



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



Public Trustee

Public Trustee Annual Report



STATEMENT OF COMPLIANCE

For the year ended 30 June 2021

HON. JOHN R. QUIGLEY LLB JP MLA
ATTORNEY GENERAL

In accordance with section 63 of the [Financial Management Act 2006](#), I hereby submit for your information and presentation to Parliament, the Annual Report of the Public Trustee for the reporting period ended 30 June 2021.

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

Brian Roche

Brian Roche BBus, MMgt
Public Trustee
6 September 2021



Street Address

Public Trustee Building 553 Hay Street Perth

Postal Address

GPO Box M946 PERTH WA 6843

Telephone

Wills & Deceased Estates Administration
1300 746 116

Trust Management & Represented Persons
1300 746 212

Corporate Enquiries
1300 746 212

Facsimile: (08) 9222 6617

Website: www.publictrustee.wa.gov.au

Email: public.trustee@justice.wa.gov.au

ISSN - 2202-6231 (Print)

ISSN - 2202-624X (Online)

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OVERVIEW

The Year in Review

It has been my privilege to lead the Public Trustee through another challenging year.

The Public Trustee plays an important role in the lives of many vulnerable people and offers a range of Will, deceased estate administration and trustee services for all Western Australians. The statutory authority manages net assets of around \$1.4 billion and is responsible for managing the legal and financial affairs of many vulnerable people in our community, as well as examining the accounts of private administrators.

The Public Trustee is also custodian of the WA Will Bank, Give2Good Foundation and WA Will Week.

The past year saw the COVID-19 pandemic continue to impact the business. The Public Trustee continued its journey of transformation and revitalisation implementing technological improvements aimed at ensuring we provide services for many years to come. This strategy assisted staff to perform their duties while ensuring minimal disruption to essential services.

Significant upgrades to the automation of bills, digitisation of mail and streamlining of Wills application processes were integral to successfully transitioning staff to 'work from home' arrangements.

The Public Trustee continues to improve its business continuity plans in the event of any potential future disruption.

Financial administration continues to experience strong growth in demand. The Public Trustee manages the financial affairs of 6,722 clients enabling people with a decision-making disability to live quality lives with a level of dignity.

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

The Public Trustee provides subsidised services at nominal cost for many clients as part of its community service obligations, ensuring all clients have access to financial administration services regardless of their ability to pay.

The Private Administrator Support team conducted 2,151 account examinations, where total assets exceeded \$1,674 million. As at 30 June 2021, the total number of private administrator clients increased to 2,848 clients.

The Public Trustee plays an important role in protecting vulnerable Western Australians and accepted 70 new referrals alleging financial elder abuse in the last year. The Public Trustee also represents vulnerable Western Australians on the Australian Guardianship and Administration Council and Alliance for the Prevention of Elder Abuse.

Business areas within the Public Trustee continue to focus on business and technological efficiencies in line with our "People First" strategy. The Public Trustee will continue to invest in the automation of business processes allowing staff to focus on responding to client needs.

I would like to thank my staff for their professionalism and dedication to their clients. The staff have been incredible in adapting to an ever-changing business environment.

I also would like to acknowledge and thank Dr Adam Tomison, Director General of the Department of Justice for his strong leadership during a very challenging twelve months and for his Department's continued support.

Brian Roche

Public Trustee



Public Trustee

Fast Facts (as at 30 June 2021)



Achieved
SELF-FUNDING



Continued to manage the affairs of
6,722 TRUST CLIENTS



Wrote **1,977 WILLS**



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



Acquired **1,128 NEW TRUST CLIENTS**
(including 897 referred by the State
Administrative Tribunal)



Employed **179.7 STAFF**
(59% Female, 41% Male)



Managed assets valued at
\$1.4 BILLION



Submitted **443 PROBATE**
applications



Achieved **76%** client
satisfaction



Celebrated
80 YEARS of service



Examined **2,151 ACCOUNTS** for Private
Administrators of SAT orders



Stored **124,642** Wills safely in
the WA Will Bank



The Public Trustee
held **20 SEMINARS** across
WA, reaching approximately
1,921 people



Investigated **70 CASES**
of alleged elder abuse



Increased charitable endowments
through bequests & donations to
Give2Good Foundation

Operational Structure

The Public Trustee delivers services through four directorates and sixteen business units.

1. Directorate: Trustee Services

Trust Management

Trust Managers act as trustee, manager, donee, substitute trustee or administrator for people who are unable to manage their own financial affairs. Administering trusts may include setting up investment portfolios, collecting income, determining budgets and attending to the client's accommodation and transport needs.

Deceased Estates Administration

Estate managers administer estates where the Public Trustee is appointed executor, as well as estates where executors have died, renounced or the executor has authorised the Public Trustee to act. The Public Trustee also administers assets frozen or confiscated by the Director of Public Prosecutions, estates where the Supreme Court has appointed the Public Trustee and some estates where a person has died intestate (without a Will). Estate managers also manage testamentary trusts as well as provide guidance to beneficiaries of smaller estates to aid them to administer the estate themselves.

When someone passes away and no family members or friends are prepared to arrange the funeral, the deceased becomes an 'unclaimed body'. Estate managers arrange for the deceased to receive an appropriate funeral using the Public Trustee's contracted service provider.

Private Administrator Support

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

2. Directorate: Legal Services

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

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

Lawyers and paralegals also provide professional Will drafting and safe custody services to Western Australians who appoint either the Public Trustee or another person as Executor of their Will. Will drafting services include appointments at the Perth city office, a telephone service to people in regional areas and a 'Wills on Wheels' service to clients confined to their home/care facility due to infirmity.

3. Directorate: Business Services

Investments

The Investments Team manage financial assets and investments to meet clients' immediate and long-term needs. The team is responsible for the sale and purchase of properties on behalf of trust and deceased estate clients.

Taxation Services

The team of registered tax agents prepare, review and lodge income tax returns for trust and estate administration clients.

Business Support

The Business Support Team process trust and estate clients' payments and receipts. The team manage the secure storage of the WA Will Bank and is responsible for records administration and the digitisation and distribution of mail. The team also coordinate Freedom of Information applications and Registry searches for client properties.

4. Directorate: Corporate Support

Finance

The Finance Team manage the Public Trustee Bank Account and are responsible for operational and Common Account payments and receipts.

The team provide financial data to the Corporate Executive, including monthly operational reports and expenditure forecasts, quarterly key performance indicator analysis, budget analysis and budget statement preparation. They also manage financial models, report on the sustainability of services and conduct “back office” duties for money market Investments.

Systems & Technology

Technical staff maintain the day-to-day operational support of information technology systems, such as the core MATE application, and manage the delivery of key strategic IT projects.

Training & Development

The Training and Development team assess training needs, develop and deliver in-house training and induction programs, as well as coordinate external professional development enrolments. The team also manage periodic reviews of Public Trustee policies and procedures and a range of other people development initiatives.

Contracts Management

Public Trustee contracts fall within two broad groups - those where the cost of purchasing goods and services for corporate needs are sourced from corporate funds, and contracts where the cost of purchasing services are paid for from funds held on behalf of Public Trustee clients. Tender development, coordination and management are key deliverables for both the Public Trustee and its clients.

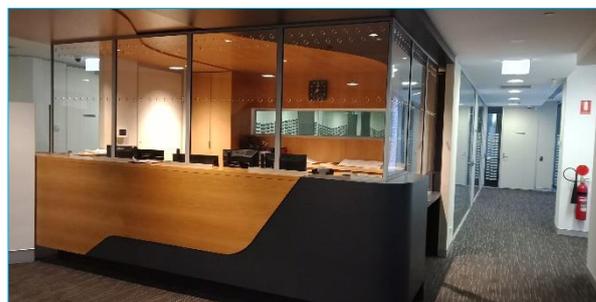
Human Resources

Human Resources provides recruitment and employment advice to both management and staff, coordinate the Employee Development system, assists with workers' compensation matters, performance management and is a key contact with Department HR staff.

Marketing & Communications

Marketing staff are responsible for market research, public education, advertising and promotion, media, social media, website, publications, events and awareness raising and engagement with the public, clients and stakeholders. They also assist in promotion of product and services, such as the Give2Good Foundation.

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



Trust Reception at the Public Trustee

Enabling Legislation

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

It pays for administrative support from the Department of Justice (DoJ).

Responsible Minister

Honourable John R. Quigley LLB JP MLA
Attorney General.



Public Trustee Vision, Role, Values

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

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

The Public Trustee's values include:

1 EXCELLENT CLIENT-FOCUSSED SERVICE

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

2 INTEGRITY AND ACCOUNTABILITY

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

5 PROFESSIONAL AUTONOMY

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

4 COLLABORATION AND LEARNING

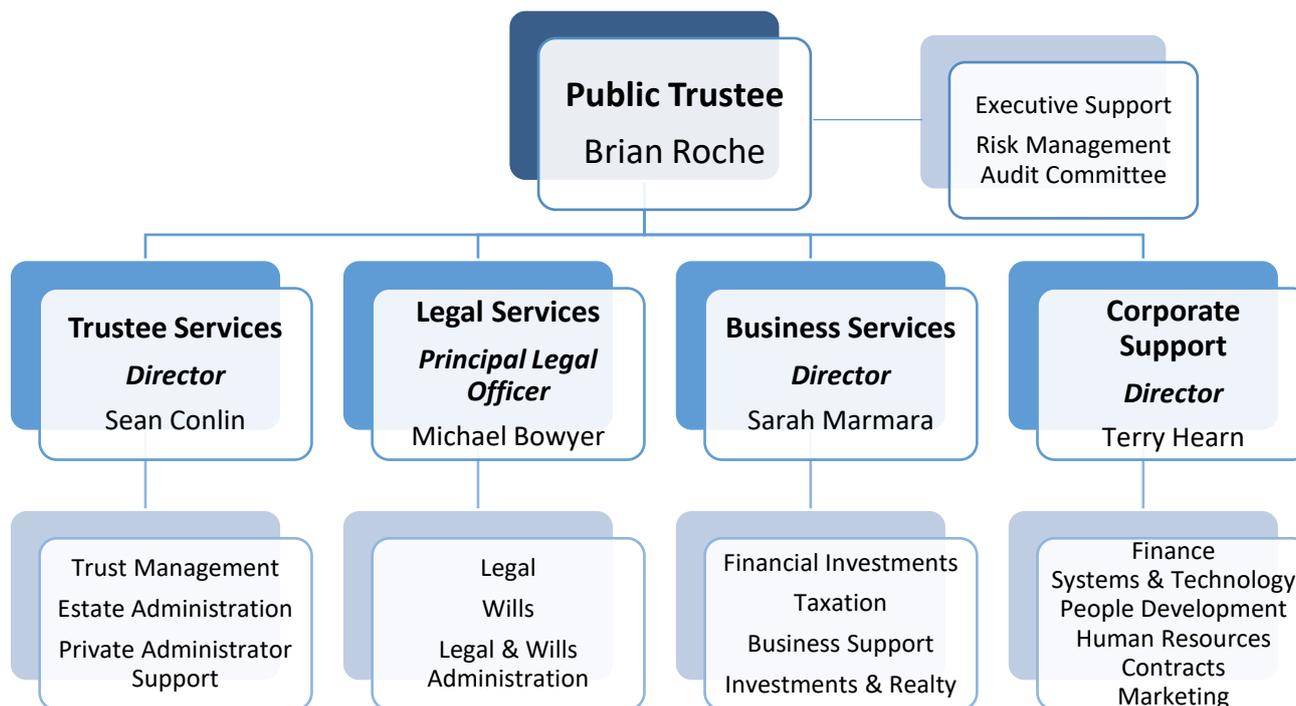
Our people take pride in their work and we value their contribution. We review and recognise the knowledge, skills and capabilities of our people and teams and we support their ongoing learning and development.

