



NSW Trustee & Guardian
Attorney General & Justice

Annual Report 2012-2013

Incorporating the
Public Guardian reporting requirements

The Hon. Greg Smith SC MP
Attorney General
Parliament House
SYDNEY NSW 2000

Dear Attorney General

I am pleased to forward for presentation to Parliament the annual report of NSW Trustee and Guardian together with associated financial statements for the year 2012–13.

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

Yours sincerely



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Mission and Objectives of NSW Trustee and Guardian

Our Vision

To support our community to effect their future life choices

Our Mission

We provide quality personal trustee, financial management and decision-making services. We advocate for, protect and promote the rights and interests of our clients.

Our Values

Honesty

Integrity

Respect

Our Services

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

- Will making
- estate administration
- executor services
- trust management
- power of attorney, preparation and management
- financial management services

Our services include the following major activities:

- Providing substitute financial management services for people with decision-making disabilities under a Court or Tribunal order
- Authorising and directing the performance of private managers appointed by the Supreme Court or Guardianship Tribunal
- Independent and impartial executor, trustee, agent and attorney services for the people of NSW
- Will making
- Administering deceased estates
- Power of attorney services
- Witnessing Enduring Guardianship instruments
- Trustee of trusts created by Wills, deeds, court orders and legislation
- Managing seized and confiscated assets under the *Criminal Assets Recovery Act 1990* and the *Confiscation of Proceeds of Crime Act 1989*
- Trustee for protected defendants
- Managing the financial affairs of people who are declared missing persons
- Administering investments and other assets on behalf of clients, including financial planning, funds management and taxation services

- Promoting the need to plan for later life: i.e. making a Will, enduring power of attorney and enduring guardianship
- Advising government on relevant aspects of policy and legislation
- Contributing to relevant law reform development
- Dealing with inactive charitable and community funds under the *Dormant Funds Act 1942*

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

The Public Guardian fulfils the roles of:

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

Our Clients and Stakeholders

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

CEO Review of Operations for the Annual Report

NSW Trustee and Guardian (NSWTG) continued its focus on promoting the need for the community to plan for the future to maximise the opportunity for their wishes to be respected in the event that they lose capacity to make their own decisions or when they die. We actively promoted NSWTG and the need for pre-planning instruments across NSW in the key campaigns of Good Will Week; Seniors Week and Law Week.

Our Annual Newspann Survey showed there has been significant improvement in the last 12 months. The percentage of people that say they have a Will has reached an all time high of 59%. The total that say they have used or would use NSWTG is also at an all time high of 19%. We improved the acceptance of the message that people need to have a Will and they also recognise NSWTG in the options available as professional Will makers. To underline these results we ran a campaign regarding the importance of having a Will prior to travelling overseas. The proportion of people saying they would update their Will or make a Will prior to travelling or going on a long trip around Australia is up from 20% to 26%. There was also an increase in the proportion who say they have heard of Enduring Guardianship up from 37% to 48%.

We improved the access to NSWTG services to the people of South Western region of NSW through the opening of a new office at Wagga Wagga. This office delivers both financial management and trustee services. Further access is available through the outreach program conducted across the region from the Wagga office. We have also completed refurbishment of the Broken Hill, Bankstown and Port Macquarie offices to prepare for dual service delivery.

Another significant event was the launch in April 2013 of the Aboriginal Wills Handbook, written by Prof. Prue Vines and published by NSWTG. The Handbook is an important foundation resource aimed at assisting Aboriginal people and legal practitioners to prepare a culturally appropriate Will. There was an extensive show of support for the books' launch, with a broad range of Aboriginal, legal, government and academic dignitaries in attendance. The book is available on our website and has proved so popular that a second print run has been required.

A review of fund management and custodian arrangements was undertaken to ensure that best practice service standards, investment practices and efficient pricing could be achieved for NSWTG and the clients we represent. NSWTG sought to harmonise the fund management and custodian arrangements for each of its Common Funds, which will help to facilitate operational efficiencies and improved outcomes for our clients.

Following an extensive tender process for arrangements, NSW Trustee & Guardian (NSWTG) announced that BlackRock Investment Management was appointed as Fund Manager and J.P. Morgan as Custodian for the \$2.5 billion (approx.) of

investments held in the Financial Management Common Fund and the Trustee Common Fund.

2012 continued to be a year of some uncertainty in the international money market. At the end of December 2012 we were able to return to our clients an annual return of 3.43%. When considering the fluctuations of the money market, this is a solid return.

Internal Progress and Achievements

We have continued our success in identifying and addressing outstanding amounts to State Debt Recovery (SDR) where directly managed clients cannot be held responsible for the debts. By June 2013 we reduced the number of mutual clients from 1,619 clients owing a total of in excess of \$2.8 million to 1,077 owing \$1.8 million. This is despite 420 clients with \$497 thousand being added over the period. Within 2012-13 the number of clients no longer owing debts to SDR was 962 as a result of action taken.

NSWTG completed the preliminary phase of the new Client data management system project, Integrated Service Information System (ISIS) to bring together the systems from our parent organisations. It is imperative that the development of this system reflects our emerging and future needs, hence the development of this major capital project aims to make the best possible use of advanced technology to streamline our work processes, and improve timeliness in our customer service.

The Client Consultation Framework (CCF) for direct financial management clients has been piloted and expanded to include specific information to refine the information needed for specialist team functions. Its full implementation is dependant on ISIS and will improve the quality of decisions and consider the impact on all areas of clients' lives. The CCF will form the basis of the client relationship management component of ISIS to enhance the client service information platform for all clients of NSW TG. The marrying of the two tools will mean workflows are streamlined and consistent in the implementation across services where relevant.

A key component of being able to deliver the service clients require is the right number and mix of staff. This will become more challenging in the coming year as NSW TG faces the prospect of meeting Employee Related Expenses savings requirements while expanding and improving service levels to meet client needs. While the tight budgetary framework is common to all public sector agencies, the complexity of clients' lives and circumstances and the number of clients without adequate community support adds to our challenges. The workload review conducted in the previous reporting period will continue to be refined and provide important information for our costing and service needs.

Legislative Reform

NSWTG welcomes the Federal government's launch of the National Disability Insurance Scheme in the Hunter region. This will fundamentally change the support framework for people with disabilities. The challenge remains for NSW TG to work

with the new agency to ensure the system recognises those people with decision making incapacities without increasing the complexity of the system. This is an exciting and important development and we are pleased that the indications are that there is a strong willingness to address issues as they arise.

NSWTG gave evidence on behalf of the Australian Guardianship and Administration Council (AGAC) to the Senate Inquiry into Aged Care Reform. These hearings added to the already extensive exploration of the foreshadowed changes to the age care funding formula. While the age care reforms will not prevent the need for the sale of a family home, it will open up a wider range of funding possibilities.

NSWTG is undertaking the preparatory work for a major review of fees to be conducted by the Independent Pricing and Regulatory Tribunal (IPART). The IPART process provides extensive public consultation and the process is set to commence in December 2013 and is scheduled to conclude with promulgation of new fees by 1 July 2015.

Operating environment

The continuing constraints of the State fiscal policy and budgetary framework, while endeavouring to meet increased complexity within the client base, rising demand and match service expectations are challenging. These challenges will give rise to investigating the options for a fundamental change in our service delivery mechanisms for the future. These investigations will be informed by the desire to move financial management services to assisted decision making to the maximum extent possible, with adequate safeguards for the client.

Performance Highlights

Strategic Priority	Achievements
Client focus	<ul style="list-style-type: none"> • <i>Opening of office in Wagga Wagga to improve accessibility to South West NSW communities</i> • <i>Development of the Client Consultation Framework</i> • <i>Almost 10,000 new or revised wills were prepared</i> • <i>Obtained administration on 1769 deceased estates</i> • <i>Managed 6284 long term trusts</i> • <i>Sold 499 properties</i> • <i>Purchased 21 properties</i> • <i>Managed 433 rental properties</i> • <i>Clients' satisfaction indices for wills clients was 94; for beneficiaries was 69; 58 for directly managed clients; and 66 for private financial managers</i> • <i>Timeframes established</i> • <i>Complete file reviews conducted for direct financial management clients and random reviews established for quality assurance. This supports the regular file reviews being conducted in conjunction with major milestones eg budget review and development, and distributions</i> • <i>Service targets have been established for performance benchmarks for the most common legal matters and tracking commenced</i>
Collaboration and Teamwork	<ul style="list-style-type: none"> • <i>NSWTG worked with the Australian Guardianship and Administration Council (AGAC) to coordinate the national response from all States' and Territories' Trustee and Guardianship bodies to the Federal Government's review of the Aged Care framework. NSW TG appeared before the Senate Inquiry on Aged Care Reforms on behalf of AGAC to answer questions about our experiences with Aged Care framework and providers</i> • <i>NSWTG is actively working with DisabilityCare Australia to clarify the interactions between the agencies for NDIS, particularly at the launch site in Newcastle</i> • <i>NSWTG worked with Prof Prue Vines to publish the Aboriginal Wills Handbook which was launched in April 2013</i> • <i>NSWTG continues to participate in the assisted decision making pilot with Public Guardian and ADHC</i> • <i>The implementation of community awareness of the importance of pre-planning continues, through collaboration with the Planning for Later Life Forum and particularly the Office for Ageing</i> • <i>Continued meetings and collaboration with Centrelink</i> <p><i>Develop a collaborative staff culture</i></p> <ul style="list-style-type: none"> • <i>Reviewed processes and interactions between teams to ensure referrals to specialist teams are complete and appropriate to meet client needs</i>
Organisation and Workforce Capability	<p><i>Developed, recognised and maintained highly skilled and specialist staff</i></p> <ul style="list-style-type: none"> • <i>Achievement Plans (AP) completed have been used to link organisational values, priorities and work loads</i> • <i>The technical training program for NSW TG staff is directly linked to skill requirements for the organisation and followed up through Supervision and Achievement Plans</i> • <i>Senior Officers and the Executive met fortnightly to discuss policy, operational, strategic issues and NSW TG's direction. All teams have</i>

	<p><i>monthly meetings scheduled to ensure this information cascades throughout the organisation. The efficacy of these meetings varies and tools have been produced to assist in improving the outcomes for all staff</i></p> <p><i>Improve technical skills of staff to perform their roles</i></p> <ul style="list-style-type: none"> • <i>Staff participate in technical training to deliver NSWTG services to a professional standard</i> <p><i>Focus on key performance areas for enhanced service delivery and increased revenue opportunities</i></p> <ul style="list-style-type: none"> • <i>Interest sought from new Wills and POA clients for marketing communications</i> • <i>Continue to improve conversion of wills clients to Power of Attorney Services (Future Assist or Active Assist)</i> • <i>Endeavour to convert beneficiaries to Wills clients through excellent service provision</i> <p><i>Completion of Common Fund Project</i></p> <ul style="list-style-type: none"> • <i>a range of investment products that meet client needs developed</i>
Technology and Systems	<p><i>A new client management system to support streamlined business processes identified</i></p> <ul style="list-style-type: none"> • <i>Specify requirements for the new system</i> • <i>Preliminary phase completed and proof of concept complete</i> <p><i>Existing wide area network being upgraded for branches progressively</i></p> <p><i>Commenced implementing unified communications including an integrated phone system, web/ videoconferencing, and call recording systems</i></p> <p><i>Availability of systems and functionality to support core business achieved:</i></p> <ul style="list-style-type: none"> • <i>CIS and TEAMS functionality enables client service system improvements while the new system is built</i> • <i>TRIM, MYOB, Chameleon and SUN available</i> <p><i>Continued rollout of the upgrade of desktop environment</i></p> <ul style="list-style-type: none"> • <i>Upgrade desktop systems for all locations</i> • <i>Upgrade Windows and Office 2010</i> <p><i>Mail distribution and rationalise documents/ records management continuing</i></p> <ul style="list-style-type: none"> • <i>Unify the two repositories, Financial Management and Trustee Services, to support dual services delivery</i>
Streamlining	<p><i>Continually improve access to organisational information and support</i></p> <ul style="list-style-type: none"> • <i>The intranet for NSWTG (the HIVE) review has improved the consistency of policies between the different services delivered by NSWTG. An upgrade of the software platform aims to streamline and integrate the accessibility of NSWTG policies, procedures, delegations and other guidance material to improve staff access to information.</i> • <i>Clarification of practices concerning personal insurances</i> • <i>Harmonise the differing practices of recording client investments</i>

Management and Activities

NSWTG endeavours to encourage the NSW community to pre-plan for the situations where they may be unable to make decisions for themselves. In undertaking pre-planning individuals express their wishes for their future financial, health and lifestyle decisions and appoint a person of their choice to make decisions if they are unable or if they lose capacity. Where there are no instruments in place or for some reason the pre-planning instruments are not meeting the individual's needs, there can be a need for a financial management order.

NSWTG client service teams deliver services throughout the State. Nine offices located within the regions currently deliver trustee services only. Over time NSWTG is moving towards offering financial management services in all regional offices to improve accessibility and service.

Wills and powers of attorney for future business

NSWTG makes Wills for people appointing us as executor. There is no charge for making a Will and fees are only levied at the time of administration of the estate. It is a community service and Wills generate future business which forms the basis of our estate administration work, which generates up 60 per cent of revenue.

We made 9562 Wills in 2012–13, around 48% of which were for new clients. Our target was 10,000 Wills.

Deceased Estates

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

This year we obtained administration of 1011 new estates with a total value of \$563.1 million and had 5487 estates on hand. The average value of estates under grant of administration rose from \$509,336 in 2011–12 to \$530,352 in 2012-13. This increase in value has been largely driven by the impact of the economy on property prices and investments. We also administered 680 smaller estates without the need for formal administration, transferring property to the surviving joint tenant and arranging funerals where no-one else was available.

We filed 82.2 per cent of estates with values less than \$100,000 with the Supreme Court within three months of the estate being reported.

Trusts

We act as trustee, manager or receiver of funds for infants or those unable to manage their funds. The appointment is usually made by the court under the *Civil*

Procedure Act 2005 and the *Workers Compensation Act 1987*. Trusts can be created by individuals or organisations, including government agencies. We are receiving an increasing number of trusts for infants from superannuation organisations as fund managers, as trustees of superannuation funds become more aware of our services.

In 2012–13 we received 1050 new trusts with a value of \$53.9 million. As at 30 June 2013 we were managing 6284 long-term trusts.

Other trusts — extending our role

During the year we acted as trustee in a number of ways apart from our more traditional role as trustee for infants:

- employee entitlement trusts — we act as trustee of workers' entitlements so that they are protected in the event the employer goes into liquidation
- family trusts — we act as trustee, manage the assets and distribute income and capital according to the terms of the trust
- retirement villages — we act as trustee for the unit holders' funds.

Powers of attorney

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

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

This year we received 55 new matters with a value over \$18.9 million. We made 1412 powers of attorney for prospective Active Assist clients. As at 30 June 2013 we were managing the financial affairs of 429 clients under powers of attorney.

Witnessing Enduring Guardianship Instruments

The *Guardianship Act 1987 Regulations* enables accredited staff of NSW TG to witness Enduring Guardianship instruments. During this reporting period 113 clients have taken up the opportunity to appoint an enduring guardian while making their Will and appointing an enduring power of attorney.

Financial Management Services

NSW TG makes financial decisions for people with cognitive disabilities when appointed by the Guardianship Tribunal, Supreme Court or the Mental Health Review Tribunal as financial manager. NSW TG also authorises and directs the performance of private financial managers appointed by the Supreme Court or Guardianship Tribunal.

