

Annual **19**
Report 20



Communication objective



The Public Trustee is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding this annual report, you can contact us on 1300 360 044 and we will arrange an interpreter to effectively communicate the report to you.

An electronic copy of The Public Trustee of Queensland Annual Report 2019–20 is available online at www.pt.qld.gov.au. You can also contact us to request a copy by calling 1300 360 044 or emailing governance@pt.qld.gov.au

A number of annual reporting requirements are also addressed through publication of information on the Queensland Open Data website at <https://www.data.qld.gov.au/>.

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Content from this annual report should be attributed as: The Public Trustee of Queensland annual report 2019–20.

Our acknowledgment

We acknowledge the Australian Aboriginal peoples and Torres Strait Islander peoples of this nation, the traditional custodians of these lands. We pay our respects to their ancestors, our First Nations peoples, their spirits and their legacy which give strength, inspiration and courage to current and future generations, both Indigenous and non-Indigenous, towards creating a better Queensland.

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Letter of Compliance

444 Queen Street Brisbane Qld 4000
GPO Box 1449 Brisbane Qld 4001



28 August 2020

The Honourable Yvette D'Ath MP
Attorney-General and Minister for Justice
Leader of the House
GPO Box 149
Brisbane Qld 4000

Dear Attorney-General

I am pleased to submit for presentation to the Parliament the Annual Report 2019-20 and financial statements for the Public Trustee.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements is provided at page 117 of this annual report.

Yours sincerely

Samay Zhouand

Acting Public Trustee of Queensland and CEO

The Public Trustee

• Will-making
• Enduring powers of attorney

1300 360 044

• Executor services
• Estate administration

www.pt.qld.gov.au

• Disability services
• Trust administration

ABN 12 676 939 467

• Real estate auctions and sales
• Charitable trusts

Message from the CEO

I am pleased to present the Public Trustee Annual Report 2019-20, which provides information about our financial and corporate performance for 2019-20. The Annual Report has been prepared in accordance with the *Financial Accountability Act 2009*. This report outlines the significant achievements of the Public Trustee's dedicated staff over the past twelve months in continuing to enable the delivery of professional, reliable and accessible financial, deceased estate and trust administration services to the people of Queensland.

During the second half of this year, the global impact of the coronavirus pandemic challenged the Public Trustee like many other organisations. Our executive leadership team, supported by staff across the organisation, quickly implemented business continuity arrangements to ensure the ongoing delivery of critical services and support functions. The safety and wellbeing of staff and customers remained our most important priority.

I was impressed with the commitment of all our staff to quickly develop solutions and find new ways of working. Their efforts also provided the driver to accelerate the delivery of a number of planned service and business improvements, including enhanced capability for remote working, new ways for Queenslanders to make a Will by telephone and video-conferencing, and digitisation of records. All regional offices remained open with frontline services transitioning to delivery by email and telephone where possible. We also introduced a toll free telephone number ensuring our customers, including vulnerable Queenslanders, could contact us for essential services.

Despite these challenges, we have continued to provide services that our customers value, achieving positive results in customer satisfaction measures across our primary services - making Wills and Enduring Power of Attorney documents and the delivery of financial, deceased estate and trust administration.

The commencement of the *Human Rights Act 2019* (the Act) was a significant milestone this year. This important legislation protects 23 human rights and requires all Queensland public sector entities act in a way that is compatible with, and considers these human rights in all decisions and actions. To prepare for the commencement of the Act, we established a project board and working group to oversee the completion of a number of initiatives to build a culture of valuing human rights as paramount, and placing the human rights of individuals, especially the most vulnerable, at the forefront of service delivery. We continue to focus on embedding human rights into the organisation.

To continue to advance as a modern, learning organisation committed to human rights, we have introduced a Customers First agenda. The Customers First agenda promotes a long-term, strategic focus on meeting our customers' changing needs. Customers First will continue to underpin our progress towards a future-focused, customer-centric, professional organisation through initiatives that build on community trust, provide greater transparency and ensure the voice of our customers guides our future decision-making.

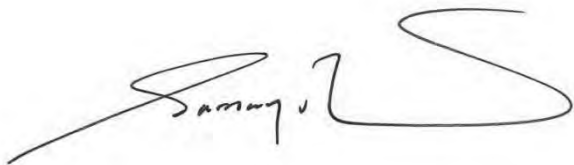
Our Strategic Plan 2020-2024 cements the Customers First agenda and outlines the strategic objectives to achieve our new purpose: *'To enhance and protect our customers'*

rights, dignity and interests.' A key strategic objective is to ensure continued financial responsibility and sustainability.

We have already made significant progress in advancing the Customers First agenda including:

- Our Social Responsibility Charter – the Public Trustee has a lead role in representing and assisting the community we serve. Our Social Responsibility Charter includes six guiding principles that outline our responsibilities and defines how we will act and make decisions to achieve our vision to provide security and peace of mind for Queenslanders and be accountable to our customers, our stakeholders and the community
- Reviewing our organisational structure to ensure clarity of roles in customer focused service delivery and corporate support. We have increased support to our regions by appointing dedicated Regional Directors. These roles will ensure our Customers First vision is advanced across all regions for the benefits of our customers, staff and the community
- Establishing reference groups to engage with customer advocacy and government stakeholders – providing a voice for our customers through their support networks and advocacy groups and ensuring we collaborate with other government agencies to implement best practice governance and accountability frameworks.

The past year has been one of significant change at the Public Trustee and I am proud of our achievements. I look forward to the year ahead as we continue to advance as a modern, learning organisation that is committed to human rights and continuous improvement.

A handwritten signature in black ink, appearing to read 'Samay Zhouand', with a large, stylized flourish extending to the right.

Samay Zhouand
Acting Public Trustee of Queensland and Chief Executive Officer (CEO)

Who we are and what we do

The Public Trustee has been serving Queenslanders since 1916 and is governed by the *Public Trustee Act 1978*.

The Public Trustee is self-funding and operates as a corporation sole, delivering professional and accessible financial, trustee and legal services to the people of Queensland.

Our vision is to provide security and peace of mind for Queenslanders.

Our purpose is to enhance and protect the rights, dignity and interests of Queenslanders – our customers.

We provide professional and accessible:

- estate administration services: we provide executorial services when acting as executor or administrator of a deceased estate
- financial management for those with impaired capacity for decision-making: we assist customers with their financial needs, including budgeting and financial planning
- legal services: the Official Solicitor delivers legal services to the Public Trustee and its customers, and to the Queensland Government
- trusts administration: we provide trustee services for a range of trusts including testamentary trusts and family trusts
- tax and investment services: we provide advice, investment solutions and provision of taxation and trustee services to the Public Trustee and its customers to ensure the prudent management of funds
- life-planning services including making Wills and EPAs
- safe and secure storage of Wills and other life-planning documents
- real estate services: we are a fully licenced real estate agency with licenced professional staff, including auctioneers and an extensive buyer and selling network throughout Queensland. We also facilitate the sale of our customers' motorised vehicles, goods and chattels
- trusteeship of charitable trusts including the promotion and facilitation of strategic financial welfare to identified and targeted philanthropic beneficiaries.

We also:

- administer unclaimed moneys for the State of Queensland: we hold unclaimed money for Queenslanders who have lost touch with the organisation that owes them the money
- manage the estates of prisoners under Part 7 of the *Public Trustee Act 1978*
- carry out special functions of a public nature under Part 5 of the *Public Trustee Act 1978*
- promote and support community education on a range of issues such as elder abuse, the importance of making a Will and appointing an Enduring Power of Attorney.

Our locations

Our services are delivered through a network of regional offices including our head office at 444 Queen Street, Brisbane. We also provide services outside of our offices through the Queensland Government Agent Program and the local court networks. For further information on the location of our offices or outreach locations please refer to pages 110–112 of the report. Alternatively, you may also visit our website at <https://www.pt.qld.gov.au/>.



Achievements for 2019–20

The Strategic Plan 2016–20 set out the parameters for our strategic direction for our staff, customers and stakeholders. It also outlined how we will contribute to the achievement of the Queensland Government’s objectives for the community, our priorities and our strategies.

2019–20 Service delivery highlights:

- 24,462 Wills made at no cost to Queenslanders
- 10,071 financial management customers¹
- 2,551 EPA documents made
- 4,394 trusts administered
- 2,069 new deceased estates accepted for administration
- Over 126,000 calls answered by the Welcome Desk
- 95% overall client satisfaction (Will preparation service)
- \$2.75B Total assets under management
- \$38.4M in Community Service Obligations, including \$29.2M in fees rebated for customers with limited assets
- Over 1.13M Wills stored in our Wills bunker.

The following initiatives demonstrate our achievements against the objectives in the Strategic Plan 2016–20:



Driving value for customers

- delivered greater customer choice on how to make a Will including by telephone, face-to-face and where available, video conferencing
- improved Public Trustee website including accessibility, usability and content
- developed a Customer Experience Strategy 2020–2025 to inform our future state service design and delivery so we can continue to provide a unique customer experience
- updated customer personas and journey maps as part of our ongoing customer co-design research. These will support a customer centric approach for future state service delivery, and a better customer experience
- implemented customer service standards for staff with guidelines on how to interact with our customers at every contact point so we can continue to provide exceptional customer service
- made improvements to our website to make it easier for members of the community to search for, find and claim their unclaimed money
- launched an online fee estimator on the Public Trustee website so customers can easily and quickly obtain an estimate of the Public Trustee’s fees to administer a deceased estate.



Sustainable reinvestment to support business objectives

- rolled out secure file transfer software so we can safely, quickly and easily share information with our customers who prefer paperless correspondence
- upgraded our existing Tax Management System allowing faster tax returns and information provision for our customers
- Primary service improvements – we have a number of continuous improvement initiatives in progress that are designed to reduce staff workload, deliver process efficiencies, and identify better ways to communicate and provide information for customers. These initiatives include

¹ Comprised of 9,316 adults with impaired decision-making capacity, acting as financial attorney for 253 customers and managing 502 prisoners’ estates.

streamlining file sharing between regional offices and business units for faster service delivery; enabling more use of email and SMS channels for customer communications; adopting more electronic process management; and using online channels to communicate with service providers

- developed external referral partnerships with the Registry of Births, Deaths and Marriages and Smart Service Queensland to increase community awareness of our free Will-making service. By leveraging additional digital channels, we are able to provide an end-to-end customer experience at no additional cost to the organisation.



Deliver services that are valued

- embedded the *Human Rights Act 2019* as part of our day-to-day work and as a consideration in all interactions between our staff and with our customers, other stakeholders and the community
- supported enhanced awareness in the community about the importance of having an up to date and valid Will through speaking at community forums and at Wills Week activities delivered across our regional offices
- developed online training for staff in anticipation of the commencement of the *Guardianship and Administration and Other Legislation Amendment Act 2019* including the development of a structured decision-making tool
- established a National Redress Policy Framework to support customers who may have a claim under the National Redress Scheme
- established a Procurement Management Framework enabling standardised procurement procedures, and strengthening our procurement governance and engagement activities.



Embrace business transformation

- improved the transparency of our fees and charges by making available fee calculators and case studies on our website and by providing information that meets accessibility guidelines
- launched 'Dexter', the Public Trustee's first Robotic Process Automation (bot). 'Dexter' will assist with the allocation of the more than 60,000 emails received each month in our main client email address from our customers, members of their support networks or organisations that provide services to our customers. This allows us to respond faster to our customers, and streamline the way we work
- commenced benchmarking for a fees and charges review.



Engaged, empowered and agile workforce

- launched the Employee Wellbeing Program to raise awareness and provide a holistic approach to supporting well-being which includes physical, social, emotional and financial well-being
- launched a new Learning Management System to improve the employee experience in accessing online courses, and to store all learning and professional development records
- launched new strategies to communicate important, new and emerging issues to staff
- enhanced flexible working arrangements to further staff engagement
- facilitated engagement events for staff such as World Elder Abuse Awareness Day to raise awareness of issues facing our customers and enhance staff capability to support them.



Customers First

With the introduction of the *Human Rights Act 2019* and the impending legislative amendments arising from the *Guardianship and Administration and Other Legislation Amendment Act 2019*, the Public Trustee is delivering on its commitment to put people at the centre of all we do through the implementation of the Customers First agenda.

Our mission is to become a more modern, professional and customer focused organisation that provides responsible, ethical and transparent financial, estate and trust administration services for Queenslanders. We will enhance our commitment to provide excellence in customer service by delivering a range of Customers First initiatives which aim to build on community trust, provide greater transparency and ensure the voice of our customers guides future decision-making.

Functional and governance review

The Public Trustee has undertaken a high level functional and governance review to ensure we have the most appropriate organisational structure in place to achieve optimal oversight, leadership and delivery of strategic and operational projects and priorities ensuring we deliver on our social and financial responsibilities to the people of Queensland.

The new structure, implemented in March 2020, will support streamlined customer focused service-delivery with the separation of customer and corporate service delivery functions. This includes establishing the Official Solicitor – Corporate Legal Services, and Official Solicitor – Customer Legal Services to minimise the potential for conflicts of interest, while ensuring a focus on the delivery of customer-centric legal services.

The new structure also includes the reorganisation of the regional service delivery network into four regional groups – Northern, Central, South East (South) and South East (East). Each region will be led by the newly established role of Regional Director who will focus on regional-specific needs, support regional managers to deliver enhanced service delivery, identify opportunities for further service improvements and help deliver customer-centric change.

Also as part of the governance and structure transformation, the Public Trustee established an Ethics and Integrity Unit. The purpose of the Unit is to build on the strong moral and ethical principles and values of our organisational culture and promote alignment with public sector ethics standards. The Unit focuses on further integrating these principles and values into our decision-making, leadership, practices and behaviours via new processes, frameworks, training and awareness campaigns.

Customers First initiatives

Another important outcome of the Customers First agenda has been the establishment of four internal working groups, formed with representatives from across relevant business areas, to enhance staff performance, customer and people engagement, enable cross-functional decision-making and accountability and collaborate on the delivery of key initiatives. Each working group will focus on one of the following areas:

- Trust and Transparency – to increase trust and transparency within the Public Trustee and between the Public Trustee, its customers, stakeholders and the Queensland community
- Products & Services – to improve customer satisfaction while meeting accessibility and inclusion standards
- People and Culture – to build an empowered, engaged and capable workforce
- Financial Services – to ensure a sustainable financial operating model.

There has been a range of initiatives spearheaded by these working groups including:

- Two external advisory groups have been established to ensure an outside in, voice of the customer, and good governance. These will inform the Public Trustee's decision-making and enable quality policy and service improvements. The Customer Reference Group and the Government Reference Group will work together with the Public Trustee to share industry information, provide guidance, analyse impacts, issues and trends and deliver insights that will influence the delivery of Customers First initiatives and support best practice governance and accountability
- Our Social Responsibility Charter is our guide to supporting our customers and details how we will deliver on this commitment. It includes six guiding principles that outline our responsibilities and defines how we will act and make decisions to achieve our vision and be accountable to our customers, our stakeholders and the community. The Charter was developed in consultation with staff and stakeholders represented on the Government and Customer Reference Groups
- The Financial Independence Program will help identify customers who may be suitable to transition to managing their own finances. The program will help our customers to learn and practice the skills needed to manage their own finances by teaching them how to create and manage their budget as well as pay their bills
- The QCAT Referral Panel (Panel) was launched in May 2020 as a pilot to provide an additional internal decision point for more complex or difficult customer matters. The Panel considers alternative options for each case, with the aim of expediting decisions and therefore saving on potential costs for customers
- To be more open and transparent about our fees and charges we profiled some Financial Management case studies on our website to assist customers to more clearly understand our costs for service
- The Public Trustee strongly believes in the importance of engaging with our stakeholders to gain a better understanding of their perspectives while taking the opportunity to build on relationships with organisations and individuals. One-on-one meetings have been held with a range of stakeholders to discuss some of our Customers First initiatives and business improvements through the COVID-19 period. This included filmed 'coffee catch-ups' with representatives from organisations who are members of the Customer Reference Group with videos available to staff. A monthly stakeholder newsletter was also distributed to external stakeholders
- A dedicated senior officer from the Executive Leadership Team (ELT) has been nominated to work with each of our Charitable Trusts to provide advice and support on strategic issues or challenges.

COVID-19 Impact

Like many organisations in Queensland, the Public Trustee has been impacted by the global COVID-19 pandemic.

Since 31 January 2020, when a Declaration of a Public Health Emergency was made in Queensland, the Public Trustee has prioritised the health, safety and well-being of our staff and customers while continuing to maintain the delivery of services to the Queensland community.

The ELT met regularly to monitor the evolving COVID-19 situation. Members of the ELT have participated in inter-departmental Working Groups to ensure that the Public Trustee received relevant and up-to-date advice and our response was aligned with whole-of-government planning.

