



NSW Trustee
& Guardian



Annual Report
2021-22

Acknowledgement of Country

We acknowledge the Traditional Custodians of the lands throughout New South Wales and recognise their ongoing connections to land, sea, culture, and community. We pay our respects to Elders past, present and emerging.



Yuranha Bulabul
Dylan Barnes
 Grow Together, 2018

Promoting inclusiveness and our cover art

During 2021-22 we sponsored Arts Activated, a national forum for arts, culture and disability that looked at the intersection of disability and the arts. One of the organisations that presented at the forum was studio A who supports artists with intellectual disability to develop and make a living as a professional artist. Their support includes helping the artists navigate the complexities of working in the arts and setting up opportunities for networking.

Our sponsorship of the forum reflected our efforts in supporting the wishes and ambitions of customers with disability.

We showcased the works of studio A artists in our International Day for People with Disability event. This was part of our work to promote the importance of an inclusive community and the fact that the talents of people with disability enrich our lives.

The artistic work on the cover of the Annual Report is by Catherine McGuinness one of the artists represented by studio A.



Catherine McGuinness
 Pelican on a Bench, 2020

studio A



NSW Trustee
& Guardian

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

Dear Attorney General

I am pleased to submit NSW Trustee & Guardian's 2021-22 Annual Report including the audited financial statements for presentation to the NSW Parliament. The Annual Report summarises the performance and activities of NSW Trustee & Guardian in carrying out the functions of the NSW Trustee, Public Guardian and the Commissioner of Dormant Funds.

The Annual Report has been prepared in accordance with the *NSW Trustee and Guardian Act 2009*, *Annual Reports (Statutory Bodies) Act 1984* and the *Government Sector Finance Act 2018*.

After the report is presented to Parliament, it will be available for public access on NSW Trustee & Guardian's website.

Yours sincerely

C. Cuddihy

Caroline Cuddihy
Chief Executive Officer
NSW Trustee & Guardian

Parramatta Branch

▪ DX 1335 Sydney

ABN 63 764 821 435

▪ Justice Precinct Office, Ground Floor, 160 Marsden St Parramatta 2150

▪ Ph 02 8688 2600

▪ Locked Bag 5115 Parramatta NSW 2124

▪ Fx 02 8688 9785

▪ Please quote our reference in your reply ▪

www.tag.nsw.gov.au

Contents

Overview	1
From our Chief Executive Officer	3
2021-22 at a glance	4
About NSW Trustee & Guardian	5
Our Executive Leadership Team	9
Organisation structure	10
Our Strategy 2019-25	12
Our customers	15
Review of operations	18
Customer feedback and response	49
Legislative change, judicial decisions, reviews and inquiry submissions	54
Information technology	56
Financial performance	57
Oversight and governance	61
Workforce	64
Multicultural policies and services and Disability Action Plan	67
Access to information and privacy	68
Future plans	69
Appendices	70
Audited Financial Statements	78
Index	128
Access and contact	129

Overview

The NSW Trustee & Guardian Annual Report for 2021-22 outlines our activities and performance in carrying out the functions of the NSW Trustee, the Public Guardian and the Commissioner of Dormant Funds during the year.

It also contains our financial statements for 2021-22. The financial statements have been audited by the Audit Office of New South Wales.

The Annual Report also includes case studies that illustrate some of our work. Names and locations have been changed to maintain customer confidentiality.

Our Annual Reports are published on our [website](#) after being tabled in the NSW Parliament by the Attorney General.

We use our [website](#) and social media channels to publicise and promote the availability of our Annual Report.

A hardcopy can be provided on request by calling 1300 109 290 and speaking to the Customer Resolutions Coordinator or by emailing tagmail@tag.nsw.gov.au.

The only external cost in producing the annual report was a \$550 licence fee for use of the artistic work on the cover.





From our Chief Executive Officer



I am pleased to present my first Annual Report as Chief Executive Officer of NSW Trustee & Guardian outlining the breadth and depth of our work and results in achieving our purpose of protecting, promoting, and supporting the rights, dignity, choices and wishes of customers.

We do this by providing support and making decisions at critical moments in customers' lives as an independent and impartial executor, attorney, trustee, guardian, manager and advocate.

Demand for and the complexity of providing services to customers continued to grow in 2021-22. This is being compounded by changes in community expectations of our services.

To help address these issues, the NSW Government announced an additional \$41.5 million in funding over four years for our financial management and guardianship services in the 2021-22 State Budget.

The additional funding to invest in service improvement initiatives, along with amendments to some of our regulated fees, has provided us with a unique opportunity to redesign and better resource our services to be more responsive and tailored to customer's circumstances. In re-designing our services, we are building on what was working well and improving what customers and stakeholders have told us we can do better.

At the same time we, along with the whole community, faced the COVID-19 pandemic which resulted in safety protocols and restrictions being

placed on our movements. Floods impacted customers and staff across the state. In response we adapted our service delivery and engaged with our customers online, where possible our staff adapted to working from home and we provided support and emergency payments for customers.

We have also continued to respond to changes arising from the work of the Aged Care and Disability Royal Commissions.

Importantly, I thank our valued customers from across all areas of our state for their adaptability, communication and support throughout the year. A key pillar of *Our Strategy* is to improve our customer service. We value your feedback which informs how we can improve what we do for you.

I thank all staff for their resilience, commitment and courtesy in helping and supporting customers and each other. Their commitment enabled us to continue to deliver critical services throughout the year, through implementation of new initiatives and challenges. It is pleasing to note that courtesy and helpfulness and customers' confidence that their money and assets are safe were again among the highest rated factors in this year's customer satisfaction surveys.

I acknowledge and thank Megan Osborne, who acted as Chief Executive Officer from 1 July 2021 until I commenced in the role on 1 August 2022, and the Executive Leadership Team. Under Megan's leadership the agency achieved a number of significant milestones that advanced our work to put customers at the centre of everything we do. I welcome her back to her role as NSW Public Guardian.

As we head into 2022-23, I am excited by the opportunities we are progressing together to improve the services we provide and the outcomes we achieve to protect, promote and support the rights, dignity and choices of customers.

C. Cuddihy

Caroline Cuddihy
Chief Executive Officer

2021-22 at a glance

The following table provides a snapshot of the scale and complexity of services we provided to customers during 2021-22.

During 2021-22:

we provided services to

49,000+

customers



At 30 June 2022 we were managing



12,848

planning ahead
documents executed

353

vehicles sold,
purchased or transferred



\$7.5 billion

customer assets



2.3 million

transactions worth

\$3.4 billion

processed for customers



37,000+

customer matters



10,719

guardianship
decisions made



504

properties were
sold or purchased



1,885

vehicles



4,097

medical consents
provided



\$47.7 million

paid from proceeds of sale of
restrained & forfeited property

2,922

properties



69

community
education events held



5,530

tax returns prepared



\$4.2 million

in discounts & subsidies for
people with limited income
and assets

5,550

financial plans/
records of advice
developed or reviewed



We were also holding

457,000+

instruments

28,000+

documents & personal items

About NSW Trustee & Guardian

We protect, promote and support the rights, dignity, choices and wishes of customers by supporting the Chief Executive Officer and the Public Guardian to carry out the statutory functions of the NSW Trustee, the Public Guardian and the Commissioner of Dormant Funds.

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

Our purpose is

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

We do this by

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

Because we are

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

As NSW Trustee we may be appointed to act as:

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

We also provide information, authorisation, direction and support to private financial managers.

In addition, we:

- manage restrained and forfeited assets and pay the proceeds from realisation of those assets to NSW Treasury
- manage victim support payments for people who were either under 18 years of age or could not be located at the time the application for support was granted
- hold funds on an 'at-call' basis in our common funds as directed by courts
- act as nominal title holder of all assets of the people of New South Wales from the time of their death until grant of probate or administration.

We draft Will, Power of Attorney and Enduring Guardianship instruments and educate the community about the importance of having these documents in place.

As part of the functions of the Public Guardian we can be appointed as guardian of last resort. As guardian, we make substitute decisions for customers and advocate for the services and supports they need.

The Public Guardian also provides:

- information and referrals to people appointed as private and enduring guardians
- information to the community on guardianship and the alternatives.

As an agency we advocate on behalf of people who have a guardianship or financial management order in relation to individual and systemic issues that impact their legal rights and entitlements. This includes making submissions to government inquiries and reviews and providing advice on relevant government policy and legislation and law reform.

The role of Commissioner of Dormant Funds is to:

- determine whether property held by trustees for charitable purposes or for any purpose of a public character is dormant
- draft proposals for use of that property for approval by the NSW Attorney General.

Our legal framework

Our legal framework enables, supports and governs our role and the services we provide to customers.

We are constituted under the *NSW Trustee and Guardian Act 2009*. The statutory functions of the NSW Trustee and the Commissioner of Dormant Funds are carried out by the Chief Executive Officer.

The statutory functions of the Public Guardian are carried out by the NSW Public Guardian.

We are a predominantly self-funded government agency. Our main source of revenue is the fees, commissions and charges for managing customer assets and delivering financial management, Wills and Estate Planning, estate and trust administration and powers of attorney services. We also receive interest on investments of our agency funds. This revenue is supplemented by community service obligation funding and a grant for services provided to the Public Guardian.

These functions and how they are to be carried out are set out in the:

- *NSW Trustee and Guardian Act 2009* and *NSW Trustee and Guardian Regulation 2017*
- *Guardianship Act 1987* and *Guardianship Regulation 2016*
- *Dormant Funds Act 1942* and *Dormant Funds Regulation 2014*.

Our role as a decision maker

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

In our role as financial manager and as guardian, we act as a substitute decision maker for a person who does not have the ability to make decisions on their own or with support. These decisions have the same effect as if the person had made that decision themselves.

We make substitute decisions for customers in accordance with the principles set out in the *NSW Trustee and Guardian Act 2009* and *Guardianship Act 1987*.

When acting as attorney, executor, administrator or trustee we act in the best interests of the beneficiaries in accordance with the terms of the Will, deed, court order or Power of Attorney and relevant laws.

Separation of responsibility for decision making

Where customers receive multiple services or interact with us in multiple ways, we ensure that, where appropriate, there is separation of responsibility for decision-making. For example, health and lifestyle decisions are made by the Public Guardian while financial decisions are made by the NSW Trustee.

Ensuring these decisions are made independently of each other means one person is not responsible for making decisions about all aspects of a customer's life.

We also separate responsibility for making decisions from responsibility implementing that decision.

We have a fiduciary relationship with customers. This means we undertake to act for, on behalf of or in the interests of the customer when making decisions that will affect their legal interests. It also means we have additional duties and responsibilities that are greater and go beyond those in a typical transaction-based customer relationship.

Reviews of our decisions

The legislation governing our financial management and guardianship services provides customers with the right to seek internal reviews of significant decisions we make for them. The legislation also includes the right for customers to seek an independent external review of decisions through the Administrative and Equal Opportunity Division of the NSW Civil and Administrative Tribunal.



Supporting financial management and guardianship customers who want greater independence to make their own decisions

As financial manager and guardian our role is to act as a substitute decision maker. These decisions have the same effect as if the person had made those decisions themselves.

We also respect and promote supported decision making for customers who would like more independence or to make their own financial, health and lifestyle decisions.

While many factors can influence how someone makes decisions, providing support or making reasonable adjustments to meet their needs is the key to building their capability to make their own decisions. To achieve this, we work with customers who want greater independence as well as their family, supports and service providers to determine the support they need.

Courtney's progress to greater financial independence

Courtney is 30 years old and lives with intellectual disability. The NSW Trustee is appointed as her financial manager.

Courtney wanted to gain more financial independence. Working with her customer service officer, Courtney undertook to manage her water and gas bills on a trial basis. As part of the trial she set up direct debits and ensured her bills were paid on time. After further consultation with her customer service officer at the end of that trial, Courtney has now taken another step towards greater independence by commencing a trial of managing her pension.

This is a significant step because the pension is Courtney's main source of income.

Throughout the trial her customer service officer is following up with her and available to provide support where, and if, she needs it.

Arnold wants to make more of his own decisions with support from those around him

Arnold is 35 years old and lives with an intellectual disability. The Public Guardian is appointed as his guardian with authority to make decisions about his accommodation.

Arnold lives in supported accommodation and told his guardian that he would like to be able to stay overnight at his family home on a weekly basis to be closer to his parents.

We worked with Arnold and the key people in his life to determine if this was possible. This included looking at what was important to Arnold and the supports he had available to him in relation to his supported accommodation and while staying at his parents' house.

We found that Arnold's supports did meet his needs and that he could be supported to make his own decisions about his accommodation and staying at his parent's house. As a result, we lodged an application for a review of Arnold's guardianship order. The application included a recommendation that he no longer needed a guardian to make decisions about his accommodation as he could make those decisions with the supports available to him.

The Guardianship Division of the NSW Civil and Administrative Tribunal accepted our recommendation and amended Arnold's guardianship order accordingly.

Supporting customers to gain greater independence to make their own decisions is an integral part of our new operating models (page 21).

During 2021-22 we participated in a policy roundtable hosted by the Disability Royal Commission that discussed proposals to reform decision making for customers with a financial management or guardianship order. Further information is provided on [page 55](#).

Our Executive Leadership Team

The Executive Leadership Team, led by the Chief Executive Officer, provides leadership and sets the direction of the agency. They are responsible for monitoring progress of *Our Strategy 2019-25* and ongoing management of the organisation and routinely draw on the expertise of staff and Advisory Committees to inform their decisions.

At 30 June 2022 the Executive Leadership Team were:



Chief Executive Officer
Megan Osborne (acting)
BBus (Mktg), GDipCom



Public Guardian
Anna Gauci (acting)
BaAppSc
Occupational Therapy



**Director,
Customer Experience**
Madeleine Robertson
BDes (Visual Communications)
UTS



**Director,
Estate Management**
Deb Simpson
GCertMgt, DipCommServ



**Director, Estate
Planning & Administration**
Matthew Kennedy (acting)



**Executive Director, Financial
Performance & Investments**
Michael Sibelja (acting)
MEc, CA, AGIA ACIS



**Director, Information
& Technology**
David Watterson



**Director, Legal &
Professional Services**
Ruth Pollard
LL.B Uni. Syd



**Director, Strategy,
People & Governance**
Michelle Batterham,
BAppSc, PMIA,
AdvDipLegalStuds



Chief Executive Officer
Caroline Cuddihy
Bach App Sc, MBA,
G.A.I.C.D, FGIA

Caroline commenced as Chief Executive Officer on 1 August 2022 following her appointment by the NSW Governor. At that time, Megan Osborne returned to her role as Public Guardian.

Organisation structure

Our organisation structure and the functions carried out within each division are shown on the following page.

While the Public Guardian reports administratively to the Chief Executive Officer, all decisions they make relating to people with a guardianship order as part of their statutory functions are made independently of this reporting line.

We have two independent committees to provide advice and assurance. Both committees have charters developed in accordance with NSW Treasury guidelines that provide a framework for how they operate.

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance to the Chief Executive Officer that we have a sound and efficient system of internal control by monitoring, reviewing and providing advice about our governance processes, risk management and control frameworks and our external accountability obligations.

The committee meets quarterly in March, June, September and December. Additional meetings for specific purposes are held as needed. The members of the committee at 30 June 2022 were:

- Julie Elliott (Chair) has a diverse commercial background with over 35 years of experience in senior management positions in global corporations. She also has board chair and committee member roles for public and private organisations. Julie is also a member of the Independent Investment Advisory Committee.
- Stephen Horne is a leading figure in internal audit and governance and is currently a member of a number of public sector audit and risk committees. This is complemented by extensive experience with the Audit Office of NSW and the Institute of Internal Auditors.

- Elizabeth Carr serves as a member and chair on a number of New South Wales and West Australian public sector audit and risk committees and is a recipient of the Order of Australia for significant service to the community. She holds a number of board positions in the private, non-profit and education sectors and has held senior executive management positions in technology, finance and government.

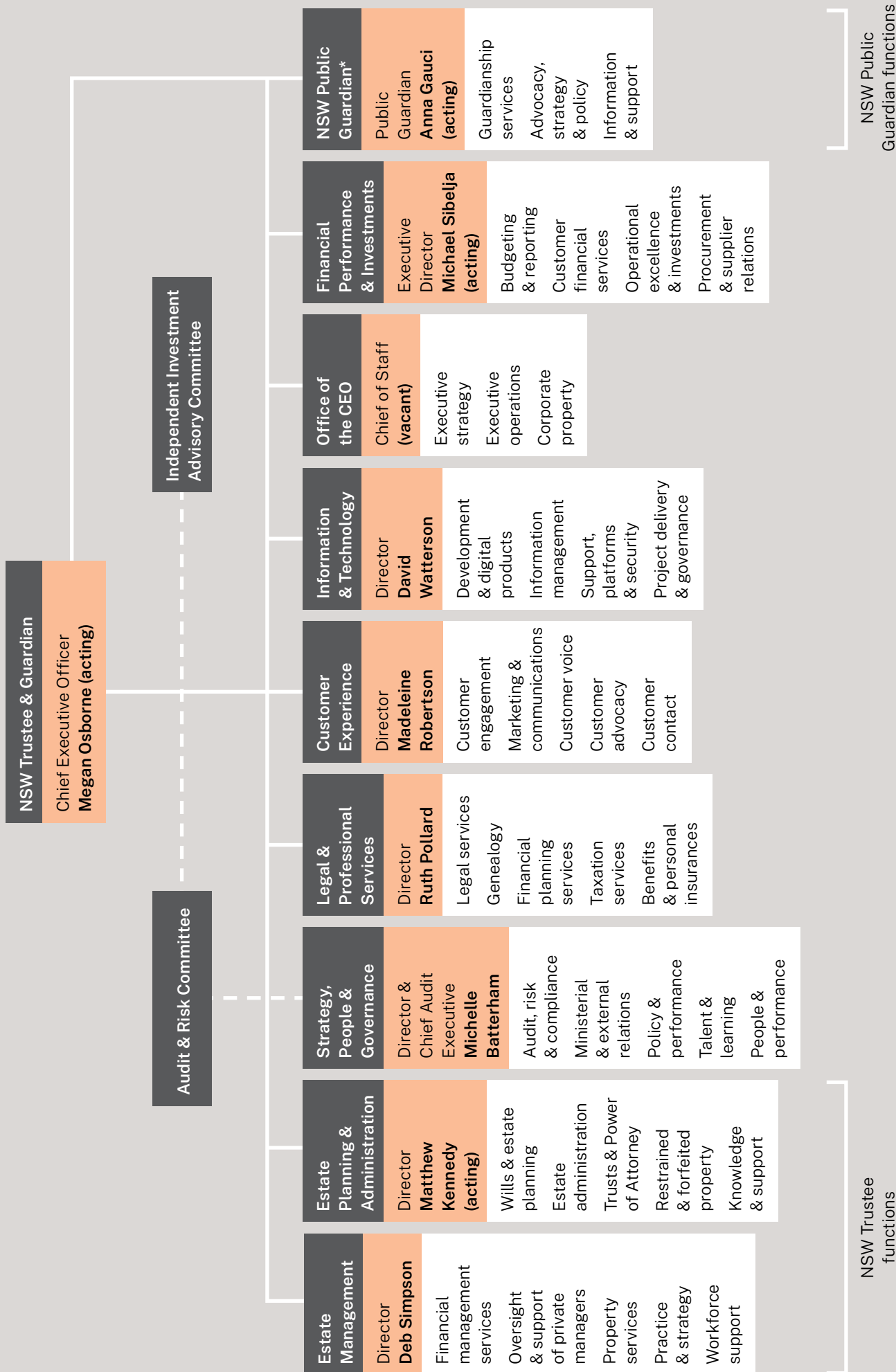
Independent Investment Advisory Committee

The Independent Investment Advisory Committee monitors, reviews and advises the Chief Executive Officer on issues relating to customer investments and our corporate investment portfolio. This includes reviewing policies, providing oversight and recommending strategies for the management of investments.

The committee meets quarterly in February, May, August and November. The members of the committee at 30 June 2022 were:

- David Hartley (Chair) has over 30 years investment experience in executive capacities, including Chief Investment Officer at Sunsuper until 2015.
- Andrew Buchanan was a prominent broadcast programmer and General Manager with ABC Local Radio and International Affairs. He also has experience working with organisations advocating for people with disabilities.
- Julie Elliot has a diverse commercial background with over 35 years of experience in senior management positions in global corporations. She also has board chair and committee member roles for public and private organisations. Julie is also chair of the Audit and Risk Committee.
- Jim Kalotheos represents NSW Treasury where he is Director - Assets in the Financial Risk Management branch.

Our organisational structure at 30 June 2022



*The NSW Public Guardian reports to the Chief Executive Officer but makes decisions relating to their statutory functions under the *Guardianship Act 1987* independently.

Our Strategy 2019-25

***Our Strategy* helps us achieve our purpose of protecting, promoting and supporting the rights customers. *Our Plans*, which form part of *Our Strategy*, are roadmaps to guide us in responding to changes in who our customers are and what they need and expect from us as well as changes in our operating environment. It also helps ensure our services are consistent with NSW Government priorities and policy direction.**

While the environment we work in has changed dramatically since *Our Strategy* was launched in 2019, our objective to make improvements that ensure we provide trusted and customer-centred financial management, guardianship and trustee services in a financially sustainable way has remained the same.

A mid-point review of *Our Strategy* during 2021-22 found it provided the flexibility to add and refine initiatives as our operating environment and priorities have changed, while continuing to work towards our purpose. It also found that our purpose and strategic goals continue to be an

appropriate lens we can use to make decisions around our priorities from now until 2025 to address changes in who our customers are and what they need and expect from us.

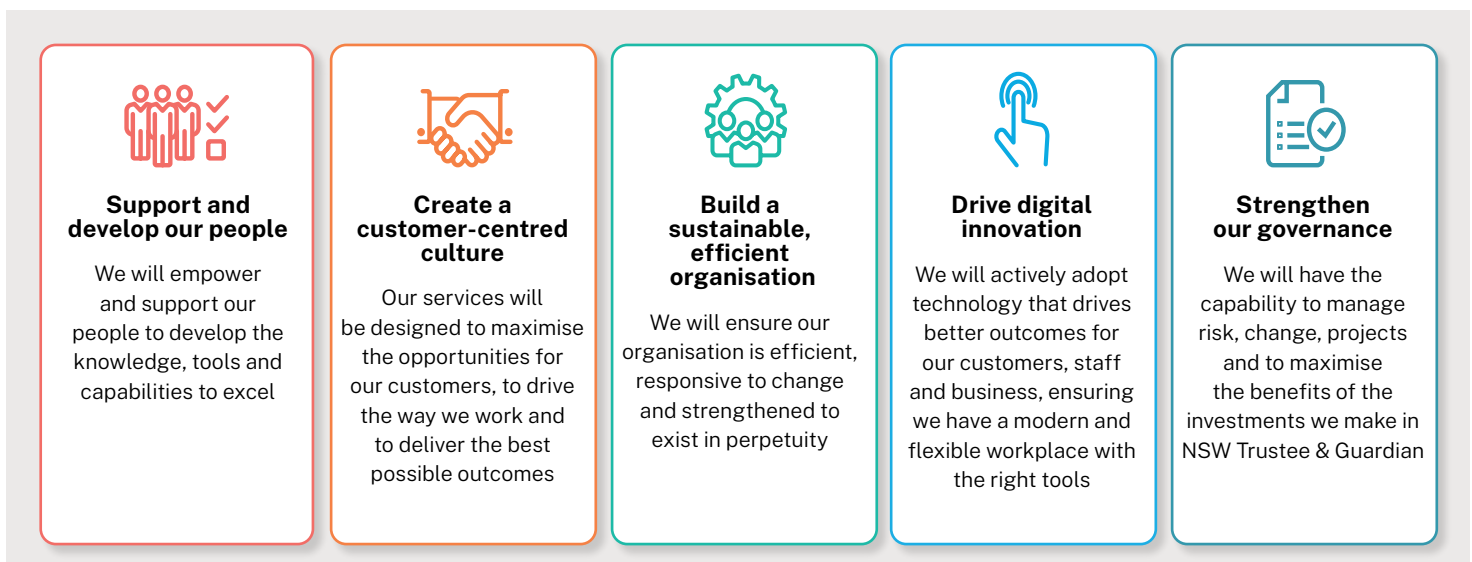
Progress in 2021-22

In 2021-22 we have made significant progress towards our objectives and are seeing the benefits of that work. One of the most significant priorities for the year was the redesign of our operating models for providing guardianship, financial management and Wills and estate planning services as well the operating model for our customer experience functions. A summary of our achievements in 2021-22 is shown on [page 14](#).

Linkages to State Outcomes and Premier's Priorities

Our expenditure is reported in the NSW Budget as a program within the efficient and effective legal system State Outcome.

Figure 1: *Our Strategy*



Our customers include some of the most vulnerable people in New South Wales. We promote their wellbeing and help ensure they and their families are free from the risk of harm, abuse, exploitation and neglect.

Our services also help reduce negative outcomes for customers such as entry into the criminal justice system, homelessness or living without appropriate supports.

Avoiding these negative outcomes benefits customers and reduces the flow on effect to other government agencies and organisations who may be relied on to provide support and services. It also contributes to better outcomes for the community.

Our work supporting customers participating in the National Disability Insurance Scheme contributes to improving their wellbeing and promotes their social participation.

As a result, our services also contribute to achieving the active and inclusive communities and the children and families thrive State Outcomes.

Our objective to provide trusted, customer centred services in a financially sustainable way is supporting the government made easy and world class public service Premier's Priorities.

Figure 2: Our Customer Excellence Principles

Our Customer Excellence Principles reflect how we want to deliver services to customers and help guide us in achieving our goal of creating a customer-centred culture.

They also help ensure the changes we implement as part of *Our Strategy* meet the needs of our customers and deliver the best possible outcomes available to them.



Insightful

Customers receive expert, clear and helpful advice informed by best practice.



Empathy

Customers are treated with respect and courtesy. Their feelings and situation are acknowledged and considered.



Convenient and timely

Customers receive efficient advice and service at a place and time convenient for them.



Personalised

Customers receive individualised service tailored to their needs.



Value

Customers are confident that they receive good value – service is effective, efficient and appropriate for their needs.



Overall Satisfaction

Customers are highly satisfied with the service they receive.

Our achievements 2021-22

Goal	Achievement
 Support and develop our people	<ul style="list-style-type: none"> Implemented a new approach to recruitment and advertising roles to provide staff with early notification of job opportunities (page 24). Launched new onboarding and induction processes to assist staff and make them feel valued and welcomed (page 24). Improved processes and reporting to support our people. For example, making it easier to request a workplace adjustment or additional support during their probation period (page 24). Implemented a professional development register to provide staff with the opportunity to develop their skills and experience by registering for a temporary role (page 24).
 Create a customer-centred organisation	<ul style="list-style-type: none"> Designed new operating models to better align service delivery to customer needs (page 21). Courtesy and helpfulness of staff are the highest rated factors in this year's customer satisfaction surveys (page 49). Developed and strengthened external relationships to improve outcomes for customers (page 26).
 Build a sustainable, efficient organisation	<ul style="list-style-type: none"> Commenced recruitment of over 120 additional staff to improve services to customers and reduce capacity constraints (page 24). Launched a new legal practice management system to improve case management and internal processes (page 56). Implemented changes to some of our fees that better reflect the cost to serve (page 18).
 Drive digital innovation	<ul style="list-style-type: none"> Continued enhancing information technology systems to improve reliability, strengthen cyber security and increase functionality (page 56). Launched a new intranet to improve information sharing and access to important information for staff for better delivery of services to customers (page 56).
 Strengthen our governance	<ul style="list-style-type: none"> Developed a new Internal Reporting Policy and Procedure which encourages and supports staff to report suspected wrongdoing (page 62). Developed a new fraud and corruption control plan which outlines our strategies, actions and measures utilised to minimise and mitigate fraud concerns (page 62). A new framework guides how we manage requests for advice about conduct, behaviour and allegations of wrongdoing (page 62).

