



Justice

NSW Trustee
& Guardian

NSW Trustee & Guardian Annual Report 2016-2017

Incorporating the Public Guardian reporting
requirements

NSW Trustee & Guardian

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

Dear Attorney General,

I am pleased to forward for presentation to Parliament the annual report of NSW Trustee & Guardian together with associated financial statements for the year 2016–17.

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

Yours sincerely

A handwritten signature in black ink, appearing to be 'DQ' followed by a long horizontal stroke.

Damon Quinn
Acting Chief Executive Officer
NSW Trustee & Guardian

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Mission and Objectives of NSW Trustee & Guardian (NSWTG)

Our Vision: To be the first choice trustee of the people of NSW.

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

Our Values

- Accountability
- Integrity
- Respect
- Service
- Trust

Our Role

NSWTG:

1. acts as an independent and impartial executor, administrator, trustee and attorney for the people of NSW;
2. drafts planning ahead documents (Wills, Powers of Attorney and Enduring Guardianship Appointments);
3. provides direct financial management services and authorisation and direction to private financial managers;
4. manages seized and confiscated assets pursuant to the civil forfeiture legislation;
5. acts as title holder of all assets of the people of New South Wales from the time of their death until grant of probate or administration; and
6. makes recommendations regarding the use of inactive charitable and community funds.

As a public sector agency NSWTG also:

1. promotes the need for people to have planning ahead documents in place;
2. provides advice on relevant aspects of policy and legislation; and
3. contributes to relevant law reform.

Our Services

NSWTG provides the following services under the *NSW Trustee and Guardian Act 2009*:

- Direct financial management services to people with decision-making disabilities under an order from the Supreme Court, Guardianship Division of the NSW Civil and Administrative Tribunal (NCAT) or the Mental Health Review Tribunal (MHRT).
- Authorities and directions to support management of a person's estate where a private manager has been appointed by a court or tribunal.

NSW Trustee & Guardian

- Independent and impartial executor, trustee, agent and attorney services for the people of NSW.
- Drafting of planning ahead documents to give effect to the will and preferences of NSW TG's clients.
- Services to:
 - manage seized and confiscated assets pursuant to the NSW civil forfeiture legislation
 - act as holder of title to assets for the people of NSW between the date of death and grant of probate/letters of administration
 - manage the financial affairs of people who are declared missing persons
 - deal with inactive charitable and community funds under the *Dormant Funds Act 1942*

To support these services NSW TG administers investments and other assets on behalf of clients. NSW TG also provides legal, genealogical, financial planning and taxation services to carry out its functions.

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

The Public Guardian fulfils the roles of:

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

Our Clients and Stakeholders

Our clients and stakeholders include:

- People whose estates we administer and their beneficiaries
- People for whom NSW TG is acting as attorney
- People with financial management orders
- Private financial managers
- People under guardianship
- Private guardians
- Family members, carers and health professionals involved with clients under our management
- Employees
- Courts, tribunals and regulatory agencies
- People of NSW and organisations who represent them
- Attorney General and Treasurer on behalf of NSW Government
- Non- government and professional bodies.

CEO Review of Operations for the Annual Report

Internal Progress and Achievements

In the 2016-17 financial year NSWTG completed our implementation the “*2017 and Beyond*” business transformation. At the time of writing this report, the key components of the transformation have all been implemented. NSWTG is now embedding the new ways of working and shifting to a continuous improvement focus. While we are constantly evaluating our operations and the service we are delivering to our clients, we have reached a point where we can look back at some of our achievements over the last eighteen months. These include:

- Setting up 250+ seat contact centres across 2 locations
- Relocating 284 staff
- Reallocating 16,000 client files from branches to the service centres
- Transferring 4,500 paper files to Government Records Repository
- Releasing 6 major IT changes
- Closing 10 branches

By the end of the financial year the service centres had settled into an effective operating pattern, and the new model has distinct advantages in staff being available and accessible to our clients. All calls, messages and emails are tracked and responded to. Some of our key client contact numbers include:

- We take an average of 30,000 calls a month in our service centres
- 84% of calls answered within 3 minutes, with an average wait time of 30-40 seconds
- <5% abandonment rate

For NSWTG, financial sustainability is an important goal. While it is early days in terms of the financial impact, a reduction in our expense base was both a requirement of the “*2017 and Beyond*” business case and a recommendation of the 2014 Independent Pricing and Remuneration Tribunal (IPART) report. Some impact was felt in the 2016-17 financial year, despite the fact that the new operating model had not been in place for the full 12 months. Some highlights:

- 2016-17 accounting profit \$5.2m (budget \$4m loss)
- 2017-18 on track for possible operating profit

Such a total transformation of our business has not been possible without a tremendous amount of work and effort by all our staff, some of whom left the organisation as a result of the new service model. I would like to formally note my thanks for their efforts and

achievements. I believe the new operating model will greatly improve our timeliness and contactability and result in better service for our clients.

Fee Changes/ Outreach Services

The IPART recommended pricing structure was implemented on 1 July 2016. The impact has generally been in line with expectations, with a significant reduction in our Investment Management Fee income – \$14.7m. In contrast, our one-off Fees and Management Fees only increased \$10.3m and this was a mixture of IPART increases, inflation and increasing Sydney property prices.

The other major impact of the IPART recommendations was the commencement of charging for Wills and Powers of Attorney documents. The number of Wills written in 2016-17 was considerably down on the previous year and we believe this drop was due to the change occurring in NSW TG and an adjustment to the fees. In 2017-18 we anticipate writing Wills will increase to our previous levels.

In 2016-17 we also launched our new Online Wills Lodgement Service (OWLS), which has subsequently received two upgrades. This includes the addition of the Planning Ahead Portal which allows people to start their planning ahead documents online, at a time that is convenient to them. The information they enter online feeds directly into OWLS for staff to start preparing the document. This allows for more quality time to be spent at the appointment with the client rather than on data entry. As at the end of 2016-17 there were very encouraging signs in regards to the usage of OWLS and we believe close to 100% of Wills written in 2017-18 will be on the new system.

Surety Bond Scheme Cancelled

In April 2016 NSW TG introduced a Surety Bond Scheme for the protection of people whose finances are managed by private managers. The scheme acted as a guarantee against financial loss suffered by the managed person as a result of the private manager failing to perform their duties in accordance with the law.

While the vast majority of private managers have only the best intentions and make considerable sacrifices in offering to manage the finances of a loved one, there are limited protections in place for people whose affairs are managed by a private manager. If a managed person suffers financial loss due to the actions of a private manager then civil action is the only course of action available. This can take a long time to conclude and can be costly. The Surety Bond Scheme was intended to enable the managed person to be reimbursed at the time any maladministration is uncovered and the insurer can then take whatever action they consider appropriate to recover any losses.

The cost of the bond was calculated on that part of the estate that is liquid and therefore at most risk. Real property, accommodation bonds, superannuation in the accumulation phase, funds lodged with NSW TG and personal items were not included in this calculation.

When the scheme was introduced it was immediately unpopular with both Private Managers and professional groups. NSW TG saw a large spike in complaints and internal reviews of decision requests (IRODS). Out of 142 IRODs in the 2016-17 financial year, 107 related to surety bond decisions.

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In April 2017, the Attorney General ordered an independent review of the scheme and the way it was implemented and KPMG was chosen as the reviewer. A draft of its review is expected by the end of the 2017 calendar year.

In late 2016, a private manager lodged an appeal in the Administrative Division of the NSW Civil and Administrative Tribunal (NCAT) in relation to NSW TG's ability to enforce a decision that a surety bond applied to his wife's estate. On 30 June 2017 NCAT found that NSW TG did not have authority under the *NSW Trustee and Guardian Act 2009* to make such a decision. NSW TG decided not to appeal this decision and ended the Surety Bond Scheme. In early 2017-18 NSW TG wrote to all impacted private managers and paid an amount to each of them equivalent to any premium they had paid for their bond. In this letter I also extended an apology from NSW TG for any distress caused by the scheme. It was never our intention to impugn the character or good work of so many private managers, we simply sought to protect the interests of all people under private management.

In conclusion, 2016-17 has been a year of considerable change for NSW TG. While the transformation as a program is now complete, NSW TG will continue to make amendments and adjust systems and processes to reflect client needs, priorities and resources available. We are well placed to meet the ongoing needs of our clients and look forward to providing our services in a more efficient and effective manner for 2017-18 and ensuing years.

Performance Highlights 2016-17

- implement Service Centres to provide equitable access to services via phone or email regardless of where clients live
- improve the management and recording of clients' monies through increased level of automation in budget formulation and processing of client receipts and payments
- extend the use of term deposits in Common Funds so clients continue to receive a competitive rate of return on their monies
- consolidate client funds into a single, streamlined and highly automated investments and redemptions process with a single unit registry manager, funds custodian and funds manager
- use of a technological solution to help manage and monitor the sale of real property for clients
- use of a technological solution to help manage and monitor the repairs and maintenance of real property for clients
- improve transparency in the engagement of real property service providers for clients
- improve systems to monitor and report on performance standards to respond to demand and maintain service standards
- implement new technology framework for the creation of instruments - Online Wills Lodgement System (OWLS)
- implement a secure online portal for clients to pre-populate information and book an appointment to finalise the drafting and execution of pre-planning instruments
- introduce a new telephony queuing system in the Service Centres with detailed call reporting capabilities to support our target of answering 80% of client calls within 3 minutes.

Management and Activities

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

NSWTG delivers planning ahead services throughout NSW through a network of branches. To balance client requirements with ensure financial sustainability of the organisation, NSWTG changed the operating and service delivery mechanisms.

This reporting period saw the implementation of new operating models across NSWTG while maintaining services to clients. These new operating models will provide a basis for further improvements while maintaining a financially sustainable organisation for the future.

Wills and Powers of Attorney Instruments

NSWTG makes Wills and Powers of Attorney for people throughout NSW. This year for the first time NSWTG charged for these services and removed the requirement to appoint us as the executor or attorney. For NSW citizens eligible to receive a full Centrelink aged pension, the cost of these instruments is subsidised by the NSW Government.

These documents continue to be an important source of revenue for NSWTG' S future business where clients have appointed NSWTG as their executor or attorney. NSWTG continues to charge fees when providing impartial, professional estate administration and attorney services.

In 2016–17 NSWTG drafted 4,494 Wills and 1,877 Powers of Attorney instruments, a reduction on the number instruments drafted in 2015-16. NSWTG expected that the introduction of fees for drafting of instruments and the transition to the new service delivery model would result in this temporary decrease.

Deceased Estates

NSWTG manages both testate (Will) and intestate (no Will) estates covering a wide range of complexity and asset value.

This year NSWTG obtained administration of 1,532 estates with a total value of \$702 million and had 5,811 estates on hand. The average value of estates under grant of administration increased from \$630,314 in 2015–16 to \$675,823 in 2016–17.

NSWTG also administered 250 smaller estates without the need for formal administration, transferring property to the surviving joint tenant and arranging funerals where no-one else was available.

NSWTG receives funding from the NSW Government for managing the low value estates it accepts as part of its overall community service obligation funding.

NSWTG also accepts referral of estates from executors who do not wish to obtain probate themselves or trustees and administrators who wish to discontinue their involvement.

Trusts

Trusts can be created by individuals, organisations or government agencies. NSWTG can also be appointed under the *Civil Procedure Act 2005* and the *Workers Compensation Act 1987* for infants or those unable to manage their funds.

In 2016-17 NSWTG received 1,182 new trusts with a value of \$234.6 million. This is a decrease in the number of trusts by 56% on 2015-16. The higher number of trusts received in 2015-16 related to Victim Services transferring a large number of Victims' Compensation Awards to NSWTG in August and September 2015. As at 30 June 2017 NSWTG were managing 9,177 long-term trusts, an increase of 7% on the previous year.

Powers of Attorney

This year NSWTG received 63 new matters with a value \$13 million. As at 30 June 2017 we were managing the financial affairs of 330 clients under powers of attorney.

Witnessing Enduring Guardianship Instruments

The *Guardianship Regulation 2016* enables accredited NSWTG employees to witness enduring guardianship instruments. During this reporting period 1,256 clients have taken up the opportunity to appoint an enduring guardian with a NSWTG staff member as witness. This service is performed for free as a value-add for clients making Wills and Powers of Attorney documents.

Financial Management Services

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

Table 1: Number of Financial Management Clients at 30 June 2013 to 30 June 2017

	30 June 2013	30 June 2014	30 June 2015	30 June 2016	30 June 2017
People who have NSWTG as their manager	10,466	10,768	10,999	11,152	11,332
People who have private managers	3,444	3,600	3,771	3,946	4,256
Total	13,910	14,368	14,770	15,098 #	15,588
People for whom NSWTG fulfils the role of banker*	42	19	16	24	12

* These people have developmental disabilities and live in supported accommodation. NSWTG does not formally manage their financial affairs.

The total number of financial management clients at 30 June 2016 shown in the 2015-16 Annual Report was incorrect. This has been corrected in the table above.

Table 2: New Orders made between 1 July and 30 June 2012-13 to 2016-17

	2012-13	2013-14	2014-15	2015-16	2016-17
People who have NSWTG as manager of their affairs	1,310	1,053	1,082	1,007	1,040
	61.8%	56.6%	56.5%	53.8%	53.5%
People who have private managers of their affairs	811	808	833	866	905
	38.2%	43.4%	43.5%	46.2%	46.5%
Total orders made	2,121	1,861	1,915	1,873	1,945

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

Table 3: Source of New Orders made between 1 July and 30 June 2010-2011 to 2016-2017

	2012-13	2013-14	2014-15	2015-16	2016-17
Supreme Court	52	65	60	64	50
	2.4%	3.5%	3.1%	3.4%	2.6%
NCAT (Guardianship Division)	1,968	1,703	1,774	1,756	1,823
	92.8%	91.5%	92.6%	93.8%	93.7%
Mental Health Review Tribunal	101	93	81	53	72
	4.8%	5.0%	4.2%	2.8%	3.7%
Total orders made	2,121	1,861	1,915	1,873	1,945

Private Management

Private managers are appointed via financial management orders for individuals deemed not to have the capacity to manage their own financial affairs. The order appoints an individual or company to act as financial manager. The private financial manager can be a spouse, family member, friend or professional person such as a solicitor or accountant. Private managers can be appointed jointly. Private financial management orders can also be issued for trustee companies and other organisations.

NSWTG provides authorities and directions to private managers to assist them in their role. Directions inform them of what they need to do and authorities enable them to perform financial and/or legal transactions for the managed person. NSW TG provides oversight for the security and management of client estates as outlined in the *NSW Trustee and Guardian Act 2009*.

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

Management of Seized or Confiscated Assets

NSWTG manage assets seized and confiscated under the *Criminal Assets Recovery Act 1990* and the *Confiscation of Proceeds of Crime Act 1989*. Assets can include real estate, cash, jewellery, motor vehicles and livestock. The assets may have to be sold immediately or held and either managed or maintained until further court orders are issued. At 30 June 2017 NSW TG was managing 94 seized and confiscated asset matters.

Dormant Funds Act 1942

The Chief Executive Officer of NSW TG is the Commissioner of Dormant Funds and recommends to the Attorney General proposals for dealing with funds relating to charitable purposes or purposes of a public character that have become dormant. In the last financial year seven dormant funds matters were determined with a total value of \$754,954.

Service Advisory

Client services delivered by NSW TG are supported by teams of specialists in financial planning, genealogy, taxation, disability and property management who provide specialised advice and services to manage assets of clients.