The ELT developed a COVID-19 Response Plan as a supplement to the Public Trustee's existing Business Continuity Plan which required:

- a review of membership of the Business Continuity Team
- identification of critical services and roles, and what resources are required to support them, from the perspective of a global health pandemic
- scenario planning particularly where there is reduced staff availability.

Actions to mitigate potential business continuity risks resulted in programs across the Public Trustee implementing innovative solutions or bringing forward implementation of planned initiatives. These innovations included an increase in working from home capability, the deployment of a softphone application to support flexible working arrangements on an ongoing basis, increased digitisation such as through the transition from paper-based to digital records, and a range of initial transitions from manual, paper-based processes to electronic processes.

The Public Trustee temporarily suspended its Customers First agenda while it conducted its business continuity planning and implemented processes and procedures to maintain service delivery. Once those steps were complete, the Customers First initiatives were re-commenced.

Our Information and Technology team also focused on increased staff awareness of information security including alerting staff to coronavirus themed phishing emails, provided advice on information management and management of physical files, and provided guidance on the acceptable use of video conferencing and collaboration tools.

Details of the financial impact of COVID-19 on the Public Trustee's financial results can be found in the Financial performance section from page 35.

Customers

All Public Trustee offices remained open, with social distancing measures in place and signage displaying important health information about COVID-19, including reminders about good hygiene. This ensured continued accessibility to services for vulnerable Queenslanders.

From 30 March 2020, the Public Trustee temporarily transitioned in-person Will appointments to telephone and by video-conferencing at the Beaudesert service centre. Will customers have the option of either privately arranging to have their Will executed and witnessed, or attending a Public Trustee office to execute their Will. The Public Trustee received a positive response from the Queensland community to maintaining this important service in uncertain times.

The opening hours for all Public Trustee regional offices were temporarily changed to 9am to 4pm from 14 April 2020. The change in the opening hours provided:

- frontline managers with more time to manage staffing and workload impacts as a result of COVID-19 before daily customer contact began

- an enhanced customer experience by providing staff with time to complete administration, including payments, outside of customer hours, which allows them to focus on customer requests as they are received.

The Public Trustee temporarily ceased all property auctions from 25 March 2020 in line with the directions of the National Cabinet. The Public Trustee re-commenced auctions from 27 July 2020. Open houses are held in accordance with COVID-19 safety requirements including promoting physical distancing, limiting the number of people in enclosed spaces, registering all attendees and providing sanitisation stations.

There have been frequent communications to customers and their support networks and other stakeholders regarding the Public Trustee's response to COVID-19 through signage at offices, updates on the Public Trustee's website and stakeholder emails.

Staff

Public Trustee staff and managers have also been regularly updated. A dedicated COVID-19 page was developed for Public Trustee staff to supplement regular email communications and to provide easily accessible COVID-19 related resources.

Managers meetings are being held more frequently to ensure managers have access to the latest COVID-19 information and a forum to discuss any issues arising including the Public Trustee's business continuity response, changes to procedures and processes across programs, working from home arrangements and how to support their staff.

The Public Trustee has developed and implemented COVID Safe Workplace Plans across the agency. Health and safety processes have also been enhanced in response to a range of possible COVID-19 related scenarios. A range of materials have also been developed to assist managers to better support their staff.

Technology (including infrastructure, application licences and network bandwidth) was acquired and implemented to uplift the capacity for staff to work remotely. Staff and managers continue to be supported to adopt a variety of flexible work practices and flexible work arrangements.

Whole-of-Government response

In line with Government policy, the Public Trustee worked with tenants to provide rent relief for businesses renting our premises with a customised approach for each tenant to assess their individual rent relief requirements.

Following consultation with the Department of the Premier and Cabinet, the decision was made to defer a request to lower interest rates paid to customers from 1 May 2020. The deferral was made in an effort to support vulnerable Queenslanders during this time of unprecedented global uncertainty, while economic activity and employment are under significant pressure from the COVID-19 global pandemic.

Public Trustee staff participated in the Employee Mobilisation Service for up to eight weeks.

From March 2020, the Public Trustee has also been reporting daily on the impact on staff from COVID-19 to the Public Service Commission. These statistics include information on a range of impacts including the number of staff working from home and the number of staff self-isolating on medical advice.

Future outlook

As the COVID-19 pandemic continues to evolve, the Public Trustee remains committed to delivering its essential services in line with the needs of its customers and based on the advice of the Queensland Government while ensuring that the health, well-being and safety of staff and customers remains a priority.

Human Rights

The Public Trustee has been embedding human rights understanding across our organisation before and since the commencement of the *Human Rights Act 2019* (Human Rights Act) on 1 January 2020.

We are committed to:

- building a culture that respects and promotes human rights
- protecting and promoting human rights
- promoting a dialogue about the nature, meaning and scope of human rights
- placing the human rights of individuals, especially the most vulnerable, at the forefront of our service delivery.

Prior to 1 January 2020, we took a number of steps to prepare for the commencement of the Act including:

- established an organisation-wide working group to develop and progress an implementation plan to ensure that we are best placed to meet our legislative obligations arising from the Human Rights Act from 1 January 2020
- all programs reviewed policies, procedures, manuals and related documents to ensure that they were compatible with human rights and promoted actions and decision-making in line with the Human Rights Act
- we reviewed how we deliver our services to our customers to ensure that we are acting compatibly with their human rights
- our Complaints team reviewed the Complaints Management Framework to ensure that our process is in line with the new complaints processes and reporting requirements under the Human Rights Act
- our Human Resources Services team reviewed their policies and procedures to ensure alignment with the Human Rights Act and consulted important stakeholders such as the Agency Consultative Committee and ELT
- commenced development of our Social Responsibility Charter
- created a project page so staff could follow the progress of the Working Group and access further information about human rights
- provided regular communication to staff about the Human Rights Act and encouraged staff to familiarise themselves with the legislative changes and access a range of resources developed within the Public Trustee and from external sources such as the Queensland Human Rights Commission
- produced a Human Rights Act Introductory Awareness Video for our staff
- all staff completed a mandatory self-paced online course, delivered in conjunction with the Queensland Human Rights Commission, in December 2019
- 64 senior and executive staff attended training on the Human Rights Act delivered by Crown Law

- celebrated Human Rights Month by holding a PT-wide morning tea on Human Rights Day, 10 December 2019, which provided an opportunity for staff to learn more about human rights and what it means to them, our customers and the broader Queensland community.

Since the Human Rights Act came into force:

- we have finalised our Social Responsibility Charter
- we have embedded human rights into our Strategic Plan 2020–2024
- all new staff are enrolled in the mandatory self-paced online course on the Human Rights Act
- incorporated awareness of the Human Rights Act and its application into our corporate orientation day which is attended by all new employees
- new and existing staff can access a range of resources and guides on acting and making decisions that are compatible with human rights. This includes case studies illustrating actions and decision-making that are compatible with human rights and which put the customer at the forefront of our service delivery
- the consideration of human rights in all decision-making for frontline employees is being measured as part of the quarterly quality assurance program, which examines the quality of evidencing of decisions, and provides for systems review, training opportunities and trend analysis
- all programs are required to consider human rights and the Human Rights Act when developing, implementing and reviewing their policy documents to ensure that the Public Trustee acts compatibly with human rights when acting or decision-making.

Human rights complaints

The Public Trustee has reviewed its Complaints Management Framework to ensure that:

- human rights complaints are identified at the point of receipt
- the complaints process is compatible with human rights, the principles of natural justice and incorporates the complaints resolution process available under the Human Rights Act.

The Public Trustee has advised its customers of the availability of making a human rights complaint and the complaints process through:

- our website - <https://www.pt.qld.gov.au/contact/contact-us/compliments-and-complaints/>
- our Complaints Management Policy and leaflet called 'Your Complaints Journey' which are also available on the Public Trustee's website.

During 2019-20, the Public Trustee received five complaints that were assessed as human rights complaints:

- three complaints were identified by the complainant as human rights related
- two complaints were assessed by the Public Trustee as being human rights related.

The complaints were resolved by the Public Trustee providing an explanation to the customers or the customers' support network about the decision that was made or the action that was taken. In each case, the Public Trustee was of the view that it had acted compatibly with human rights and in line with its obligations under the Human Rights Act.

The Queensland Human Rights Commission has not notified the Public Trustee of any unresolved complaints that it has accepted for review.

COVID-19

As outlined in this report, the global COVID-19 pandemic has impacted the Public Trustee in a number of ways. Throughout this period, the Public Trustee has endeavoured to balance continued service delivery with:

- the health, well-being and safety of our staff and customers
- the different needs of our customers
- ensuring that there are multiple avenues for our customers to contact the Public Trustee including in person, by telephone and by email.

Throughout the COVID-19 period, the Public Trustee's Complaints Unit has remained available during its standard operating hours to ensure that the Public Trustee can receive and respond to any concerns that our customers and stakeholders may have to any changes in service delivery.

Non-financial performance

Queensland Government objectives for the community

The Public Trustee's strategic objectives are aligned with the Queensland Government's objectives for the community.

We contribute to *Our Future State: Advancing Queensland's Priorities to Be a responsive government* by:

- undertaking a key role in Queensland's guardianship system
- advocating for the rights and financial interests of people with impaired decision-making capacity and protecting them from neglect, exploitation and abuse
- supporting Queenslanders to protect and manage their financial well-being at all stages of life
- delivering a customer experience that is tailored, relevant and accessible to Queenslanders
- enhancing customer and community understanding of the Public Trustee.

Community Service Obligations

The total cost of Community Service Obligations delivered for the 2019–20 financial year was \$38.4M representing an increase of 3.5 per cent from the previous financial year (which was \$37.1M). An amount of \$40.3M is budgeted for 2020–21.

Category of Community Service Obligations	2019–20 Actual \$M	2020–21 Budget \$M
Fees rebated for clients with limited assets	\$29.2	\$30.8
Fees rebated for principal residence and other	\$0.8	\$0.8
Management of estates of prisoners	\$0.6	\$0.6
Public community education and advice to the courts and tribunals in the areas in which the Public Trustee has expertise	\$1.5	\$1.5
Providing a free Will-making service to Queenslanders	\$4.8	\$5.1
Cash contribution to the Office of the Public Guardian	\$1.2	\$1.2
Civil Law Legal Aid - outlays written-off and administrative support	\$0.3	\$0.3
Total	\$38.4	\$40.3

Community Service Obligations are reported in our Financial Statements in two areas:

- deduction from fee revenue (\$32.4M 2019–20) where there is rebate of all or part of a fee to customers (Note 1 of the Public Trustee Financial Statements)
- expenditure (\$1.3M 2019–20) as grants and contributions towards other sector operations. (Note 6 of the Public Trustee Financial Statements).

Note that the provision of free-Will making services is not included in revenue in the Financial Statements.

Summary of our performance

Client Experience and Delivery is the frontline interface with our clients and the community, providing:

- deceased estate administration - the Public Trustee administers deceased estates pursuant to Wills or on intestacy, delivering quality service to beneficiaries
- financial management - the Public Trustee acts as administrator for financial matters for clients with impaired capacity for decision-making pursuant to the *Guardianship and Administration Act 2000* or as a financial attorney pursuant to the *Powers of Attorney Act 1998*
- a Will making service - the Public Trustee prepares Wills free of charge for all Queenslanders.

We measure our performance across the Client Experience and Delivery service area using three effectiveness measures and one efficiency measure.

The table below summarises our performance (quantifiable measures and qualitative achievements) against performance indicators in the Public Trustee's *Service Delivery Statement 2019–20* and those in our *Strategic Plan 2016–2020*. Our objective is to deliver a full range of accessible, responsive and person-centric services that recognise our customers' human rights.

Client Experience and Delivery	2019–20 Target/Est	2019–20 Actual	2020–21 Target/Est
Service standards			
<i>Effectiveness measures</i>			
Overall client satisfaction with the deceased estate administration service as measured by client satisfaction index ¹	70%	72%	70%
Overall client satisfaction with the financial management service as measured by client satisfaction index ¹	70%	76%	70%
Overall client satisfaction with Will preparation services ²	90%	95%	90%
<i>Efficiency measure</i>			
Cost per Will ³	\$175	\$195 ⁴	\$180

Notes:

1. The satisfaction index is calculated by an independent market research provider on an annual basis. The index is calculated by summing 50% of the overall satisfaction score and 50% of a score derived from service and process factors, which have been weighted according to importance and combined to provide a single score.
2. All clients preparing a Will with the Public Trustee receive a Wills Questionnaire. The Wills Questionnaire contains eight questions relating to the quality and delivery of the Will-making service provided. The overall satisfaction level is calculated as a percentage of positive responses to total number of responses received.
3. This service standard is calculated using the total estimated cost of making free Wills divided by the number of Wills drafted and completed in the financial year. The total cost is comprised of direct and indirect costs specifically attributable to the Will-making service including employee expenses, supplies and services, and apportioned overheads.
4. The 2019-20 actual cost is higher than target as a result of fewer Wills being completed during the 2019-20 financial year. In response to COVID-19, in-person Will appointments were temporarily suspended however Will customers were still able to have Wills drafted via telephone or video appointments and could choose to make private arrangements or attend a Public Trustee office to have them executed.

The Public Trustee conducts a customer satisfaction survey with beneficiaries of deceased estates at completion of administration, with customers (and their support network) for whom the Public Trustee acts as financial manager and trust administration customers. The overall objective of the research is to gain understanding and insights into our customers' satisfaction with our services and processes and their overall experience.

The results of this research are highly valued and are used to develop and implement a range of operational improvements including communication and supervision strategies, and enhanced financial management, deceased estate and trust administration processes.

We use the insights and information obtained through this research to inform continuous improvement initiatives that focus on improving the customer and employee experience.

Philanthropy

The Public Trustee is trustee for the following leading philanthropic charitable trusts in Queensland.



Queensland Community Foundation

The Queensland Community Foundation (QCF) was established in 1997 to provide a permanent source of philanthropic funding for charitable organisations to enable them to respond to the needs of the Queensland community.

The QCF has net assets of \$94M under management. During the year, QCF paid \$3.0M in distributions to a broad range of charities.

For further information, visit www.qcf.org.au.

QCF Sub Fund: Gulf Area Community Social Development

Established under the umbrella of the QCF in 2000, this sub fund has net assets close to \$6.3M.

The sub fund supports the Gulf Area Community by providing grants to projects and initiatives that encourage cultural, educational, health and social development.



Queensland Aboriginal and Torres Strait Islander Foundation

The Queensland Aboriginal and Torres Strait Islander Foundation was established in 2008 and provides a secure, independent and perpetual funding source to advance the education of Aboriginal and Torres Strait Islander children and young people in Queensland through provision and promotion of scholarships.

The trust has net assets of \$41.6M.

Senior education scholarships of more than \$1.9M for young Queensland Aboriginal and Torres Strait Islander students were approved in 2019–20. In total, 10,424 students have been approved for scholarships since the foundation was established in 2008.

For further information, visit www.qatsif.org.au.



Lady Bowen Trust

Established in 2006, the Lady Bowen Trust aims to re-engage people experiencing chronic homelessness so they achieve genuine, positive and lasting outcomes. The trust supports Mission Australia which maintains Roma House, a facility to enhance clients' life skills, confidence and resilience while assisting them to find secure accommodation.

The trust has net assets of \$5.1M with distributions paid totalling \$0.2M in 2019–20.

For further information, visit www.ladybowentrust.org.au.



The Forde Foundation

The Forde Foundation was established in August 2000 in response to the findings of the *Commission of Inquiry into Abuse of Children in Queensland Institutions*, better known as the Forde Inquiry. The foundation is designed to support former residents of Queensland institutions. Financial support is provided to individuals for specific purposes such as dental care, education, training and personal development opportunities.

The foundation has net assets of approximately \$3.9M with distributions paid totalling to \$0.1M in 2019–20.

For further information, visit www.fordefoundation.org.au.

Gladstone Foundation

Established in early 2011, the Gladstone Foundation allows for industry funds to be channelled into this perpetual trust to provide social infrastructure and service needs in the Gladstone Region.



Specific purposes of the trust are relieving poverty, assisting the aged, relieving sickness or distress, advancing religion and education, providing child care services on a non-profit basis and other purposes which benefit the Gladstone Region.

Initial capital received by the trust was \$13.5M. The foundation has net assets close to \$6.1M as at 30 June 2020, with distributions paid totalling \$0.7M in 2019–20.

For further information, visit www.gladstonefoundation.org.au.

Strategic Plan 2020–2024

Strategic Plan 2020 – 2024

Our Vision

Security and peace of mind for Queenslanders

Our Purpose

To enhance and protect the rights, dignity and interests of Queenslanders – our customers

We will do this by:

- Providing responsible, transparent, and ethical financial, estate, and trust administration and other essential fiduciary services, together with an enduring power of attorney and will making service
- Building a modern, professional and customer focused organisation
- Providing value and support to the community

Because we value:

- Our customers
- Our people
- Our community
- Our social responsibility



Our Social Responsibility Charter

The Public Trustee has a lead role in representing and assisting the community we serve.

