Extended Trust Deceased	17,666,982	16,974,507
Enduring Power of Attorney	7,505,295	6,033,249
Total trusts	<u>170,643,475</u>	<u>153,362,142</u>

Other

Safe-care	6,457,181	5,727,572
Enquiry	3,137	23,688
Total other	<u>6,460,318</u>	<u>5,751,260</u>

Total estates and trusts under administration

204,807,043 184,043,208

The above amounts represent the realised value of estate and trust assets presently held in the Public Trustee Common Fund.

20(h) Equity

(a) Reserves

2000-01 1999-00
\$ \$

General Reserve

Opening balance	10,540,380	10,601,195
ADD Transfer to Reserves	742,000	-
LESS Transfer from Reserves	-	60,815
Closing balance	<u>11,282,380</u>	<u>10,540,380</u>

The General Reserve is used to stabilise interest paid to estates and to meet losses on investments.

(b) Retained Profits

2000-01 1999-00
\$ \$

Opening balance	872,667	1,099,342
Net profit	700,729	(287,490)
Transfer (to)/from reserves	(742,000)	60,815
Net initial adjustments on adoption of a new accounting standard AAS38	-	-
Closing balance	<u>831,395</u>	<u>872,667</u>

20(i) Notes to the Statement of Cash Flows

(a) Reconciliation of Cash.

For the purpose of the Statement of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2000-01	1999-00
	\$	\$
Cash	<u>143,967,114</u>	<u>5,794,584</u>



(b) Reconciliation of profit from ordinary activities to net cash flows provided by operating activities.

	2000-01	1999-00
	\$	\$
Profit from ordinary activities	3,033,729	2,493,693
<u>Non-cash items:</u>		
Decrement from revaluation of investment	-	170,153
Loss on sale of investment	-	60,815
<u>Decrease / (Increase) in assets:</u>		
Accrued interest	116,031	(375,099)
<u>(Decrease) in liabilities:</u>		
Interest received in advance	(1,111,290)	(84,837)
Net cash provided by operating activities	<u>2,038,470</u>	<u>2,264,725</u>

(c) Non-cash Financing and Investing Activities

During the year, there were no assets / liabilities transferred / assumed from other government agencies not reflected in the Statement of Cash Flows.



20(j) Additional Financial Instruments Disclosures.

(a) Interest Rate Risk Exposure.

The Common Funds exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments are:

	Weighted average effective interest rate	Floating Interest rate	Fixed interest rate maturities			Non interest bearing	Total
			1 year or less	1 to 5 years	Over 5 Years		
30 June 2001	%	\$' 000	\$' 000	\$' 000	\$' 000	' 000	\$000
Financial Assets							
Cash at bank	5.15	143,967					143,967
Accrued mortgage fees						38	38
Advances to estates						394	394
Accrued interest						657	657
Investments:							
Securities	7.49		53,983	21,057			-
Mortgages							75,040
Land & Buildings	4.45	6,900					6,900
Total financial assets		150,867	53,983	21,057	-	1,089	226,996
Financial Liabilities							
Fees & accrued taxation						31	31
Tenancy bonds						35	35
Stamp duty						11	11
Interest in advance						215	215
Public Trustee funds	6.55	7,420					7,420
Accrued interest						2,363	2,363
Estates & trusts							
Estates	3.58	27,703					27,703
Trusts	5.00	170,644					170,644
Other	5.00	6,460					6,460
Total financial liabilities		212,227	-	-	-	2,655	214,882
Net Financial Assets / (liabilities)		(61,361)	53,983	21,057	-	(1,566)	12,114



	Weighted average effective interest rate	Floating Interest rate	Fixed interest rate maturities			Non interest bearing	Total
			1 year or less	1 to 5 years	Over 5 Years		
30 June 2000	%	\$' 000	\$' 000	\$' 000	\$' 000	' 000	\$000
Financial Assets							
Cash at bank	6.04	5,794					5,794
Accrued mortgage fees						12	12
Advances to estates						534	534
Accrued interest						773	773
Investments:							
Securities	6.21		100,000				100,000
Mortgages	7.28		32,264	59,777			92,041
Land & Buildings	5.82	6,900					6,900
Total financial assets		12,694	132,264	59,777	-	1,319	206,054
Financial Liabilities							
Fees & accrued taxation						54	54
Tenancy bonds						35	35
Stamp duty						1	1
Interest in advance						1,327	1,327
Public Trustee funds	6.07	6,959					6,959
Accrued interest						2,222	2,222
Estates & trusts							
Estates	4.10	24,930					24,930
Trusts	5.50	153,362					153,362
Other	5.48	5,751					5,751
Total financial liabilities		191,002	-	-	-	3,639	194,641
Net Financial Assets / (liabilities)		(178,308)	132,264	59,777	-	(2,320)	11,413

(b) Credit Risk Exposure.

