

EVERY WOMENT COUNTS

ANNUAL REPORT
2023-2024

Public  Trustee



Acknowledgment of Country

We acknowledge the traditional owners of this Country and recognise Aboriginal people's continuing connection to land, sea, waterways, sky, and culture. We pay our respects to Elders, past and present, and acknowledge our Aboriginal staff and clients of the Public Trustee.

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9 October 2024

The Hon Guy Barnett MP
Minister for Justice
Level 5
4 Salamanca Place
HOBART TAS 7000

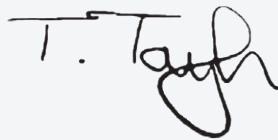
The Hon Michael Ferguson MP
Treasurer
Level 5
4 Salamanca Place
HOBART TAS 7000

Dear Ministers,

In accordance with Section 55 of the *Government Business Enterprises Act 1995*, we submit for your information and presentation to Parliament the Report of the Public Trustee for the year ended 30 June 2024.

The Report has been prepared in accordance with the provisions of the *Government Business Enterprises Act 1995*.

Yours sincerely



Ms Therese Taylor
Chair
The Board of the Public Trustee



Mr Todd Kennedy
Chief Executive Officer
Public Trustee

Cc: The Auditor-General





Directors' Statement

Responsible Minister

The Public Trustee is directly responsible to the Attorney General and Treasurer for the administration of its principal legislation and for ensuring the Public Trustee is managed in accordance with sound commercial practices.

Principle Legislation

Four Acts of Parliament comprise the principal legislation affecting the Public Trustee:

- The *Public Trustee Act 1930* is the Portfolio Act and sets out the organisation's basic powers and duties;
- The *Government Business Enterprises Act 1995* creates the organisation and determines how the Public Trustee is operated and controlled;
- The *Guardianship and Administration Act 1995* sets out the persons eligible as administrator, including the Public Trustee and the powers and duties of an administrator; and
- The *State Service Act 2000* sets out the organisation's employment arrangements and employment directives.

Chair and CEO Statement

The Public Trustee has undergone unprecedented organisational change over the last three years, becoming a more client focused and responsive organisation. This year has seen the continuation of that critical work, consolidating fundamental changes to the way services are delivered, to the way we communicate with our clients and the broader community, and to the way in which the Public Trustee is perceived by the community, clients and key stakeholders. Central to the transformation has been the completion of 26 of the 28 recommendations from the 2021 Independent Review into the Public Trustee (IRPT) which has been achieved by actively engaging and working with our clients, stakeholders, staff and government throughout the year.

Pleasingly, we are already seeing the impact of these initiatives as demonstrated across the following key metrics:

- 81% Positive Client Experience survey
- 88% Satisfaction with Client Account Manager (CAM)
- 91% Reported CAM treats me with respect
- 89% Reported confidence in their CAM'S knowledge
- 50% Reduction in substantiated complaints
- 48% Reduction in complaints received

Critical to our progress has been a focus on front line services. With additional resources now in place around Tasmania and significantly reduced caseloads, our clients can access the personal service they need. Clients and stakeholders have reported increased visibility, accessibility, and responsiveness since the significant reduction in caseloads.

In October 2023, we launched our supported decision-making framework placing people with impaired decision making at the centre of decisions that impact their lives, respecting their rights, will and preference.



Therese Taylor (Chair) and Todd Kennedy (CEO)

The framework aligns with the recently legislated *Guardianship and Administration Amendment Act* which came into effect in September 2024. In addition, our new financial independence pathway was launched, empowering clients to build capacity and skills to increase independence in managing their financial affairs.

The Public Trustee has implemented a significant cultural change program. Following a successful recruitment campaign, the focus turned to building capability through learning and development, leadership coaching, and mentoring. In February, we introduced professional supervision complementing the existing onsite employee assistance program. Pleasingly, employee survey results reported higher levels of engagement and strong scores around diversity and inclusion.

The Board wishes to acknowledge that our success to date is directly linked to the commitment and dedication of Public Trustee staff. We thank them for their important work delivering services to the Tasmanian community. The Board also sincerely thanks the CEO and the senior leadership team for their commitment, leadership, and drive during this period.

The Public Trustee has been active in the Tasmanian community, working with relevant stakeholders, delivering educational information sessions about the importance of planning ahead, and ensuring the legal, health care and medical wishes of individuals are known. This year we also helped shine a light on the prevalence of elder abuse in the Tasmanian community and the important role the Public Trustee plays supporting and safeguarding people who are at risk of or subjected to financial elder abuse.

Through our wills and estate administration arm, the Public Trustee continues to deliver vital services, helping reduce levels of intestacy in Tasmania as well as supporting beneficiaries in our role as executor. Survey results once again reported high levels of customer satisfaction for these services.

The Public Trustee welcomed the Office of the Tasmanian Economic Regulator (OTTER) inquiry to assess fees and charges for clients who are required by legislation to use the services of the Public Trustee. We regard the OTTER review as another important step forward, and opportunity to continue the transformation of the organisation. We look forward to engaging with the Tasmanian Government and stakeholders regarding the recommendations following the release of the report.

Throughout the year, the Public Trustee carried out significant updates to legacy systems to enable fit-for-purpose IT systems and processes. A new telephony system was introduced to enhance client access along with a transition to a new managed IT service provider. Security controls were increased to further protect client information and our information systems.


We also acknowledge and thank the clients and stakeholders of the Public Trustee for the valuable contribution made

We acknowledge the following organisations:

Anglicare; Northwest Support Services; Speak Out Advocacy; Multicap TAS; Office of the Public Guardian; TasCOSS; BapCare; Health Consumers Tas; Tasmanian Legal Aid; COTA TAS; Palliative Care Tasmania; Tasmanian Health Services.

Thank you to the Tasmanian Government for the funding support received during the 2023-24 year which assisted the Public Trustee to deliver positive outcomes for some of the most vulnerable people in the Tasmanian community. We also acknowledge our shareholder ministers, their advisers, and departments for their ongoing support and advice. We look forward to continuing our constructive relationship to improve the lives of vulnerable Tasmanians.

Thank you to the Public Trustee Board of directors for their continued leadership and support during this period of organisational transformation. We look forward to continuing this journey with a strong ongoing commitment to ensuring the Public Trustee provides the best possible services to the Tasmanian community.



Ms Therese Taylor
Chair
The Board of the
Public Trustee



Mr Todd Kennedy
Chief Executive Officer
Public Trustee

Corporate Objectives

The Public Trustee is a Government Business Enterprise owned by the Government on behalf of the Tasmanian community. It is established under the *Government Business Enterprises Act 1995*.

Our services include:

- Preparing estate planning documents: wills, enduring powers of attorney and enduring guardianship;
- Acting as estate executor or estate administrator when there is no will;
- Assuming the role of executor if the person named in the will is unable or unwilling to act;
- Acting as attorney for people requiring assistance to manage their financial affairs;
- Acting as a trustee for various types of trusts, including accident compensation awards;
- Supporting people (represented persons) to manage their financial affairs, when we are appointed as Administrator by the Tasmanian Civil and Administrative Tribunal (TASCAT); and
- Managing funds that are under the control of Public Trustee, to provide a commercial rate of return to contributors.

Our Aim

Our aim is to provide a safety net to all Tasmanians, helping them to protect their legacy through our services of wills, estates, and financial administration. Core to our purpose is the provision of financial administration services to represented persons.

Our Values

In seeking to achieve our aim, the primary values of the staff, management and Board of directors of the Public Trustee are:

- **Service** – a client service focus achieved by teamwork across the whole organisation.
- **Respect** – personal and professional respect for each other and our clients.
- **Integrity** – open, honest, and ethical service delivery.

Our Strategic Goals



GOAL 1: Our Clients

Our clients are central to everything we do.



GOAL 2: Our Stakeholders

Strong and trusted relationships with stakeholders.



GOAL 3: Our People

A committed, capable, and engaged workforce.



GOAL 4: Fit For Purpose

A business model meeting the needs of the Tasmanian community.

Providing Essential Support for Tasmanians

Number of clients we have supported

2023-24



1280
Represented
people



1018
Estate
beneficiaries



412
Estates
administered



37
Enduring power of
attorney clients



386
Trust
beneficiaries



185
Estates
finalised

Managed **\$320.3M** of Client Assets

Processed **230,883** transactions

Prepared **1,203** Tax Returns for clients

Conducted **385** Investment Reviews

Increased Support For People With Impaired Decision-Making Abilities

The Public Trustee has been in the forefront nationally in implementing a supported decision-making framework. This has been a significant step towards promoting the rights and improving the lives of individuals with impaired decision-making abilities. Supported decision-making is an empowering approach that promotes individuals to actively participate in decisions that impact their lives. This is in contrast to "substituted decision-making" whereby decisions were made on behalf of the represented person. To align with the new Guardianship and Administration Amendment Act 2023, the Public Trustee collaborated with Australia's leading experts to develop a best practice framework that complies with the new legislative requirements. This act, passed by the Tasmanian parliament in September 2023, is due to take effect later in 2024.

In addition, a new financial independence pathway was launched empowering clients to build skills and competency to manage their own financial affairs. Since its launch, 158 clients are now actively participating in various initiatives aimed at building financial independence.

Six months after the launch, a snapshot survey of clients and their supports was conducted to gather insights into the effectiveness of the new supported decision-making framework and its impact on the lives of clients. Pleasingly 77% of clients indicated overall satisfaction with the level of support provided. Clients also reported increased involvement in decision-making as well as improved accessibility and responsiveness.

We would like to acknowledge Professors Christine Bigby and Jacinta Douglas from the Living with Disability Research Centre at La Trobe University for their valuable contribution including the delivery of specialist staff training on supported decision-making.

In October 2023, the Speak Out Disability Conference was held in Devonport. It is the longest-running conference for people with disabilities in Australia. It is a place of community for people with intellectual disabilities where their views and opinions are valued and respected. Financial support to attend this conference was extended to all represented clients of the Public Trustee with 24 represented clients and 4 support people attending.

Results from April supported decision-making snapshot survey

Satisfaction with assistance: 77% happy

"A good relationship with his CAM."

- RP client support person

Awareness of changes: 48% noticed changes

"Better, they are more understanding." - RP client

Involvement in decision-making: 37% more involved; 48% no change

"Better, they are more understanding." - RP client

Ease of contact: 52% easier

"My CAM is easy to contact and really good."

- RP client

Improvements: 40% felt no changes were needed

"Already very happy and are doing very well with my account. They make it easy for me and I can relax." - RP client





SUPPORTING CLIENTS THROUGH FINANCIAL CHALLENGES

Kosta was diagnosed with dementia and initially cared for at home by his grandson and his family. They didn't know that Kosta had taken out many loans that he couldn't afford to pay back.

When Kosta's grandson was diagnosed with a terminal illness, Kosta moved to a nursing home because he needed more medical help. Paying for his care and keeping their family home became harder because of the loans Kosta had.

When the Public Trustee was appointed to support Kosta with his financial affairs, his Client Account Manager (CAM) looked into how Kosta got the loans, and found that the bank had failed in its due diligence before approving the loans. The Client Account Manager negotiated with the bank to develop a feasible repayment plan and successfully obtained waivers for several of the loans.

This helped Kosta and his family as they didn't need to worry so much about the loans anymore. They could focus on taking care of Kosta and making sure his grandson had stability for the future.

HAZEL ACHIEVES FINANCIAL INDEPENDENCE

Hazel had been supported by the Public Trustee through an administration order for over 10 years. Her mental health was improving, she had completed education courses and she maintained employment. Hazel and her Client Account Manager (CAM) discussed her desire to become financially independent.

With the support of the Financial Independence Pathway, Hazel took greater control over her financial matters. As her confidence grew, she applied to the Tasmanian Civil and Administrative Tribunal (TASCAT) to revoke her administration order. Hazel was supported in obtaining medical reports, and at the TASCAT hearing, she demonstrated her capability to manage her own finances independently.

We are thrilled that her administration order was revoked. Hazel's progress has been impressive, and we're proud to have supported her in achieving this milestone.



Safeguarding Vulnerable Tasmanians

The Public Trustee plays a significant role in supporting and safeguarding vulnerable Tasmanians either at risk or subjected to elder abuse. Statistics indicate 1 in 6 older Tasmanians are subjected to elder abuse; however the real numbers are expected to be much higher due to the reluctance of victims to report. Throughout the year, the Public Trustee was appointed as financial administrator by the Tasmanian Civil & Administrative Tribunal (TASCAT) in 14 cases of suspected financial misappropriation around Tasmania.

The Public Trustee was proud to support the Council on the Ageing (COTA) during World Elder Abuse Awareness Day by sponsoring and participating in the annual 'Walk Against Elder Abuse' held around Tasmania.



Shining light on violation of human rights

Walk to talk elder abuse





Image credit: Terrapin/Peter Mathew

Enhancing Wellbeing in Aged Care

In 2024, the Public Trustee was a proud sponsor of Terrapin's program Forever Young: Puppetry in Aged Care. Forever Young is a unique full-day program for residential aged care, including a bespoke performance, and tailored one-on-one interactions with residents. The partnership aims to address the challenges in building relationships with clients who have dementia.

The program creates a joyful and positive impact for clients and the community. This sponsorship and attendance at the Forever Young Tasmanian tour was an opportunity for the Public Trustee to further engage with clients, their families, and their supports. The program aims to deliver entertainment as well as build social connection and enhance interaction through drama therapy. Many studies have indicated the benefits of the arts in aged care. Terrapin worked with the University of Tasmania on the development of Forever Young, ensuring the program is impactful for residents and staff.

1,800 Tasmanian aged care residents attended the innovative program from Terrapin Puppet Theatre with 100% of survey respondents indicating they enjoyed the puppetry interaction and performance. Public Trustee staff also enjoyed the program and the opportunity to engage with residents.

"This is another opportunity for us to engage with our clients and studies show that initiatives like this help build empathy and connection amongst people with dementia."

Todd Kennedy, Public Trustee CEO



Planning Ahead and Managing Intestacy

Each year, approximately 50% of Tasmanians pass away without a valid will. This is referred to as dying 'intestate'. In such cases, the *Intestacy Act 2010* specifies how the estate will be distributed which may not be in line with the person's wishes. In 2023-24, the Public Trustee was granted 23 letters of administration by the Supreme Court to assist with intestacy matters.

In September 2023, the inaugural National Wills Week was held encouraging Tasmanians to plan for their future, regardless of their age. The campaign focuses on educating young adults on the importance of advance life planning, highlighting the assets that are included in their estate, and raising awareness around the services that can support them in establishing a will.

The Public Trustee currently holds approximately 23,000 wills for Tasmanians, with the Public Trustee appointed as the sole executor. The average value of an estate administered in 2023-24 was \$377,194.

Over the next 20 years, \$3.5 trillion is set to transfer from generation to generation in Australia, in what is described as the Great Australian Wealth Transfer.

With 90 per cent of this wealth being transferred through inheritance upon death, the role of estate planning and administration has never been more important.

National Wills Week **23**
11-17 SEP.

🔍 my local public trustee



"The process of making my will was a lot easier than I thought. Everything was explained to me. The Solicitor made sure I understood what I was told. VERY impressed with the service. Thank you."

Marie, Hobart - Estate Planning Client

"I was very satisfied with the service and information received. I have been a client of the Public Trustee for a long time and plan to stay that way."

Leslie, Rosetta - Estate Planning Client

HELPING TASMANIANS PLAN AHEAD			
	2022-23	2023-24	Increase from 2023
Wills prepared	461	609	32% ↑
Enduring power of attorney's finalised	63	114	81% ↑

100% SATISFACTION RATING



FROM FINANCIAL ABUSE TO ACHIEVING DREAMS

Fara is a remarkable person living with an intellectual disability. She faced a tough situation when some so-called friends took advantage of her, coercing her to give away large sums of money. The Public Trustee was appointed to support her manage her financial affairs.

When Fara met her Client Account Manager (CAM), they talked about how she wanted to spend her money and her dreams for the future. Fara shared her deep love for dolphins and her dream of visiting Sea World on the Gold Coast.

Fara's CAM helped her create a budget so she could save money each fortnight. It wasn't always easy, and sometimes Fara had to use her savings for unexpected expenses, but she stayed focused on her goal.

Fara and her CAM talked often about her dreams for herself. Fara's desire to swim with the dolphins kept her committed to her savings plan. Slowly but surely, she saved enough money to make her dream come true.

Fara's mother was very grateful to the Public Trustee. She saw her daughter's transformation—not just in achieving her goal but also in understanding the importance of budgeting. This new financial knowledge would help Fara become more independent in the future.

**Name changed for privacy*

Helping Inform the Tasmanian Community

Throughout the year, the Public Trustee was once again active in delivering numerous community information sessions around Tasmania. The Public Trustee aims to raise awareness and build understanding regarding the importance of documenting legal, health care and financial wishes in estate planning documents such as a will, enduring power of attorney, enduring guardian as well as advanced care directives. These sessions also focused on the vital roles and responsibilities of guardians and administrators when appointed through the Tasmanian Civil and Administrative Tribunal (TASCAT).

We would like to acknowledge the Office of the Public Guardian and Palliative Care Tasmania for joining together to conduct a series of information sessions throughout Tasmania in 2023-24.

The Public Trustee would also like to thank the various media channels who, through their coverage, assisted the Public Trustee reach a broader audience and a shine a light on some important and less-understood topics impacting the Tasmanian community such as elder abuse.

The Public Trustee raised awareness by participating, speaking with, and sponsoring various events such as:

- COTA Seniors Week Festival
- Speak Out Advocacy Disability Expo
- Speak Out Advocacy Disability Conference
- Tasmania Law Week
- Matters of Life and Death Community Expo
- Walk Against Elder Abuse
- Compassionate Tasmania Palliative Care Symposium
- Kingborough End of Life Expo
- 'Share what matters most' webinar
- 'Important 4 documents' webinar
- Port Sorell Dying to Know Day information session
- National Wills Week
- COTA's Lifelong Respect campaign
- Outstanding team/service delivering palliative care award
- Staff attended Terrapins Forever Young performances with clients

100% SATISFACTION RATING

"They say if you learn just one piece of information then it was worthwhile, and I learnt much more than that"

- Attendee at our Hobart Law Week Seminar

20 seminars and expos attended

373 people attended our seminars

1,707 people watched our information videos

26,482 views on social media

12 media stories encouraging Tasmanians to plan for the future

"The Rockliff Liberal Government is committed to supporting the Public Trustee to continue to deliver important community education services and initiatives, which aim to raise awareness regarding the importance of documenting legal, health care and financial wishes in estate planning documents.