We are mindful of our responsibilities, our customers and Queenslanders, and will proactively contribute to the community by being a trusted, transparent, consultative, customer and people focused organisation.

Our focus for the future requires exemplary governance that is grounded in the continuity of our values and geared towards providing quality support for customers by:

- respect for the law and ethical standards
- communication with and commitment to our customers and stakeholders
- commitment to the principles of the *Queensland Public Sector Ethics Act 1994*.

Our Role & Services

Enduring Powers of Attorney and Wills

Financial, estate, and trust administration and other essential fiduciary services

Our role and services to the community contribute to *Our Future State: Advancing Queensland's Priorities to Be a responsive government* by:

- undertaking a key role in Queensland's guardianship system
- advocating for the rights and financial interests of people with impaired decision-making capacity and protecting them from neglect, exploitation and abuse
- supporting Queenslanders to protect and manage their financial wellbeing at all stages of life
- delivering a customer experience that is tailored, relevant and accessible to Queenslanders
- enhancing customer and community understanding of the Public Trustee

Our Values

The Public Trustee aligns with the Queensland Public Sector values and contributes to the Queensland Government's objectives for the community, outlined in *Our Future State: Advancing Queensland's Priorities to Be a responsive government*.



Customers first



Ideas into action



Unleash potential



Be courageous



Empower people

Our Strategic Challenges

- Understanding and mitigating the impact of economic factors on our services
- Increasing demand for services that meet the changing complex needs of vulnerable Queenslanders
- Increasing community understanding of the different services and functions that the Public Trustee provides
- Maintaining confidence and trust in our ability to deliver fair and transparent services

Our Key Opportunities

- Foster a culture of continuous improvement to transform the way we provide services for our customers
- Implement digital transformation technologies to drive system improvements
- Collaborate and partner with government and community organisations to deliver accessible services
- Harness our shared strengths and expertise building a resilient and cohesive organisation

We will respect, protect and promote human rights in our decision-making and actions.

Objectives



Customers first

Customer-centric, fair and equitable experiences



Leadership

Engaged, empowered and customer focused workforce



Integrity

Socially responsible services that meet the needs of Queenslanders



Financially responsible

Financially and ethically responsible leadership and governance



Engagement

Engage meaningfully with the community to improve the quality of life of Queenslanders



Care for community

Inclusive with our customers, their support networks and our stakeholders

Strategies

- Understand our customers and their support networks' complex and changing needs so we can continue to improve our services, including new service delivery channels
- Continually improve the customer experience through gathering and analysing customer insights
- Develop, implement and continuously improve an enhanced, proactive customer engagement model
- Transition to best practice complaint handling standards
- Foster a culture of integrity, empowerment and continuous learning that enables workforce change
- Promote an environment where our people are resilient, high performing and agile leaders
- Invest in our training and development programs, building our peoples' leadership capability to achieve their potential
- Enhance and further develop a workforce that is reflective of the Queensland community we serve

- Enact our Social Responsibility Charter – applying our knowledge and understanding of the ethical and social responsibilities of our services
- Continue to review our policies to optimise our overall impact and value for Queenslanders
- Enhance integrity, empathy, respect and trust into our relationships with our customers and their support networks' and stakeholders

- Be financially responsible and transparent in the management of our customers' funds
- Be transparent about our fees and charges
- Focus on effective governance structures and systems, implementing business improvements, and allocating resources to deliver streamlined services for our customers
- Adopt a continuous improvement approach to our service delivery to ensure we remain relevant, sustainable, efficient and cost effective for our customers

- Enhance customer and community information and empowerment
- Highlight the quality of our services as a trusted partner of financial, estate and trust administration, and other essential fiduciary services

- Lead the way in Queensland's guardianship system to protect the rights and interests of adults with impaired decision-making capacity
- Focus on evolving customer needs to facilitate value-add and targeted services
- Make informed decisions through research and analysis of our data that benefits our customers and stakeholders
- Prioritise opportunities for process and performance improvement

Performance Indicators

- Our services continue to meet the changing complex needs of our customers as measured by our Customer Feedback Report
- Customers and stakeholders have increased positive experience with us as measured by our customer satisfaction research
- Service improvements arising from complaints analysis
- Staff are empowered and committed to improving the customer experience
- A safe and healthy workplace as monitored by our Health, Safety and Wellness report
- Workforce capability increased through the adoption of training, coaching and formal development opportunities
- Improved results in the Working for Queensland survey
- Improved accessibility to, and timeliness of, Public Trustee services as measured by our Customer Feedback Report

- Customer investment strategies, fees and charges are consistent with benchmarking
- Efficiencies in governance, structure and business processes as measured by our internal audit program

- Increased overall customer satisfaction as measured by our customer satisfaction research
- Increased capability and improved performance as evidenced in staff performance development plans

- Evidence, values and principles based reforms informed by data
- Responsible and accessible services as measured by our customer satisfaction research

Our acknowledgment

We acknowledge the Australian Aboriginal peoples and Torres Strait Islander peoples of this nation, the traditional custodians of these lands. We pay our respects to their ancestors, our First Nations peoples, their spirits and their legacy which give strength, inspiration and courage to current and future generations, both Indigenous and non-Indigenous, towards creating a better Queensland.

We have developed and released our new Strategic Plan 2020–2024 which will help drive the Public Trustee towards a more modern, professional and customer focused organisation. It will serve as our blueprint to help us achieve our revised vision to *'provide security and peace of mind for*

Queenslanders'; and clearly articulates our purpose to *'enhance and protect the rights, dignity and interests of Queenslanders – our customers'*.

Importantly, the 2020–2024 Plan is built around the principles within our Social Responsibility Charter. This has been a deliberate approach, as the Charter represents our core promise to our customers, staff and the community.

Our priorities

Our key priority for 2020–21 will be to continue our Customers First initiatives to deliver organisational capability, process and technology changes aligned with our strategic objectives, including ensuring continued financial responsibility and sustainability, and to support future business needs. These initiatives build on community trust, provide greater transparency and ensure the voice of our customers is heard to guide our future decision-making. We will engage collaboratively with our stakeholders by building goodwill, sharing knowledge and expertise, and fostering partnerships for the benefit of our customers and the community.

Other priorities for 2020–21 include:

- **Establish a Customer Advocate Office:** this initiative is a national first for the Australian Public Trustee sector and an important step to build on our commitment to continuously improve our services and enhance customer and community trust. The Customer Advocate will assist the Public Trustee in developing customer focused policies and procedures and ensure that customers' views are heard and drive future improvements. This is a unique and important initiative to support customers and their networks, making it easier to discuss issues and facilitate complaints
- **National Redress Scheme Unit:** building upon the National Redress Scheme Framework, this specialist Unit will establish key networks with stakeholders, agencies and other statutory authorities to best provide trauma informed support to our customers who may be survivors of institutional child sexual abuse and who may have a claim under the Scheme
- **Implement the Structured Decision-Making Framework:** the framework, supported by the delivery of the Structured Decision-Making training program, will assist frontline staff in making better decisions through better engagement with customers and their support network throughout the decision-making process
- **Legal Expert Transformational Panel:** the Panel brings respected members of the legal community together with the Public Trustee to share information, provide advice, analyse issues and discuss opportunities to enhance Customer Legal Services to provide improved outcomes for customers. The guiding principle is to improve issues affecting customer satisfaction for services provided, including around costs, timeliness and quality assurance
- **Delivery of learning programs** to further build technical and leadership capabilities across the Public Trustee to support an enhanced customer experience such as specialised technical training to trust officers at all levels and the Lead4Queensland strategy
- **A culture of integrity** will be enhanced with a comprehensive approach to education and awareness raising on Ethics and Integrity. Ethics and Integrity matters will be further explained using a series of topics presented through information sessions, elearning, workplace discussions, written communications, policy updates and formal learning sessions
- **Undertake a range of employee lifecycle business improvement activities** including recruitment processes and policy modernisation to better meet business and internal

customer needs. For example, a review of recruitment processes is underway with the intent to better support internal customers and reduce complexity.

Our strategic challenges and opportunities

In developing our Strategic Plan 2020-2024, we considered the major challenges facing Queensland now and into the future, and how they will impact the Public Trustee. We have identified a number of key risks and opportunities in achieving our vision and purpose, as outlined below.

Our strategic challenges include:

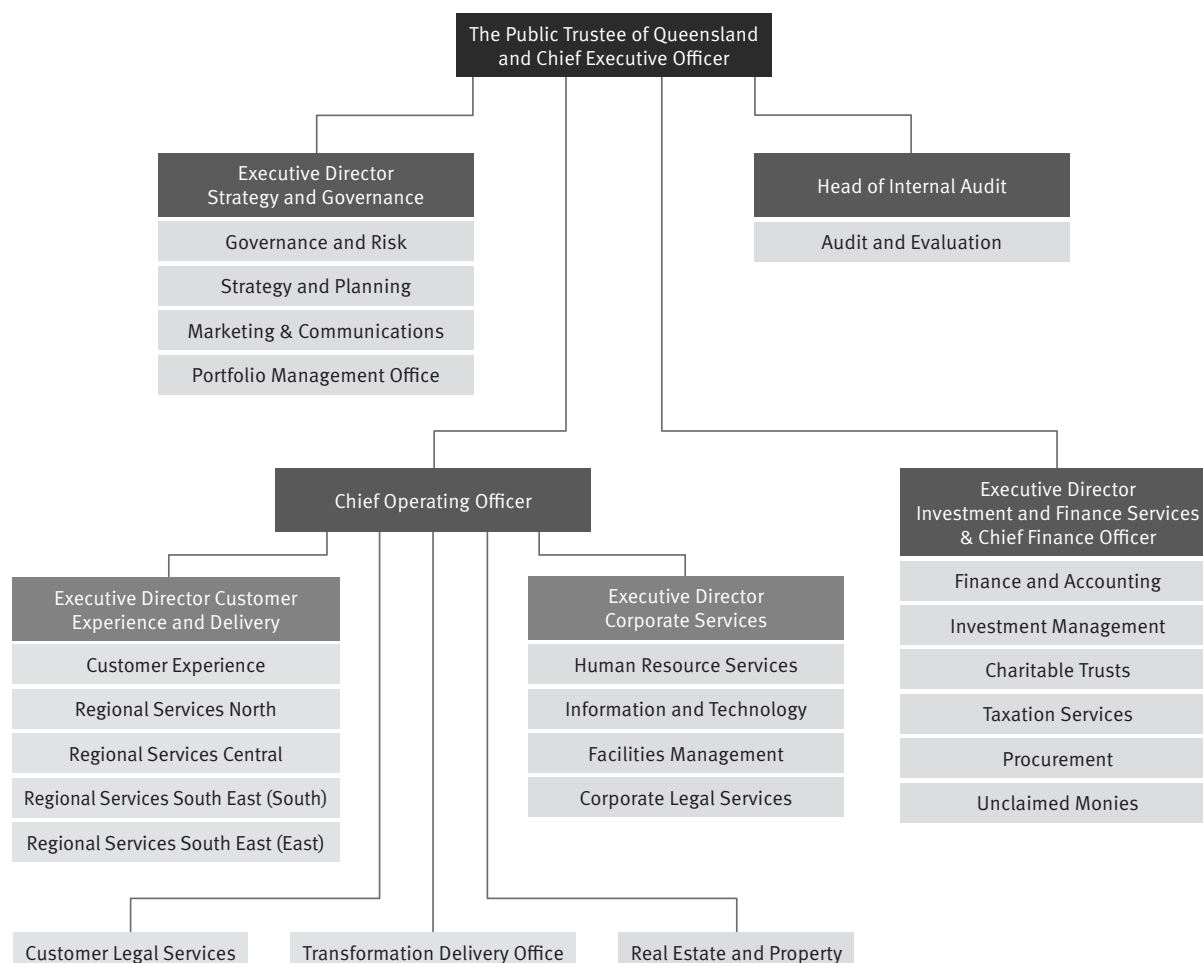
- understanding and mitigating the impact of economic factors on our services
- increasing demand for services that meet the changing complex needs of vulnerable Queenslanders
- increasing community understanding of the different services and functions that the Public Trustee provides
- maintaining confidence and trust in our ability to deliver fair and transparent services.

Our strategic opportunities include:

- fostering a culture of continuous improvement to transform the way we provide services for our customers
- adopting modern information and communication technology and digital practices, systems and technologies to drive system improvements
- collaborating and partnering with government and community organisations to deliver accessible services
- harnessing our shared strengths and expertise building a resilient and cohesive organisation.

Management and structure

As part of the functional and governance review, the Public Trustee established a new organisational structure to ensure we have in place appropriate leadership and oversight to ensure progress on strategic and operational priorities. The new structure was developed in consultation with key stakeholders, including staff.



Senior internal management committees

The Public Trustee has established a range of internal management committees to support all areas of operation. The committees have varying roles and functions and are established for specific purposes either because of a legislative imperative or in response to the needs of the organisation.

Our leaders' membership across these governance committees demonstrates our commitment to delivering services for Queenslanders in a transparent and accountable way. Our committees are integral components of the Public Trustee's governance arrangements and ensure appropriate decision-making and accountability.

Board of Management

Following the implementation of the new functional structure, a Board of Management (BoM) was established.

The BoM is the senior leadership, planning and governance group of the agency. It was put in place to ensure there is clear accountability and streamlined decision-making across the organisation.

The BoM comprises:

- The Public Trustee of Queensland (Chair)
- Chief Operating Officer (COO) (Deputy Chair)
- Executive Director, Investment and Finance Services and Chief Finance Officer (CFO)
- Executive Director, Strategy and Governance.

The BoM is supported by the Executive Leadership Team (ELT), which will continue to provide strategic insights and advice to support the organisation.

Samay Zhouand ***Acting Public Trustee of Queensland and CEO***

Samay Zhouand has more than 17 years' experience in legal, accountability, governance and risk management advice and decision-making across government. Samay started his career as a lawyer with the former Department of Employment, Training and Industrial Relations. In his substantive role, Samay is the Chief Inspector of Queensland Corrective Services where he leads the objective and evidence informed scrutiny of the correctional system in Queensland.

Samay has a background in accountability, which is grounded in good administrative decision-making practices, integrity, objectivity and risk management. He has led multiple key functions ranging from legal services, information rights and ethical standards to internal audit and inspectorate functions, as well as acting in other key senior executive roles.

Samay has introduced key innovative governance, performance management, and operational effectiveness initiatives that advanced administrative outcomes. These include the establishment of an independent Probation and Parole inspection framework and key research insights and projects such as resilience programs, behavioural economics experiments and Australia's first full MQPL+ Survey (measuring the quality of prison life) in collaboration with Cambridge University.

A barrister, Samay holds a Bachelor of Laws with Honours and a Bachelor of Arts, as well as qualifications in business and government.

Samay is committed to ensuring that the Public Trustee continues to provide trusted, sustainable and customer focused services for Queenslanders.

Jeanette Miller ***A/Chief Operating Officer (COO)***

Jeanette is a public policy analyst with over 25 years' experience in the Queensland Public Service, including 15 years in central agencies.

Jeanette has extensive experience in managing the development and evaluation of government policies and programs, as well as leading and managing teams within dynamic and vibrant environments.

During her time in the public sector, Jeanette has lead multidisciplinary teams responsible for major policy initiatives relating to the State's budget, fiscal and economic position; trade, energy (including renewable energy); state development; industry attraction; tourism (including Global Tourism Hubs,

such as Queens Wharf); and developing industry roadmaps for Biofutures, Hydrogen, and Resource Recovery.

Jeanette has extensive experience in working across whole-of-Government major reforms, such as the Crime and Misconduct Commission Inquiry into Abuse of Children in Foster Care; National Health Reforms; and Queensland Skills and Training Reforms.

Jeanette's focus is on delivering the Customers First Agenda.

Shane Sullivan

A/Executive Director, Investment & Finance Services & Chief Finance Officer (CFO)

Shane Sullivan commenced in May 2020 as the Acting Executive Director Investment and Finance Services and CFO. Shane is responsible for the management of financial reporting, payroll, procurement, charitable trusts, unclaimed money, customer taxation, as well as the investment framework for the Public Trustee. Prior to this appointment, Shane was the Acting CFO, Rio Tinto Growth & Innovation. Shane has extensive experience in senior finance leadership roles predominantly in the mining industry, in particular with Rio Tinto Growth & innovation, Rio Tinto Exploration and Argyle Diamonds.

Shane has a Master of Commerce (majoring in Management Accounting) from the University of New South Wales and is a Fellow of CPA Australia, a Fellow of the Governance Institute of Australia and a member of the Australian Institute of Company Directors.