Financial Planning

The Financial Planning Unit of NSW TG provides a range of services for clients in relation to the management of finances and individual interests and benefits. This includes for 2016-2017:

- developing 975 Financial Plans for financially managed clients
- undertaking 1,977 investment reviews
- managing pensions from Centrelink, Department of Veterans Affairs and overseas providers for over 3,500 financial management clients
- managing Child Support payments, personal insurances, health insurances and life insurances for over 2,000 financial management clients

Property

Property provides a range of services for clients in relation to the management of their physical assets. The services include property sales and purchases, repairs and maintenance for properties, insurance for physical assets and collection and storage of personal items. During 2016-17 Property managed:

- 418 property sales
- 44 property purchases
- 1,834 repairs and maintenance activities

Taxation

Taxation Services 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. During 2016-17 Taxation:

- prepared 7,488 taxation returns
- completed 16 Business Activity Statements
- provided 4,041 tax clearances enabling money from deceased estates and trusts to be paid to the beneficiaries

Disability Advocacy

Disability Advocacy provides strategic advice for NSW TG in relation to systemic issues for clients with disability, education about our role and services and advocacy services for clients with disabilities. In 2016-17 Disability Advocacy:

- developed an Authorised Visitor framework to assist in identifying the needs and wants of clients with disabilities
- collaborated with the Department of Family and Community Services, Department of Premier and Cabinet and the National Disability Insurance Agency to draft protocols for clients impacted by the implementation of the National Disability Insurance Scheme

Genealogy

Genealogy undertakes searches for next of kin in intestate estates and beneficiaries of Wills who may be missing or not easily located. This involves finding and identifying relatives residing both locally and overseas. During 2016-17 Genealogy:

- closed 181 intestate estates
- determined payments to unclaimed monies for 204 matters
- determined payment of \$1,302,220 to NSW Treasury as bona vacantia, where no beneficiary could be identified

Compliance and Audit

Compliance and Audit provides services for performance review and risk management to ensure appropriate service levels for clients. In 2016-17 Compliance and Audit:

- developed a new risk management framework
- developed technological specifications for data analytics to support NSW TG
- managed *Government Information (Public Access) Act 2009* access requests
- random reviews of complaints, matters and client files

Legal Services

Legal Services provide advice and engages external legal services for deceased estates, trusts, powers of attorney clients, civil forfeiture and financially managed clients. It also provides advice in relation to drafting of complex planning ahead instruments.

Legal Services undertake a range of services, including:

- assessing and reviewing new business
- dealing with s61 *Probate and Administration Act 1898* matters
- advising and responding to issues about trustee disclosure rules, privacy and *Government Information (Public Access) Act 2009* applications
- general legal advice
- property law
- debt recovery
- personal injury

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- interest in deceased estates, specialising in family provision claims, testamentary capacity, informal Will documents, next of kin inquiries and Will construction
- property matters
- family law
- commercial / corporate matters
- appeals to the NSW Civil and Administrative Tribunal
- representation in Supreme Court Protective List matters.

During the 2016–17 financial year, Legal Services received 698 new matters. The majority of this work was litigation. It also included advice work and approval of complex distributions of estates and trusts.

Staff of Legal Services have provided leadership in the legal profession generally and contributed to development of professional development programmes.

Specialists from Legal Services have:

- delivered presentations to the NSW Bar on financial management orders after personal injury claims;
- co-authored an article published in the Australian Bar Review on the administration of intestate estates: “Administration of intestate estates”, (2016) 43 Aust Bar Rev 1.;
- worked in the Elder Law, Succession & Capacity Committee’s Elder Abuse Working Party within the NSW Law Society, to guide the creation of continuing professional development programmes on preventing elder abuse for members of the NSW legal profession.

Financial Transactions for Clients

In the 2016-17 financial year NSW TG processed 1,934,787 financial transactions for clients. This included payment of bills and allowances for clients, payments from estates and trusts and receipt of income for clients.

The increased automation of client payments allows greater efficiency in meeting client payment obligations while ensuring the timeliness of payments to clients, and on behalf of clients to stakeholders and service providers.

Client Assets Under Management

At 30 June 2017 NSWTG was managing \$5.4 billion in client assets. These assets include funds invested in the NSWTG Common Funds as well as client assets held outside the common fund including real estate and investments. A summary of the client assets under management is shown in Table 4.

Table 4: Client Assets Under Management

	Direct Fin Mgt \$'000	Private Mgt \$'000	Total Fin Mgt \$'000	Trustee Clients \$'000	Total Client Assets \$'000
Common Funds					
Financial Management	1,374,332	78,515	1,452,847	161,441	1,614,288
Trustee				1,280,734	1,280,734
Client Assets Outside Common Funds	1,973,870		1,973,870	543,934	2,517,804
Less estimated trustee client liabilities (client payables)				(18,321)	(18,321)
Total	3,348,202	78,515	3,426,717	1,967,788	5,394,505

A breakdown of the funds under management for trustee clients from NSWTG's role as executor, trustee or attorney is shown in the following table.

Table 5: Funds Under Management For Trustee Clients

Type of Clients	\$'000
Deceased Estates	1,157,479
Trusts (including agencies)	657,342
Power of Attorney Services	143,734
Other	9,233
Total	1,967,788

NSWTG Common Funds

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

NSWTG has completed harmonisation of the operations of the two common funds. Our custodian, JP Morgan Chase, and fund manager, BlackRock Investments, now hold all key responsibilities across both common funds.

NSWTG has commenced the design of a new common fund administration platform for all clients as part of our new client management system. This new platform will assist NSWTG to improve client service standards, standardise investment options in the common funds available to all clients and provide administration efficiencies. The new platform will be implemented in 2017-18.

Financial Management Common Fund

The Financial Management Common Fund consists of eight diversified investment funds. The amounts invested in the funds are predominantly owned by clients under a financial management order whose financial affairs are directly managed by NSW TG. They also include smaller amounts owned by clients whose affairs are managed by a private manager and trustee clients.

The weighted average of the eight investment funds within the Financial Management Common Fund delivered a return 0.2% pa higher than the return of their respective financial market benchmarks during the year.

The returns of seven of the eight individual investment funds beat the returns of their financial market benchmark. The return for the only investment fund to deliver a return lower than its financial market benchmark underperformed its benchmark by 0.1%pa.

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

As a result, clients tend to hold comparatively large investments in the three investment funds based on cash and other secure, short term investments.

Table 6 shows the amount invested in the Financial Management Common Fund and the allocation to the individual investment funds. It also shows the returns achieved over the last year and a comparison with benchmark returns.

The return achieved by the investment funds reflects the strong investment performance of the NSW TG Financial Management funds and the very low investment management fees when compared with commercial fund managers' comparable funds.

In 2016-17 the investment funds based on cash and other secure, short term investments delivered returns of between 0.6%pa and 0.7%pa above the return of the wholesale money market. These returns are due to the comparative returns of term deposits as well as the returns of the external fund manager.

Australian Fixed Interest Fund and International Bond Fund delivered higher returns than their financial market benchmarks.

Australian and international share indexes rose in the year. This was reflected in the unusually strong returns from Australian Share Fund and International Shares Fund, which rose 13.6%pa and 19.6%pa, respectively. The Australian Listed Property Securities Fund, was the only investment fund to deliver negative returns (-5.6%pa). This mostly reflected the weak return, of, from this sector (-5.7%pa) within the Australian share market.

Table 6: Financial Management Common Fund at 30 June 2017

Investment Fund	Fin Mgt Clients (Excl Liabilities & Reserve) \$'000	Private Mgt Clients \$'000	Total Financial Mgt Clients Funds \$'000	Trustee Clients \$'000	Total Invested \$'000	Client Return*	Bench mark Return*
Access Fund	533,171	49,659	582,830	-	582,830	2.4%	1.7%
Australian Cash	166,095	9,772	175,867	-	175,867	2.3%	1.7%
Australian Cash Plus	101,799	2,415	104,214	89,650	193,864	2.4%	1.7%
Australian Fixed Interest	44,942	1,064	46,006	71,791	117,797	0.3%	0.2%
Australian Shares	281,700	8,559	290,259	-	290,259	13.6%	13.7%
Australian Listed Property Securities	70,864	1,885	72,749	-	72,749	-5.6%	-5.7%
International Bond	5,481	198	5,679	-	5,679	0.5%	0.4%
International Share	170,280	4,963	175,243	-	175,243	19.6%	19.3%
Total	1,374,332	78,515	1,452,847	161,441	1,614,288		

**Both Benchmark and Client returns are net of fees (0.10%). There may be variances in individual client returns depending upon the client's entry date into the fund and any new applications or redemptions during the financial year.*

Financial Management Client Assets outside the Common Funds

Table 7 shows a summary of Financial Management client assets managed by NSW TG that are not held in the Common Fund. These funds have been secured by NSW TG on behalf of the client.

Table 7: Financial Management Clients Assets Outside the Common Fund at 30 June 2017

Asset	Value ('000)
Real Estate	1,214,337
Investments	566,178
Other General Assets	193,355
Total	1,973,870

Trustee Common Fund

The Trustee Common Fund represents funds from client matters arising from NSW TG's role as executor, trustee or attorney and is made up of two investment funds known as the Primary and Growth portfolios.

Client funds are initially placed in the Primary Portfolio. Investment plans are prepared for each client and, if exposure to growth assets is required, monies are invested in the Growth Portfolio.

As with the Financial Management Common Fund the return achieved by the investment funds reflects the strong investment performance of the NSW TG funds and the very low investment management fees when compared with commercial fund managers' comparable funds.

The Primary Portfolio invests in high quality cash deposits, short- term money market, term deposits and discount securities. Its return exceeded that of the Australian wholesale money market over the year. That was due to Primary

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Portfolio's term deposits paying comparatively high interest rates compared to money market returns.

The Growth Portfolio invests in a blend of Australian and international companies, using an indexed approach. In 2016-17 this was 70% Australian and 30% international shares. This blend provides broad diversification.

The objective of the fund is to achieve capital growth over the medium to long term that well exceeds inflation. The price of units in Growth Portfolio fluctuates daily depending on the movement of share prices on share markets and on fluctuations in the Australian Dollar exchange rate.

Table 8 outlines client funds invested in the Trustee Common Fund, the allocation to individual investment funds, the returns achieved over the last year and a comparison with benchmark returns.

Table 8: Client amounts invested in the Trustee Common Fund at 30 June 2017

Investment Fund	\$'000	Client Return *	Benchmark Return*
Primary Portfolio	1,038,335	2.4%	1.7%
Growth Portfolio	242,399	19.6%	20.4%
Total	1,280,734		

**Note that both benchmark and client returns are after NSW TG's investment management fees (0.10%). There may be variances in individual client returns depending on the client's entry date into the fund and any new applications or redemptions during the financial year.*

Trustee Client Estimated Unrealised Assets Outside the Common Fund

Table 9 sets out an estimate of the value of the assets managed by NSW TG for trustee clients.

Table 9: Trustee Clients Estimated Value of Managed Assets Outside the Common Fund

	\$'000
Real Estate	380,089
Investments	111,281
Mortgages	1,159
Other personal property	51,405
Total	543,934

Information Updates

Newsletters

NSWTG uses bi-annual newsletters to inform clients and stakeholders about news, events and updates for the organisation. In 2016-17 NSWTG has used this channel to communicate progress on the transition to our new operating model and the changes to fees and services from 1 July 2016. The newsletter is sent out to more than 60,000 clients and stakeholders. This enables us to inform them of any changes which may impact on our services such as the fees NSWTG charge or legislative changes.

Community Education

NSWTG 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. Community education also provides an opportunity to clarify our role in relation to financially managed clients and private managers. In 2016-17 staff delivered 52 presentations to various community groups across NSW. The presentations included people from culturally and linguistically diverse groups.

Customer Feedback

Client Satisfaction Surveys

NSWTG conducts client satisfaction surveys each year. The surveys cover our core services to help us understand what is working well for clients and what can be improved. The surveys provide feedback from beneficiary, trust, financial management and private management clients.

Clients are asked to provide feedback on specific aspects of our service as well as an overall satisfaction score.

While the 2017 survey shows client satisfaction levels have room for improvement there are some encouraging signs about how clients feel about NSWTG client services in comparison to the 2016 results, particularly financial management clients.

Financial Management respondents rated the overall performance of NSWTG 60% favourable (57% in 2016) and 69% for Private Managers (71% in 2016), while 23% of Financial Management clients rated the performance unfavourably (27% in 2016) and 17% of Private Managers (17% in 2016).

Among Financial Management respondents 27% perceived the service they received to have improved in 2017, while 17% perceived the service had declined. 14% of Private Management respondents also perceived the service they received to have improved in 2017, while 16% perceived the service had declined.

The overall Client Satisfaction Index (CSI) for Financial Management clients was 61 (54 in 2016) and the CSI for Private Management clients was 67 (70 in 2016). The satisfaction level of private managers is likely to have been adversely affected by the Surety Bond Scheme. NSWTG is working with Private Managers to design appropriate responses to service challenges.

Table 10: Financial Management/Private Management Client Satisfaction Indices

Factor	2015			2016			2017		
	% Fav DM*	% Fav PM #	% Fav ALL	% Fav DM*	% Fav PM #	% Fav ALL	% Fav DM*	% Fav PM #	% Fav ALL
<i>How do you rate the performance overall of NSWTG?</i>	68	61	65	56	71	64	60	69	64
CLIENT SATISFACTION INDEX	65	60	62	54	70	62	61	67	64

*DM = Direct financial management clients, #PM = Private managers

The beneficiary client survey indicates that, although for most the service model did not change in 2016, the impact of the announcement, planning for branch closures and piloting of new arrangements had a negative outcome for the beneficiary experience. With the implementation of the changes in 2017 the level of satisfaction has improved and NSWTG continues to work towards further improvements in this area.

Among Beneficiaries surveyed in 2017 the overall performance of NSW TG was rated favourably by 49% of respondents compared to 44% in 2016, while 41% rated the overall performance unfavourably (compared to 42% in 2016). At the same time, 47% of respondents stated that they would recommend NSW TG to others (48% in 2016). The new operating model is expected to deliver improvements in beneficiary satisfaction levels as NSW TG endeavour to support clients, make processes transparent and manage expectations.

Table 11: Beneficiary Client Satisfaction Indices

Factor	2015 %Fav	2016 %Fav	2017 % Fav
<i>How do you rate the performance overall of NSW TG on this occasion?</i>	71	44	49
CLIENT SATISFACTION INDEX	75	53	55

NSW TG has not previously surveyed Trust clients about their satisfaction. In 2016-17 our surveys were widened to include this client group. As it is the first time surveying these clients there is no base line for comparison. This is the first step in NSW TG establishing a clear view of insights we need for Trust clients to build into the Customer Excellence Program.

The factors of highest importance for Trust clients were found to be:

- *The explanation provided by staff about your money or assets*
- *The confidence you have that your assets and/or money is safe*

Overall for Trust clients the following factors were highest in satisfaction:

- *The confidence you have that your assets and/or money is safe (90% favourable)*
- *The friendliness and helpfulness of their staff (85% favourable)*
- *The knowledge they have about your enquiry when you contact them (83% favourable)*

Table 12: Trust client Satisfaction Indices

Factor	2017 % Fav
<i>How do you rate the performance overall of NSW TG on this occasion?</i>	79
CLIENT SATISFACTION INDEX	80

Complaints

The number of complaints increased this reporting period. NSW TG received a total of 423 complaints for the 2016-17 financial year. This is an increase of 84% on the 229 and 230 complaints received for 2015-16 and 2014-15 respectively. The increase is the result of a number of major changes including issues associated with

implementation of the new service delivery model, the introduction of the new fee structure in July 2016 and the Surety Bond Scheme for privately managed clients.