Table 1: Number of clients at 30 June 2008 to 2013

	30 June 2008	30 June 2009	30 June 2010	30 June 2011	30 June 2012	30 June 2013
People who have NSWTG as their manager	8880	9111	9579	9758	9968	10466
People who have private managers	2556	2753	2961	3112	3185	3444
Total	11,436	11,864	12,540	12,870	13,153	13,910
People for whom NSWTG fulfils the role of banker*	759	636	432	384	350	42

* These people have developmental disabilities and live in centres operated by Ageing, Disability and Home Care. NSWTG does not formally manage their financial affairs. The number of these clients is reducing as applications for formal financial management orders for them are heard by the Guardianship Tribunal.

Table 2: New orders made between 1 July and 30 June for 2007–08 to 2012–13

	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13
People who have NSWTG as manager of their affairs	953 (57.0%)	1031 (58.4%)	1110 (63.4%)	921 (57.7%)	1035 (57.6%)	1310 (61.8%)
People who have private managers of their affairs	721 (43.1%)	735 (41.6%)	642 (36.6%)	672 (42.3%)	757 (42.4%)	811 (38.2%)
Total orders made	1674	1766	1880 **	1593	1785	2121

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

The Guardianship Tribunal is the primary source of financial management orders for both private financial managers and NSWTG.

Source of new Orders made between 1 July and 30 June 2006-07 to 2012-13

Order Source	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Supreme Court	71 (4.2%)	48 (2.7%)	42 (2.2%)	37 (2.3%)	69 (4%)	52 (2.4%)
Guardianship Tribunal	1444 (86.3%)	1595 (90.3%)	1741 (92.6%)	1465 (92%)	1625 (91%)	1968 (92.8%)
Magistrate orders	38 (2.3%)	30 (1.7%)	16 (0.9%)	0	1 (>.1%)	0
Mental Health Review Tribunal	121 (7.2%)	93 (5.3%)	81 (4.3%)	91 (5.7%)	90 (5%)	101 (4.8%)
	1674	1766	1880 **	1593	1785	2121

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

Private Financial Manager Support

NSWTG authorises and directs people who have been appointed by the Supreme Court or Guardianship Tribunal to privately manage the financial affairs of a person. These orders are made for people unable to manage their own affairs due to a disability. The person may be a spouse, other family member or friend. Occasionally more than one private individual, a Trustee Company or professional person such as a solicitor or accountant, is appointed private manager.

The private manager applies for the specific Directions and Authorities required to manage the person's financial affairs. NSWTG then reviews the private manager's performance against the Directions and Authorities and the functions of a private manager as outlined in the *NSW Trustee and Guardian Act 2009*.

Other than providing a guide to good processes to be followed, NSWTG cannot provide step by step support or guidance to private managers in the performance of their duties, particularly in relation to any decision making function.

Management of seized or confiscated assets

We manage assets seized and confiscated under the *Criminal Assets Recovery Act 1990* and the *Confiscation of Proceeds of Crime Act 1989*. Assets can include real estate, cash, jewellery, motor vehicles and livestock. The assets may have to be sold immediately or held and either managed or maintained until further court orders are issued. In 2012-13 NSWTG paid over \$15 million earned from the management of these types of assets to NSW Treasury.

Dormant Funds Act 1942

The Chief Executive Officer of NSWTG is the Commissioner of Dormant Funds and recommends to the Attorney General proposals for dealing with funds relating to charitable purposes or purposes of a public character which have become dormant.

In the last financial year one dormant fund matter was determined. The dormant fund matter under consideration was referred to the Charity Referee for review following application. This matter concerned a significant amount of funds originally raised in the 1980's intended to build a veterinary facility for Koalas at the Park Sanctuary in West Pennant Hills. Following review, the Charity Referees held the funds be paid to the University of Sydney Faculty of Veterinary Science for the provision of treatment and the research of koala diseases.

Specialist Support

The client services delivered by NSW TG are supported by teams of experts who provide advice and specialise in the management of different functions and assets of clients.

Financial transactions for clients

NSW TG processed over 1,623,709 financial transactions for clients in the 2012-13 financial year. This included payment of bills and allowances for clients, payments made under Powers of Attorney, payments from trusts and beneficiaries to estates and receipt of income ranging from Centrelink benefits to share dividends.

Financial planning

NSW TG develops and reviews financial plans for clients to ensure that clients' assets are invested appropriately to meet their immediate and longer term needs. At 30 June 2013 approximately \$1,655.3 million was invested on behalf of our clients based on recommendations in these plans. This year we developed and reviewed 1064 financial plans and 2945 investment reviews. We contributed over \$8.8 million to superannuation on behalf of 159 clients and have a total of over \$183 million invested in superannuation/account based pensions. We managed a further \$104 million of our clients' direct shares, managed funds and term deposits.

Client property

NSW TG ensures that client assets are, where possible, secured and protected.

As at 30 June 2013, NSW TG had responsibility for the management of 3,520 real properties. The activities undertaken on behalf of clients in 2012-2013 included:

- selling of 499 properties, valued at \$215,965,279
- purchase of 21 properties, valued at \$7,355,950
- management of the rental for 433 properties
- 2,992 insurance renewals
- 941 new insurance policies
- 162 insurance claims
- 587 repairs and maintenance tasks for properties belonging to managed persons.

In 2012-2013, 379 vehicles were purchased and 29 were sold on behalf of managed persons.

Taxation services

To fulfil the tax compliance obligations of financially managed clients, deceased estates, trusts and power of attorney clients, NSWTG Taxation Services prepared and lodged 10,246 taxation returns this financial year.

The Taxation Services Unit maintains a close relationship with the Financial Services Council's Trustee Working Group and contributes to submissions made by the Council to government on proposed tax legislation that impacts the trustee industry.

Legal services

At 30 June 2013 NSWTG had provided legal services for deceased estates, trusts, power of attorney clients, civil forfeiture matters, and financially managed clients in over 4600 matters. These matters dealt with conveyancing transactions and many types of litigation including family provision claims, personal injury, debt recovery, next of kin enquiries, asset recovery and family law.

The legal staff provide legal advice to NSWTG staff on client issues. Legal staff also draft complex Wills and trusts, including special disability trusts, and approve the distribution of high value estates and trusts and all intestate estates.

All Wills and Power of Attorney documents that are made in NSWTG are checked to ensure compliance with the appropriate legal formalities. In the last financial year legal staff checked 9562 Wills and 1412 Powers of Attorney that were made throughout the branches.

The Genealogy Unit conducts searches for next of kin in intestate estates and beneficiaries in Wills who may be missing or not easily located. The Unit has 805 matters on hand. In the last year Genealogy staff located 172 next of kin and beneficiaries bringing to a total 1746 people located since the Unit was established in 2006. Genealogy staff carry out research in 54 countries.

Disability Advisory Service

Through our Disability Advisory Service, NSWTG:

- provides specialist advice and advocacy to assist with decision-making, planning and communication for our clients
- improves staff expertise about disability-specific matters impacting on financial management decisions for clients
- administers the Authorised Visitor Service

The Service provides disability focussed advice on:

- Purchase, Sale and modifications of client's property
- Sustainability of accommodation
- Aids and Equipment requests
- Connecting clients to services
- Providing advice on service availability and suitability
- Developing communication/contact strategies for clients the organisation experiences challenges providing a service to

- Mandatory referrals for child protection and elder abuse concerns and responding to serious concerns of neglect abuse and exploitation
- Responding to threats of suicide , self harm and threats to others

Authorised Visitors

Authorised Visitors (AV) are external independent assessors who are engaged to inform decision making where clients have adequate funds. Examples of assessments are complex estate financial planning, budget preparation, decision making about legal issues (needs assessments) and purchase of sale of property.

Common Funds

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

There is an ongoing major project to harmonise the operations of the common funds. In May, a newly appointed custodian and unit registry manager, JPMorgan Chase, took over key responsibilities for all but one of our portfolios. The process of harmonising custodian and unit registry providers across our entire common fund platform will be completed as soon as it is in the clients' best interests. Since year end, we have substantially transitioned to a new fund manager, BlackRock Investments.

We have commenced the design of a new common fund administration platform, which will assist us to improve client service standards and improve back office efficiencies. NSW TG anticipates offering Trustee clients an enhanced range of investment options in 2014. This will be via either the existing common fund or a single common fund incorporating both Financial Management and Trustee clients.

Financial Management Clients' Funds

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

Due to market volatility, four to five years of planned client expenses are held defensively in Funds focussed on cash and fixed interest wherever possible. The balance is invested in the Funds invested in growth assets to provide for long term client needs.

We have continued to invest the Funds using low-cost approaches whose returns closely track the returns of major financial market benchmarks.

Thanks to the generally strong returns enjoyed on major share markets during the year, the returns of those Funds which cater to clients' longer term needs was also

strong. These were the Australian Shares, International Shares and Australian Property Securities Funds.

The returns of those Funds defensively invested in cash or fixed interest investments were impacted by continued declines in short term interest rates. These were the Access, Australian Cash, Australian Cash Plus, Australian Fixed Interest and Global Bond Funds. The significant declines in global bond prices towards the end of the year also curtailed the returns of the Australian Fixed Interest and Global Bond Funds. As a result, although returns were in line with each Fund's benchmark, they were noticeably lower than a few years ago.

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

Table 4: Financial Management Clients' assets under management and Financial Management Common Fund investment of funds

	2012-2013 \$'000
Directly Managed Clients	2,478,615
Privately Managed Clients	85,463
Total net client funds	2,564,079

Funds in Common Fund					
	Excluding Liabilities and Reserve \$'000	Included Investments under Private Management \$'000	Trustee Clients¹ \$'000	Benchmark Return* %	Client Return* %
Access Fund	425,772	54,406	-	3.28	3.16
Australian Cash	172,846	13,870	-	3.28	3.14
Australian Cash Plus	79,468	1,593	71,003	3.78	3.51
Australian Fixed Interest	43,919	1,567	50,248	2.78	2.66
Australian Shares	260,614	8,650	-	22.75	22.30
Australian Listed Property Securities	48,647	1,376	-	24.22	24.17
International Bond	7,033	383	-	4.53	4.11
International Share	134,834	3,618	-	29.97	29.83
Total Financial Management Common Fund	1,173,133	85,463	121,250		

Estimated Client Assets Outside the Common Fund	
Real Estate	800,807
Investments	365,443
Other General Assets	139,232
Total Client Assets Outside the Common Fund	1,305,483
Total Financial Management Common Fund and Assets Outside the Common fund	2,685,329
<i>Less: Trustee Clients</i>	121,250
Total Net Financial Management Clients Funds	2,564,079

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

¹ During the financial year, trustee funds of \$121.25M (\$114.23M in 2011-12) have been placed in the Financial Management Investment Funds to provide additional diversification.

Trustee funds under management

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

The Primary Portfolio invests in high quality cash deposits, short-term money market and discount securities, and commercial mortgages, which are generally held to maturity. Since April, the Portfolio has obtained its money market and discount securities holdings by investing through a wholesale unit trust run by new fund manager, BlackRock. The portfolio has an objective of providing an income stream and return of the original capital sum.

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

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

Table 5: Trustees Clients' assets under management and Trustee Common Fund investment of funds

	\$'000	Benchmark Return*	Client Return*
Deceased Estates	948,239		
Trusts (including Agencies)	600,964		
Attorney Services	173,867		
Other	19,511		
TOTAL NET TRUSTS	1,742,581		
Represented by:			
Funds in Common Fund			
- Primary Portfolio	934,631	3.28%	3.94%
- Growth Portfolio**	200,482	26.09%	25.63%
Estimated unrealised client assets			
- Real Estate	334,446		
- Investments	252,573		
- Mortgages	2,070		
- Other personal property	42,179		
Total client funds and unrealised assets	1,766,381		
Less estimated trust liabilities			
- Client payables	23,800		
TOTAL NET TRUSTS	1,742,581		

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

** The Growth Portfolio is targeted to a mix of 70% Australian and 30% international shares. Differences will result if the performance of these two indices vary due to less frequent rebalancing of the fund.

Information Updates - Newsletters

As well as communicating specific personal information to clients using both Financial Management and Trust services, NSW TG uses targeted newsletters to inform clients of news and events. All newsletters to our clients and stakeholders are bi-annual and are available on our website.

More than 80 per cent of new clients for Trust services have given permission to contact them and receive our bi-annual newsletter, *TAGconnect*. The newsletter enables us to inform our clients of any changes to our services. We regularly receive positive feedback on interesting stories, case studies and legislative changes.

All private financial managers receive *Managing*. This newsletter keeps them up to date with any changes that may impact on their role and movements in the investments.

All clients under direct financial management and their carers receive *NSWTG News* twice a year. This newsletter informs clients of changes to services and how they can raise issues with NSWTC. It is also sent to service providers who work with clients under financial management to improve the support available to clients.

Information Updates – Community Education

NSWTG takes the opportunity to clarify the role and function of the organisation, as well as the importance of planning for future needs through community education.

In 2012-2013 staff conducted 100 presentations to various community groups across NSW compared to 122 presentations in 2011-2012.

Customer feedback

Client satisfaction surveys

In order to improve our relationship with clients, we continued to measure customer satisfaction according to two indices — the Customer Satisfaction Index (CSI) and Process Improvement Satisfaction Index (PISI).

Our annual survey of Wills clients showed that customer satisfaction was 94 compared with 95 in the previous year and the Process Improvement Satisfaction Index 92 compared with 93 in 2011-12. Our beneficiaries' client survey indices were 69 for the Customer Satisfaction Index in 2012-13 and 62 for the Process Improvement Satisfaction Index, representing decreases of 5 per cent in the CSI and 8 percent in the PSI on the previous year.

The broader client groupings create a combined representative benchmark for customer satisfaction, providing a mean CSI of 82 and PISI of 77 compared with 85 and 80 in 2011-12. The results indicate a slight decrease across both indices from a previously stable and overall high level of client satisfaction over recent years.

The same Customer Satisfaction Index (CSI) was used to measure the satisfaction of financial management clients. The CSI for directly managed clients was 58, while the CSI for private financial managers was 66. This provided a mean for financial management services of 62 and represents an increase from 60 in 2012-13. Dual services office clients rated more highly factors such as the respect shown by staff; the knowledge of staff; the provision of updates about their assets and the time taken by staff to respond to their enquiries.

An external service audit was conducted across all branches and benchmarked against the previous year. Client satisfaction with our telephone service was 71 per

cent (a decrease of 3 per cent on June 2012) and 79 per cent for face-to-face service (a decrease of 5 per cent on 2012). The telephone and face-to-face audits assisted us in identifying opportunities for improvement in our interactions with potential clients, and for further training as required for those branches needing improvement. This information is being used by NSW TG to focus on the areas of our current service that need to be improved.

Complaints

NSW TG recorded 349 complaints in 2012-13 compared with 386 in 2011-12. Of the 349 complaints, 140 were Ministerial representations compared to 117 in 2011-12.

Overall 72% of complaints included commentary on service provided by NSW TG. This included complaints about communication, delays in making decisions and length of time to receive a response. Thirteen percent of complaints related to decisions made by NSW TG, 6% related to policy and procedures, 3% fees and the remaining 6% related to other issues.

Complaints about financial management services (222) primarily focussed on the length of time taken to make decisions, respond to phone calls and correspondence. Complaints about Trustee services (127) related to issues such as delays in the administration of estates and communication with stakeholders.

Internal Reviews of Decisions (IROD) allows clients who are under private and direct management to a review mechanism for decisions made on their behalf. The internal reviewer can affirm, vary or set aside and make a substitute decision in line with Section 53(3) of the *Administrative Decisions Tribunal Act, 1997 (NSW)*. In 2012-13 there were 58 requests for IROD received. Of those received, 32 were affirmed, 9 varied, 14 set-aside and 3 withdrawn.

NSW TG takes complaints seriously and every effort is made to resolve issues in a fair and timely way. The resolution of complaints and IRODs within set timeframes is part of NSW TG best practice procedures.

In 2012-13 60% of complaints and 30% of Internal Reviews of Decisions were completed within the 21 days timeframe. Delays in finalising complaints and reviews of decisions were a result of the complexity of matters, the need for additional information or reports and delay by external agencies.