Jacob Fredericks

A/Executive Director, Strategy and Governance

Jacob commenced as acting Executive Director, Strategy and Governance in March 2020 and is accountable for Strategy, Planning, Governance, Risk, Marketing and Communications, Portfolio Management Office and the office of the CEO. He is an experienced public servant with over 10 years' experience across the Queensland Government including in the Department of the Premier and Cabinet, Department of Science, Information Technology and Innovation, and the Department of Transport and Main Roads. Jacob's focus is on leading the Public Trustee's strategy, governance and planning processes to achieve its Customers First agenda.

Jacob has a Bachelor of Laws (Hons), a Bachelor of Psychological Sciences, a Graduate Diploma in Legal Practice, Skills and Ethics, and a Graduate Certificate in Policy Analysis.

Information and Communication Technology (ICT) and Digital Steering Committee

In 2019-20, a new committee was established following recommendations by the Queensland Audit Office. The role of the committee is to provide strategic leadership for ICT, Information Security and Digital aligned with enterprise strategic objectives and processes.

The core functions of the committee are to:

- review and approve ICT and digital strategies, plans and policies
- ensure effective and equitable use of current and future ICT and digital resources
- appropriately manage ICT and digital risk.

Membership of the committee is determined by the Public Trustee of Queensland. The members as at 30 June 2020 were:

- COO (Chair)
- CFO (Deputy Chair)
- Executive Director, Strategy & Governance
- Executive Director, Corporate Services

- Representative from Human Resource Services
- Representative from Customer Services
- Chief Information Officer (CIO), Department of Justice and Attorney-General (non-remunerated).

Public Trust Office Investment Board

The Public Trust Office Investment Board (the Board) is established under section 21(1) of the *Public Trustee Act 1978*. The functions of the Board are to control and manage the investments of the Common Fund, and to provide advice to the Public Trustee on the investment management of the Public Trustee of Queensland Growth Trust.

Significant achievements of the Board in 2019–20 were:

- endorsed the interim investment objectives for the Public Trustee Common Fund
- reviewed the credit policy, taking into consideration the risk appetite of the organisation and the counterparty risks that prevail in the global financial environment
- reviewed the operating limits for interest rate and credit risks
- monitored the investment strategy of the Common Fund taking into consideration the continued historically low yield environment
- endorsed revised benchmarks for interest rates payable to customers
- noted the interest rate structure for interest rates payable to customers
- reviewed the strategic asset management plan for buildings of the office.

The Public Trustee of Queensland Growth Trust is audited by the Auditor-General.

Remuneration					
Position	Name	Meetings/ sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received (GST exclusive)
The Public Trustee of Queensland	Samay Zhouand	5	N/A	N/A	N/A
External Member	Henry Smerdon	5	Meeting fee - 4 hours or less \$400	N/A	\$2000
External Member	Sandra Birkensleigh	5	Meeting fee - 4 hours or less \$400	N/A	\$2000
Officer of the Department administered by the Treasurer	Geoffrey Waite	5	N/A	N/A	N/A
No. scheduled meetings	5				
Total out of pocket expenses	N/A				

Under the *Public Trustee Act 1978*, the Public Trust Office Investment Board must consist of at least three members, one of whom shall be The Public Trustee of Queensland and one of whom shall be an officer of the Department administered by the Treasurer.

The Public Trust Office Investment Board has adopted the *Code of Conduct for the Queensland Public Service*.

Public Sector Ethics

Our employees are bound by the *Code of Conduct for the Queensland Public Service*. The Public Trustee maintains high ethical standards that support and underpin our fiduciary responsibilities.

Our new Strategic Plan 2020-2024 has an emphasis on the delivery of quality frontline services by providing our customers with professional and effective services in a responsive manner. To deliver quality frontline services, we must empower employees to act in an ethical manner.

In particular and following a high-level governance and structure review, we established an Ethics and Integrity Unit as part of our Human Resource Services area. The aim of this Unit is to develop, implement and promote a range of strategies which raise awareness of ethical standards and support ethical decision-making and behaviour. In 2019-20, those strategies included:

- educating employees about ethical standards required in the workplace through our orientation program and mandatory online compliance training including:
 - *Code of Conduct for the Queensland Public Service*
 - fraud and corruption control
 - information privacy
 - right to information
 - complaints management
 - recordkeeping and file management
 - cybersecurity awareness
- providing employees, managers and the ELT with regular communication and updates on ethics and integrity topics including:
 - regular updates on integrity initiatives
 - making resources available on the Ethics and Integrity Intranet page
 - topics and information from the Crime and Corruption Commission, Queensland Ombudsman and relevant bodies in other jurisdictions
- incorporated integrity as a key aspect of the Social Responsibility Charter and Strategic Plan 2020-2024
- established an independent email enquiries line for employees to seek confidential advice on ethics and integrity matters
- updated key policies and procedures to support our compliance with the *Public Service Act 2008* and the *Public Sector Ethics Act 1994*
- promoted the importance to all employees on declaring secondary employment and managing actual, perceived or potential conflict of interests
- ongoing liaison with key integrity agencies to enhance processes and practice at the Public Trustee

- revised our Public Interest Disclosure Management Strategy
- reviewed human resource policies and procedures to align with the Queensland Public Service values and *Code of Conduct for the Queensland Public Service*
- The Queensland Ombudsman delivered training on Public Interest Disclosures to all managers in October 2019. The training covered a range of issues including an overview of the *Public Interest Disclosure Act 2010*, the impact of wrongdoing in the public sector and encouraging a pro-disclosure culture.

Public Sector Values

Work was undertaken to assess the culture at the Public Trustee and to identify key cultural attributes to shape future culture. During 2019–20, the Public Trustee began focusing on promoting and reinforcing behaviours to enhance a culture of ‘customer focused professionals’ and ‘learner improvers’.

The Queensland Public Service values underpin our workplace culture and are based on the *Public Sector Ethics Act 1994* and the *Code of Conduct for the Queensland Public Service*.

We continued to embed and implement the Public Service values into our organisation as demonstrated below.



Customers first

- we introduced a new Customers First agenda supported by a Social Responsibility Charter and new organisational structure to enhance the way services are delivered to customers
- we provided training, new processes and procedures to better support the human rights of our staff, customers and their stakeholders
- we continued to provide specialised technical training to trust officers at all levels in order to provide excellent service to customers and to minimise risk.



Ideas into action

- we streamlined internal human resource procedures to reduce time and complexity for staff
- we delivered the ‘Engaging, Empowering and Enhancing 2019’ conference to approximately 78 middle and senior managers from across the organisation. The Conference focused on trust through people, customers, growth and governance and included information about the *Human Rights Act 2019* and the pending legislative amendments from the *Guardianship and Administration and Other Legislation Amendment Act 2019*
- we created a People and Culture working group, as part of our Customers First agenda, to generate ideas and solve key challenges which resulted in updated and more accessible financial and human resources delegations.



Unleash potential

- we continued to enhance and deliver our specialised, organisation-specific, mandatory online compliance training for all employees to equip our workforce with the knowledge and skills to meet customer and stakeholder expectations
- we delivered the Corporate Orientation program for new employees throughout the year
- we delivered, in partnership with the Australian Institute of Management, Supervisor

Development workshops for employees at Administrative Officer Level 4 and 5 classifications. These workshops were focused on self-awareness and management, the skills to supervise and lead small teams, as well as how their work impacts on organisational outcomes

- we provided assistance to individual employees to build their professional capabilities through the support and management of our Study and Research Assistance Scheme.



Be courageous

- we realigned how we deliver human resource services by reallocating business partners and introducing a dedicated recruitment team to better support staff
- we established an Ethics and Integrity Unit to build knowledge and capability of our responsibilities as public servants.



Empower people

- the Public Trustee held a Privacy Awareness Week Shopfront during Privacy Awareness Week in May 2020 so staff could learn how to best protect personal information – both their own and our customers
- the third and final cohort of 25 managers graduated from the Leadership and Management Development Program delivered in partnership with the Queensland University of Technology. This program aimed to provide our middle management employees an opportunity to develop strategic leadership skills and behaviours
- employees were actively engaged in the implementation of the new customer focused organisational structure through opportunities to provide feedback on the implementation and input on the more detailed alignment of new work units. Over 150 items of feedback were received, considered and responded to. Several ideas were incorporated into the final structure
- the introduction of regular information sharing meetings for managers during the fast evolving COVID-19 pandemic highlighted the value of providing up to date information and learning materials to this important group. These forums have continued and provide managers with the opportunity to learn and ask questions about new initiatives and to cascade meaningful information to all staff
- regular updates from the Human Resource Services team provided a further mechanism to keep all staff informed about health, safety and well-being, new and updated policies and procedures, learning opportunities, and ethics and integrity matters.

Governance – risk management and accountability

Risk management

Risk management at the Public Trustee is governed by our Risk Management Framework, a core component of our overall corporate governance and accountability framework. Aligned to the *AS/NZS ISO 31000:2018 Risk Management Standard* and designed for our specific business and organisational environment, the framework encompasses policies, procedures, systems and strategies that effectively manage our risks through regular engagement and consultation.

The BoM is responsible for risk management across the Public Trustee and is supported by the ELT, Governance & Risk Directorate, Internal Audit and the Audit and Risk Management Committee.

The Public Trustee is committed to promoting a risk management culture and to organisational risk management principles. Risks are identified and monitored on an ongoing basis to ensure they adequately reflect the current operating environment and are brought to the attention of BoM where required. Significant risks at organisation and program area levels are regularly reviewed and reported to the BoM and the Audit and Risk Management Committee.

In 2019–20, the Governance and Risk team continued to embed a culture of risk management at the Public Trustee, in accordance with the Risk Management Framework:

- continually enhancing the Risk Management Framework for consistency of risk assessment, monitoring and reporting in line with the *ISO 31000:2018-2 Risk Management – Guidelines* and other applicable standards
- conducting risk workshops with leadership teams to identify and assess significant risks across the Public Trustee. Individual program registers, and the Material Business and Strategic Risk Register, are reviewed by risk owners as part of regular management meetings to enable informed decision-making
- providing advice and guidance on risk ownership, escalation, treatment, review and reporting to program areas across the Public Trustee
- providing advice, guidance and co-ordination of business continuity planning and response including reviewing the Business Continuity Plan, development of a COVID-19 Response Plan, identifying critical functions, identifying and implementing risk management strategies in response to the COVID-19 global pandemic and COVID-19 scenario testing.

The Public Trustee is committed to complying with the Queensland Government's Information Security Policy (IS18:2018). The policy seeks to ensure all departments apply a consistent, risk-based approach to the implementation of information security to maintain confidentiality, integrity and availability. In addition to other requirements, IS18 requires the Public Trustee to develop an information security management system (ISMS) which supports people in the organisation to ensure information security is front of mind when making decisions. Ongoing implementation and compliance with the policy is overseen by the ICT and Digital Steering Committee.

Internal audit

Internal Audit provides independent, objective assurance and consulting to improve the operational performance of the Public Trustee.

The unit's role is defined in its Charter, approved by The Public Trustee of Queensland and endorsed by the Audit and Risk Management Committee.

The charter has regard to the *Financial and Performance Management Standard 2019* and the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Internal Audit is independent and reports directly to the Acting Public Trustee of Queensland, with oversight by the Audit and Risk Management Committee. The current Head of Internal Audit holds a Bachelor of Commerce (Hons). He is a Certified Internal Auditor, Financial Services Auditor, and Information Systems Auditor and is also certified in Control Self-Assessment.

The *Strategic and Annual Internal Audit Plan* is developed in consultation with key stakeholders and takes into account the significant risks identified by management through the Public Trustee's Risk Management Framework. Strong links with the Queensland Audit Office provide the foundation for a collaborative audit approach to ensure optimal audit coverage across all areas of the organisation, including financial and compliance audits, operational and efficiency audits, information system audits, and investigations.

In 2019–20, Internal Audit conducted independent reviews and audits of our internal controls, business processes and management practices. Key achievements included:

- developed an internal audit plan based on strategic risks and operational risk registers
- successfully executed the internal audit plan, providing reports to the Audit and Risk Management Committee and the Acting Public Trustee of Queensland
- monitored and reported on the status of implementation of internal audit recommendations to the Audit and Risk Management Committee
- supported management by providing advice on corporate governance and related issues including fraud and corruption prevention programs and risk management.

Audit and Risk Management Committee

The Audit and Risk Management Committee is an independent advisory body established to assist The Public Trustee of Queensland in fulfilling the Accountable Officer's responsibilities under the *Financial Accountability Act 2009*, *Financial and Performance Management Standard 2019* and other relevant legislation.

The committee operates under terms of reference established in accordance with the *Audit Committee Guidelines – Improving Accountability and Performance* published by Queensland Treasury.

The committee assists with reviewing:

- financial statement preparation processes and oversight
- the risk management framework
- the fraud and corruption control framework
- performance management, compliance and reporting
- internal audit plans for endorsement
- actions from internal and external audit reviews.

The Audit and Risk Management Committee met four times during 2019–20.

Voting members of the Audit and Risk Management Committee for 2019–20 were:

Name	Details
Sandra Birkenleigh	External Chair
Felicity Cooper	External Member
Janine Walker AM	External Member
Kathryn Williams	Nominee of the Acting Public Trustee of Queensland ²
Jeanette Miller	Nominee of the Acting Public Trustee of Queensland ³

Standing invitees of the Audit and Risk Management Committee are:

- The Public Trustee of Queensland
- Members of the Board of Management
- Head of Internal Audit
- Senior Director, Governance and Risk
- Queensland Audit Office

Remuneration payments

Remuneration to external members during the 2019–20 financial year is detailed below.

Remunerated committee members	Amount (GST exclusive) ⁴
Sandra Birkenleigh	\$18,700
Felicity Cooper	\$12,500
Janine Walker AM	\$12,500
Total	\$43,700

External members are required to comply with the *Code of Conduct for the Queensland Public Service* during their term.

² Voting member for meetings held in August and December 2019.

³ Voting member for meetings held in March and June 2020.

⁴ Including any outstanding fees for services provided during 2019-20.

Information systems and recordkeeping

The Public Trustee is committed to meeting its responsibilities under the *Public Records Act 2002* and other relevant legislation, Queensland State Archives policies and best practice methods. We continue to explore and implement ways of enhancing our efficiency and agility in providing services to Queenslanders, and demonstrate our commitment to quality information and records management that reduces the reliance on paper records through automation and digitisation.

In 2019-20, we demonstrated our commitment to compliant recordkeeping practices by:

- upgrading our electronic Document and Records Management System (eDRMS) to ensure reliability, performance and security of electronic records
- developing and introducing electronic tracking of internal documents through our eDRMS
- reviewing and updating the Business Classification Scheme within our eDRMS including attaching Retention and Disposal references
- updating our Information Security Classification in our eDRMS to be in line with the Queensland Government Information Security Classification Framework
- continuing to deliver mandatory online recordkeeping training for all employees and contractors
- disposing of public records in accordance with the Public Trust Office Retention and Disposal Schedule (QDAN 651 v.1) and the Queensland Government General Retention and Disposal Schedule.

External scrutiny

The Public Trustee is subject to external scrutiny by entities including the:

- Crime and Corruption Commission
- Queensland Audit Office
- Queensland Ombudsman
- Office of the Public Advocate
- Office of the Information Commissioner
- Queensland Parliament's Legal Affairs and Community Safety Committee.

Governance – human resources

Workforce planning and performance

Our employees are employed under the *Public Service Act 2008* and related industrial instruments aligning with Queensland Public Service Commission and Office of Industrial Relations' policies and directives.

The workforce profile full-time equivalent establishment is 599.77 (as per the Minimum Obligatory Human Resources Information report for the quarter ending 30 June 2020). The Public Trustee employed 638 employees as headcount.

In 2019–20, the permanent separation rate was 8.88 per cent.

During 2019-20 there was a focus on workforce planning and resourcing for regional offices and the development of short term talent pools. A strategy was implemented to attract suitable entry level candidates with life experience and an affinity towards supporting service delivery in regional offices. Short term talent arrangements are in place for regions outside of south east Queensland. Further work is planned to address requirements within south east Queensland.

Some of the strategies we have in place to proactively retain employees include a structured on-boarding program to maximise integration of new employees into the Public Trustee, structured training programs for customer facing employees, access to flexible work arrangements (such as part time return to work programs following parental leave), and supervisor and leadership development options to support career development.

The Public Trustee has a strong history of promoting gender diversity with the overall gender profile comprising 75 per cent female and 25 per cent male employees. This gender profile exists across all levels of the Public Trustee with the ELT consisting of 70 per cent female and 30 per cent male members.

On 6 March 2020, International Women's Day, the Public Trustee held a diverse workforce panel to discuss the theme #EachforEqual supporting a gender equal world. Our celebration offered staff an opportunity to hear from our panel members about their professional and personal experiences of equality and what it means for them, how they work to raise awareness and take action, as well as celebrate the amazing achievements of the women we work with. The Public Trustee is proud of its workforce diversity.