3 EQUITY AND FAIRNESS

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



Organisational Structure



Corporate Executive Committee Profiles



Brian Roche



Sean Conlin



Michael Bowyer

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

Director Trustee Services, Sean Conlin has 22 years public sector management experience, and 18 years financial services accounting and management experience in the private sector.

Principal Legal Officer, Michael Bowyer has 29 years legal advisory experience in the public sector and is a member of the Law Society's Elder Law and Succession Committee.

Corporate Executive Committee Profiles



Terry Hearn



Sarah Marmara

Director Corporate Support, Terry Hearn has substantial financial and management accounting experience in both the public and private sectors. He is a career public servant having accumulated 36 years in the public sector of which 26 years' experience has been gained at the Public Trustee.

Director Business Services, Sarah Marmara has 29 years management, financial services and accounting experience in both the public and private sectors. This includes 18 years public sector management and accounting experience.



Public Trustee staff workshop, April 2021

Administered Legislation

The Attorney General and the Public Trustee administer the [Public Trustee Act 1941](#) and the [Public Trustee Regulations 1942](#).

Other key legislation impacting on Public Trustee activities

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

Western Australian Laws

- [Aboriginal Affairs Planning Authority Act 1972](#)
- [Administration Act 1903](#)
- [Auditor General Act 2006](#)
- [Corruption, Crime and Misconduct Act 2003](#)
- [Criminal Property Confiscation Act 2000](#)
- [Equal Opportunity Act 1984](#)
- [Financial Management Act 2006](#)
- [Freedom of Information Act 1992](#)
- [Guardianship and Administration Act 1990](#)
- [Family Provision Act 1972](#)
- [Legal Profession Act 2008](#)
- [Non-contentious Probate Rules 1967](#)
- [Occupational Safety and Health Act 1984](#)
- [Public Interest Disclosure Act 2003](#)
- [Public Sector Management Act 1994](#)
- [Rules of the Supreme Court 1971](#)
- [State Administrative Tribunal Act 2004](#)
- [State Records Act 2000](#)
- [Trustees Act 1962](#)
- [Unclaimed Money Act 1990](#)
- [Wills Act 1970](#)
- [Workers' Compensation and Injury Management Act 1981](#)

Commonwealth Laws

- [A New Tax System \(Goods and Services Tax\) Act 1999](#)
- [Australian Securities and Investments Commission Act 2001](#)
- [Australian Charities and Not-for-profits Commission Act 2012](#)
- [Income Tax Assessment Act 1936](#)
- [Income Tax Assessment Act 1997](#)
- [Income Tax Assessment \(1936 Act\) Regulation 2015](#)
- [Income Tax Assessment \(1997 Act\) Regulations 2021](#)
- [International Tax Agreements Act 1953](#)
- [Income Tax Rates Act 1986](#)
- [Social Security Act 1991](#)
- [Superannuation Industry \(Supervision\) Act 1993](#)
- [Taxation Administration Act 1953](#)
- [Tax Agent Services Act 2009](#)
- [Tax Agent Services Regulations 2009](#)

Performance Management Framework

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

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

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

Outcome Based Management Framework

Strong communities: safe communities and supported families, with focus on achieving results in key service delivery areas for the benefit of all Western Australians.

Desired outcome	Services	Indicators
Achieve high quality and accessible services that meet the needs of the community	Trust Management Deceased Estates Wills Private Administrator Support (PAS)	1.1 Percentage of Western Australian deceased estates administered 1.3 Average cost per trust managed 1.4 Average cost per deceased estate administered 1.5 Average cost per Will prepared
Desired outcome	Services	Indicators
Provide services free of charge or for a fee that does not cover the cost of the service to those who cannot afford to pay	Trust Management PAS Legal Wills WA Will Bank Give2Good Foundation	1.2 Percentage of clients who have services provided by the Public Trustee under an operating subsidy rebate

Changes to Outcome Based Management Framework

The Public Trustee's Outcome Based Management Framework did not change during 2020/21.

Shared Responsibilities with Other Agencies

The Public Trustee did not share any responsibilities with other agencies in 2020/21. It does, however, work collaboratively with a wide range of Commonwealth and State Government agencies to ensure accessible, effective and timely delivery of trustee and legal services to its clients, namely the elderly and 'at risk' Western Australians.

Inter-agency Partnerships

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

AGENCY PERFORMANCE

Report on Operations

Trustee Services

Demand for core services continued the increasing trend.

	2019/20	2020/21
New trusts	1,084	1,128
New court trusts	159	230
Total trusts	6,452	6,772

	2019/20	2020/21
New SAT orders	888	897
Total SAT clients	4,701	5,016
SAT reviews	1,358	1,416

	2019/20	2020/21
Probate applications	459	443

	2019/20	2020/21
Account examinations	2,203	2,151

	2019/20	2020/21
New investigations alleging elder abuse (aged 65 or older)		
Trust Management Clients	82	65
Private Administrator Support Clients	6	5
TOTAL	88	70

Trust Management

The total number of trusts on hand increased to 6,722, an increase of 4% over the previous year.

The total number of new clients, including appointments by the State Administrative Tribunal (SAT), was 1,128, 4% more than the previous year. SAT referred 897 new cases to the Public Trustee, a small increase over last year's figure of 888.

The continuing high level of SAT appointments for the Public Trustee can be attributed to the increase in the number of people with decision making disabilities who may have dementia,

an intellectual disability, mental illness, acquired brain injury or substance abuse issues, and who are susceptible to neglect, abuse or exploitation.

The number of new court trusts for the year from the District Court and the Assessor of Criminal Injuries Compensation increased to 195, down from 159 received in the previous year. The size of these trusts varies from thousands of dollars to millions of dollars.

SAT also reviewed 1,416 administration orders for which the Public Trustee was the appointed administrator.

Estate Management

The number of applications to the probate division of the Supreme Court made by the Public Trustee decreased to 443, compared to 459 for the previous year.

Private Administrator Support (PAS)

PAS conducted 2,151 account examinations where total assets exceeded \$1,674 million.

The Public Trustee worked closely with the Office of the Public Advocate to present two training seminars for newly appointed private administrators. Two scheduled sessions were cancelled due to lockdown restrictions.

Client Satisfaction Research

Extent to which trustee services meet the needs of clients

Catalyse Research and Strategy consultants were engaged to conduct a telephone survey to measure client satisfaction with the quality of trustee services provided with the question asked of "Overall, how well does the Public Trustee meet your needs". Clients giving a rating of 6 or more out of 10 were considered to have indicated that the Public Trustee is meeting their needs well. A sample of 401 responses, with 69% participation rate,

represented the total population of approximately 15,000 clients serviced during the year. The survey was done with sampling precision +/- 5% at the 95% confidence interval and was completed in March 2021.

A target of 85% has been set for the year.

Agency Performance

	2019/20	2020/21
Extent to which trust management services met the needs of clients	78%	76%

Significant variations are those greater than 10%. There was no significant variation with the previous year's result. However, actual result was 10.6% below target as COVID-19 caused some business interruptions which affected service delivery. For instance, will appointments were only available over the telephone instead of face-to-face during lockdown periods.

Percentage of estates finalised within 12 months

The average time taken to complete an estate, if completed within twelve months, was 7.4 months. A target of 64% of estates finalised within 12 months has been set for the year.

	2019/20	2020/21
Percentage of estates finalized within 12 months	56%	51%

There was no significant variation with the previous year's result. Actual result was 20% below target due to COVID-19 which significantly delayed dealings with banks, overseas postal services, Government offices' services and properties sales.



Public Trustee trainees, November 2020

Agency Performance

Legal Services

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

Matters	2019/20	2020/21
New	364	379
Finalised	334	365
On hand	821	835

	2019/20	2020/21
Wills	2,033	1,977

General Legal

As at 30 June 2021, the Legal directorate had 835 legal matters on hand (not including Wills, estate distributions, standard probate and conveyancing applications and various other routine and minor matters).

It received 379 new matters and finalised 365 matters during the year.

A significant proportion of the legal matters result in court actions, including in the Supreme Court.

Most matters concern issues arising from the administration of the estates of Represented Persons, deceased estates and trusts. They include recovery of misappropriated assets and proving Wills in contentious circumstances.

Wills

In 2020/21, 1,977 Wills were finalised.

Most Will appointments took place in the Public Trustee Building. The majority of those Wills were drafted and executed at the end of a 1.5 – 2 hour Will consultation. Some special arrangements have been in place, to accommodate the COVID-19 pandemic.

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



Marketing Officer Claire Sharman at a Wills seminar in Bentley

Agency Performance

Business Services

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

Funds under management	2019/20 \$'000	2020/21 \$'000
Common Account	299,205	341,335
PTIFs	232,970	280,110
Bank deposits	166,359	192,294
Equities	41,906	43,767
Unit trusts	4,489	4,359
Life policies	1,463	4,130
Real estate	458,577	473,337
Other assets	75,955	67,345
TOTAL	1,280,924	1,406,677

Fund type	30/6/20 \$'000	30/6/21 \$'000
Cash	Nil	Nil
Conservative	36,624	37,235
Growth	180,967	223,229
Growth Plus	3,939	4,727
TOTAL	221,530	265,191

Property Function	2019/20	2020/21
Properties sold	215	239
Value \$'000s	72,875	107,580

Taxation Services	2019/20	2020/21
Client files actioned	1,918	2,486
Income tax returns lodged	1,398	1,847

Common Account

The Common Account operates as a cash management account with funds available at call. As at 30 June 2021, the Public Trustee managed \$325 million in short term deposits with banks rated A2 to A1+, \$24 million in cash managed by the Western Australian Treasury Corporation, and a CBD building valued at \$42.3 million.