"Many of these programs aim to reduce intestacy - or dying without a will - in Tasmania.

"About 50 per cent of Tasmanians pass away without a valid will, which sadly creates a significant burden for their loved ones when finalising their affairs.

Guy Barnett, Attorney-General



This dying to know day, it's time to get dead set and learn how you can protect your financial, medical, and legal wishes.

The Public Trustee and Palliative Care Tasmania will be joining the U3a Port Sorell. They will discuss important advanced care and estate planning documents like a:

- Will,
- Enduring Power of Attorney,
- Advanced Care Directive, and
- Enduring Guardianship.

Come along and find out what they do and ask questions about these important documents.

Date	Time	Venue
Tuesday, 15 August 2023	2:00- 3:30 pm	Banksia Centre, Pitcairn Street, Port Sorell

Spaces are limited, so book now at www.portsorellu3a.org.au



Restoring public trust

New framework aims to improve rights for those with impaired decision making skills

Duncan Abey
The lives of individuals with impaired decision making skills will be improved through the Public Trustee's new, supported framework.
"A core objective of the Act is to safeguard and champion the rights and dignity of individuals with impaired decision-making abilities, guided by the principles of the Convention on the Rights of Persons with Disabilities. This means extending comprehensive support to those with impaired decision-making abilities to enable them to make, participate in, and implement decisions that profoundly impact their lives."
Mr Kennedy said the new framework was informed by rigorous evidence-based best practices and developed after consultation with clients, Public Trustee staff, and stakeholders.
"I would also like to thank Professor Christine Bigby and Professor Jacinta Douglas, two of Australia's leading experts in this area for their contribution."
On Monday, La Trobe University's Professor Bigby and Professor Douglas attended a training session with Public Trustee staff to discuss the implementation of the new framework in Tasmania.
Professor Bigby said the framework was consistent with recommendations for the Disability Royal Commission, and had put Tasmania at the forefront of guardianship and administration reforms in the country.
"We know from research that when people are supported to make decisions that they feel more confident, and they have more control over their lives," she said.
"That's a good thing for people's mental health and well-being."
"So if it does work, it will improve people's lives, and we are talking about people who have quite often had some really poor experiences in terms of trauma and institutionalisation."
Attorney-General Guy Barnett welcomed the new framework, saying it was an important step by the Public Trustee to ensure a people-centric model was at the very core of decision-making for people under guardianship and administration orders.
"We recognise the important role that the Public Trustee plays in the Tasmanian community, providing specialist and independent trustee services to Tasmanians, including some of the most vulnerable people in our community," Mr Barnett said.
"The Trustee has been building strong relationships with stakeholders, including with the Office of the Public Guardian, to develop the new supported decision-making model."

Loved ones are 'Dying to Know' end-of-life wishes

Simon McGuire

AN ANNUAL initiative is encouraging people to talk about something that the public does not often want to talk about, setting up a will and making other decisions around end-of-life preparation. Today, Palliative Care Tasmania (PCT) and the Public Trustee have teamed up for Dying to Know Day.

A free session on preparing a will and other important documents will take place a next week on August 15 at the Banksia Centre at Port Sorell at 2pm.

Public Trustee CEO Todd Kennedy said that while they might be tough conversations, having them was important.

"This is a journey we're all on," he said.

"Putting in place a plan makes it easier for you and easier for those around you."

"By teaming up with PCT, we want to help people understand how to capture their financial, health, and legal choices in writing so that they can be in control."

"Sadly, around fifty per cent of Tasmanians will pass away without a Will and un-

This is a journey we're all on.

Todd Kennedy

fortunately, that can have a big impact on those left behind," PCT CEO Veney Hiller echoed Mr Kennedy's statements.

"People really don't like to talk about death, dying, and those end-of-life conversations," Ms Hiller said.

"What we are trying to do is open up these difficult and awkward conversations and get people to be more comfortable with talking about what they want at end of life."

"We know it matters, and we know it makes a difference if you can share with your loved ones what your end-of-life wishes are, what your values are, and what you want to see happen."

"It stops people guessing, and it really ensures that people can have a good death, and that's not a term that people want to use, but it is something that we hope everyone gets to have."



Public Trustee CEO Todd Kennedy. Picture supplied.



Transforming the Public Trustee

Achieving a Client-Centric Model and More

Update November 2023

Transforming the Client Experience

Since the introduction of a new client focused model of service and resetting the culture of the organisation in FY23, the impact of these initiatives is already being seen. A major reform was the recruitment of front-line caseworkers around Tasmania to significantly reduce caseloads from 150 to 50 clients per Client Account Manager providing dedicated support for clients, improving accessibility and responsiveness.

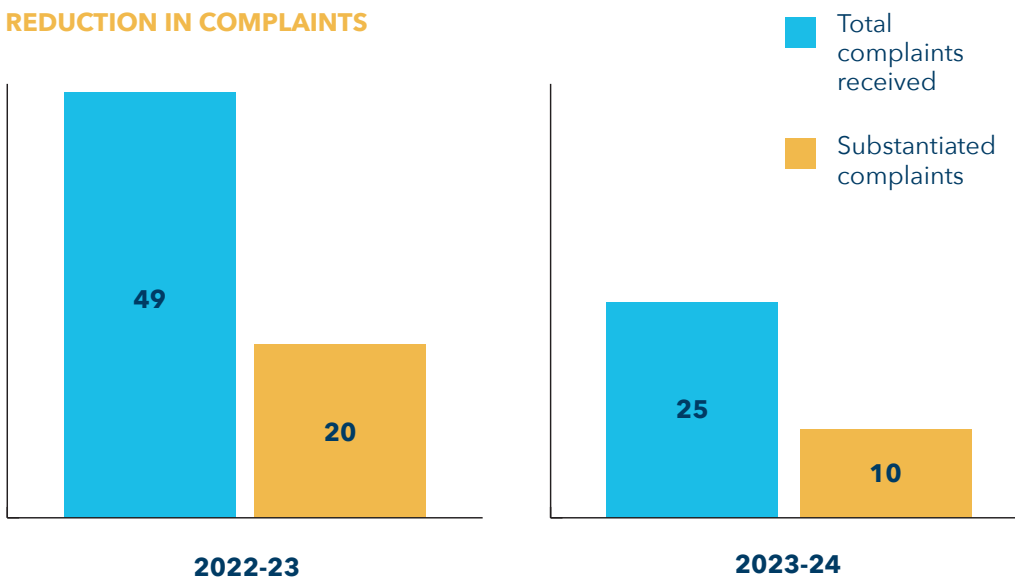
The Public Trustee prioritised building strong and committed relationships with our clients and stakeholders. We are listening to our clients, the community, and our workforce so that we can become an even better organisation.

The Public Trustee would like to acknowledge the work of Speak Out Advocacy who assisted in the development of 'Easy Read' and 'Plain English' guides to financial administration, improving the accessibility of important information for clients, their families and their supports.

In FY24, the Public Trustee achieved positive results from its client and stakeholder experience surveys as well as seeing a significant reduction in the number of complaints received over the year.

POSITIVE SATISFACTION SURVEY RATINGS			
	2022-23	2023-24	
Estate administration (beneficiary) survey	93%	91%	
Estate planning survey	100%	100%	↑
Represented person client survey	75%	81%	↑
Represented person support network survey	79%	81%	↑
Stakeholder survey	97%	100%	↑

REDUCTION IN COMPLAINTS



Represented Person Survey Results

Overall, I am satisfied with my Client Account Manager ↑ **88%**

Improvements in Client Financial Management

Understanding Public Trustee's role: **Up from 85% in 2023** ↑ **93%**

Confidence in bill payments: **Up from 81% in 2023** ↑ **90%**

Communication satisfaction saw notable increases

Helpfulness on the first call: **Up from 56% in 2023** ↑ **78%**

Accuracy of financial information: **Up from 64% in 2023** ↑ **83%**

Overall communication satisfaction: **Up from 63% in 2023** ↑ **82%**

Support networks also note improvements

Overall satisfaction with the way the Public Trustee communicates with the client: **Up from 63% in 2023** ↑ **84%**

Overall satisfaction with their Client Account Manager: **Up from 60% in 2023** ↑ **89%**

Public Trustee's staff provide explanations when they decline client requests: **Up from 50% in 2023** ↑ **83%**

The Public Trustee's role has been made clear to me: **Up from 78% in 2023** ↑ **94%**

I know who to contact for my queries: **Up from 72% in 2023** ↑ **92%**

Implementing the Independent Review Public Trustee (IRPT)

Significant progress has been made, with 26 of the 28 recommendations from the Independent Review now completed. In September 2023, the following recommendations were completed.

- IRPT 2.1: Review communications across all fields of work of the Public Trustee; and
- IRPT 6.2: Provide training to staff about customer standards and appropriate expectations as a trustee

As per IRPT C3.1, the Tasmanian Economic Regulator (OTTER) reviewed the Public Trustee's fees and charges for clients required by legislation to use its services. We would like to acknowledge OTTER for the work they completed and the opportunity for the Public Trustee to provide a submission to the review. The Public Trustee welcomes the release of the OTTER report, viewing it as an opportunity to continue the transformation of the organisation.

There are 2 recommendations outstanding to fully implement all 28 recommendations from the IRPT.

REFERENCE	RECOMMENDATION	RESPONSIBILITY	STATUS UPDATE
C4.3	The Attorney General and the Treasurer fully fund the Public Trustee's net avoidable costs of service provision in the next CSO agreement, with funding escalation to reflect demand growth.	Tasmanian Government	Supported in principle - subject to completion of the review under C.3.1.
C3.2	The Public Trustee match the fees charged to represented persons with those in the Northern Territory.	Tasmanian Government	Supported in principle - subject to completion of the review under C.3.1.

"They are having meetings with me and allowing me to save. Which is giving me more choices about what I can do."

Represented Client

"I am very happy with things at the moment and the way that things are going with my account manager."

Represented Client

Enhancing Client Service Through System Upgrades

As part of an organisation restructure, a new role of IT manager was created in October 2023. The role is responsible for the delivery of the Public Trustee IT strategy developed in 2022-23 which focuses on creating process efficiencies; enhancing client centricity; integrating data and reporting, and strengthening cyber security and overall IT governance.

A program of modernising legacy systems commenced in January 2024, with the implementation of a new telephony and contact centre system aimed at improving efficiency and enhancing the client experience. Pleasingly, in an independent survey conducted in April by Myriad Research, 52% of represented clients experienced easier contact with their Client Account Manager.

Throughout the year, further improvements were made to the voucher delivery process for clients, ensuring more timely responses and immediate handling of urgent requests.

In May 2024, a transition to a new IT managed service provider was successfully completed to improve both the client and employee experience.

“Over the past 12mths Todd and the team have been striving to improve engagement, connection and developing strategies, processes and procedures to be more client-centric. The team have been open to feedback and have greatly improved communication lines between the Public Trustee, client support staff and clients supported by the Public Trustee.”

Public Trustee Stakeholder

PUBLIC TRUSTEE'S PERSISTENCE TO GATHER FINANCIAL STABILITY FOR ELSIE

Elsie recently moved out of her home into an aged care home. The Public Trustee was appointed to support Elsie manage her finances and support her with decision making.

Her Client Account Manager (CAM) sought financial advice, which recommended giving Elsie a regular, tax-free income from an account-based pension and for her to make a downsizer contribution. This meant using money from selling her house to fund her pension. This was important as Elsie was over the age to make voluntary contributions to her superannuation. There was a complication being the title of Elsie's home had been transferred out of her name, which made her ineligible for the downsizer contribution. The Public Trustee applied to the Australian Taxation Office (ATO) for a Private Ruling, due to the unusual circumstances. This application was approved allowing her to receive a regular tax-free income from her pension.

**Name changed for privacy*



CASE STUDY



SUPPORTING CLIENTS WITH TASKS TO FIND COMFORT AND CLOSURE

Mr Lane was a gentle-hearted man who had faced some health challenges. He was determined to stay in his own home as long as possible, and his wife, May, was able to help him. However, after May's passing, Mr Lane found himself struggling to navigate life alone, especially when it came to making important healthcare and financial decisions. With no other family to turn to, the Public Trustee and the Public Guardian were appointed to provide support.

After reconnecting with an old friend and reminiscing about the past, Mr Lane found himself feeling reflective and evaluating what was important to him in life. When his Public Trustee Client Account Manager visited him to assist with some paperwork, he mentioned a heartfelt wish - to have a plaque for May's burial site so he could visit her.

Mr Lane had not been able to organise this on his own and longed to have a place where he could visit her. The Public Trustee were able to support Mr Lane by arranging for a beautiful plaque to be created in May's honour. It was a plaque that truly honoured how loved and cherished May was.

**Name changed for privacy*

People and Culture

The Public Trustee operates under the *State Service Act 2000*, including its related regulations and employment directions, with all personnel being Tasmanian State Service employees.

A range of strategic people and culture projects were undertaken in 2023-24 in support of our goal to have a committed, capable and engaged workforce.

Attracting and Retaining the Best People

The revised organisational structure was implemented in 2023-24. Recruitment to fill the additional and newly created roles has been a priority, with attraction and selection strategies focussed on engaging people who share the Public Trustee's core values of service, respect and integrity.

Employee Value Proposition (EVP) statements were created and interview questions designed to identify skills and behaviours that deliver the required level of client service.

Enhanced on-boarding practices ensure new Client Account Managers receive comprehensive training and support within the first six months of their appointment including 1:1 coaching and mentoring.

An initiative to review statements of duties of all existing positions was undertaken with 71% of all roles reviewed in 2023-24 in consultation with staff. Completion of this project will ensure all staff have role clarity and clear performance expectations.

Building capability within and providing career growth opportunities is a key component of the Public Trustee's retention and engagement strategy. In 2023-24, 33% of appointments (12 employees) were promotions of existing staff, in comparison to 22% in 2022-23.

The departure from engaging staff on a fixed-term basis and increase in permanent roles has resulted in beneficial cultural outcomes. Fixed-term employment decreased more than 50% in FY24. Overall turnover reduced from 43.9% in FY23 to 30.6% in FY24. Turnover for the period 1 January 2024 to June 30, 2024, reduced to 9.8%.

WORKFORCE SNAPSHOT AS AT 30 JUNE 2024

Permanent full-time	Permanent part-time	Fixed-term	Casuals	Total FTE	Total employees
56	9.08	6.40	-	71.48	81

Leading and Supporting our People

The Public Trustee focuses on developing empathetic leaders who make supporting and developing their teams a priority. In line with this commitment, an independent survey to measure Diversity, Equity and Inclusion (DEI) and employee engagement factors was commissioned in January 2024. The results of the survey provided key indicators of employee experience and actionable insights to inform people strategy. Notably, most DEI dimensions outscored global governmental benchmarks, with the Public Trustee scoring particularly high levels of social cohesion across hierarchy, with an 84% favorability rating, indicating that staff are living the values of respect towards one another. 90% of survey respondents stated they agree, or strongly agree with the statement 'I feel comfortable sharing with co-workers as much or as little about my lived experience'. 77% of survey respondents also reported they agree, or strongly agree that people from all backgrounds have equal opportunities at the Public Trustee. Engagement scores were also indicative of positive cultural change, with high favorability ratings across aspects of empowerment (83%), teamwork (84%) and organisational values (83%).

Survey results also indicated employees crave a greater degree of work life balance and flexibility. As part of our retention strategy, all reasonable requests for flexible working practices were supported.

Investments in leading and supporting our people has also included:

- Development of a leadership framework
- Executive coaching for the leadership team
- Sponsored participation in Mentor Walks for female staff
- Professional supervision
- On-site Employee Assistance Program (EAP)

Diversity and Inclusion

The Public Trustee encourages diversity in our workplace which respects and embraces the uniqueness in our people. This helps us develop empathy for our clients, who are also unique individuals shaped by their personal experiences.

The Public Trustee workforce broadly aligns with Tasmania's population with the exception that there appears to be no, or very few Aboriginal or Torres Strait Islander people at the Public Trustee, who represent over 5% of the state of Tasmania.

The organisation's people management policies and practices provide fair and equitable access to employment, promotion, and personal development.

The Public Trustee participated in the Tasmanian State Service Employee Survey 2023-24, which reported an overall workplace diversity score of 81%.

Managing Performance in the Public Trustee

In accordance with *Employment Direction No. 26 - Managing Performance* in the State Service, employment practices at the Public Trustee are aligned to meet priorities, strategies, operational plans, and the corporate values. Priorities are identified through the corporate planning process, individual business unit plans and alignment with individual roles within the organisation.

The Public Trustee places a high importance on performance management, and this is reinforced through several practices. The Public Trustee's performance management system includes a comprehensive induction program; the probationary process (where applicable), the development of annual performance agreements with employees, the identification of learning and development needs, career progression planning, and regular reviews of an individual's performance.

Building Capability Through Training and Development

26 new staff across the organisation have undertaken an induction program, which is delivered one on one, or in a workshop style setting, directly on a 1:1 basis with the learning and development officer. Of those new staff, 14 were appointed to positions within our personal services and estates teams, where they completed one full week directly with the learning and development officer to undertake an intensive technical skill and knowledge-based induction program.

The induction program provides all new staff with the understanding of:

- Key roles and responsibilities
- The Public Trustee's business and direction
- The Public Trustee's mission, vision, and values
- Policies, procedures, and the working environment
- Relevant legislation

A key component on the newly developed program was the inclusion of training and development aimed at assisting our staff to effectively engage with the diverse client base of the Public Trustee and become a more client-centric organisation.

"Public Trustee are striving to improve the work culture and the client experience."