NSW TG continues to maintain a central feedback register to record, analyse, report and act on complaints and IRODs.

Ombudsman Review

NSW TG has progressively reported against the implementation of actions against the recommendations made by the Ombudsman investigation in 2011. The Ombudsman advised during this reporting period that the investigation was formally closed and any further issues will be raised in the regular meetings held by the two agencies. NSW TG will keep the Ombudsman updated if there is any change.

Financial performance

NSWTG is a self-funding NSW general government agency, receiving funding via community service obligations payment from government. Our revenue comes from:

- commissions and fees on estates, trusts and agencies
- fees for managing our clients' assets
- income on corporate investments

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

The basis for charging and the level of fees is established in the *NSW Trustee and Guardian Act 2009* and regulations. Fees are generally reviewed every five years, following a Regulatory Impact Statement consultation or a review by the Industrial Pricing and Regulatory Tribunal (IPART).

The main challenge affecting our financial performance in 2012-13 was to achieve our financial targets to optimise revenue and improve efficiency, while meeting our efficiency savings targets required by public sector agencies.

High-level results

- Result from operating activities was a surplus of \$3.70 million.
- After adjustment for a gain resulting from actuarial adjustment to future fund earnings of defined superannuation benefit funds, the net accounting result for the year was a surplus of \$23.02 million.

Table 6: Key strategies and results for 2012-13

Key strategy	Expected result	Result achieved
Meet or exceed new business volume and value targets on estates and trusts	Continued organisational growth.	New estates and trust levels were slightly higher than targets predicted and this correlated to higher revenue.
Meet and exceed investment returns	Efficient management of corporate financial resources	Returns on investment of corporate funds were higher than budget due to improved market conditions.
Increase corporate knowledge on budgetary process/reporting.	Improved planning and budgetary control	Budget performance published in Intranet and monitored by all managers.

Manage Efficiency Savings Plan targets.	Positive contribution to government savings targets.	Expenditure to budget was well controlled enabling us to achieve efficiency savings targets.
Manage community service obligations (CSO) arrangement with NSW Treasury.	Clear understanding of a CSO and transparency of cost, funding and reporting of CSOs.	CSO funding remained unchanged. Basis of CSO determination will be taken up by NSW TG with future review by IPART.
Effective and efficient management of corporate assets.	Better control and use of resources.	Stocktake completed. Asset Register complete.

2012-13 revenue and expenditure budget

Details of the 2012-13 recurrent revenue and expenditure budget compared to actual expenses are shown in Table 7. Also presented is our recurrent budget for the 2013-14 financial year.

We had planned for an operating surplus of \$0.01 million in 2012-13. The actual operating result was a surplus of \$3.70 million.

Revenue budget and results

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

In summary:

- total revenue was \$73.72 million - \$1.85 million (2 per cent) under budget.
- commissions and fees - over budget by \$0.24 million (1 per cent)
- management fees - over budget by \$1.85 million (7 per cent)
- funding of \$5.11 million was received from NSW Treasury for our community service obligations
- investment revenue - over budget by \$2.40 million, including unrealised gains from long-term growth assets. Returns on investment of corporate funds were negative due to lower interest rates during the year.
- other revenue - under budget by \$6.63 million (60 per cent) due to reduced transfer from the Common Fund reserves as a result of increased revenue from fees and investment revenue.

NSWTG waives, reduces or foregoes commissions and fees to allow community access to our professional services. We do so for reasons of hardship, on certain property passing to the spouse of the deceased, because the value of the matter does not warrant the fee or due to special circumstances. Commissions and fees waived, reduced and foregone in 2012-2013 are estimated at \$13.15 million.

Expenditure budget and results

Our expenditure budget provided for CPI increases in personnel services and operating costs, with maintenance and depreciation expenses being held at previous budget levels.

Personnel service costs were below budget, partly as a result of vacancies arising between staff leaving and a replacement being recruited. Similarly, savings in rent, office supplies, advertising, fees for services and maintenance costs resulted in other operating costs being below budget. Depreciation expenses were below budget due to a deferral of capital works.

In summary:

- total operational expense was \$70.02 million - \$5.53 million (-7 per cent) under budget, enabling us to achieve our efficiency savings targets.
- personnel services costs (before superannuation adjustment) - below budget by \$2.82 million (-5 per cent).
- other operating costs - below budget by \$2.17 million (-13 per cent)
- depreciation and amortisation expenses - over budget by \$0.54 million (-16 per cent).

Personnel services expenses included a favourable adjustment arising from an actuarial adjustment to future fund earnings of defined benefit superannuation funds of \$19.32 million. NSW TG does not control this adjustment and therefore cannot accurately budget for the variation.

The Attorney General has approved the NSW TG 2013-14 budget.

Table 7: NSW Trustee & Guardian recurrent revenue and expenditure

Recurrent revenue and expenditure budget	2012-13 Budget (\$'000)	2012-13 Actual (\$'000)	2013-14 Budget (\$'000)
REVENUE			
Commission and fees	26,472	26,711	25,742
Management fees	27,844	29,689	28,552
Community Service Obligation	4,838	5,112	4,688
Investment revenue	5,380	7,781	7,554
Other revenue	11,029	4,425	10,680
	75,563	73,718	77,216
EXPENDITURE			
Personnel service expenses	55,556	52,738	56,558
Advertising	2,107	1,893	2,055
Fees for services	6,835	5,840	7,913

Postal and telephone	962	1,093	1,002
Lease expenses	3,299	3,059	3,238
Other operating expenses	2,400	1,581	2,218
Maintenance	1,065	1,032	1,038
Depreciation and amortisation	3,324	2,786	4,395
	75,548	70,022	78,417
Surplus/(Deficit) from Operational Activities	14	3,696	(1,201)
Superannuation Adjustment	0	19,321	0
NET RESULT FOR THE YEAR	14	23,017	(1,201)

NSW Trustee & Guardian capital budget

Details of our 2012-13 capital expenditure budget compared to actual expenses are shown in Table 8 including details of our capital budget for 2013-14.

Capital budget and results

The capital budget planned for an extensive capital works program including the upgrading of computer and building facilities in regional and branch offices and unifying our client management systems to provide better service to our clients. Major replacement and upgrades of computer hardware throughout all offices of NSW TG was undertaken as well as PABX's/VOIP facilities for branches. Building renovation and leasehold improvement projects in four branches and locations were completed and six more projects are currently on-going. The development of a unified client system was commenced and will continue in forward years.

Our capital expenditure compared to budget is shown below.

Table 8: Capital expenditure budget

Recurrent revenue and expenditure budget	2012-13 Budget (\$'000)	2012-13 Actual (\$'000)	2013-14 Budget (\$'000)
Building fixtures	500	311	2,181
Leasehold improvements	795	2,099	539
Plant and equipment	975	658	575
Computer hardware	530	783	215
Computer software	4,200	2,265	5,850
Total	7,000	6,116	9,360

Workforce

NSWTG will sustain a workforce that is able to deliver consistently high level of service expected by our clients. The strategic priority is to continue to develop our highly valued employees by providing adequate training, supervision, use of technology and access to current policy and procedures.

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

	NSWT&G
Managers	17
Professionals	86.93
Technicians and Trades Workers	2
Community and Personal Service Workers	0
Clerical and Admin Workers	429.70
Sales Workers	7.60
Machinery Operators and Drivers	0
Labourers	1
TOTAL	544.23

*Based on census date FTE data from the DAGJ Principal Agency Workforce Profile (2013)

Key strategies for 2012–13 were to:

- continue to improve supervision of staff ensuring they have access to feedback on the performance required, support to address challenges, and be able to identify their professional aspirations
- continue to identify and investigate hazards to maintain the safety of our staff as they carry out their work
- our review of policies and procedures continued throughout the year and will be assisted by a complete review of our intranet organisation in the next financial year.

The Workforce Profile statistics can be found in Appendix 5

Staff Training and Development

During 2012-2013 NSW TG Learning & Development Unit continued to consolidate Financial Management and Trustee Services operational training. This year NSW TG has worked in conjunction with DAGJ People Development to produce the eCapability Program, in response to meeting Achievement Planning and Department of Premier and Cabinet Capability Requirements. This program invites staff members at Clerk Grades 1 to 8 to become familiar with the capabilities relevant to their position and grade and understand Departmental development opportunities that can help them meet and improve their skills. The program is personalised and individualised by staff working with their supervisors on completing questions relevant to their position and grade. Based on these answers, the staff member and their supervisor are provided with a personalised report detailing the applicable

capability requirements and appropriate development opportunities. Staff will be able to incorporate it into their Achievement Planning or Supervision sessions and be assisted in finding suitable and appropriate development opportunities relevant to their position.

NSWTG conducted 223 technical training courses during the reporting period.

The major achievements this year were:

- 33 staff accredited to witness Enduring Guardianship instruments
- 113 more staff accredited as prescribed witnesses for Powers of Attorney
- 103 more staff are accredited Will makers
- 78% of staff completed more than 30 hours of training during the year
- Department of Attorney General and Justice implemented 7 Mandatory elearning courses: 96% of staff completed these courses
- 90% of staff completed Dignity & Respect workshops
- 100% of staff completed Corruption Awareness training

Projects and Campaigns

NSWTG recognises that to support clients to exercise their life choices and deliver on client outcomes we need to work across government and non-government service providers and organisations.

We encourage others to make choices for themselves for possible future incapacity and the distribution of their estate after they die. We share our expertise and work with other agencies to improve support frameworks available.

Memorandum of Understanding/ Partnership Agreements

In 2012-2013 we continued to work with other agencies to develop our Memoranda of Understanding (MoU) and also use the established MoUs to achieve better client outcomes.

State Debt Recovery (SDR)

In June 2013 we had reduced the number of mutual clients from 1,619 clients owing a total of in excess of \$2.8m to 1,077 owing \$1.8m. This is despite 420 with \$497,000 added over the period.

Each month, as new clients are identified as coming under management with outstanding debts, this process allows us to ascertain whether the debt should stand. We then commence the appropriate process to address the debt. Last financial year, 962 clients no longer owe debts to SDR as a result of action taken.

NSWTG and SDR have agreed that fines related to jury duty or failing to vote incurred by our clients will be waived. The individual fines for failure to attend Jury Duty are significant at \$1,700. Failure to vote is \$55.00. For many clients these were the only fines outstanding.

Licensed Residential Centres/ Boarding Houses

NSWTG worked on an Interdepartmental Committee to revise the legislative and administrative framework for Shared Residential Accommodation (including Boarding Houses) in NSW. The aim of the legislative change was to address the systemic exploitation that can occur in some licensed boarding houses while maintaining the economic sustainability of a boarding house as a low cost accommodation option.

Meanwhile, we continue to work with Aging, Disability and Home Care (ADHC) to address issues at boarding houses, particularly where centres are closing.

Aboriginal Wills Handbook

This reporting period saw the culmination of an important initiative to improve the efficacy of using Wills to reflect the cultural needs of Aboriginal people. The Aboriginal Wills Handbook, written by Prof. Prue Vines and published by NSWTG was launched in April 2013.

The Handbook is aimed at assisting Aboriginal people and legal practitioners to prepare a culturally appropriate Will. The Aboriginal Wills Handbook is an extremely important contribution to the Aboriginal people of NSW who wish to make a Will. Aboriginal people have the lowest rate of Will-making in Australia. Some reasons for this include problems with literacy, and attitudes towards death that may mean some Aboriginal people are unwilling to record their wishes in a Will.

Many Aboriginal people also believe they need large estates to benefit from making a Will. This common misconception also applies to the wider population. Our annual Newspoll research (May 2013) shows this as the main barrier to people making a Will. Of course, our organisation's aim is to improve the uptake of not only Wills, but also Powers of Attorney and Enduring Guardianship across the community.

Legislative Reviews and Inquiry Submissions

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

NSW TG is periodically consulted in regard to amendments and revisions of laws and regulations affecting our area of operations. In the past financial year these have included: Criminal Assets Recovery Regulation, Civil Procedure Regulation, Power of Attorney Act 2003 and Power of Attorney Regulation.

NSW TG provided ongoing consultative assistance in regard to the amendments to the Power of Attorney Act and the redesign of the power of attorney forms.

An ongoing area of reform which directly impacts NSW TG are the proposed changes to the Motor Accidents Injuries and the proposed assessors power to direct that damages be paid to the NSW Trustee & Guardian. NSW TG will continue to engage in the consultation process as these are extended to address industry concerns.

NSW TG continued to participate in the NSW Law Reform Commission review relating to the criminal law and procedure applying to people with cognitive and mental health impairments and to the reforms under consideration in respect of the *Disability Services Act 1993* and *Mental Health Act 2007*. Our participation in Law reform reviews also extends to Federal and other state jurisdictions, such as: the Australian Human Rights Commission review into the criminal justice system for people with disability and the Victorian Law Reform Commission's ongoing succession laws review.

The Commonwealth Government have implemented a range of measures intended to streamline administrative processes of the not-for-profit sector, including a regulatory framework and changes to the regulation of tax concessions. It includes the establishment of the Australian Charities and NFP Commission (ACNC). NSW TG continued to engage in the consultation process throughout the year as these reforms were drafted and implemented. In a related issue, we have provided

submissions in the Commonwealth review of the Statutory Definition of Charity and continue to be engaged in the ongoing consultation in this area.

NSWTG is represented on the following NSW government committees with representatives across numerous sectors: Attorney General Capacity Reference Group, NSWTG Supreme Court Probate Users Group, NSW Not for Profits Reform Interdepartmental Committee, NSW Succession Law Working Group.

NSW Trustee & Guardian Fellow in Elder Law at the University of Western Sydney

Our sponsorship of the NSW Trustee & Guardian Fellow in Elder Law was renewed in 2009, making this the fourth year of the new agreement. Sue Field LLB holds the Fellowship position, which continues to actively contribute to the recognition of elder law as an emerging area within the community. Sue has played an active role in research and awareness raising, particularly of financial abuse of the elderly, an area which is an increasingly significant issue. During the reporting period notice was given that unfortunately NSWTG will not be able to continue to fund the Fellowship beyond the 2013-2014 financial year.

Planning for the future

Increasing completion rates of planning ahead documents - Wills, Powers of Attorney, enduring guardianship and advance care directives - is a highlight of the NSW Ageing Strategy. Throughout 2012-13, NSWTG has worked in partnership with the Office for Ageing to develop a social marketing campaign aimed at raising public awareness of pre-planning. Designed to start conversations and promote action around the important questions of what happens to you and your assets when you die or become incapacitated, the messaging targets life stages through its media selection. The overall emphasis is on the importance of completing pre-planning documents, and that making a Will, Power of Attorney and Enduring Guardian is simple and easy to do. The campaign elements are television advertising around New South Wales, as well as press and online advertising, and includes an ethnic and indigenous media strategy. The initiative will be supported by community education, stakeholder engagement and public relations activities. It is scheduled to commence in early November 2013 and the www.planningaheadtools.com.au website will be the main call to action.

Community Campaigns

Our two key campaigns are the annual Good Will Week; and NSW Seniors Week for which we are major sponsor. The main objective is to raise awareness of the need for Wills and powers of attorney. We continue to engage with the community through these events to retain our brand as the State's largest Will-maker, a leader in estate administration and experts in attorney services.

Good Will Week August 2012

We delivered a successful Good Will Week (GWW) campaign in August 2012. The theme, "Before you take off, take up a Will", was based on the fact that record numbers of Australians are travelling overseas. According to the Department of Foreign Affairs and Trade (DFAT) figures, a surprising 1,000 people die while away

each year on average. Our aim was to remind people that before they travel, just like taking out travel insurance and other preparations, they should make sure they have an up-to-date Will.

