



Annual Report 2018-19



NSW Trustee
& Guardian



NSW Trustee
& Guardian

The Hon. Mark Speakman SC MP
Attorney General
Parliament House
SYDNEY NSW 2000

Dear Attorney General,

I am pleased to present the annual report and associated audited financial statements summarising the performance and activities of NSW Trustee & Guardian for 2018-19.

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

Yours sincerely

Adam Dent
Chief Executive Officer
NSW Trustee & Guardian

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Contents

Overview of the 2018-19 Annual Report	1	Social programs and non-commercial activities	56
From our Chief Executive Officer	3	Legislative change, reviews and inquiry submissions	62
Our Executive Leadership Team	6	Financial performance	64
Organisation structure	7	NSWTG executive and committees ..	67
2018-19 at a glance	8	Governance	68
Performance against key objectives ..	9	Workforce	70
About NSW Trustee & Guardian	11	Information technology and information management	73
Legislation	13	Future plans	75
Our customers	14	Appendices	76
Our Strategy 2019-25	19	Audited Financial Statements	
Provision of services	21	30 June 2019	89
Access and contact	22	Index	138
Review of operations	23		
Customer feedback and response ...	48		
Electronic access, communication, information and support	54		

Overview of the 2018-19 Annual Report

NSW Trustee & Guardian's (NSWTG) 2018-19 Annual Report outlines our activities and performance for 2018-19. It also contains the audited financial statements.

The financial statements have been audited by the Audit Office of New South Wales.

This year's Annual Report also includes a number of case studies to illustrate our work. Names and locations have been changed to maintain customer confidentiality.

The artistic works included in the Annual Report were created by students from the Australian Indigenous Mentoring Experience. They were part of an exhibition of art works created on the theme of Family: what it means to me. The exhibition was held as part of a Taking Care of Business community event at the National Centre for Indigenous Excellence at Redfern.

The artistic works we have reproduced are:

- **Billy Reynolds**, My Identity, acrylic on canvas, 2018
- **Jenayah Ingrey**, Mullian-ga's Story, acrylic on canvas, 2018
- **Dylan Barnes**, Yuranha Bulabul – Grow Together, acrylic on canvas, leaves and sticks sourced from Darkinjung land, 2018.

The artistic works have been reproduced under permission from the artists.

This and earlier annual reports are available on our website tag.nsw.gov.au. A hardcopy can be provided on request by calling 8688 2600 and speaking to the Customer Resolutions Coordinator or by emailing tagmail@tag.nsw.gov.au.

There were no external costs incurred in producing the Annual Report.



◀ **My Identity – Billy Reynolds**



From our Chief Executive Officer



This year marked our first 10 years of operation as NSW Trustee & Guardian continuing our 105 year history of providing services to the people of New South Wales.

In that time, we have become a diverse and complex agency offering a full range of trustee services as well as acting as financial manager or guardian to some of the state's most vulnerable people.

I am pleased to present our 2018-19 Annual Report as a summary of how we have worked to protect, promote and support the rights, dignity, choices and wishes of our customers.

As you read the report you will see the breadth and the depth of the work our staff deliver, the results we have achieved and examples of where we have made a difference to people's lives.

I would like to acknowledge and thank our staff for their continued dedication, effort and hard work throughout the year to deliver services for our customers and for the results we have achieved.

Demand for our services is increasing

The increase in the number of people we provide services to has continued in 2018-19, particularly in financial management and guardianship services.

The complexity of work involved in providing services to our customers has also continued to increase. For example, the number major service decisions made by the Public Guardian has increased by 846% over the last five years. This increase is largely due to the number of people represented by the Public Guardian who are NDIS participants. Similarly, the number of medical consents provided by the Public Guardian has increased by 161%.

We will continue to look at ways to meet this increasing demand and workload more effectively and efficiently.

We are starting to see results

While we still have work to do, it was very pleasing to start seeing the impact of some of the changes we have made over the last few years on our customers' perception of our services. Satisfaction with our services among the private managers we surveyed increased to 86%, up from 66% the previous year. This improvement has followed changes made in 2017-18 based on consultation with private managers that simplified forms, improved communications and implemented an induction process for new private managers.

We also saw increases in the proportion of private managers and financial management customers who responded to the survey that thought our service had improved this year compared to the service they received last year.

In addition, the number of complaints received from customers fell by 9.2% this year, continuing on from a 10.6% fall in the previous year. We have worked with the NSW Ombudsman to address a number of the issues raised in complaints from customers. In addressing these issues, we are working hard to make sustained improvements that are aimed at achieving an ongoing decrease in complaints received.

One of our focuses during 2018-19 was to reduce backlogs that were causing delays in addressing requests received from people under a financial management order and in distribution of the proceeds of an estate or trust. As a result of this focus we were able to reduce the backlog of requests by 80% and the time to complete an accounts audit and process a distribution by 38%.

Financial performance

While lower market values for customer assets impacted the revenue received from managing customer assets, our surplus from operating activities for the year was \$6.21 million. This was largely the result of a combination of higher than budgeted investment revenue and lower than budgeted expenditure, particularly in relation to labour costs.

Supporting reform

The recommendations in the NSW Law Reform Commission's final report from its *Review of the Guardianship Act 1987* reflect contemporary community attitudes and how we think about the people we serve.

NSWTG has been working as part of the interdepartmental committee to develop the government's response and to identify the costs and impacts of the options being identified.

The Royal Commissions

The Royal Commissions into Aged Care Quality and Safety and into Violence, Abuse, Neglect and Exploitation of People with Disability are inquiring into issues that may impact a significant portion of our customer base. The outcomes from both are likely to provide insights into community views on the services provided in these sectors and what our customers need from us.

Working across government to improve customer services

One of the ways we can improve outcomes for our customers is to partner with other government agencies.

NSWTG is part of the Health Guardianship Project in collaboration with NSW Health, and the NSW Civil and Administrative Tribunal. Our role is to expedite guardianship and financial decisions to enable early release of people under a guardianship order from hospital. During 2018-19 we made these decisions in just over eight days helping to reduce constraints on in-patient bed capacity and the risk of adverse events during longer stays in hospital.

NSWTG has worked with Service NSW to incorporate the subsidy for preparing planning ahead documents into their Cost of Living Program. This subsidy makes it more affordable for people with low income and assets to have planning ahead documents in place.

I am currently chair of the End of Life Journey Advisory Board. This an interdepartmental board, led by the Customer Service Commission, that provides advice to inform the work being done across government to make it easier for people to deal with the government at a very difficult time in their life.

Our Strategy 2019-25

Our customer base is changing. It is ageing and becoming more diverse. The services and support our customers need is becoming more complex. In addition, our customers' expectations in terms of responsiveness, quality of service and accessibility are changing.

To help us respond to these changes we have developed *Our Strategy*. Its objective is to guide improvements over the next five years and ensure we deliver high quality, trusted and customer-centred financial management, guardianship and trustee services in a financially sustainable way.

Development of the objective for our *Our Strategy* was informed by the insights from an extensive consultation process with the people we provide services to, our stakeholders and our staff.

This consultation process was intended to help ensure that *Our Strategy* will help us meet our customer needs more effectively and to deliver better outcomes for them.

The year ahead

This year has been a year of consolidation which has helped lay the groundwork for us to achieve the objectives of *Our Strategy* and to respond to the changes in our customer base.

To guide our implementation of *Our Strategy* over the next five years we will use separate People and Culture, Customer, Digital and Governance & Sustainability plans. These plans will provide an actionable roadmap of initiatives to be completed over this period that will help us achieve our objective of delivering high quality, trusted and customer-centred financial management, guardianship and trustee services in a financially sustainable way.

Any changes implemented as a result of the review of the *Guardianship Act 1987* and the outcomes of the Royal Commissions are likely to lead to changes in what our customers need from us and the services we provide to them.

We will work with the newly appointed Ageing and Disability Commissioner to formalise our relationship and protect older people and adults with disability from abuse, neglect and exploitation.

As we head into 2019-20 we have many challenges ahead of us. I am excited by our potential to improve outcomes for our customers and to put some of the most vulnerable people in our society in a better place in their lives.



Adam Dent
Chief Executive Officer and
Commissioner of Dormant Funds

Our Executive Leadership Team

The Executive Leadership Team, led by the Chief Executive Officer, provides leadership and sets the direction of NSW TG. It is responsible for monitoring progress in achievement of the strategic plan and ongoing management of the organisation. The team routinely draws on the expertise of NSW TG staff and Advisory Committees to inform its decisions.

At 30 June 2019 the Executive Leadership Team were:



**Chief Executive Officer,
Commissioner of
Dormant Funds**

Adam Dent, GCertProfLegalSt,
GDipMgt, MBA, FAIM, MAICD



Public Guardian

Andrew Gabriel, BCom
GradDip(IR)



**Director, Communications &
Engagement**

Megan Osborne, BBus (Mktg),
GDipCom

Director, Financial Performance & Investments

David Hansen BBus (Acctg), M.Econ, FCPA
(commenced 23 April 2019) acting

Brendan Hallett BCom. PGDipCom GradDipAppFin
(commenced 27 May 2019) acting



**Director Information
Technology**

William Haigh BSc Hons
(commenced 2 July 2018)



**Director, Legal &
Professional Services**

Ruth Pollard, LL.B Uni. Syd



**Director, Strategy &
Governance**

Michelle Batterham, BAS, PMIA

Director, Service Delivery

Carol Coombes (commenced 1 April 2019) (acting)

Matthew Kennedy (commenced 1 April 2019)
(acting)

Previous members of the Executive Team during
2018-19 were:

Director, Financial Performance & Investments

Martin Pengilly, BSc (Hons), FCA
(1 July 2018 to 16 April 2019)

Director, Service Delivery

Jon Greig, BA (Hons), M.Phil
(1 July 2018 to 29 March 2019)

Further information about the Executive Leadership
Team is available on page 67.

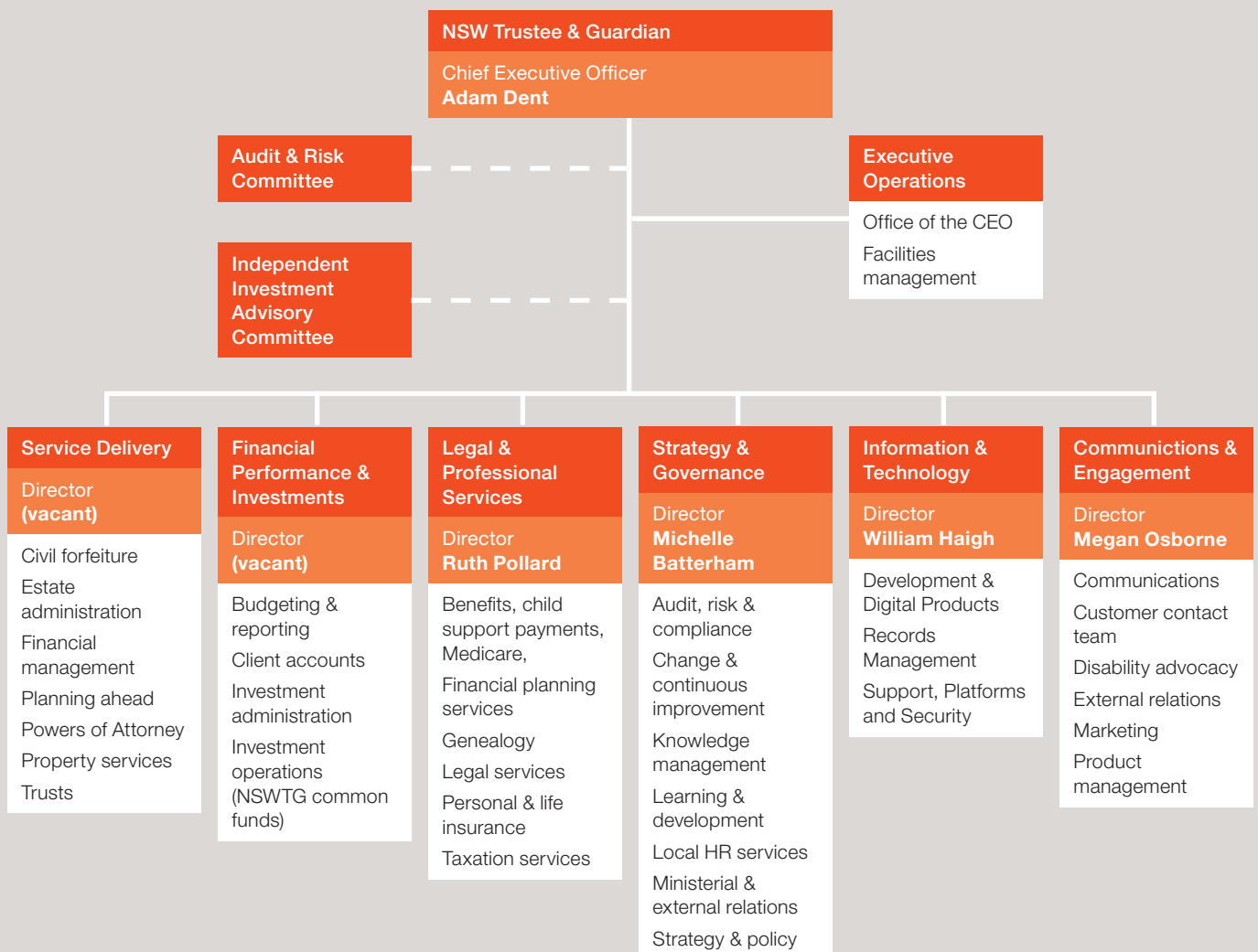
Organisation structure

NSWTG's organisation structure and the functions carried out within each division are shown below. The structure is intended to provide an alignment of business units to achieve the best outcomes for our customers and to meet the challenges and opportunities of the future.

The Public Guardian reports to the Chief Executive Officer. However, all decisions relating to people under a guardianship order made by the Public Guardian as part of their statutory functions under the *Guardianship Act 1987* are made independently of this reporting line.

During 2018-19 NSW TG added Executive Operations to the organisation structure. This new business unit supports the Chief Executive Officer manage operational aspects of decision-making and issues management across NSW TG. The unit is also responsible for facilities management across all NSW TG locations.

At 30 June 2019 recruitment was in progress for the positions of Director, Service Delivery and the Director, Financial Performance and Investments. In the interim, appointments have been made to both positions on an acting basis.



2018-19 at a glance

The 2018-19 snapshot of the scale and complexity of services we provide to our customers:



678

properties were sold or purchased

vehicles sold, purchased or transferred

464



community education events held

343



guardianship decisions made

6,928



planning ahead documents executed

13,963



medical consents provided

2,109+



\$25.9 million

paid from proceeds of sale of assets from civil forfeiture matters

2.1 million
transactions worth
\$3.1 billion
processed for customers



tax returns completed

6,487



\$3.8 million
in subsidies for people with limited income and assets

financial plans/records of advice developed or reviewed

6,002



At 30 June 2019 we were managing

customer assets

\$6.1 billion



customer matters

33,673



vehicles

1,509



properties

3,375








We were also holding

431,000+
instruments



28,000+
documents and personal items

Performance against key objectives

We have five broad objectives that guide our overall strategy of improving outcomes for customers and the people of New South Wales. These broad objectives and a summary of our achievements against them during the year are set out in the following table.

Objective	Achievements
 Create a customer-centred organisation	<ul style="list-style-type: none"> • Satisfaction with our services among private managers included in our customer satisfaction survey increased to 86%, up from 66% the previous year. • Complaints from customers have decreased for the second year in a row. • 99% of Directions and Authorities issued to new private managers within 15 days.
 Build a sustainable efficient organisation	<ul style="list-style-type: none"> • Within the common funds the Australian cash-based investment funds exceeded their benchmark by an average 0.3%. The remaining funds were within 0.2% of their benchmark. • We reduced the backlog of requests from people under a financial management to be responded to by 80%. • We reduced the time to complete an accounts audit and process a distribution by 38%. • The average time to administer estate was 9 months.
 Support and develop our people	<ul style="list-style-type: none"> • The 2018 People Matter Employment Survey showed improvements in employee perception in a number of key categories including staff engagement. • We implemented a continuing professional development program to support up-skilling and on-boarding of new and existing staff providing financial management, estate administration, trust and power of attorney services. • We implemented a six-month trial of clinical supervision to increase staff resilience and their ability to deal with vicarious trauma.
 Drive digital innovation	<ul style="list-style-type: none"> • Enhancements to client management and supporting systems improved functionality and reduced disruptions to service delivery.
 Strengthen our governance	<ul style="list-style-type: none"> • We implemented a revised co-ordinated Strategy and Governance function that will help provide a solid foundation for us to achieve the objective of <i>Our Strategy 2019-25</i>.

Our work in 2018-19 supported achievement of the Premier's Priorities

Priority	Achievements
 Improving the health system	<ul style="list-style-type: none"> The Health Guardianship Project is reducing the average hospital admission for people waiting for guardianship decisions to be made.
 Better customer service	<ul style="list-style-type: none"> NSWTG is part of the End of Life Journey Advisory Board which is providing advice to inform the work being done across government to make it easier for people to deal with the government at a very difficult time of their life. NSWTG worked with Service NSW to include the subsidy for preparing planning ahead documents into the Cost of Living Program.

About NSW Trustee & Guardian

NSWTG is a statutory agency within the Stronger Communities Cluster. We support the Chief Executive Officer of the NSW Trustee and the Public Guardian (PG) to carry out the statutory functions of the NSW Trustee and the Public Guardian and protect, promote and support the rights, dignity, choices and wishes of the people of New South Wales.

Our services help support and protect some of the most vulnerable members of the NSW community as well as supporting people at vulnerable moments in their life. We do this by providing independent and impartial financial management, guardianship and trustee services that support customers and help them manage their health, lifestyle and financial affairs and to ensure their legacy is carried out in accordance with their wishes when the time comes.

We also support the administration of justice in New South Wales by managing restrained and forfeited assets and paying the proceeds to NSW Treasury.

During 2018-19 NSWTG created a new purpose statement to guide the organisation by providing clarity of focus for everything that we do:

Our purpose is

To protect, promote and support the rights, dignity, choices and wishes of our customers.

We do this by

Providing support and making decisions at critical moments in customer's lives.

Because we are

An independent and impartial executor, attorney, trustee, guardian, manager and advocate.

As part of the functions of the NSW Trustee we may be appointed under our governing legislation to act as:

- executor and administrator of deceased estates
- trustee
- financial manager
- agent or attorney
- collector of estates
- guardian or receiver of estates of minors
- receiver of any property.

The NSW Trustee also provides information, authorisation, direction and support to private managers.

As the Public Guardian we can be appointed as guardian of last resort. The Public Guardian also provides information and support to private guardians.

NSWTG also:

- prepares planning ahead documents – Wills, Powers of Attorney, and Enduring Guardian Appointments
- provides secure long-term storage of planning ahead documents.

NSWTG (as the NSW Trustee) is also authorised to act as trustee, agent and manager of property under other legislation including:

- *Civil Procedures Act 2005* to hold funds for minors and for people where NSWTG has been appointed as financial manager
- *Civil Liability Act 2002* to hold victims support payments owed by an offender and offender damages trust funds
- *Conveyancing Act 1919* to sell real estate and divide the proceeds as ordered
- *Criminal Assets Recovery Act 1990* and the *Confiscation of Proceeds of Crime Act 1989* to manage restrained or forfeited assets

- *Probate and Administration Act 1898* as nominal title holder of all assets of the people of New South Wales from the time of their death until grant of probate or administration
- *Uniform Civil Procedures Rules 2005* to hold funds on an 'at call basis' in the NSW TG common funds as directed by courts
- *Workers Compensation Act 1987* as trustee for workers compensation death benefits.
- We also manage victims support payments for people who were either under 18 or could not be located at the time the application for support was granted.

2018-19 marked our first 10 years of operation as NSW TG. We were created by the *NSW Trustee and Guardian Act 2009* and commenced operations on 1 July 2009 following the merger of the Public Trustee NSW and the Office of the Protective Commissioner.

Prior to creation of NSW TG the Protective Commissioner also held the position of Public Guardian. Since 2009 the positions of the Public Guardian and the Chief Executive Officer of NSW TG have been held separately. The Public Guardian reports to the Chief Executive Officer of NSW TG. Decisions made by the Public Guardian relating to people under guardianship as part of their statutory functions under the *Guardianship Act 1987* are made independently of this reporting line.

We educate the community about the importance of having planning ahead documents in place, by making a Will, Power of Attorney and Enduring Guardianship appointment. We provide advice on relevant government policy and legislation and contribute to law reform. The Public Guardian also advocates for services and supports needed by people under guardianship.

We advocate on behalf of people under a guardianship or financial management order in relation to systemic issues to protect and promote their legal rights and to pursue their entitlements. This includes making submissions to government inquiries and reviews which contribute to policy development and law reform.

The Chief Executive Officer is also the Commissioner of Dormant Funds. As the Commissioner he makes recommendations for approval by the Attorney General of NSW for the application of charitable funds where:

1. the funds have not been used for the purposes for which they were donated
2. it is not practicable to use the fund for those purposes
3. the purposes of the fund cannot be achieved in a reasonable time
4. the purpose of fund is uncertain or cannot be ascertained.

Legislation

Much of the work carried out by NSW TG is dictated by the legal principles established in case law. There is also an extensive range of legislation that enables, supports and governs our role and the services we provide.

This includes:

1. *NSW Trustee and Guardian Act 2009*
2. *NSW Trustee and Guardian Regulation 2017*
3. *Guardianship Act 1987*
4. *Guardianship Regulation 2016*
5. *Mental Health Act 2007*
6. *Succession Act 2006*
7. *Probate & Administration Act 1898*
8. *Trustee Act 1925*
9. *Powers of Attorney Act 2003*
10. *Supreme Court Act 1970*
11. *Supreme Court Rules 1970*
12. *Uniform Civil Procedure Rules 2005*
13. *Civil Liability Act 2002*
14. *Civil Procedure Act 2005*
15. *Criminal Assets Recovery Act 1990*
16. *Confiscation of Proceeds of Crime Act 1989*
17. *Dormant Funds Act 1942*
18. *Workers Compensation Act 1987*
19. *Storage Liens Act 1935*
20. *Conveyancing Act 1919.*

In addition, NSW TG is impacted by the general legislation that applies to government agencies including the *Government Information (Public Access) Act 2009*, *Government Sector Finance Act 2018*, and the *State Records Act 1998*.

Our role as a decision maker

Making financial, health and lifestyle decisions for customers at critical moments in their life is one of the main responsibilities of NSW TG.

Health and lifestyle decisions are made as guardian as part of the functions of the Public Guardian. Financial decisions are made as financial manager as part of the functions of the NSW Trustee. Decisions under each function are made independently of each other to ensure one person is not responsible for making decisions about all aspects of a person's life.

As financial manager and as guardian we act as a substitute decision maker. These decisions have the same effect as if the person had made that decision themselves. In making these decisions we consider the following principles:

- (a) the welfare and interests of the person is given paramount consideration
- (b) the person's freedom of decision and freedom of action is restricted as little as possible
- (c) the person is encouraged, as far as possible, to live a normal life in the community
- (d) the person's views are taken into consideration
- (e) the importance of preserving the family relationships and the cultural and linguistic environments of the person are recognised
- (f) the person is encouraged, as far as possible, to be self-reliant in matters relating to their personal, domestic and financial affairs
- (g) the person is protected from neglect, abuse and exploitation.

Source: *NSW Trustee and Guardian Act 2009* and *Guardianship Act 1987*

When making decisions as attorney, executor, administrator or trustee we have:

- (a) an obligation to act in accordance with the terms of the Will, deed, court order or power of attorney, to act prudently and in the best interests of the beneficiaries
- (b) the same responsibilities, rights, liabilities and immunities as a private person acting in that capacity.

Our customers

Our customers are the people we have relationships and interactions with when we deliver a service. Customer is an inclusive term to describe all of the different people or groups we interact with and to create a shared understanding of the outcomes that we should be delivering. A customer can be a represented person, a stakeholder, a beneficiary, or an organisation.

People we provide services to

There are a wide range of people we provide services to, these include:

- people under guardianship
- people under financial management
- beneficiaries who will benefit from a deceased estate or trust
- a private manager who has been appointed as a financial manager
- customers who have engaged us to create Wills, Powers of Attorney and Enduring Guardian appointments
- customers who have engaged us to act as their attorney.

A person under a guardianship or financial management order can also be referred to as a represented person.

For the majority of our customers NSW TG has been appointed by a court or tribunal as their financial manager, guardian or trustee. These appointments are largely outside the control of NSW TG. Similarly, the revocation of orders is also outside NSW TG's control.

Our primary responsibility is always to the customer. However, in helping the customer manage their financial affairs, health and lifestyle we may only have limited interaction with them. For example, some people are not capable of having a role in managing their affairs. In these cases we interact with family, friends, service providers and other people in the person's life to ensure we act in their best interests and, wherever possible, reflect their will and preferences.

Acknowledging our unique context

NSW TG, when exercising its functions as a guardian, financial manager, executor, administrator, trustee or attorney is acting in a fiduciary relationship with customers. In this fiduciary relationship we undertake to act for, on behalf of, or in the interests of the customer when making decisions that will affect their legal interests.

We owe additional duties and responsibilities to our customers that are greater and go beyond what they would be in a typical transaction-based customer relationship. A breach of these duties can have serious consequences.

Whether we are in a fiduciary relationship or otherwise, it is our duty to support customers' rights with dignity, make choices to the best of our ability, and deliver a standard of service that is consistent across our organisation and our many different customer groups. As a principle, irrespective of whether our customers voluntarily chose us for the services or not, we should aim to deliver consistent services, and adhere to our Customer Excellence Principles.

Our Customer Excellence Principles (see figure 1) have been endorsed by the NSW Customer Service Commissioner.

Figure 1: Our Customer Excellence Principles

Customers at 30 June 2019

The same customer or stakeholder can interact with NSWTG in multiple ways. For example, a person under financial management order may also have a guardianship order, a private manager

may be the beneficiary of a deceased estate or have used NSWTG to prepare their Will, Power of Attorney or Enduring Guardian documents. In these cases, we ensure that, where appropriate, there is separation of responsibility for decision-making.

Customer numbers for the five years to 30 June 2019 are summarised in table 1.

Table 1: Customers at 30 June ^{1,2,3}

	2015	2016	2017	2018	2019
People who have NSWTG as their financial manager	10,999	11,152	11,332	11,661	11,880
People who have private financial managers	3,771	3,946	4,256	4,747	4,948
People who have the Public Guardian as their guardian	2,074	2,131	2,251	2,413	2,547
Deceased estate administration	8,252	7,619	5,811	5,301	4,932
Trusts	7,822	8,898	8,535	8,446	8,303
Civil forfeiture			94	146	142
Court investments			642	584	640
Power of Attorney	382	374	330	294	281
Total customers at 30 June	33,300	34,120	33,251	33,592	33,673
Planning ahead documents drafted and executed in year to 30 June	11,482	12,229	7,627	13,302	13,963

¹ Prior to 2017 civil forfeiture and court investment matters had been included in the number of trusts.

² Prior to 2019 the number of people under a financial management order where a private manager is appointed and the number of people under a guardianship order included customers where NSWTG was finalising the matter after the person's death or where their order had been revoked. From 2019 these customers have been reported separately. This is consistent with numbers reported for people where NSWTG is appointed the financial manager.

³ Customers who receive multiple services are counted as part of each service. For example, where we are appointed a person's financial manager and guardian that person is counted as a customer of each service.

A factor impacting appointment of NSW TG by courts and tribunals is the availability of willing and suitable people to be appointed private financial managers and guardians. This affects the proportion of people under a financial management or guardianship order where we are appointed manager or guardian.

Customer turnover

We have a large turnover of customers each year. Significant numbers of guardianship orders are time limited to achieve a specific objective and to provide the least restrictive option for the person under the order. Financial management orders can also be time limited.

Similarly, for estate administration, our role is to identify and secure the assets in the estate. We then distribute the money to the beneficiaries. Once that has been achieved, unless there is a trust established, the estate is finalised and the matter closed.

This means that the number of customers at the end of each year does not reflect the total number of people we have provided services to throughout that year.

The table 2 shows the number of new customers during 2018-19. It also shows the number of customers where NSW TG's authority to help

people manage their health, lifestyle and financial affairs ended or where the matter was finalised.

The number of new customers shows people coming under a financial management or guardianship order for the first time. It does not include people whose guardianship or financial management order was re-instated during 2018-19. This means the total number of people on-boarded during the year will be higher than stated.

The number of new customers each year represents a considerable proportion of the total number of customers. For 2018-19 the number of new customers was just over 18.5% of customers at 30 June 2019.

The greatest impact of this turnover is where the Public Guardian is appointed as guardian. In 2018-19 1,156 people were placed under a guardianship. This is equivalent to 45% of people under a guardianship order at 30 June.

