

Public Trustee Annual Report 2008/09

Report to the Parliament of Western Australia



Government of Western Australia
Department of the Attorney General



Public Trustee

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Statement of Compliance

Mr Christian Porter MLA BA (Hons), BEc, LLB, Msc
Attorney General

In accordance with section 61 of the [Financial Management Act 2006](#), I hereby submit for your information and presentation to Parliament, the Annual Report of the Public Trustee for the financial year ended 30 June 2009.

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



John Skinner

PUBLIC TRUSTEE

Accountable Authority

18 September 2009

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Overview

Executive Summary

The Public Trustee provides professional and independent trustee and financial management services to all Western Australians. It offers a range of free community services and fee-based services that include preparing Wills and enduring powers of attorney, administering nominated deceased estates and overseeing the financial and legal affairs of vulnerable people. The Public Trustee is a Statutory Authority that receives administrative support from the Department of the Attorney General.

Legislation which came into effect on 1 July 2008 enabled the Public Trustee to provide a greater range of services and heralded a new era for the Public Trustee in Western Australia. During the implementation period to 1 July 2009 we finalised a new business model to bring us into line with the contemporary business frameworks of Public Trustees in other Australian States as well as trustees in the private sector.

The Public Trustee's chosen model delivers additional benefits to clients and increased income streams to enable the Office to become self-funding within five years, while maintaining the government's commitment to provide services to those in our community who cannot afford to pay.

Performance Highlights

- Development and implementation of new fee structure for Public Trustee services;
- Development of four new strategic investment funds;
- Successful completion of the three-stage upgrade to the Management and Accounting Trust Environment (MATE) computer system used by the Public Trustee in the management of its clients for launching on 1 July 2009;
- Approval and commencement of recruitment for several new staff positions to ease workloads in the Trust Management area;
- Introduction of new Executor Assist, and private Executor Will drafting services;
- Purchase of 553 Hay St building in preparation for a move of the office;
- Completion of extensive market research to guide business development opportunities and improvement of client satisfaction;
- New website and redesign of all publications, and introduction of stakeholder and client newsletters; and
- Submission of applications to Redress WA scheme on behalf of 91 Public Trustee clients.

Other achievements included:

- recognition as a Better Practice Agency by the Office of the Auditor General for quality and timely financial statements and good financial practice;
- an extension of the visiting Will-making service to Geraldton and Albany; and
- optimisation of income for clients through full leasing of the Common Account assets, the Public Trustee Building at 565 Hay Street Perth and the Panoramic House building at 553 Hay St Perth.

Public Trustee's Report

I am pleased to provide this report on the achievements and progress of the Public Trustee for the 2008/09 financial year. This report highlights the many activities and successes of the Office over the past 12 months.

Our Business

A strong foundation for our future growth has been built with the implementation of the operational changes arising from the amendments to the [Public Trustee Act 1941](#) that were approved by Parliament early in 2008. A range of very significant changes was ready for implementation on 1 July 2009, and these have provided for a dynamic and strategically focused business future for the Public Trustee. Through the year all staff worked hard to achieve the introduction of substantial changes to the investments arrangements, the fee structure and the introduction of new services, whilst at the same time maintaining the usual high standard of services to all clients. These changes were delivered by the due date of 30 June 2009, and within the budget allocated.

The Public Trustee's main computer system was successfully upgraded during the year. This project, which was delivered by the due dates for each phase, was fully completed by the final deadline of 30 June, and also within the budget allocated. This upgrade means that the Public Trustee now has its main business system fully supported by its supplier with modern infrastructure and technology, and it has new functionality to deliver improved business efficiency and to administer the new fee and investment arrangements.

The changes to the Public Trustee's legislation have also enabled us to introduce new services, building on the experience and expertise available within the Office. As from 1 July 2009, we will provide a Will writing service for all Western Australians, regardless of whether the Public Trustee is nominated as the executor. This will mean that we can offer the experience in Will writing we have developed over many years at a very competitive rate.

The amendments also introduced the concept of an Annual Agreement between the Attorney General and the Public Trustee. The Annual Agreement partially replaces the Regulations under which the Public Trustee previously operated. The second Annual Agreement was signed in June 2009 for the 2009/10 financial year. The agreement sets out the complete new fee arrangements to apply for the following year, as well as the use of reserves for the running of the Office.

The legislation governing our operations provides for the Public Trustee to purchase a building, as a client investment, to accommodate staff and provide a central and stable location for clients to have easy access to our services. As there are a number of reasons to consider moving, including deficiencies in the current building, the Public Trustee obtained approval to purchase another building with the intention of re-locating in the near future, subject to Government funding approvals. The new building is next door to our current location and offers significant advantages to our clients. I expect to be able to report on progress of this move at the end of the next financial year.

Our People

In last year's report I provided details on the progress of the cultural change program that we have initiated to improve attitudes to providing good customer service. During the year we continued the development of this program, including a follow-up survey to test what impact the program was having on staff attitudes to our clients and the service being provided. The results indicated a significant positive shift in staff attitudes. The next phase of this program involves providing feedback and coaching to managers on their style of leadership in the next financial year, and we will also start to work within each team to foster this new culture and service values across the Office. A follow-up survey will then be conducted to assess the progress.

During the year we obtained approval to increase staff numbers in several areas, including the number of trust managers, to meet increasing client demand for improved services. Recruitment was under way by the end of June 2009.

The new Business Development and Marketing branch was fully formed with the commencement of the Communications Officer. This branch has been busy conducting surveys of clients and stakeholders to obtain information on how we can improve our services. They have also prepared the many brochures and other forms of information necessary to advise of the changes in our fees, investments arrangements and new services.

The Future

In the coming year we intend to obtain and implement an automated Wills writing system. Through the use of modern technology we expect to achieve significant improvements and efficiencies in the way we prepare Wills for our clients. Implementation of this system is expected towards the end of 2009/10.

The other significant development is that from 1 July 2009, the Public Trustee will introduce an upgraded service known as the WA Will Bank. It is a free service to individuals in the Western Australian community, and will provide a safe and secure storage facility for all Wills, with each Will having an electronic image taken and recorded on a register maintained by staff.

We will also look to developing new, and building on existing relationships with stakeholders.

The changes implemented over the past 12 months have been very significant and achieved through the hard work and commitment of staff, through what could have been an unsettling period. The coming year is planned to be one of greater stability, to consolidate the changes and ensure the new arrangements are working as well as planned, and that we are well on the way to becoming completely self-funded.

I would like to thank all staff for the hard work and commitment they displayed over the past 12 months of significant change. I would also to thank the Attorney General and the Director General of the Department of the Attorney General for their guidance and support, and the Corporate Services staff of the Department for their wide-ranging support during the year.

John Skinner
Public Trustee



Overview

Operational Structure

Enabling Legislation

The Public Trustee was established by the [Public Trustee Act 1941](#) and is a Statutory Authority within the provisions of the [Financial Management Act 2006](#). It receives administrative support from the Department of the Attorney General.

Responsible Minister

Christian Porter MLA BA (Hons), BEc, LLB, Msc. Attorney General

Mission

To be a trusted organisation recognised for professionalism, integrity, and respect whose clients feel valued and protected

Organisational Chart





Corporate Executive Profiles

Public Trustee, John Skinner BSc, Grad Dip FP

Mr Skinner has extensive experience in financial services and management in both the State and Commonwealth public sectors.

Director Trustee Services, Sean Conlin BBus, Grad Dip Acct, CA

Mr Conlin has ten years public sector management experience, and 16 years financial services accounting and management experience in the private sector.

Director Business Services, Kerry Wilson BBus (Acct), CPA

Ms Wilson has over 30 years financial services experience in both the public and private sectors, including nine years public sector management.

Director Corporate Support, Terry Hearn BBus, Assoc Dip Bus

Mr Hearn has 30 years financial and management accounting experience in both the public and private sectors, including 14 years public sector management.

Principal Legal Officer, Michael Bowyer LLB

Mr Bowyer has 17 years legal advisory experience, including 16 years in the public sector.

Director Business Development & Marketing, Etta Palumbo BPsych

Ms Palumbo has ten years professional services marketing experience and a further 11 years research, strategic planning and communications experience for public and private sector clients.

Administered Legislation

The Attorney General and the Public Trustee administer the [*Public Trustee Act 1941*](#) and the [*Public Trustee Regulations 1942*](#) and the Public Trustee complies with more than 100 State or Federal Acts in conducting its business.

Other Key Legislation Impacting on the Public Trustee's Activities

In the performance of its functions, the Public Trustee complies with:

[*Aboriginal Affairs Planning Authority Act 1972*](#)

[*Administration Act 1903*](#)

[*Auditor General Act 2006*](#)

[*Criminal Property Confiscation Act 2000*](#)

[*Disability Services Act 1993*](#)

[*Equal Opportunity Act 1984*](#)

[*Financial Management Act 2006*](#)

[*Freedom of Information Act 1992*](#)

[*Guardianship and Administration Act 1990*](#)

[*Inheritance \(Family and Dependents Provision\) Act 1972*](#)

[*Industrial Relations Act 1979*](#)

[*Minimum Conditions of Employment Act 1993*](#)

[*Non-contentious Probate Rules 1967*](#)

[*Occupational Safety and Health Act 1984*](#)

[*Public Sector Management Act 1994*](#)

[*Rules of the Supreme Court 1971*](#)

[*Salaries and Allowances Act 1975*](#)

[*State Administrative Tribunal Act 2004*](#)

[*State Records Act 2000*](#)

[*State Supply Commission Act 1991*](#)

[*Trustees Act 1962*](#) and [*Wills Act 1970*](#)

Performance Management Framework

The Public Trustee, whilst a statutory authority in its own right, is not a separate agency and does not have its own Outcomes Based Management Framework but is part of and follows the overall Department of the Attorney General's Framework which is reproduced below.

Outcome Based Management Framework

Government goals

Financial and Economic Responsibility: Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.

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

Stronger Focus on the Regions: Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

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

Department goal

The right to justice and safety for all people in Western Australia is preserved and enhanced.

Department purpose

To provide high quality and accessible justice, legal, registry, guardianship and trustee services that meet the needs of the community and Government.

Department future

We are valued as leaders in developing and delivering justice services, policy and reforms that are significant and sustainable.

A copy of the Public Trustee's Strategic Framework 2009-2014 appears at Appendix One.

Changes to Outcome Based Management Framework

The Public Trustee's Strategic Framework 2009-2014 is in line with State Government of Western Australia's changes during 2008/09.

Shared Responsibilities with Other Agencies

The Public Trustee did not share any responsibilities with other agencies. It works collaboratively with a wide range of federal and state government agencies to ensure accessible, effective and timely delivery of trustee and legal services to its clients, namely elderly, vulnerable or intellectually impaired Western Australians. These agencies include Office of the Public Advocate, Department for Child Protection, Centrelink, State Administrative Tribunal, State Solicitors Office, Registry of Births, Deaths and Marriages, Department for Communities, Landgate, GESB, Legal Aid, WA Police, Office of Senior Interests and Volunteering, Health, Disability Services Commission and the various Courts.



Agency Performance

Report On Operations

The increases in costs have been a result of increases in approved expenditure during 2008/09 for both capital and operational expenditure.

The Public Trustee's market share of Estates in Western Australia fell short of the target of 14% (an 11.1% variance) as a result of the flow-on effects from downsizing the Public Trustee's Wills services and activity 8-12 years ago.

The Public Trustee's market shares of Wills drawn in Western Australia did not reach target (a 9.3% variance) due to limited public education of the service. This result is expected to improve as a result of the active marketing undertaken by the Business Development Directorate.

Actual results versus budget targets

Financial Targets

	Target	Actual	Variation
Total cost of services (expense limit)	\$13,262 ¹	\$16,580 ¹	\$(3,318)
Net cost of services	\$3,063	\$4,456	\$(1,393)
Approved full time equivalent (FTE) staff	154	148	6

¹ As published in the Budget Statements

Key Performance Indicators

Performance information relating to the services provided is presented in detail at page 79 of this report and in the Annual Agreement 2008/09 at page 90.

	Target	Actual	Variation
Effectiveness			
1.1 Extent to which trustee services meet the needs of clients	75%	74%	-1.3%
1.2 Number of estates relative to the number of adult (18 years and over) deaths in Western Australia	14%	12%	-11.1%
1.3 Extent to which the Public Trustee maintains a market share in drawing Wills naming the Public Trustee as executor	12%	11%	-9.3%
1.4 Percentage of estates finalised within 12 months of being reported	67%	63%	-6.5%
Efficiency			
1.5 Cost per trust managed	\$1,311	\$1,515	-15.5%
1.6.1 Cost per deceased estate administered	\$1,810	\$2,090	-15.5%
1.6.2 Cost per Will prepared	\$290	\$356	-22.7%

Agency Performance

The Public Trustee provides professional and independent trustee and asset management services to all Western Australians. It offers a range of free community service and fee-based services that include:

- preparing and giving advice on making sound Wills;
- preparing Enduring Powers of Attorney (which are legal documents where one person gives the legal authority to make financial and some legal decisions on their behalf to another person);
- administering deceased estates of those who nominate the Public Trustee as Executor or where Executors approach the Public Trustee to administer the estate;
- administering the estates of particular Aboriginal people who die intestate;
- managing the financial and legal affairs of people who are incapacitated or infirm or have intellectual or mental disabilities;
- acting as Trustee (when appointed by the courts or assessors) to manage personal injuries or criminal injuries compensation awards;
- acting as Trustee for people under the age of 18 (minors); and
- providing a compliance and support service to over 1500 Private Administrators who are usually family members or close friends appointed by the State Administrative Tribunal to manage the financial affairs of another person who lacks the ability to manage their own affairs.

The Public Trustee is a statutory authority within the provisions of the [*Financial Management Act 2006*](#). It provides a funds management and investment service through the operation of the Common Account – an at-call investment facility backed by the Government of Western Australia – and acts as trustee or financial administrator pursuant to the orders of courts, assessors or tribunals. It also administers the estates of people who die with or without a Will, in accordance with the terms of the Will or the relevant law and under the authority of the Supreme Court.

The Public Trustee has five main directorates.

1. **Trustee Services** provides core services to clients including:
 - Wills
 - Estate Administration
 - Trust Management
 - Private Administrator Support
2. **Business Development & Marketing** is responsible for raising the profile of the Public Trustee and its services; initiatives that attract new clients and retain existing clients; Public Relations and the Client Service Centre.
3. **Business Services** provides advice and support to Trustee Services including:
 - Investments
 - Taxation Services
 - Contract Management
 - Business Support
4. **Legal Services** provides services including Wills, legal advice, dispute resolution and litigation.
5. **Corporate Support** provides services that support Public Trustee functions and employees including:
 - Finance
 - Internal Audit
 - Human Resources
 - Information Technology
 - Training and Development



Trustee Services

The focus for the Directorate during the past 12 months included delivering new services to clients, preparing for the changes to take effect on 1 July 2009, building capability to service increasing demand and continuing to provide targeted training to employees.

Initiatives undertaken include:

- securing budget approval to appoint additional trust officers to cope with the increasing work loads;
- participating in the office wide Cultural Change Program;
- expanding the Will-making service to include visits to regional areas of Western Australia;
- launching the new Executor Assist service on 1 July 2008; and
- participating in numerous workshops and planning sessions in relation to the legislation changes.

Wills

The Public Trustee offers professional Will-drafting and safe custody services to all Western Australians. Previously, the Public Trustee only prepared Wills for clients who named the Public Trustee as Executor of their Will. From 1 July 2009 the Public Trustee will expand its Wills service to include preparing Wills for clients who nominate someone other than the Public Trustee as their Executor.

There are now more than 100,000 Wills held in safe custody with the Public Trustee, most of which are Public Trustee-prepared Wills. On 1 July 2009 the Public Trustee launched the WA Will Bank, which is a free community service to individuals that allows people who don't have Public Trustee Wills to store them at no cost with the Public Trustee in a purpose-built fire-proof vault.

During the year, employees prepared or amended 3,650 Wills and the 'Wills on Wheels' service provided a visiting Will-preparation service to 345 people who were unable to attend the office due to infirmity or age.

The Public Trustee also provides an Enduring Power of Attorney service to ensure a person's assets are protected during any period of incapacity.



Agency Performance

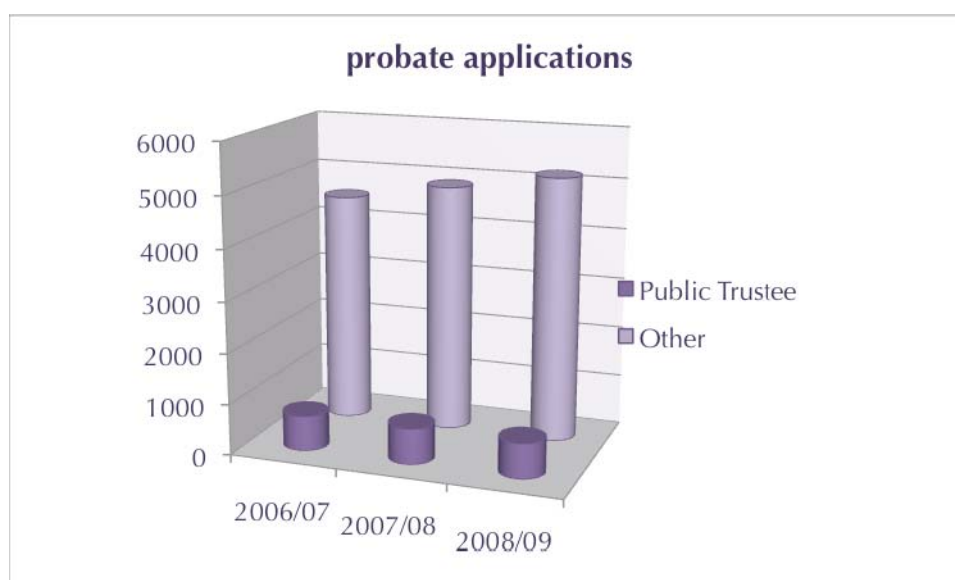
Estate Management

Responsible for administering the estates of people who die with or without a Will, the section's continued emphasis has been on improving the standard of service to meet client expectations.

The Public Trustee continued to assist beneficiaries in estates where there are only limited or nominal assets (including beneficiaries administering the estate themselves) and encourage them to take a more active role. The Public Trustee has adopted this strategy to maximise the return to these beneficiaries.

On 1 July 2008 the Public Trustee also launched its new Executor Assist service and helped 16 executors of Wills obtain a Grant of Probate as an alternative to the Public Trustee taking on the whole administration of the estate. The Public Trustee prepares the documents and applies to the Supreme Court Probate Registry to obtain a Grant of Probate on behalf of the appointed executor.

The Public Trustee's market share of estate administrations declined slightly to 694 with 11.8 per cent of total applications to the Supreme Court Probate Registry, compared with 709 being 12.7 per cent in 2007/08.