Our customers

Our customers are from across New South Wales and include some of the most vulnerable people in the community.

For the majority of customers, we have been appointed by a court or tribunal as their financial manager, guardian or trustee. This means they have not chosen us to be their service provider. Other customers (for example Wills and estate planning customers) have chosen us as their service provider.

Regardless of the basis of our appointment, our commitment for each customer is to use our expertise and understanding of their needs, best interests, preferences, circumstances and the legal framework to deliver outcomes that uphold their rights, dignity, choices and wishes.

Growth in customers

Demand for our services continues to increase, particularly for financial management and guardianship services. Figure 3 shows this growth for the 10 years to 30 June 2022 for financial management, private management and guardianship services.

Growth in customers in the 10 years to 30 June 2022:

- 33% increase in total customers
- 26% increase where the NSW Trustee is appointed as financial manager
- 97% increase where a member of the community is appointed as financial manager
- 84% increase where the Public Guardian is appointed as guardian.

Customers served

The number of customers for the 5 years to 30 June 2022 is shown in table 1.

We onboard new customers and finalise matters where the customer has died, their order was revoked or lapsed or administration was completed.

This means the number of customers we provide services to over the course of a year is much higher than the number of customers at 30 June 2022. For example in 2021-22, we provided services to over 49,000 customers with just under 38,000 of those customers being current at 30 June.

Figure 3: Growth in customer numbers

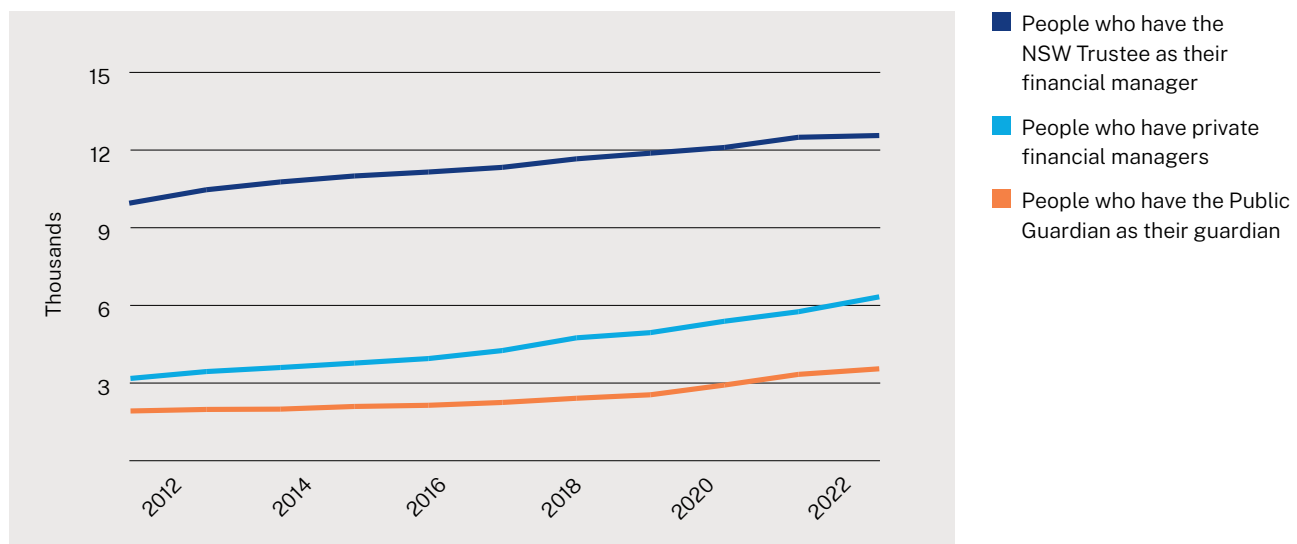
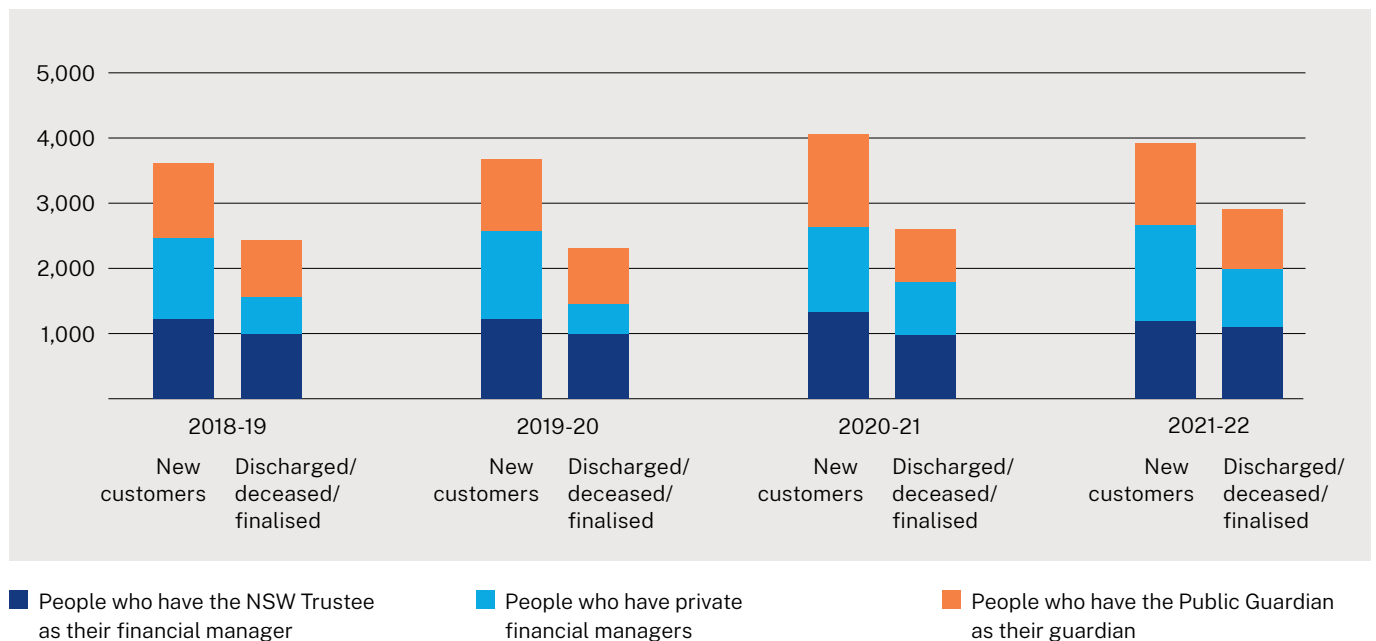


Figure 4: Change in financial management, private management and guardianship customers

Customers numbers at 30 June 2022

Customer numbers for the five years to 30 June 2022 are summarised in table 1.

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

	2018	2019	2020	2021	2022
People who have NSW Trustee as their financial manager	11,661	11,880	12,100	12,494	12,556
People who have private financial managers	4,747	4,948	5,388	5,756	6,283
People who have the Public Guardian as their guardian	2,413	2,547	2,923	3,336	3,533
Deceased estate administration	5,301	4,932	5,083	5,253	5,338
Trusts	8,446	8,303	8,442	8,171	8,806
Restrained & forfeited property	146	142	186	221	221
Court investments	584	640	603	677	721
Power of Attorney	294	281	276	249	231
Customers at 30 June	33,592	33,673	35,001	36,157	37,689
Planning ahead documents drafted and executed in year to 30 June	13,302	13,963	14,441	14,829	12,848

¹Customers who receive multiple services are counted as part of each service. For example, people who have the NSW Trustee appointed as their financial manager and the Public Guardian as their guardian are counted as a customer of each service.

²Prior to 2019 the number of people under a financial management order where a private manager is appointed and the number of people under a guardianship order who have the Public Guardian appointed as their guardian included customers where we were finalising the matter after the person's death or where their order had lapsed or been revoked. From 2019 these customers have been reported separately. This is consistent with numbers reported for customers where the NSW Trustee is appointed their financial manager.

Figure 4 shows the number of financial management, private management and guardianship customers we onboarded and the number of matters we finalised where the customer had died of their order was revoked or lapsed for the four years to 30 June 2022.

The fact that in each of these years we have onboarded more matters than we finalised provides another illustration of the growing demand for our services.

Customer profile

The graphs below show the disabilities financial management and guardianship customers live with and their age profile. For both customer groups:

- 51 to 75 year olds are the largest age grouping
- psychosocial and intellectual are the most common disabilities customers live with.

Figure 5: Age profile – financial management and guardianship customers

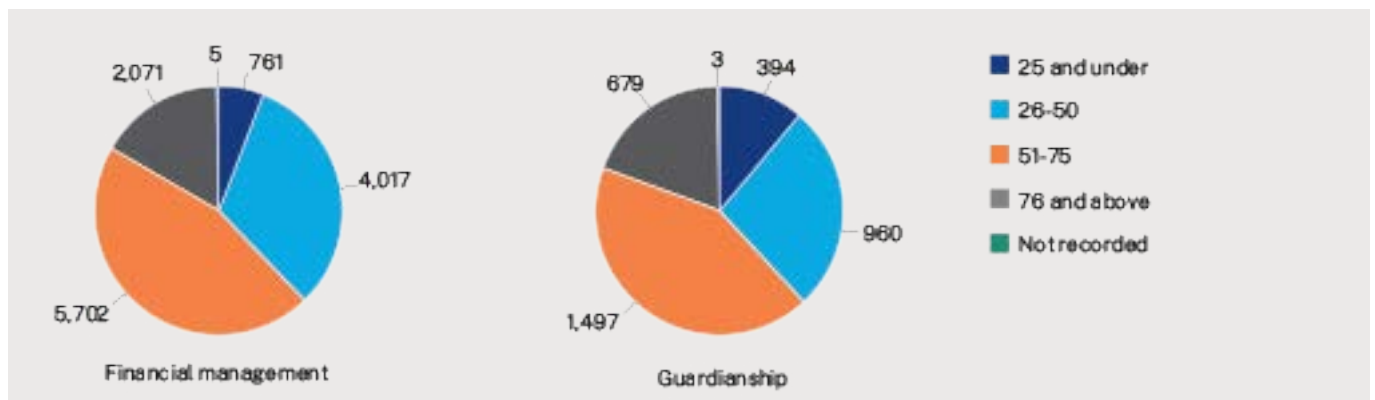


Figure 6: Disabilities customers live with – financial management and guardianship customers

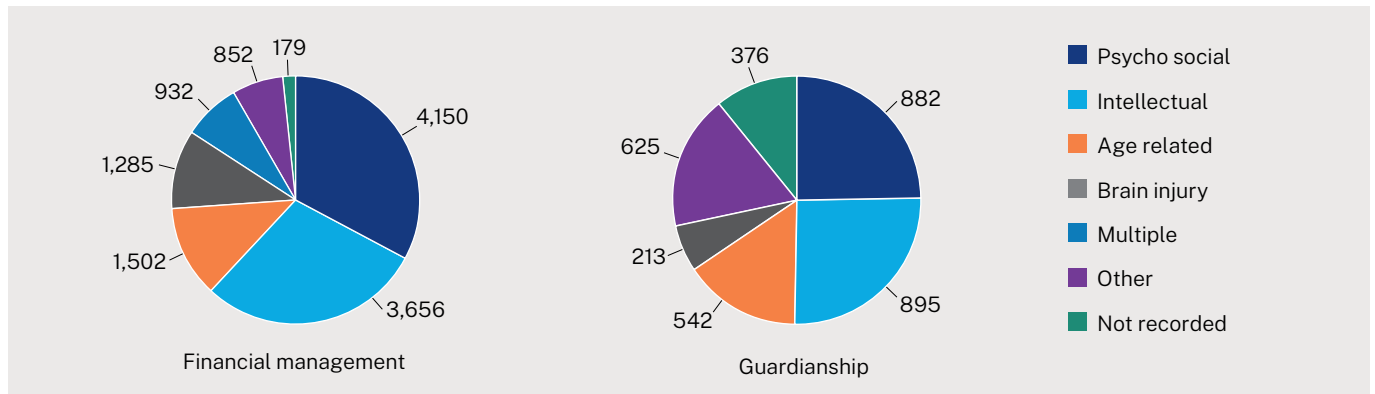
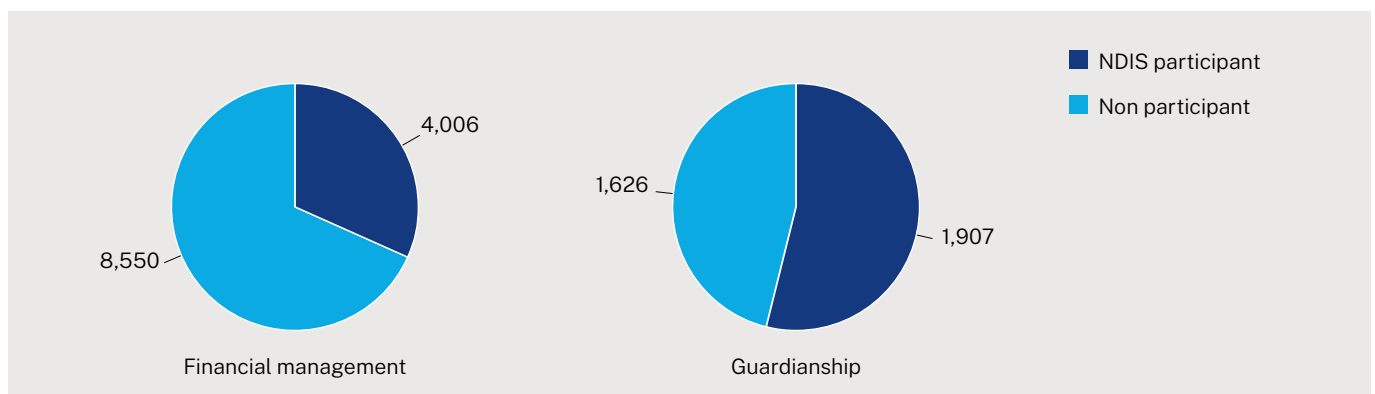


Figure 7: NDIS participation – financial management and guardianship customers



Review of operations

During 2021-22, we have continued to see the impact of the changes in our customer base and what they need and expect from us as well as changes in our operating environment.

In addition, the environmental and social challenges arising from COVID-19 required flexibility to adapt and think about alternative ways of providing services to support customers. We also supported customers impacted by the NSW floods.

Another focus of our operations in 2021-22 was redesigning our services to be more responsive to customer needs. This opportunity has been provided by the \$41.5 million in additional funding over four years for guardianship and financial management services announced in the 2021-22 State Budget and the approved changes to fees.

External factors impacting our operations

Growth in demand for our services and the increase in the complexity involved in providing services continued to impact our operations. The increase in complexity can be attributed to the nature of a customer's circumstances, the types of decisions that need to be made on their behalf and the supports they require.

We are appointed by a court or tribunal as guardian and financial manager of last resort and have very limited ability to control the increase in demand for these services. This can impact our ability to plan our response to changes over time. In addition, these matters are often more intensive to manage because of the complexity of the customer's circumstances and/or the level of contention and disagreement among family members and other people in the customer's life.

We are also seeing a growing disparity between our role as set out in legislation and community expectations about the extent of our role and involvement in customer's lives. This can lead to an increase in conflict with customers and families and reduce cooperation and acceptance of our role in their life. In turn, this can make our role as manager or guardian in those matters more complex.

General economic conditions including market volatility and fluctuating interest rates also impacted our operations. Further information on the impact of these conditions is set out on [page 57](#).

Fees charged for our services

Our main source of revenue are the fees, commissions and charges we receive for delivering services and managing customer assets.

The authority to charge fees for services such as financial management, estate administration, trustee and Power of Attorney services is set out in the NSW Trustee and Guardian Regulation 2017. For the majority of fees the regulation states the maximum amount that can be charged. For others the regulation states the amount charged is to be set by the agency.

Fees for work carried out under the *Criminal Assets Recovery Act 1990* and *Confiscation of Proceeds of Crime Act 1989* are charged in accordance with the associated regulations.

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

There is no charge for guardianship services. These services are funded by a grant from the NSW Government.

Our schedule of fees charged to customers is available on our [website](#).

Changes to our fees

During 2021-22 we implemented a number of changes to the fees charged to customers for wills and estate planning services and managing customer investments.

These changes are part of our work to make sure we can continue to meet the needs of customers by building a sustainable and efficient organisation.

The changes aim to balance fairness, equity and market relativity with ongoing financial sustainability. We considered the cost to serve, fees charged by commercial organisations delivering comparable services and in other jurisdictions around Australia as well as the principle of competitive neutrality.

A summary of the fee changes implemented during 2021-22 is set out in the table 2.

An Essentials Package provides discounts for people preparing, revising or revoking a Will, Power of Attorney and Enduring Guardianship appointment. Couples preparing mirror documents receive a discount on the second essentials package.

We consulted about the proposed fee changes

We consulted with customers, stakeholders, peak bodies and organisations and interested members of the public before the changes were made.

The consultation process ran from September to October 2021 and involved writing to customers and other interested people and organisations advising them of the proposed changes and their impact. Information was also published on our [website](#).

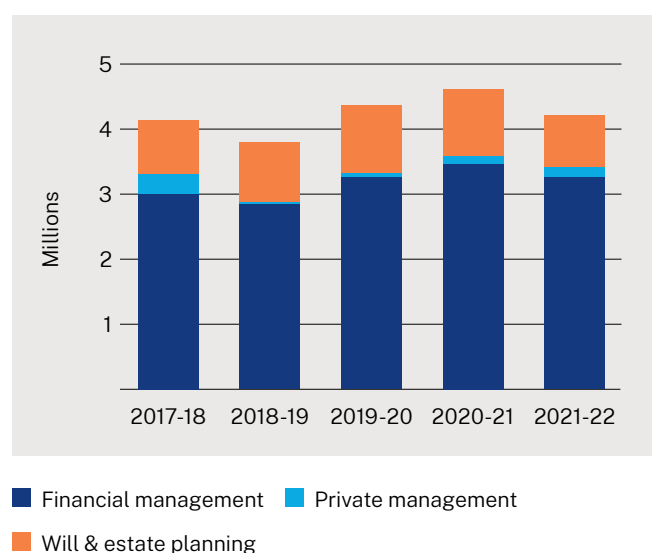
Feedback could be provided by completing a survey, making a submission or by phone.

We used feedback from the consultation process to inform the submissions about the proposed fee changes.

Helping with the cost of living for people with limited income and assets

We provide subsidies and fee reductions to people who have limited income and assets for the fees for drafting Wills, Powers of Attorney and Enduring Guardianship appointments, financial management and for support and oversight of private financial managers.

Figure 8: Subsidies and discounts



We prepare and update Wills, Powers of Attorney and Enduring Guardianship appointments free of charge for customers eligible for the full rate of the Centrelink Age Pension or equivalent.

Document storage fees are discounted for NSW Seniors Card holders.

Table 2: Fee changes implemented in 2021-22

Fee	Old (excl GST)	New (excl GST)
Investment management fee	0.1% per annum	0.15% pa trust account 0.25% pa income fund 0.35% pa growth fund
Wills	Draft a new will \$330 Revise an existing will \$200	Draft, revise or revoke a Will Basic Will \$400 Custom will from \$550 to max of \$3,000
Power of Attorney	\$200	\$200
Enduring Guardian	\$nil	\$200

We provide subsidies for our establishment and monthly account keeping fees to customers who have a financial management order with less than \$75,000 in assets (excluding their principal place of residence). Customers with less than \$25,000 in assets (excluding their principal place of residence) are fully subsidised.

We have partnered with Service NSW to include the subsidies to prepare and update Wills, Powers of Attorney and Enduring Guardianship appointments in the NSW Government's Cost of Living program.

Discounts and subsidies to customers totalled \$4.2 million in 2021-22. A summary of discounts and subsidies provided over the five years to 30 June 2022 is set out in figure 8.

We currently claim rebates available to financial management customers when registering their cars.

Our Wills and Estate Planning staff got creative managing COVID restrictions while helping customers who urgently needed to have an up-to-date Will in place

A customer with terminal cancer wanted to make a new Will. They did not want to attend one of our offices to provide instructions as they were immunocompromised. We took the customer's instructions by video conference. Once their Will had been drafted, we met the customer in a park close to her home to execute the Will.

Another customer who was terminally ill needed to update their Will. This was particularly important as there were potential issues over who their benefits and entitlements would be paid to in the event of their death. We arranged for the customer to provide instructions by video conference from the hospital. Once the Will had been drafted, we arranged for a nurse and security guard at the hospital to witness signing of the Will by the customer.

COVID-19 pandemic

Our response to COVID-19 was focussed on ensuring continuity of services to customers. This included checking in with them, conducting wellbeing checks where appropriate and managing stimulus payments for customers where we are appointed as their financial manager.

For guardianship customers we worked with service providers and family members to manage the impact Public Health Orders and specific COVID-19 policies and procedures had on decisions made for customers. This included decisions related to visitation, overnight stays, accommodation and attending day programs.

We continue to provide consent where required for people with a guardianship order to receive the COVID-19 vaccine or booster.

We adapted our service delivery and engaged with customers online to ensure continuity of services. For example, online video conferencing enabled us to continue to provide Wills and Estate Planning services when stay-at-home orders were in place.

Our protocols for on-site services complied with NSW Health guidelines to ensure the safety of customers and staff. We also implemented appropriate infection control procedures and provided staff with personal protective equipment to maintain face-to-face services at our Customer Specialist Centre.

Response to NSW floods

During 2021-22 some of our customers, services and staff were impacted by major flooding in some regions across New South Wales.

In response we activated our process for responding to natural disasters. This involved identifying customers in impacted areas and, where possible, contacting them and/or their supports to assess if they needed emergency support. This may have included additional payments from their funds, support to apply for state and federal emergency government payments or access to support services.

Alternative arrangements were implemented for services in impacted areas.

We also supported customers with insurance claims and repairs to their properties.

We worked closely with staff impacted by the floods to ensure they had the support we could provide.

Reviewing how we provide services to be more responsive to customer needs

The additional funding and approved changes to our regulated fees have provided us with an opportunity to redesign our services to be more responsive to customer needs and put customers at the centre of everything we do.

The first part of this re-design work has been to review our operating models to align them with our objective of providing trusted, customer centred services in a financially sustainable way.

In 2021-22 we focused on reviewing the operating models for providing services to financial management, private management and guardianship customers. We also reviewed the operating model for providing Wills and estate planning services.

The reviews focussed on understanding the needs of customers, their story and how they want to interact with us from onboarding through to finalisation of matters. We built on what was working well while improving areas where customers and stakeholders have told us improvements could be made.

The new models deliver a greater focus on customers and the value we can provide them whilst meeting our legislative and fiduciary obligations and staff needs. They also seek to address the growth in demand for services and the complexity of customer needs.

We commenced piloting key aspects of the models once they had been finalised. We also developed new processes and system enhancements to support the new models. Full implementation of new models is expected to be completed in 2022-23.

Supporting customers with insurance claims and subsequent repairs was a key part of our response to help customers impacted by the NSW floods

Many customers were not able, or did not have the support, to provide photos as evidence of the damage to their property. In addition, dockets that would provide proof of purchase had often been destroyed by the floods along with the customer's belongings.

Where an insurance company requested additional information it could be difficult to get clarity about what they needed. This confusion could delay finalisation of claims for customers.

Once approved, a number of insurance companies proposed lump sum payments to settle some claims rather than managing the repair work themselves. When this occurred our staff sourced tradespeople to do the work. This was at a time of an extreme shortage of tradespeople in the areas impacted by the floods due to the high demand for work to be done.

In addition, customers who could not live in their house while waiting for the repairs to be completed needed to find temporary accommodation and, where applicable, we also managed the impact of delays in repairs on the future insurability of a customer's property.

Estate management operating model

The new estate management operating model sets out how we will:

- provide services to customers who have the NSW Trustee appointed as their financial manager
- provide advice and support to members of the community appointed as a private financial manager
- manage customer properties, vehicles and other personal assets.

The model focuses on the following service areas:

- a customer foundation team is planned to onboard customers and gain a better understanding of their story and needs
- proactive customer management teams are planned to provide ongoing management once the onboarding process is complete. These teams will consult with customers when making decisions about their finances so they can live the life they want while meeting their essential needs
- customer independence and support teams are being organised to help customers transition to a greater role in managing their finances and, where possible, gain financial independence
- dedicated teams are being organised to provide advice and support to people appointed as private financial managers and manage customer properties, vehicles and other personal assets.

Practice management teams will focus on how we can continue improving the way we provide services.

Public Guardian operating model

The purpose of the new operating model for customers who have the Public Guardian appointed as their guardian is to improve how we provide services and increase our focus on the needs of individual customers. The new operating model focuses on:

- an establishment team that will onboard new customers and help us gain a better understanding of the issues impacting them when the order is made and inform the actions we take as guardian
- regional service delivery teams that will better align services with the location of customers
- a quality assurance team to manage monitoring of files and to work with the service delivery teams to ensure customers receive the service they need.

These teams are supported by a Practice, Advocacy and Strategy team that will provide systemic advocacy on behalf of customers, engage with stakeholders and support staff in their practice of guardianship.

Wills and estate planning services operating model

The purpose of the new operating model is to enable us to improve the quality and breadth of services we provide to customers. It will also ensure our staff have the skills, knowledge and expertise to meet the increasing complexity of customer circumstances.

As part of the changes our Wills and Estate Planning staff in metropolitan and regional areas will focus on drafting Wills, Powers of Attorney and Enduring Guardianship appointment documents for customers.

Our Customer Experience division will support the new operating model by managing business development and providing community education. They will also follow up leads and provide support for management of appointments.

More of our staff available at the NSW Civil and Administrative Tribunal

During 2021-22 we made a second Liaison Officer available at the Guardianship Division of the NSW Civil and Administrative Tribunal.

The Liaison Officers provide information to people who have been placed under a financial management or guardianship order, people appointed as private managers or guardians, family members and other stakeholders. They also provide information to Tribunal members to guide their decision making.

Improving our customer communications

Customer communications such as letters are one of our most important methods of communicating with customers. During 2021-22, as part of our work to put the customer at the centre of everything we do, we undertook a review of the customer communications sent to financial management and estate administration customers. This included letters and other communications sent to service providers such as financial institutions on behalf of the customer.

The purpose of the review was to produce letters and other communications that are simpler and easier for customers to understand, are tailored to an individual customer's needs and provide greater consistency.

Each template letter was assessed before and after for readability. The readability score for communications sent to financial management customers improved by an average of 64%. We also improved consistency with the NSW Government's preferred reading grade by an average of 23%.

Increasing our resources

The additional funding announced in 2021-22 has enabled us to increase our resources to better manage the growth in demand and complexity of the customer's circumstances in the matters we are appointed for. This includes addressing the significant changes in the needs of customers and the broader system and environment we work in.

In particular, it has allowed us to create an additional 121 roles for the agency. Of the new roles, 99 are dedicated to providing frontline services to financial management, private management and guardianship customers. These have been the areas most impacted by the increase in growth in demand for services. The remaining roles will provide support to front line services.

At 30 June 2022, 106 of the additional roles had been filled.

A tight labour market has impacted our ability to attract, hire and retain suitably qualified and skilled staff and led to delays in finding appropriate candidates to fill the additional roles. We have implemented a number of new strategies to help us attract candidates with the qualifications and skills needed.