Similarly the number of customers who are discharged, deceased or finalised also represents significant proportion of customers at 30 June.

Death of the person is the most common reason for our authority ending for people under a financial management order. For people under guardianship the most common cause is expiry or revocation of the guardianship order.

Table 2: Turnover of customers in 2018-19

	'New customers'	Discharged/ deceased/ finalised
People who have NSW TG as their financial manager	1,219	982
People who have private financial managers	1,238	574
People who have the Public Guardian as their guardian	1,156	872
Deceased estate administration	1,376	2,014
Trusts	908	1,089
Civil forfeiture	68	68
Court investments	234	179
Power of Attorney	48	66
Total	6,247	5,844

Separation for people under a financial management or guardian order

When an order expires or is revoked NSWTG transfers authority to the person, to the new financial manager or guardian. For people who have died where NSWTG is appointed the financial manager the estate is transferred to the executor to administer the estate.

The table 3 shows the number of customers where this process was underway at 30 June 2019.

Table 3: Separation for people under a financial management or guardian order

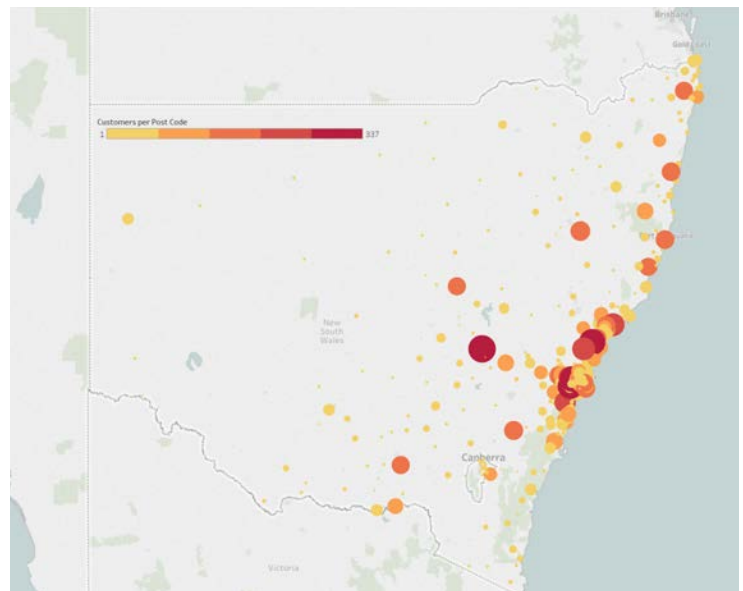
	Number of customers
People who have NSWTG as their financial manager	1,063
People who have private financial managers	254
People who have the Public Guardian as their guardian	138
Total 30 June 2019	1,455

Profile of people under financial management and guardianship

Our customers who receive financial management and guardianship services are predominantly located within New South Wales. A small number of people are located interstate or overseas.

The following map shows the spread of people under a financial management and guardianship order throughout New South Wales.

Figure 2: People under a financial management and guardianship order across New South Wales



The following charts provide a comparison of the disability profile for people where NSW TG is either the financial manager or guardian.

Figure 3: Disability profile of people under a financial management order where NSW Trustee is appointed manager

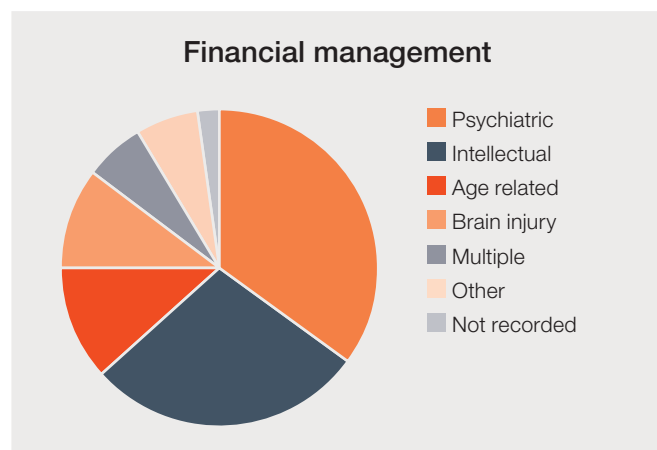
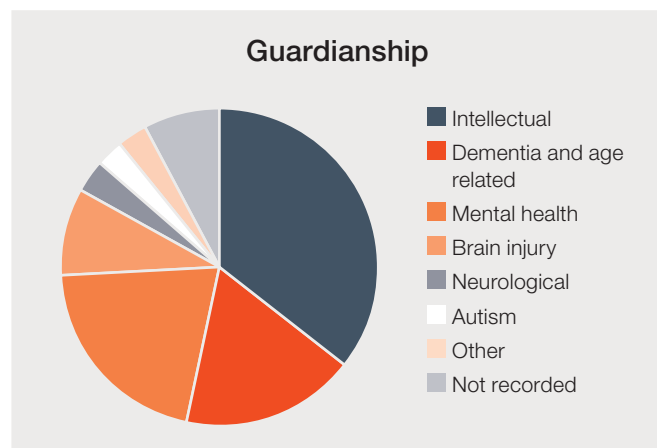


Figure 4: Disability profile of people under a guardianship order where the Public Guardian is appointed



The largest disability categories are intellectual impairment, psychiatric/mental health and age related/dementia which between them represent 75% of people under a financial management order and 74% of people under a guardianship order.

Stakeholders

NSWTG operates in a complex environment. This means we have a broad and diverse range of stakeholders. This includes stakeholders at all levels of government, advocacy groups, service groups and the community including:

- family members, carers, health professionals and service providers involved with people under a financial management or guardianship order
- private guardians and enduring guardians
- employees
- courts, tribunals and regulatory agencies
- NSW Crime Commission
- Office of the Director of Public Prosecutions
- state and commonwealth departments and agencies including the National Disability Insurance Agency
- Attorney General and Treasurer on behalf of the NSW Government
- peak disability groups
- people of NSW and organisations who represent them
- non-government and professional bodies, such as the NSW Law Society.

Our Strategy 2019-25

One of the major focuses of 2018-19 was to develop a new corporate strategy. *Our Strategy 2019-25* will guide NSW TG into the future and help us provide better outcomes for our customers by protecting their rights, dignity, choices and wishes.

Our Strategy will also help us respond to changes in:

- who our customers are
- what our customers need
- what our customers expect from us
- the world we work in.

Our purpose is

To protect, promote and support the rights, dignity, choices and wishes of our customers.

We do this by

Providing support and making decisions at critical moments in customer's lives.

Because we are

An independent and impartial executor, attorney, trustee, guardian, manager and advocate.

As part of the development of *Our Strategy* NSW TG consulted with people we provide services to, stakeholders and staff to ensure it will help us meet customer needs more effectively and deliver better outcomes for them.

The objective of *Our Strategy* is to guide improvements over the next six years and ensure we deliver high quality, trusted and customer-centred financial management, guardianship and trustee services in a financially sustainable way.

To achieve this *Our Strategy* will focus our work through five goals. These goals are to:

- support and develop our people
- create a customer-centred culture
- build a sustainable, efficient organisation
- drive digital innovation
- strengthen our governance.



Support and develop our people

Investing in and supporting our people is an important goal to ensure we can deliver trusted and customer-centred services to our customers in a financially sustainable way.

The initiatives we will put in place are intended to develop the skills and knowledge of our people and to provide opportunities for them to grow.



Create a customer-centred culture

To create a customer centred culture the customer needs to be at the centre of the services we design and deliver. To achieve this we will continue engaging with our customers to determine how our services can better meet their needs and deliver the best possible outcomes for them.



Build a sustainable efficient organisation

We will ensure NSW TG is efficient, responsive to change and strengthened to exist in perpetuity. We will do this by investing in our business model and processes to ensure we are delivering value for our customers and to identify areas where our business processes can be improved.



Drive digital innovation

NSW TG will leverage innovations in technology and systems to improve service delivery and business processes. This will help us provide high quality and timely services that deliver better outcomes for our customers, staff and the organisation.



Strengthen our governance

We will strengthen our governance, risk, change management, service provider and project management capabilities over the forecast period. This will provide assurance and build confidence in our decision-making, management and ensure we maximise the benefits of the investments we make in the organisation.

It will also empower staff to actively engage with risk by using the appropriate tools and supports. Improving our audit, risk and compliance functions will allow us to monitor our services and improve our ability to assess how well we are delivering for our customers.

Separate People & Culture, Customer, Digital and Governance & Sustainability Plans will help us achieve the objective of *Our Strategy* by providing an actionable roadmap for each goal of the strategy.

Provision of services

NSWTG is based at the Justice Precinct in Parramatta with a network of offices throughout NSW.

Financial management and trustee services are delivered through specialist service centres in Parramatta and Newcastle. The teams manage estate administration, trust administration, direct financial management, private management and power of attorney matters. Communication with customers is primarily by phone, email and letter. Customers have been provided with a 1300 number and email address to enable them to contact their client service team directly.

The Client Specialist Centre in central Sydney provides face to face services for people requiring more intensive management of their financial affairs including payment of allowances in cash.

NSWTG's branch network focuses on drafting Wills, Powers of Attorney and Enduring Guardian documents. They also deliver community education on the importance of planning ahead documents and build local stakeholder networks. These services are delivered within the branches and through outreach activities across metropolitan, regional and remote areas of NSW. Some branches also manage estate, trust and power of attorney matters.

Guardianship services are delivered from branches in Parramatta, Gosford and Sydney city.

NSWTG has an agreement with Service NSW to provide customers and the people of New South Wales additional access points for our services. Under this agreement Service NSW:

- answers general questions from customers and members of the public about our services
- assists NSWTG customers to contact their Client Service Team
- provides a document drop off service and accepts preplanning documents to be placed in the Will Safe
- witnesses Wills prepared by NSWTG employees.

General information is also available on the Service NSW website with links to the relevant sections of the NSWTG website.

Additionally, Registrars of the Local Court act as an agent for some services.

Our client service teams are supported by specialist teams that provide legal, financial planning, taxation, genealogy and property services. Additional teams manage customer benefits, insurance, assets, payments and receipts.

During 2018-19 our service centres managed an average of just over 29,000 incoming calls per month. Over the reporting period 87% of these calls were answered in less than three minutes.

Access and contact

Head office

Level 7, Justice Precinct Offices
160 Marsden Street, Parramatta NSW
Locked Bag 5115, Parramatta NSW 2124

Phone: **02 8688 2600**

Email: **tagmail@tag.nsw.gov.au**

Web: **tag.nsw.gov.au**

Business hours

9am to 5pm Monday to Friday
(excluding public holidays).

An out of hours emergency service is provided for urgent medical decisions for people under a guardianship order.

General contact details for individual services

Phone: **1300 364 103** – planning ahead services

02 8688 2600 – financial management, estates, trusts and power of attorney services

02 8688 2650 – guardianship services

Email: **tagmail@tag.nsw.gov.au**

informationsupport@opg.nsw.gov.au – guardianship

Contact assistance

For people who are deaf or have a hearing or speech impairment

Contact us through the National Relay Service and give the NSW TG number you want to call.

For people that require translation and interpreting services

Call the Translating and Interpreting Service on **131 450**. Tell them what language you speak and they will connect you to an interpreter who speaks your language. The interpreter will be on the phone when you are put through to NSW TG.

Information and resources




Our resources are available in multiple languages. These can be downloaded from our website or by contacting NSW TG for a copy to be sent to you.

Our locations

We have locations across metropolitan, regional and remote areas of New South Wales. These locations are in figure 5.



Figure 5: NSW TG locations

-  Planning ahead and outreach services
-  Guardianship
-  Financial management client specialist centre

Review of operations

Overview of services

NSWTG is a not-for-profit predominantly self-funded agency with revenue generated from fees charged to customers and interest received on investments. The revenue from fees is supplemented by a community service obligation payment related to our social programs and non-commercial activities. Services provided by the Public Guardian are predominantly funded by a government grant.

Although our fees are largely set by regulation, we have a mandate to operate our planning ahead, executor, trustee and power of attorney services on a largely commercial basis. Other services such as financial management are more highly regulated and intended to protect vulnerable members of the community.

Fees charged for NSWTG services

Fees charged for many of our services are set by regulation. In addition, the regulations also authorise the CEO to set fees for some services.

Fees for our financial management, estate administration, trustee and power of attorney services are set out in the NSW Trustee and Guardian Regulation 2017.

Fees for civil forfeiture matters are charged in accordance with the Criminal Assets Recovery Regulation 2017 and Confiscation of Proceeds of Crime Regulation 2017.

Fees for the services of the Commissioner of Dormant Funds are set out in the Commissioner of Dormant Fund 2014 regulations.

Planning ahead services

Drafting Wills, Powers of Attorney and Enduring Guardian documents

NSWTG drafts Wills, Powers of Attorney and Enduring Guardian documents for people throughout NSW. These documents enable customers to set out who they want to receive their assets when they die, appoint someone to manage their assets and financial affairs on their behalf or to make health and lifestyle decisions when they are not capable of doing that themselves.

This service is provided from NSWTG's branch network and at Plan Ahead days held throughout metropolitan, regional and remote areas of the state. Plan Ahead Days are held in venues such as local courthouses, community centres and libraries. NSWTG also uses Service NSW centres that have suitable facilities as venues for Plan Ahead Days.

Figure 6: Our Broken Hill staff on the road to a Plan Ahead Day in Menindee





Figure 7: Our Broken Hill staff on the road to a Plan Ahead Day in Menindee

Customers can elect to start their planning ahead documents online and provide details about their estate and wishes ahead of their appointment with one of our staff. This allows more time when meeting with the customer to focus on discussing their planning ahead needs rather than collection of data about their estate.

Further information about customers using this facility is available on page 54.

NSWTG charges customers for preparing Wills and Power of Attorney documents. A lower fee is charged for existing customers updating their Will and Power of Attorney documents when their circumstances or intentions change.

Enduring Guardian documents are prepared and updated at no cost to customers.

During 2018-19 NSW TG drafted and executed 13,963 Wills, Powers of Attorney and Enduring Guardian documents. This was an increase of 8.7% on the 13,302 documents drafted in 2017-18 and 14.2% on the number drafted in 2015-16.

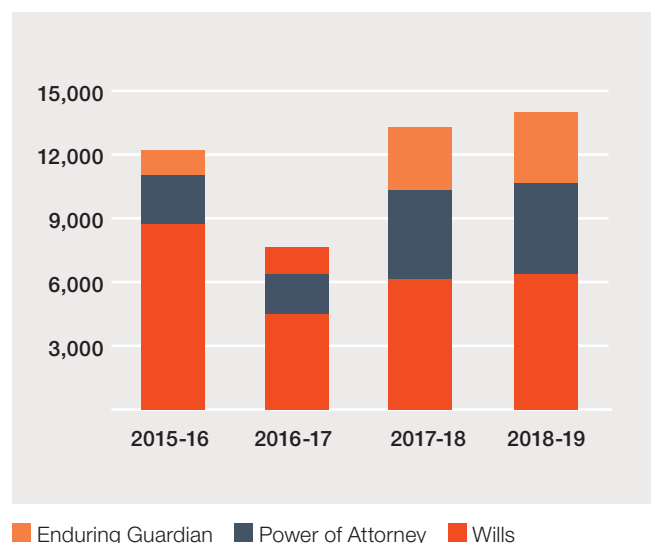
Figure 8 shows the documents drafted and executed for the four years to 2018-19.

The graph also shows that Powers of Attorney and Enduring Guardian documents represent an increasing proportion of the documents we prepare each year. This indicates increasing awareness of the benefits of these documents and an increasing demand for members of the public to have them in place as part of their planning ahead.

Customers can choose who they want to appoint as their executor and attorney. Appointing NSW TG as their executor or attorney or as their substitute executor and attorney is one of the choices available.

In 2018-19 52% of customers making Wills appointed NSW TG as sole or substitute executor. The remaining customers appointed someone other than NSW TG.

Figure 8: Planning ahead documents



Storage of planning ahead documents

NSWTG provides free secure storage of Wills, Power of Attorney and Enduring Guardian documents for customers who appoint NSW TG as their executor or attorney.

NSWTG also provides secure storage of Wills, Power of Attorney and Enduring Guardian documents for members of the community who appointed someone other than NSW TG as their executor or attorney. This service is provided for a small fee.

At 30 June 2019 NSW TG held over 431,000 planning ahead documents in secure storage.

Making it easier for customers to have their planning ahead documents prepared

To make it easier for customers to have their planning ahead documents prepared our Parramatta branch hold some of their Plan Ahead Days on Saturdays. During 2018-19 we also trialled extended hours and weekend appointments at some branches.

Subsidies for people with limited income or assets

Customers eligible for the full-rate Centrelink Age Pension are fully subsidised to have a Will or Power of Attorney in place. These customers are also eligible to one free update of their Will and Power of Attorney each year.

During 2018-19 subsidies for Wills and Power of Attorney documents totalling \$918,390 were provided to over 3,400 people.

Will enquiry services

NSWTG is one of the leading Will makers in New South Wales. Because of the number of Wills we make and store, NSW TG receives enquiries from members of the public about whether we hold the Will of a deceased person. This service helps members of the public in locating the most current Will so the estate is correctly administered.

During 2018-19 NSW TG received 3,804 enquiries through our website in relation to whether we held a deceased person's Will. We also received numerous enquiries via mail and email. NSW TG provides this service to the people of New South Wales free of charge.

Partnering with Service NSW's Cost of Living Program

NSWTG has partnered with Service NSW to include the subsidy for preparing Will and Power of Attorney documents available to people eligible to a full Centrelink pension in Service NSW's Cost of Living program.

Service NSW informs people eligible for the full-rate Centrelink Age Pension of the subsidy as part of their discussions with them about other subsidies they may be entitled to receive. If the person is interested in having NSW TG prepare their planning ahead documents they are provided with the contact details to book an appointment.

The Service NSW website also includes information about the subsidy and links to the NSW TG website that either enables customers to make an appointment or to provide information about their estate prior to their appointment with one of our Outreach teams. Appointments can be made at either a NSW TG branch or one of our Plan Ahead Days held across NSW.

During 2018-19 we also partnered with Service NSW on behalf of our customers who are under a financial management order to claim the compulsory third party (CTP) insurance refund on their behalf. Further information is available on page 37.

Financial management services

A financial manager is someone who is legally authorised under a financial management order to make financial and legal decisions on behalf of a person who is not capable of making those decisions themselves. A financial manager can make decisions about any aspect of the person's financial affairs (unless a part of the person's estate has been excluded from management).

The Supreme Court (Equity Division – Protective), NSW Civil and Administration Tribunal (NCAT) and the Mental Health Review Tribunal can make a financial management order.

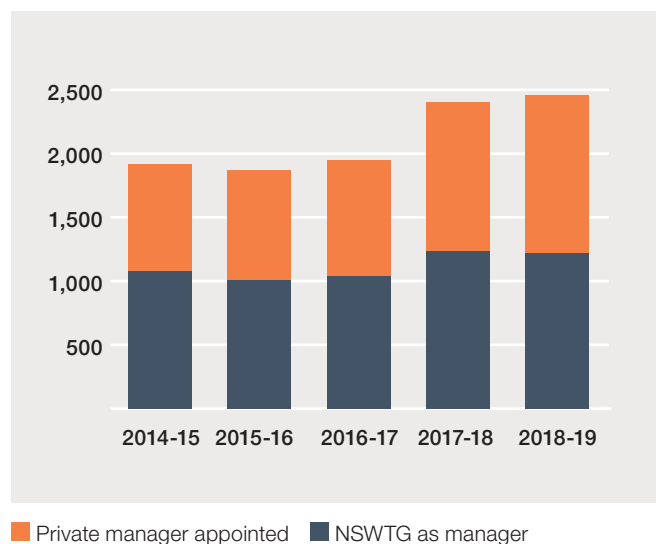
A financial manager can be appointed where someone has not appointed an Enduring Power of Attorney or where NCAT is asked to review the actions of an existing attorney. NSW TG is appointed as manager of last resort when there is no one available or suitable to perform that role.

The Supreme Court may also declare that a person is a missing person and order that their financial affairs are subject to management under a financial management order.

A summary of the number of people under a financial management order for the five years to 30 June 2019 is shown in the table on page 15. Over this period the overall number of people under financial management has increased by 14%. This is predominantly the result of an increase in people under financial management who have a private financial manager appointed.

The figure 9 shows the number of new people under a financial management order for the last five years. During 2018-19 the number of new people increased by 2.2% over 2017-18. During the year the number of new financial management orders appointing a private manager represented the majority of new appointments.

Figure 9: New financial management customers



Fees for financial management services and subsidies for people with low income and assets

Fees for financial management services are charged in accordance with the NSW Trustee and Guardian Regulation 2017.

NSWTG receives funding as part of our community service obligation to subsidise the establishment fee and monthly account keeping fee for people under a financial management order with less than \$75,000 in assets (excluding their principal place of residence). People with less than \$25,000 (excluding their principal place of residence) are fully subsidised. These subsidies totalled \$2.9 million in 2018-19.

Management by NSW TG

As Financial Manager NSW TG secures and collects income and entitlements owing to the person, pays their expenses and debts, sets up regular allowances, liaises with financial institutions to ensure assets and investments are secured and insured, informs relevant authorities such as Centrelink and the Department of Veterans' Affairs of changes in their circumstances and lodges tax returns on their behalf.

We prepare a budget each year based on the person's circumstances. Budgets are prepared on the anniversary date of the financial management order. They are intended to ensure fixed expenses (such as rent, electricity and telephone) and other expenses such as personal allowances, clothing and entertainment are met from their yearly income and that, normally they do not rely on accessing any savings or asset capital. The budget can be reviewed if the person's circumstances change or there are unexpected expenses.

NSWTG seeks input from the person, their family and other significant people in their life to develop the budget. As at 30 June 2019, 93% of people under a management order where NSW TG is appointed manager had a current budget in place. This is an increase of 4.5% on the percentage of people with budgets in place at 30 June 2018.

A focus of 2018-19 for financial management was to reduce a backlog of tasks that were causing delays in some requests being addressed. These ranged from requests involving significant decisions about a person's financial affairs to issues such as approval of one-off expenditure. We established a taskforce that reduced the number of these legacy tasks by over 80% between November 2018 and 30 June 2019. Work on reducing this backlog further will continue in 2019-20.

Reducing this backlog means we are able to address requests from people under a financial management order much sooner.

Private management

A private manager is a person who has been appointed to manage the financial affairs of a person not capable of doing so themselves. A private manager may be a spouse, other family member or friend of the person. A trustee company, a solicitor or an accountant can also be appointed as a private manager.

Private Managers can be appointed by the Supreme Court of NSW or the Guardianship Division, NCAT.

NSWTG's role is to oversee private managers by providing information, authorisation and direction, support, approving significant decisions and reviewing annual accounts.

The Directions and Authorities set out the private managers specific obligations in relation to the person under management (for example providing annual accounts to NSW TG) and the specific financial actions the manager has the authority to perform. During 2018-19 99% of Directions and Authorities to new financial managers were issued within 15 days of appointment.

Support for new private managers

Newly appointed private managers receive an induction phone call to explain their role and what their first actions need to be as managers. Managers also receive a call in advance of the lodgement of their first set out of accounts to assist them with the process and what is required.

Private manager responsibilities

Private managers make decisions in the best interest of the person under management within the limit of the Directions and Authority from NSW TG. This includes paying day-to-day expenses such as general living costs and costs associated with maintaining a person's property and personal assets.

Any decisions outside the limits of the Directions and Authority including expenses outside general day-to-day expenses need to be referred to NSW TG for approval.

Private Managers are required to submit a manager's plan within two months of their appointment. The plan provides an overview of the person's estate including forecast income and expenditure. During 2018-19 91% of manager's plans due to be submitted were submitted within two months.

Private managers are required to keep full details of the managed person's assets, debts, income and expenditure and to lodge an account of the financial dealings they have carried out for the person. Accounts are normally lodged on an annual basis within 30 days of the order anniversary date.

During 2018-19 93% of the annual accounts due have been submitted.

Examination of accounts

NSWTG reviews the annual accounts to confirm:

- the private manager is managing the persons financial affairs appropriately
- that management of their affairs is consistent with the Directions and Authorities and any further approvals by NSWTG.

If any issues are identified through the accounts review process, we contact the private manager and ask for clarification and work with them to resolve the issue. If clarification cannot be provided or the issue cannot be resolved NSWTG may refer the matter to NCAT or to the Supreme Court to review the private manager's appointment.

Impact of previous improvements in private management

During 2018-19 we saw customer satisfaction with our private management services increase to 86% from 66% in 2017-18. We also saw the number of complaints received over the reporting period about our private management services fall by 39% from 18 to 11.

These improvements have followed a number of changes made in 2017-18 based on feedback from private managers. These included simplifying and redrafting forms used by private managers to make them easier to understand and implementation of the induction process for new private managers to help them understand their role.

Approximately 99% of the accounts reviewed during 2018-19 were passed on the basis the accounts showed the person's financial affairs were being managed appropriately.

During 2018-19, additional resources reduced delays in examining accounts which has meant any issues with management of the person's affairs has been identified sooner.

Guardianship

A guardian is someone who is legally authorised under the *Guardianship Act 1987* to make personal or lifestyle decisions on behalf of a person who is unable to make informed decisions on their own.

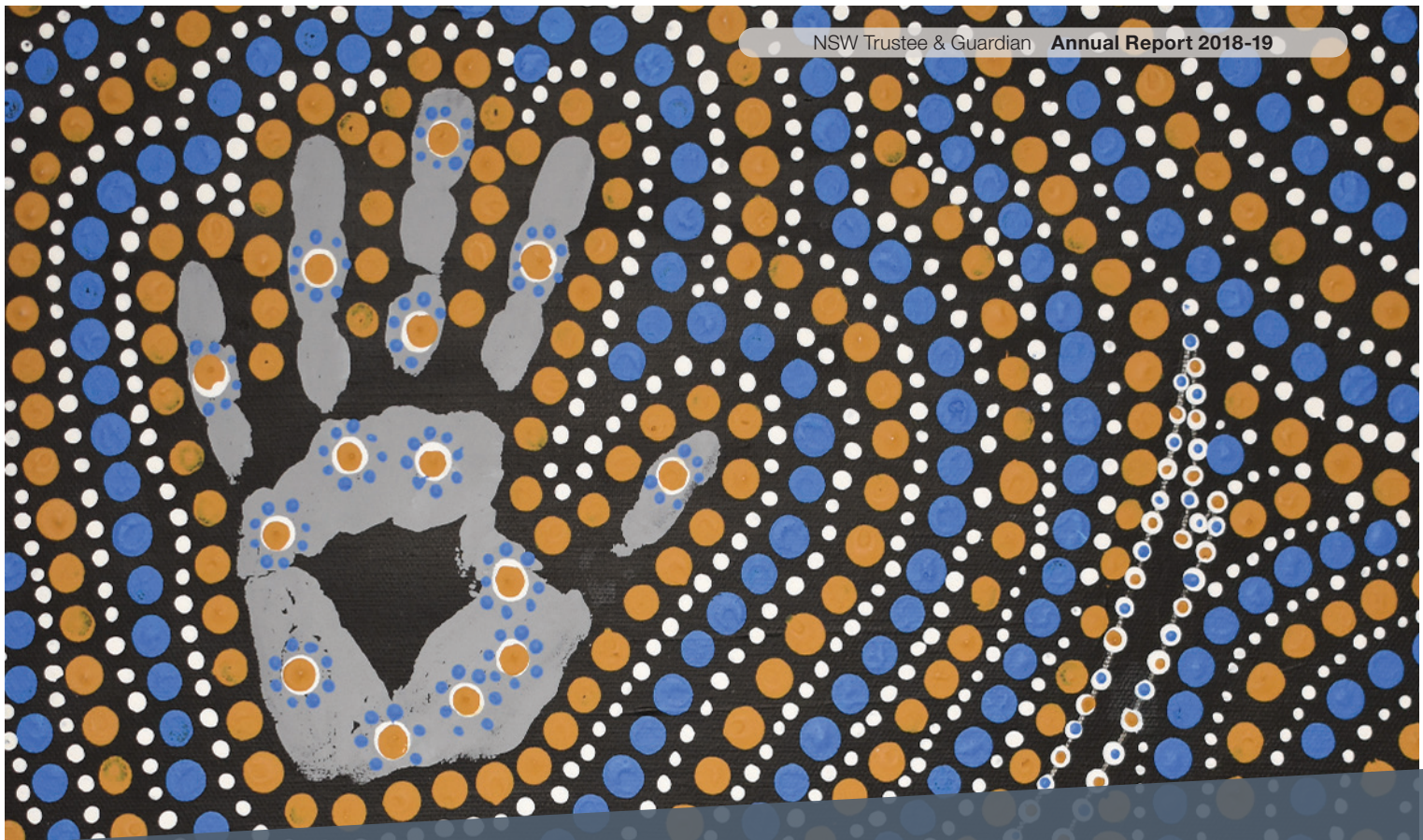
A guardian can be authorised to make decisions such as:

- where the person should live
- what support services the person should receive
- what healthcare, medical and dental treatment the person should receive
- the use of restrictive practices in the management of the person's behaviour.