Trust Management

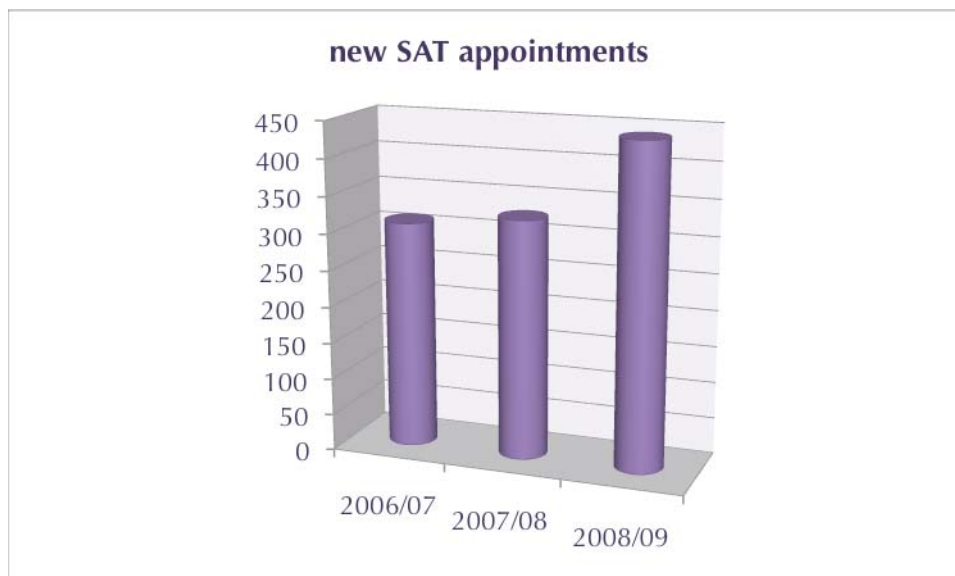
Trust managers act as trustee, manager, donee, substitute trustee, or administrator for people who are unable or unwilling to manage their own financial affairs.

The total number of new trusts (including appointments by the State Administrative Tribunal) reported for administration was 684, which is 18.95 per cent above that of the previous year, when 575 new trusts were reported.

The total number of trusts on hand increased to 4,519 compared to 4,403 in 2007/08.

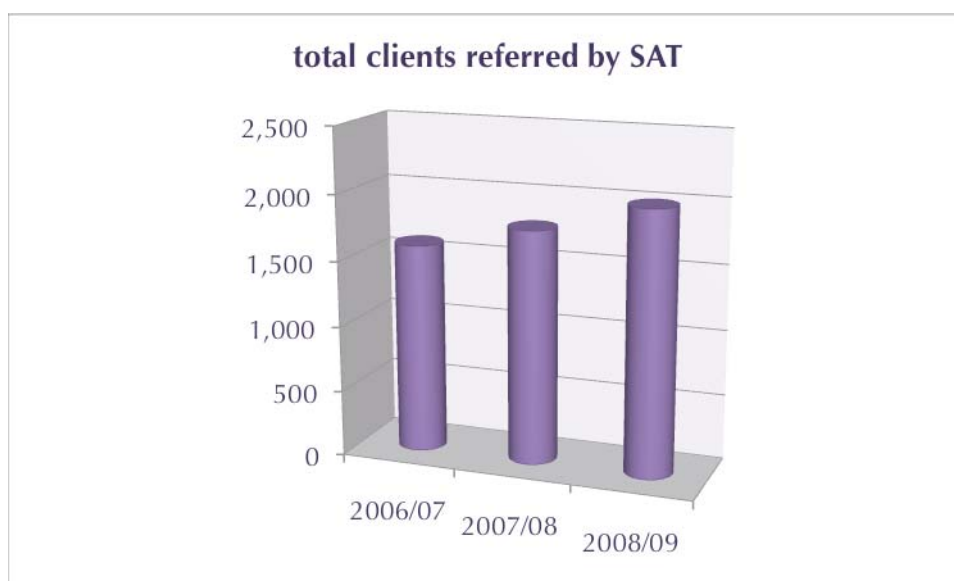


State Administrative Tribunal appointments of the Public Trustee as administrator continues to rise. The Tribunal referred 440 new cases to the Public Trustee (compared to 327 in 2007/08), an increase of 35%.



At year-end there were 2,002 State Administrative Tribunal clients being administered by the Public Trustee, compared to 1,780 at 30 June 2008.

Agency Performance



The continuing increase in the number of State Administrative Tribunal appointments of the Public Trustee can be attributed to the increase in the number of people in society with decision-making disabilities, due in the most part to an ageing population. People whose affairs are managed by the Public Trustee pursuant to an Administration Order include those who suffer dementia, an intellectual disability, mental illness or brain damage, and who are susceptible to neglect, abuse or exploitation by others. The role of the Public Trustee includes making financial and legal decisions that are in the best interests of the client.

The number of new court trusts allocated to trust managers for the year declined to 166 compared to 201 in 2007/08. Court trusts originate mainly from the District Court and the Assessor of Criminal Injuries Compensation, and the size of these trusts varies from thousands of dollars to millions of dollars. Administering these trusts includes setting up investment portfolios, collecting income, determining budgets for the beneficiaries and attending to their accommodation and transport needs.



Ongoing communications with trust management clients is achieved through meetings at the Public Trustee and through trust managers visiting homes and nursing homes. During the year, trust managers held 2,412 client interviews, either within the office or at the client's residence.

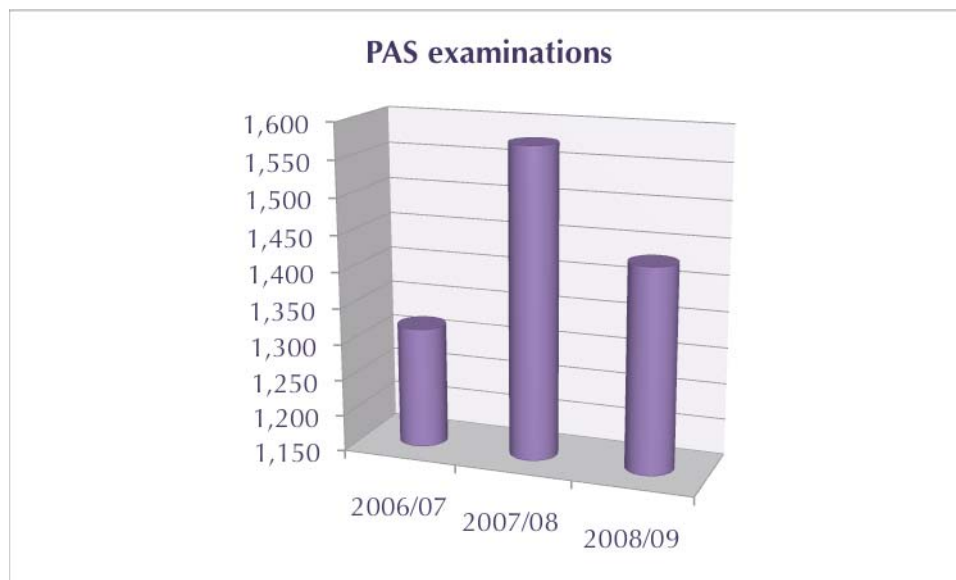
The State Administrative Tribunal also reviewed 505 administration orders for which the Public Trustee was the appointed administrator.

Private Administrator Support (PAS)

Responsible for examining annual accounts prepared and submitted by private administrators, the team also assists administrators to understand their role and responsibilities including providing technical advice regarding the preparation of the annual accounts.

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

The PAS Team concluded 1,431 examinations where total assets exceeded \$401 million. The Public Trustee issued five Certificates of Loss arising from these examinations with combined losses of more than \$43,609.



Community Service Obligations

The Public Trustee provides trustee services to all Western Australians irrespective of their ability to pay. The fees that the Public Trustee can charge are outlined in the [Public Trustee Act 1941](#) and the Annual Agreement. There are a number of services known as Community Service Obligations (CSO) that the Public Trustee provides free of charge or for a fee that does not cover the cost of providing that service.

Services that fell into the category of a CSO in 2008/09 included:

- a free Will making service for people who named the Public Trustee as Executor of their estate;
- a home visiting service to those in the community who, due to illness or infirmity, were unable to attend the office for a Will appointment;
- acting as Administrator pursuant to an order made by the State Administrative Tribunal, and the fees recovered for performing this role did not cover the cost of providing the service;
- administering deceased estates where the fees charged were below cost recovery;
- examining the accounts of private administrators pursuant to provisions of the [Guardianship and Administration Act 1990](#);
- acting as Trustee for compensation awards where the fees set were below cost recovery; and

Agency Performance

- acting as next friend in legal proceedings for clients who were under a legal disability and did not have anyone available to act on their behalf.

Using the avoidable cost method of calculation, the Public Trustee provided CSO services worth approximately \$4m during the year ended 30 June 2009.

The Public Trustee is also a committee member of the Alliance for the Prevention of Elder Abuse Western Australia (APEA WA), which is a group of representatives from both government and private sector community organisations including Advocare, Office of Senior Interests and Volunteering, Health, Office of the Public Advocate, Legal Aid, Police and Disability Services Commission. APEA WA is the peak body responsible for formulating policies and developing strategies for the prevention and identification of abuse of the elderly.

Legal Services

This directorate provides the internal legal resources the Public Trustee requires to perform its duties as trustee, administrator, attorney and executor. These cover a broad range of areas including Wills, probate, property, commercial, debt recovery, personal injuries and family law. It has seven full-time equivalent lawyers, three legal clerks and a legal secretary.

Legal officers generally conduct their own litigation, appearing in the Supreme, District, Local and Family Courts and the State Administrative Tribunal. When appropriate, legal work is outsourced to private practitioners.

At 30 June 2009 the Legal Services team had 448 legal matters on hand (having received 220 new cases and finalised 179 matters) not including Wills and estate distributions.



Approximately half of the legal matters result in court actions, predominantly in the Supreme Court. Most of those court actions concern issues arising from the administration of the estates of represented persons, deceased estates and trusts. They include proving Wills, seeking directions in regard to entitlements to deceased estates, recovery of misappropriated assets, personal injuries claims and family law. Some of these matters involve the most vulnerable members of the community for whom there is no-one else willing or able to act.



Legal Services played a key role to:

- implement the changes to the [Public Trustee Act 1941](#) by drafting the Public Trustee's Scale of Fees and vetting new policies and procedures;
- submit 91 applications on behalf of Public Trustee clients to Redress WA – the State Government scheme designed to make ex gratia payments to adults who were abused in State Care when they were children; and
- secure a new building for the Public Trustee.

Business Development & Marketing

2008/09 saw the first year of operation for this Directorate whose key objectives are to raise the Public Trustee's profile and aid the achievement of self-funding.

The Directorate conducted the annual customer satisfaction research and extensive research into brand awareness and perceptions in the community and with clients. The brand research revealed a very low awareness of the Public Trustee and its services in Western Australia, and relatively poor perceptions in terms of pricing, accessibility and customer focus. However perceptions of the Public Trustee's technical quality/expertise, integrity and trust were very positive.

Client Service Centre

Usually the first point of contact for all clients, the centre plays an important role in the delivery of improved client service. Client Service Centre officers provide information on all Public Trustee services to the public, and arrange appointments and allocate files to estate and trust managers.

Client Service Centre officers also answer phone and written enquiries, check death notices daily in the newspapers against the Public Trustee's Wills index, initiate first contact with the families and next of kin of deceased clients and provide information on and assistance with informal administrations.

The Client Service Centre was transferred from the much larger Trustee Services Directorate to the Business Development and Marketing Directorate so that the Public Trustee's frontline customer service delivery could be thoroughly reviewed and improved. The Client Service Centre was restructured to include the related reception position and funding was approved for an additional 1.4 FTE to ensure continuity of service to the Public which had been an issue previously.

Processes within the Client Service Centre and its interactions with, and service to, other business areas and agencies were also reviewed and improved (including unclaimed bodies, survivorships and informal estate administrations). These changes have seen the Client Service Centre become a highly efficient and collegiate team focused on providing excellent and timely client service and new business development. Technological enhancements are planned for the area to further improve efficiencies and mitigate rising demand for services.

Marketing and Communications

A number of marketing and communication strategies were reviewed, relaunched or initiated and completed in preparation for the launch of the "new" Public Trustee on 1 July 2009 including the:

- new Public Trustee website www.publictrustee.wa.gov.au;
- refreshing of the Public Trustee logo and redesign of existing publications;
- introduction of new publications including the inaugural [Trustee Talk](#) client newsletter informing clients of legislative changes, impending fee changes and wills, estates and trusts topics of general interest, and two quarterly

Agency Performance

Trust Matters stakeholder newsletters informing stakeholders of issues and developments in the trustee area and at the Public Trustee;

- notification to clients of changes to fees and services via direct mail and media; and
- regular release of information to the media to raise awareness of issues or misconceptions relating to Wills, Deceased Estate Administration, Enduring Power of Attorney, Trust Management, Elder Abuse and financial abuse.

The Directorate also launched three new services including the WA Will Bank, private executor Will drafting, and regional Will drafting visits which included three fully subscribed week-long visits to Geraldton & Albany.

Customer Feedback

The Public Trustee registered 56 different feedback matters - 31 were complaints, 15 were letters of appreciation or compliments, seven were suggestions and three were of another nature either requesting information, clarification or assistance.

Seven of the complaints related to access to services, the manner or tone adopted by the officer or difficulty in contacting the officer, 17 related to the delivery of services and communication, and 7 related to processes, decisions making and specific outcomes. 94% of the complaints were responded to within the performance standard of ten working days and there were no complaints outstanding as at 30 June 2009.

Letters of appreciation related to the way that individual employees handled matters, delivery of services and communication. Clients were impressed by the thoughtful treatment, patience, thorough explanations and extra effort on the part of staff members.



Business Services

Investments

The Public Trustee is responsible for managing the assets of clients, not only the day-to-day issues of housing and living expenses but ensuring that funds surplus to these daily essential requirements are invested to meet the immediate and long term needs of clients. Changes to the legislation governing the Public Trustee have allowed major developments in the way these funds are managed.

Public Trustee Investment Funds

Four strategic investment accounts known as the Public Trustee Investment Funds (PTIFs) were developed and implemented on 1 July 2009. These funds provide a cost efficient method of providing clients with income flow and appropriate capital growth strategies.

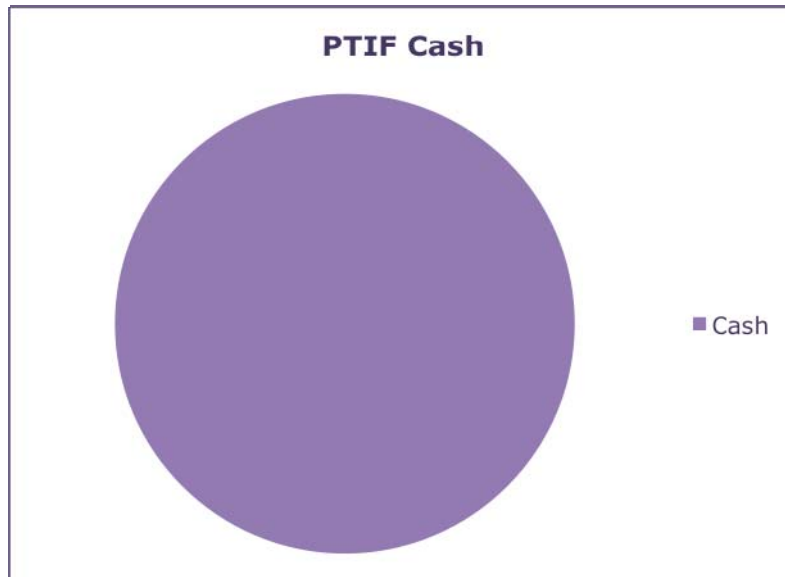
The PTIFs are strategic common accounts under the *Public Trustee Act 1941* and governed by prudential guidelines that have the Treasurer's approval and are closely scrutinised by the Department of Treasury and Finance. They are not government guaranteed but a government guarantee of capital remains on the Common Account funds.

The Public Trustee manages the PTIFs through an external manager that was appointed through a tender process with the assistance of asset consultants from PriceWaterhouse Coopers. The successful respondent, Mercer Australia Pty Ltd

acts as a fund of fund manager and operates within the strict parameters of the approved prudential guidelines.

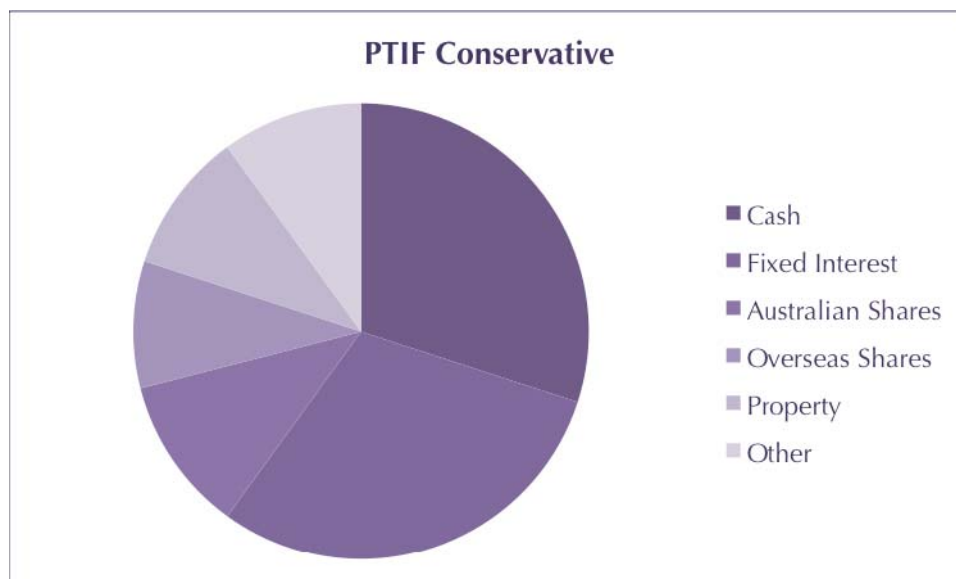
PTIF Cash

Also known as the Cash strategic investment account, it is a low risk investment fund with a very low fluctuation in value expected. Investments include cash and short-term income bearing securities.



PTIF Conservative

Also known as the Conservative strategic investment account, this fund expects a low level of fluctuation in market value with mostly an income flow and some capital growth. Investments are 30% growth assets and 70% income assets, which can include fixed interest securities, Australian and overseas shares and property, infrastructure and alternative assets.