A key strategy in positioning the Public Trustee for the future of work involved development of the first stage of the learning journey and career map for customer facing employees. This work was undertaken to provide insights to future learning requirements and further support the Customers First initiatives.

The learning map encompasses eight weeks of structured orientation, online and face to face learning for new frontline employees. Online learning materials are progressively being updated to align with changes in legislation and contemporary business requirements including the addition of online Human Rights Act training being added to the suite of new starter learning materials.

Technical training, supervisor and leadership development is also incorporated into the learning journey and career map.

Supervisor development programs continued in 2019-20. These courses are designed for supervisors in the levels of AO4-AO6 and target capability development for new and existing supervisors.

Preliminary work on a new strategy to implement the Lead4Queensland assessment, based on Queensland Public Sector Leadership Competencies, was also progressed.

Development of employees is linked to the Performance Planning and Development framework which provides a mechanism for employees and their manager to set priorities, outline required behaviours and discuss development and career interests. Employees may access a range of opportunities to progress development including mobility through secondments within the Public Trustee or the broader Public Service, undertaking tertiary study, on the job learning and participation in projects.

Further flexibility and support for work life balance is demonstrated in the Public Trustee's significant part time workforce. A total of 74 employees work part time which equates to 11.76 per cent of the workforce.

Apart from access to flexible work arrangements, employee well-being has been promoted through the Employee Wellbeing Program which is built around six key areas of social, physical, financial and emotional well-being, healthy eating, cancer screening and a number of supporting campaigns.

The industrial and employee relations framework incorporates an active approach to consultation with employees and unions. Seven regular Agency Consultative Committee meetings were conducted throughout the year in addition to two extraordinary meetings.

Early retirement, redundancy and retrenchment

No redundancy, early retirement or retrenchment packages were paid during the 2019–20 financial year.

Financial performance

The Public Trustee's Financial Statements are included from page 39.

The Public Trustee recorded an operating loss of \$12M against a budgeted loss of \$5.4M. The operating loss recorded is predominantly due to lower fees and interest revenue as well as higher than anticipated employee and other expenses. These were partially offset by savings in supplies and services and lower interest expense.

The prioritisation of the safety and well-being of our customers and staff in response to COVID-19 impacted the financial performance for the year. The curtailment of some of our services as a result of the Government's COVID-19 restrictions and rent relief provided to tenants reduced our revenue during the period. Additional technology costs were incurred to facilitate staff working remotely and supplementary cleaning services and supplies were procured for our facilities throughout the state.

The Public Trustee deferred the implementation of changes to the *Public Trustee Regulation 2012* with effect from May 2020 in order to assist vulnerable Queenslanders by not reducing the interest rate payable to customers, resulting in a higher interest expense for the Public Trustee.

Our revenue sources in the last two financial years comprise the following:

Revenue sources	2019-20	2018-19
Fees	71%	66%
Interest Revenue	25%	30%
Other Revenue	4%	4%
Total Revenue	100%	100%

Gross revenue from fees decreased by 2 per cent from the previous year. The low interest environment, the curtailment of some of our services, predominantly property auctions, and higher Community Service Obligations have resulted in a decrease in revenue compared to the prior year.

The majority of Community Service Obligations (excluding the provision of free Will-making services) are deducted from gross fees to arrive at net fees reported in the financial statements, with the remaining amount recorded in contributions expense. This year, we provided a total of \$38.4M in Community Service Obligations at no cost to the Queensland Government, which was a 3.5 per cent increase from the previous year. As the Public Trustee is self-funded, these obligations were met from our own sourced revenue.

Our expenditure in the last two financial years comprises the following:

Expenditure	2019-20	2018-19
Employee Expenses	64%	59%
Supplies and Services	18%	22%
Interest Expense	8%	13%
Depreciation and Amortisation	3%	3%
Contributions	1%	1%
Other Expenses	6%	2%
Total Expenditure	100%	100%

Total expenses increased 1.2 per cent from the previous year. Employee expenses increased by 8.1 per cent from prior year as a result of wage increases and the \$1,250 one-off payment to employees which the Public Trustee has funded following the certification of the enterprise bargaining agreement. Non-employee expenses decreased by 8.8 per cent mainly due to lower interest expense and supplies and services, partially offset by higher other expenses.

Other Comprehensive Income

The Public Trustee holds interests in financial assets and various land and buildings located throughout the state from which our offices operate. These assets are recorded at fair value and are revalued periodically in accordance with Australian Accounting Standards. The gains and losses that result from these revaluations are recorded as other comprehensive income in the statement of comprehensive income.

All land and buildings were revalued during the 2018-19 financial year by independent valuers. The land and building values were not adjusted during the 2019-20 financial year as there was no significant change in the fair value of the Public Trustee's land and buildings based on the movement in the relevant indices year-on-year.

The market value of the Public Trustee's financial assets recorded unrealised gains of \$5.2M due to the improved market value of the existing bond portfolio as interest rates further declined. This increase in other comprehensive income, combined with the operating loss, resulted in total comprehensive loss of \$6.8M for 2019-20.

Statement of Financial Position

Total Assets

Total assets include cash, financial instruments (mainly short to medium term investments) and property, plant and equipment.

As at 30 June 2020, the Public Trustee held \$977.2M in assets, a decrease of \$5.2M from 30 June 2019, mainly due to a smaller investment portfolio compared to the prior year. Total assets include right-of-use assets as a result of the implementation of AASB 16 *Leases* in the 2019-20 financial year.

Total Liabilities

The Public Trustee's liabilities include amounts held on behalf of customers, amounts owing to staff for leave entitlements and amounts owed to suppliers. Total liabilities were \$760.4M as at 30 June 2020, an increase of \$2.6M from the previous year. The increase in liabilities is primarily due to the recognition of a lease liability following the implementation of AASB 16.

Statement of Changes in Common Fund Reserves

Total Common Fund reserves were \$216.8M as at 30 June 2020, decreasing from \$224.6M in the prior year due to the operating deficit for the year, opening accumulated surplus adjustments relating to the implementation of AASB *Leases* and AASB 15 *Revenue from Contracts with Customers*, offset by the gains on financial assets referred to above.

Prospective Outlook

A budgetary deficit is forecast for the 2020–21 financial year which includes investment in continuous improvement initiatives which will ensure that the Public Trustee continues to be a sustainable self-funding organisation into the future, with a move towards a more modern, customers first service organisation. It is expected that the low interest rate environment, COVID-19 and an increasing number of customers eligible for rebates under the Public Trustee's Community Service Obligations policy will continue to impact the financial results in the coming year. However, a number of strategies are being developed to minimise the impact of the current environment on the Public Trustee's financial position.

Chief Finance Officer Statement

Our Chief Finance Officer (CFO) has fulfilled the responsibility as required by the *Financial Administration Act 2009*. The CFO has provided the Acting Public Trustee of Queensland with a statement about financial controls, in accordance with section 54 of the *Financial and Performance Management Standard 2019*. This statement was noted by the Audit and Risk Management Committee.

Public Trustee of Queensland Investment Fund – Growth Trust

The Public Trustee of Queensland Growth Trust (Growth Trust) was established to provide our customers with the opportunity to have their funds managed by the Public Trustee with the expert assistance of a professional investment manager.

The Public Trustee is the manager and trustee of the Growth Trust and is responsible for determining the investment objectives and strategy, arranging for the proper investment of all monies and ensuring the appointed investment manager achieves acceptable rates of return. The Public Trustee has appointed QIC Limited ACN 130 539 123 (QIC) as the investment manager of the Growth Trust.

The investment aim and objective of the Growth Trust is to provide a fully diversified investment strategy for those seeking long-term income and capital growth. The investment objective of the Growth Trust is to generate average returns (net of fees and costs) of CPI + 2.4 per cent per annum over rolling five year periods.

The Growth Trust currently gains exposure to various assets classes and investment sectors by investing in the QIC Long Term Diversified Fund (formerly known as the QIC Growth Fund), while liquidity for the Growth Trust is managed by an investment of approximately one per cent in the QIC Cash Enhanced Fund or holding funds in cash at bank.

The asset allocation strategy of the Growth Trust is managed within the QIC Long Term Diversified Fund, a diversified portfolio of assets including Australian and international shares, fixed interest, property, infrastructure, private equity, alternative assets and cash.

The investment objective of the Growth Trust and performance for the five year period ending 30 June 2020 is as follows:

Fund	CPI Objective (after fees)	Objective Target Return (%)	Annualised Return (%)
Growth Trust	CPI + 2.4% over rolling 5 years	3.70%	3.85%

Further information on the Growth Trust is available in its Product Information Statement and additional information is available on our website at <http://www.pt.qld.gov.au/about/publications/investments/>.

The Public Trustee of Queensland

ABN 12 676 939 467

Financial Statements Year Ended 30 June 2020

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General Information

The Public Trustee of Queensland operates as a corporation sole governed by the *Public Trustee Act 1978* and reports to Queensland Parliament through the Attorney-General. The Public Trustee of Queensland is a department for the purposes of the *Financial Accountability Act 2009*; the Public Trustee being the accountable officer of the Public Trust Office under section 65(3) of the Act and Part 2 of the *Financial Accountability Regulation 2019*.

For the purpose of this report, 'the Public Trustee' refers to the corporation and 'the Public Trustee of Queensland' refers to the independent statutory individual.

The head office and principal place of business of the Public Trustee: Trustee House, 444 Queen Street, Brisbane QLD 4000.

For information in relation to the Public Trustee's financial statements, please email clientenq@pt.qld.gov.au or visit our website at www.pt.qld.gov.au.

The Public Trustee of Queensland
Statement of Comprehensive Income
Year Ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Revenue			
Fees	1	58,586	61,865
Interest revenue	2	20,964	27,604
Other revenue	3	3,684	3,793
Total Revenue		83,234	93,262
Expenses			
Employee expenses	4	60,586	56,048
Supplies and services	5	17,415	20,285
Depreciation and amortisation		2,747	2,572
Interest expense	14	8,024	11,980
Contributions	6	1,272	1,153
Other expenses	7	5,185	2,014
Total Expenses		95,229	94,052
Operating Result		(11,995)	(790)
Other Comprehensive Income			
<u>Items that will not be reclassified to Operating Result</u>			
Increase in asset revaluation surplus	17	-	12,501
<u>Items that may be reclassified to Operating Result</u>			
Net gain on financial assets at fair value through other comprehensive income (FVOCI)		5,192	10,690
Total Other Comprehensive Income		5,192	23,191
Total Comprehensive (Loss)/Income		(6,803)	22,401

The above statement should be read in conjunction with the accompanying notes.

The Public Trustee of Queensland

Statement of Financial Position As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Current Assets			
Cash and cash equivalents	8	218,024	246,617
Receivables	9	9,474	9,378
Other assets	10	8,338	8,477
Other financial assets	11	520,841	494,776
Property, plant and equipment held for sale	12	-	1,100
Total Current Assets		756,677	760,348
Non-Current Assets			
Other financial assets	11	165,037	170,562
Property, plant and equipment	12	49,512	51,301
Right-of-use assets	13	5,921	-
Intangible assets		79	180
Total Non-Current Assets		220,549	222,043
Total Assets		977,226	982,391
Current Liabilities			
Payables		3,896	4,159
Deposits held in trust	14	730,793	737,044
Accrued employee benefits	15	16,455	15,338
Lease liabilities	13	649	-
Other liabilities	16	799	-
Total Current Liabilities		752,592	756,541
Non-Current Liabilities			
Accrued employee benefits	15	1,415	1,254
Lease liabilities	13	5,869	-
Other liabilities	16	510	-
Total Non-Current Liabilities		7,794	1,254
Total Liabilities		760,386	757,795
Net Assets		216,840	224,596
EQUITY			
Asset revaluation surplus	17	38,834	38,834
Accumulated surplus	18	178,006	185,762
Total Equity		216,840	224,596

The above statement should be read in conjunction with the accompanying notes.

The Public Trustee of Queensland

Statement of Changes in Equity Year Ended 30 June 2020

	Accumulated Surplus	Asset Revaluation Surplus	Total Equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2018	175,862	26,333	202,195
Operating result for the year	(790)	-	(790)
Other comprehensive income			
Increase in asset revaluation surplus	-	12,501	12,501
Net gain on financial assets at FVOCI	10,690	-	10,690
Balance as at 30 June 2019	185,762	38,834	224,596

Balance as at 30 June 2019	185,762	38,834	224,596
Net effect of changes in accounting policies - AASB 15 (Note 31)	(485)	-	(485)
Net effect of changes in accounting policies - AASB 16 (Note 31)	(468)	-	(468)
Restated balance as at 1 July 2019	184,809	-	223,643
Operating result for the year	(11,995)	-	(11,995)
Other comprehensive income			
Net gain on financial assets at FVOCI	5,192	-	5,192
Balance as at 30 June 2020	178,006	38,834	216,840

The above statement should be read in conjunction with the accompanying notes.

The Public Trustee of Queensland
Statement of Cash Flows
Year Ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Cash Flows From Operating Activities			
<i>Inflows:</i>			
Fees received		60,536	62,813
Interest revenue received		20,987	27,583
Other revenue received		620	535
GST collected from customers		6,868	8,914
Net amount (paid) / accepted as deposits held in trust		(6,705)	465
<i>Outflows:</i>			
Payments to suppliers and employees		(82,054)	(75,257)
GST paid to suppliers		(2,675)	(4,524)
GST remitted to ATO		(4,159)	(4,238)
Interest expense		(7,802)	(11,976)
Net Cash (Used In)/Provided By Operating Activities		(14,384)	4,315
Cash Flows From Investing Activities			
<i>Inflows:</i>			
Sales of other financial assets		192,416	173,539
Sales of property, plant and equipment		1,136	445
<i>Outflows:</i>			
Payments for other financial assets		(206,601)	(167,506)
Payments for property, plant and equipment		(266)	(1,432)
Net Cash Flow (Used In)/Provided By Investing Activities		(13,315)	5,046
Cash Flows From Financing Activities			
<i>Outflows:</i>			
Lease payments		(914)	-
Net Cash Flow Used In Financing Activities		(914)	-
Net (Decrease)/Increase in Cash and Cash Equivalents		(28,613)	9,361
Cash and Cash Equivalents at Beginning of the Financial Year		249,704	240,343
Cash and Cash Equivalents at End of the Financial Year	8	221,091	249,704

The above statement should be read in conjunction with the accompanying notes.

The Public Trustee of Queensland
Statement of Cash Flows
Year Ended 30 June 2020

Reconciliation of Operating Result to Net Cash (Used In)/Provided By Operating Activities	2020 \$'000	2019 \$'000
Operating Result	(11,995)	(790)
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation expense	2,747	2,572
Asset impairment and write downs	246	625
Interest on leases	224	-
Net (gains)/losses on sale of plant and equipment	(55)	69
Net gain on sale of other financial assets	(1,182)	(1,473)
Change in Assets and Liabilities:		
Increase in receivables	(96)	(1,356)
Decrease/(Increase) in other assets	785	(51)
(Decrease)/Increase in other payables	(263)	2,258
Increase in accrued employee benefits	1,278	1,045
(Decrease)/Increase in deposits held in trust	(6,251)	1,416
Increase in other liabilities	178	-
Net Cash (Used In)/Provided By Operating Activities	(14,384)	4,315

The Public Trustee of Queensland

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Year Ended 30 June 2020

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The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

BASIS OF FINANCIAL STATEMENTS PREPARATION

(a) Objectives of the Public Trustee

The Public Trustee provides trustee, estate and administration services to the people of Queensland.

The *Public Trustee Act 1978* (the Act) grants the Public Trustee broad and general powers in relation to the financial operations of the Public Trustee and its funds, particularly the Common Fund. Under section 19 of the Act, all moneys vested in or coming into the hands of the Public Trustee are required to be held in one or more Common Funds. All dealings that are transacted through the Common Fund are controlled by the Public Trustee and are not administered on behalf of the Government.

The Public Trustee is a self-funded organisation which provides its full range of services to the community at no cost to the Government.

(b) Compliance with Prescribed Requirements

The Public Trustee has prepared these financial statements in compliance with the requirements of the *Public Trustee Act 1978* and section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's *Minimum Reporting Requirements* for reporting periods beginning on or after 1 July 2019 and other authoritative pronouncements.

The Public Trustee is a not-for-profit entity and these general purpose financial statements have been prepared on an accruals basis in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards adopted early and/or applied for the first time in these financial statements are outlined in Note 31.

(c) Presentation Matters

(i) Currency and Rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

(ii) Comparatives

Comparatives have been regrouped or reclassified where necessary (not material to financial statements).