The Public Guardian is the 'guardian of last resort' and will only be appointed if it is determined a guardian is needed and a suitable private guardian – usually a family member or friend of the person who is willing to take on the role – cannot be identified.

A guardian is often appointed where someone has not appointed an enduring guardian or where NCAT has been asked to review the actions of an existing enduring guardian.

There are no fees charged for guardianship services.



▲ Mullian-ga's Story – Jenayah Ingrey (detail)

Financial management and guardianship services working together

Charles had been living on his own on a small property in south eastern New South Wales. He had dementia but was otherwise very healthy. He had never married, had no close family and little contact with his extended family.

His main source of income was the dividends from a considerable share portfolio which, until recently, appeared to have been well managed.

His former accountant lodged an application for a financial management order after they became concerned Charles may be a victim of elder abuse as they did not consider he was being looked after properly by his carers. They were also concerned that Charles was being financially exploited.

NSWTG was appointed Charles' financial manager. On investigation it was discovered that the people assisting Charles had paid themselves salaries to help Charles manage the property and provide care for Charles that were well above market rates. They also made extensive improvements to the property and purchased equipment and stock that was at odds with

Charles' intention of letting his property return to its original state.

It was also reported that gates on the property had been locked which had prevented Charles' extended family from visiting him.

As financial manager NSWTG stopped the payments to the people who had been helping Charles, redirected dividend payments and secured Charles assets and other income. The equipment and stock were sold. We also engaged qualified carers to provide the services an authorised visitor had recommended.

Following a review hearing NSWTG was re-appointed manager and the Public Guardian appointed guardian.

Financial management and guardianship services worked together to arrange the 24 hour care, services, a suitable vehicle to take Charles to appointments and on outings and modifications to his house. These have enabled Charles to remain in the property in accordance with his clearly stated wishes.

Charles' extended family has also re-established contact and visit regularly.

Public Guardian

A summary of the people represented by the Public Guardian is shown on page 15. As at 30 June 2019 the Public Guardian had been appointed guardian for 2,547 people. Over the last five years the number of people for whom the Public Guardian was appointed has increased by 22.8%. This increase can generally be attributed to the aging population and in more recent years to the National Disability Insurance Scheme (NDIS).

There were 1,156 new orders appointing the Public Guardian during 2018-19. A summary of the new orders made for the last four years is shown in table 4.

Table 4: New guardianship customers

Year	New customers
2018-19	1,156
2017-18	852
2016-17	858
2015-16	967

Over the course of 2018-19 there were approximately 3,500 people represented by the Public Guardian. This includes people who were placed under guardianship for a limited amount of time to achieve a specific objective (for example, to enable a person to move into supported accommodation or an aged care facility) or where the order was discharged or a private guardian appointed.

When the Public Guardian is appointed, the guardian establishes what is happening in the person's life, what kinds of decisions need to be made and, where possible, ascertain the person's will and preferences. This involves talking to the person and the important people in their life.

The Public Guardian's role is to make decisions about a person's health and lifestyle within the specific functions included in the guardianship order. This includes major decisions about:

- where a person will live
- the services they receive (including services a person receives through their NDIS plan)

- healthcare
- access
- authorising the use of restrictive practices.

In making these decisions the Public Guardian gives paramount consideration to the person's welfare and interests as well as protecting them from neglect, abuse and exploitation. The principles from the *Guardianship Act 1987* that guide these decisions are set out on page 13.

They also advocate for the person's preferences and needs to be resourced and realised as well as identifying and managing risks. This is to maximise the person's social, health and cultural wellbeing as well as their freedom of action and decision-making wherever possible.

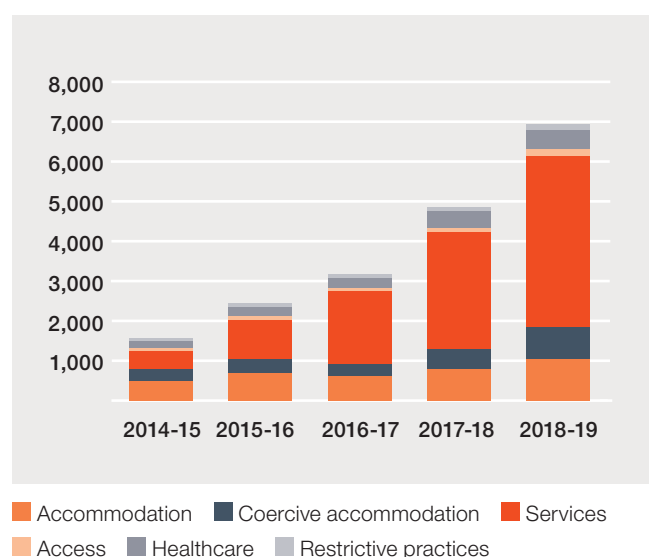
Number of major decisions, medical and dental consents and visits to people we represent

A major part of the work of the Public Guardian each year is to make decisions for the person under guardianship, visit the people we represent and provide consent to medical and dental treatment.

Major decisions

A summary of the number of decisions made by the Public Guardian for the five years to 30 June 2019 is shown in figure 10. Over this period the total number of major decisions made by the Public Guardian each year has increased by 342%.

Figure 10: Major decisions by the Public Guardian



The majority of this increase is in decisions related to services. These have increased by 846% over the 5 years to 30 June 2019 and currently represent 62% of all major decisions.

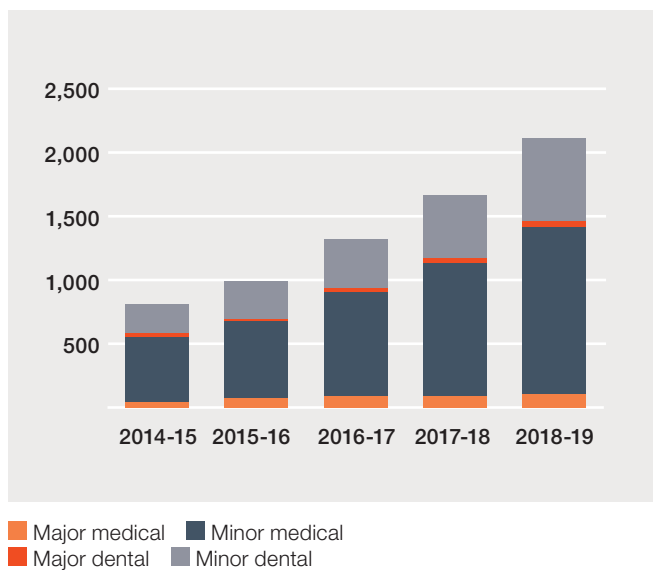
This increase in decisions is largely due to the number of represented people who are NDIS participants. For the majority of these people guardians:

- consent to the person accessing the NDIS
- participate in the planning process to advocate for the services the person receives through their NDIS plan.

Medical and dental consents

A summary of the medical and dental consents provided by the Public Guardian over the five years to 30 June 2019 is shown in figure 11.

Figure 11: Medical consents provided by the Public Guardian

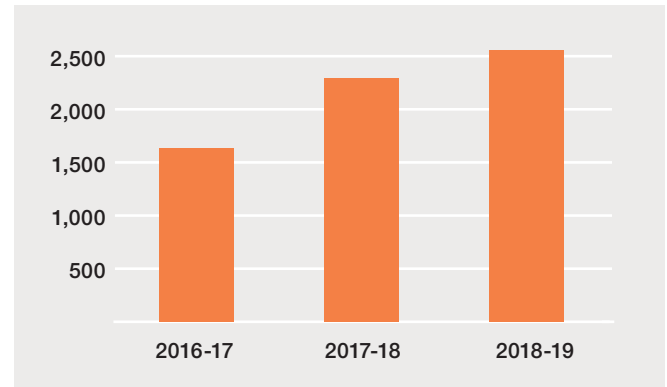


As with major decisions the number of medical consents provided for the people we represent has increased considerably. They increased by 27% in 2018-19 and by 161% in the five years to 30 June 2019.

Visits to people we represent

The number of visits to people we represent is shown in the figure 12.

Figure 12: Public Guardian visits to people under guardianship



During 2018-19 Public Guardian staff made 2,513 visits to represented people, this is a 16% increase on the number of visits in the previous financial year.

Support for private and enduring guardians

A private guardian is usually a family member or friend of the person who is willing to take on the role of guardian. At 30 June 2019 there were approximately 3,600 private guardians appointed under a guardianship order.

An enduring guardian is a person someone appoints to make personal or lifestyle decisions on their behalf in the event they lose the capacity to make those decisions themselves.

The Public Guardian offers information, support and guidance to private and enduring guardians through the Private Guardian Support Unit (PGSU). The PGSU helps guardians understand their legal role and responsibilities under the *Guardianship Act 1987* and the extent of their decision-making authority. The service helps guardians navigate the systems which support the people they represent, such as the NDIS, health system and aged care services.

The PGSU provides support over the phone and via email and provides resources that help guardians in their role. In some cases the PGSU will also meet with the guardian or attend meetings and guardianship hearings with them.

Intestacy referrals

As the largest administrator of estates in NSW, individuals and legal practitioners often seek to refer intestacies to NSWTG. We also administer estates where someone else is appointed executor but asks us to take over their role, or where there is a valid Will but no executor appointed.

During 2018-19 NSWTG received 247 intestacy referrals through our website. We also received referrals by mail and email.

During 2018-19 NSWTG obtained administration of 1,204 estates with an approximate value of \$566 million. Of these:

- 69 of the estates were intestacies
- the average value of the estates being administered under a grant of administration was \$702,838.

NSWTG finalised 1,983 estates during 2018-19. The average time taken to complete administration of estates during the year was nine months.

Of those, 105 were smaller estates that did not require formal administration. These involved transferring property to the surviving joint tenant and arranging funerals where no one else was available.

At 30 June 2019 NSWTG had 4,932 estates on hand with an estimated administration value of approximately \$2.1 billion. These were made up of:

- 1,628 estates under active administration to realise assets, identify beneficiaries and distribute the estate
- 1,236 estates relating to testamentary trusts established to manage rights of residence, life interests, amounts being held for minor beneficiaries or other long term trusts
- The remaining 2,068 matters relate to estates where:
 - small residual balances were being finalised for payment
 - a provision had been retained pending confirmation of the final tax liability for the estate
 - the estate includes assets that NSWTG had not been able to realise to 30 June 2019. These assets include companies in liquidation and/or remote properties with no legal right of access
 - next of kin searches were being conducted to identify and/or locate beneficiaries
 - family provision actions are underway in relation to who is entitled to claim money from the estate
 - other litigation is underway

Deceased estates

NSWTG provides estate administration services as executor and administrator. As executor we carry out the wishes of the person who made the Will. We can be appointed by the court as administrator where:

- there is no Will (intestate)
- a Will exists but no executor is appointed
- where the executor cannot act or appoints us to act in their place.

The duties and power of an administrator are essentially the same as an executor. In both cases we obtain a grant of probate or administration to confirm our authority to administer the estate. Administering the estate includes identifying, securing and, where appropriate, realising the assets and paying any debts of the deceased person.

NSWTG then distributes the proceeds of the estate or transfers the assets to the beneficiaries in accordance with the terms of the Will. If there is no Will, the estate is distributed in accordance with the laws of intestacy. As trustee we look after ongoing bequests to family and friends included in the Will until the trust ends or the funds are used up. For example, where money is held for young children or there is a life interest in the estate.

- where NSWTG has exhausted all avenues available (based on the value of the estate) to identify and locate beneficiaries or is unable to distribute the funds to the beneficiary
- NSWTG's genealogy research has established there is no one entitled to the estate. These matters will be paid to the NSW Government as *bona vacantia* ('ownerless goods').

Services to the community

Under the *Probate and Administration Act 1898* the property of deceased persons vests in NSWTG until probate or administration is granted by the court.

NSWTG receives and responds to legal notices and court documents served on it as title holder of property during this period. When needed, they also appear in the Supreme Court proceedings in related matters. In 2018-2019 NSWTG responded to 137 notices and appeared in court proceedings for two matters.

NSW Trustee does not charge for these services unless the court makes an order in relation to its costs.

Reporting of new estates

New estates can be reported to NSWTG by family members or other people involved in the person's life.

NSWTG monitors death notices and funeral notices to identify any matches to planning ahead customers in our database where the estate has not already been reported to NSWTG. On identification of a customer NSWTG writes to the family to advise them we hold a Will.

NSWTG also monitors the Supreme Court's online registry for preliminary notices relating to planning ahead customers. If a match is found we contact the person or solicitor who placed the notice advising them we hold a Will.

By monitoring death notices, funeral notices and the Supreme Court's online registry we can help ensure a person's estate is distributed in accordance with their wishes by reducing the risk of an estate being incorrectly administered under an earlier revoked Will. It also reduces the risk of having to revoke an incorrect grant of probate.

Improving our quality assurance processes for deceased estates and trusts

One of our main focuses during 2018-19 was to reduce delays in distribution of the proceeds of an estate or trust to the beneficiaries.

To help achieve this NSWTG allocated additional resources to our Accounts team within the service centres. This team is responsible for the accounts audit of each estate and trust to ensure it has been administered to comply with our policies and legal processes. Once this has occurred they process any distributions to be paid to be beneficiaries.

Between January and June 2019 the additional resources combined with a focus on upskilling of members of the team led to a 38% reduction in the average time between receipt of a matter by the team and completion of the accounts audit and processing of the distribution.

Trusts

Trusts can be created by individuals, organisations or government agencies. They can be created by a Will, deed or court order. Trusts created by a Will are called testamentary trusts and become effective from a person's death. Trusts created by a deed are effective during the person's lifetime.

NSWTG creates and administers trusts for children, adults who are not able to manage their own affairs, family discretionary trusts and charitable trusts. NSWTG also administers trusts created by court orders and victims support payments.

Court orders and victims support payments are currently the largest source of trusts administered by NSWTG.

Courts ordered trusts can result from:

- damages awarded under the *Civil Procedures Act 2005*
- payments made under the *Workers Compensation Act 1987*.

These trusts are commonly created where the beneficiary is a minor or not capable of managing their financial affairs

Trusts can also be created by:

- orders made under the *Conveyancing Act 1919* to sell real estate and divide the proceeds in accordance with the orders
- orders to hold the proceeds from unclaimed goods under the *Storage Liens Act 1935*.

Victims' support payments are paid to victims of crime to provide financial assistance for immediate needs, economic loss and funeral expenses. The majority of victims' support payments received by NSWTG relate to minors. A smaller number of payments relate to people who are not capable of managing their financial affairs and people who cannot be located at the time the payment was made.

NSWTG's role is to ensure the trust funds are used in accordance with the terms of the trust, for example, a child's maintenance, education and benefit. As trustee we:

- have responsibility for managing the assets and investments
- are required to act prudently and in the best interests of the beneficiaries.

If appropriate, funds can be released from the trust for the benefit of the beneficiaries while the trust continues. These will be considered in terms of the needs of the beneficiaries, the value of the trust, how long the trust will run and the effect of inflation and taxes.

During 2018-19 NSWTG received 908 new trusts with a value of \$52.7 million. 845 (93%) of these trusts were either damages trusts or victims support payments.

As at 30 June 2019 NSWTG was managing 8,303 trusts worth approximately \$527 million. These trusts were made up of:

- 7,359 damages trusts awarded by courts and victims support payments paid to minors, people not capable of managing the payment or people that could not be located by Victims Services at the time the application for payment was approved
- 402 workers compensation trusts payable to people under 18
- 542 trusts where:
 - NSWTG has been appointed trustee by deed
 - the original trustee did not wish to continue in their role
 - funds are held for the benefit of an organisation or association
 - funds are held under legislation
 - a court has appointed NSWTG to hold the assets of a protected person on trust.

Powers of Attorney

NSWTG's Power of Attorney services enable customers to appoint NSWTG as their attorney to manage their assets and financial affairs on their behalf. Customers can choose the level of assistance they require and can appoint NSWTG on a short term or ongoing basis. Customers can also appoint NSWTG as their Enduring Power of Attorney which can be activated if they lose the capacity to manage their financial affairs.

This year NSWTG received 48 new matters with a value \$4.7 million. As at 30 June 2019 we were managing the financial affairs of 281 customers under Powers of Attorney with an approximate value of \$81.7 million. NSWTG is acting as Enduring Power of Attorney for 255 of these customers.

Civil forfeiture

NSWTG manages forfeiture of seized and confiscated assets under the *Criminal Assets Recovery Act 1990* and *Confiscation of Proceeds of Crime Act 1989*.

In providing this service NSWTG manages a wide range of assets from real estate, cash, bullion, jewellery, motor vehicles, luxury items, wine collections, boats and livestock. These assets are either secured, sold immediately or managed until further court orders are issued. Managing these matters involves close liaison with the Director of Public Prosecutions, NSW Crime Commission and the Law Enforcement Conduct Commission to ensure orders are implemented promptly.

Fees for civil forfeiture matters are charged in accordance with the Criminal Assets Recovery Regulation 2017 and Confiscation of Proceeds of Crime Regulation 2017 and deducted before the proceeds are paid to NSW Treasury.

During 2018-19 NSWTG received 68 new civil forfeiture matters with a value of \$17.8 million and paid \$25.9 million (net of NSWTG's fees) to NSW Treasury from the proceeds of the sale of seized and confiscated assets.

At 30 June 2019 NSWTG was managing 142 civil forfeiture matters worth approximately \$45.8 million.

In the four years to 30 June 2019, NSWTG has paid \$65.9 million to NSW Treasury from the proceeds of seized and confiscated assets.

Court investments

NSWTG holds monies paid into court under the Uniform Civil Procedure Rules 2005. These amounts are invested in cash and cash equivalent funds in the NSWTG common fund and returned to the court as instructed.

During 2018-19 NSWTG received 234 matters valued at \$180.7 million. At 30 June 2019 NSWTG was holding \$134 million in the common fund on behalf of courts in 640 matters. This represents a 9.5% increase on the number of matters at 30 June 2018.

Dormant funds

The Chief Executive Officer of NSWTG is the Commissioner of Dormant Funds. The Commissioner's role is to make recommendations to the Attorney General for dealing with funds relating to charitable purposes or purposes of a public character that have become dormant.

Under the Dormant Funds Regulation 2014 NSWTG charges a fee of 5% fee of the value of the funds for these services.

In the financial year 2018-19 NSWTG managed seven dormant funds matters with a total value of \$901,764.

There were no matters finalised in 2018-19.

Property services

NSWTG provides a range of services for customers in relation to management of their property, vehicles and personal effects. Property services include:

- sales, purchase and leasing of real estate (including notional sales of real estate between beneficiaries)
- securing of properties for new customers
- property inspections, valuations and compliance
- construction and renovation
- ongoing repairs and maintenance, payment of outgoings, specialist cleaning and clearances
- sales, purchase, insurance and registration of vehicles
- managing house, contents and vehicle insurance claims (people under a financial management order where NSWTG is appointed manager)
- collecting personal items, ensuring they are stored securely and, where necessary, sold.

During 2018-19 NSWTG formally established a specialist property service centre to manage and improve provision of property services to customers.

NSWTG managed 678 property sales, 440 for estate administration, trust and power of attorney customers and 238 for people under a financial management order during 2018-19. The 678 property sales during 2018-19 represents a decrease of 4% on the 708 properties sold in the previous year and reflects our continued efforts to reduce the backlog of property related tasks.

NSWTG uses a real estate service platform to assist in the sale of some customer real estate. The platform enables NSWTG to list properties for sale and for real estate agents to submit proposals in a competitive tender process. The platform also enables NSWTG to track progress of the transaction in real time.

During the reporting period the average days to settlement for properties sold through this platform fell by 13%. Over the same period the average commission on properties sold through the platform using a competitive tender process fell by 6%.

Between September 2018 and June 2019 NSWTG also managed:

- 552 construction, renovation and property safety inspections tasks
- 592 tasks to secure and search customer properties or obtain sales and leasing reports
- 2,668 property insurance renewals and claims
- on-boarding 1,331 customer properties
- 414 other property related tasks including provision of information to inform decision-making.

During the same period NSWTG purchased or sold 464 vehicles for customers. We also managed 2,073 tasks associated with vehicle insurance renewals and claims, registration and onboarding of vehicles.

At 30 June 2019 NSWTG was managing a portfolio of 3,375 properties and 1,509 vehicles for customers either on an ongoing basis or pending sale or transfer. NSWTG also had over 28,000 personal items and documents securely stored for customers.

Managing personal items

A customer moving into aged care had a very large record collection that took up many rooms of their house. They were unable to take their collection, which they spent much of their life acquiring, with them and were worried it would end up in landfill.

One of NSWTG's service providers agreed to sell the collection on the customer's behalf. Working with another supplier they managed the logistics that enabled the collection to be sold in stages. Being able to sell the collection for the customer provided validation to our customer that something they had spent so long acquiring was of value. It also saved them having to pay landfill charges to dispose of the collection.

CTP Green Slip refund for owners of motor vehicles

The NSW Government's reforms of the compulsory third party (CTP) insurance scheme meant owners of private motor vehicles before 1 December 2017 may have been entitled to a refund of part of their 2017 CTP premium.

The standard refund process was not a practical solution to claim the refund on behalf of people under a financial management order because of the number of them who own vehicles. NSW TG worked with Service NSW to develop a process that would enable the refunds to be claimed and processed more efficiently.

Financial planning services

Our financial planners prepare financial plans (Statements of Advice) for the investment of customer assets to suit their needs and with the least investment risk.

Our planners consult the customer, their family, guardian or other stakeholders ensuring we understand their circumstances, needs and aspirations (both short and long term). Development of the plan takes into consideration cash flow, liquidity, flexibility, investment risk, potential income and capital growth as well as the customer's taxation position and eligibility for government payments.

For customers who have lost capacity, we acknowledge that the investments (such as shares, investment properties, managed funds and superannuation) they had prior to becoming a customer reflects their preferences for managing their investments. These investments are reviewed and generally retained unless there is a compelling reason to recommend otherwise.

This approach enables the planners to develop a financial plan tailored to the customer's circumstances and provide a better outcome with the available financial resources.

Financial plans are reviewed on an annual basis to ensure they are still appropriate for the customer's situation and continue to meet their needs. The team also review requests to access savings or capital to determine if the request is affordable.

When we make an investment recommendation for a customer it is communicated to the customer, or a family member in a formal Statement of Advice. The customer or family member has the right to express their views and if they do not agree with NSW TG's advice the recommendations are not implemented. NSW TG will then continue to work with the customer or family member to reach an agreed outcome to implement.

The financial planning team has specialist knowledge particularly in superannuation and aged care and complies with the Australian & Securities Investment Commission (ASIC) and the Financial Planning Association of Australia's best practice principles.

Our financial planners also abide by the *Trustee Act 1925* and in particular the prudent person principle which sets out the matters to which a trustee is to have regard when exercising the power of investment.

During 2018-19 our financial planners developed or reviewed:

- 1,365 financial plans for people under a financial management order
- 3,233 financial plans for customers where a trust, life interest or right of residence has been established as part of a Will, and for trusts and power of attorney customers.

In addition, the team prepared 1,404 records of advice for people under a financial management order to inform decision-making about assets. Additional advice was provided to inform decision-making for estate administration, trustee and power of attorney customers.

Benefits, child support payments, Medicare, health, personal and life insurances

NSWTG manages pensions, allowances and other social security benefits received from Centrelink, Department of Veterans Affairs and overseas providers for people under a financial management order. The Benefits team reviews pensions each year to ensure people under a financial management order receive their correct entitlements and ensures any changes in their income and assets are advised to the provider. Reviews are also conducted when their circumstances change or there are significant variations in the pension received. They also manage requests from providers for additional information.

Further, the team also manage pensions received from their Commonwealth Superannuation Corporation and the State Authorities Super scheme for people under a financial management order.

Additionally, they manage processing of Medicare and private health insurance claims for customer medical expenses and sending of new and replacement Medicare cards to customers.

The team ensures premiums for private health cover and life insurances are paid. Total and permanent disability and income protection insurances are investigated and where appropriate claims are lodged on behalf of customers.

The team manage any prepaid funeral and funeral bonds people had when they came under a financial management order.

They also manage child support payments on behalf of people under a financial management order.

Taxation services

NSWTG's Taxation team has specialist knowledge in the taxation of individuals, minors, deceased estates, testamentary trusts and businesses. It deals with a wide range of taxation issues including complex Capital Gains Tax calculations, GST calculations on commercial property sales, superannuation lump sum receipts and rental properties. The team includes licenced taxation agents who oversee the work of other members of the team.

During 2018-19 our taxation team:

- prepared 6,487 taxation returns for customers. All returns were lodged within the required timeframe
- provided 3,659 tax clearances enabling money from deceased estates and trusts to be paid to the beneficiaries while ensuring funds were retained to meet estimated tax liabilities.

The Taxation team also completes Business Activity Statements on behalf of customers.

Genealogy services

NSWTG undertakes next of kin searches in Australia and overseas to identify and locate relatives of the deceased who are entitled to a share of their intestate estate. Research is also undertaken for beneficiaries named in a Will who are missing or for persons falling within a class of beneficiaries described in a Will. Entitlements to an intestate estate are typically established using event certificate evidence (birth, death and marriage certificates) and search certificate evidence (issue searches and marriages searches). Where this is not possible secondary evidence such as immigration and burial records may be considered if they satisfactorily prove entitlement.

Once entitled beneficiaries have been identified and located, the money from the estate is distributed to them. In some cases, genealogical research will establish there is no one entitled to a share of the estate according to the intestacy laws of NSW. Funds from these estates are described as *bona vacantia* and are paid to the State.

Where entitlement cannot be established because of a lack of certificate evidence, paternity is not known, a person has disappeared or their living status is not known an application is made to the Supreme Court of New South Wales for determination.

The Genealogy Unit, who undertake the complex and overseas genealogical research for NSWTG, are a small group of specialists with a high level of knowledge, expertise and experience in the relevant areas of law and in the use of genealogical methods, strategies and tools to identify, locate and prove beneficiaries.

During 2018-19 our Genealogy unit commenced research on 225 matters and completed research for 58 matters. As at 30 June 2019 they had 840 matters where research to establish entitlement was ongoing.

Our Genealogy unit in action

Max died intestate in 2017. His parents pre-deceased him and he had four known siblings. As Max's father had been born in England the Genealogy team sought certificate evidence from the General Register Office in England to assist in confirming entitlement of the beneficiaries. These searches revealed Max's father had a further five children with three different partners.

A lack of primary certificate evidence meant the team was unable to complete the full family tree. As a result, an application for confirmation of entitlement was made to the Supreme Court. The court confirmed entitlement in accordance with the research done by the team and the estate was distributed to the beneficiaries.

In another estate, Chloe, a beneficiary in her uncle's estate could not be located. To locate Chloe the Genealogy team initially located her children. One of her son's had lost contact with his mother but wanted to get in touch with her again if she was located. He also mentioned he knew of another son born in South Australia. Genealogy located the second son who provided current contact details for Chloe.

Genealogy contacted Chloe to arrange payment of her share of her uncle's estate. Chloe granted permission for her contact details to be provided to her estranged son.

The family have since reunited.

Legal services

NSWTG's Legal Services play an important role in protecting the legal rights and interests of our customers.

The Legal Services team manages a wide range of legal matters that arise in the delivery of our trustee and financial management services. These include:

- estate planning, succession, entitlement and trusts
- issues relating to financial management and guardianship orders
- personal injury, family, criminal, employment, interests in estates, workers compensation and victims compensation
- commercial, misappropriation, asset recovery, claim and debt matters
- vacant possession and other property matters
- civil forfeiture, legal costs, foreign jurisdiction matters.

They also engage external legal service providers for customers and manage provision of those services. Providers are selected from panels for specific areas of law.

Legal Services represent NSW TG in courts and tribunals, and responds to subpoenas and other information requests. The team also provides legal support to the wider organisation in delivery of our services.

During 2018-19 Legal Services received 865 new legal matters and finalised 678 matters. At 30 June 2019 they were managing 1,340 active legal matters.

Disability advocacy

Our Disability Advocacy Unit (DAU) supports NSW TG to engage effectively and appropriately with people with disability. This includes policy advice, training, support and guidance to our staff dealing with people with disability. They also support our frontline staff in managing systemic issues that impact customers, for example, issues arising from assisted boarding houses, sanctions placed on individual aged care facilities and NDIS related issues.

The unit also coordinates the provision of external disability expertise and advice for customers including the management of the Authorised Visitor program.

Disability Advocacy also engages with stakeholders on disability issues to inform decision-making for customers.