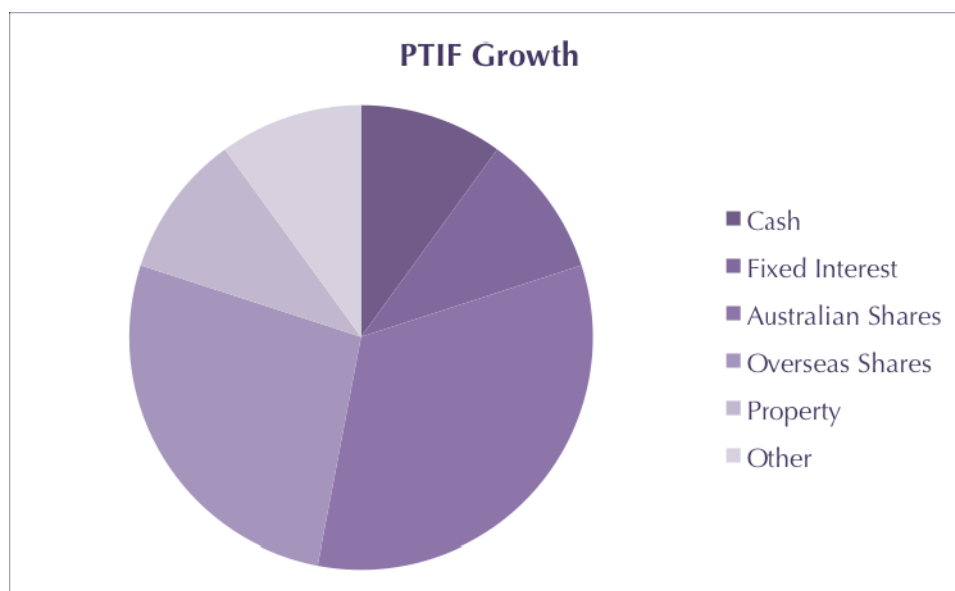


Agency Performance

PTIF Growth

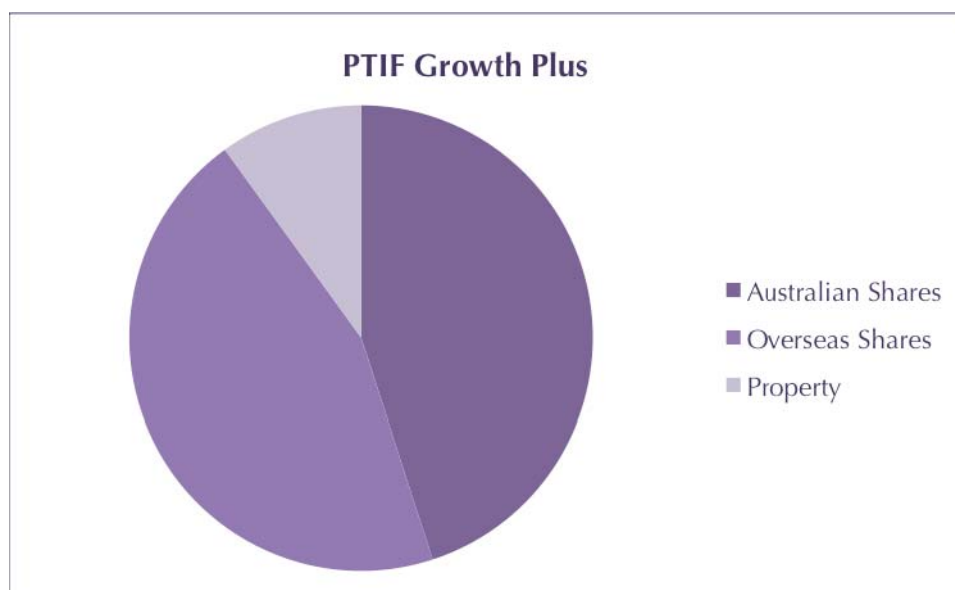
Also known as the Growth strategic investment account, this fund expects a moderate level of fluctuation in market value with and long-term capital growth at a rate higher than the Conservative PTIF.

Investments are a mix of 70% growth and 30% income producing assets and includes Australian and overseas shares and property, infrastructure and alternative assets.



PTIF Growth Plus

Also known as the Growth Plus strategic investment account, investments are in growth assets to offset inflation and include Australian and overseas shares and property, infrastructure and alternative assets. The market value is expected fluctuate more for this PTIF than others but it is also expected to achieve higher returns from capital growth in the long term.



Investment staff will review all existing client portfolios to decide if it is in the client's best interest to transfer their investments to the new PTIFs. All new

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

Common Account

The Public Trustee currently manages in excess of \$313 million in cash and short term deposits with the WATC and banks rated A2 to A1+ as well as a small commercial mortgage portfolio of \$2.275 million and two CBD buildings valued at \$69 million. This account operates like a cash management account with funds available at call. Public Trustee clients have received interest distributions higher than average market returns.

The Public Trustee Building at 565 Hay St Perth is a major asset of the Common Account and was fully leased. The value of the building has declined in line with other central business district buildings from \$35.5 million adjusted for market decline as at 30 June 2008 to \$28 million per the valuation as at 30 June 2009, from the Valuation Section of Landgate. The return on investment for the building has risen greatly from 30 June 2008 because of this change in value.

The Public Trustee purchased the building at 553 Hay Street in September 2008 on behalf of its clients and this is also an asset managed under the Common Account. The purchase was in anticipation of Cathedral Square and the old Treasury Buildings redevelopment and is seen as a replacement for the current building. The Public Trustee does not plan to hold both buildings as a long-term investment and 565 Hay Street will be sold on commercial terms.

553 Hay Street was purchased leasehold for \$45 million and has been valued at \$41 million by the Valuation Section of Landgate due to market decline during the period. The investment return to the clients has increased not only by a lower valuation but because several leases have been subject to market increases since September 2008, one of these varying from approx \$200 per square metre to in excess of \$600 per square metre. The building has very little vacant space and the Public Trustee plans to become the major tenant as existing leases expire.

Investments External to the Common Account

A licensed financial planner, who was selected by the Public Trustee through a tender process, prepared and reviewed investment portfolios for clients with funds available for investment outside the Common Account. The Public Trustee, in consultation with the Investment Portfolio Review Committee, provides an approved list of investments from which the financial planner selects recommendations for each individual portfolio.

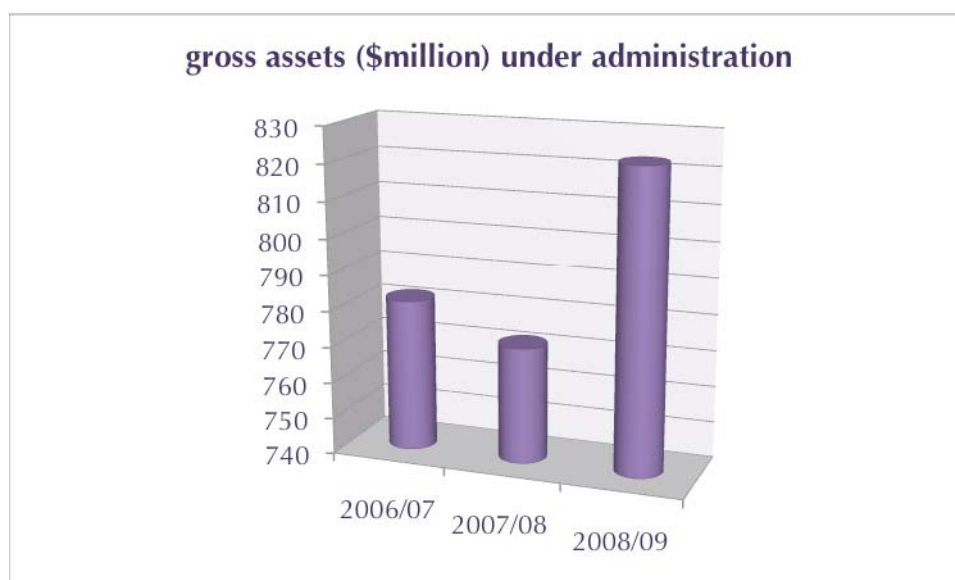
This method of investment selection ensures investments are consistent with the needs of the client, meet the Public Trustee's prudential requirements, and offer complete independence from any bias to related products that may contain hidden fees.

The Public Trustee's licensed financial planner is also contractually required to return all up-front and trail commissions to the client and the Public Trustee does not receive a commission on this service.

This method of providing capital growth to clients' funds will be phased out during 2009/10 as it will be replaced by the PTIFs.

Agency Performance

Gross Assets Under Administration			
	2006/07	2007/08	2008/09
	\$	\$	\$
Common Account	289,453,049	299,402,095	333,684,778
Bank deposits	42,280,920	45,783,604	57,801,321
Equities	59,791,262	50,867,522	40,411,188
Unit Trusts	124,597,456	93,334,684	68,233,483
Life Policies	1,158,094	1,303,528	1,458,079
Real Estate	247,682,442	259,496,199	291,277,937
Other Assets	17,099,150	21,777,310	30,301,666
Total	782,062,373	771,964,942	823,168,452



The operations of the Investments section are monitored by the Investments Committee who also:

- review the performance of the investments;
- provide strategic investment advice to the Public Trustee; and
- act as a review and approval panel for Common Account mortgage applications.

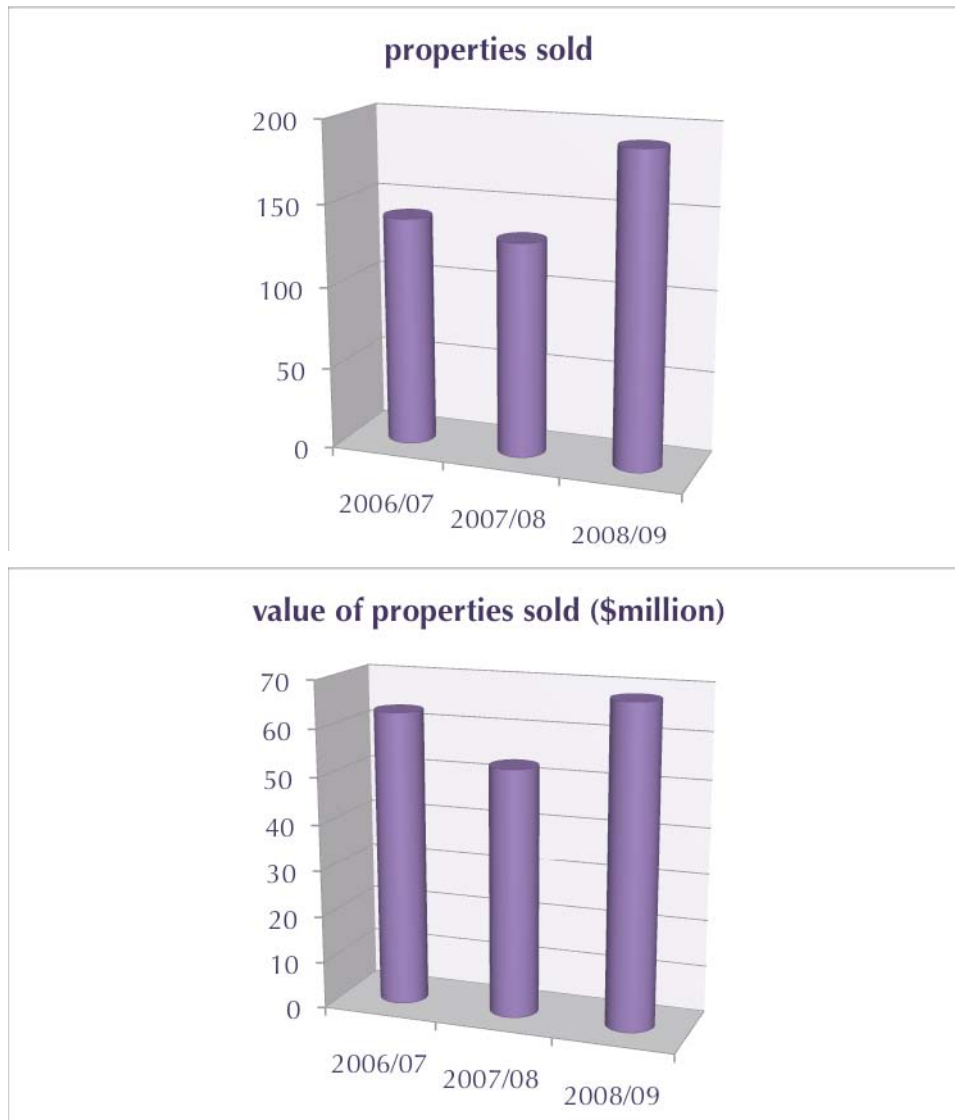
The Investments Committee oversees and gives guidance to the investments of the Common Account and provides comment on the selection of managed funds for individual portfolio investments. The committee (Public Trustee, Director Business Services, Director Trustee Services, Director Corporate Support, and the Financial Analyst) met 26 times last year.

A new Investment Committee structure is planned for 2009/2010 to reflect the introduction of the PTIFs and the resultant change needed to corporate governance processes.

Property Function

The Investments section manages the sale and purchase of properties on behalf of trust and deceased estate clients, including appointing and liaising with real estate agents, checking contract documentation, and ensuring the transaction is properly completed. Relevant Trustee Services staff liaised with the beneficiaries and families during this process. Investments section sold 190 properties for a total value of \$67,881,938 compared with 131 properties sold worth \$53,207,210 during 2007/08. This is a dramatic increase over 2007/08 and has resulted from an increase of sales generated by the administration of deceased estates and through sales actioned on behalf of the Director of Public Prosecutions.

A particular challenge for the Investments section in any year is the management of client expectations of the value of properties. In a rising market the historically based valuations are usually lower than the amounts that will be achieved at sale, but in a softening market the valuation and the expectations of clients can be higher than the market is willing to pay. Valuations and market appraisals are always collected and compared to assist clients and Trustee Services to set realistic sale and purchase prices for all properties handled by the Public Trustee.



The Investments section also manages the transfer of land, shares and registered securities during the management and distribution of trusts and deceased estates. A significant amount of this work involves liaison with Landgate.

Agency Performance

Taxation Services

The Tax Manager and Senior Taxation Consultant oversee the preparation, review and electronic lodgement of all tax returns for both trust and estate administration clients, including individual, partnership, business, company and trust returns.

Both are registered tax agents and provide training for trust and estate managers and advice on complex tax matters to provide the most effective outcomes for trusts under administration. Taxation Services lodged 1,569 tax returns compared with 1,323 tax returns in 2007/08.



Contract Management

The Contract Manager oversees the letting and management of contracts for the provision of services and supplies to the Public Trustee. Contracts are managed in accordance with the Government of Western Australia's standards and where required in conjunction with the Department of Treasury and Finance.

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

In both cases, contracts are managed in accordance with State Supply Policies and Guidelines and in accordance with Department of Treasury and Finance requirements. Ensuring open and effective competition and adopting a value-for-money approach consistent with the highest ethical standards are key elements of those policies.

A Tender Committee approves the awarding of contracts that involve purchases with funds held on behalf of Public Trustee clients and oversees the due diligence of all contracts. The committee now oversees service contracts with a value over \$150,000 while providing support and guidance to the Contract Manager.

Contracts awarded during the financial year were for the provision of:

- funeral services when next of kin are unable to arrange the service or for unclaimed bodies;
- property management for 553 Hay Street;
- motor vehicle valuation service;

- motor vehicle storage and auctioneering;
- termite inspection services;
- services as Fund of Fund Manager for Public Trustee Investment Funds;
- genealogy services; and
- conceptual design for refurbishment of bathrooms and relocation to 553 Hay Street.

The following contracts will expire in the coming 12 months and planning will soon commence for the re-tender of:

- auctioneering of client goods and chattels;
- clients' residential property management service;
- client insurance services;
- final design for relocation to 553 Hay Street; and
- asset consultant for annual performance benchmarking of PTIFs

The Public Trustee is a member of the Government Electronic Market (GEM) and all public tenders over \$20,000 are placed on the GEM bulletin board.



Business Support

Business Support provides a file and mail service, including security storage of Wills and other financially sensitive documents, as well as routine receipting and payments online. The section also handles the purchasing and asset management for all office needs, with the exception of computer and information technology items.

Freedom of Information Requests

Nine applications were received (one being transferred from another agency as third party consultation). Eight of the nine applications were dealt with outside the Freedom of Information process and access was allowed for the transfer request. The average time for the Public Trustee to process an application was 20 days from time of receipt to notice of decision.

Public Trustee Manual Project

The Project is now complete with the updating of the current manual finalised in October 2008. An ongoing review and updating of all 900 policies and procedures will continue as part of normal business processes on a predetermined schedule.

New Fee Structure

Legislative changes that became effective on 1 July 2008 enabled the Public Trustee to implement a new fee structure that was comparable with the fees charged by Public Trustees around Australia and would provide an equitable method of raising fees.

This is the first major change in fee structure for the Public Trustee since 1941 and allowed a departure from an outdated system that did not reflect the amount of effort needed to perform the work and could frequently mean the Public Trustee was unable to charge clients who could afford to pay for services rendered.

The criteria for change was that the charges reflected the work involved in managing the client's affairs, the clients who could afford to pay would be equitably charged, those clients unable to pay would still be able to access services free of charge and the revenue for the office would be in line with current collections. The long-term aim is for the Public Trustee to be self-funding while still meeting the community service obligations required by Western Australians.

Agency Performance

Research identified a fee structure in use by the Public Trustee of Queensland (PTQ) that met the desirable criteria of fee for service and equitable charging. With the assistance of Price Waterhouse Coopers, work commenced on the financial modelling of this structure in March 2008 to confirm that the revenue expectations would also be satisfied. The modelling proved the PTQ structure could meet the needs of the office and additional work commenced to tailor it to local market conditions.

The resulting fee structure was approved by the Attorney General and endorsed by the Department of Treasury and Finance in the latter part of the last financial year. Computer systems work was finalised in May 2009 in time for training and implementation on 1 July 2009.

The project was very complex and required a great deal of effort over 18 months. Price Waterhouse Coopers conducted the financial modelling and Public Trustee staff performed the remainder of the necessary work.

Corporate Support

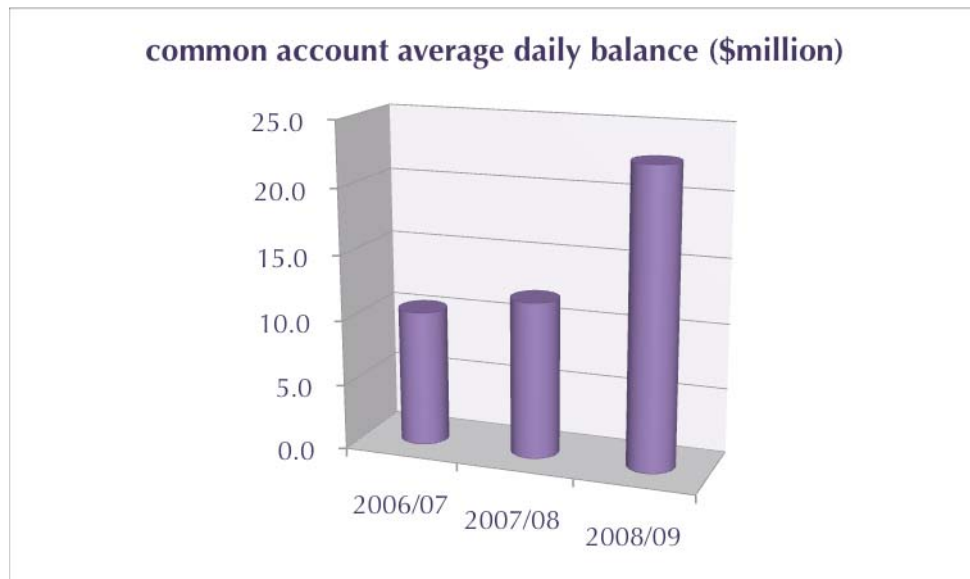
Finance

The Finance section provides the financial management and reporting functions within the Public Trustee. It assists the Corporate Executive in delivering financial outcomes consistent with financial targets through the provision of regular analysis and advice on the Public Trustee's finances, ensuring the Corporate Executive is fully informed of the current financial position when making decisions. Information prepared by Finance includes monthly Operational Reports and Expenditure Forecasts, quarterly Key Performance Indicator analysis, Budget analysis and Budget Statement preparation.

Finance was responsible for managing a consolidated operational expenditure budget of \$14.73 million and a revenue budget of \$11.78 million (compared with \$12.2 million and \$10.4 million respectively for 2007/08). The expenditure budget is made available through a net appropriation determination via the Department of the Attorney General. Finance liaise with the Department of the Attorney General during the year to ensure the budgeting requirements of the Public Trustee are addressed, enabling the Public Trustee to meet financial and service targets.