Recruiting staff across New South Wales

A key aim of our new operating models is to better align our services with customers and their needs. This includes having staff closer to where customers live as well as supporting regional employment.

As a result, we aimed to have as many of the new roles as possible located outside metropolitan Sydney and in regional and rural areas.

Recruiting staff outside metropolitan Sydney and in regional and rural areas enables us to have staff with knowledge of local communities and networks that can be shared with colleagues. This benefits the customers we serve in these areas.

Recruitment outside metropolitan areas also increases the potential pool of skilled and qualified candidates we can draw from.

Our initiative to hire staff outside metropolitan Sydney aligns with the NSW Government's regional employment strategy.

Supporting and developing our people

Our ability to meet our objective of providing trusted and customer-centred services in a financially sustainable way is dependent on our people and how they are supported, enabled and equipped.

During 2021-22, we launched a new onboarding and induction program to help our new staff feel valued and welcomed to the agency. The program provides new staff with the information they need to understand their role. It also helps existing staff transitioning to new roles within the agency.

We also made it easier for staff to request additional support during their probation period and to request workplace adjustments if they need one.

Our new professional development register provides the opportunity for staff to register their interest in a temporary role in our Estate Management division. By taking an opportunity to work in a temporary role our staff can learn new skills, gain experience at higher grades, expand their professional network, support their career progression and pass their expertise onto colleagues.

Helping our staff better understand customer situations, wishes and concerns

Our Disability Awareness training helps staff develop a better understanding of customers who have disability, their needs and the challenges they face. The training also looks at attitudes towards disability and how empathy plays a major role in shifting our thinking and understanding the needs of individual customers.

During 2021-22 we also implemented a new policy and procedure to help staff recognise and respond to allegations of violence, abuse, neglect and exploitation of customers. This includes helping staff identify matters of concern and resources to help staff make referrals to the appropriate agency.

It includes an action plan that guides staff through the process for responding to allegations.

Feedback from customers

Thank you for having an extensive conversation with me this morning. You have extraordinary listening skills and empathy. I felt heard.



Financial management services

A financial manager, is a person or organisation, appointed by a court or tribunal to manage and make substitute decisions about the property and affairs, of a person who does not have the ability to make those decisions themselves or with support. Financial management orders can also apply to missing persons.

We provide financial management services as part of the functions of the NSW Trustee. We are appointed as manager of last resort when there is no one available or suitable to perform that role.

We also provide oversight to members of the community appointed as financial managers. A trustee company, a solicitor or an accountant can also be appointed as a private manager.

When the NSW Trustee is appointed as financial manager

As financial manager we:

- secure, collect and manage income and entitlements
- pay expenses and debts
- set up regular allowances
- secure and manage assets and investments.

In consultation, we prepare an annual budget based on the customer's circumstances. For customers with simpler affairs, we prepare a budget every two years. When setting a budget we seek input from the customer, their family and other significant people in their life to ensure it reflects their wishes and any specific requests they have.



Promoting careers with us

As part of our work to attract, hire and retain skilled staff we increased our use of social media and our [website](#) during 2021-22 to promote the benefits of a career with us.

We developed and delivered an online information session to expand our reach and attract candidates from across the state. The session had 794 registered attendees and provided real life experiences of a day in the life of our staff.

We launched the Life at NSW Trustee & Guardian series on social media in April 2022 to promote our people and work.

We also developed a series of animations about our services for our recruitment channels on social media.

In addition, we added a careers hub to our [website](#). The hub includes an employee value proposition, staff profiles and how to apply information for candidates.

For customers participating in the National Disability Insurance Scheme we provide financial information to assist in planning and development of their packages.

During 2021-22, we made 1,353 significant decisions for customers. These include decisions related to purchasing and selling real estate and other major expenditure.

Helping customers who are members of the Stolen Generations

We are working with the Stolen Generations Reparations Unit to claim payments under the NSW Stolen Generations Reparations Scheme and Funeral Assistance Fund on behalf of financial management customers who are members of the Stolen Generations.

When customers receive a payment under the scheme, we work with them and their family to determine if they would like the Reparations Unit to contact them to discuss whether they would like to receive an apology or make an impact statement.

We do not charge fees on payments received under the scheme.

During 2021-22, we commenced negotiations with the NSW Registry of Births, Deaths and Marriages to provide documentation, such as birth certificates, at no charge to customers making claims under the Reparation Scheme.

Feedback from customers

Thanks for being prompt and easy to understand. Your help in getting these payments made contributes to a better life for my son.

Building relationships to benefit customers

Building relationships with financial institutions and utilities was one of a number of improvements identified as part of the review of the operating model for financial management services.

As part of this work, we negotiated for one of the major financial institutions to stop charging a \$12 enquiry and transaction fee from 1 July 2021. Apart from the fact the fee disadvantaged customers it also created an administrative burden to process the payments in the customer's trust account.

We also negotiated with Centrelink to enable a number of commonly used forms to be signed electronically. We also negotiated for My Aged Care queries to be included as part of the priority line provided to Trustee Services around Australia. Further information on these changes is shown on page 40.



Private management

We oversee members of the community appointed as financial managers by providing authorisation, direction, information and support. We also approve significant decisions made by private managers and review the annual accounts they submit.

During 2021-22 private managers submitted:

- 90% of their manager's plans on time
- 90% of the annual accounts due for submission.

During 2021-22 we responded to 2,312 requests to vary a Private Manager's Plan relating to the financial affairs of the person with a financial management order. For example, changing how their assets are managed.

In addition 90% of the accounts we reviewed during 2021-22 were passed on the basis they showed the person's financial affairs were being managed appropriately.



Taking a holistic approach to supporting customers with complex needs

Our Customer Specialist Centre in central Sydney assists customers who require intensive management due to the complexity of issues involved in managing their affairs.

Customers of the centre may be homeless and have mental health issues that are often compounded by substance abuse. They may also have contact with the criminal justice system. High levels of conflict among family members and other people in their life may mean there are significant communication issues. In addition, there may also be a high level of antagonism or violence.

The centre provides a cash dispensing facility for customers who cannot navigate the banking system or have been banned from those institutions. This facility is unique in Australia. Between January and March 2022 the centre made 3,489 cash payments to customers.

Staff at the centre have identified many gaps and barriers faced by their customers. This includes disability services and mental health support. Many customers have not engaged with providers, fallen off the radar

or been missed completely. Most need support to submit access applications that often include historical information and specialist reports and need to be signed by medical practitioners.

To address these gaps and barriers we take a holistic approach to meeting customer needs.

For example, the Public Guardian is appointed as guardian for many customers of the centre. Staff at the centre work closely with the guardians of these customers to help meet customer needs.

In addition, Community Mental Health and Homeless Health service teams provide regular face to face support from the centre to help customers connect with services.

During 2021-22, the National Disability Insurance Agency commenced providing fortnightly face to face support for customers on a trial basis. Customers can ask about accessing the NDIS, funded supports, transport allowances and out of pocket payments. People already participating in the scheme can have referrals sent to service providers or reconnect with services that may have lapsed.



The decisions we make with customers have a positive impact on their lives

Poppy lives in southern New South Wales close to her mother, Sue, who is a very big part of Poppy's life. Poppy lives with a mental health condition. She has been a customer since 2007 following the NSW Trustee's appointment as her financial manager.

In 2017, Poppy's doctors told Sue that Poppy needed to be committed to a mental health facility. This followed decades of hospitalisations for up to a year at a time and moving in and out of group homes. The facility recommended by the doctors was too far away for Sue to continue to visit Poppy regularly.

Sue was determined to keep her daughter close by and to prevent her being institutionalised on a full-time basis. She contacted Poppy's customer service officer to identify a solution. Working with Poppy's mother, the customer service officer decided to use part of Poppy's income to help

pay for someone to check in on her each day and to ensure Poppy was taking the medication that keeps her condition stable.

Five years later, Poppy is still living in her own apartment 10 minutes from her mother. Poppy's only hospital stay in that time was not related to her mental health condition. The cost of monitoring that Poppy takes her medication is now part of her NDIS package. Poppy also has assistance to help keep her apartment clean and in order which makes her feel calmer. In addition, Poppy's rent is subsidised by the regional housing trust.

This assistance means Poppy now has funds to save for essential items which her customer service officer helps her manage. It also leaves money for discretionary spending. To help promote her independence, Poppy manages a small allowance we pay into her bank account each week which Poppy likes to spend on clothes and going out for coffee.

Guardianship

A guardian is legally appointed by a court or tribunal to make substitute health and lifestyle decisions on behalf of a person who lacks the ability to make informed decisions on their own or with support.

We provide guardianship services as part of the functions of the Public Guardian. We also provide information and support about the role of private or enduring guardians and the decisions they are able to make.

When the Public Guardian is appointed as guardian

The Public Guardian is the 'guardian of last resort' and is only appointed if a suitable private guardian cannot be identified.

As guardian we give paramount consideration to the welfare and interests of customers. This involves talking to the customer and important people in their life to establish:

- what is happening in the customer's life
- what decisions need to be made
- what the customer's views are and what is important to them.

We also:

- advocate for the customer's preferences and needs to be resourced and realised
- identify and facilitate management of risks for them.

This helps promote the customer's social, health and cultural wellbeing and minimise any impact on their freedom of action and decision-making wherever possible.

The Public Guardian is appointed with authority to make decisions in specific areas of the customer's life, this may include where they live, what services they receive or who can have access to them.

A large number of the customers of the Public Guardian are also participants in the National Disability Insurance Scheme. For these customers, we engage with the National Disability Insurance Agency about what are reasonable and necessary supports and seek reviews of their plan when needed. Once plans are in place, we work with the customer's support coordinators and other key supports to identify potential service providers. From that shortlist we determine who will provide the most appropriate service to the customer.

Information and support

The Public Guardian offers information, support and guidance to private and enduring guardians on their role as a guardian. This includes:

- supporting enduring and private guardians to understand their legal role and responsibilities as guardian and the extent of their decision-making authority
- assisting guardians to navigate systems that support the people they represent such as the National Disability Insurance Scheme, health and aged care services and resolving issues with service providers.

We also provide information to the broader community about the role and function of guardianship and the general principles of the *Guardianship Act 1987*. This can include planning ahead, the 'person responsible' hierarchy in medical and dental consents, supported decision-making, the need for guardianship, alternatives to guardianship and the role of the Public Guardian.

During 2021-22 we responded to 6,555 requests for information. This is an increase of 12% on the 5,860 requests responded to in 2020-21.

We also provided information to private and enduring guardians about COVID-19 vaccination, amendments to the Aged Care Act 1997 (Cth) related to consent for use of restrictive practices and the National Disability Insurance Scheme Support Coordination Discussion paper.

OnGuard provides support to enduring and private guardians

OnGuard (figure 11) is our regular newsletter that provides information to private and enduring guardians. This includes information about their role and information that will help them with decision making for the person they are appointed for.

During 2021-22, following feedback from private and enduring guardians we relaunched *OnGuard* in a digital format. Over the course of the year, *OnGuard* included information about changes to the National Disability Insurance Agency and psychotropic medications as well as answers to questions frequently asked by guardians.

Growth in demand and complexity continue to increase the work of the Public Guardian

The key part of the role of the Public Guardian is to make substitute decisions for customers. In the five years to 30 June 2022 the number of major decisions made by the Public Guardian increased by 237%.

The majority of this increase (and the majority of decisions made each year) is related to services provided to customers participating in the National Disability Insurance Scheme.

Similarly, the number of medical and dental consents provided for customers has increased by 211%.

Figure 9: Major decisions to 30 June 2022

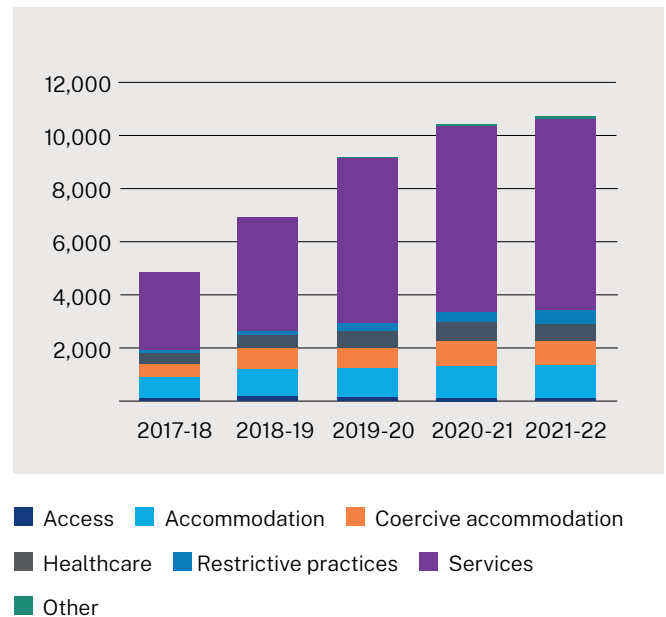
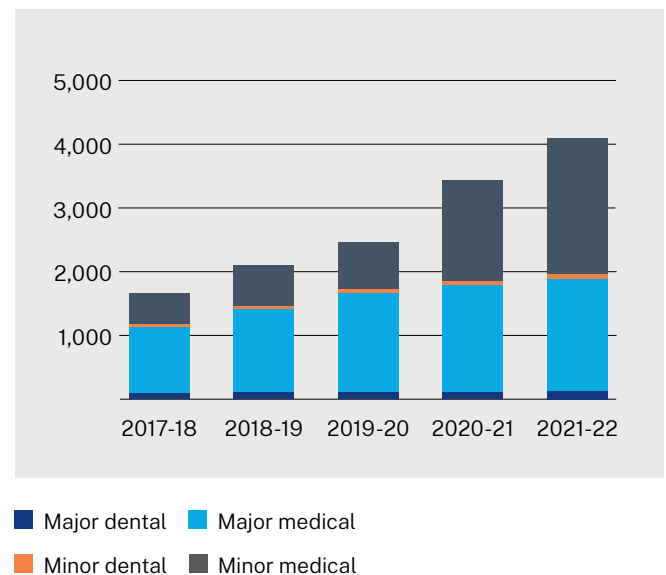


Figure 10: Medical consents to 30 June 2022



Feedback from customers

The answers provided and decisions made by Dad's guardian has put our concerns to rest. Their professionalism and compassion has made his transition to aged care easy and fair.

ONGuard

Information and support for guardians in NSW



NSW Trustee & Guardian
Public Guardian

6 August 2021

Welcome to the new and improved OnGuard, now coming direct to your inbox. We hope this new digital format makes it easier for you to access information and helps you in your role as a guardian.

Our Private Guardian Support Unit is the team behind OnGuard. This year, we changed the team's name to Guardian Support Unit to recognise enduring guardians who have been appointed by a family member or friend, as well as the team's work to provide information and support to prospective guardians and the wider community, including service providers.

The Guardian Support Unit has extensive experience in best practice decision-making frameworks and precedents. They also have relationships with key agencies in the disability and aged care sectors. [Here are some of the ways they can help you.](#)

We know this support is now more important than ever, as guardians navigate challenges with COVID-19. Disability and aged care providers continue to work hard to respond to the changing advice, including about the COVID-19 vaccine rollout. You can [read about the vaccine and the role of guardians here.](#)

Please continue to be guided by NSW Health advice, and keep up to date with information from the [Aged Care Quality and Safety Commission](#) or [NDIS Quality and Safeguards Commission](#).

We always value your feedback, so please email informationsupport@opg.nsw.gov.au or phone 1300 361 389 to share your thoughts.

Take care,
Anna Gauci
Acting NSW Public Guardian



[Have your say on changes to the NDIA](#)

The National Disability Insurance Agency (NDIA) is seeking feedback to inform two policies – Home and Living and Support for Decision Making.

[Read the consultation papers](#)



[Psychotropic medication: a quick guide](#)

As the Disability Royal Commission recently released its report on psychotropic medications, we outline what you need to know as a guardian.

[Read more](#)



[Your questions this month](#)

In July, you asked us about what happens when the person you represent passes away, obligations to share health information and more.

[Read the questions & answers](#)

Figure 11: OnGuard provides information to enduring and private guardians



Collaborating with other agencies to help guardianship customers with complex needs

Melanie is a First Nations woman who lives with significant psychosocial and intellectual disabilities as a result of complex trauma experienced at birth and throughout her childhood.

She had been in the criminal justice system for 20 years and had been held in seclusion for up to 23 hours per day for much of the last 10 years of that period. One of the issues preventing Melanie's release was accessing accommodation and supports that would enable her to live safely in the community.

Melanie told her guardian that her goal was to live in the community, cook, have a pet dog, go to the beach and have friends and a relationship.

We worked collaboratively with the other agencies responsible for Melanie's health and welfare as well as those agencies responsible for funding the accommodation and supports she would need to achieve her goals.

As a result of this approach, Melanie was released from detention in late 2021 and moved into supported accommodation. She also receives the supports she needs to live safely in the community.

Melanie's story was raised during the NSW Public Guardian's appearances at the Disability Royal Commission in 2021. Further information about these appearances and the Royal Commission is provided on page 54.

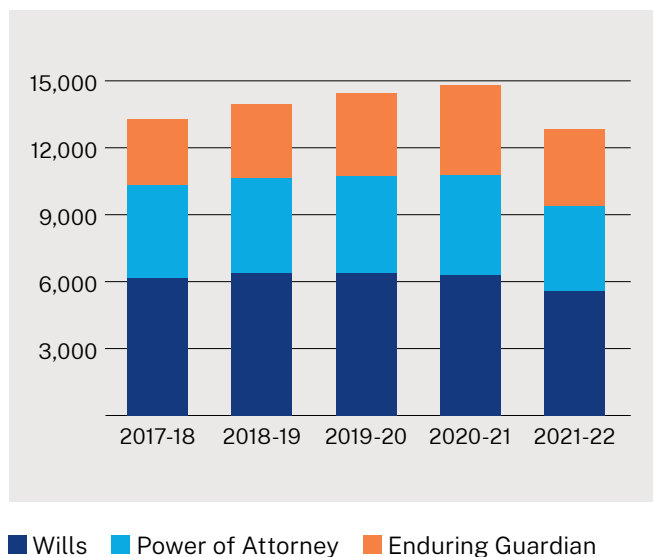
Wills and estate planning

Our Wills and estate planning services enable customers to:

- make a Will to set out who they want to receive their assets when they pass away
- appoint a Power of Attorney to look after their property and legal affairs on their behalf
- appoint an Enduring Guardian to make health and lifestyle decisions when they are not capable of doing so themselves.

These services are delivered from our offices and at pop up locations across metropolitan and regional areas of New South Wales.

Figure 12: Documents executed for the five years to 30 June 2022



Online video conferencing provides customers with the option of providing their instructions without the need to attend one of our offices or pop-up locations.

Figure 12 shows the documents executed for the five years to 30 June 2022.

The number of documents executed during 2021-22 decreased on the previous year. This was a result of more extensive and longer branch closures when stay-at-home orders were in place

during the first half of the year. The number of documents executed is forecast to return to previous levels in 2022-23.

Information on discounts for Wills and Estate Planning customers is provided on [page 19](#).

During 2021-22:

- 12,848 documents were executed for 7,601 customers
- 57% of those documents were prepared for customers by our regional branches
- 18% of the documents were based on instructions provided using online video conferencing
- 230 Plan Ahead Days were held in over 100 pop-up locations across New South Wales.

One of the options available to customers when planning ahead is to appoint us as their executor or attorney or as their substitute executor and attorney.

We were appointed sole or first substitute executor in 55% of the Wills executed in 2021-22. This is a significant increase on the 41% of customers who nominated us sole or first substitute executor in 2020-21.

Feedback from customers

Even though I had done my research and decided how I wanted my estate managed and distributed, I needed professional advice to make sure everything was done properly. The consultant preparing my Will was down to earth and spoke in plain language that was easy to follow. I came away knowing my family would not have any worries.

Storage of instruments

We provide free storage of Wills, Power of Attorney and Enduring Guardianship appointments for customers who appoint us as their executor or attorney through our Will Safe service. For everyone else we provide this service for a small fee.

During 2021-22, 1,210 customers deposited documents in our Will Safe.

At 30 June 2022, we held over 457,000 planning ahead documents in secure storage.

'I Will' – our 2021-22 advertising campaign

Our 2021-22 advertising campaign ran from January to June 2022 across metropolitan and regional radio, print and online. It was also marketed to culturally and linguistically diverse audience groups across Arabic, Spanish, Greek, Vietnamese, Cantonese and Mandarin media.

Online requests for an appointment from people wanting to make a Will as a result of the campaign increased by 51% on the previous year.

Figure 13: Images from our 2021-22 campaign



Partnering with knowmore to assist survivors of institutional child sexual abuse

We have partnered with knowmore, a legal service provider, to help survivors of institutional child sexual abuse. Under this partnership we prepare Wills, Power of Attorney and Enduring Guardianship documents at no cost to people who have received a payment under the National Redress Scheme.

Estate administration

We provide estate administration services as executor and administrator.

We obtain a grant of probate or administration to confirm our authority to administer the estate, we identify and secure assets and, where appropriate, pay any debts. We then distribute the proceeds of the estate or transfer the assets to beneficiaries.

We also look after ongoing bequests included in the Will. For example, where money is held in trust for young children or there is a life interest in the estate.

During 2021-22:

- we obtained administration of 1,335 estates with an approximate value of \$531.7 million. Of these:
 - 327 of the estates were intestacies
 - the average value of the estates being administered under a grant of administration was \$666,190
- we finalised 1,474 estates
- the average time taken to complete administration of estates during the year was ten months.

At 30 June 2022:

- we had 5,338 estates with an estimated administration value of \$2.4 billion.

Making statements easier for customers to understand

We identified a number of opportunities to improve how we deliver Estate Administration services as part of our mapping of the customer experience. One of those opportunities was to improve the consistency of descriptions used on the transactions that appear on customer matters.

The first stage of these improvements was finalised during 2021-22 and implemented standard descriptions for each type of transaction (for example loan repayments). This change means customers now receive statements that are easier to understand because the information describing transactions is more consistent.

It has also created efficiencies by removing the need for staff to manually enter descriptions for each transaction. This has freed up our staff to concentrate on tasks that provide more value to customers.



We administer trusts for minors and adults who are not able to manage their own affairs, family discretionary trusts and charitable trusts.

We also administer trusts created by court orders and victims' support payments. These are currently the largest source of trusts we administer and are commonly created where the beneficiary is a minor or is not capable of managing their affairs.

During 2021-22:

- we received 1,378 new trusts with a value of \$60 million.
- 1,320 (96%) of these trusts were either damages trusts or victims support payments.

At 30 June 2022:

- we were managing 8,806 trusts worth approximately \$605.1 million.

Administering a Will in accordance with a customer's wishes often requires balancing the various entitlements of the beneficiaries

We were appointed as executor for a customer whose Will provided for a right of residence for their husband to continue living in their house for the rest of his life. The customer's children from an earlier marriage were to receive equal shares of the house and any other remaining assets at the end of the right of residence.

The husband wanted to sell the house as he did not have funds to maintain the property and pay the outgoings. He also wanted to be closer to his own children.

The Will provided that the house could be sold providing the interests of the customer's children from her first marriage were protected.

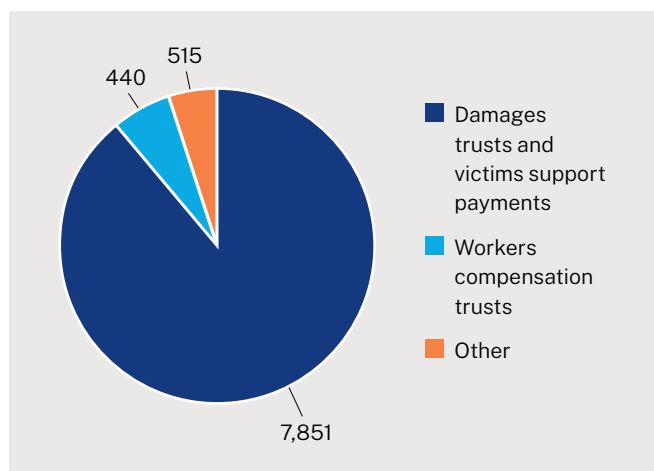
We needed to sell the current property to determine how much could be spent on a replacement property while ensuring there were enough funds to support outgoings and maintenance on the new property. We also needed to ensure any proceeds from the subsequent sale of the new property were returned to the estate for distribution the customer's children.

We worked closely with the children of the husband who were helping him purchase the new property to make sure they understood how much was available to purchase a new property and to finalise the purchase once a suitable property had been found. This needed to be done as quickly as possible to ensure the husband had accommodation that met his needs. We also worked closely with the children of our customer to make sure they were confident the funds would be returned to the estate on sale of the property.

A breakdown of these trusts is shown in the figure 14. The trusts classified as other include where:

- we have been appointed trustee by deed
- the original trustee did not wish to continue in their role
- funds are held for the benefit of an organisation or association
- funds are held under legislation where a court has appointed us to hold the assets of a protected person on trust.

Figure 14: Trusts on hand at 30 June 2022



Restrained and forfeited property

We manage property that has been restrained under the *Criminal Assets Recovery Act 1990* and *Confiscation of Proceeds of Crime Act 1989*. We also realise any property that is forfeited under these acts.

Proceeds from the sale of forfeited assets are paid to NSW Treasury, net of our fees.

During 2021-22 we:

- received 70 new matters with a value of \$40 million
- paid \$47.7million (net of our fees) to NSW Treasury from the proceeds of the sale of assets from these matters.

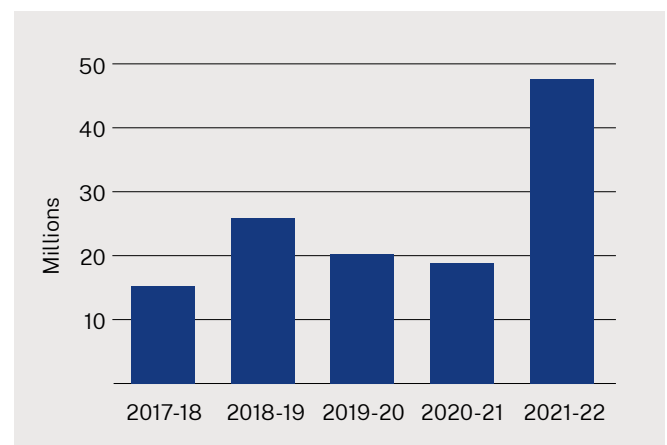
At 30 June 2022:

- we were managing 221 matters worth \$83.3 million.

Payments to NSW Treasury

In the five years to 30 June 2022 we have paid \$128 million to NSW Treasury from the sale of forfeited assets. These payments are shown in figure 15.

Figure 15: Payments to NSW Treasury from sale of forfeited assets



Service	Activity in 2021-22
<p>Power of Attorney</p> <p>Our Power of Attorney services enable customers to appoint us as their attorney to look after their property and legal affairs on their behalf.</p> <p>Customers can choose the level of assistance we provide and whether they appoint us on a short-term or ongoing basis. They can also appoint us as their Enduring Power of Attorney which can be activated if they lose capacity to manage their affairs.</p>	<p>During 2021-22 we received 29 new matters.</p> <p>At 30 June 2022 we were:</p> <ul style="list-style-type: none"> • managing the property and legal affairs of 231 customers with an approximate value of \$46.6 million • acting as Enduring Power of Attorney for 209 of these customers.
<p>Court investments</p> <p>We invest amounts paid into court under the Uniform Civil Procedure Rules 2005 in our common fund. These amounts are invested 'at-call' and returned to the court as instructed.</p>	<p>During 2021-22 we:</p> <ul style="list-style-type: none"> • received 206 matters valued at \$266.5 million • returned money from 167 matters to the courts. <p>At 30 June 2022 we were holding \$266.5 million in 721 matters.</p>
<p>Dormant Funds</p> <p>Our role is to determine whether funds are dormant and to develop proposals for use of those funds where:</p> <ul style="list-style-type: none"> • the funds have not been used for the purpose for which they were donated • it is not practicable to use the funds for that purpose • the purpose of the fund cannot be achieved in a reasonable time • the purpose of the fund is uncertain or cannot be ascertained. 	<p>During 2021-22 we managed eight matters with a total value of \$2.6 million.</p>



Financial planning services

Our financial planning services are tailored to the customer's circumstances and intended to provide a better outcome from the income, assets and investments available to them. They comply with Australian & Securities Investment Commission and the Financial Planning Association of Australia's best practice principles.