NSWTG's Authorised Visitor program

Our Authorised Visitors are qualified and experienced professionals who are independent of NSW TG.

They provide a comprehensive assessment of a customer's living environment, quality of life, social interactions and health status as well as an understanding of their needs, wishes and the nature of their disability. This information enables the customer's wishes and their access to services and entitlements to be addressed in the context of their financial resources.

National Disability Insurance Scheme (NDIS)

The NDIS represents a fundamental change for the funding and delivery of supports to people with disability across Australia. Following the NSW Government signing the *NDIS Full Scheme Agreement* on 25 May 2018 NSWTG has continued to facilitate support for our customers to access reasonable and necessary supports under the scheme.

NSWTG is involved in the NDIS through its role as a financial manager, trustee or guardian for people with disability.

For people under a guardianship order where the Public Guardian is appointed NSWTG is involved in the NDIS pre-planning and planning process, including releasing information and attending meetings. We negotiate with the National Disability Insurance Agency (NDIA) on behalf of the participant about what is accepted as reasonable and necessary supports and seek reviews of plans when needed. We also negotiate with support coordinators about the selection of the most appropriate service provider for the participant and decide which service providers will provide a service to the participant.

For people under a financial management order where NSWTG is appointed manager NSWTG:

- informs customers that they may be eligible for the NDIS
- provides the NDIA with financial information to assist in planning customers' NDIS packages and ongoing support to ensure the development of a meaningful plan
- provides the person a copy of their personal budget to take to their planning meeting or review
- manages their transport funding if they are unable to manage it themselves.

During 2018-19 NSWTG continued to work closely with the NDIA to address systemic issues identified with the scheme. This included developing our working relationship with NDIA, assisting in best practice plan development, and addressing gaps in current and future service delivery. For example the NDIA's responsiveness to people in crisis and with complex needs.

NSWTG was also a key member of the NDIA and Department of Justice working groups to raise and discuss systemic issues in relation to the NDIS.

NSWTG is also a member of the Australian Guardianship and Administration Council's Senior Officers Group. This forum facilitates sharing, dissemination and discussion in relation to the NDIS and its impact on service delivery to customers of trustee and guardianship organisations in other jurisdictions around Australia.

During 2018-19 NSWTG also continued to deliver information sessions to NDIS planners, Local Area Coordinators, NDIA Support Coordinators and other stakeholders about financial management and guardianship services and clarified our role and function in relation to our customers.

During 2018-19 NSWTG received funding for the transitional and ongoing costs associated with the NDIS for people under a financial management or a guardianship order. NSWTG used the funding for people under a financial management order to establish a temporary specialist team to carry out this work. For people under a guardianship order the funding was used to provide additional resources within the existing teams to carry out this work.

Customer assets under management

One of NSWTG's main responsibilities is to secure and manage customer assets. These assets include funds invested in the NSWTG common funds, real estate, vehicles, bank accounts, shares and other investments and personal property.

At 30 June 2019 NSWTG was managing \$6.1 billion in customer assets, an increase of 3.68% on the previous year. A summary of the customer assets under management is shown in Table 5.

The total assets are shown net of estimated customer liabilities. These liabilities are an estimate of amounts to be paid from funds in estate, trust and power of attorney matters.

NSWTG common funds

The *NSW Trustee and Guardian Act 2009* directs NSWTG to operate common funds for investment of customer funds. NSWTG currently operates two common funds – the financial management and trustee common funds.

The financial management common fund includes funds invested for people where NSWTG has been appointed as financial manager as well as some funds invested for trustee matters. Private managers can also elect to invest funds in the financial management common fund.

The common fund for trustee customers includes funds invested for deceased estate, trust, power of attorney, civil forfeiture and for amounts held on behalf of courts.

The common funds are made up of 10 investment funds. This range of funds enables the investments to meet individual needs by allowing appropriate diversification and risk management. A fund performance report is provided for each investment fund and published on NSWTG's website.

Within the common funds NSWTG manages investments in bank accounts, term deposits and other similar assets. Over the year this represented approximately 49% common fund assets. The remainder of the investment fund assets are holdings in unit trusts managed by Blackrock Investment Management Australia (Blackrock).

Most of the funds aim to track the returns on major financial markets. This approach enables the funds to provide returns to customers close to the financial markets whilst saving on costs that would be associated with investment research and selection.

JP Morgan was custodian of the assets held in the NSWTG common funds during the reporting period. This function involves safekeeping of fund assets, fund accounting, fund unit pricing, investment performance reporting and retail unit registry functions.

Table 5: Customer assets under management

	Financial Mgt \$'000	Private Mgt \$'000	Estates \$'000	Trusts \$'000	POA \$'000	Civil Forfeiture \$'000	Court Investment \$'000	Other \$'000	Dist'n June 19 \$'000	Total Client Assets \$'000
Common funds										
Financial mgt	1,516,534	84,364	55,690	90,349	14,528					1,761,465
Trustee			658,240	412,667	62,201	38,183	119,080	14,243	11,680	1,316,294
Total	1,516,534	84,364	713,930	503,016	76,729	38,183	119,080	14,243	11,680	3,077,759
Customer assets outside common funds	2,537,894		390,979	45,915	54,266					3,029,054
Less estimated customer liabilities (customer payables)			(13,827)	(2,636)	(2,715)					(19,178)
Total	4,054,428	84,364	1,091,082	546,295	128,280	38,183	119,080	14,243	11,680	6,087,635

Our Independent Investment Advisory Committee monitors, reviews and advises the Chief Executive Officer on issues relating to management and oversight of the NSW TG common funds. Further information on the Committee is available on page 67.

Performance of each investment fund is measured against the relevant financial market benchmark net of NSW TG's investment management fee of 0.1%.

At 30 June 2019 there was \$3.1 billion invested in the common funds. During 2018-19 the Australian cash based investment funds exceeded benchmark returns by an average of 0.3%. The other funds were either equal to or within 0.2% of the benchmark.

There may be variances in individual customer returns depending upon the customer's entry date into the fund and any new applications or redemptions during the financial year.

Table 4 shows the amount invested in the common fund and the allocation to the individual investment funds. It also shows the returns achieved over the last year and a comparison with the financial market benchmark for each asset class after an allowance for NSW TG's investment management fee.

Financial management common fund

The financial management common fund consists of eight investment funds. The amounts invested in the funds are predominantly owned by people under a financial management order whose financial affairs are directly managed by NSW TG. They also include amounts owned by people whose affairs are managed by a private manager. Estate, trust and power of attorney customers also have funds invested in the Australian Cash Plus and Australian Fixed Interest funds.

In investing customer funds NSW TG seeks to avoid adverse effects from any short to medium term financial market volatility wherever possible. To achieve this planned customer living expenses are held in funds focussed on cash and fixed interest. The capital security of these funds helps ensure that customer's living expenses can be met in full. The balance is invested in growth asset funds to provide for the longer term needs of the customer.

At 30 June 2019 there was \$1.8 billion invested in this fund.

Table 6: Amounts held in the NSW TG common fund.
Returns are shown net of NSW TG's investment fee.

Investment Fund	Financial Mgt \$'000	Private Mgt \$'000	Trustee \$'000	Total \$'000	Customer Return	Bench mark Return
Financial management common fund						
Access Fund	674,436	53,818		728,254	2.4%	1.9%
Australian Cash	196,609	9,217		205,826	2.2%	1.9%
Australian Cash Plus	95,602	2,388	85,696	183,686	2.4%	1.9%
Australian Fixed Interest	39,864	1,013	74,871	115,748	9.4%	9.5%
Australian Shares	283,053	10,022		293,075	11.2%	11.3%
Australian Listed Property Securities	71,022	2,414		73,436	19.1%	19.3%
International Bond	4,135	215		4,350	7.0%	7.1%
International Shares	151,813	5,277		157,090	7.4%	7.3%
	1,516,534	84,364	160,567	1,761,465		
Trustee common fund						
Primary			1,048,815	1,048,815	2.5%	1.9%
Growth			267,479	267,479	11.5%	11.5%
	-	-	1,316,294	1,316,294		
Total	1,516,534	84,364	1,476,861	3,077,759		

Trustee common fund

The trustee common fund represents monies from customer matters arising from NSW TG's role as executor, trustee or attorney as well as amounts invested under civil forfeiture matters and investments on behalf of courts. The fund is made up of two investment funds – the Primary and Growth Portfolios.

Customer monies are initially placed in the Primary Portfolio which invests in a wholesale money market-based unit trust as well as cash deposits, short-term money market securities and term deposits.

Investment plans are prepared for each trustee customer and, when exposure to growth assets is required, monies are transferred to the Growth Portfolio which invests in a blend of Australian and international companies, tracking the returns on major financial markets. The objective of the fund is to achieve capital growth over the medium to long term that well exceeds inflation.

At 30 June 2019, \$1.3 billion was invested in the trustee common fund (see Table 6)

During 2018-19 the Primary Portfolio exceeded benchmark returns by 0.6%. The Growth Portfolio return was in line with the benchmark. Both returns are after deducting NSW TG's investment management fee.

Distribution of return on investments in the common fund

For the Access Fund and Primary Portfolio interest is calculated daily and credited to customer accounts in June and December. For the other investment funds income is calculated six monthly and credited to the customer's account as a re-investment of units or it is paid as a cash distribution.

Financial statements and auditing of the NSW TG common funds

The customer assets held in the NSW TG common funds are reported separately in the financial statements of the NSW TG – Common Funds.

The common funds and financial statements are audited by the Audit Office of New South Wales each year.

Customer assets outside the common funds

One of NSW TG's key roles in helping customers manage their financial affairs is to ensure their assets are secured and cannot be accessed, sold or transferred without NSW TG's consent.

Customer assets outside the common fund include real estate, motor vehicles, boats, caravans and personal property. Further information about management of these assets is available on pages 36-37.

They also include financial and investment assets such as shares, bank accounts, term deposits, loans, mortgages, superannuation and other investments.

Table 7: Customer assets outside the common fund

Asset Category	Financial Mgt \$'000	Private Mgt \$'000	Estate \$'000	Trusts \$'000	POA \$'000	Other \$'000	Total \$'000
Real estate	1,535,108		316,749	35,736	18,389		1,905,982
Investments	695,838		56,715	446	15,872		768,871
Mortgages			10	530			540
Other general assets	306,948						306,948
Other personal property			17,505	9,203	20,005		46,713
Total	2,537,894	-	390,979	45,915	54,266	-	3,029,054

We manage the roll over of term deposits, sale of shares, superannuation contributions and withdrawals and sale of other financial and investment assets.

Table 7 shows a breakdown of customer assets outside the common fund at 30 June 2019.⁴

A breakdown of the customer investment assets is shown in table 8.⁵

Table 8: Customer investment assets at 30 June 2019

Investment	Fin Mgt \$'000	Trustee \$'000	Total \$'000
Debentures	89,435	145	89,580
Deposit account	35,659	24,087	59,746
Life policy		738	738
Shares	87,124	32,886	120,010
Superannuation and allocated pension	436,599	10,511	447,110
Unit trusts	29,168	4,666	33,834
Other financial assets	17,853		17,853
Total	695,838	73,033	768,871

Financial transactions for customers

In 2018-19 NSWTG processed over 2.1 million financial transactions for customers totalling \$3.1 billion.

The transactions include:

- payment of invoices and allowances for customers
- receipt of income, pensions and proceeds from realisation of assets
- payments from estates and trusts to beneficiaries
- transfers of amounts between accounts (including deduction of NSWTG management fees from customer funds).

Overall, 93% of the transactions processed were for people under a financial management order where NSWTG is appointed manager. The remaining 7% were for deceased estate, trust and power of attorney matters. People under a financial management order represented 40.4% of the value of the transactions processed and deceased estate, trust and power of attorney matters the remaining 59.6%.

NSWTG continues to improve the efficiency of processing transactions for customers with a strategic focus on digitisation and workflow automation. For example:

- During 2018-19 NSWTG made almost 340,000 third party payments on behalf of people under a financial management order where NSWTG is appointed manager. Of these 74% used automated processes.
- NSWTG is continuing work to phase out cheque payments for payments made on behalf of customers. During 2018-19, 99% of payments made on behalf of people under a financial management order and 97% of payments for estate administration, trust and power of attorney matters were made electronically.
- NSWTG uses automation to assist in processing amounts received on behalf of customers. Each customer is issued a unique account number that enables monies received on their behalf to be allocated directly to their account. During 2018-19 93% of receipts for people under a financial management order and 76% of receipts for estate, trust and power of attorney matters were processed in this way.

⁴ The amounts shown for trustee customers includes assets managed under civil forfeiture matters.

⁵ The amounts for trustee matters includes matters arising from NSWTG's role as executor, trustee or attorney as well as amounts invested under civil forfeiture matters.

Strategy and governance

This financial year was the first full year of operation for our Strategy and Governance division.

The division uses an evidence base (sourced from complaints, audits and other information) to identify:

- service improvements
- inform a whole of organisation approach to development, risk and compliance
- identify organisation wide learning and development needs to enhance staff capabilities and address any identified gaps.

The division also ensures that change is implemented and managed effectively with a focus on continuous improvement.

Projects and initiatives

Revenue NSW and enforcement orders for people under a financial management order

NSWTG has a Memorandum of Understanding (MoU) with Revenue NSW. This MoU enables Revenue NSW to identify:

- outstanding debts for people under a financial management order where NSW TG is appointed as their manager
- where those debts are unlikely to be recovered or where payment plans need to be established.

NSWTG supplies relevant customer information to Revenue NSW to have any of these debts set aside that resulted from their disability.

In 2018-19 NSW TG dealt with 2,366 enforcement orders totalling \$834,885.

Of those enforcement orders 1,512 orders totalling \$593,822 for 303 people were withdrawn or written off in part or in full. The balance was either paid or part paid from the person's funds or through a work and development order agreed to by the person.

Further write-off or withdrawals of enforcement orders has been placed on hold pending completion of a new MoU between NSW TG and Revenue NSW.

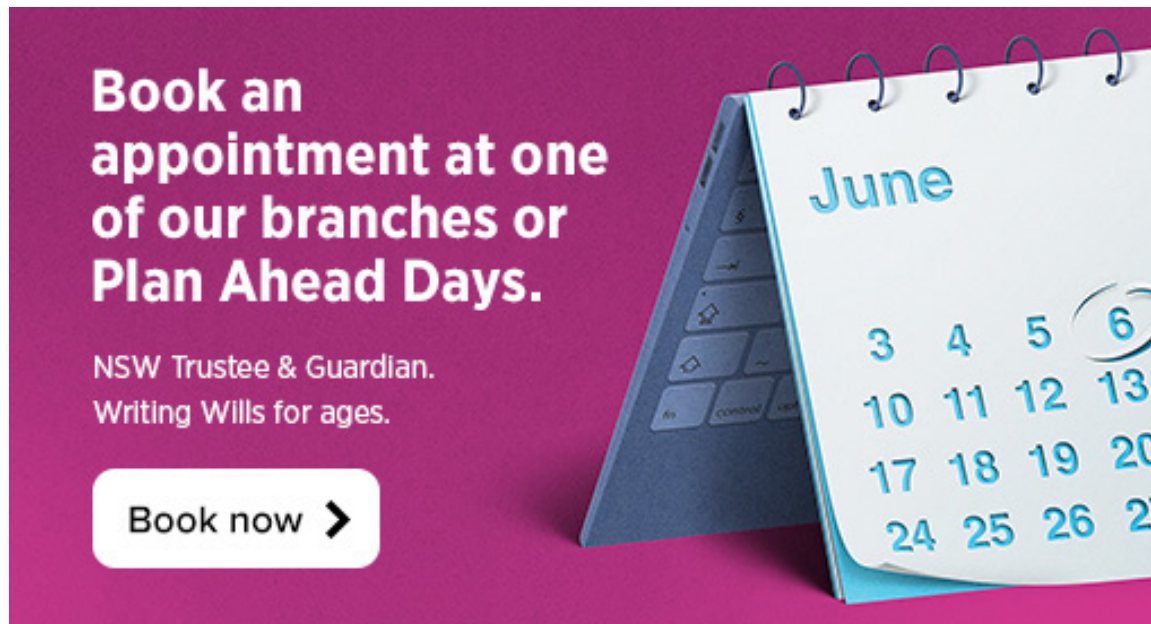
First choice trustee advertising campaign

NSWTG's *First choice trustee* advertising campaign was in market for a second time between November 2018 to June 2019.

The campaign's key objective was to increase awareness and uptake of NSW TG's Will-making services in an increasingly competitive market. The campaign promoted three key messages across radio, print, podcast and digital channels focused on NSW TG's experience, trustworthiness and accessibility:

- 'NSW Trustee & Guardian has 100 years of experience.'
- 'NSW Trustee & Guardian is a trusted supplier of Will storage – you're in safe hands.'
- 'NSW Trustee & Guardian makes planning ahead easy and flexible.'

While it was in market the campaign generated 907 appointments for members of the public to have NSW TG draft their Will, Power of Attorney or Enduring Guardianship documents. This contributed to the 16.7% increase in documents executed over the same period in 2017-18. The campaign also drove over 70,000 visitors to the NSW TG website.

Figure 13: First choice trustee campaign

The Health Guardianship Project

The Health Guardianship Project is a collaboration between NSW Health, NCAT and NSW TG.

The aim of the project is to reduce the duration of hospital admissions for patients who are waiting for guardianship hearings or waiting for guardians to make a decision about hospital discharge.

NSW TG's role is to expedite the guardianship and financial decisions required to enable the early release of people under a guardianship order from hospital. This helps reduce constraints on inpatient bed capacity in NSW hospitals and the risk of adverse events that can arise during long hospital stays.

To date the project has reduced the average length of hospital admissions from the time a guardianship application was made. During 2018 -19 the Health Guardianship Project dealt with a total of 307 matters and made a decision within 8.34 days of receiving the guardianship order.

As financial manager for some of the people

involved in the project, NSW TG also expedites the financial decisions required to enable early release of these people from hospital.

In 2018-19 NSW TG received \$423,000 from NSW Health and the Department of Family and Community Services as funding for recovery of salary costs associated with the Health Guardianship Project.

Surety Bond Scheme

The report from the independent review of the Surety Bond scheme conducted by KPMG and the response from NSW TG will be released in 2019-20.

Customer feedback and response

Customer satisfaction surveys

NSWTG conducts customer satisfaction surveys each year to help us understand what is working well for customers and what can be improved.

The surveys are conducted by an external service provider who interviews a random selection of beneficiary, trust, financial management and private management customers. All responses are anonymous.

Customers are asked to provide feedback:

- on specific aspects of our service
- an overall satisfaction score (the customer satisfaction index)
- how they felt their service compared to the previous year.

In 2018-19 NSWTG used insights from previous customer satisfaction surveys as part of the basis for the development of our Customer Plan. These insights informed the initiatives included in the plan to ensure the services we deliver meet customer needs more effectively.

Customer satisfaction

The 2019 survey showed customer satisfaction for private managers has increased to 86% from 66% in 2018. Similarly, customer satisfaction for financial management increased from 63% to 68%. There were slight decreases in satisfaction levels of beneficiaries of deceased estates and of trust customers. It also showed that areas such as estate administration and trusts still require attention to address ongoing customer concerns.

A summary of the customer satisfaction results for the three years to 2019 is shown in table 9.

Table 9: Customer satisfaction

	2017	2018	2019
Private managers	67%	66%	86%
Financial management	61%	63%	68%
Beneficiaries	55%	57%	52%
Trusts	80%	64%	60%

Customer satisfaction index

Customers were also asked about their satisfaction with the overall performance of NSWTG.

The 2019 survey showed private managers' satisfaction with the overall performance of NSWTG increased from 69% in 2018 to 88%. Overall satisfaction for financial management increased from 64% to 69%. For trust customers overall satisfaction was unchanged while overall satisfaction of beneficiaries decreased slightly.

Table 10: Customer satisfaction index – overall performance of NSWTG

	2017	2018	2019
Private managers	68%	69%	88%
Financial management	60%	64%	69%
Beneficiaries	49%	49%	48%
Trusts	79%	60%	60%

Comparison to service in previous year

Customers (except beneficiaries as they may not necessarily be NSWTG customers for multiple years) were also asked how they felt the service they had received in 2018-19 compared to the previous year. The 2019 survey showed that:

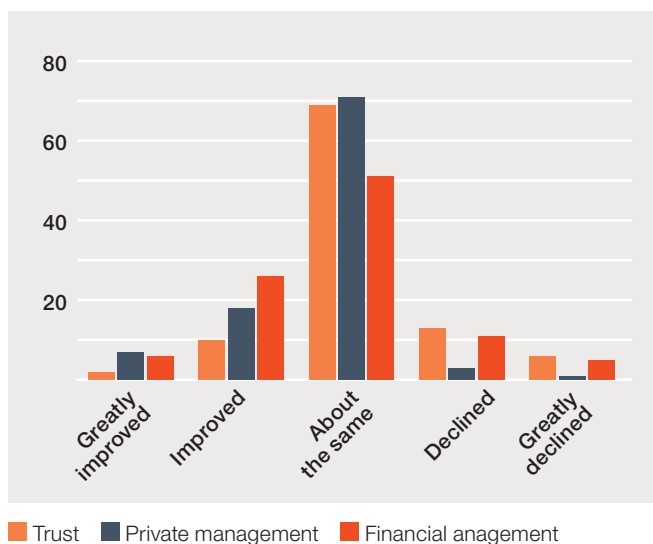
- 32% of financial management respondents perceived the service they received to have improved or greatly improved in 2019 compared to 29% in 2018

- 25% of private manager respondents perceived the service they received to have improved or greatly improved in 2019 compared to 19% in 2018
- 12% of trust respondents perceived the service they received to have improved or greatly improved compared to 17% in 2018.

Figure 14: 2018 overall customer satisfaction comparison to previous year



Figure 15: 2019 overall customer satisfaction comparison to previous year



Factors with the highest levels of satisfaction

The factors that customers participating indicated they had the highest level of satisfaction with were as follows:

- 62% of beneficiary respondents felt confident that their estate assets are safe with NSWTG
- 79% of trust respondents felt confident that their assets and/or money is safe with NSWTG
- 79% of financial management respondents said the understanding of their situation shown by staff
- 90% of private manager respondents said satisfaction with the courtesy and helpfulness of NSWTG employees.

The Customer Insights Program

In 2018-19 NSWTG implemented the Customer Insights Program across our branch network to capture insights into our customers experience when we make their Will, Power of Attorney or Enduring Guardianship document.

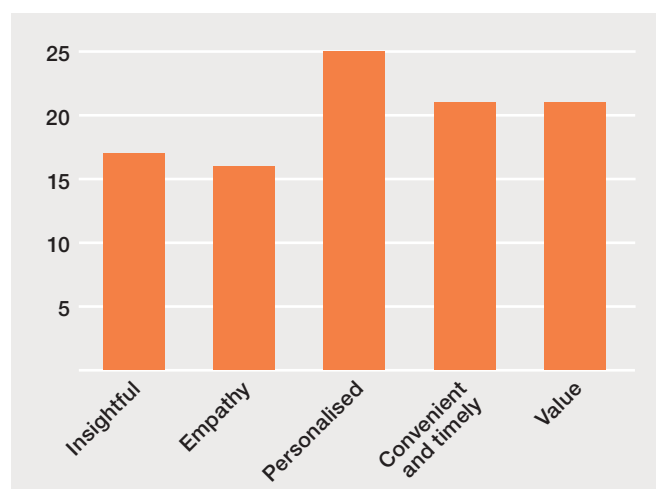
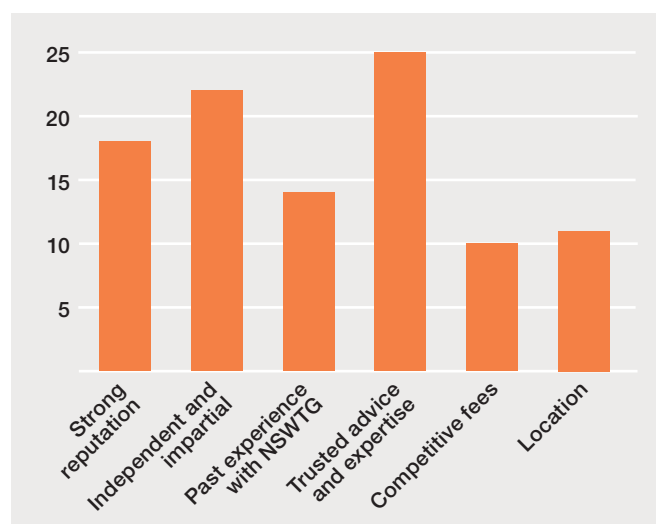
When a customer has an appointment to make their planning ahead documents they provide some simple ratings, comments & demographics information via an iPad.

The data captured allows us to track and measure the level of customer service being delivered for our planning ahead services and provide real time customer data about the experience a customer has had.

The intended outcome is to gain a deeper insight into the service that customers are receiving from us, where we can make improvements and any gaps in the service we are delivering.

During 2018-19 604 customers completed the survey and rated NSWTG on average 4.78/5.00 for our services.

Customers also rated our trusted advice and expertise (25%) as the highest factor for choosing our services. They rated personalised as the highest factor for customer service.

Figure 16: Customer service factors**Figure 17: Factors in choosing NSWTG**

Complaints

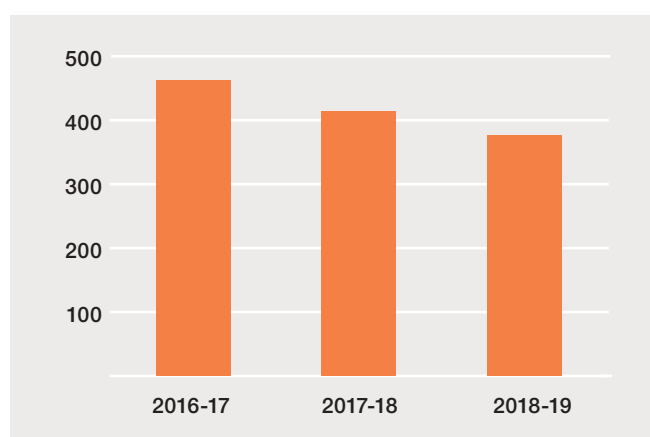
A complaint is an expression of dissatisfaction, protest or grievance about the service we have provided or a decision we have made. Complaints can be submitted by the client, family, friends, service providers or other agencies. The complaint may be about the quality of service, the conduct of a staff member or a policy or procedure.

We treat complainants with courtesy and respect and understand that a person making a complaint wants to be heard, understood, receive an impartial and timely response and, if appropriate, an apology.

Complaints provide an opportunity for us to explain our role and processes to customers and those involved in their lives. They also provide the opportunity to review our practices.

NSWTG received⁶ 376 complaints during 2018-19 (Figure 18). This represents a 9.2% decrease on the 414 complaints received in 2017-18. It also follows on from the 10.6% fall in complaints in 2017-18.

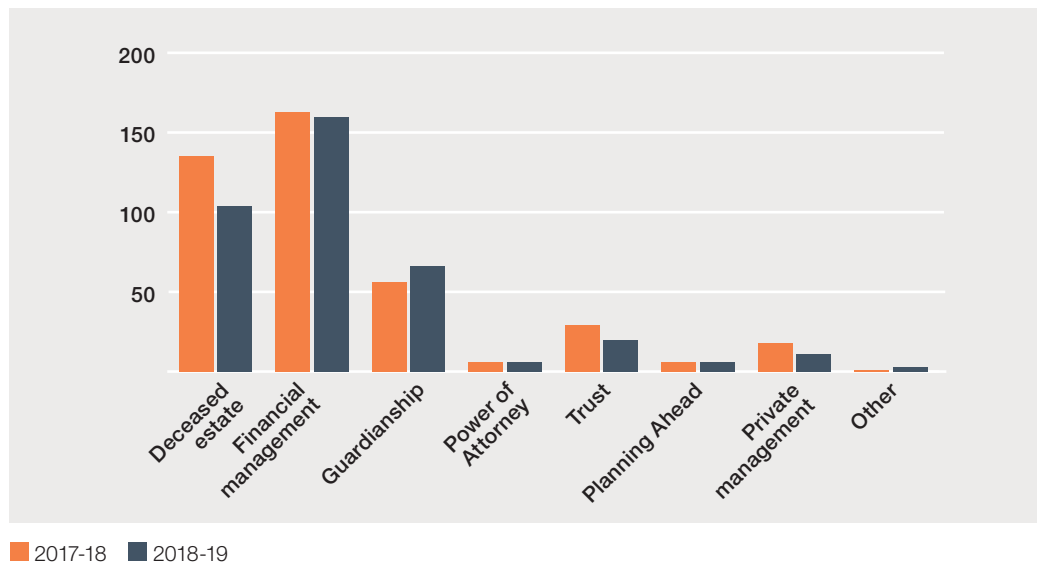
Complaints related to deceased estates fell by 23%. Complaints for trusts and private management, while small in number received, fell by 31% and 39% respectively. Complaints, for other service areas, with the exception of guardianship were relatively stable.

