



Justice

NSW Trustee
& Guardian

NSW Trustee & Guardian Annual Report 2015-2016

Incorporating the Public Guardian reporting
requirements

NSW Trustee & Guardian

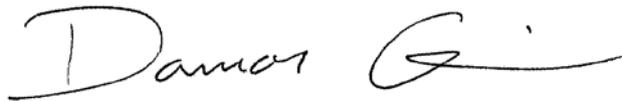
The Hon. Gabrielle Upton, MP
Attorney General and Minister for Justice
Parliament House
SYDNEY NSW 2000

Dear Attorney General,

I am pleased to forward for presentation to Parliament the annual report of NSW Trustee & Guardian together with associated financial statements for the year 2015–2016.

The report is prepared in accordance with the *NSW Trustee and Guardian Act 2009*, *Annual Reports (Statutory Bodies) Act 1984* and *Public Finance and Audit Act 1983*.

Yours sincerely

A handwritten signature in black ink that reads "Damon Quinn". The signature is written in a cursive style with a long horizontal stroke at the end.

Damon Quinn
Acting Chief Executive Officer
NSW Trustee & Guardian

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ISSN 1329-1750
Total external costs to produce the annual report were nil
The annual report is available online at www.tag.nsw.gov.au

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Mission and Objectives of NSW Trustee & Guardian

Our Vision

To be the first choice trustee of the people of NSW.

Our Mission

To work with the people of NSW to provide security and certainty in giving effect to their will and preferences in the planning and management of their estate.

Our Values

- Integrity
- Trust
- Service
- Accountability

Our Services

NSW Trustee & Guardian has six core business services under the *NSW Trustee and Guardian Act 2009*:

- Will making
- Estate administration
- Executor services
- Trust management
- Power of Attorney, preparation and management
- Financial management services.

NSW Trustee & Guardian

Our services include the following major activities:

- Providing substitute financial management services for people with decision-making disabilities under a court or tribunal order
- Authorising and directing the performance of private managers appointed by the Supreme Court, Guardianship Division of the NSW Civil and Administrative Tribunal (NCAT)
- Will making
- Administering deceased estates
- Power of Attorney services
- Witnessing Enduring Guardianship instruments
- Trustee of trusts created by Wills, deeds, court orders and legislation
- Managing seized and confiscated assets under the *Criminal Assets Recovery Act 1990* and the *Confiscation of Proceeds of Crime Act 1989*
- Trustee for protected defendants
- Managing the financial affairs of people who are declared missing persons
- Administering investments and other assets on behalf of clients, including financial planning, funds management and taxation services
- Promoting the need to plan for later life: i.e. making a Will, Enduring Power of Attorney and Enduring Guardianship
- Advising government on relevant aspects of policy and legislation
- Contributing to relevant law reform development
- Dealing with inactive charitable and community funds under the *Dormant Funds Act 1942*.

The NSW Trustee & Guardian supports the Public Guardian, who is a statutory officer under the *Guardianship Act 1987*. The Public Guardian operates independently but reports administratively to the Chief Executive Officer of NSW Trustee & Guardian.

The Public Guardian fulfils the roles of:

- Guardian, providing medical and lifestyle substitute decision making services for people with decision-making disabilities under court or tribunal order
- Informing the community about guardianship
- Providing support to private guardians to fulfil their role.

Our Clients and Stakeholders

Our clients and stakeholders include:

- Clients and beneficiaries whose matters NSW TG manage
- Private financial managers
- Family members, carers and health professionals involved with clients under our management
- People under guardianship
- Private guardians
- Staff
- Courts, tribunals and regulatory agencies
- Peak disability groups
- People of NSW and organisations who represent them
- Attorney General and Treasurer on behalf of NSW Government
- Non-government and professional bodies.

CEO Review of Operations for the Annual Report

External Activities

This year, NSWTG participated in the *Get it in black & white campaign* for the third time between December 2015 and June 2016. *Get it in black & white* is a social marketing campaign aimed at raising awareness and increasing completion rates of planning ahead documents: Wills, Powers of Attorney, Enduring Guardianship and Advance Care Plans. The overall objectives of the campaign were to create awareness and encourage the completion of planning ahead documents fulfilling a key objective of the NSW Ageing Strategy. The campaign was co-funded by Family & Community Services.

To protect people under Private Management from financial exploitation NSWTG introduced a Surety Bond Scheme late in the year. This scheme provides insurance for liquid assets owned by clients under private management should their private manager fail to perform their duties in accordance with the law.

The Surety Bond Scheme enables the managed person to be reimbursed if any maladministration by their private manager is uncovered. The cost is borne by the estate of the managed person, is means tested and does not increase the obligations borne by private managers.

Internal Progress and Achievements

NSWTG is now halfway through the business transformation that was approved by Government in October 2015. The transformation impacts all areas of the organisation and aims to create a unified, efficient organisation which will deliver improved client services in a financially sustainable way.

These changes to our organisation and service delivery model aim to meet the challenges of an expanding and ageing population with a high demand for trustee and financial management services. A range of factors – social, economic, and legal – make it necessary to increase the uptake of pre-planning documents (Wills, Powers of Attorney and Enduring Guardianship documents) and decrease the ratio of directly managed clients to privately managed clients. The new service delivery model which is being implemented enables NSWTG to build the service mix necessary to respond to an ageing population and provide services that can be delivered in a way that underpins our financial sustainability.

The new service delivery model changes from an individual case load focus to a team approach with each client supported by a small team of Client Service Officers who are familiar with their circumstances. Client service teams will be centralised in service centres in Newcastle and Parramatta. These teams will manage estate administration, trust administration, direct financial management, private management and new client establishment. A team based approach for most client matters will overcome delays in the administration of estates and financial management caused by individual staff being absent.

NSW Trustee & Guardian

Under the new service delivery model the number of branches will be reduced from 19 to 10. Client Service Centres will be opened at Parramatta and Newcastle. Branches will focus on delivering outreach services to the community through the preparation of pre-planning documents, community education and stakeholder engagement. As branches are closed staff and client matters will transition to service centre teams. This new operating model aims to streamline and standardise service delivery and workloads while ensuring clients receive a consistent reliable and efficient service. It will also make NSW TG financially sustainable.

Client access will be maintained by:

- Increased emphasis on outreach services through our Planning Ahead Days and community education.
- Development of increased online functionality enabling clients to complete more transactions online and populate pre-planning documents
- Using Service NSW centres as document drop off, service information and referral points, where required.

The implementation and planning for these service centres has been guided by a pilot of the new arrangement, which commenced in January 2016.

The Government also announced the acceptance of the recommendations from the Independent Pricing and Regulatory Tribunal (IPART) in October 2015. The IPART recommendations focused on NSW TG's fees being more cost-reflective of the services being delivered, transparent, consistent and fair. Key changes include the introduction of upfront fees for drafting Wills and Powers of Attorney documents to better reflect the cost of providing these services. There were also adjustments to ongoing establishment and management fees for Estate Administration, Trusts, and Private and Direct Financial Management. All fee changes are to be implemented from 1 July 2016.

NSW TG commenced implementing the Integrated Digital Management Strategy developed during the previous reporting period. There were major upgrades of business applications including the upgrade of all desktop systems to Windows 7 and Office 365 and implementation of SAP Finance & HR systems.

The major system development was the new application to prepare plan ahead documents using Online Wills Lodgement System (OWLS). This application will be available for internal use early in the next reporting period. Subsequently, the new platform will allow clients to enter their details on-line prior to their appointment and limit the length of their plan ahead appointment.

Operating Environment

Constraints in the State's fiscal policy and budgetary framework continue to pose challenges for NSW TG to meet the increase demand for our services.

The NSW Law Reform Commission has conducted a review of guardianship and associated legislation. The review covers the *Guardianship Act 1987 (NSW)*, the *NSW Trustee and Guardian Act 2009*, the *Powers of Attorney Act 2003 (NSW)*, the *Mental Health Act 2007 (NSW)* and the *Guardianship of Infants Act 1916 (NSW)*.

The review is welcome. It provides an opportunity to consider the elements of the *United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)* where current legislation can be improved. Further, it provides an opportunity to refresh our enabling Act as it relates to financial management. Further information on this review is available on the Law Reform Commission website (Lawreform.justice.nsw.gov.au).

Performance Highlights 2015-2016

- Implementation of a surety bond scheme to protect the estates of private financial management clients
- Implementation of electronic workflow in all operational databases for effective management and accountability of processes
- Implementation of real property service providers for transparency of engagement of third party providers for clients
- Transfer of historical paper based records and implementation of processes to transform to a real time access and accountability system of records management across NSWTG
- Commenced implementation of Integrated Digital Management Strategy involving major upgrades of NSWTG business applications
- Delivered third phase of the *Get it in Black & White* campaign which promotes the importance of having planning ahead documents. Key achievements of the campaign were; a 132% increase of visitors to the Planning Ahead Tools website; a 63% increase in calls to the campaign enquiry line
- Commenced Pilot of the new service delivery model in January 2016 to test and refine the proposed model.

Management and Activities

NSWTG actively educate the community on the importance of having planning ahead documents in place (a Will, Power of Attorney and Enduring Guardianship documents) Should a person lose capacity and not have these documents in place a court or tribunal can appoint a decision maker on their behalf. NSWTG can be appointed as a person's financial manager.

NSWTG delivers pre-planning services throughout NSW via our network of branches in metropolitan Sydney and regional areas. In order to match client requirements and ensure financial sustainability of the organisation, the need for change to NSWTG's way of operating and service delivery mechanisms was progressed. A full report on NSWTG's future plans is provided on page 54.

Wills and Powers of Attorney for Future Business

NSWTG makes Wills and Powers of Attorney for people appointing us as executor and attorney. In the 2015-2016 financial year there was no charge to write these documents and fees were only levied at the time of administration of the estate or when the Power of Attorney was activated. Wills were written as a community service and generated future business. This formed the basis of our estate administration work, which generates up to 60% of NSWTG total revenue.

The Independent Pricing & Regulatory Tribunal Recommended changes to the fees NSWTG charge for services. These changes included charging for the preparation of Wills and Powers of Attorney. This change will be effective from 1 July 2016.

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In 2015–2016 NSWTG made

- 8748 Wills, around 50% of which were for new clients; our target was 9597 Wills
- 2273 Powers of Attorney; our target was 1600.

Deceased Estates

NSWTG manages both testate (Will) and intestate (no Will) estates. NSWTG cannot decline an estate for administration solely on the basis of its low value and receive community service funding from the NSW Government for managing such estates. NSWTG also accept referral of estates from executors who do not wish to obtain probate themselves or trustees and administrators who wish to discontinue their involvement. Estates administered cover a wide range of value and complexity.

This year NSWTG obtained administration of 1,453 new estates with a total value of \$576 million and had 6,298 estates on hand. The average value of estates under grant of administration increased from \$594,263 in 2014–2015 to \$630,314 in 2015–2016. NSWTG also administered 112 smaller estates without the need for formal administration, transferring property to the surviving joint tenant and arranging funerals where no-one else was available.

Trusts

NSWTG act as trustee, manager or receiver of funds for infants or those unable to manage their funds. The appointment is usually made by the court under the *Civil Procedure Act 2005* and the *Workers Compensation Act 1987*. Trusts can be created by individuals or organisations, including government agencies. NSWTG are receiving an increasing number of trusts for infants from superannuation organisations as fund managers, as trustees of superannuation funds become more aware of our services. A large percentage of the increased number of trusts was made up from Victim's Compensation awards.

In 2015-2016 NSWTG received 2,692 new trusts with a value of \$88.9 million. This is an increase of 38% on 2014-15 by number and an increase of 74% in value. As at 30 June 2016 NSWTG were managing 8,550 long-term trusts, an increase of 9% on the previous year.

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Other Trusts: Extending our Role

During the 2015-2016 financial year NSWTG acted as trustee in a number of ways, apart from our more traditional role as trustee for infants:

- Employee entitlement trusts – NSWTG act as trustee of workers' entitlements so that they are protected in the event the employer goes into liquidation.
- Family trusts – NSWTG act as trustee, manage the assets and distribute income and capital according to the terms of the trust.
- Retirement villages – NSWTG act as trustee for the unit holders' funds.

Powers of Attorney

NSWTG have a two-tiered management plan under attorney and agency services, allowing clients to choose as much or as little help as they require while giving them the security of an independent, professional attorney. It comprises:

- Future Assist — where NSWTG act only at client request or when they are no longer able to look after their own affairs.
- Active Assist — where the client requires ongoing assistance in dealing with part or all of their financial affairs.

This year NSWTG received 57 new matters with a value over \$37 million. We made 2,273 powers of attorney for prospective Active Assist clients. As at 30 June 2016 we were managing the financial affairs of 417 clients under powers of attorney.

Witnessing Enduring Guardianship Instruments

The *Guardianship Act 1987* regulations enable accredited staff of NSWTG to witness enduring guardianship instruments. During this reporting period 1208 clients have taken up the opportunity to appoint an enduring guardian with a NSWTG staff member as witness.

Financial Management Services

NSWTG makes financial decisions for people with cognitive disabilities when appointed by the NSW Civil & Administrative Tribunal (NCAT) (Guardianship Division), Supreme Court or the Mental Health Review Tribunal (MHRT) as financial manager. NSWTG also authorises and directs the performance of private financial managers appointed by the Supreme Court or NCAT (Guardianship Division).

Table 1: Number of Clients at 30 June 2010 to 30 June 2016

	30 June 2010	30 June 2011	30 June 2012	30 June 2013	30 June 2014	30 June 2015	30 June 2016
People who have NSWTG as their manager	9,579	9,758	9,968	10,466	10,768	10,999	11,152
People who have private managers	2,961	3,112	3,185	3,444	3,600	3,771	3,946
Total	12,540	12,870	13,153	13,910	14,368	14,770	16,040
People for whom NSWTG fulfils the role of banker*	432	384	350	42	19	16	24

** These people have developmental disabilities and live in supported accommodation. NSWTG does not formally manage their financial affairs. The number of these clients is reducing as applications for formal financial management orders for them are heard by NCAT (Guardianship Division).*

Table 2: New Orders made between 1 July and 30 June 2009-2010 to 2015-2016

	2009–2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-16
People who have NSWTG as manager of their affairs	1,110 (63.4%)	921 (57.7%)	1,035 (57.6%)	1,310 (61.8%)	1,053 (56.6%)	1,082 (56.5%)	1,007 (53.8%)
People who have private managers of their affairs	642 (36.6%)	672 (42.3%)	757 (42.4%)	811 (38.2%)	808 (43.4 %)	833 (43.5 %)	866 (46.2%)
Total orders made	1,880**	1,593	1,785	2,121	1,861	1,915	1,873

**Published figure for new orders for 2009-10 was found to be incorrect as it included 50 reviewed financial management orders.

NCAT (Guardianship Division) is the primary source of financial management orders for both private financial managers and NSWTG.

Table 3: Source of New Orders made between 1 July and 30 June 2009-2010 to 2015-2016

Order Source	2009–2010	2010–2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-16
Supreme Court	42 (2.2%)	37 (2.3%)	69 (4%)	52 (2.4%)	65 (3.5%)	60 (3.1%)	64 (3.4%)
Guardianship Tribunal	1,741 (92.6%)	1,465 (92%)	1,625 (91%)	1,968 (92.8%)	1,703 (91.5%)	1,774 (92.6%)	1,756 (93.8%)
Mental Health Review Tribunal	81 (4.3%)	91 (5.7%)	90 (5%)	101 (4.8%)	93 (5.0%)	81 (4.2%)	53 (2.8%)
Total	1,880 *	1,593	1,785	2,121	1,861	1,915	1,873

*Published figure for new orders for 2009-10 was found to be incorrect as it included 50 reviewed financial management orders.

Private Management Branch

NSWTG provides authorities and directions to private financial managers. These orders are made for individuals deemed to have diminished capacity to manage their own financial affairs. The private financial manager can be a spouse, family member, friend or professional person, such as a solicitor or accountant. Occasionally, more than one private financial manager can be appointed. Some private financial management orders can also be issued for trustee companies and other organisations.

Private managers seek authorities and directions to assist them in their role. NSWTG provides oversight and governance to ensure the security and best practice management of client estates as outlined in the *NSW Trustee and Guardian Act 2009*. The NSW Parliamentary Enquiry into Elder Abuse identified financial exploitation as the most common form of abuse for vulnerable members of the community. In recognition of this NSWTG introduced a Surety Bond Scheme to provide protection for privately managed clients, while recognising that the vast majority of private managers have only the best intentions for their clients.

NSWTG also ensures the integrity of private financial management client estates by reviewing individual accounts on a regular basis. Private financial managers submit accounts to be examined with all appropriate documentation for review.

Management of Seized or Confiscated Assets

NSWTG manage assets seized and confiscated under the *Criminal Assets Recovery Act 1990* and the *Confiscation of Proceeds of Crime Act 1989*. Assets can include real estate, cash, jewellery, motor vehicles and livestock. The assets may have to be sold immediately or held and either managed or maintained until further court orders are issued. In 2015–2016 NSWTG managed \$17.3 million of these types of assets.

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Dormant Funds Act 1942

The Chief Executive Officer of NSWTG is the Commissioner of Dormant Funds and recommends to the Attorney General proposals for dealing with funds relating to charitable purposes or purposes of a public character that have become dormant. In the last financial year one dormant fund matter was determined with a value of \$5,944.93.

Specialist Services

Client services delivered by NSWTG are supported by teams of specialists in financial planning, genealogy, taxation, legal services, disability and property management who provide advice and specialise in the management of different functions and assets of clients.

Financial Planning

NSWTG develops and reviews financial plans for clients with significant estates to ensure client assets are invested appropriately to meet immediate and long term needs. This financial year, NSWTG developed and reviewed 1,108 financial plans and undertook 2,823 investment reviews. The Financial Planning Unit also provided advice on affordability of major asset acquisitions.

The Benefits Team oversee and manage benefit payments from Centrelink, Department of Veteran's Affairs and overseas pension authorities. NSWTG manages the transfer of funds and administration requirements for compliance with the various Australian and international benefit agencies. In this financial year, the team managed the benefits for 9,915 clients.

The Budgets Team oversee and review budgets for all direct financial management clients. Budgets are established to ensure client needs are met with the funds available. In this financial year, the team reviewed and locked in 9,614 budgets.

The Personal Insurance Team oversee and manage private health care payments and claims, child support agency payments and claims, personal insurances, life insurances and TPD claims from superannuation authorities.