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

Interest paid to clients as at 30 June 2021:

Clients	30/6/20	30/6/21
Deceased Estates	0.25%	0.25%
Protective Management and Power of Attorney	0.25% and 0.75%	0.10% and 0.50%
Other Trusts	0.25% and 0.75%	0.10% and 0.50%
Bank cash management account (\$10,000) per Reserve Bank website	0.05%	0.05%

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 Common Account performance with WA State Treasury's earning rate on the Public Bank Account and the earning rate of three leading CMTs is as follows:

	2019/20	2020/21
Common Account (*)	2.21%	1.26%
Treasury Earning Rate	0.90%	0.30%
CMT Benchmark Rate	0.65%	0.18%

(*) *excludes capital growth/loss.*

Agency Performance

Public Trustee Investment Funds (PTIFs)

The Public Trustee continued to use the PTIFs for investment of clients' funds to enhance long-term capital and income growth. Regular reviews of clients' investments are undertaken and portfolios adjusted for any changes in circumstances and needs of the clients going forward.

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

Property Function

During 2020/21 the Investments Team sold 239 properties by Private Treaty and Auction for a total value of \$107.8 million.

Taxation Services

The Taxation business area actioned 2,486 client files and lodged 1,847 income tax returns in 2020/21.



Public Trustee staff briefing, August 2020

Agency Performance

Corporate Support

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

	2019/20 \$ million	2020/21 \$ million
Operational budget	25.1	26.3
Revenue budget	24.3	25.8

Common Account	2019/20 \$ million	2020/21 \$ million
Balance at year end	19	28
Total value of receipts/disbursements	1,709	1,153

Finance

The Public Trustee had an operational expenditure budget of \$26.3 million and a revenue budget of \$25.8 million, a 5% increase and 6% increase respectively from the previous financial year.

The Public Trustee Common Account Bank Account averaged a daily balance of \$25 million.

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

Systems & Technology

The Public Trustee IT section (PT IT) continued to work closely and assist business areas in improving MATE functionality. The main focus was introducing process automation and business improvements. Two major projects were delivered during 2020/2021: the Estates workflow and the replacement of the aging Client Correspondence with the new DOCS module. Five major and 59 minor MATE system releases were deployed and managed during the year.

Infrastructure upgrade projects continue to be implemented following the GovNext Information and Communications Technologies (ICT) transition. The Public Trustee is the first business area in the

Department of Justice to complete migration to Microsoft Exchange 365, in addition to completing early upgrades for Windows 10 and Office 365.

PT IT successfully transitioned staff to working from home during the lockdowns early this year. Valuable skills and experience have been gained by IT and other staff, as well as providing a good test of a solid Business Continuity Plan. PT IT also arranged cyber security awareness training for our staff, which has increased staff understanding and ability in how to assess potential threats.

Contract Management

The Public Trustee procures and awards contracts for both corporate and client needs in accordance with the relevant procurement authorities and policies. With the implementation of the *Procurement Act 2020* and the Western Australian Procurement Rules coming into effect from 1 June 2021, work has begun on reviewing and update relevant policies, governance and guiding documents.

In 2020/21 three contracts were awarded, three contracts were extended and one COVID-19 Special Contract Variation was approved to extend a contract beyond term. Some client service contracts were extended beyond term in order to provide service continuity while business began returning to normal after the easing of COVID-19 restrictions. The Public Trustee continued to work closely with client service contractors, who responded quickly to COVID-19 related matters, while continuing to provide a high standard of service.

Tendering processes for some client service contracts have been delayed but are expected to be completed in the first half of 2021/22.

Agency Performance

Internal Audit

As the appointed contract internal audit provider, William Buck completed five reviews as part of the 2020/21 3 Year Audit Plan. The reviews focussed on People & Culture, Corporate Governance, Fraud & Corruption, Give2Good Foundation and Financial Management. The audit of Business Support commenced in late May but was not completed in 2020/21.

In addition, the Office of the Auditor General started a Performance Audit of Estates and Trusts in late May with tabling to Parliament not expected to occur until the third quarter of 2021.

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

Marketing & Communications

The marketing team, formerly part of the Business Development and Marketing Directorate, was amalgamated into Corporate Support at the beginning of 2021. Marketing and communications initiatives focused on community awareness and understanding of Public Trustee services in 2020/21.

Public Education	2019/20	2020/21
Public Seminars	34	20
Seminar Attendees	2,897	1,921

Planned Public Trustee's marketing and communications activities continued to be affected by COVID-19, with numbers of attendees limited at many events. The Public Trustee continued to meet demand for information sessions about the role of the Public Trustee, Financial Administration and Elder Abuse.

Client Satisfaction Research revealed that 76% of clients felt the Public Trustee was meeting their needs well (6+ out of 10).

WA Will Bank	2019/20	2020/21
Wills deposited	851	1,139
Total Wills stored	124,108	124,642

Give2Good Foundation

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

While still in its infancy, Give2Good made the next in its series of distributions to the following charities.

Charity	2019/20	2020/21
National Heart Foundation of Australia	\$1,050	\$1,000
Salvation Army	\$800	\$774
The Smith Family	\$500	\$550
Epilepsy Association of Western Australia Inc.	\$500	\$569
Police and Citizens Youth Centres	\$134	\$143

Achievements

During 2020/21 the Public Trustee achieved the following outcomes:

- Achieved self-funding and growth in investment returns.
- Managed trusts for 6,772 clients, including 1,128 new trust clients.
- Submitted 443 probate applications.
- Examined 2,151 private administrator accounts.
- Stored over 124,000 Wills in the WA Will Bank.
- Delivered 20 seminars across Western Australia, reaching more than 1,921 people.
- Implemented a new Wills booking system to assist with reducing waiting times for Wills.

- Total assets under management were \$1.4 billion, up 11% from last year.
- Revenues (before income from State Government) \$27.8 million, up 4% against budget and up 2% from last year.
- Payments to Consolidated Account \$25.7 million, in line with budget and up 2% from last year.
- Maintained strong financial performance with operating surplus of \$1.9 million.
- Record number of appointments by the State Administrative Tribunal appointing the Public Trustee as administrator.
- Introduction of major workflow improvements in the Estate Administration division.
- Detailed design completed for productivity and system improvements in the Private Administrator Support team.
- Work practices review commenced in the Trust Administration division.
- Increased commitment to staff training, study and development.
- Swift employment of business continuity plans that allowed for uninterrupted workflows during COVID-19 lockdowns.
- Securing additional staff to meet increased demand for Taxation services.
- First full year of digitisation of incoming mail and invoices, with 116,000 payments and 104,000 pieces of postal correspondence digitised.
- Digitisation assisted 30% of staff in working from home during the lockdowns in 2020/21 without disruption to client services.
- \$35 million increase in the value of client properties sold during the year.

Looking Ahead in 2021/22

The Public Trustee will:

- Implement recommendations made as a result of the Private Administrator Support Service Review.
- Work to address increasing cyber security threats and fraud risks.
- Continue to customise software (MATE) to take advantage of the automation implemented as part of Trust Management and Deceased Estate process reviews.

Agency Performance

Actual Results versus Budget Targets

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

Financial Targets	Target	Actual	Variation
Total cost of services (expense limit) (\$'000s)	26,340	26,289	-51
Total comprehensive income (\$'000s)	631	1,880	1,249
Approved full-time equivalent staff	186	179	-7

Summary of Key Performance Indicators

Detailed performance indicator information relating to the services provided by the Public Trustee appears at the end of this report.

Key Performance Indicators	Target	Actual	Variation
1.1 Percentage of Western Australian deceased estates administered by the Public Trustee	4.00%	4.30%	7.50%
1.2 Percentage of clients who have services provided by the Public Trustee under an operating subsidy	60%	64%	6.67%
1.3 Average cost per trust managed	\$1,971	\$2,080	\$109
1.4 Average cost per deceased estate administered	\$2,369	\$2,116	-\$253
1.5 Average cost per Will prepared	\$676	\$674	-\$2

Our People

Our People

This section provides an overview on the Public Trustee's people, initiatives, safety practices, codes of conduct, diversity and equality.

Employee Assistance Program

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

Staff Development

The Public Trustee continues to support to the personal and professional development of staff. Employees received over 627 days of in-house and 51 days of externally provided training.

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

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

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

Training (hours)	2019/20	2020/21
External	207	431
Internal	5,673	4,704
Total	5,880	5,135

Wellness program

The Wellness Committee continues to coordinate the Wellness Program which includes a Peer Support program that provides confidential staff support for work- and non-work-related issues, yoga and fitness classes, fresh fruit and subsidised seated massages. A recent staff survey showed that the program was very well received with approximately 80% of employees having availed of one or more components of the program.

Unions

A number of Public Trustee staff are members of the Community and Public Sector Union/Civil Service Association.

Industrial Action

No industrial action was taken by Public Trustee employees.

Workplace Profile

Staff by gender	2019/20		2020/21	
	M	F	M	F
Professional	10.6	13.4	10.6	16.8
Clerical	58.5	87.9	61.5	90.8
Total	69.1	101.3	72.1	107.6

Workforce profile	2019/20	2020/21
Business Development	4.6	0.0*
Business Services	20.8	24.8
Executive/ Administration	2	2.0
Corporate Support	14.4	15.6
Legal	25.0	25.4
Trustee Services	103.6	111.9
Total	170.4	179.7

*Business Development was amalgamated into Corporate Support in 2021.

DISCLOSURES & LEGAL COMPLIANCE

Financial Statements

Certification of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

The accompanying financial statements of the Public Trustee have been prepared in compliance with the provisions of the [Financial Management Act 2006](#) from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2021 and the financial position as at 30 June 2021.