In the lead up to GWW 2012 we surveyed approximately 2,000 Australians about the way they "holiday" and the type of risks they take when they are away, which revealed some interesting findings. Our GWW community events included the "How to have the holiday of a lifetime" workshop, which featured Mike Whitney of Sydney Weekender and Dr David Bierman, University of Western Sydney (UWS) lecturer in tourism and member of DFAT's Smart Traveller advisory board. NSW TG branches held a Saturday Wills Day event to make Will-making accessible for those unable to tend to their legal life planning affairs during normal business hours.

GWW result highlights include:

- 70 people attended the "How to have a holiday of a lifetime" workshop.
- 11,706 unique visitors to the Good Will Week website, an increase of 30% on 2011 results.
- 240 Wills were made during Good Will Week Saturday Wills Day, an increase of 50% on last year.
- 41 radio interviews were conducted as part of Good Will Week and the total audience reached by the campaign's media messages was 7.7 million, an increase of 10% on the 2011 GWW campaign.
- Since the inception of Good Will Week in 1998 the value of unpaid media coverage received has totalled \$8.16 million.

Seniors Week March 2013

Our community education and media activity during NSW Seniors Week provided several key messages to raise public awareness on the importance of appointing an impartial and experienced attorney under a Power of Attorney to reduce the risk of potential elder financial abuse and mismanagement. NSW TG also extended and tailored the Good Will Week 2012 theme on the importance of making a Will before travelling to the increasing seniors travel market.

Media coverage generated by our Seniors Week campaign provided some impressive outcomes, with a significant 67% rise in overall editorial value compared to 2012 results (totalling approximately \$197,000). Audience numbers for print and radio coverage also escalated to over 6.35M, and our official NSW TG Seniors Week event adapted from GWW 2012, the "How to have a holiday of a lifetime" Workshop exceeded expectations with more than 200 seniors in attendance.

Governance

NSWTG Governance framework provides our overarching system to ensure we do what we do the right way as well as doing the right things. While improving our systems of work within NSW TG the framework aims to bring changes to the way in which we do our work and how organisational decisions are made.

Our Executive Team

Chief Executive Officer, Commissioner of Dormant Funds

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

Director Client Services

This position was vacant for almost all of the reporting period - Carol Coombes and Meredith Coote acted in the position.

Director Specialist Services

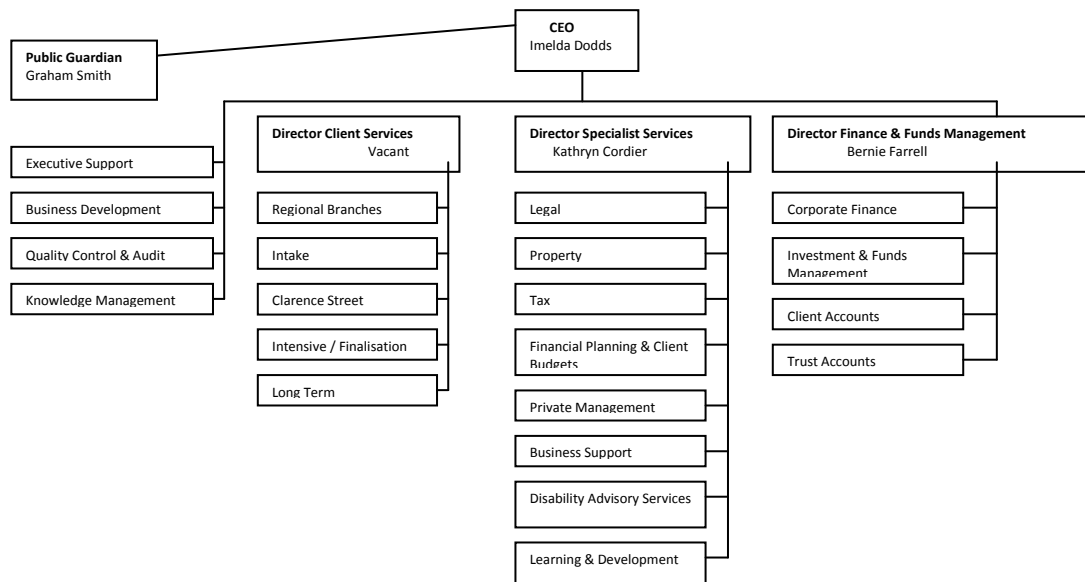
Kathryn Cordier, LLM, LLB (Hons), BEc, Grad Dip Couns & Psychotherapy

Director Finance and Funds Management

Bernie Farrell CFP, DFP, SA Fin, Dip Fin Mkts

Corporate management systems

NSW Trustee & Guardian has the following divisions: Client Services, Specialist Services and Finance and Funds Management.



The Executive and Senior Officers Committee met twice monthly and Directors of each division report on budget performance, performance in key result areas, performance under the Business Plan and new or ongoing projects.

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

- Inga Baumgartner, is a psychiatry registrar who brings insight into the needs of mental health clients and the support required from NSWTG particularly in times of crisis
- Edward Birt, has extensive experience in the disability services area with a focus on person centred approaches to disability support
- Andrew Buchanan, is a professional communicator and former chair of Disability Council of NSW. He has more than 25 years experience in broadcast programming, operations and management with the ABC
- John Davies AM, has extensive public sector and not-for profit experience until his retirement from the position of CEO St Johns Ambulance in 2002
- Robert Haebich, is an experienced lawyer, director of a diversity of companies, manager and bureaucrat. His focus has been to identify and address justice issues and increasingly, those relating to the “capacity” of individuals & communities to understand, protect & exercise their rights
- Michelle Johnson, is an experienced succession and inheritance lawyer who promotes the uptake of Wills and powers of attorney within the community while seeking to deliver superior technical skills with empathy and compassion
- Richard Lancaster SC, has been a barrister since 1997 and as senior counsel since 2009. His areas of expertise are administrative law, the law of charities and trusts, equity and commercial law, and discrimination and human rights law. He is a member of the Human Rights Committee of the NSW Bar Association
- Jennifer McMillan, is an accredited specialist in Wills and estates, currently a lecturer in Master of Applied Law (Wills and Estates) Program at The College of Law. She is also a member of the Law Society of NSW’s Elder Law & Succession Committee
- Prue Vines, is a Professor at the Faculty of Law, UNSW, Sydney and has been a member of the Law School since 1990. Her major areas of interest are torts and succession law, including end of life decisions and guardianship. She authored *Aboriginal Wills Handbook A practical guide to making culturally appropriate wills for Aboriginal people* to improve the rate of Will making among indigenous people.

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

- Alan Bertram, who had 31 years experience in investment activities for AMP until retirement in 1999 and has since undertaken advisory and consultative roles for AMP and Medibank Private
- Ted Gifford, who had 36 years experience in a wide range of investment activities for AMP until retirement in 2002
- Michael McGrath (representing the NSW Treasurer), Principal Advisor Financial Liabilities, Crown Asset and Liability Management, NSW Treasury.

Other key committees are: Audit and Risk Committee, Joint Consultative Committee, Workplace Health and Safety, Business Support Group and Information Technology Steering Committee. Our representation of significant external committees is detailed in Appendix 6.

We have the following plans at the corporate level:

- Operational Plan
- Marketing Plan
- Risk Management Plan
- Business Continuity Plans
- Total Asset Management Plan (included with the DAGJ overall plan)

These plans inform division and branch plans to ensure a corporate focus on both objectives and outcomes.

Compliance program

In 2012-2013 we continued to develop and improve our governance, risk management and general compliance frameworks. We identified our risk appetite and developed a risk management framework around those appetites. We designed audits and policies to ensure risks were addressed in all areas. This was complemented by an increased knowledge awareness program in relation to workplace expectations.

Risk management and audit

Our Risk Management Plan addresses both operational and corporate risks. Some of the operational and corporate risks are mitigated by:

- compliance with Treasury Policy TPP09-05 Internal Audit and Risk Management Policy for the NSW public sector, including:
 - an Audit and Risk Management Committee with an independent chair and a majority of independent members to provide transparency
 - clearly defined charters for the Audit and Risk Management Committee operations and for the internal audit function
 - external oversight and assessment through the Audit Office of NSW and the Audit & Risk Committee

Major business processes are protected by:

- internal auditing programs, which ensure that effective control systems are in place to test conformance with trustee and financial management high-risk activities
- external auditing to assess the adequacy of existing controls
- the fraud control strategy and corruption prevention framework
- oversight by and reporting to the independent Audit and Risk Committee
- training and development of staff to raise awareness of fraud risk and appropriate workplace expectations of staff
- the approved Business Impact Analysis and Business Continuity plans

- risk management, within policy guidelines and AS-NZSISO 31 000-2009 standards, including incorporation in the business planning cycle and Internal Audit Plan

Identification of systemic issues and the development of a framework for recording, addressing and monitoring treatment strategies to address these issues

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

- comprehensive motor vehicle insurance
- liability insurance, including public liability and professional indemnity
- property insurance covering corporate property
- workers compensation insurance
- client personal property stored on NSWTG premises
- miscellaneous insurance for liabilities not specifically covered.

Internal audit

Our Risk Management and Audit Program ensures that effective control systems are in place and that there is reasonable assurance regarding the achievement of objectives. Throughout 2012-2013 PriceWaterhouseCoopers (PwC) assisted in the risk assessment, development and performance of the internal audit plan.

PwC and Quality Control & Audit staff assessed the adequacy of existing controls and provided, where appropriate, recommendations to enhance the effectiveness and efficiency of both policy and practice. Additionally, all new technical policies and practices clearly articulated the risks the policies have been developed to control. All new project business cases required a formalised risk assessment.

What we achieved

- Completed an annual corporate-wide risk assessment program using the business planning and audit program findings.
- Developed a risk appetite framework to better manage response appropriateness and control levels
- Communicated with and responded to the Audit and Risk Committee to ensure transparent oversight of risk management and internal audit function in compliance with Treasury Policy TPP 09-05.
- Incorporated risk-specific awareness sessions in all new employee induction training and in technical training.
- Completed the planned audit program, including the trust account internal audit program and a number of special investigations and key corporate activity reviews to provide assurance of effective control of identified risks.
- Incorporated risk management to assess and control identified WHS hazards, the risk rating determining the urgency of corrective action and appropriate level of control. All hazards were recorded and addressed

- Increased capacity to monitor activities to ensure timeliness and quality of service delivery
- Commenced file reviews for all financially managed clients to ensure compliance with policy and procedures

Business Continuity

The Business Continuity Plan was completely rewritten with a focus on contingency options and IT and Records disaster recovery. The Plan is designed to ensure that, in the event of a disaster, all our critical business systems will continue to operate, thus enabling us to maintain our high level of service and reputation.

Internal Audit and Risk Management Statement for the 2012-2013 Financial Year for NSW Trustee and Guardian

I, Imelda Dodds, am of the opinion that the NSW Trustee and Guardian has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

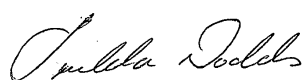
I, Imelda Dodds, am of the opinion that the Audit and Risk Committee for NSW Trustee and Guardian is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09-08.

The Chair and Members of the Audit and Risk Committee for 2012-2013 were:

- Independent Chair – Mr Ian Neale (1 October 2011 to 30 June 2013)
- Independent Member – Mr Ian Gillespie (1 March 2012 to 30 June 2013)
- Independent Member – Mr Paul Crombie (1 July 2011 to 30 June 2013)
- Non-independent Member – Mr Graeme Smith, Public Guardian (1 July 2011 to 30 June 2013)
- Non-independent Member – Ms Kathryn Cordier, Director Specialist Services (1 July 2011 to 30 June 2013)

The delivery of the Internal Audit Function for NSW Trustee and Guardian is an outsourced model. An Internal Audit Plan is developed annually and endorsed by the Audit & Risk Committee for the outsourced Internal Audit service provider. The Chief Audit Executive of NSW Trustee and Guardian manages the outsourced service provider and undertakes systems analysis, systemic issue reviews and ad-hoc investigations. This delivery model is maintained having regard to the size, complexity, risk profile and operational distribution of NSW Trustee and Guardian and the viability, cost and capacity of alternative arrangements.

These processes provide a level of assurance that enables the senior management of NSW Trustee and Guardian to understand, manage and satisfactorily control risk exposures.



CEO

2 July 2013

Using technology to support service delivery

We are continually improving our processes and core business systems to streamline estate administration and deliver more efficient service to clients. This year we concentrated on facilitating the move to the new DAGJ standard operating environment and upgrading supporting infrastructure.

A review of the core business systems CIS and TEAMS was commissioned. The review will lead to a common application system for NSWTG. This will deliver immediate benefits to staff and clients in knowledge sharing and access to information. The review recommendations are scheduled to be submitted to the NSWTG Executive by the end of September 2013.

NSWTG also completed the move to the Department of Attorney General and Justice's standard operating environment as part of the government's shared corporate services strategy.

Electronic access and communication

Our clients use the NSWTG website both as a reference source and as a point of access.

The corporate domain site www.tag.nsw.gov.au provides access to the financial management and trustee areas of the organisation.

Future Plans

NSW Trustee & Guardian has established two broad strategic directions to meet the demands an ageing population with an increase in demand for services. We continue our Strategic Priority areas of: Client Focus; Collaboration and Teamwork; Organisation and Workforce Capability; and Technology and Systems to achieve these outcomes.

Our first goal is increasing the uptake of pre-planning instruments in NSW. We have been working towards this goal for some time and have achieved a level of success. These efforts support and are consistent with the NSW Government's Ageing Strategy. The uptake of pre-planning documents not only allows individual's to reflect their needs for future actions but minimise the intervention of courts and tribunals if people lose capacity or when they die. The ability to reflect values, desires and preferences in life decisions is important for all people. Our goal is not only to increase the proportion of the population with a Will but also have pre-planning instruments in place for financial, health and life matters that express their wishes if action needs to be taken.

The second priority will be to investigate the supports and legislative changes required to increase the proportion of private financial managers appointed for people with decision making incapacities and where there is a need for a financial management order. Our goal is to reflect the United Nations Convention on the Rights of People with Disabilities to provide services that reflect the level of autonomy desired by people with decision making disabilities. It is imperative that the continuum of decision making assistance available for an individual reflect the nature of the decision and the capacity of the individual to understand the decision. Increasing the range of private managers to provide these services will allow NSW TG to focus on clients with financial management orders for whom we are the financial manager of last resort. Private managers are also more likely to be known and have the trust of the person who needs decision making assistance. The Assisted Decision Making Pilot aims to develop and test a range of options that enhance decision making control an individual has in their life. The development of practices that are decision specific and tailored to the circumstances will help the person assisting the person with the disability. The shift in service provision requires different services, supports, requirements and safeguards to be developed to address any inherent risks that may escalate in the changing methodology. We are currently in the process of obtaining data and analytics to assess the transformational and business impact of these initiatives.

As this is a significant adjustment to the current service regime there will be extensive consultations undertaken as part of the process in an effort to address the issues that may be raised by stakeholders.

Public Guardian Report

The Public Guardian is a legally appointed substitute decision maker for people with impaired decision making. We promote the rights and protect the interests of people with disabilities through guardianship, advocacy and education. The services we provide to clients are guided by the Guardianship Standards and the Principles of the *Guardianship Act 1987*.

At the end of the financial year, the Public Guardian had 1981 clients under guardianship, compared to last financial year there were 1923 clients under guardianship.

MAJOR CHALLENGES FOR THE PUBLIC GUARDIAN DURING 2012 – 2013

A significant challenge faced by the Public Guardian during 2012 -2013 has been the workload demands. This resulted from reduced staffing and increased number of new guardianship orders appointing the Public Guardian. Since the 2010-2011 financial year there has been a 30.6% increase in the number of new orders appointing the Public Guardian and only a 6.2% increase in the number of people who were discharged from public guardianship. Our general enquiries have almost doubled since last year impacting the increased workload.