During 2021-22 our financial planning team:

- developed or reviewed 1,165 financial plans for financial management customers
- developed or reviewed 3,313 financial plans for customers where a trust, life interest or right of residence has been established as part of a Will, and for trusts and Power of Attorney customers
- prepared 1,072 records of advice to inform decision-making about a financial management customer's assets.

They also provided advice to inform decision-making for estate administration, trustee and Power of Attorney customers.



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

We manage pensions, allowances and other social security payments for over 10,000 customers who have the NSW Trustee appointed as their financial manager. For many of these customers their pension is their principal source of income.

In addition, we:

- manage personal insurances including health, income protection, total and permanent disability insurance and funeral bonds
- manage Medicare and private health insurance claims
- manage child support payments.

Helping ensure customers receive the payments they are entitled to can make a big difference

Eric lives with severe dementia in an aged care facility.

Soon after moving into the aged care facility Eric's pension payments stopped and debts for his accommodation fees started accruing. The NSW Trustee was appointed financial manager to secure pension payments after Eric's family had been unable to resolve the issue.

Our initial inquiries found that Eric's address was not updated when he moved in 2019. As a result, a notice advising him to attend a phone interview was not received. His failure to attend that interview resulted in cancellation of his pension.

An internal review by Services Australia upheld the decision to cancel Eric's pension. We appealed that decision with the Administrative Appeals Tribunal. The tribunal found that because of Eric's dementia it was unreasonable for his pension to have been cancelled because of a 'clerical error'.

Following this decision Eric received one year's back pay. His place at the aged care facility is now secure as he has been able to pay the debts he had accrued while his pension was cancelled. He also has some money for amenities and comforts.



Working with Centrelink and My Aged Care

During 2021-22 we worked with Centrelink to implement electronic signatures for a number of forms commonly used for customers.

We also worked with Centrelink to add My Aged Care to the priority phone line provided to Trustee Services.

These small changes have had a big impact. For example, we no longer need to print, sign and re-scan hundreds of forms each month before sending them Centrelink. Similarly, reducing wait times to speak to My Aged Care staff to resolve queries frees up our staff to work on tasks that add more value for customers.

Taxation services

We ensure customers comply with their taxation obligations and that their income and assets are managed tax effectively.

Our tax staff have specialist knowledge of issues impacting customers. The team includes licensed taxation agents who oversee the work of other members of the team.

One of their key functions is to estimate tax liabilities for deceased estates. These tax clearances enable beneficiaries to receive the proceeds from deceased estates net of the estimated tax liability sooner.

During 2021-22 our taxation team:

- prepared 5,530 taxation returns for customers
- provided 3,134 tax clearances.



Genealogy services

We undertake next of kin searches to identify and locate people entitled to a share of the deceased estates we are administering. These searches are primarily undertaken overseas.

Once their entitlement is confirmed we can distribute the money from the estate to them.

During 2021-22 our Genealogy staff:

- commenced research for 261 matters
- completed research for 283 matters.

At 30 June 2022 they had 749 matters where research was in progress.



Legal services

Our legal services play an important role in protecting the legal rights and interests of customers.

Legal services are provided by a team of solicitors who manage legal matters on behalf of customers. They have expertise in areas of law relevant to our Wills and estate planning, succession, trusts, financial management and guardianship services.

At 30 June 2022 our legal services team was managing 1,902 legal matters.

Section 61 *Probate and Administration Act 1898*

Under the *Probate and Administration Act 1898* the property of people who have died vests in us until probate or administration is granted by the NSW Supreme Court.

We receive and respond to legal notices and court documents served on us as title holder of property during this period. We also appear in Supreme Court proceedings related to these matters when needed.

We do not charge for these services unless the court makes an order in relation to our costs.

During 2021-22 we were served with 102 notices and responded as required.



Our specialist staff sharing their expertise

During 2021-22 our Legal and Professional Services staff:

- gave presentations for professional education seminars
- served as members of specialist committees of the Law Society of New South Wales
- wrote articles for publication in professional journals.

The Senior Manager of our financial planning team is a member of the educational committee of The Financial Advisor Standards and Ethics Authority.

Blue Mountains Law Society Succession Conference

We have sponsored the Blue Mountains Law Society Succession Conference since 2018 including the conference held in November 2021.

The conference provides an opportunity to showcase our work to members of the legal profession and to discuss issues impacting our Wills and estate planning and estate administration services.



Authorised visitors

An authorised visitor provides independent advice to inform planning and decision making for customers that helps ensure we are making decisions that are consistent with their needs.

During 2021-22, we updated our panel of authorised visitors. The new panel has increased the number and spread of authorised visitors across New South Wales. This means there are now more authorised visitors to provide advice about customers in regional areas.



Customer advocacy

Our Customer Advocacy team supports frontline staff in managing systemic issues that impact customers. They also provide support and guidance to staff when interacting with customers from vulnerable groups. For example, issues arising from assisted boarding houses, closures of and sanctions placed on aged care and disability facilities and the NDIS.

Responding to elder abuse is an important and growing part of the role our legal services play in protecting the rights, dignity and choices of customers

Stanley lives with dementia. He and his wife live in social housing and rely on their age pension for support.

Centrelink had deemed a large withdrawal from Stanley's bank account a gift, as a result they had reduced the pension he and his wife received.

Following our appointment as Stanley's financial manager we identified the payment had been made to a cultural organisation that was a registered charity.

We considered that because of Stanley's dementia the payment was not free and willing and that he had been taken advantage of. In short, he was a victim of Elder Abuse.

Following the organisations' refusal to return the funds we lodged a complaint with the Australian Financial Complaints Authority. Our complaint was substantiated. As a result, Stanley received a full refund and a significant contribution to his legal costs.

Customer assets under management

One of our main responsibilities is to secure and manage our customers' assets. These assets include funds invested in our common funds, real estate, vehicles, bank accounts, shares and other investments as well as personal assets owned by customers.

At 30 June 2022 we were managing \$7.5 billion in customer assets. A summary of these assets is shown in table 3.

Customer assets under management has grown 5.2% on the previous year and 39.9% in the 5 years to 30 June 2022.

General economic conditions impact the value of these assets. They can also add complexity to the way individual matters are managed and impact customer wealth.

Common funds

We operate two common funds for investment of customer funds. They provide a range of investments options that enables us to meet customers investment needs at an acceptable market risk for their circumstances.

We have engaged JANA Investment Advisor as investment consultant, Citigroup as custodian and Blackrock Investment Management Australia (Blackrock) as the investment manager of the common funds.

JANA advises on asset allocation in the common fund according to investment objectives. Citigroup act as an independent custodian who ensures each customer's money is held correctly and valued accurately. Blackrock's role as an investment manager is to ensure each of the investment options perform in accordance with their objectives.

Figure 16: Customer assets under management 5 years to 30 June 2022³

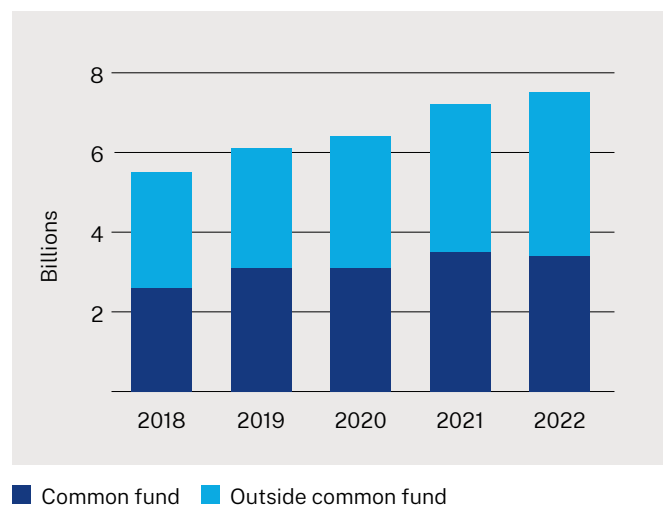


Table 3: Customer assets under management at 30 June 2022

	Customer assets \$'000
Common funds	
Financial management	1,905,027
Trustee	1,515,795
Total	3,420,822
Customer assets outside the common fund	4,146,583
Total assets under management	7,567,405
Less estimated trustee customer liabilities (customer payables)	(23,035)
Total	7,544,370

³ Amounts for customer assets outside the common fund are shown net of trustee customer payables.

An Independent Investment Advisory Committee provides specialist investment advice to the Chief Executive Officer to assist in management and oversight of our common funds. Further information on the Committee is available on [page 10](#).

Investment returns

Performance of the common funds is measured against financial market benchmarks for the relevant investment option.

During 2021-22 both cash-based investment options exceeded benchmark returns by an average of 0.38%.

Table 4 shows the amount allocated to the individual investment funds. It also shows the returns achieved over the last year and a comparison with the return of the financial market benchmark for each investment option.

We publish a six monthly investment report for each investment option within the common fund. These reports are available on our [website](#).

Auditing of the common funds

The customer assets held in the common funds are noted separately in our financial statements.

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

Further information on oversight is provided on [page 61](#).

Changes to investment options in the common fund

On 1 July 2021 we merged six of the existing investments options within the financial management common fund into two.

The objective of the new Income Fund is to generate income for customers using a diversified fixed income strategy while maintaining a low level of investment risk.

The new Growth Fund aims to build customer wealth through long-term exposure to domestic and international equities, along with dividend income and capital growth.

Table 4: Amount allocated to individual investment funds at 30 June 2022

Investment Fund	Financial Mgt \$'000	Private Mgt \$'000	Trustee \$'000	Total \$'000	Customer Return ^{4,5}	Benchmark Return
Financial management common fund						
Access fund	929,860	94,463		1,024,323	0.44%	0.10%
Income fund	214,433	2,570	171,665	388,668	(7.58%)	(7.50%)
Growth fund	473,275	18,761		492,036	(9.97%)	(9.68%)
	1,617,568	115,794	171,665	1,905,027		
Trustee common fund						
Primary			1,193,065	1,193,065	0.49%	0.10%
Growth			322,730	322,730	(9.73%)	(9.19%)
	-	-	1,515,795	1,515,795		
Total	1,617,568	115,794	1,687,460	3,420,822		

⁴ Investment returns are shown after our investment management fee.

⁵ There may be variances in individual customer returns depending on the customer's entry date into the fund, and new applications to invest in the fund or redemptions of amounts invested from the fund during 2021-22.

These changes followed a review of the investment options within the common fund to identify options that would provide a better match between customer investment needs and fund investment outcomes and, where possible, reduce costs associated with administration of the common funds.

We notified customers of the changes in early 2021-22. Information about the changes was also made available on our [website](#).

Customer assets outside the common funds

Customer assets outside the common fund include real estate, motor vehicles, boats, caravans and personal property. These also include financial and investment assets such as shares, bank accounts, term deposits, loans, mortgages, superannuation and other investments.

In managing these assets we ensure they are secured and cannot be accessed, sold or transferred without our consent.

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

Table 5 shows a breakdown of the confirmed customer assets at 30 June 2022. A breakdown of customer investment assets is shown in table 6.

Table 5: Customer assets outside the common funds at 30 June 2022

Asset category	Financial Mgt \$'000	Trustee \$'000	Total \$'000
Real estate	2,203,661	390,358	2,594,019
Investments	890,079	123,187	1,013,266
Mortgages		448	448
Other general assets	458,020	-	458,020
Other personal property		80,830	80,830
Total	3,551,760	594,823	4,146,583

Table 6: Customer investment assets outside of the common fund at 30 June 2022

Investment	Fin Mgt \$'000	Trustee \$'000	Total \$'000
Debentures	10	87,682	87,692
Deposit account	39,382	57,229	96,611
Life policy	731		731
Shares	62,808	97,517	160,325
Superannuation and allocated pension	14,008	566,727	580,735
Unit trusts	6,149	39,581	45,730
Other financial assets	100	41,342	41,442
Total	123,188	890,078	1,013,266

Managing customer property, vehicles and other personal assets

We manage properties, vehicles and personal effects for customers. This includes:

- sales, purchase and leasing of real estate
- securing and clearing properties
- property inspections and valuations
- construction, renovation, repairs and maintenance and specialist cleaning
- sales, purchase, insurance and registration of vehicles
- managing house, contents and vehicle insurance claims (for financial management customers).
- collecting personal items, ensuring they are stored securely and, where necessary, sold.

During 2021-22 our property team managed:

- 477 property sales and 27 purchases
- 455 construction and repair tasks
- 3,407 property insurance renewals and claims
- the sale or purchase of 353 vehicles
- managed 2,667 vehicle insurance renewals, claims and registrations.

At 30 June 2022 we were managing:

- 2,922 properties
- 1,885 vehicles
- 28,174 personal items.

During 2021-22:

- 94% of the transactions processed were for financial management customers representing 41.2% of the value of those transactions
- 6% were for deceased estate, trust and Power of Attorney matters representing 58.8% of the value of the transactions.

We continue to improve the efficiency of processing transactions for customers with a strategic focus on digitisation and work-flow automation and phasing out cheque payments.

Changes to certificates of title

The NSW Government introduced changes in October 2021 that abolished paper-based Certificates of Title and will transition NSW from paper-based processes for land transactions.

This means we no longer need the original hardcopy Certificate of Title and that all land dealings on behalf of customers will be lodged electronically. We have adapted our processes to incorporate these changes.

This transition away from paper-based processes will help streamline land transactions we process on behalf of customers.



Financial transactions for customers

In 2021-22 we processed 2.3 million financial transactions for customers totalling \$3.4 billion.

The transactions include:

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

During 2021-22:

- 68% of third-party payments for financial management customers were made using automated processes
- only 0.3% of payments made on behalf of people under a financial management order and 1.4% of payments for estate administration, trust and Power of Attorney matters were paid by cheque
- 97% of receipts for people under a financial management order and 85% of receipts for estate, trust and Power of Attorney matters were allocated directly to the customer's account using automated processes.

Working with other agencies to improve outcomes for customers

We work with agencies across the NSW and Commonwealth Governments providing critical services to customers. We also work with them to address systemic issues as well as issues impacting individuals. In doing this, we help protect and promote the interest and wishes of customers and aim to improve outcomes for them.

During 2021-22 we:

- met with the National Disability Insurance Agency as part of their public consultation on their proposed Support for Decision Making Policy
- made decisions as part of the Health Guardianship project that enabled guardianship customers to be released from hospital in an average of 11.39 days after their guardianship order was made
- responded to 15 notifications from the Aged Care Quality and Safeguards Commission that an aged facility had been sanctioned for non-compliance issues. We also responded to two notifications of closure
- responded to 101 referrals from the Ageing and Disability Commissioner and made four referrals to the Commission on behalf of customers
- signed an agreement with Service NSW that provides additional access points for our services and promotes the discounts available for our Wills and estate planning services through Service NSW's Savings Finder program.

Australian Guardianship and Administration Council

We are a member of the Australian Guardianship and Administration Council which provides a national forum for State and Territory agencies that have a role in protecting adults in Australia who cannot make health, lifestyle

or financial decisions on their own or with support. Its members include Public Guardians, Public Trustees, Public Advocates and Guardianship Tribunals.

During 2021-22 we contributed to the Council's joint response to the Disability Royal Commission's paper *Supported decision-making and guardianship: proposals for reform*. This response informed two policy roundtables conducted by the Royal Commission. Further information on the roundtables is provided on [page 55](#).

Providing information and engaging the community

At 30 June 2022 there had been an 18% increase in traffic to our [website](#). There was also an 88% increase in the number of queries about whether we hold the Will of someone who has died.

Figure 17: We attended the Sydney Disability Festival



During 2021-22 we continued to expand our presence on social media to increase our engagement with customers and the wider community.

We gained a further 3,295 followers on Facebook and 653 followers on LinkedIn. We also launched an Instagram page.

Figure 18: At the NSW Seniors Expo

Community education and promoting the importance of planning ahead

The aim of our community education program is to increase awareness of the importance of planning ahead by preparing a Will and making a Power of Attorney. It also aims to provide information about:

- the role of the Public Guardian
- what it means to have a financial management order in place
- how we provide support and direction to private financial managers
- the support available for private guardians.

In 2021-22 we were involved in 69 community education events across metropolitan and regional New South Wales. These included presentations to various community groups

Figure 19: Our stand at the Royal Easter Show

such as Probus and Legacy, aged care providers, hospitals and disability service providers as well as attending expos and events.

We also attended each day of the 2022 Royal Easter Show in partnership with Service NSW. This represented a significant increase in our presence at the Show as in previous years we had only attended on Senior's Day.

Other larger scale events we attended during 2021-22 included the NSW Seniors Expo in Sydney, Sydney Disability Expo, Yabun Festival, Sydney Fair Day, Wagga Wedding Expo, Shellharbour Wellbeing Festival and the Newcastle Dying to Know Day.

We use the media to help us promote the importance of having planning ahead documents in place and to promote our Plan Ahead Days in the local area.

Planning ahead for Aboriginal people in New South Wales

We continue to actively promote the importance of planning ahead for Aboriginal people. This is supported by the promotion of the *Aboriginal Wills Handbook* and *Taking Care of Business* booklet which were developed as culturally appropriate resources.

We attended the Yabun Festival on 26 January 2022 to provide information on the importance of having a Will, Power of Attorney and Enduring Guardian appointment in place.

Figure 20: We attended the Yabun Festival

During 2021-22, our staff appeared on local radio in regional areas to discuss the importance of planning ahead.

Our 'I Will' advertising campaign provided an opportunity for one of our Wills and Estate Planning staff to speak on what people need to know when planning for their Will (figure 22).

Collaborations and partnerships to promote planning ahead

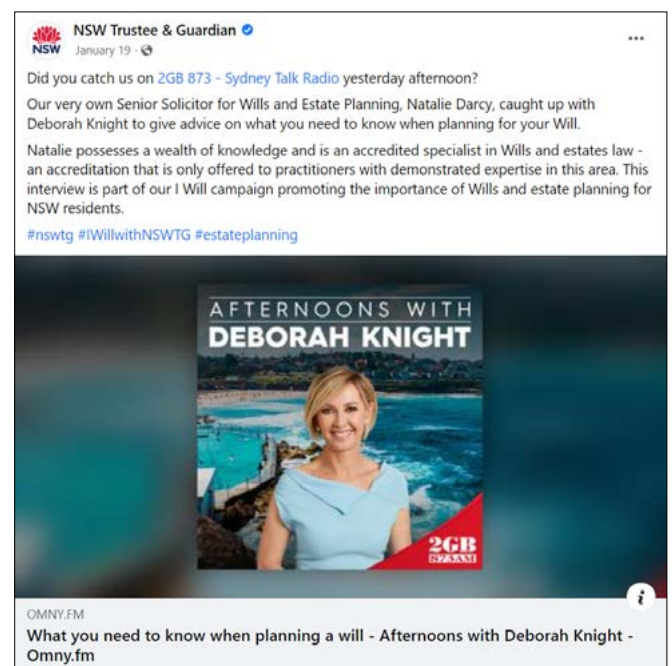
During 2021-22 we commenced a collaboration with CatholicCare to provide content about planning ahead decisions for their Ageing Well program. This program is intended to help people navigate some of the issues around ageing and is presented in local parishes and aged care facilities.

In partnership with Service NSW, the Registry of Births Deaths and Marriages and the NSW Office for Veterans Affairs we are developing a program presenting end of life planning and other services available to veterans and older people. The purpose of the program is to reduce isolation for veterans and older people and to connect them with services that help care for them and empower them to plan for the future.

Figure 21: Staff from our Wollongong branch at a local community event



Figure 22: Social media post regarding one of our media appearances



Customer feedback and response

We welcome feedback from customers to help understand how well we are meeting their expectations, delivering services and communicating with them. Feedback also helps us identify gaps and improvements we can make to our services.

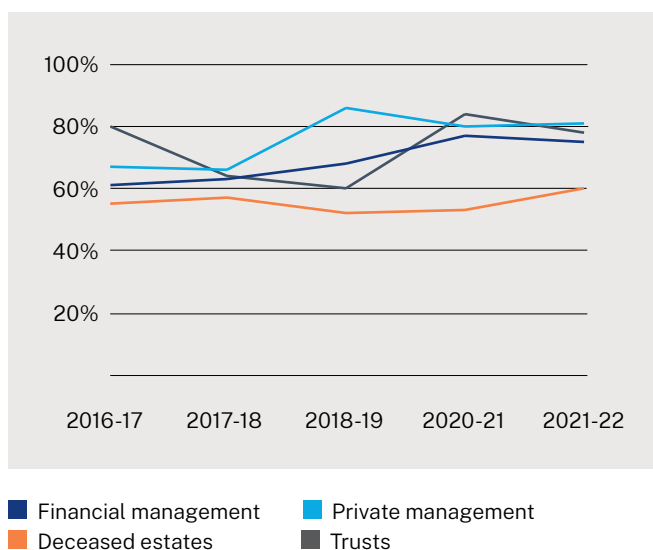
Customer satisfaction surveys

We use annual surveys of financial management, private management, deceased estate and trust customers to assess customer satisfaction. The surveys are based on interviews with a random selection of customers conducted by an external service provider. All responses are anonymous.

Customer satisfaction

A summary of satisfaction levels for private management, financial management, deceased estate administration and trust customers from surveys conducted between 2017 and 2022 is shown in [figure 23](#).

Figure 23: Customer satisfaction⁶

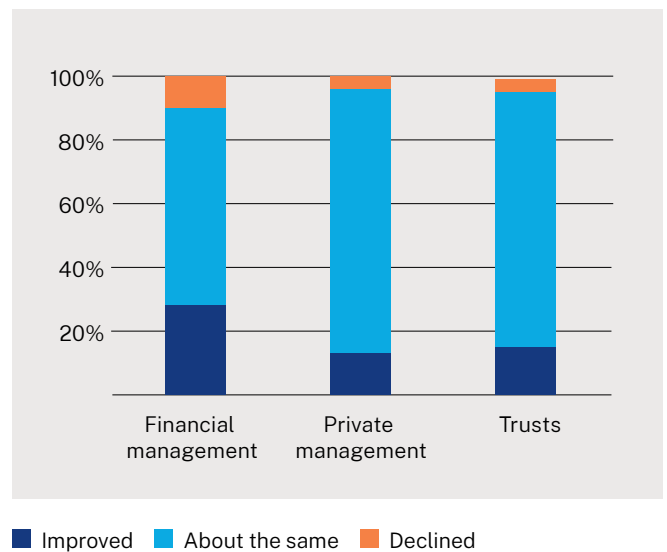


⁶There were no customer satisfaction surveys conducted in 2019-20.

⁷We do not include beneficiaries in this survey as they may not be customers over multiple years.

The survey results show a general trend of increasing satisfaction for financial management, private management and trust customers. Satisfaction among beneficiaries (deceased estate administration customers) has remained relatively consistent.

Figure 24: Comparison to service in previous year



Comparison to service in previous year

Trust, financial management and private management customers are also asked how they felt about the service they had received compared to the previous year⁷.

Most customers said they thought our service was about the same as last year. 28% of financial management customers said our services had improved during 2021-22. 13% of private management and 15% of trust customers also thought our services had improved in 2021-22.

Factors with the highest levels of satisfaction

As in the previous year, courtesy and helpfulness of staff and customers' confidence that their money and assets are safe were among the highest rated satisfaction factors across customer groups.

Lower rated satisfaction factors such as ease of contacting the right team and provision of regular updates reflect areas of improvement that we are already working to address.

Customer insights survey

The Customer insights survey measures the level of customer satisfaction for Wills and estate planning customers.

As part of the survey, customers are asked to rate our customer service based on our Customer Excellence Principles.

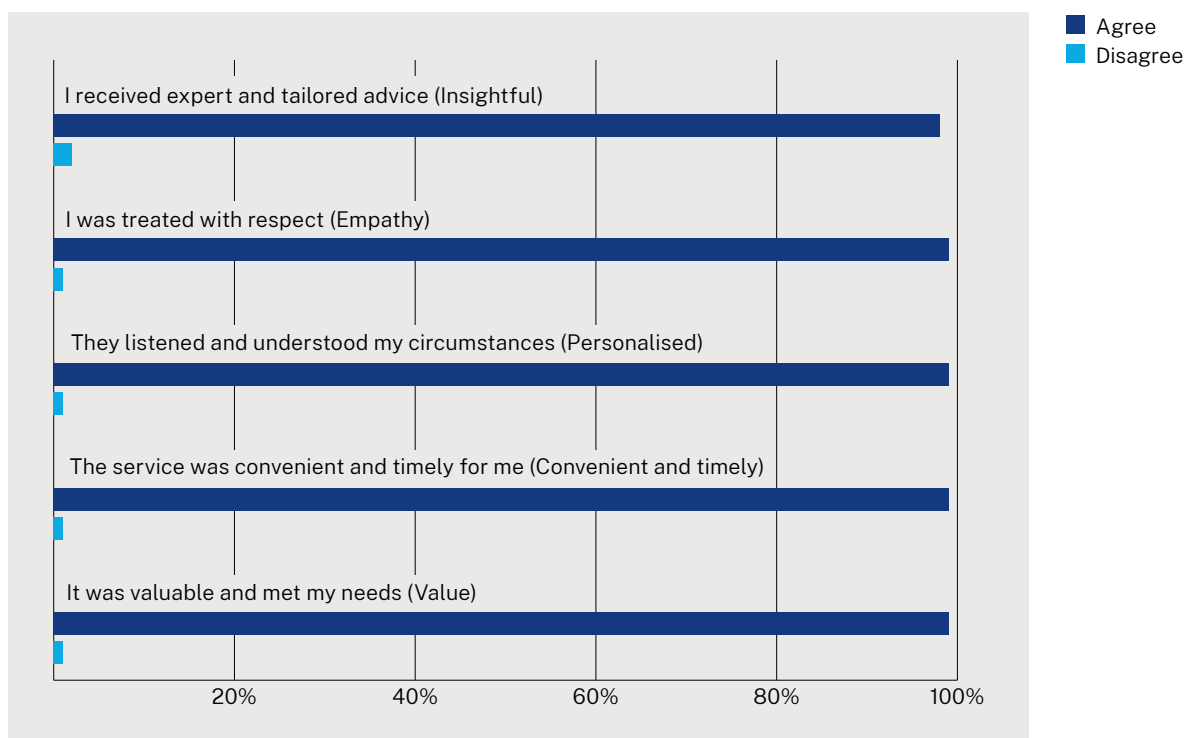
The 2021-22 survey shows that on average over 98% of customers participating in the survey considered our service met each of those principles.

Overall customer satisfaction among Wills and estate planning customers was 4.9 (out of 5) in 2021-22. This continues the steady increase over the last four years.

The Net Promoter Score of 88 for 2021-22 is largely consistent with the previous survey.

A summary of the results from the 2021-22 survey is shown in figure 25.

Figure 25: Customer insights survey – Wills and estate planning customers



Complaints

Complaints are a key part of the feedback we receive from customers. They provide an opportunity for us to:

- explain our role and processes to customers and those involved in their lives
- review our practices and consider any improvements or changes we need to make as a result.