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

S Lie

Steven Lie BComm, CPA
CHIEF FINANCE OFFICER
6 September 2021

Brian Roche

Brian Roche BBus, MMgt
PUBLIC TRUSTEE
Accountable Authority
6 September 2021

Disclosures & Legal Compliance

Statement of Comprehensive Income

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
COST OF SERVICES EXPENSES			
Write-offs	2	196,967	535,003
Employee benefits expense	3	17,898,943	17,650,148
Depreciation	3	2,165,075	2,471,170
Finance costs	3	9,976	44,103
Administration expenses	3	2,207,783	2,497,561
Accommodation expenses	3	1,417,908	896,482
Corporate service expenses	3	2,589,224	2,171,086
Total expenses before payments to Consolidated Account		26,485,876	26,265,553
Fees paid to Consolidated Account	4	22,010,985	21,603,764
Surplus Common Account interest paid to Consolidated Account	5	3,729,000	3,579,000
Total cost of services		52,225,861	51,448,317
INCOME			
Fees and charges	6(a)	22,087,634	21,235,789
Fee from Common Account	6(a)	285,865	481,022
Management fee from Strategic Common Accounts	6(a)	1,247,055	1,141,095
Surplus interest from Common Account	6(a)	3,729,000	3,579,000
Interest revenue	6(b)	424,606	708,166
Other revenue		58,110	58,068
Total income other than income from State Government		27,832,270	27,203,140
NET COST OF SERVICES		24,393,591	24,245,177
INCOME FROM STATE GOVERNMENT			
Recoups and other revenue from Department of Justice	3	3,906	8,753
Services received from Department of Justice	3	26,269,711	25,737,089
Total income from State Government		26,273,617	25,745,842
SURPLUS FOR THE PERIOD		1,880,026	1,500,665
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,880,026	1,500,665

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

Disclosures & Legal Compliance

Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	35,253,166	34,272,854
Receivables	8	180,221	99,000
Total Current Assets		35,433,387	34,371,854
Non-Current Assets			
Right-of-use assets	9	-	1,278,617
Total Non-Current Assets		-	1,278,617
TOTAL ASSETS		35,433,387	35,650,471
LIABILITIES			
Current Liabilities			
Lease liabilities	10	-	1,263,325
Accrued fees payable to Consolidated Account	11	-	847,764
Payables		104,694	90,715
Total Current Liabilities		104,694	2,201,804
TOTAL LIABILITIES		104,694	2,201,804
NET ASSETS		35,328,693	33,448,667
EQUITY			
Indemnity reserve	12(a)	4,751,568	4,277,432
Business development reserve	12(b)	18,676,941	18,676,941
Accumulated surplus		11,900,184	10,494,294
TOTAL EQUITY		35,328,693	33,448,667

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

Disclosures & Legal Compliance

Statement of Changes in Equity

For the year ended 30 June 2021

	Note	Indemnity Reserve \$	Business Development Reserve \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2019	12	4,308,272	18,676,941	8,962,789	31,948,002
Surplus		-	-	1,500,665	1,500,665
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	1,500,665	1,500,665
Transfers between accumulated surplus and reserves:					
Transfers to reserves		409,519	3,579,000	(3,988,519)	-
Transfers from reserves		(440,359)	(3,579,000)	4,019,359	-
Total		(30,840)	-	30,840	-
Balance at 30 June 2020		4,277,432	18,676,941	10,494,294	33,448,667
Balance at 1 July 2020		4,277,432	18,676,941	10,494,294	33,448,667
Surplus		-	-	1,880,026	1,880,026
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	1,880,026	1,880,026
Transfers between accumulated surplus and reserves:					
Transfers to reserves		925,451	3,729,000	(4,654,451)	-
Transfers from reserves		(451,315)	(3,729,000)	4,180,315	-
Total		474,136	-	(474,136)	-
Balance at 30 June 2021		4,751,568	18,676,941	11,900,184	35,328,693

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

Disclosures & Legal Compliance

Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Fees and charges		22,087,634	21,235,789
Fee from Common Account		285,865	481,022
Management fee from Strategic Common Accounts		1,231,055	1,149,824
Receipts from Common Account Surplus Interest		3,729,000	3,579,000
Interest received		424,606	708,166
GST receipts on fees		1,156,629	1,211,923
Other revenue		58,110	58,068
Payments			
Payments on clients' behalf written-off		(192,183)	(529,403)
GST payments on purchases		(154,585)	(182,681)
GST payments to taxation authority		(992,849)	(1,036,181)
Net cash provided by operating activities		27,633,282	26,675,527
CASH FLOWS TO STATE GOVERNMENT			
Fees paid to Consolidated Account		(22,923,970)	(21,603,764)
Surplus Common Account Interest paid to Consolidated Account		(3,729,000)	(2,731,236)
Net cash paid to State Government		(26,652,970)	(24,335,000)
Net increase in cash and cash equivalents		980,312	2,340,527
Cash and cash equivalents at the beginning of the period		34,272,854	31,932,327
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	35,253,166	34,272,854

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

Notes to the Financial Statements

For the year ended 30 June 2021

1. Basis of preparation

The Public Trustee is a Statutory Authority and a not-for-profit entity as profit is not its principal objective.

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

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

Statement of compliance

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

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

The FMA and the TIs take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest whole dollar.

Judgements and estimates

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

2. Write-offs

	2021	2020
	\$	\$
Write-offs	196,967	535,003

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

3. Income from State Government

Services received from the Department of Justice

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

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

Disclosures & Legal Compliance

The Department of Justice provides the Public Trustee with resources in the form of staff, equipment and other operating expenses. The assets and liabilities relating to these provided resources are reported in the Department of Justice's Financial Statements (also refer note 18).

Resources provided to the Public Trustee are as follows:

	2021	2020
Operating Expenses	\$	\$
Employee benefits expense	17,898,943	17,650,148
Depreciation	2,165,075	2,471,170
Finance costs (*)	9,976	44,103
Administration expenses	2,207,783	2,497,561
Accommodation expenses	1,417,908	896,482
Corporate service expenses	2,589,224	2,171,086
Total operating expenses	26,288,909	25,730,550

Resources received is recognised as revenue as follows:

Operating Income		
Recoups and other revenue from Department of Justice	3,906	8,753
Resources received from Department of Justice	26,269,711	25,737,089
Total operating income	26,273,617	25,745,842

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

4. Fees paid to Consolidated Account

	2021	2020
	\$	\$
Fees paid to Consolidated Account	22,010,985	21,603,764

According to section 6B(2)(b) of the *Public Trustee Act 1941* and regulation 6(b) of the *Public Trustee Regulations 1942*, the Current Agreement sets out the proportion of the fees received by the Public Trustee to be credited to the Consolidated Account. The Current Agreement is a written agreement between the Attorney General and the Public Trustee for 12 months. The Current Agreement determines that the Public Trustee is to transfer at least \$21,799,000 (2020: \$20,756,000) in fees to the Consolidated Account if the fees collected are more than this amount. Otherwise, all fees collected shall be paid to the Consolidated Account, via the Department of Justice's net appropriation determination.

5. Surplus Common Account Interest paid to Consolidated Account

	2021	2020
	\$	\$
Surplus Common Account Interest paid to Consolidated Account	3,729,000	3,579,000

The Current Agreement section 10.3 determines that the Public Trustee is to pay \$3,642,000 (2020: \$3,579,000) in Surplus Common Account Interest to the Consolidated Account. The amount is to be reduced by the excess of the overall revenue over the net operating expenses in line with the Public Trustee's self-funding commitment.

Disclosures & Legal Compliance

6. Income

(a) User fees and charges

Revenue from user fees and charges has been disaggregated based on type of services provided and source of funds.

	2021	2020
	\$	\$
Fees and charges from clients		
Trust fees	15,096,092	13,676,618
Deceased Estate fees	5,366,860	5,783,804
Legal fees	455,357	566,827
Will fees	254,628	393,122
Tax preparation fees	445,410	356,233
Private Administrator Support (PAS) fees	469,287	459,185
	22,087,634	21,235,789
Fee from Common Account	285,865	481,022
Management fee from Strategic Common Account	1,247,055	1,141,095
Surplus interest from Common Account	3,729,000	3,579,000
	27,349,554	26,436,906

The Public Trustee recognises revenue when it transfers control over service to a customer. Revenue recognition for each revenue stream is as follows:

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

Judgment made by management in applying accounting policies on income

Key judgements in determining revenue from user fees and charges is the satisfaction of performance obligations.

Disclosures & Legal Compliance

(b) Interest revenue

	2021	2020
	\$	\$
Interest revenue	424,606	708,166

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

7. Cash and cash equivalents

	2021	2020
	\$	\$
Cash and cash equivalents	35,253,166	34,272,854

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

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

8. Receivables

	2021	2020
Current	\$	\$
Receivables	115,000	99,000
Amount due from Department of Justice	65,221	-
Total current receivables	180,221	99,000

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

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

9. Right-of-use assets

	2021	2020
	\$	\$
Building	-	1,278,617

Additions to right-of-use assets during the 2021 financial year were \$nil (2020: \$nil).

Initial recognition

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

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

The Public Trustee has elected not to recognise right-of-use assets and lease liabilities for short term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

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Subsequent Measurement

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

Depreciation and impairment of right-of-use assets

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

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 14.

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

	2021	2020
Right-of-use asset depreciation (included in depreciation expense)	1,278,617	1,704,822
Lease interest expense (included in Finance cost)	9,976	44,103
Short-term leases	462,733	-

The Department of Justice funds the operational costs (including those related to right-of-use assets) of the Public Trustee according to the Treasurer's net appropriation determination. Hence, the total cash outflow for leases was \$nil (2020: \$nil).

10. Leases liabilities

	2021	2020
	\$	\$
Current	-	1,263,325
Non-current	-	-
Total lease liabilities	-	1,263,325

Details of lease

Under section 39A(3) of the Public Trustee Act 1941, the Attorney General approved on 3 June 2014 and the Public Trustee signed on 25 June 2014 the Terms and Conditions for the Public Trustee's occupation of office accommodation at 553 Hay Street Perth. The arrangement was for 10 years which ended on 13 March 2021, cancellable at the Attorney General's approval. Rent was payable monthly in advance, with the minimum payment increasing by 4% annually. There was no option to extend the agreement after the end of the term.

A new Terms and Conditions has been signed as at the reporting date and is considered a short-term lease as it is only for 12 months to 13 March 2022 with no option to extend.

Initial measurement

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

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

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

Disclosures & Legal Compliance

- Payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease.

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

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

Subsequent measurement

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

Short-term and low-value leases

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

Judgment made by management in applying accounting policies on leases

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

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

11. Accrued fees payable to Consolidated Account

	2021	2020
	\$	\$
Fees payable to Consolidated Account	-	847,764

The fees due to the Consolidated Account are payable within 12 months after the reporting period. Although no interest is charged on the outstanding amount, the carrying amount is equivalent to fair value.

Disclosures & Legal Compliance

12. Reserves

	Note	2021 \$	2020 \$
Total Reserves			
Balance at start of period		22,954,373	22,985,213
Transfer to Reserves		4,654,451	3,988,519
Transfer from Reserves		(4,180,315)	(4,019,359)
Balance at end of period		23,428,509	22,954,373
Represented by:			
Indemnity Reserve			
Balance at start of period		4,277,432	4,308,272
Transfer to Reserves		925,451	409,519
Transfer from Reserves		(451,315)	(440,359)
Balance at end of period	12(a)	4,751,568	4,277,432
Business Development Reserve			
Balance at start of period		18,676,941	18,676,941
Transfer to Reserves		3,729,000	3,579,000
Transfer from Reserves		(3,729,000)	(3,579,000)
Balance at end of period	12(b)	18,676,941	18,676,941
Total balance of Reserves at end of period		23,428,509	22,954,373

12 (a) Indemnity Reserve

If the Public Trustee is liable to compensate a person for loss or damage, the Current Agreement section 9.3 allows the Public Trustee to apply moneys from the Indemnity Reserve to pay to investigate, defend, settle and/or compromise the matter, or to pay for any loss or damage that the person has suffered, including costs and disbursements. The reserve level is reviewed annually based on an independent actuarial advice received in 2013 and represents a percentage of the total client assets and liabilities managed.