Of the 423 complaints received:

- service issues were the largest proportion of complaints at 55%. These included complaints about communication, delays in making decisions and length of time to receive a response. In the previous reporting period 52% of complaints related to service issues.
- 19% of complaints related to NSW TG's processes. This included complaints regarding the introduction of the Surety Bond Scheme for privately managed clients.
- The fee changes from 1 July 2016 and other issues concerning fees led to 7% of complaints. This was an increase from 0.4% last financial year.
- 8% of the complaints received were about the decisions made by NSW TG. This is down from 13% recorded for the previous year.
- The remaining 11% of complaints related to other concerns.

Internal Reviews of Decisions (IRODs)

Decisions made by NSW TG relating to privately managed or directly managed clients are reviewable under the *Administrative Decisions Review Act 1997*. The first step in the review process is for the client or an interested party to make a request for an internal review of the decision (IROD). The internal reviewer can affirm, vary or set aside and make a substitute decision in line with section 53(3) of the *Administrative Decisions Review Act, 1997*. In 2016-17 there were 142 requests for an IROD received, which is up from 38 in 2015-16, and 71 in 2014-15.

The significant increase in the number of IRODs recorded for this financial year reflects the number of reviews requested about the need for a surety bond for privately managed clients. Of the 142 IRODS received 107 (76%) related to surety bond decisions.

Of the 142 IROD requests received this year, 69% were affirmed; 16% were varied; 14% set aside and 1% withdrawn.

Timeliness of Response – Complaints and IRODs

NSW TG considers the complaint handling and IROD processes to be a very important part of being an open and transparent organisation. Every effort is made to resolve issues raised in a fair, transparent and timely way. NSW TG's standard timeframe to respond to IRODs and complaints is 21 days. In 2016-17 68% of complaints were completed within 21 days, this is the same proportion as 2015-16. For IRODs, 53% were completed within 21 days. 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.

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 clients' assets
- fees for drafting Wills and Powers of Attorney
- income on corporate investments
- funding for community service obligations from government

The main challenge affecting our financial performance in 2016-17 was to achieve our financial targets and sustainability within NSW Treasury guidelines and the volatility of the financial market which affected our clients' assets and NSWTG revenue.

NSWTG Fees and implementation of the new Fee Structure

NSWTG's main source of revenue are the fees received from managing client assets. These fees are set out in the *NSW Trustee and Guardian Regulation 2008*. The fees are structured to enable the provision of professional trustee and financial management services at a reasonable cost to the people of NSW, irrespective of their wealth. Fees and commissions may be reduced or waived in cases of hardship.

The Independent Pricing and Remuneration Tribunal (IPART) completed a review of NSWTG fees in November 2014. The objective of the review was to recommend a fee structure that was clear, fair, transparent and, where possible, harmonised fees across NSWTG's service lines.

IPART recommendations related to services where they considered NSWTG clients do not have a choice about whether NSWTG provides services (these were referred to as regulated services). They did not recommend fees for services where the client can choose to use NSWTG or another service provider such as a lawyer. In these cases IPART considered NSWTG should set its own fees to remain attractive in the market. To ensure NSWTG fees are consistent across service lines the fees set by IPART have been applied to all clients.

The new fee structure was implemented on 1 July 2016 following the government's acceptance of the IPART recommendations. As a result of the new fee structure the total revenue from clients in 2016-17 decreased when compared to 2015-16 total revenue from clients.

High Level Results

- Result from operating activities was a surplus of \$5.25 million. This includes a transfer of \$3.0 million from the NSWTG Common Fund – Trustee Reserves (former Public Trustee Interest Suspense Account) Schedule 1: sec 16 (1) (c) of the *NSW Trustee and Guardian Act 2009*.
- The final result after reflecting a net benefit of \$28.31 million from the subsuming by NSW Treasury of the NSWTG obligation for the defined benefit superannuation funds was a surplus of \$33.55 million. The transfer of the liability of the defined benefit superannuation funds to NSW Treasury significantly increased NSWTG equity to \$114.7 million at the end of the year.

Table 13: Key strategies and results for 2016-17

Key strategy	Expected result	Result achieved
Exceed market benchmark returns on client's funds under management.	The weighted average return of the NSW TG Funds to exceed the return of the Funds' weighted average financial market benchmark.	The return of the Funds (net of management fees) was +0.36% above the financial market benchmark for the 12 months ended 30 June 2017
"2017 and Beyond" transformation to be implemented according to the stated timelines and to deliver the identified benefits from the business case.	The "2017 and Beyond" transformation to be completed as to timetable.	The "2017 and Beyond" transformation is completed and financial benefits are being realised.
Increase financial literacy across NSW TG.	Engage with all levels of management to deliver training, reports and assistance in financial management.	Managers have input and access to their respective cost centres and the organisation's financial results. Managers are engaged regularly to enhance their understanding of financial management.
Deliver an ongoing financially sustainable organisation.	Budgets and forecasts to deliver at least a breakeven operating scenario.	NSW TG is forecasted to deliver a surplus in 2018-19.
Implementation of new technology solutions (client management systems, accounting and reporting software).	Significant progress on the client management system and completed implementation of core reporting systems.	The client management system has commenced implementation. SAP human resources, accounting and reporting implementations have been completed.
Develop and implement a KPI framework and performance reporting processes.	KPIs to be in place for NSW TG operations and personnel.	The majority of employees have individual KPIs and operational KPIs have been implemented throughout NSW TG.

Develop and implement cost management initiatives.	Identify areas where potential savings exist and develop initiatives to realise these.	Managers have greater visibility of organisational costs and are responsible for meeting expense budgets. NSW TG is realising NSW Government procurement process benefits.
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2016-2017 Revenue and Expenditure Budget

Details of the 2016-17 recurrent revenue and expenditure budget compared to actual expenses are shown in Table 15. The table also sets out the recurrent budget for the 2017-18 financial year.

The current budget for 2016-17 was set at a deficit of \$3.64 million. The actual result was a surplus of \$33.55 million mainly due to the benefit from NSW Treasury subsuming the Defined Benefit Superannuation funds.

Revenue Budget and Results

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

In summary:

- total revenue was \$90.25 million - \$4.85 million over budget (5.7 per cent)
- commissions and fees - over budget by \$0.32 million (1.8 per cent)
- management fees - over budget by \$6.75 million (22 per cent)
- specialist Services fees – below budget by \$0.7 million (13.4 per cent)
- funding of \$5.11 million was received from NSW Treasury for our community service obligations – equal to budget
- a grant of \$9.0m for voluntary redundancies resulting from the “2017 and Beyond” transformation
- received additional grant of \$0.71 million to augment rental cost increment for NSW TG offices in Parramatta; \$0.10 million from the Department of Family and Community Services' contribution for marketing campaign (Get It in Black and White); \$1.60 million to assist NSW TG to transition to the new fee structure; \$3.60 million to supplement NSW TG operations as a result of new IPART fee implementation
- investment revenue - exceeded budget by \$0.49 million, including unrealised gain of \$2.24 million from long- term growth assets
- recognition of Personnel Services Liabilities to Crown entities of \$0.45 million and in Personnel Services expenses because the defined benefit of superannuation funds were transferred to NSW Treasury
- revenue includes the final transfer of \$3.0 million from the Common Fund – Trustee, Reserves (former Interest Suspense Account - Schedule 1: Sec 16 (1)(c)) of the *NSW Trustee and Guardian Act 2009*

Expenditure Budget and Results

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

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

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In summary:

- total operational expenses were \$85.0 million - \$4.04 million (4.5 per cent) under budget, enabling us to achieve our efficiency savings targets
- personnel services costs (before superannuation adjustment) - below budget by \$2.87 million (4.4 per cent), including \$9.0 million for redundancies resulting from the transformation.
- other operating costs - under budget by \$1.60 million (8.4 per cent)
- depreciation and amortisation expenses - over budget by \$0.43 million mainly due to accelerated depreciation of assets in NSW Trustee & Guardian offices that were discontinued as a result of the implementation of “2017 and Beyond” transformation.
- other expenses include a gain arising from an actuarial valuation to future fund earnings of defined benefit superannuation funds of \$28.31 million. NSW TG transferred the defined benefit superannuation fund to NSW Treasury.

Table 15: NSW Trustee & Guardian Recurrent Revenue and Expenditure

Recurrent Revenue and Expenditure Budget	2016-17 Budget (\$'000)	2016-17 Actual (\$'000)	2017-18 Budget (\$'000)
Revenue			
One-Off Fees	18,445	18,122	18,293
Client Management & Investment Fees	30,629	37,377	38,457
Specialist Services Fees	5,192	4,495	4,490
Community Service Obligation	5,112	5,112	5,112
Government grant	16,820	15,005	1,600
Investment revenue	5,732	6,224	3,832
Other revenue	470	469	482
Acceptance by Crown Entity of Personnel Services Liabilities	0	445	0
Transfer from Common Fund Reserve Fund	3,000	3,000	0
Total Revenue	85,400	90,249	72,266
Expenses			
Personnel service expenses	65,556	62,689	50,294
Advertising	1,725	738	1,693
Fees for services	9,710	7,488	7,533
Office supplies	436	211	274
Lease expenses	3,257	4,837	4,183
Other operating expenses	2,709	2,669	3,314
Maintenance	1,306	1,598	2,462
Depreciation and amortisation	4,343	4,769	4,962

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Other gains/(losses)	0	5	0
Total Expenses	89,042	85,004	74,715
Surplus/(Deficit) from Operating Activities	(3,642)	5,245	(2,449)
Superannuation adjustment gains/(losses)	0	28,308	0
NET RESULT FOR THE YEAR	(3,642)	33,553	(2,449)

NSW Trustee & Guardian Capital Budget

Details of the 2016-17 capital expenditure budget compared to actual expenses are shown in Table 16 including details of our capital budget for 2017-18.

Capital Budget and Results

The capital budget for 2016-17 was largely planned to support the “2017 and Beyond” transformation. Capital items included in the “2017 and Beyond” transformation Project were service centre and branch refurbishments, office upgrades, changes to computer software programmes, Will making enhancements and client invoice scanning payment systems.

Major IT releases included the On- Line Will Lodgement System (OWLS) planning ahead portal, internal communications and sharing platforms, digital documentation enhancements, paperless office transitioning, new computers and infrastructure improvements.

As reported in the 2015-16 Annual Report, the development of a unified client management system has steadily progressed throughout the 2016-17 financial year with significant milestones achieved. The major components of this project are scheduled to go live during 2017-18.

Table 16: Capital Expenditure Budget

Capital expenditure budget	2016-17 Budget (\$'000)	2016-17 Actual (\$'000)	2017-18 Budget (\$'000)
Building fixtures	10,400	131	9,160
Leasehold improvements	970	103	2,571
Plant and equipment	1,250	221	900
Computer hardware	1,766	270	2,316
Computer software	12,699	7,477	8,077
	27,085	8,202	23,024

Workforce

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

Table 17: Employees by Category (ANZSCO Major Category)*

ANZSCO Major Code	Census Period FTE
Clerical and Administrative Workers	279.9
Community and Personal Service Workers	1.0
Managers	99.3
Professionals	82.8
Sales Workers	4.0
Grand Total	467.0

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

Staff Development and Training

During the 2016- 17 reporting period NSW TG's Learning & Development Unit was enhanced to support the implementation of the Transformation and reinforce the professional development priorities of the new organisational structure. The changes in Learning & Development reflect the increased responsibilities of the unit in the design and delivery of programs and in leading organisational change.

During 2016-17 Learning & Development delivered 236 training workshops across topics that included technical training, accredited programs, induction programs and organisational development programs. These training workshops provided over 1,500 training instances.

Development of eLearning programs increased the Learning & Development's capacity to deliver training to staff.

Learning & Development coordinated the on-boarding and induction for all new employees as well as technical training to support employees moving to new roles. The roll out of the service centres meant that 30 new staff commenced in these roles in January and February 2017. The training program to support these employees included a Welcome Day, followed by a combination of formalised training, eLearning and on the job shadowing and coaching.

In addition, Learning & Development continued to train and accredit employees in Will drafting, Powers of Attorney, and Enduring Guardianship. This training and accreditation is developed and delivered in association with the Legal Services Division. NSW TG currently has:

- 67 employees accredited to witness Enduring Guardianship instruments.
- 74 employees accredited to draft and witnesses Powers of Attorney instruments.
- 84 accredited Will makers.

Other training programs initiated by Learning & Development in 2016-17 included:

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- an Outreach training program to support rollout of the new branch network
- SharePoint training to support implementation of NSWTG's new intranet
- a Leadership Development Program

A "NSWTG Culture in Action" program also commenced in 2017. Focus groups of employees identified the specific behaviours required across NSWTG to display our values. The output from these focus groups will inform the next stages of the program. Culture in Action is a long term program which will be embedded and reviewed through ensuing years.

Information Technology

NSWTG continued implementation of the initiatives outlined in the *Digital and Knowledge Management Strategy* which broadly fall into three delivery areas:

- improved client service delivery
- operational enhancements
- improvements to IT governance and performance

Building on the major infrastructure upgrades in 2015-16, the majority of the work undertaken in 2016-17 focused on the delivery of applications to staff and the NSW community. Other projects focused on consolidating NSWTG systems under a unified implementation and management framework with the NSW Department of Justice Digital Technology Services in alignment with the *NSW Government Digital+ 2016 ICT Strategy*.

Improved Client Service Delivery

NSWTG continued the configuration and implementation of its new client management system, Trustee and Guardian System (TAGS) to replace three legacy client management and accounting systems used by NSWTG and the Public Guardian.

TAGS is designed to be a single-source-of-truth for all client information in a scalable cloud-hosted platform that can be used by all NSWTG and Public Guardian staff for client functions both on-site and for mobile outreach teams. The system is based around the integration of applications to deliver functionality in the three main areas required of TAGS:

1. Client Relationship Management
2. Workflow Management
3. Client and Trust Accounting.

The first module of TAGS, the Online Wills Lodgement System (OWLS) for client and staff use was released in August 2016 and subsequently improved through multiple upgrades.

OWLS provides a technological framework for the drafting of instruments that uses NSWTG's established glossary of clauses for Wills, Powers of Attorney, and Enduring Guardianship documents. In addition, once the relevant modules of TAGS have been implemented, it will assist administration of the estate by enabling data entered about the client, their beneficiaries, assets and intentions as part of drafting the instrument to flow through to the estate administration process. Until then OWLS integrates directly with NSWTG's existing Trust Estates Asset Management System (TEAMS) to enable data about the instrument to be imported into matters relating to the client.

The system is designed for mobile use to enable NSWTG's outreach activities.

OWLS features a secure online portal, incorporated within the NSWTG website, so clients can input information about themselves, their beneficiaries, assets and instructions. They can book appointments to finalise the drafting and execution of their pre-planning instruments with accredited NSWTG employees. Enabling clients to enter this information before their appointment can significantly reduce the time spent on data entry during the meeting with NSWTG staff.

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Development of the second module of TAGS, the client management system for the Office of the Public Guardian (TAGS-OPG) was completed in June 2017 and is scheduled for release in September 2017. Subsequent modules for the completion of the TAGS implementation are scheduled for the 2017-18 reporting period.

Operational Enhancements

The initiatives outlined in the Digital and Knowledge Management Strategy which aims to use technology for knowledge and information sharing were completed in the 2016-17 financial year as planned.