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Property Services

NSWTG manages the physical assets of clients. This includes securing and maintaining assets as well as the acquisition and disposal of physical assets belonging to clients of NSWTG. In this financial year, NSWTG has undertaken a range of tasks and activities in relation to client physical assets.

For direct financial management clients, this included the management of 1,817 properties, management of 260 rental properties, sale of 210 properties, purchase of 43 properties, 142 insurance claims and 637 repairs and maintenance tasks.

Activities undertaken in relation to trustee services in 2015–2016 included: 442 properties sold and 4 properties purchased.

Taxation Services

NSWTG is responsible for managing the taxation compliance obligations of clients. This includes the lodgement of taxation returns, calculation and payment of death taxes and taxation advice for financial planning and budget purposes. This financial year, NSWTG prepared and lodged 8,120 tax returns on behalf of clients.

Legal Services

Legal Services Branch provides legal services for deceased estates, trusts, powers of attorney clients, civil forfeiture and financially managed clients.

Legal staff undertake a range of services, including:

- Drafting of wills and trusts (including special disability trusts)
- Approval of distribution of high value estates and trusts
- Assessment and review of new business
- Dealing with *s61 Probate and Administration Act 1898* matters
- Advising and responding to issues about trustee disclosure rules, privacy and *Government Information (Public Access) Act 2009* applications
- General legal advice
- Conveyancing and property law matters
- Debt recovery
- Personal injury
- Interest in deceased estates, specialising in family provision claims, testamentary capacity, informal will documents, kin enquiries and will construction
- Property matters
- Family law
- Commercial / corporate matters
- Appeals to the NSW Civil and Administrative Tribunal
- Representation in Supreme Court Protective List matters.

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During the 2015–2016 financial year, Legal Services had 2,591 new matters allocated (not including Wills). In the last financial year, legal staff checked 8,254 Wills, 2,169 Powers of Attorney and 605 Enduring Guardianship appointments that were made throughout the Client Service Division branch network.

Genealogy

The Genealogy Unit conducts searches for next of kin in intestate estates and beneficiaries of Wills who may be missing or not easily located. In the 2015-2016 financial year the Genealogy Unit closed 99 intestate estates. This involved finding and identifying hundreds of relatives residing both locally and overseas.

The Genealogy Unit also identifies Bona Vacantia estates where there is no beneficiary entitled to the intestate estate. In the 2015-2016 financial year this resulted in money going to the NSW State Government worth over \$12 million.

At 30 June 2016 the Genealogy Unit had over 900 estates for which it was trying to locate beneficiaries.

Disability Advisory Service

The Disability Advisory Service provides specialist advice on how personal circumstances affect our decisions in relation to an individual. This includes management of occupational therapist engagement for home modifications, disability sector options and advice in relation to client circumstances, accommodation and service provision.

Financial Transactions for Clients

In the 2015-2016 financial year NSW TG processed 1,833,446 financial transactions for clients. This included payment of bills and allowances for clients, payments made under powers of attorney, payments to beneficiaries of estates, payments from trusts and receipt of income ranging from Centrelink benefits to share dividends.

Common Funds

The *NSW Trustee and Guardian Act 2009* directs NSW TG to operate common funds for clients. Currently, two common funds are operating, one for financial management clients and the other for trustee client matters.

In recent years, NSW TG have largely harmonised the operations of the common funds. Our custodian and unit registry manager, JP Morgan Chase, and fund manager, BlackRock Investments, took over key responsibilities for all but one of our portfolios.

NSW TG have commenced the design of a new common fund administration platform, which will assist us to improve client service standards and provide administration efficiencies. NSW TG started to offer trustee clients an enhanced range of investment options in 2014 and will continue to do so in the future.

Financial Management Common Funds

The Financial Management Common Fund represents funds owned by clients whose financial affairs are directly managed by NSW TG, a small number of trust clients, and funds of some clients whose affairs are managed by a private manager. It consists of the Access Fund, which is an interest bearing working account for client transactions, and seven diversified investment funds.

To avoid adverse effects from any short to medium term market volatility wherever possible, four to five years of planned client expenses are held defensively in funds focussed on cash and fixed interest. The balance is invested in growth asset funds to provide for long term client needs.

NSW TG have continued to invest client funds using low-cost approaches that minimise fees and provide returns that closely track those of major financial market benchmarks. We supplement these with considered investment in term deposits within NSW TG's cash-oriented funds.

During the year, two of NSW TG's cash-oriented Financial Management funds delivered returns in line with money market securities of 2.2% pa. This was a pleasing return for our clients, in light of the relatively large proportion of their total portfolios invested in these particular funds.

With historically low rates on money market securities globally, the market price of many bonds has increased due to strong bidding on financial markets. This enabled NSW TG's two bond-based Funds to deliver returns above 6% for the year. A similar effect was evident within the Australian Listed Property Securities market, so the NSW TG Australian Listed Property Securities Fund delivered a return of 23.5%pa. Share markets generally proved less settled with the NSW TG Australian Shares Fund and NSW TG International Shares Fund delivering returns of 0.4%pa and -1.4% pa, respectively.

Table 4 outlines funds under management, the allocation of these funds, returns achieved over the last year and a comparison with benchmark returns.

Table 4: Financial Management Clients' Assets under Management and Financial Management Common Fund Investment of Funds 2015-2016

Type of Client	\$'000
Directly Managed Clients	3,228,444
Privately Managed Clients	73,941
Total net client funds	3,302,385

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Represented by:

Funds in Common Fund	Excluding Liabilities and Reserve \$'000	Included Investments under Private Management \$'000	Trustee Clients ¹ \$'000	Client Return *	Bench mark Return *
Access Fund	521,186	45,083	-	2.2%	1.7%
Australian Cash	172,785	11,091	-	2.0%	1.7%
Australian Cash Plus	98,199	1910	83,952	2.1%	1.7%
Australian Fixed Interest	47,901	932	70,130	6.3%	6.5%
Australian Shares	271,771	8,224	-	0.4%	0.4%
Australian Listed Property Securities	75,628	2,115	-	23.5%	24.1%
International Bond	5,610	195	-	8.0%	8.8%
International Share	159,307	4,391	-	-1.4%	-1.5%
Total Financial Management Common Fund	1,352,387	73,941	154,048		

Estimated Client Assets Outside the Common Fund	
Asset	Value
Real Estate	1,184,331
Investments	506,792
Other General Assets	184,934
Total Client Assets Outside the Common Fund	1,876,057
Total Financial Management Common Fund and Assets Outside the Common fund	3,456,433
Less: Trustee Clients	154,048
Total Net Financial Management Clients Funds	3,302,385

**Both Benchmark and Client returns are net of fees (0.50%). There may be variances in individual client returns depending upon the client's entry date into the fund and any new applications or redemptions during the financial year.*

¹ *During the financial year, trustee funds of \$154.05M (\$148.71M in 2014-15) have been placed in the Financial Management Investment Funds.*

Trustee Funds Under Management

The Trustee Common Fund represents funds from client matters arising from NSW TG's role as executor, trustee or attorney. There are two portfolios within this common fund. Initially, funds are placed in the Primary Portfolio. Investment plans are prepared for each client and, if exposure to growth assets is required, monies are invested in the Growth Portfolio.

The Primary Portfolio invests in high quality cash deposits, short-term money market and discount securities.

The Growth Portfolio invests in a blend of Australian and international companies, using a cost-effective indexed approach. This provides broad diversification. The objective is to achieve capital growth over the medium to long term. The price of units in the Growth Portfolio fluctuates daily depending on the movement of share prices on share markets and on fluctuations in the Australian Dollar exchange rate.

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Table 5 outlines funds under management, the allocation of these funds, and where appropriate the returns achieved over the last year and a comparison with benchmark returns.

Table 5: Trustee's Clients Assets Under Management and Trustee Common Fund Investment of Funds 2015-2016

Type of Clients	\$'000
Deceased Estates	1,063,201
Trusts (including agencies)	624,452
Power of Attorney Services	148,369
Other	17,307
Total Net Trusts	1,853,329

Represented by:	\$'000	Client Return*	Bench mark Return*
Funds in Common Fund			
- Primary Portfolio	997,326	2.1%	1.49%
- Growth Portfolio**	205,251	0.03%	0.10%
Estimated unrealised client assets			
- Real Estate	355,906		
- Investments ***	262,490		
- Mortgages	1,424		
- Other personal property	48,284		
Total client funds and unrealised assets	1,870,681		
Less estimated trust liabilities			
- Client payables	17,352		
Total Net Trusts	1,853,329		

*Note that both benchmark and client returns are after fees (0.75%). There may be variances in individual client returns depending on the client's entry date into the fund and any new applications or redemptions during the financial year.

** The Growth Portfolio is targeted to a mix of 70% Australian and 30% international shares.

***During the financial year, trustee funds of \$154.05M (\$148.71M in 2014-15) have been placed in the Financial Management Investment Funds.

NSW Trustee & Guardian

Information Updates

Newsletters

NSWTG uses bi-annual newsletters to inform clients and stakeholders about news, events and updates for the organisation. In 2015-16 NSWTG has utilised this channel to communicate progress on the transition to our new operating model and the changes to fees and services from 1 July 2016. The newsletter is sent out to over 60,000 clients and stakeholders. This enables us to inform them of any changes which may impact on our services such as the fees NSWTG charge or legislative changes.

Community Education

NSWTG utilises community education to promote the importance of planning for the future by preparing a Will, making a Power of Attorney and appointing an Enduring Guardian. NSWTG also use the opportunity when doing community presentations to clarify our role and function in relation to financially managed clients and private managers. In 2015-2016 staff conducted 77 presentations to various community groups across NSW, including to culturally and linguistically diverse groups.

Customer Feedback

Client Satisfaction Surveys

During 2015-2016 NSWTG continued to measure customer satisfaction according to two indices: the Customer Satisfaction Index (CSI) and Process Improvement Satisfaction Index (PISI).

For this financial year NSWTG's customer surveys had a targeted focus with those client groups surveyed restricted to those having services delivered by the pilot service centre. The client groups surveyed were financial management, private management and beneficiaries of a deceased estate. The surveys tested the performance of NSWTG's key factors for each client group and was confined only to the clients in the pilot of the new service centre. The data from this year's surveys has been used to compare to our service delivery satisfaction measures year on year to benchmark the pilot's results.

While the methodology and sample size for the client surveys was consistent with previous surveys there were significant differences that impacted the ratings and measures. An example being that for the beneficiaries surveyed in previous years the respondents were not interviewed until the estate administration had been completed – for this year's survey all respondents were only part way through the process so had not had the estate finalised and received entitlements. For direct financial management clients the shift in delivery of services meant that they no longer had a single client service officer as their point of contact. Through the pilot service centre they could contact a team of client service officers who are able to assist them.

NSW Trustee & Guardian

The CSI for directly managed clients was 54 a significant decrease on last year's 65 while the CSI for private financial managers was 70 a significant increase from last years' 60. The average CSI for financial management services remained stable at 62 compared to 2015.

The results for the beneficiaries create a combined representative benchmark for customer satisfaction, providing a mean CSI of 53 and a PISI of 42 compared with 75 and 68 in 2014–2015. We believe the degradation to be the result of concern around the announcement of 2017 changes to our structure, and believe they will improve next year as the benefits of the structure become apparent.

Our annual survey of Will clients in 2015-2016 used the same methodology and approach as has been utilized in previous years. From the survey the Customer Satisfaction Index (CSI) was 94 compared with 95 in the previous year and that the Process Improvement Satisfaction Index (PISI) of 93 remained stable.

Complaints

NSWTG received a total of 229 complaints for the financial year 2015-2016, which compares to 230 for 2014–2015; 296 in 2013–14; 349 in 2012-2013 and 386 in 2011–2012. The consistent decline in the number of formal complaints over recent years levelled off in the last financial year. The gains that have been made in relation to complaint handling continue. However, the transformation that has been underway since earlier in the year has meant that complaint numbers have stabilised. Raw complaint numbers are not an indicator on their own of overall improved or decreased service levels. They are just one component. As NSWTG goes through a process of transforming the way in which service is delivered, it is likely that complaint numbers will increase, in the short term while new processes are being embedded.

Of the 229 complaints 52% related to service issues, including complaints about communication, delays in making decisions and length of time to receive a response. This is down from 59% for the previous year. Complaints about decisions made by NSWTG represented 13% of the total complaints and, which is also down from the previous year. The remaining 35% of complaints related to issues such as the introduction of a Surety Bond Scheme to protect privately managed clients and objections to NSWTG's authority or appointment.

Internal Reviews of Decisions (IRODs)

Decisions made by NSWTG relating to privately managed or directly managed clients are reviewable under the *Administrative Decisions Review Act 1997*. The first step in the review process is for the client or an interested party to make a request for an internal review of the decision. The internal reviewer can affirm, vary or set aside and make a substitute decision in line with Section 53(3) of the *Administrative Decisions Review Act 1997*. In 2015-2016 there were 38 requests for an Internal Review of Decision (IROD) received, which is down from 71 in 2014-2015 and 86 in 2013–2014. Of those received this year, 48% were affirmed; 27% were varied; 18% set aside and 7% withdrawn.

NSW Trustee & Guardian

NSWTG considers the complaint handling and IROD process to be a very important part of being an open and transparent organisation. Every effort is made to resolve issues in a fair and timely way.

NSWTG aims to complete IRODs and responses to complaints within 21 days. In 2015-2016, 68% of complaints were completed within 21 days this compares with 76% in 2014–2015 and 77% for 2013–2014. For IRODs 71% were completed within 21 days. Delays in finalising complaints and reviews of decisions were a result of the complexity of matters, the need for additional information or reports and delays by external parties.

Financial Performance

NSWTG is a predominantly a self-funding NSW government agency. Our revenue comes from:

- Commissions and fees on estates, trusts, powers of attorney and agencies
- Fees for managing our clients' assets
- Income on corporate investments
- Funding for community service obligations from government

Commission and fee rates are periodically reviewed and take into consideration both costs to the organisation and market rates. These are structured to enable the provision of professional trustee and financial management services at a reasonable cost to the people of NSW, irrespective of their wealth. Fees and commissions may be reduced or waived in cases of hardship.

The basis for charging and the level of fees is established in the *NSW Trustee and Guardian Act 2009* and *NSW Trustee and Guardian Regulation 2008*. Fees are generally reviewed every five years, following a Regulatory Impact Statement consultation or a review by the Independent Pricing and Regulatory Tribunal (IPART). An IPART review and harmonisation of our fees commenced in March 2014 and has been completed.

The main challenge affecting our financial performance in 2015-2016 was to achieve our financial targets and sustainability within NSW Treasury guidelines and the volatility of the financial market which affected our clients' assets and NSWTG revenue.

High Level Results

- Result from operating activities was a surplus of \$1.70 million. This includes a transfer of \$10.35 million from the NSWTG Common Fund – Trustee Reserves (former Public Trustee Interest Suspense Account) Schedule 1: sec 16 (1)(c).
- After taking up a provision of \$31.45 million for a loss resulting from an actuarial valuation of defined superannuation benefit funds, the net result for the year was a deficit of \$29.75 million. This significantly reduced NSWTG equity to a negative \$0.28 million at the end of the year.

Table 6: Key strategies and results for 2015-2016

Key strategy	Expected result	Result achieved
Meet or exceed new business volume and value targets on estates and trusts.	Continued organisational growth and better service delivery.	New estates and trust levels were slightly higher than targets predicted and this correlated to higher revenue.
Meet and exceed investment returns.	Efficient management of corporate financial resources.	Returns on investment of Corporate funds were below budget due to lower interest rates and the current volatility of market conditions.
Increase corporate knowledge on budgetary process/ reporting.	Improved planning and budgetary control. Timely and informative decision making.	Budget performance published in Intranet and monitored by all managers.
Manage Labour Cost and other efficiency savings plan targets.	Positive contribution to government savings targets.	Expenditure to budget was well controlled enabling us to achieve all our savings targets.
Manage community service obligations (CSO) arrangement with NSW Treasury.	Clear understanding of a CSO and transparency of cost, funding and reporting of CSOs.	CSO funding remained unchanged. Basis of CSO determination has been assessed in the recent IPART review and the 2017 and Beyond Transformation Plan.
Effective and efficient management of corporate assets.	Better control and use of resources.	Stocktake completed. Asset Register complete.

2015-2016 Revenue and Expenditure Budget

Details of the 2015-2016 recurrent revenue and expenditure budget compared to actual expenses are shown in Table 7. Also presented is our recurrent budget for the 2016-2017 financial year.

Our recurrent budget in 2015-2016 was set at a deficit of \$2.98 million. The actual result was a deficit of \$29.75 million mainly due to an actuarial adjustment on Defined Benefit Superannuation of \$31.45 million.

NSW Trustee & Guardian

Revenue Budget and Results

Our revenue budget was based on trends in previous years, operational plans, business level predictions and in accordance with the *NSW Trustee and Guardian Regulation 2008*.

In summary:

- Total revenue was \$82.56 million - \$2.34 million over budget (3 per cent)
- Commissions and fees - over budget by \$3.89 million (14 per cent)
- Management fees - over budget by \$2.20 million (7 per cent)
- Funding of \$5.11 million was received from NSW Treasury for our community service obligations – equal to budget
- Received additional grant of \$0.69 million to augment rental cost increment for NSWTG offices in Parramatta
- Investment revenue - under budget by \$4.34 million, including unrealised losses of \$2.35 million from long-term growth assets. Returns on investment of corporate funds were negative due to lower interest rates during the year
- Revenue includes transfer of \$10.35 million from the Common Fund – Trustee, Reserves (former Interest Suspense Account - Schedule 1: Sec 16 (1)(c)).

Expenditure Budget and Results

Our expenditure budget provided for CPI increases in personnel services and operating costs, with maintenance and depreciation expenses proportionate to existing assets and capital expenditure program.

Personnel service costs were below budget, partly as a result of vacancies arising between staff leaving and a replacement being recruited. Similarly, savings in consultancy fees, advertising, office supplies, fees for services, postal and telephone, and travel costs resulted in other operating costs being below budget.