12 (b) Business Development Reserve

Section 10.4 of the Current Agreement prescribes that the Business Development Reserve may be used for payment of capital costs, meeting shortfalls in revenue paid to the consolidated account, and costs associated with the coming into operation of the *Public Trustee and Trustee Companies Legislation Amendment Act 2008*.

13. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.:

(a) Contingent assets

There were no contingent assets.

Disclosures & Legal Compliance

(b) Contingent liabilities

Litigation in progress

The Public Trustee has 11 matters (2020: 22) where litigation against the Public Trustee may result or has started. They involve potential claims for damages to the value of \$8 million (2020: \$7.8 million) inclusive of court costs. These potential claims are covered by insurance, may not be finalised and/or it is likely that there will not be any material liability. Hence, no liability has been recognised in the Financial Statements.

Key sources of estimation uncertainty – litigation in progress

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

Contaminated sites

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

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

14. Impairment of assets

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

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

There are no surplus assets held at year end.

15. Financial instruments

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

	2021 \$	2020 \$
Financial assets		
Cash and cash equivalents	35,253,166	34,272,854
Receivables	180,221	99,000
Financial liabilities		
Lease liabilities	-	1,263,325
Accrued fees payable to Consolidated Account	-	847,764
Payables(*)	10,384	5,600

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

Disclosures & Legal Compliance

16. Events occurring after the end of the reporting period

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

17. Key Management personnel

Key management personnel include the Public Trustee (themselves) and senior officers of the Public Trustee.

17 (a) Compensation of the Public Trustee

Compensation band (\$)	2021	2020
260,001 - 270,000	-	1
280,001 - 290,000	1	-
	\$	\$
Total compensation of the Public Trustee	288,113	263,860

Leave taken during the year has resulted in the movement in the compensation amount and the compensation band.

17 (b) Compensation of senior officers

Senior officers are those who take part in the management of the Public Trustee and are deemed to be the Directors and the Principal Legal Officer. The number of senior officers, other than the Public Trustee (themselves), whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands is:

Compensation Band (\$)	2021	2020
100,001 - 110,000	1	-
150,001 - 160,000	-	1
160,001 - 170,000	-	1
170,001 - 180,000	1	-
180,001 - 190,000	1	2
190,001 - 200,000	1	-
220,001 - 230,000	-	1
230,001 - 240,000	1	-
	\$	\$
Total compensation of senior officers	883,062	909,332

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

Total compensation includes the superannuation expense incurred by the Public Trustee in respect of senior officers. No senior officers are members of the Pension Scheme.

Disclosures & Legal Compliance

18. Related party transactions

The Public Trustee is a Statutory Public Trustee. Related parties of the Public Trustee include:

- The Public Trustee (themselves) and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;

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

Significant transactions with related parties

Disclosures relating to compensation of the Public Trustee (themselves) and senior officers are set out in note 17.

The Public Trustee had no material related party transaction with the Public Trustee (themselves)/ senior officer or their close family members or their controlled or jointly controlled entities.

19. Remuneration of auditors

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

	2021	2020
	\$	\$
Auditing the accounts, financial statements, controls and key performance indicators	75,600	78,780

20. Indian Ocean Territories – Christmas Island and Cocos (Keeling) Island

An agreement between the Commonwealth and the State Government enables trustee services to be provided to both communities on a cost recovery basis. There were no visits to the islands during the financial year.

Statement of Receipts and Expenditure for the year ended 30 June 2021:

	2021	2020
	\$	\$
Opening balance	2,135	2,224
Expenditure	(89)	(89)
Closing balance	2,046	2,135

21. Capital commitments

There were no contracted capital expenditure commitments additional to the amounts reported in the financial statements.

22. Correction of prior period errors/changes in accounting policy

There were no corrections of prior period errors or changes in accounting policy.

23. Supplementary financial information

23 (a) Losses through theft, defaults and other causes

	2021	2020
	\$	\$
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-

23 (b) Gifts of public property

The Public Trustee provided \$nil (2020: \$nil) gifts of public property during the year.

Disclosures & Legal Compliance

24. Explanatory statement

All variances between estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances:

- for the Statements of Comprehensive Income and the Statement of Cash Flows - greater than 10% and \$514,000 which is 1% of Total Cost of Services for the previous year
- for the Statement of Financial Position - greater than 10% and \$356,000 which is 1% of Total Assets for the previous year.

24 (a) Statement of Comprehensive Income Variances

	Variance Note	Estimate 2021	Actual 2021	Actual 2020	Variance estimate and actual	Variance actual 2021 and 2020
		\$000	\$000	\$000	\$000	\$000
EXPENSES						
Write-offs and doubtful debts		300	197	535	(103)	(338)
Employee benefits expense		18,172	17,899	17,650	(273)	249
Depreciation		2,645	2,165	2,471	(480)	(306)
Finance costs		160	10	44	(150)	(34)
Administration expenses		1,943	2,208	2,498	265	(290)
Accommodation expenses	(a)	966	1,418	896	452	522
Corporate service expenses		2,454	2,589	2,171	135	418
Total expenses before payments to Consolidated Account		26,640	26,486	26,265	(154)	221
Fees paid to Consolidated Account (CA)		22,076	22,011	21,604	(65)	407
Surplus Common Account interest paid to CA		3,729	3,729	3,579	-	150
Total cost of services		52,445	52,226	51,448	(219)	778
INCOME						
Fees and charges		21,187	22,088	21,236	901	852
Fee from Common Account		294	286	481	(8)	(195)
Management fee from Strategic Common Accounts		1,152	1,247	1,141	95	106
Receipts from Common Account surplus interest		3,729	3,729	3,579	-	150
Interest revenue		460	425	708	(35)	(283)
Other revenue		40	58	58	18	-
Total income other than income from State Government		26,862	27,833	27,203	971	630
NET COST OF SERVICES		25,583	24,393	24,245	(1,190)	148
INCOME FROM STATE GOVERNMENT						
Recoups and other revenue from Department of Justice (DoJ)		-	3	9	3	(6)
Services received free of charge from DoJ		26,214	26,270	25,737	56	533
Total income from State Government		26,214	26,273	25,746	59	527
SURPLUS FOR THE PERIOD		631	1,880	1,501	1,249	379
OTHER COMPREHENSIVE INCOME						
		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		631	1,880	1,501	1,249	379

Major current and prior year actual variances narratives

- (a) Accommodation expenses increased by \$522k (58%) due to the Public Trustee entering into a short-term lease as opposed to a long-term lease in the previous year. Refer to note 10 for details.

Disclosures & Legal Compliance

24 (b) Statement of Financial Position Variances

	Variance Note	Estimate 2021	Actual 2021	Actual 2020	Variance estimate and actual	Variance actual 2021 and 2020
		\$000	\$000	\$000	\$000	\$000
ASSETS						
Current Assets						
Cash and cash equivalents		34,380	35,254	34,273	874	981
Receivables		100	180	99	80	81
Total Current Assets		34,480	35,434	34,372	954	1,062
Non-Current Assets						
Right-of-use assets	(i), (a)	17,470	-	1,279	(17,470)	(1,279)
Total Non-Current Assets		17,470	-	1,279	(17,470)	(1,279)
TOTAL ASSETS		51,950	35,434	35,651	(16,516)	(217)
LIABILITIES						
Current Liabilities						
Lease liabilities	(i), (a)	17,580	-	1,263	(17,580)	(1,263)
Accrued fees payable to Consolidated Account	(b)	200	-	848	(200)	(848)
Payables		90	105	91	15	14
Total Current Liabilities		17,870	105	2,202	(17,765)	(2,097)
TOTAL LIABILITIES		17,870	105	2,202	(17,765)	(2,097)
NET ASSETS		34,080	35,329	33,449	1,249	1,880
EQUITY						
Indemnity reserve	(ii), (c)	4,281	4,752	4,278	471	474
Business development reserve		18,677	18,677	18,677	-	-
Accumulated surplus		11,122	11,900	10,494	778	1,406
TOTAL EQUITY		34,080	35,329	33,449	1,249	1,880

Major estimate and actual (2021) variance narratives

- (i) Right-of-use assets and lease liabilities were below estimates by \$17,470k and \$17,580k respectively due to the Public Trustee entering into a one-year lease instead of the estimated ten-year lease. Refer to notes 9 and 10 for details.
- (ii) Indemnity reserve was above estimate by \$471k (11%) due to the higher net Trust assets under administration. Refer to note 25.

Major current and prior year actual variances narratives

- (a) Right-of-use assets and lease liabilities decreased by \$1,279k and \$1,263k respectively from the previous year due to the building lease ending during the year and the Public Trustee entering into a short-term lease. Refer to notes 9 and 10 for details.
- (b) Accrued fees payable to the Consolidated account decreased by \$848k due to a delay in the payment last year.
- (c) Indemnity reserve increased by \$474k (11%) in line with the increase in the net Trust assets under administration. Refer to note 25.

Disclosures & Legal Compliance

24 (c) Statement of Cash Flows Variances

	Variance Note	Actual 2021 \$000	Actual 2020 \$000	Variance actual 2021 and 2020 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Fees raised from Estates and Trusts		22,087	21,235	852
Fee from Common Account		286	481	(195)
Management fee from Strategic Common Accounts		1,231	1,150	81
Receipts from Common Account Surplus Interest		3,729	3,579	150
Interest received		425	708	(283)
GST receipts on fees		1,157	1,212	(55)
Other revenue		58	58	-
Payments				
Payments on clients' behalf written-off		(192)	(529)	337
GST payments on purchases		(155)	(182)	27
GST payments to taxation authority		(993)	(1,036)	43
Net cash provided by operating activities		27,633	26,676	957
CASH FLOWS TO STATE GOVERNMENT				
Fees paid to Consolidated Account		(22,924)	(21,604)	(1,320)
Surplus Common Account Interest paid to Consolidated Account	(a)	(3,729)	(2,731)	(998)
Net cash paid to State Government		(26,653)	(24,335)	(2,318)
Net increase in cash and cash equivalents		980	2,341	(1,361)
Cash and cash equivalents at the beginning of the period		34,273	31,932	2,341
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		35,253	34,273	980

Major current and prior year actual variances narratives

(a) Surplus Common Account Interest ("SCAI") paid to the Consolidated Account increased by \$998k (37%) from the previous year mainly due to a delay in the payment last year.

25. Estates and Trusts under administration

The following statement of assets held and/or liabilities incurred in a trustee capacity includes all assets realised and non-realised which are under the control and administration of the Public Trustee.