Finance also manages the Public Trustee Common Account Bank Account, which averaged a daily balance of \$22.7 million. This involved the co-ordination of a significant volume of financial transactions relating to clients' trust money, with receipts and disbursements both in excess of \$472 million (compared with \$372 million for 2007/08).





Systems & Technology

The major focus for the year has been on the upgrade to the Management and Accounting Trust Environment (MATE) computer system. The upgrade was performed as a two-stage project and commenced at the beginning of April 2008. Stage 1 was completed in November 2008, and Stage 2 was completed in February 2009. Both stages were completed smoothly with no major issues emerging.

The upgrade moved the database platform for MATE to Microsoft SQL Server and brought the application into alignment with its parent application called CIMS. The Public Trustee is now able to leverage on the development work being done by the Public Trustee of Queensland (the owners of CIMS).

Further development work was undertaken in MATE to change the Public Trustee's fees and charging structure from commission based to a fee for service charge which is in line with the legislative changes that give the Public Trustee the ability to become self funding. This project successfully went live on 1 July 2009.

A tender for the support and maintenance of MATE for the next three to five years was also issued. During this time it is anticipated that ongoing enhancements and improvements will be made to MATE to keep it aligned to the system used by the Public Trustee of Queensland and to implement improvements identified within the Public Trustee. A program is now in place to identify enhancements within MATE and other business processes to make the Public Trustee more efficient.

As well as the MATE upgrade, a number of other initiatives commenced including preparatory work on the tender for an automated Wills drafting application which will significantly streamline the task of drafting Wills for clients.

Also in the Wills area, another project commenced to move the Wills word processed files into a document management system to ensure it is State Records Compliant, and make management of these files more efficient.

A project to implement a Client Relationship Management system to assist the PT in its endeavours to become self-funding also commenced.

Agency Performance

Human Resources

2008/09 saw a concentrated effort on improving the Public Trustee's people management strategies specifically in attraction, retention, and the development of its employees in meeting the strategies that are consistent with the vision, values, and objectives.

The *People Ready* strategy and use of appointment pools for the Trust Management section continued to attract a large number of applicants. Advertising in local Community Newspapers and briefings sessions maximised the return of quality candidates who gain a better understanding of the work of the Public Trustee, its client base and the nature of the work undertaken at entry level and promotional positions to ensure a higher level of job satisfaction and employee retention. The success from this strategy in 2007/2008 has resulted in the Estate Management and Legal sections using this method for recruitment.

Pool recruitments for Trust and Estate Officers resulted in 123 and 89 candidates respectively applying for positions.

A number of employee attraction, retention and flexible workplace management initiatives that were developed in the 2007/2008 period, were implemented and are being used by staff to meet their work-life balance. Initiatives include:

- part-time employment;
- leave without pay; and
- study assistance.

An employee exit survey implemented during 2007/08 continued to gather critical information on the reasons why staff are leaving the Public Trustee, as well as gaining feedback from employees on office communication, leadership, equal employment opportunity/diversity, work environment, recognition and flexibility.

The qualitative, statistical and satisfaction information gained from staff exit surveys is assisting in shaping future HR and organisational planning strategies.

Training & Development

The Public Trustee continued to commit its support to the personal and professional development of all employees, specifically with the development of business service skills and knowledge. The focus was on equipping staff with the skills and knowledge on the upgrade of the administration system (MATE) and with the introduction of the new fee structure introduced on 1 July 2009.

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



The following educational and developmental opportunities were provided:

	Attendees
New Employee Induction	4
Trust Manager Induction	7
Certificate IV in Financial Services (Personal Trust Administration)	14
Management and Leadership program	1
Effective Coping Skills & Building Resilience workshops	16
Management Induction	18
Manual Handling	All staff
Fraud Awareness and Corruption Prevention	138
MATE Phase One and Two	All staff
Public Trustee Scale of Fees and MATE Phase Three	All staff
Aboriginal Cultural Awareness	20
Leading with Emotional Intelligence	15
Grief Management	21

Internal Audit

The 2008/09 Internal Audit Plan focused on two main areas:

- Estate Management
- Financial Processes

It was originally planned that Investments would also be reviewed but this was rescheduled to 2009/10. This will be of more value as it will take into account the implementation of the new strategic investment funds.

Each review was performed by KPMG who are appointed as part of the Department of the Attorney General Internal Audit contract. They identified further opportunities for improvement and highlighted many areas of strength. Where appropriate, corrective action was undertaken to address and further strengthen internal controls.

The Risk Management and Audit Committee oversees the management of the Internal Audit function and met twice. Its primary purpose is to provide guidance and direction, review audit reports and recommend action to ensure an efficient and effective internal audit function. The committee is a blend of both internal senior management and representatives from external agencies, such as the Office of the Auditor General, RiskCover and the Department of the Attorney General.



Significant issues impacting the Agency

Current and emerging issues and trends

The key impacts that will shape our business over the next five years will be:

- Changing demographics means there are more clients requiring the services of the Public Trustee and they are likely to remain clients for a longer period of time. Similarly, the demand for services provided by the Office of the Public Advocate to vulnerable adults with decision-making difficulties has been increasing.
- The demand for trustee and executor services in WA is expected to significantly grow, with a steady increase in the number and complexity of new trusts being managed by the Public Trustee.
- Social and economic trends have also resulted in population shifts with retirees choosing to change location and lifestyle, and growth in regional and remote centres, with impacts for how we deliver our services.
- The Public Trustee experienced a 14% increase in the number of Trust clients and a 29% increase in the number of Protective Management clients compared to 2007/08.
- The Public Trustee received approval to internally fund, through increased revenue, increases in expenditure for additional Trust Services and support staff.

Global Financial Crisis

Public Trustee clients have not been immune from the investment market's decline and the market value of shares and managed funds held on behalf of clients has generally been greatly reduced.

The Public Trustee takes a long-term view on all client investments and although the fall experienced is greater than would normally be expected, it forms part of a long-term investment cycle. The Public Trustee has been reviewing all clients' assets and if an advantage can be crystallised for the individual client from making changes to portfolios, while observing a long-term view, then the change in investments will be implemented.

Economic trends

The structure of Western Australia's economy has changed rapidly over the past year and the social impact is significant. The global economic recession together with localised Western Australian economic trends has increased unemployment and the potential for marital and mental breakdowns, and drug and alcohol-related issues amongst those affected by redundancy and unemployment. Recessionary times bring about increased vulnerability and homelessness, and a growing demand for the Public Trustee to deliver the government's community services to those who cannot afford to pay.

The length of the recession will also have significant impacts. There is a noticeable increase in insurance charges of all types (including illness and accident).

The plunging wealth of share markets in the past twelve months has decreased the return on investments of some of our clients with long-term needs. This, together with higher costs of living and wage increases for service providers such as carers, impacts on many of our clients for whom we act as trustee and adds to the complexity of our work.

Both Federal and State Governments have imposed efficiency dividends during the past year as a way of saving money.



Social trends

External trends indicating demographic changes such as the ageing of the population, prevalence of mental illness, growth in multicultural communities and blended families and breakdown of family ties will continue to increase the demand for and complexity of trust management and estate administration services.

The demand for trustee services in Western Australia is expected to significantly grow (conservative estimate at 9% per annum) because the population is ageing at a greater rate than the overall national population growth; there is an increasing prevalence of dementia and longer life expectancies; and an overall rise in the number and complexity of cases involving people with decision-making disabilities.

High client expectations will continue as a result of a well-educated community, while busier lifestyles and increased awareness of complexities in estate management could provide a marketing opportunity to generate increased demand for our services. Uptake of new technologies, especially smart phones, will continue to add to expectations of immediacy in client relationships.

Our regional pilots have indicated a large unmet demand for our services, particularly in the south west of Western Australia.

Changes in Written Law

The amendments to the [Public Trustee Act 1941](#) (which resulted from the [Public Trustee and Trustee Companies Legislation Amendment Act 2008](#)) and the consequential amendments to the *Public Trustee Regulations 1942* commenced on 1 July 2008.

The [Legal Profession Act 2008](#) commenced on 1 March 2009.

Part 12 of the [Acts Amendment \(Justice\) Act 2008](#) commenced on 30 September 2008. This changed some of the powers and procedures of the State Administrative Tribunal, which in turn impacts upon the Public Trustee.

Competitive issues

The trustee and financial marketplace is increasingly competitive and complex, with growing costs of compliance and technology leading to amalgamations of investment houses. Private trustee companies typically target the most profitable business, preferring not to deal with the complex or difficult cases that make a loss. A new competitor (Trust Company Ltd) has applied for its licence to operate in Western Australia.

In addition, there is a proliferation of Will drawing services provided by banks and financial institutions that have State-wide networks and the capacity to bundle a wide range of financial services. There is also growth in the number of people preparing their own Wills using cheap kits available from post offices.

The compliance aspect of our work has also become more complicated, including the ability to obtain information from superannuation funds and the need for our legal officers to witness staff signatures.

Developing our overall market share will be dependent on our ability to seize the opportunity to be flexible in meeting changing population needs and offer a competitive fee structure and a complete package of services.

Likely developments and forecast results of operations

Likely developments in the operations of the Public Trustee in 2009/10 will focus on a period of consolidation during which the changes made in 2008/09 will have their full impact. In 2009/10 the Public Trustee will:

- recruit and train additional trust managers to service increasing workloads;
- continue with the expansion of the Will drafting service to regional areas, including visits to the Kimberley as a result of a successful Royalties for Regions submission;
- evaluate alternative technology to assist the Will drafting service;
- increase the number of Wills written and updated to reduce the number of Western Australians dying intestate or having outdated Wills contested;
- explore the establishment of a Community Trust as a bequest option;
- introduce technological improvements including the customisation and implementation of a Client Relationship Management System, data cleansing software and installation of telephone IVR to capture and track call data;
- develop and introduce new products and services in line with further research findings and community needs;
- continue to raise the profile of the Public Trustee through public and stakeholder bulletins, education and media releases on topics such as the importance of making and updating a will, protecting against financial abuse, and private administrator responsibilities;
- build relationships with stakeholders through visits, seminars, forums and joint activities and participate in relevant community initiatives and forums including Law Week, Seniors Week, Mental Health Week, Carers Week and APEA (Elder Abuse);
- introduce the Public Trustee to a greater number of non-English speaking Western Australians;
- plan and implement the relocation of the Public Trustee Office;
- restructure the Investments section;
- establish a new Investment Committee;
- move client funds to the Public Trustee Investment Funds where deemed appropriate;
- implement a new legal billing system in an efficient and equitable manner; and
- continue with the cultural change program to assist staff to meet the challenges of the new business environment and increased expectations in customer service.





Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements for the year ended 30 June 2009

The accompanying financial statements of the Public Trustee have been prepared in compliance with the provisions of the [Financial Management Act 2006](#) from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2009 and the financial position as at 30 June 2009.

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

Terry Hearn

B Bus, Assoc Dip Bus, ASA
Chief Finance Officer
14 September 2009

John Skinner

B Sc, Grad. Dip FP
Accountable Authority
14 September 2009

Disclosures and Legal Compliance

Auditor General Opinion



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

PUBLIC TRUSTEE FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009

I have audited the accounts, financial statements, controls and key performance indicators of the Public Trustee.

The financial statements comprise the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Public Trustee's Responsibility for the Financial Statements and Key Performance Indicators

The Public Trustee is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Page 1 of 2

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

Auditor General Opinion (contd)

Public Trustee

Financial Statements and Key Performance Indicators for the year ended 30 June 2009

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Public Trustee at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Public Trustee provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Public Trustee are relevant and appropriate to help users assess the Public Trustee's performance and fairly represent the indicated performance for the year ended 30 June 2009.



COLIN MURPHY
AUDITOR GENERAL
18 September 2009

Disclosures & legal compliance

Income Statement

For the Year Ended 30 June 2009	Note	2009 \$	2008 \$
COST OF SERVICES			
EXPENSES			
Write offs	6	93,465	29,583
Employee benefits expense	7(a)	11,428,179	9,792,926
Computer services	7(a)	128,675	39,401
Administration expenses	7(a)	2,388,458	2,567,022
Accommodation expenses	7(a)	910,756	918,472
Corporate service expenses	7(a)	1,724,411	1,131,449
Total expenses before payments to Consolidated Account		16,673,944	14,478,853
Fees paid to Consolidated Account	8	9,768,719	10,365,960
Surplus Common Account Interest paid to Consolidated Account	9	1,738,000	808,617
Other revenue and reserves paid to Consolidated Account		517,996	2,450,592
Total cost of services		28,698,659	28,104,022
INCOME			
Fees raised from Estates and Trusts	2(i)	8,945,692	8,829,641
Public Trustee 6% fee from Common Account	2(i), 24(a)	1,481,148	1,536,319
Receipts from Common Account Surplus Interest	2(i), 9, 24(a)	4,660,775	808,617
Receipts from Common Account Reserves	2(i), 24(a)	5,000,000	-
Interest revenue	2(i), 24(a)	851,356	612,066
Other revenue	2(i)	16,927	20,263
Total Income other than income from State Government		20,955,898	11,806,906
Net Cost of Service before Income from State Government	13(b)	(7,742,761)	(16,297,116)
INCOME FROM STATE GOVERNMENT			
Resources received free of charge from the Department of the Attorney General	7(a), 19	16,580,479	14,449,270
Total income from State Government		16,580,479	14,449,270
SURPLUS/(DEFICIT) FOR THE PERIOD		8,837,718	(1,847,846)

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

Disclosures & legal compliance

Balance Sheet

As at 30 June 2009	Note	2009	2008
		\$	\$
ASSETS			
Current Assets			
Cash - Investment in Common Account	13(a)	17,153,010	8,543,996
Total Current Assets		17,153,010	8,543,996
TOTAL ASSETS		17,153,010	8,543,996
LIABILITIES			
Current Liabilities			
Accrued fees payable to Consolidated Account	11	-	272,281
Tax liabilities	12	303,189	259,612
Total Current Liabilities		303,189	531,893
TOTAL LIABILITIES		303,189	531,893
NET ASSETS		16,849,821	8,012,103
EQUITY			
Indemnity reserve	10(a)(i)	4,001,222	3,785,124
Business development reserve	10(a)(ii)	12,089,110	4,000,000
Retained earnings	10(b)	759,489	226,979
TOTAL EQUITY		16,849,821	8,012,103

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

Disclosures & legal compliance

Statement of Changes in Equity

For the Year Ended 30 June 2009	Note	2009	2008
		\$	\$
Balance of equity at start of period		8,012,103	9,859,949
RESERVES			
Indemnity Reserve			
Balance at start of period		3,785,124	3,857,446
Transfers to reserves		277,445	-
Transfers from reserves		(61,347)	(72,322)
Balance at end of period	10(a)(i)	4,001,222	3,785,124
Business Development Reserve			
Balance at start of period		4,000,000	3,230,000
Transfers to reserves		10,318,896	770,000
Transfers from reserves		(2,229,786)	-
Balance at end of period	10(a)(ii)	12,089,110	4,000,000
Superannuation Reserve			
Balance at start of period		-	2,450,592
Transfers from reserves		-	(2,450,592)
Balance at end of period	10(a)(iii)	-	-
RETAINED EARNINGS			
Balance at start of period		226,979	321,911
Surplus/(deficit) for the period		8,837,718	(1,847,846)
Transfer (to)/from reserves		(8,305,208)	1,752,914
Balance at end of period	10(b)	759,489	226,979
Balance of equity at end of period		16,849,821	8,012,103

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

Disclosures & legal compliance

Cash Flow Statement

For the Year Ended 30 June 2009	Note	2009	2008
		Inflows (Outflows) \$	Inflows (Outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Fees raised from Estates and Trusts		8,847,367	8,809,625
Public Trustee 6% fee from Common Account		1,481,148	1,536,319
Receipts from Common Account Surplus Interest		4,660,775	808,617
Interest received from Common Account		851,356	612,066
Receipts from Common Account Reserves		5,000,000	-
GST receipts on fees		1,625,983	1,177,822
Other revenue		16,927	20,263
Payments			
GST payments on purchases		(301,551)	(92,922)
GST payments to taxation authority		(1,275,995)	(1,043,639)
Net Cash provided by operating activities	13(b)	20,906,010	11,828,151
CASH FLOWS TO STATE GOVERNMENT			
Fees paid to Consolidated Account		(10,041,000)	(10,468,379)
Surplus Common Account Interest paid to Consolidated Account	9	(1,738,000)	(808,617)
Other revenue and reserves paid to Consolidated Account		(517,996)	(2,450,592)
Net Cash provided to State Government		(12,296,996)	(13,727,588)
Net increase/(decrease) in cash and cash equivalents		8,609,014	(1,899,437)
Cash and cash equivalents at the beginning of period		8,543,996	10,443,433
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	13(a)	17,153,010	8,543,996

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

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Notes to the Financial Statements

1. Australian equivalents to International Financial Reporting Standards

General

The Public Trustee's financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Public Trustee has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the Australian Accounting Standards Board (AASB) and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Public Trustee cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Public Trustee for the annual reporting period ended 30 June 2009.

2. Summary of significant accounting policies

2(a) (i) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

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

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

2 (a) (ii) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of property, which is measured at fair value.

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

The financial statements are presented in Australian dollars (\$), and all values are rounded to the nearest whole dollar.

The judgements that have been made in the process of applying the Public Trustee's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 'Judgments made by management in applying accounting policies'.

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The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 4 'Key sources of estimation uncertainty'.

2 (a) (iii) Reporting Entity

The reporting entity comprises of the Public Trustee.

2 (b) Investments (Common Account)

Investments have been brought to account as follows:

(i) Mortgages

Mortgages are recorded at lending cost and remain fixed for the term of the loan.

(ii) Properties

The 2 Public Trustee buildings are recorded at fair value - refer note 24(f) (ii). The revaluations of the properties are provided independently by Landgate, Western Australian Land Information Authority and are recognised in the financial statements.

(iii) Cash and Money Market (Cash Equivalent)

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

For the purpose of the Cash Flow Statement, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

2 (c) Trust Accounts

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

Section 39B of the *Public Trustee Act 1941* establishes the Strategic Common Accounts. The Public Trustee is able to create four Strategic Common Accounts, these are also known as Public Trustee Investment Funds. The Strategic Common Accounts are to be named Cash strategic investment account, Conservative strategic investment account, Growth strategic investment account; and Growth Plus strategic investment account (also known as Public Trustee Investment Fund – Cash, Public Trustee Investment Fund – Conservative, Public Trustee Investment Fund – Growth and Public Trustee Investment Fund – Growth Plus). At 30 June 2009 no Strategic Common Accounts had been established.

Details of the Common Account are shown at note 24. Details of receipts and payments in the individual estates and trusts are not shown in the financial statements.



2 (d) Reserves

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

Sections 8 to 12 of the current agreement 2008-09 establish the Public Trustee Reserves and Common Account Reserves, as continuations of the reserves in existence prior to 1 July 2008 and prescribe their uses.

The Public Trustee Indemnity Reserve has been established to meet any losses that the Public Trustee may incur in a corporate capacity. The reserve level is reviewed annually, is based on independent actuarial advice and represents a percentage of the total client assets and liabilities managed. The Business Development Reserve has been established to meet future capital requirements (refer Note 10(a)).

These reserves are in contrast to the Common Account Investment Reserve, which is used primarily for the operations of the Common Account, such as to stabilise interest paid to estates, meet losses on investments and maintain Common Account assets (refer Note 24(h)(i)).