(iii) Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the statement of financial position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the organisation does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

(d) Authorisation of Financial Statements for Issue

The financial statements for the year ended 30 June 2020 were authorised for issue by the Acting Public Trustee of Queensland and CEO and the Acting Executive Director Investment & Finance Services & CFO at the date of signing the certification of the Public Trustee.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

BASIS OF FINANCIAL STATEMENTS PREPARATION (Continued)

(e) Basis of Measurement

Historical cost is used as the measurement basis in this financial report except for the following:

- Financial Assets measured at fair value and amortised cost;
- Land and buildings which are measured at fair value; and
- Accrued employee benefits expected to be settled 12 or more months after reporting date which are measured at their present value.

(i) Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

(ii) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities;
- The cost approach reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology; and
- The income approach converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

(iii) Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

(f) The Reporting Entity

The financial statements include the value of all revenue, expenses, assets, liabilities and equity controlled by the Public Trustee through the Common Fund.

(g) Interest in Associates

Associates are those entities in which the Public Trustee has significant influence, but no control or joint control, over the financial and operating policies.

The Public Trustee is one of the contributors and sponsors of the QCF Management Co. Ltd which was established on 3 December 2010 to provide administration, marketing and management support for the Queensland Community Foundation for which the Public Trustee is a Trustee.

As the transactions and balances of QCF Management Co. Ltd are immaterial, they have not been included in these accounts.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

NOTES ABOUT OUR FINANCIAL PERFORMANCE

1. Fees

	2020 \$000	2019 \$000	Accounting Policy - Revenue from contracts with customers (Fees)
Revenue from contracts with customers			Revenue from contracts with customers is recognised when the Public Trustee transfers control over the service to the customer. Further information about the nature and timing of the satisfaction of performance obligations and revenue recognition for services is provided below.
Administration of estates and trusts	68,853	69,265	
Professional and other services	22,102	23,595	
Community service obligations	(32,369)	(30,995)	
	58,586	61,865	

Disclosure - Administration of estates and trusts

The Public Trustee (PT) is a not-for-profit corporation owned by the Queensland Government which provides financial administrative services to Queenslanders. The key services provided include personal financial administration and the administration of deceased estates and trusts. The services are provided in accordance with legislative directives and the fees for these services are gazetted annually.

Disclosure - Professional and other services and unclaimed moneys administration services

The individual customer whilst under the management of the PT may also choose to utilise other services offered within the corporation, including legal, investment, taxation and property services. These services are considered separate and distinct arrangements with the individual customer. PT also provides unclaimed moneys administration services to individuals and entities on behalf of the Queensland Government.

Disclosure - Community Service Obligations (CSO's)

For customers that do not have capacity to pay for the services provided, the PT may rebate all or part of a fee to the customer as part of its Community Service Obligations (CSOs). The corporation has determined that the most appropriate method of accounting for CSOs in compliance with AASB 15 is to make portfolio level provision for CSOs utilising the expected value method based on historical evidence.

Accounting Policy - Revenue from contracts with customers (Fees)

Revenue arising from contracts that are 'enforceable' and contain 'sufficiently specific performance obligations' are recognised as revenue on satisfaction of the performance obligations. The adoption of AASB 15 in 2019-20 has not had a material impact on the timing of the revenue recognition for each of the below services. Refer to Notes 10 and 16 for disclosures on contract assets, contract liabilities and refund liabilities.

Type of Service	Nature and Timing of Satisfaction of Performance Obligations	Revenue Recognition Policy
Administration of estates and trusts	Administration services provided to customers are based on gazetted annual fees or hourly rates and charged monthly, or in accordance with other pre-determined billing milestones. The performance obligation is to render administration as required which is satisfied over time.	Revenue is recognised over time from the inception of the contract, as services are provided on a recurring and periodic basis and on the basis that the Corporation has the right to payment for work performed to date.
Professional and other services	Professional and other services provided to customers are based on hourly rates or fixed rates and charged to the customer either monthly or on completion of the service. PT has enforceable right to payment for work performed to date.	Revenue is recognised over time based on hours incurred. For services which contain a fixed fee component, revenue is recognised based on estimated progress of the completion of the performance obligation.
Unclaimed moneys administration services	PT's performance obligation is to maintain an unclaimed funds register for a period of 25 years or until the funds are claimed. Lodgement of unclaimed moneys from non-government entities are subject to a maximum gazetted fee which is deducted from the unclaimed funds on receipt. If the funds are claimed, the full amount lodged is returned to the rightful owner with the fee being reversed and recognised as a reduction in revenue.	A portion of the fee is recognised on the lodgement of the funds for the setup of the unclaimed moneys register with the balance deferred over time based on the estimated length of time to complete the service. A refund liability is recognised to constrain the revenue for this service to the amount for which it is highly probable a significant reversal in revenue will not occur.

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The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

2. Interest Revenue

	2020 \$'000	2019 \$'000
Cash – at call deposits	3,777	6,796
Fixed rate deposits ⁽ⁱ⁾	6,413	6,322
Floating rate deposits ⁽ⁱⁱ⁾	454	859
Semi-government securities ⁽ⁱ⁾	3,634	3,961
Corporate securities ⁽ⁱ⁾	4,239	4,587
Corporate notes ⁽ⁱⁱ⁾	2,353	4,776
QIC unit trust ⁽ⁱⁱ⁾	62	233
Other interest	32	70
	20,964	27,604

- (i) Fixed interest rate applies to these financial assets
(ii) Floating interest rate applies to these financial assets

Accounting Policy - Interest Revenue

Interest income is recognised using the effective interest method.

Interest income is recognised for financial assets when it is probable that economic benefits will flow to the Public Trustee and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. Other Revenue

	2020 \$'000	2019 \$'000
Property rental	350	455
Services received below fair value	1,619	1,682
Gain on sale on property, plant and equipment	55	-
Gain on sale of financial assets (FVOCI)	1,202	1,280
Gain on revaluation of QIC unit trust (FVPL)	-	193
Sundry revenue ⁽ⁱ⁾	458	183
	3,684	3,793

Accounting Policy - Property rental

Rental revenue from properties is recognised as income on a periodic straight-line basis over the lease term.

Accounting Policy - Services received below fair value

The Public Trustee receives free archival service from Queensland State Archives as part of the Queensland Government Recordkeeping Framework.

Disclosure

(i) During the 2019-20 financial year, the Public Trustee received an insurance compensation payment of \$217,930 in respect of payments made to customers (refer Note 7) and property related claims (2019: \$2,942).

The Public Trustee has offered a rental relief package for six months from 1 April 2020 to 30 September 2020 for ten tenants in relation to office accommodation in Public Trustee owned buildings. The amount of revenue forgone for the 2019-20 financial year is approximately \$40,000. This amount is not included in the Public Trustee's revenue.

This service is essential to the Public Trustee's operations and would have been procured if they were not received for free. This service has been recognised as revenue at fair value and an equal amount is also recognised as an expense.

Accounting Policy - Gain/Loss On Sale and Revaluation of Financial Assets

Gains or losses of financial assets at fair value through profit or loss (FVPL) and fair value through other comprehensive income (FVOCI) are included in the period in which they arise.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

4. Employee Expenses

	2020 \$'000	2019 \$'000
Employee Benefits		
Salaries and wages ⁽ⁱ⁾	47,464	43,396
Annual leave	4,918	4,562
Employer superannuation contributions	6,175	5,836
Long service leave	1,236	1,317
Employee Related Expenses		
Workers' compensation premiums	173	158
Other employee related expenses	620	779
	60,586	56,048
Full-time Equivalent Employees ⁽ⁱⁱ⁾	600	606

(i) Salaries and wages include \$759,175 of \$1,250 one-off, pro-rata payments for 575 full-time equivalent employees (announced in September 2019).

(ii) The number of full-time equivalent employees (FTEs) is based on the Minimum Obligatory Human Resource Information (MOHRI) definition as provided by the Queensland Public Service Commission.

Key management personnel and remuneration disclosures are detailed in Note 28.

Accounting Policy - Workers' Compensation Premiums

The Public Trustee pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not included in an employee's total remuneration package. It is not an employee benefit and is recognised separately as an employee related expense.

5. Supplies and Services

	2020 \$'000	2019 \$'000
Advertising and promotion	180	297
Auction expenses	34	63
Computer expenses	4,336	4,410
Consultants, contractors and agency temporary staff	4,625	5,589
Repairs and maintenance	754	925
Investment and registry fees	2,423	2,575
Motor vehicles and travel	279	357
Office expenses	1,246	1,442
Lease expenses	222	1,076
Professional and management fees	245	149
Rates, utilities and cleaning	1,452	1,720
Services received below fair value	1,619	1,682
	17,415	20,285

Disclosure - Lease Expenses

Lease expenses include payments in relation to office accommodation for the Public Trustee and lease rentals under government-wide frameworks with the Department of Housing and Public Works (DHPW). Refer Note 13 for other lease disclosures.

Accounting Policy - Salaries and Wages and Sick Leave

Salaries and wages are expensed during the reporting period in which the employees rendered the related service. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Accounting Policy - Annual Leave and Long Service Leave

Employee leave entitlements including on-costs are charged in the operating result and recognised as a liability each month. Refer Note 15 for further details.

Accounting Policy - Employer Superannuation Contributions

Employer superannuation contributions are expensed in the period to which they relate. Contributions are predominantly paid to QSuper, the default superannuation fund for Queensland Government employees. The Public Trustee's obligation is limited to its contribution to QSuper which has both defined benefit and defined contribution plans. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Accounting Policy - Supplies and Services

The Public Trustee adopts the accrual basis of accounting and recognises expenses when incurred, usually when goods/services are received/rendered.

Accounting Policy - Services received below fair value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. In such case, an equal amount is recognised as revenue and expense.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

6. Contributions

	2020 \$'000	2019 \$'000	Accounting Policy - Contributions
Office of the Public Guardian	1,192	1,172	Contributions are non-reciprocal in nature and do not require any goods or services to be provided in return.
Civil Law Legal Aid Scheme outlays	80	(19)	
	1,272	1,153	

Disclosure – Contributions

The Public Trustee provides Community Service Obligations to the Queensland community in the form of contributions to the Office of the Public Guardian and the Civil Law Legal Aid Scheme in accordance with section 63A of the *Public Trustee Act 1978* and section 13 of the *Public Trustee Regulation 2012* respectively.

7. Other Expenses

	2020 \$'000	2019 \$'000	Accounting Policy - Impairment
Bank fees	7	18	Impairment losses may arise on assets from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting policies and events giving rise to impairment losses are disclosed in Receivables (Note 9) and Property, Plant and Equipment (Note 12).
Entertainment and hosting	1	3	
External audit fees ⁽ⁱ⁾	295	290	
Impairments and write downs:			
Receivables-bad debt expense/(recovery)	733	(90)	
Property, plant and equipment	246	625	
Insurance premiums ⁽ⁱⁱ⁾	708	577	
Loss on sale of property, plant and equipment	-	69	
Loss on revaluation of QIC unit trust	20	-	
Losses:			
Public Trustee write-offs ⁽ⁱⁱⁱ⁾	198	236	Accounting Policy - Gain or Loss on Sale of Property, Plant and Equipment
Court settlements ^(iv)	284	162	
Special payments ^(v)	78	49	
Provision for customer reimbursements ^(vi)	2,500	-	
Sponsorships	115	75	
	5,185	2,014	

Disclosure

- i. Total audit fees payable to the Queensland Audit Office relating to the 2019-20 financial statements are \$296,500 (2019: \$289,500) comprising the Public Trustee \$277,000 (2019: \$270,000) and the Public Trustee of Queensland Growth Trust \$19,500 (2019: \$19,500).
- ii. Insurance premiums – The Public Trustee's non-current physical assets and other risks are primarily insured through the Queensland Government Insurance Fund with premiums being paid on a risk assessment basis.
- iii. This amount represents the Corporation's write-offs relating to customers.
- iv. This amount comprises 2 payments made to customers under court or tribunal orders in 2019-20 (2019: 4).
- v. During 2019-20, the Public Trustee made 5 ex-gratia payments (2019: 3) and nil out-of-court settlements (2019: 1) to customers.
- vi. A provision of \$2.5m for reimbursements to customers has been made in accordance with a recommendation arising from an internal fees and charges review undertaken during the year. This provision has been included in Payables on the statement of financial position.

Accounting Policy - Special Payments

Special payments include ex gratia expenditure and other expenditure that the Public Trustee is not contractually obligated or where there is no clear legal obligation to make a payment under the contract terms. The Public Trustee maintains a register of all special payments greater than \$5,000 in accordance with the *Financial and Performance Management Standard 2019*.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

NOTES ABOUT OUR FINANCIAL POSITION

8. Cash and Cash Equivalents

	2020 \$'000	2019 \$'000
Cash at bank and on hand	5,355	3,281
QTC at call deposits at FVOCI	212,669	243,336
	218,024	246,617

Reconciliation to Statement of Cash Flows

Cash and cash equivalents	218,024	246,617
QIC Unit Trusts at FVPL	3,067	3,087
Balance per Statement of Cash Flows	221,091	249,704

Accounting Policy - Cash and Cash Equivalents

For the purpose of the statement of financial position and statement of cash flows, cash and cash equivalents include:

- cash on hand; and
- deposits held at call with financial institutions.

9. Receivables

	2020 \$'000	2019 \$'000
Accrued revenue ⁽ⁱ⁾	6	29
Customer balances ⁽ⁱⁱ⁾	8,206	7,752
Civil Legal Aid Scheme Advances ⁽ⁱⁱⁱ⁾	1,999	1,551
Trade and other debtors	94	124
	10,305	9,456
Less: Allowance for impairment	(831)	(78)
	9,474	9,378

Impairment

Allowance for impairment as at 1 July (Increase)/Decrease in allowance recognised in operating result	(78)	(245)
Allowance for impairment as at 30 June	(831)	(78)

Disclosure

(i) Accrued revenue represents receivables that do not arise from contracts with customers.

(ii) This relates to overdrawn balances of the Public Trustee's customers which arise from time to time and are expected to clear as funds become available. An allowance for expected credit losses of \$730,557 has been provided at 30 June 2020 following a review of recoverability of this balance.

(iii) This relates to amounts advanced to the Civil Law Legal Aid Scheme to fund legal files on an ongoing basis as part of the Public Trustee's Community Service Obligations. Funds recovered by the scheme are returned to the Public Trustee with any unrecoverable funds written off as they arise. No due date applies to this receivable but credit losses are expected.

All known bad debts have been written-off as at 30 June 2020.

Accounting Policy - Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Receivables are recognised at the amounts due at the time of sale or service delivery. Settlement of these amounts is usually required within 30 days from invoice date.

Disclosure - Credit Risk Exposure

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets after provision for impairment.

The corporation uses a provision matrix to measure the expected credit losses on receivables. Loss rates are calculated separately for groupings of customers with similar loss patterns. The corporation has determined there are three different customer profiles for measuring expected credit losses based on the provision of services and customer profiles for these revenue streams. The calculations reflect historical observed default rate calculated using credit losses experienced on past transactions during the preceding 10 years.

The corporation may adjust the historical default rate by reasonable and forward-looking information, including material economic changes expected to impact the future recovery of those receivables.

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The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

9. Receivables (Continued)

Accounting Policy - Impairment of receivables

The loss allowance for receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information.

Where the Public Trustee has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

The amount of impairment losses recognised for receivables is disclosed in Note 7.

The amount of impairment losses recognised for receivables is disclosed below:

Aging	2020			2019		
	Gross Receivables \$'000	Loss Rate %	Expected Credit Losses \$'000	Gross Receivables \$'000	Loss Rate %	Expected Credit Losses \$'000
Customers' debit balances and other receivables	8,212	8.9%	(731)	7,535	0.0%	-
Civil Legal Aid Scheme	1,999	5.0%	(100)	1,551	5.0%	(78)
Trade & Other Debtors						
Current	26	0.0%	-	190	0.0%	-
31-60 days	59	0.0%	-	33	0.0%	-
61-90 days	3	0.0%	-	42	0.0%	-
>90 days	6	0.0%	-	75	0.0%	-
>365 days	-	0.0%	-	30	0.0%	-
Total	10,305		(831)	9,456		(78)

10. Other Assets

	2020 \$'000	2019 \$'000
Contract assets	7,795	7,944
Prepayments	543	533
	8,338	8,477

Accounting Policy - Contract Assets

Contract assets arise from AASB 15 *Revenue from Contracts with Customers* where the contract is enforceable and contains sufficiently specific performance obligations.

Disclosure - Contract Assets

Contract assets predominantly consist of fees and charges for services delivered for which the Public Trustee has enforceable right to consideration but not yet billed to the customer.

A contract asset represents the Public Trustee's enforceable right to consideration for services delivered but not yet billed and is recognised when the performance obligation is satisfied.