The Public Guardian will continue to advocate for the needs of people with disability in challenging circumstances and seek strategic collaboration regarding systemic issues affecting people under guardianship. The Public Guardian intends to publish his second advocacy report in 2014. Our clients have a range of disabilities as shown in table 10:

Table 10: Disability Type as of 30 June 2013

Autism	38
Brain Injury	209
Dementia	372
Eating Disorder	10
HIV AIDS related	8
Intellectual Disability	677
Neurological	100
Other	187
Psychiatric Disorder	380

The total number of people under guardianship managed throughout this financial year was 2770. This is a 4.6% increase from 2011-2012 when 2648 people under guardianship were managed.

	New orders	Renewed orders	Discharges
2010-11	598	561	581
2011-12	734	625	563
2012-13	781	634	617

Table 11: Number of people new orders, renewed orders and discharges under public guardianship

The number of new guardianship orders made each year has increased over the last three years. The total number of new orders made this financial year was 781, an increase of 6.4% on 2011 - 2012.

There has been an increase in the number of people discharged from public guardianship. This year 617 people were discharged from public guardianship. This represents a 9.6% increase in the number of discharges over the past year. The Public Guardian is committed to seeking renewed orders only as a last resort, and will actively seek alternatives to guardianship, in line with the Guardianship Act and the *United Nations Convention on the Rights of Persons with Disabilities*.

During 2012 - 2013, the Public Guardian gave evidence at 1316 Guardianship Tribunal hearings, 195 more than last year. The Public Guardian made 2184 decisions and 1261 medical and dental consents during 2012 - 2013. The most common decision-making areas (functions) included in guardianship orders were medical and dental consents, accommodation, services and health care. The Public Guardian is often appointed to make decisions in highly complex or conflict situations or in circumstances where there are a lack of services and support for the person with a disability.

Table 12: Number of major decisions 2012-2013:

Total	2184
Accommodation	601
Coercive Accommodation	304
Services	750
Access	105
Restrictive Practices	92

Emerging Issues

The launch site of the National Disability Insurance Scheme in NSW involves a number of people under the Public Guardian. In January 2014 people living in large residential centres in the launch site will begin to join the scheme, including more people under guardianship. We will work closely with DisabilityCare Australia to assist people under guardianship to participate in the scheme.

The NSW Civil and Administrative Tribunal is due to commence operating in January 2014. This new 'super' tribunal will consolidate existing tribunals, including the Guardianship Tribunal and the Administrative Decisions Tribunal. The NCAT aims to

promote access to justice. The Public Guardian will be interested to see how the new tribunal structure impacts people with disability.

Community information

The Public Guardian has a responsibility under the *Guardianship Act 1987* to promote the principles of the Act and to encourage the community to apply these principles. As part of this responsibility, the Public Guardian provides information free of charge through a telephone enquiry service, email, a range of publications and our website. The total number of information requests in 2012-2013 was 5564, this is more than double the 2513 requests received in 2011 – 2012.

In 2012-2013 we provided 66 community education sessions to community groups and service providers in the metropolitan and regional areas of NSW. This is 8 more sessions than the previous financial year.

Support for private and enduring guardians

The Private Guardian Support Unit (PGSU) provides information and support to private and enduring guardians in NSW. Guardians may be appointed by the Guardianship Tribunal, or a person with capacity can appoint an enduring guardian to make decisions for them in the future if they lose the ability to make their own decisions.

This year there was a total of 269 contacts by 218 private and enduring guardians. There were 833 new appointments of private guardians, compared with 774 new appointments last year. As of 30 June there were 1654 private guardianship orders, in comparison to 1372 last year.

Complaint management and reviews of decisions

In 2012-2013 we received 53 complaints, including 31 ministerial inquiries, four more than the previous year.

There were 19 requests for reviews of decision, four more than the previous year. The reviews mainly related to accommodation and access decisions. Thirteen decisions were affirmed, two were varied or varied, two were declined, and 2 were withdrawn. There were two applications made to the Administrative Decisions Tribunal (ADT) for a stay of decision. The ADT reviewed nine decisions made by the Public Guardian, this is four more than in 2011 -2012. Two cases were withdrawn, one dismissed, and seven are pending an outcome.

PUBLIC GUARDIAN STAFF TRAINING AND DEVELOPMENT

An approximate total of 950 days of training were attended by Public Guardian staff during 2012-2013 year. 89% of staff achieved the Departmental requirement of five full days training at the end of the year.

Table 13: STAFFING
Employees by Category (ANZSCO Major Category)*

Managers	4
Professionals	43.1
Technicians and Trades Workers	0
Community and Personal Service Workers	1.4
Clerical and Admin Workers	13.5
TOTAL	62
*Based on census date FTE data from the DAGJ Principal Agency Workforce Profile	

Public Guardian budget and expenditure

The Public Guardian 2012–13 budget is consolidated with the NSW TG Budget approved by the Attorney General.

Table 14: PG budget and actual expenditures for 2012-13 and budget for 2013-14

	2012-13 Budget \$'000	2012-13 Actual \$'000	2013-14 Budget \$'000
OPERATING REVENUE			
Investment income	185	154	147
Government funding	7,832	7,920	7,961
TOTAL OPERATING REVENUE	8,017	8,074	8,108
OPERATING EXPENSES			
Personnel service expenses	6,538	6,336	6,653
Advertising	43	21	32
Fees for services	507	571	981
Postal and telephone	119	2	80
Lease expense	447	429	468
Other operating expenses	170	161	229
Maintenance	22	18	30
Depreciation and amortisation	171	121	90
TOTAL OPERATING EXPENSES	8,017	7,659	8,563
Surplus/(Deficit)from Operational Activities	0	415	(455)
Superannuation Adjustment	0	29	0
NET RESULT FOR THE YEAR	0	444	(455)
CAPITAL EXPENDITURE	104	97	31

Future Directions

There are two strategies to address the growing workload at the Public Guardian. These include the *Red Tape Reduction Campaign*, and the *Initial Hearing Team*.

The *Red Tape Reduction Campaign* aims to streamline the day to day work of guardianship staff. The project is designed to assist frontline guardianship staff innovate their work practices through the identification and removal of unnecessary paperwork and administration.

Guardianship staff will trial the removal of administrative tasks. So far we are seeing trials of new practices relating to the recording of minor decisions, standard letters sent to medical and dental practitioners, and the development of decision plans. Other major changes are being developed for possible implementation in the 2013 - 2014 financial year; these include alterations to our decision making letter and electronic medical consent.

The *Initial Hearing Team* (IHT) is a team of four Principal Guardians operating across the guardianship teams with a brief to participate in as many initial hearings with the Guardianship Tribunal as possible. The aim of the team is to work collaboratively with the Guardianship Tribunal and other relevant stakeholders to seek alternatives to the appointment of the Public Guardian. This project will assist the Public Guardian to focus resources on complex substitute decision making and will provide an opportunity to showcase the negotiation and problem solving skills of senior guardianship staff. This will have a positive effect on relations with the Guardianship Tribunal and other stakeholders.

Graeme Smith
Public Guardian

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NSW TRUSTEE AND GUARDIAN

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INDEPENDENT AUDITOR'S REPORT

NSW Trustee and Guardian

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of NSW Trustee and Guardian, which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of NSW Trustee and Guardian as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

The Chief Executive Officer's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to NSW Trustee and Guardian's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NSW Trustee and Guardian's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Jack Kheir
Director, Financial Audit Services

20 September 2013
SYDNEY

NSW TRUSTEE AND GUARDIAN

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

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

- a) The accompanying financial statements exhibit a true and fair view of the financial position and transactions for the year ended 30 June 2013;
- b) The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions; and
- c) I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



Imelda Dodds

Chief Executive Officer

20 September 2013

Start of Audited Financial Statements

NSW TRUSTEE AND GUARDIAN

Statement of comprehensive income for the year ended 30 June 2013

	Notes	Actual 2013 \$'000	Budget 2013 \$'000	Actual 2012 \$'000
Expenses excluding losses				
Operating expenses				
Personnel services	2(a)	39,724	62,094	96,357
Other operating expenses	2(b)	15,700	17,978	15,595
Depreciation and amortisation	2(c)	2,907	3,494	3,092
TOTAL EXPENSES EXCLUDING LOSSES		58,331	83,566	115,044
Revenue				
Sale of goods and services	3(a)	56,400	54,316	55,168
Investment revenue	3(b)	7,935	5,564	1,370
Grants and contributions	3(c)	13,057	12,670	13,332
Other revenue	3(d)	4,400	11,030	5,099
Total Revenue		81,792	83,580	74,969
Gain / (Loss) on disposal	4	0	0	(14)
Net result		23,461	14	(40,089)
TOTAL COMPREHENSIVE INCOME		23,461	14	(40,089)

The accompanying notes form part of these financial statements.

NSW TRUSTEE AND GUARDIAN

Statement of financial position as at 30 June 2013

	Notes	Actual 2013 \$'000	Budget 2013 \$'000	Actual 2012 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	5	27,127	32,500	32,453
Receivables	6	25,447	16,176	23,992
Total Current Assets		52,574	48,676	56,445
Non-Current Assets				
Financial assets at fair value	7	40,000	35,646	33,182
Property, plant and equipment	8			
- Land and buildings		20,324	20,324	20,787
- Plant and equipment		10,079	8,644	7,692
Total property, plant and equipment		30,403	28,968	28,479
Intangible assets	9	2,771	4,450	1,390
Total Non-Current Assets		73,174	69,064	63,051
Total Assets		125,748	117,740	119,496
LIABILITIES				
Current Liabilities				
Payables	10	5,250	2,063	3,470
Provisions	11(a)	21,726	19,530	21,408
Total Current Liabilities		26,976	21,593	24,878
Non-Current Liabilities				
Provisions	11(b)	58,414	37,939	77,721
Total Non-Current Liabilities		58,414	37,939	77,721
Total Liabilities		85,390	59,532	102,599
Net Assets		40,358	58,208	16,897
EQUITY				
Reserves		1,258	1,258	1,258
Accumulated funds		39,100	56,950	15,639
Total Equity		40,358	58,208	16,897

The accompanying notes form part of these financial statements.

NSW TRUSTEE AND GUARDIAN

Statement of changes in equity for the year ended 30 June 2013

	Accumulated Funds	Asset Revaluation Surplus	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2012	15,639	1,258	16,897
Net result for the year	23,461	0	23,461
Other comprehensive income:			
Net increase/(decrease) in property, plant and equipment	0	0	0
Total other comprehensive income	0	0	0
Total comprehensive income for the year	23,461	0	23,461
Balance at 30 June 2013	39,100	1,258	40,358
Balance at 1 July 2011	55,728	1,258	56,986
Net result for the year	(40,089)	0	(40,089)
Other comprehensive income:			
Net increase/(decrease) in property, plant and equipment	0	0	0
Total other comprehensive income	0	0	0
Total comprehensive income for the year	(40,089)	0	(40,089)
Balance at 30 June 2012	15,639	1,258	16,897

NSW TRUSTEE AND GUARDIAN

Statement of cash flows for the year ended 30 June 2013

		Actual	Budget	Actual
		2013	2013	2012
	Notes	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel Services		(58,579)	(62,094)	(53,552)
Other operating expenses		(15,617)	(17,978)	(14,368)
Other		(4,055)	(5,441)	(4,397)
Total Payments		(78,251)	(85,513)	(72,317)
Receipts				
Sale of goods and services		55,103	54,316	48,636
Interest received		2,700	3,064	2,954
Grants and contributions		13,057	12,670	13,332
Other		8,815	16,471	6,140
Total Receipts		79,675	86,521	71,062
NET CASH FLOWS FROM OPERATING ACTIVITIES	15	1,424	1,008	(1,255)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments		0	7,529	0
Purchase of investments		(1,546)	(1,433)	(1,373)
Purchases of land and buildings, plant and equipment and infrastructure systems		(3,338)	(2,904)	(2,937)
Other		(1,866)	(4,200)	(717)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(6,750)	(1,008)	(5,027)
NET INCREASE/ (DECREASE) IN CASH		(5,326)	0	(6,282)
Opening cash and cash equivalents		32,453	32,500	38,735
CLOSING CASH AND CASH EQUIVALENTS	5	27,127	32,500	32,453

The accompanying notes form part of these financial statements.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

1 Summary of Significant Accounting Policies

(a) Reporting entity

NSW Trustee and Guardian is a NSW government entity.

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

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

These financial statements of NSW Trustee and Guardian for the year ended 30 June 2013 have been authorised for issue by Imelda Dodds, Chief Executive Officer on 20 September 2013.

(b) Basis of preparation

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

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

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

(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 claim experience.

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

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

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

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

(f) Income recognition

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

(i) Sale of goods

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

(ii) Rendering of services

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

iii) Commissions and fees

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

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

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

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 16.

The Common Fund management fee is recognised at the time the service is provided. The fee is set by the *NSW Trustee and Guardian Regulation 2008* as a percentage of funds under management.

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

iv) **NSW Government contributions**

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

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

v) **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.

vi) **Investment revenue**

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*. Dividend revenue is recognised in accordance with AASB 118 when NSW Trustee and Guardian's right to receive payment is established.

(g) Assets

(i) **Acquisitions of assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by NSW Trustee and Guardian. 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.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

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

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

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 at an asset-specific rate.

(ii) Capitalisation thresholds

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

(iii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

NSW Trustee and Guardian revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2011 and was based on an independent assessment. An index based review is performed between full revaluations. The last review was undertaken on 30 April 2013, confirming that land and buildings reflect fair value.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

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

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

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

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

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

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, AASB 136 Impairment of Assets effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, where an asset is already measured at fair value, impairment can only arise if selling costs are material. Selling costs for NSW Trustee and Guardian are regarded as immaterial.

(v) Depreciation of property, plant and equipment

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

All material separately identifiable components of assets are depreciated over their shorter 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	16-39
Computer equipment	3-5
Leasehold Improvements and office refurbishments	2-10
Plant and equipment	4-20

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

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

(vi) Major inspection costs

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

(vii) 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.

(viii) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

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

Operating lease payments are charged to the Statement of comprehensive income in the periods in which they are incurred.

(ix) Intangible Assets

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

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

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

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

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

NSW Trustee and Guardian's intangible assets are amortised using the straight line method over 3-16 years.

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

(x) Loans and Receivables

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

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

(xi) Investments

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

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

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

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

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

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

(xii) Impairment of financial assets

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

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

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available-for-sale' must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xiii) Derecognition of financial assets and financial liabilities

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

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

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

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

(xiv) Other Assets

Other assets are recognised on a cost basis.

(h) Liabilities

(i) Payables

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

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

(ii) Financial Guarantees

NSW Trustee and Guardian has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2013 and at 30 June 2012. However, refer to Note 13 regarding disclosures on contingent liabilities.

(iii) Personnel Services Expenses and Provisions

(a) Personnel Services Expenses

The Department of Attorney General 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 Attorney General and Justice are classified as "Personnel services" in the Statement of comprehensive income and "Provisions" in the Statement of financial position.

Personnel services expenses include salaries and wages and other costs for these services. Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on government bonds of 3.76% are used to discount long-term annual leave.

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.

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

(b) Personnel Services Provisions

Personnel services provisions comprise NSW Trustee and Guardian's liability to the Department of Attorney General and Justice for costs arising from personnel services rendered by the Department of Attorney General and Justice to balance date. This also includes superannuation for personnel services provided by the Department of Attorney General and Justice.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 12/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year 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.

(iv) Other Provisions

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

(i) Equity and reserves

(i) Revaluation surplus

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

(ii) Accumulated Funds

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

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

(j) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Other amendments made to the budget are not reflected in the budgeted amounts.