Disclosures & Legal Compliance

Statement of Estates and Trusts administered as at 30 June 2021

NET TRUST ASSETS UNDER ADMINISTRATION

	Note	2021 \$	2020 \$
ESTATES AND TRUSTS			
Deceased Estates		258,229,787	243,399,890
Direct Action		5,808,518	5,164,029
Entitled Trusts		374,499,547	348,215,122
Protected Management		615,436,274	528,538,513
Testamentary Trusts		63,892,243	61,064,842
Power of Attorney		9,848,620	11,270,832
Trusts		25,550,738	21,062,355
Safe-care		4,325,246	3,407,845
NET TRUST ASSETS		1,357,590,973	1,222,123,428
Represented by:			
Investments in Common Account	26(l)	341,334,451	299,204,954
Investments in Strategic Common Accounts	27(a)	280,110,286	232,969,660
Bank deposits	25(a)	192,293,530	166,358,563
Equities	25(b)	43,766,985	41,905,818
Unit trusts	25(b)	4,359,074	4,488,817
Life policies	25(c)	4,130,117	1,463,478
Real estate	25(d)	473,337,076	458,576,934
Other assets	25(e)	67,345,617	75,955,370
TOTAL TRUST ASSETS		1,406,677,136	1,280,923,594
CURRENT LIABILITIES			
Payables		30,371,709	36,075,549
Loans		3,269,749	1,650,898
Mortgages – Deceased estates		2,546,379	4,794,360
Total Current Liabilities		36,187,837	42,520,807
NON-CURRENT LIABILITIES			
Mortgages – Trust estates		12,898,326	16,279,359
Total Non-Current Liabilities		12,898,326	16,279,359
TOTAL TRUST LIABILITIES		49,086,163	58,800,166
NET TRUST ASSETS		1,357,590,973	1,222,123,428

BASIS OF VALUATIONS

25 (a) Bank deposits

Deposits consist of funds held with financial institutions, superannuation balances where the preservation age has been reached, and deposits held by aged care providers (refundable accommodation deposit). Deposits are valued at year-end based on information for financial institutions and superannuation funds, or at cost for deposits held by aged care.

25 (b) Equities, unit trusts and Strategic Common Accounts

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

25 (c) Life policies

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

25 (d) Real estate

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

25 (e) Other assets

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

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

26. Public Trustee Common Account

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

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

Disclosures & Legal Compliance

**26 (a) PUBLIC TRUSTEE COMMON ACCOUNT
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
EXPENSES			
Investment expenses	26(h)	1,643,791	2,037,922
Interest paid to Estates and Trusts	26(e)	713,137	1,890,725
Decrement from revaluation of investment property	26(h)	-	955,000
Total expenses before payments to Public Trustee		2,356,928	4,883,647
Fee paid to the Public Trustee		285,865	481,022
Interest paid to the Public Trustee		424,606	708,166
Surplus Common account interest paid to Public Trustee	26(f)	3,729,000	3,579,000
Total expenses		6,796,399	9,651,835
INCOME			
Investment income	26(g)	6,408,206	10,045,310
Increment from revaluation of investment property	26(h)	6,100,000	-
Total income		12,508,206	10,045,310
SURPLUS FOR THE YEAR		5,711,807	393,475
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,711,807	393,475

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

Disclosures & Legal Compliance

26 (b) PUBLIC TRUSTEE COMMON ACCOUNT STATEMENT OF FINANCIAL POSITION As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash at bank	26(i)	27,544,596	18,869,370
Cash equivalents	26(i)	325,000,000	290,000,000
Receivables	26(j)	82,284	446,792
Accrued income		435,971	1,354,491
Total Current Assets		353,062,851	310,670,653
Non-Current Assets			
Investment property	26(h)	42,345,000	36,245,000
Total Non-Current Assets		42,345,000	36,245,000
TOTAL ASSETS		395,407,851	346,915,653
LIABILITIES			
Current Liabilities			
Fees & accrued taxation	26(k)	1,115,121	1,369,300
Payables		44,339	-
Public Trustee Funds	7	35,253,166	34,272,854
Accrued Interest payable to Estates and Trusts		122,683	242,261
Total Current Liabilities		36,535,309	35,884,415
Non-Current Liabilities			
Estates & Trusts under Administration	26(l)	341,334,451	299,204,954
Total Non-Current Liabilities		341,334,451	299,204,954
TOTAL LIABILITIES		377,869,760	335,089,369
NET ASSETS		17,538,091	11,826,284
EQUITY			
Common Account investment reserve	26(m)	-	-
Accumulated surplus		17,538,091	11,826,284
TOTAL EQUITY		17,538,091	11,826,284

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

Disclosures & Legal Compliance

26 (c) PUBLIC TRUSTEE COMMON ACCOUNT STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2021

	Note	Common Account Investment Reserve \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2019		-	11,432,809	11,432,809
Surplus		-	393,475	393,475
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	393,475	393,475
Balance at 30 June 2020		-	11,826,284	11,826,284
Balance at 1 July 2020		-	11,826,284	11,826,284
Surplus		-	5,711,807	5,711,807
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	5,711,807	5,711,807
Balance at 30 June 2021		-	17,538,091	17,538,091

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

Disclosures & Legal Compliance

**26 (d) PUBLIC TRUSTEE COMMON ACCOUNT
STATEMENT OF CASH FLOWS
For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Investment income		7,716,520	9,935,114
Tax withheld from clients		7,813	4,230
Payments			
Fee paid to Public Trustee		(285,865)	(481,022)
Interest paid to Estates and Trusts		(832,715)	(2,548,025)
Interest paid to Public Trustee		(424,606)	(708,166)
Investment expenses		(1,624,738)	(2,037,922)
Tax withholding paid to ATO		(8,297)	(3,444)
Net cash provided by operating activities		4,548,112	4,160,765
CASH FLOWS FROM ESTATES, TRUSTS & PUBLIC TRUSTEE			
Surplus Common Account Interest paid to Public Trustee		(3,729,000)	(3,579,000)
Net movement in Public Trustee Funds		980,312	2,340,527
Net movement in Estates and Trusts under Administration		41,875,802	(22,911,569)
Net cash provided by / (used in) estates, trusts & Public Trustee		39,127,114	(24,150,042)
Net increase / (decrease) in cash and cash equivalents		43,675,226	(19,989,277)
Cash and cash equivalents at the beginning of period		308,869,370	328,858,647
Cash and cash equivalents at the end of period	26(i)	352,544,596	308,869,370

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

Disclosures & Legal Compliance

26 (e) Interest paid to estates and trusts

	2021	2020
	\$	\$
Interest paid to Estates and Trusts	713,137	1,890,725

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*.

26 (f) Surplus Common account interest paid to Public Trustee

	2021	2020
	\$	\$
Surplus Common account interest paid to Public Trustee	3,729,000	3,579,000

Section 10.2 of the Current Agreement prescribes that the Public Trustee credits the surplus interest to the Business Development Reserve. Refer to note 12(b).

26 (g) Investment income

	2021	2020
	\$	\$
Rental income	4,442,811	4,569,250
Interest income	1,965,395	5,476,060
Total investment income	6,408,206	10,045,310

26 (h) Investment Property

	2021	2020
	\$	\$
At fair value:		
Land and building – non-current assets	42,345,000	36,245,000

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

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

As at the date of revaluation 30 June 2021 and 2020, the property's fair value is based on a valuation performed by a certified practising and licensed valuer at Western Australian Land Information Authority, an accredited independent valuer.

	2021	2020
	\$	\$
Rental income derived from investment property	4,442,811	4,569,250
Direct operating expenses generating rental income	(1,643,791)	(2,037,922)
Profit arising from investment property carried at fair value	2,799,020	2,531,328

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

Disclosures & Legal Compliance

The Public Trustee or the Account has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

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

	2021	2020
	\$	\$
Carrying amount at beginning of period	36,245,000	37,200,000
Revaluation increment /(decrement)	6,100,000	(955,000)
Carrying amount at end of period	42,345,000	36,245,000

Fair Value measurements

Assets measured at fair value	Valuation Date	Fair Value at end of period \$
2021		
Investment property	30 June 2021	<u>42,345,000</u>
2020		
Investment property	30 June 2020	<u>36,245,000</u>

26 (i) Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank	27,544,596	18,869,370
Cash equivalents	325,000,000	290,000,000
Cash and cash equivalents	<u>352,544,596</u>	<u>308,869,370</u>

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Short-term deposits are recorded at cost on a constant yield basis over the period to maturity.

26 (j) Receivables

	2021	2020
	\$	\$
Receivable for Common account property	<u>82,284</u>	<u>446,792</u>

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

26 (k) Fees and accrued taxation

	2021	2020
	\$	\$
Receipts in suspense	1,094,339	1,351,474
Withholding tax payable	444	926
Other payables	20,338	16,900
	<u>1,115,121</u>	<u>1,369,300</u>

Receipts in suspense represent amounts received which are to be allocated to the Estates and Trusts under administration. The carrying amount is equivalent to its fair value.

Disclosures & Legal Compliance

26 (l) Estates and Trusts under Administration – Common Account

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

	2021	2020
	\$	\$
Activity		
Safe-care	108,454	62,698
Deceased Estates	84,199,317	56,377,401
Direct Action	4,417,200	4,483,325
Entitled Trusts	56,253,121	60,753,820
Protected Management	171,015,112	153,301,961
Testamentary Trusts	12,310,527	11,772,528
Power of Attorney	3,004,095	3,711,227
Trusts	10,026,625	8,741,994
Total estates and trusts under administration	341,334,451	299,204,954

26 (m) Common Account investment reserve

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

	2021	2020
	\$	\$
Common Account investment reserve		
Balance at start of year	-	-
Transfer to accumulated surplus	-	-
Balance at end of year	-	-

27. Public Trustee Strategic Common Accounts

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

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

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

Disclosures & Legal Compliance

27 (a) Estates and Trusts under administration Strategic Common Accounts

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

	2021 \$	2020 \$
Activity		
Deceased Estates	-	247,315
Entitled Trusts	189,106,684	165,869,121
Protected Management	62,714,675	43,370,311
Testamentary Trusts	17,796,312	14,482,725
Power of Attorney	1,600,077	1,251,583
Trusts	4,675,746	4,403,458
Safe-care	4,216,792	3,345,147
Total estates and trusts under administration	280,110,286	232,969,660

27 (b) PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS STATEMENTS OF CHANGES IN NET ASSETS For the year ended 30 June 2021