Contract assets are transferred to receivables when the Public Trustee's right to payment becomes unconditional, this usually occurs when the fee is charged to the customer or when an invoice is issued.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

11. Other Financial Assets

	2020 \$'000	2019 \$'000	Accounting Policy - Other Financial Assets
Current			
<u>Financial Assets at Fair Value through Profit or Loss (FVPL)</u>			
QIC unit trust	3,067	3,087	In accordance with AASB 9 <i>Financial Instruments</i> , financial assets are categorised into one of three measurement bases - Amortised Cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVPL).
	3,067	3,087	
<u>Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)</u>			
Semi-government securities	169,054	120,294	The classification is based on two criteria:
Corporate bonds	143,420	161,755	
Corporate notes	111,110	153,280	
	423,584	435,329	
<u>Financial Assets at Amortised Cost</u>			
Fixed rate deposits	94,190	46,302	<ul style="list-style-type: none"> whether the financial asset's contractual cash flows represent 'solely payments of principal and interest'; and the Public Trustee's business model for managing the assets.
Floating rate deposits	-	10,058	
	94,190	56,360	
	520,841	494,776	
Non-Current			
<u>Financial Assets at Amortised Cost</u>			
Fixed rate deposits	147,024	152,533	Financial assets are derecognised when the right to receive cash flows from the investments have expired or the Public Trustee has transferred substantially all risks and rewards of ownership.
Floating rate deposits	18,013	18,029	
	165,037	170,562	

Classification and Measurement

(i) Financial Assets at Fair Value through Profit or Loss (FVPL)

The Public Trustee's investments in the QIC Cash Enhanced Fund are categorised and measured at FVPL under AASB 9 *Financial Instruments* as it is an equity instrument held for sale that is within the scope of AASB 9.

Any change in the fair value of a financial asset classified and measured at FVPL is recognised in the profit or loss. Interest income is also recognised in profit or loss using the effective interest method.

(ii) Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

The Public Trustee's investments in bonds and floating notes are categorised and measured at FVOCI pursuant to AASB 9 *Financial Instruments* as they are held for the purpose of both selling and collecting contractual cash flows and the collection of the contractual cash flows are solely payments of principal and interest.

Any change in the fair value of a financial asset classified and measured at FVOCI is recognised in equity. Realised gains/losses recognised in equity are transferred to the profit or loss on de-recognition of the asset. Interest income is recognised in the profit or loss using the effective interest method.

(iii) Financial Assets at Amortised Cost

The Public Trustee's investments in fixed and floating term deposits are held for the collection of contractual cash flows which are solely payments of principal and interest. As such, they are classified and measured at amortised cost in accordance with AASB 9 *Financial Instruments*.

Financial assets at amortised cost are measured at the initial recognition amount less any allowance for impairment. Any change in the fair value is recognised in the profit or loss when the asset is derecognised or reclassified. Interest income is recognised in profit or loss using the effective interest method.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

12. Property, Plant and Equipment

Held For Sale

	2020 \$'000	2019 \$'000
Land	-	965
Building	-	135
	-	1,100

Accounting Policy - Property, Plant and Equipment Held For Sale

Property, Plant and Equipment assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

Disclosure

During this financial year, the Public Trustee successfully sold two properties in Ipswich and Townsville which had been classified as held for sale since June 2018.

A net gain of \$37,875 was recorded on the sale of these two properties during the financial year and is included in Other Revenue (Note 3).

Under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, when an asset is classified as held for sale, its value is measured at the lower of the asset's carrying amount and fair value less costs to sell. Any restatement of the asset's value to fair value less costs to sell is a non-recurring valuation. Such assets are no longer amortised or depreciated upon being classified as held for sale.

Non-current

Balances and reconciliations of carrying amount

30 June 2020	Land (FV) \$'000	Buildings (FV) \$'000	Leasehold Improvement \$'000	Plant and Equipment \$'000	Work In Progress \$'000	Total \$'000
Gross	20,780	26,113	2,674	5,689	40	55,296
Less Accumulated depreciation	-	(2,293)	(253)	(2,992)	-	(5,538)
Less Accumulated impairment loss	-	-	-	(246)	-	(246)
Carrying amount at 30 June 2020	20,780	23,820	2,421	2,451	40	49,512
Carrying amount at 1 July 2019	20,780	23,180	2,608	3,790	943	51,301
Acquisitions	-	-	-	51	222	273
Depreciation ⁽ⁱ⁾	-	(1,065)	(187)	(564)	-	(1,816)
Impairment losses	-	-	-	(246)	-	(246)
Transfers between asset classes	-	1,705	-	(580)	(1,125)	-
Carrying amount at 30 June 2020	20,780	23,820	2,421	2,451	40	49,512

(i) The useful life of the Public Trustee's building at 444 Queen Street, Brisbane was reassessed during the financial year and a remaining useful life of 24 years was applied from 1 July 2019.

The Public Trustee of Queensland
Notes to the Financial Statements
Year Ended 30 June 2020

12. Property, Plant and Equipment (Continued)

Balances and reconciliations of carrying amount

June 2019	Land (FV) \$'000	Buildings (FV) \$'000	Building (at cost) \$'000	Leasehold Improvement \$'000	Plant and Equipment \$'000	Work In Progress \$'000	Total \$'000
Gross	20,780	24,237	-	2,674	8,404	943	57,038
Less							
Accumulated Depreciation and impairment loss	-	(1,057)	-	(66)	(4,614)	-	(5,737)
Carrying amount at 30 June 2019	20,780	23,180	-	2,608	3,790	943	51,301
Carrying amount at 1 July 2018	18,651	13,761	2,484	-	4,532	730	40,158
Acquisitions	-	7	-	-	18	1,239	1,264
Disposals	-	(80)	-	-	(24)	-	(104)
Depreciation	-	(1,569)	(74)	(66)	(659)	-	(2,368)
Asset reclassified	-	2,410	(2,410)	-	-	-	-
Transfers between asset classes	-	(1,721)	-	2,674	73	(1,026)	-
Net revaluation increment	2,129	10,372	-	-	-	-	12,501
Impairment loss	-	-	-	-	(150)	-	(150)
Carrying amount at 30 June 2019	20,780	23,180	-	2,608	3,790	943	51,301

Disclosure - Land and Buildings

A comprehensive revaluation of land and buildings was undertaken during the last financial year by external independent valuers.

During this financial year, no indexations were applied in respect of land and commercial buildings as movements in both land indices (as provided by State Valuation Service) and the 'Asset revaluation index: Non-residential construction, Queensland' were both below the materiality threshold of 5% in accordance with Queensland Treasury's Non-Current Asset Policies (NCAP).

The Public Trustee has reviewed these indices and believes they reflect a valid estimation of the assets' fair value at reporting date, taking into account the most recent valuation.

Accounting Policy – Recognition

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as property, plant and equipment as follows:

Class	Land	Buildings	Leasehold Improvement	Plant and Equipment
Recognition	\$1	\$10,000	\$5,000	\$5,000
Useful life	Unlimited	5 – 85 years	10 – 18 years	2 – 39 years

Items below the recognition threshold are expensed in the year of acquisition.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the corporation. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

12. Property, Plant and Equipment (Continued)

Accounting Policy - Cost of Acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees.

Accounting Policy - Depreciation

Land is not depreciated as it has an unlimited useful life. Buildings, leasehold improvements and plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Public Trustee.

Straight-line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the corporation.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

Assets under construction (work-in-progress) are capitalised progressively and are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, leasehold improvements and plant and equipment.

Accounting Policy - Measurement Using Fair Value

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's NCAP. These assets are reported at their revalued amounts, being their fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

Use of Specific Appraisals

Land and buildings are comprehensively revalued at least once every three years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

The fair values reported by the corporation are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer Note 19).

Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

Use of indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to date via the application of relevant indices.

The Public Trustee ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. The State Valuation Service (SVS) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to SVS.

SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by SVS based on the corporation's own particular circumstances.

The Public Trustee of Queensland
Notes to the Financial Statements
Year Ended 30 June 2020

12. Property, Plant and Equipment (Continued)

Accounting Policy - Measurement Using Fair Value (Continued)

Accounting for Changes in Fair Value

Any revaluation increment arising on the revaluation of an asset class is credited to the asset revaluation surplus of the appropriate class, except to the extent that it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

For assets revalued using a cost valuation approach (e.g. current replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

For assets revalued using a market or income-based valuation approach - accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

Accounting Policy - Impairment Assessment

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Public Trustee determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss and recognised immediately in the statement of comprehensive income, unless the asset is carried at a revalued amount. When the asset is measured at fair value, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

13. Right of Use Assets and Lease Liabilities

A new accounting standard AASB 16 *Leases* came into effect in 2019-20, resulting in significant changes to the Public Trustee's accounting for leases for which it is a lessee. The transitional impacts of the new standard are disclosed in Note 31.

Right-of-use Assets	2020
	\$'000
<u>Buildings</u>	
Opening balance at 1 July	6,740
Depreciation charge	(819)
Carrying amount at 30 June	5,921
Lease Liabilities	
Current	
Lease liabilities	649
Non-current	
Lease liabilities	5,869
Total	6,518

Disclosure - Leases as lessee

- i. The corporation has entered into leases for office accommodation with lease terms ranging from 1 to 10 years. Some leases have renewal options exercisable at market prices which are not included in the right-of-use asset or lease liability unless the corporation is reasonably certain it will renew the lease.
- ii. DHPW provides the Public Trustee with access to motor vehicles under government-wide frameworks. These arrangements are not categorised as leases because DHPW has substantive substitution rights over the assets. The related expenses are recognised as lease expenses in Note 5.
- iii. Interest expenses on lease liabilities for the year is \$223,870 and is recognised in profit or loss.

The Public Trustee of Queensland
Notes to the Financial Statements
Year Ended 30 June 2020

13. Right of Use Assets and Lease Liabilities (Continued)

Disclosure - Leases as lessee (Continued)

(iv) Operating lease commitments (2018-19 disclosure under AASB 117)

	2019
	\$'000
Not later than one year	910
Later than one year and not later than five years	2,040
Later than five years	1,043
	3,993

Accounting policies - Leases as lessee

The Public Trustee measures right-of-use assets from leases at cost on initial recognition and subsequent to initial recognition.

The Public Trustee has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

When measuring the lease liability, the Public Trustee uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the corporation's leases. To determine the incremental borrowing rate, the Public Trustee uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

14. Deposits Held In Trust

	2020	2019
	\$'000	\$'000
Deceased estates	156,156	172,456
Financial management	316,043	316,565
Minors, general and testamentary trusts	231,015	221,851
Other	27,579	26,172
	730,793	737,044

Accounting Policy - Deposits Held In Trust

The Public Trustee holds funds on behalf of customers in cash and cash equivalents (Note 8) and other financial assets (Note 11) within the Common Fund. These amounts are presented on gross basis in the statement of financial position.

Accordingly, the Public Trustee also recognises in its statement of financial position, a corresponding financial liability representing these transactions and balances held in trust for its customers.

Deposits held in trust are classified as current liabilities as they are available at call.

Accounting Policy - Interest Expense

The Public Trustee pays interest on deposits held in trust on behalf of customers within the Common Fund. Interest is calculated based on the daily closing balance of moneys held and is either paid monthly or annually on 30 June each year depending on the account. The rates of interest payable on moneys held in trust are determined from time to time under Section 9 of the *Public Trustee Regulation 2012*.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

15. Accrued Employee Benefits

	2020 \$'000	2019 \$'000
Current		
Wages outstanding	1,414	1,280
Annual leave	6,047	5,235
Paid parental leave	20	6
Long service leave	8,974	8,817
	16,455	15,338
Non-Current		
Long service leave	1,415	1,254
	1,415	1,254
Total Accrued Employee Benefits	17,870	16,592

Accounting Policy - Long Service Leave

Liabilities for annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised and measured at the amounts expected to be paid when the liabilities are settled.

16. Other Liabilities

	2020 \$'000	2019 \$'000
Current		
Contract liabilities	225	-
Refund liabilities	574	-
	799	-
Non-current		
Contract liabilities	510	-
	510	-
Total	1,309	-

Disclosure - Contract Liabilities

Contract liabilities at 30 June 2020 include unclaimed moneys fees charged for which certain performance obligations have not yet been completed. This amount will be recognised as revenue over the next five years. The amount of contract liabilities at 1 July 2019 was \$623,478.

Disclosure - Refund Liabilities

Refund liabilities at 30 June 2020 comprise a provision for future unclaimed moneys fee remissions. This amount will be recognised as revenue as reassessment of the estimated revenue that will not reverse is performed on a periodic basis. The amount of refund liabilities at 1 July 2019 was \$507,054.

Accounting Policy - Long Service Leave

Unconditional long service leave entitlement accorded to employees with more than 7 years of continuous service that is expected to be paid within the next 12 months is recognised at its undiscounted value and disclosed as current.

Other conditional long service leave entitlement is classified as non-current and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. When assessing expected future payments, consideration is given to potential future wage and salary increases and experience of employee departures and periods of service. An assumption of 2.5% (2019: 2.5%) salary increase per annum has been utilised for this purpose. Expected future payments are discounted using rates attaching to, as at the reporting date, Commonwealth Government guaranteed securities with terms and currencies that match as closely as possible, the estimated future cash flows.

Accounting Policy - Contract Liabilities

Contract liabilities arise from contracts with customers under AASB 15 *Revenue from Contracts with Customers* in respect of unclaimed moneys services provided by the Public Trustee. Revenue is recognised in the corporation's 2019-20 statement of comprehensive income (refer Note 1) on the lodgement of the unclaimed funds and set up of the unclaimed moneys register. A portion of the fees charged is deferred over time based on the estimated length of time to complete the service. The Public Trustee will periodically allocate/release amounts to/from contract liabilities to revenue based on the estimated remaining period of time to complete the service obligation.

Accounting Policy - Refund Liabilities

A refund liability arises from contracts with customers under AASB 15 *Revenue from Contracts with Customers*. A provision is made to constrain the revenue for unclaimed moneys administration services to the amount for which it is highly probable a significant reversal in revenue will not occur at the end of the reporting period. This constraint is recorded as a refund liability in the corporation's statement of financial position and is classified as current as fee remissions may arise anytime in the future as funds are claimed.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

17. Asset Revaluation Surplus

Accounting Policy

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

Asset Revaluation Surplus by Asset Class

2020	Land \$'000	Buildings \$'000	Total \$'000
Balance at 1 July 2019	16,722	22,112	38,834
Revaluation increments/(decrements)	-	-	-
Balance at 30 June 2020	16,722	22,112	38,834

2019	Land \$'000	Buildings \$'000	Total \$'000
Balance at 1 July 2018	14,593	11,740	26,333
Revaluation increments	2,129	10,372	12,501
Balance at 30 June 2019	16,722	22,112	38,834

18. Accumulated Surplus

The Public Trustee does not formally account for additional reserves but internal allocations are provided for capital support and income stabilisation. These allocations are held within Accumulated Surplus and the funds invested in line with the Public Trustee's approved investment strategy, and are recorded across cash, financial assets and property. The basis for these allocations is as follows:

i. Capital support allocation

As the capital within the Public Trustee's Common Fund carries a Government Guarantee, a *capital support allocation* has been established to support the capital guarantee on the liabilities of the Public Trustee. The allocation is calculated based on a 2% movement in interest rates across the yield curve for all maturities, assuming a maximum modified duration of 2.41% (2019: 2.31%). Current allocation \$34.8m (2019: \$33.7m).

ii. Income stabilisation allocation

In order to minimise the mismatch between yield on the investment portfolio of the Common Fund and the return paid to customers during periods of interest rate volatility, an *income stabilisation allocation* has been established. The allocation is based on an increase of 2% movement in interest rates based on current liabilities over a two year period. Current allocation \$28.9m (2019: \$29.2m).

The balance of the Accumulated Surplus relates to general reserves and is maintained to support the sustainability of the Public Trustee's ongoing operations.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

19. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date under current market conditions regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/ liabilities being valued.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Public Trustee include (but not limited to) subjective adjustments made to observable data to take into account the characteristics of the assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for the assets, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the Public Trustee for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

The table below sets out the Public Trustee's other financial assets (by class) measured at fair value according to the fair value hierarchy at 30 June 2020 and 30 June 2019.

	Level 1		Level 2		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash – at call deposits	212,669	243,336	-	-	212,669	243,336
QIC unit trust	-	-	3,067	3,087	3,067	3,087
Semi-government securities	169,054	120,294	-	-	169,054	120,294
Corporate bonds	143,420	161,755	-	-	143,420	161,755
Corporate notes	111,110	153,280	-	-	111,110	153,280
Fixed rate deposits	-	-	241,214	198,835	241,214	198,835
Floating rate deposits	-	-	18,013	28,087	18,013	28,087
	636,253	678,665	262,294	230,009	898,547	908,674

Note 12 outlines the methods of determination of fair values for the Public Trustee's land and buildings.

There was no transfer of financial assets between fair value hierarchy levels during the period.