They can be submitted by customers, their family, friends, service providers or other agencies. Some of the complaints we receive, particularly those that are not substantiated, relate to the fact the person who made the complaint does not agree with a decision we have made or the procedures we have put in place to implement that decision.

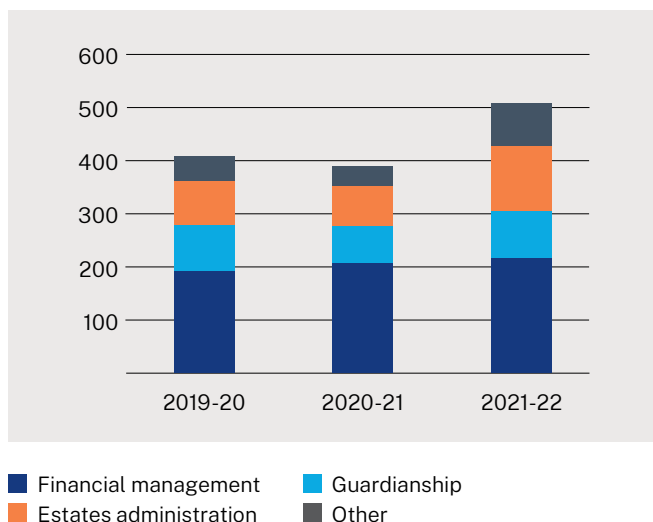
We received 509 complaints during 2021-22 an increase on the 389 complaints received in 2020-21.

A comparison of complaints received by service between 2019-20 and 2021-22 is shown in figure 26.

Complaints increased across all service lines. The largest increase related to 'Other' which includes private management, Wills and Estate Planning, Trusts and general complaints about the agency. The other major component of the increase related to Estate administration matters.

A breakdown of complaints received during 2021-22 by category is shown in figure 27.

Figure 26: Complaints received 2019-20 to 2021-22



Outcome of complaints

At 30 June 2022, 465 (91%) of the complaints received had been finalised and nine (2%) withdrawn. A further 35 (7%) complaints were in progress.

Of the 465 finalised complaints, 199 (43%) were substantiated and 266 (57%) were unsubstantiated.

Figure 28 shows a summary of the outcome complaints for the three years to 30 June 2022.

Figure 27: Outcome of complaints received in 2021-22

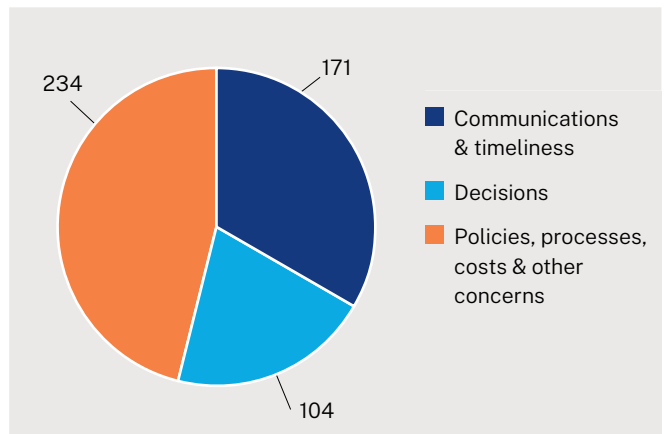
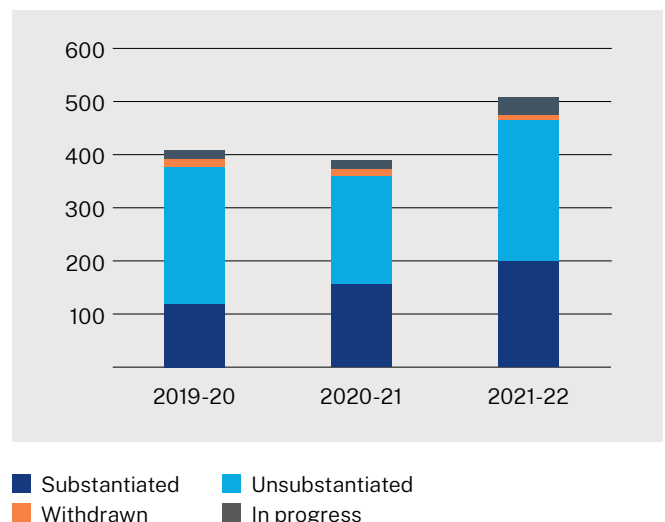


Figure 28: Outcome of complaints received 2019-20 to 2021-22



Timeliness of our responses

Our standard timeframe to respond to complaints is 15 business days. In 2021-22 we responded to 81% of the complaints within this timeframe⁸. This is an increase of 7% on 2020-21.

In some cases, additional time can be required to finalise responses because of complexities in the matters, a need for additional information or reports and delays by external parties.

Reviews of substitute decisions for customers with a financial management or guardianship order

Once we have made a substitute decision for a customer, we communicate the decision and explain the reasoning behind making that decision to them. Major decisions such as purchase of real estate are communicated in writing. Other decisions are usually communicated verbally.

We understand that customers, their family and other important people in their life don't always agree with these decisions. When this happens, there is a statutory review process they can follow⁹ that includes both internal and external reviews of those decisions. Customers are notified of the process when they are informed of the decision we have made.

In 2021-22 we received 72 requests for an internal review of decision. This is a decrease on the 84 requests received in 2020-21.

Of the requests received in 2021-22:

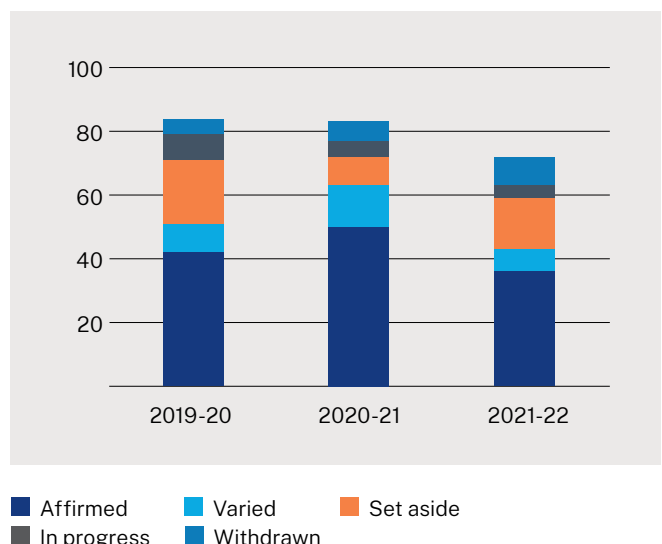
- 59 (82%) of those requests were finalised
- four (6%) were withdrawn
- nine (13%) were in progress.

In 2021-22, we completed 43 of the requests for an internal review of decision within our standard timeframe of 21 days.

As with complaints, additional time can be required to finalise reviews because of complexities in the matters, a need for additional information or reports and delays by external parties.

Customers have the right to seek an external review of a decision when we do not meet the standard time frame for responding to their request.

Figure 29: Reviews of substitute decisions 2019-20 to 2021-22 by outcome



⁸ This does not include complaints received in relation to guardianship matters.

⁹ *Administrative Decisions Review Act 1997*.



Changes implemented in response to issues identified in complaints and reviews

We review complaints to ensure that issues raised in the complaint are addressed. This may include ensuring commitments are met or that changes identified to policies and procedures are implemented. During 2021-22 we refined the process for reviewing complaints to improve our understanding of what causes them, address any systemic issues identified to help improve our services and reduce future complaints.

We encourage staff to either meet with or call the person that made the complaint. This provides the opportunity to discuss the complainant's concerns and to provide an explanation of our policies, procedures or decisions.

Working with the NSW Ombudsman

During 2021-22, we received eight formal inquiries from the NSW Ombudsman, all of which were closed with no further action required. This indicates the Ombudsman considered the actions we took to resolve the complaint and the procedures we followed were appropriate.

Legislative change, judicial decisions, reviews and submissions

Legislative change

There were no legislative changes during 2021-22 that impacted our operations.

Judicial decisions

During 2021-22 the High Court of Australia made a unanimous decision in *Fairbairn v Radecki*¹⁰ on behalf of a customer who has the NSW Trustee appointed as her financial manager.

The customer and her partner (the other party in the proceedings) had lived in the customer's house in a de facto relationship from late 2005 or early 2006. A fundamental premise of their relationship was that they agreed to keep their assets separate at all times.

After suffering a rapid decline in cognitive function in 2015, the customer was diagnosed with dementia in mid-2017. At that stage her decision-making capacity was largely, if not completely, absent. In late 2017, her partner arranged a new Power of Attorney appointing him and the customer's brother as attorney. He also arranged for the customer to execute a new Will that was more favourable to him.

In 2018, as a result of disputes among family members, the NSW Trustee was appointed as the customer's financial manager. The customer moved into an aged care facility in March 2018. Her partner objected to our decision to sell the customer's home to fund the costs of the aged care facility. He did not make any contributions to the property. In addition, he only made belated and limited attempts towards payment of the customer's fees for the aged care facility.

We made an application to the Federal Circuit Court for a property settlement on the basis the behaviour and conduct of the partner was not that of a person in a committed relationship. The court's jurisdiction to make a property settlement

orders was based on the de facto relationship having broken down which was found to have occurred. Upon appeal, the Full Court found it could not make property settlement orders because the requirement for the parties to be separated beforehand had not been fulfilled.

We appealed the matter to the High Court of Australia. The High Court's decision provided that where one party in a de facto relationship acts fundamentally contrary to the interests of the other in relation to the property of the couple, it may be possible to conclude that the mutual commitment to a shared life has ended. This decision will allow us, and the Public Trustees in other jurisdictions around Australia, to better support customers who have some form of incapacity where there are issues relating to the conduct of the other person in the relationship that may be construed as 'breakdown' behaviour.

Royal Commissions

Aged Care Royal Commission

The Aged Care Royal Commission released its final report on 1 March 2021 providing insights into community views and experiences of the services provided in the aged care sector.

Since release of the report, we have worked with other agencies to implement changes related to consent for use of restrictive practices and implementation of the Serious Incident Response Scheme managed by the Aged Care Quality and Safety Commission.

Disability Royal Commission

The Acting Chief Executive Officer appeared before the Royal Commission on 12 August 2021 to provide an update on a case study of a customer who has the Public Guardian appointed

¹⁰ *Fairbairn v Radecki* [2022] HCA 18.

as their guardian. This case study had also been discussed during their previous appearance in February 2021.

A summary of this case study is provided on [page 32](#).

During their appearance, the Acting Chief Executive Officer also spoke to systemic issues impacting people with disability. This was supported by a submission to the Royal Commission prior to the hearing.

The Acting Chief Executive Officer also attended two policy roundtables in May and June 2022 conducted by the Royal Commission. The first roundtable on supported decision-making and the second on guardianship and financial management.

Discussion at the roundtables focussed on proposals for reform set out in the *Supported decision making and guardianship: proposals for reform* background paper prepared by the Royal Commission.



Information technology

We maintain a number of complex and interconnected systems that support services to customers including processing 2.3 million financial transactions a year on their behalf.

During 2021-22 we continued work on improving our information technology services to support our objective of delivering customer-centred services.

This has included better utilisation of the functionality available in applications such as Microsoft Teams. Customers can now dial into Microsoft Teams meetings using their landline or mobile phone. This has provided an additional avenue for customers to interact with us in a way that suits them.

We also implemented a new staff intranet that makes it easier to communicate information for staff.

Customer management systems

We continue to make enhancements that improve the performance, functionality and stability of our customer management systems to support the services we provide to customers.

During 201-22 a number of significant enhancements were made to support the new operating models ([page 21](#)) and to improve support for decision making. We also continued our work automating manual processes to free up staff time for tasks that provide greater value for customers. During 2021-22 this included processes related to managing annual tax returns and investments for customers.

At the end of June 2022 we implemented a new legal practice management system. The new system supports the provision of legal services to customers by providing efficiencies in administrative tasks involved in providing these services.

These efficiencies, as with process automation, free up staff for tasks that add more value to customers.

Cybersecurity

During 2021-22 we made further improvements to our cybersecurity capabilities. We also continued to increase our maturity against the NSW Cyber Security Policy and the Australian Cyber Security Centre's Essential 8.

Our cybersecurity staff awareness campaign continued in 2021-22. This campaign includes mandatory training, six monthly phishing simulations and cyber awareness posters to help staff understand their role in identifying cyber risks. We also improved the process for reporting suspicious emails to make it easier to trigger an investigation into emails of concern.

Financial performance

Our Net Operating Result for 2021-22 (before sale of property, other gains, and net increase in property plant and equipment) was a loss of \$6.63m.

We are largely a self-funded agency. Our main source of revenue is the fees, commission and charges received from delivering services to customers. This revenue is impacted by demand for our services and general economic conditions such as volatility in the financial markets, fluctuating interest rates and property prices. For example, revenue from administration of deceased estates is closely tied to the property market. During 2021-22, higher prices for properties, particularly in the Sydney metropolitan area, impacted this revenue.

We also receive interest from investment of our corporate funds. Volatility in financial markets and fluctuating interest rates impact the amount received and consistency of returns from these investments. A decrease in the return on and value of these investments has had a significant impact on revenue brought to account at the end of 2021-22.

In addition to revenue received from customers and interest on our corporate funds we also receive a grant for financial management and guardianship services. In 2021-22 this included additional government funding of \$10.1m as

announced in the 2021-22 State Budget. This is the first year of \$41.5m in funding we will receive over four years.

Our Total Comprehensive Income for 2021-22 was \$36.6m

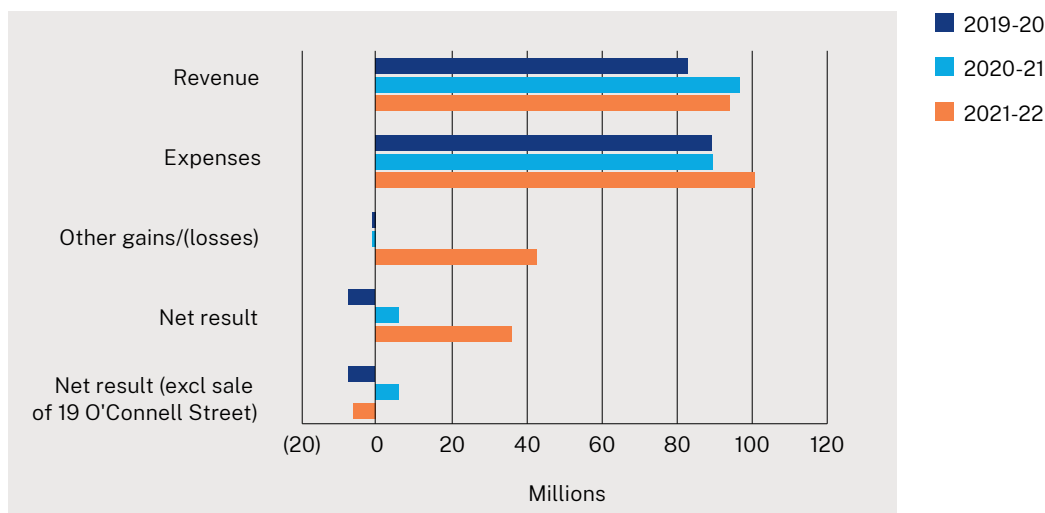
Our results for 2021-22 were significantly impacted by the sale of our building at 19 O'Connell Street, Sydney to Lendlease's Australian Prime Property Fund Commercial. The final payment received was \$82.5m, of which \$42.5m was a gain compared to book value.

The agreement with Lendlease is worth \$85.7m with an exit date of June 2025. It includes \$3.2m in rental and relocation subsidies in addition to the \$82.5m cash sale. We are undertaking a search to identify and secure suitable alternate premises.

Figure 30 shows a summary of the results for 2021-22 with a comparison to previous years.

The Balance Sheet position at 30 June 2022 shows net assets and total equity of \$193m. Net assets include cash of \$104.8m, of which \$82.5m is from the proceeds of sale of our building at 19 O'Connell Street, Sydney. The proceeds from that sale are annexed for purchasing alternate premises in Sydney. Property plant and equipment has subsequently reduced in value to \$8.5m. Our working capital position is solid.

Figure 30: Summary results for three years to 2021-22



Budget

The budget for 2021-22 was for an Operating and Total Comprehensive Surplus of \$2.1m.

Actual revenue in 2021-22 was below budget by net \$13.5m. This was predominantly a result of lower than budget returns on our TCorp IM investments of \$0.7m, and the effect of an unfavourable valuation of these investments of \$8.3m at 30 June 2022. The inclusion of the first year of additional funding for financial management and guardianship services announced in 2021-22 State Budget was welcomed to improve customer services.

Actual expenses were \$4.7m lower than budget. This was primarily the result of lower personnel services costs. This under budget cost occurred mainly because of challenges in recruiting and retaining qualified staff in the tight and competitive labour market. Figure 31 shows a comparison of budgeted and actual results for 2021-22 as well as the budget for 2022-23.

Changes to 2021-22 budget

There were a number of minor adjustments to the original budget for 2021-22. The main adjustments are set out below:

- an increase in personnel services expenses as a result of the wages indexation increase (\$0.84m)
- an impairment gain arising from derecognition of right use of assets of (\$0.97m).

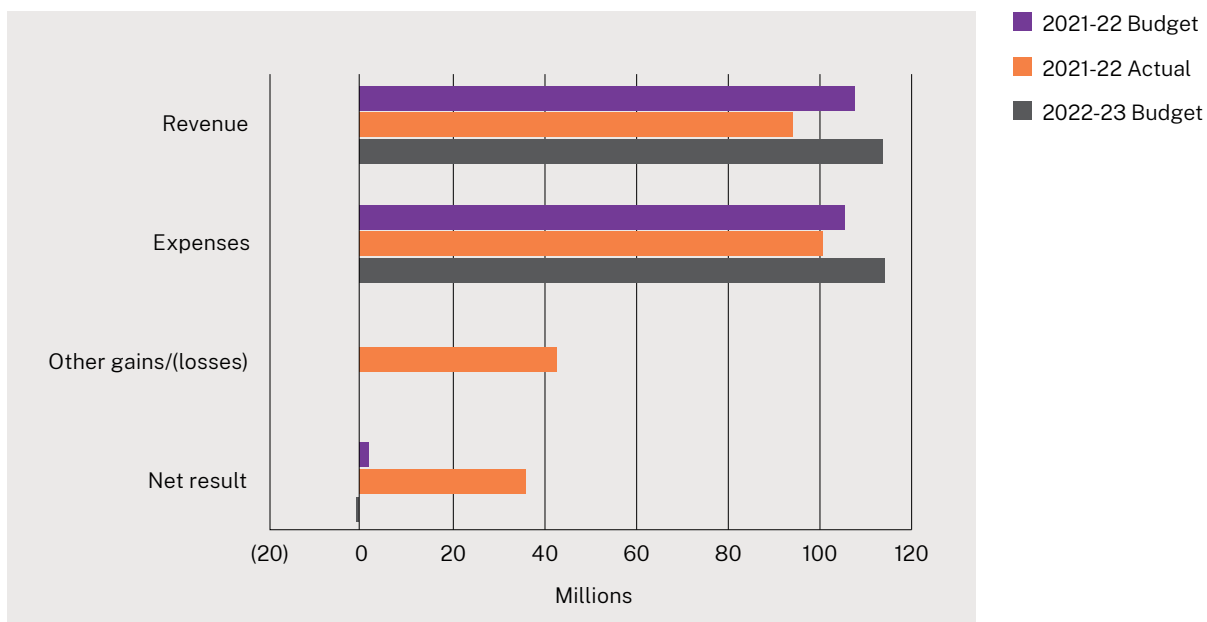
Revenue

Total revenue for 2021-22 was \$94.59m which was a decrease of 2.7% on the revenue for the previous year.

The three major components of revenue are fees received from customers, interest on corporate investments and grants received for financial management and guardianship services.

Fees received from customers increased by \$5.3m in 2021-22.

Figure 31: Comparison of budgeted and actual results

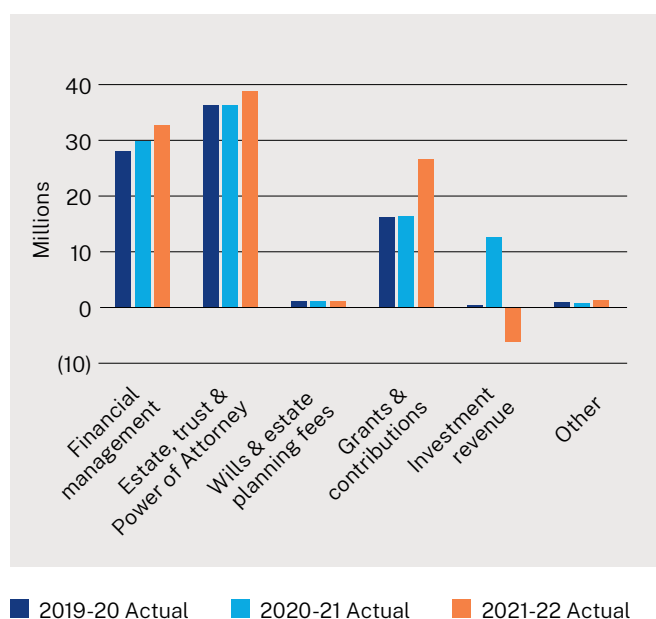


Revenue from our investments with TCorp IM Fund decreased as a result of a lower distribution and an unrealised loss from a revaluation of our investments of \$8.3m

Grants and contributions received for financial management and guardianship services increased by a \$10.1m reflecting the additional funding announced in the 2021-22 State Budget.

The sources of revenue for the three years to 30 June 2022 are shown in figure 32.

Figure 32: Sources of revenue

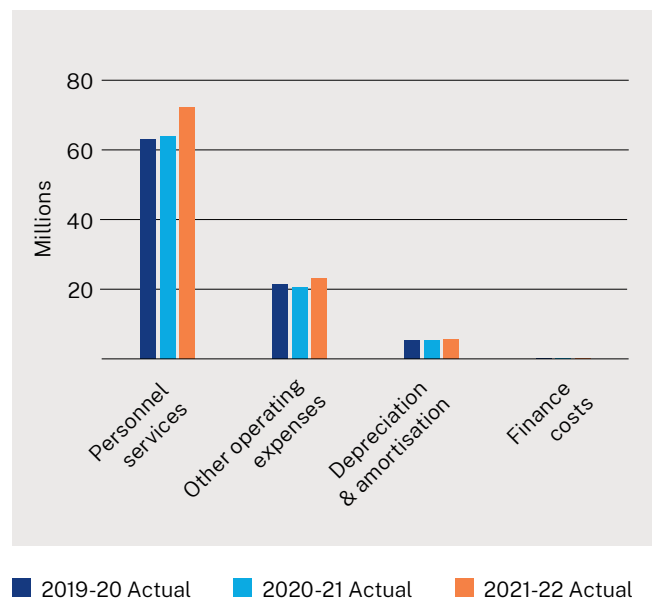


Expenditure

Total expenditure for 2021-22 was \$101.22m, an increase of 12.5% on the \$89.98m expenditure in 2020-21. A summary breakdown of expenditure for the three years to 30 June 2022 is shown in figure 33.

The increase in 2021-22 is mostly related to additional personnel services expenses resulting from the new positions created as a result of the additional budget funding for financial management and guardianship services.

Figure 33: Breakdown of expenditure



Capital expenditure

A comparison of budget and actual capital expenditure for 2021-22 is shown in figure 34. It also sets out the budget for 2022-23.

A breakdown of capital expenditure of 2021-22 is shown in figure 35.

Capital expenditure for 2021-22 was \$1.1m under budget. NSW Treasury has approved for unspent capital expenditure to be carried forward to 2022-23.

Figure 34: Comparison of actual and budgeted capital expenditure

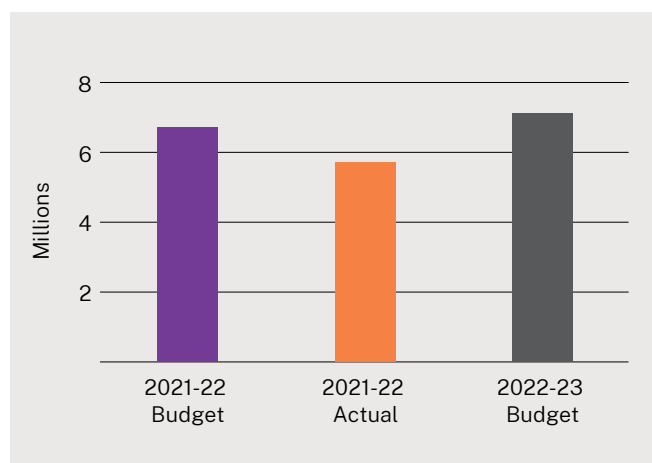


Figure 35: Capital expenditure for the three years to 30 June 2022



Corporate investments

Investments of our corporate funds are managed by NSW TCorp Investment Management. These corporate funds are invested to contribute to the financial sustainability of the agency.

Further information about the performance of corporate investments is set out in the financial statements on [page 123](#).

Liability management

Personnel services related liabilities represent 84% of current and 74% non-current liabilities on our Balance Sheet. These liabilities are managed in accordance with Department of Communities and Justice policies.

We currently do not have any debt incurring interest.

Further information on our liability management is set out in the financial statements on [page 112](#).

Payment performance

Our performance for on-time payment of corporate invoices in 2021-22 is set out on [page 73](#). There were no notable changes in our performance compared to 2020-21 and no interest payments made for late payments.

Information about processing of payments for customers is on [page 45](#).

Further information on our financial performance is set out in the audited financial statements commencing on [page 78](#).

Oversight and governance

The Chief Executive Officer is responsible for the management of the affairs of the agency. Our corporate governance framework supports the Chief Executive Officer in discharging those responsibilities and helps provide for the efficient and effective administration of our resources.

The Executive Leadership Team supports the Chief Executive Officer in leading the organisation. Our independent advisory committees ([page 10](#)) also provide high-level advice and assurance.

Additional oversight is provided by integrity agencies including the Audit Office of New South Wales, the NSW Ombudsman and the Independent Commission Against Corruption.

Oversight

The Audit Office of New South Wales provides external auditing services for both the agency and our common fund.

The Independent Auditor's Report for 2021-22 is set out on [page 81](#). At time of publication the audit of the common fund is in progress.

The NSW Ombudsman provides support and oversight to help us improve the delivery of services to customers. Further information on our work with the NSW Ombudsman is set out on [page 53](#).

The Independent Commission Against Corruption provides oversight to guide the conduct of our staff, protect the public interest and prevent breaches of public trust.

Risk management

Our management of risk is compliant with NSW Treasury policies¹¹. Our risk management framework also meets the requirements of the Risk Management - Principles and Guidelines Australian standard¹².

Major business processes are protected by:

- a risk management and compliance framework, a fraud control and corruption strategy and prevention framework
- an internal audit program focused on addressing key risk and advice and assurance from the Audit and Risk Committee
- business continuity and business resilience plans
- our knowledge management framework, which includes monitoring the currency of policies and procedures.

During 2021-22 we:

- developed an organisation compliance policy to enhance our ability to identify, record and monitor our compliance obligations
- developed a fraud and corruption control plan to enhance our capability in preventing, detecting and responding to fraud and corrupt conduct.

Internal audit program

Our strategic internal audit plan is reviewed annually and endorsed by the Audit and Risk Committee. It provides assurance over key risks and internal controls. Our main areas of focus for internal audit in 2021-22 were information security, business resilience and customer outcomes.

¹¹ Certifying the Effectiveness of Internal Controls Over Financial Information Policy (TPP 17-06) and Internal Audit and Risk Management Policy (TPP 20-08).

¹² AS/NZS ISO 31000.