In summary:

- Total operational expenses were \$80.85 million - \$2.34 million (3 per cent) under budget, enabling us to achieve our efficiency savings targets
- Personnel services costs (before superannuation adjustment) - below budget by \$3.25 million (6 per cent)
- Other operating costs - under budget by \$0.87 million (5 per cent)
- Depreciation and amortisation expenses - over budget by \$1.63 million (30 per cent) mainly due to accelerated depreciation of assets in NSW Trustee and Guardian offices that are to be discontinued as a result of the implementation of 2017 and Beyond Transformation Business Case.
- Other expenses include a loss arising from an actuarial valuation to future fund earnings of defined benefit superannuation funds of \$31.45 million. NSWTG does not control this adjustment and therefore cannot accurately budget for the variation.

NSW Trustee & Guardian

The 2016-17 Recurrent Budget supports the 2017 and Beyond Transformation Business Plan of NSW TG. This includes funding of \$15.22 million to cover the estimated cost of redundancies resulting from the Transformation.

Table 7: NSW Trustee & Guardian Recurrent Revenue and Expenditure

Recurrent Revenue and Expenditure Budget	2015-16 Budget (\$'000)	2015-16 Actual (\$'000)	2016-17 Budget (\$'000)
Revenue			
Commission and fees	27,761	31,654	30,833
Management fees	31,496	33,695	22,708
Grant and Community Service Obligation	5,112	5,803	22,657
Investment revenue	4,999	643	5,732
Other revenue	494	408	470
Transfer from Common Fund Reserve Fund	10,352	10,352	3,000
Total Revenue	80,214	82,555	85,400
Expenses			
Personnel service expenses	58,922	55,676	65,556
Advertising	1,920	1,486	1,725
Fees for services	8,840	7,826	9,709
Office supplies	420	342	436
Lease expenses	3,463	4,160	3,256
Other operating expenses	2,781	2,639	2,709
Maintenance	1,390	1,538	1,307
Depreciation and amortisation	5,456	7,084	4,344
Loss on disposal of assets	0	103	0
Total Expenses	83,192	80,854	89,042
Surplus/(Deficit) before Superannuation Adjustment	(2,978)	1,701	(3,642)
Superannuation adjustment	0	(31,450)	0
NET RESULT FOR THE YEAR	(2,978)	(29,749)	(3,642)

NSW Trustee & Guardian Capital Budget

Details of our 2015–2016 capital expenditure budget compared to actual expenses are shown in Table 8 including details of our capital budget for 2016–2017.

Capital Budget and Results

The capital budget for 2015-2016 planned for an extensive capital works program which includes office improvements and refurbishment, upgrading of computer hardware and software, changing our corporate financial system to SAP and unifying our client management systems to provide better service to our clients. To support the 2017 and Beyond Transformation Project, a component of our capital program was carried over to the 2016-2017 Approved Budget.

Upgrades of our computer hardware, data network and IP telephony and record management systems are currently on-going and will continue throughout 2016-2017. We have also changed our corporate financial system to SAP.

The development of a unified client system which commenced in 2014-2015 has steadily progressed through the year and is expected to be completed in 2017-18. A project to transition limited NSW TG services to Service NSW has been completed.

A new On- Line Wills Service (OWLS) is being developed to start in early 2016-2017. Changes to existing systems have been undertaken to implement IPART recommended fees and charges which take effect 01 July 2016.

Table 8: Capital Expenditure Budget

Capital expenditure budget	2015-16 Budget (\$'000)	2015-16 Actual (\$'000)	2016-17 Budget (\$'000)
Building fixtures	7,910	0	10,400
Leasehold improvements	500	926	1,750
Plant and equipment	840	0	470
Computer hardware	2,060	642	1,750
Computer software	15,311	5,213	12,699
	26,621	6,781	27,069

Workforce

NSWTG endeavours to maintain a workforce that is able to deliver consistently high levels of service for our clients. The strategic priority is to continue to develop our employees by providing adequate training, supervision, and use of technology.

Table 9: Employees by Category (ANZSCO Major Category)*

ANZSCO Major Code	Census Period FTE
Clerical and Administrative Workers	409.86
Community and Personal Service Workers	0.60
Managers	30.94
Professionals	119.90
Sales Workers	9.00
Grand Total	570.30

**Based on census date FTE data from Department of Justice Principal Agency Workforce Profile.*

Staff Development and Training

During 2015-2016 NSWTG Learning & Development Unit continued to coordinate operational training.

NSWTG conducted 166 training courses during the reporting period. We have continued to run our accredited course in Wills, Powers of Attorney and Enduring Guardianship. Currently there are:

- 79 staff accredited to witness Enduring Guardianship instruments in addition to our legally qualified staff
- 117 staff accredited as prescribed witnesses for Powers of Attorney instruments in addition to our legally qualified staff
- 142 staff accredited Will makers, in addition to our legally qualified staff. Also as part of our continuous improvement program, Wills refresher training has been delivered at 9 of our regional branches and will continue in the next financial year.

As part of *2017 and Beyond* we continued our programs to build the leadership and financial capability of our managers and staff. In January 2016 when the pilot of our Service Centre commenced, training was provided in Team Building, Customer Service, technical skills and complaints handling for our managers and supervisors. The training was further supported by on the job training and coaching by experienced staff.

NSW Trustee & Guardian

To prepare staff for the process of applying for new roles in the organisation we coordinated career coaching workshops. These workshops ensured staff were able to demonstrate their capabilities through the recruitment process. There were 33 sessions in Sydney metropolitan area with 348 staff participating in these sessions. Regional branches had sessions conducted locally to enable those staff to access the support and training required.

The ensuing year will be challenging in endeavouring to deliver training across new service areas and processes, while maintaining client service and support staff to build skills and confidence.

Information Technology

NSWTG began implementation of the initiatives outlined in the *Digital and Knowledge Management Strategy* in 2015-16. These initiatives broadly fall into three delivery areas:

- Better client service delivery
- Operational enhancements;
- And improvements to IT governance and performance.

The bulk of the work completed in this financial year were at the infrastructure and platform layers in preparation for further programs of work in 2016-2017.

Improved Client Service Delivery

NSWTG commenced two major programs of work aimed at improving client services following an initial review of business and technical requirements completed in 2014-15. The procurement process for a technical partner was completed in October 2015 for these programs and work commenced in November 2016 with the first components slated for delivery in August 2016. These programs are:

Online Wills Lodgement System (OWLS)

NSWTG began implementation of a new online wills system for client and staff use in November 2015. OWLS is designed to simplify the Will drafting process for our staff using updated glossaries and clauses consistent with legal best practice in the development of pre-planning instruments including Wills, Wills Instructions, Power of Attorney and Enduring Guardianship documents. The system is designed for mobile use to facilitate outreach programs, and integrate directly with the upcoming client relationship system for NSWTG (TAGS) enabling staff to import all of the Will information directly into other matters relating to the client (e.g. other pre-planning instruments, financial management, or estates) for an enhanced client experience.

Subsequent development phases of OWLS include the development of a secure online portal in which clients can input information and book appointments to finalise the drafting and execution of pre-planning instruments with accredited NSWTG staff.

The first module of OWLS for staff use is slated for delivery in August 2016.

Trustee and Guardian System (TAGS)

NSWTG began implementation of a new client relationship management system to replace a range of legacy client management and accounting systems used by different divisions of NSWTG and the Public Guardian in November 2016. The system is designed to be a single-source-of-truth for all client information in a scalable cloud-hosted platform that can be used by all NSWTG staff for client functions both on-site and for mobile outreach teams.

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NSWTG selected Microsoft Dynamics CRM Online through a competitive tender process as the platform for OWLS and TAGS. The program is being delivered in multiple phases using an Agile methodology, with the first module for the Office of the Public Guardian slated for delivery in January 2017.

Operational Enhancements

The initiatives outlined in the *Digital and Knowledge Management Strategy* which aims to utilise technology to enable knowledge and information sharing are not slated for completion until the 2016-17 financial year. However, several projects were completed to improve operations for NSWTG staff during this transition phase.

These projects included:

- Implementation of **centralised phone queue system** (Genesys) and call metric software for the 2017 and Beyond Service Centre Pilot
- **System enhancements for legacy Financial Management Client Information System (CIS)** relating to new features for client invoice processing and task types
- **System enhancements for legacy Trust Estates Asset Management System (TEAMS)** relating to migration from Sybase to Microsoft SQL databases and implementation of new features for tasks and electronic file notes.

IT Governance and Performance

The focus of NSWTG's IT program for 2015-2016 consisted of enhancements to information technology systems specifically aimed at improving the governance and reliability of our core operations. These included:

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- Migration and Upgrade of databases and application servers to the **Government Data Centre** (GovDC) facilities in Silverwater and Unanderra (disaster recovery)
- Migration and Upgrade of telephony systems to **Telstra IP Telephony (TIPT)** for our metropolitan and regional branches
- Migration from Lotus Notes for email to **Microsoft Office 365**, including Microsoft Outlook, Sharepoint Online (corporate intranet platform)
- Migration of Corporate Finance systems from Sun Finance to the Department of Justice **SAP Finance**
- Migration of Corporate HR from Aurion to the Department of Justice **SAP HR**
- Migration and Consolidation of Corporate Reporting from Business Objects, Microsoft Access, and direct SQL queries to **Tableau**
- Migration of Office of the Public Guardian (OPG) Lotus Notes Client Management System document stores to **HP Records Manager 8.1** to improve stability and performance
- Upgrade of Records Management System from TRIM 7 to **HP Records Manager 8.1**
- Upgrade of base operating environment from Windows XP to **Windows 7**
- Upgrade of **fibre ring and network links** for a selection of major metropolitan and regional branch offices
- Commencement of **Wills Scanning and Archival** program to digitise all current Wills and Wills Instruments.

NSWTG's program of works in 2016-17 will continue the consolidation of our systems under a unified framework with the Department of Justice in alignment with the NSW Government *Digital+ 2016 ICT Strategy*.

Electronic Access and Communication

The NSW TG website tag.nsw.gov.au continued to grow as an important point of access for services and information about the organisation in 2015-2016. Over the course of the year 224,798 users visited the site, a 4.6% increase on the previous year. The website received approximately 900 enquiries, 135 intestacy referrals and 875 Plan Ahead Day appointment bookings.

Most popular sections of the website in 2015-2016 were the Locations page and Power of Attorney and Wills content pages. Downloads of NSW TG publications were strong, demonstrating the relevance of NSW TG information brochures and booklets. Information available on the website about NSW TG's changing fee structure and new service delivery model was readily accessed with 3186 downloads of the Fee Changes brochure and 515 downloads of the Independent Pricing and Regulatory Tribunal Recommendations and Client Fact Sheet.

The Online Wills Console showed strong growth as a valuable source of lead generation receiving 2,764 applications 2015-2016, a 55.6% increase on the previous year. The increase in applications to the Online Wills Console was largely due to the creation of the Make an Appointment button on the Home Page and an increase in appointment requests from a link to planning ahead website, planningaheadtools.com.au.

Projects and Campaigns

Memorandum of Understanding /Partnership Agreements

Surety Bond Scheme

One of NSWTG's roles is to provide oversight of financial management by Private Managers. In order to effectively undertake this role and to ensure that all estates are protected, NSWTG introduced the Surety Bond scheme. A Surety Bond is a form of financial guarantee which undertakes to pay any financial losses of the person under management if their Private Manager fails to perform their duties in accordance with the law. The intent of the scheme is to ensure privately managed people have security.

The Surety Bond is not mandatory for all privately managed estates and is assessed on a case-by-case basis. There is a Surety Bond fee based on liquid assets (such as cash or money held in bank accounts). The value of the estate for the purpose of the Surety Bond does not include any real property, accommodation bonds, motor vehicles, furniture, funds lodged with NSWTG or superannuation for managed persons under 65 years as these assets can be secured using other means.

Promoting Supported Decisions for People with a Disability

Family members, government and industry professionals have traditionally made many decisions for people with disabilities. Since Australia ratified the United Nations Convention on the Rights of Persons with Disabilities in 2008, there has been a significant shift away from *others* deciding on what is considered to be in a person's 'best interest' toward what *they* would like to happen in their own life.

The Supported Decision Making Project

Family and Community Services have provided funds for the Public Guardian to run a Supported Decision Making Project for 12 months. NSWTG is a partner in the project. Supported Decision Making is integral to empowering people with disabilities to have more choice and control over their lives.

The aims of the project are to:

- Build the capacity of people with disabilities to exercise choice and control when making decisions by educating those who can act as supporters
- Support targeted people whose finances are managed by NSWTG to increase their capability to manage parts of their estate and enhance their financial literacy
- Create a community of practice to support and develop supported decision making practice and knowledge.

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There are two parts to this project: focusing on people with a financial management order who want support to exercise greater control over their financial affairs and, focusing on providing training and information to those in the disability sector on the best way to provide support for decision making.

Financial Supported Decision Making

The financial decision making team is working with up to 30 people who have been identified as wanting to develop their capability to take a greater role in managing their finances. For some of these people, greater self-management or even revocation of their order is a goal to work towards. For others the scope to develop capability may be more limited; they may aim only to develop a greater understanding of their finances or look to manage a small portion of their estate.

The financial decision making team will work with the participants in a number of ways:

- Assist them to undertake financial literacy training if that is their choice
- Assist them to develop their informal networks of support to make more of their own financial decisions
- Where appropriate, provide help to navigate the process for seeking a review of their financial management order.

NSWTG staff will also receive training on supported decision making and the role it plays in building capability and autonomy.

Training for Supported Decision Making

The training team conducted an extensive consultation in the first half of 2016 to establish what those in the disability industry already know about supported decision making and to find out what they need. Training was developed based on these consultations, extensive research into the various pilots that have occurred and the literature on supported decision making. The key message of the training is that participants can uphold the rights of people with disabilities through building their ability to make or participate in decisions.

This training has been developed in the context of the National Disability Insurance Scheme, and highlights the importance of knowing the person and establishing their will and preferences when making decisions. This is a significant shift away from making decisions *for* someone that would be considered 'in their best interest', to making decisions *with* the person, empowering them with choice and control. The training has been promoted through National Disability Service forums and is expected to reach over 2000 people by the end of the project. An industry group has also been established to share ideas and resources on supported decision making bi-monthly.

The Supported Decision Making Project will be formally evaluated by the University of NSW, Social Policy Research Centre, at the end of the project.

Legislative Reviews and Inquiry Submissions

To support our clients in exercising their life choices NSWTG provides input into legislative reviews and inquiries. In this way we seek to reflect the interests and needs of our clients in the public policy framework.

In 2015-2016 NSWTG provided responses to the NSW Legislative Council Inquiry into Elder Abuse, the Australian Law Reform Commission Inquiry into Elder Abuse and the NSW Law Reform Commission Review of the *Guardianship Act 1987*.

Community Campaigns

Planning for the Future: Get it in black & white

One of the goals of the NSW Ageing Strategy (2012) is to increase the completion rates of planning ahead documents: Wills, Powers of Attorney, Enduring Guardianship and Advance Care Plans. 'Get it in black & white' is a social marketing campaign aimed at raising awareness and increasing completion rates of planning ahead documents. The campaign is designed to start conversations and promote action around the important questions of what happens to you and your assets when you become incapacitated or die. The campaign targets people aged 45 years and over in NSW, and encourages people to find out more, take action and take control.

In 2015-16 the campaign ran its third phase starting in December 2015 and running through to June 2016. The creative messages for the campaign were designed to align with key life stages such as getting married, having children, buying property and retirement. The campaign media elements utilised were metropolitan television advertising and radio, regional television advertising, digital advertising, social media paid posts and social advocacy (publishers as influencers). For Chinese and Arabic audiences a mix of subscription television, radio, press advertising and online advertising were used. The overall objectives of the campaign were to create awareness and encourage the completion of planning ahead documents by encouraging people to visit the planning ahead website (www.planningaheadtools.com.au) or call an enquiry line supported by LawAccess NSW.

The campaign was also supported by community education sessions delivered by NSWTG and Public Guardian to local community groups and over 60 organisations requesting information packs. Posters and brochures were also displayed in 950 medical practices throughout NSW, with patients on average taking 4500 of the brochures per month.

The targets for the objectives of the campaign were exceeded with substantial increases in awareness and understanding of planning ahead documents. Highlights include a 7% increase in understanding of Enduring Guardianship documents. Visits to the Planning Ahead Tools website increased by 132% compared to when the campaign is not in market and a 63% increase in calls to the LawAccess enquiry line during the campaign. It has also generated ongoing enquiries for further information about these documents.

NSW Trustee & Guardian

NSW Seniors Week

NSW Seniors Week is a significant Government initiative which provides opportunities for people aged 60 and over to remain active, healthy, engaged and contributing to society. NSW TG has been a sponsor of Seniors Week for 16 years and takes part in various activities during the week. This year Seniors Week ran from 1-10 April 2016 with NSW TG focusing on community engagement and promoting the importance of planning ahead by making a Will, Power of Attorney and appointing an Enduring Guardian.

NSW TG had a strong presence at the Seniors Week Festival Expo including an information booth and guest speaking opportunity to educate audiences on the importance of having planning ahead documents in place.

Will It Your Way

NSW TG has formed a two year partnership with *Will It Your Way*. The charity was established by Kay Catanzariti following the death of her 21 year old son Ben in a workplace accident. Ben did not have a Will, which resulted in considerable stress for his family at a time of immense grief. Kay's experiences have made her determined to educate Australians – especially 18-25 year olds – about the importance of having a Will.

NSW TG is listed as a recommended Will-maker and has provided specialist content for the website including explaining why young people often have more assets to leave than they think, and resources to help young Aboriginal people plan ahead.

Booklets and Publications

On 1 July 2016 NSW TG will introduce a new fee structure. In preparation for the changes to our fees all booklets, publications and our website were updated. A list of publications that were updated and republished to reflect our new fees are:

- A Guide to Wills, Estates & Trusts
- A Guide to Powers of Attorney
- A Guide to Beneficiaries
- A Guide to Executorship & Probate
- A Guide for Court Ordered Trusts
- Wills and Powers of Attorney
- Fees for our services.

National Disability Insurance Scheme (NDIS)

The NDIS represents a fundamental change on how supports to people with a disability are funded and delivered across Australia. The NDIS replaced a 'one size fits all' state system. People with a permanent and significant disability that affects their participation in everyday activities and people with disability who would benefit from early intervention now receive individualised funding to access reasonable and necessary supports.