(k) Comparative information

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

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

(I) New Australian Accounting Standards issued but not effective

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

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

Reference	Description	Date of Effect
AASB 9, 2010-7	Financial Instruments (September 2012)	1-Jan-15
AASB 1053	Application of Tiers of Australian Accounting Standards (June 2010)	1-Jul-13
AASB 1055	Budgetary Reporting (March 2013)	1-Jul-14
AASB 2010-2, 2012-7, 2012-11	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	1-Jul-13
AASB 2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standard	1-Jan-14
AASB 2011-11	Amendments to AASB 119 arising from Reduced Disclosure Requirements	1-Jul-13
AASB 2012-1	Amendments to Australian Accounting Standards- Fair Value Measurement - Reduced Disclosure Requirements	1-Jul-13
AASB 2012-3	Amendments to Australian Accounting Standards- Disclosure - Offsetting Financial Assets and Financial Liabilities	1-Jan-14
AASB 2013-1	Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1-Jul-14

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

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

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

2. Expenses Excluding Losses

	2013 \$'000	2012 \$'000
(a) Personnel services		
Salaries and related expenditure (including recreation leave)	49,294	47,648
Superannuation - defined benefit plans *	(17,822)	40,776
Superannuation - defined contribution plans	3,316	3,029
Long service leave	1,769	1,872
Worker's compensation insurance	336	260
Payroll tax and fringe benefits tax	2,831	2,772
Total personnel services	39,724	96,357

* Includes actuarial gains of \$19.35 million (loss of \$39.24 million in FY 2011-12).

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

(b) Other operating expenses

	2013 \$'000	2012 \$'000
Auditor's remuneration - audit of financial statements:		
- NSW Trustee and Guardian	206	197
- Common Fund	182	197
Operating lease rental expenses		
Computer hardware & equipment leasing	0	3
Motor Vehicle lease	114	161
Rent expense - NSW Government buildings	2,108	2,098
Rent expense - non-government buildings	1,265	1,180
Maintenance *	1,050	1,009
Insurance	174	155
Consultancy fees	68	28
Advertising	1,914	1,684
Internal audit fees	361	354
Fees for services rendered	5,595	5,441
Gas and electricity	422	416
Office supplies	305	398
Postal and telephone	1,095	1,234
Travel expenses	406	364
Training and development	324	577
Other	111	99
Total other operating expenses	15,700	15,595

*Total maintenance expense

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

(c) Depreciation and amortisation expense

	2013 \$'000	2012 \$'000
Depreciation		
Buildings	463	463
Plant and equipment	1,560	1,733
Total depreciation	2,023	2,196
Amortisation		
Intangible assets	884	896
Total amortisation	884	896
Total depreciation and amortisation	2,907	3,092

3. Revenue

(a) Sale of goods and services

	2013 \$'000	2012 \$'000
Rendering of Services		
Commissions and fees	21,701	21,105
Trustee fees	5,010	5,342
Private management supervision fees	1,650	1,950
Common Fund management fees	28,039	26,771
Total sale of goods and services	56,400	55,168

(b) Investment revenue

	2013 \$'000	2012 \$'000
Interest revenue from financial assets not at fair value through profit or loss	1,117	1,614
TCorp Hour Glass Investment Facility designated at fair value through profit or loss	6,818	(244)
Total investment revenue	7,935	1,370

This includes unrealised gain of \$5,271,595 (unrealised loss of \$1,617,359 in FY 2011-12).

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

	2013 \$'000	2012 \$'000
(c) Grants and contributions		
Funding for the operations of the Public Guardian	7,920	7,720
Community service obligation	5,112	5,112
Contribution from NSW Government	25	500
Total grants and contributions	13,057	13,332

(d) Other revenue

	2013 \$'000	2012 \$'000
Car Hire	18	25
Inspection fees	41	66
Refund of working expenses from clients - <i>NSW Trustee and Guardian Regulation 26</i>	326	335
Transfer from the Common Fund	4,000	4,648
Other	15	25
Total other revenue	4,400	5,099

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

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

4. Gain / (Loss) on Disposal

Assets with net book value of \$ Nil (\$14,174 in FY 2011-12) and having no useful life were disposed during the year.

	Property, Plant and equipment \$'000	Intangible assets \$'000	Total \$'000
2012-2013			
Opening fair value	146	3	149
Accumulated depreciation	(146)	(3)	(149)
Net book value	0	0	0
2011-2012			
Opening fair value	553	2	555
Accumulated depreciation	(539)	(2)	(541)
Net book value	14	0	14

5. Current Assets -Cash and Cash Equivalents

	2013 \$'000	2012 \$'000
Cash at Bank and on hand	4,905	4,289
Short - term deposits	22,222	28,164
Total cash and cash equivalents	27,127	32,453

For the purposes of the Statement of cash flows, cash and cash equivalents include cash at bank and on hand, cash deposits on call 11am with Westpac Bank and short term investments with NSW Treasury Corporation.

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

Refer to Note 17 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

6. Current Assets - Receivables

	2013	2012
	\$'000	\$'000
Sale of goods and services	246	202
Less: Allowance for impairment	12	20
Other debtors	4,580	6,915
Accrued income	5,349	2,304
Personnel services	14,392	14,471
Prepayments	892	120
Total receivables	25,447	23,992

(a) Movement in the allowance for impairment

	2013	2012
	\$'000	\$'000
Balance at 1 July	20	12
Amounts written off during the year	(4)	(1)
Amounts recovered during the year	(7)	(4)
Increase/(decrease) in allowance recognised in profit or loss	3	13
Balance at 30 June	12	20

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired, are disclosed in Note 17.

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

	2013	2012
	\$'000	\$'000
TCorp Long Term Growth Facility	40,000	33,182
Total financial assets at fair value	40,000	33,182

Refer to Note 17 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

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

	Land and buildings \$'000	Plant and equipment \$'000	WIP \$'000	TOTAL \$'000
At 1 July 2012 - fair value				
Gross carrying amounts	21,250	11,584	0	32,834
Less: accumulated depreciation and impairment	(463)	(3,892)	0	(4,355)
Net carrying amount	20,787	7,692	0	28,479

At 30 June 2013 - fair value				
Gross carrying amounts	21,250	12,951	2,434	36,635
Less: accumulated depreciation and impairment	(926)	(5,306)	0	(6,232)
Net carrying amount	20,324	7,645	2,434	30,403

Reconciliation

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

	Land and buildings \$'000	Plant and equipment \$'000	WIP \$'000	TOTAL \$'000
Year ended 30 June 2013				
Net carrying amount at start of year	20,787	7,692	0	28,479
Additions	0	1,513	2,434	3,947
Disposals	0	0	0	0
Depreciation expense	(463)	(1,560)	0	(2,023)
Net carrying amount at end of year	20,324	7,645	2,434	30,403

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

	Land and buildings \$'000	Plant and equipment \$'000	WIP \$'000	TOTAL \$'000
At 1 July 2011 - fair value				
Gross carrying amounts	21,250	9,988	0	31,238
Less: accumulated depreciation and impairment	0	(2,698)	0	(2,698)
Net carrying amount	21,250	7,290	0	28,540

At 30 June 2012 - fair value

Gross carrying amounts	21,250	11,584	0	32,834
Less: accumulated depreciation and impairment	(463)	(3,892)	0	(4,355)
Net carrying amount	20,787	7,692	0	28,479

Reconciliation

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

	Land and buildings \$'000	Plant and equipment \$'000	WIP \$'000	TOTAL \$'000
Year ended 30 June 2012				
Net carrying amount at start of year	21,250	7,290	0	28,540
Additions	0	2,149	0	2,149
Disposals	0	(14)	0	(14)
Depreciation expense	(463)	(1,733)	0	(2,196)
Net carrying amount at end of year	20,787	7,692	0	28,479

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

9. Intangible Assets

	Computer Software \$'000	WIP \$'000	TOTAL \$'000
At 1 July 2012			
Cost (gross carrying amount)	5,316	127	5,443
Less: accumulated amortisation and impairment	(4,053)	0	(4,053)
Net carrying amount	1,263	127	1,390
At 30 June 2013			
Cost (gross carrying amount)	6,072	1,633	7,705
Less: accumulated amortisation and impairment	(4,934)	0	(4,934)
Net carrying amount	1,138	1,633	2,771

Reconciliation

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

	Computer Software \$'000	WIP \$'000	TOTAL \$'000
Year ended 30 June 2013			
Net carrying amount at start of year	1,263	127	1,390
Additions	759	1,506	2,265
Disposals	0	0	0
Amortisation (recognised in "depreciation and amortisation")	(884)	0	(884)
Net carrying amount at end of year	1,138	1,633	2,771

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

	Computer Software \$'000	WIP \$'000	TOTAL \$'000
At 1 July 2011 - fair value			
Cost (gross carrying amount)	4,548	180	4,728
Less: accumulated amortisation and impairment	(3,159)	0	(3,159)
Net carrying amount	1,389	180	1,569

At 30 June 2012 - fair value			
Cost (gross carrying amount)	5,316	127	5,443
Less: accumulated amortisation and impairment	(4,053)	0	(4,053)
Net carrying amount	1,263	127	1,390

Reconciliation

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

	Computer Software \$'000	WIP \$'000	TOTAL \$'000
Year ended 30 June 2012			
Net carrying amount at start of year	1,389	180	1,569
Additions	0	717	717
Transfers	770	(770)	0
Disposals	0	0	0
Amortisation (recognised in "depreciation and amortisation")	(896)	0	(896)
Net carrying amount at end of year	1,263	127	1,390

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

10. Current Liabilities - Payables

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

	2013 \$'000	2012 \$'000
Personnel services payable	1,378	1,245
Creditors	2,755	1,900
GST Payable	0	216
Accrued capital expenditure	1,117	109
	5,250	3,470

Details regarding credit risk, liquidity risk and market risk including a maturity analysis of the above payables, are disclosed in Note 17.

11. Current/Non-Current Liabilities - Provisions

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

(a) Current

	2013 \$'000	2012 \$'000
Personnel services	21,726	21,408
Total current provisions	21,726	21,408

Current provisions are expected to be settled, as follows:

	2013 \$'000	2012 \$'000
Personnel services before 12 months	6,932	6,988
Personnel services after 12 months	14,794	14,420
Total current provisions	21,726	21,408

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

(b) Non-current

	2013 \$'000	2012 \$'000
Personnel services	58,414	77,721
Total non-current provisions	58,414	77,721

12. Commitments for Expenditure

(a) Capital commitments

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

	2013 \$'000	2012 \$'000
Not later than one year	810	75
Later than one and not later than 5 years	0	0
Later than 5 years	0	0
Total (including GST)	810	75

(b) Operating lease commitments

Future non cancellable operating leases not provided for and payable:

	2013 \$'000	2012 \$'000
Not later than one year	1,339	1,179
Later than one and not later than 5 years	1,968	1,216
Later than 5 years	0	10
Total (including GST)	3,307	2,405

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

Total commitments include GST receivable from the Australian Taxation Office of \$374,259 (\$225,401 in FY 2011-12).

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

13. Contingent Liabilities

Legal Matters

NSW Trustee and Guardian may bear a cost risk of some proceedings which have been concluded on behalf of clients due to adverse verdicts or other court orders. The total estimated cost is approximately \$1.9 million (\$0.52 million in 2011-12) of which \$1.7 million will be recovered from the Treasury Managed Funds.

14. Budget Review

Net Result

The actual net result is higher than budget by \$23.45 million, primarily due to a decrease in expenditures of \$25.24 million and a decrease in revenue of \$1.79 million.

Personnel services expense is lower than budget by \$22.37 million mainly due to the recognition of a year-end actuarial gain in defined benefit superannuation of \$19.32 million and savings in other employee related expenses of \$3.05 million.

Other operating expenses are lower than budget by \$2.28 million mainly due to savings in fees, office supplies, training and advertising.

Revenue is lower than budget by \$1.79 million mainly due to a reduced transfer from the NSW TG Common Fund reserves as a result of increased revenue from fees and investment income. This is attributed to improved market conditions on TCorp Hour Glass investment results and on NSW Trustee and Guardian clients' assets which positively impacted on NSW TG revenue.

Assets and Liabilities

Total assets exceeded budget by \$8.01 million, which was mainly due to increase in current assets of \$3.90 million and in non-current assets of \$4.11 million.

Total liabilities exceeded budget by \$25.86 million due to increase in payables of \$3.19 million and provision for employee related liabilities of \$22.67 million resulting from unexpectedly high actuarial adjustment in June 2013 for defined benefit superannuation and long service leave.

Cash flows

Net cash flow is lower than budget by \$5.37 million.

Cash flow from operating activities is higher than budget by \$0.42 million partly due to reduction in personnel services expenses and other operating expenses.

Cash flow from investing activities is lower than budget by \$5.74 million partly due to the increase in capital purchases during the year. There were no proceeds from sale of investments recognised during the year.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

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

	2013 \$'000	2012 \$'000
Net cash used on operating activities	1,424	(1,255)
Depreciation	(2,907)	(3,092)
Revaluation on TCorp LTGF Investment	5,272	(1,617)
(Increase)/Decrease in provisions	18,989	(42,800)
Increase/(Decrease) in prepayments and other assets	1,176	8,946
(Increase)/Decrease in creditors	(493)	(257)
Net Gain/(Loss) on sale of plant and equipment	0	(14)
Net Result	23,461	(40,089)

16. 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 the NSW Trustee and Guardian can not 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:

	2013 \$'000	2012 \$'000
Common Fund - Trustee		
Balance at the beginning of the financial year	1,102,145	1,283,993
Receipts	903,805	828,224
Payments	(880,175)	(992,143)
Unrealised gain/(loss) in investments	9,338	(17,929)
Balance at the end of the financial year*	1,135,113	1,102,145
Common Fund - Financial Management		
Balance at the beginning of the financial year	1,318,022	1,214,514
Receipts	434,171	434,280
Payments	(436,178)	(307,575)
Unrealised gain/(loss) in investments	63,831	(23,197)
Balance at the end of the financial year*	1,379,846	1,318,022
Total assets	2,514,959	2,420,167

* Unaudited.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

17. Financial Instruments

NSW Trustee and Guardian's financial instruments are outlined below. These financial instruments arise directly from NSW Trustee and Guardian's operations or are required to finance the 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 Risks Committee and internal auditors on a continuous basis.

(a) Financial instrument categories:

Financial assets	Notes	Category	Carrying amount	Carrying amount
			2013	2012
Class:			\$'000	\$'000
Cash and cash equivalents	5	N/A	27,127	32,453
Receivables ¹	6	Receivables measured at amortised cost	24,275	23,870
Financial assets at fair value	7	At fair value through profit and loss	40,000	33,182
Financial liabilities*	Notes	Category	Carrying amount	Carrying amount
			2013	2012
Class:			\$'000	\$'000
Payables ²	10	Financial liabilities measured at amortised costs	5,250	3,254

Notes:

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

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

*The amount for provisions have been excluded from financial liabilities.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

(b) Credit risk

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

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

NSW Trustee and Guardian has not granted any financial guarantees.

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

Cash

Cash comprises cash on hand and bank balances within Westpac Bank. Interest is earned on daily bank balances at rates published by the banks from time to time.

Authority deposits

NSW Trustee and Guardian has placed funds on deposit with Treasury Corporation (TCorp), which has been rated "AAA" by Standard and Poor's. These deposits are similar to money market or bank deposits and have been placed "at call" in the TCorp 11am facility.

The deposits at balance date with TCorp were earning an interest rate of 2.70% (3.45% in FY 2011-12) while over the year the weighted average interest rate was 3.04% (4.30% in FY 2011-12) on a weighted average balance during the year of \$8,620,308 (\$1,707,283 in FY 2011-12). None of these assets are past due or impaired.

Receivables - Trade debtors

Receivables are recognised as amounts receivable at the end of each reporting period. Receivables include trade debtors and other receivables, comprising:

- Commissions and fees; and
- Sundry debtors.