Figure 18: Complaints received

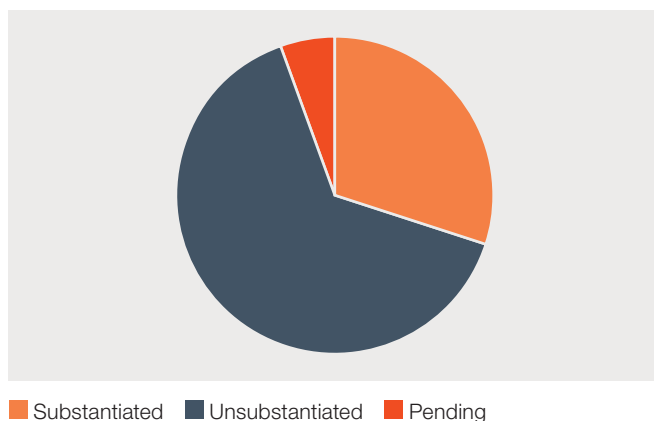
Of the 376 complaints received:

- 56% were related to timeliness and communication. These included complaints about delays in making decisions, a lack of progress updates, and the length of time NSWTG takes to respond to correspondence, emails and phone calls
- 19% were about the decisions made and the remaining 25% related to processes, costs and other concerns.

⁶ The number of complaints received does not include complaints received through multiple sources and complaints raising issues that have already been investigated.

Figure 19: Comparison of complaints received in 2018-19 and 2017-18

At 30 June 2019, 356 (95%) of the complaints received had been finalised. A further 20 complaints received in June were in progress. Figure 20 shows a summary of the outcome of these complaints as at 30 June 2019. Of the finalised complaints 151 (32%) were substantiated and 240 (68%) were unsubstantiated.

Figure 20: Outcome of complaints received in 2018-19

Internal reviews of decisions

We understand that the people we represent and their family, close friends or guardians don't always agree with decisions made by NSW TG. When this happens (except where the decision has been made by the Supreme Court) customers can apply to have the decision reviewed.

People under a financial management or guardianship order, their family, close friends or guardians can initially ask the manager of their client service team to review a decision informally. They also have the option of a more formal process (often for more significant decisions) under the *Administrative Decisions Review Act 1997*.

The first step in this review process is for the person or an interested party to make a request for an internal review of the decision (IROD). The internal reviewer is independent of the original decision maker and can affirm, vary or set aside and make a substitute decision in line with section 53(3) of the Act.

In 2018-19 NSW TG received 78 requests for an IROD, a decrease 6% on the 83 requests received in 2017-18.

At 30 June 2019, 62 (79%) had been finalised, four had been withdrawn and 12 were in progress. This includes IRODs where we have requested additional information from the applicant or where we are waiting on advice from an external agency or service provider to support the review.

Of the 62 IROD requests finalised this year, 64% of decisions were affirmed, 10% varied and 26% set aside.

Customers who are not satisfied with the internal review of decision can ask the Administrative and Equal Opportunity Division of NCAT to review the decision.

During 2018-19 NSW TG participated in a pilot program involving customers who had asked NCAT to review a decision made by NSW TG. Under this program customers who agreed were referred to the Community Justice Centres for mediation. The objective of the referrals was to see if the customers could reach an agreement they would all accept rather than have NCAT make a decision. The pilot will continue into 2019-20.

Timeliness of response

For all services except guardianship, NSW TG's standard timeframe to respond to IRODs and complaints is 21 days. For guardianship services the standard response time for complaints is 10 working days. Additional time may be required if further information is requested to respond to a complaint or review of a decision.

In 2018-19 62% of the complaints received and 29% of IRODs were completed within the standard timeframe⁷. Where delays occurred in finalising complaints and reviews of decisions there were complexities in the matters reviewed, a need for additional information or reports and delays by external parties.

Feedback Assist

Is a whole-of-government approach to managing customer feedback. Feedback Assist is available on NSW Government websites and ensures there's 'no wrong door' for members of the community to give their compliments, complaints and suggestions about government services – simply by clicking on the smiley face, the frowning face, or the light bulb and completing an online form.

Complaints and suggestions received through Feedback Assist are incorporated into NSW TG's complaints management process for response.

Your Feedback



⁷ This does not include complaints received in relation to guardianship matters.

Changes implemented in response to issues identified in complaints and reviews

During 2018-19 NSW TG introduced an updated training program to assist staff manage complaints more effectively. We also incorporated information on the complaints process and options available to customers for review of decisions into training for our decision-making framework.

We engaged an external consultant to review our complaints and their underlying causes. Following the review, the consultant made recommendations to assist NSW TG improve our complaints handling.

During 2019-20 NSW TG will work with the consultant to implement a number of those recommendations including call and email monitoring and designing and delivering customer service training.

During the reporting period NSW TG continued to reallocate resources within the service centres to address issues with timeliness.

We also revised policies in response to issues raised in complaints. These included updating our policies in relating to:

- changing of locks on customer properties to ensure the person and all relevant family members are consulted and, if the locks are to be changed, advised prior to it happening
- securing and inspection of real property policy to ensure all beneficiaries are informed in writing of arrangements for inspections of vacant properties.

Working with the NSW Ombudsman

NSW TG worked closely with the NSW Ombudsman to address issues they raised during the year. These issues related to:

- specific complaints from customers that had been made through the NSW Ombudsman
- systemic timeliness and communication issues raised by the the Ombudsman in relation to NSW TG's estate administration and property services
- issues associated with assisted boarding houses
- NSW TG's complaints policy.

NSW TG also worked with the NSW Ombudsman to develop an Unreasonable Complainant Conduct policy. The policy was developed utilising the NSW Ombudsman's best practice guidelines for defining what is unreasonable complainant behaviour. The policy provides guidelines to help staff define unreasonable behaviour and to help them manage this behaviour more effectively.

Electronic access, communication, information and support

Electronic access and communication

NSWTG website

Our website (www.tag.nsw.gov.au) continued to grow as an important point of access for services and information about NSW TG. During 2018-19 296,766 users visited the site, a 4.8% increase on visits in the previous year.

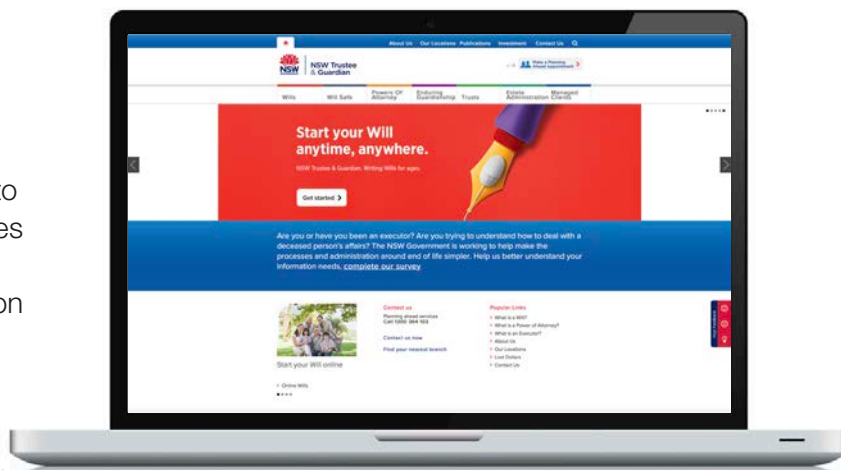
The website received 1,190 general enquiries, 3,804 enquiries about whether NSW TG holds the Will of a deceased person and 247 intestacy referrals for people who had died without a Will.

The *First choice trustee* advertising campaign (refer to page 46) also continues to be a strong driver of traffic to our website. People are directed through online display advertisements and paid search channels as well as navigating directly after being reached via radio or print advertising.

There was an 865% increase in referrals from the Service NSW (SNSW) website following the inclusion of NSW TG's free planning ahead services in the Cost of Living program at the end of May 2019.

NSWTG worked with SNSW, to ensure that the 'Cost of Living finder' and complementary web content was easy to read and accurately reflected the free services NSW TG offers to eligible pensioners. This work expanded the information about NSW TG services the SNSW website has included since 2016.

Figure 21: NSW TG website



Planning ahead portal

Our website hosts the Planning Ahead Portal which enables customers to provide their personal details and other information needed to prepare their planning ahead documents. This means during their appointment we can focus on the customer's planning ahead requirements rather than collecting information needed to draft their documents.

During 2018-19 there were 2,996 completed submissions to the Planning Ahead Portal from people either making a booking for a Plan Ahead Day or providing the information needed to prepare their planning ahead documents. This represents a 41% increase on the 2,128 submissions received in 2017-18.

Public Guardian website

A separate website (www.publicguardian.justice.nsw.gov.au) for the Public Guardian provides information about guardianship and the services we provide. During 2018-19, 21,860 users visited the site. This was an increase of 21% on the previous year.

Newsletters

NSWTG produces two newsletters for customers and stakeholders, *TAGconnect* and *Onguard*.

TAGconnect (figure 22) is a bi-annual newsletter sent to more than 55,000 customers. The newsletter is used to inform customers about the organisation and industry-wide news, events, updates, and changes which may impact our services. In 2018-19 we used *TAGconnect* to inform customers about our new strategic direction, our partnership with Service NSW, the Aging and Disability Commission, planning ahead in Aboriginal communities and the continued rollout of the NDIS.

Onguard (figure 23) provides updates and advice to private and enduring guardians. During 2018-19 *Onguard* included articles on the NDIS Quality and Safeguard Commission, the new Ageing and Disability Commission, My Health Records, My Health Matters, the review of the *Guardianship Act 1987*, and information about the access function.

Information and support

The Public Guardian provides information to the community about the role and function of guardianship and the general principles of the *Guardianship Act 1987*. The Public Guardian offers this information through the Information and Support team. The team addresses a range of matters including planning ahead, the 'person responsible' hierarchy in medical and dental consent, supported decision-making, alternatives to guardianship, the need for guardianship, and the role of the Public Guardian.

During 2018-19 the Information and Support team responded to 7,294 requests for information.

Figure 22: TAGconnect



Figure 23: Onguard



Social programs and non-commercial activities

Community education and promoting the importance of planning ahead

As the population of New South Wales ages, NSWTG continues to promote to the community the importance of preparing a Will, making a Power of Attorney and appointing an Enduring Guardian. These initiatives and programs form part of a whole of government approach to promoting the importance of planning ahead.

NSWTG's initiatives aim to increase the awareness across the community about the need to plan ahead, the benefits of having planning ahead documents in place and how to get started. These initiatives:

- help ensure people:
 - are empowered with information so they can appoint their attorney, guardian or executor of choice
 - have their wishes respected in relation to how their estate should be distributed when they die
 - understand the importance of appointing an independent executor and attorney with NSWTG being able to provide these services to people as an alternative to private appointment
- reduce demand for state intervention and appointment of financial managers and guardians when people lose capacity to manage their financial and personal affairs without having made a Power of Attorney or Enduring Guardian
- reduce the number of people who die without a valid Will.

In research commissioned by NSWTG⁸ 51% of the New South Wales population aged over 18 years has a Will, however, 37% of these people say it is not up to date or it is over 10 years old. As well 34% have made a Power of Attorney and 36% have appointed an Enduring Guardian.

While the number of people who have a Will and Power of Attorney has increased only slightly over the last few years, the number of people who have appointed an Enduring Guardian has significantly increased from 19% (2014) to 36% (2017)⁸.

Community education

NSWTG uses 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, the benefits of having these documents in place and what can happen when they are not.

Community education sessions also provide an opportunity to clarify the role of the Public Guardian, what it means to have a financial management order in place, how we provide support and direction to private managers and support for private guardians.

In 2018-19 NSWTG staff were involved in 343 community education events. These included presentations to various community groups, aged care providers, hospitals and disability service providers as well as attending expos and events across metropolitan and regional New South Wales.

This represents a 43% increase on the 240 sessions events in 2017-18. The community education sessions include presentations made to culturally and linguistically diverse groups.

Some of the metropolitan and regional expos and events attended by NSWTG staff are shown in table 11.

⁸ NSWTG Addressable Market and Validating Barriers 2017 Cadreon Research Agency

⁹ OmniPoll Market Research 2014/15

Figure 24: A member of the Outreach team from our Sydney branch presenting at a community education event



Table 11: Metropolitan and regional expos and events attended by NSW TG staff

Metropolitan	Regional
<ul style="list-style-type: none"> Seniors' Day at the Sydney Royal Easter Show Seniors' Festival at the International Convention Centre Yabun Festival Mardi Gras Fair Day Western Sydney Disability Expo Community Services Expo Taking Care of Business event Law and Justice Expo Migrant Information Day Eastwood Community Expo Riverwood Community Centre Elder Abuse Expo Homeless Connect 	<ul style="list-style-type: none"> Senior Festivals in Lismore, Wollongong and Port Macquarie Primex in Casino ProAg Show in Port Macquarie Mid North Coast Caravan, Camping, 4WD, Fish & Boat Show at Port Macquarie Disability and Aged Care Expo in Broken Hill Energy & Water Ombudsman Community Expos in Nowra, Wollongong and Woy Woy Wedding Expo in Newcastle

Figure 25: Senior's Day Royal Easter Show



Energy and Water Ombudsman New South Wales Rights to Information Program

NSWTG participates in the Joint Outreach Initiatives Network established by the Energy and Water Ombudsman New South Wales. The network was established to promote free, fair and independent access to information and to improve transparency about the information people are entitled to receive and their rights to make a complaint.

The network shares information and resources, and identifies opportunities for joint initiatives and community education.

As part of this program, each year NSW TG partners with other agencies in the network to host and attend a range of events for the public including the Sydney Royal Easter Show.

Partnering with other government agencies

In addition to those events attended as part of the Joint Outreach Initiatives Network we partner with other government agencies such as Victims Services, the Anti-Discrimination Board and Births, Deaths & Marriages to create a stronger community services offering at some events. In 2018-19 this included the Seniors Festival and Mardi Gras Fair Day.

Media opportunities

NSWTG also uses media opportunities to promote the importance of having planning ahead documents in place as well as to promote NSW TG Plan Ahead Days in the local area.

During 2018-19 NSW TG employees appeared on local radio in regional areas such as Wagga Wagga and Newcastle. Topics discussed during these appearances included planning ahead and marriage, young people, travel, online afterlife and holidays. Articles in newspapers across the state also promoted the importance of planning ahead.

Get it in black & white advertising campaign

The *Get it in black & white* campaign is a whole of Government NSW media campaign designed to promote the benefits of planning ahead that has been running since 2015. The campaign is delivered by NSW TG in partnership with Department of Family & Community Services.

The 2019 iteration of the *Get it in black & white* campaign ran from May until July 2019, and included a mix of metropolitan, regional and catch-up television, online display advertising, social media and posters and flyers in waiting rooms of medical practices.

The campaign elements encourage the public to visit www.planningaheadtools.com.au (figure 26) where people have multiple options to commence the planning ahead process. Two of the ways people can commence their planning ahead journey is by requesting an appointment with NSW TG via the online portal or by contacting the NSW Law Society solicitor referral service.

The 2019 campaign also aimed to increase visitation to the Planning Ahead Tools website by up to 30% and increase the number of calls to the 1300 Law Access number by 10%.

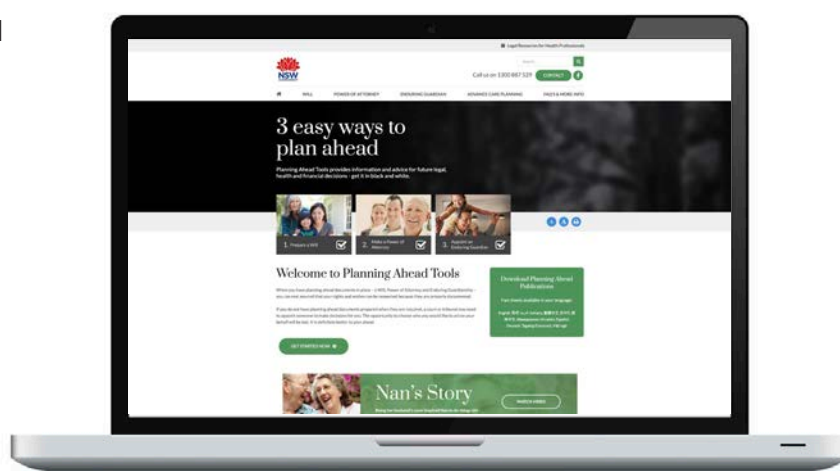
2,675 people visited the Planning Ahead Portal during the campaign period, a 134% increase over the same period in 2018, and 125 calls were received via the 1300 Law Access phone number, a 212% increase on calls received in 2018.

Planning ahead for Aboriginal people in New South Wales

Research shows that Aboriginal people have very low rates of Will making and that cultural imperatives for burial can lead to serious disputes.

Where there is no Will it can be very difficult to determine who has the right to deal with the cultural aspects of death. While cultural factors may be taken into account, courts have generally resolved these disputes on the basis of practical convenience. These judgements often result in longstanding ruptures in community relationships.

Figure 26: Planning Ahead Tools website



NSWTG has implemented initiatives to develop culturally appropriate resources to promote the importance of planning ahead for Aboriginal people. The advantage of culturally appropriate planning ahead documents is that they are more likely to reflect a person's wishes relating to burial, guardianship of children and the distribution of personal property preventing disputes that may arise through intestacy.

During 2018-19, we continued to focus on increasing the uptake of planning ahead documents among Aboriginal people through the highly successful publications – *The Aboriginal Wills Handbook* and *Taking care of business*. These resources fulfil a key outcome of the NSW Carers Strategy 2014-19 encouraging Aboriginal people, including carers, to complete planning ahead documents.

The *Aboriginal Wills Handbook* was written by Professor Prue Vines at the University of New South Wales. It raises awareness of how Aboriginal culture can best be reflected when making a Will. It details the advantages of making a Will for Aboriginal people and provides some signposts of where potential issues might arise. The handbook contains forms for the preparation and drafting of Wills for Aboriginal people.

Feedback on the handbook has been overwhelmingly positive. This project is funded by NSW TG.

The Public Guardian also utilises these publications when providing education sessions for Aboriginal people.

During 2018-19 NSW TG hosted the Taking Care of Business community event at the National Centre for Indigenous Excellence, in Redfern.

At this event information was available from 14 agencies including Births, Deaths & Marriages, Legal Aid, NSW Ombudsman and Victims Services.

The day offered practical advice and information around a range of subjects, including the importance of getting your Will, Power of Attorney and Enduring Guardianship in place. NSW TG also presented at this event.

Aboriginal family connections are often recognised by relationships rather than bloodline. If no Will is made, the law may not recognise people as relatives even though a person thinks of them as family. This concept of kinship along with the occurrence of informal adoption in Aboriginal families can result in a person's wishes not being fulfilled if they die without making a Will.

A highlight of the Taking Care of Business community event at the National Centre for Indigenous Excellence was an art exhibition by three talented students from the Australian Indigenous Mentoring Experience who created art works on the theme of Family: What it means to me.

Some of the artistic works from this exhibition have been reproduced in this Annual Report.

Planning ahead for 18-25 year olds – Will It Your Way

NSWTG has a two year partnership with Will It Your Way – a charity whose aim is to educate Australians – particularly 18 to 25 year olds – about the importance of having a Will.

NSWTG has provided specialist content for the Will It Your Way website including material explaining why young people often have more assets than they think. We have also provided resources to help young Aboriginal people plan ahead. NSW TG is featured on the Will It Your Way website as a service provider available to make planning ahead documents for people aged 18-25 years.

Planning ahead and key life events

One of the ways we aim to engage with the community about the importance of planning ahead is to link planning ahead to key life events such as marriage, having children or acquiring a pet.

During 2018-19 NSW TG attended a number of bridal fairs to provide information to people getting married about the importance of planning ahead.

We also continued to use pet ownership and the Pet Emergency Card as a means of communicating the importance of planning ahead to the community.

During 2018-19 NSW TG gave a presentation including pets in your planning ahead arrangements in conjunction with the Cat Protection Society. We also wrote articles on planning ahead for pets for the Australian Dog Lover, the Australian Cat Lover and local newspapers.

Figure 27: Pet Emergency Card

The card provides a simple way of alerting people that there is a pet at home that needs to be cared for in the situation their owners pass away, or are seriously ill or injured. The Pet Emergency Card can be used by pet owners to make arrangements for their pets if something were to happen to them, including nominating someone to care for pets in the event in an emergency.



Promoting supported decisions for people with a disability and the Supported Decision-Making Project

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 shift away from others deciding what is considered to be in a person's 'best interest' to what people with disability would like to happen in their own life, driven by their own 'will and preferences'. This is referred to as supported decision-making.

The Supported Decision-Making Project (SDM) is led by the Public Guardian and funded by the Department of Family and Community Services (FACS). The project aims to:

- build the capacity of people with disabilities to exercise choice and control when making decisions by educating those who can act as supporters
- build the capacity of service providers to promote and deliver supported decision-making to people they provide services to
- create a community of practice to support and develop supported decision-making practice and knowledge.

The project has developed a suite of resources for the sector and the public on what supported decision-making is and how to implement it. It has also produced an e-learning tool for the disability service sector and for staff within NSW TG. The Supported Decision-Making tab is one of the most visited pages on the Public Guardians website.

During 2018-19, the Public Guardian partnered with the Cognitive Decline Partnership Centre (CDPC) to help develop and rollout training to the NSW Aged Care Sector.

Training to the disability service sector on supported decision-making and risk enablement (based on material developed by La Trobe University) continued in 2018-19. During the financial year we delivered 64 workshops to 1,066 people. A 37% increase on last year's attendance.

Train-the-trainer workshops provided training to 30 supported decision-making champions. There are now over 100 champions across NSW.

Legislative change, reviews and inquiry submissions

Legislative change

During 2018-19 there were no changes to NSW TG's legislative framework

NSW Law Reform Commission – *Review of the Guardianship Act 1987*

The NSW Law Reform Commission's final report from its *Review of the Guardianship Act 1987* was tabled in parliament on 15 August 2018.

The recommendations reflect modern community attitudes and include a fundamental change to the support framework for people with decision-making disabilities. If adopted, the recommendations will extensively change interactions between agencies.

Since release of the report NSW TG has participated in the interdepartmental committee to develop the Government's response to the recommendations. As part of this work NSW TG has identified the costs and other impacts for the options being explored.

We will continue to work with other agencies across government to support effective reform.

Productivity Commission inquiry into Mental Health

During 2018-19 NSW TG contributed to the NSW Government's submission to the Productivity Commission's inquiry into Mental Health. This inquiry is looking into the role of improving mental health to support economic participation and enhancing productivity and economic growth.

The issues impacting NSW TG customers included in the submission relate to the NDIS. Issues related to the interface between the NDIS and the guardianship and financial management systems and supporting people who may not have the capacity to make an informed decision about participation in the NDIS were a key focus. It also raised issues associated with services to people with mental illness who require psychosocial support to live in the community and have been found ineligible for the NDIS.

Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety was established in October 2018.

During 2018-19 NSWTG provided information relating to guardianship services requested by the Commission. NSWTG also contributed to the NSW Government submission to the Royal Commission and raised issues relating to restrictive practices, enduring powers of attorney, enduring guardianship and the complexity of financial assessments for entry into aged care services.

During 2019-20 NSWTG will continue to monitor the issues raised by the Royal Commission and identify any implications for NSWTG and will provide information requested.

Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability

The Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Disability Royal Commission) was established on 4 April 2019.

NSWTG will collaborate with the Department of Communities and Justice to contribute to a whole of government response to requests for information from the Royal Commission.

During 2019-20 NSWTG will consider making a submission reflecting the experience of our customers and will monitor the Royal Commission in terms of issues raised and potential implications for our customers.

Australian Guardianship and Administration Council – Elder Abuse National Project

As part of the Australian Guardianship and Administration Council's Elder Abuse National Project, NSWTG has provided feedback on the best practice resource being developed for Enduring Power of Attorney appointments. This resource, to be used nationally, is aimed at providing practical guidance on the use of enduring appointments with a particular focus on their usage in avoiding elder abuse. Amongst other things, the resource will provide practical guidance, using case studies and sample wording, so that older people are aware of, and can take steps to avoid the possibility of misuse.

Ageing and Disability Commissioner

The establishment of the Ageing and Disability Commissioner from 1 July 2019 will improve safeguards to help protect older people and adults with disability from abuse, neglect and exploitation.

NSWTG will share information and raise concerns about individual customers with the Commissioner. In addition, NSWTG expects to receive queries from the Commissioner about concerns members of the public have raised about customers. Our relationship with the Commissioner will be formalised once it has been established.

Financial performance

NSWTG is 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 customers' assets
- fees for drafting Wills and Powers of Attorney
- income on corporate investments
- funding for community service obligations from the NSW government
- a NSW Government grant for the Public Guardian's operations.

The main challenges affecting our financial performance in 2018-19 were:

- to achieve our financial targets and maintain sustainability within NSW Treasury guidelines
- the impact of the volatility of the property and financial markets on the value of customer assets and NSWTG revenue.

High level results

NSWTG's result from operating activities was a surplus of \$6.21 million. This includes a distribution and revaluation gain from an investment with T-Corp of \$5.63 million.

The final result was a surplus of \$6.95 million after reflecting a gain on the sale of properties of \$1.62 million and an impairment loss on intangible assets and loss on disposal of assets totalling of \$0.88 million.

2018-19 approved revenue and expenditure budget

Details of the approved 2018-19 recurrent revenue and expenditure budget compared to actual expenses are shown in Table 12. The table also sets out the recurrent budget for 2019-20.

The budget for 2018-19 was set at a surplus of \$0.14 million. NSWTG's revenue budget was based on trends from previous years, operational plans, business level predictions and in accordance with NSWTG's current fees.

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

The actual result (a surplus of \$6.95 million) was higher than budget mainly due to:

- higher growth in revenue than anticipated in the budget as a result of strong returns of the NSWTG investment funds managed by TCorp
- lower than expected operating expenses primarily due to savings in Communities and Justice service partner agreements for IT and HR services, maintenance fees and telephone charges
- lower than expected depreciation expenses resulting from timing delays in completing capital projects.

Revenue

In summary, total revenue for 2018-19 was \$91.82 million – exceeding budget by \$1.34 million (1.5%).

The main components of revenue for 2018-19 were:

- Commissions and fees of \$20.82 million. This was \$1.17 million (5.3%) lower than budget. The reduction is primarily the result of lower market values of customer assets impacting the commissions and fees received from deceased estate matters and from people under a financial management order.
- Management fees of \$37.30 million. This is \$2.09 million (5.3%) lower than budget and is due to a provision made for a refund of trust management fees after the end of the reporting period. This refund relates to trust management fees charged to 30 June 2019.

- Legal and professional services fees were \$5.68 million. This was \$0.79 million (12.1%) lower than budget primarily from a decrease in fees received for Genealogy and Taxation services.
- Funding of \$5.11 million from NSW Treasury for our community service obligations – equal to budget.
- A grant of \$8.96 million from NSW Treasury for services provided by the Public Guardian.
- Other grants totalling \$6.50 million comprising:
 - \$3.78 million for National Disability Insurance Scheme (NDIS) program funding
 - \$0.88 million to augment rental cost increments for NSW TG offices in the Parramatta Justice Precinct
 - \$0.24 million for voluntary redundancies
 - the final payment of \$1.60 million to assist NSW TG transition to the new fee structure implemented in 2016.
- Investment revenue on corporate funds exceeded budget by \$3.37 million, including an unrealised gain of \$2.68 million from long term growth investments.
- The recognition of Personnel Services Liabilities to Crown entities of \$0.76 million arising from the transfer to the Crown of the liability arising under the defined benefit superannuation funds.
- Depreciation and amortisation expenses were below budget by \$0.71 million (14.5%) mainly due to deferral of capital works in plant and equipment and intangible assets.
- Other gains/(losses) for 2018-19 include:
 - a loss arising from the impairment of intangibles assets of \$0.51 million
 - a loss on disposal of plant and equipment assets in relation to sale of properties totalling \$0.35 million
 - a gain from the sale of the properties of \$1.62 million from properties located at Liverpool, Gosford, and Newcastle. These properties had been listed as assets held for sale at the end of the prior reporting period.

Capital expenditure

Table 13 shows details of the 2018-19 capital expenditure budget compared to actual expenditure as well as the capital budget for 2019-20.

Total capital expenditure in 2018-19 was \$5.21 million. The majority of expenditure in 2018-19 related to branch and office refurbishments and upgrading of computer hardware.

A number of projects relating to office refurbishment, the business financial system, application consolidations and upgrades as well as implementing new modules for the client management system have been deferred to the following year.