NSW Trustee & Guardian

The NDIS provides individual packages of funding for an NDIS participant, linked to a plan that outlines a person's reasonable and necessary disability supports. The participant can decide to either self-manage their funds for support, chose a nominee to manage them, or get help to manage the funding from a plan management provider of their choice or the National Disability Insurance Agency (NDIA). *In NSW, it has been agreed that NDIS participants who are under financial management by NSWTG will not self-manage their funds.*

NSWTG is involved in NDIS through its capacity as a financial manager and trustee for people with a disability. NSWTG continues to work closely with NDIA on a systemic level to address issues identified in the trial site. At an individual level, there is a need to ensure the development of viable plans for individuals which aligns with their NSWTG managed budget.

NSWTG continues to undertake a number of activities to develop our working relationship with NDIA and assist in best practice plan development including:

- Data sharing for common clients to ensure best plan is developed
- Development of the Financial Information Access Referral (FAIR) form for consistency of information provision
- Training delivered to over 80 NDIS planners and staff
- Participation in service provider training about the role of financial managers
- Development of tip sheets to assist planners and service providers
- Advocacy to ensure that every NSWTG client has a Local Area Coordinator (LACs) work directly with participants and support them in accessing and transitioning to the NDIS.

The Public Guardian is also involved in the NDIS rollout across NSW. Many participants who are unable to advocate for themselves due to cognitive disability may have the Public Guardian appointed to develop an individual plan on their behalf.

Governance

NSWTG governance framework ensures we act in compliance with all legislation and policy and in accordance with best practice.

Our Executive Team (as at 30 June 2016)

Chief Executive Officer, Commissioner of Dormant Funds

Imelda Dodds, BSocSc, MA Public Policy, Adjunct Professor of Social Work, University of Western Sydney

Director, Business Development and Communications

Liz Argent, B.Sc., GradDipCom (Marketing)

Director, Financial Performance

Martin Pengilly, BSc (Hons) and FCA

Director Information Technology

Dr. John Chow, BE BMedSci PhD

Director, Legal Services

Ruth Pollard, LL.B (U Syd)

Director Service Advisory

Tracy Burgess, BA, EMPA, CRM

Director, Service Delivery

Damon Quinn, BA, MA, MBA (AGSM)

Director Transformation Office

Joan O'Dwyer, B.Ed(Adult). Dip Mgt

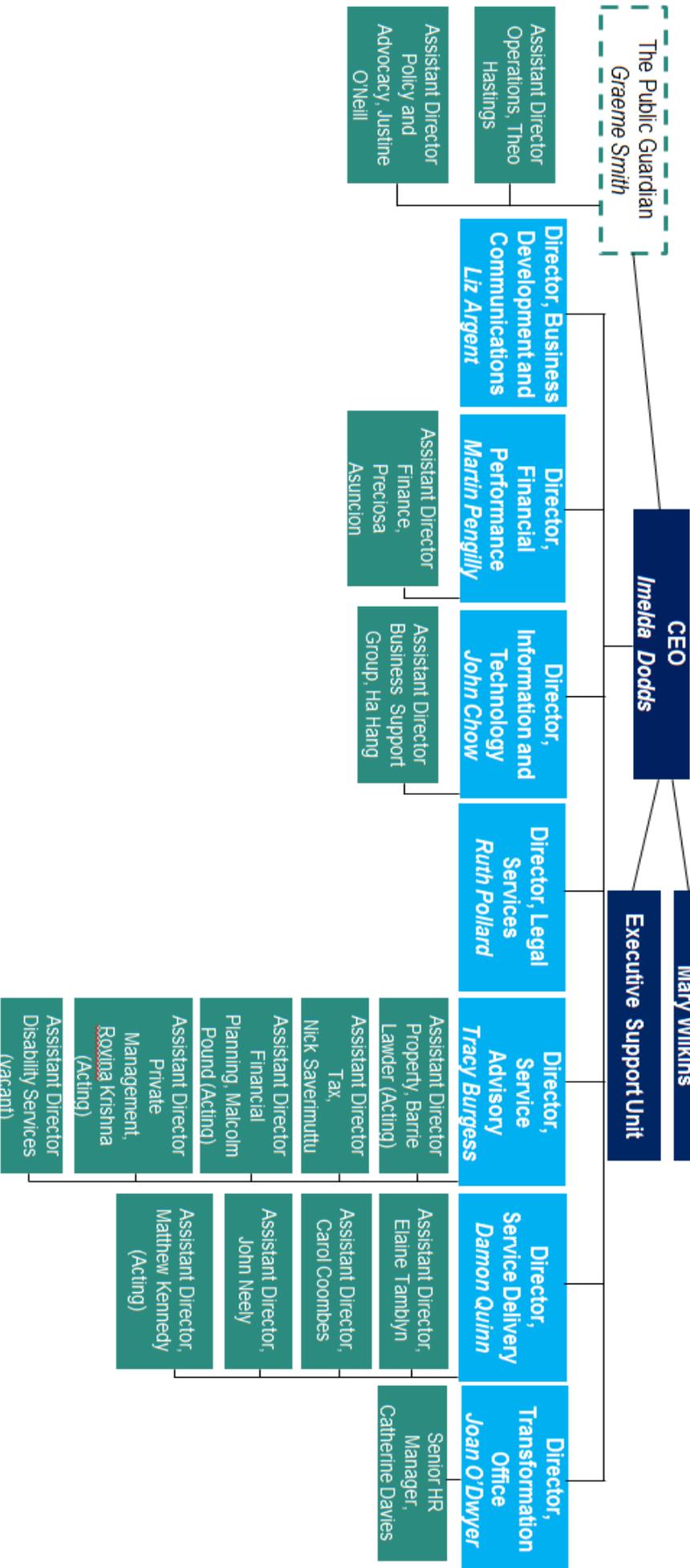
Corporate Management Systems

NSWTG includes the following divisions:

- Client Services
- Specialist Services
- Finance and Funds Management
- Executive and Strategic Services
- Legal Services.
- Information Technology.
- Business Development and Communications.

NSW Trustee and Guardian

Executive Team and Supporting Officers (as at 30 June 2016)



NSW Trustee & Guardian

NSWTG Advisory Committee

During the reporting period the NSWTG Advisory Committee met four times. The Advisory Committee advises the Chief Executive Officer on strategic issues and change across NSWTG. The external members of the Advisory Committee are:

- *Edward Birt*, has extensive experience in the disability services area with a focus on person centred approaches to disability support.
- *Andrew Buchanan*, is a professional communicator and former chair of Disability Council of NSW. He has more than 25 years experience in broadcast programming, operations and management with the ABC.
- *John Davies AM*, has extensive public sector and not-for-profit experience until his retirement from the position of CEO St Johns Ambulance in 2002.
- *Robert Haebich*, is an experienced lawyer, director of a diversity of companies, manager and bureaucrat. His focus has been to identify and address justice issues and increasingly, those relating to the capacity of individuals and communities to understand, protect and exercise their rights.
- *Richard Lancaster SC*, has been a barrister since 1997 and as senior counsel since 2009. His areas of expertise are administrative law, the law of charities and trusts, equity and commercial law, and discrimination and human rights law. He is a member of the Human Rights Committee of the NSW Bar Association.
- *Prue Vines*, is a Professor at the Faculty of Law, UNSW, Sydney and has been a member of the Law School since 1990. Her major areas of interest are torts and succession law, including end of life decisions and guardianship. She authored *Aboriginal Wills Handbook: A practical guide to making culturally appropriate wills for Aboriginal people* to improve the rate of Will making among indigenous people.
- *Michelle Johnson*, is a Lawyer with over 30 years experience who runs her own practice specializing in trust and inheritance law.

Independent Investment Advisory Committee

The Independent Investment Advisory Committee includes internal and external members to advise the CEO on issues relating to investment of clients' funds. NSWTG is represented on the committee by the CEO and Directors. The external members are:

- *Alan Bertram*, who had 31 years' experience in investment activities for AMP until retirement in 1999 and has since undertaken advisory and consultative roles for AMP and Medibank Private. (Retired May 2016)
- *Ted Gifford*, who had 36 years' experience in a wide range of investment activities for AMP until retirement in 2002.
- *Julie Elliot*, Principal Nous Group, has extensive experience across financial services and Government (Commenced May 2016)
- *Jim Dawson*, (representing the NSW Treasurer) Director Fiscal and Economic Group. Crown Asset and Liability Management, NSW Treasury.

NSW Trustee & Guardian

Transformation Advisory Committee

A Transformation Advisory Committee was established to provide oversight and ensure the required rigor for the reform process. This committee is chaired by the Secretary, Department of Justice. The Committee members are:

- Andrew Cappie-Wood (Chair)
- Imelda Dodds (CEO NSW TG)
- Julie Elliott
- Prue Vines
- Ian Neale
- Ian Gillespie
- Andrew Buchanan.

Audit and Risk Committee

NSWTG has an Audit and Risk Committee in compliance with Treasury Policy TPP 15-03. The committee meets quarterly and provides independent assistance to the CEO of NSW TG by monitoring, reviewing and providing advice about NSW TG's governance processes, risk management and control frameworks and its external accountability obligations.

The committee members are:

- Ian Gillespie – Independent Chair
- Paul Crombie – Independent Member
- Gul Izmir – Independent Member.

Trustee & Guardian System Committee

In 2015-2016, NSW TG completed a number of enhancements to information technology systems specifically aimed at improving the governance and reliability of our core operations, detailed in the Projects and Campaigns section. These enhancements are undertaken in close collaboration with our service provider the Department of Justice Information Technology Services (ITS), and overseen by the Trustee and Guardian Systems (TAGS) Committee which meets monthly.

The committee members are:

- Aaron Liu: Executive Director, Information Technology Services, Department of Justice
- John Chow: Director Information Technology, NSW TG
- Brett Pilon: Director Infrastructure, ITS
- James Spring: Director Information Management, ITS
- Ha Hang, Assistant Director Business Support Group, NSW TG
- Kathy Duke: Manager, Business Relationship Team, ITS.

NSW Trustee & Guardian

Other Key Committees

NSWTG also has a Joint Consultative Committee, Workplace Health and Safety Committee and Information Technology Steering Committee. Our representation on significant external committees is detailed in Appendix 6.

Business Plans

NSWTG have the following corporate plans which inform division and branch plans to ensure a corporate focus on objectives and outcomes:

- Operational Plan
- Marketing Plan
- Risk Management Plan
- Business Continuity Plan
- Total Asset Management Plan
- Strategic Internal Audit Plan

Compliance Program

In 2015–2016 NSWTG continued to develop and improve their governance, risk management and general compliance frameworks. All NSWTG policies identify risks in non-compliance and the workflow task management system identifies mechanisms for automating controls and risk checks in processes.

Risk Management and Audit

NSWTG develops a Strategic Internal Audit Plan annually. This plan identifies the risks and audits to be undertaken. NSWTG maintains a risk register, identifying both operational and corporate risks. The management of risk is compliant with Treasury policies TPP 15-03, Tpp14-05 and TPP 12-03. It is also compliant with AS/NZS ISO 31000 requirements.

Major business processes are protected by:

- Internal audit programs which ensure effective control systems are in place
- External auditing by the NSW Audit Office to assess the adequacy of controls
- Fraud control strategy and a corruption prevention framework
- Oversight by and reporting to the NSWTG Audit and Risk Committee
- Business continuity and business contingency plans
- Risk management framework
- NSWTG policy and procedure framework, including clearly defined delegations
- Systemic reporting and ad hoc systems based data mining.

NSW Trustee & Guardian

NSWTG is a member of the NSW Treasury Managed Fund which provides insurable risk protection. Our insurance coverage includes:

- Corporate properties
- Workers Compensation
- Liability, including public liability and professional indemnity
- Motor vehicle
- Miscellaneous.

Internal Audit

NSWTG has an outsourced model for internal audit. Price Waterhouse Coopers (PwC) were the contracted internal audit service providers for the 2015-2016 financial year. The Director Specialist Services carries the additional role as Chief Audit Executive for NSWTG.

During the financial year, PwC and the Chief Audit Executive assessed the adequacy of existing controls and provided recommendations to enhance effectiveness and efficiency of both policy and practice.

Business Continuity

The Business Continuity Plan was reviewed and tested in 2015–2016. The plan is designed to ensure that in the event of an emergency situation, all critical business systems and processes will continue to operate, enabling the continuation of services.

Internal Audit and Risk Management Attestation Statement

Internal Audit and Risk Management Attestation Statement for the 2015-2016 Financial Year for NSW Trustee and Guardian

I, Damon Quinn am of the opinion that the NSW Trustee and Guardian has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements

Risk Management Framework

1.1	<i>The agency head is ultimately responsible and accountable for risk management in the agency</i>	Compliant
1.2	<i>A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009</i>	Compliant

Internal Audit Function

2.1	<i>An internal audit function has been established and maintained</i>	Compliant
2.2	<i>The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing</i>	Compliant
2.3	<i>The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'</i>	Compliant

Audit and Risk Committee

3.1	<i>An independent and Audit and Risk Committee with appropriate expertise has been established</i>	Compliant
3.2	<i>The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations</i>	Compliant
3.3	<i>The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'</i>	Compliant

Membership

The chair and members of the Audit and Risk Committee are:

- Independent Chair, Ian Gillespie, 1 March 2012 to 30 June 2016
- Independent Member, Paul Crombie, 1 July 2011 to 30 June 2016
- Independent Member, Gul Izmir, 7 December 2015 to 30 June 2016



Damon Quinn, CEO
12 September 2016



Tracy Burgess
Chief Audit Executive (ph:8688 7353)

Annual Report - Digital Information Security Annual Attestation Statement

It is recommended that the CEO approve the inclusion of an attestation statement as an appendix to the NSW TG's Annual Report, as required by "Core Requirement 5" of the "NSW Government's Digital Information Security Policy" (the Policy).

EVALUATION

The NSW Government Digital Information Security Policy (April 2015) introduced five "Core Requirements" relating to the management of security of digital information as follows:

1. All NSW Government Departments, Statutory Bodies and Shared Service Providers must have an Information Security Management System (ISMS) based on a comprehensive assessment of the risk to digital information and digital information systems.
2. The ISMS must encompass the minimum set of controls detailed within the Policy.
3. Shared Service Providers identified in Policy and agencies with an elevated risk profile must maintain certified compliance with "AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems – Requirements".
4. Security events, incidents and near misses that pose a threat across the public sector must be disseminated through the Digital Information Security Community of Practice.
5. Each Department and Statutory Body must attest annually to the adequacy of its digital information and information systems security in the Annual Report.

The attestation requirements identified within the Policy are as follows:

Attestation 1. An ISMS consistent with the Core Requirements of Implementation of the Policy was in place during the financial year being reported on.

- The NSW Trustee and Guardian has maintained compliance with the Core Requirements of the Policy as follows:
- Maintenance of a risk management and internal auditing framework, governed by the Audit and Risk Committee, that addresses risks to the NSW Trustee and Guardian's information assets.
- Implementation of an Information Security Policy and its associated technical, personnel and administrative controls.
- Maintenance of certified compliance with AS/NZS ISO/IEC 27001 by the Information Technology Services (ITS), who are the NSW Trustee and Guardian's ICT Shared Service Provider.
- Participation of the NSW Trustee and Guardian's Senior Responsible Officer (SRO) in the NSW Government's Information Security Community of Practice.
- Inclusion of the proposed attestation statement in the Annual Report.

Attestation 2. That adequate security controls are in place to mitigate identified risks to digital information and digital information systems for the foreseeable future.

- The NSW Trustee and Guardian's information security controls exceed the minimum controls specified in the Policy and are subject to periodic evaluation

and risk assessment by Information Technology Services group as part of certified compliance with AS/NZS ISO/IEC 27001 and by the NSW Trustee and Guardian's internal and external auditors.

- As part of the NSW Trustee and Guardian's risk management and audit framework, identified weaknesses, opportunities for improvement and the completion of associated corrective actions are reported to management and tracked to completion.
- A number of enhancements to the NSW Trustee and Guardian's information security controls are in progress, however, existing controls are considered to be adequate for the foreseeable future in anticipation of the successful completion of these improvements.

Attestation 3. All agencies under the control of the NSW Trustee and Guardian that require an independent ISMS have developed one in accordance with the Policy.

- Whilst no agencies fall within scope of this attestation, it is factually correct. Guidance documentation issued by the Department of Finance of Services recommends its inclusion in these circumstances.

Attestation 4. That where required by the Policy certified compliance with AS/NZS ISO/IEC 27001 is maintained.

The NSW Trustee and Guardian meets the Policy criteria for certification of its ISMS to AS/NZS ISO/IEC 27001, in respect of "Ownership of information assets that contain information about identifiable members of the public".

- The Policy identifies that certification should "focus on the main part of the business critical ISMS" and "the agency's most important information assets and those most at risk in terms of the likelihood of a security event".
- In complying with this requirement the NSW Trustee and Guardian has chosen to focus on the operations of its ICT Shared Service Provider, the Information Technology Services (ITS) group within Corporate Services. ITS has operational responsibility for the implementation and management of the NSW Trustee and Guardian's most significant technical and administrative security controls including the following:
 - Network security
 - Access control
 - Electronic records management
 - Security Incident management

ITS operations have been certified as AS/NZS ISO/IEC 27001 compliant on an ongoing basis since 2006.

RECOMMENDATION

That the CEO approve the inclusion of the attached attestation statement within the relevant section of the Annual Report for 2015-16 dealing with risk management activities.

A handwritten signature in black ink, appearing to read 'John Chow', with a long horizontal stroke extending to the right.

John Chow
Director, Information Technology

A handwritten signature in black ink, appearing to read 'Damon Quinn', with a long horizontal stroke extending to the right.

Damon Quinn
Acting Chief Executive Officer

Digital Information Security Annual Attestation Statement for the 2015-2016 Financial Year for the NSW Trustee & Guardian

I, Damon Quinn, am of the opinion that:

The NSW Trustee & Guardian had an Information Security Management System in place during the 2015-2016 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of the NSW Trustee & Guardian are adequate.

There is no agency under the control of the NSW Trustee & Guardian which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.

Risks to the digital information and digital information systems of the NSW Trustee & Guardian have been assessed with an independent ISMS developed in accordance with the NSW Government Digital Information Security Policy.

Future Plans

The new vision and mission with strategic priorities defined in the 2013-14 financial year has driven the need for fundamental changes over the ensuing years for NSWTG. The business case developed in the previous financial year was approved by government and announced in October 2015. The business case included six streams of work with twenty five discrete projects. Some of these were not dependent on government approval and were commenced prior to the announcement.