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

The Department of the Attorney General provides the Public Trustee with resources in the form of staff, equipment and other operating expenses. The assets and liabilities relating to these provided resources are reported in the Department of the Attorney General's Financial Statements (refer Note 7 & 19).

2 (f) Foreign Currency Translation

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange current at balance sheet date.

2 (g) Comparative Figures

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

2 (h) Net Fair Value

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

The Net fair value of the financial instruments, which are monetary financial assets and liabilities not traded in an organised financial market, is measured on a cost basis. These assets are the investments in the Common Account and accrued fees payable to the Consolidated Account. This approximates net market value. (AASB 139.46(c)).

2 (i) Revenue Recognition

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

- i) Fees raised from Estates and Trusts are recognised on delivery of the service to the client.
- ii) Public Trustee 6% fee from the Common Account is recognised at the end of each month, with a final adjustment at year-end.
- iii) Receipts from Common Account surplus interest are recognised monthly.

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iv) Interest revenue is recognised as it accrues, using the effective interest rate method.

v) Other revenue is recognised at the time of the transactions occurrence.

vi) Receipts from Common Account Reserves are recognised when received.

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

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

2 (k) 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.

2 (l) Receivables

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

2 (m) Payables

Payables are recognised at the amounts payable when the Public Trustee becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value.

The Public Trustee holds operating leases for the offices in the Public Trustee building. Lease payments are expensed as they are incurred.

2 (n) Impairment of Assets

i) Non-current Assets

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

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



ii) Financial Assets

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the assets is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

2 (o) Disclosure of Changes to Accounting Policy and Estimates

Initial application of an Australian Accounting Standard

The Public Trustee has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2008 that impacted on the Public Trustee:

Review of AAS 27 'Financial Reporting by Local Governments', AAS 29 'Financial Reporting by Government Departments' and AAS 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

AASB 1004 'Contributions';

AASB 1050 'Administered Items';

AASB 1051 'Land Under Roads';

AASB 1052 'Disaggregated Disclosures';

AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]; and

Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 do not apply to Statutory Authorities. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise there is no financial impact.

The following Australian Accounting Standards and Interpretations are considered as not being applicable to the public sector as they have no impact or do not apply to not-for-profit entities.

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AASB Standards and Interpretations

1048	'Interpretation and Application of Standards' (issued September 2008)
1049	'Whole of Government and General Government Sector Financial Reporting' (revised – October 2007)
2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131& AASB 139]' – paragraphs 1 to 8
2008-10	'Amendments to Australian Accounting Standards – Reclassification of Financial Assets [AASB 7 & AASB 139]'
2008-12	'Amendments to Australian Accounting Standards – Reclassification of Financial Assets – Effective Date and Transition [AASB 7, AASB 139 & AASB 2008-10]'
Interpretation 4	'Determining whether an Arrangement contains a Lease' (revised – February 2007)
Interpretation 12	'Service Concession Arrangements'
Interpretation 13	'Customer Loyalty Programmes'
Interpretation 14	'AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'
Interpretation 129	'Service Concession Arrangements: Disclosures'

Future impact of Australian Accounting Standards not yet Operative

The Public Trustee cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Public Trustee has not applied early the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Public Trustee but are not yet effective. Where applicable, the Public Trustee plans to apply these Standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/after	Application date for the Public Trustee
AASB 101, AASB 2007-8 and AASB 2007-10 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Public Trustee does not expect any financial impact when the Standard is first applied.	1 January 2009	1 July 2009



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Title	Operative for reporting periods beginning on/after	Application date for the Public Trustee
<p>AASB 123 and AASB 2007-6 'Borrowing Costs' (June 2007). This Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. The AASB has deferred the withdrawal of the option to expense borrowing costs for public sector agencies (AASB Action Alert Issue No. 121 – 19 December 2008). The AASB has approved the issue of ED 176 'Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities' for comment, which proposes that not-for-profit public sector entities be able to choose whether to expense or capitalise borrowing costs relating to qualifying assets by deferring the mandatory adoption of the capitalisation approach (AASB Action Alert Issue No. 122 – 9 February 2009). The Public Trustee does not expect any financial impact when the Standard is first applied.</p>	1 January 2009	1 July 2009
<p>AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project' [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]. The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.</p> <p>This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards.</p> <p>The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6]. The Public Trustee does not expect any financial impact when the Standard is first applied.</p>	1 January 2009	1 July 2009
<p>AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project' [AASB 1 & AASB 5]. This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project.</p> <p>Refer to AASB 2008-5 above for more details. The Public Trustee does not expect any financial impact when the Standard is first applied.</p>	1 July 2009	1 July 2009

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Title	Operative for reporting periods beginning on/after	Application date for the Public Trustee
AASB 2008-9 'Amendments to AASB 1049 for Consistency with AASB 101'.	1 January 2009	1 July 2009
<p>Reflects the revised requirements of AASB 101 and AASB 2007-8 with clarification to apply the requirements in a government context. The Public Trustee does not expect any financial impact when the Standard is first applied.</p>		
AASB 2009-2 – 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]'	1 January 2009 that end on or after 30 April 2009	1 July 2009
<p>The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy:</p> <ul style="list-style-type: none"> • quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); • inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and • inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). <p>These amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009.</p> <p>The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7. The Public Trustee does not expect any financial impact when the Standard is first applied.</p>		



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Title	Operative for reporting periods beginning on/after	Application date for the Public Trustee
AASB 2009-4 – ‘Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]’. <p>The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.</p> <p>The main amendment of relevance to Australian entities is that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendment.</p> <p>These amendments arise from the issuance of the IASB’s Improvements to IFRSs. The amendments pertaining to IFRS 5, 8, IAS 1, 7, 17, 36 and 39 have been issued in Australia as AASB 2009-5 (refer below).</p> <p>The Public Trustee does not expect any financial impact when the Standard is first applied.</p>	1 July 2009	1 July 2009
AASB 2009-5 – ‘Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]’. <p>The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.</p> <p>The main amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined.</p> <p>These amendments arise from the issuance of the IASB’s Improvements to IFRSs. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).</p> <p>The Public Trustee does not expect any financial impact when the Standard is first applied.</p>	1 January 2010	1 July 2010

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Title	Operative for reporting periods beginning on/after	Application date for the Public Trustee
AASB 2009-Y – ‘Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]’.	1 July 2009	1 July 2009
<p>These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements. The Public Trustee does not expect any financial impact when the Standard is first applied.</p>		
<p>Interpretation 18 ‘Transfers of assets from Customers’. This interpretation provides guidance on the transfer of assets such as items of property, plant and equipment or transfers of cash received from customers. The Interpretation provides guidance on when and how an entity should recognise such assets and discusses the timing of revenue recognition for such arrangements and requires that once the assets meets the conditions to be recognised at fair value, it is accounted for as an ‘exchange transaction’.</p>	1 July 2009	1 July 2009
<p>Once an exchange transaction occurs the entity is considered to have delivered a service in exchange for receiving the asset. Entities must identify each identifiable service within the agreement and recognise revenue as each service is delivered. The Public Trustee does not expect any financial impact when the Standard is first applied.</p>		

3. Judgements made by Management in applying Accounting Policies

The judgement made during the year was to apply the fair value of the Investment properties of the Common Account. The fair value was determined by an independent valuation conducted by the Landgate, Western Australian Land Information Authority.

4. Key sources of Estimation Uncertainty

There have been no key sources of estimation uncertainty at the reporting date that have had a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

5. Events occurring after the Balance Date

On 1 July 2009 the Public commenced operation under the Scale of fees 2009-10 which have been approved by the Attorney General and submitted to the Joint Standing Committee for scrutiny.

On 1 July 2009 the Public Trustee commenced operation of the four Strategic Investment Accounts, established under the *Public Trustee Act 1941*. These accounts are Agency Special Purpose Accounts and will be reported in the Public Trustee 2009-10 Annual Report.

The Public Trustee entered into a new 5 year lease of the premises at 565 Hay Street.



6. Write offs

The amount of \$93,465 represents losses incurred during the administration of estates and trusts, which have been written off in accordance with Section 48 of the *Financial Management Act 2006*.

	2009	2008
	\$	\$
Write Offs	93,465	29,583

7. Income from State Government

(a) Resources Received Free of Charge from the Department of the Attorney General

The operational costs of the Public Trustee are funded by the Department of the Attorney General pursuant to a net appropriation determination by the Treasurer.

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

	2009	2008
Operating Expenses	\$	\$
Employee benefits expense		
Salaries	10,530,391	8,985,217
Superannuation and pension	897,788	807,709
	11,428,179	9,792,926
Computer services	128,675	39,401
Administration expenses	2,388,458	2,567,022
Accommodation expenses	910,756	918,472
Corporate service expenses	1,724,411	1,131,449
Total Resources Received Free of Charge from the Department of the Attorney General	16,580,479	14,449,270

(b) Liabilities Assumed by the Treasurer

The assumption of Superannuation Liabilities by the Treasurer was a notional income to match the notional superannuation expense reported in respect of current employees who were members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme. Commencing in 2008-09, the reporting of the notional superannuation expense and equivalent notional income has been discontinued.

8. Fees paid to Consolidated Account

Pursuant to section 6B(2)(b) of the *Public Trustee Act 1941* and regulation 6(b) of the *Public Trustee Regulations 1942*, from 1 July 2008 the Current Agreement sets out the proportion of the fees received by the Public Trustee to be credited to the Consolidated Account. The Current Agreement 2008-09 determines that the Public Trustee is to transfer at least \$8,446,000 in fees to the Consolidated Account if the fees collected are in excess of \$8,446,000. If the fees collected are below this figure then all fees collected shall be paid to the Consolidated Account. Prior to 1 July 2008 all fees raised during the year were paid to the Consolidated Account in accordance with Section 38(1) of the *Public Trustee Act 1941* that was operative at that date.

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	2009	2008
	\$	\$
Fees paid to Consolidated Account	9,768,719	10,365,960

9. Surplus Common Account Interest paid to Consolidated Account

Following the payment of interest to trusts, estates and to the Public Trustee (includes Public Trustee 6% fee), any surplus earnings are deemed to be Surplus Common Account Interest. Section 39A (8) of the *Public Trustee Act 1941* allows the Public Trustee to credit this Surplus Common Account Interest to a reserve fund. The Current Agreement 2008-09 Section 10.3 determines that the Public Trustee shall credit to the Business Development Reserve, at least \$1,738,000 of the balance of interest received. Section 10.4.3 of the Current Agreement permits an amount to be paid from the Business Development reserve to meet the Public Trustee's revenue estimate as appropriated via the Department of the Attorney General's net appropriation determination.

	2009	2008
	\$	\$
Surplus Common Account Interest paid to Consolidated Account	1,738,000	808,617

10. Equity

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

(a) Reserves

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

Details of the Reserves are as follows:

	Note	2009	2008
		\$	\$
Total Reserves			
Balance at start of year		7,785,124	9,538,038
ADD Transfer to Reserves		10,596,341	770,000
LESS Transfer from Reserves		(2,291,133)	(2,522,914)
Balance at end of year		16,090,332	7,785,124

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	Note	2009	2008
Represented by:			
Indemnity Reserve			
Balance at start of year		3,785,124	3,857,446
ADD Transfer to Reserves		277,445	-
LESS Transfer from Reserves		(61,347)	(72,322)
Balance at end of year	10(a)(i)	4,001,222	3,785,124
Business Development Reserve			
Balance at start of year		4,000,000	3,230,000
ADD Transfer to Reserves		10,318,896	770,000
LESS Transfer from Reserves		(2,229,786)	-
Balance at end of year	10(a)(ii)	12,089,110	4,000,000
Superannuation Reserve			
Balance at start of year		-	2,450,592
ADD Transfer to Reserves		-	-
LESS Transfer from Reserves		-	(2,450,592)
Balance at end of year	10(a)(iii)	-	-
Total Balance of Reserves at end of Year		16,090,332	7,785,124

(i) Indemnity Reserve

Money standing to the credit of the Public Trustee Indemnity Reserve may be applied to settle, compromise and pay claims, demands and costs of clients or other persons who have suffered loss or damage for which the Public Trustee, in its corporate capacity, may be liable at law, as specified in section 9.3 of the Current Agreement 2008-09. The reserve level is reviewed annually, is based on independent actuarial advice and represents a percentage of the total client assets and liabilities managed.

(ii) Business Development Reserve

The uses of the Business Development Reserve are specified in section 10.4 of the Current Agreement 2008-09 and include, payment of capital costs, meeting shortfalls in revenue paid to the consolidated account, costs associated with the coming into operation of the Amending Act.

(iii) Superannuation Reserve

The Public Trustee no longer has a Superannuation Reserve. In October 2007 the Department of Treasury and Finance assumed full liability for the future superannuation commitments of the Consolidated Account in relation to employees of the Public Trustee. The total value of the Superannuation reserve was paid to the Government of Western Australia to fund this liability.

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(b) Retained Earnings

	2009	2008
	\$	\$
Balance at start of year	226,979	321,911
Surplus/(Deficit)	8,837,718	(1,847,846)
Transfer to reserves	(10,596,341)	(770,000)
Transfer from reserves	2,291,133	2,522,914
Balance at end of year	759,489	226,979

11. Accrued fees payable to Consolidated Account

The *Public Trustee Act 1941* no longer requires all fees to be paid to the consolidated account, fees collected in excess of the budget may be retained in unappropriated profit to be transferred to reserves if so determined by the Public Trustee.

	2009	2008
	\$	\$
Accrued fees payable to Consolidated Account	-	272,281

12. Tax liabilities

	2009	2008
	\$	\$
GST payable	303,189	259,612

13. Notes to the Cash Flow Statement

(a) Reconciliation of Cash

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

	2009	2008
	\$	\$
Cash - Investment in Common Account	17,153,010	8,543,996

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(b) Reconciliation of Net Cost of Service before Income from State Government to Net Cash Flows provided by Operating Activities:

	2009	2008
	\$	\$
Net Cost of Service before Income from State Government	(7,742,761)	(16,297,116)
Non-cash items:		
Employee benefits expense	11,428,179	9,792,926
Computer services	128,675	39,401
Administration expenses	2,388,458	2,567,022
Accommodation expenses	910,756	918,472
Corporate service expenses	1,724,411	1,131,449
Payments:		
Fees paid to Consolidated Account	9,768,719	10,365,960
Surplus Common Account Interest paid to Consolidated Account	1,738,000	808,617
Other revenue and reserves paid to Consolidated Account	517,996	2,450,592
Net GST receipts/(payments)		
Change in GST in payables	43,577	50,828
Net cash provided by operating activities	20,906,010	11,828,151

(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.

14. Remuneration of Members of the Accountable Authority and Senior Officers

(a) Remuneration of Members of the Accountable Authority

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

\$	2009	2008
150,001 - 160,000	-	1
160,001 - 170,000	1	-
Total remuneration of members of the accountable authority is:	\$167,307	\$152,414

The total remuneration includes the superannuation expense incurred by the Public Trustee in respect of members of the accountable authority. No members of the accountable authority are members of the Pension Scheme.

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(b) Remuneration of Senior Officers who are not Members of the Accountable Authority

The number of senior officers, other than senior officers reported as members of the Accountable Authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands is:

\$	2009	2008
10,001 - 20,000	-	1
110,001 - 120,000	1	1
120,001 - 130,000	1	2
130,001 - 140,000	1	1
140,001 - 150,000	-	-
150,001 - 160,000	1	-
160,001 - 170,000	-	-
170,001 - 180,000	1	-
Total remuneration of senior officers is:	\$707,995	\$521,229

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

15. Remuneration of Auditor

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

	2009 \$	2008 \$
Auditing the accounts, financial statements and performance indicators	60,000	60,000

16. Contingent Liabilities & Commitments

(a) Contingent Liabilities

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

Litigation

In addition to the liabilities included in the financial statements, the Public Trustee has 14 matters where litigation against the Public Trustee may result. They involve potential claims for damages to the value of \$5.1 million inclusive of court costs. These claims however, have not been finalised and in some cases it is likely that there will not be any liability at all. As a result no liability has been recognised in the Financial Statements at 30 June 2009.

Contaminated Sites

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

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contaminated – investigation required, the Public Trustee may have a liability in respect of investigation or remediation expenses. During the year the Public Trustee reported no suspected contaminated sites to DEC.

(b) Commitments

In July 2009 the Public Trustee entered into a new 5 year lease of 565 Hay Street. The rent rate for 2009-10 is set in the lease as \$469,170, with a rent review on 1 July 2010 and 1 July 2012. The lease allows for early termination by the giving of not less than 3 months notice.

Property Lease	2009 \$	2008 \$
Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements are payable as follows:		
Within 1 year	469,170	469,170
	469,170	469,170

17. Impairment of Assets

There were no indications of impairment to assets at 30 June 2009.

The Public Trustee held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.

There are no surplus assets held at 30 June 2009.

18. Financial Instruments

(a) Financial Risk Management Objectives and Policies

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

The Public Trustee invests exclusively in the Common Account, the investments of the Common Account are in compliance with *s39A Public Trustee Act 1941*.

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

Credit Risk

The State Government guarantees all financial assets of the Common Account in terms of *s42 Public Trustee Act 1941* and therefore no credit risk exists in respect of those amounts. The Public Trustee trades only with recognised, creditworthy third parties. The Public Trustee has policies in place to ensure that services are provided to customers with an appropriate credit history. In addition, any receivables balances are monitored on an ongoing basis with the result that the Public Trustee's exposure to bad debts is minimal. There is no significant concentration of credit risk. There has been no change from the previous period in respect of exposure to credit risk.

The only investments are cash term deposits with banks the lowest credit rating being A2, two Buildings and the Commercial Loan portfolio of \$2.275 million. The only credit risk is through the direct mortgages in the loan portfolio which are secured by first mortgage over property with a maximum of 66.6% of the independently valued value of the property secured.

Term deposits are not considered a credit risk and the credit risk of the first mortgage over the commercial loans is very minor.

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Liquidity risk

The Public Trustee has appropriate procedures to manage cash flows including the drawing down of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet commitments. There has been no change from the previous period in respect of exposure to liquidity risk.

Current policies are to run down the commercial loan portfolio. The building at 565 Hay Street has been an asset of the Common Account since 1970, a second building was purchased in August 2008 located at 553 Hay Street. The majority of the Common Account portfolio is in liquid form with an average of \$22.7 million held in 24 hour at call account with Western Australian Treasury Corporation (WATC) and \$286.7 million in term deposits with banks. The liquidity is monitored by the Financial Analyst, the Manager Finance and the Director Business Services.

Market Risk

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

The Public Trustee's exposure to market risk through changes in interest rates is limited to cash which is invested in the Common Account. Common Account investments are authorised by *s42 Public Trustee Act 1941*; exposure to interest rate risk is limited to short term deposits, cash and mortgage investments. There has been no change from the previous period in respect of exposure to market risk.

The Public Trustee has guidelines for limiting the exposure to any one level of bank rating, A1+ is 10% to 30% of total term deposits, A1 is 30% to 70%, A2 is 20% to 40%. This ensures that the risk is spread and deposits are not placed on seeking the highest rate available on the day of maturity alone but taking into account the risk involved. The return is measured against a number of indicators including the UBS 30 day bank bill rate and the interest paid by WATC.