The majority of unspent capital expenditure in 2018-19 has been approved by NSW Treasury to be carried forward to 2019-20.

Expenditure

Total operational expenses for 2018-19 were \$85.60 million - \$4.73 million (5.2%) under budget. The major components of this reduction were:

- Personnel services costs were below budget by \$10.92 million (16.6%), as a result of reclassification of contractor costs from personnel services to other operating costs (\$9.19 million).
- Advertising, telephone charges and maintenance fees were lower than budget by \$2.28 million (11.7%) in total.

Table 12: Recurrent revenue and expenditure budget

	2018-19 Budget (\$'000)	2018-19 Actual (\$'000)	2019-20 Budget (\$'000)
Revenue			
Commission and Fees	21,989	20,816	21,181
Client Management & Investment Fees	39,387	37,300	39,889
Legal & Professional Service Fees	6,467	5,682	5,882
Community Service Obligation	5,112	5,112	5,112
Government grant - other	5,382	6,496	902
Government grant - Public Guardian	8,962	8,961	9,119
Investment revenue	2,826	6,194	5,181
Other revenue	349	497	392
Acceptance by Crown Entity of Personnel Services Liabilities	-	759	670
Total Revenue	90,474	91,817	88,328
Expenses			
Personnel service expenses	65,828	54,906	65,869
Advertising	1,710	1,609	1,616
Fees for services	8,268	16,273	6,848
Office supplies, postal and telephone	2,203	1,532	1,634
Lease expenses	3,334	4,000	3,316
Other operating expenses	1,644	1,489	1,816
Maintenance	2,420	1,586	2,376
Depreciation and amortisation	4,924	4,210	5,518
Total Expenses	90,331	85,605	88,993
Surplus/(Deficit) from Operational Activities	143	6,212	(665)
Other gains/(losses)	-	739	(2)
NET RESULT FOR THE YEAR	143	6,951	(667)

Table 13: Capital expenditure budget

	2018-19 Budget (\$'000)	2018-19 Actual (\$'000)	2019-20 Budget (\$'000)
Building fixtures	9,000	1,160	7,700
Leasehold improvements	3,600	1,608	550
Plant and equipment	-	-	-
Computer hardware	1,900	1,817	850
Computer software	3,050	627	4,861
	17,550	5,212	13,961

NSWTG executive and committees

The NSWTG Chief Executive Officer (CEO) is a statutory officer appointed by the NSW Governor. The CEO is responsible for the day-to-day management of the affairs of NSWTG. The CEO has used the power of delegation to create the management and reporting structure of NSWTG.

NSWTG Executive Leadership Team

The NSWTG Executive Leadership Team (ELT) comprising the CEO, NSW Public Guardian and directors meets weekly. The role of the ELT is to set the strategic direction, monitor progress towards achieving the strategic plan and KPIs and ongoing management of the organisation. The ELT has a charter which provides a framework for how the group operates.

Independent advisory committees

NSWTG has established two independent advisory committees to provide high-level advice, guidance and oversight. Both committees have independent members and an independent chair. The advisory committees have charters developed in accordance with NSW Treasury Guidelines to provide a framework for how they operate.

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance to the CEO that NSWTG has a sound and efficient system of internal control by monitoring, reviewing and providing advice about NSWTG's governance processes, risk management and control frameworks and its external accountability obligations.

The members of the committee at 30 June 2019 were:

- **Julie Elliott** (Chair) has a diverse commercial background with over 35 years of experience in senior management positions in global corporations. She also has board chair and committee member roles for public and private organisations.
- **Stephen Horne** is a leading figure in internal audit and governance and is currently on a number of public sector audit and risk committees. This is complemented by extensive experience with the Audit Office of NSW and the Institute of Internal Auditors.
- **Gul Izmir** serves on multiple New South Wales public sector audit and risk committees, bringing over 30 years of experience in senior roles at various public sector organisations.

Independent Investment Advisory Committee

The Independent Investment Advisory Committee monitors, reviews and advises the CEO on issues relating to customer investment and NSWTG's corporate investment portfolio.

This includes reviewing policies, providing oversight and recommending strategies for the management of investments.

NSWTG is represented on the committee by the CEO. The external members of the committee at 30 June 2019 were:

- **David Hartley** (Chair) has over 30 years investment experience in executive capacities, including Chief Investment Officer at Sunsuper until 2015.
- **Andrew Buchanan** is a prominent broadcast programmer with the ABC and has experience working with organisations advocating for people with disabilities.

- **Julie Elliot** has a diverse commercial background with over 35 years of experience in senior management positions in global corporations. She also has board chair and committee member roles for public and private organisations.
- **Jill Monaghan** represented NSW Treasury and is Executive Director Financial Risk Management, Policy & Budget.

Other key committees

NSWTG also has a Joint Consultative Committee (page 79) and Workplace Health and Safety Committee (page 80). Our representation on significant external committees is detailed on page 81.

Governance

Our corporate governance framework supports the CEO in discharging his responsibilities and provides for the efficient and effective administration of NSWTG's resources. The Executive Leadership Team, support the CEO to carry out this function. In addition NSWTG's independent advisory committees provide high-level advice, guidance and oversight.

Risk management

NSWTG is exposed to a range of strategic, operational, compliance and financial risks associated with financial management, guardianship, executor, administrator, trustee and attorney services. We have an enterprise risk management framework which, together with corporate governance, provides a framework for managing risks.

We maintain risk registers identifying both operational and corporate risks. The management of risk is compliant with relevant NSW Treasury policies, including the Internal Audit and Risk Management Policy (TPP 15-03) and the Certifying the Effectiveness of Internal Controls Over Financial Information (TPP 17-06), as well as requirements of the Risk Management— Principles and Guidelines Australian standard (AS/NZS ISO 31000).

Major business processes are protected by:

- a fraud control strategy and a corruption prevention framework
- monitoring and review by and advice from the Audit and Risk Committee
- business continuity and business contingency plans
- NSWTG policy and procedure framework, including clearly defined delegations.

Internal audit

Internal audit assists NSWTG to accomplish its objectives by leveraging a systematic, disciplined approach to evaluate and improve the effectiveness of risk management and internal control systems to strengthen the governance framework.

The Director Strategy and Governance is the Chief Audit Executive and oversees the internal audit function, reporting administratively to the Chief Executive Officer and functionally to the Chair of the Audit and Risk Committee.

NSWTG has a three-year Internal Audit Plan, which is reviewed annually. The Plan is approved by the Audit and Risk Committee which provides assurance over the key risks which may prevent the achievement of *Our Strategy 2019-25* and the control environment in place around critical business processes. Internal audit reports provide advice and assurance to management by monitoring governance, risk and control issues affecting NSWTG.

During the reporting period NSWTG engaged an independent quality assessment of our internal audit function and its maturity. The assessment found that NSWTG's internal audit function generally conforms with relevant standards and rate the overall maturity as managed. It also made a number of recommendations that NSWTG commenced implementing during 2018-19.

Several internal audits were completed or commenced during 2018-19 including a review and assessment of the:

- customer account payments process
- work health and safety framework
- record-keeping for customer management
- Public Guardian lifestyle decision-making
- property portfolio management process
- estate and trust accounting function.

Additional audits are in progress and will be completed in 2019-20.

Business continuity

Business continuity plans are 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. During the year, major updates were made to the business continuity plans for our offices in the Parramatta Justice Precinct and O'Connell Street in the central business district. These are NSWTG's two largest operating locations.

Organisational strategy

During 2018-19 NSWTG developed *Our Strategy 2019-25* to guide improvements over the next six years and ensure NSWTG delivers high quality, trusted and customer focussed financial management, guardianship and trustee services in a financially sustainable way.

Further information on *Our Strategy 2019-25* is included on pages 19-20.

Workforce

NSWTG's employees are key to delivering quality services to our customers. The 2018-19 period has seen a focus on building both capacity and capability. This has been achieved through a focus on recruitment, training and performance management.

Number of employees

At 30 June 2019 there were 620 roles on the NSW TG establishment. These are a mixture of full-time and part-time as well as ongoing and temporary roles.

At 30 June 2019 there were 553.59 full time equivalent (FTE) staff occupying those roles.

Table 14 shows the number of FTE by the Australian and New Zealand Standard Classification of Occupations (ANZSCO) category at 30 June 2019. A comparison with the previous three years is also included in the table. Please note all figures in this table are net of vacant roles within the establishment.

The 553.59 FTE at 30 June 2019 is an increase of 87.28 FTE (18.72%) on the 466.31 FTE at 30 June 2018. This increase is the result of:

- a reduction in the number of vacant roles across the organisation as a result of the focus on recruitment
- an additional 65 roles (5 temporary and 60 ongoing roles) added to the establishment across the organisation to improve service level and reduce reliance on contingent labour.

The additional roles added to the establishment included:

- creation of a specialist property service centre and a team to manage intestacies to improve service levels in these areas
- creation of additional legal roles to provide additional specialist skills for drafting of complex Wills and Power of Attorney documents and to strengthen quality assurance processes for Wills, Power of Attorney and Enduring Guardian documents
- temporary roles to assist people we represent participate in the NDIS. These were funded by a grant from the NSW Government.

The additional roles included four trainee roles in estate administration. These roles are part of a planned program to assist in succession planning as well as providing up skilling to people starting out in their career.

Table 14: Employees by ANZSCO Classification of Occupations at 30 June 2019

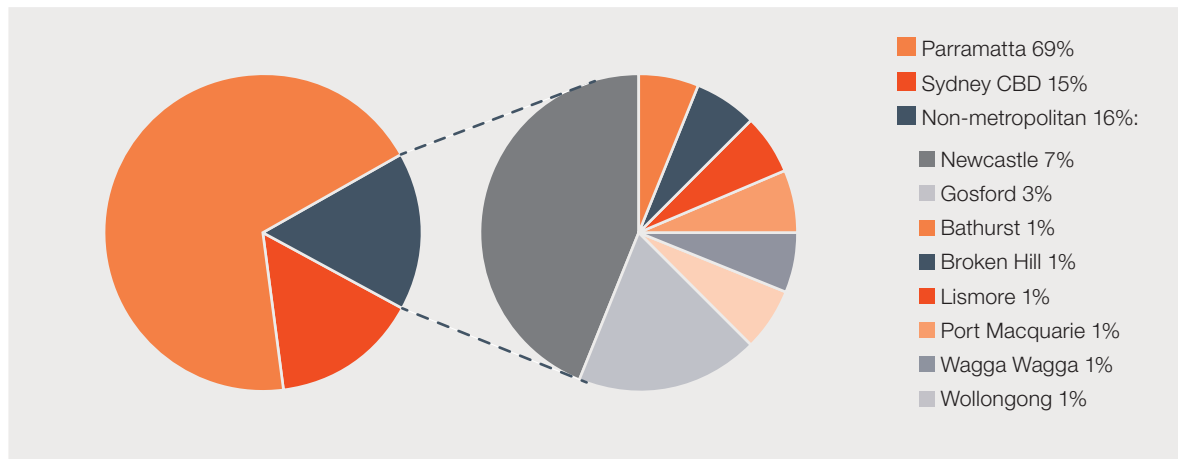
Category (ANZSCO Major Code)	2018-19 FTE	2017-18 FTE	2016-17 FTE	2015-16 FTE	2014-15 FTE
Clerical and Administrative Workers	340.90	282.52	295.60	423.36	435.45
Community and Personal Service Workers	1.80	3.71	2.00	2.00	3.20
Managers	86.90	96.66	102.70	34.94	25.00
Professionals	105.99	81.42	120.20	163.00	158.98
Sales Workers ¹⁰	18.00	2.00	4.00	9.00	7.40
Total	553.59	466.31	524.50	632.30	630.03

¹⁰ The additional roles in the specialist property centre managing customer real estate were classified as Sales Workers.

The majority of NSW TG's employees are located in Parramatta with other staff located in the Sydney CBD and regional locations across the state.

Figure 28 shows the proportion of roles in each location across New South Wales.

Figure 28: NSW TG employees by location



Health and wellbeing

NSW TG has a Health & Wellbeing Committee to improve the mental, physical and social health of employees.

The committee has implemented a number of programs under the banner of TAGfit. These include online tools and resources, workshops in resilience and mental health, physical activities as well as activities supporting charities. NSW TG made flu shots available to employees to improve the physical health of employees and reduce the spread of infection.

During 2018-19 NSW TG conducted a six month trial of clinical supervision. The trial was conducted at several NSW TG locations and provided financial management and guardianship staff with access to a trained clinician to discuss issues around vicarious trauma, compassion fatigue and the impact the nature of our work can have on employees.

Benefits of the program have included an increase in coping ability, staff resilience and ability to deal with vicarious trauma.

Organisational capability and performance

NSW TG's employees are key to delivering quality services to the public. During 2018-19 we continued focus on building both capability and performance.

The training delivered during 2018-19 was targeted to meet these objectives and focussed on technical skills, leadership and people development. A summary of the 181 training sessions delivered in 2018-19 is shown in table 15.

Table 15: Training sessions delivered in 2018-19

Program type	Sessions
Technical training	154
Leadership development	8
Organisational and people development	19
Total	181

Core Technical Knowledge program

During 2018-19 NSWTG implemented a Core Technical Knowledge program. This program provides continuing professional development that supports the on-boarding and up-skilling of new and existing staff providing financial management, estate administration, trusts and powers of attorney services. The program is composed of modules of training, designed and delivered by subject matter experts (SMEs) from across NSWTG.

The number of training sessions conducted under this program are included in table 15.

During 2018-19 NSWTG continued its focus on increasing capability in Will drafting by establishing a continuous professional development program. This has resulted in continual up-skilling of staff providing planning ahead services from industry standard resources.

Table 16 shows the number of employees accredited to draft Will and Power of Attorney documents and to witness Powers of Attorney, and Enduring Guardianship documents.

Table 16: Accredited employees

Accreditation	Number of employees
To witness Enduring Guardian instruments	78
To draft and witness Power of Attorney instruments	108
Will makers	108

People Matter Employee Survey

The People Matter Employee Survey (PMES) is conducted across the public sector each year. The survey provides an opportunity for staff across NSWTG to have a say about their workplace and to help make NSWTG a better place to work.

The 2018 survey was completed by 62% of our staff and saw improvements in employee perception in a number of key categories including employee engagement, confidence in senior managers, communication, performance and public sector values.

A detailed analysis of the results was used to inform a series of 'town hall' style meetings across the organisation.

The feedback from these sessions was used to develop an action plan. The plan included initiatives to improve recruitment decisions, revise the supervision policy, a respect campaign, improving communication and collaboration across the organisation.

The majority of these initiatives were completed during 2018-19.

A further PMES will be conducted in 2019-20. NSWTG will analyse the results of that survey to determine whether the initiatives implemented in 2018-19 have impacted employee perceptions.

Further information on NSWTG's workforce is available in Appendix 4 on pages 79-80.

Information technology and information management

At NSW TG we maintain a number of complex systems that support provision of services to our clients including the processing of over two million financial transactions for our clients.

Client management systems

During 2018-19 NSW TG made a number of significant enhancements to our client relationship management (CRM) systems to improve service delivery by improving performance, functionality and stability of these systems.

These included an upgrade of the CRM applications to the latest mandatory versions and implementation of an estate forecasting model to improve forecasting of our estate administration demands and revenue. We also implemented enhancements to help in providing services to people who are participants in the NDIS where we are appointed their financial manager.

NSW TG conducted initial training sessions on Robotic Process Automation (RPA) which can be used to automate manual and repetitive tasks. Automating these manual and repetitive tasks is a key initiative in the Digital Plan. Delivering on this initiative will provide more time for staff to concentrate on more complex aspects of providing services, such as making decisions on behalf of the people we represent.

Supporting systems and environment

NSW TG also made a number of enhancements to supporting services that help staff perform their roles more effectively and to make it easier to provide services to customers and reduced disruptions to service delivery. These include:

- extension of video conferencing functionality to all locations to improve collaboration and reduce the need for staff to spend time travelling between locations
- standardisation of telephony across our Parramatta and O'Connell Street locations to improve business continuity and staff mobility. This enhancement has also made it easier for customers to contact staff even when they are working in different locations and has reduced disruptions for customers contacting NSW TG
- resolving stability issues that improved system availability to help reduce disruptions to service delivery.

During 2018-19 NSW TG launched the Anywhere, Any Device initiative. Underlying this initiative is an approach to mobility that will allow staff and customers to engage with NSW TG in ways that best suits them.

As part of the Anywhere, Any Device initiative NSW TG commenced the Laptops and Windows 10 project. This project will provide staff a new device with Windows 10 and Office 365. These devices will be faster and more reliable than the existing fleet. Windows 10 and Office 365 will provide a more secure environment and address a number of additional stability, security and reliability issues which will help staff provide service to customers more effectively. This project was piloted successfully during 2018-19 and will be rolled out across the rest of the organisation during 2019-20.

NSWTG also implemented a new structure within the Information and Technology division to better align the resources to support development, operations and security across the organisation. This will ensure we have a greater focus on cyber security and stability of our critical applications.

Working with Justice IT

NSWTG has a service partnership agreement with the Digital and Technology Services (DTS) division of the Department of Justice. From 1 July 2019 these services will be provided by the Department of Communities and Justice. This agreement is for the provision of core information technology support and services including security, telephony and core server and network infrastructure.

During 2018-19 NSW TG worked with DTS to improve on-site support at key locations across NSW TG. This has helped reduce the time required for staff to resolve issues that are hampering their ability to provide services to customers.

Information and records management

NSWTG's Information & Records Management team ensure that instruments, other key customer documentation and corporate documents are managed in accordance with the *NSW State Records Act 1998*.

The team processes in excess of 6,000 documents per week including original birth certificates, land titles and client invoices.

During 2018-19 NSW TG piloted the reintroduction of direct delivery of physical mail to branches. The pilot successfully reduced timeframes for delivery of mail sent by customers by reducing the time for mail to be sent from Parramatta to the relevant branch. NSW TG is investigating the rollout of this approach across other NSW TG branches.

As part of our commitment to improve service delivery we reviewed and reported on the completeness and accuracy of customer information in our client management systems. This was the first step to creating a single view of customers to identify common customers across our key service lines and improve data quality.

Future plans

From 1 July 2019 NSW TG will be recognised as independent agency within the Stronger Communities cluster. Implementation of this change will not have any substantial impact on how we work with other areas of government both within the cluster and across government.

To guide implementation of *Our Strategy* over the next five years we will use separate People and Culture, Customer, Digital and Governance & Sustainability plans. These plans will provide an actionable roadmap of initiatives to be completed over this period.

Having this roadmap will help us deliver better outcomes for our customers and deliver on our objective of providing high quality, trusted and customer-centred financial management, guardianship and trustee services in a financially sustainable way.

We will continue to work with other agencies across government to complete development of the government's response to the NSW Law Reform Commission's recommendations from its *Review of the Guardianship Act 1987* and to identify the costs and impacts of the options being considered.

Any changes implemented as a result of the review and the outcomes of the Royal Commissions are likely to lead to changes in what our customers need from us and the services we provide to them. We will work across government to ensure these changes are implemented effectively.

We will also work with the Disability and Ageing Commissioner to protect older people and adults with disability from abuse, neglect and exploitation.

Appendix 1: Obligations under the Government Information (Public Access) Act 2009

The aim of the *Government Information (Public Access) Act 2009* (GIPAA) is to promote and facilitate the sharing of government information with the public to improve transparency and accountability. In accordance with the Act, NSW TG's approach is to proactively release information unless there are considerations against disclosure.

Release of information under GIPAA applies to NSW TG's functions as financial manager, guardian and power of attorney. Release of information in relation to NSW TG's functions as administrator, executor or trustee is considered under general trustee principles and law. This is because GIPAA specifically excludes information relating to these functions.

Proactive release of government information

During 2018-19 NSW TG reviewed its program for the release of government information to identify the kinds of government information we held where it is in the public's interest for that information to be made publicly available.

During 2018-19 NSW TG released the following policies by publishing them on our website:

- Access to Information Privacy and Confidentiality Policy
- Depletion of Funds Policy
- Financial Planning Policy
- Notional Sales Policy
- Unreasonable Complainant Conduct Policy
- Vehicles Policy.

In addition, the following updated versions of the following policies were published on our website:

- Client Budget Policy
- Credit Cards for Direct Managed Customers Policy
- Enduring Guardianship – Witnessing by NSW Trustee & Guardian Policy
- Finalisation Policy
- Gifts and Donations from Direct Managed Customers Policy.

Requests for access to government information

During 2018-19 we received 20 formal applications for information under GIPAA from members of the public or their legal representative. A summary of the requests received and the outcomes of these requests is shown in the following tables.

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)	1	1	1		4			
Members of the public	1	2	2		4	2		2

In cases where more than one decision is made in respect of a particular access application each decision is recorded separately. In 2018-19 there were no access applications that involved multiple decisions.

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 information is held	Application withdrawn
Personal information applications ¹¹	2				1			
Access applications (other than personal information applications)		3	3		7	2		2
Access applications that are partly personal information applications and partly other								

In cases where more than one decision was made in respect of a particular access application each decision will be recorded separately. In 2018-19 there were no access applications that involved multiple decisions.

¹¹A personal information application is an access application for personal information about the applicant (as defined in clause 4 of Schedule 4 to GIPAA).

Invalid applications

Nil

Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

Nil

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

Nil

Timeliness

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

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

Nil

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

Nil

Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

Nil

Appendix 2: Action plans and carers recognition

Disability Action Plan

The Disability Action Plan indicators are reported in the Department of Justice Annual Report for 2018-19. NSW TG actively promotes access to services for people with disability through the design and implementation of service improvements. The employment of people with disability is an important part of service delivery strategy.

Culturally Diverse Communities Action Plan

The Culturally Diverse Communities Action Plan and the Multicultural Services and Programs indicators are reported on in the Department of Justice Annual Report for 2018-19.

Carers recognition

The legislative framework for NSW TG makes it mandatory to consider the views of those involved in the lives of people under a financial management or guardianship order 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 is reinforced through our decision-making framework.

NSW TG maintains information on the intranet for all staff on the *Carers (Recognition) Act 2010*.

Appendix 3: Code of ethics and behaviour

As employees of the Department of Justice staff were required to comply with the Department's Code of Conduct and Ethics Policy. This includes conflicts of interest, gifts and benefits and secondary employment requests.

The policy also provided information and guidance in relation to employee responsibilities and obligations and the expected standards of ethical behaviour.

Prior to commencing with NSW TG, staff are advised of the Code of Conduct and Ethics through their offer of employment pack and further education is provided at induction training. All staff are required to acknowledge the Code of Conduct and Ethics when logging onto NSW TG's systems.

The code is consistent with the *Independent Commission Against Corruption Act 1988*, *Public Finance and Audit Act 1983*, *Government Sector Employment Act 2013* and the *Privacy and Personal Information Protection Act 1998*.

A separate Code of Business Ethics applies to all business partners, suppliers and contractors. Our Statement of Business Ethics provides a framework of mutual obligations, roles and constraints in business operations in relation to business conducted for NSW TG and also on behalf of our customers.

Appendix 4: Employment reporting

The Chief Executive Officer is a statutory officer established under section 7 of the *NSW Trustee & Guardian Act 2009*. All other staff are employed under the *Government Sector Employment (GSE) Act 2013*.

Until 30 June 2019 all staff other than the CEO were employees of the Department of Justice assigned to NSW TG. From 1 July 2019, staff will be employees of the Department of Communities and Justice, assigned to NSW TG.

During the reporting period the Department of Justice also provided personnel services under a service level agreement.

Employment equity data

The Employment Equity data for NSW TG is reported in the Department of Justice Annual Report for 2018-19.

Industrial relations

The Joint Consultative Committee is made up of representatives of NSW TG management and the Public Service Association of NSW (PSA). The committee meets quarterly and provides a platform to discuss and consult on human resource policies, industrial relations matters and other concerns raised by the PSA.

During 2018-19 there were no industrial disputes.

Work health and safety (WHS)

NSWTG is committed to providing a healthy and safe workplace for our staff and is committed to complying with the requirements of the *Work Health and Safety Act (2011)*.

During 2018-19 NSWTG conducted an internal audit of our organisation's WHS practices to identify any gaps and opportunities available in order to set clear goals and help drive WHS practices, culture and work programs.

The NSWTG Work Health Safety Committee (WHS Committee) provides a forum for staff and management to consult about issues affecting workplace safety. The WHS Committee met four times during the reporting period.

NSWTG currently does not have any Health and Safety Representatives. During 2019-20 NSWTG will be seeking expressions of interest from staff interested in performing this role.

WHS incidents

There were 23 incidents reported to the WHS Committee. A further 19 incidents reported to through the Justice Human Resources system.

A breakdown of these is shown in table 17. There may be some overlap in the incidents reported.

Table 17: WHS incidents reported

Category	Number
Hazards (including verbal threats)	29
Near misses	1
Injuries / Illness	12
Total	42

There were six workers compensation claims received during the reporting period.

There were no prosecutions under the *Work Health and Safety Act 2011* during the year.

Movement in salaries 2018-19

A 2.5% pay increase came into effect in July 2018.

Personnel policies and practices

All employees have rights and obligations as determined by Department of Justice policies. These policies are supplemented by policies specific to NSWTG employees.

All policies are available to staff on the intranet.

Public Service Senior Executive roles

As at 30 June 2019, there were eight Senior Executive roles within NSWTG. A breakdown of these roles is shown in table 18.

Table 18: Senior Executive roles

PSSE Band	Male	Female	Vacant	Total
Band 2	1			1
Band 1	2	3	2	7
	3	3	2	8

Further data in relation Public Service Senior Executive roles is reported in the Department of Justice Annual Report for 2018-19.

Appendix 5: Significant committees

Ageing and Disability Commissioner Project Control Group

Andrew Gabriel, Public Guardian
Megan Osborne, Director
Communications & Engagement

Australian Guardianship and Administration Council

Adam Dent, Chief Executive Officer
Andrew Gabriel, Public Guardian

Boarding House Expert Advisory Group

Theo Hastings, Assistant Public Guardian, Operations

Building Community-Based Mental Health Services and Support Steering Committee

Andrew Gabriel, Public Guardian

Edith Cavell Trust

Carol Coombes, Acting Director
Service Delivery

Commonwealth Government's Enduring Power of Attorney Working Group

Ruth Pollard, Director, Legal and Professional Services

Elder Abuse National Projects Governance Group - Australian Guardianship and Administration Council

Ruth Pollard, Director, Legal and Professional Services

Effective Case Reviews Project Reference Group

Anna Gauci, Assistant Public Guardian Policy and Advocacy

Elder Law, Capacity and Succession Committee NSW Law Society

Ruth Pollard, Director, Legal and Professional Services

End of Life Implementation Advisory Committee

Anna Gauci, Assistant Public Guardian Policy and Advocacy

Guardianship Reform Working Group

Adam Dent, Chief Executive Officer
Andrew Gabriel, Public Guardian

Interdepartmental Committee on Ageing and Strategy

Megan Osborne, Director
Communications & Engagement

Interjurisdictional NDIS meeting for Public Guardians and Public Advocates

Anna Gauci, Assistant Public Guardian Policy and Advocacy
Phil Kearton, Regional Manager
Northern Team

Joint Protocol State-Wide Steering Committee (NSW Ombudsman)

Anna Gauci, Assistant Public Guardian Policy and Advocacy

National Health Medical Research Grant Partnership Project group

Anna Gauci, Assistant Public Guardian Policy and Advocacy

NDIA and Justice Working Group

Anna Gauci, Assistant Public Guardian Policy and Advocacy

NDIS Regional Operations Working Groups

Anna Gauci, Assistant Public Guardian Policy and Advocacy

NSW Ombudsman and Public Guardian working party for matters relating to the neglect, abuse and exploitation of people with a disability in community settings

Theo Hastings, Assistant Public Guardian, Operations
Phil Kearton, Regional Manager
Northern Team

NSW Ombudsman's Disability Roundtable

Anna Gauci, Assistant Public Guardian Policy and Advocacy

NSW Steering Committee Prevention of Abuse of Older People

Ruth Pollard, Director, Legal and Professional Services

NSW Supported Decision-Making Community of Practice

Carolyn Smith, Senior Project Officer
Nicki Cummings, Project Officer

NSW Supported Decision-Making Interest Group (Cognitive Decline Partnership Centre)

Anna Gauci, Assistant Public Guardian Policy and Advocacy

Risk Enablement Training Project Advisory Committee

Anna Gauci, Assistant Public Guardian Policy and Advocacy

Supported Decision-Making Network

Anna Gauci, Assistant Public Guardian Policy and Advocacy

Trustee Corporations Association

Adam Dent, Chief Executive Officer

Appendix 6: 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 2018-19.

Privacy management

NSWTG took account of the privacy principles set out in the *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.