Staff survey

Investing in development of skills and capabilities for now and into the future is an on-going strategic project with numerous opportunities provided in 2023-24 in the following areas:

WORK HEALTH AND SAFETY

- Mental health and well-being for managers
- Mental health first aid
- Mental health in the workplace webinar
- Psychosocial risk management webinar series
- Psychosocial in the workplace
- Provide CPR
- Professional supervision
- Workplace health and safety officer training
- Fire warden training
- De-escalation and managing difficult situations
- Critical incident response webinar

DIVERSITY AND INCLUSION

- Building First Nations capability webinar
- Diversity and discrimination online course
- Diversity Council of Australia membership access - resources, online webinars and learning material

HR COMPLIANCE AND BEST PRACTICE

- Interview chair and panel training
- Facilitating an inclusive workplace webinar
- Effective job ads and finding great staff webinar
- Integrity in public service
- Information integrity/use of information
- Australian Human Resource Institute event workshop: building an effective employee value proposition

CLIENT SERVICES

- Supported decision-making
- Understanding traumatic brain injury online course
- Recognising and responding to the abuse of older people - online e-learning modules
- Understanding dementia online course
- Services Australia - aged care fees webinar

LEGAL, IT AND GOVERNANCE

- Property conveyancing reforms - recorder of titles webinars
- Property and commercial law conference
- Delegations and good governance webinar
- Cyber safety essentials

MANAGEMENT AND LEADERSHIP

- Leading teams through change
- Introduction to project management
- Project management essentials
- Difficult conversations in the workplace online course

Work Health, Safety & Wellbeing

The Public Trustee is dedicated to preventing workplace injury or illness and managing risks by understanding and integrating them into work health and safety (WHS) plans. During 2023-24, this commitment was upheld through the ongoing review and updating of the WHS risk register and annual action plan, with the WHS group (consultative) committee providing opportunities to discuss WHS issues. Creation of a psychosocial risk register will mark the next evolution of safety culture within the Public Trustee.

WHS considerations are included in all levels of meetings, and ergonomic assessments are a regular part of employee induction and ongoing review. Hazard inspections and safety reviews are conducted as required and regular WHS communications are published on the staff intranet.

The Public Trustee's Client Management System embeds the reporting of incidents, accidents, and hazards, enabling effective monitoring, analysis, and reporting.

In addition to these measures, a proactive approach to employee wellbeing was demonstrated through initiatives such as:

- On-site employee assistance program and counselling
- Professional supervision
- A range of safety related training courses
- The Public Trustee's flu vaccination program

These actions reinforce the organisation's ongoing commitment to the health and safety of its staff.

"The culture here is so welcoming and friendly, and I feel that this is the first place I have worked where people are not judgemental but accept you for who you are."

Staff survey

Professional Supervision

To proactively manage psychosocial risks and to support our staff to provide services in a trauma-informed therapeutic manner, in April 2024 the Public Trustee commenced professional supervision. This involves a professional, respectful, and trusting partnership with a suitably qualified practitioner that provides support and encouragement to staff to maintain professional excellence and individual wellbeing, as well as offering:

- A dedicated space to examine, review and reflect on professional identity and practice.
- An objective place to identify and implement goals, review actions steps and monitor progress.
- A safe space to share missteps and mistakes.
- A mechanism for stress relief and self-care.

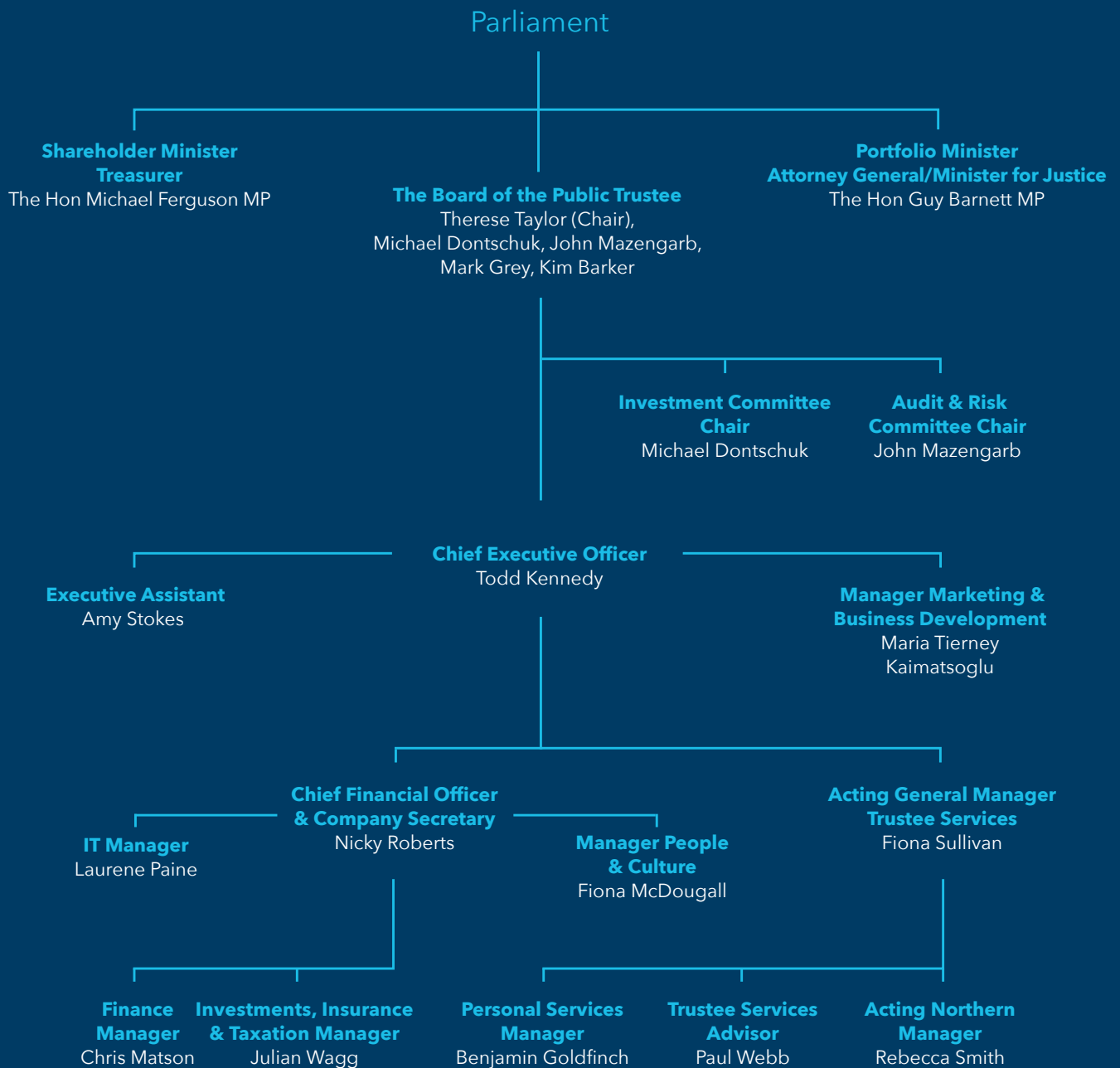
We currently have 26 staff engaged in this voluntary process.

Accident and Incident Reporting

In 2023-24 there was an increase in reported accidents and incidents. The nature and severity of incidents reported remained on the lower end of the scale with no time lost because of workplace illness or injury arising from an accident or incident.

ACCIDENT/INCIDENT REPORTING													
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2024	0	3	1	0	0	1	3	3	2	3	3	3	22
2023	0	1	0	0	0	0	0	0	0	2	3	0	6
2022	1	3	1	2	1	3	0	1	3	1	1	2	19

Structure of the Public Trustee



Corporate Governance

Our Board

The Board of the Public Trustee is responsible to the Treasurer and the Minister for Justice for managing and conducting the business and affairs of the Public Trustee in accordance with sound commercial practice. It ensures that the Public Trustee performs its statutory obligations.

In carrying out its responsibilities, the Board:

- Sets the strategic direction of the organisation;
- Secures and monitors organisational performance;
- Ensures compliance with statutory requirements; and
- Manages risk.

The Board comprises five independent directors. All directors are appointed on the joint recommendation of the Treasurer, Portfolio Minister and with the advice of the Executive Council. Directors are selected based on their complementary skills and ability to add value to the Board.

The Audit and Risk Committee and the Investment Committee have been established to assist the Board in carrying out its functions and responsibilities.

The Audit and Risk Committee is responsible for monitoring corporate risk assessment processes and controls the establishment of, and ongoing compliance with, an internal risk control framework.

The Investment Committee has responsibility for the oversight of the organisation's investment review processes to ensure appropriate client investment decisions are made.

The Board delegates responsibility for the day-to-day management of the business and oversight of the implementation of strategies approved by the Board in the strategic plan to the Chief Executive Officer.

SUPPORTING SHANE GET THE INCOME HE WAS ENTITLED TO RECEIVE

Shane received a part Disability Support Pension from Centrelink. Even with a flatmate who assisted him in paying rent and bills, he had struggled financially for years.

When the Public Trustee was appointed, to support him, the Client Account Manager (CAM) conducted a thorough investigation, reviewing Shane's financial information for the past 10 years. The CAM discovered that an incorrect asset had been recorded with Centrelink, causing Shane to receive a reduced pension.

Working closely with Centrelink, the Public Trustee successfully had the error corrected. As a result, Shane received \$64,000 in back pay. This substantial payment provided Shane with the opportunity to consider purchasing his own home, offering him newfound financial stability and independence.



**Name changed for privacy*

Our Board



Therese Taylor

BCom (Journalism), BA, Dip.Ed, GradDip
Administration, GAICD

*Chair and Non-Executive
Director*

*Member of the Investment
Committee and Audit and Risk
Committee*

*Original appointment: 20
October 2020*

*Current term: 24 October 2022
to 20 October 2025*

Therese brings extensive governance and executive leadership experience to the Board developed through a diverse career working across social and economic portfolios. She has held several leadership positions in the Tasmanian State Service and in the not-for-profit sector, including CEO of Colony 47 for 10 years. Therese has extensive experience in policy development, service delivery, regulation, and building community capacity. Therese brings expertise in management, strategy, change management, organisational cultural development, governance and stakeholder management.

She has led major organisational and cultural change in complex environments.

Her previous roles have developed a strong people focused practice and understanding of the client experience. An experienced non-executive director, with over 35 years of experience, Therese has held numerous directorships and chair roles across a broad range of industries and Boards, including health, education, human services, rescue services, arts, and theatre.



Michael Dontschuk

BSc (Hons), FFTP, GAICD

Non-Executive Director

*Chair of the Investment
Committee*

*Original appointment: 4 July
2017*

*Current term: 21 August 2023
to 20 August 2026*

Michael is a finance professional with over 40 years' experience in investment, finance, treasury and financial risk management.

He currently is a professional non-executive director and sits on several company Boards including, Australia Ratings and the Public Trustee.

Previously he has been an executive and director with Grange Resources Limited, group treasurer of ANZ Bank, managing director of treasury Corporation Victoria, President and director of the Finance and Treasury Association of Australia, manager at Bankers Trust, director at Motor Accidents Insurance Board (Tasmania), and has worked extensively in corporate financial advisory and investment banking.



John Mazengarb

FCA, FCGI, FGIA, MAICD

Non-Executive Director

Chair of the Audit and Risk Committee

Appointed: 31 January 2023

Current term: 31 January 2023 to 30 January 2026

John is an experienced non-executive director and joint owner of a Tasmanian-based management consultancy. He is a chartered accountant and governance professional with over 30 years of experience. He has consulted with PwC and IBM, advising public and private sectors in Tasmania, interstate, and overseas.

He is renowned as a senior program and project advisor, facilitator, and effective communicator. He has held senior executive roles in Tasmanian Government businesses, overseeing major business transformations. His expertise includes professional services, business technologies, commercial risk management, and governance.

Currently, John is a trustee director of Spirit Super and an independent member of the investment committee for TasBuild Ltd. In 2015, he co-founded GSD Advisors Pty Ltd, which employs forty experienced Tasmanians with diverse business, project, change, technology, and process advisory consultancy skills.



Kim Barker

BA, Dip Ed, MAICD

Non-Executive Director

Member of the Audit and Risk Committee

Appointed 31 January 2023

Current term: 31 January 2023 to 30 January 2026

Kim has vast experience in various high-level health, social justice, and human rights roles as a member of a range of Boards and tribunals. She worked in the guardianship and administration regime for nearly two decades, most recently as Tasmania's public guardian and, prior to that, as a member of the Guardianship and Administration Board (now a division of TASCAT). She was also a long-term member and deputy president of the Mental Health Tribunal, a member of the Social Security Appeals Tribunal, and a member of the Parole Board.

Kim's corporate governance experience includes directorships on the Motor Accidents Insurance Board and the Relationships Australia (Tasmania) Board.

Kim currently serves as a commissioner on Tasmania's Voluntary Assisted Dying Commission.



Mark Grey

BA, CS, GDACG, FCPA, FAICD

Non-Executive Director

Member of the Investment Committee

Appointed 31 January 2023

Current term: 31 January 2023 to 30 January 2026

Mark was born and raised on the North West Coast. He was educated in Launceston, followed by the University of Tasmania in Hobart. A successful businessman in Tasmania during the 90s, he was the managing director of EOAO Marketing Communications, managing iconic campaigns for Gun Buy-Back, Social Services, Health, Road Safety, Tourism, and Qantas. He is a former Telstra and Tasmanian Government Business Proprietor of the Year.

Mark returned to Tasmania three years ago after 20 years, often in Asia, the US, and Middle East, working in marketing and e-commerce.

With over 20 years' experience serving on Boards nationally and internationally, some of his prior roles include chair of Verifact Risk Mitigation, chair of Eye Co Retinal Therapeutics, chair of MND Australia, chair of Mapien IR Law and director of Guide Dogs. He is currently a director of RACT, St Giles, and GPRA.

Mark holds a BA in Economics and Asian Studies, a Graduate Diploma in Corporate Governance, is a Chartered Secretary, a Qualified Mediator, a Fellow of CPA, and a Fellow of AICD.

CEO Performance Review

The performance of the CEO is reviewed annually against a performance management plan. The review was completed by the Chair, in consultation with the Board, for the period from 17 January 2022 to 30 June 2023. The next review is due to be completed by 28 September 2024.

Board Performance Review

An independent consultant was engaged to assist the Public Trustee with the Board, Committees, and director performance reviews for the 2023 calendar year.

This review was conducted during February and March 2024, involving a combination of online surveys and face-to-face interviews with Directors.

Board Attendance

The number of Board and Committee meetings held in the period each director held office during the financial year ended 30 June 2024, and the number of meetings attended by each director is as follows:

	BOARD MEETINGS		AUDIT & RISK COMMITTEE		INVESTMENT COMMITTEE	
	Number held	Number attended	Number held	Number attended	Number held	Number attended
Therese Taylor	11	11	6	5	5	5
Michael Dontschuk	11	11	6	*4	5	5
John Mazengarb	11	9	6	6	*5	*3
Mark Grey	11	11	6	*4	5	5
Kim Barker	11	11	6	6	*5	*2

* Attended by invitation

Code of Conduct

The Board has adopted a code of conduct for directors.

Disclosure Requirements

Directors have the right to seek independent professional advice in relation to matters pertaining to the Public Trustee and their role as director. The cost of that advice will be paid by the Public Trustee. When seeking such advice, directors are required to inform the Chair in advance.

Statement of Corporate Intent

This section sets out the Statement of Corporate Intent for the 2023-2024 year, as submitted by the Public Trustee to its shareholding ministers in March 2023.

Introduction

The Statement of Corporate Intent (SCI) is a high-level summary of the corporate plan and includes a performance agreement between the Board of the Public Trustee and the shareholding ministers. The SCI details the key financial and non-financial targets for the Public Trustee and estimates for the following three years.

The SCI has been prepared in accordance with the ministerial charter for the Public Trustee.

Strategic Direction

The Public Trustee is a Government Business Enterprise (GBE) established by the *Public Trustee Act 1930*. Principal commercial activities undertaken include the provision to the general community of access to professional advice and service in relation to trustee services including:

- Preparation of wills;
- Estate administration;
- Trust management and powers of attorney; and
- Protection of the financial interests of individuals under a legal, physical, or intellectual disability where the Public Trustee is appointed to act on their behalf.

Our aim is to provide a safety net to all Tasmanians, always: helping them to protect their legacy through our services of wills, estates, and financial administration.

Core to our purpose is the provision of financial administration services to represented persons.

Over the corporate plan period the Public Trustee has been focussed on the following goals:

- Our clients - our clients are central to everything we do.
- Our stakeholders - strong and trusted relationships with stakeholders.
- Our people - a committed, capable and engaged workforce.
- Fit for purpose - a business model meeting the needs of the Tasmanian community.

Performance Against Statement of Corporate Intent

The Statement of Corporate Intent sets out the key financial and non-financial targets for 2023-24. The actual performance against these targets is shown below.

FINANCIAL RETURNS TO GOVERNMENT					
	Target	Actual	Estimates		
	2023-24	2023-24	2024-25	2025-26	2026-27
Dividends paid (\$ '000)	-	-	-	-	-
Tax equivalents paid/ (refund) (\$'000)	-	-	-	-	-

FINANCIAL TARGETS					
	Target	Actual	Estimates		
	2023-24	2023-24	2024-25	2025-26	2026-27
Operating expenditure (\$'000)	14,749	14,169	14,624	15,164	15,725
Operating profit/(loss) after tax (\$'000)	(2,579)	(2,577)	(2,402)	(2,605)	(3,500)
Total comprehensive income (\$'000)	(1,762)	(1,960)	(1,863)	(2,057)	(2,944)
Capital expenditure (\$ '000)	100	(208)	100	100	100
Operating margin	1.01	0.75	0.98	0.96	0.84
Return on assets (%)	(15.4%)	(8.51%)	(16.6%)	(21.4%)	(36.3%)
Return on equity (%)	(16.4%)	(19.18%)	(21.1%)	(30.0%)	(72.0%)
Capital adequacy (%)	40.3%	35.43%	36.1%	29.3%	(0.13%)

INVESTMENT PERFORMANCE		
	Target	Actual
	2023-24	2023-24
Performance of Common Fund	Return objective: Performance above RBA cash rate	Common Fund gross earnings of 5.12% vs RBA Cash rate target of 4.35% at 30 June 2024
Performance of Group Investment Fund No. 2	Return objective: CPI + 2% per annum over rolling 5-year periods.	Group Investment Fund No. 2 earnings of 6.75% vs objective of 5.87% to 30 June 2024
Performance of corporate investments	Return objective: CPI + 2% per annum over rolling 5-year periods.	Investment return of 6.16% pa vs Objective of 5.87% to 30 June 2024

Definitions

Operating profit before tax means operating revenue less operating expenditure.

Comprehensive income includes remeasurement of defined benefit obligation and fair value movements in investments in managed funds (net of related tax)

Total comprehensive income means operating profit for the year after tax + comprehensive income.

Operating margin means operating revenue/operating expenditure.

Return on assets means operating profit before tax/[(opening assets + closing assets)/2].