(b) Categories of Financial Instruments

The carrying amount of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2009 \$	2008 \$
Financial Assets		
Cash - Investment in Common Account	17,153,010	8,543,996
Financial Liabilities		
Accrued fees payable to Consolidated Account	-	272,281

(c) Financial Instrument Disclosures

Credit Risk, Liquidity Risk and Interest Rate Risk Exposures

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

The following table details the Public Trustee's exposure to variable interest rate risk as at the balance sheet date. The table is based on information provided to senior management of the Public Trustee.

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

	Weighted average effective interest rate		Carrying Amount	
	2009 %	2008 %	2009 \$'000	2008 \$'000
Financial Assets				
Cash - Investment in Common Account	6.43	7.26	17,153	8,544
Financial Liabilities				
Accrued fees payable to Consolidated Account	-	-	-	272

Interest Rate Sensitivity Analysis

The following table represents a summary of the interest rate sensitivity of the Public Trustee's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% (100 basis points) change in interest rates. A 1% movement is considered to be reasonably possible taking into account past performance, economic forecasts and management's knowledge and experience of financial markets. It is assumed that the change in interest rates is held constant throughout the reporting period. The analysis is performed on the same basis for 2008.

	Carrying amount		Profit		Equity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Financial Assets						
Cash - Investment in Common Account						
+1% (100 basis points)	17,153	8,544	172	85	172	85
-1% (100 basis points)	17,153	8,544	(172)	(85)	(172)	(85)

The sensitivity is higher in 2009 than 2008 because of an increase in the value of cash.

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Fair Values

The financial assets and liabilities recognised in the balance sheet, at amounts that represent a reasonable approximation of fair value.

19. Related Bodies

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

20. Financial Reporting by Segments

Disclosure of outcome results in terms of segment is not required as the Public Trustee is a not for profit agency.

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

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

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

Statement of Receipts and Expenditure for the year ended 30 June 2009:

	2009	2008
	\$	\$
Opening balance	5,144	5,382
Receipts	-	-
Expenditure	(438)	(238)
Closing balance	4,706	5,144

22. Explanatory Statement

(a) Significant Variations between Actual Results for 2008 and 2009

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.

	2009	2008	Variance
	\$	\$	\$
Expenses			
Employee Benefits expense	11,428,179	9,792,926	(1,635,253)
Corporate Services Expenses	1,724,411	1,131,449	(592,962)
Surplus Common Account Interest paid to Consolidated Account	1,738,000	808,617	(929,383)
Other revenue and reserves paid to Consolidated Account	517,996	2,450,592	1,932,596

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Income			
Receipts from Common Account Surplus Interest	4,660,775	808,617	3,852,158
Receipts from Common Account reserves	5,000,000	-	5,000,000
Interest	851,356	612,066	239,290
Resources received free of charge from the Department of the Attorney General	16,580,479	14,449,270	2,131,209

Employee Benefits expense

The Public trustee received budget funding in 2008-09 to increase the number of Full time equivalents due to demand pressure increases.

Corporate Services Expenses

The variance is due to an increase in corporate service costs allocated by the Department of the Attorney General.

Surplus Common Account Interest paid to Consolidated Account

Following the payment of interest to trusts, estates and to the Public Trustee any surplus earnings are deemed to be Surplus Common Account Interest. The Public Trustee operated under the Current Agreement 2008-09 for the first time in 2009, the agreement specifies the amount of surplus Common Account Income to be paid to the consolidated account and requires a minimum of payment of \$1.738 million. This is detailed in Note 9.

Other Revenue and Reserves paid to Consolidated Account

The Public Trustee used funds from the Business Development Reserve to fund the capital works project to implement the changes made possible through the legislation changes.

Receipts from Common Account Surplus Interest

Following the payment of interest to trusts, estates and to the Public Trustee any surplus earnings are deemed to be Surplus Common Account Interest. The Public Trustee operated under the Current Agreement 2008-09 for the first time in 2009, the agreement specifies the amount of surplus Common Account Income to be paid to the Consolidated Account and requires a minimum of payment of \$1.738million. This is detailed in Note 9.

Receipts from Common Account Reserves

The Public Trustee operated under the Current Agreement 2008-09 for the first time in 2009, the agreement specifies the amount of reserves that may be paid from the Common Account Investment Reserve to the Public Trustee. In 2008-09 the Current Agreement specified \$5 million was to be paid to the Public Trustee.

Interest Revenue

Public Trustee funds invested in the Common Account earning interest increased from \$8 million to \$17 million.

Resources received Free of Charge from the Department of the Attorney General

The variance is caused by budget increases received Mid-Year to fund additional Full Time Equivalents (FTE's) staff. The Public Trustee funded the additional expenditure through increased revenue payments to the Consolidated Account.

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(b) Significant Variations between Estimated and Actual Results for 2009

Section 40 of the Financial Management Act 2006 requires the Accountable Authority of a statutory authority to prepare annual estimates of the financial operations of the statutory authority. 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 estimates and \$100,000.

	2009 Actual \$	2009 Estimate \$	Variance \$
Expenses			
Employee benefits expense	11,428,179	10,065,300	(1,362,879)
Computer services	128,675	-	(128,675)
Administration expenses	2,388,458	1,309,700	(1,078,758)
Corporate service expense	1,724,411	1,160,500	(563,911)
Fees paid to Consolidated Account	9,768,719	8,446,000	(1,322,719)
Other revenue and reserves paid to Consolidated Account	517,996	1,684,000	1,166,004
Income			
Fees raised from Estates and Trusts	8,945,692	7,111,000	1,834,692
Public Trustee's 6% fee from Common Account	1,481,148	1,335,000	146,148
Receipts from Common Account Surplus Interest	4,660,775	1,738,000	2,922,775
Other income received from the Common Account	5,000,000	-	5,000,000
Interest revenue	851,356	482,700	368,656
Liabilities assumed by the Treasurer	-	392,000	(392,000)
Resources received free of charge from the Department of the Attorney General	16,580,479	13,056,300	3,524,179

Employee Benefits Expense

The Public Trustee received budget funding in 2008-09 to increase the number of Full time equivalents due to demand pressure increases.

Computer Services

During the year the Department of the Attorney General capitalised the assets created though the MATE system upgrade, resulting in unbudgeted depreciation on the asset.

Administration Expenses

During 2008-09 the Public Trustee received funding for the legislation changes implementation budget. These were capital works operational expenses not included in the original estimates. Additional costs were also incurred due to the demand pressure increases for which additional funding was received.

Corporate Service Expenses

The variance is due to a decrease in corporate services costs allocated by the Department of the Attorney General.

Fees paid to Consolidated Account

The Public Trustee paid additional fees into the consolidated account via the Department of the Attorney General to self-fund the expenditure increases received during the year.

Other Revenue and Reserves paid to Consolidated Account

The Public Trustee has approval to use the Business Development Reserve to fund capital projects. In 2008-09 the Public Trustee expended reserve money on the Legislation Implementation Project.

Fees Raised from Estates and Trusts

The variance is due to an increase in fees collected from both Estates and Trusts, resulting from increases in both Common Account values and income commission generated from increased client investment external to the Common Account.

Public Trustee's 6% fee from Common Account

The Public Trustee 6% fee increased due to a 11% increase in the value of the common account and the increased revenue that resulted from this.

Interest Revenue

Public Trustee funds invested in the Common Account earning interest increased from \$8 million to \$17.2 million.

Receipts from Common Account Surplus Interest

Following the payment of interest to trusts, estates and to the Public Trustee any surplus earnings are deemed to be Surplus Common Account Interest. The Public Trustee operated under the Current Agreement 2008-09 for the first time in 2009, the agreement specifies the amount of surplus Common Account Income to be paid to the Consolidated Account and requires a minimum of payment of \$1,738,000. This is detailed in Note 9.

Other Revenue and Reserves Received from the Common Account

The Public Trustee operated under the Current Agreement 2008-09 for the first time in 2009. The agreement specifies the amount of reserves that may be paid from the Common Account Investment Reserve to the Public Trustee. In 2008-09 the Current Agreement specified \$5 million was to be paid to the Public Trustee.

Liabilities Assumed by the Treasurer

The requirement to recognise the notional income and expense for the superannuation liability assumed by the Treasurer was removed and consequently no income was received in 2008-09.

Resources Received Free of Charge from the Department of the Attorney General

The variance is caused by budget increases received Mid-Year, to fund the increase in demand cost pressures and the implementation of legislation changes capital works project. The Public Trustee funded the expenditure in excess of budget through increased revenue payments to the Consolidated Account.

23. Estates and Trusts Under Administration

The following statement of assets held and/or liabilities incurred in a trustee capacity is prepared in accordance with Treasurer's Instruction 1103(15)(ii). It

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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 2009:

NET TRUST ASSETS UNDER ADMINISTRATION WERE:

ESTATES AND TRUSTS	Note	2009 \$	2008 \$
Deceased Estates		166,364,737	155,348,808
Direct Action		2,743,661	2,922,197
Entitled Trusts		261,101,733	267,146,932
Protected Management		235,963,818	197,559,774
Testamentary Trusts		59,180,652	59,290,223
Power of Attorney		32,690,712	34,254,448
Trusts		35,776,585	32,305,306
Safe-care		6,422,555	8,197,027
NET TRUST ASSETS		800,244,453	757,024,715
REPRESENTED BY:			
INVESTMENTS AND LOANS			
Investments in Common Account	24(g)	333,684,778	299,402,095
Bank deposits		57,801,321	45,783,604
Equities	23(i)	40,411,188	50,867,522
Unit Trusts	23(i)	68,233,483	93,334,684
Life Policies	23(ii)	1,458,079	1,303,528
Real Estate	23(iii)	291,277,937	259,496,199
Other Assets	23(iv)	30,301,666	21,777,310
Total Investment and Loan Assets		823,168,452	771,964,942
TOTAL TRUST ASSETS		823,168,452	771,964,942
CURRENT LIABILITIES			
Creditors		12,728,306	9,259,772
Loans		742,508	858,622
Mortgages – Deceased estates		1,062,870	1,016,430
Total Current Liabilities		14,533,684	11,134,824
NON CURRENT LIABILITIES			
Mortgages – Trust estates		8,390,315	3,805,403
Total Non Current Liabilities		8,390,315	3,805,403
TOTAL TRUST LIABILITIES		22,923,999	14,940,227
NET TRUST ASSETS		800,244,453	757,024,715

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 and unit trusts is at 30 June 2009 and sourced from market publications.

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

(iv) Other Assets

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

For items of minor value (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.



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24. Public Trustee Common Account

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

24(a) PUBLIC TRUSTEE COMMON ACCOUNT

INCOME STATEMENT

For the year ended 30 June 2009

	Note	2009	2008
		\$	\$
EXPENSES			
Doubtful Debts		1,556	5,503
Investment expenses		2,137,385	960,786
Interest paid to Estates and Trusts	24(e)	17,692,517	19,748,163
Decrement from revaluation of investment		12,304,244	-
Total expenses before payments to Public Trustee		32,135,702	20,714,452
6% income fee paid to the Public Trustee		1,481,148	1,536,319
Interest paid to the Public Trustee		851,356	612,066
Surplus Common Account Interest paid to the Public Trustee		4,660,775	808,617
Common Account reserves paid to the Public Trustee		5,000,000	-
Total expenses		44,128,981	23,671,454
INCOME			
Income on Investments		26,823,182	26,566,076
Doubtful Debts recovered		4,840	6,062
Increment from revaluation of investment		-	10,195,670
Total income		26,828,022	36,767,808
NET (LOSS)/PROFIT	24(i)(ii)	(17,300,959)	13,096,354
(DEFICIT)/SURPLUS FOR THE YEAR		(17,300,959)	13,096,354

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

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24(b) PUBLIC TRUSTEE COMMON ACCOUNT

BALANCE SHEET

As at 30 June 2009

	Note	2009	2008
		\$	\$
ASSETS			
Current Assets			
Cash at Bank	24(i)(i)	12,345,806	6,682,831
Cash Equivalents (Money Market)	24(i)(i)	300,000,000	310,000,000
Mortgage Loans (at Cost)	2(b), 24(f)(i)	1,275,000	1,015,000
Debtors		328,177	-
Accrued Mortgage fees		-	10
Accrued Income		1,654,681	3,332,591
Total Current Assets		315,603,664	321,030,432
Non-Current Assets			
Property – Buildings (at Fair Value)	2(b), 24(f)(ii)	69,000,000	35,500,000
Mortgage Loans (at Cost)	2(b), 24(f)(i)	1,000,000	4,650,000
Total Non-Current Assets		70,000,000	40,150,000
TOTAL ASSETS		385,603,664	361,180,432
LIABILITIES			
Current Liabilities			
Fees & Accrued Taxation		91,770	17,658
Creditors		31,318	10,088
Stamp Duty Recouped		40	602
Public Trustee Funds	13(a)	17,153,010	8,543,996
Accrued Interest due to Estates and Trusts		3,682,657	4,944,943
Total Current Liabilities		20,958,795	13,517,287
Non-Current Liabilities			
Estates & Trusts under Administration	2(c), 24(g)	333,684,778	299,402,095
TOTAL LIABILITIES		354,643,573	312,919,382
NET ASSETS		30,960,091	48,261,050
EQUITY			
Common Account Investment reserve	24(h)(i)	19,782,380	24,782,380
Retained earnings	24(h)(ii)	11,177,711	23,478,670
TOTAL EQUITY		30,960,091	48,261,050

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

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24(c) PUBLIC TRUSTEE COMMON ACCOUNT

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2009

	Note	2009	2008
		\$	\$
Balance of equity at start of year		48,261,050	35,164,696
RESERVES			
Common Account Investment reserve			
Balance at start of year		24,782,380	19,782,380
Transfers from reserves		5,000,000	-
Transfers to reserves		-	5,000,000
Balance at end of year	24(h)(i)	19,782,380	24,782,380
RETAINED EARNINGS			
Balance at start of year		23,478,670	15,382,316
Surplus for the year		(17,300,959)	13,096,354
Transfers from reserves		5,000,000	-
Transfer to reserves		-	(5,000,000)
Balance at end of year	24(h)(ii)	11,177,711	23,478,670
Balance of equity at end of year		30,960,091	48,261,050

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



Disclosures & legal compliance

24(d) PUBLIC TRUSTEE COMMON ACCOUNT

CASH FLOW STATEMENT

For the year ended 30 June 2009

	Note	2009	2008
		Inflows	Inflows
		(Outflows)	(Outflows)
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Income on investments		26,711,421	25,173,631
Doubtful debts recovered		4,840	6,062
Payments			
Interest paid to Estates and Trusts		(17,692,517)	(19,748,163)
Interest paid to Public Trustee		(851,356)	(612,066)
Investment expenses		(2,137,385)	(960,786)
Net cash provided by operating activities	24(i)(ii)	6,035,023	3,858,678
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturing mortgages		3,390,000	2,198,900
Payment for building purchase and improvements		(45,804,244)	(4,330)
Net cash provided by investing activities		(42,414,244)	2,194,570
CASH FLOWS FROM ESTATES, TRUSTS & PUBLIC TRUSTEE			
Surplus Common Account Interest paid to Public Trustee		(4,660,775)	(808,617)
Common Account Reserves paid to Public Trustee		(5,000,000)	-
Movement in Public Trustee's liability		8,609,014	(1,899,437)
Movement in Estates and Trusts		33,093,957	10,601,890
Net cash provided by estates, trusts & Public Trustee		32,042,196	7,893,836
Net (decrease)/increase in cash and cash equivalents		(4,337,025)	13,947,084
Cash and cash equivalents at the beginning of period		316,682,831	302,735,747
Cash and cash equivalents at the end of period	24(i)(i)	312,345,806	316,682,831

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

Disclosures & legal compliance

Cash flows in respect of Investments, Estates and Trusts and Public Trustee equity have been reported on a net basis in accordance with AASB 107 Cash Flow Statements, Paragraph 22.

24(e) Interest Paid to Estates and Trusts

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

	2009	2008
	\$	\$
Interest paid to Estates and Trusts	17,692,517	19,748,163

24(f) Investments (Common Account)

	2009	2008
	\$	\$
(i) At Cost:		
Mortgage Loans – Current Assets	1,275,000	1,015,000
Mortgage Loans – Non-Current Assets	1,000,000	4,650,000
	2,275,000	5,665,000
(ii) At fair value:		
Land and Building	69,000,000	35,500,000
	69,000,000	35,500,000

Land and buildings were revalued in June 2009, in accordance with an independent valuation performed by Landgate, Western Australian Land Information Authority. The valuation was performed on the basis of current market values of the freehold interest in the Public Trust Buildings encumbered by the existing leases.

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

Property at 565 Hay Street

	2009	2008
	\$	\$
Carrying amount at beginning of year	35,500,000	25,300,000
Additions and capital improvements	2,895	4,330
Revaluation (decrement)/increment	(7,502,895)	10,195,670
Carrying amount at end of year	28,000,000	35,500,000

Disclosures & legal compliance

Property at 553 Hay Street

	2009	2008
	\$	\$
Carrying amount at beginning of year	-	-
Purchase at Cost	45,007,259	-
Additions and capital improvements	794,090	-
Revaluation decrement	(4,801,349)	-
Carrying amount at end of year	41,000,000	-

24(g) Estates and Trusts Under Administration

	2009	2008
	\$	\$
Activity		
Deceased Estates	51,625,104	41,502,316
Direct Action	2,630,797	2,879,547
Entitled Trusts	131,911,446	113,519,774
Protected Management	82,456,192	75,422,565
Testamentary Trusts	28,210,726	28,010,888
Power of Attorney	11,676,708	11,557,546
Trusts	18,751,250	18,312,432
Safe-care	6,422,555	8,197,027
Total Estates and Trusts under administration	333,684,778	299,402,095

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

24(h) Equity

(i) Reserves	2009	2008
	\$	\$
Common Account Investment Reserve		
Opening balance	24,782,380	19,782,380
LESS Transfer from Reserves	(5,000,000)	
ADD Transfer to Reserves	-	5,000,000
Closing balance	19,782,380	24,782,380

Pursuant to section 6B of the *Public Trustee Act* 1941 and Regulation 6 of the *Public Trustee Regulation* 1942 of the regulations, the current agreement prescribes the circumstances in which money may be transferred to or from a reserve fund and the uses of a reserve fund. The Current Agreement 2008-09 prescribes that funds held in the Common Account Investment Reserve may be applied to stabilise the Common Account interest paid to estates, meet losses on Common Account Investments, maintain Common Account Assets, and may be transferred to the Business Development Reserve.

Disclosures & legal compliance

(ii) Retained Earnings	2009	2008
	\$	\$
Opening balance	23,478,670	15,382,316
Net (loss)/profit	(17,300,959)	13,096,354
Transfers from reserves	5,000,000	-
Transfer to reserves	-	(5,000,000)
Closing balance	11,177,711	23,478,670

24(i) Notes to the Cash Flow Statement

(i) Reconciliation of Cash

For the purpose of the Cash Flow Statement, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of 119 days or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. Cash at the end of the financial year, as shown in the Cash Flow Statement, is reconciled to the related items in the Income Statement as follows:

	2009	2008
	\$	\$
Cash	12,345,806	6,682,831
Cash Equivalents (Money Market)	300,000,000	310,000,000
Cash & Cash Equivalents	312,345,806	316,682,831

(ii) Reconciliation of Surplus to Net Cash flows provided by Operating Activities.