Major projects (>\$150k value) included:

- implementation of a cloud-based centralised phone queue system and call metric software for the service centres in Parramatta and Newcastle.
- system enhancements for the legacy Financial Management Client Information System (CIS) relating to new features for automated client invoice processing, task types, automated task creation, client billing for specialist services, and consolidation of the Growth Portfolio for client common funds.
- system enhancements for the legacy Trust Estates Asset Management System (TEAMS) relating to automated investment and redemption functionality with NSW TG's consolidated set of unit registry manager, funds custodian, and funds manager.
- deployment of laptops with secure virtual private network 4G network adaptors to the mobile outreach teams to support client service delivery outside of NSW TG's branch network.
- migration of the NSW TG "HIVE" intranet to Sharepoint Online with enhanced collaboration capabilities and metadata-based management of electronic documents.
- implementation of centralised data warehouse with historicised records for business intelligence and reporting.

IT Governance and Performance

NSW TG's Information Technology (IT) program for 2016-17 consisted of enhancements to IT systems specifically aimed at improving the governance and reliability of our core operations.

These included:

- implementing public cloud development and production environments for new IT projects, with dedicated connections to the NSW Government Data Centre.
- upgrading Windows servers hosting the legacy CIS application from 2003 to Windows Server 2012.
- completing the Wills Scanning and Archival program to digitise all current Wills and Wills Instruments.
- migrating NSW TG desktops from the legacy AGD domain to the consolidated Justice Cluster domain.

NSW TG's program of works in 2017-18 will continue the consolidation of our systems under a unified framework with the Department of Justice in alignment with the NSW Government Digital+ 2016 ICT Strategy.

Electronic Access and Communication

The NSW TG website (www.tag.nsw.gov.au) continued to grow as an important point of access for services and information about the organisation. Over the course of the year, 241,015 users visited the site, an 8.8% increase on the previous year, with 35% of visitors accessing the site on a mobile or tablet device. The website received over 900 enquiries, 144 intestacy referrals and 373 Plan Ahead Day appointment bookings.

In May 2017, the Planning Ahead Portal was launched to replace the Online Wills Console. This is a considerable enhancement to the website, enabling users to start their planning ahead documents, at a time that is convenient for them, filling in a lot of information before attending an appointment with NSW TG staff. Importantly, information entered into the Planning Ahead Portal to flow directly into the NSW TG internal systems. This means during the appointment NSW TG staff can focus on the client's planning ahead requirements rather than collecting information needed to draft the instruments.

Projects and Campaigns

Memoranda of Understanding /Partnership Agreements

Service NSW

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

- answers general queries from clients and members of the public;
- assists NSWTG clients 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

During 2016-17 these services were provided from nine trial sites. These services are scheduled to be rolled out across the Service NSW Centre network in September 2017.

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

State Debt Recovery Office

NSWTG has a Memorandum of Understanding (MoU) with State Debt Recovery Office (SDRO). This MoU enables SDRO to identify outstanding debts for NSWTG clients under direct financial management where debts are unlikely to be recovered or where payment plans need to be established. NSWTG supplies relevant client information to SDRO to have debts set aside as a result of client circumstances. In the 2016-17 financial year the MoU resulted in SDRO setting aside 9,165 enforcement orders totalling \$4.3 million for 2,399 NSWTG clients.

Promoting Supported Decisions for People with a Disability

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

The Supported Decision Making Project

NSWTG is a partner in a project funded by the Department of Family and Community Services for the Public Guardian to run a Supported Decision Making Project.

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
- support targeted people whose finances are managed by NSWTG to increase their capability to manage parts of their estate and enhance their financial literacy

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- create a community of practice to support and develop supported decision making practice and knowledge.

A small number of clients were selected to trial processes for a supported decision making model. Staff provided support by:

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

The Supported Decision Making Project will be formally evaluated by the University of New South Wales, Social Policy Research Centre. After that evaluation, an implementation plan will be developed to extend the supported decision making model to all appropriate clients.

The Health Guardianship Project

NSWTG is on the Steering Committee of the Health and Guardianship Project. The Project which commenced in January 2017 is funded by NSW Health and is a collaboration between NSW Health, NCAT, Public Guardian and the Premier's Implementation Unit at the Department of Premier and Cabinet (DPC).

NSWTG's role in supporting this project is to expedite the financial decisions required to enable early release of clients from hospital.

Surety Bond Scheme

The Surety Bond Scheme was implemented last reporting period to address potential risks associated in the governance for privately managed clients. The scheme was to act as a guarantee against financial loss suffered by the managed person as a result of the private manager failing to perform their duties in accordance with the law.

NSWTG assessed the safeguards in place for each managed person with a private financial manager to ascertain whether the surety bond would improve the risk mitigation for the estate. These assessments were based on information provided by the private manager regarding the liquid assets available in the estate and any professional indemnity insurance the manager had in place covering the work performed in the private financial management area.

A private manager appealed to NCAT on NSWTG's decision to require a surety bond from the estate of a managed person. The Appeal was based on the grounds that NSWTG has no power under the *NSW Trustee and Guardian Act 2009* (the NSWTG Act) to require a surety bond. In this case there was no order by the Supreme Court or NCAT requiring "security" by the private manager.

NCAT set aside the decision of the NSWTG that a surety bond should apply to the managed person's estate. The Tribunal found that, based on construction of the statute, the NSWTG did not have the power pursuant to Division 2 Chapter 4 of the NSWTG Act to make the relevant decision to require a private manager to give security in the form of a surety bond. It was not, therefore, necessary for the Tribunal to consider the merits of the decision in this particular case.

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The Surety Bond Scheme was put on hold immediately and assessments of contingencies undertaken. Given the timing of the Decision and Review the response by NSW TG will occur in the ensuing reporting period.

In June 2017 KPMG was commissioned to review the Surety Bond Scheme and to make recommendations about alternate risk management initiatives if appropriate. This review was commissioned in response to feedback from private managers.

Legislative Reviews and Inquiry Submissions

Review of Guardianship and Associated Legislation

The NSW Law Reform Commission continues its review of guardianship and associated legislation. The review covers the *Guardianship Act 1987*, *NSW Trustee and Guardian Act 2009*, *Powers of Attorney Act 2003*, the *Mental Health Act 2007* and the *Guardianship of Infants Act 1916*. Submissions to the Question Papers closed 12 May 2017 and the Commission is conducting consultation with interested stakeholders.

Information on the review is available on the Law Reform Commission website (Lawreform.justice.nsw.gov.au).

Review of NSW Trustee and Guardian Regulation 2008

The Department of Justice has reviewed the *NSW Trustee and Guardian Regulation 2008*. The existing Regulation was due for staged repeal on 1 September 2015, under the terms of the *Subordinate Legislation Act 1989*. The staged repeal of the existing Regulation was postponed three times, awaiting outcomes of IPART's review of NSW TG's fee structure.

Now that the fee structure recommended by IPART has been implemented, the existing Regulation is being remade with NSW TG's new fee structure in place. The proposed Regulation has been drafted for commencement on 1 September 2017.

Other Activities

Business Services Wages Assessment Tool (BSWAT) Payment Scheme

NSW TG has lodged applications for payment under BSWAT payment scheme on behalf of eligible financial management clients to enable them to receive any amounts they are entitled to under the scheme.

Governance

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

NSWTG Executive Team (as at 30 June 2017)

Acting Chief Executive Officer, Commissioner of Dormant Funds

Damon Quinn, BA, MA, MBA

Acting Director, Business Development and Communications

Megan Osborne, BBus (Mktg), GDipCom

Director, Financial Performance

Martin Pengilly, BSc (Hons) and FCA

Director Information Technology

Dr. John Chow, BE BMedSci PhD

Director, Legal Services

Ruth Pollard, LL.B

Director Service Advisory

Tracy Burgess, BA, EMPA, CRM

Director, Service Delivery

Jon Greig, BA (Hons), M.Phil

Director Transformation Office

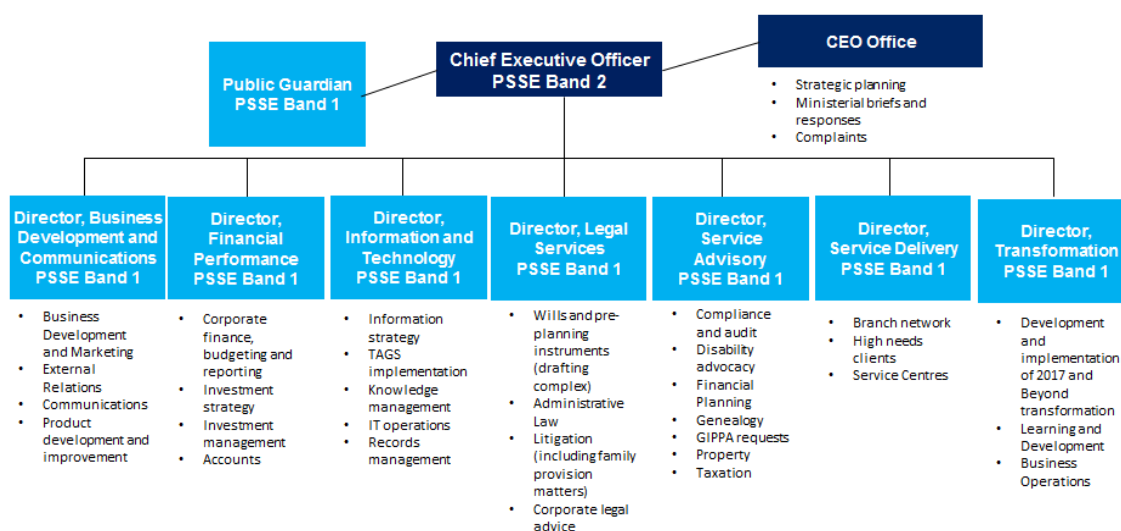
Joan O'Dwyer, B.Ed(Adult). Dip Mgt, Grad Cert Bus (PSMgt)

Corporate Management Systems

NSWTG includes the following divisions:

- Business Development and Communications
- Financial Performance and Investments
- Information Technology
- Legal Services
- Service Advisory
- Service Delivery
- Transformation Office

NSW Trustee & Guardian



Notes:

The Public Guardian is an independent Officer that administratively reports to the CEO NSW Trustee and Guardian
 The Director, Service Advisory is also the Chief Audit Officer
 The Director, Information Technology and the Director Transformation are fixed term appointments (2 years)

NSWTG Advisory Committee

The NSWTG Advisory Committee was disbanded during the reporting period. The final meeting was in August 2016. The Advisory Committee advised the Chief Executive Officer on strategic issues and change across NSWTG. The external members of the Advisory Committee were:

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

Independent Investment Advisory Committee

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

- Ted Gifford, who had 36 years' experience in a wide range of investment activities for AMP until retirement in 2002.
- Julie Elliot, Principal Nous Group, has extensive experience across financial services and government (Commenced May 2016)
- Jim Dawson, (representing the NSW Treasurer) Director Fiscal and Economic Group. Crown Asset and Liability Management, NSW Treasury.

Transformation Advisory Committee

The Transformation Advisory Committee was established to provide oversight and ensure the required rigor for the reform process. This committee was chaired by the Secretary, Department of Justice, until May 2017 when the Deputy Secretary, Justice Services, took on that role. The Committee members are:

- Andrew Cappie-Wood until May 2017 then Kathrina Lo (Chair)
- Damon Quinn (A/CEO NSWTG)
- Julie Elliott
- Prue Vines
- Ian Neale
- Ian Gillespie
- Andrew Buchanan

Audit and Risk Committee

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

The committee members are:

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

DTS-NSWTG Information Technology Steering Committee

In 2016-2017, NSWTG continued to implement its program of works on information technology systems aimed at improving the capabilities, governance and reliability of our core operations, detailed in the Information Technology section of this report. These enhancements are undertaken in close collaboration with our service provider the Department of Justice Digital Technology Services (DTS), and overseen by the DTS-NSWTG IT Steering Committee which meets monthly.

The committee members are:

NSW Trustee & Guardian

- Aaron Liu (Chair): Executive Director, Digital Technology Services
- John Chow: Director Information Technology, NSW Trustee and Guardian
- Andrew Dimech: Director Operations, Digital Technology Services
- Richard Walsh: Director Information Management, Digital Technology Services

Trustee & Guardian System Steering Committee

NSWTG re-commissioned the Trustee and Guardian System (TAGS) Steering Committee following recommendations from the 2017 Trustee and Guardian System Pre-Implementation Review conducted by PricewaterhouseCoopers in June 2017. The new Committee comprises an expanded membership across the NSW TG Executive with key external and independent members.

The committee members are:

- Damon Quinn (Chair): Acting Chief Executive Officer, NSW Trustee and Guardian
- John Chow: Director Information Technology
- Jon Greig: Director Service Delivery
- Martin Pengilly: Director Funds and Financial Performance
- Tracy Burgess: Director Specialist Advisory
- Ruth Pollard: Director Legal Services
- Megan Osborne: Director Business Development and Communications
- Graeme Smith: Public Guardian
- Richard Walsh (External Representative - Department of Justice Digital Technology Services): Director Strategy, Digital Technology Services
- Wayne Gale (External Representative - Independent): Director Information and Communications Technology, Legal Aid

Other Key Committees

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

Business Plans

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

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

Compliance Program

In 2016–17 NSW TG continued to develop and improve its governance, risk management and general compliance frameworks. All NSW TG policies identify risks in non-compliance and the workflow task management system identifies mechanisms for automating controls and risk checks in processes.

Risk Management and Audit

NSW TG develops a Strategic Internal Audit Plan annually. This plan identifies the risks and audits to be undertaken. NSW TG maintains a risk register, identifying both operational and corporate risks. The management of risk is compliant with Treasury policies TPP 15-03, TPP14-05 and TPP 12-03. It is also compliant with AS/NZS ISO 31000 requirements.

Major business processes are protected by:

- internal audit programs which ensure effective control systems are in place
- external auditing by the NSW Audit Office to assess the adequacy of controls
- fraud control strategy and a corruption prevention framework
- oversight by and reporting to the NSW TG Audit and Risk Committee
- business continuity and business contingency plans
- risk management framework
- NSW TG policy and procedure framework, including clearly defined delegations
- systemic reporting and ad hoc systems based data mining.

Internal Audit

NSW TG has an outsourced model for internal audit. Price Waterhouse Coopers (PwC) was the contracted internal audit service provider for the 2016-17 financial year. The Director Service Advisory carries the additional role of Chief Audit Executive for NSW TG.

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

Business Continuity

The Business Continuity Plan was reviewed and redrafted in 2016–17. The plan is designed to ensure that in the event of an emergency situation, all critical business systems and processes will continue to operate, enabling the continuation of services.


Internal Audit and Risk Management Attestation Statement

Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for NSW Trustee and Guardian

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

Core Requirements

Risk Management Framework		
1.1	<i>The agency head is ultimately responsible and accountable for risk management in the agency</i>	Compliant
1.2	<i>A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009</i>	Compliant
Internal Audit Function		
2.1	<i>An internal audit function has been established and maintained</i>	Compliant
2.2	<i>The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing</i>	Compliant
2.3	<i>The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'</i>	Compliant
Audit and Risk Committee		
3.1	<i>An independent and Audit and Risk Committee with appropriate expertise has been established</i>	Compliant
3.2	<i>The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations</i>	Compliant
3.3	<i>The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'</i>	Compliant
Membership		
The chair and members of the Audit and Risk Committee are:		
<ul style="list-style-type: none">• Independent Chair, Ian Gillespie, 1 March 2012 to 30 June 2017• Independent Member, Paul Crombie, 1 July 2011 to 30 June 2017• Independent Member, Gul Izmir, 7 December 2015 to 30 June 2017		



Damon Quinn, CEO
1 August 2017



Tracy Burgess
Chief Audit Executive (ph:8688 7353)

Annual Report - Digital Information Security Annual Attestation Statement

RECOMMENDATION

The CEO approve the inclusion of an attestation statement as an appendix to the NSW Trustee and Guardian's Annual Report, as required by "Core Requirement 5" of the "NSW Government's Digital Information Security Policy" (the Policy).