Return on equity means total comprehensive income/[(opening equity + closing equity)/2].

Capital adequacy means tangible reserves/tangible assets.

KEY NON-FINANCIAL PERFORMANCE INDICATORS

	Target	Actual
	2023-24	2023-24
Number of total new wills completed	850	609
Beneficiary survey results (overall satisfaction rating)	95%	91%
Will client survey results (overall satisfaction rating)	100%	100%
Number of wills revoked / later wills (average per month)	≤30	25
Represented person survey	80%	81%
Stakeholder engagement survey	80%	100%
Obligations under the <i>Guardianship and Administration Act 1995 Act</i> to represented persons in respect of promoting their independence and communication in respect of their wishes:		
Consult with clients to identify participation in financial independence program	100%	100%
New clients consulted following receipt of order from TASCAT: will, preference and rights identified and documented	100%	100%
New clients: contact to be made within 5 days of receipt of order from TASCAT	90%	97%
Existing clients consulted annually: will, preference and rights confirmed and documented	100%	100%
Culture - staff engagement survey	80%	Annual State Service Survey <ul style="list-style-type: none"> • Agency Engagement - 68% • Behaviours and Conditions - 77% • Workplace diversity - 81%

Community Service Obligations

“They have taught me how to handle my money better and budget. They are much better - I was on a holiday and they supported me.”

Represented Client

In accordance with the provisions contained in part 9 of the Government *Business Enterprises Act 1995*, Community Service Obligations have been declared to encompass the responsibility of the Public Trustee to administer estates, trusts, and the financial affairs of represented persons.

As of 30 June 2024, matters classified as Community Service Obligations accounted for 59% (2023: 57%) of the matters administered by the Public Trustee. The organisation is reliant on the funding received from the Tasmanian Government in respect of the Community Service Obligations (CSO) performed by the organisation.

The net avoidable cost to meet these obligations for the 2024 financial year was \$6,858,967 (2023: \$4,613,076).

The CSO funding received for 2023-24 was \$3,389,000.

In line with the terms of the Public Trustee’s ministerial charter, the government will provide funding to assist in meeting the cost of non-commercial activities (Community Service Obligations) required to be undertaken by the Public Trustee.

The Public Trustee performs the following Community Service Obligations on behalf of the Government:

- Administration of absolute estates with a gross asset value of less than \$60,000.
- Administration of continuing trust and life tenancy estates with a gross asset value of less than \$100,000.
- Administration and management of minor trusts with a gross asset value of less than \$20,000.
- Management of assets for represented persons with a gross asset value of less than \$100,000.

A summary of the government funding provision is set out as follows:

CSO FUNDING				
	Target	Estimates		
	2023-24	2024-25	2025-26	2026-27
Community service obligations (\$ '000)	3,389	3,457	3,474	3,550

Independent Review Public Trustee Funding

The Tasmanian Government’s 2022-23 State Budget provided \$4.3 million over 4 years towards implementation of the Public Trustee Independent Review’s recommendations (IRPT).

The IRPT funding received for 2023-24 was \$1,150,000.

CSO and Dividends

Public Trustee operates under the direction that no dividend is payable until the dividend amount exceeds the CSO funding deficit.

COMMUNITY SERVICE OBLIGATION PERFORMANCE		
Indicator	Target as at 30 June 2024	Result
1. TASCAT reporting requirements	100% compliance of its statutory reporting requirements to TASCAT.	100%
2. Represented person caseload	The number of represented person cases per Client Account Manager ≤ 50 in 90% of cases.	100%
3. Represented person survey (%)	80% of CSO clients expressed satisfaction with service delivery.	81%
4. Stakeholder engagement survey (%)	80% of identified CSO stakeholders expressed satisfaction with service delivery.	100%
5. Culture – Staff engagement survey (%)	80%	Annual state service survey <ul style="list-style-type: none"> • Agency engagement – 68% • Behaviours and conditions – 77% • Workplace diversity – 81%
Obligations under the <i>Guardianship and Administration Act 1995 Act</i> to represented persons in respect of promoting their independence and communication in respect of their wishes:		
6. New clients consulted following receipt of order from TASCAT: will, preference and rights identified and documented (%)	100%	100%
7. New clients: contact to be made within 5 days of receipt of order from TASCAT (%)	90%	97%
8. Existing clients consulted annually: will, preference and rights reviewed, confirmed, and documented (%)	100%	100%
9. Consult with clients to identify participation in financial independence program (%)	100%	100%

Support for Tasmanian Business

The Public Trustee supports Tasmanian business by sourcing all services and supplies within Tasmania where those services and supplies are competitively available at the standard required by the Public Trustee.

PURCHASES FROM TASMANIAN BUSINESS	
% of purchases from Tasmanian businesses	68.1%
Value of purchases from Tasmanian businesses (Exc. GST)	\$3.46 Million

DEVELOPING SOLUTIONS TO SUPPORT DAVID KEEP WHAT IS IMPORTANT TO HIM

David has impaired decision-making ability. The Public Trustee was appointed to manage his financial affairs. David inherited his family home which had sentimental value, and he already owned a home, which meant he was "asset rich, but cash poor." This resulted in his Centrelink age pension being cut. David's wishes were to retain both properties. David's bills began to accumulate, and he was unable to cover his living expenses. The Public Trustee investigated the option of the Australian Government's Home Equity Access Scheme (HEAS). This scheme allows older Australians to get a non-taxable loan, providing both a lump sum and regular income payments. It was a great way to support David find a solution so he could retain his properties.

**Name changed for privacy*



CASE STUDY

Payment of Accounts

In accordance with Treasurer's instruction, disclosures are made in respect of payment of accounts and buying local.

ACCOUNTS DUE OR PAID WITHIN EACH YEAR	
Measure	
Creditors days	11 days
Number of accounts due for payment	1,382
Number of accounts paid on time	1,379
Amount due for payment	\$5.58 Million
Amount paid on time	\$5.55 Million
Number of payments for interest on overdue accounts	NIL
Interest paid on overdue accounts	NIL

CONSULTANCIES VALUED AT MORE THAN \$50,000 (EX GST)				
Name of consultant	Location	Description	Period of engagement	Amount
KPMG	Hobart	Client Taxation Services	12 mths	\$169,948
KPMG	Hobart	Other professional services	12 mths	\$66,924
TM HR Consulting	Hobart	T Maluta Consulting	12 mths	\$55,683
Hope Nowland PR	Hobart	B Nowland Public Relations	12 mths	\$60,000
Tasmanian Audit Office	Hobart	External Audit	12 mths	\$60,000
Deloitte Touche Tohmatsu	Hobart	Professional fees	12 mths	\$148,900
Total				\$561,454
Consultants engaged for \$50,000 or less totalling				\$85,203
Total Payment to Consultants				\$646,658

"At a time when I was struggling there was reassurance in the knowledge that my loved ones will be being professionally attended to."

Peter, Rosetta - Estate Planning Client

Public Interest Disclosures Act 2002

In accordance with the *Public Interest Disclosures Act 2002*, the Public Trustee has developed procedures and established a system for reporting disclosures of improper conduct or detrimental action by the Public Trustee or its employees.

Any person wishing to obtain a copy of these procedures may do so by contacting the principal officer being the Chair or their delegate being the Public Trustee's Public Interest Disclosure officer.

For more information, please go to the Public Trustee website.



During the year in review, there were no disclosed matters made to or by the Public Trustee.

DISCLOSURE REQUIREMENT	DISCLOSURE
The number and types of disclosures made to the relevant public body during the year and the number of disclosures determined to be a public interest disclosure.	Nil
The number of disclosures determined by the relevant public body to be public interest disclosures that it investigated during the year.	Nil
The number and types of disclosed matters referred to the public body during the year by the Ombudsman.	Nil
The number and types of disclosure matters referred during the year by the public body to the Ombudsman to investigate.	Nil
The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year.	Nil
The number and types of disclosed matters that the relevant public body has declined to investigate during the year.	Nil
The number and type of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation.	Nil
Any recommendations made by the Ombudsman that related to the relevant public body.	Nil

Client Funds Management

“Couldn’t fault the professionalism, knowledge, and preparation that my solicitor provided”

Phil, Mt Stuart - Estate Planning Client

The Public Trustee is responsible for managing funds on behalf of a range of clients with differing circumstances and needs including represented persons, power of attorney clients, trusts, and estates. To cater to these needs and manage investment risk, the Public Trustee primarily invests client funds among two investment funds: the Common Fund and the Group Investment Fund No. 2.

Common Fund (\$82.815 million Funds Under Management)

The Common Fund is designed to provide the Public Trustee’s clients with a capital secure ‘at call’ investment that provides gross returns that exceed the RBA cash rate target. The Fund invests in cash and term deposits with APRA regulated authorised deposit-taking institutions and is directly managed by the Public Trustee.

Performance

At 30 June 2024, the Common Fund gross earnings were 5.12% compared to the RBA Cash rate target of 4.35%.

Group Investment Fund No. 2 (\$94.132 million Funds Under Management)

The Group Investment Fund No. 2 was developed to provide the Public Trustee’s clients with a diversified investment with potential for both income returns and capital growth.

The fund invests in line with its strategic asset allocation across the following asset classes: cash, fixed interest, Australian and international shares, Australian listed property, and listed infrastructure. Investments in the fund are managed by specialist investment managers, either through investment mandate or managed investment schemes. In selecting investment managers, the Board of the Public Trustee uses the services of an external consultant who provides advice on selection, monitoring, and removal of investment managers within the fund.

Performance

For the year ending 30 June 2024, the Group Investment Fund No. 2 returned 12.57%. Since inception in 2004, the fund has generated a return of 6.48% per annum.

Investment Reviews

The Public Trustee is responsible for the prudent management of client assets, including Common Fund and Group Investment Fund No. 2, along with other ‘external’ financial assets including superannuation and shares. For complex matters, external financial advice may be obtained.

Performance

In 2023-24, the Public Trustee completed 385 investment reviews for clients.

Financial Year Result

The Public Trustees' operating loss after tax for 2023-24 was \$2.577M compared with a profit the previous year of \$177K.

Total comprehensive loss for the year ended 30 June 2024 was \$1.960M compared to a comprehensive profit of \$1.437M for the previous financial year.

The main drivers contributing to the total comprehensive loss are as follows:

- Community Service Obligation Funding shortfall of \$2.735M for the FY24.
- Rising cost of operations and increased resourcing required from the Independent Review Public Trustee and increased obligations under the *Guardian and Administration Amendment Act 2023*.
- Employee expenses increased by \$2.154M, 32% compared to the 2023 financial year. The total expenditure for the FY24 was \$8.854M compared to the \$6.699M for FY23.
- IT expenses increased by \$1.151M, 155% compared to the 2023 financial year due to one-off transition costs to a new IT Managed Service provider. The total IT expenditure for the 2024 financial year was \$1.895M compared to \$744K for the 2023 financial year.
- The remeasurement of the Defined Benefit liability was a decrease of \$1.240M, 357.38% compared to the 2023 financial year. The total remeasurement of the defined liability for the 2024 financial year was a loss of \$893K compared to \$347K for the 2023 financial year. This figure is based on actuarial losses plus the actual return on plan assets less interest income.
- The Fair Value movement in investments in managed funds was an increase of \$383K, 28.67% compared to the 2023 financial year. The total of the Fair Value Movement in investments in managed funds for the 2024 financial year was \$1.717M compared to \$1.334M for the 2023 financial year.

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Auditor's Independence Declaration



Tasmanian
Audit Office

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23 September 2024

The Board of Directors
The Public Trustee
116 Murray Street
HOBART TAS 7000

Dear Board Members

Auditor's Independence Declaration

In relation to my audit of the financial report of the Public Trustee for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of Australian Auditing Standards in relation to the audit
- (b) any applicable code of professional conduct in relation to the audit.

As agreed with the Audit Committee, a copy of this declaration must be included in the Annual Report.

Yours sincerely

David Bond
Assistant Auditor-General

Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Continuing operations			
Revenue	4	10,306	10,266
Other income	5	363	420
Total revenue		10,669	10,686
Administrative expenses		(3,868)	(2,563)
Depreciation expense		(717)	(677)
Interest expense		(19)	(26)
Employee benefits expense	6	(8,854)	(6,699)
Finance expense	6	(557)	(539)
Occupancy expenses		(154)	(135)
Total expenses		(14,169)	(10,639)
Profit / (loss) before income tax equivalent		(3,500)	46
Income tax equivalent (expense)/benefit	7a	923	131
Profit / (loss) for the year		(2,577)	177
Other comprehensive income / (loss)			
Items that will never be reclassified to profit or loss:			
Remeasurements of defined benefit liability	18	(893)	347
Related tax	7c	223	(87)
		(670)	260
Items that are or may be reclassified to profit or loss:			
Fair value movement in investments in managed funds		1,717	1,334
Related tax	7c	(429)	(334)
		1,288	1,000
Other comprehensive income / (loss), net of tax		618	1,260
Total comprehensive income / (loss)		(1,960)	1,437

This Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	11	3,014	2,548
Trade and other receivables	12	1,166	634
Prepayments		118	81
Current tax asset		70	65
Other Financial Assets	13	4,220	8,108
Total current assets		8,587	11,436
Non-current assets			
Other Financial Assets	13	10,266	9,361
Deferred tax assets	16	3,186	2,468
Plant and equipment	14	779	896
Right of use assets	20	219	839
Total non-current assets		14,449	13,564
Total assets		23,037	25,000
Liabilities			
Current liabilities			
Trade and other payables	15	603	516
Lease liabilities	20	212	441
Provisions	17	1,380	1,788
Total current liabilities		2,195	2,745
Non-current liabilities			
Provisions	17	10,575	9,600
Lease liabilities	20	48	477
Total non-current liabilities		10,623	10,077
Total liabilities		12,818	12,822
Net assets		10,219	12,178
Equity			
Retained earnings		7,168	10,415
Reserves	19	3,051	1,763
Total equity		10,219	12,178

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2022		763	9,978	10,741
Total comprehensive income				
Profit/(loss) for the year		-	177	177
Other comprehensive income		1,000	260	1,260
Total comprehensive income		1,000	437	1,437
Balance at 30 June 2023		1,763	10,415	12,178
Balance at 1 July 2023		1,763	10,415	12,178
Total comprehensive income				
Profit/(loss) for the year		-	(2,577)	(2,577)
Other comprehensive income		1,288	(670)	618
Total comprehensive income		1,288	(3,247)	(1,959)
Balance at 30 June 2024		3,051	7,168	10,219

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from clients		9,719	10,285
Payments to suppliers and employees		(13,719)	(9,637)
Interest received		24	14
Rent Income		4	8
Income tax equivalent paid		(5)	-
Net cash provided by / (used in) operating activities	21	(3,977)	669
Cash flows from investing activities			
Investments - redeemed		4,700	49
Distributions from financial assets		401	524
Purchase of plant and equipment		(182)	(212)
Net cash provided by / (used in) financing activities		4,919	361
Cash flows from financing activities			
Lease payments		(457)	(406)
Interest Payments		(19)	(26)
Net cash used in financing activities		(477)	(432)
Net decrease in cash held			
		466	598
Cash and cash equivalents at the beginning of year	11	2,548	1,950
Cash and cash equivalents at the end of year	11	3,014	2,548

This Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Reporting entity

The Public Trustee ("the entity") is a Tasmanian Government Business Enterprise operating since 1853 offering professional, independent trustee services to the Tasmanian community. Four Acts of Parliament comprise the principal legislation affecting the Public Trustee:

- The *Public Trustee Act 1930* is the Portfolio Act and sets out the organisation's basic powers and duties;
- The *Government Business Enterprises Act 1995* creates the organisation and determines how the Public Trustee is operated and controlled;
- The *Guardianship and Administration Act 1995* sets out the persons eligible as administrator, including the Public Trustee and the powers and duties of an administrator; and
- The *State Service Act 2000* sets out the organisation's employment arrangements and employment directives.

The Public Trustee's Australian Business Number is 11 223 649 773. Its principal place of business is 116 Murray Street, Hobart, Tasmania.

Note 2. Basis of accounting

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards ("AASs") adopted by the Australian Accounting Standards Board ("AASB"), the *Government Business Enterprises Act 1995* and related Treasurer's Instructions. They were authorised by the Directors for issue on 23 September 2024.

Rounding

The entity is of a kind referred to in Class Order 98/0100 dated 10 July 1998, issued by the Australian Securities and Investments Commission, relating to "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar unless otherwise stated.

Note 3. Use of judgements and estimates

Under AASB 2021-6 Disclosure of Accounting Policies: Tie 2 and Other Australian Accounting Standards, the Public Trustee shall disclose material accounting policy information. Information about the measurement basis (or bases) for financial instruments used in preparing the financial statements is expected to be material accounting policy information.

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

The Public Trustee has disclosed, along with material accounting policy information other notes, the judgements, apart from those involving estimations, that management has made in the process of applying the Public Trustee's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

In preparing these financial statements judgements, estimates and assumptions have been made that affect the application of the entity's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Key estimates

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

- (i) *Impairment - general*
The entity assesses impairment at each reporting period by evaluation of conditions and events specific to the entity that may be indicative of impairment triggers. In the current financial year there were no significant impaired assets identified and written off to profit or loss.

- (ii) *Employee benefits*
Assumptions utilised in the determination of the entity's employee entitlement provisions are discussed in note 17.
- (iii) *Financial instruments*
Assumptions utilised in the determination of the entity's valuation of its investment are discussed in note 26.
- (iv) *Defined benefit superannuation fund obligations*
Actuarial assumptions utilised in the determination of the entity's defined benefit superannuation fund obligations are discussed in note 18.
- (v) *AASB 15 contracts with customers*
At the end of the reporting period, the entity estimates the amount of capital commission earned from estate administrations and makes allowance for income earned but not yet received and income that has been taken in advance. Refer Note 4 for further information.

Note 4. Revenue

	2024 \$'000	2023 \$'000
Fees and commissions	5,767	5,765
	5,767	5,765
Government Funding		
Funding of community service obligations	3,389	3,321
Independent Review Grant Funding	1,150	1,180
	4,539	4,501
	10,306	10,266

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

- (i) Fees
Fees revenue from rendering a service is recognised as the service is provided.
- (ii) Commissions
Commissions revenue is recognised as the relevant administration transactions occur.
- (iii) Capital Commission from estate administration is accrued based on the stage of completion of the estate.

Other commission revenue is recognised as the relevant administration transactions occur.