2021	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
Net assets at the beginning of the reporting period	-	36,624	180,967	3,939	221,530
Applications	-	1,994	27,553	-	29,547
Redemptions	-	(2,626)	(7,699)	-	(10,325)
	-	35,992	200,821	3,939	240,752
Expenses					
Trustee's fees	-	197	1,081	23	1,301
Custody fees	-	72	332	21	425
Interest expense	-	-	1	-	1
Total expenses	-	269	1,414	44	1,727
Investment income					
Trust distributions	-	1,568	13,205	284	15,057
Net losses on financial instruments held at fair value through profit or loss	-	1,462	24,985	790	27,237
Other income	-	87	312	16	415
Total investment income/(loss)	-	3,117	38,502	1,090	42,709
Profit/(loss) before finance costs attributable to unitholders	-	2,848	37,088	1,046	40,982
Financing costs attributable to unitholders					
Distributions to unitholders	-	1,605	14,680	258	16,543
Decrease in net assets attributable to unitholders	-	1,243	22,408	788	24,439
Net assets at the end of the reporting period	-	37,235	223,229	4,727	265,191

Disclosures & Legal Compliance

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

Disclosures & Legal Compliance

27 (c) PUBLIC TRUSTEE STRATEGIC COMMON ACCOUNTS STATEMENTS OF NET ASSETS As at 30 June 2021

2021	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
Assets					
Cash and cash equivalents	-	9	37	2	48
Receivables	-	1,513	12,320	261	14,094
Financial assets at fair value through profit or loss	-	37,324	224,183	4,713	266,220
Total assets	-	38,846	236,540	4,976	280,362
Liabilities					
Distributions payable	-	1,588	13,175	246	15,009
Payables	-	23	136	3	162
Total liabilities (excluding net assets attributable to unitholders)	-	1,611	13,311	249	15,171
Net assets attributable to unitholders - liability	-	37,235	223,229	4,727	265,191
2020					
2020	Cash \$'000	Conservative \$'000	Growth \$'000	Growth Plus \$'000	Total \$'000
Assets					
Cash and cash equivalents	-	9	28	1	38
Receivables	-	1,429	9,058	105	10,592
Financial assets at fair value through profit or loss	-	36,641	181,966	3,929	222,536
Total assets	-	38,079	191,052	4,035	233,166
Liabilities					
Distributions payable	-	1,431	9,825	94	11,350
Payables	-	24	260	2	286
Total liabilities (excluding net assets attributable to unitholders)	-	1,455	10,085	96	11,636
Net assets attributable to unitholders - liability	-	36,624	180,967	3,939	221,530

CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2021

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 2021.

Brian Roche

Brian Roche

PUBLIC TRUSTEE

Accountable Authority

6 September 2021

Disclosures & Legal Compliance

Key Performance Indicators

Public Trustee role

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

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

Relationships to Government goals

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

Government Goals	Desired Outcome	Public Trustee Services
Strong communities: Safe communities and supported families	Trustee services are accessible to all Western Australians.	Administer estates of people who die with or without a will (estate administration) Manage the financial affairs of people who are unable or unwilling to manage their financial affairs (trust management) Prepare wills and powers of attorney Examine the accounts of administration orders.

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

Business Area Output

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

Key performance indicators

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

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

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

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

Disclosures & Legal Compliance

Effectiveness Indicators

1.1 Percentage of Western Australian deceased estates administered by the Public Trustee

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

The indicator represents the number of deceased estate files reported as a percentage of the number of adult deaths in Western Australia. There have been no changes in the target since previous year.

	2017-18	2018-19	2019-20	2020-21	Target
Percentage of Western Australian deceased estates administered by the Public Trustee	4.4%	4.1%	4.8%	4.3%	4.0%

The percentage decreased by 10% from the previous year due to a decrease in the number of deceased estate files administered. There was no significant variation with the target.

1.2 Percentage of clients who have services provided by the Public Trustee under an operating subsidy

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

The proportion of services provided free of charge or at a reduced cost under this rebate is a measure of the extent to which the Public Trustee supports the accessibility of trustee services. The target has increased to 60% from 50% in the previous year.

	2017-18	2018-19	2019-20	2020-21	Target
Percentage of clients who have services provided by the Public Trustee under an operating subsidy	56%	57%	63%	64%	60%

There was no significant variation with the previous year's result and the target.

Efficiency Indicators

1.3 Average cost per trust managed

This indicator measures the average cost of managing a trust. It is calculated by dividing the full cost of providing trust management services by the number of trusts under management. The target for this indicator has not significantly changed from prior year.

	2017-18	2018-19	2019-20	2020-21	Target
Average cost per trust managed	\$1,808	\$1,822	\$1,995	\$2,080	\$1,971

There was no significant variation with the previous year's result and the target.

1.4 Average cost per deceased estate administered

This indicator measures the average cost per deceased estate administered. It is calculated by dividing the full cost of the deceased estate service by the number of estates for the year.

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

	2017-18	2018-19	2019-20	2020-21	Target
Average cost per deceased estate administered	\$2,815	\$2,478	\$2,372	\$2,116	\$2,369

Actual cost was 11% below last year and target due to a reduction in the overhead cost allocation to Estate.

Disclosures & Legal Compliance

1.5 Average cost per Will prepared

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

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

	2017-18	2018-19	2019-20	2020-21	Target
Average cost per Will prepared	\$653	\$662	\$829	\$674	\$676

There was no significant variation with the target. Actual cost was 19% lower than the previous year due to a reduction in the overhead cost allocation to will services and the reallocation of staff to the legal area as a result of changes to will preparation practice due to COVID-19, as well as a response to the increased workload in the legal area.



Private Administrator Training, May 2021

Opinion Of The Office Of The Auditor General



Auditor General

INDEPENDENT AUDITOR'S OPINION
2021
Public Trustee

To the Parliament of Western Australia

Report on the audit of the financial statements

I have audited the financial statements of the Public Trustee (Trustee) which comprise:

- the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Trustee for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Trustee in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Public Trustee for the financial statements

The Public Trustee is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Public Trustee is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Trustee.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Trustee. The controls exercised by the Trustee are those policies and procedures established by the Public Trustee to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Trustee are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2021.

The Public Trustee's responsibilities

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

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Trustee for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Trustee are relevant and appropriate to assist users to assess the Trustee's performance and fairly represent indicated performance for the year ended 30 June 2021.

The Public Trustee's responsibilities for the key performance indicators

The Public Trustee is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Public Trustee determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Public Trustee is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Public Trustee is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of the Trustee for the year ended 30 June 2021 included on the Trustee's website. The Trustee's management is responsible for the integrity of the Trustee's website. This audit does not provide assurance on the integrity of the Trustee's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
9 September 2021

Summary of Current Agreement 2020/21

In compliance with section 6B of the [Public Trustee Act 1941](#), the following is a summary of the agreement between the Attorney General and the Public Trustee from 1 July 2020 to 30 June 2021.

Scale of Fees

The Public Trustee charges fees for its services. These fees are determined by a Scale of Fees that commences on 1 July of each year. Unless otherwise specified, the Public Trustee is authorised to increase its fees by no more than 2.4%.

Consolidated Account

If the total fees collected:

- do not exceed the Public Trustee Contribution – Estate Fees and Other Revenue as determined in the 2020/21 Budget Statements, then all those fees shall be paid to the Consolidated Account;
- exceed the Public Trustee Contribution – Estate Fees and Other Revenue as determined in the 2020/21 Budget Statements, then a minimum of the Public Trustee Contribution – Estate Fees and Other Revenue as determined in the 2019/20 Budget Statements shall be paid to the Consolidated Account.

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

Reserve Funds

No new reserve funds will be established pursuant to section 44A of the [Public Trustee Act 1941](#).

Indemnity Reserve

The Public Trustee may:

- credit any or all retained earnings from its account entitled Retained Earnings to this Reserve; and
- apply moneys in the Indemnity Reserve for a number of uses including to investigate, defend, settle, and/or compromise the matter and pay for any loss or damage (including costs and disbursements) that clients or other persons who have or might have

suffered loss or damage for which the Public Trustee, in its corporate capacity, may be liable at law.

Business Development Reserve

The Public Trustee may credit to this Reserve:

- from its account entitled Retained Earnings any or all of the retained earnings for the period; and
- the balance of the interest received for the period.

The Public Trustee shall pay an amount of Public Trustee Contribution – Common Account Surplus Interest as determined in the 2020/21 Budget Statements from this Reserve to the Consolidated Account. The amount will be reduced by any amount paid to the Consolidated Account that is in excess of "Public Trustee Contribution – Estate Fees and Other Revenue" and also where overall revenue exceeds the net operating costs of the Public Trustee.

The Public Trustee may apply moneys in this Reserve to:

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

Common Account Investment Reserve

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

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

Transfers Between Reserves

The Public Trustee may transfer from the:

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

Strategic Common Accounts

The Public Trustee shall operate four PTIFs (strategic common accounts) pursuant to section 39B of the Act – cash, conservative, growth, and growth plus.

Interest Rates

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

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

Enforceability

Pursuant to section 6B(6) of the *Public Trustee Act 1941*, the Agreement is not legally enforceable.

Ministerial Directions

No Ministerial directives were received during 2020/21.

Other Financial Disclosures

Capital Works

There were no new capital projects during the 2020/21 year.

Employment and Industrial Relations

The current full time equivalent (FTE) level in the Public Trustee is 179.68, compared with 170.38 in 2019/20, and represents an increase of 5.45%.

Staff profile (FTE)	2019/20	2020/21
Full-time permanent	150.7	151.1
Full-time contract	9	17
Part-time measured on an FTE basis	10.7	11.6
On secondment	0	0
Staff FTE	170.4	179.7

Disclosures & Legal Compliance

Governance Disclosures

Contracts with Senior Officers

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

Unauthorised Use of Credit Cards

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

Board and Committee Remuneration

The Public Trustee is a body corporate and an officer who administers the organisation, in accordance with section 4 of the [Public Trustee Act 1941](#).

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

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

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

Welfare Health & Safety Committee

The Welfare Health & Safety Committee promotes a safe and healthy working environment, provides advice and support on any areas raised within the office.