EVALUATION

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

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

The attestation requirements identified within the Policy are as follows:

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

NSW Trustee & Guardian has maintained compliance with the Core Requirements of the Policy as follows:

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

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

- NSW Trustee & Guardian's information security controls exceed the minimum controls specified in the Policy and are subject to periodic evaluation and risk assessment by Digital Technology Services group as part of certified compliance with AS/NZS ISO/IEC 27001 and by NSW Trustee & Guardian's internal and external auditors.
- As part of NSW Trustee & Guardian's risk management and audit framework, identified weaknesses, opportunities for improvement and the completion of

associated corrective actions are reported to management and tracked to completion.

- A number of enhancements to NSW Trustee & Guardian's information security controls are in progress, however, existing controls are considered to be adequate for the foreseeable future in anticipation of the successful completion of these improvements.

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

- No agencies fall within scope of this attestation. Guidance documentation issued by the Department of Finance, Services and Innovation recommends this statement in these circumstances.

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

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

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

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

RECOMMENDATION

That the CEO approve the inclusion of the attached attestation statement within the relevant section of the Annual Report for 2016-17 dealing with risk management activities.

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

John Chow
Director, Information Technology

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

Damon Quinn
Acting Chief Executive Officer

Digital Information Security Annual Attestation Statement for the 2016-2017 Financial Year for the NSW Trustee & Guardian

I, Damon Quinn, am of the opinion that:

NSW Trustee & Guardian had an Information Security Management System in place during the 2016-2017 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

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

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

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

A handwritten signature in black ink, appearing to read 'Damon G.', with a stylized flourish at the end.

Damon Quinn
Acting Chief Executive Officer

Future Plans

NSW Trustee & Guardian has clear priorities for the future of the organisation following the transformation.

The transformation provides a new baseline on which to refine the cost to serve and improve efficiency, reinforcing the sustainability of the organisation. NSW TG will need to manage the increased workload from meeting our commitments to clients throughout New South Wales within resource constraints.

To do this, in 2017-18 NSW TG will:

- refine the targeted “Outreach” schedule of Planning Ahead Days, community information sessions and stakeholder meetings across New South Wales
- implement a three year workforce plan to:
 - align staff resources to new service and organisational needs
 - monitor and where necessary provide additional resources required as a result of increased demand for services
 - deliver NSW TG customer service excellence throughout New South Wales and across all service lines
 - develop and enhance staff capabilities and capacity to meet the increased and changing environments under the NDIS and other strategic commitments
 - create a strong organisational culture, increase staff engagement levels and achieve workforce diversity targets
- implement a customer excellence program to achieve significant and measurable improvements in client satisfaction levels

NSW TG will continue to develop and implement technical solutions to support both employees and clients to meet current and future business needs.

- increase on-line presence and functionality for clients to attract new business and support community education
- provide clients with alternative methods to interact with NSW TG regardless of geographic location
- improve core systems to boost productivity and deliver value-for-money in the provision of services to clients and corporate activities (e.g. automation)
- continue to leverage opportunities to improve information, technology and digital service arrangements with other agencies. For example the Registry of Births, Deaths and Marriages, Courts, Tribunals and Digital and Technology Services at the Department of Justice

NSW TG will also focus on continuing to improve financial performance and outcomes to achieve financially sustainable operations by 30 June 2019.

- implement an improved outreach model to drive further adoption of wills and other pre-planning instruments, with flow-on effects for increased uptake of estate management, trustee and power of attorney services
- identify, implement and commission opportunities to provide enhanced and more sustainable services
- review processes and implement enhancements to reduce average cost to serve

NSW Trustee & Guardian

- implement further measures to support existing and potential private managers and build capability of the community (in particular family members and other key stakeholders) to take on the role of a Private Manager
- implement systems to enable calculation of the cost to serve and the Community Service Obligation

Public Guardian Annual Report

The Public Guardian is an independent official whose role comes from the *Guardianship Act 1987 (the Act)*. The Guardianship Division of the NSW Civil and Administrative Tribunal (NCAT), or the Supreme Court of NSW (Court), may appoint the Public Guardian for people:

- aged 16 and over
- who have a decision-making impairment
- who need to make significant decisions about their health and welfare.

The Public Guardian is the 'guardian of last resort'. That is, NCAT or the Court will only appoint the Public Guardian if they are unable to identify a suitable private guardian; usually a family member or friend of the person who has a compatible personality with whom there is no undue conflict and is willing to take on the role.

When the Public Guardian makes decisions or advocates for a represented person (the person), he and his delegated officers must observe the general principles of the *Guardianship Act 1987*. The principles promote the rights of the person with disability by:

- including the person in our decision making
- considering the person's best interests
- advocating and supporting the person to have a normal life in the community.

Work of the Public Guardian during 2016-17

During the 2016–17 financial year, the Public Guardian represented 3,119 people (Table xx). This is a three per cent increase from the previous year (n=3,025) and a 10 per cent increase over three years, since 2014-15 (n=2,836).

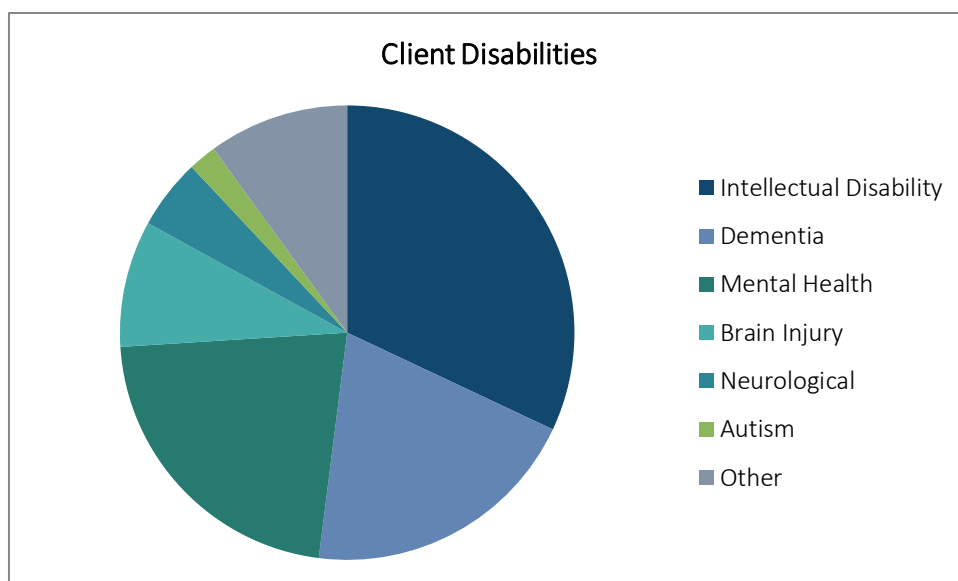
Table 18: Number of People represented by Public Guardian

	Number of people under the Public Guardian on 30 June	Number of people represented during the financial year
2016-17	2,251	3,119
2015-16	2,141	3,025
2014-15	2,096	2,964
2013-14	1,993	2,836

Table 19: Number of new orders appointing the Public Guardian

Year	New Orders
2016-17	858
2015-16	967
2014-15	860

2013-14	798
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Number of Major Decisions

Since the 2014-15 financial year there has been a 110% increase in the number of service decisions made. This is largely due to people under guardianship transitioning to the National Disability Insurance Scheme (NDIS). The services function allows guardians to consent to eligible NDIS participants to enter the scheme. The services function also enables the Public Guardian to participate in the NDIS planning process. A continued increase in this workload is expected as people under guardianship continue to access the NDIS over the next two years.

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

Table 20: Number of Major Decisions

Decision Type	2016-17	2015-16	2014-15
Accommodation	704	685	492
Coercive accommodation	352	361	288
Services	1729*	959	456
Access	93	109	70
Healthcare	335	241	198
Restrictive practices	105	79	64

* the almost doubling of service decisions reflects the roll out of the NDIS

The National Disability Insurance Scheme

The National Disability Insurance Scheme (NDIS) is an insurance-based scheme that supports people with disability, their families and carers. Consistent with the aim of the NDIS, the Public Guardian believes people with disability should have access to reasonable and necessary supports that enable their individual and social needs to be met, including community engagement and employment.

The NDIS has had a significant impact on the human services sector, including the work of the Public Guardian and those he represents. It is anticipated that about 80% of the Public Guardian's overall future workload will be for NDIS participants. By June 2018, the number of NDIS-eligible clients will increase to 1,435, which will be about two thirds of all people represented by the Public Guardian.

The Public Guardian's staff have significant involvement with and for represented people who are participants in the NDIS. This includes:

- involvement in the NDIS pre-planning and planning process, releasing information, and attending meetings
- seeking reviews of plans
- negotiating with the National Disability Insurance Agency (NDIA) on behalf of the participant about what is accepted as reasonable and necessary supports
- negotiating with support coordinators about the selection of the most appropriate service provider for the participant
- deciding which service providers will provide a service to the participant.

The Public Guardian consulted with the NDIA about matters affecting the people we represent, including NDIS policies and processes, and systemic and individual issues. The Public Guardian also worked closely with the Department of Justice to identify and address issues for NDIA participants. This included addressing gaps in current and future service delivery, and the NDIA's responsiveness to people in crisis and with complex needs.

The Supported Decision Making Project Phase 2

The Public Guardian is strongly committed to the UN Convention on the Rights of Persons with Disability (CRPD), particularly supported decision making. Supported decision making promotes the decision making rights of people with disability. It may offer alternatives to financial management and guardianship in NSW.

The Public Guardian led the Supported Decision Making Project, Phase 2 (Project) in partnership with the NSW Trustee and Guardian and funding partner the Department of Family and Community Services (FACS). The Project had two parts:

1. Working directly with people under financial management to build their financial decision making skills.
2. Building the capacity of service providers to promote and deliver supported decision making to their service users. The team also developed a range of supported decision making resources. These included fact sheets, a train-the-trainer manual and a Community of Practice for service providers.

The Project is working with NSW TG to develop and implement a supported decision making eLearning module for NSW TG staff. It has also partnered with Participate

NSW Trustee & Guardian

Australia to trial a web-based financial literacy tool for people with cognitive impairment to promote supported decision making and develop financial capability.

The Initial Hearing Team

The Public Guardian is a statutory party to all guardianship hearings. The Initial Hearing Team (IHT) is a small team of guardians who participate in as many initial guardianship hearings as possible. The IHT has been in place for over three years. In that time the team has processed over 7,000 guardianship applications and attended over 3,000 initial hearings.

Their role is to develop the relationship between the Public Guardian and NCAT, and to provide information to families, service providers and Tribunal members about the role and function of the Public Guardian. The IHT provides advice when a person with disability may benefit from a guardianship order, or when alternative options to guardianship may be appropriate.

The IHT has offered development opportunities for Public Guardian employees.

The Health Guardianship Project

The Health and Guardianship Project (the Project) commenced in January 2017. The Project which is funded by NSW Health, is a collaboration between NSW Health, NCAT, Public Guardian and the Premier's Implementation Unit at the Department of Premier and Cabinet (DPC).

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. To date the project has successfully reduced the average length of hospital admissions from the time a guardianship application was made by two thirds, from 83 to 27 days.

The Public Guardian has three guardianship officers working in the project. They have handled 297 applications and taken an average of 17 days to make decisions from the time of appointment.

Community Information and Education

Under Section 79 of the *Guardianship Act 1987*, the Public Guardian is responsible for providing information to the community about the role and function of guardianship and the general principles of the Act. 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 2016–17 the Information and Support team, in response to contact from the public:

- responded to 4,830 requests for information
- sent 357 requests for publications
- delivered 53 education sessions, in NSW metropolitan and regional areas, to community groups, aged cared providers, hospitals, disability service providers, and community groups.

Support for Private and Enduring Guardians

The Public Guardian offers information, support and guidance to private and enduring guardians through the Private Guardian Support Unit (PGSU). The unit 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, the health system and aged care services.

The PGSU provides support over the phone and via email, and in some cases will meet with the guardian and attend meetings and guardianship hearings with them. The PGSU also produces a newsletter, called "Onguard", which provides important updates and advice relevant to the guardian's role.

During 2016–17, 174 private and enduring guardians contacted the PGSU.

Complaint Management and Reviews of Decisions

Decisions made by the Public Guardian affect the represented person and others involved in their life. This sometimes leads to complaints and requests for a review of our decisions and actions. The Public Guardian is committed to ensuring people are able to access our complaints and review processes. Complaints and reviews help us explain our role and processes to people under guardianship and those involved in their lives. It also provides the opportunity to review our practices.

Complaints can be submitted by a range of people, including the represented person, their family and friends, service providers and other agencies. In 2016–17 the Public Guardian received 43 complaints, including 13 complaints to members of parliament. There were 18 fewer complaints than the previous financial year.

The complaints mainly related to our decision making processes, communication and expectations about the role of the guardian. Of these complaints, eight were partially supported and one was fully supported. The aspects of the complaints we supported included delayed response times to correspondence and proposals, and delays in allocating a matter to a guardian.

If the person under guardianship, or someone close to them, disagrees with a decision that the Public Guardian makes they have the right to ask for the decision to be reviewed. During 2016-17 there were 17 requests for an Internal Review of Decision, eight less than the previous financial year. The decisions reviewed were about services, access or accommodation. Of these reviews, one decision was set aside and 12 decisions were upheld. Four matters were declined or withdrawn as they were out of the allocated timeframe.

If a person is dissatisfied with the outcome of an internal review of decision they have the right to seek an external review through the Administrative and Equal Opportunity Division of NCAT. During 2016- 17 there was one stay of a decision granted. Four decisions made by the Public Guardian are currently being externally reviewed.

Employee Resources

Table 21: Employees by category:

Category	Number of Employees
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NSW Trustee & Guardian

Managers	3.4
Professionals	37.4
Community and Personal Service Workers	1.0
Clerical and Admin Workers	15.7
TOTAL	57.5

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

Networks and Committees

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

- NSW Supported Decision Making Community of Practice (Public Guardian) - this group builds the capacity of organisations to support people with disability to be decision makers in their own lives.
- Supported Decision Making Network - the Public Guardian administers the Australian Supported Decision Making Network with up to 120 members across Australia to promote the decision making rights of people with cognitive disability.
- Risk Enablement Training Project Advisory Committee (FACS) - partners and advisers on the risk enablement program of the Supported Decision Making 2 project.
- Effective Case Reviews Project Reference Group (FACS / UNSW) - a key stakeholder on the steering committee to develop a Practice Guide for supporters to evaluate how a person's support needs have changed; the potential strengths, barriers, and risks to effectively supporting that person to meet the agreed goals of their service delivery. It includes a specific focus on the use of psychotropic medications.
- Joint Protocol State-Wide Steering Committee (NSW Ombudsman) - a key stakeholder on the steering committee at the invitation of the NSW Ombudsman to reduce the contact of people with disability in supported accommodation with the criminal justice system.
- NSW Supported-Decision Making Interest Group (Cognitive Decline Partnership Centre) - the project ensures research undertaken, and practical outcomes generated, are relevant and beneficial to the needs of people living with dementia.
- Boarding House Expert Advisory Group - provides stakeholders an opportunity to discuss policy and legislative issues relation to the operation of boarding houses in NSW.
- NSW Ombudsman and Public Guardian working party for matters relating to the neglect, abuse and exploitation of people with a disability in community settings.
- Health Guardianship Project Steering Committee (Department of Premier and Cabinet) - brings together partners and advisers on the Health and Guardianship Project (the Project) including NSW Health, NCAT, Public Guardian and the Premier's Implementation Unit at DPC.
- Department of Justice NDIS Steering Committee - provides updates on NDIS initiatives, issues and strategies.