- (iv) Funding of Community Service Obligations (CSO).

CSO funding revenue is recognised as the CSOs are performed.

Contracts with Customers

Capital commission still to be earned on open estate administrations as at the reporting date totalled \$317,074 (2023: \$285,485). This amount is based on an estimate of the probate value of the estate and the stage of completion of the administration. An estate administration is usually completed within 12 months of the administration date.

Note 5. Other income

	2024 \$'000	2023 \$'000
Dividends received or receivable from other persons	340	399
Interest Income	19	14
Rental income	4	7
Other income	-	1
	363	420

Other income

Revenue is measured at the fair value of the consideration received or receivable.

- (i) Dividend revenue is recognised when the right to receive a dividend has been established.
- (ii) Interest revenue is recognised using the effective interest method.

Note 6. Net profit for the year

Profit before income tax equivalent includes the following specific expenses:

	2024 \$'000	2023 \$'000
Expenses		
Employee benefits expense		
- wages and salaries (including fringe benefits and non-monetary compensation)	7,141	5,308
- defined benefits superannuation service cost (note 18)	81	89
- long service leave	(150)	137
- recreation leave	104	53
- superannuation	700	522
- payroll tax	388	268
- other associated personnel expenses	590	322
	8,854	6,699
Finance expense		
- defined benefits superannuation net interest cost (note 18)	557	539

Note 7. Tax equivalent expense

	2024 \$'000	2023 \$'000
a. The components of income tax equivalent expense comprise:		
Current tax	(796)	173
Deferred tax	(127)	(304)
	(923)	(131)
b. The prima facie income tax equivalent on profit before income tax is reconciled to income tax equivalent as follows:		
Prima facie tax payable on profit before income tax at 25% (2023: 25%)		
- Entity	(923)	(61)
- Add under/over from prior year	-	(69)
Income tax equivalent (expense) / benefit attributable to entity	(923)	(131)
c. Tax effects relating to each component of other comprehensive income:		
Remeasurement of defined benefit liability		
Before tax amount ⁵	(893)	347
Income tax equivalent (expense) / benefit	223	(87)
Net-of-tax amount	(670)	260
<i>Fair value movement in investments in managed funds</i>		
Before tax amount	1,717	1,334
Income tax equivalent (expense) / benefit	(429)	(334)
Net-of-tax amount	(1,288)	(1,000)

The entity has consistently applied the following accounting policies to all periods presented in these financial statements.

Income tax equivalent

Pursuant to the *Government Business Enterprises Act 1995*, the entity is required to pay an income tax equivalent to the State of Tasmania as if it were a company pursuant to Australian income tax laws. The entity has applied tax effect accounting principles prescribed in AASB112 Income Taxes.

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit, or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

⁵ Note 18 is prepared based on the Report under Australian Accounting Standard AASB119 for the Financial Year Ended 30 June 2024 prepared by Mercer. This report assumes that the contributions and pension benefit payments for the period 1 April 2024 to 30 June 2024 were assumed to be equal to 1/3 of the amounts for the period 1 July 2023 to 31 March 2024, therefore, there is a \$22K discrepancy between note 18 and the Statement of Profit and Loss and Other Comprehensive income, note 7c and note 17, which is due to the actual contributions made.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

No deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, and their measurement also reflects the way management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation, and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- a. a legally enforceable right of set-off exists; and
- b. the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation, and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Note 8. Key management personnel compensation

The aggregate compensation to key management personnel of the entity is set out below.

	Director Remuneration		Senior Management Remuneration		Consolidated	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Short-term employee benefits	181	156	820	881	1,002	1,037
Post-employment benefits	20	17	98	96	118	112
Other long-term employee benefits	-	-	(82)	(9)	(82)	(9)
Termination benefits	-	-	420	-	420	-
Payments to Hays for Contractor Services	-	-	279	150	279	150
	201	173	1,536	1,117	1,737	1,290

For Director remuneration, short term employment benefits include Director fees, Committee fees and other benefits. Post employment benefits represent superannuation contributions.

For Senior Management remuneration, short-term employment benefits include salary, short-term incentive payments, other monetary benefits, vehicle benefits and other non-monetary benefits. Post employment benefits represent superannuation contributions and long-term employee benefits includes leave movements. Termination benefits are as provided for below.

(a) Remuneration for the Board of Directors

The following tables disclose the remuneration details for each person that acted as a director during the current and previous financial year:

2024 Director Remuneration¹

Name	Position	Period	Director Fees \$'000	Committee Fees \$'000	Other Benefits \$'000	Super-annuation ¹ \$'000	Total \$'000
Non-Executive Directors							
Ms T Taylor	Chair	Full Term	42	6	-	5	53
Mr M Dontschuk	Director	Full term	29	6	-	4	39
Mr J Mazengarb	Director	Full Term	29	6	-	4	39
Mr M Grey	Director	Full Term	29	3	-	4	35
Ms K Barker	Director	Full Term	29	3	-	4	35
Total			158	24	-	20	201

2023 Director Remuneration¹

Name	Position	Period	Director Fees \$'000	Committee Fees \$'000	Other Benefits \$'000	Super-annuation ² \$'000	Total \$'000
Non-Executive Directors							
Ms T Taylor	Interim Chair	1/7/2022-23/10/2022 ³	14	1	-	2	16
Ms T Taylor	Chair	24/10/2022-30/6/2023 ⁴	28	3	-	3	34
Mr M Dontschuk	Director	Full term	29	4	-	3	36
Mrs T Matthews	Director	1/7/2022-27/1/2023 ⁵	17	5	-	2	24
Ms B Hingston	Director	1/7/2022-27/1/2023 ⁶	17	2	-	2	22
Mr J Mazengarb	Director	31/1/2023-30/6/2023 ⁷	11	2	-	1	14
Mr M Grey	Director	31/1/2023-30/6/2023 ⁸	11	1	-	1	13
Ms K Barker	Director	31/1/2023-30/6/2023 ⁹	11	1	-	1	13
Total			139	17	-	16	173

Board remuneration notes and statements:

- ¹ Amounts are all forms of consideration paid, payable or provided by the entity, i.e., disclosure is made on an accruals basis as at 30 June.
- ² Superannuation means the contribution to the superannuation fund of the individual.
- ³ Ms T Taylor was appointed as Interim Chair on 1 June 2022.
- ⁴ Ms T Taylor was appointed as Chair on 24 October 2022.
- ⁵ Mrs T Matthews's term completed as Director on the 27 January 2023.
- ⁶ Ms B Hingston's term completed as Director on the 27 January 2023.
- ⁷ Mr J Mazengarb commenced as Director on the 31 January 2023.
- ⁸ Mr M Grey commenced as Director on the 31 January 2023.
- ⁹ Ms K Barker commenced as Director on 31 January 2023.

Board remuneration

Non-executive Directors are appointed by the Governor-in-Council on the joint recommendation of the Treasurer and Portfolio Minister. Each instrument of appointment is for a maximum period of three years and prescribes the relevant remuneration provisions. Directors can be re-appointed in accordance with the relevant Guidelines for Tasmanian Government Businesses - Board Appointments. The level of fees paid to non-executive Directors is administered by the Department of Premier and Cabinet, as is additional fees paid in respect of their work on Board committees.

The level of fees paid to non-executive Directors is administered by the Department of Premier and Cabinet. Superannuation is paid at the appropriate rate as prescribed by superannuation guarantee legislation. No other leave, termination or retirement benefits are accrued or paid to Directors. Directors are entitled to reimbursement of reasonable expenses incurred while attending to Board business. Non-executive Directors' remuneration is reviewed periodically with increases subject to approval by the Treasurer and Portfolio Minister.

(b) Senior Management Remuneration

The following table discloses the remuneration details for each person that acted as Senior Management during the current and previous financial years:

2024 Senior Management remuneration

Name	Position	Period	Salary ¹	Short-Term Incentive Payments ²	Other Monetary Benefits ³	Vehicle Benefits ⁴	Other Non-Monetary Benefits ⁵	Superannuation ⁶	Reported Remuneration ⁷	Other Long-Term Benefits ⁸	Termination Benefits ⁹	Total
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mr T Kennedy	Chief Executive Officer	Full year	228	-	-	20	3	26	278	23	-	301
Ms G Cunningham	General Manager Trustee Services	To 15/11/2023 ¹⁰	57	-	-	-	-	7	65	(81)	203	187
Mr R Clifford	Manager Risk & Compliance	To 9/10/2023 ⁹	38	-	-	-	-	7	45	(29)	85	101
Mr T Levis	Corporate Solicitor	To 16/10/2023 ⁹	48	-	-	-	-	9	57	(38)	132	151
Mr L Paine	IT Manager	From 23/10/2023	95	-	-	-	-	12	107	37	-	144
Ms F McDougall	Manager of People and Culture	From 8/01/2024	62	-	-	-	-	7	69	30	-	99
Sub-total			529	-	-	20	3	69	621	(58)	420	983
Acting arrangements												
Ms F Sullivan	Acting General Manager Trustee Services	01/07/23-01/11/23	54	-	-	-	-	6	60	-	-	60
Ms F Sullivan	MRDA to TSSA Band 8 R1 L3	02/11/23-30/06/24	90	-	-	-	-	10	99	(27)	-	73
Ms R Smith	Acting Northern Manager	Full Year	124	-	-	-	-	14	138	3	-	141
Sub-total			268	-	-	-	-	30	298	(24)	-	274
Payments to Hays for Contractor Services	CFO and Company Secretary	Full Year ¹²	279	-	-	-	-	-	279	-	-	279
Total			1,076	-	-	20	3	98	1,198	(82)	420	1,536

Totals may not add due to rounding

(b) Senior Management remuneration (continued)

2023 Senior Management remuneration

Name	Position	Period	Salary ¹ \$'000	Short-Term Incentive Payments ² \$'000	Other Monetary Benefits ³ \$'000	Vehicle Benefits ⁴ \$'000	Other Non- Monetary Benefits ⁵ \$'000	Superannuation ⁶ \$'000	Reported Remuneration ⁷ \$'000	Other Long-Term Benefits ⁸ \$'000	Termination Benefits ⁹ \$'000	Total \$'000
Mr T Kennedy	Chief Executive Officer	Full year	220	-	-	17	3	25	265	7	-	272
Mr G Lucas	Chief Financial Officer & Company Secretary	To 3/12/2022 ¹¹	62	-	-	-	-	7	69	5	-	74
Ms G Cunningham	General Manager Trustee Services	Full year	138	-	-	-	-	18	156	13	-	169
Mr R Clifford	Manager Risk & Compliance	Full year	125	-	-	-	-	13	138	(9)	-	129
Mr T Levis	Corporate Solicitor	Full year	148	-	-	-	-	16	163	(22)	-	141
Ms F Sullivan	Northern Manager	To 7/12/2022	48	-	-	-	-	5	53	(9)	-	44
Sub-total			742	-	-	17	3	83	845	(15)	-	830
Acting arrangements												
Ms F Sullivan	Acting General Manager Trustee Services	8/12/2022 to 30/6/2023	86	-	-	-	-	9	95	-	-	95
Ms R Smith	Acting Northern Manager	16/3/2023 to 30/6/2023	33	-	-	-	-	3	36	6	-	42
Sub-total			119	-	-	-	-	13	132	6	-	138
Payments to Hays for Contractor Services	CFO and Company Secretary	21/11/2022 to 30/06/2023 ¹²	150	-	-	-	-	-	150	-	-	150
Total			1,011	-	-	17	3	96	1,126	(9)	-	1,117

Totals may not add due to rounding.

Senior Management remuneration notes and statements:

Amounts are all forms of consideration paid, payable or provided by the entity, i.e., disclosure is made on an accruals basis and includes all accrued benefits as at 30 June 2024.

1. Salary includes all forms of consideration paid and payable for services rendered and compensated absences during the period.
2. The Public Trustee does not make short-term incentive payments to staff.
3. Other monetary benefits include all other forms of employment allowances (excludes reimbursements such as travel, accommodation, or meals), payments in lieu of leave, and any other compensation paid and payable to senior managers, either directly or indirectly.
4. Personal use component of the total cost of providing and maintaining a vehicle for a senior manager's use, including registration, insurance, fuel and other consumables, maintenance cost. The Chief Executive Officer was paid an allowance in lieu of a fully maintained motor vehicle, for 2023 financial year and on 8 December 2023, was provided with a fully maintained vehicle.
5. Other non-monetary benefits provided during the financial year include non-monetary benefits that are subject to FBT and those exempt from FBT, including car parking.
6. Superannuation means the contribution paid or payable to the superannuation fund of the individual, measured as follows:
 - i. for individuals in an accumulation superannuation scheme, the amount of superannuation contributions paid and accrued
 - ii. for individuals in a defined benefits superannuation scheme, superannuation includes the relevant notional employer contributions calculated using a notional cost based on 12.95% of base salary. Other long-term benefits are annual and long service leave movements.
7. Reported Remuneration includes the individual's salary, short term incentive payments, other monetary benefits, vehicle benefits, other non-monetary benefits, and superannuation. For the purposes of assessing compliance with the Guidelines, Other long-term employee benefits and termination benefits are not included in the Reported Remuneration amount.
8. Other long-term benefits include movements are annual leave accruals and long service leave provisions.
9. Termination benefits include all forms of benefit paid or accrued because of termination, including leave entitlements, redundancy payment paid out on termination. Three Senior Managers (G Cunningham, R Clifford and T Levis) accepted TNVR.
10. Ms Cunningham commenced long term leave on 8 December 2022 until 15 November 2023.
11. Mr Lucas resigned effective 3 December 2022.
12. As part of the People and Culture Strategy and organisational restructure, a new position titled Director of Corporate Services is to be established replacing the Chief Financial Officer and Company Secretary Position. The Chief Financial Officer and Company Secretary role has been filled through contractors from 21 November 2022 through to the 30 June 2024. An amount of \$150,047 was paid to Hays for the 2023 financial year and \$279,647 for the 2024 financial year.

Senior Management remuneration

Remuneration levels for key management personnel are set in accordance with the following:

- The Chief Executive Officer - contained in an individual Instrument of Appointment which prescribes total remuneration, superannuation, annual and long service leave, motor vehicle and salary sacrifice provisions.
- The Corporate Solicitor is remunerated pursuant to the Legal Practitioners Agreement.
- All other Senior Managers are remunerated pursuant to the State Service Award.

The Chief Executive Officer is appointed by the Premier on the recommendation of the Board. The remuneration package is in accordance with the Senior Executive Service determination. There is no provision within the senior managers' remuneration packages for the payment of short-term incentives based on meeting key performance indicators.

The performance of each Senior Manager, including the Chief Executive Officer, is reviewed annually.

The terms of employment of the Chief Executive Officer contains a termination clause that requires the Chief Executive Officer to provide a minimum 3 (three) months' notice. The Premier may terminate the appointment of the Chief Executive Officer by given notice of up to five weeks. Instruments of Appointment have durations not exceeding five years.

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Termination Benefits

Termination payments during the current year included:

- Mr R Clifford accepted targeted and negotiated voluntary redundancies (TNVR) and ceased employment effective 10 October 2023 and was paid \$22,278 representing the balance of his accrued annual, long service entitlements and \$62,832 redundancy package.
- Mr T Levis accepted targeted and negotiated voluntary redundancies (TNVR) and ceased employment effective 17 October 2023 and was paid \$38,148 representing the balance of his accrued annual, long service entitlements and \$93,708 redundancy package.
- Ms G Cunningham accepted targeted and negotiated voluntary redundancies (TNVR) and ceased employment effective 16 November 2023 and was paid \$72,640 representing the balance of her accrued annual, long service entitlements and \$130,687 redundancy package.

Acting Arrangements

When members of key management personnel are unable to fulfill their duties, consideration is given to appointing other members of senior staff to their position during their period of absence.

Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month. In the year ended 30 June 2023 and 30 June 2024, Ms Sullivan and Ms Smith were appointed to the above positions for the periods shown, whilst Ms Cunningham was on extended leave until November 2023.

(c) Overseas travel

There was no overseas travel undertaken on behalf of the entity during the year by the Chair, Directors, or staff.

Note 9. Auditor's remuneration

	2024 \$'000	2023 \$'000
Remuneration of the auditor for:		
- auditing the financial statements	60	50

Note 10. Dividends

	2024 \$'000	2023 \$'000
Declared and paid	-	-

The entity pays dividends in accordance with its statutory requirements as determined under Part 11 Division 2 of the Government Business Enterprises Act 1995.

On 29 August 2014, the Treasurer made public that Government Business Enterprises are required to pay 90% of net profits after tax as a dividend each year, unless a business can justify a lower pay-out policy. The entity has an agreement with Government that a dividend will only become payable should the amount of that dividend exceed the Community Service Obligation funding gap for that year.

On 19 August 2024, the Board of Public Trustee has recommended to the Shareholding Ministers that no dividend is payable in respect of the year ended 30 June 2024 (2023: \$Nil).

Note 11. Cash and cash equivalents

	2024 \$'000	2023 \$'000
Short term bank deposits	3,014	2,548
	3,014	2,548

The effective interest rate on short-term bank deposits was between 2.48% and 5.75% (2023: between 0.23% and 3.42%).

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2024 \$'000	2023 \$'000
	3,014	2,548

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

In its capacity as trustee and financial administrator, the entity holds funds on behalf of clients that are not available for use by the entity. Details of the cash held under management and trusteeship have been included at note 27. As at 30 June 2024 cash or cash equivalent assets disclosed above are not restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Note 12. Trade and other receivables

	2024 \$'000	2023 \$'000
Contract with customers receivable	317	285
Other receivables	849	349
	1,166	634

Credit risk

The entity has no trade receivables therefore no significant concentration of credit risk with respect of any single counterparty or group of counterparties. Other receivable amounts relate to accrued revenue and distributions receivable from investment in unlisted managed funds. Contract with customers receivable represent amounts earned on estate administrations but not yet charged to client accounts.

Note 13. Other financial assets

	2024 \$'000	2023 \$'000
Current		
Investments in managed funds at fair value through other comprehensive income.	4,220	8,108
	4,220	8,108
Non-current		
Investments in managed funds at fair value through other comprehensive income.	10,266	9,361
	10,266	9,361

The entity classifies its investments in managed funds at fair value through other comprehensive income. There are no fixed returns or fixed maturity dates attached to these investments. A total of \$4.7million was redeemed from invested funds in the 2023-24 financial year.