The Director Strategy, People and Governance is the Chief Audit Executive. They oversee the internal audit function and report administratively to the Chief Executive Officer and functionally to the Chair of the Audit and Risk Committee on internal audit.

Strategic direction and business planning

Our Strategy informs our annual business and performance planning. This includes the annual Statement of Business Intent and Business Plan submitted to NSW Treasury.

Annual Divisional Plans set out the initiatives that we will focus on during the year to help us achieve our purpose.

Progress is monitored by the Executive Leadership Team and adjustments to initiatives under *Our Strategy* are made accordingly.

Further information on *Our Strategy* and our achievements during 2021-22 is set out on [pages 12 to 14](#).

Business continuity

Our business continuity management framework and resilience plans are designed to ensure that in the event of a disruptive event (including an emergency situation) all critical business systems and processes continue to operate. This means we can be there for customers to provide the services and support they rely on.

During 2021-22 our resilience plans were reviewed and updated to ensure they remained relevant and meet the international standard¹³.

Conduct and behaviour and public interest disclosures

Our staff operate under a framework that outlines the standards for ethical and professional conduct they are expected to meet. The framework also applies to contractors, consultants, volunteers and employees of other organisations working with us.

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

All staff have a responsibility to report suspected wrongdoing. During 2021-22 we established an internal Public Interest Disclosure reporting system which encourages staff to report suspected wrongdoing.

We also incorporated governance training into our new induction process for all new staff. This helps ensure new staff are aware of their ethical obligations. We also provide:

- factsheets supported by an online learning module and face to face training on ethical conduct and behaviour
- information to suppliers and service providers about reporting wrongdoing through the Statement of Business Ethics published on our [website](#).

There were no public interest disclosures received in 2021-22.

¹³ Security and Resilience - Business Continuity Management Systems – Requirements (ISO 22301:2019).

Procurement

We procure goods and services for general operating purposes and on behalf of customers. The overarching requirement for all procurement is that it delivers value for money. It must also be fair, ethical and transparent.

Our customer and corporate procurement framework provides support for staff when procuring goods and services for customers or for general operating purposes.

Insurance arrangements

Our insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for government agencies. The fund is managed by Insurance and Care NSW (icare). The premiums are determined by the Fund Manager based on past claims experience.

A new life for our offices at 19 O'Connell Street, Sydney

We have been providing services to customers from 19 O'Connell Street in Sydney's central business district since 1942.

During 2021-22 we finalised the sale of the building to Lendlease's Australian Prime Property Fund Commercial with a leaseback exit date of June 2025.

The building is on the State Heritage Inventory and has been sold with a conservation management plan in place to ensure its heritage values are protected and maintained into the future.

The funds from the sale will be re-invested in the purchase of new premises we will use to continue providing services to customers in that area.

Further details of the sale of the building are provided on [page 57](#).



Workforce

Supporting and developing our people is one of the goals of *Our Strategy*. This reflects the importance and value of our people in delivering and improving the services we provide to customers. During 2021-22 we have continued our focus on building both the capacity and capability of our people.

Number of employees

The number of full-time equivalent employees by the Australian and New Zealand Standard Classification of Occupations at 30 June 2022 is shown in table 7. It also includes a comparison with the previous three years.

The majority of our employees are located in Parramatta with other staff located in the Sydney CBD and regional and remote locations across the state.

Human resource, payroll and employee records services

We have an in-house human resource function providing talent acquisition, learning and development, work health and safety, employee relations and support for organisational change. Industrial relations advice is provided by external providers. The Department of Communities and Justice provides payroll and employee records services under a service partnership agreement.

Workforce diversity

We aim to build a diverse workforce that is inclusive and more representative of our customer base.

Tables 8 and 9 set out the representation of diversity groups in our workforce. The data in the tables is based on responses to the Department of Communities and Justice workforce diversity questions.

During 2021-22 we adopted strategies to attract candidates from diverse backgrounds as part of the advertising and recruitment process for new staff.

Table 7: Employees at 30 June¹⁴

Classification	2019 FTE	2020 FTE	2021 FTE	2022 FTE
Clerical & administrative	340.90	320.56	318.54	343.20
Community & personal service	1.80	2.00	3.00	4.00
Managers	86.90	92.20	81.40	79.50
Professionals	105.99	123.59	140.37	159.93
Sales workers ¹⁵	18.00	20.50	17.20	15.10
Total	553.59	558.85	560.51	601.73

¹⁴ NSW Public Service Commission Workforce Census.

¹⁵ Sales worker roles are located in our Property Services team and manage customer real estate.

We will continue to increase diversity within our workforce, through the development of a more comprehensive diversity plan and deliver campaigns to promote the voluntary disclosure of diversity information.

Work health and safety

We are committed to providing a healthy and safe workplace for our staff and complying with the requirements of the *Work Health and Safety Act 2011*.

Our Work Health and Safety Committee provides a forum for staff and management to consult about issues affecting workplace safety. The Committee met four times during 2021-22.

Establishing Health & Safety Representatives continued during 2021-22, with elected representatives attending a five-day training course or one-day refresher training. Health & Safety Representatives were consulted through the Work Health and Safety Committee.

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

Based on guidelines in place during 2021-22, we reported two COVID-19 related incidents to SafeWork NSW. The SafeWork NSW guidelines no longer require COVID-19 related incidents to be reported.

Health and wellbeing

The wellbeing and resilience of our staff is a key priority in supporting and developing our people.

We support staff well-being initiatives, such as *ruk day?* and a fitness passport program. We made flu vaccinations available to help reduce the spread of infection.

We offered our staff training on building resilience, working effectively from home and managing remote teams, which provided them with practical strategies and support.

We also provided a Clinical Supervision Program to support and maintain staff wellbeing in the Customer Specialist Centre.

Our Employee Assistance Program supports the wellbeing of staff and their immediate family members. We provided additional direct support to the program for staff impacted by organisational changes.

Table 8: Representation of diversity groups

Workforce diversity group	Benchmark	2020	2021	2022
Women	50.0%	67.5%	66.9%	70.1%
Aboriginal and/or Torres Strait Islander people	3.3%	1.3%	1.3%	1.6%
People whose first language spoken as a child was not English	23.2%	37.1%	38.4%	34.8%
People with disability	5.6%	6.3%	5.8%	6.3%
People with disability requiring work-related adjustment	N/A	2.8%	2.8%	2.8%

Table 9: Distribution of diversity groups across salary bands¹⁶

Workforce diversity group	Benchmark	2020	2021	2022
Women	100	98	98	98
Aboriginal and/or Torres Strait Islander people	100	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	95	94	96
People with a disability	100	92	94	93
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A

¹⁶ The distribution is not calculated where there are less than 20 employees in a diversity group or where the number of other employees is less than 20.

Movement in salaries and allowances 2021-22

A 2.04% pay increase consistent with the NSW Public Sector Wages Policy came into effect in July 2021.

There were no exceptional movements in salaries or allowances in 2021-22.

Personnel policies and practices

All employees have rights and obligations as determined by Department of Communities and Justice policies. These policies are supplemented by policies specific to our employees, as well as a Corporate Policy Directive.

All policies are available to staff on the intranet.

Senior executives

As at 30 June 2022 we employed nine Public Sector Senior Executives (senior executives).

A summary breakdown of the senior executives at 30 June 2022 and comparison to the previous year is shown in table 10.

The average total remuneration at 30 June 2022 and comparison to the previous year is shown in table 11.

In 2021-22, senior executives represented 3.31% of total employee related expenditure. This compares with 3.26% in 2020-21.

Table 10: Number of senior executives

Band	At 30 June 2021			At 30 June 2022		
	Female	Male	Total	Female	Male	Total
Chief Executive Officer (Band 3)			-	1		1
Executive Director (Band 2)		1	1		1	1
Director (Band 1)	5	3	8	5	2	7
	5	4	9	6	3	9

Table 11: Senior executives – average total remuneration

Band	At 30 June 2021		At 30 June 2022	
	PSSE Band Salary Range	Average Remuneration	PSSE Band Salary Range	Average Remuneration
Chief Executive Officer (Band 3)	345,551 - 487,050	N/A	354,201 - 499,250	355,657
Executive Director (Band 2)	274,701 - 345,550	342,981	281,551 - 354,200	282,874
Director (Band 1)	192,600 - 274,700	215,383	197,400 - 281,550	233,155

Multicultural policies and services and Disability Action Plan

Multicultural policies and services

We use interpreting and translation services and translated resources to provide support to customers from culturally diverse backgrounds.

We provide onsite and telephone interpreting services free of charge.

We have translated a number of information sheets and brochures for customers who speak languages other than English. These are available on our [website](#) and in hardcopy by request.

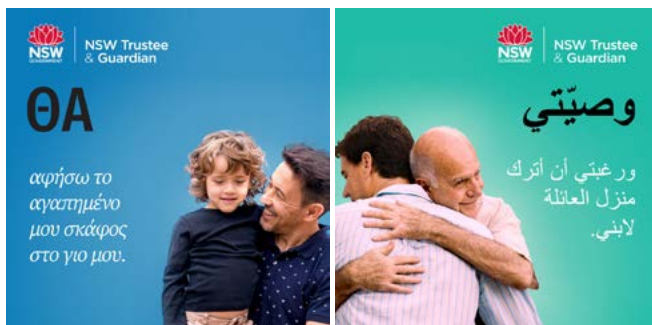
Our [website](#) also enables content on the site to be viewed in 108 languages.

We acknowledge and celebrate days of cultural significance internally including NAIDOC Week, Reconciliation Week and Harmony Day.

We encourage staff to incorporate an Acknowledgment of Country into meetings and other agency events and gatherings. This was to promote understanding of and respect for Aboriginal cultural practice as well as respect for Aboriginal people as ongoing custodians of the lands we work on. We also incorporated First Nations land acknowledgement on our website for all of our locations.

People from culturally and linguistically diverse backgrounds were targeted as part of our 2021-22 advertising campaign ([refer page 34](#)).

Figure 36: Images from our 'I Will' advertising campaign



Disability Action Plan

We actively promote access to services for people with disability through the design and implementation of our services.

Employment of people with disability is an important part of our service delivery strategy, including targeted roles for people with disability.

Our website meets accessibility guidelines to help make the content accessible to a wider range of people with disability.

Accessible versions of brochures and booklets relating to our services are available on request. Easy Read versions of several key resources for guardianship services are also available.

Interpreting services such as AUSLAN are provided on request to both customers and staff.

All our locations are accessible for people with disability.

Other accessibility adjustments made for customers include enabling them to bring a support person, hearing amplification, relocation to a quieter area or provision of documents in large print or electronic formats.

Wherever possible Plan Ahead Days and community education events are held at venues with better access and facilities for people with disability, such as local courthouses, libraries, Service NSW locations and community centres.

We have developed training and resources that staff can use to inform their communication with customers who have specific needs and to better understand the challenges they face. Further information on our Disability Awareness Training is available on [page 24](#).

We celebrated International Day of People with Disability with a focus on leadership and participation of people with disability toward an inclusive, accessible and sustainable post-COVID-19 world.

Access to information and privacy

The aim of the *Government Information (Public Access) Act 2009 (GIPA Act)* is to promote and facilitate the sharing of government information with the public.

Our general approach, in accordance with the *GIPA Act*, is that customers and members of the public can access the information we hold unless there is an overriding public interest consideration against its disclosure or it is excluded information.

Release of information under the *GIPA Act* applies to our functions as financial manager, guardian and attorney. Release of information in relation to our functions as administrator, executor or trustee is considered under general trustee law as they are excluded from the *GIPA Act*.

Our [Agency Information Guide](#) provides further information about how customers and members of the public can access information we hold.

Proactive release of government information

During 2021-22 we reviewed the information we held to identify what information could be made publicly available. As part of this program we published additional policies on our [website](#) and updated a number of policies already published.

Requests for access to government information

During 2021-22 we received 14 formal applications for information under the *GIPA Act*. A summary of the requests received and the outcomes of these requests is shown in the tables on [pages 70-72](#).

Privacy

We hold personal, health and sensitive information about customers, their family and other people in their lives, stakeholders and staff. This information enables us to carry out our statutory functions and provide services to customers.

Our [Privacy Management Plan](#) sets how we manage this information under the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*. Our Privacy Management Plan was updated during 2021-22.

We have a mandatory eLearning module on privacy awareness for all staff and provide advice and guidance to staff on compliance and best practice to support them in managing privacy obligations.

During 2021-22 the NSW Civil and Administrative Tribunal dismissed an application, that had been in progress at 30 June 2021, on the basis we had complied with our obligations under Part 5 of the *Privacy and Personal Information Protection Act 1998*.

There were no reviews in relation to disclosure of personal information kept in a public register.

Future plans

As we move into 2022-23 and beyond, our services will continue to be impacted by changes in our customer base, what they are experiencing in their lives and what they need and expect from us. We also consider that we will continue to see growth in demand for and the complexity of providing services to customers.

Ongoing changes in the disability and aged care sectors as a result of the work of the Aged Care and Disability Royal Commissions to highlight the experiences of older people and people with disability will continue to impact customers and our services. We will work across government to ensure these changes are implemented effectively.

Our Strategy will continue to guide our response to all of these changes.

As we move into the second half of *Our Strategy* our main focus in the short to medium term will be finalising implementation of the new operating models for Estate Management, Public Guardian, Wills and Estate Planning and Customer Experience. This includes completion of recruitment of the additional roles created as a result of the additional funding included in the 2021-22 State Budget.

We also have a number of other initiatives in progress or planned to help us achieve our purpose. These include:

- designing new ways of engaging with and receiving feedback from customers to ensure they remain at the centre of everything we do
- making further changes to the fees we charge for services to ensure we remain competitive, fair and contribute to our agency's financial sustainability. These changes, if approved, will be in accordance with the consultation conducted during early 2021-22
- continuing to improve information management and data quality to make operations more efficient and effective
- improving the marketing of our video conferencing for customers to provide instructions for Wills, Powers of Attorney and Enduring Guardian appointments and other technology-based offerings to ensure customers are aware of alternative service delivery options.

The commitment of our staff to customers and the agency combined with the support and feedback we have received from customers has been an essential part of our success to date and will continue as a key element of our success into the future.

In early 2022-23 the Audit Office of New South Wales commenced a performance audit that will consider whether we effectively provide financial management and guardianship services in line with legislative principles requiring the welfare and interests of customers to be given primary consideration. We will work with the Audit Office on the audit and implement recommendations they make.

The Disability Royal Commission will conduct a public hearing related to guardianship and financial administration as well as substitute and supported decision making. The hearing is currently scheduled for 21-25 November 2022. We will contribute as requested by the Royal Commission.

All of this work and the ongoing collaboration and feedback from customers and staff will help us meet our objective of delivering high-quality, trusted and customer-centred financial management, guardianship and trustee services in a sustainable way. In turn, this will ensure we continue to protect, promote and support, the rights, dignity, choices and wishes of customers.

Appendix 1: Access to government information

Applications received (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	Total
Media									-
Members of Parliament									-
Private sector business									-
Not for profit organisations or community groups								1	1
Members of the public (application by legal representative)			1					1	2
Members of the public		3				3		5	11
Total	-	3	1	-	-	3	-	7	14

Applications received (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	Total
Personal information applications		3	1			3		6	13
Access applications (other than personal information applications)								1	1
Access applications that are partly personal information applications and partly other									-
Total	-	3	1	-	-	3	-	7	14

Invalid applications received

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	-
Application is for excluded information of the agency (section 43 of the Act)	2
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	-
Invalid applications that subsequently became valid applications	-
Total	2

Conclusive presumption of overriding public interest against disclosure (matters listed in Schedule 1 of the GIPA Act)

	Number of times consideration used
Overriding secrecy laws	-
Cabinet information	-
Executive Council information	-
Contempt	-
Legal professional privilege	-
Excluded information	2
Documents affecting law enforcement and public safety	-
Transport safety	-
Adoption	-
Care and protection of children	-
Ministerial code of conduct	-
Aboriginal and environmental heritage	-
Total	2

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

	Number of times consideration used
Responsible and effective government	1
Law enforcement and security	-
Individual rights, judicial processes and natural justice	4
Business interests of agencies and other persons	-
Environment, culture, economy and general matters	-
Secrecy provisions	1
Exempt documents under interstate Freedom of Information legislation	-
Total	6

Timeliness of decisions

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	14
Decided after 35 days (by agreement with applicant)	-
Not decided within time (deemed refusal)	-
Total	14

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

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	2
Total	3

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

	Decision varied	Decision upheld	Total
Internal review		2	2
Review by Information Commissioner		1	1
Internal review following recommendation under section 93 of Act		1	1
Review by NCAT			
Total	-	4	4

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

Nil

Appendix 2: Public Interest Disclosures

There were no Public Interest Disclosures in 2021-22.

Appendix 3: Payment performance indicators

	Sep-21 \$'000	Dec-21 \$'000	Mar-22 \$'000	Jun-22 \$'000
All suppliers				
Total paid	7,769	5,010	5,050	9,046
Current	7,769	5,008	5,032	9,046
Overdue:				
< 30 days	-	2	18	-
30 & <60 days	-	-	-	-
60 days & <90 days	-	-	-	-
90 days and over	-	-	-	-
Small business suppliers				
Total paid	378	208	536	681
Current	378	208	536	681
Overdue:	-	-	-	-
< 30 days	-	-	-	-
30 & <60 days	-	-	-	-
60 days & <90 days	-	-	-	-
90 days and over	-	-	-	-

Measure	Sep-21	Dec-21	Mar-22	Jun-22
All suppliers				
Number of invoices paid				
Due for payment	472	459	496	584
Paid on time	471	458	492	584
Percentage paid on time	99.8%	99.8%	99.2%	100.0%
Amount paid (\$'000)				
Due for payment	7,769	5,010	5,050	9,046
Paid on time	7,769	5,008	5,032	9,046
Percentage paid on time	100.0%	99.7%	99.6%	100.0%
Interest on overdue accounts				
Number of payments	-	-	-	-
Amount paid paid (\$'000)	-	-	-	-
Small business suppliers				
Number of invoices paid				
Due for payment	31	40	62	65
Paid on time	31	40	62	65
Percentage paid on time	100.0%	100.0%	100.0%	100.0%
Amount paid (\$'000)				
Due for payment	378	208	536	681
Paid on time	378	208	536	681
Percentage paid on time	100.0%	100.0%	100.0%	100.0%
Interest on overdue accounts				
Number of payments	-	-	-	-
Amount paid paid (\$'000)	-	-	-	-

Appendix 4: Internal Audit and Risk Management Attestation Statement

TPP20-08 Attestation Statement

Internal Audit and Risk Management Attestation for the 2021-2022 Financial Year for NSW Trustee & Guardian

I, the Chief Executive Officer, the accountable authority am of the opinion that the NSW Trustee & Guardian has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the Internal Audit and Risk Management Policy for the General Government Sector, specifically:

Core Requirements	Compliant, non-compliant or in transition
Risk Management Framework	
1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function	
2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
Audit and Risk Committee	
3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant

Continued next page

From previous page

Attestation Statement

- 3.2 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.

Compliant

Membership

The independent chair and Members of the Audit & Risk Committee are:

- Independent Chair, Julie Elliott, 6 March 2019 to 5 March 2024
- Independent Member, Stephen Horne, 7 March 2022 to 5 March 2026
- Independent Member, Elizabeth Carr, 7 March 2020 to 6 March 2023

C. Cuddihy

Caroline Cuddihy
Chief Executive Officer
Accountable authority

Date: 30/09/2022

Agency Contact Officer:

Michelle Batterham
 Chief Audit Executive

Appendix 5: Cyber Security Annual Attestation Statement

Attestation Statement

Cyber Security Annual Attestation Statement for the 2021-2022 financial year for NSW Trustee & Guardian

I, Caroline Cuddihy am of the opinion that:

NSW Trustee & Guardian has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

- Governance is in place to manage the cyber security maturity and initiatives of NSW Trustee & Guardian.
- Risks to the information and systems of NSW Trustee & Guardian have been assessed and are managed.
- There exists a current cyber incident response plan for the Department of Communities and Justice which covers NSW Trustee & Guardian and has been tested during the reporting period.
- NSW Trustee & Guardian works collaboratively with the Department of Communities and Justice to maintain an Information Security Management System (ISMS).
- NSW Trustee & Guardian is doing the following to continuously improve the management of cyber security governance and resilience:
 - Mandating regular all staff cyber security awareness training
 - Maintaining a close cyber security relationship with the Department of Communities and Justice
 - Regularly reporting incidents to the Department of Communities and Justice
 - Continuing to improve the maturity scores against the ACSC Essential Eight and the NSW Cyber Security Policy Requirements
- This attestation covers NSW Trustee & Guardian.

C. Cuddihy

Caroline Cuddihy
Chief Executive Officer
30 September 2022



**NSW Trustee
& Guardian**

Appendix 6: Disclosures

Consultants

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

Funds granted to non-government community organisations

We did not make any grants to non-government organisations during 2021-22.

Overseas travel

There was no overseas travel by staff members in 2021-22.

Research and development

There were no research and development activities during 2021-22.

Land disposal

During 2021-22 we finalised the sale of our building at 19 O'Connell Street in Sydney's central business district to Lendlease's Australian Prime Property Fund Commercial with a leaseback exit date of June 2025.

Further information is provided on [pages 57](#) and [63](#).

Financial Statements

For the year ended
30 June 2022



Contents

Statement in Accordance with Division 7.2 of the Government Sector Finance Act 2018.....	80
Independent Auditor's Report	81
Statement of Comprehensive Income for the year ended 30 June 2022	83
Statement of Financial Position as at 30 June 2022.....	84
Statement of Changes in Equity for the year ended 30 June 2022	85
Statement of Cash Flows for the year ended 30 June 2022.....	86
1. Summary of Significant Accounting Policies.....	87
2. Expenses Excluding Losses	98
3. Revenue.....	99
4. Gain/(Loss) on Disposal.....	101
5. Other Gains/(Losses)	102
6. Current Assets – Cash and Cash Equivalents.....	103
7. Current/Non-Current Assets – Receivables.....	103
8. Current Assets - Contract Assets	104
9. Current/Non-Current Assets – Financial Assets at Fair Value	104
10. Non-Current Assets – Property, Plant and Equipment	105
11. Leases as a lessee.....	106
12. Intangible Assets.....	110
13. Fair value measurement of non-financial assets	111
14. Current Liabilities – Payables.....	112
15. Current/Non-Current Liabilities – Borrowings.....	112
16. Current/Non-Current Liabilities – Provisions.....	113
17. Commitments.....	115
18. Contingent Liabilities and Contingent Assets.....	115
19. Budget Review.....	115
20. Reconciliation of Cash Flows from Operating Activities to Net Result	117
21. Common Fund Assets	117
22. Financial Instruments	118
23. Related Party Disclosures.....	126
24. Natural disasters and financial impact.....	127
25. Events after the Reporting Period.....	127



NSW Trustee
& Guardian

STATEMENT IN ACCORDANCE WITH DIVISION 7.2 OF THE GOVERNMENT SECTOR FINANCE ACT 2018

Pursuant to Division 7.2, section 7.6 (4) of the *Government Sector Finance Act* 2018, I declare that in my opinion:

- (a) The accompanying financial statements present fairly the financial position as at 30 June 2022, transactions and cash flows for the year ended 30 June 2022;
- (b) The financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Government Sector Finance Act* 2018, the regulations 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.

C. Cuddihy

Caroline Cuddihy

Chief Executive Officer

6 October 2022



INDEPENDENT AUDITOR'S REPORT

NSW Trustee and Guardian

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of NSW Trustee and Guardian, which comprise the Statement by the Chief Executive Officer, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2018 (GSF Regulation) and the Treasurer's Directions
- presents fairly NSW Trustee and Guardian's [Abstract] financial position, financial performance and cash flows.

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 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 (including Independence Standards)' (APES 110).

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

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

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

Chief Executive Officer's Responsibilities for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive Officer's responsibility also includes such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing NSW Trustee and Guardian's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

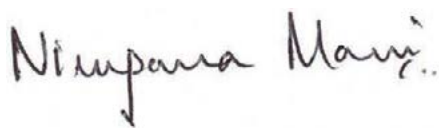
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

The scope of my audit does not include, nor provide assurance:

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



Nirupama Mani
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

10 October 2022
SYDNEY

Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Expenses excluding losses				
Personnel services	2(a)	81,584	72,219	63,971
Other operating expenses	2(b)	18,048	23,124	20,435
Depreciation and amortisation	2(c)	6,190	5,742	5,437
Finance costs	2(d)	129	132	140
Total Expenses excluding losses		105,951	101,217	89,983
Revenue				
Rendering of services	3(b)	72,268	72,754	67,418
Investment revenue	3(c)	8,786	(6,169)	12,588
Grants and contributions	3(d)	25,984	26,040	15,675
Acceptance by Crown of personnel services liabilities	3(e)	736	638	693
Other revenue	3(f)	294	1,327	822
Total Revenue		108,068	94,590	97,196
Operating result		2,117	(6,627)	7,213
Gain/(Loss) on disposal	4	-	41,863	(726)
Other Gains/(Losses)	5	-	1,149	(175)
Net result		2,117	36,385	6,312
Other comprehensive income				
<i>Items that will not be reclassified to net result</i>				
Net increase in property, plant and equipment revaluation surplus	10	-	232	11,211
Total other comprehensive income		-	232	11,211
TOTAL COMPREHENSIVE INCOME		2,117	36,617	17,523

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2022

	Notes	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	6	7,846	104,833	3,351
Receivables	7	26,521	25,858	26,579
Contract assets	8	3,330	4,341	3,433
Financial assets at fair value	9	19,782	-	20,366
Total Current Assets		57,479	135,032	53,729
Non-Current Assets				
Receivables	7	-	433	-
Financial assets at fair value	9	77,161	74,743	81,046
Property, plant and equipment	10			
- Land and buildings		37,560	2,701	38,197
- Plant and equipment		14,218	5,832	12,414
Total property, plant and equipment		51,778	8,533	50,611
Right-of-use assets	11	4,484	2,478	5,145
Intangible assets	12	10,700	10,603	10,882
Total Non-Current Assets		144,123	96,790	147,684
Total Assets		201,602	231,822	201,413
LIABILITIES				
Current Liabilities				
Payables	14	8,476	7,101	7,513
Provisions	16	30,514	29,194	29,193
Borrowings	15	601	-	581
Total Current Liabilities		39,591	36,295	37,287
Non-Current Liabilities				
Provisions	16	1,581	2,544	2,080
Borrowings	15	4,856	-	5,680
Total Non-Current Liabilities		6,437	2,544	7,760
Total Liabilities		46,028	38,839	45,047
Net Assets		155,574	192,983	156,366
EQUITY				
Accumulated funds		128,824	191,178	129,616
Asset Revaluation Surplus		26,750	1,805	26,750
Total Equity		155,574	192,983	156,366

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2022

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2021		129,616	26,750	156,366
Net result for the year		36,385	-	36,385
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	10	-	232	232
Transfer of revaluation reserve for property sold		25,177	(25,177)	-
Total other comprehensive income		25,177	(24,945)	232
Total comprehensive income for the year		61,562	(24,945)	36,617
Balance at 30 June 2022		191,178	1,805	192,983
Balance at 1 July 2020		123,304	15,539	138,843
Net result for the year		6,312	-	6,312
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	10	-	11,211	11,211
Total other comprehensive income		-	11,211	11,211
Total comprehensive income for the year		6,312	11,211	17,523
Balance at 30 June 2021		129,616	26,750	156,366

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2022

	Notes	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel Services		(81,584)	(69,474)	(61,658)
Payments to suppliers for goods and services		(25,489)	(38,476)	(30,463)
Finance Cost		(129)	(131)	(140)
Total Payments		(107,202)	(108,081)	(92,261)
Receipts				
Sale of services		72,268	71,234	66,934
Investment revenue received		258	117	37
Grants and other contributions		26,720	26,040	15,675
Other		8,466	16,110	5,944
Total Receipts		107,712	113,501	88,590
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	510	5,420	(3,671)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of land and buildings		-	81,764	-
Purchase of plant and equipment		(4,645)	(2,845)	(2,368)
Purchase of intangible assets		(2,072)	(2,544)	(2,467)
Purchase of financial assets		(2,731)	(2,500)	(5,000)
Proceeds from sale of investments		10,000	22,882	5,000
NET CASH FLOWS FROM INVESTING ACTIVITIES		552	96,757	(4,835)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of principal portion of lease liabilities		(593)	(695)	(641)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(593)	(695)	(641)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		469	101,482	(9,147)
Opening cash and cash equivalents		7,377	3,351	12,498
CLOSING CASH AND CASH EQUIVALENTS	6	7,846	104,833	3,351

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2022

1. Summary of Significant Accounting Policies

a. Reporting entity

NSW Trustee and Guardian is a NSW Government entity and is controlled by the State of New South Wales, which is the ultimate parent.