	2009	2008
	\$	\$
Surplus/(Deficit)	(17,300,959)	13,096,354
<i>Non-cash items:</i>		
Payments to Public Trustee	9,660,775	808,617
Increment from revaluation of investment	12,304,244	(10,195,670)
<i>Decrease /(Increase) in assets:</i>		
Debtor	(328,177)	70,832
Accrued income	1,677,910	163,550
<i>(Decrease)/Increase in liabilities:</i>		
Creditors	21,230	(85,005)
Net cash provided by operating activities	6,035,023	3,858,678

(iii) Non-cash Financing and Investing Activities

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

24(j) Financial Instruments

(i) Financial Risk Management Objectives and Policies

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

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

Credit Risk

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

Liquidity risk

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

Market risk

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

The Common Account's investments are authorised by section 39A(3), 39D and 40A of the *Public Trustee Act 1941* and exposure to interest rate risk is limited to cash and cash equivalents and mortgages. Mortgages have both a fixed and variable interest rate with short-term maturities less than 3 years. There has been no change from the previous period in respect of exposure to credit risk.



Disclosures & legal compliance

(ii) Categories of Financial Instruments

The carrying amount of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2009 \$	2008 \$
Financial Assets		
Cash	12,345,806	6,682,831
Cash Equivalent	300,000,000	310,000,000
Receivables	328,177	10
Accrued Interest receivable	1,654,681	3,332,591
Investments – Mortgages	2,275,000	5,665,000
Financial Liabilities		
Payables	123,128	28,348
Public Trustee Funds	17,153,010	8,543,996
Accrued Interest due to Estates and Trusts	3,682,657	4,944,943
Estates & Trusts under Administration	333,684,778	299,402,095

(iii) Financial Instrument Disclosures

Credit Risk, Liquidity Risk and Interest Rate Risk Exposures

The Common Account has no material exposure to liquidity risk.

The following table details the Common Account's exposure to liquidity risk and interest rate risk as at the balance sheet date. The State Government guarantees all financial assets of the Common Account and therefore no credit risk exists in respect of those amounts. The table is based on information provided to senior management of the Public Trustee.

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



Disclosures & legal compliance

				Contractual Maturity Dates:			
	Weighted average effective interest rate	Variable Interest Rate	Non-Interest Bearing	Within 1 year	1 – 2 years	2 – 3 years	Total
2009	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash at Bank	4.89	12,345	-	-	-	-	12,345
Cash Equivalent	6.26	300,000	-	-	-	-	300,000
Receivables		-	328	-	-	-	328
Accrued Interest receivable		-	1,655	-	-	-	1,655
Investment mortgages	5.31	-	-	1,275	1,000	-	2,275
Total Financial Assets		312,345	1,983	1,275	1,000	-	316,603
Financial Liabilities							
Payables		-	123	-	-	-	123
Public Trustee Funds	6.43	17,153	-	-	-	-	17,153
Accrued Interest Estates & Trusts		-	3,683	-	-	-	3,683
Estates & Trusts:							
Estates	3.00	51,625	-	-	-	-	51,625
Trusts & Other	3.00	39,010	-	-	-	-	39,010
Trusts & Other	5.00	147,389	-	-	-	-	147,389
Trusts & Other	5.50	95,661	-	-	-	-	95,661
Total Financial Liabilities		350,838	3,806	-	-	-	354,644
Net Financial Assets/ (Liabilities)		(38,493)	(1,823)	1,275	1,000	-	(38,041)

Disclosures & legal compliance

				Contractual Maturity Dates:			
	Weighted average effective interest rate	Variable Interest Rate	Non-Interest Bearing	Within 1 year	1 – 2 years	2 - 3 years	Total
2008	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash at Bank	6.86	6,683	-	-	-	-	6,683
Cash Equivalent	7.25	310,000	-	-	-	-	310,000
Receivables		-	-	-	-	-	-
Accrued Interest receivable							3,333
Investment mortgages	9.45	-	-	1,015	3,250	1,400	5,665
Total Financial Assets		316,683	3,333	1,015	3,250	1,400	325,681
Financial Liabilities							
Payables		-	28	-	-	-	28
Public Trustee Funds	7.26	8,544	-	-	-	-	8,544
Accrued Interest Estates & Trusts		-	4,945	-	-	-	4,945
Estates & Trusts:							
Estates	3.00	3,776	-	-	-	-	3,776
Estates	3.25	26,382	-	-	-	-	26,382
Estates	3.50	11,344	-	-	-	-	11,344
Trusts & Other	6.85	36,207	-	-	-	-	36,207
Trusts & Other	7.35	146,335	-	-	-	-	146,335
Trusts & Other	7.85	75,358	-	-	-	-	75,358
Total Financial Liabilities							312,919
Net Financial Assets/ (Liabilities)		8,737	(1,640)	1,015	3,250	1,400	12,762

Interest rate Sensitivity Analysis

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

The analysis is performed on the same basis for 2008.

Disclosures & legal compliance

	Carrying amount		Profit		Equity	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
+1% (100 basis points)	314,621	320,848	3,146	3,208	3,146	3,208
-1% (100 basis points)	314,621	320,848	(3,146)	(3,208)	(3,146)	(3,208)
Financial Liabilities						
+1% (100 basis points)	350,838	307,945	3,508	3,079	3,508	3,079
-1% (100 basis points)	350,838	307,945	(3,508)	(3,079)	(3,508)	(3,079)

Fair Values

The financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value.

24(k) Explanatory Statement

Significant Variances between Actual Results for 2008 and 2009

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.

	2009	2008	Variance
	\$	\$	\$
Expenses			
Investment expenses	2,137,385	960,786	(1,176,599)
Interest paid to Estates and Trusts	17,692,517	19,748,163	2,055,646
Decrement on revaluation of investments	12,304,244	-	(12,304,244)
Interest paid to Public Trustee	851,356	612,066	(239,290)
Surplus Common Account Income paid to the Public Trustee	4,660,775	808,617	(3,852,158)
Reserves and other revenue paid to the Public Trustee	5,000,000	-	(5,000,000)
Income			
Increment from revaluation of investment	-	10,195,670	(10,195,670)

Investment Expenses

The increase in investment expenses relate to the operational costs associated with the second investment property.

Interest paid to Estates and Trusts

The reduction in interest paid to clients is a direct result from reduced returns on investments during 2008-09.

Decrement from Revaluation of Investment

The variance is due to a decrement on revaluation of Public Trust Buildings in June 2009 (refer notes 2(b)(ii) and 24(f)(ii)).

Disclosures & legal compliance

Interest paid to the Public Trustee

Public Trustee funds invested in the Common Account earning interest increased from \$8 million to \$17.2 million resulting in increased revenue, despite reduced rates of return.

Surplus Common Account Income paid to the Public Trustee

Following the payment of interest to trusts, estates and to the Public Trustee any surplus earnings are deemed to be Surplus Common Account Interest. The Public Trustee operated under the Current Agreement 2008-09 for the first time in 2009, the agreement specifies the amount of surplus Common Account Income to be paid to the Consolidated Account and requires a minimum payment of \$1.738million. The Public Trustee determined to pay all Surplus Common Account Income to the Public Trustee Reserves. This is detailed in Note 9.

Reserves and Other Revenue paid to the Public Trustee

The Public Trustee operated under the Current Agreement 2008-09 for the first time in 2009. The agreement specifies the amount of reserves that may be paid from the Common Account Investment Reserve to the Public Trustee. In 2008-09 the Current Agreement specified \$5 million was to be paid to the Public Trustee.

Increment from Revaluation of Investment

The variance is due to an increment on revaluation of Public Trust Building in June 2008 (refer notes 2(b)(ii) and 24 (f)(ii)).



Key Performance Indicators

Certification of Key Performance Indicators **For the year ended 30 June 2009**

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Public Trustee's performance, and fairly represent the performance of the Public Trustee for the financial year ended 30 June 2009.



John Skinner

B Sc, Grad. Dip FP

Accountable Authority

14 September 2009



Disclosures & legal compliance

Detailed Information in Support of Key Performance Indicators

Outcome: Equitable access to trustee services for all Western Australians

Equitable access to trustee services for all Western Australians is a crucial element in preserving and enhancing their right to justice and safety. Providing trustee services is the responsibility of the Public Trustee.

The Public Trustee is a Statutory Authority within the provisions of the [Financial Management Act 2006](#). It provides a funds management and investment service through the operations of the Common Account - an at-call investment facility backed by the State – and acts as trustee or financial administrator pursuant to the orders of courts or tribunals. It also administers the estates of people who die with or without a Will, in accordance with the terms of the Will or the relevant law and under the authority of the Supreme Court.

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

Key performance indicators have been selected to measure the Office's effectiveness and efficiency in fulfilling the duties of the [Public Trustee Act 1941](#).

Key Service Trustee Services

Trustee services include:

- administering estates of people who die with or without a Will (estate administration);
- managing the financial affairs of people who are unable or unwilling to manage their financial affairs (trust management);
- preparing Wills and powers of attorney for people who wish to appoint the Public Trustee as their executor or donee (Wills); and
- examining the accounts of administration orders (this has been transferred to the Public Trustee from the Guardianship and Administration Board).

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



Effectiveness

1.1 Extent to which trustee services meet the needs of clients

This indicator measures the level of client satisfaction with the quality of trustee services provided. In 2009, Patterson Market Research were engaged to conduct a telephone survey among a random sample of the Public Trustee client base, the sample client base consisted of:

- Clients who are aged over 18 years;
- Clients who have an active account in the 2009 financial year; and
- Clients who are capable of making meaningful comment, that is, those who are known not to be suffering from dementia or in a comatose state, etc.

Based on the above definition, a random sample of clients was generated and selected, representing a cross-section of clients who use trustee services.

	2005/06	2006/07	2007/08	Actual 2008/09	Target 2008/09
Extent to which trustee services meet the needs of clients	82%	72%	79%	74%	75%



Disclosures & legal compliance

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

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

The Public Trustee may administer estates regardless of whether it is appointed executor or not. Some estates do not require formal administration but still require resources to arrange assets registered in the survivor's or beneficiary's name, for example, joint assets and/or nominal bank accounts.

This indicator represents the number of estates/deaths reported as a percentage of the number of adult deaths in Western Australia.

1,562 estates were referred to the Public Trustee; this represents 12% of all estates of adults who died in 2008/09. They were referred either as executor of the estate or the beneficiaries of the estate seeking assistance.

The Public Trustee aimed to reach a target of 14%.

	2005/06	2006/07	2007/08	Actual 2008/09	Target 2008/09
Number of estates relative to the number of adult (18 years and over) deaths in Western Australia	14%	14%	13%	12%	14%
Number of adult deaths	11,606	11,718	12,343	12,552	n/a
Number of deceased estates referred	1,629	1,631	1,644	1,562	n/a



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

The Public Trustee operates in a commercial environment offering services that can be provided by numerous 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. This is shown as a percentage of the total number of adult deaths in Western Australia.

In 2008/09, the Public Trustee administered 1,366 estates that named the Public Trustee as executor. The Public Trustee's market share for this period was 11%.

	2005/06	2006/07	2007/08	Actual 2008/09	Target 2008/09
Extent to which Public Trustee maintains a market share in drawing Wills naming the Public Trustee as executor	12%	12%	11%	11%	12%
Number of adult deaths	11,606	11,718	12,343	12,552	n/a
Number of estates in which the Public Trustee had prepared a Will	1,418	1,411	1,404	1,366	n/a



Disclosures & legal compliance

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.

Issues such as life interests, taxation, family disputes and testator family maintenance actions contribute to the time taken to close an estate, which are outside the control of the Public Trustee.

The average time taken to complete an estate, if completed within twelve months, was 6.5 months, based on the date of final completion.

	2005/06	2006/07	2007/08	Actual 2008/09	Target 2008/09
	%	%	%	%	%
Percent of estates finalised within 12 months of being reported	67	67	64	63	67
Percent of estates finalised within 9 months of being reported	56	55	50	48	57
Percent of estates finalised within 6 months of being reported	39	37	31	30	41



Efficiency

1.5 Cost per trust managed

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

	2005/06	2006/07	2007/08	Actual 2008/09	Target 2008/09
Cost per trust managed	\$1,169	\$1,332	\$1,402	\$1,515	\$1,311
Number of trusts managed	4,649	4,721	4,790	5,093	4,800



1.6 Cost per deceased estate administered and cost per Will prepared

The deceased estate administration service comprises two main cost areas, which have been separated in this indicator to provide a clear indication of the costs involved.

	2005/06	2006/07	2007/08	Actual 2008/09	Target 2008/09
Cost per deceased estate administered	\$1,731	\$1,764	\$1,814	\$2,090	\$1,810
Number of deceased estates administered	3,095	3,150	3,256	3,281	3,150

Disclosures & legal compliance



	2005/06	2006/07	2007/08	Actual 2008/09	Target 2008/09
Cost per Will prepared	\$299	\$275	\$301	\$356	\$290
Number of Wills prepared	3,497	3,669	3,840	3,650	3,900



Common Account Indicators

Effectiveness

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

1.7(a) Common Account Earning Rate

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

	2005/06	2006/07	2007/08	2008/09
	%	%	%	%
Public Trustee Deceased Estates*	3.00, 3.25 & 3.50	3.00, 3.25 & 3.50	3.00, 3.25 & 3.50	3.00
Public Trustee Other Trusts*	4.80, 5.40 & 5.80	6.15, 6.75 & 7.15	6.85, 7.35 & 7.85	3.50, 5.00 & 5.50
Public Trustee Investment Agencies*	4.80, 5.40 & 5.80	6.15, 6.75 & 7.15	6.85, 7.35 & 7.85	3.50, 5.00 & 5.50
Bank Cash Management Accounts (\$10K)**	2.55	5.10	6.05	1.90
Bank Transaction Accounts (\$5K)**	0.00	0.00	0.00	0.00
Cash Management Trust**	4.90	5.45	6.35	2.80

(*Rates effective as at 30 June)

(**As published in the Reserve Bank of Australia website)

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



Disclosures & legal compliance

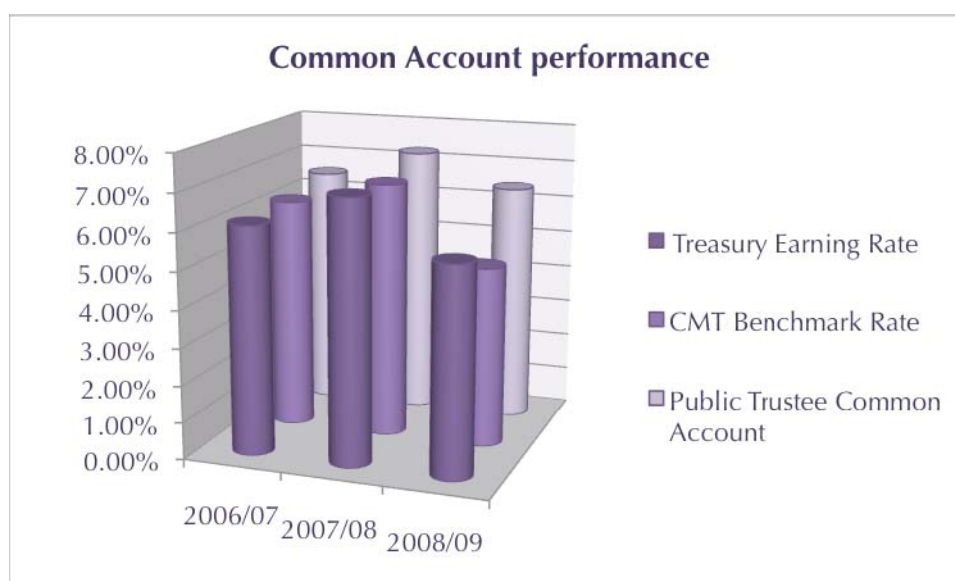
1.7(b) Public Trustee's Common Account Performance versus WA State Treasury and CMT Benchmark Earning Rates (on a net basis)

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

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

	2005/06	2006/07	2007/08	2008/09
	%	%	%	%
Treasury Earning Rate	5.59	6.13	7.03	5.59
CMT Benchmark Rate	5.64	6.22	6.86	4.85
Public Trustee Common Account	5.91	6.53	7.26	6.43

In 2008/09 the Public Trustee Common Account achieved a net return of 6.4% on the investment of the funds comprising the Common Account. Average funds under management for the year to 30 June 2009 totalled \$383.8 million.



Efficiency

1.7(c) Common Account Investment Cost per Dollar Invested

The Public Trustee is responsible for the management and investment of the funds that comprise the Common Account, as well as funds invested in the financial market. At 30 June 2009 the average value of the Common Account for the year was \$383.8 million, with a further \$108.6 million invested in the financial market on behalf of individual clients.

The cost of managing these funds in 2008/09 was \$428,601* or 0.09% of the mean value of the funds under management. Comparatives to previous financial years are as follows:

	2005/06	2006/07	2007/08	2008/09
Cost of managing funds*	\$416,701	\$556,493	\$405,409	\$428,601
Percentage of funds under management	0.10%	0.11%	0.08%	0.09%



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

Disclosures & legal compliance

Ministerial Directives

No Ministerial directives were received during the financial year.

Other Financial Disclosures

Pricing Policies of Services Provided

Under Treasurer's Instruction 903 section 13(i), the Public Trustee is required to advise of the policies underlying the pricing of its goods and services. The pricing policy adopted by the Public Trustee in setting fees and charges is contained in legislation under the [Public Trustee Act 1941](#) and the Annual Agreement as a result of the amended legislation [Public Trustee and Trustee Companies Legislation Amendment Act 2008](#).

Fees and charges are reviewed annually in December and proposed changes for the coming financial year are contained in the [Annual Agreement](#) between the Public Trustee and the Attorney General to be signed in June of each year.

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

Capital Works

No capital works were undertaken.

Employment and Industrial Relations

Staff Profile

The current full time equivalent (FTE) level in the Public Trustee is 140.6, compared with 148 in 2007/08 and represents a decrease of 5%. The Public Trustee employed a total four Aboriginal/Torres Strait Islander employees as at 30 June 2009, making up 2.8% of the workforce.

	2007/08	2008/09
Full-time permanent	135.5	123
Full-time contract	6	9
Part-time measured on an FTE basis	6.5	7.6
On secondment	0	1
Staff FTE	148	140.6

Staff Profile by Gender

	2006/07	2007/08	2008/09
	Male/Female	Male/Female	Male/Female
Professional	5/10.4	3/7.6	2/8.6
Clerical	67/57	69/68.4	68/62
Total	72/67.4	72/76	70/70.6

Workforce Profile

	2006/07	2007/08	2008/09
Business Development	-	1	6
Business Services	17.2	17.2	17.8
Executive/Administration	3	5.6	5
Corporate Support	11	13	13
Legal	10.8	11	11
Trustee Services	97.4	100.2	87.8
Total	139.4	148	140.6

Industrial action

No industrial action was taken by Public Trustee employees.

Staff Development

The Public Trustee has a commitment to the development of its employees. Our strategies are to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

Employees received training in excess of 5,805 hours (774 days) of in-house (4,222 hours) and external (1,583 hours) training. As the result of our commitment to staff training and development, we have improved the capacity of staff to perform their work and significantly improved their ability to deal with clients through skill based training programs.

Workers Compensation

One compensation claim of a minor nature was recorded. This compares with zero compensation claims of a minor nature recorded during 2007/08.

Unions

Public Trustee employees are covered by the Community and Public Sector Union/Civil Service Association. A Joint Consultative Committee of management and union representatives meets every eight weeks.

Employee Assistance

An employee assistance program provides access to professional counselling for any personal or work related problems and is available to Public Trustee employees and their immediate families.