The non-current asset portion is based on the Board's intention to invest funds to fund the non-current superannuation liability. The current assets will be used to support the operations of the Public Trustee during the 2024-25 financial year.

Financial instruments

(i) Non-derivative financial assets

The entity initially recognises financial assets on the trade date at which the entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. The entity subsequently measures financial assets at either amortised cost or fair value.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset that is created or retained by the entity is recognised as a separate asset or liability.

On initial recognition, the entity classifies its financial assets as subsequently measured at either amortised cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(ii) Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments to principal and interest.

(iii) Financial assets measured at fair value

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes in value recognised in profit or loss.

However, for investments in non-rated managed funds that are not held for trading, the entity may elect at initial recognition to present gains and losses in other comprehensive income. For instruments measured at fair value through other comprehensive income, gains or losses are never classified to profit or loss and no impairments are recognised in profit or loss.

Distributions earned from such investments are recognised in profit or loss unless the distribution clearly represents a repayment of part of the cost of the investment.

(iv) Non-derivative financial liabilities

The entity initially recognises financial liabilities on the trade date, which is the date the entity becomes a party to the contractual provision of the instrument.

The entity classified all other non-derivative financial liabilities into the amortised cost measurement category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities comprise trade and other payables.

(v) Impairment

At the end of each reporting date, the entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment because of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

(vi) De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled, or have expired.

The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Note 14. Plant and equipment

	2024 \$'000	2023 \$'000
Plant and equipment		
Leasehold improvements at cost	1,449	1,434
Accumulated depreciation	(1,072)	(929)
	377	505
Fixtures, furniture, and equipment at cost	1,732	1,602
Accumulated depreciation	(1,429)	(1,288)
	303	314
Software Development at cost	57	52
Accumulated Amortisation	(27)	(16)
	30	36
Client Management System at cost	439	439
Accumulated Amortisation	(426)	(423)
	13	16
Capital works in progress	56	25
	56	25
	779	896

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below.

Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

Movement in carrying amounts

Movement in the carrying amounts of each class of plant and equipment between the beginning and end of the current financial year:

2024	Leasehold Improvements ¹	Fixtures, Furniture and Equipment ²	Software Development	Client Management System	Capital Works in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	505	314	36	16	25	896
Additions	15	81	-	-	111	207
Reclassifications	-	49	6	-	(55)	-
Expensed	-	-	-	-	(25)	(25)
Asset write-offs	-	-	-	-	-	-
Depreciation expense	(143)	(141)	(12)	(3)	-	(299)
Carrying value at 30 June	377	303	30	13	56	779

2023	Leasehold Improvements ¹	Fixtures, Furniture and Equipment ²	Software Development	Client Management System	Capital Works in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	628	268	47	22	-	965
Additions	8	171	-	-	34	213
Reclassifications	9	-	-	-	(9)	-
Asset write-offs	-	-	-	-	-	-
Depreciation expense	(140)	(125)	(10)	(6)	-	(281)
Carrying value at 30 June	505	314	36	16	25	896

¹ Nil assets were retired in 2024 (2023: Nil assets were retired in 2023)

² Nil fully depreciated, redundant assets were retired in 2024 (2023: \$55,554)

Impairment of assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g., in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Note 15. Trade and other payables

	2024 \$'000	2023 \$'000
Current		
Trade payables	189	90
Sundry payables and accrued expenses	414	426
	603	516

Trade and other payables

Trade and other payables represent the liability for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

Note 16. Deferred tax asset

	2024 \$'000	2023 \$'000
Non-Current		
Deferred tax assets		
Balance at 1 July	2,468	2,727
Provisions - employee benefits	422	(8)
Fixed assets	(40)	7
Other expenses	(177)	4
Revenue	(233)	-
Prepayments	-	(2)
Lease liabilities	52	(101)
Change in value of managed funds	(257)	(184)
Right of use assets	155	98
Carry-forward tax losses	796	(73)
Balance at 30 June	3,186	2,468

Note 17. Provisions

	2024 \$'000	2023 \$'000
Analysis of total provisions		
Current		
Losses	1	5
Recreation leave	502	398
Long service leave	315	535
Defined benefits obligation	562	850
Total current	1,380	1,788
Non-Current		
Long service leave	309	239
Defined benefits obligation	10,266	9,361
Total non-current	10,575	9,600
Total Provisions	11,955	11,388
Losses		
Balance at 1 July	5	10
Additional provisions	52	24
Amounts used	(56)	(29)
Balance at 30 June	1	5
Employee benefits		
Balance at 1 July	11,383	11,413
Additional provisions	484	967
Amounts used	(806)	(650)
Provision - defined benefit obligation ⁸	893	(347)
Balance at 30 June	11,954	11,383

Provisions

Provisions are recognised when the entity has a legal or constructive obligation, because of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting date.

Provision employee benefits

Provision for employee benefits represents amounts accrued for recreation leave, long service leave and defined benefits obligations.

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the entity has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

The current portion of this provision included the total amount accrued for recreation leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on experience, the entity does not expect the full amount of recreation

⁸ Note 18 is prepared based on the Report under Australian Accounting Standard AASB119 for the Financial Year Ended 30 June 2024 prepared by Mercer. This report assumes that the contributions and pension benefit payments for the period 1 April 2024 to 30 June 2024 were assumed to be equal to 1/3 of the amounts for the period 1 July 2023 to 31 March 2024, therefore, there is a \$22K discrepancy between note 18 and the Statement of Profit and Loss and Other Comprehensive income, note 7c and note 17, which is due to the actual contributions made.

leave or long service leave balances classified as current liabilities to be settled within the next twelve months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer settlement of these amounts in the event employees wish to use their leave entitlements.

ii. Other long-term employee benefits

The entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Note 18. Retirement benefit obligations

Fund information

The Retirement Benefits Fund ("RBF") is a defined benefit fund in which members receive lump sum or pension benefits on retirement, death, invalidity or upon reaching preservation age after resignation. The defined benefit section of RBF is closed to new members.

Regulatory Framework

The Scheme operates under the *Public Sector Superannuation Reform Act 2016* and the *Public Sector Superannuation Reform Regulations 2017*. Although the Scheme is not formally subject to the Superannuation Industry (Supervision) (SIS) legislation, the Tasmanian Government has undertaken (in a Heads of Government Agreement) to operate the scheme in accordance with the SIS legislation as far as practicable. As an exempt public sector superannuation scheme (as defined in the SIS legislation), the Scheme is not subject to any minimum funding requirements.

RBF is a complying superannuation fund within the provisions of the *Income Tax Assessment Act 1997* such that the fund's taxable income is taxed at a concessional rate of 15%. However, RBF is also a public sector superannuation scheme which means that employer contributions may not be subject to the 15% tax (if the Tasmanian Government and RBF elect) up to the amount of "untaxed" benefits paid to members in the year.

The Superannuation Commission (the Commission) has fiduciary responsibility for, and oversees the administration of, the Scheme. The day to day running of the Scheme is managed by the Office of the Superannuation Commission, within the Department of Treasury and Finance.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

Description of risks

There are several risks to which the Scheme exposes the Public Trustee. The more significant risks relating to the defined benefits are:

Investment Risk - The risk is that investment returns will be lower than assumed and employers will need to increase contributions to offset this shortfall over the long term.

Salary growth risk - The risk is that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and the associated employer contributions over the long term.

Inflation risk - The risk is that inflation is higher than anticipated, increasing pension payments and the associated employer contributions over the long term.

Benefit options risk - The risk is that a greater proportion of members who joined prior to 1 July 1994 will elect the pension option, which is generally more costly than the alternative lump sum option.

Pensioner mortality risk - The risk is that a pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period.

Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

Description of significant events

There were no curtailments or settlements during the year.

	2024 \$'000	2023 \$'000
Reconciliation of the defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	12,842	13,033
Current service cost	81	89
Interest cost	700	673
Contributions by plan participants	37	35
Actuarial gains	854	(324)
Benefits paid	(1,170)	(662)
Taxes, premiums, and expenses paid	(1)	(2)
Present value of defined benefit obligations at the end of the year	13,343	12,842
Reconciliation of the fair value of scheme assets		
Fair value of plan assets at the beginning of the year	2,631	2,588
Interest income	143	134
Actual return on plan assets less interest income	(17)	29
Employer contributions	892	509
Contributions by plan participants	37	35
Benefit paid	(1,170)	(662)
Taxes, premiums, and expenses paid	(1)	(2)
Fair value of plan assets at the end of the year	2,515	2,631
Reconciliation of the net defined benefit liability		
Defined benefit obligation	13,343	12,842
Fair value of plan assets	(2,515)	(2,631)
Net defined benefit liability	10,828	10,211
Current net liability	562	850
Non-current net liability	10,266	9,361
	10,828	10,211

	2024 \$'000	2023 \$'000
Reconciliation of the Effect of the Asset Ceiling		
The asset ceiling has no impact on the net defined benefit liability.		
Expense recognised in the statement of comprehensive income		
Service cost	81	89
Interest cost	557	539
	638	628
Amounts recognised in other comprehensive income		
Actuarial gains / (losses) ⁹	(871)	353
Cumulative amount recognised in other comprehensive income		
Cumulative amount of actuarial (gains) / losses at end of prior year	1,100	1,453
Actuarial (gains) / losses recognised during the year	871	(353)
Cumulative amount of actuarial (gains) / losses at end of year	1,971	1,100

Fair Value of scheme assets as at 30 June 2024 [^]

Asset category	Total	Quoted prices in active markets for identical assets - Level 1	Significant observable inputs - Level 2	Unobservable inputs - Level 3
	\$'000	\$'000	\$'000	\$'000
Cash Deposits	-	-	-	-
Australian equities	440	-	440	-
International equities	546	-	546	-
Infrastructure	395	-	101	294
Diversified fixed interest	561	-	561	-
Property	392	-	40	352
Alternative Investments	181	-	181	-
Total	2,515	-	1,869	646

[^] Estimated based on assets allocated to Public Trustee as at 30 June 2024 and asset allocation of the RBF Scheme as at 30 June 2023.

Fair value of the entity's own financial instruments

The fair value of Scheme assets includes no amounts relating to:

- any of the Public Trustee's own financial instruments, and
- any property occupied by, or other assets used by, the Public Trustee.

Assets are not held separately for each reporting entity but are held for the Fund as a whole. The fair value of the Scheme assets for each reporting entity was estimated by allocating the total Fund assets in proportion to the value of the entity's funded liabilities, calculated using assumptions, except for the discount rate. For the purposes of allocating assets to each reporting entity, the Government Bond yield of 4.55% has been used, to be consistent with the allocation of assets reported to the Department of Treasury and Finance.

⁹ Note 18 is prepared based on the Report under Australian Accounting Standard AASB119 for the Financial Year Ended 30 June 2024 prepared by Mercer. This report assumes that the contributions and pension benefit payments for the period 1 April 2024 to 30 June 2024 were assumed to be equal to 1/3 of the amounts for the period 1 July 2023 to 31 March 2024, therefore, there is a \$22K discrepancy between note 18 and the Statement of Profit and Loss and Other Comprehensive income, note 7c and note 17, which is due to the actual contributions made.

	30 June 2024	30 June 2023
Significant actuarial assumptions at the reporting date		
Discount rate (active member and pensioners)	5.70% pa	5.35% pa
Expected rate of increase in compulsory preserved amounts	3.50% pa	5.50% pa
Expected salary increase rate	3.50% pa	3.50% pa
Expected pension increase rate ¹	3.50% pa	5.50% pa
Assumptions to determine end of year defined benefit obligation:		
Discount rate (active member and pensioners)	5.55% pa	5.70% pa
Expected rate of increase in compulsory preserved amounts ²	3.50% pa	3.50% pa
Expected salary increase rate	3.50% pa	3.50% pa
Expected pension increase rate ²	3.50% pa	5.50% pa

¹ 3.50% for 2024/25, 3.0% for 2025/26; and then 2.50% pa.

² 3.50% for 2024/25, 3.00% for 2025/26; and then 2.50% pa.

Sensitivity analysis

The defined benefit obligation as at 30 June 2024 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

	Base case	Scenario A	Scenario B	Scenario C	Scenario D
		-1.0% pa discount rate	+1.0% pa discount rate	-1.0% pa pension increase rate	+1.0% pa pension increase rate
Discount rate	5.55% pa	4.55% pa	6.55% pa	5.55% pa	5.55% pa
Pension increase rate	2.50% pa	2.55% pa	2.50% pa	1.50% pa	3.50% pa
Defined benefit obligation (\$'000)	13,343	14,665	12,221	12,390	14,467

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

The pension increase assumptions in the above table are long term pension increase assumptions. Higher rates are assumed for the next two years. In Scenarios C & D, both the short term and long-term assumptions have been adjusted.

Asset-Liability matching strategies

We are not aware of any asset and liability matching strategies adopted by the Fund.

Funding arrangements

The employer contributes a percentage of each lump sum or pension benefit payment. This percentage may be amended by the Minister on the advice of the Actuary.

30 June 2024
\$'000

Expected contributions

Financial Year Ending

Expected employer contributions

562

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation for the Public Trustee is 10.6 years.

Employee benefits

i. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

ii. Defined benefits plan

The entity's defined benefits plan is in respect of current and former employees who have defined benefits arising from membership of the contributory section of the Tasmanian Government's Retirement Benefits Fund.

The entity's net obligation in respect of its defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a Tasmanian Government appointed qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the entity, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income.

The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the corporate bond discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), considering any changes in the net defined benefit liability (asset) during the period because of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The entity recognises gains and losses on settlement of a defined benefit plan when the settlement occurs.

Note 19. Reserves

	2024 \$'000	2023 \$'000
Fair value reserve		
Balance at beginning of year	1,763	763
Fair value movement in investments in managed funds (net of related tax)	1,288	1,000
Balance at end of the year	3,051	1,763

The fair value reserve is used to recognise the change in fair values of managed investment funds that are measured at fair value through other comprehensive income.

Note 20. Right of Use Assets and Lease Liabilities

a. Right of use assets

	Property \$'000	Vehicles \$'000	Total \$'000
2024			
Balance as at 1 July 2023	838	1	839
Additions/Disposals*	-	124	124
Depreciation charge for the year	(386)	(33)	(419)
Re-measurements	(325)	-	(325)
Balance as at 30 June 2024	127	92	219
2023			
Balance as at 1 July 2022	1,230	4	1,234
Depreciation charge for the year	(392)	(3)	(396)
Balance as at 30 June 2023	838	1	839

In contracts where the Public Trustee is a lessee the Public Trustee will recognise a right of use asset and a lease liability at the commencement date of the lease, unless the short term or low value exemption applies, refer to note 20(b) for details on accounting policy of lease liabilities.

A right of use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of

costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right of use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

* In 2023-24 financial year, one motor vehicle was traded for a new lease and a further four motor vehicles were purchased on lease plans.

b. Lease Liabilities

	2024 \$'000	2023 \$'000
Lease liabilities included in the statement of financial position at 30 June		
Current	212	441
Non-Current	48	477
	260	918
Maturity Analysis - contractual undiscounted cash flows		
Less than one year	212	441
One to five years	48	477
More than five years	-	46
Total undiscounted lease liabilities at 30 June	260	964

The lease for the Hobart office commenced on 1 January 2014. It is a fixed term lease for seven (7) years and nine (9) months. It expired on 1 October 2021. The contract provides for rental increases at a rate of 3% per annum and an option to renew for a term of a further three years. In January 2021 the Public Trustee exercised the option to extend the lease for a period of three years to September 2024.

The lease for the Launceston office commenced on 1 January 2019. It is a fixed term lease for five (5) years and two (2) months. It expired on the 29 February 2024. The contract provides for rental increases at a rate of 3% per annum with two (2) options to renew for terms of three years respectively. In February 2024 the Public Trustee exercised the option to extend the lease for a period of one year to February 2025. The lease has been re-measured to reflect this extension.

The lease for the Devonport office commenced on 1 July 2020. It is a fixed term lease for five (5) years. It expires on 30 June 2025. The contract provides for rental increases at a rate of 3% per annum with two (2) options to renew for terms of five (5) years respectively. Right of Use obligations for this lease have been re-measured in FY24 to only consider the first 5 years, based on assumption that further lease options will not be exercised.

One motor vehicle lease commenced 2021. It was a fixed term lease for three (3) years and expired in August 2024. Five new motor vehicle leases commenced in 2023-24 financial year: K53YO commenced 27 July 2024; K76WP commenced 11 July 2024; L99BG commenced 1 August 2024; L06BH commenced 19 September 2024 & L69LB commenced 8 December 2024. All motor vehicle leases are for a period of three years to FY27.

The lease liability is measured at the present value of outstanding payments that are not paid at balance date, discounted by using the rate implicit in the lease. Where this cannot be readily determined then the Public Trustee will use an incremental borrowing rate for a similar term where a similar security is used. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

Short term leases and leases of low value assets

The Public Trustee has elected not to recognise right of use assets and lease liabilities for short term leases (leases with a term of less than 12 months) or low value assets (the value of the leased asset is less than \$10,000). The lease payments associated with these leases are treated as an expense.

c. Amounts recognised in profit or loss

	2024 \$'000	2023 \$'000
Interest on lease liabilities	19	26

d. Amounts recognised in the statement of cash flows

	2024 \$'000	2023 \$'000
Total cash outflow for leases	477	432

Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change, including the following: future lease payments arising from a change in an index, or a rate used; and lease term. When a lease liability is remeasured, an adjustment is made to the corresponding right of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The profit and loss impact of leases has been shown through depreciation and interest charges. In the Statement of Cash Flows, lease payments and interest expense have been presented as cash flows from financing activities.

Short-term leases (lease term of 12 months or less) and leases of low-value assets are recognised as a lease expense on a straight-line basis as permitted by AASB 16. The profit and loss impact of these leases has been shown through occupancy costs. These expenses have been presented in the Statement of Cash Flows as operating activities.

Impairment of assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g., in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Note 21. Cash flow information

Reconciliation of cash flows from operations with profit after income tax

	2024 \$'000	2023 \$'000
Profit / (loss) after income tax before other comprehensive income	(2,577)	177
Non-cash and non-operating items in profit for the year:		
Depreciation	717	622
Impairment	-	55
Dividend financing income	(340)	(399)
Lease Interest Expense	19	26
Remeasurement of defined benefit obligations recognised in equity	(893)	347
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	(583)	19
(Increase) / decrease in prepayments	(36)	7
(Increase) / decrease in current tax assets	(5)	31
(Increase) / decrease in deferred tax assets	(1,033)	(795)
Increase / (decrease) in trade and other payables	77	(19)
Increase / (decrease) in provisions	567	(36)
Increase / (decrease) in deferred tax liabilities	110	634
Cash flows used in operations	(3,977)	669

Note 22. Contingent liabilities and contingent assets

The entity had no other contingent liabilities and no contingent assets at the end of the reporting period (2023: nil).