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

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

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

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

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

	Total^{1,2}	Past due but not impaired^{1,2}	Considered Impaired^{1,2}
	\$'000	\$'000	\$'000
2013			
<3months overdue	72	72	0
>3 months < 6 months overdue	25	25	0
> 6months overdue	45	33	12
2012			
<3months overdue	35	35	0
>3 months < 6 months overdue	29	29	0
> 6months overdue	91	71	20

Notes:

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

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

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

(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.

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC 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 10.95% (2012 - 12.37%)

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

	Weighted average effective interest rate %	Nominal Amount \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	<1 Year \$'000	1-5 Years \$'000	>5 Years \$'000
2013								
Payables								
Personnel services payable	N/A	1,378	0	0	1,378	1,378	0	0
Creditors	N/A	2,755	0	0	2,755	2,755	0	0
GST payable								
Accrued Capital	N/A	1,117	0	0	1,117	1,117	0	0
Total		5,250	0	0	5,250	5,250	0	0

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

	Weighted average effective interest rate %	Nominal Amount \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	<1 Year \$'000	1-5 Years \$'000	>5 Years \$'000
2012								
Payables								
Personnel services payable	N/A	1,245	0	0	1,245	1,245	0	0
Creditors	N/A	1,900	0	0	1,900	1,900	0	0
GST payable			Statutory Liability					
Accrued Capital	N/A	109	0	0	109	109	0	0
Total		3,254	0	0	3,254	3,254	0	0

(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 Hour Glass Investment Facilities. NSW Trustee and Guardian has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which NSW Trustee and Guardian operates and the time frame for the assessment which is until the end of the next annual reporting period. The sensitivity analysis is based on risk exposures in existence at the Statement of financial position date. The analysis is performed on the same basis as 2012. 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 11am deposits at TCorp and with financial institutions. However, the risks are minimised as the deposits are at call. A reasonable possible change of interest of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest volatility.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

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

	Carrying Amount \$000	-1% Profit \$000	Equity \$000	1% Profit \$000	Equity \$000
2013					
Financial assets					
Cash and cash equivalents	27,127	(271)	(271)	271	271
Receivables	24,275	0	0	0	0
Financial liabilities					
Payables	5,250	0	0	0	0
2012					
Financial assets					
Cash and cash equivalents	32,453	(325)	(325)	325	325
Receivables	23,870	0	0	0	0
Financial liabilities					
Payables	3,254	0	0	0	0

(ii) Other price risk - TCorp Hour Glass facility

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

Facility	Investment Sector	Investment Horizon	2013 \$000	2012 \$000
Hour-Glass Long Term Growth Facility	Cash, Money market instruments, Australian and International Bonds, Listed Property, Australian and International Shares	7 Years and over	40,000	33,182

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

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

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

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

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

A reasonably possible change is based on the percentage change in unit price of 15% multiplied by the redemption value as at 30 June each year for the investments held in the Hour Glass Long Term Growth Facility, is as follows:

Facility	Change in Unit Price %	Impact on profit/loss	
		2013 \$'000	2012 \$'000
Hour Glass Investment - Long Term Growth Facility	+15%	6,000	4,977
Hour Glass Investment - Long Term Growth Facility	-15%	(6,000)	(4,977)

(e) Fair value compared to carrying amount

Financial instruments are generally carried at cost, with the exception of the TCorp Hour Glass Facilities which are carried at fair value. All the Hour Glass facilities are valued using redemption pricing. The value of the Hour Glass investments is based on NSW Trustee and Guardian's share of the value of the underlying assets of the facility, based on the market value.

The amortised cost of financial instruments recognised in the Statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments.

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

NSW Trustee and Guardian uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Derived from quoted prices in active markets for identical assets/liabilities.
- Level 2 – Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 – Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs).

NSW Trustee and Guardian's financial assets are classified as follows:

	Level 2 \$'000	2013 Total \$'000	2012 Total \$'000
Financial assets at fair value			
TCorp Hour Glass Investment Facility	40,000	40,000	33,182
	40,000	40,000	33,182

There were no transfers between levels 1 and 2 during the period ended 30 June 2013.

NSW TRUSTEE AND GUARDIAN

Notes to the financial statements for the year ended 30 June 2013

(g) Committees

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

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

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

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

- the management of a common fund, and its portfolios
- the management of its corporate investment portfolio
- monitoring and oversight of the performance of Common Fund Portfolios compared to the relevant benchmarks.

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

18. Events after the Reporting Period

NSW Trustee and Guardian will complete transition of the NSW TG Common Funds to a new Fund Manager by the end of September 2013. This change is not expected to impact the financial statements.

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

End of Audited Financial Statements

Appendices

Appendix 1: Access to Government Information

This is the second year of a new access to information framework created by the *Government Information (Public Access) Act 2009*, replacing the *Freedom of Information Act 1989*.

Information considered to fall within the guidelines for proactive release is available through a link on our website www.tag.nsw.gov.au called "Access to Information". We continue to review new policies and procedure for proactive release on an ongoing basis. Although the vast majority of information held by NSW TG is considered to be confidential and private client information, NSW TG endeavours to deal with requests for information on an informal basis wherever possible.

During the reporting year 11 formal applications were made to NSW TG. Statistical information about access applications during the reporting year are set out in the following tables. Four of those applications were either withdrawn or invalid. Of the 7 applications which proceeded, access was granted in full or in part in 4 applications. Of the applications where access was denied in full or in part, the most common overriding public interest against disclosure relied on to withhold the information was privacy and confidentiality.

There were two internal reviews and no reviews to the Office of the Information Commissioner or the Administrative Decisions Tribunal.

Table 15: Number of Applications by type of applicant and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private Sector Business	0	0	0	0	0	0	0	0
Not for Profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	1	0	2	0	0	1	0	0
Members of the public	2	1	1	0	0	1	0	2

Table 16: Number of Applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	3	1	3	0	0	2	0	2
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information and partly other	0	0	0	0	0	0	0	0

Table 17: Invalid applications	
Reason for Invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	2
Application contravenes restraint order (section 110 of the Act)	0
Total number of Invalid applications received	2
Invalid applications that subsequently became valid applications	0

Table 18: Conclusive presumption of overriding public interest against disclosure: matters listed in schedule 1 of the Act	
	No of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	1
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

Table 19: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act	
	Number of occasions when application not successful
Responsible and effective government	4
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table 20: Timeliness	
	Number of applications
Decided within statutory timeframe (20 days plus any extensions)	10
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	11

Table 21: Number of Applications Reviewed under Part 5 of the Act (by type of review and outcome)	
	Number of applications
Internal Review	1
Review by Information Commissioner*	0
Internal Review following recommendation under s93 of Act	0
Review by ADT	1
Total	2

Table 22: Applications Review under Part 5 of the Act (by type of applicant)	
	Number of applications
Applications by access applicants	2
Applications by persons to whom information the subject of access applications relates (see section 54 of the Act)	0

Appendix 2: Action Plans

Disability

NSWTG remains committed to the DAGJ Disability Plan.

Disability awareness is essential in our work with clients with a cognitive disability. Also in accordance with EEO principles, NSWTG continues to support staff with specific needs as required. On the advice of the Commonwealth Rehabilitation Services, we provide reasonable workplace adjustments, including appropriate ergonomic equipment. The Commonwealth Rehabilitation Service conducted 12 workplace assessments during the year.

We continued to employ flexible service delivery techniques to assist both clients and staff. New staff attend disability training. Our dissemination of information was also extended across a variety of media, including the website, e-information, TTY, telephone and traditional hard copy. Plain English is used in all publications.

Our Disability Services Plan was written and lodged previously with the Department of Ageing, Disability and Home Care.

Under the plan NSW Trustee and Guardian:

- undertook home visits to clients unable to get to a branch office
- provided interpreter and Auslan translator services to clients and staff as required
- made access available to enlarged text on the web for the visually impaired
- actively participated in the DAGJ Staff with Disabilities Network.

Disability specific services

Providing quality specialist and adapted services where mainstream services are not responsive or adequate to meet the needs of people with a disability.

Performance Indicators	Achievements
NSWTG	
NSWTG Client newsletter reviewed.	Ongoing improvements continue to make the newsletter more readable for client base
Enhancements to NSW TG client communication strategies identified and implemented.	The individualised client communication strategy has been piloted with Intake. Further development is required to include all specialist areas. The approach will be built into the workflow for the new client information system (ISIS).
Regional visits will be increased by 25% pending full regionalisation of financial management services	The Wagga Branch was officially opened in April 2013. It improves access to local services for financial management and trustee clients.
Audit of disability access in all NSW TG offices.	Completed
Identified disability access upgrades completed.	Physical access upgrades complete.
Review of complaints and complaints processes completed.	Review complete.
Quarterly audits will be conducted of complaints and reviews of decision to ensure internal procedures are applied and any systemic issues identified and addressed.	Complete audits of files where complaints have been lodged have been completed and outcomes reported to the NSW TG Executive and Managers involved.
Public Guardian	
A minimum of 4 community education sessions will be held specifically for CALD communities raising awareness of disability and guardianship issues during the 11/12 financial year.	Three education sessions were conducted in the reporting period on guardianship information to members of CALD communities.

Performance Indicators	Achievements
Publications will have been reviewed using plain language and accessibility guidelines.	Plain English was used in our publications, written decisions and communications.
The Public Guardian will publish the results of stakeholder consultation in the 2011/12 annual report.	Completed. Public Guardian also tabled an Advocacy Report during the reporting period highlighting the issues and work of the Public Guardian.
Feedback about the effectiveness of community education sessions in raising awareness about guardianship issues will be used to develop community education strategies in the 2011/12 financial year.	Work continuing on delivering our information through different social media such as webinars, video links, and Skype. The development of e-learning tools has been delayed because software was not available to progress this. The software has now been purchased and this project will proceed.

NSWTG Culturally Diverse Communities Action Plan

NSWTG is committed to providing appropriate services to meet the individual needs of all clients.

We support and promote the four principles of multiculturalism outlined within the *Principles of Multiculturalism Act 2000*. We are committed to achieving our Culturally Diverse Communities Action Plan obligations and continually promote and implement its principles.

In financial management this means considering a client's cultural requirements when making substitute financial decisions. In providing Trustee services it is important to reflect the values and wishes of the client in drafting of wills, administering estates and trusts.

In addition to taking account of the Culturally Diverse Communities Action Plan, NSWTG abides by the principles of the *NSW Guardianship Act 1987* when making decisions and disseminating information to CALD communities through face-to-face sessions and translated fact sheets. NSWTG continued to address the needs of the CALD communities in information sessions this year and used interpreters to assist community groups to develop greater understanding of the office's role and how we can assist them.

NSWTG continued to distribute information about financial management, public guardianship and trustee services in other languages as part of the *CALD Access Plan*.

Each six months we sent newsletters to NSWTG clients and service providers, including service providers that support people from a range of CALD communities. The newsletters outlined changes or updates to the provision of financial

management services. Meetings are held with peak disability services to discuss any major changes and gave them an opportunity for feedback.

In the reporting year we:

- continued to distribute materials in key community languages which are accessible through the internet
- maintained a branch structure with staff from a range of culturally and linguistically diverse backgrounds and ethnic groups, using CLAS to reinforce our service delivery commitment
- did thirteen presentations to cultural groups on the functions and operations of NSW Trustee and Guardian, with the vast majority of presentations to Arabic speaking communities
- our annual radio advertising included Arabic, Cantonese, Mandarin, Vietnamese and Tagalog spots on relevant radio stations
- provided access to bi-lingual staff and interpreters to clients.

Staff training in cultural diversity and disability awareness

NSW Trustee & Guardian includes training on disability awareness and cultural awareness throughout the internal training program. This is an essential part of our work and specific emphasis is given to these issues in training on substitute decision making and developing budgets for financial management clients. In addition staff in NSW TG have access to the Department of Attorney Generals and Justice (DAGJ) training program which contains a number of specific courses on disability awareness and the cultural and linguistic needs of members of our community.

Language services and information to the diverse community of NSW

To assist service delivery to a culturally diverse client group, 38 NSW TG staff received the Community Language Allowance.

NSW TG offered language assistance in 18 community languages via the Telephone Interpreter Service and professional interpreters who interpreted for face-to-face meetings and translated documents for clients and their families.

We continued to encourage access to our services by including an information panel in 21 community languages on financial management brochures and on the back of letterheads, as well as on the website. Trustee brochures are also available in nine different languages.

Use of interpreters

Interpreter services across 31 languages were provided for 440 people in 2012–13, 72 face-to-face and 368 by telephone. The main languages where interpreters were used were Turkish, Vietnamese, Italian, Arabic, Greek, Mandarin, Cantonese and Persian.

In the coming year NSW TG will:

- Conduct at least 12 activities with a CALD community focus

- Investigate trends and research available for pre-planning among CALD community groups
- Continue to engage with local communities and service providers to support our clients
- Continue to use and promote the Community Language Allowance Scheme to encourage staff diversity, particularly in client service areas

Action Plan for Woman

The NSW Government Action Plan for Women states that all NSW government agencies must take responsibility for women's full economic and social participation in a fair society by integrating the needs and concerns of women into their everyday work. We aim to have equitable representation by women on councils and committees. Four of the nine members of the NSW TG Advisory Committee members are women. This Committee is attended by the CEO bringing the membership to an equal gender balance.

Within NSW Trustee and Guardian women hold the senior positions of Chief Executive Officer, Acting Director Client Services, Director Specialist Services and General Manager Business Development. Women make up 66.4% of our staff and hold 53.2% of management positions. There were no government policy initiatives that specifically related to women's interests in our area of operations in this reporting period.

NSW Trustee and Guardian is committed to the continued to identify and remove structural barriers to the employment of women at all levels.

Appendix 3: *Carers (Recognition) Act 2010 Compliance* Educational Strategies

The legislative framework for both NSW TG and the Public Guardian makes it mandatory to consider the views of those involved in clients' lives when making decisions. This enshrines the role of carers in all decision making processes for substitute decision making. NSW TG maintains information on the intranet for all staff on the *Carers (Recognition) Act 2012*. NSW TG delivered training on the Act in 2012-13 at the Managers' Conference. The training was conducted by the Department of Family and Community Services.

Consultation and liaison with Carers

The Guardianship Principles guide the processes of consultation undertaken when making substitute decision making. These principles make it mandatory to consult with carers and others in clients' lives when making decisions.

The Private Guardian Support Unit provides support to carers and others when fulfilling the role of guardian for someone with a disability in the community.

Staff who are carers

The overarching human resource policies are developed by the Department of Attorney General and Justice for NSWTG and the Public Guardian. The policy provides all employees of the Attorney General's Division of the Department of Justice and Attorney General with information about the application of Family and Community Service (FACS) Leave and Carer's Leave. While the policy has not changed during the reporting period, the implementation of flexible work practices within NSWTG and PG makes it clear that the respect displayed to carers of clients is reflected in the cultures of the two organisations.

Appendix 4: Code of Conduct and Ethics

NSWTG is covered by the Department of Attorney General and Justice's Code of Conduct and Ethics. There were no changes to the code in 2012–13.

The code sets out staff obligations and the expected standards of ethical behaviour. It assists staff to identify and deal with maladministration or corruption. It identifies internal systems for detection, preliminary investigation, reporting and prevention of such behaviour. All departmental staff must comply with the code, which is consistent with the *Independent Commission Against Corruption Act 1988*, *Public Sector Employment and Management Act 2002*, *Public Finance and Audit Act 1983* and *Privacy and Personal Protection Information Act 1998*.

The code incorporates three principles:

- public confidence
- responsibility to the government of the day
- the rights of employees.

The public has the right to expect that public sector organisations demonstrate the highest integrity and competence, treating all citizens fairly, reasonably and equitably. The government of the day is entitled to expect that its employees provide impartial and accurate advice and implement its policies promptly, efficiently and effectively.

Public sector employees enjoy the same rights as private sector employees. They have additional protection under some legislation, such as the *Protected Disclosures Act 1994* and the *Anti-Discrimination Act 1977*.