For the period 1 July to 31 December 2008, six employees (3.9%) accessed the PrimePsych service, for an average of 2.47 sessions. A new service provider was engaged from 1 January 2009 (PPC Worldwide) and 4.1% of employees accessed the service, for an average of 2.18 sessions.

Wellness Program

Preparatory work was undertaken by the Public Trustee to develop a new Wellness Program to be launched in July 2009. The program included a funding submission, draft program, staff wellness survey and the convening of a committee. The program will include a monthly e-newsletter and regular health and wellbeing activities and talks.

Disclosures & legal compliance

Governance Disclosures

Contracts with Senior Officers

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

Summary of current annual agreement

In compliance with s. 6B of the [Public Trustee Act 1941](#), the following is a summary of the 2008/09 agreement between the Attorney General and the Public Trustee covering the period 1 July 2008 to 30 June 2009.

The Public Trustee's scale of fees pursuant to section 38A(1) of the Act was gazetted on 24 June 2008 in the Western Australian Government Gazette #103.

If the total fees collected by the Public Trustee in the period 1 July 2008 to 30 June 2009:

- do not exceed the estimated budget of \$8,446,000, then all of those fees shall be paid to the Consolidated Account; or
- exceed the estimated budget of \$8,446,000, then a minimum of \$8,446,000 of those fees shall be paid to the Consolidated Account.

In practice the fees paid to the Consolidated Account will be retained by the Department of the Attorney General via a net appropriation determination, to finance the Public Trustee's expenditure.

The following reserve funds are established pursuant to Section 44A of the Act:

- Indemnity Reserve
- Business Development Reserve
- Common Account Investment Reserve

The Public Trustee may apply moneys in the Indemnity Reserve to settle, compromise and pay the claims, demands and costs of clients or other persons who have suffered loss or damage for which the Public Trustee, in its corporate capacity, may be liable at law.

The Public Trustee may apply moneys in the Business Development Reserve for any or all of the following purposes:

- to pay the capital costs of upgrade of the Public Trustee's MATE trust accounting system software and platform;
- to pay the costs of implementing the Public Trustee's new business services;
- to meet shortfalls in the Public Trustee's estimated retained revenue as appropriated via the Department of the Attorney General's net appropriation determination;
- to self-fund any shortfall in the Public Trustee's budgeted recurrent expenditure;
- to pay the costs of establishing and maintaining an automated wills drawing application; and
- to pay other costs occasioned by the coming into operation of the Amending Act.

The Public Trustee may apply moneys in the Common Account Investment Reserve:

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

The Public Trustee may transfer money from the:

Disclosures & legal compliance

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

The Public Trustee may establish and operate one or more strategic common accounts pursuant to Section 39B of the Act.

The Public Trustee shall obtain approval of the Minister before altering, pursuant to section 39A(5) of the Act, the rates of interest payable to the respective estates the moneys of which form part of the Common Account.

Other Legal Requirements

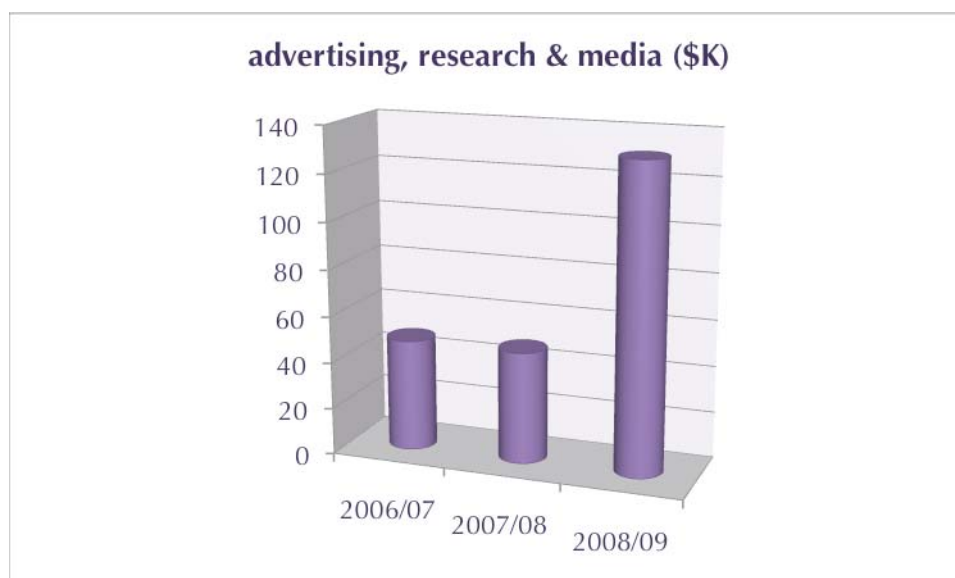
Advertising

In compliance with s175ZE of the [Electoral Act 1907](#), the Public Trustee reports the following expenditure in advertising, market research, polling, direct mail, media advertising:

1. Total expenditure was \$131,449
2. Expenditure was incurred in the following areas

Advertising agencies	\$8,723	Campaignmakers	\$6,493
		Orange Design	\$2,230
Market research organisations	\$70,009	Patterson Market Research	\$15,000
		Catalyse	\$10,000
		Research Solutions	\$45,009
Polling organisations	0		
Direct mail organisations	\$15,527	Mail Makers	\$15,527
Media advertising agencies	\$37,190	Market Force	\$5,754
		Adcorp Australia	\$10,280
		DPS Guide to Aged Care Publishing	\$2,590
		Rural Press Agricultural Publishing	\$1,480
		Sensis - Yellow Pages	\$4,482
		White Pages	\$10,115
		Government Gazette (Fees)	\$1,301
		On Line Digital Marketing	\$1,188

Disclosures & legal compliance



Disability Access and Inclusion Plan Outcomes

In compliance with s29 of the [Disability Services Act 1993](#) the Public Trustee recognises its responsibilities under the Department of Attorney General's Disability Access and Inclusion Plan 2007-2011 by ensuring that clients with physical, intellectual, sensory or cognitive disabilities, their families and carers are provided with professional and appropriate services.

The following outcomes were achieved:

- Outcome 1: The Public Trustee continued to operate its Wills on Wheels service which enabled severely disabled or infirm clients to have a Will prepared in their own home, nursing home or hospital. 345 clients living within a 50km radius of the central business district were visited by Wills Officers.
- Outcome 2: The Public Trustee building at 565 Hay St building is easily accessible by the disabled and reception areas are designed to accommodate the disabled.
- Outcome 3: The Public Trustee redesigned its full range of brochures and publications to include large fonts and can offer alternative versions. including audio tape, CD, large print and Braille. The Public Trustee's new website was also redesigned to include large print viewing.
- Outcome 4: Most of the Public Trustee's Trust Management clients are disabled in some way, whether aged, infirm, or suffering from mental illness or degenerative cognitive skills. Training is provided by a Rehabilitation and Case Management professional to all staff to better equip staff to understand clients who are disabled.
- Outcome 5: The Public Trustee uses the Customer Feedback Management System, which accepts input through a variety of communications means.

Compliance with Public Sector Standards and Ethical Codes

Compliance with Public Sector Management Act Section 31(1)

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

Number lodged: one

Number of breaches found: nil

Number still under review: nil



John Skinner

PUBLIC TRUSTEE

Accountable Authority

18 September 2009

Recruitment, Selection & Appointment Standard

19 permanent and fixed-term vacancies of more than six months were advertised from across all business areas, including three appointment pools, which were covered by the Recruitment, Selection and Appointment Standard, and attracted a total of 452 applicants.

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

	2006/07	2007/08	2008/09
Advertised vacancies	43	21	19
Appointment Pools	2/477	3/168	3/ 452

Disclosures & legal compliance



Summary of Breach of Standards Claims

There was one Breach of Standards Claim lodged against the Public Trustee and it was subsequently dismissed.

Compliance with Public Sector Code of Ethics

The Western Australian Public Sector code of ethics is readily accessible to all employees through various mediums including, but not limited to, the intranet, notice boards and references in relevant policies and procedures. No reports of non-compliance with the WA Code of Ethics were received.

Compliance with Public Sector Code of Conduct

The Department of the Attorney General's code of conduct can be accessed by all Public Trustee employees through its intranet, which provides a range of information, resources and examples of acceptable behaviour standards in the workplace. Additionally, all staff are provided with an overview of the Code of Conduct at induction as well as a copy of the Public Trustee Conflict Management Resources Kit to address bullying in the workplace.

All Public Trustee employees attended a half-day Equal Opportunity Commission's Workplace Culture, Harassment and Bullying course, designed to assist in understanding rights and obligations under State and Federal legislation in respect of harassment and bullying in 2007/08. It is intended that all Public Trustee employees will attend refresher training courses every two years with the next series of refresher courses scheduled for February 2010.

Recordkeeping Plans

Under s19 of the [State Records Act 2000](#), the Public Trustee's Recordkeeping Plan (RKP) was approved in May 2007 by the State Records Commission.

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

The Public Trustee, whilst a statutory authority in its own right, is a business unit of the Department of the Attorney General (DotAG) and uses their recordkeeping system for administrative records.

The Public Trustee has complied with the State Records Commission's compliance requirements:

- Requirement 1 – The efficiency and effectiveness of Public Trustee's recordkeeping was evaluated in 2007/08 and will be reviewed again within five years.
- Requirement 2 – More than 95 per cent of Public Trustee employees completed an online recordkeeping training and awareness program during 2007/08 and new employees undertake the program as part of their induction training.
- Requirement 3 – DotAG uses feedback from employees who have completed the online program to periodically review the efficiency and effectiveness of the recordkeeping training program.
- Requirement 4 – The Public Trustee's induction program includes employee roles and responsibilities for complying with the recordkeeping plan, and operational policy and procedures are included in the web-based Public Trustee Manual.



Disclosures & legal compliance

Annual Estimates

INCOME STATEMENT for the year ended 30 June 2010

	ESTIMATES 2010 \$	ACTUAL 2009 \$
COST OF SERVICES		
EXPENSES		
Write offs	20,000	93,465
Employee benefits expense	11,472,985	11,428,179
Computer services	17,738	128,675
Administration expenses	2,143,678	2,388,458
Accommodation expenses	897,340	910,756
Corporate service expenses	1,469,173	1,724,411
Total expenses before payments to Consolidated Account	16,020,914	16,673,944
Fees paid to Consolidated Account	10,862,000	9,768,719
Surplus Common Account Interest paid to Consolidated Account	1,220,000	1,738,000
Other Revenue and Reserves paid to Consolidated Account	300,000	517,996
Total cost of services	28,402,914	28,698,659
INCOME		
Fees raised from Estates and Trusts	10,824,272	8,945,692
Public Trustee 6% fee from Common Account	574,278	1,481,148
Receipts from Strategic Common Account Management Expenses	295,701	-
Receipts from Common Account Surplus Interest	1,216,600	4,660,775
Receipts from Common Account Reserves	5,000,000	5,000,000
Interest revenue	280,630	851,356
Other revenue	18,000	16,927
Total Income other than income from State Government	18,209,481	20,955,898
Net Cost of Service before Income from State Government	(10,193,433)	(7,742,761)
INCOME FROM STATE GOVERNMENT		
Resources received free of charge from the Department of the Attorney General	16,000,914	16,580,479
Total income from State Government	16,000,914	16,580,479
SURPLUS FOR THE PERIOD	5,807,481	8,837,718

Disclosures & legal compliance

BALANCE SHEET as at 30 June 2010

	ESTIMATES 2010	ACTUAL 2009
	\$	\$
ASSETS		
Current Assets		
Cash – Investment in Common Account	19,523,284	17,153,010
Total Current Assets	19,523,284	17,153,010
TOTAL ASSETS	19,523,284	17,153,010
LIABILITIES		
Current Liabilities		
Accrued fees payable to Consolidated Account	300,000	-
Tax liabilities	200,000	303,189
Total Current Liabilities	500,000	303,189
TOTAL LIABILITIES	500,000	303,189
NET ASSETS	19,023,284	16,849,821
EQUITY		
Indemnity reserve	3,745,124	4,001,222
Business Development reserve	13,474,600	12,089,110
Retained Earnings	1,803,560	759,489
TOTAL EQUITY	19,023,284	16,849,821

Disclosures & legal compliance

Government Policy requirements

Corruption Prevention

The Public Trustee has taken the following measures to reduce corruption and misconduct by employees:

- The Fraud Control and Corruption Prevention Plan 2009 represents the commitment of the Public Trustee to the identification, management and prevention of misconduct, corruption and fraud. It has been in place since 2004 and was revised in June 2009. The Plan is reviewed annually.
- Other Corruption Prevention improvements completed include improving stakeholder communications, controls and mechanisms for code of conduct awareness, and development of a Public Trustee online training and assessment package which all staff undertook to improve their knowledge of corruption prevention and the policies and procedures in place.

Substantive Equality

The Public Trustee, whilst a statutory authority in its own right, is a business unit within the Department of the Attorney General and does not have its own Policy Framework for Substantive Equality but is part of and follows the overall Department's Policy Framework for Substantive Equality.

Occupational Safety, Health and Injury Management

The Public Trustee is committed to occupational safety and health and injury management and has an Occupational Safety and Health Committee comprised of trained staff from all floors which meets quarterly (or more often if required) to ensure compliance, and help formulate policies, procedures and training.

Committee representatives conduct monthly safety audits and report on and resolve issues where safety and health of employees may be at risk.

Some of the committee's activities included:

- A review of filing cabinets that led to all staff receiving training in Manual Handling and Lifting techniques;
- A process of consultation between Management and the OSH Committee on the review of the new building plans;
- continuation of the use of the Critical Incident procedures and register to record and monitor client behaviour and initiate appropriate actions; and
- the success of the employer-funded Influenza Vaccination Program.

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

	2007/08	2008/09
Number of fatalities	0	0
Lost time injury/disease (LTI/D) incidence rate	1	1
Lost time injury severity rate	1	1
Percentage of injured workers returned to work within 28 weeks	-	100%
Percentage of managers trained in occupational safety, health and injury	-	Less than 50%

Appendix 1 Strategic Framework for 2009-2014

Public Trustee Strategic Framework

Our VALUES

Excellent Service

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

Integrity & Accountability

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

Equity & Fairness

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

Collaboration and Learning

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

Professional Autonomy

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

Our VISION: A trusted organisation recognised for professionalism, integrity and respect, whose clients feel valued and protected.

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

Corporate OBJECTIVES

1. Developing our Business

We aim to achieve:

- Implementation of a contemporary business model to reflect other Australian businesses in our market sector;
- Development of new services and investment accounts;
- Increased profile and market share;
- Capacity to become self-funding; and
- Meeting our Community Service Obligation to protect and support the vulnerable and disadvantaged in our society.

2. Developing our staff

We aim to achieve:

- Staff who are fully trained, motivated and experts in their field;
- Mentoring and support for staff;
- The preparedness of staff for higher positions;
- Innovations in job structures and working arrangements;
- A working environment that fosters staff satisfaction; and
- A culture of creativity, openness, flexibility and excellence.

3. Customer service delivery

We aim to achieve:

- Quality and timely provision of services that exceed client expectations;
- Quality relationships, communication and empathy with clients;
- Delivery of a package of flexible services to meet individual client needs;
- Increased awareness by our clients of the range of our services to meet their needs;
- Services are accessible to all Western Australians; and
- Recognition for excellence in customer service.

4. Investment performance

We aim to achieve:

- Provision of a range of investment opportunities to meet individual client needs;
- Achievement of a rate of return above benchmark;
- A reputation as a leader in investment management within our market niche;
- A continued high level of trust, integrity and reliability in the marketplace;
- Development of new income streams through strategic investment funds; and
- Increase in value of funds under management through an expanded client base.

5. Governance and corporate support

We aim to achieve:

- Generation of income and reserves to be self-funding;
- A sound ethical framework, leadership and management with clear accountabilities;
- An effective corporate support relationship with the Department of the Attorney General;
- Management of risk and prevention of fraud;
- Compliance with regulatory requirements;
- An Annual Agreement that provides for the maintenance and use of a reserve fund; and
- An HR strategy, IT environment and legal services that effectively support the business.

May 2009

Appendices

Appendix 2 Summary of 2009/10 Annual Agreement

Summary of the 2009/10 agreement between the Attorney General and the Public Trustee covering the period 1 July 2009 to 30 June 2010.

The Public Trustee's scale of fees pursuant to section 38A(1) of the Act was gazetted on 25 June 2009 in the Western Australian Government Gazette #118.

If the total fees collected by the Public Trustee in the period 1 July 2008 to 30 June 2009:

- do not exceed the estimated budget of \$10,884,000, then all of those fees shall be paid to the Consolidated Account; or
- exceed the estimated budget of \$10,884,000, then a minimum of \$10,884,000 of those fees shall be paid to the Consolidated Account.

In practice the fees paid to the Consolidated Account will be retained by the Department of the Attorney General via a net appropriation determination, to finance the Public Trustee's expenditure.

The following reserve funds are established pursuant to Section 44A of the Act:

- Indemnity Reserve
- Business Development Reserve
- Common Account Investment Reserve

The Public Trustee may apply moneys in the Indemnity Reserve to settle, compromise and pay the claims, demands and costs of clients or other persons who have suffered loss or damage for which the Public Trustee, in its corporate capacity, may be liable at law.

The Public Trustee may apply moneys in the Business Development Reserve for any or all of the following purposes:

- to pay the capital costs of upgrade of the Public Trustee's MATE trust accounting system software and platform;
- to pay the costs of implementing the Public Trustee's new business services;
- to meet shortfalls in the Public Trustee's estimated retained revenue as appropriated via the Department of the Attorney General's net appropriation determination;
- to self-fund any shortfall in the Public Trustee's budgeted recurrent expenditure;
- to pay the costs of the Public Trustee relocating from 565 Hay Street, Perth to 553 Hay Street, Perth;
- refitting and refurbishing office accommodation at 553 Hay Street, Perth that is being used or is to be used by the Public Trustee, including but not limited to, employing or engaging project managers, lawyers, architects, building consultants and designers; and
- to pay other costs occasioned by the coming into operation of the [Public Trustee and Trustee Companies Legislation Amendment Act 2008](#).

Summary of the 2009/10 agreement between the Attorney General and the Public Trustee covering the period 1 July 2009 to 30 June 2010 (cont'd)

The Public Trustee may apply moneys in the Common Account Investment Reserve to:

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

The Public Trustee may transfer money from the:

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

The Public Trustee shall establish and/or operate the following strategic common accounts pursuant to Section 39B of the Act:

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

These are the four Public Trustee Investment Funds (PTIFs) and are sometimes called Strategic Investment Accounts. The four accounts are also known, respectively, as PTIF Cash, PTIF Conservative, PTIF Growth and PTIF Growth Plus.

The Public Trustee shall obtain approval of the Minister before altering, pursuant to section 39A(5) of the Act, the rates of interest payable to the respective estates the moneys of which form part of the Common Account.





Public Trustee

Public Trustee 565 Hay Street Perth WA 6000

Postal Address: Box M946 GPO Perth WA 6843

Telephone: **1300 746 116** (Wills, Enduring Powers of Attorney, Executor Services, Deceased Estates)
or **1300 746 212** (Trusts and Represented Persons)

Fax: (08) 9222 6617

Web site: www.publictrustee.wa.gov.au

Hours: Switchboard: Monday to Friday 8am–5pm.

Office hours: 8:30am – 4:15pm (Mon – Fri)