Note 23. Events after the reporting period

There were no other matters that have occurred after balance date requiring disclosure.

Note 24. Operating segments

The entity provides trustee and related financial services and operates predominantly in Tasmania and has no separate operating segments.

Note 25. Related party transactions

a. The entity's main related parties are as follows:

Key management personnel

Any person(s) having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel. For details of disclosures relating to key management personnel, refer to note 8: Key management personnel compensation.

Other related parties

Other related parties include entities over which key management personnel have joint control.

b. Transactions with related parties

There were no related party transactions during the year ended 30 June 2024.

Note 26. Financial risk management

The entity's financial instruments consist mainly of deposits with banks, investments in unlisted managed funds and trade and other receivables / payables.

The totals for each category of financial instruments are as follows.

	2024 \$'000	2023 \$'000
Financial assets		
Cash and cash equivalents	3,014	2,548
Trade and other receivables	1,166	634
Other financial assets	14,486	17,469
	18,665	20,651
Financial liabilities		
Trade and other payables	603	516
	603	516

Financial risk management policies

The Directors' overall risk management strategy seeks to assist the entity in meeting its financial targets, while minimising potential adverse effects on financial performance.

Specific financial risk exposure and management

The main risks the entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

There have been no substantive changes in the types of risks the entity is exposed to, how these risks arise, or the Board's objectives, policies, and processes for managing or measuring the risks from the previous period.

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

Credit risk is managed through maintaining procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 14 to 30 days from the date of invoice.

The entity minimises the risks associated with the investment of its corporate funds by investing strictly in accordance with its Corporate Funds Investment Policy which complies with the Treasurer's Instruction

GBE 07-44-01. The policy is monitored regularly and reviewed on an annual basis by the Directors.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Directors have otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The entity has no significant concentrations of credit risk with any single counterparty or entity of counterparties. Details with respect to credit risk of trade and other receivables are provided in note 12.

Trade and other receivables that are neither past due nor impaired are of high credit quality. Aggregates of such amounts are as detailed in note 12.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved Board policy. The following table provides information regarding the credit risk relating to cash and money market securities based on issuer credit ratings:

	2024 \$'000	2023 \$'000
Cash and cash equivalents		
S&P AA-	1,044	883
S&P A	345	292
Moodys A3	382	322
S&P BBB+	202	171
Moodys Baa2	269	228
S&P BBB	772	652
	3,014	2,548
Financial assets		
Unrated	14,486	17,469

b) Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities,
- maintaining a reputable credit profile,
- only investing surplus cash with major financial institutions, and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects the undiscounted contractual maturity for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial liabilities due for payment						
Trade and other payables	(603)	(516)	-	-	(603)	(516)
Total expected outflows	(603)	(516)	-	-	(603)	(516)
Financial assets - cash flow realisable						
Cash and cash equivalents	3,014	2,548	-	-	3,014	2,548
Trade and other receivables	1,166	634	-	-	1,166	634
Total anticipated inflows	4,180	3,182	-	-	4,180	3,182
Net inflow on financial instruments	3,577	2,666	-	-	3,577	2,666

c) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The entity is also exposed to earnings volatility on floating rate instruments. The financial instruments which primarily expose the entity to interest rate risk are government and fixed interest securities and cash and cash equivalents.

Price Risk

Price risk relates to the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held. Such risk is managed through diversification of investments across industries and geographic location.

d) Sensitivity analysis

The following table illustrates sensitivities to the entity's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

	Profit \$'000	Equity \$'000
Year ended 30 June 2024		
+/- 100 bps in interest rates	30	23
+/- 100 bps in investments	145	109
Year ended 30 June 2023		
+/- 500 bps in interest rates	151	113
+/- 500 bps in investments	724	543

e) Net fair values

i. Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. Where securities are unlisted, and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the entity. Most of these instruments, which are carried at amortised cost (i.e. trade receivables) are to be held until maturity and therefore the net fair value figures calculated bare little relevance to the entity.

ii. Financial instruments measured at fair value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted unit prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2024 Financial assets				
Investments in unlisted managed funds	-	14,486	-	14,486
2023 Financial assets				
Investments in unlisted managed funds	-	17,469	-	17,469

The fair value of investments in unlisted managed funds has been based on the closing quoted unit prices at the end of the reporting period, excluding transaction costs.

Note 27. Client assets under management and trusteeship

The entity manages the assets of its clients pursuant to *The Public Trustee Act 1930*. These assets are not reflected in the Statement of Financial Position as they are held in trust. The entity maintains one investment fund to provide clients with a prudent investment for the circumstances of each client.

Other client assets include those assets listed within client accounts that do not form part of the Common Fund (e.g., Bank accounts; Superannuation accounts; Managed funds; Unitised investments; Realty and Sundry assets).

	Common Fund \$'000	No. 2 Fund \$'000	Other Client Assets \$'000	Total \$'000
2024				
Net assets				
Cash	19,466	(847)	9,819	28,438
Term deposits	62,200	-	3,084	65,284
Receivables	1,223	708	-	1,931
Payables	(74)	(626)	-	(700)
Financial Assets	-	94,897	-	94,897
Superannuation Investments	-	-	14,351	14,351
Shares & External Managed Funds	-	-	14,613	14,613
Other Non-financial Assets (Realty & Sundry)	-	-	144,153	144,153
	82,815	94,132	186,020	362,967
Equity				
Client funds	79,801	94,132	186,020	359,953
Entity funds	3,014	-	-	3,014
	82,815	94,132	186,020	362,967
2023				
Net assets				
Cash	6,819	2,189	10,990	19,998
Term deposits	60,400	-	4,455	64,855
Receivables	712	821	-	1,533
Payables	(66)	(920)	-	(279)
Financial assets	-	86,955	-	86,955
Superannuation Investments	-	-	12,381	12,381
Shares & External Managed Funds	-	-	13,403	13,403
Other Non-financial Assets (Realty & Sundry)	-	-	135,762	135,762
	67,865	89,045	176,991	334,608
Equity				
Client funds	65,317	89,045	176,991	332,060
Entity funds	2,548	-	-	2,548
	67,865	89,045	176,991	334,608

i. Term Deposits

Term deposits represent balances held in bank accounts and other short-term deposits. Short term deposits are updated as at 30 June each year. Balances held in bank accounts are generally updated at commencement of the file and subsequently at the most recent review.

ii. Shares and External Managed Funds

Shares and External Managed Funds represent listed equities, listed and unlisted unit trusts, fixed interest rate investments, unlisted shares and unlisted unit trust investments. Listed equities are valued at fair value (market value).

iii. Superannuation Investments

Superannuation investments represent funds held in superannuation, life insurance policies, annuities and pension accounts. Australian Super is the Public Trustee's default superannuation provider for clients and is updated at the 30 June to the current valuation of the fund. Other Superannuation investments are updated on review.

iv. Other Non-Financial Assets (Realty and Sundry)

Other non-financial assets include realty such as homes, vacant land and buildings. Generally, property values are obtained at the commencement of a file and are provided by independent registered property valuers engaged by the Public Trustee, or alternatively by utilising the most recent Valuer-General valuation. Reviews of realty asset values are undertaken based on the type of service and customer (e.g. deceased estates, financial management, trusts), considering the views of the client (for financial management), and the need for updated valuation advice at the time of preparing realty for sale. Detailed valuation guidelines are contained in the relevant operating procedures of the Public Trustee.

Homes include retirement dwellings, relocatable and mobile homes and can be valued at original cost, estimated market value or by utilising an external independent valuer where appropriate.

Other assets include all assets not separately disclosed above. The main items included in this category are vehicles, and the Trees Trust.

A summary of the investment flows to and from each fund and the allocation of net fund earnings follows:

	Common Fund	No. 2 Fund	Total
2024			
Fund value			
Balance as at 1 July	67,865	89,044	156,909
Applications	174,356	6,951	181,307
Redemptions	(159,406)	(12,846)	(172,252)
Net profit	2,849	10,966	13,815
Distributions	(2,849)	(4,393)	(7,242)
Balance as at 30 June	82,815	89,722	172,537
2023			
Fund value			
Balance as at 1 July	73,246	83,925	157,171
Applications	156,101	7,679	163,780
Redemptions	(161,482)	(10,346)	(171,828)
Net profit	1,197	8,665	9,862
Distributions	(1,197)	(879)	(2,076)
Balance as at 30 June	67,865	89,044	156,909

Note 28. Economic dependency

The entity is reliant on the funding received from the Tasmanian Government in respect of the Community Service Obligations (CSO) performed by the entity. The previous 1-year interim CSO agreement expired 30 June 2023. No CSO agreement was in place for FY24, however the funding based on the 2023-24 State Budget was paid on 21 June 2024 via Treasurer's instruction.

The budgeted Government funding to be received by the entity during the year ended 30 June 2024 was \$4,539,000. The Public Trustee received the IRPT Grant funding of \$1,150,000 and on the 21st June 2024 received the CSO funding of \$3,389,000 (2023: \$4,501,000). The late payment required the Public Trustee to draw down on investments for liquidity purposes, in turn this reduced the return on investment the Public Trustee received.

The break-down of budgeted Government funding for 2024 financial year is as follows:

CSO Funding	\$3,389,000
IRPT - Grant Funding	\$1,150,000

The Tasmanian Government's 2022-2023 State Budget provided \$4.3 million over four years to implement the Independent Review's recommendations. A further \$4.5 million has been provided to meet the costs associated with the delivery of the Public Trustee Community Service Obligation for the 2023-24 Financial Year.

In response to these events or conditions, which may increase uncertainty in the Public Trustee's ability to continue as a going concern, the Directors draw attention to following mitigations:

- The Public Trustee made an updated budget submission to the Department of Treasury and Finance for 2024-25 State Budget;
- The Public Trustee is working constructively with its Shareholder Ministers on a new 3-year Community Service Obligation Agreement (CSO) to address the existing CSO funding shortfall; and
- The Public Trustee has sufficient reserves which it is utilising which are expected to be sufficient until FY26.

After consideration of the above mitigations, the Directors are of the opinion that there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due, over the next 12 months. However, there is a level of material uncertainty in the sustainability of the Public Trustee's operations in the foreseeable future. The uncertainty is due to concerns regarding the continued and increasing CSO funding shortfall, the rising costs of operations and increased resourcing required from the Independent Review and increased obligations under the *Guardianship and Administration Amendment Act 2023*. The Public Trustee will also consider the future impact of implementing recommendations from the Office of the Tasmanian Economic Regulator Review into the Public Trustees fees and charges.

Note 29. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases
Investments in unlisted managed funds	Fair value - closing quoted unit prices at the end of the reporting period, excluding transaction costs.
Net defined benefits obligation	Fair value of plan assets less the present value of the defined benefit obligation.
Lease Liabilities	Present value of lease liability.

Note 30. Events occurring after balance date

There have been no events subsequent to balance date which would have a material effect on the financial statements as at 30 June 2024.

Note 31. Other material accounting policies and judgements

Under AASB 2021-6 Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

The Public Trustee has disclosed material accounting policy information. The Accounting policy information has been considered material, if when considered together with other information included in the Public Trustee's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make based on those financial statements.

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO").

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows in the Statement of Cash Flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from clients or payments to suppliers.

Statement of Certification

In the opinion of the directors of the Public Trustee ("the entity"):

- a) the financial statements and notes of the entity are in accordance with the *Government Business Enterprises Act 1995*, including:
 - (i) giving a true and fair view of the results and cash flows for the year ended 30 June 2024 and the financial position as at 30 June 2024 of the entity; and
 - (ii) complying with the Australian Accounting Standards and Interpretations and with the Treasurer's Instructions.
- b) there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due, over the next 12 months, however, there is a level of material uncertainty in the sustainability of the Public Trustee's operations in the foreseeable future. The uncertainty is due to concerns regarding the continued and increasing CSO funding shortfall, the rising costs of operations resulting from increased resourcing required in response to the recommendations of the Independent Review, changes in the requirements under the Guardianship and Administration Act 1995, together with the likely changes required under the Office of the Tasmanian Economic Regulator Review and investment required in technology improvements and efficiencies.

This declaration has been made after receiving the following declaration from the Chief Executive Officer and Chief Financial Officer of the entity:

- a) the financial records of the enterprise for the year ended 30 June 2024 have been properly maintained in accordance with Section 51 of the *Government Business Enterprises Act 1995*;
- b) the financial statements and notes for the year ended 30 June 2024 have been prepared in accordance with Section 52 of the *Government Business Enterprises Act 1995*; and
- c) the financial statements and notes for the year ended 30 June 2024 give a true and fair view.

Signed in accordance with a resolution of the directors:



Therese Taylor
Chair

Hobart, 23 September 2024



John Mazengarb
Director

Hobart, 23 September 2024

Independent Auditor's Report



Independent Auditor's Report
To the Members of Parliament
Public Trustee
Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Public Trustee, which comprises the statement of financial position as at 30 June 2024 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification signed by the directors.

In my opinion, the accompanying financial report is in accordance with the *Government Business Enterprises Act 1995*, including:

- (a) giving a true and fair view of the Public Trustee financial position as at 30 June 2024 and of its financial performance and its cash flows for the year then ended
- (b) complying with Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Public Trustee in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I confirm that the independence declaration was provided to the directors of the Public Trustee on the same date as this auditor's report.

Independent Auditor's Report

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

Material Uncertainty Related to Going Concern

I draw attention to Note 28 in the financial report, which indicates the Trustee had not received confirmation of its funding for 2024-25. As at 30 June 2024, the Board had cash reserves of \$3.01 million which are considered sufficient by the Board to cover the operating expenses for 2024-25. As stated in Note 28, these events or conditions, along with other matters as set forth in Note 28, indicate that a material uncertainty exists that may cast significant doubt on the Board's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the Public Trustee are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Government Business Enterprises Act 1995* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Public Trustee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Public Trustee or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Public Trustee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Trustee's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Public Trustee to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.



David Bond
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

23 September 2024
Hobart

Superannuation Declaration

I hereby certify that the Public Trustee has met its obligations under the *Commonwealth's Superannuation Guarantee (Administration) Act 1992* in respect of any employee who is a member of a complying superannuation scheme to which the Public Trustee contributes.

A handwritten signature in black ink that reads "TK Kennedy" followed by a large checkmark.

Todd Kennedy
Chief Executive Officer

Hobart, 23 September 2024

Public Trustee Common Fund Special Purpose Annual Report - 30 June 2024

General information

The Public Trustee Common Fund was established under Section 38 of the Public Trustee Act 1930 and is authorised to invest in the manner permitted by the Trustee Act 1898.

The Common Fund is a capital secure cash fund with a very low exposure to the risk of any loss.

Under the provisions of the Public Trustee Act 1930 capital and interest invested in the Public Trustee Common Fund is guaranteed by the State of Tasmania.

The objective of the Fund is to provide investors with a capital secure investment with returns (before fees) that exceeds the RBA Cash Rate.

Funds in the Common Fund are available on an at call basis.

Interest is calculated on the daily balances and credited quarterly on 31 March, 30 June, 30 September, and 31 December.

The information provided in this annual report is unaudited.

Interest rate history

Average Annual Rate to 30 June 2024	
1 Month	4.34%
3 Months	4.36%
6 Months	4.18%
1 Year	3.30%
2 Years	1.16%
3 Years	0.68%
5 Years	1.01%

Public Trustee Common Fund
Unaudited - Statement of comprehensive income
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Investment revenue			
Interest income	4	3,668	1,946
Total investment revenue		3,668	1,946
Expenses			
Management fees charged by Public Trustee		775	751
Total operating expenses		775	751
Net profit attributable to unit holders		2,893	1,195
Distributions to unit holders	5	(2,893)	(1,195)
Amount retained but not distributed		-	-

Public Trustee Common Fund
Unaudited - Statement of financial position
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Cash and cash equivalents	6	81,666	67,219
Receivables	7	11	9
Accrued Revenue	8	1,212	704
Total assets		82,889	67,932
Liabilities			
Payables	9	74	66
Net assets attributable to unitholders - liability	10	82,815	67,866

This Statement of Financial Position should be read in conjunction with the accompanying notes.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders.

Public Trustee Common Fund
Unaudited - Statement of changes in net assets attributable to unitholders
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Total net assets attributable to unitholders at the beginning of the year		67,865	73,246
Net profit attributable to unitholders		2,893	1,195
Distributions to unitholders	5	(2,893)	1,195
Application for units		174,356	156,101
Redemption of units		(159,406)	(161,482)
Total net assets attributable to unitholders at the end of the year	10	82,815	67,865

Public Trustee Common Fund
Unaudited - Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Interest received	4	3,143	156,101
Management fees		(775)	(751)
Net cash inflow / (outflow) from operating activities		2,368	634
Cash flows from financing activities			
Applications		174,356	156,101
Redemptions		(159,406)	(161,482)
Distributions paid	5	(2,893)	(1,195)
Net cash inflow / (outflow) from financing activities		12,057	(6,576)
Net increase / (decrease) in cash and cash equivalents		14,447	(5,943)
Cash and cash equivalents at the beginning of the year		67,219	73,162
Cash and cash equivalents at the end of the year	6	81,666	67,219

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1. Reporting Entity

The Public Trustee Common Fund (Common Fund) was established under Section 38 of the *Public Trustee Act 1930* and is authorised to invest in the manner permitted by the *Trustee Act 1898*.

The Common Fund is a capital secure cash fund with a very low exposure to the risk of any loss. Under the provisions of the *Public Trustee Act 1930* capital and interest invested in the Common Fund is guaranteed by the State of Tasmania.

The objective of the Common Fund is to provide investors with a capital secure investment generating a consistent income stream in line with market rates. Money currently held in the Common Fund includes the Public Trustee's corporate funds as well as client funds held on trust.

The Common Fund is managed by the Public Trustee.

The information provided in this annual report is unaudited.

Note 2. Basis of accounting

This special purpose financial report has been prepared in accordance with Australian Accounting Standards ("AASs") as issued by the Australian Accounting Standards Board ("AASB").

The financial report has been prepared on a historical cost basis.