Appendix 5: Employment reporting

Table 23: NSWTG workforce distribution June 2013

Source: Public Service Commission Workforce Information

Trends in the Representation of EEO Groups

EEO Group	Benchmark /	Percentage of Total Staff		
	Target	2011	2012	2013
Women	50.0%	66.0%	67.0%	66.4%
Aboriginal people and Torres Strait Islanders	2.6%	0.8%	1.5%	1.8%
People whose first language was not English	19.0%	28.1%	28.8%	29.9%
People with a disability	N/A	6.5%	7.7%	7.3%
People with a disability requiring work-related adjustment	1.5%	6.5%	4.6%	4.3%

Trends in the Distribution of EEO Groups

EEO Group	Benchmark	2011	2012	2013
Women	100	88	89	89
Aboriginal people and Torres Strait Islanders	100	n/a	N/A	N/A
People whose first language was not English	100	94	94	95
People with a disability	100	95	97	97
People with a disability requiring work-related adjustment	100	95	101	101

Note 1. A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.

Note 2. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

Source: Public Service Commission Workforce Information

EEO Group	Benchmark / Target	2011	2012	2013
Women	50.0%	66.0%	67.0%	66.4%

EEO Group	Benchmark / Target	2011	2012	2013
People whose first language was not English	19.0%	28.1%	28.8%	29.9%

EEO Group	Benchmark / Target	2011	2012	2013
Aboriginal people and Torres Strait Islanders	2.6%	0.8%	1.5%	1.8%

Table 24: Public Guardian workforce distribution June 2013

Trends in the Representation of EEO Groups				
EEO Group	Benchmark/Target	2011	2012	2013
Women	50%	76.5%	75.3%	70%
Aboriginal People and Torres Strait Islanders	2.6%	0.0%	0.0%	2%
People whose First Language Spoken as a Child was not English	19.0%	11.5%	13.0%	12%
People with a Disability	N/A	12.0%	10.5%	9%
People with a Disability Requiring Work-Related Adjustment	1.5%	12.0%	6.4%	5%

Trends in the Distribution of EEO Groups				
EEO Group	Benchmark/Target	2011	2012	2013
Women	100	N/A	94	
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	N/A	N/A	N/A
People with a Disability	100	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

Source: Public Service Commission Workforce Information

EEO Group	Benchmark / Target	2011	2012	2013
Women	50.0%	76.5%	75.3%	70%

EEO Group	Benchmark / Target	2011	2012	2013
People whose first language was not English	19.0%	11.5%	13.0%	12%

EEO Group	Benchmark / Target	2011	2012	2013
Aboriginal people and Torres Strait Islanders	2.6%	0.0%	0.0%	2%

Industrial relations

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

Workplace Health and Safety

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

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

Seventy-two incidents were recorded during the reporting period. During the reporting period the format of data provided was improved which assisted the Committee in their investigations. Twenty-three incidents were reviewed using the new format.

Thirteen workplace inspections were conducted to promote welfare and safety in the work environment by members of the WHS Committee.

Movement in salaries during 2012–13

A 2.5 per cent public sector award salary increase came into effect in July 2012.

Personnel policies and practices

NSW TG staff are employed under the provisions of the *Public Sector Employment and Management Act 2002* and the Crown Employees (Public Service Conditions of Employment) Award 2006. NSW TG staff are employees of the Department of Attorney General and Justice (DAGJ).

Staff have online access via an intranet to a comprehensive range of personnel policies provided to all administrative units of DAGJ. Staff can access a range of flexible working arrangements to accommodate disabilities or work/life balance. The Employee Assistance Program offers a confidential counselling and trauma debriefing service to staff.

Senior Executive Service positions

As at 30 June 2013, there were three Senior Executive Service positions within NSW TG.

CEO, SES Level 5

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

Director Client Services, SES Level 2

The position was vacant. Carol Coombes and Meredith Coote acted in the position during the reporting period.

Director Specialist Services, SES Level 2
Kathryn Cordier, LLM, LLB (Hons), BEc, Grad Dip Counselling & Psychotherapy

There was one Senior Executive Service position in the Public Guardian:

Public Guardian, SES Level 1

Graeme Smith BSocSc, BLegSt is the Public Guardian, an independent statutory officer. The Public Guardian is part of the Department of Attorney General and Justice and is supported administratively by NSW Trustee and Guardian.

Appendix 6: Significant committees

Australian Guardianship and Administration Council

Imelda Dodds, CEO, NSW Trustee and Guardian

Graeme Smith, Public Guardian, Public Guardian

Australian Public Trustees National Superannuation Working Group

Bernie Farrell, Director Finance and Client Funds Management

Boarding House Expert Advisory Group

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

Theo Hastings, Assistant Director Operations, Public Guardian

Criminal Justice Program Reference Group

Theo Hastings, Assistant Director Operations, Public Guardian

End of Life Decisions Policy Advisory Group

Graeme Smith, Public Guardian, Public Guardian

Integrated Services Project

Theo Hastings, Assistant Director Operations, Public Guardian

Involuntary Drug and Alcohol Program Steering Committee

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

NSW Government Advertising Peer Review Panel

Liz Argent, General Manager Business Development, NSW Trustee and Guardian

NSW Severe Domestic Squalor Focus Group

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

Planning for Later Life Forum

Imelda Dodds, CEO, NSW Trustee and Guardian

Liz Argent, Acting General Manager Business Development, NSW Trustee and Guardian

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

Probate Users Group, Supreme Court

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

Shared Residential Accommodation Interdepartmental Committee

Imelda Dodds, CEO, NSW Trustee and Guardian

Towards 2030 Planning for Our Changing Population

Imelda Dodds, CEO, NSW Trustee and Guardian

Trustee Corporations Association

Imelda Dodds, CEO, NSW Trustee and Guardian

Upper Hunter Aboriginal Heritage Trust

Kathryn Cordier, Director Specialist Services, NSW Trustee and Guardian

Carol Coombes, Acting Director, Client Services, NSW Trustee and Guardian

Victims of Crime Advisory Group

Carol Coombes, Director Client Services, NSW Trustee and Guardian

Vulnerable People in Licensed Residential Centres

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

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

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

Appendix 7: Key statutory compliance programs

As a public sector organisation, we comply with government policies and reporting requirements. We meet external governance and compliance for business performance.

GST compliance

We met corporate and trustee responsibilities for GST compliance in 2012-13.

Privacy management

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

Records management

NSWTG continued implementation of the Records Management Improvement Plan, which includes conversion to TRIM records management. This electronic document management system will improve the capture, retention, retrieval and proper disposal of all our paper and electronic records.

Public Information Disclosures

NSW Trustee and Guardian is compliant with requirements under the *Public Interest Disclosures Act 1994*. Information on public disclosures is provided to all employees

through training, intranet and staff newsletters. Employees are encouraged to disclose any incidence of possible maladministration, corruption, serious and substantial waste and government information contravention.

Table 25: Statistical information on PIDs

	July 2012 – June 2013
Number of public officials who made PIDs	0
Number of PIDs received	0
Of PIDs received, number primarily about:	0
Corrupt conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	0

Appendix 8: Waste reduction and purchasing policy and energy management

E-procurement

NSWTG ordered general office stationery, envelopes, and file covers ordered online. Staff are working to create efficiencies in stationery arrangements across NSW TG.

Reducing generation of waste

We reduce the use of paper by:

- making brochures and other documents commonly available on our website
- developing and using the electronic knowledge management system across NSW TG and using the intranet to publish policies, procedures, forms and strategic plans
- using electronic self-service on the intranet to process online applications for leave and training courses and online access to salary details
- using the intranet to communicate our key performance indicators to staff and provide access to our Business Information System and corporate reporting
- using email for public enquiries, staff newsletters, periodic reports, meeting minutes and other documents
- re-using redundant printed paper.

Resource recovery

Recycling is implemented throughout our offices with plastics, glass and aluminium kept separate and recycled. Paper waste is collected fortnightly by government contractors. Our larger central offices have specific co-mingled bins for the recycling of plastics, glass and aluminium. Other sites are encouraged to comply with the recycling policy but, as the quantity does not warrant specific arrangements, they

use the local council bins through their contract cleaners. All sites recycled their toner cartridges. Where appropriate we re-used paper as note pads.

Use of recycled material

Under our online procurement program, we have control over the type of general stores and consumable products purchased across our office. We have defaults in place that ensure all our sites maximise purchasing of items either having recycled content or identified as recyclable, including paper products.

Energy performance

Our energy costs and consumption are managed as part of the overall energy management program of the Department of Attorney General and Justice. NSW Trustee and Guardian sites are on state contracts 777 and 776 for the retail sale of electricity. All refurbishment projects included design layouts to improve the efficiency of lighting systems, air conditioning and general energy use.

Paper waste management

We use the Department of Attorney General and Justice state-wide contract for the secure destruction of paper documents. All our sites have a dedicated secure bin, which is collected either fortnightly or monthly and the contents securely destroyed. There is no need for documents to be shredded before disposal. Our data on waste management is included in the overall return by DAGJ.

Works in progress

NSWTG capitalises works in progress when the project is completed. For the Client Management System work in progress is capitalised progressively on a quarterly basis.

Appendix 9: Payment performance indicators 1 July 2012 to 30 June 2013

Table 26: NSWTG Payment Performance

Quarter	Current	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days over due	More than 90 days overdue
	\$'000	\$'000	\$'000	\$'000	\$'000
All suppliers					
September	4,058	9	0	0	0
December	4,250	3	0	0	0
March	3,360	90	0	0	0
June	8,482	45	0	0	0
Small business suppliers					
September	123	0	0	0	0
December	107	0	0	0	0
March	98	0	0	0	0
June	216	0	0	0	0

Measure	Sep 12	Dec 12	Mar 13	Jun 13
All suppliers				
Invoices due for payment (#)	1,043	989	1,019	1,279
Invoices paid on time (#)	954	915	1,004	1,164
Actual percentage of invoices paid on time (based on number of invoices)	91%	93%	99%	91%
Amount due for payment (\$'000)	4,067	4,253	3,453	8,527
Amount paid on time (\$'000)	4,058	4,250	3,362	8,482
Actual percentage of invoices paid on time (based on \$)	100%	100%	97%	99%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0
Small business suppliers				
Invoices due for payment (#)	81	69	64	105
Invoices paid on time (#)	81	69	64	105
Actual percentage of invoices paid on time (based on # of invoices)	100%	100%	100%	100%
Amount paid on time (\$'000)	123	107	98	216
Amount due for payment (\$'000)	123	107	98	216
Actual percentage of invoices paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0

Table 27: Public Guardian Payment Performance

Quarter	Current	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days over due	More than 90 days overdue
	\$'000	\$'000	\$'000	\$'000	\$'000
All suppliers					
September	218	0	0	0	0
December	200	0	0	0	0
March	264	0	0	0	0
June	156	0	0	0	0
Small business suppliers					
September	0	0	0	0	0
December	1	0	0	0	0
March	1	0	0	0	0
June	1	0	0	0	0

Measure	Sep 12	Dec 12	Mar 13	Jun 13
All suppliers				
Invoices due for payment (#)	107	144	146	171
Invoices paid on time (#)	107	144	146	171
Actual percentage of invoices paid on time (based on number of invoices)	100%	100%	100%	100%
Amount due for payment (\$'000)	218	200	264	156
Amount paid on time (\$'000)	218	200	264	156
Actual percentage of invoices paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0
Small business suppliers				
Invoices due for payment (#)	0	1	2	1
Invoices paid on time (#)	0	1	2	1
Actual percentage of invoices paid on time (based on # of invoices)	100%	100%	100%	100%
Amount paid on time (\$'000)	0	1	1	1
Amount due for payment (\$'000)	0	1	1	1
Actual percentage of invoices paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on overdue accounts (\$'000)	0	0	0	0

Appendix 10: Statement of Performance

Imelda Dodds

CEO of NSW Trustee and Guardian, SES level 5

Total remuneration package \$ 292,450

Contract period 2010 to 2015

Imelda Dodds is responsible for the management and performance of the NSW Trustee and Guardian.

Major achievements:

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

Ms Dodds successfully achieved the following key activities and milestones:

- Completed the preliminary phase of the new Client Data management system project.
- New office opened at Wagga Wagga to improve access to services for the South West region of the State.

- Participated in the Assisted Decision Making project with the Office of the Public Guardian and Ageing Disability and Homecare.
- A new Client Consultation Framework for direct financial management clients piloted to improve the quality of decisions and consider the impact on all areas of clients' lives.
- Refurbished Broken Hill, Bankstown, Port Macquarie to prepare for dual service delivery.
- Sponsored the development of an Aboriginal Wills Handbook, written by Prof Prue Vines which provides templates and guidelines on drafting wills to reflect imperatives for Aboriginal people.
- actively promoted NSW TG and the need for pre-planning instruments in the key campaigns of Good Will Week; Seniors Week and Law Week.

Ms Dodds represented the Department on the NSW Government Working Party on Ageing 2030 and NSW Government Working Party on Boarding House Reform. Ms Dodds chairs the interagency forum Planning for Later Life. Through the Planning for Later Life Forum NSW TG has maintained their leadership in the [planningaheadtools](http://planningaheadtools.com.au) website.

Appendix 11: Generic disclosures

Consultants

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

Credit card certification

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

Land disposal

There were no property disposals in 2012-13.

Overseas visits

There were no overseas visits in 2012-13.

Appendix 12: Client access to services

For information on NSW TG services contact www.tag.nsw.gov.au or through our branch network.

NSW Trustee and Guardian Branch network contact details

Open for business 9.00am to 5.00pm Monday to Friday, except public holidays (appointment preferred).

Financial Management Services	Trust Services
Telephone: 1300 320 320	Telephone: 1300 364 103
Or the following locations:	Or the following locations:
Bathurst 230 Howick Street, Bathurst	Armidale Shop 10-11, Beardy Street, Armidale 2350
Clarence Street 144 Clarence Street, Sydney 2000	Bankstown Suite 1, Level 7, 66-72 Rickard Road, Bankstown 2200
Chatswood Level 7, 13 Spring Street, Chatswood 2067	Bathurst 230 Howick Street, Bathurst
Gosford 1 Watt Street, Gosford 2250	Blacktown Level 1, 30 Campbell Street, Blacktown 2148
Hurstville Suite 2, Level 5, 12 Butler Road, Hurstville 2220	Broken Hill Courthouse, Argent Street, Broken Hill 2880
Lismore 6 Zadoc Street, Lismore 2480	Burwood Level 1, 116 Burwood Road, Burwood 2134
Liverpool 112 Moore Street, Liverpool 2170	Chatswood Level 7, 13 Spring Street, Chatswood 2067
Newcastle 158 King Street, Newcastle 2300	Gosford 1 Watt Street, Gosford 2250
Parramatta Justice Precinct 160 Marsden Street, Parramatta 2150	Hurstville Suite 2, Level 5, 12 Butler Road, Hurstville 2220
Sydney Central 19 O'Connell Street, Sydney 2000	Lismore 6 Zadoc Street, Lismore 2480
Wagga Wagga Shop 2, 176 Baylis Street, Wagga 2650	Liverpool 112 Moore Street, Liverpool 2170
Wollongong 59 Market Street, Wollongong 2500	Miranda Shop 3, 629 The Kingsway, Miranda 2228

	Newcastle 158 King Street, Newcastle 2300
	Parramatta Level 3, 60 Macquarie Street, Parramatta 2150
	Port Macquarie Shop 2, Centreport, 114 William Street Port Macquarie 2444
	Sydney Central 19 O'Connell Street, Sydney 2000
	Wagga Wagga Shop 2, 176 Baylis Street, Wagga 2650
	Wollongong 59 Market Street, Wollongong 2500

Rural and regional NSW

Court registries in regional and rural NSW can provide information and referral services to NSW TG.

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