NSW Trustee & Guardian

- NSW NDIS Information and Data Working Group - develops agreed practices of data-sharing for NDIS-related information across the whole of the NSW Government for successful transition to, and on-going operation of, the NDIS for NSW participants.
- Interjurisdictional NDIS meeting for Public Guardians and Public Advocates - shares strategies in response to the issues facing NDIS participants represented by Public Guardians and Public Advocates across Australia.
- NSW End of Life Implementation Advisory Committee - provides leadership in end of life care in NSW.
- NSW Ombudsman's Disability Roundtable - identifies and responds to issues facing people with disability, to promote good practice in protecting people with disability from abuse and neglect.
- Australian Guardianship and Administration Council - a national forum for State and Territory agencies that protect adults with a decision-making disability through adult guardianship and administration.
- Effective Decision Making Support for Linkage of People with a Cognitive Disability Project - aims to provide an evidence-base for effective support for decision making for people with cognitive disability in Australia. The Public Guardian is a partner in this research project, along with guardianship colleagues in Victoria and Queensland.
- Joint Outreach Initiatives Network (JOIN) - coordinates a network of complaint handling agencies who undertake community education to share information and resources as well as explore opportunities for joint initiatives.

Future Directions

The NSW Law Reform Commission (LRC) is reviewing the *NSW Guardianship Act, 1987*. The Public Guardian has made submissions to the LRC and will continue to participate in consultations. The Public Guardian eagerly awaits the LRC's report to the Attorney General.

As the NDIS approaches full scheme roll out in NSW, the Public Guardian has supported almost 1,400 participants through the planning process, choosing service providers and implementing those plans. The Public Guardian will continue to support a growing number of people under guardianship becoming participants in the NDIS. The Public Guardian will continue to support the Justice Cluster to provide input into the planning by NSW Government agencies for transition to full scheme roll out in June 2018.

The second stage of the Supported Decision Making Project will continue in 2017-18. It will extend the very successful training element of the project and explore issues of risk. It will complete a range of eLearning initiatives and continue to facilitate the NSW SDM Community of Practice.

At the end of 2016 the Public Guardian commissioned the Nous Group to review our work practices and recommend measures to address our current and future work demand. The Nous Group reported that the Public Guardian's workload had increased by close to 30% between 2013 and 2016,¹ primarily due to an increase in the complexity of clients participating in the NDIS and an ageing population. The

¹ Nous Group, *Business case NSW Public Guardian*, November 2016.

Public Guardian intends to implement the initiatives recommended by this review in 2017–18.

Public Guardian Budget and Expenditure

The operations of the Public Guardian are funded by a grant from the government. The result from operating activities for 2016-17 was a deficit of \$0.37 million. This included a gain from actuarial adjustment of defined superannuation benefit funds of \$0.42 million for the period July to December 2016.

In summary:

- total operational expenses were \$8.65 million - \$0.99 million under budget (10.3 per cent)
- total revenue was \$8.60 million - \$0.05 million under budget (0.5per cent).This includes grant received of \$0.13 million from Department of Justice to augment rental cost increment at Justice Precinct Office building.

For reporting purposes, Public Guardian 2017-18 Budget is consolidated with the NSW TG Budget, although operations are managed independently.

Table 22: Public Guardian Budget and Actual Expenditures for 2016-17 and Budget for 2017-18

Recurrent Revenue and Expenditure Budget	2016-17 Budget (\$'000)	2016-17 Actual (\$'000)	2017-18 Budget (\$'000)
OPERATING REVENUE			
Investment Income	120	115	123
Government grant	8,530	8,442	8,743
Miscellaneous Revenue	0	0	0
Acceptance by Crown Entity of Personnel Services Liabilities	0	47	0
TOTAL OPERATING REVENUE	8,650	8,604	8,866
OPERATING EXPENSES			
Personnel service expenses	7,653	7,576	7,769
Advertising	32	14	33
Fees for Services	963	627	846
Postal and telephone	76	36	78
Lease expense	515	130	527
Other operating expenses	274	157	276
Maintenance	32	10	33
Depreciation and amortisation	102	103	104
TOTAL OPERATING EXPENSES	9,647	8,653	9,666
Surplus/(Deficit) from Operational Activities	(997)	(49)	(800)
Superannuation Adjustment gains/(losses)	0	417	0
NET RESULT FOR THE YEAR	(997)	368	(800)
CAPITAL EXPENDITURE	15	20	58

NSW Trustee & Guardian

Internal Audit and Risk Management Attestation for the 2016 -2017 Financial Year for NSW Trustee and Guardian

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

A handwritten signature in black ink, appearing to read 'Graeme Smith', written in a cursive style.

Graeme Smith
14 August 2017
Public Guardian

NSW Trustee & Guardian

Public Guardian Contact details

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Financial Statements


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

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

- a) The accompanying financial statements exhibit a true and fair view of the financial position as at 30 June 2017 and transactions for the year ended 30 June 2017;
- 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.



Damon Quinn
Acting Chief Executive Officer

25 September 2017



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 financial position as at 30 June 2017, the statement of comprehensive income, 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 2017, 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 also 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.

The Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer (CEO) 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 CEO determines is necessary to enable the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the CEO must assess the NSW Trustee and Guardian's ability to continue as a going concern except where the agency will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- 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: http://www.auasb.gov.au/auditors_responsibilities/ar3.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

28 September 2017
SYDNEY

Statement of comprehensive income for the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
Expenses excluding losses				
Personnel services	2(a)	41,540	73,209	94,786
Other operating expenses	2(b)	18,515	21,035	19,271
Depreciation and amortisation	2(c)	4,872	4,445	7,180
Total Expenses excluding losses		64,927	98,689	121,237
Revenue				
Sale of services	3(a)	59,994	54,266	65,349
Investment revenue	3(b)	6,339	5,852	792
Grants and contributions	3(c)	28,559	30,462	14,366
Acceptance by Crown Entity of personnel services liabilities	3(d)	492	0	0
Other revenue	3(e)	3,469	3,470	10,764
Total Revenue		98,853	94,050	91,271
Operating result		33,926	(4,639)	(29,966)
Gain / (Loss) on disposal	4	0	0	(102)
Other Gains/(Losses)	5	(5)	0	(1)
Net result		33,921	(4,639)	(30,069)
Other comprehensive income				
<i>Items that will not be reclassified to net result</i>				
Net Increase/(decrease) in property, plant and equipment revaluation surplus	9	1,193	0	1,129
Total other comprehensive income		1,193	0	1,129
TOTAL COMPREHENSIVE INCOME		35,114	(4,639)	(28,940)

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	6	29,428	6,142	29,237
Receivables	7	21,610	24,853	29,776
Total Current Assets		51,038	30,995	59,013
Non-Current Assets				
Financial assets at fair value	8	57,368	41,385	51,439
Property, plant and equipment	9			
- Land and buildings		24,906	24,227	24,274
- Plant and equipment		5,794	23,224	8,755
Total property, plant and equipment		30,700	47,451	33,029
Intangible assets	10	14,849	18,662	7,562
Total Non-Current Assets		102,917	107,498	92,030
Total Assets		153,955	138,493	151,043
LIABILITIES				
Current Liabilities				
Payables	12	11,481	5,237	7,487
Provisions	13(a)	21,887	27,747	29,378
Total Current Liabilities		33,368	32,984	36,865
Non-Current Liabilities				
Provisions	13(b)	164	79,318	110,115
Other	13(c)	289	400	371
Total Non-Current Liabilities		453	79,718	110,486
Total Liabilities		33,821	112,702	147,351
Net Assets		120,134	25,791	3,692
EQUITY				
Reserves		7,963	7,320	6,770
Accumulated funds		112,171	18,471	(3,078)
Total Equity		120,134	25,791	3,692

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2017

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2016		(3,078)	6,770	3,692
Net result for the year		33,921	0	33,921
Other comprehensive income:				
Net increase/(decrease) in property, plant and equipment	9	0	1,193	1,193
Total other comprehensive income		0	1,193	1,193
Total comprehensive income for the year		33,921	1,193	35,114
Transactions with owners in their capacity as owners				
Defined benefit liability assumed by Crown	1 (m) (iv)	81,328	0	81,328
Balance at 30 June 2017		112,171	7,963	120,134
Balance at 1 July 2015		26,991	5,641	32,632
Net result for the year		(30,069)	0	(30,069)
Other comprehensive income:				
Net increase/(decrease) in property, plant and equipment	9	0	1,129	1,129
Total other comprehensive income		0	1,129	1,129
Total comprehensive income for the year		(30,069)	1,129	(28,940)
Balance at 30 June 2016		(3,078)	6,770	3,692

Statement of cash flows for the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel Services		(68,592)	(73,209)	(60,814)
Operating expenses		(23,625)	(26,470)	(21,654)
Total Payments		(92,217)	(99,679)	(82,468)
Receipts				
Sale of services		63,951	54,276	62,330
Investment revenue received		443	2,052	398
Grants and contributions		19,654	30,462	14,366
Other		16,668	8,901	12,701
Total Receipts		100,716	95,691	89,795
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	8,499	(3,988)	7,327
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments		0	14,185	0
Purchase of investments		0	(1,532)	0
Purchases of land and buildings, plant and equipment		(745)	(14,386)	(1,733)
Other		(7,563)	(12,699)	(5,304)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(8,308)	(14,432)	(7,037)
NET CASH FLOWS FROM FINANCING ACTIVITIES		0	0	0
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		191	(18,420)	290
Opening cash and cash equivalents		29,237	24,562	28,947
CLOSING CASH AND CASH EQUIVALENTS	6	29,428	6,142	29,237

The accompanying notes form part of these financial statements.

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) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

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

These financial statements of NSW Trustee and Guardian for the year ended 30 June 2017 have been authorised for issue by Damon Quinn, acting Chief Executive Officer on 25 September 2017.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and
- the Financial Reporting Directions mandated by the Treasurer.

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

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

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

(c) Statement of compliance

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

(d) Insurance

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

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

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

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

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

(f) Income recognition

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

i) 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 2008*.
- Fees from clients are recognised on an accrual basis, when service is provided.
- NSW Trustee and Guardian charges a percentage value of the total value of chargeable assets in a client's estate for the financial management of that estate. Fees include management fees, investment fees, and other fees while retaining NSW Trustee and Guardian's power to recover additional costs incurred, where applicable, from the Common Fund, refer to Note 18.

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.

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.

iv) Investment revenue

Interest revenue is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Distribution revenue is recognised when NSW Trustee and Guardian's right to receive payment has been established. This is re-invested in units during the reporting period to which the distribution relates, refer to 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	13-39
Computer equipment	3-5
Leasehold Improvements and office refurbishments	2-10
Plant and equipment	4-20

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

(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*, 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 9 and Note 11 for further information regarding fair value.

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

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying amount. An interim revaluation was completed on 31 March 2017 as a result of a net increase/decrease indicators of 5.0%. NSW Trustee and Guardian used an external professionally qualified valuer to conduct the interim revaluation.

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

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

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

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

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

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.

(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.

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 Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the net result.

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.

(i) Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, or as Loans and Receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(a) Financial assets at fair value through profit or loss

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

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

(b) Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are measured 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.

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

(c) Impairment of financial assets

All financial assets, except those at fair value through profit and loss, are subject to an annual review for impairment. Financial assets 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.

For certain categories of financial assets, such as trade receivables, the entity first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

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

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

(ii) Financial liabilities

(a) Financial liabilities at amortised cost (including trade payables)

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Payables represent liabilities for goods and services provided to the entity 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.

(iii) 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, the entity 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.

(k) 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 the entity 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 notes 7 and 13)

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

Prior to 31 December 2016, the personnel services liability relating to defined benefit superannuation was actuarially assessed at each reporting date, and was measured at the present value of the estimated future payments. The amount recognised was the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value at that date of any defined benefit plan assets, out of which the obligation was to be settled directly.

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

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 on 31 December 2016. The transfer was accounted for as an equity transfer. Refer to note 1(m)(iv).

From 1 January 2017 onwards, 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.

(l) 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 2.45% 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.

(m) 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.

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

(iv) Equity Transfers

The transfer of the personnel services liability relating to defined benefit superannuation assumed by the Crown at fair value on 31 December 2016 is designated as a contribution by owners and recognised as an adjustment to 'Accumulated funds'. This treatment is consistent with AASB 1004 and Australian Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

(n) Trust Fund

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

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

(p) Budgeted amounts

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

(q) 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.

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

(i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 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 2016-17

Reference	Description	Operative Date
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NSW Trustee & Guardian

AASB 2014-4	Amendments to Australian Accounting Standards - Clarification of Acceptable methods of Depreciation and Amortisation	1-Jan-16
AASB 2015-1	Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (AASB 116 & 138)	1-Jan-16
AASB 2015-2	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB101	1-Jan-16
AASB 2015- 6	Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	1-Jul-16
AASB 2015-7	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities	1-Jul-16

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

ii) Issued but not yet effective

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

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

Reference	Description	Effective
AASB 9, 2010-7, 2013-9 (Part C), 2014-1 (Part E), 2014-7, 2014-8	Amendments to Australian Accounting Standards arising from AASB9 regarding Financial Instrument	2018-19
AASB 15	Revenue from Contracts with Customers	2018-19
AASB 2014-5, 2015-8, 2016-3	Amendments to Australian Accounting Standards arising from AASB 15, its effective date and clarifications.	2018-19
AASB 16	Leases	2019-20
AASB 1058	Income of Not for profit Entities	2019-20
AASB 2016-1	Amendments to Australian Accounting Standards - Recognition of deferred tax assets and unrealised losses	2017-18
AASB 2016-2	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107	2017-18
AASB 2016-4	Amendments to Australian Accounting Standards - Recoverable Amount of Non cash generating specialised assets for not for profit entities.	2017-18
AASB 2016-5	Amendments to Australian Accounting Standards - Classification and Measurement of share based payment transactions	2018-19
AASB 2016-6	Amendments to Australian Accounting Standards - Applying AASB 9 with AASB 4 Insurance Contracts.	2018-19
AASB 2016-7	Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not for Profit Entities.	2018-19
AASB 2016-8	Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not for Profit Entities	2018-19

NSW Trustee & Guardian

AASB 2017-1	Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and other Amendments	FP: 2018-19 NFP: 2019-20
AASB 2017-2	Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle	2017-18
Interpretation 22	Foreign Currency Transactions and Advance Consideration	2018-19

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

AASB 16- Leases. The possible impact of AASB16 based on preliminary assessments include:

- Lease assets and financial liabilities on the statement of financial position will be increased based on the lease details at the date of the assessment.
- Operating cash outflows will be lower and financing cash outflows will be higher in the statement of cash flows, as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities.
- The income statement will be impacted by interest charges on lease terms when depreciation and interest charges on the right of use assets are higher.
- There will be a reduction in the reported equity when carrying amounts of lease assets will reduce more quickly than carrying amounts of lease liabilities.