The significant changes to the structure and operations of NSWTG include:

- The consolidation of the Branch network from nineteen to ten
- The establishment of centralised service centres to deliver consistent client service
- The remaining branch network to focus on outreach and pre-planning instruments
- Using Service NSW as an information and access point for NSWTG services
- Greater on-line capability
- Greater use of external service providers.

Stakeholder forums were held in metropolitan and regional centres to explain the changes and address concerns from across the community. These forums were held in:

- Armidale
- Bathurst
- Broken Hill
- Gosford
- Lismore
- Newcastle
- Parramatta
- Sydney
- Wagga Wagga
- Wollongong.

NSWTG commenced a pilot of the new service delivery model in January 2016. This continued through the rest of the financial year. Piloting will identify any risks that need to be address prior to implementing the new business model across all service areas. The pilot will be independently evaluated and the report is anticipated in the early part of 2016/17.

Over 80% of all interactions with NSWTG are by phone. As well as maintaining this avenue and growing our outreach capacity, NSWTG will significantly increase the on-line access available as well as automating processes where possible to improve accuracy and efficiency.

New operating models have been developed for Property, Legal, Genealogy, Compliance, Financial Planning and Disability Advocacy. New procedures and processes will support these models as they are developed.

Public Guardian Annual Report

The Public Guardian is a legally appointed substitute decision maker for people with disability who experience difficulty making decisions about their health and lifestyle. The Public Guardian is appointed by the Guardianship Division of the NSW Civil and Administrative Tribunal (NCAT) or the Supreme Court of NSW using the NSW Guardianship Act 1987. The Public Guardian is appointed when there is no other person to take on the role.

The principles of the *Guardianship Act 1987* aim to promote the rights of people with disability. The Act and its principles inform the Public Guardian's work by including people in decision making, identifying their will and preference, considering their best interests, providing advocacy and supporting them to participate in a normal life in the community.

Work of the Public Guardian during 2015-2016

Through 2015-2016 there was an increase in the number of people requiring public guardianship. The Public Guardian worked with 3,025 people, a slight increase from 2,964 people in 2014-2015. By 30 June 2016, the Public Guardian was guardian for 2,141 people. While the rate of increase of people under the Public Guardian slowed in 2015-2016 from the previous year, overall staff workload has increased as guardians assist people to transition to the National Disability Insurance Scheme.

Table 10: Employees by Category (ANZSCO Major Category)

	Number of people under the Public Guardian	All clients
as at 30 June 2016	2,141	3,025
as at 30 June 2015	2,096	2,964
as at 30 June 2014	1,993	2,836

Table 11: Number of new orders appointing the Public Guardian

Year	New Orders
2012-2013	833
2013-2014	798
2014-2015	860
2015-2016	967

Table 12: Client Disabilities

Client Disability Type	Percentage
Intellectual Disability	32%
Dementia	20%
Mental Health	22%
Brain Injury	9%
Neurological	5%
Autism	2%
Other	10%

Number of Major Decisions

Since the 2014-2015 financial year there has been a 110% increase in the number of service decisions made. This is largely due to people under guardianship transitioning to the NDIS. The services function allows guardians to consent to eligible NDIS participants to enter the scheme. The services function also enables the Public Guardian to participate in the NDIS planning process. A continued increase in this workload is expected as people under guardianship continue to access the NDIS over the next two years.

Access decisions have increased by 56% in the last 12 months, this represents an increasingly complex workload for Public Guardian staff. Access decisions are time consuming and often involve the guardian working within highly contentious family situations.

Table 13: Number of Major Decisions

Decision Type	2015-2016	2014-2015
Accommodation	685	492
Coercive accommodation	361	288
Services	959	456
Access	109	70
Healthcare	241	198
Restrictive practices	79	64
Advocacy	2	--
Legal, medical decisions and other	33	7

NSW Trustee & Guardian

The National Disability Insurance Scheme

On 1 July 2016 the National Disability Insurance Agency (NDIA) commenced the nationwide roll-out of the National Disability Insurance scheme (NDIS). A significant number of people under the guardianship of the Public Guardian are eligible to be participants of the NDIS. The Public Guardian currently represents 296 scheme participants. It is expected this number will increase substantially as the scheme rolls out to new local government areas over the next two years.

The Public Guardian has provided feedback and advice in the development of NDIS related policies, particularly those regarding people with complex support needs. The Public Guardian has consulted with the NDIA about the scheme's standards and safeguarding measures, to promote participants' interests. Guardians have been extensively involved in the pre-planning process, releasing information, attending meetings, seeking reviews of plans, consenting to service, consenting to plans, and seeking allied health referrals.

The Public Guardian has identified issues that will need to be addressed for participants to experience the full range of benefits of the scheme, especially as the scheme continues its nationwide rollout. These include:

- A high demand for services that can support participants
- The need for available, suitable housing and
- The capacity for the NDIA to respond quickly to individuals with complex needs in crisis.

The Supported Decision Making Project Phase 2

The Public Guardian and the NSW Trustee and Guardian have been funded by Family and Community Services for 12 months to run the Supported Decision Making Phase Two Project. The aim of this project is to:

- build the capacity of people with disabilities to exercise choice and control when making decisions by educating those who can act as supporters
- support targeted people whose finances are managed by NSW Trustee and Guardian to manage parts of their estate where possible.

As of September 2016, the training component of the project has conducted full day training workshops and presented at multiple forums reaching approximately 1,200 people in the disability sector. The key message for participants is that they can uphold the rights of people with disabilities through building their ability to make decisions, simply by providing the appropriate support. This training recognises and builds on the expertise already in the disability sector and provides a framework for best practice around support for decision making. Delivered in the context of the NDIS, it highlights the importance of knowing the person and establishing their will and preferences when making decisions. This is a significant shift away from making decisions for someone that would be consider 'in their best interest', to making decisions with the person that empowers them with choice and control.

NSW Trustee & Guardian

The financial decision making team has targeted 22 participants who wish to build their financial literacy with the possibility of managing more of their own estates. These participants will be provided targeted support that will focus on building their ability. NSW Trustee and Guardian staff will also receive training on supported decision making and the role it plays in building ability and autonomy.

The Initial Hearing Team

The Initial Hearing Team (IHT) is a small team of Principal Guardians who participate in as many initial guardianship hearings as possible, as part of the Public Guardian's role as a statutory party to all guardianship hearings. The IHT provides independent information to educate families, service providers and Tribunal members about the role and function of the Public Guardian. The IHT provides advice about when a guardianship order may benefit a person with disability, or when alternative options to guardianship may be appropriate.

The IHT has been in operation since April 2014. To date, the IHT has assessed nearly 4,500 initial guardianship applications and attended over 2,000 initial hearings. In 2015-2016 the IHT participated in 1,181 hearings. Historically the ratio of Public Guardian to Private Guardian appointments has been 65:35. In the last two years this ratio has shifted to 55:45. The Guardianship Division has welcomed the increased participation of the Public Guardian.

UN Convention on the Rights of Persons with Disabilities (UNCRPD)

'We are in a time of great change in adult guardianship systems around the world. The United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) has challenged the fundamentals of adult guardianship systems. It questions the idea that impaired mental capacity leads to a loss of legal capacity or that substitute decision making based on best interest principles can provide the best outcomes for people with impaired decision making.'

Graeme Smith, Public Guardian.

This year the Public Guardian updated the decision making guideline to align it more closely with current thinking about rights for people with decision making impairment. The guideline aims to strengthen the Public Guardian's commitment to respect for the autonomy and self-determination of represented people within a protective framework. It emphasises the relationship between the guardian and the represented person, with the intention of improving the guardian's knowledge of the person, their will and preferences. The Public Guardian believes this knowledge must guide how guardians determine what is in the welfare and interests of each represented person.

The NSW Law Reform Commission (LRC) has begun a review of the Guardianship Act 1987. At this time the Public Guardian has discussed the potential impact of the UNCRPD on guardianship legislation and practice in NSW with the LRC.

NSW Trustee & Guardian

Community Information and Education

The Public Guardian has a responsibility under *Section 79 of the Guardianship Act 1987* to assist the community to understand and apply the principles of the Act and the role and functions of guardianship.

The Public Guardian provides free information sessions to members of the community. We present information that explains the role of the Public Guardian, the areas of decision making and consent the Public Guardian is involved in and alternatives to guardianship. We also provide information for people wanting to plan for a substitute decision maker in the event they lose this capacity and need someone to assist them to make decisions.

In 2015-2016 the Public Guardian presented 87 Community Education sessions to hospitals, councils, community groups and aged care facilities across metropolitan and regional centres in NSW.

The Public Guardian also provides a telephone and email information service to the general community. In 2015-2016 we responded to 3,550 requests for information. The Public Guardian has publications and fact sheets available for people who have a guardian, private and enduring guardians, medical and health practitioners, and the general community. In addition to publications available through our community education sessions, in 2015-2016 there were 382 requests for fact sheets and other publications.

Support for Private and Enduring Guardians

The Private Guardian Support Unit (PGSU) provides information and guidance for private and enduring guardians to help them understand their legal role and responsibilities. The PGSU gives guardians an opportunity to discuss their situation. We provide support to guardians by clarifying their role and the extent of their decision making authority. In some circumstances we may attend meetings and guardianship hearings with them. We can assist guardians to think about ways to talk about their role to health and service providers and to those they need to deal with when making substitute decisions.

By June 2016, 2,237 private guardians were appointed in NSW, 967 of these were new appointments. During 2015-2016, 151 private guardians contacted the Private Guardian Support Unit with a total of 202 phone calls.

Complaint Management and Reviews of Decisions

During 2015-2016 the Public Guardian received 61 complaints. Of these 38 complaints were made directly to our complaints unit and 23 complaints were received by members of NSW Parliament. The number of complaints was two less than 2014-2015. The complaints were submitted by service providers and family or friends of people with a Public Guardian. The complaints mainly related to our decision making processes, our communication and expectations about the role of the guardian.

NSW Trustee & Guardian

In the last year there were 25 requests for an Internal Review of Decision, one more than last year. The decisions reviewed were about either access or accommodation.

Of the 25 requests for review, 21 decisions were upheld, two requests were withdrawn as the decisions that were being reviewed were changed. Two requests were declined as they did not meet review criteria – one request came in after 21 days and it could not be established how the person who made the second request was an interested party to the decision.

When a person is dissatisfied with the Public Guardian's review they can seek an external review through the Administrative and Equal Opportunity Division of the NSW Civil and Administrative Tribunal (NCAT). During 2015-2016, four of the Public Guardian's decisions were externally reviewed, with one being upheld by the Tribunal. The remaining three are pending.

Staffing

Table 13: Employees by category:

Category	Number of Employees
Managers	4
Professionals	43.1
Technicians and Trades Workers	0
Community and Personal Service Workers	1.4
Clerical and Admin Workers	13.5
TOTAL	62

Based on census date FTE data from the DAGJ Principal Agency Workforce Profile

Staff Training

During 2015-2016 the Public Guardian engaged Mary Jo McVeigh, Social Work Consultant and CEO of Cara House, to continue to provide coaching and mentoring to Principal Guardians and Managers in the practice of supervision. The aim of the coaching was to build organisational capacity in supervision, an area critical to maintaining high-performance, workload management and employee well-being. We will continue to support staff with these practices through individual support, and all staff days.

NSW Trustee & Guardian

Networks and Committees

The Public Guardian is involved with in the following networks and committees including:

- Planning for Later Life Forum
- Supported Decision Making Network
- NSW End of Life Implementation Advisory Committee
- Disability Roundtable
- Community Living Consultation Group
- Australian Guardianship and Administration Council
- Community Justice Program
- NHMRC Partnerships for the Better Health Project
- ARC: Effective Decision Making Support for Linkage of People with a Cognitive Disability Project
- Department of Justice Community and Stakeholder Engagement (CASE) group
- Joint Outreach Initiatives Network (JOIN)
- Aboriginal Carers Strategy Implementation Working Party
- Carers Strategy Implementation Committee (CSIC)
- Good service Mob - coalition of government agencies working together to do outreach to Aboriginal communities
- NDIS Senior Communicators Network
- The Child Protection Watch Team
- External Reference Group for Integrated Services Program and Community Justice Program
- Performance, People and Culture Special Interest Group, IPAA.

Future Directions

This year the NSW Law Reform Commission (LRC) commenced a review of the *Guardianship Act NSW 1987*. The Public Guardian has discussed with the Commission the potential impact of the UNCRPD on the way in which we understand legal guardianship in NSW. This will be an important consideration in relation to any proposed changes to the legislation. In the year ahead the Public Guardian will participate in the LRC's consultation process.

In the next financial year the Public Guardian will continue to support people participating in the NDIS. As the NDIS continues to roll out across NSW the Public Guardian will represent more people with complex needs such as people in exceptional circumstances, those involved in the criminal justice system and people requiring specialised behavioural supports. The Public Guardian's work will also be impacted by the Aged Care Reforms that are currently being introduced. We will monitor the implications of this on our work in the year ahead.

The Supported Decision Making Project, a partnership between the Public Guardian, NSW Trustee and Guardian and Family and Community Services is due to be completed in 2017. As it comes to its completion the Public Guardian will explore the sustainability of the training resources developed through this project.

NSW Trustee & Guardian

Public Guardian Budget and Expenditure

The operations of the Public Guardian are funded by a grant from the government. Result from operating activities for 2015-16 was a deficit of \$0.32 million which included a loss from actuarial adjustment of defined superannuation benefit funds of \$0.25 million .

In summary:

- Total operational expenses were \$8.71 million - \$1.56 million under budget (15%)
- Total revenue was \$8.44 million - \$0.27 million over budget (3%).

For reporting purposes, Public Guardian 2016-17 Budget is consolidated with the NSW TG Budget, although operations are managed independently.

Table 14: PG budget and actual expenditures for 2015-16 and budget for 2016-17

	2015-16 Budget \$'000	2015-16 Actual \$'000	2016-17 Budget \$'000
OPERATING REVENUE			
Investment Income	120	149	120
Government grant	8,322	8,563	8,530
Miscellaneous Revenue	0	4	0
TOTAL OPERATING REVENUE	8,442	8,716	8,650
OPERATING EXPENSES			
Personnel service expenses	8,290	7,410	7,653
Advertising	33	15	32
Fees for Services	981	618	963
Postal and telephone	74	26	35
Lease expense	508	413	515
Other operating expenses	323	201	315
Maintenance	31	7	32
Depreciation and amortisation	102	96	102
TOTAL OPERATING EXPENSES	10,342	8,786	9,647
Surplus/(Deficit) from Operational Activities	(1,900)	(70)	(997)
Superannuation Adjustment	0	(250)	0
NET RESULT FOR THE YEAR	(1,900)	(320)	(997)
CAPITAL EXPENDITURE	6	12	15

Internal Audit and Risk Management Attestation for the 2015 -2016 Financial Year for NSW Trustee and Guardian

I, Justine O'Neill, am of the opinion that the Public Guardian Division of NSW Trustee and Guardian has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*. These processes provide a level of assurance that enables the Public Guardian Division to understand, manage and satisfactorily control risk exposures.



Justine O'Neill
12 October 2016
Acting Public Guardian

NSW Trustee & Guardian

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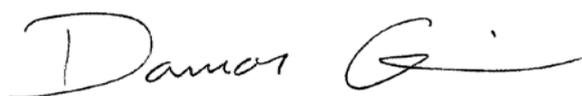
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NSW TRUSTEE AND GUARDIAN

**STATEMENT IN ACCORDANCE WITH
SECTION 41C PUBLIC FINANCE AND AUDIT ACT 1983**

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, I declare that in my opinion:

- a) The accompanying financial statements exhibit a true and fair view of the financial position as at 30 June 2016 and transactions for the year ended 30 June 2016;
- b) The financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions and NSW Treasury Circulars; and
- c) As at the date of this statement, I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



Damon Quinn
Acting Chief Executive Officer

25 October 2016



INDEPENDENT AUDITOR'S REPORT

NSW Trustee and Guardian

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of NSW Trustee and Guardian, which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of NSW Trustee and Guardian as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with 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 NSW Trustee and Guardian in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services.

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

The Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer must assess NSW Trustee and Guardian's ability to continue as a going concern unless NSW Trustee and Guardian will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that NSW Trustee and Guardian carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



David Daniels
Director, Financial Audit Services

20 September 2016
SYDNEY

NSW TRUSTEE AND GUARDIAN

Statement of comprehensive income for the year ended 30 June 2016

	Notes	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
Expenses excluding losses				
Operating expenses				
Personnel services	2(a)	94,786	67,212	69,619
Other operating expenses	2(b)	19,271	20,764	20,447
Depreciation and amortisation	2(c)	7,180	5,558	4,217
Total Expenses excluding losses		121,237	93,534	94,283
Revenue				
Sale of services	3(a)	65,349	59,257	61,457
Investment revenue	3(b)	792	5,119	6,554
Grants and contributions	3(c)	14,366	13,434	15,194
Other revenue	3(d)	10,764	10,846	5,547
Total Revenue		91,271	88,656	88,752
Gain / (Loss) on disposal	4	(102)	0	(6)
Other Gains/(Losses)	5	(1)	0	(1,154)
Net result		(30,069)	(4,878)	(6,691)
Other comprehensive income				
<i>Items that will not be reclassified to net result</i>				
Net Increase/(decrease) in property, plant and equipment revaluation surplus	9	1,129	0	2,041
Total other comprehensive income		1,129	0	2,041
TOTAL COMPREHENSIVE INCOME		(28,940)	(4,878)	(4,650)

The accompanying notes form part of these financial statements.

NSW TRUSTEE AND GUARDIAN

Statement of financial position as at 30 June 2016

	Notes	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	6	29,237	3,909	28,947
Receivables	7	29,776	22,046	24,157
Financial assets at fair value	8(a)	0	0	6,000
Total Current Assets		59,013	25,955	59,104
Non-Current Assets				
Financial assets at fair value	8(b)	51,439	52,073	45,149
Property, plant and equipment	9			
- Land and buildings		24,274	23,064	23,684
- Plant and equipment		8,755	22,057	13,689
Total property, plant and equipment		33,029	45,121	37,373
Intangible assets	10	7,562	18,557	2,665
Total Non-Current Assets		92,030	115,751	85,187
Total Assets		151,043	141,706	144,291
LIABILITIES				
Current Liabilities				
Payables	12	7,487	5,963	6,617
Provisions	13(a)	29,378	24,500	25,461
Total Current Liabilities		36,865	30,463	32,078
Non-Current Liabilities				
Provisions	13(b)	110,115	69,872	79,094
Other	13(c)	371	0	487
Total Non-Current Liabilities		110,486	69,872	79,581
Total Liabilities		147,351	100,335	111,659
Net Assets		3,692	41,371	32,632
EQUITY				
Reserves		6,770	5,641	5,641
Accumulated funds		(3,078)	35,730	26,991
Total Equity		3,692	41,371	32,632

The accompanying notes form part of these financial statements.