There were no reviews conducted under the *Privacy and Personal Information Protection Act 1998* relating to either the contravention of the information protection principle or the privacy code of practice that applies to NSWTG. There were also no reviews relating to disclosure of personal information kept in a public register.

Appendix 7: Public interest disclosures

The *Public Interest Disclosures Act 1994* (PID Act) is aimed at encouraging and facilitating the disclosure, in the public interest, of wrongdoing in the public sector.

All NSW TG staff have a responsibility to report suspected wrongdoing, including corruption; maladministration; serious and substantial waste of public money; and breaches of the *Government Information (Public Access) Act 2009* (GIPA Act).

NSW TG is committed to protecting staff that make public interest disclosures from reprisal.

The Chief Executive Officer has ensured that staff are aware of their responsibilities under the PID Act by providing:

- information on how to make public interest disclosures to all staff through policies and procedures¹²
- factsheets on the intranet supported by an online learning module
- information to suppliers and service providers about reporting wrongdoing through the Statement of Business Ethics published on our website.

During 2018-19, NSW TG undertook a review of its PID obligations to improve its reporting practices and requirements under the PID Act.

There were no Public Interest Disclosures received in the 2018-19 (Table 19).

Table 19: Public interest disclosures (PIDs)

	PIDs made by public officials in performing their day-to-day functions as public officials	PIDs made under a statutory or legal obligation	All other PIDs
Number of public officials who have made a PID to NSW TG	–	–	–
Number of PIDs received by NSW TG	–	–	–
Of PIDs received, how many were primarily about:			
Corrupt conduct	–	–	–
Maladministration	–	–	–
Serious and substantial waste of public money	–	–	–
Government information contraventions	–	–	–
Local government pecuniary contraventions	N/A	N/A	N/A
Number of PIDs (received on or after 1 January 2012) that were finalised in this reporting period	–	–	–

¹² NSW TG has adopted the Department of Justice Public Interest Disclosure Policy and Procedure to provide guidance to staff.

Appendix 8: Payment performance indicators

The following tables show performance for corporate payments 2018-19. Information about processing of payments for customers is on page 45

Quarter	Current \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days overdue \$'000	More than 90 days overdue \$'000
All suppliers					
September	5,244	43	-	-	-
December	3,827	20	-	-	-
March	4,128	21	-	-	-
June	5,269	39	-	-	-
Small business suppliers					
September	19	-	-	-	-
December	25	-	-	-	-
March	22	-	-	-	-
June	52	-	-	-	-

Measure	Sep-18	Dec-18	Mar-19	Jun-19
All suppliers				
Invoices due for payment (#)	681	513	568	668
Invoices paid on time (#)	668	508	548	661
Actual percentage of invoices paid on time (based on number of invoices)	98.1%	99.0%	96.5%	99.0%
Amount due for payment (\$'000)	5,287	3,847	4,149	5,308
Amount paid on time (\$'000)	5,244	3,827	4,128	5,269
Actual percentage of invoices paid on time (based on \$)	99.2%	99.5%	99.5%	99.3%
Number of payments for interest on overdue accounts (#)	-	-	-	-
Interest paid on overdue accounts (\$'000)	-	-	-	-
Small business suppliers				
Invoices due for payment (#)	19	25	22	52
Invoices paid on time (#)	19	25	22	52
Actual percentage of invoices paid on time (based on # of invoices)	100%	100%	100%	100%
Amount paid on time (\$'000)	35	72	30	137
Amount due for payment (\$'000)	35	72	30	137
Actual percentage of invoices paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts (#)	-	-	-	-
Interest paid on overdue accounts (\$'000)	-	-	-	-

Appendix 9: Disclosures

Consultants

NSWTG observed government policy on employment of consultants. As Trustee we are specifically excluded from the requirement of reporting the nature of these consultancies under the Schedule 1 of the Annual Reports (Statutory Bodies) Regulation 2015.

Credit card certification

NSWTG certify that credit card usage by employees complied with appropriate government policy, Premier's Memoranda and Treasurer's Directions.

Funds granted to non-government community organisations

NSWTG did not make any grants to non-government organisations during 2018-19.

Land disposal

During 2018-19 NSW TG disposed of properties in Gosford, Liverpool and Newcastle. Sale of these properties was managed by Property NSW.

The properties in Gosford and Liverpool were vacant as a result of consolidation of service delivery into service centres in Parramatta and Newcastle. The property in Newcastle was no longer appropriate to accommodate the Newcastle service centre and outreach branch.

The proceeds from the sale of each property were returned to NSW TG as they were solely owned by NSW TG as trustee and had been purchased with trustee funds. The proceeds will be invested by NSW TG to improve customer service.

Overseas travel

Necta Minas, Manager Disability Advocacy and Aspa Varvaressos, Principal Advocacy Officer travelled to Wellington New Zealand from 28 May to 31 May 2019. They attended the New Zealand Disability Support Network Annual Conference 2019 – Minding the Gap.

The Conference focused on transformation in New Zealand's disability sector. It also highlighted the need to pay attention to policy development to assist with safeguarding the rights and interests of people with disability, while ensuring services work collaboratively to avoid vulnerable individuals slipping through the gaps.

Appendix 10: Internal Audit and Risk Management Attestation Statement¹³

Internal Audit and Risk Management Attestation for the 2018-2019 Financial Year for NSW Trustee and Guardian

I, Adam Dent, am of the opinion that the NSW Trustee and Guardian has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, 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

For each requirement, please specify whether compliant, non-compliant or in transition

Risk Management Framework

1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS ISO 31000:2018	Compliant

Internal Audit Function

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

Audit and Risk Committee

3.1	An independent Audit and Risk Committee with appropriate expertise has been established	Non-compliant
3.2	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	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

¹³ The dates of appointment for some members of the Audit & Risk Committee were incorrectly stated in previous Annual Reports. The dates shown in this Attestation Statement are correct.

Membership

The Chair and Members of the Audit & Risk Committee are:

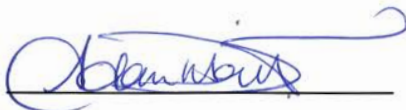
- Independent Chair, Ian Gillespie, full term from 1 October 2015 to 18 March 2019. Previously appointed as Independent Member from 26 March 2012 to 30 September 2015.
- Independent Chair, Julie Elliott, appointed 6 March 2019 to 5 March 2024.
- Independent Member, Paul Crombie, full term from 1 April 2010 to 28 June 2019.
- Independent Member, Gul Izmir, appointed 7 March 2016 to 6 March 2020.
- Independent Member, Stephen Horne, appointed 6 March 2019 to 5 March 2022.

Departures from Core Requirements

I, Adam Dent, advise that the internal audit and risk management processes for NSW Trustee & Guardian depart from the following core requirement set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*.

The circumstances giving rise to these departures have been determined by the Portfolio Minister and the NSW Trustee & Guardian has implemented the following practicable alternative measures to meet the core requirements:

Departure	Reason for departure and description of practicable alternative measures implemented
Non-compliance	
Core Requirement 3.1.5	<ul style="list-style-type: none"> • Historic appointment to NSW Trustee & Guardian's Audit & Risk Committee potentially led to not satisfying clause 3.1.5 in TPP15-03. • Membership of the Audit & Risk Committee has been refreshed in March 2019 with a new Independent Chair and Member appointed. NSW TG's Audit & Risk Committee has the minimum number of members required who meet the core requirements of TPP 15-03.



Adam Dent
Chief Executive Officer
Date: 23 Oct. 2019

Agency Contact Officer
Michelle Batterham, Chief Audit Executive
Phone: 02 8061 9330

Appendix 11: Cyber Security Annual Attestation Statement



NSW Trustee
& Guardian

Cyber Security Annual Attestation Statement for Financial Year 2018/19

I, Adam Dent, Chief Executive Officer of the NSW Trustee & Guardian, am of the opinion that in the 2018/19 Financial Year:

Risks to the information and systems of NSW Trustee & Guardian have been assessed and the agency is in the process of developing a cyber security plan to further strengthen the cyber security environment in a manner consistent with the mandatory requirements as set out in the NSW Government Cyber Security Policy.

NSW Trustee & Guardian has identified its Crown Jewels and ownership has been assigned.

Governance is in place to manage the cyber-security maturity and initiatives of the NSW Trustee & Guardian.

As member of the Stronger Communities Cluster, cyber security incidents, should they occur, will be escalated to the NSW GCISO governance forums through the Department of Communities and Justice Cyber Security team.

An annual independent review of the effectiveness of controls or reporting against the mandatory requirements of the NSW Cyber Security Policy was undertaken by Centium and a plan is being developed to address the gaps in maturity identified.

Adam Dent
Chief Executive Officer
30 August 2019

Parramatta Justice Precinct

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Financial Statements

For the year ended
30 June 2019

Contents

Statement in Accordance with Section 41C Public Finance and Audit Act 1983	91
Independent Auditor's Report	92
Statement of comprehensive income for the year ended 30 June 2019	94
Statement of financial position as at 30 June 2019	95
Statement of changes in equity for the year ended 30 June 2019	96
Statement of cash flows for the year ended 30 June 2019	97

Notes to the financial statements for the year ended 30 June 2019

1 Summary of Significant Accounting Policies	98
2 Expenses Excluding Losses	112
3 Revenue	113
4 Gain/(Loss) on Disposal	114
5 Other Gains/(Losses)	115
6 Current Assets – Cash and Cash Equivalents	115
7 Current Assets – Receivables	116
8 Non-Current Assets Held for Sale	117
9 Non-Current Assets – Financial Assets at Fair Value	117
10 Non-Current Assets – Property, Plant and Equipment	118
11 Intangible Assets	120
12 Fair value measurement of non-financial assets	122
13 Current Liabilities – Payables	122
14 Current/Non-Current Liabilities – Provisions	123
15 Commitments	125
16 Contingent Liabilities and Contingent Assets	125
17 Budget Review	126
18 Reconciliation of Cash Flows from Operating Activities to Net Result	127
19 Common Fund Assets	128
20 Financial Instruments	129
21 Related Party Disclosures	136
22 Events after the Reporting Period	137

NSW TRUSTEE AND GUARDIAN

STATEMENT IN ACCORDANCE WITH SECTION 41C OF THE 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 2019 and transactions for the year ended 30 June 2019;
- 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 Financial Reporting Directions mandated by the Treasurer; 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.



Adam Dent
Chief Executive Officer

25 September 2019



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 the NSW Trustee and Guardian, which comprise the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the 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 the NSW Trustee and Guardian as at 30 June 2019, 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 the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the NSW Trustee and Guardian in accordance with the requirements of the:

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

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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
- precluding the Auditor-General from providing non-audit services.

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

Other Information

The NSW Trustee and Guardian's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Chief Executive of the NSW Trustee and Guardian is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Statement by the Chief Executive.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Chief Executive's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Chief Executive is responsible for assessing the NSW Trustee and Guardian's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities 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 description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the 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
- about any other information which may have been hyperlinked to/from the financial statements.



David Daniels
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 September 2019
SYDNEY

Statement of comprehensive income for the year ended 30 June 2019

	Notes	Budget 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000
Expenses excluding losses				
Personnel services	2(a)	65,828	54,906	51,407
Other operating expenses	2(b)	19,579	26,489	23,684
Depreciation and amortisation	2(c)	4,924	4,210	4,410
Total Expenses excluding losses		90,331	85,605	79,501
Revenue				
Sale of services	3(a)	67,843	63,798	68,371
Investment revenue	3(b)	2,826	6,194	6,016
Grants and other contributions	3(c)	19,456	20,569	17,300
Acceptance by Crown Entity of personnel services liabilities	3(d)	-	759	805
Other revenue	3(e)	349	497	374
Total Revenue		90,474	91,817	92,866
Operating result		143	6,212	13,365
Gain / (Loss) on disposal	4	-	1,269	-
Other Gains/(Losses)	5	-	(530)	(4,555)
Net result		143	6,951	8,810
Other comprehensive income				
Items that will not be reclassified to net result				
Net Increase in property, plant and equipment revaluation surplus	10	-	1,253	6,428
Total other comprehensive income		-	1,253	6,428
TOTAL COMPREHENSIVE INCOME		143	8,204	15,238

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2019

	Notes	Budget 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	6	8,804	38,463	27,044
Receivables	7	24,277	27,245	25,749
		33,081	65,708	52,793
Non-current assets held-for-sale	8	-	-	6,627
Total Current Assets		33,081	65,708	59,420
Non-Current Assets				
Financial assets at fair value	9	65,868	68,546	62,921
Property, plant and equipment	10,12			
- Land and buildings		29,942	25,735	23,493
- Plant and equipment		19,002	6,926	4,243
Total property, plant and equipment		48,944	32,661	27,736
Intangible assets	11	17,460	11,486	13,500
Total Non-Current Assets		132,272	112,693	104,157
Total Assets		165,353	178,401	163,577
LIABILITIES				
Current Liabilities				
Payables	13	23,152	4,023	3,681
Provisions	14(a)	6,859	29,126	23,967
Total Current Liabilities		30,011	33,149	27,648
Non-Current Liabilities				
Provisions	14(b)	167	1,167	332
Other	14(c)	221	519	225
Total Non-Current Liabilities		388	1,686	557
Total Liabilities		30,399	34,835	28,205
Net Assets		134,954	143,566	135,372
EQUITY				
Accumulated funds		120,563	130,512	120,981
Asset Revaluation Surplus		14,391	13,054	14,391
Total Equity		134,954	143,566	135,372

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2019

		Accumulated Funds	Asset Revaluation Surplus	Total
	Notes	\$'000	\$'000	\$'000
Balance at 1 July 2018		120,981	14,391	135,372
Changes in accounting policy (AASB9)		(10)	-	(10)
Restated balance at 1 July 2018		120,971	14,391	135,362
Net result for the year		6,951	-	6,951
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	10	-	1,253	1,253
Total other comprehensive income		-	1,253	1,253
Total comprehensive income for the year		6,951	1,253	8,204
Transfer of revaluation surplus of assets sold to accumulated funds	8	2,590	(2,590)	-
Balance at 30 June 2019		130,512	13,054	143,566
Balance at 1 July 2017		112,171	7,963	120,134
Net result for the year		8,810	-	8,810
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	10	-	6,428	6,428
Total other comprehensive income		-	6,428	6,428
Total comprehensive income for the year		8,810	6,428	15,238
Balance at 30 June 2018		120,981	14,391	135,372

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2019

	Notes	Budget 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel Services		(65,828)	(50,756)	(48,721)
Payments to suppliers for goods and services		(25,020)	(30,444)	(37,775)
Total Payments		(90,848)	(81,200)	(86,496)
Receipts				
Sale of services		67,843	63,503	65,760
Investment revenue received		2,052	523	668
Grants and other contributions		19,456	20,569	17,205
Other		5,790	6,341	5,643
Total Receipts		95,141	90,936	89,276
NET CASH FLOWS FROM OPERATING ACTIVITIES	18	4,293	9,736	2,780
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of land and buildings		-	6,735	-
Purchase of financial assets		(1,578)	-	-
Purchase of plant and equipment		(15,649)	(4,426)	(528)
Purchase of intangible assets		(1,900)	(626)	(4,636)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(19,127)	1,683	(5,164)
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		(14,834)	11,419	(2,384)
Opening cash and cash equivalents		23,639	27,044	29,428
CLOSING CASH AND CASH EQUIVALENTS	6	8,805	38,463	27,044

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2019

1. Summary of Significant Accounting Policies

a. Reporting entity

NSW Trustee and Guardian is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent.

NSW Trustee and Guardian is a not-for-profit entity (as profit is not its principal objective). 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 2019 have been authorised for issue by Adam Dent, Chief Executive Officer on 25 September 2019.

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* (the Act) and *Public Finance and Audit Regulation 2015* and
- Treasurer's Directions issued under the Act

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

Property, plant and equipment, assets held for sale and certain financial assets 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, which is the entity's presentation and functional 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. The TMF is managed by Insurance and Care NSW (icare), a controlled entity of the ultimate parent.

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 (ATO) 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 ATO 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. Rendering of services

Revenue from rendering of services 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 2017*.
- 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 19.

ii. 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. NSW Trustee and Guardian is deemed to have assumed control when the grant is received or receivable. Contributions are recognised at their fair value.

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.

iii. 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. There were no transfers from Common Fund Reserves in this financial year. (2017-18 – Nil)

iv. Investment revenue

Interest income earned on cash and cash equivalents is recognised on an accruals basis.

Investment revenue earned on TCorp IM Fund investments is recognised as described in note 1(j)(i)(a).

g. Property, plant and equipment**i. Acquisitions of property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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.

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.

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

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. Major inspection costs

When a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied.

iv. Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

v. 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.

vi. 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	20-39
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.

vii. 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* and 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 takes 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 10 and Note 12 for further information regarding fair value.

Revaluations are 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. A comprehensive revaluation was completed on 31 March 2018 and was based on an independent assessment. NSW Trustee and Guardian used external professionally qualified valuers to conduct the comprehensive revaluation.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying amount. A desktop valuation was completed by external professionally qualified valuers on 31 March 2019.

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.

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 recognised in other comprehensive income and 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 a gain in the net result.

Revaluation decrements are recognised immediately as a loss 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.

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

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

viii. 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.

NSW Trustee and Guardian assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, NSW Trustee and Guardian estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

h. Leases

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 in the Statement of Comprehensive Income.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

NSW Trustee and Guardian will adopt AASB16 from 1 July 2019, please refer to Note 1(t) for assessment of impact.

i. 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. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

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.

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

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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.

j. Financial Assets at Fair Value

Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and measurement under AASB 9 (from 1 July 2018)

NSW Trustee and Guardian's financial assets at fair value are classified, at initial recognition, as fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed and their performance is evaluated on a fair value basis and therefore the business model is neither to hold to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss.

Classification and measurement under AASB 139 (for comparative period ended 30 June 2018)

NSW Trustee and Guardian classified its financial assets as financial assets at fair value through profit or loss. The classification was based on the purpose of acquiring such financial assets.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are initially and subsequently measured at fair value. Gains or losses on these assets are recognised in the net result for the year. Financial assets are classified as 'held-for-trading' if they are acquired for the purpose of selling or repurchasing in the near term.

The TCorpIM Funds are designated at fair value through profit or loss as these financial assets 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 the entity's key management personnel.

The movement in the fair value of the TCorpIM Funds incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

(a) Receivables**Recognition and Measurement**

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement under AASB 9 (from 1 July 2018)

NSW Trustee and Guardian holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Subsequent measurement under AASB 139 (for comparative period ended 30 June 2018)

Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment under AASB 9 (from 1 July 2018)

NSW Trustee and Guardian recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, NSW Trustee and Guardian applies a simplified approach in calculating ECLs. It recognises a loss allowance based on lifetime ECLs at each reporting date. NSW Trustee and Guardian has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

Impairment under AASB 139 (for comparative period ended 30 June 2018)

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

NSW Trustee and Guardian first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

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 original 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, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

k. Payables

Recognition and measurement

Payables represent liabilities for goods and services provided to NSW Trustee and Guardian and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

l. 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:

- 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. In that case, NSW Trustee and Guardian also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

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

m. Non-current assets held for sale

The NSW Trustee and Guardian had certain land and building non-current assets classified as held-for-sale as at 30 June 2018, where their carrying amount would be recovered principally through a sale

transaction, not through continuing use. Non-current assets held-for-sale were recognised at the lower of their carrying amount and fair value less costs of disposal. An impairment loss was recognised for any initial or subsequent write down of the asset to fair value less costs to sell. These assets were not depreciated / amortised while they are classified as held-for-sale. As at 30 Jun 2019, NSW Trustee and Guardian has no non-current assets classified as held-for-sale.

n. Personnel Services Expenses and Provisions

i. 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.

ii. 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. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as NSW Trustee and Guardian does not have an unconditional right to defer settlement.

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.

NSW Trustee and Guardian is a member of the Agency Funded Crown Long Service Leave Pool (the pool). The Department of Justice contributes to the pool on behalf of NSW Trustee and Guardian. The amount expected to be reimbursed by the Crown Entity is recognised as a personnel services receivable (refer note 7).

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

As the Department of Justice provides personnel services to NSW Trustee and Guardian, defined benefit superannuation liabilities were recognised within personnel services provisions. All re-measurements arising from defined benefit plans were recognised in personnel services expenses in the year in which they occurred.

NSW Trustee and Guardian's net defined benefit superannuation liabilities were transferred to the Crown from 1 January 2017. As a result NSW Trustee and Guardian accounts for notional personnel services relating to defined benefit superannuation liability assumed by the Crown, as a non-monetary revenue item described as 'Acceptance by the Crown Entity of personnel services provisions'. The superannuation expense for the period is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

iii. 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.

o. 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.

If the effect of the time value of money is material, provisions are discounted at the 10 year government bond rate of 1.320% 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. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

p. 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)(vii).

ii. Accumulated Funds

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

q. Trust Fund

The NSW Trustee and Guardian receives monies in a trustee capacity for various trusts as set out in Note 19. As NSW Trustee and Guardian 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.

r. Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal

market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

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 12 and Note 20 for further disclosures regarding fair value measurements of non-financial and financial assets.

s. 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.

Financial statements presented to Parliament does not include Statement of Cash Flows. The Statement of Cash Flows report cash flows during the period classified by operating, investing and financing activities and separately disclose certain cash flows. Cash flows are presented on a gross basis. NSW Treasury mandates the direct method of reporting cash flows from operating activities.

Cash flows from interest and dividends received and paid are disclosed separately. NSW Treasury mandates interest paid, interest received and dividends received as operating cash flows and dividends paid as financing cash flows.

Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 17.

t. 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.

u. Reclassification of financial information

When making changes in presentation or classification NSW Trustee and Guardian reclassifies its comparative information, unless impracticable to do so. In 2018-19, no reclassification of comparative information was made.

v. Changes in accounting policy, including new or revised Australian Accounting Standards

i. Effective for the first time in 2018-19

The accounting policies applied in 2018-19 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 2018-19.

NSW Trustee and Guardian adopted and applied AASB 9 Financial Instruments which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities. NSW Trustee and Guardian applied AASB 9 retrospectively but has not restated the comparative information which was reported under AASB 139 Financial Instruments: Recognition and Measurement (AASB 139). Any differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds. The classification and measurement requirements of AASB 9 did not have a significant impact on NSW Trustee and Guardian.

The effect of adopting AASB 9 on the statement of financial position (increase/(decrease)) as at 1 July 2018 is set out below:

	Notes	1 July 2018 \$'000
Asset	7	
Receivables		10
Total Adjustment on Equity		10
Accumulated Funds		(10)

The impact of transition to AASB 9 on reserves and accumulated funds is, as follows:

	Accumulated Funds \$'000	Total Change in Equity \$'000
Closing balance 30 June 2018 – AASB 139	120,981	120,981
Recognition of AASB 9 Expected Credit Losses	(10)	(10)
Total Impact	(10)	(10)
Opening balance 1 July 2018 – AASB 9	120,971	120,971

The classification and measurement requirements of AASB 9 did not have a significant impact to the entity. The entity continued measuring at fair value, all financial assets previously held at fair value under AASB 139.

The following are the changes in the classification of the entity's financial assets:

- Trade receivables and other financial assets (i.e., term deposits) classified as 'Loans and receivables' under AASB 139 as at 30 June 2018 are held to collect contractual cash flows representing solely payments of principal and interest. At 1 July 2018, these are classified and measured as debt instruments at amortised cost.

- Investments in TCorpIM Funds are managed on a fair value basis and hence were designated at fair value through profit or loss under AASB 139 as at 30 June 2018. Under AASB 9, these are now mandatorily required at transition date of 1 July 2018 and going forward to be classified and measured as fair value through profit or loss.
- The entity has not designated any financial liabilities at fair value through profit or loss. There are no changes in the classification and measurement for the entity's financial liabilities.

In Summary, upon the adoption of AASB 9, the entity had the following required or elected reclassification as at 1 July 2018;

	Measurement category		Carrying amount		
	AASB 139	AASB 9	Original \$'000	New \$'000	Difference \$'000
Trade receivables	L&R	Amortised cost	25,749	25,749	nil
TCorpIM Funds	FVPL	FVPL	62,921	62,921	nil

Impairment

The adoption of AASB 9 has changed the entity's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the entity to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

Set out below is the reconciliation of the closing impairment allowances under AASB 139 to the opening loss allowances determined under AASB 9:

	Allowance for impairment under AASB 139 as at 30 June 2018 \$'000	Re- measurement \$'000	ELC under AASB 9 as at 1 July 2018 \$'000
Loans and receivables under AASB 139 / Financial assets at amortised cost under AASB 9	1	9	10

ii. Issued but not yet effective

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

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

Reference	Description	Effective
AASB 15	Revenue from Contracts with Customers Effective -For profit (FP): 2018-19; Not-for-profit only: 2019-20	2019-20
AASB 16	Leases	2019-20
AASB 1058	Income of Not for profit Entities	2019-20
AASB 1059	Service Concession Arrangements: Grantors	2020-21

The NSW Trustee and Guardian has assessed the impact of the new standards and interpretation on issued but not yet effective where relevant and considers the impact to be not material except for AASB16.

The new standard AASB 16 for leases will result in almost all leases being recognised on the balance sheet, the only exceptions being short-term and low-value leases. The standard will require NSW Trustee and Guardian – lessees of leases within the scope of AASB 16 to recognise a ‘right-of-use asset’ and related lease liability, being the present value of future lease payments.

The standard will result in NSW Trustee and Guardian’s operating leases being recognised on the Statement of Financial Position for the first time. This will result in an estimated increase of \$4.6M in the recognised assets and liabilities in the Statement of Financial Position as well as an immaterial change in expense recognition, with interest and depreciation replacing operating lease expense.

2. Expenses Excluding Losses

	2019 \$'000	2018 \$'000
(a) Personnel services		
Salaries and wages (including annual leave) ¹	45,628	42,812
Superannuation – defined benefit costs assumed by Crown ²	759	805
Superannuation – defined contribution plans	3,695	3,403
Long service leave	1,202	1,908
Worker's compensation insurance ³	909	(105)
Payroll tax and fringe benefits tax	2,713	2,584
Total personnel services	54,906	51,407

These relate to expenses for personnel services provided by the Department of Justice.

¹ Includes redundancy payments of \$0.3 million (\$0.9 million in 2017-18).

² Notional defined benefit super expense assumed by Crown.

³ Includes hindsight premium charged for previous years amounting to \$0.5 million (refunds \$0.3 million in 2017-18).

	2019 \$'000	2018 \$'000
(b) Other operating expenses		
Auditor's remuneration – audit of financial statements:		
- NSW Trustee and Guardian	230	225
- Common Fund	239	235
Operating lease rental expenses		
Motor vehicle lease	52	51
Rent expense	3,948	3,645
Maintenance	1,586	2,920
Insurance	251	208
Consultants	92	200
Advertising	1,609	1,340
Internal audit fees	283	120
Contractor expenses	9,192	6,585
Fees for services rendered	6,236	4,780
Gas and electricity	401	357
Office supplies	276	315
Postal and telephone	1,256	1,815
Travel expenses	371	303
Training and development	393	461
Other	74	124
Total other operating expenses	26,489	23,684

	2019 \$'000	2018 \$'000
(c) Depreciation and amortisation expense		
Depreciation		
Buildings	524	592
Plant and equipment	1,553	2,083
Total depreciation	2,077	2,675
Amortisation		
Intangible assets	2,133	1,735
Total amortisation	2,133	1,735
Total depreciation and amortisation	4,210	4,410

3. Revenue

	2019 \$'000	2018 \$'000
(a) Sale of services		
Rendering of Services		
Commissions and fees	30,809	35,989
Trustee fees	7,173	7,614
Private management supervision fees	1,160	852
Common Fund management fees	24,656	23,916
Total sale of services	63,798	68,371

	2019 \$'000	2018 \$'000
(b) Investment revenue		
Interest revenue from financial assets not at fair value through profit or loss	569	463
TCorpIM Long Term Growth Fund Investment designated at fair value through profit or loss*	5,625	5,553
Total investment revenue	6,194	6,016

*This includes unrealised gain of \$2.7 million (gain of \$1.3 million in 2017-18).

	2019 \$'000	2018 \$'000
(c) Grants and contributions		
Funding for the operations of the Public Guardian	8,961	8,732
Community service obligation	5,112	5,112
Contribution from NSW Government*	6,496	3,456
Total grants and contributions	20,569	17,300

*This includes \$0.3 million grant receivable from NSW Treasury through Department of Justice for redundancy payments made to employees as a result of the implementation of the 2017 and Beyond Transformation business case (\$0.9 million in 2017-18). Refer to Note 2(a)

	2019 \$'000	2018 \$'000
(d) Acceptance by Crown Entity of personnel services liabilities		
Notional defined benefit super	720	763
Notional payroll tax on defined benefit super	39	42
Total personnel services liabilities assumed by Crown	759	805

From 1 January 2017 Crown assumed defined benefit super liabilities of NSW Trustee and Guardian. As a result a notional amount equivalent to defined benefit super expense NSW Trustee and Guardian would have otherwise incurred is recognised as expense and revenue. Refer to Note 2 (a).