NSW Trustee and Guardian is a not-for-profit entity (as profit is not its principal objective). The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

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

These financial statements of NSW Trustee and Guardian for the year ended 30 June 2022 have been authorised for issue by Caroline Cuddihy, Chief Executive Officer on 6 October 2022.

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 (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment, and certain financial assets are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is NSW Trustee and Guardian's presentation and functional currency.

c. Statement of compliance

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

d. Insurance

NSW Trustee and Guardian's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The Treasury Managed Fund is managed by Insurance and Care NSW (icare), a controlled entity of the ultimate parent.

e. Finance Cost

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW General Government Sector entities.

f. Accounting for the goods and services tax (GST)

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

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

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

g. Income recognition

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is an 'enforceable' contract with a customer containing 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15.

i. Rendering of services

Revenue from rendering of services is recognised when NSW Trustee and Guardian satisfies the performance obligation by transferring the promised services. NSW Trustee and Guardian charge fees and commission mainly from providing a range of trustee and financial management services. Performance obligation is typically satisfied when service is delivered. No element of financing is deemed present as payments are due when service is provided.

- Commissions and fees for trustee matters are recognised at the time the charges are levied. The rates and timing of charges are governed by the *NSW Trustee and Guardian Regulation 2017*.
- 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 21.
- Genealogy and legal fees are accrued and recognised as costs incurred.

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.

Income from grants without sufficiently specific performance obligations is recognised when NSW Trustee and Guardian obtains control over the granted assets (e.g. cash).

Revenue from grants with sufficiently specific performance obligations is recognised when NSW Trustee and Guardian satisfies a performance obligation by transferring the promised goods. Revenue from these grants is recognised based on the grant amount specified in the funding

agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

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 income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

Investment revenue earned on TCorpIM Fund investments is recognised as described in Note 1(k).

h. Property, plant and equipment

i. Acquisitions of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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

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

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

ii. Capitalisation thresholds

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

iii. Major inspection costs

When a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied.

iv. Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

v. Maintenance

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

vi. Depreciation of property, plant and equipment

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

All material identifiable components of assets are depreciated separately over their useful lives. Land is not a depreciable asset.

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

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

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

vii. Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 21-09). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

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

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 10 and Note 13 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. NSW Trustee and Guardian conducts a comprehensive revaluation at least every three years for its land and buildings where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. A desktop revaluation of land and buildings was completed on 31 March 2022 and was based on an independent assessment. There is no significant change in valuation between 31 March and 30 June 2022 - the reporting date. NSW Trustee and Guardian used external professionally qualified valuers to conduct the desktop revaluation. The next comprehensive revaluation of land and buildings is due on 31 March 2024.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying amount.

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

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

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

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

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

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

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

Right of use asset acquired by lessees

From 1 July 2019, AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. NSW Trustee and Guardian has elected to present right-of-use assets separately in the Statement of Financial Position. Refer to Note 11.

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.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

i. Leases

NSW Trustee and Guardian adopted AASB 16 from 1 July 2019, all leases are accounted for under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. All corresponding right of use assets and lease liabilities with Property NSW have been derecognised on 30 June 2022. Refer to Note 11.

j. 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 NSW Trustee and Guardian's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met. The useful lives of intangible assets are assessed to be finite.

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

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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

k. Financial Assets at Fair Value

Recognition

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and measurement

NSW Trustee and Guardian's financial assets at fair value are classified, at initial recognition, as fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed and their performance is evaluated on a fair value basis and therefore the business model

is neither to hold to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in the net result and presented net within other gains/(losses), except for TCorpIM Funds that are presented in 'investment revenue' in the period in which it arises.

l. Receivables

Recognition and measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

NSW Trustee and Guardian holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

NSW Trustee and Guardian recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that NSW Trustee and Guardian expects to receive, discounted at the original effective interest rate.

For trade receivables, NSW Trustee and Guardian applies a simplified approach in calculating ECLs. It recognises a loss allowance based on lifetime ECLs at each reporting date. NSW Trustee and Guardian has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

m. Payables

Recognition and measurement

Payables represent liabilities for goods and services provided to NSW Trustee and Guardian and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

n. 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, but has not retained control.

Where NSW Trustee and Guardian has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of NSW Trustee and Guardian's continuing involvement in the asset. In that case, NSW Trustee and Guardian also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that NSW Trustee and Guardian has retained.

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

o. Personnel Services Expenses and Provisions

i. Personnel Services Expenses

The Department of Communities and 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 Communities and Justice are classified as "Personnel services expenses" 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 Communities and Justice for annual leave, long service leave and superannuation arising from personnel services rendered by the Department of Communities and Justice to balance date. All annual leave is classified as a current liability even where NSW Trustee and Guardian does not expect to settle the liability within 12 months as NSW Trustee and Guardian does not have an unconditional right to defer settlement.

Annual leave is not expected to be settled wholly before 12 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 8.4% 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 Communities and Justice contributes to the pool on behalf of NSW Trustee and Guardian. The amount expected to be reimbursed by the Crown in right of the State of New South Wales (Crown) is recognised as a personnel services receivable (refer Note 7).

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth Government bond rate at the reporting date.

NSW Trustee and Guardian's defined benefit superannuation liability is assumed by the Crown. NSW Trustee and Guardian accounts for the liability as having been extinguished and recognises a non-monetary revenue item described as 'Acceptance by the Crown 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.

p. Other provisions

Provisions are recognised 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.

Any provisions for restructuring are recognised only when NSW Trustee and Guardian has a detailed formal plan and has raised a valid expectation in those affected by the restructuring that will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

q. 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(h)(vii).

ii. Accumulated Funds

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

r. Trust Fund

The NSW Trustee and Guardian receives monies in a trustee capacity for various trusts as set out in Note 21. As NSW Trustee and Guardian performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of NSW Trustee and Guardian's own objectives, these funds are not recognised in the financial statements.

s. 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 *Fair Value Measurement*, 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 13 and Note 22 for further disclosures regarding fair value measurements of non-financial and financial assets.

t. 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 19.

u. 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.

v. Reclassification of financial information

When making changes in presentation or classification NSW Trustee and Guardian reclassifies its comparative information, unless impracticable to do so.

w. State outcome group statement

NSW Trustee and Guardian has only one State outcome group that supports the delivery of the State outcome, being efficient and effective legal system. Hence no State outcome group statement is prepared.

The State outcome focuses on the resolution of matters through provision of legal services, the administration of courts and tribunals and client-facing justice services to victims and vulnerable people. NSW Trustee and Guardian contributes to this State outcome by providing services to vulnerable people. Our performance is measured by indicators for effectiveness, efficiency, equity and output.

x. Superannuation on annual leave loading

NSW Trustee and Guardian has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409*. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

y. Changes in accounting policy, including new or revised Australian Accounting Standards

i. Effective for the first time in 2021-22

There is no major new standard effective for the first time in current financial year that impacts NSW Trustee and Guardian.

ii. Issued but not yet effective

NSW public sector entities do not 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:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure Of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions beyond 30 June 2021

NSW Trustee and Guardian has assessed the impact of these new standards and consider the impact to be immaterial.

2. Expenses Excluding Losses

	2022 \$'000	2021 \$'000
(a) Personnel services		
Salaries and wages (including annual leave)	60,757	53,844
Superannuation – defined benefit costs assumed by Crown ¹	638	683
Superannuation – defined contribution plans	5,271	4,576
Long service leave	1,601	1,422
Worker's compensation insurance	888	659
Payroll tax and fringe benefits tax	3,064	2,787
Total personnel services	72,219	63,971

The above table relate to expenses for personnel services provided by the Department of Communities and Justice.

¹ Notional defined benefit super expense assumed by Crown.

	2022 \$'000	2021 \$'000
(b) Other operating expenses		
Auditor's remuneration – audit of financial statements	238	232
Motor vehicle expenses	56	58
Occupancy expense ¹	3,608	3,442
Maintenance	2,137	2,054
Insurance	554	500
Consultants	-	302
Advertising	1,179	1,208
Internal audit fees	125	249
Contractor expenses	6,211	4,850
Fees for services rendered	5,687	5,129
Gas and electricity	266	204
Office supplies	255	210
Postal and telephone	1,774	1,627
Travel expenses	147	127
Training and development	304	158
Other	583	85
Total other operating expenses	23,124	20,435

¹ Occupancy expenses are rental payments made to the Department of Communities and Justice. All other lease payments to Property NSW (where a lease agreement exists between Property NSW and NSW Trustee and Guardian) have been recognised as part of lease liability, refer to Note 11.

	2022 \$'000	2021 \$'000
(c) Depreciation and amortisation expense		
Depreciation		
Buildings	712	665
Plant and equipment	1,865	1,960
Right-of-use assets	909	721
Total depreciation	3,486	3,346
Amortisation		
Intangible assets	2,256	2,091
Total amortisation	2,256	2,091
Total depreciation and amortisation	5,742	5,437

	2022 \$'000	2021 \$'000
(d) Finance costs		
Interest expense from lease liabilities	132	140
Total finance costs	132	140

3. Revenue

(a) Appropriations and Transfers to the Crown

The *Appropriation Act 2021* (Appropriations Act) and the subsequent variations appropriates the sum of \$17,991.6 million to the Attorney-General, and Minister for Prevention of Domestic and Sexual Violence out of the Consolidated Fund for the services of Department of Communities and Justice for the year 2021-22. The spending authority of the Attorney-General and Minister for Prevention of Domestic and Sexual Violence from the Appropriations Act has been delegated or subdelegated to officers of Department of Communities and Justice and entities that it is administratively responsible for, including the NSW Trustee and Guardian.

The responsible Minister for each GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority s4.7 of the *Government Sector Finance Act 2018*, at the time the GSF agency receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the GSF agency. The spending authority of the responsible Minister(s) from deemed appropriation money has been delegated or sub-delegated to officers of NSW Trustee and Guardian for its own services.

A summary of compliance is disclosed in the financial statements of the Annual Report of Department of Communities and Justice. It has been prepared on the basis of aggregating the spending authorities of the Attorney-General and Minister for Prevention of Domestic and Sexual Violence for the services of Department of Communities and Justice and the responsible Ministers for the services of the entities the principal department is administratively responsible for that receives or recovers deemed appropriation money. It reflects the status at the point in time this disclosure statement is being made. The NSW Trustee and Guardian's spending authority and expenditure is included in the summary of compliance.

The delegation/sub-delegations, authorising officers of the NSW Trustee and Guardian to spend Consolidated Fund money, impose an overall spending limit of \$222.8 million (2021: \$106.7 million). Total expenditure incurred is \$116.0 million (2021: \$102.1 million). The variance of \$106.8 million is mainly due to proceeds retained from sale of 19 O'Connell Street office and redemption of TCorp short term investment.

	2022 \$'000	2021 \$'000
(b) Rendering of services		
Rendering of Services		
Commissions and fees	32,505	30,804
Trustee fees	9,869	8,921
Private management supervision fees	1,232	1,228
Common Fund management fees	29,148	26,465
Total rendering of services	72,754	67,418

	2022 \$'000	2021 \$'000
(c) Investment revenue		
Interest revenue from financial assets at amortised cost	117	32
Net gain/(loss) from TCorpIM Funds Investment designated at fair value through profit or loss*	(6,286)	12,556
Total investment revenue	(6,169)	12,588

*This includes unrealised loss of \$8.3 million (gain of \$2.6 million in 2021).

	2022 \$'000	2021 \$'000
(d) Grants and contributions		
Grants without sufficiently specific performance obligations		
Funding for the operations of the Public Guardian	12,749	9,119
Community service obligation	10,319	5,112
Contribution from NSW Government	2,436	922
Guardianship hospital project funding	536	522
Total grants and contributions	26,040	15,675

	2022 \$'000	2021 \$'000
(e) Acceptance by Crown of personnel services liabilities		
Defined benefit superannuation	608	661
Payroll tax on defined benefit superannuation	30	32
Total personnel services liabilities assumed by Crown	638	693

From 1 January 2017, the Crown assumed defined benefit super liabilities of NSW Trustee and Guardian. As a result a notional amount equivalent to defined benefit super expense NSW Trustee and Guardian would have otherwise incurred is recognised as expense and revenue. Refer to Note 2(a).

	2022 \$'000	2021 \$'000
(f) Other revenue		
Refund of working expenses from clients – NSW Trustee and Guardian Regulation 26	206	186
Workers Compensation Recoveries	1,056	552
Other	65	84
Total other revenue	1,327	822

4. Gain/(Loss) on Disposal

	Land and buildings \$'000	Property, Plant and equipment \$'000	Intangible assets \$'000	Intangible assets-WIP \$'000	Total \$'000
At 30 June 2022					
Proceeds from disposal	84,931	-	-	-	84,931
Written down value of assets disposed	(35,016)	(7,485)	(227)	(340)	(43,068)
Net gain/(loss) on disposal	49,915	(7,485)	(227)	(340)	41,863

At 30 June 2021

Proceeds from disposal	-	-	-	-	-
Written down value of assets disposed	-	(726)	-	-	(726)
Net gain/(loss) on disposal	-	(726)	-	-	(726)

In April 2022, a sale contract with Lendlease Group ('Lendlease') was executed to sell 19 O'Connell Street, Sydney for a cash consideration of \$82.5 million. The sale includes land and building and all assets physically attached to 19 O'Connell Street. NSW Trustee and Guardian has been approved to retain the full amount of the proceeds and to buy back into the property market.

A lease contract was also executed between NSW Trustee and Guardian (Lessee) and Lendlease (Lessor) for leasing 19 O'Connell Street until 30 Jun 2025 (with no extension options) for an annual rent of \$1. The lease commencement date is the same date as the sale completion date (14 April 2022). Lendlease also agreed to pay NSW Trustee and Guardian \$300,000 as fixed relocation expense reimbursement at the end of the lease term. Refer to Note 7.

The transaction has been accounted as a sale and leaseback transaction in accordance with guidance contained within AASB 16 Leases. The fair value of sale proceeds were adjusted and a right-of-use asset of \$2.65 million been recognised to the extent the right to use is retained by NSW Trustee and Guardian until the end of the lease term on 30 Jun 2025. Refer to Note 11. Accordingly a gain of \$42.5 million (net of selling and leasing expenses) on sale has been recognised to the extent of control transferred to Lendlease. There are no further cash outflow attached to the right-of-use asset and therefore a lease liability will not be recognised until the end of the lease term.

Included in the sale and leaseback of 19 O'Connell Street building is an occupancy agreement between NSW Trustee and Guardian and the Legal Service Council (LSC) for the area on level 3 currently occupied by LSC. The occupancy agreement between NSW Trustee and Guardian and LSC is a sublease arrangement whereby LSC continue to occupy the area on level 3 19 O'Connell Street building for an annual rent of \$0.07 million payable to NSW Trustee and guardian until 30 Jun 2025 with no extension option. There is no CPI increase and no other variable lease payment that depends on an index or rate. The contractual rental receivable from LSC as at 30 Jun 2022 was \$0.22 million (\$0.07 million within one year and \$0.15 million between one to two years). The present value of receivable of \$0.20 million (\$0.07 million as current and \$0.13 million as non-current) was recorded as finance lease as lessor. Refer to Note 7.

5. Other Gains/(Losses)

	2022 \$'000	2021 \$'000
Impairment on receivables *	(5)	(11)
Impairment on right-of-use assets	-	(164)
Net gain/(loss) from derecognition of right-of-use assets and lease Liabilities with Property NSW **	1,154	-
Total other gains/(losses)	1,149	(175)

* Impairment losses may arise on non-financial assets held by the NSW Trustee and Guardian from time to time.

Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

- Property, plant and equipment – Note 10
- Leases – Note 11
- Intangible assets – Note 12

** The net gains(losses) are recognised from the derecognition of the right-of-use asset and lease liability with Property NSW as at 30 June 2022. Please refer to Note 11 for further details on the derecognition.

The net gain/(loss) from the derecognition of right-of-use asset and lease liability as at 30 June 2022 is reconciled as below:

	2022 \$'000	2021 \$'000
Right-of-use asset		
Gross carrying value	6,633	-
Less: accumulated depreciation and accumulated impairment provision	(1,875)	-
Net book value	4,758	-
Amortised balance of incentives received	-	-
Lease liability	5,912	-
Net gains/(losses) from derecognition	1,154	-

6. Current Assets – Cash and Cash Equivalents

	2022 \$'000	2021 \$'000
Cash at bank and on hand	104,833	3,351
Total cash and cash equivalents	104,833	3,351

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposit with original maturities of three months or less and subject to an insignificant risk of changes in value. Cash and cash equivalents in the Statement of Financial Position is the same as cash and cash equivalents in the Statement of Cash Flows.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. Current/Non-Current Assets – Receivables

	2022 \$'000	2021 \$'000
Current Receivables		
Trade receivables from rendering of services	3,942	3,653
- Allowance for expected credit loss	(9)	(12)
Accrued income	2,681	2,363
Personnel services	17,877	19,704
Prepayments	1,290	869
Current finance lease receivable	67	-
Other debtors	10	2
Total current receivables	25,858	26,579

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 22.

	2022 \$'000	2021 \$'000
(a) Movement in the allowance for expected credit loss		
Balance at 1 July	(12)	(12)
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
(Increase)/decrease in allowance recognised in profit or loss	3	-
Balance at 30 June	(9)	(12)

	2022 \$'000	2021 \$'000
Non-current receivables		
Non-current finance lease receivables	133	-
Relocation expense reimbursement receivable	300	-
Total non-current receivables	433	-

8. Current Assets – Contract Assets

	2022 \$'000	2021 \$'000
Contract assets	4,341	3,433
Total contract assets	4,341	3,433

Contract assets relate to NSW Trustee and Guardian's right to consideration in exchange for legal and genealogy work performed but not billed at the reporting date. NSW Trustee and Guardian recognises contract assets when it has fulfilled legal and genealogy service obligations but must perform further obligations before being entitled to payment.

9. Current/Non-Current Assets – Financial Assets at Fair Value

	2022 \$'000	2021 \$'000
Current financial assets at fair value		
TCorplM Short Term Income Fund Investment	-	20,366
Total current financial assets at fair value	-	20,366

Non-current financial assets at fair value		
TCorplM Long Term Growth Fund Investment	74,743	81,046
Total non-current financial assets at fair value	74,743	81,046

Refer to Note 22 for further information regarding fair value measurement, credit risk, liquidity risk and market risk arising from financial instruments.

10. Non-Current Assets – Property, Plant and Equipment

	Land and buildings \$'000	Plant and equipment \$'000	Plant and Equipment – WIP \$'000	TOTAL \$'000
At 1 July 2020 – fair value				
Gross carrying amounts	29,036	19,982	7,617	56,635
Accumulated depreciation and impairment	(1,385)	(15,133)	-	(16,518)
Net carrying amount	27,651	4,849	7,617	40,117

Year ended 30 June 2021

Net carrying amount at start of year	27,651	4,849	7,617	40,117
Purchase of assets	-	-	2,510	2,510
Transfer from work in progress	-	8,379	(8,379)	-
Net revaluation increment less revaluation decrements	11,211	-	-	11,211
Disposals (including write off)	-	(602)	-	(602)
Depreciation Expense	(665)	(1,960)	-	(2,625)
Net carrying amount at end of year	38,197	10,666	1,748	50,611

At 1 July 2021 – fair value

Gross carrying amounts	38,430	26,316	1,748	66,494
Accumulated depreciation and impairment	(233)	(15,650)	-	(15,883)
Net carrying amount	38,197	10,666	1,748	50,611

Year ended 30 June 2022

Net carrying amount at start of year	38,197	10,666	1,748	50,611
Purchase of assets	-	-	2,769	2,769
Transfer from work in progress	-	2,584	(2,584)	-
Net revaluation increment less revaluation decrements	232	-	-	232
Disposals (including write off)	(35,016)	(7,486)	-	(42,502)
Depreciation Expense	(712)	(1,865)	-	(2,577)
Net carrying amount at end of year	2,701	3,899	1,933	8,533

	Land and buildings	Plant and equipment	Plant and equipment – WIP	TOTAL
At 30 June 2022 – fair value	\$'000	\$'000	\$'000	\$'000
Gross carrying amounts	2,765	13,940	1,933	18,638
Accumulated depreciation and impairment	(64)	(10,041)	-	(10,105)
Net carrying amount	2,701	3,899	1,933	8,533

11. Leases as a lessee

NSW Trustee and Guardian leases various properties from Property NSW. Lease contracts are typically made for fixed periods of three to five years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. NSW Trustee and Guardian does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by NSW Trustee and Guardian and not by Property NSW. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have been included in the lease liability because it is reasonably certain that the leases will be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of NSW Trustee and Guardian. During the current financial year, there has been no revision of lease terms to reflect the effect of exercising extension and termination options.

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

NSW Trustee and Guardian does not have any short-term leases and low value leases. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

During financial year ended 30 June 2022, the NSW Trustee and Guardian has accepted the changes in the office accommodation arrangements with Property NSW (PNSW). The main change is the introduction of the “substitution right” clause for PNSW to relocate NSW Trustee and Guardian during the term of the agreement. The clause provides PNSW with a substantive substitution right. Therefore, these agreements are no longer accounted for as a lease within the scope of AASB 16. The corresponding right of use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clause. The net impact of the derecognition is recognised in “Other Gains/(Losses)” (refer to Note 5). From 1 July 2022, the accommodation charges will be recognised as expenses when incurred over the agreement duration.

NSW Trustee and Guardian continues to carry the responsibility to make good, and to control the fit-out during the remaining occupancy period as NSW Trustee and Guardian receives the economic benefits via using the fit-out or expected compensation from PNSW upon relocation. Any incentives received

prior to the 30 June 2022 apply to the remaining occupancy period. Therefore, the NSW Trustee and Guardian accounting treatment for make-good provision and fit-out costs in relation to the relevant accommodation remains unchanged. Any liability in relation to an amortised balance of incentives received would be recognised as a liability as at 30 June 2022 and amortised during the remaining occupancy period.

(a) Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property.

	2022 \$'000	2021 \$'000
Balance at 1 July	5,145	5,930
Additions *	2,654	-
Disposal	-	-
Remeasurement	346	103
Depreciation expense	(909)	(721)
Impairment	-	(164)
Others	-	(3)
Derecognition of right-of-use asset	(4,758)	-
Balance at 30 June	2,478	5,145

* From the sale and lease back of 19 O'Connell Street transaction, right-of-use asset of \$2.65 million has been recognised to the extent the right to use the building is retained by NSW Trustee and Guardian until the end of the lease term on 30 Jun 2025.

b) Lease Liabilities

The following table presents liabilities under leases.

	2022 \$'000	2021 \$'000
Balance at 1 July	6,261	6,803
Additions	-	-
Disposal	-	-
Remeasurement	346	103
Interest expenses	132	140
Payments	(827)	(781)
Others	-	(4)
Derecognition of lease liabilities	(5,912)	-
Balance at 30 June	-	6,261

(c) Right-of-use expenses under leases

The following amounts were recognised in the statement of comprehensive income for the year ended 30 June 2022:

	2022 \$'000	2021 \$'000
Depreciation expense of right-of-use assets	(909)	(721)
Interest expense on lease liabilities	(132)	(140)
Impairment on right-of-use assets	-	(164)
Gains/(losses) arising from derecognising the right-of-use assets and lease liabilities with Property NSW	1,154	-
Total amount recognised in the statement of comprehensive income	113	(1,025)

NSW Trustee and Guardian had total cash outflows for leases of \$0.7 million in FY2021-22 (\$0.6 million in 2020-2021).

Recognition and measurement

NSW Trustee and Guardian assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. NSW Trustee and Guardian recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

(i) Right-of-use assets

NSW Trustee and Guardian recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer (ii) below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- buildings 2-15 years

If ownership of the leased asset transfers to NSW Trustee and Guardian at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The 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. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result. Refer to accounting policies in Property, Plant and Equipment note 1(h).

(ii) Lease liabilities

At the commencement date of the lease, NSW Trustee and Guardian recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase options reasonably certain to be exercised by NSW Trustee and Guardian
- payments of penalties for terminating the lease, if the lease term reflects NSW Trustee and Guardian exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments shall be discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that NSW Trustee and Guardian would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. NSW Trustee and Guardian does not borrow funds in the market therefore it uses TCorp rates as its incremental borrowing rates.

The following TCorp rates have been applied in the current financial year depending on commencement date of the lease:

	For leases up to 5 years	For leases >5 years up to 10 years	For leases >10 years
Rates updated on 1 Jul 2020	0.78%	1.52%	2.33%
Rates updated on 2 Jan 2021	0.51%	1.26%	2.11%
Rates updated on 1 Jul 2021	0.94%	1.76%	2.44%
Rates updated on 1 Jan 2022	1.57%	2.11%	2.79%

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NSW Trustee and Guardian's lease liabilities are included in borrowings.

12. Intangible Assets

	Computer Software \$'000	Computer Software – WIP \$'000	TOTAL \$'000
At 1 July 2020			
Cost (gross carrying amount)	16,015	1,137	17,152
Accumulated amortisation and impairment	(6,522)	-	(6,522)
Net carrying amount	9,493	1,137	10,630

Year ended 30 June 2021

Net carrying amount at start of year	9,493	1,137	10,630
Additions			
Software development	-	2,467	2,467
Transfer from work in progress	1,369	(1,369)	-
Disposals (including write off)	(124)	-	(124)
Amortisation (recognised in “depreciation and amortisation”)	(2,091)	-	(2,091)
Net carrying amount at end of year	8,647	2,235	10,882

At 1 July 2021

Cost (gross carrying amount)	16,337	2,235	18,572
Accumulated amortisation and impairment	(7,690)	-	(7,690)
Net carrying amount	8,647	2,235	10,882

Year ended 30 June 2022

Net carrying amount at start of year	8,647	2,235	10,882
Additions			
Software development	-	2,544	2,544
Transfer from work in progress	1,021	(1,021)	-
Disposals (including write off)	(227)	(340)	(567)
Amortisation (recognised in “depreciation and amortisation”)	(2,256)	-	(2,256)
Net carrying amount at end of year	7,185	3,418	10,603

At 30 June 2022

Cost (gross carrying amount)	12,590	3,418	16,008
Accumulated amortisation and impairment	(5,405)	-	(5,405)
Net carrying amount	7,185	3,418	10,603

13. Fair value measurement of non-financial assets

(a) Fair value hierarchy		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
2022					
Property, plant and equipment (Note 10)					
Land and buildings		-	2,701	-	2,701
		-	2,701	-	2,701
2021					
Property, plant and equipment (Note 10)					
Land and buildings		-	38,197	-	38,197
		-	38,197	-	38,197

There were no transfers between Level 1, 2 and 3 during the year ended 30 June 2022.