NSW TRUSTEE AND GUARDIAN

Statement of changes in equity for the year ended 30 June 2016

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2015		26,991	5,641	32,632
Net result for the year		(30,069)	0	(30,069)
Other comprehensive income:				
Net increase/(decrease) in property, plant and equipment	9	0	1,129	1,129
Total other comprehensive income		0	1,129	1,129
Total comprehensive income for the year		(30,069)	1,129	(28,940)
Balance at 30 June 2016		(3,078)	6,770	3,692
Balance at 1 July 2014		33,682	3,600	37,282
Net result for the year		(6,691)	0	(6,691)
Other comprehensive income:				
Net increase/(decrease) in property, plant and equipment	9	0	2,041	2,041
Total other comprehensive income		0	2,041	2,041
Total comprehensive income for the year		(6,691)	2,041	(4,650)
Balance at 30 June 2015		26,991	5,641	32,632

Statement of Cash Flows for the year ended 30 June 2016

		Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
	Notes			
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel Services		(60,814)	(67,212)	(58,362)
Operating expenses		(21,654)	(26,205)	(24,898)
Total Payments		(82,468)	(93,417)	(83,260)
Receipts				
Sale of services		62,330	59,257	61,505
Investment revenue received		398	2,119	674
Grants and contributions		14,366	13,434	15,194
Other		12,701	16,287	9,199
Total Receipts		89,795	91,097	86,572
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	7,327	(2,320)	3,312
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments, plant and equipment		0	6,056	0
Purchase of investments		0	(1,495)	0
Purchases of land and buildings, plant and equipment and infrastructure systems		(1,733)	(11,316)	(4,599)
Other		(5,304)	(15,311)	(1,033)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(7,037)	(22,066)	(5,632)
NET CASH FLOWS FROM FINANCING ACTIVITIES		0	0	0
NET INCREASE/ (DECREASE) IN CASH		290	(24,386)	(2,320)
Opening cash and cash equivalents		28,947	28,295	31,267
CLOSING CASH AND CASH EQUIVALENTS	6	29,237	3,909	28,947

The accompanying notes form part of these financial statements.

Summary of Significant Accounting Policies

(a) Reporting entity

NSW Trustee and Guardian is a NSW government entity.

NSW Trustee and Guardian is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

NSW Trustee and Guardian as a reporting entity, comprises all the operating activities under its control. NSW Trustee and Guardian includes the financial results of the operations of the Public Guardian. The Public Guardian is separate in its functions but reports to the Chief Executive Officer of NSW Trustee and Guardian.

These financial statements of NSW Trustee and Guardian for the year ended 30 June 2016 have been authorised for issue by Damon Quinn, acting Chief Executive Officer on 16 September 2016.

(b) Basis of preparation

NSW Trustee and Guardian's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

While NSW Trustee and Guardian has negative accumulated funds at balance date, the financial statements have been prepared on a going concern basis, after taking into account future revenue streams. Cash flow forecasts demonstrate that the NSW Trustee and Guardian will have sufficient funds to pay its debts as and when they are due for at least the next 12 months from the end of the reporting period.

Property, plant and equipment and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Insurance

NSW Trustee and Guardian's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

(e) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by NSW Trustee and Guardian as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

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

(f) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income of NSW Trustee and Guardian are discussed below.

(i) Sale of goods

Revenue from the sale of goods is recognised as revenue when NSW Trustee and Guardian transfers the significant risks and rewards of ownership of the assets.

(ii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

- **Commissions and fees**
Commissions and fees for trustee matters are recognised at the time the charges are levied. The rates and timing of charges are governed by the *NSW Trustee and Guardian Regulation 2008*.

Fees from clients are recognised on an accrual basis, when service is provided.

NSW Trustee and Guardian charges a percentage value of the total value of chargeable assets in a client's estate for the financial management of that estate. Fees include management fees, investment fees, and other fees while retaining NSW Trustee and Guardian's power to recover additional costs incurred, where applicable, from the Common Fund, refer to Note 18.

iii) NSW Government contributions and grants

NSW Government contributions include funding for the operations of the Public Guardian and other grants received from the NSW Government for the current year.

These are recognised as revenue when NSW Trustee and Guardian obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

Community service obligation - NSW Trustee and Guardian receives a grant from Treasury to enable access by the community to professional executor or Will services, professional services in management of non-commercial trusts and professional financial management services for those with low-income or limited assets. The grant is recognised as revenue when NSW Trustee and Guardian obtains control over the assets comprising the grant. Control is normally obtained upon receipt of cash.

iv) Common Fund transfers

Transfers from the Common Fund Reserves are recognised in the period in which they are determined to be receivable by NSW Trustee and Guardian.

v) Investment
revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Distribution received is recognised as revenue at the time of distribution. This is re-invested in units during the reporting period to which the distribution relates, refer to Note 1(g)(xii).

(g) Assets

(i) Acquisitions of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

(ii) Capitalisation thresholds

Property, plant and equipment, and intangible assets costing \$10,000 and above individually (or forming part of a network costing more than \$10,000) are capitalised.

(iii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 9 and Note 11 for further information regarding fair value.

Revaluations shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. NSW Trustee and Guardian conducts a comprehensive revaluation at least every three years for its land and buildings where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. The last comprehensive revaluation was completed on 31 March 2015 and was based on an independent assessment.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying amount. An interim revaluation was completed on 31 March 2016 as a result of a net increase/decrease indicators of 4.85%. NSW Trustee and Guardian used an external professionally qualified valuer to conduct the interim revaluation.

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value of property, plant and equipment. NSW Trustee and Guardian has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

NSW Trustee & Guardian

Notes to the financial statements for the year ended June 30 2016

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to NSW Trustee and Guardian.

All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset.

The estimated useful lives of the major classes of assets of NSW Trustee and Guardian are as follows:

	Years
Building	13-39
Computer equipment	3-5
Leasehold Improvements and office refurbishments	2-10
Plant and equipment	4-20

Leasehold improvements are amortised over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter.

(vi) Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(vii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

NSW Trustee & Guardian

Notes to the financial statements for the year ended June 30 2016

(viii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(ix) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

(x) Intangible Assets

NSW Trustee and Guardian recognises intangible assets only if it is probable that future economic benefits will flow to NSW Trustee and Guardian and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for NSW Trustee and Guardian's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

NSW Trustee and Guardian's intangible assets are amortised using the straight line method over 3-10 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(xi) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised at fair value. Subsequent measurement is at amortised cost using effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

NSW Trustee & Guardian

Notes to the financial statements for the year ended June 30 2016

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(xii) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. NSW Trustee and Guardian determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Fair value through profit or loss - The NSW Trustee and Guardian subsequently measures investments classified as 'held for trading' or designated upon initial recognition 'at fair value through profit or loss' at fair value. Financial assets are classified as 'held for trading' if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the net result for the year.

The Hour-Glass Investment Facilities are designated at fair value through profit or loss as these are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to NSW Trustee and Guardian's key management personnel.

NSW Trustee and Guardian funds invested in the Hour Glass Investment Facilities cover NSW Trustee and Guardian's liabilities.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the Statement of financial position date.

(xiii) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that NSW Trustee and Guardian will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xiv) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if NSW Trustee and Guardian transfers the financial asset:

NSW Trustee & Guardian

Notes to the financial statements for the year ended June 30 2016

- where substantially all the risks and rewards have been transferred or
- where NSW Trustee and Guardian has not transferred substantially all the risks and rewards, if NSW Trustee and Guardian has not retained control.

Where NSW Trustee and Guardian has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of NSW Trustee and Guardian's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(xv) Trust Fund

The NSW Trustee and Guardian receives monies in a trustee capacity for various trusts as set out in Note 18. As the entity performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the entity's own objectives, these funds are not recognised in the financial statements.

(xvi) Other Assets

Other assets are recognised on a historic cost basis.

(h) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to NSW Trustee and Guardian and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Personnel Services Expenses and Provisions

(a) Personnel Services Expenses

The Department of Justice provides employees to NSW Trustee and Guardian to enable it to carry out functions under the *NSW Trustee and Guardian Act 2009*.

The expense and liabilities due to the Department of Justice are classified as "Personnel services" in the Statement of comprehensive income and "Provisions" in the Statement of financial position (specified in NSWTC 15/07).

Personnel services expenses include salaries and wages and other costs for these services. Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

NSW Trustee & Guardian

Notes to the financial statements for the year ended June 30 2016

(b) Personnel Services Provisions

Personnel services provisions comprise NSW Trustee and Guardian's liability to the Department of Justice for annual leave, long service leave and superannuation arising from personnel services rendered by the Department of Justice to balance date.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits*. Actuarial advice obtained by NSW Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The NSW Trustee and Guardian has assessed the actuarial advice based on the NSW Trustee and Guardian's circumstances and has determined that the effect of discounting is immaterial to annual leave.

The NSW Trustee and Guardian's liability for long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 11/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

Superannuation is actuarially assessed prior to each reporting date and is measured at the present value of the estimated future payments. The amount recognised is the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value at the date of any defined benefit plan assets, out of which the obligation is settled directly.

The actuarial assessment of superannuation uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan. The liabilities are discounted using the market yield rate on government bonds of similar maturity to those obligations. Actuarial assumptions are unbiased and mutually compatible and financial assumptions are based on market experience for the period over which the obligations are to be settled.

All remeasurements arising from defined benefit plans are recognised in personnel services expenses in the year in which they occur.

(c) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(iii) Other Provisions

Other provisions exist when: NSW Trustee and Guardian has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

NSW Trustee & Guardian

Notes to the financial statements for the year ended June 30 2016

If the effect of the time value of money is material, provisions are discounted at the 10 year government bond rate of 2.21% which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(i) Fair value hierarchy

A number of NSW Trustee and Guardian's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the NSW Trustee and Guardian categories, for disclosure purpose, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the NSW Trustee and Guardian can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The NSW Trustee and Guardian recognises transfers between levels of the fair value hierarchy at the end of reporting period during which the change has occurred.

Refer Note 11 and Note 19 for further disclosures regarding fair value measurements of financial and non-financial assets.

(j) Equity and reserves

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with NSW Trustee and Guardian's policy on the revaluation of property, plant and equipment as discussed in note 1(g)(iii).

(ii) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

(iii) Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. revaluation surplus).

(k) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Any subsequent amendments to the original budget are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 16.

(l) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

(m) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2015-16.

Reference	Description	Operative Date
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawals of AASB1031 Materiality	1-Jul-15

The adoption of these standards did not have a material impact on NSW Trustee and Guardian's financial statements.

ii) Issued but not yet effective

NSW public sector agencies are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective:

Reference	Description	Operative Date
AASB 2014-4	Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	1-Jan-16
AASB 2015-1	Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (AASB 116 & 138)	1-Jan-16
AASB 2015-2	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB101	1-Jan-16
AASB 9, 2010-7, 2013-9 (Part C), 2014-1 (Part E), 2014-7, 2014-8	Amendments to Australian Accounting Standards arising from AASB9 regarding Financial Instrument	1-Jan-18
AASB 2015- 6	Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	1-Jul-16
AASB 2015-7	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities	1-Jul-16
AASB 16	Leases (Appendix D)	1-Jan-19
AASB 15	Revenue from Contracts with Customers	1-Jan-18

The adoption of these standards in future periods is not expected to materially impact the financial statements.

Other recently issued or amended standards are not expected to have a material impact on NSW Trustee and Guardian's financial statements.

2. Expenses Excluding Losses

	2016	2015
	\$'000	\$'000
(a) Personnel services		
Salaries and wages (including annual leave)	53,024	49,523
Superannuation - defined benefit plans *	32,903	10,824
Superannuation - defined contribution plans	3,708	3,593
Long service leave	1,894	1,968
Worker's compensation insurance	412	822
Payroll tax and fringe benefits tax	2,845	2,889
Total personnel services	94,786	69,619

* Includes actuarial loss of \$31.70 million (loss of \$9.41 million in FY 2014-15).
These relate to expenses for personnel services provided by the Department of Justice.

(b) Other operating expenses

	2016	2015
	\$'000	\$'000
Auditor's remuneration - audit of financial statements:		
- NSW Trustee and Guardian	209	212
- Common Fund	266	330
Operating lease rental expenses		
Computer hardware & equipment leasing	0	0
Motor vehicle lease	62	70
Rent expense - NSW Government buildings	0	2,280
Rent expense - non-government buildings	4,510	1,353
Maintenance	1,545	1,426
Insurance	751	175
Consultants	1,083	2,165
Advertising	1,501	2,149
Internal audit fees	386	525
Fees for services rendered	6,500	7,229
Gas and electricity	387	342
Office supplies	368	268
Postal and telephone	1,074	1,118
Travel expenses	269	300
Training and development	303	404
Other	57	101
Total other operating expenses	19,271	20,447

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

(c) Depreciation and amortisation expense

	2016	2015
	\$'000	\$'000
Depreciation		
Buildings	539	546
Plant and equipment	6,332	3,464
Total depreciation	6,871	4,010
Amortisation		
Intangible assets	309	207
Total amortisation	309	207
Total depreciation and amortisation	7,180	4,217

3. Revenue

(a) Sale of services

	2016	2015
	\$'000	\$'000
Rendering of Services		
Commissions and fees	26,727	23,402
Trustee fees	4,928	5,519
Private management supervision fees	1,708	1,789
Common Fund management fees	31,986	30,747
Total sale of services	65,349	61,457

(b) Investment revenue

	2016	2015
	\$'000	\$'000
Interest revenue from financial assets not at fair value through profit or loss	502	799
TCorp Hour Glass Investment Facility designated at fair value through profit or loss*	290	5,755
Total investment revenue	792	6,554

*This includes unrealised loss of \$2,353,159 (gain of \$1,422,893 in FY 2014-15).

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

(c) Grants and contributions

	2016	2015
	\$'000	\$'000
Funding for the operations of the Public Guardian	8,313	8,313
Community service obligation	5,112	5,112
Contribution from NSW Government	941	1,769
Total grants and contributions	14,366	15,194

(d) Other revenue

	2016	2015
	\$'000	\$'000
Car Hire	9	12
Inspection fees	35	38
Refund of working expenses from clients - <i>NSW Trustee and Guardian Regulation 26</i>	332	433
Transfer from the Common Fund*	10,352	5,000
Other	36	64
Total other revenue	10,764	5,547

*Other Revenue includes a transfer from the proceeds of the former Public Trustee NSW Common Fund's Interest Suspense Account. Under Schedule 1, Part 2, 16 (1)(c) of the *NSW Trustee and Guardian Act 2009*, the Interest Suspense Account may be applied for the current and future costs incurred by the NSW Trustee and Guardian in the exercise of its functions under the Act. Payment out of Section(1)(c) is in accordance with NSW Trustee and Guardian's approved Budget for 2015-16.

4. Gain / (Loss) on Disposal

The disposal of fully depreciated assets and assets no longer required and written off resulted to a loss of \$101,592.

	Property, Plant and equipment \$'000	Intangible assets \$'000	Total \$'000
2015-16			
Proceeds from disposal	0	0	0
Written down value of assets disposed	(5)	0	(5)
Write-off work in progress	(97)	0	(97)
Net gain/(loss) on disposal	(102)	0	(102)
2014-2015			
Proceeds from disposal	0	0	0
Written down value of assets disposed	(5)	(1)	(6)
Net gain/(loss) on disposal	(5)	(1)	(6)

5. Other Gains/(Losses)

	2016 \$'000	2015 \$'000
Impairment on receivables	(1)	(16)
Impairment on assets (Note 10)	0	(1,138)
Total other gains/(losses)	(1)	(1,154)

6. Current Assets -Cash and Cash Equivalents

	2016 \$'000	2015 \$'000
Cash at Bank and on hand	29,237	28,947
Total cash and cash equivalents	29,237	28,947

For the purposes of the Statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalents recognised in the Statement of financial position are reconciled to the Statement of cash flows.

Refer to Note 19 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. Current Assets - Receivables

	2016	2015
	\$'000	\$'000
Sale of services	2,935	168
Allowance for impairment	(1)	(5)
Other debtors	148	876
Accrued income	6,334	5,202
Personnel services	20,283	17,724
Prepayments	77	192
Total receivables	29,776	24,157

(a) Movement in the allowance for impairment

Balance at 1 July	5	14
Amounts written off during the year	(1)	(10)
Amounts recovered during the year	(2)	(1)
Increase/(decrease) in allowance recognised in profit or loss	(1)	2
Balance at 30 June	1	5

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired, are disclosed in Note 19.

8. Current/Non-Current Assets - Financial Assets at Fair Value

(a) Current Financial assets at fair value

	2016	2015
	\$'000	\$'000
TCorp Long Term Growth Facility	0	6000
Total current financial assets at fair value	0	6,000

(b) Non-current Financial assets at fair value

	2016	2015
	\$'000	\$'000
TCorp Long Term Growth Facility	51,439	45,149
Total non-current financial assets at fair value	51,439	45,149

Refer to Note 19 for further information regarding fair value measurement, credit risk, liquidity risk and market risk arising from financial instruments.

9. Non-Current Assets - Property, Plant and Equipment

	Land and buildings* \$'000	Plant and equipment \$'000	Plant and Equipment - WIP \$'000	TOTAL \$'000
At 1 July 2015 - fair value				
Gross carrying amounts	23,815	20,845	2,576	47,236
Accumulated depreciation and impairment	(131)	(9,732)	0	(9,863)
Net carrying amount	23,684	11,113	2,576	37,373
At 30 June 2016 - fair value				
Gross carrying amounts	24,969	24,096	419	49,484
Accumulated depreciation and impairment	(695)	(15,760)	0	(16,455)
Net carrying amount	24,274	8,336	419	33,029

Reconciliation

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Land and buildings* \$'000	Plant and equipment \$'000	Plant and equipment - WIP \$'000	TOTAL \$'000
Year ended 30 June 2016				
Net carrying amount at start of year	23,684	11,113	2,576	37,373
Additions	0	0	1,587	1,587
Transfer from work in progress		3,647	(3,647)	0
Net revaluation increment less revaluation decrements	1,129	0	0	1,129
Decrease in leasehold makegood	0	(87)	0	(87)
Disposals (including write off)	0	(5)	(97)	(102)
Depreciation expense	(539)	(6,332)	0	(6,871)
Net carrying amount at end of year	24,274	8,336	419	33,029

* Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 11.