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

2. Expenses Excluding Losses

	2017 \$'000	2016 \$'000
(a) Personnel services		
Salaries and wages (including annual leave)*	58,433	53,024
Superannuation - defined benefit plans **	(26,234)	32,903
Superannuation - defined benefit costs assumed by Crown***	492	0
Superannuation - defined contribution plans	3,589	3,708
Long service leave	1,922	1,894
Worker's compensation insurance	132	412
Payroll tax and fringe benefits tax	3,206	2,845
Total personnel services	41,540	94,786

* Includes redundancy payments of \$9 million (\$0.23 million in FY 2015-16).

** Includes actuarial gain of \$28.73 million (loss of \$31.70 million in FY 2015-16).

***Notional defined benefit super expense assumed by Crown.

These relate to expenses for personnel services provided by the Department of Justice.

(b) Other operating expenses

	2017 \$'000	2016 \$'000
Auditor's remuneration - audit of financial statements:		
- NSW Trustee and Guardian	224	209
- Common Fund	202	266
Operating lease rental expenses		
Motor vehicle lease	73	62
Rent expense - non-government buildings	4,894	4,510
Maintenance	1,608	1,545
Insurance	209	751
Consultants	0	1,083
Advertising	752	1,501
Internal audit fees	551	386
Fees for services rendered	7,138	6,500
Gas and electricity	378	387
Office supplies	230	368
Postal and telephone	1,344	1,074
Travel expenses	262	269
Training and development	326	303
Other	324	57
Total other operating expenses	18,515	19,271

(c) Depreciation and amortisation expense

	2017 \$'000	2016 \$'000
Depreciation		
Buildings	561	539
Plant and equipment	3,706	6,332
Total depreciation	4,267	6,871
Amortisation		
Intangible assets	605	309
Total amortisation	605	309
Total depreciation and amortisation	4,872	7,180

3. Revenue

(a) Sale of services

	2017 \$'000	2016 \$'000
Rendering of Services		
Commissions and fees	31,299	26,727
Trustee fees	6,028	4,928
Private management supervision fees	886	1,708
Common Fund management fees	21,781	31,986
Total sale of services	59,994	65,349

(b) Investment revenue

	2017 \$'000	2016 \$'000
Interest revenue from financial assets not at fair value through profit or loss	410	502
TCorp Hour Glass Investment Facility designated at fair value through profit or loss*	5,929	290
Total investment revenue	6,339	792

*This includes unrealised gain of \$2.24 million (loss of \$2.35 million in FY 2015-16).

(c) Grants and contributions

	2017 \$'000	2016 \$'000
Funding for the operations of the Public Guardian	8,313	8,313
Community service obligation	5,112	5,112
Contribution from NSW Government *	15,134	941
Total grants and contributions	28,559	14,366

*This includes NSW Treasury grant of \$9.0 million as reimbursement of redundancy payments to employees during 2016-17. Refer to Note 2(a)

NSW Trustee & Guardian

(d) Acceptance by Crown Entity of personnel services liabilities

	2017 \$'000	2016 \$'000
Notional defined benefit super	467	0
Notional payroll tax on defined benefit super	25	0
Total personnel services liabilities assumed by Crown	492	0

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 incurred otherwise is recognised as income and revenue. Refer to Note 2(a)

(e) Other revenue

	2017 \$'000	2016 \$'000
Refund of working expenses from clients - <i>NSW Trustee and Guardian Regulation 26</i>	345	376
Transfer from the Common Fund*	3,000	10,352
Other	124	36
Total other revenue	3,469	10,764

*Other Revenue includes a transfer from the proceeds of the former Public Trustee NSW Common Fund's Interest Suspense Account. Under Schedule 1, Part 2, 16 (1)(c) of the *NSW Trustee and Guardian Act 2009*, the Interest Suspense Account may be applied for the current and future costs incurred by the NSW Trustee and Guardian in the exercise of its functions under the Act. Payment out of Section (1)(c) is in accordance with NSW Trustee and Guardian's approved Budget for 2016-17.

4. Gain / (Loss) on Disposal

There is no loss on disposal of fully depreciated assets and assets no longer required and written off. (Loss of \$101,592 in FY 2015-16)

	Property, Plant and equipment \$'000	Intangible assets \$'000	Total \$'000
2016-17			
Proceeds from disposal	0	0	0
Written down value of assets disposed	0	0	0
Write-off work in progress	0	0	0
Net gain/(loss) on disposal	0	0	0
2015-16			
Proceeds from disposal	0	0	0
Written down value of assets disposed	(5)	0	(5)
Write-off work in progress	(97)	0	(97)
Net gain/(loss) on disposal	(102)	0	(102)

5. Other Gains/(Losses)

	2017 \$'000	2016 \$'000
Impairment on receivables	(5)	(1)
Total other gains/(losses)	(5)	(1)

6. Current Assets-Cash and Cash Equivalents

	2017 \$'000	2016 \$'000
Cash at Bank and on hand	29,428	29,237
Total cash and cash equivalents	29,428	29,237

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

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

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

7. Current Assets - Receivables

	2017 \$'000	2016 \$'000
Sale of services	1,802	2,935
Allowance for impairment	(1)	(1)
Other debtors	1,356	148
Accrued income	3,476	6,334
Personnel services	14,951	20,283
Prepayments	26	77
Total receivables	21,610	29,776

(a) Movement in the allowance for impairment

Balance at 1 July	1	5
Amounts written off during the year	0	(1)
Amounts recovered during the year	0	(2)
Increase/(decrease) in allowance recognised in profit or loss	0	(1)
Balance at 30 June	1	1

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

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

Non-current financial assets at fair value

	2017 \$'000	2016 \$'000
TCorp Long Term Growth Facility	57,368	51,439
Total non-current financial assets at fair value	57,368	51,439

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

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

	Land and buildings* \$'000	Plant and equipment \$'000	Plant and Equipment - WIP \$'000	TOTAL \$'000
At 1 July 2016 - fair value				
Gross carrying amounts	24,969	24,096	419	49,484
Accumulated depreciation and impairment	(695)	(15,760)	0	(16,455)
Net carrying amount	24,274	8,336	419	33,029

At 30 June 2017 - fair value				
Gross carrying amounts	26,217	19,236	337	45,790
Accumulated depreciation and impairment	(1,311)	(13,779)	0	(15,090)
Net carrying amount	24,906	5,457	337	30,700

Reconciliation

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

	Land and buildings* \$'000	Plant and equipment \$'000	Plant and equipment - WIP \$'000	TOTAL \$'000
Year ended 30 June 2017				
Net carrying amount at start of year	24,274	8,336	419	33,029
Additions	0	0	745	745
Transfer from work in progress	0	827	(827)	0
Net revaluation increment less revaluation decrements	1,193	0	0	1,193
Decrease in leasehold make good	0	0	0	0
Disposals (including write off)	0	0	0	0
Depreciation expense	(561)	(3,706)	0	(4,267)
Net carrying amount at end of year	24,906	5,457	337	30,700

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

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

Reconciliation

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

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

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

10. Intangible Assets

	Computer		
	Computer Software \$'000	Software - WIP \$'000	TOTAL \$'000
At 1 July 2016			
Cost (gross carrying amount)	3,581	5,549	9,130
Accumulated amortisation and impairment	(1,568)	0	(1,568)
Net carrying amount	2,013	5,549	7,562

At 30 June 2017			
Cost (gross carrying amount)	4,384	11,270	15,654
Accumulated amortisation and impairment	(805)	0	(805)
Net carrying amount	3,579	11,270	14,849

Reconciliation

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

	Computer Software \$'000	Computer Software - WIP \$'000	TOTAL \$'000
Year ended 30 June 2017			
Net carrying amount at start of year	2,013	5,549	7,562
Additions	0	7,893	7,893
Transfer from work in progress	2,172	(2,172)	(0)
Impairment loss	0	0	0
Disposals	0	0	0
Amortisation (recognised in "depreciation and amortisation")	(606)	0	(606)
Net carrying amount at end of year	3,579	11,270	14,849

	Computer		
	Computer Software	Software - WIP	TOTAL
	\$'000	\$'000	\$'000
At 1 July 2015 - fair value			
Cost (gross carrying amount)	2,745	1,922	4,667
Accumulated amortisation and impairment	(2,002)	0	(2,002)
Net carrying amount	743	1,922	2,665

At 30 June 2016			
Cost (gross carrying amount)	3,581	5,549	9,130
Accumulated amortisation and impairment	(1,568)	0	(1,568)
Net carrying amount	2,013	5,549	7,562

Reconciliation

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

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

11. Fair value measurement of non-financial assets

(a) Fair value hierarchy

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total fair value \$000
2017				
Property, plant and equipment (Note 9)				
Land and buildings	0	24,906	0	24,906
	0	24,906	0	24,906
2016				
Property, plant and equipment (Note 9)				
Land and buildings	0	24,274	0	24,274
	0	24,274	0	24,274

There were no transfers between levels 1, 2 and 3 during the period ended 30 June 2017.

(b) Valuation techniques, inputs and processes

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

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

12. Current Liabilities - Payables

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

	2017 \$'000	2016 \$'000
Personnel services payable	321	751
Creditors	10,662	5,684
GST Payable	5	930
Capital expenditure payables	493	122
	11,481	7,487

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

13. Current/Non-Current Liabilities - Provisions

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

(a) Current Provisions

	2017 \$'000	2016 \$'000
Personnel services :		
Annual leave	4,875	5,880
Long service leave	17,012	23,498
Total current provisions	21,887	29,378

Current provisions are expected to be settled, as follows:

	2017 \$'000	2016 \$'000
Before 12 months		
Personnel services	1,339	781
After 12 months		
Personnel services after 12 months	20,548	28,597
Total current provisions	21,887	29,378

(b) Non-current Provisions

	2017 \$'000	2016 \$'000
Personnel services:		
Long service leave	164	61
Defined benefit superannuation liability*	0	110,054
Total non-current provisions	164	110,115

* Refer to note 1 (m)(iv)

(c) Non-current Other Provisions

	2017 \$'000	2016 \$'000
Restoration costs*	289	371
Total non-current other provisions	289	371

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

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

Restoration costs	2017 \$'000	2016 \$'000
Carrying amount at the beginning of the year	371	487
Additional provisions recognised	103	0
Amounts used	(76)	(30)
Unused amounts reversed	(106)	(86)
Unwinding/change in discount rate	(3)	0
Carrying amount at the end of the year	289	371

14. Commitments for Expenditure

(a) Capital commitments

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

	2017 \$'000	2016 \$'000
Not later than one year	2,796	2,493
Later than one and not later than 5 years	1,221	0
Later than 5 years	0	0
Total (including GST)	4,017	2,493

(b) Operating lease commitments

Future non-cancellable operating leases not provided for and payable:

	2017 \$'000	2016 \$'000
Not later than one year	1,129	1,160
Later than one and not later than 5 years	1,764	2,013
Later than 5 years	910	1,064
Total (including GST)	3,803	4,237

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 \$710,957 (\$611,791 in FY 2015-16).

15. Contingent Liabilities and Contingent Assets

Legal Matters

NSW Trustee and Guardian may bear a cost risk of some proceedings which have been concluded on behalf of clients due to adverse verdicts or other court orders. The total estimated cost is approximately \$1.65 million (\$0.44 million in 2015-16) of which \$1.13 million (\$0.16 million in 2015-16) will be recovered from the Treasury Managed Fund.

There were no contingent assets during the year.

16. Budget Review

Net Result

The actual net result is greater than budget by \$38.6 million. This represents a decrease in expenses of \$33.8 million and increase in revenue of \$4.8 million.

Personnel services expense is lower than budget by \$31.7 million resulting from recording of actuarial gain of \$28.7 million on defined benefit superannuation plan not included in the budget, lower redundancy payments of \$6.2 million and an increase in salaries and wages of \$3.3 million due to rescheduling of 2017 and Beyond transformation project milestones. During the year redundancy payments amounting to \$9.0 million were paid to employees attached to NSW Trustee and Guardian as a result of implementing 2017 and Beyond transformation business case. Redundancy payments reimbursed by NSW Treasury are shown as revenue grant.

Other operating expenses are lower than budget by \$2.5 million due to decrease in marketing, consultancy and other fee expenses. Depreciation and amortisation expenses are slightly higher than budget by \$0.4 million.

Revenue is higher than budget by \$4.8 million, mainly due to increases in revenue from commission and fees of \$5.7 million and decrease in government grant of \$1.9 million. The increase in commissions and fees is attributed to new trust management fee income offset by reduction in other commission and fees resulting from the implementation of IPART review. Government grants include an amount of \$3.6 million to meet the estimated gap between revenue and expenditure during transition to the new fee structure, \$9.0 million as reimbursement for redundancy payments and \$0.8 million provided to compensate for increase in rent of NSW Trustee and Guardian offices. The grant to fund redundancy payments is \$6.2 million lower than the budget.

Assets and Liabilities

Total assets exceeded budget by \$15.5 million. Total current assets is higher than budget by \$20.0 million. This represents reduction in long service leave pool balance with NSW Treasury of \$4.0 million and increase in cash balance of \$23.3 million. Total non-current assets decreased by \$4.6 million. This represents reduction in assets of \$20.6 million due to timing differences in the implementation of NSW Trustee and Guardian's capital projects offset by an increase in financial assets of \$16.0 million.

Total liabilities were lower than budget by \$78.9 million. This is mainly due to transfer of defined benefit super liability to the Crown on 31 December 2016. An actuarial valuation of the super fund belonging to members from NSW Trustee and Guardian was undertaken as of 31 December 2016 and as a result an actuarial gain of \$28.7 million was recognised in personnel services cost and the remaining \$81.3 million was transferred to the Crown.

Cash flows

Net cash flow is higher than budget by \$18.6 million.

Cash flow from operating activities is higher than budget by \$12.5 million mainly due to decrease in personnel services and operating expenses of \$7.5 million and increase in revenue receipts of \$5.0 million.

Net cash outflow from investing activities is lower than budget by \$6.1 million mainly due to reduction in capital purchases as capital projects were carried forward to 2017-18. There were no proceeds from sale of investments recognised during the year.

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

	2017 \$'000	2016 \$'000
Net cash used on operating activities	8,499	7,327
Depreciation	(4,872)	(7,180)
Revaluation on TCorp LTGF Investment	5,929	290
(Increase)/Decrease in provisions	117,524	(34,938)
Defined benefit liability transfer to equity	(81,328)	0
Increase/(Decrease) in prepayments and other assets	(8,167)	5,619
(Increase)/Decrease in creditors	(3,664)	(1,085)
Plant and equipment write off	0	(102)
Net Result	33,921	(30,069)

18. Common Fund Assets

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

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

	2017	2016
	\$'000	\$'000
Common Fund - Trustee		
Balance at the beginning of the financial year	1,205,693	1,183,894
Receipts	1,046,337	986,751
Payments	(959,436)	(953,989)
Unrealised gain/(loss) in investments	(11,860)	(10,963)
Balance at the end of the financial year*	1,280,734	1,205,693
Common Fund - Financial Management		
Balance at the beginning of the financial year	1,580,454	1,518,935
Receipts	529,512	608,830
Payments	(551,943)	(499,458)
Unrealised gain/(loss) in investments	56,265	(47,853)
Balance at the end of the financial year*	1,614,288	1,580,454
Total assets	2,895,022	2,786,147

* Unaudited for 2017.