	2019 \$'000	2018 \$'000
(e) Other revenue		
Refund of working expenses from clients – <i>NSW Trustee and Guardian Regulation 26</i>	288	325
Other	209	49
Total other revenue	497	374

4. Gain /(Loss) on Disposal

	Property, Plant and equipment \$'000	Intangible assets \$'000	Total \$'000
At 30 June 2019			
Proceeds from disposal	6,733	-	6,733
Written down value of assets disposed	(5,462)	(2)	(5,464)
Net gain/(loss) on disposal	1,271	(2)	1,269

At 30 June 2018			
Proceeds from disposal	-	-	-
Written down value of assets disposed	-	-	-
Net gain/(loss) on disposal	-	-	-

5. Other Gains/(Losses)

	2019 \$'000	2018 \$'000
Impairment on receivables	(21)	(5)
Impairment on assets held for sale	-	(621)
Impairment on intangible assets	(509)	(3,929)
Total other gains/(losses)	(530)	(4,555)

Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the NSW Trustee and Guardian from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

Property, plant and equipment – Note 10

Intangible assets – Note 11

6. Current Assets – Cash and Cash Equivalents

	2019 \$'000	2018 \$'000
Cash at bank and on hand	3,463	27,044
Short-term deposits with TCorp	35,000	-
Total cash and cash equivalents	38,463	27,044

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand and short-term TCorp Tailored Deposit.

Cash and cash equivalents in the Statement of financial position is the same as cash and cash equivalents in the Statement of cash flows.

Refer to Note 20 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. Current Assets – Receivables

	2019 \$'000	2018 \$'000
Sale of services	3,523	3,472
- Allowance for impairment	-	(1)
- Allowance for expected credit loss	(14)	-
Other debtors	195	1,284
Accrued income	4,510	4,208
Personnel services	18,674	16,329
Prepayments	145	178
GST receivable	212	279
Total receivables	27,245	25,749

(a) Movement in the allowance for expected credit loss	\$'000
Balance at 30 June 2018 under AASB 139	(1)
Amounts restated through opening accumulated funds	(9)
Balance at 1 July 2018 under AASB 9	(10)
Amounts written off during the year	-
Amounts recovered during the year	-
Increase/(decrease) in allowance recognised in profit or loss	(4)
Balance at 30 June 2019	(14)

(b) Movement in the allowance for impairment	\$'000
Balance at 1 July 2017	(1)
Amounts written off during the year	-
Amounts recovered during the year	-
Increase/(decrease) in allowance recognised in profit or loss	-
Balance at 30 June 2018	(1)

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired, are disclosed in Note 20.

8. Non-Current Assets Held-for-Sale

	2019 \$'000	2018 \$'000
Assets held-for-sale		
Land and buildings	-	6,627
	-	6,627

In the year 2018 NSW Trustee and Guardian recognised four property assets at the value of \$6.6 million as Assets Held for Sale. During 2019 three of these assets valued at \$5.1 million were sold for \$6.7 million after selling costs resulting in a gain of \$1.6 million. In accordance with AASB 116 (Para 41) balance of \$2.6 million remaining in the revaluation surplus in respect of the derecognised assets was transferred to accumulated funds.

The fourth property was withdrawn from assets held for sale as NSW Trustee and Guardian was unable to find suitable alternative accommodation to relocate operations from this property. This property, therefore, ceased to meet the criteria required to be classified as Asset Held for Sale. Consequently, this property was transferred to noncurrent assets at the value of \$1.6 million with an adjustment of \$0.1 million to revaluation reserves.

	2019 \$'000	2018 \$'000
Amounts recognised in other comprehensive income relating to assets held-for-sale		
Net change in revaluation surplus of property, plant and equipment	128	1,005
	128	1,005

9. Non-Current Assets – Financial Assets at Fair Value

	2019 \$'000	2018 \$'000
Non-current financial assets at fair value		
TCorpIM Long Term Growth Fund Investment	68,546	62,921
Total non-current financial assets at fair value	68,546	62,921

Refer to Note 20 for further information regarding fair value measurement, credit risk, liquidity risk and market risk arising from financial instruments.

10. Non-Current Assets – Property, Plant and Equipment

	Land and buildings ¹	Plant and equipment	Plant and Equipment – WIP	TOTAL
At 1 July 2018 – fair value	\$'000	\$'000	\$'000	\$'000
Gross carrying amounts	23,620	19,402	439	43,461
Accumulated depreciation and impairment	(127)	(15,598)	-	(15,725)
Net carrying amount	23,493	3,804	439	27,736

At 30 June 2019 – fair value				
Gross carrying amounts	26,445	20,270	2,650	49,365
Accumulated depreciation and impairment	(710)	(15,994)	-	(16,704)
Net carrying amount	25,735	4,276	2,650	32,661

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 ¹	Plant and equipment	Plant and equipment – WIP	TOTAL
Year ended 30 June 2019	\$'000	\$'000	\$'000	\$'000
Net carrying amount at start of year	23,493	3,804	439	27,736
Additions	-	-	4,585	4,585
Transfer from non-current assets held for sale ²	1,513	-	-	1,513
Transfer from work in progress	-	2,374	(2,374)	-
Net revaluation increment less revaluation decrements	1,253	-	-	1,253
Disposals (including write off)	-	(349)	-	(349)
Depreciation expense	(524)	(1,553)	-	(2,077)
Net carrying amount at end of year	25,735	4,276	2,650	32,661

¹ Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 12.

² Refer to Note 8

	Land and buildings ¹	Plant and equipment	Plant and equipment – WIP	TOTAL
At 1 July 2017 – fair value	\$'000	\$'000	\$'000	\$'000
Gross carrying amounts	26,217	19,236	337	45,790
Accumulated depreciation and impairment	(1,311)	(13,779)	-	(15,090)
Net carrying amount	24,906	5,457	337	30,700

At 30 June 2018 – fair value

Gross carrying amounts	23,620	19,402	439	43,461
Accumulated depreciation and impairment	(127)	(15,598)	-	(15,725)
Net carrying amount	23,493	3,804	439	27,736

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 ¹	Plant and equipment	Plant and equipment – WIP	TOTAL
Year ended 30 June 2018	\$'000	\$'000	\$'000	\$'000
Net carrying amount at start of year	24,906	5,457	337	30,700
Additions	-	-	528	528
Assets classified as held for sale	(7,249)	-	-	(7,249)
Transfer from work in progress	-	426	(426)	-
Net revaluation increment less revaluation decrements	6,428	-	-	6,428
Decrease in leasehold make good amortisation	-	4	-	4
Depreciation expense	(592)	(2,083)	-	(2,675)
Net carrying amount at end of year	23,493	3,804	439	27,736

¹ Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 12.

11. Intangible Assets

	Computer Software	Computer Software – WIP	TOTAL
	\$'000	\$'000	\$'000
At 1 July 2018			
Cost (gross carrying amount)	15,277	764	16,041
Accumulated amortisation and impairment	(2,541)	-	(2,541)
Net carrying amount	12,736	764	13,500
At 30 June 2019			
Cost (gross carrying amount)	15,115	730	15,845
Accumulated amortisation and impairment	(4,359)	-	(4,359)
Net carrying amount	10,756	730	11,486

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	Computer Software – WIP	TOTAL
	\$'000	\$'000	\$'000
Year ended 30 June 2019			
Net carrying amount at start of year	12,736	764	13,500
Additions			
Software development	-	627	627
Transfer from work in progress	153	(153)	-
Impairment loss	-	(508)	(508)
Amortisation (recognised in “depreciation and amortisation”)	(2,133)	-	(2,133)
Net carrying amount at end of year	10,756	730	11,486

	Computer Software	Computer Software – WIP	TOTAL
	\$'000	\$'000	\$'000
At 1 July 2017 – fair value			
Cost (gross carrying amount)	4,384	11,270	15,654
Accumulated amortisation and impairment	(805)	-	(805)
Net carrying amount	3,579	11,270	14,849

At 30 June 2018

Cost (gross carrying amount)	15,277	764	16,041
Accumulated amortisation and impairment	(2,541)	-	(2,541)
Net carrying amount	12,736	764	13,500

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	Computer Software – WIP	TOTAL
	\$'000	\$'000	\$'000
Year ended 30 June 2018			
Net carrying amount at start of year	3,579	11,270	14,849
Additions			
Software development	-	4,315	4,315
Transfers from work in progress	10,892	(10,892)	-
Impairment Loss	-	(3,929)	(3,929)
Amortisation (recognised in “depreciation and amortisation”)	(1,735)	-	(1,735)
Net carrying amount at end of year	12,736	764	13,500

12. Fair value measurement of non-financial assets

(a) Fair value hierarchy

	Level 1	Level 2	Level 3	Total fair value
	\$'000	\$'000	\$'000	\$'000
2019				
Property, plant and equipment (Note 10)				
Land and buildings	-	25,735	-	25,735
Non-current assets held for sale (Note 8)	-	-	-	-
	-	25,735	-	25,735
2018				
Property, plant and equipment (Note 10)				
Land and buildings	-	23,493	-	23,493
Non-current assets held for sale (Note 8)	-	6,627	-	6,627
	-	30,120	-	30,120

There were no transfers between levels 1, 2 and 3 during the period ended 30 June 2019.

(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.

13. Current Liabilities – Payables

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

	2019	2018
	\$'000	\$'000
Personnel services payable	291	205
Creditors	3,341	3,306
Capital expenditure payables	332	170
Other Liability	59	-
	4,023	3,681

Details regarding credit risk, liquidity risk and market risk including a maturity analysis of the above payables, are disclosed in Note 20.

14. Current/Non-Current Liabilities – Provisions

These relate to annual leave and long service leave for personnel services provided by the NSW Department of Justice and other specific provisions.

(a) Current Provisions	2019 \$'000	2018 \$'000
Personnel services		
Annual leave	5,526	5,134
Long service leave	20,660	18,582
Other provisions		
Provision for cost of rectification work	-	251
Provision for hindsight insurance payable ¹	240	-
Provision for fee refund ²	2,700	-
Total current provisions	29,126	23,967

Current provisions are expected to be settled as follows:

	2019 \$'000	2018 \$'000
Before 12 months		
Personnel services	7,260	6,684
Other provisions	2,940	251
After 12 months		
Personnel services	18,926	17,032
Total current provisions	29,126	23,967

¹Provision for hindsight TMF insurance premium adjustments for previous years payable in 2019-20.

²Provision for refund of trust management fees amounting to \$2.7 million.

(b) Non-current Provisions	2019 \$'000	2018 \$'000
Personnel services:		
Long service leave	1,167	332
Total non-current provisions	1,167	332

(c) Non-current Other Provisions	2019 \$'000	2018 \$'000
Restoration costs ¹	214	225
Provision for hindsight insurance payable ²	305	-
Total non-current other provisions	519	225

¹ Provision is recognised for lease contracts with material make good provision or where the impact of the provision is considered to be material.

² Provision for hindsight TMF insurance premium adjustments for previous years payable in 2020-21.

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

Rectification costs	2019 \$'000	2018 \$'000
Carrying amount at the beginning of the year	251	-
Additional provisions recognised	-	251
Amounts used	(251)	-
Carrying amount at the end of the year	-	251

Restoration costs	2019 \$'000	2018 \$'000
Carrying amount at the beginning of the year	225	289
Additional provisions recognised	10	-
Amounts used	(29)	(68)
Unwinding/change in discount rate	8	4
Carrying amount at the end of the year	214	225

Provision for hindsight insurance payable	2019 \$'000	2018 \$'000
Carrying amount at the beginning of the year	-	-
Additional provisions recognised	545	-
Amounts used	-	-
Carrying amount at the end of the year	545	-

Provision for fee return	2019 \$'000	2018 \$'000
Carrying amount at the beginning of the year	-	-
Additional provisions recognised	2,700	-
Amounts used	-	-
Carrying amount at the end of the year	2,700	-

15. Commitments

(a) Capital commitments

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

	2019 \$'000	2018 \$'000
Not later than one year	364	764
Later than one and not later than 5 years	-	-
Later than 5 years	-	-
Total (including GST)	364	764

(b) Operating lease commitments

Future non cancellable operating leases not provided for and payable:

	2019 \$'000	2018 \$'000
Not later than one year	716	799
Later than one and not later than 5 years	811	785
Later than 5 years	-	-
Total (including GST)	1,527	1,584

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 \$172,005 (\$213,551 in 2017-18).

16. Contingent Liabilities and Contingent Assets

Legal Matters

NSW Trustee and Guardian may bear a cost risk of some proceedings brought on behalf of clients due to adverse verdicts or other court orders. The total estimated cost is approximately \$8.0 million (\$1.8 million in 2017-18) of which \$6.8 million (\$1.7 million in 2017-18) is expected to be recovered from the Treasury Managed Fund.

There were no contingent assets during the year.

17. Budget Review

Net Result

The overall actual net result is greater than budget by \$6.8 million. This represents a decrease in expenses of \$4.7 million, increase in revenue of \$1.3 million as well as a unbudgeted gains on disposal of assets of \$1.3 million and a unbudgeted other losses of \$0.5 million.

Personnel services expense is lower than budget by \$10.9 million. This is mainly due to reclassification of temporary agency contractor fees of \$9.2 million from personnel service cost to other operating expenses. Expenses also include redundancy costs amounting to \$0.3 million paid to the remaining employees displaced resulting from the implementation of 2017 and Beyond transformation business case. Redundancy payments reimbursed by NSW Treasury are shown as revenue grant.

Other operating expenses are greater than budget by \$6.9 million mainly due to reclassification of temporary agency contractor charges as other operating expenses of \$9.2 million, offset by decreases in service fees payable to Department of Justice, lower maintenance and telephone expenses for the year. Depreciation and amortisation expenses are also lower than budget by \$0.7 million.

Revenue is higher than budget by \$1.3 million resulting from increase in government grants and contributions of \$1.1 million, increase in investment income of \$3.4 million, recognition of unbudgeted notional income of \$0.8 million for defined benefit super liability assumed by the Crown, and offset by decrease in revenue from commissions and fees of \$4.0 million. The decrease in commissions and fees is caused by a provision made for refund of trust management fees relating to current and prior years amounting to \$2.7 million. Grant revenue includes an amount of \$0.3 million as reimbursement for redundancy payments and \$0.9 million to compensate for increase in rent of NSW Trustee and Guardian offices.

Gains on disposal of assets of \$1.3 million comprises gains from sale of land and buildings of \$1.6 million and losses on disposals of plant and equipment of \$0.3 million.

Other losses consist mainly of impairment on intangible work in progress of \$0.5 million

Assets and Liabilities

Total assets exceeded budget by \$13 million. Total current assets are higher than budget by \$32.6 million, represented by an increase in cash and cash equivalents of \$29.7 million and receivables of \$ 2.9 million. Increase in cash assets is mainly due to lower than budgeted capital expenditure and increase in receivables is largely as a result of present value year end adjustment on long service leave pool balance. Total non current assets are lower than budget by \$19.5 million. This is caused by a decrease in land and buildings of \$4.2 million, decrease in plant and equipment of \$12.1 million and decrease in intangible assets of \$5.9 million. Decreases in plant, equipment and intangible assets are mainly due to delay in completing various capital expenditure projects budgeted for 2018-19.

Total liabilities are higher than budget by \$4.4 million. Total current liabilities increased by \$3.1 million. Payables and provisions carry a compensating difference of \$17.6 million due to treatment of long service leave provisions as payables by NSW Treasury for budget purposes. Non current liabilities are \$1.3 million higher than budget due to inclusion of non current portion long service leave.

Cash flows

Net cash flow is higher than budget by \$26.3 million.

Cash flow from operating activities is higher than budget by \$5.4 million mainly due to decrease in personnel services and operating expense payments of \$9.6 million, offset by a decrease in revenue receipts of \$4.2 million.

Net cash outflow from investing activities is higher than budget by \$20.8 million mainly due to a reduction in capital purchases of \$12.5 million and receipts from sale of properties of \$6.7 million. There were no proceeds from sale of investments recognised during the year. Investment income from TCorpIM Fund Investment of \$2.9 million was reinvested on the same day.

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

	2019 \$'000	2018 \$'000
Net cash used on operating activities	9,736	2,780
Depreciation and amortisation expense	(4,210)	(4,410)
Revaluation on TCorpIM Long Term Growth Fund	5,625	5,553
(Increase)/Decrease in provisions	(6,276)	(2,184)
Increase/(Decrease) in prepayments and other assets	1,496	4,139
(Increase)/Decrease in payables	(180)	7,482
Impairment loss on Intangible assets	(509)	(3,929)
Impairment on assets held for sale	-	(621)
Gain on disposal of assets	1,269	-
Net Result	6,951	8,810

19. 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:

	2019* \$'000	2018 \$'000
Common Fund – Trustee		
Balance at the beginning of the financial year	1,284,260	1,280,734
Receipts	986,038	1,120,250
Payments	(1,007,466)	(1,172,590)
Distribution to trust accounts	25,596	24,257
Distribution to unit holders	13,208	20,715
Unrealised gain/(loss) in investments	14,658	10,894
Balance at the end of the financial year	1,316,294	1,284,260
Common Fund – Financial Management		
Balance at the beginning of the financial year	1,670,529	1,618,395
Receipts	590,277	549,832
Payments	(587,576)	(588,775)
Distribution to trust accounts	16,752	13,493
Reinvestment of distributions	36,449	60,379
Unrealised gain/(loss) in investments	35,034	17,205
Balance at the end of the financial year	1,761,465	1,670,529
Total Common Fund assets	3,077,759	2,954,789

*As at the date of signing these financial statements Common Fund 2019 results have not been audited.

20. 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, Independent Investment Advisory Committee and Internal Auditors on a regular basis.

(a) Financial instrument categories:

i. As at 30 June 2019 under AASB 9

Financial assets	Notes	Category	Carrying amount
Class:			2019 \$'000
Cash and cash equivalents	6	N/A	38,463
Receivables ¹	7	Amortised cost	8,227
Financial assets at fair value	9	Fair value through profit and loss – designated as such upon initial recognition	68,546

Financial liabilities	Notes	Category	Carrying amount
Class:			2019 \$'000
Payables ²	13	Financial liabilities measured at amortised costs	3,963

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).

i. As at 30 June 2018 under AASB 139 (comparative period)

Financial assets	Notes	Category	Carrying amount
Class:			2018 \$'000
Cash and cash equivalents	6	N/A	27,044
Receivables ¹	7	Loans and receivables at amortised cost	8,963
Financial assets at fair value	9	Financial assets at fair value through profit or loss – designated as such at initial recognition	62,921

Financial liabilities	Notes	Category	Carrying amount
Class:			2018 \$'000
Payables ²	13	Financial liabilities measured at amortised costs	3,681

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).

NSW Trustee and Guardian determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(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 expected credit losses).

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 TCorpIM Long Term Growth Fund Investment is discussed in paragraph (d) below.

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.

NSW Trustee and Guardian applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are reviewed to reflect current and forward-looking information on macroeconomic and personal factors affecting the ability of the customers to settle the receivables.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 60 days past due.

The loss allowance for trade debtors as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows:

30-Jun-19 \$'000					
	Current	<90 days	90-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	10%	
Estimated total gross carrying amount at default	50	39	34	144	267
Expected credit loss	-	-	-	14	14

1-Jul-18 \$'000					
	Current	<90 days	90-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	10%	
Estimated total gross carrying amount at default	28	33	24	109	194
Expected credit loss	-	-	-	11	11

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

	Total \$'000	Past due but not impaired \$'000	Considered Impaired \$'000
2018			
< 3 months overdue	33	33	-
> 3 months < 6 months overdue	24	24	-
> 6 months overdue	110	109	1

Notes:

Each column in the table reports “gross receivables”.

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 effective management of cash and investments. NSW Trustee and Guardian does not have any loans.

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 not 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 9.96% (2017-18 9.77%)

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 on contractual undiscounted payments, 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
2019 Payables				
Personnel services payable	N/A	291	291	291
Creditors	N/A	3,341	3,341	3,341
Capital expenditure	N/A	332	332	332
Other liability	N/A	59	59	59
Total		4,023	4,023	4,023

			Interest Rate Exposure	Maturity Dates
	Weighted average effective interest rate %	Nominal Amount \$'000	Non-interest bearing \$'000	<1 Year \$'000
2018 Payables				
Personnel services payable	N/A	205	205	205
Creditors	N/A	3,306	3,306	3,306
Capital expenditure	N/A	170	170	170
Total		3,681	3,681	3,681

(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 TCorpIM Long Term Growth Fund Investments. 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 2018. 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 either at call or short term (1 month). 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 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
2019 Financial assets					
Cash and cash equivalents	38,463	(385)	(385)	385	385
2018 Financial assets					
Cash and cash equivalents	27,044	(270)	(270)	270	270

No other financial assets have interest rate risk.

(ii) Other price risk – TCorpIM Long Term Growth Fund

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM Long Term Growth Fund, 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:

Fund	Investments	Investment Horizon	2019 \$'000	2018 \$'000
TCorpIM long Term Growth Fund	Cash, Australian shares, International shares, Listed property, Emerging market shares, Emerging Markets debt, Bank loans, Fixed interest, Global credit, High yield, Multi-Asset	7 Years and over	68,546	62,921

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 fund. Unit prices are calculated and published daily.

NSW TCorp as trustee for each of the funds is required to act in the best interest of the unit holders and to administer the funds in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each fund in accordance with a mandate agreed by the parties. TCorp has also leveraged internal expertise to manage certain fixed income assets for the TCorpIM Investments. A significant portion of the administration of the funds is outsourced to an external custodian.

Investment in the TCorpIM Long Term Growth Fund 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.

TCorp provides sensitivity data for each TCorpIM Investments. The sensitivity percentages are derived from historically based volatility data collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorpIM Long Term Growth Fund is designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

A reasonably possible change is based on the percentage change in unit price +/-13% (2018 +/-15%) as advised by TCorp multiplied by the redemption value as at 30 June each year for the investments held in the TCorpIM Long Term Growth Fund, is as follows:

Facility	Change in Unit Price		Impact on profit/loss	
	2019 %	2018 %	2019 \$'000	2018 \$'000
TCorpIM Long Term Growth Fund	+13%	+15%	8,911	9,438
TCorpIM Long Term Growth Fund	-13%	-15%	(8,911)	(9,438)

(e) Fair value measurement**(i) Fair value compared to carrying amount**

TCorpIM Long Term Growth Fund investments are measured at fair value. Management assessed that the carrying amount of all other financial instruments approximate their fair value.

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

	Level 2	2019	2018
	\$'000	Total	Total
Financial assets at fair value		\$'000	\$'000
TCorplM Long Term Growth Fund	68,546	68,546	62,921
	68,546	68,546	62,921

There were no transfers between levels 1, 2 and 3 during the period ended 30 June 2019.

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

The value of investment in TCorplM Long Term Growth Fund is based on NSW Trustee and Guardian's share of the value of the underlying assets of the fund, based on the market value. TCorplM Long Term Growth Fund is 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.

The Audit and Risk Committee assists NSW Trustee and Guardian to achieve its corporate and fiduciary objectives by providing advice and forming a view 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:

- Understand the fiduciary duty owed by NSW TG to its clients and provide recommendations and advice to the CEO to ensure these obligations are met;
- Review and provide advice on the actions of management in relation to the design and application of policies procedures and frameworks governing clients' investable assets;
- Recommend the investment objectives and asset allocations for the Common Funds and NSW TG Financial Assets;
- Review and provide advice on the actions of management in relation to the Common Funds and NSW TG financial assets, other than for financial accounting and reporting (which is the responsibility of the Audit & Risk Committee);
- Review and provide advice on management's supervision (including competitive tendering) of the Common Fund's external investment advisors and manager(s) as appointed from time to time;

- Review and provide advice on investment compliance, performance monitoring, benchmarking and competitiveness of returns of the UNCLASSIFIED 3 Common Funds and NSW TG financial assets from time to time
- Review the operation of the Financial Planning Unit's policies and make recommendations or endorse changes or amendments as proposed by management;
- Consider and recommend to the CEO, on at least an annual basis, the suitability of the appointed external service provider(s) to continue to provide Custodian and Investment Administration Services for the Common Funds and NSW TG financial assets including providing oversight for competitive tendering activities;
- To assist the CEO in assessing ongoing suitability of existing and new investment products for the investment of client monies and NSW TG financial assets;
- When requested review and recommend structural changes to products consistent with the objectives of the funds and determine appropriate performance benchmarks;
- Undertake any other activities that the CEO considers appropriate and requests of the Committee;
- Ensure that all events listed on the Calendar of Events are undertaken.

21. Related Party Disclosures

NSW Trustee and Guardian's key management personnel and their compensation disclosures are limited to the key decision maker, the Chief Executive Officer. There is no management board for NSW Trustee and Guardian.

NSW Trustee and Guardian's key management personnel compensation are as follows:

	2019 \$'000	2018 \$'000
Short-term employee benefits:		
Gross wages, salaries and related payments	327	298
Total remuneration	327	298

During the year, NSW Trustee and Guardian did not enter into any transactions on arms length terms and conditions with key management personnel, their close family members or jointly controlled entities thereof.

During the year, NSW Trustee and Guardian entered into transactions with other entities that are controlled/ jointly controlled/significantly influenced by the NSW Government. These transactions in aggregate are a significant portion of the NSW Trustee and Guardian's rendering of services and receiving of services.

These transactions include:

- Defined Benefit Superannuation assumed by the Crown.
- Community Service Obligation and other grants received from Treasury via Department of Justice.
- Transactions relating to the Treasury Banking System
- Employer contributions paid to Defined Benefit Superannuation funds

- Payments into and reimbursements from the Treasury Managed Fund for workers' compensation insurance and other insurances.
- Lease rental payments made to NSW Government property.
- Payments made to the Department of Justice for Service Level Agreement fees, rent, personnel services and other procurement charges.

22. Events after the Reporting Period

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

In accordance with Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2019 dated 2 April 2019, the Department of Justice was abolished on 1 July 2019. On abolition, the Department's employees, assets, rights and liabilities were transferred to the newly-created Department of Family and Community Services and Justice.

NSW Trustee and Guardian will continue as a separate entity within the Department of Family and Community Services and Justice cluster.

This change will not have any impact on NSW Trustee and Guardian's financial statements. Existing personnel services arrangements between the Department of Justice will continue with the Department of Family and Community Services and Justice from 1 July.

End of Audited Financial Statements

Index

Access and contact	22	Financial Statements	89	Payment of accounts	84
Access to Government Information	76	Future plans	75	Personnel policies and practices	80
Advisory committees	67, 135	Genealogy	39	Planning ahead documents	24
Appendices	76	Governance	46, 68	Powers of Attorney	35
Budget	64, 108	<i>Government Information (Public Access) Act 2009</i>	76	Privacy management	82
Campaigns	46, 58	GST compliance	82	Private management	27
Capital budget and expenditure ...	65	Guardianship	28	Projects	46
Carers' recognition	78	Human resources	70, 79	Property services	36
Charter.....	11	Independent Auditor's Report	92	Provision of services	21
Civil forfeiture	35	Independent Investment Advisory Committee	67, 135	Public interest disclosures	83
Code of ethics and behaviour	79	Industrial relations	79	Review of operations	23
Common funds	42, 128	Information management	74	Risk management	68
Community education	56	Information technology	73	Senior executive	6
Complaints	50	Insurance arrangements	99	Senior executive roles	80
Consultants	85	Internal audit	69	Statement in accordance with Section 41C Public Finance and Audit Act 1983	91
Credit card certification	85	Internal Audit and Risk Management Attestation Statement	86	Statement of cash flows for the year ended 30 June 2019	97
Culturally Diverse Communities Action Plan	78	Internal reviews of decision (IRODs)	51	Statement of changes in equity for the year ended 30 June 2019	96
Customer feedback	48	Investment performance (common funds)	43	Statement of comprehensive income for the year ended 30 June 2019 ..	94
Customers	14	Land disposal	85	Statement of financial position as at 30 June 2019	95
Cyber Security Attestation Statement	88	Legal services	40	Taxation services	38
Deceased estates	32	Legislative change, review and inquiry submissions	62	Time for payment of accounts	84
Disability Action Plan	78	Legislative framework	13	Training	71
Disability advocacy	40	Letter of submission	iii	Trusts	34
Dormant Funds	35	Notes to the financial statements for the year ended 30 June 2019	98	Wills	23
Executive	6, 67	Organisation structure	7	Workforce	70, 79
External cost of Annual Report production	1	Organisational capability	71	Work health and safety	80
Financial management services	25	Overseas travel	85		
Financial planning services	37				



NSW Trustee
& Guardian