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

	Land and buildings*	Plant and equipment	Plant and equipment - WIP	TOTAL
	\$'000	\$'000	\$'000	\$'000
At 1 July 2014 - fair value				
Gross carrying amounts	22,280	17,937	1,698	41,915
Accumulated depreciation and impairment	(92)	(7,346)	0	(7,438)
Net carrying amount	22,188	10,591	1,698	34,477
At 30 June 2015 - fair value				
Gross carrying amounts	23,815	20,845	2,576	47,236
Accumulated depreciation and impairment	(131)	(9,732)	0	(9,863)
Net carrying amount	23,684	11,113	2,576	37,373

Reconciliation

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Land and buildings*	Plant and equipment	Plant and equipment - WIP	TOTAL
	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2015				
Net carrying amount at start of year	22,188	10,591	1,698	34,477
Additions/Transfers	0	437	4,433	4,870
Transfer from work in progress		3,555	(3,555)	0
Net revaluation increment less revaluation decrements	2,041	0	0	2,041
Disposals	0	(6)	0	(6)
Depreciation expense	(546)	(3,464)	0	(4,010)
Net carrying amount at end of year	23,684	11,113	2,576	37,373

* Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 11.

10. Intangible Assets

	Computer Software \$'000	Computer Software - WIP \$'000	TOTAL \$'000
At 1 July 2015			
Cost (gross carrying amount)	2,745	1,922	4,667
Accumulated amortisation and impairment	(2,002)	0	(2,002)
Net carrying amount	743	1,922	2,665
At 30 June 2016			
Cost (gross carrying amount)	3,581	5,549	9,130
Accumulated amortisation and impairment	(1,568)	0	(1,568)
Net carrying amount	2,013	5,549	7,562

Reconciliation

A reconciliation of the carrying amount of each class of intangibles at the beginning and end of the current reporting period is set out below.

	Computer Software \$'000	Computer Software - WIP \$'000	TOTAL \$'000
Year ended 30 June 2016			
Net carrying amount at start of year	743	1,922	2,665
Additions	0	5,206	5,206
Transfer from work in progress	1,579	(1,579)	0
Impairment loss	0	0	0
Disposals	0	0	0
Amortisation (recognised in "depreciation and amortisation")	(309)	0	(309)
Net carrying amount at end of year	2,013	5,549	7,562

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

	Computer Software \$'000	Computer Software - WIP \$'000	TOTAL \$'000
At 30 June 2014 - fair value			
Cost (gross carrying amount)	6,095	2,867	8,962
Accumulated amortisation and impairment	(5,751)	0	(5,751)
Net carrying amount	344	2,867	3,211

At 30 June 2015			
Cost (gross carrying amount)	2,745	1,922	4,667
Accumulated amortisation and impairment	(2,002)	0	(2,002)
Net carrying amount	743	1,922	2,665

Reconciliation

A reconciliation of the carrying amount of each class of intangibles at the beginning and end of the current reporting period is set out below.

	Computer Software \$'000	Computer Software - WIP \$'000	TOTAL \$'000
Year ended 30 June 2015			
Net carrying amount at start of year	344	2,867	3,211
Additions:	0	800	800
Transfers from work in progress	607	(607)	(0)
Impairment Loss	0	(1,138)	(1,138)
Disposals	(1)	0	(1)
Amortisation (recognised in "depreciation and amortisation")	(207)	0	(207)
Net carrying amount at end of year	743	1,922	2,665

11. Fair value measurement of non-financial assets

(a) Fair value hierarchy

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total fair value \$000
2016				
Property, plant and equipment (Note 9)				
Land and buildings	0	24,274	0	24,274
	0	24,274	0	24,274
2015				
Property, plant and equipment (Note 9)				
Land and buildings	0	23,684	0	23,684
	0	23,684	0	23,684

There were no transfers between levels 1 and 2 during the period ended 30 June 2016.

(b) Valuation techniques, inputs and processes

NSW Trustee and Guardian land assets, valued using market evidence, are usually measured using the market approach with adjustment for condition, location, comparability, etc and therefore are categorised as Level 2. The market approach will usually be available even when the land has no feasible use.

NSW Trustee and Guardian's building assets are valued using market evidence and are categorised as Level 2. The valuer considers the market as observable inputs and has tried to maximise the use of observable inputs in accordance with the intention of AASB 13.

12. Current Liabilities - Payables

These relate to accrued cost of goods and services provided to NSW Trustee and Guardian.

	2016 \$'000	2015 \$'000
Personnel services payable	751	1,717
Creditors	5,684	4,323
GST Payable	930	241
Capital expenditure payables	122	336
	7,487	6,617

Details regarding credit risk, liquidity risk and market risk including a maturity analysis of the above payables, are disclosed in Note 19.

13. Current/Non-Current Liabilities - Provisions

These relate to annual leave, long service leave and superannuation for personnel services provided by the Department of Justice.

(a) Current Provisions

	2016	2015
	\$'000	\$'000
Personnel services :		
Annual leave	5,880	5,615
Long service leave	23,498	19,846
Total current provisions	29,378	25,461

Current provisions are expected to be settled, as follows:

	2016	2015
	\$'000	\$'000
Personnel services before 12 months	781	666
Personnel services after 12 months	28,597	24,795
Total current provisions	29,378	25,461

(b) Non-current Provisions

	2016	2015
	\$'000	\$'000
Personnel services:		
Long service leave	61	740
Defined benefit superannuation liability	110,054	78,354
Total non-current provisions	110,115	79,094

(c) Non-current Other Provisions

	2016	2015
	\$'000	\$'000
Restoration costs*	371	487
Total non-current other provisions	371	487

*Provision is recognised for lease contracts with material make good provision or where the impact of the provision is considered to be material.

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

Movements in provisions (other than employee benefits), are set out below:

	Restoration costs	Total
	\$'000	\$'000
Carrying amount at the beginning of the year	487	51
Additional provisions recognised	0	436
Amounts used	(30)	0
Unused amounts reversed	(86)	0
Unwinding/change in discount rate	0	0
Carrying amount at the end of the year	371	487

14. Commitments for Expenditure

(a) Capital commitments

Aggregate capital expenditure contracted for the acquisition of non - current assets at balance date but not provided for:

	2016	2015
	\$'000	\$'000
Not later than one year	2,493	526
Later than one and not later than 5 years	0	0
Later than 5 years	0	0
Total (including GST)	2,493	526

(b) Operating lease commitments

Future non cancellable operating leases not provided for and payable:

	2016	2015
	\$'000	\$'000
Not later than one year	1,160	1,222
Later than one and not later than 5 years	2,013	2,604
Later than 5 years	1,064	1,119
Total (including GST)	4,237	4,945

Operating lease commitments relate to leases currently held in relation to the occupancy of premises by NSW Trustee and Guardian in Sydney and regional offices. These also include operating leases of motor vehicles.

Total commitments include GST receivable from the Australian Taxation Office of \$ 611,791 (\$497,275 in FY 2014-15).

15. Contingent Liabilities and Contingent Assets

Legal Matters

NSW Trustee and Guardian may bear a cost risk of some proceedings which have been concluded on behalf of clients due to adverse verdicts or other court orders. The total estimated cost is approximately \$0.44 million (\$2.72 million in 2014-15) of which \$0.16 million (\$2.31 million in 2014-15) will be recovered from the Treasury Managed Fund.

NSW Trustee and Guardian is transitioning to a new operating model as a result of the 2017 and Beyond Transformation. Consequent to this and the implementation of the Government Service Employment Act 2013 (GSE Act), there may be liabilities for voluntary redundancies due to changes to role descriptions and capabilities. The voluntary redundancies will be funded by NSW Treasury. If the voluntary redundancies go ahead as planned it is expected that long service and annual leave may be paid earlier than shown in note 13.

There were no contingent assets during the year.

16. Budget Review

Net Result

The actual net result is lower than budget by \$25.19 million due to an increase in expenses of \$27.70 million and an increase in revenue of \$2.62 million. The increase in expenses resulted from the recording of an actuarial loss on defined benefit superannuation funds of \$31.70M.

Personnel services expenses is higher than budget by \$27.57 resulting from the superannuation adjusted and savings in other employee related expenses of \$4.13 million primarily due to unfilled positions during the reporting period.

Other operating expenses are lower than budget by \$1.49 million due to decrease in marketing, consultancy and other fee expenses. Depreciation and amortisation expenses are higher than budget by \$1.62 million mainly due to accelerated depreciation of NSW Trustee and Guardian assets in offices that are to be discontinued as a result of the implementation of 2017 and Beyond Transformation Business Case.

Revenue is higher than budget by \$2.62 million due to increases in revenue from commission and fees of \$6.09 million and government grant of \$0.93 million offset by decreases in investment and other revenue of \$4.33 million. The increase in commissions and fees is attributed to increase in number and value of NSW Trustee and Guardian clients' assets which positively impacted on revenue. An additional grant of \$0.69M was provided by government to cover increase in rent of NSW Trustee and Guardian offices.

Other losses are higher than budget due to the write-off of plant and equipment - work in progress of \$0.10 million during the year.

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

Assets and Liabilities

Total assets exceeded budget by \$9.34 million mainly due to timing differences in the implementation of NSW Trustee and Guardian's capital projects which resulted in an increase in cash and a decrease in non-current assets by 19.31M. Increase in receivables of \$7.66M represent unpaid revenue as at reporting date.

Total liabilities were higher than budget by \$47.02 million due to increase in provision for employee related liabilities resulting from the year-end actuarial adjustments for defined benefit superannuation as at 30 June 2016.

Cash flows

Net cash flow is higher than budget by \$24.68 million.

Cash flow from operating activities is higher than budget by \$9.65 million mainly due to decrease in personnel services and operating expenses of \$10.95 million and decrease in revenue receipts of \$1.30 million.

Cash flow from investing activities is lower than budget by \$15.03 million mainly due to reduction in capital purchases and projects carried forward to 2016-17. There were no proceeds from sale of investments recognised during the year.

17. Reconciliation of Cash Flows from Operating Activities to Net Result

	2016 \$'000	2015 \$'000
Net cash used on operating activities	7,327	3,312
Depreciation	(7,180)	(4,217)
Revaluation on TCorp LTGF Investment	290	5,755
(Increase)/Decrease in provisions	(34,938)	(11,021)
Increase/(Decrease) in prepayments and other assets	5,619	1,862
(Increase)/Decrease in creditors	(1,085)	(1,238)
Net Gain/(Loss) on disposal of assets	0	(6)
Plant and equipment write off	(102)	0
Impairment loss on asset	0	(1,138)
Net Result	(30,069)	(6,691)

18. Common Fund Assets

NSW Trustee and Guardian manages the assets of clients under the *NSW Trustee and Guardian Act 2009*. These assets are not included in the financial statements as NSW Trustee and Guardian cannot use them for the achievement of its objectives. These are separately reported in the financial statements of NSW Trustee and Guardian – Common Funds.

Under Section 104 (5) of the *NSW Trustee and Guardian Act 2009*, amounts credited to a common fund are held on trust by the NSW Trustee and Guardian. Details are summarised below:

	2016 \$'000	2015 \$'000
Common Fund - Trustee		
Balance at the beginning of the financial year	1,183,894	1,139,953
Receipts	1,025,890	1,017,265
Payments	(990,726)	(971,440)
Unrealised gain/(loss) in investments	(10,963)	(1,884)
Balance at the end of the financial year*	<u>1,208,095</u>	<u>1,183,894</u>
Common Fund - Financial Management		
Balance at the beginning of the financial year	1,519,125	1,444,293
Receipts	608,926	540,913
Payments	(499,508)	(478,301)
Unrealised gain/(loss) in investments	(47,853)	12,220
Balance at the end of the financial year*	<u>1,580,690</u>	<u>1,519,125</u>
Total assets	<u><u>2,788,785</u></u>	<u><u>2,746,960</u></u>

* Unaudited for both years.

19. Financial Instruments

NSW Trustee and Guardian's principal financial instruments are outlined below. These financial instruments arise directly from NSW Trustee and Guardian's operations or are required to finance NSW Trustee and Guardian's operations. NSW Trustee and Guardian does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NSW Trustee and Guardian's main risks arising from financial instruments are outlined below, together with NSW Trustee and Guardian's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management, reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by NSW Trustee and Guardian, to set risks limits and controls and to monitor risks. Compliance with policies is reviewed by NSW Trustee and Guardian's Audit and Risk Committee and internal auditors on a continuous basis.

(a) Financial instrument categories:

Financial assets	Notes	Category	Carrying amount	Carrying amount
			2016	2015
Class:			\$'000	\$'000
Cash and cash equivalents	6	N/A	29,237	28,947
Receivables ¹	7	Receivables measured at amortised cost	29,699	23,964
Financial assets at fair value	8(a)(b)	At fair value through profit and loss - designated as such upon initial recognition	51,439	51,149

Financial liabilities	Notes	Category	Carrying amount	Carrying amount
			2016	2015
Class:			\$'000	\$'000
Payables ²	12	Financial liabilities measured at amortised costs	6,557	6,376

Notes:

¹ Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

² Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

(b) Credit risk

Credit risk arises when there is the possibility that NSW Trustee and Guardian's debtors will default on their contractual obligations, resulting in a financial loss to NSW Trustee and Guardian. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of NSW Trustee and Guardian including cash, receivables and authority deposits. No collateral is held by NSW Trustee and Guardian.

NSW Trustee and Guardian has not granted any financial guarantees.

Credit risk associated with NSW Trustee and Guardian's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW Treasury Corporation (TCorp) are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System (TBS). Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph d) below.

Interest on TBS balances is paid six monthly in March and September by NSW Treasury.

Receivables - Trade debtors

All trade debtors are recognised as amounts receivable at balance date. Receivables include trade debtors and other receivables, comprising:

- Commissions and fees; and
- Sundry debtors.

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that NSW Trustee and Guardian will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings.

No interest is earned on trade debtors. Sales are made on 21 days terms.

NSW Trustee and Guardian is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

The only financial assets that are past due or impaired are sales of services in the receivables category of the Statement of financial position.

	Total ^{1,2} \$'000	Past due but not impaired ^{1,2} \$'000	Considered Impaired ^{1,2} \$'000
2016			
< 3 months overdue	42	42	0
> 3 months < 6 months overdue	19	19	0
> 6 months overdue	32	31	1
2015			
< 3 months overdue	43	43	0
> 3 months < 6 months overdue	20	20	0
> 6 months overdue	42	37	5

Notes:

¹ Each column in the table reports "gross receivables".

² The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are past due and not impaired. Therefore the "total" will not reconcile to the receivables total recognised in the Statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that NSW Trustee and Guardian will be unable to meet its payment obligations when they fall due. NSW Trustee and Guardian continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. NSW Trustee and Guardian's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSWTC 11/12. For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, NSW Trustee and Guardian may automatically pay the supplier simple interest. The rate of interest applied for the year was 10.22% (2014-15 - 10.36%)

The liquidity risk is managed by the preparation of cash flow projections on a regular basis for current liabilities. The table below summarises the maturity profile of NSW Trustee and Guardian's financial liabilities, together with the interest rate exposure.

		Interest Rate Exposure		Maturity Dates
	Weighted average effective interest rate %	Nominal Amount \$'000	Non-interest bearing \$'000	<1 Year \$'000
2016				
Payables				
Personnel services payable	N/A	751	751	751
Creditors	N/A	5,684	5,684	5,684
Capital expenditure	N/A	122	122	122
Total		6,557	6,557	6,557

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

		Interest Rate Exposure	Maturity Dates	
	Weighted average effective interest rate %	Nominal Amount \$'000	Non- interest bearing \$'000	<1 Year \$'000
2015				
Payables				
Personnel services payable	N/A	1,717	1,717	1,717
Creditors	N/A	4,323	4,323	4,323
Capital expenditure	N/A	336	336	336
Total		6,376	6,376	6,376

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. NSW Trustee and Guardian's exposure to market risk is primarily through other price risks associated with the movement in the unit price of the TCorp Hour Glass Investment Facilities. NSW Trustee and Guardian has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which NSW Trustee and Guardian operates and the time frame for the assessment, which is until the end of the next annual reporting period. The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as 2015. The analysis assumes that all other variables remain constant.

(i) Interest rates risk

NSW Trustee and Guardian does not have interest bearing liabilities.

Exposure to interest rates risk arises primarily through NSW Trustee and Guardian's deposits with financial institutions. However, the risks are minimised as the deposits are at call. A reasonable possible change of interest of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest volatility.

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

NSW Trustee and Guardian's exposure to interest rate risk is set out below:

	Carrying Amount \$000	-1% Profit \$000	Equity \$000	1% Profit \$000	Equity \$000
2016					
Financial assets					
Cash and cash equivalents	29,237	(292)	(292)	292	292
2015					
Financial assets					
Cash and cash equivalents	28,947	(289)	(289)	289	289

No other financial assets have interest rate risk.

(ii) Other price risk - TCorp Hour Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour Glass Investment facilities, which are held for strategic rather than trading purposes. NSW Trustee and Guardian has no direct equity investments. NSW Trustee and Guardian holds units in:

Facility	Investment Sector	Investment Horizon	2016 \$000	2015 \$000
Hour-Glass Long Term Growth Facility	Cash, Money market instruments, Australian Bonds, Listed Property, Australian, International and Emerging Markets Shares, International Hedged Shares and Multi Asset	7 Years and over	51,439	51,149

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit-holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorp Hour Glass facilities limits NSW Trustee and Guardian's exposure to risk, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments.

NSW Trustee & Guardian
Notes to the financial statements for the year ended June 30 2016

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information over a ten year period, quoted at two standard deviations (i.e 95% probability). The TCorp Hour Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

Facility	Change in Unit Price	Impact on profit/loss	
		2016 \$'000	2015 \$'000
	%		
Hour Glass Investment - Long Term Growth Facility	+16%	8,230	7,672
Hour Glass Investment - Long Term Growth Facility	-16%	(8,230)	(7,672)

(e) Fair value measurement

(i) Fair value compared to carrying amount

Financial instruments are generally carried at cost, with the exception of the TCorp Hour Glass Investment facilities which are measured at fair value. The amortised cost of financial instruments recognised in the Statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments.