(b) Valuation techniques, inputs and processes

Property, plant and equipment

NSW Trustee and Guardian's land assets are valued using market evidence. They 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 AASB 13.

Right-of-Use Assets

The right-of-use assets of NSW Trustee and Guardian are subsequently measured at cost after initial recognition. With the Coronavirus disease (COVID-19) pandemic continuing to impact all aspects of individuals and businesses, NSW Trustee and Guardian assessed, at reporting date, for indications of asset impairment to determine whether the carrying amount exceeded their recoverable amount. Impacted right-of-use assets were written down to their recoverable amounts by reference to the right-of-use asset's fair value less costs of disposal and an impairment loss is recognised.

NSW Trustee and Guardian recognised a gain from the derecognition of right-of-use assets with Property NSW during the 2022 financial year of \$1.1 million (2021 impairment loss of \$0.2m). The gain from derecognition and impairment losses for right-of-use assets are included in Net Gains/(Losses) in the Statement of Comprehensive Income. Refer to Note 5.

14. Current Liabilities – Payables

Payables are accrued cost of goods and services provided to NSW Trustee and Guardian.

	2022 \$'000	2021 \$'000
Personnel services payable	1,317	1,141
Creditors	5,476	6,116
Capital expenditure payables	66	142
GST payable	242	114
	7,101	7,513

Details regarding credit risk, liquidity risk and market risk including a maturity analysis of the above payables, are disclosed in Note 22.

15. Current/Non-Current Liabilities – Borrowings

	2022 \$'000	2021 \$'000
Current		
Lease liability	-	581
Total current lease liability	-	581
Non-current		
Lease liability	-	5,680
Total non-current lease liability	-	5,680

16. Current/Non-Current Liabilities – Provisions

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

	2022 \$'000	2021 \$'000
(a) Current Provisions		
Personnel services		
Annual leave	8,607	7,697
Long service leave	18,999	21,160
Redundancy Provision	1,445	128
Other provisions		
Provision for cost of rectification work	-	208
Provision for cost of office relocation ¹	143	-
Total current provisions	29,194	29,193

¹Provision is recognised for future cost of office relocation as a result of sale of 19 O'Connell Street.

	2022 \$'000	2021 \$'000
Expected to be settle before 12 months		
Personnel services	10,438	7,728
Expected to be settled after 12 months		
Personnel services	18,612	21,257
Total current provisions	29,050	28,985

	2022 \$'000	2021 \$'000
(b) Non-current Provisions		
Personnel services		
Long service leave	1,879	1,840
Other provisions		
Restoration costs ¹	329	240
Provision for cost of office relocation ²	336	-
Total non-current provisions	2,544	2,080

¹Provision is recognised for lease contracts with material make good provision or where the impact of the provision is considered to be material.

²Provision is recognised for future cost of office relocation, as a result of sale of 19 O'Connell Street.

	2022 \$'000	2021 \$'000
Aggregate employee benefits and related on-costs		
Personnel services – current	29,050	28,985
Personnel services – non-current	1,879	1,840
Accrued salaries, wages and on-costs	1,317	1,141
Total employee benefits and related on-costs	32,246	31,966

Movement in provisions (other than employee related provisions), are set out below:

	2022 \$'000	2021 \$'000
Provision for Rectification costs		
Carrying amount at beginning of the year	208	-
Additional provisions recognised	-	208
Amounts used	(208)	-
Carrying amount at end of the year	-	208

Provision for Restoration costs		
Carrying amount at beginning of the year	240	232
Additional provisions recognised	48	8
Amounts used	-	-
Unwinding/change in discount rate	41	-
Carrying amount at end of the year	329	240

Provision for office relocation		
Carrying amount at beginning of the year	-	-
Additional provisions recognised	479	-
Carrying amount at end of the year	479	-

17. Commitments

Capital commitments

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

	2022 \$'000	2021 \$'000
Not later than 1 year	833	598
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Total (including GST)	833	598

18. Contingent Liabilities and Contingent Assets

Legal Matters

NSW Trustee and Guardian may bear a cost risk of some proceedings brought on behalf of clients due to adverse verdicts or other court orders. The total estimated cost is approximately \$0.72 million (\$0.9 million in 2021) of which \$0.69 million (\$0.8 million in 2021) is expected to be recovered from the Treasury Managed Fund.

There were no contingent assets during the year.

19. Budget Review

Net Result

The overall actual net result is a surplus of \$36.4 million which is \$34.3 million higher than budget. This result consists of a net gain on disposal of assets of \$41.9 million (see below), a gain from the derecognition of right-of-use assets with Property NSW of \$1.1 million and an unrealised loss of \$8.3 million from TCorpIM Long Term Growth Fund Investments.

Expenses are lower than budget by \$4.7 million, due to:

- Personnel services expense is lower than budget by \$9.4 million. This is mainly due to permanent positions temporarily filled by agency contractors which are classified as other operating expenses and delays in recruiting vacant and additional new positions.
- Other operating expenses are higher than budget by \$5.1 million since temporary agency contractor charges of \$6.2 million are not budgeted in other operating expenses (as noted above) as well as additional spend in occupancy, courier and telephone expenses totalling \$0.2 million, offset by savings in advertising, internal audit, electricity, travel, maintenance, and other items totalling \$1.3 million.

- Depreciation and amortisation expenses are lower than budget by \$0.4 million resulting from disposal of 19 O'Connell Street office building and its related assets.

Revenue is lower than budget by \$13.5 million principally due to:

- Investment revenue being lower by \$14.9 million which is a combination of an unrealised loss of \$8.3 million (on TCorp) against a budgeted gain of \$5.8 million, a reduction in the distribution of \$0.7 million and bank interest of \$0.1 million. In the current financial year, global economic conditions turned very quickly which the central banks did not foresee. Rising inflation and global supply chain disruption due to the war in Ukraine contributed to market volatility and a heightened risk of global recession. This translated into the net unrealised TCorp losses.
- Grants and contributions are in line with budget. NSW Trustee and Guardian received an additional grant of \$10.1 million out of the total \$41.5 million (to be received over the next four years) in its Community Service Obligations and guardianship grant funding that was announced by government on 22 June 2021 in the NSW State Budget.
- Gain on disposal of \$41.9 million consist of gain on sale of 19 O'Connell Street office building and its related assets amounting to \$42.5 million as well as loss on disposal of other plant and intangible assets of \$0.6 million. Other gains of \$1.1 million represents gain from derecognition of the right of use assets and liabilities of office premises leased through Property NSW.

Assets and Liabilities

Total assets exceeded budget by \$30.2 million.

- Total current assets are higher than budget by \$77.6 million, represented by higher than budgeted cash and cash equivalents of \$97.0 million (mainly due to proceeds from sale of 19 O'Connell Street building), higher than budgeted contract assets of \$1.0 million, lower than budgeted receivables of \$0.7 million (due to higher common fund fees receivables and prepayment balance offset by lower long service leave pool balance) and lower than budgeted financial assets of \$19.8 million (TCorp short term investments were fully converted to cash in line with NSW Treasury advice).
- Total non-current assets are lower than budget by \$47.3 million. This is represented by lower than budgeted fair value of financial assets of \$2.4 million (due to market volatility), lower than budgeted land and buildings as well as plant and equipment of \$43.3 million (following sale of 19 O'Connell Street office building and its related assets), and lower than budgeted right of use assets of \$2.0 million (due to derecognition of ROU assets of \$4.7 million leased through Property NSW and offset by new ROU asset of \$2.6 million recognised as part of lease back arrangement of 19 O'Connell Street building).

Total liabilities are lower than budget by \$7.2 million.

- Total current liabilities are lower than budget by \$3.3 million. This is represented by lower than budgeted payables of \$1.4 million (mainly due to efforts in settling trade and intercompany payable), lower than budgeted personnel service provisions of \$1.3 million mainly due to lower present value of long service leave liability, and lower than budgeted right of use asset borrowings of \$0.6 million (due to derecognition of lease liability).
- Similarly, total non-current liabilities are \$3.9 million lower than budget (\$4.9 million from borrowings and \$0.9 million from provisions) resulting from derecognition of lease liability and lower present value of long service leave liability balance noted above.

Cash flows

Net cash flow from operating activities is higher than budget by \$4.9 million due to higher operating payments of \$0.9 million and receipts of \$5.8 million.

The higher operating payments compared to budget is the net result of lower personnel services of \$12.1 million and higher payments to suppliers of \$13.0 million. Higher receipts compared to budget is mainly due to higher other receipts of \$7.6 million from GST on sale of 19 O'Connell Street building offset by lower receipts from sales of \$1.0 million compared to budget.

Net cash inflow from investing activities exceeded budget by \$96.2 million. It includes proceeds from sale of 19 O'Connell Street building of \$81.8 million (net of selling costs), \$1.3 million lower than budgeted capital expenditure and higher than budgeted proceeds from redeeming short term investments of \$13.1 million.

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

	2022 \$'000	2021 \$'000
Net cash receipt /(used) on operating activities	5,420	(3,671)
Depreciation and amortisation expense	(5,742)	(5,437)
Revaluation on TCorpIM Funds	(6,286)	12,556
(Increase)/Decrease in provisions	(465)	220
Increase/(Decrease) in prepayments and other assets	104	690
(Increase)/Decrease in payables	337	2,844
Gain from derecognition/(loss) on impairment of right-of-use assets	1,154	(164)
Gain/(loss) on disposal of assets	41,863	(726)
Net Result	36,385	6,312

21. 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:

	2022 \$'000	2021 \$'000
Common Fund – Trustee		
Balance at beginning of the financial year	1,520,339	1,337,588
Receipts	1,095,032	854,690
Payments	(1,073,292)	(746,833)
Distribution to trust accounts	5,888	8,268
Distribution to unit holders	39,702	12,568
Unrealised gain/(loss) in investments	(71,874)	54,058
Balance at end of the financial year	1,515,795	1,520,339
Common Fund – Financial Management		
Balance at beginning of the financial year	1,934,921	1,727,240
Receipts	754,390	660,236
Payments	(705,241)	(593,730)
Distribution to trust accounts	4,638	3,858
Reinvestment of distributions	81,641	50,267
Unrealised gain/(loss) in investments	(165,322)	87,050
Balance at end of the financial year	1,905,027	1,934,921
Total Common Fund assets	3,420,822	3,455,260

Note: as at the date of signing these financial statements the Common Fund 2022 results have not been audited.

22. Financial Instruments

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

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

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

(a) Financial instrument:**i. As at 30 June 2022**

Financial assets	Notes	Category	Carrying amount
Class:			2022 \$'000
Cash and cash equivalents	6	Amortised cost	104,833
Receivables ¹	7	Amortised cost	7,133
Contract assets ²	8	Amortised cost	4,341
Financial assets at fair value	9	Fair value through profit and loss – designated as such upon initial recognition	74,743

Financial liabilities	Notes	Category	Carrying amount
Class:			2022 \$'000
Payables ³	14	Financial liabilities measured at amortised cost	6,793

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

²While contract assets are also not financial assets, they are explicitly included in the scope of AASB 7 for the purpose of credit risk disclosures.

³Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

ii. As at 30 June 2021

Financial assets	Notes	Category	Carrying amount
Class:			2021 \$'000
Cash and cash equivalents	6	Amortised cost	3,351
Receivables ¹	7	Amortised cost	6,018
Contract assets ²	8	Amortised cost	3,433
Financial assets at fair value	9	Fair value through profit and loss – designated as such upon initial recognition	101,412

Financial liabilities	Notes	Category	Carrying amount
Class:			2021 \$'000
Payables ³	14	Financial liabilities measured at amortised cost	7,257

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

²While contract assets are also not financial assets, they are explicitly included in the scope of AASB 7 for the purpose of credit risk disclosures.

³Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

NSW Trustee and Guardian determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Credit risk

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

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

NSW Trustee and Guardian has not granted any financial guarantees.

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

NSW Trustee and Guardian considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, NSW Trustee and Guardian may also consider a financial asset to be in default when internal or external information indicates that NSW Trustee and Guardian is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by NSW Trustee and Guardian.

NSW Trustee and Guardian operates common funds for its clients through two main banking institutions, Westpac Bank for all transactional services and Citi Australia for all investment transactions. The common funds only trade with recognised and creditworthy third parties. Credit risks associated with the common fund's financial assets, other than receivables, are managed through the selection of counterparties and establishment of credit rating standards, approved by the Chief Executive Officer and reviewed by the Independent Investment Advisory Committee on a quarterly basis. Westpac Bank was retained as NSW Trustee and Guardian's bank for corporate and common funds through the NSW Government banking tender in 2019. Westpac Banking Corporation is currently rated AA- by Standard & Poor, and NSW Trustee and Guardian regards credit risks with Westpac Bank as low.

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System (TBS). Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorpIM Long Term Growth Fund and TCorpIM Short Term Income Fund Investments are discussed in paragraph (d) below.

Receivables – Trade debtors

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

- Commissions and fees
- Sundry debtors.

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

NSW Trustee and Guardian applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are reviewed to reflect current and forward-looking information on macroeconomic and personal factors affecting the ability of the customers to settle the receivables and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 180 days past due.

The loss allowance for trade debtors as at 30 June 2022 and 30 June 2021 was determined as follows:

	30 June 2022 \$'000				
	Current	<90 days	90-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	10%	
Estimated total gross carrying amount at default	20	29	14	93	156
Expected credit loss	-	-	-	9	9

	30 June 2021 \$'000				
	Current	<90 days	90-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	18%	
Estimated total gross carrying amount at default	50	25	14	64	153
Expected credit loss	-	-	-	12	12

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

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

(c) Liquidity risk

Liquidity risk is the risk that NSW Trustee and Guardian will be unable to meet its payment obligations when they fall due. NSW Trustee and Guardian continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash and investments. NSW Trustee and Guardian does not have any loans.

No assets have been pledged as collateral. NSW Trustee and Guardian's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSWTC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, NSW Trustee and Guardian may automatically pay the supplier simple interest. The rate of interest applied for the year was 8.07% (2021 8.01%).

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.

	Weighted average effective interest rate %	Nominal Amount \$'000	Interest Rate Exposure		Maturity Dates		
			Fixed Interest rate \$'000	Non-interest bearing \$'000	<1 Year \$'000	1-5 years \$'000	>5 years \$'000
2022 Payables							
Personnel services payable	N/A	1,317	-	1,317	1,317	-	-
Creditors	N/A	5,476	-	5,476	5,476	-	-
Capital expenditure	N/A	66	-	66	66	-	-
Total		6,859	-	6,859	6,859	-	-
2021 Payables							
Personnel services payable	N/A	1,141	-	1,141	1,141	-	-
Creditors	N/A	6,116	-	6,116	6,116	-	-
Capital expenditure	N/A	142	-	142	142	-	-
Lease Liability	2.15%	7,156	6,261	-	581	2,200	3,480
Total		14,555	6,261	7,399	7,980	2,200	3,480

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. NSW Trustee and Guardian's exposure to market risk is primarily through other price risks associated with the movement in the unit price of the TCorpIM Long Term Growth Fund Investments and TCorpIM Short Term Income Fund Investments. NSW Trustee and Guardian has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which NSW Trustee and Guardian operates and the time frame for the assessment which is until the end of the next annual reporting period. The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis as 2021. The analysis assumes that all other variables remain constant.

(i) Interest rates risk

NSW Trustee and Guardian does not have interest bearing liabilities.

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

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

2022 Financial assets	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	+1% Profit \$'000	Equity \$'000
Cash and cash equivalents	104,833	(1,048)	(1,048)	1,048	1,048

2021 Financial assets					
Cash and cash equivalents	3,351	(34)	(34)	34	34

(ii) Other price risk – TCorpIM Funds

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM Long Term Growth Fund and Short Term Income Fund, which are held for strategic rather than trading purposes. NSW Trustee and Guardian has no direct equity investments. NSW Trustee and Guardian holds units in:

Fund	Investments	Investment Horizon	2022 \$'000	2021 \$'000
TCorpIM Short Term Income Fund	Australian cash and fixed interest	1.5 years to 3 years	-	20,366
TCorpIM long Term Growth Fund	Cash (Domestic and International), Australian Shares, Australian Bond, Emerging Markets Debt, Bank Loans, Inflation Linked Bonds, Core Alternatives, Global Credit, High Yield, Developed Markets Equities, Defensive Alternatives	7 Years and over	74,743	81,046

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

NSW TCorp as trustee for each of the funds is required to act in the best interest of the unit holders and to administer the funds in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each fund in accordance with a mandate agreed by the parties. TCorp has also leveraged internal expertise to manage certain fixed income assets for the TCorpIM Investments. A significant portion of the administration of the funds is outsourced to an external custodian.

Investment in the TCorpIM Funds limit NSW Trustee and Guardian's exposure to risk, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the Investment facilities, which is used to demonstrate the impact on the funds' net assets as a result of a change in the unit price. This impact is based on a sensitivity rate of 10%, multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement). Actual movements in the price risk variables may differ to the sensitivity rate used due to a number of factors. The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results.

Facility	Change in Unit Price		Impact on profit/loss	
	2022 %	2021 %	2022 \$'000	2021 \$'000
TCorpIM Short Term Income Fund	+10%	+10%	-	2,037
TCorpIM Short Term Income Fund	-10%	-10%	-	(2,037)
TCorpIM Long Term Growth Fund	+10%	+10%	7,474	8,105
TCorpIM Long Term Growth Fund	-10%	-10%	(7,474)	(8,105)

(e) Fair value measurement

(i) Fair value compared to carrying amount

TCorpIM Long Term Growth Fund and TCorpIM Short Term Income Fund investments are measured at fair value. Management assessed that the carrying amount of all other financial instruments approximate their fair value.

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

Financial assets at fair value	Level 2 \$'000	2022 Total \$'000	2021 Total \$'000
TCorpIM Short Term Income Fund	-	-	20,366
TCorpIM Long Term Growth Fund	74,743	74,743	81,046
	74,743	74,743	101,412

There were no transfers between level 1, 2 and 3 during the year ended 30 June 2022.

There were no level 1 and 3 investment, hence not disclosed.

The value of investment in TCorpIM Funds are based on NSW Trustee and Guardian's share of the value of the underlying assets of the fund, based on the market value. TCorpIM Funds 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 independent assistance to the NSW Trustee and Guardian's Chief Executive Officer by monitoring, reviewing and providing advice about the NSW Trustee and Guardian's governance processes, risk management and control frameworks, and NSW Trustee and Guardian's external accountability obligations.

The responsibilities of the Committee encompass the review and oversight of the following areas:

- risk management
- control framework
- external accountability
- compliance with applicable laws and regulations
- internal audit
- external audit.

The Independent Investment Advisory Committee has the following responsibilities:

- understand the fiduciary duty owed by NSW Trustee and Guardian to its clients and provide recommendations and advice to the Chief Executive Officer to ensure these obligations are met
- review and provide advice on the actions of management in relation to the design and application of policies procedures and frameworks governing clients' investable assets

- recommend the investment objectives and asset allocations for the Common Funds and NSW Trustee and Guardian Financial Assets
- review and provide advice on the actions of management in relation to the Common Funds and NSW Trustee and Guardian financial assets, other than for financial accounting and reporting (which is the responsibility of the Audit & Risk Committee)
- review and provide advice on management's supervision (including competitive tendering) of the Common Fund's external investment advisors and manager(s) as appointed from time to time
- review and provide advice on investment compliance, performance monitoring, benchmarking and competitiveness of returns of the Common Funds and NSW Trustee and Guardian financial assets from time to time
- review the operation of the Financial Planning Unit's policies and make recommendations or endorse changes or amendments as proposed by management
- consider and recommend to the Chief Executive Officer, on at least an annual basis, the suitability of the appointed external service provider(s) to continue to provide Custodian and Investment Administration Services for the Common Funds and NSW Trustee and Guardian financial assets including providing oversight for competitive tendering activities
- to assist the Chief Executive Officer in assessing ongoing suitability of existing and new investment products for the investment of client monies and NSW Trustee and Guardian financial assets
- when requested review and recommend structural changes to products consistent with the objectives of the funds and determine appropriate performance benchmarks
- undertake any other activities that the Chief Executive Officer considers appropriate and requests of the Committee
- ensure that all events listed on the Calendar of Events are undertaken.

23. 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:

	2022 \$'000	2021 \$'000
Short-term employee benefits:		
Gross wages, salaries and related payments	333	343
Total remuneration	333	343

During the year, NSW Trustee and Guardian did not enter into any transactions on arm's length terms and conditions with key management personnel, their close family members or jointly controlled entities thereof.

During the year, NSW Trustee and Guardian entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by the NSW Government. These transactions in aggregate are a significant portion of the NSW Trustee and Guardian's rendering of services and receiving of services, however none of the above-mentioned transactions are individually significant.

These transactions include:

- Defined Benefit Superannuation assumed by the Crown
- Community Service Obligation and other grants received from Treasury via Department of Communities and Justice
- employer contributions paid to Defined Benefit Superannuation funds
- payments into and reimbursements from the Treasury Managed Fund for workers' compensation insurance and other insurances
- lease rental payments made to Property NSW
- payments made to the Department of Communities and Justice for Service Level Agreement fees, rent, personnel services and other procurement charges.

24. Natural disasters and financial impact

In the financial year 2021-22, COVID-19 continued to impact on individuals, businesses and the whole government sector.

There have not been material financial impacts of COVID-19 on performance of NSW Trustee and Guardian in the current financial year.

A further assessment on the fair value of the following accounts, taking into account relevant assumptions and estimates, has been performed resulting in either no impact or material impact being identified:

- Receivables – Note 7
- Property, plant and equipment – Note 10
- Leases – Note 11
- Intangibles – Note 12
- Financial instruments – Note 22.

There is no uncertainty about NSW Trustee and Guardian's ability to continue as going concern at 30 June 2022 as liquidity and credit risk are not significant areas of risk for NSW Trustee and Guardian. There has been no impact on NSW Trustee and Guardian's liquidity or credit risk profiles as a result of COVID-19.

25. Events after the Reporting Period

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

End of Audited Financial Statements

Index

Access and contact	129	Financial Statements	78	Organisation structure	10
Access to Government Information.....	68, 70	Funds granted to non government community organisations	77	Overseas travel.....	77
Advisory committees	10	Future plans	69	Payment of accounts	73
Appendices	70	Genealogy	40	Personnel policies and practices.....	64
Audit and Risk Committee	10	Governance.....	61	Powers of Attorney.....	37
Budgets.....	58, 115	Guardianship.....	29	Privacy	68
Capital budget and expenditure.....	59	Human resources.....	64	Private management	26
Charter	5	Information technology	56	Public interest disclosures.....	62, 72
Common funds	42, 117	Independent Auditor's Report	81	Property services.....	44
Community education	47	Industrial relations.....	64	Restrained and forfeited property	36
Complaints.....	51	Insurance.....	63, 87	Research and development.....	77
Conduct and behaviour.....	62	Internal Audit and Risk Management Attestation Statement.....	74	Review of operations.....	18
Consultants.....	77	Internal reviews of decisions.....	52	Risk management and audit	61
Customer advocacy	41	Independent Investment Advisory Committee.....	10	Senior executive roles	66
Customer feedback	49	Investment performance (common funds)	43	Statement in accordance with Division 7.2 of the <i>Government Sector Finance Act 2018</i>	80
Customers	15	Land disposal	77	Statement of cash flows.....	86
Court investments.....	37	Legal services	40	Statement of changes in equity	85
Cyber Security Annual Attestation Statement.....	76	Legislative framework.....	6	Statement of comprehensive income	83
Disability Action Plan.....	67	Legislative change, judicial decisions, reviews and submissions	54	Statement of financial position.....	84
Dormant funds	37	Letter of submission.....	iii	Taxation services.....	40
Estate administration.....	34	Multicultural policies and services	67	Trusts.....	35
Executive leadership team	9	Notes to the financial statements	87	Will safe	34
External cost of Annual Report production.....	1			Wills and estate planning	33
Financial management.....	25			Workforce.....	64
Financial performance.....	57			Workforce diversity.....	64
Financial planning services.....	38			Work health and safety.....	65

Access and contact

Head office

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

Phone: **1300 109 290**

Email: tagmail@tag.nsw.gov.au

Web: tag.nsw.gov.au

Business hours

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

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

Contact assistance

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

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

For people that require translation and interpreting services

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

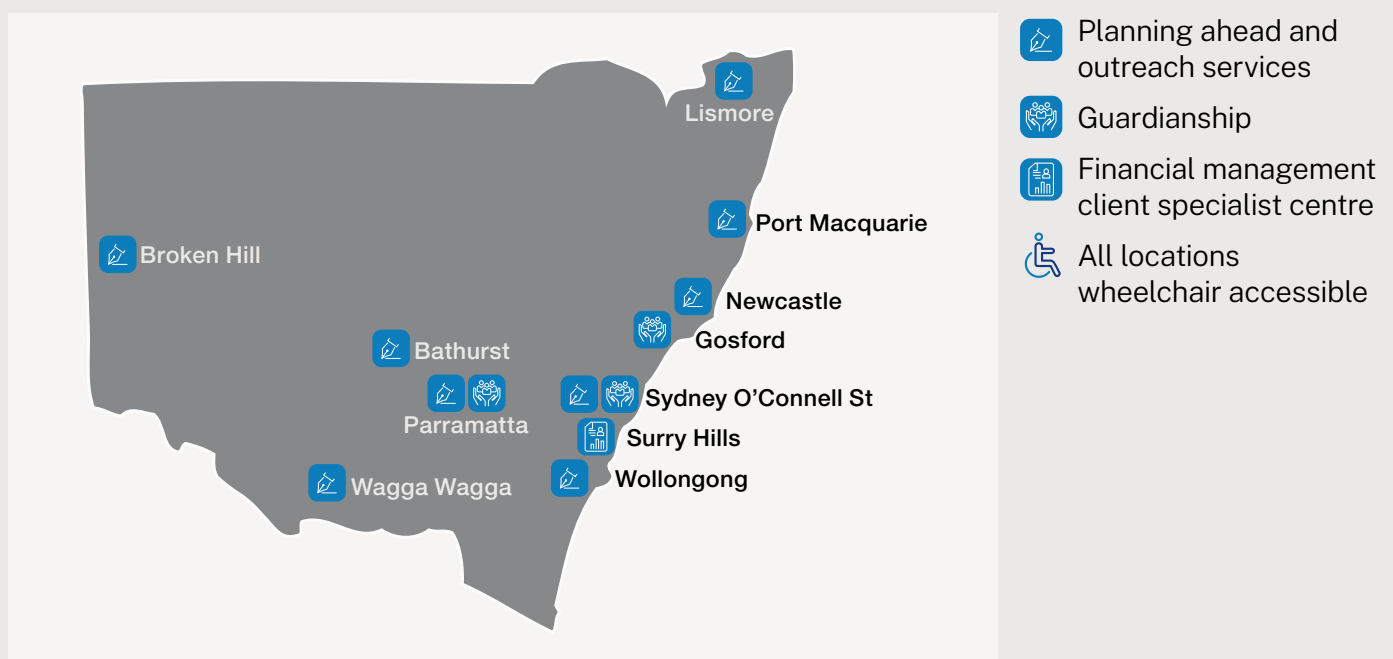
Information and resources

Our resources are available in multiple languages. These can be downloaded from our [website](#) or by contacting us for a copy to be sent to you.

Our locations

We have locations across metropolitan and regional areas of New South Wales. These locations are in figure 37.

Figure 37: our locations





NSW Trustee
& Guardian