Position title	Member name	Type of remuneration	Membership period	Term of appointment / Tenure	Base salary / Sitting fees	Gross / actual remuneration for the financial year
Chair	Terry Hearn	Nil	5+ years	Unlimited	\$0	\$0
Deputy	Gordon Bowen	Nil	5+ years	Unlimited	\$0	\$0
Member	Jigna Patel	Nil	4 years	Unlimited	\$0	\$0
Member	Kate Malkovic	Nil	4 years	Unlimited	\$0	\$0
Member	Les Buzza	Nil	5+ years	Unlimited	\$0	\$0
Member	Yelena Radman	Nil	3 years	Unlimited	\$0	\$0

Disclosures & Legal Compliance

Investment Committee

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

Position title	Member name	Type of remuneration	Membership period	Term of appointment / Tenure	Base salary / Sitting fees	Gross / actual remuneration for the financial year
Chair	Brian Roche	Nil	5+ years	Unlimited	\$0	\$0
Deputy	Sean Conlin	Nil	5+ years	Unlimited	\$0	\$0
Member	Sarah Marmara	Nil	5+ years	Unlimited	\$0	\$0
Member	Terry Hearn	Nil	5+ years	Unlimited	\$0	\$0
Member	Stephen Taylor	Nil	5+ years	Unlimited	\$0	\$0
Member	Marie Merrin	Nil	2 years	Unlimited	\$0	\$0
Member	Grant Robinson	Per meeting	1 year (Resigned Apr 2021)	5 years	\$1,000 / meeting	\$3,000
Member	Richard Thomas	Per meeting	Appointed May 2021	5 years	\$1,000 / meeting	\$0

Risk Management and Audit Committee

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

Position title	Member name	Type of remuneration	Membership period	Term of appointment / Tenure	Base salary / Sitting fees	Gross / actual remuneration for the financial year
Chair	Rob McDonald	Per meeting	Appointed Aug 2020	3 years with options (1+1+1)	\$340 / hr	\$9,942
Deputy	Conley Manifis	Per meeting	Appointed Aug 2020	1 year only	\$126 / hr	\$4,830
Member	Alexandra Filipe	Nil	Appointed Aug 2020	Unlimited	\$0	\$0
Member	Sean Conlin	Nil	Appointed Aug 2020	Unlimited	\$0	\$0
Member	Sarah Marmara	Nil	Appointed Aug 2020	Unlimited	\$0	\$0

Disclosures & Legal Compliance

Interest Rate Committee

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

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

Tenders Committee

The Tenders Committee approves the awarding of contracts where the cost of purchasing services is paid from funds held on behalf of Public Trustee clients and oversees the governance and due diligence of all contracts.

Position title	Member name	Type of remuneration	Membership period	Term of appointment / Tenure	Base salary / Sitting fees	Gross / actual remuneration for the financial year
Chair	Brian Roche	Nil	5+ years	Unlimited	\$0	\$0
Deputy	Sean Conlin	Nil	5+ years	Unlimited	\$0	\$0
Member	Terry Hearn	Nil	5+ years	Unlimited	\$0	\$0
Member	Roberto Vicentini	Nil	4 years	Unlimited	\$0	\$0
Member	Robyn Kelly	Nil	3 years	Unlimited	\$0	\$0

Other Legal Requirements

Advertising

In compliance with section 175ZE of the [Electoral Act 1907](#), the Public Trustee reports the following expenditure in advertising, market research, polling, direct mail and media advertising. Total expenditure was \$72,778 incurred in the following areas:

	Supplier	Expenditure
Market Research	Catalyse Pty Ltd	17,182
Media Advertising	Sensis White Pages	7,602
Media Advertising	DPS Publishing	4,625
Media Advertising	Facebook	1,041
Graphic Design	Orange Design	10,330
Media Advertising	Initiative	21,525
Promotional Material	Optima Press	10,473
	TOTAL	72,778

Public Sector Management Act 1994 section 31(1) Compliance

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

Brian Roche BBus, MMgt
PUBLIC TRUSTEE
 Accountable Authority
 6 September 2021

Compliance with Public Sector Code of Ethics

No reports of non-compliance with the Code of Ethics were received.

The Public Sector Code of Ethics is accessible to all Public Trustee employees through the intranet, notice boards and references in relevant policies and procedures.

Compliance with Public Sector Code of Conduct

No reports of non-compliance with the Code of Conduct was found.

Public Trustee staff adhere to DoJ's Code of Conduct which can be accessed through its intranet.

Every two years, all staff are required to attend WorkSafe WA's refresher workshop on Conflict and Stress in the Workplace to reinforce the need to create a workplace that fosters mutual respect and is intolerant of any form of harassment that creates a risk to health and safety.

Disability Access and Inclusion Plan Outcomes

In compliance with section 29 of the [Disability Services Act 1993](#), the Public Trustee recognises its responsibilities under DoJ's Disability Access and Inclusion Plan 2018-2023 by ensuring clients with physical, intellectual, sensory or cognitive disabilities, their families and carers are provided with professional and appropriate services.

Outcome 1:

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

The Public Trustee offers a mobile Wills service to clients who are disabled and may need to have their Will prepared at their home, a care facility or hospital. Wills staff visited 36 clients living within a 30km radius of the CBD.

Trust managers meet their clients at home or other appropriate locations and all events organised by the Public Trustee were planned with the accessibility needs of the attendees considered.

Outcome 2:

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

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

Outcome 3:

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

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

Outcome 4:

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

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

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

Outcome 5:

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

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

Outcome 6:

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

The Public Trustee welcomes feedback from people with disabilities and includes disability support organisations in its stakeholder engagement program.

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

Outcome 7:

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

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

Recruitment, Selection and Appointment Standard

Ten 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 286 applicants.

	2019/20	2020/21
Advertised vacancies	6/130	7/196
Appointment Pools	5/170	3/90

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

Recordkeeping Plans

The Public Trustee uses the Department's electronic document and records management system (EDRMS) Micro Focus Content Manager for administrative records.

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

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

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

Government Policy Requirements

Substantive Equality

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

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

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

Freedom of Information Requests

Four FOI applications were received in 2020/21, of which two were dealt with under s47 of the [Public Trustee Act 1941](#). The applicant of one was requested to narrow the scope of their request but a response was not received. The other application referred to documents not held by the Public Trustee.

Disclosures & Legal Compliance

Customer Feedback

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

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

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

If early resolution of a complaint is not possible, clients’ complaints are recorded on the Department’s CFMS.

The feedback figures below represent those that could not be resolved early and were recorded as feedback, either by the client, their families, their advocates or support agencies, and members of the public, or Public Trustee and Department staff.

Feedback	2019/20	2020/21
Complaints	193	166
Compliments	81	66
Suggestions	2	1
Other	0	1
Total	276	234

The most commonly used feedback method was via email (45%) - recorded by staff on CFMS; followed by client lodgment on the CFMS website (34%); letter/form (11%) - recorded by staff on CFMS; and telephone (10%) – recorded by staff on CFMS.

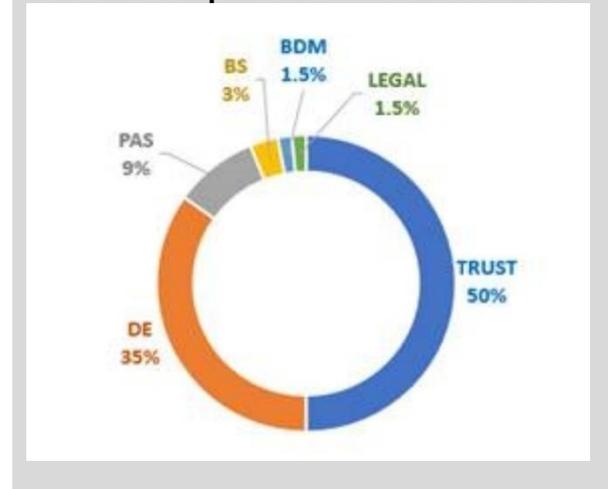
Further analysis of the complaints shows the most common were in relation to Delivery of Services (48%), and Decision Making (43%); and 100% of the compliments were for Delivery of Services.

98% of feedback was responded to within the Department of Justice’s Customer Feedback Management Policy’s standard of ten business days.

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

Following last year’s exponential growth, compliments stabilised this year, dropping slightly from 81 to 66. However, the number of staff receiving compliments grew by 15%, indicating an increased spread of individual appreciation across most business areas. Similar to last year, the highest number of compliments were received between November and February. There was a reduction in the number of seminars presented by Marketing which may account for this slight fall, as compliments for Trust, Deceased Estate Management, PAS and Business Services all increased. Further analysis shows that all but one of the compliments were in relation to Delivery of Services which supports our customer service approach.

2020/21 Compliments – Business Areas



Examples of client compliments:

Trust Management (Dec 2020)

“I am contacting you to compliment your department on the excellent management and support that [our Trust Manager] has provided for myself and my family members. They made such a difference to my family, we found them to be proficient and supportive throughout the whole process. Myself, my brothers and all of our children would like to thank them for all of her hard work. They managed the family dynamics very well and we are happy that their support remains.”

Disclosures & Legal Compliance

Deceased Estates (March 2021)

“The family members all wish to thank you for the diligent effort you put into bringing this matter to a successful conclusion. On a number of occasions you made phone calls to family members to explain the requirements and documentation needed and have made the process easier where required. We are most appreciative of the service you have provided on behalf of the Public Trustee.”

Private Administrator Support (May 2021)

“I just wanted to say a huge THANK YOU for all your help and guidance throughout my time as Private Administrator. I have been able to come to you with all of my queries and they were always answered so promptly and with such kindness. Your assistance through all this is very much appreciated and my experience with the Public Trustee has been a very positive, happy one. Thank you.”

Examples of stakeholder compliments:

Social Worker (Dec 2020)

“The Trust Manager managed my client’s finances with great tact and efficiency. I believe this has been most helpful in her psychosocial recovery, reducing many of her stressors. They were most helpful and assisted me greatly in my care coordination of this client.”

Senior Social Worker (Feb 2021)

“I would like to take this opportunity to state that in my interactions with [Trust Manager], I found them to be very professional, courteous and helpful. Our client is not an easy person to deal with and I found the Trust Manager, and in fact all staff at the Public Trustee, handled her demanding and at times hostile calls and letters exceedingly well and professionally.”

Aged Care Provider (June 2021)

“My team and I have found the WA Public Trustee to be amongst the most efficient and effective Trustee across the country...I’ve found the Trust Manager to be great on both the communication front and with actually getting things done. It’s really appreciated and I look forward to working together in the future.”



Government Building Contracts

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



Attendees at a Will Week seminar 2021

Disclosures & Legal Compliance

Occupational, Safety, Health and Injury Management

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

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

Committee representatives:

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

Measure	Actual Results		Results against Target	
	2019/20	2020/21	Target	Comment
Number of fatalities	0	0	0	0
Lost time injury and/or disease incidence rate	0.6	0	0 or 10% reduction	Target achieved
Lost time injury/disease severity rate	0	0	0 or 10% reduction	Target achieved
Percentage of injured workers returned to work:				
(i) within 13 weeks	0	0	>80%	Target achieved
(ii) within 26 weeks	0	0	>80%	Target achieved
Percentage of managers trained in OHS and injury management responsibilities	89%	93%	>80%	Target achieved

Contact Information:

Postal	Address	Electronic
PO Box M946 PERTH WA 6843	553 Hay Street PERTH WA 6000	Internet: www.publictrustee.wa.gov.au Email: public.trustee@justice.wa.gov.au Telephone: Wills, Deceased Estates and EPA – 1300 476 116 Administration and Represented Persons – 1300 746 212