Government guarantees all financial assets of the Common Fund and therefore no credit risk exists in respect of those amounts. In addition, insurance is taken out to cover the building and also professional indemnity insurance cover, for staff involved with management of Common Fund investments.

(c) Net Fair Values.

The carrying value of financial assets and liabilities recorded in the financial statements are not materially different to their net fair values determined in accordance with accounting policies disclosed in the following Notes; 1(b), 1(i).

20(k) Explanatory Statement.

Comparison of Actual Results with those of the Preceding Year.

Details and reasons for significant variations between actual revenue and expenditure and the corresponding item of the preceding year are detailed below.

Significant variations are considered to be those greater than 10% and \$100,000.



	2000-01	1999-00	Variance
	\$	\$	\$
Income on investments	14,178,588	12,860,937	1,317,651
Interest distributed to clients	9,861,468	8,956,902	904,566
Payments to the Consolidated Fund	2,333,000	2,781,183	(448,183)
Transfer (to)/from reserves	(742,000)	60,815	(802,815)
Decrement in revaluation of investment	Nil	170,153	170,153

Income on investments

The variance is due to a combination of both an improvement in the yield and increased value of Common Fund investments.

Interest distributed to clients

The variance is due to an increased value of client funds, which translates to increased client interest payments.

Payments to the Consolidated Fund

The variance is due to a reduced determination by the Public Trustee under Section 40(4)(c) of the Public Trustee Act 1941.

Transfer (to)/from reserves

The variance is due to an increased determination by the Public Trustee under Section 40(4)(c) of the Public Trustee Act 1941.

Decrement in revaluation of investment

The variance is due to no building revaluation being required this financial year.



OPINION OF THE OFFICE OF THE AUDITOR GENERAL.

Copy letter re: financial statements



ESTIMATES 2000/2001

PUBLIC TRUSTEE STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2002

	ESTIMATES 2001-02 \$	ACTUAL 2000-01 \$
REVENUE		
Revenue from ordinary activities		
Fees raised from Estates & Trusts	4,455,400	4,222,362
Public Trustee 6% fee from Common Fund	814,600	816,195
Receipts from Common Fund surplus interest	2,349,000	2,333,000
Interest	454,000	427,111
Other Revenue	50,000	61,191
Total revenue from ordinary activities	8,123,000	7,859,859
EXPENSES		
Expenses from ordinary activities		
Write Offs	25,000	42,819
Salaries	5,966,000	5,989,449
Superannuation and pension	923,000	1,484,679
Computer Services	100,000	49,391
Administration expenses	4,245,000	2,544,453
Accommodation expenses	431,400	470,284
Corporate Service expenses	500,000	510,964
Total expenses from ordinary activities	12,190,400	11,092,039
Loss from ordinary activities before payments to the Consolidated Fund	(4,067,400)	(3,232,180)
Fees paid to the Consolidated Fund	(5,270,000)	(5,034,225)
Surplus Common Fund Interest paid to Consolidated Fund	(2,349,000)	(2,333,000)
Loss from ordinary activities before grants and subsidies from government	(11,686,400)	(10,599,405)
Grants and Subsidies from Government		
Resources received free of charge from the Department of Justice	12,165,400	11,049,220
NET PROFIT	479,000	449,815
Net initial adjustments on adoption of a new accounting standard AAS38 and UIG Abstract 31	-	-
Total revenues, expenses and valuation adjustments recognised directly in equity	-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	479,000	449,815



PUBLIC TRUSTEE
STATEMENT OF FINANCIAL POSITION
For the year ended 30 June 2002

	ESTIMATES 2001-02 \$	ACTUAL 2000-01 \$
Current Assets		
Investment in Common Fund	7,819,593	7,376,432
Total Current Assets	<u>7,819,593</u>	<u>7,376,432</u>
Total Assets	<u>7,819,593</u>	<u>7,376,432</u>
Current Liabilities		
Accrued fees payable to Consolidated Fund	250,000	215,564
Tax liabilities	120,000	190,275
Total Current Liabilities	<u>370,000</u>	<u>405,839</u>
Total Liabilities	<u>370,000</u>	<u>405,839</u>
NET ASSETS	<u>7,449,593</u>	<u>6,970,593</u>
Equity		
Indemnity Reserve	2,432,982	2,232,982
General Reserve	930,000	680,000
Superannuation Fund Reserve	2,391,307	2,391,307
Retained profits	1,695,304	1,666,304
TOTAL EQUITY	<u>7,449,593</u>	<u>6,970,593</u>