(ii) Fair value recognised in the Statement of financial position

	Level 2 \$000	2016	2015
		Total \$000	Total \$000
Financial assets at fair value			
TCorp Hour Glass Investment Facility	51,439	51,439	51,149
	51,439	51,439	51,149

There were no transfers between levels 1 and 2 during the period ended 30 June 2016.

There were no levels 1 and 3 categories, hence not disclosed.

The value of the Hour Glass investments is based on NSW Trustee and Guardian's share of the value of the underlying assets of the facility, based on the market value. All the Hour Glass facilities are valued using 'redemption' pricing.

(f) Committees

The Chief Executive Officer has ultimate responsibility for risk management and governance, including ensuring that an appropriate risk framework is in place and is operating effectively. There are however other committees and individuals within NSW Trustee and Guardian that manage and monitor financial risks.

NSW Trustee & Guardian

Notes to the financial statements for the year ended June 30 2016

The Audit and Risk Committee assists NSW Trustee and Guardian to achieve its corporate and fiduciary objectives by providing advice and ensuring that a sound and efficient system of internal control is maintained by sound risk management practices and effective internal and external audit review. The responsibilities of the Committee encompass the review and oversight of the following areas:

- Risk Management
- Internal control framework (governance)
- Legislative compliance
- Internal audit
- External audit
- Initiate investigations into any matter deemed appropriate.

The Independent Investment Advisory Committee (IIAC) has the following responsibilities:

- review of the management of Common Funds, and its portfolios
- review of the management of its corporate investment portfolio
- review and oversight of the performance of Common Funds Portfolios compared to the relevant benchmarks.

The role of the IIAC is to review policies and oversight the management of investment assets of clients, investments made by the trustee, and investments of NSW Trustee and Guardian. As part of this process, the IIAC reviews and recommends to the CEO strategies for the various portfolios in accordance with the investment policies and legislative direction.

20. Events after the Reporting Period

No events have occurred since the end of the financial year which significantly affect/may significantly affect the operations/results of operations of NSW Trustee and Guardian.

End of Audited Financial Statements

Appendices

Appendix 1: Obligations Under the GIPA Act

NSWTG proactively releases information and handles requests for information pursuant to the requirements of the *Government Information (Public Access) Act 2009* (GIPAA), replacing the *Freedom of Information Act 1989*. As a separate entity for GIPAA, NSWTG considers all applications for information held by it and the Public Guardian.

Review of proactive release program - Clause 7(a)

Under section 7 of the GIPA Act, agencies must review their programs for the release of Government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

During the reporting year, NSWTG has continued to review and update its policies and procedures. NSWTG's proactive release reflects the information and policies of repeated interest to our clients. NSWTG holds large amount of sensitive and personal client information. We have implemented procedures which require us to consider informal release of information wherever possible, subject to any over-riding considerations against disclosure.

NSWTG's program for the proactive release of information involves the review of all policies and procedures as they are finalised to consider whether they are suitable for pro-active release. Information considered to fall within the guidelines for proactive release is available for download from our website www.tag.nsw.gov.au via the "access to information" tab.

Number of access applications received - Clause 7(b)

During the reporting period, NSWTG received a total of 17 formal access applications (including withdrawn applications but not invalid applications).

Number of refused applications for Schedule 1 information - Clause 7(c)

During the reporting period, NSWTG refused a total of 6 formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. The request for information was instead considered under trustee disclosure obligations and released as an informal request.

Statistical information about access applications - Clause 7(d) and Schedule 2

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media								
Members of Parliament								
Private sector business								
Not for profit organisations or community groups								
Members of the public (application by legal representative)	7		1			3		
Members of the public (other)	7	2				3		

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	4							
Access applications (other than personal information applications)	10	1	1			6		
Access applications that are partly personal information applications and partly other		1						

*A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	6
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	17
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	17

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	1	0	1
Total	1	0	1

*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Appendix 2: Action Plans

Disability

The Disability Action Plan indicators are reported in the Department of Justice Annual Report for 2015-2016.

NSWTG Culturally Diverse Communities Action Plan

The Culturally Diverse Communities Action Plan and the Multicultural Services and Programs indicators are reported on in the Department's Annual Report for 2015-2016.

Action Plan for Women

The Action Plan for Women form part of the EEO statistics and are reported in the Department of Justice Annual Report for 2015–2016.

Appendix 3: Carers (Recognition) Act 2010

The legislative framework for both NSW TG and the Public Guardian makes it mandatory to consider the views of those involved in clients' lives when making decisions. This enshrines the role of carers in all decision making processes for substitute decision making. The involvement of carers in the decision making process has been reinforced according to a new decision making framework which was developed last financial year. NSW TG maintains information on the intranet for all staff on the *Carers (Recognition) Act 2010*.

Appendix 4: Code of Ethics and Behaviour

NSWTG is covered by the Department of Justice Code of Conduct and Ethics. A new Code of Conduct and Ethics was issued in August 2015 for compliance by all departmental employees. Updates were made in September 2015, January 2016 and May 2016 to further enhance the policy from feedback obtained from staff.

The code sets out staff obligations and the expected standards of ethical behaviour. It assists staff to identify and manage situations related to standards of behaviour, interpersonal expectations (internally and externally) and maladministration. All departmental staff must comply with the code, which is consistent with the *Independent Commission Against Corruption Act 2002*, *Public Finance and Audit Act 1983*, *Government Sector Employment Act 2013* and the *Privacy and Personal Information Act 1998*.

Appendix 5: Employment Reporting

The Equal Employment Opportunity (EEO) data is reported on in the Department of Justice's Annual Report for 2015-2016.

Industrial Relations

There were no stoppages during the 2015-16 financial year. The Joint Consultative Committee continues to meet regularly to resolve issues of concern.

Workplace Health and Safety

The NSW TG Work Health Safety Committee (WHS Committee) met throughout the year, providing a forum for staff and management to consult about issues affecting workplace safety.

The WHS Committee consists of members elected from all locations of NSW Trustee and Guardian and Public Guardian. The WHS Committee met on five occasions during the reporting period. NSW TG has two Health Safety Representatives.

Thirty eight incidents were reported to the WHS committee during the reporting period and the format of data provided was improved, which assisted the Committee in their investigations.

All offices had workplace inspections which were conducted to promote welfare and safety in the work environment by a qualified independent contract company.

Movement in Salaries 2014-2015

A 2.5% pay increase came into effect in July 2016.

Personnel Policies and Practices

NSW TG staff are employees of the Department of Justice and are covered by the *Government Sector Employment (GSE) Act 2013*.

NSW Trustee & Guardian

Senior Executive Service Positions

As at 30 June 2016, there were eight Senior Executive roles within NSW TG.

CEO, SES Level 5

Imelda Dodds BSocSc(Social Work), MA Public Policy, Accredited Social Worker, Adjunct Professor of Social Work (U Syd)

Director, Service Delivery, PSSE Band 1

Damon Quinn BA, MA, MBA (AGSM)

Director, Service Advisory, PSSE Band 1

Tracy Burgess, BBM, EMPA

Director, Legal, PSSE Band 1

Ruth Pollard, LL.B(U Syd)

Director, Business Development and Communications, PSSE Band 1

Liz Argent, B.Sc., GradDipCom (Marketing)

Megan Osborne, BBus (Mktg), GDipCom (acted in the role from 1 June 2016)

Director, Financial Performance and Investments, PSSE Band 1

Martin Pengilly, BSc (Hons) and FCA

Director, Transformation Office (Temporary Role), PSSE Band 1

Joan O'Dwyer, B.Ed(Adult). Dip Mgt

Director, Information Technology (Temporary Role), PSSE Band 1

John Chow, BE BMed Sci PhD (U Syd)

Further Senior Executive data is reported on in the Department of Justice Annual Report for 2015-2016.

Appendix 6: Significant Committees

Aboriginal Heritage Trust

Carol Coombes, Assistant Director Client Services

Alzheimers Australia Prevention of Financial Abuse of Older People Working Party

Ruth Pollard, Assistant Director, Legal Services, NSW Trustee and Guardian

Australian Guardianship and Administration Council

Imelda Dodds, CEO, NSW Trustee and Guardian

Graeme Smith, Public Guardian, Public Guardian

Damon Quinn, Director, Client Services, NSW Trustee and Guardian

Australian Public Trustees National Superannuation Working Group

Bernie Farrell, Director Finance and Client Funds Management

Boarding House Expert Advisory Group

Meredith Coote, Assistant Director Disability Advisory Service, NSW Trustee and Guardian

Theo Hastings, Assistant Director Operations, Public Guardian

Community Living Consultation Group

Justine O'Neill, Acting Assistant Director Advocacy and Policy, Public Guardian

Criminal Justice Program Reference Group

Theo Hastings, Assistant Director Operations, Public Guardian

Edith Cavill Trust

Carol Coombes, Assistant Director Client Services

Elder Law & Succession Committee NSW Law Society

Ruth Pollard, Assistant Director, Legal Services, NSW Trustee and Guardian

End of Life Decisions Policy Advisory Group

Justine O'Neill, Acting Assistant Director Advocacy and Policy, Public Guardian

Financial Abuse of Older People Working Group

Justine O'Neill, Acting Assistant Director Advocacy and Policy, Public Guardian

Financial Services Council – Elder Financial Abuse Working Group

Ruth Pollard, Assistant Director, Legal Services, NSW Trustee and Guardian

Interdepartmental Committee on Ageing and Strategy

Imelda Dodds, CEO, NSW Trustee and Guardian

Megan Osborne, Acting Director Business Development and Communications, NSW Trustee and Guardian

NSW Trustee & Guardian

Integrated Services Project

Theo Hastings, Assistant Director Operations, Public Guardian

Involuntary Drug and Alcohol Program Steering Committee

Justine O'Neill, Acting Assistant Director Advocacy and Policy, Public Guardian

NSW Government Advertising Peer Review Panel

Megan Osborne, Acting Director Business Development and Communications, NSW Trustee and Guardian

NSW Severe Domestic Squallor Focus Group

Kathy King, Acting Assistant Director Advocacy and Policy, Public Guardian

NSW Steering Committee Prevention of Abuse of Older People

Ruth Pollard, Assistant Director, Legal Services, NSW Trustee and Guardian

Planning for Later Life Forum

Imelda Dodds, CEO, NSW Trustee and Guardian

Megan Osborne, Acting Director Business Development and Communications, NSW Trustee and Guardian

Justine O'Neill, Acting Assistant Director Advocacy and Policy, Public Guardian

Probate Users Group, Supreme Court

Ruth Pollard, Assistant Director, Legal Services, NSW Trustee and Guardian

Review of Advanced Care Directives (ROAD) Project Working group

Justine O'Neill, Acting Assistant Director Advocacy and Policy, Public Guardian

Trustee Corporations Association

Imelda Dodds, CEO, NSW Trustee and Guardian

Upper Hunter Aboriginal Heritage Trust

Damon Quinn, Director, Client Services, NSW Trustee and Guardian

Vulnerable People in Licensed Residential Centres

Meredith Coote, Assistant Director Disability Advisory Service, NSW Trustee and Guardian

Working Group: Resource on the end of life and the law in NSW

Justine O'Neill, Acting Assistant Director Advocacy and Policy, Public Guardian

Appendix 7: Key Statutory Compliance Programs

As a NSW public sector organisation, NSWTG complies with government policies and reporting requirements. This includes external governance and compliance for business performance.

GST Compliance

NSWTG met corporate and trustee responsibilities for GST compliance in 2015-2016.

Privacy Management

NSWTG took account of the privacy principles set out in *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002* in all areas of operation. NSWTG has also prepared privacy information sheets for each of our services.

Records Management

NSWTG continued implementation of the Records Management Improvement Plan. This includes establishing protocols with the NSW Government Records Repository for storage and retrieval of NSWTG records. NSWTG has implemented electronic document management across all operational areas.

Public Information Disclosures

NSWTG is compliant with requirements under the *Public Interest Disclosures Act 1994*. Information on how to make public interest disclosures is provided to all staff through face to face training, e-learning and policies, procedures and factsheets on the intranet. Information is also provided to external service providers on how to make disclosures in the NSWTG Statement of Business Ethics provided to all panel service providers for services for NSWTG clients.

	July 2015-June 2016
Number of public officials who made PIDs	0
Number of PIDs received	0
Of PIDs received, number primarily about:	
• Corrupt Conduct	0
• Maladministration	0
• Serious and Substantial Waste	0
• Government Information Contravention	0
Number of PIDs finalised	0

Appendix 9: Payment Performance Indicators 1 July 2015 to 30 June 2016

NSW Trustee and Guardian Payment Performance

Quarter	Current	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days over due	More than 90 days overdue
	\$'000	\$'000	\$'000	\$'000	\$'000
All suppliers					
September	6,071	20	0	0	0
December	5,275	54	0	0	0
March	3,767	0	0	0	0
June	7,409	14	0	0	0
Small business suppliers					
September	330	0	0	0	0
December	156	0	0	0	0
March	119	0	0	0	0
June	120	0	0	0	0

NSW Trustee & Guardian

Measure	Sep 15	Dec 15	Mar 16	Jun 16
All suppliers				
Invoices due for payment (#)	1,071	1,135	1,131	1,293
Invoices paid on time (#)	1,063	1,129	1,130	1,280
Actual percentage of invoices paid on time (based on number of invoices)	99.3%	99.5%	99.9%	98.9%
Amount due for payment (\$'000)	6,071	5,275	3,767	7,409
Amount paid on time (\$'000)	6,051	5,221	3,767	7,395
Actual percentage of invoices paid on time (based on \$)	99.7%	98.96%	99.9%	99.8%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0
Small business suppliers				
Invoices due for payment (#)	46	44	40	44
Invoices paid on time (#)	46	44	40	44
Actual percentage of invoices paid on time (based on # of invoices)	100%	100%	100%	100%
Amount paid on time (\$'000)	330	156	119	120
Amount due for payment (\$'000)	330	156	119	120
Actual percentage of invoices paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0

Public Guardian Payment Performance

Quarter	Current \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days over due \$'000	More than 90 days overdue \$'000
All suppliers					
September	171	0	0	0	0
December	206	0	0	0	0
March	345	0	0	0	0
June	442	0	0	0	0
Small business suppliers					
September	0	0	0	0	0
December	0	0	0	0	0
March	0	0	0	0	0
June	1	0	0	0	0

NSW Trustee & Guardian

Measure	Sep 15	Dec 15	Mar 16	Jun 16
All suppliers				
Invoices due for payment (#)	171	206	345	442
Invoices paid on time (#)	171	206	345	442
Actual percentage of invoices paid on time (based on number of invoices)	100.0%	100.0%	100.0%	100.0%
Amount due for payment (\$'000)	135	157	167	190
Amount paid on time (\$'000)	135	157	167	190
Actual percentage of invoices paid on time (based on \$)	100.0%	100.0%	100.0%	100.0%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0
Small business suppliers				
Invoices due for payment (#)	0	1	0	2
Invoices paid on time (#)	0	1	0	2
Actual percentage of invoices paid on time (based on # of invoices)	100%	100%	100%	100%
Amount paid on time (\$'000)	0	0	0	1
Amount due for payment (\$'000)	0	0	0	1
Actual percentage of invoices paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0

Appendix 10: Statement of Performance

Imelda Dodds

CEO of NSW Trustee and Guardian, Senior Executive Band 2

Total remuneration package \$ \$313,050.

Contract period 2010 to 2016

Imelda Dodds was responsible for the management and performance of the NSW Trustee and Guardian for the entire reporting period. Ms Dodds last day of duty was 30 June 2016 as she retired.

Major achievements:

Ms Dodds provided leadership to the NSW Trustee and Guardian (NSWTG) through its seventh year of operation as an organisation.

Ms Dodds successfully achieved the following key activities and milestones:

- Guided and led the engagement of internal and external stakeholders following the Government announcement of a major business transformation
- Developed and implemented new structures and business relationships to streamline service delivery
- Implemented a pilot of the new service delivery model to test and refine the operations
- Developed the On-line Wills System (OWLS) on a new platform to enable greater client online functionality in the future
- Actively promoted NSWTG and the need for pre-planning instruments in the key campaigns of Get it in black and white and Seniors Week.

Ms Dodds continued to represent the Department of Justice on the NSW Government Inter Agency Committee on Ageing. Ms Dodds chaired the interagency forum Planning for Later Life and has maintained a lead role in the *planningaheadtools* website and the *Get it in black & white* campaign. Ms Dodds also co-chaired the Trustees Board of the Financial Services Council (FSC).

Appendix 11: Generic Disclosures

Consultants

NSWTG observed government policy on employment of consultants. As a Trustee we are specifically excluded from the requirement of reporting the nature of these consultants.

Credit card certification

NSWTG certify that credit card usage by officers of NSW Trustee and Guardian was in accordance with appropriate government policy, Premier's Memoranda and Treasurer's Directions.

Land disposal

There were no property disposals in 2015-2016.

Overseas Visits

There were no overseas visits by NSWTG staff in 2015-2016.

Appendix 12: Client Access to Services

Information on NSW TG services is available through their website: www.tag.nsw.gov.au or by calling 1300 364 103 for information on Trustee services or 1300 320 320 for information on Financial Management Services.

NSW Trustee and Guardian has a network of branches throughout metropolitan Sydney and regional areas across NSW. Additionally, where a NSW TG branch is not accessible the Registrar of the Local Court is our Agent for Trustee services.

Armidale

2/111 Marsh Street,
Armidale NSW 2350
Trustee Services Only



Ph: (02) 6775 4100

Fax: (02) 8688 9709

tagarmidale@tag.nsw.gov.au

Client Specialist Centre - Managed Client Services

66 Wentworth Avenue
Surrey Hills NSW 2010

Cash facilities available

Ph: 1300 320 320

Bankstown

Suite 1, Level 7, 66-72 Rickard Road
Bankstown NSW 2200
Trustee Services Only



Ph: (02) 8713 9800

Fax: (02) 8688 9712

tagbankstown@tag.nsw.gov.au

Gosford

1 Watt Street,
Gosford NSW 2250

Trustee and Financial Management Services

Ph: (02) 4325 6700

Fax: (02) 8688 9787

taggosford@tag.nsw.gov.au

Bathurst

230 Howick Street,
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