19. Financial Instruments

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

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

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

NSW Trustee & Guardian

(a) Financial instrument categories:

Financial assets	Notes	Category	Carrying amount	Carrying amount
			2017	2016
Class:			\$'000	\$'000
Cash and cash equivalents	6	N/A	29,428	29,237
Receivables ¹	7	Receivables measured at amortised cost	21,584	29,699
Financial assets at fair value	8(a)(b)	At fair value through profit and loss - designated as such upon initial recognition	57,368	51,439

Financial liabilities	Notes	Category	Carrying amount	Carrying amount
			2017	2016
Class:			\$'000	\$'000
Payables ²	12	Financial liabilities measured at amortised costs	11,476	6,557

Notes:

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

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

(b) Credit risk

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

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

NSW Trustee and Guardian has not granted any financial guarantees.

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

Cash

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

NSW Trustee & Guardian

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

Receivables - Trade debtors

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

- Commissions and fees; and
- Sundry debtors.

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

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

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

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

	Total ^{1,2} \$'000	Past due but not impaired ^{1,2} \$'000	Consider ed Impaired ^{1,2} \$'000
2017			
< 3 months overdue	54	54	0
> 3 months < 6 months overdue	42	42	0
> 6 months overdue	44	43	1
2016			
< 3 months overdue	42	42	0
> 3 months < 6 months overdue	19	19	0
> 6 months overdue	32	31	1

Notes:

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

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

(c) Liquidity risk

NSW Trustee & Guardian

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

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSWTC 11/12. For small business suppliers, where terms are not specified, payment is made 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 9.78% (2015-16 - 10.22%)

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 %	Nomina l Amoun t \$'000	Non- interest bearing \$'000	<1 Year \$'000
2017				
Payables				
Personnel services payable	N/A	321	321	321
Creditors	N/A	10,662	10,662	10,662
Capital expenditure	N/A	493	493	493
Total		11,476	11,476	11,476
2016				
Payables				
Personnel services payable	N/A	751	751	751
Creditors	N/A	5,684	5,684	5,684
Capital expenditure	N/A	122	122	122
Total		6,557	6,557	6,557

(d) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which NSW Trustee and Guardian operates and the time frame for the assessment which is until the end of the next annual reporting period. The sensitivity analysis is based on risk exposures in existence at the Statement of financial position date. The analysis is performed on the same basis as 2016. The analysis assumes that all other variables remain constant.

(i) Interest rates risk

NSW Trustee and Guardian does not have interest bearing liabilities.

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

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

	Carryin g Amoun t \$000	-1% Profit \$000	Equity \$000	1% Profit \$000	Equity \$000
2017					
Financial assets					
Cash and cash equivalents	29,428	(294)	(294)	294	294
2016					
Financial assets					
Cash and cash equivalents	29,237	(292)	(292)	292	292

No other financial assets have interest rate risk.

(ii) Other price risk - TCorp Hour Glass facilities

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

Facility	Investment Sector	Investment Horizon	2017 \$'000	2016 \$'000
Hour-Glass Long Term Growth Facility	Cash, Money market instruments, Australian Bonds, Listed Property, Australian, International and Emerging Markets Shares, International Hedged Shares and Multi Asset	7 Years and over	57,368	51,439

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

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

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

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

A reasonably possible change is based on the percentage change in unit price (16% as advised by TCorp) multiplied by the redemption value as at 30 June each year for the investments held in the Hour Glass Long Term Growth Facility, is as follows:

Facility	Change in Unit Price %	Impact on profit/loss	
		2017 \$'000	2016 \$'000
Hour Glass Investment - Long Term Growth Facility	+16%	9,179	8,230
Hour Glass Investment - Long Term Growth Facility	-16%	(9,179)	(8,230)

(e) Fair value measurement

(i) Fair value compared to carrying amount

TCorp Hour Glass facilities 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	2017	2016
	\$000	Total \$000	Total \$000
Financial assets at fair value			
TCorp Hour Glass Investment Facility	57,368	57,368	51,439
	57,368	57,368	51,439

There were no transfers between levels 1, 2 and 3 during the period ended 30 June 2017.

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

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

(f) Committees

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

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

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

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

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

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

20. 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:

	2017 \$'000
Short-term employee benefits:	
Gross wages and salaries	277
Total remuneration	277

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.

Trustee and Guardian, during the year 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 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 the Treasury Managed Fund for workers' compensation insurance and other insurances.
- Lease rental payments made to NSW Government property.
- Service Level Agreement fees, rent, personnel services and other procurement charges paid to Department of Justice.

21. Events after the Reporting Period

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

End of Audited Financial Statements

Appendices

Appendix 1: Obligations Under the GIPA Act

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

Review of proactive release program - Clause 7(a)

NSWTG complies with Section 7 of the GIPA Act by reviewing programs for the release of Government information and identifying the information that can be made publicly available at least every 12 months.

NSWTG's proactive release reflects the information and policies of repeated interest to our clients. NSWTG holds large amount of sensitive and personal client information. NSWTG considers informal release of information wherever possible unless there is a good reason not to disclose.

Part of NSWTG's review of policies and procedures includes formal consideration of whether they should be pro-actively released. Information considered to fall within the guidelines for proactive release is available for download from our website www.tag.nsw.gov.au via the "access to information" tab.

Number of access applications received - Clause 7(b)

During the reporting period, NSWTG received a total of 16 formal access applications (including withdrawn applications but not invalid applications).

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

During the reporting period, NSWTG refused a total of 3 formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. The request for information was instead considered under trustee disclosure obligations and released as an informal request.

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

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media								
Members of Parliament								
Private sector business								
Not for profit organisations or community groups								
Members of the public (application by legal representative)	9		1					
Members of the public (other)	3	1	1			1		

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

Table B: Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	3							
Access applications (other than personal information applications)	9		2			1		
Access applications that are partly personal information applications and partly other		1						

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

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

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	1
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

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

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

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

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	16
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	16

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

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

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

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

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

Appendix 2: Action Plans

Disability

The Disability Action Plan indicators are reported in the Department of Justice Annual Report for 2016-17. 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.

NSW TG Culturally Diverse Communities Action Plan

The Culturally Diverse Communities Action Plan and the Multicultural Services and Programs indicators are reported on in the Department's Annual Report for 2016- 17.

Appendix 3: Carers (Recognition) Act 2010

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

Appendix 4: Code of Ethics and Behaviour

NSWTG is covered by the Department of Justice Code of Conduct and Ethics.

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

Appendix 5: Employment Reporting

The Employment Equity data is reported on in the Department of Justice's Annual Report for 2016-17.

Industrial Relations

A stop work meeting was held on 8 September 2016 from 11.00am to 1.00pm.

The Joint Consultative Committee continues to meet regularly to resolve issues of concern.

Workplace Health and Safety

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

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

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

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

Movement in Salaries 2016-2017

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

Personnel Policies and Practices

NSW TG staff are employed by the Department of Justice under the *Government Sector Employment (GSE) Act 2013*. All employees have rights and obligations as determined by the Department of Justice

Senior Executive Service Positions

As at 30 June 2017, there were eight Senior Executive roles within NSW TG.

Chief Executive Officer, PSSE Band 2

Damon Quinn BA, MA, MBA (Temporary Appointment)

Director, Service Delivery, PSSE Band 1

Jon Greig, BA (Hons), M.Phil

Director, Service Advisory, PSSE Band 1

Tracy Burgess, BBM, EMPA

Director, Legal, PSSE Band 1

Ruth Pollard, LL.B

Director, Business Development and Communications, PSSE Band 1

Megan Osborne, BBus (Mktg), GDipCom (Temporary Appointment)

Director, Financial Performance and Investments, PSSE Band 1

Martin Pengilly, BSc (Hons) and FCA

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

Joan O'Dwyer, B.Ed(Adult). Dip Mgt, Grad Cert Bus (PSMgt)

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

John Chow, BE BMed Sci PhD

Further Senior Executive data is reported on in the Department of Justice Annual Report for 2016-17.

Appendix 6: Significant Committees

Aboriginal Heritage Trust

Carol Coombes, Senior Manager Service Delivery

Alzheimers Australia Prevention of Financial Abuse of Older People Working Party

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

Australian Guardianship and Administration Council

Damon Quinn, Acting CEO, NSW Trustee and Guardian

Graeme Smith, Public Guardian, Public Guardian

Boarding House Expert Advisory Group

Theo Hastings, Assistant Director Operations, Public Guardian

Community Living Consultation Group

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

Criminal Justice Program Reference Group

Theo Hastings, Assistant Director Operations, Public Guardian

Edith Cavill Trust

Carol Coombes, Senior Manager Service Delivery

Elder Law & Succession Committee NSW Law Society

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

End of Life Decisions Policy Advisory Group

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

Financial Abuse of Older People Working Group

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

Financial Services Council – Elder Financial Abuse Working Group

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

Health Guardianship Project Steering Committee (DPC)

John Neely, Senior Manager, Service Delivery, NSW Trustee and Guardian

Theo Hastings, Assistant Director Operations, Public Guardian

Interdepartmental Committee on Ageing and Strategy

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

Integrated Services Project

Theo Hastings, Assistant Director Operations, Public Guardian

Involuntary Drug and Alcohol Program Steering Committee

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

NSW Trustee & Guardian

NSW Government Advertising Peer Review Panel

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

NSW Severe Domestic Squalor Focus Group

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

NSW Steering Committee Prevention of Abuse of Older People

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

Planning for Later Life Forum

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

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

Probate Users Group, Supreme Court

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

Review of Advanced Care Directives (ROAD) Project Working group

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

Trustee Corporations Association

Damon Quinn, Acting CEO, NSW Trustee and Guardian

Upper Hunter Aboriginal Heritage Trust

Damon Quinn, Acting CEO, NSW Trustee and Guardian

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

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

Appendix 7: Key Statutory Compliance Programs

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

GST Compliance

NSWTG met corporate and trustee responsibilities for GST compliance in 2016-17.

Privacy Management

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

Records Management

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

Public Information Disclosures

NSWTG is compliant with requirements under the *Public Interest Disclosures Act 1994*. Information on how to make public interest disclosures is provided to all staff through face to face training, e-learning and policies, procedures and factsheets on the intranet.

Information is also provided to external service providers on how to make disclosures in the NSWTG Statement of Business Ethics provided to all panel service providers for services for NSWTG clients.

	July 2016-June 2017
Number of public officials who made PIDs	0
Number of PIDs received	0
Of PIDs received, number primarily about:	
• Corrupt Conduct	0
• Maladministration	0
• Serious and Substantial Waste	0
• Government Information Contravention	0
Number of PIDs finalised	0

Appendix 8: Payment Performance Indicators 1 July 2016 to 30 June 2017

NSW Trustee and Guardian Payment Performance

Quarter	Current \$'000	Less than 30 days overdu e \$'000	Between n 30 and 60 days overdu e \$'000	Between n 61 and 90 days over due \$'000	More than 90 days overdue \$'000
All suppliers					
September	6,755	0	0	0	0
December	4,969	24	0	0	0
March	8,607	124	0	0	0
June	8,257	47	0	0	0
Small business suppliers					
September	154	0	0	0	0
December	157	5	0	0	0
March	98	4	0	0	0
June	161	0	0	0	0

Measure	Sep 16	Dec 16	Mar 17	Jun 17
All suppliers				
Invoices due for payment (#)	1,297	1,073	608	706
Invoices paid on time (#)	1,296	1,065	591	698
Actual percentage of invoices paid on time (based on number of invoices)	99.9%	99.3%	97.2%	98.9%
Amount due for payment (\$'000)	6,755	4,992	8,731	8,304
Amount paid on time (\$'000)	6,755	4,969	8607	8257
Actual percentage of invoices paid on time (based on \$)	100.0%	99.5%	98.6%	99.4%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0
Small business suppliers				
Invoices due for payment (#)	36	49	33	46
Invoices paid on time (#)	36	48	31	46
Actual percentage of invoices paid on time (based on # of invoices)	100%	98.0%	93.9%	100%
Amount paid on time (\$'000)	154	157	98	161
Amount due for payment (\$'000)	154	162	101	161
Actual percentage of invoices paid on time (based on \$)	100%	97.0%	96.5%	100%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0

Public Guardian Payment Performance

Quarter	Current \$'000	Less than 30 days overdu e \$'000	Between n 30 and 60 days overdu e \$'000	Between n 61 and 90 days over due \$'000	More than 90 days overdue \$'000
All suppliers					
September	463	0	0	0	0
December	463	1	0	0	0
March	406	0	0	0	0
June	415	12	0	0	0
Small business suppliers					
September	2	0	0	0	0
December	0	0	0	0	0
March	0	0	0	0	0
June	2	0	0	0	0

Measure	Sep 16	Dec 16	Mar 17	Jun 17
All suppliers				
Invoices due for payment (#)	185	156	132	126
Invoices paid on time (#)	185	155	132	122
Actual percentage of invoices paid on time (based on number of invoices)	100.0%	99.4%	100.0%	96.8%
Amount due for payment (\$'000)	463	464	406	428
Amount paid on time (\$'000)	463	463	406	415
Actual percentage of invoices paid on time (based on \$)	100.0%	99.8%	100.0%	97.1%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0
Small business suppliers				
Invoices due for payment (#)	3	0	0	2
Invoices paid on time (#)	3	0	0	2
Actual percentage of invoices paid on time (based on # of invoices)	100%	100%	100%	100%
Amount paid on time (\$'000)	2	0	0	2
Amount due for payment (\$'000)	2	0	0	2
Actual percentage of invoices paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0

Appendix 9: Generic Disclosures

Consultants

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

Credit card certification

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

Land disposal

There were no property disposals in 2016-17.

Overseas Travel

During the reporting period Dr John Chow, Mr Martin Pengilly and Mr David Hansen visited the Public Trustee in New Zealand. They were absent from Sunday 19 March, 2017 (pm), until Monday 20 March, 2017 (pm).

Appendix 10: Client Access to Services

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

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

Bathurst

230 Howick Street,
Bathurst NSW 2795
Plan Ahead and other Outreach Services



Ph: (02) 6324 5000
Fax: (02) 8688 9784
tagbathurst@tag.nsw.gov.au

Port Macquarie

Shop 2, Centreport 114 William Street,
Port Macquarie NSW 2444
Plan Ahead and other Outreach Services



Ph: (02) 5525 2400
Fax: (02) 8688 9723
tagportmacquarie@tag.nsw.gov.au

Client Specialist Centre - Managed Client Services

66 Wentworth Avenue
Surrey Hills NSW 2010
Cash facilities available
Ph: 1300 320 320

Sydney City

19 O'Connell Street,
Sydney NSW 2000
Plan Ahead and other Outreach Services
Ph: (02) 9252 0523
Fax: (02) 8688 9724
tagsydneycentral@tag.nsw.gov.au

Lismore

6 Zadoc Street,
Lismore NSW 2480
Plan Ahead and other Outreach Services



Ph: (02) 6621 8677
Fax: (02) 8083 9111
taglismore@tag.nsw.gov.au

Wagga Wagga

176 Baylis Street
Wagga Wagga NSW 2650
Plan Ahead and other Outreach Services



Ph: 02 6932 7800
Fax: 02 8688 9726
tagwagga@tag.nsw.gov.au

Newcastle

158 King Street,
Newcastle NSW 2300
Plan Ahead and other Outreach Services



Ph: (02) 4926 4000
Fax: (02) 8083 9283
tagnewcastle@tag.nsw.gov.au

Wollongong

59 Market Street,
Wollongong NSW 2500
Plan Ahead and other Outreach Services



Ph: (02) 4229 6511
Fax: (02) 8688 9727
tagwollongong@tag.nsw.gov.au

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NSW Trustee & Guardian

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