The financial statements are presented in Australian dollars. Both the functional and presentation currency is Australian dollars (\$).

Rounding

Amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar unless otherwise stated. Rounding is consistent with Class Order 98/0100 dated 10 July 1998, issued by the Australian Securities and Investments Commission, related to "rounding off" of amounts in the financial statements.

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

New and amended standards adopted by the Common Fund

The Common Fund adopted Disclosure of Accounting Policies: Teir 2 and other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060) from 1 July 2023.

Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

A number of new accounting standards are also effective for the first time for the financial year beginning 1 July 2023 but they do not have a material effect on the Common Funds financial statements.

Note 3. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Taxation

Under current legislation, the Common Fund is not subject to income tax provided the unitholders are presently entitled to the income of the Common Fund and the Common Fund fully distributes net taxable income.

b) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included.

The Common Fund qualifies for Reduced Input Tax Credits (RITC) on management fees. These RITCs recoverable by the Common Fund from the ATO are recognised in the statement of comprehensive income.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period and have not been adopted early by the Fund. There are no standards that are not yet effective and that are expected to have a material impact on the Common Fund in the current or future reporting periods and on foreseeable future transactions.

Note 4. Investment Revenue

Investment revenue recognition

Investment revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Common Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

- *Interest received from investments in cash and cash equivalents*
- Interest income is recognised using the effective interest rate method.

Note 5. Distributions to account holders

Distributions

Interest is calculated on the daily balances and credited quarterly on 31 March, 30 June, 30 September, and 31 December. The distributions are recognised in profit or loss as distributions to account holders.

Unit holders

Investment in the Common Fund is by direct investment in cash or cash equivalents.

Note 6. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Cash and cash equivalents in the statement of financial position comprise cash at bank, deposits at call and short-term deposits.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Unit holders

Investment in the Common Fund is by direct investment in cash or cash equivalents.

a) Impairment of financial assets

At the end of each reporting date, the Trustee assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment because of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

b) Financial instruments

Non-derivative financial assets

The Common Fund initially recognises financial assets on the trade date at which the entity becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. The Common Fund subsequently measures financial assets at either amortised cost or fair value.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset that is created or retained by the entity is recognised as a separate asset or liability.

On initial recognition, the entity classifies its financial assets as subsequently measured at either amortised cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

c) Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments to principal and interest.

d) Financial assets measured at fair value

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes in value recognised in profit or loss.

e.) Derecognition of financial instruments

The derecognition of a financial instrument takes place when the Common Fund no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

Note 7. Receivables

Credit risk

The entity has an amount of GST receivable outstanding as at the 30 June 2024, therefore no significant concentration of credit risk with respect of any single counterparty or group of counterparties.

Note 8. Accrued Revenue

Accrued Revenue amounts relate to accrued revenue and distributions receivable from investment in unlisted managed funds.

Note 9. Payables

Payables represent the liability for Management Fees payable to the Public Trustee and Interest Payable to the Public Trustee that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

Note 10. Net assets attributable to unitholders - liability

	Note	2024 \$'000	2023 \$'000
Client funds		79,801	65,317
Corporate funds		3,014	2,548
Net assets attributable to unitholders - liability		82,815	67,865

Note 11. Financial risk management

The Common Fund's financial instruments consist of deposits with APRA regulated authorised deposit-taking institutions (ADIs). The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows.

	Note	2024 \$'000	2023 \$'000
Financial assets			
Cash and cash equivalents		81,666	67,219
		81,666	67,219

Financial risk management policies

The Common Fund's overall risk management strategy seeks to assist the Common Fund in meeting its financial targets, while minimising potential adverse effects on financial performance.

Specific financial risk exposure and management

The main risks the Common Fund is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

There has been a change on the 8 April 2023 in the maximum allowed counterparty exposure limits. The Investment Committee approved changes to the Common Fund Investment Policy Statement which changes the allowable allocation for the Tier 1 banks lifted to 100%, with Macquarie Bank to be included and for the Tier 2 banks the maximum allowable limit lifted to 50% (previously 20%). There have been no other substantive changes in the types of risks the entity is exposed to, how these risk arise, or the Common Fund's objectives, policies, and processes for managing or measuring the risks from the previous period.

There have been no substantive changes in the types of risks the entity is exposed to, how these risks arise, or the Common Fund's objectives, policies, and processes for managing or measuring the risks from the previous period.

New Maximum Allowed Counterparty Limits effective from 8 April 2023.

Maximum Allowed Counterpay Exposure	Counterpay
100%	ANZ, Westpac, CBA, NAB, Macquarie Bank
50%	Any other authorised deposit taking institution regulated by APRA http://www.apra.gov.au/register-of-authorised-deposit-taking-institutions

The previous Maximum allowed Counterparty limits effective between 01 July 2022 and the 7 April 2023.

Maximum Allowed Counterpay Exposure	Counterpay
100%	ANZ, Westpac, CBA, NAB
20%	Bank of Queensland, Bendigo and Adelaide Bank, Rural Bank, Suncorp, Macquarie Bank
10%	Bank of Us, MyState Bank Limited, Members Equity Bank, Credit Union Australia, Australian Unity Bank, Bank Australia, Heritage Bank, AMP Bank

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Common Fund.

The Common Fund minimises the risks associated with investment by investing strictly in accordance with the Common Fund Investment Policy.

Risk is also minimised through investing funds in financial institutions that maintain a high credit rating.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved Board policy. Any concentration of credit risk is managed as under the provisions of the Public Trustee Act 1930 capital and interest invested in the Common Fund is guaranteed by the State of Tasmania. The following table provides information regarding the credit risk relating to cash and money market securities based on issuer credit ratings:

	Note	2024 \$'000	2023 \$'000
Cash and cash equivalents			
- S&P AA-		26,966	23,319
- S&P A		19,500	7,700
- Moodys A3		9,500	8,500
- S&P BBB+		8,000	4,500
- Moodys Baa2		1,800	6,000
- S&P BBB		15,900	17,200
		81,666	67,219

b) Liquidity risk

Liquidity risk arises from the possibility that the Common Fund might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Common Fund manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with Board approved Australian ADI's; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

c) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows. The Common Fund doesn't currently have exposure to earnings volatility on floating rate instruments; however, exposure is allowed under the Investment Policy. The financial instruments which primarily expose the entity to interest rate risk are cash and cash equivalents.

Note 6. Related party transactions

A management fee is calculated by the Public Trustee against money invested in the Common Fund at the rate of 1.1% (inclusive of GST) of the value of the Common Fund daily. The management fee is charged as at the last business day of each month.

Note 7. Events after the reporting period

There were no matters that have occurred after balance date requiring disclosure.

Public Trustee Group Investment Fund No. 2 Special Purpose Annual Report - 30 June 2024

General information

The Public Trustee Group Investment Fund No. 2 invests in a portfolio of diversified investments. The fund is designed for those clients requiring a balanced exposure to market risk in their investment portfolio over a longer timeframe. The fund holds a major proportion of funds in growth assets (Australian and international shares, listed property, and listed infrastructure) with some exposure to defensive assets (cash and Australian fixed interest).

The benchmark asset allocation of the fund is as follows:

Benchmark Asset Allocation	
Cash	7.5%
Australian Fixed Interest	22.5%
Australian Shares	35%
International Shares	12.5%
International Shares - Hedged to AUD	12.5%
Australian Listed Property	5%
Global Listed Infrastructure	5%

The investments of the fund are managed by professional investment managers appointed by the Public Trustee. The Public Trustee also utilises the services of an external administrator and custodian.

Income is distributed at the discretion of the trustee quarterly in January, April, July, and October each year.

The performance of the Group Investment Fund No. 2, after fees, to 30 June 2024 is as follows:

Performance after Fees to 30 June 2024	
1 Month	1.06%
3 Months	-0.41%
6 Months	6.45%
1 year	12.57%
2 years (per annum)	11.54%
3 years (per annum)	4.54%
5 years (per annum)	5.53%

The information provided in this annual report is unaudited.

Public Trustee Group Investment Fund No. 2
Unaudited - Statement of comprehensive income
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Investment revenue			
Dividend/distribution Income		1,845	1,992
Interest income		9	5
Net gains/losses on financial instruments held at fair value through profit or loss		10,242	7,741
Other operating income		-	1
Total investment revenue	4	12,096	9,739
Expenses			
Management fees charged by Public Trustee		906	847
Custody fees		125	127
Other expenses		99	100
Total operating expenses		1,130	1,074
Net profit attributable to account holders		10,966	8,665
Distributions to unit holders		4,394	879
Change in net assets attributable to unitholders		6,572	7,786
Amount retained but not distributed		-	-

Public Trustee Group Investment Fund No. 2
Unaudited - Statement of financial position
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Cash and cash equivalents	5	-	2,189
Receivables	6	708	821
Financial assets at fair value through profit or loss	7	94,897	86,954
Total assets		95,605	89,965
Liabilities			
Bank overdraft		847	-
Distributions Payable	8	4,054	213
Payables	9	982	707
Total liabilities (excluding net assets attributable to unitholders)		5,883	920
Net assets attributable to unitholders liability	10	89,722	89,045

Public Trustee Group Investment Fund No. 2
Unaudited - Statement of changes in net assets attributable to unitholders
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Total net assets attributable to unitholders at the beginning of the year		89,045	83,925
Net profit attributable to unitholders		10,966	8,665
Distributions to unitholders		(4,394)	(879)
Application for units		7,123	7,679
Redemption of units		(13,019)	(10,346)
Increase/(decrease) in net assets attributable to unitholder from transaction in units		(5,896)	(2,667)
Total net assets attributable to unitholders at the end of the year	10	89,722	89,045

Public Trustee Group Investment Fund No. 2
Unaudited - Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		5,300	7,081
Purchase of financial instruments held at fair value through profit or loss		(3,000)	(1,750)
Dividends received		1,971	3,079
Interest received		10	4
Other income received		-	1
Management fees		(553)	(934)
Custodian fees		(161)	(129)
Payment of other expenses		(17)	(85)
Net cash inflow / (outflow) from operating activities		3,550	7,267
Cash flows from financing activities			
Receipts from issue of units		7,123	7,679
Payments for redemption of units		(12,663)	(10,346)
Distributions paid		(1,046)	(2,400)
Net cash inflow / (outflow) from financing activities		(6,586)	(5,067)
Net decrease in cash and cash equivalents		(3,036)	2,200
Cash and cash equivalents at the beginning of the year		2189	(11)
Cash and cash equivalents at the end of the year		(847)	2,189

Note 1. General Information

The Group Investment Fund No. 2 invests in a diversified portfolio with 30% invested in cash and fixed interest and 70% in shares, listed property, and listed infrastructure. The Fund is designed for those clients requiring a balanced exposure to market risk in the investment portfolio over a longer timeframe.

The Group Investment Fund No. 2 is managed by the Public Trustee.

The information provided in this annual report is unaudited.

Note 2. Basis of accounting

This special purpose financial report has been prepared in accordance with Australian Accounting Standards as issued by the Australian Accounting Standards Board. The financial report has been prepared on an accrual basis.

The financial statements are presented in Australian dollars. Both the functional and presentation currency is Australian dollars.

Rounding

Amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar unless otherwise stated. Rounding is consistent with Class Order 98/0100 dated 10 July 1998, issued by the Australian Securities and Investments Commission, related to "rounding off" of amounts in the financial statements.

New and amended standards adopted by the Group Investment Fund No. 2

The Group investment Fund 2 adopted Disclosure of Accounting Policies: Teir 2 and other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

A number of other new accounting standards are also effective for the first time for the financial year beginning 1 July 2023 but they do not have a material effect on the Group Investment Fund No. 2's financial statements.

Note 3. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Taxation

Under current legislation, the Group Investment Fund No. 2 is not subject to income tax provided the unitholders are presently entitled to the income of the Group Investment Fund No. 2 and the Group Investment Fund No. 2 fully distributes net taxable income.

b) Distributions

Income is calculated quarterly and is distributed to investors at the discretion of the trustee in January, April, July, and October.

c) Unit holders

Redeemable units

All units issued by the Fund provide investors with the right to require redemption for cash and give rise to a financial liability.

Unit prices

Unit prices are calculated as the net assets of the Fund, less estimated costs, divided by the number of units on issue.

Change in net assets attributable to investors

Non-distributable income, which may comprise unrealised changes in the fair value of investments, net capital losses, tax deferred income, accrued income not yet assessable and non-deductible expenses are reflected in the Statement of Comprehensive Income as change in net assets attributable to unitholders.

d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of GST included.

The Group Investment Fund No. 2 qualifies for Reduced Input Tax Credits (RITC) on management fees. These RITC recoverable by the Group Investment Fund No. 2 from the ATO are recognised in the statement of comprehensive income.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

e) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period and have not been adopted early by the Fund.

There are no standards that are not yet effective and that are expected to have a material impact on the Group Investment Fund No. 2 in the current or future reporting periods and on foreseeable future transactions.

Note 4. Investment Revenue

Investment revenue recognition

Investment revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group Investment Fund No. 2 and the revenue can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

- Interest received from investments in cash and cash equivalents
- Interest income is recognised using the effective interest rate method.
- Distributions from unlisted managed investment schemes

Distributions from unlisted managed investment schemes are recognised in the Statement of Comprehensive Income in the year the income was earned by the unlisted managed investment scheme. Distributions received may include capital gains. The Fund is required to offset carried forward capital losses with any capital gains received as part of a distribution. If this situation arises the distributable income of the Fund will not be the same as the distributions the Fund receives.

Note 5. Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank, deposits at call and short-term deposits.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Note 6. Receivables

Receivables represent dividends and reduced input tax credits which remain unpaid at the end of the reporting period. The balance is recognised as a current asset.

Note 7. Financial assets at fair value through profit or loss

a) Impairment of financial assets

At the end of each reporting date, the trustee assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment because of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

b) Financial instruments

Non-derivative financial assets

The Group Investment Fund No. 2 initially recognises financial assets on the trade date at which the entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value according to the consideration given.

On initial recognition, the entity classifies its financial assets as subsequently measured at either amortised cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset that is created or retained by the entity is recognised as a separate asset or liability.

Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Financial assets measured at fair value

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes in value recognised in profit or loss.

Derecognition of financial instruments

The derecognition of a financial instrument takes place when the Group Investment Fund No. 2 no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

Note 8. Distributions Payable

Distributions

Income is calculated quarterly and is distributed to investors at the discretion of the trustee in January, April, July, and October.

Note 9. Payables

Payables represent the liability for Management, Trustee and Administration fees payable, GST Payable and investment redemption which remain payable at the end of the reporting period. The balance is recognised as a current liability.

Note 10. Net assets attributable to unitholders - liability

	2024 \$'000	2023 \$'000
Client funds	89,722	89,045
Net assets attributable to unitholders - liability	89,722	89,045

Note 11. Financial risk management

The Group Investment Fund No. 2's financial instruments consist mainly of investments in unlisted managed funds.

The totals for each category of financial instruments are as follows.

	2024 \$'000	2023 \$'000
Financial assets		
Cash and cash equivalents	-	2,189
Receivables	708	821
Financial assets at fair value through profit or loss	94,897	86,954
Total assets	95,605	89,965
Financial liabilities		
Trade and other payables	5,883	920

Financial risk management policies

The Group Investment Fund No. 2's overall risk management strategy seeks to assist the Group Investment Fund No. 2 in meeting its financial targets, while minimising potential adverse effects on financial performance.

Specific financial risk exposure and management

The main risks the Group Investment Fund No. 2 is exposed to through its financial instruments are investment manager risk, liquidity risk and market price risk.

There have been no substantive changes in the types of risks the entity is exposed to, how these risks arise, or the Group Investment Fund No. 2's objectives, policies, and processes for managing or measuring the risks from the previous period.

a) Investment manager risk

Investment manager risk is the risk that an investment in a fund managed by an external fund manager does not achieve the performance objectives of the Fund. To reduce this risk the Public Trustee utilises the services of a professional asset consultant when selecting managers and in monitoring their ongoing performance. In addition, the Public Trustee's Investment Committee, a Board subcommittee, reviews the performance of the Fund's investment managers on a quarterly basis.

b) Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis,
- investing with reputable investment managers,
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects the undiscounted contractual maturity for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

	Within 1 year		1 to 5 years		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial liabilities due for payment						
Trade and other payables	(5,883)	(920)	-	-	(5,883)	(920)
Total expected outflows	(5,883)	(920)	-	-	(5,883)	(920)
Financial assets - cash flow realisable						
Cash and cash equivalents	-	2,189	-	-	-	2,189
Receivables	708	821	-	-	708	821
Financial assets at fair value	94,897	86,954	-	-	94,897	86,954
Total anticipated inflows	95,605	89,965	-	-	95,605	89,965
Net inflow on financial instruments	89,722	89,045	-	-	89,722	89,045

c) Market risk

Interest rate risk

Investments in the Group Investment Fund No. 2 are subject to interest rate risk and movements in interest rates will have an impact on the underlying value of its investments. For example, the market value of an Australian Government Bond will increase in value when interest rates are declining. The Fund has 30% of its assets invested in defensive assets (cash and fixed interest) and 70% in growth assets (shares, listed property, and listed infrastructure).

Market price risk

Market price risk is the risk that the value of the investments will fluctuate because of changes in market prices. The Macquarie and BlackRock Investment Funds invest in listed and unlisted securities across a wide range of securities and are therefore subject to market price risk. Market price risk is mitigated by selecting investments that have a robust investment process in place. Risk is further reduced by diversifying the portfolio across the major recognised assets classes.

Net fair values

(i) Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. Where securities are unlisted, and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the entity. Most of these instruments, which are carried at amortised cost (i.e., trade receivables) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the entity.

(ii) Financial instruments measured at fair value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted unit prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2024 Financial assets				
Investments in unlisted managed funds	-	95,605	-	95,605
2023 Financial assets				
Investments in unlisted managed funds	-	86,965	-	89,965

The fair value of investments in unlisted managed funds has been based on the closing quoted unit prices at the end of the reporting period, excluding transaction costs.

Note 12. Related party transactions

A management fee is calculated by the Public Trustee against money invested in the Group Investment Fund No. 2 at the rate of 1.1% (inclusive of GST) of the value of the Group Investment Fund No. 2 daily. The management fee is charged as at the last business day of each month.

Note 13. Events after the reporting period

The Public Trustee is not aware of any significant events affecting the Group Investment Fund No. 2 since the end of the reporting period.



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