The Public Trustee of Queensland
Notes to the Financial Statements
Year Ended 30 June 2020

20. Commitments

(a) Capital expenditure commitments

Commitments for capital expenditure at reporting date are payable as follows:

	2020	2019
	\$'000	\$'000
Buildings		
Not later than one year	68	316
Later than one year and not later than five years	60	-
	128	316

(b) Contribution commitments

Contribution commitments payable to the Office of the Public Guardian at reporting date are as follows:

	2020	2019
	\$'000	\$'000
Not later than one year	1,215	1,181
	1,215	1,181

The above contribution commitment is ongoing with no end date. As such, the Public Trustee is unable to disclose the total amount payable beyond one year.

21. Contingent Liabilities

Litigation in progress

As at 30 June 2020, the Public Trustee was a party to the following litigations and hearings in progress.

	2020	2019
	Number	Number
	of cases	of cases
Supreme Court of Queensland	1	-
District Court of Queensland	-	-
Queensland Civil and Administrative Tribunal	1	1
Total	2	1

As at 30 June 2020, the Public Trustee has received notification of 5 other matters (2019: 11) that are not yet subject to court action. These cases may result in subsequent litigation. The Public Trustee is insured in relation to claims of negligence and is required to contribute a maximum of \$100,000 per claim paid.

Given the uncertain nature of these matters, the Public Trustee's legal advisers and management believe it is not appropriate to estimate and provide for the final settlement amount (if any) in relation to these claims.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

22. Financial Risks Disclosures

(a) Financial Asset and Liability Categories

Financial assets and financial liabilities are recognised in the statement of financial position when the Public Trustee becomes party to the contractual provisions of the financial instrument.

The Public Trustee has the following categories of financial assets and financial liabilities:

	Note	2020 \$'000	2019 \$'000
Financial Assets			
Cash and cash equivalents	8	218,024	246,617
Receivables	9	9,474	9,378
Other financial assets	11	685,878	665,338
Total Financial Assets		913,376	921,333
Financial Liabilities			
Deposits held in trust	14	730,793	737,044
Payables		3,896	4,159
Total Financial Liabilities		734,689	741,203

No financial assets and financial liabilities have been offset and presented net in the statement of financial position.

(b) Financial Risks Management

(i) Risk Exposure

The Public Trustee's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Exposure
Credit Risk	Credit risk exposure refers to the risk that the Public Trustee may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The Public Trustee is exposed to credit risk in respect of its receivables and other financial assets.
Liquidity Risk	Liquidity risk refers to the risk that the Public Trustee may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The Public Trustee is exposed to liquidity risk in respect of its payables, other financial assets and deposits held in trust.
Market Risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.	The Public Trustee does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices. The organisation is exposed to interest rate risk through its cash deposited in interest bearing accounts, holding of financial assets and interest payable on deposits held in trust.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

22. Financial Risks Disclosures (Continued)

(b) Financial Risks Management (Continued)

(ii) Risk Management Strategies

All financial risk is managed by the Investment Services Program under policies approved by the Public Trust Office Investment Board (Investment Board). The Investment Board approves written policies in respect of credit risk, liquidity risk and market risk. The Public Trustee's risk management program focuses on ensuring compliance with the overall risk management framework set by the Investment Board and seeks to maximise the returns derived for prudent levels of risk.

The performance of investments is monitored by the Investment Board on a monthly basis. The Investment Board monitors financial risks using a variety of methods as follows:

Risk Exposure	Measurement Method	Risk Management Strategies
Credit Risk	<ul style="list-style-type: none"> Credit rating Ageing analysis 	<ul style="list-style-type: none"> Monitoring of counterparty credit ratings Diversification and careful selection of securities and counterparties
Liquidity Risk	<ul style="list-style-type: none"> Sensitivity analysis 	<ul style="list-style-type: none"> A minimum of 5% of the investments of the Common Fund must be held in investment vehicles that may be liquidated and funds received by the end of the next business day Maturity analysis Assessments of performance versus benchmark
Market Risk	<ul style="list-style-type: none"> Interest rate sensitivity analysis 	<ul style="list-style-type: none"> The volatility of the market risk is reduced as the Public Trustee does not undertake any hedging activities, foreign exchange exposures or enter into derivative financial instruments for speculative purposes Continual monitoring of current and expected changes in economic conditions Monitoring the duration of the portfolio

Management of the Public Trustee's Investment Services Program has been given the discretionary authority to manage the assets of the Common Fund in line with the Public Trustee's investment objectives. As part of the Investment Board's annual review of its investment strategy, a strategic asset allocation for the Common Fund of 60% cash and 40% Australian fixed interest continues to be appropriate.

Benchmarks are set for the Common Fund. The benchmark for the cash component of the Common Fund is the Bloomberg AusBond Bank Bill Index and the benchmark for the Australian fixed interest component is the Bloomberg AusBond Composite 0-10 Years Index.

The following operating limits apply for the management of such assets:

Common Fund	Operating Range	
	Lower Limit	Upper Limit
Modified Duration		
At portfolio level	Benchmark - 0.5 years	Benchmark + 0.5 years

In instances where the portfolio diverges from authorised limits and ranges, the Public Trustee is obliged to take actions to rebalance the portfolio in line with authorised limits within the prescribed time limits.

(c) Credit Risk

The Public Trustee is exposed to credit risk. Credit risk relates to the likelihood of default and the scale of losses arising from any default. The Common Fund Credit Policy seeks to minimise the likelihood of default and likely losses from any default.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

22. Financial Risks Disclosures (Continued)

(c) Credit Risk (Continued)

Specifically, the Credit Policy seeks to minimise the following three main types of credit risk:

- default risk – the risk that an issuer of a security fails to make timely payments of principal and interest;
- credit spread risk – the risk that the yield on a bond rises by more than general market yields thus causing a relative decline in the market value of the affected bond; and
- credit ratings transition risk – the risk that the credit rating of an individual bond is downgraded, thereby potentially causing the yield on the affected bond to rise and the market value to fall.

In accordance with the Public Trustee's policy, the credit positions are monitored on a daily basis and the Investment Board reviews it on a monthly basis. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

(i) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of 'BBB+' (as determined by Standard and Poor's) or higher.

(ii) QIC unit trust (FVPL)

The credit risk arising on investments in unlisted unit trusts is mitigated by investing with managers who are well recognised and have a proven track record of delivering on their stated investment objectives. The Investment Manager at the unlisted unit trust level carries out extensive due diligence on any proposed manager prior to making an investment and continual monitoring of the Investment Manager by the Public Trustee is also carried out on an ongoing basis.

(iii) Debt securities and Deposits – fixed and floating rates

An analysis of the Public Trustee's exposure to credit risk by asset category and credit rating as determined by Standard and Poor's is set out in the table below:

	2020	2019
	\$'000	\$'000
<u>Debt securities - fixed and floating rate</u>		
Semi-government bonds fixed interest debt securities		
'AAA' credit rating	28,948	-
'AA+' credit rating	138,466	118,700
'Aa3' Moody's credit rating	1,640	1,595
Corporate fixed rate bonds		
'AAA' credit rating	50,385	81,649
'A+' credit rating	17,278	-
'AA-' credit rating	75,757	80,106
Corporate floating rate notes		
'AAA' credit rating	27,005	59,024
'AA-' credit rating	84,105	94,255
	423,584	435,329
<u>Deposits – fixed and floating rate</u>		
'AAA' credit rating	20,143	21,058
'A+' credit rating	5,034	-
'AA-' credit rating	218,885	200,858
'A-' credit rating	-	5,006
'BBB+' credit rating	15,165	-
	259,227	226,922

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The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

22. Financial Risks Disclosures (Continued)

(d) Liquidity Risk

The Public Trustee is exposed to liquidity risk in respect of its payables and through its administration and management of amounts held in trust on behalf of clients.

The Public Trustee has a policy on having a minimum of 5% of assets in a form able to be liquidated within 24 hours and manages liquidity risk through the use of a liquidity management strategy which aims to reduce the exposure to liquidity risk by ensuring the organisation has sufficient funds available to meet its obligations as they fall due.

This is achieved by ensuring that minimum levels of cash are held within the Common Fund to match the contractual maturities of liabilities and that investment portfolio positionings are taken based on the expected payout profile and circumstances of the client.

It is important to note that whilst Deposits held in trust (Note 14) are disclosed as current liabilities consistent with the classification in the statement of financial position (as they are available at call), the expected payout profile of these amounts are much longer dated based on historic trends.

30 June 2020	Expected Durations				Total \$'000
	< 1 year \$'000	1 – 2 years \$'000	2 – 3 years \$'000	3- 5 years \$'000	
Financial Assets					
Cash and cash equivalents	218,024	-	-	-	218,024
Receivables	9,474	-	-	-	9,474
Other financial assets	141,437	117,501	104,000	322,940	685,878
Total	368,935	117,501	104,000	322,940	913,376
Financial Liabilities					
Deposits held in trust	730,793	-	-	-	730,793
Payables	3,896	-	-	-	3,896
Total	734,689	-	-	-	734,689

30 June 2019	Expected Durations				Total \$'000
	< 1 year \$'000	1 – 2 years \$'000	2 – 3 years \$'000	3- 5 years \$'000	
Financial Assets					
Cash and cash equivalents	246,617	-	-	-	246,617
Receivables	9,378	-	-	-	9,378
Other financial assets	494,776	63,918	32,758	73,886	665,338
Total	750,771	63,918	32,758	73,886	921,333
Financial Liabilities					
Deposits held in trust	737,044	-	-	-	737,044
Payables	4,159	-	-	-	4,159
Total	741,203	-	-	-	741,203

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

22. Financial Risks Disclosures (Continued)

(e) Market Risk

The Public Trustee's interest bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Investment Board reviews the investment strategy of the Common Fund against the objectives on an annual basis. The objectives include the management of interest rate risk attributable to interest payable and interest receivable. Further, the Public Trustee, in consultation with the Investment Board reviews "*interest rates payable on moneys held in the Common Fund*" on a monthly basis. The interest rates are prescribed by Regulation, upon recommendation of the Public Trustee, based on a number of market factors. The interest rates are based on market factors and indirectly subject to external interest rate risk and have been included in the net change of comprehensive income and other components of equity.

The following table summarises the impact on the Public Trustee's comprehensive income for the year and on equity through changes in fair value or changes in future cash flows. The changes in fair values are based on the assumption that interest rates change by +/- 25 basis points (2019: +/- 50 basis points), based on the modified duration of the relevant financial assets at the end of the reporting period with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest debt securities.

	2020 \$'000	2019 \$'000
Interest rate change +25 basis points (2019: +50 points)		
Impact on Operating Result	(3,342)	(5,031)
Impact on Equity	(3,342)	(5,031)
Interest rate change -25 basis points (2019: -50 points)		
Impact on Operating Result	3,323	5,539
Impact on Equity	3,323	5,539

The 25 basis points (2019: 50 basis points) change in interest rates has been determined on management's best estimate, having regard to historical movements of changes in interest rates, current economic indicators and is not necessarily indicative of the effect on comprehensive income or equity of future movements in interest rates.

23. Impact of COVID-19 on Financial Statements

The Public Trustee has assessed the impact of COVID-19 on the 2019-20 financial statements. The Public Trustee supported Queenslanders through a decision not to lower interest rates payable on customers' balances from 1 May 2020 and provided rent relief to tenants for office accommodation in Public Trustee owned buildings (refer Note 3 for details).

With the exception of additional costs incurred in facilitating remote working solutions, no other significant transactions have been recognised by the Public Trustee in respect of its revenue, expenses or statement of financial position during the financial year as a result of COVID-19. Accordingly, the Public Trustee considers the impact of COVID-19 on the corporation's 2019-20 financial statements not to be material in nature.

24. Events Occurring After the Reporting Period

There are no other matters or circumstances which have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of the Public Trustee, the results of those operations, or the state of affairs of the Public Trustee in future years.

The Public Trustee's 2020-21 financial statements is expected to be negatively impacted by approximately \$40,000 as a result of rental relief provided to tenants for office accommodations in Public Trustee owned buildings (refer Note 3 for details).

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET

25. Budget to Actual Comparison

This section discloses the Public Trustee's original published budgeted figures for 2019-20 compared to actual results, with explanations of major variances, in respect of the Public Trustee's statement of comprehensive income, statement of financial position and statement of cash flows.

Statement of Comprehensive Income	Variance Notes	Original Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
Revenue				
Fees	V1	61,989	58,586	(3,403)
Interest revenue	V2	25,073	20,964	(4,109)
Other revenue		3,926	3,684	(242)
Total Revenue		90,988	83,234	(7,754)
Expenses				
Employee expenses	V3	58,950	60,586	(1,636)
Supplies and services	V4	19,798	17,415	2,383
Depreciation and amortisation		2,185	2,747	(562)
Interest expense	V2	11,079	8,024	3,055
Contributions		1,291	1,272	19
Other expenses	V5	3,133	5,185	(2,052)
Total Expenses		96,436	95,229	1,207
Operating Result		(5,448)	(11,995)	(6,547)
Other Comprehensive Income				
<u>Items that may be reclassified to Operating Result</u>				
Net gain on financial assets at FVOCI		-	5,192	5,192
Total Other Comprehensive Income		-	5,192	5,192
Total Comprehensive Income		(5,448)	(6,803)	(1,355)

Explanations of Major Variances - Statement of Comprehensive Income

V1. Fees are unfavourable to budget as a result of lower fees generated from the administration of estates and trusts.

V2. Interest revenue and interest expense are lower than budget due to the low interest rate environment.

V3. Employee expenses are higher mainly due to the \$1,250 one-off payments made to employees during the financial year amounting to \$0.76m.

V4. Supplies and services are lower as a result of savings in computer and state archival expenses.

V5. Other expenses are higher than budget predominantly due to a \$2.50m provision for reimbursements to be made to customers following an internal fees and charges review.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

25. Budget to Actual Comparison (Continued)

Statement of Financial Position

	Variance Note	Original Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
Assets				
Current Assets				
Cash and cash equivalents	V6	226,540	218,024	(8,516)
Receivables	V8	17,488	9,474	(8,014)
Other assets	V8	607	8,338	7,731
Other financial assets	V6	473,634	520,841	47,207
Property, plant and equipment held for sale		1,575	-	(1,575)
Total Current Assets		719,844	756,677	36,833
Non-Current Assets				
Other financial assets	V6	170,043	165,037	(5,006)
Property, plant and equipment		48,496	49,512	1,016
Right of Use of Asset	V9	-	5,921	5,921
Intangible assets	V7	14,337	79	(14,258)
Total Non-Current Assets		232,876	220,549	(12,327)
Total Assets		952,720	977,226	24,506
Liabilities				
Current Liabilities				
Payables		5,208	3,896	1,312
Deposits held in trust		730,056	730,793	(737)
Accrued employee benefits		13,932	16,455	(2,523)
Lease liabilities	V9	-	649	(649)
Other liabilities		-	799	(799)
Total Current Liabilities		749,196	752,592	(3,396)
Non-Current Liabilities				
Accrued employee benefits		1,063	1,415	(352)
Lease liabilities	V9	-	5,869	(5,869)
Other liabilities		-	510	(510)
Total Non-Current Liabilities		1,063	7,794	(6,731)
Total Liabilities		750,259	760,386	(10,127)
Net Assets		202,461	216,840	14,379
Equity		202,461	216,840	14,379

Explanations of Major Variances - Statement of Financial Position

V6. Total cash and other financial assets are higher than budget primarily due to lower than anticipated capital expenditure (\$22m) and unrealised gains on the revaluation of financial assets (\$5m) during the financial year.

V7. Intangible assets are lower as a result of capital investments in digital transformation initiatives not proceeding as originally planned.

V8. These variances arose due to the introduction AASB 15 *Revenue from contracts with customers* from 1 July 2019 which required the reclassification of contract assets from receivables.

V9. These variances were as a result of implementing AASB 16 *Leases* from 1 July 2019 which required the recognition of 'Right of use assets' and 'Lease liabilities' for the corporation's leases for office accommodation.

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The Public Trustee of Queensland
Notes to the Financial Statements
Year Ended 30 June 2020

25. Budget to Actual Comparison (Continued)

Statement of Cash Flows

	Variance Notes	Original 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
Cash Flows From Operating Activities				
<i>Inflows:</i>				
Fees received		61,989	60,536	(1,453)
Interest revenue received	V10	25,073	20,987	(4,086)
Other revenue received		1,157	620	(537)
GST collected from customers ⁽ⁱ⁾		-	6,868	6,868
<i>Outflows:</i>				
Net amount paid as deposits held in trust	V11	-	(6,705)	(6,705)
Payments to suppliers and employees		(81,153)	(82,054)	(901)
GST paid to suppliers ⁽ⁱ⁾		-	(2,675)	(2,675)
GST remitted to ATO ⁽ⁱ⁾		-	(4,159)	(4,159)
Interest expense paid	V10	(11,079)	(7,802)	3,277
Net Cash Used In Operating Activities		(4,013)	(14,384)	(10,371)
Cash Flows From Investing Activities				
<i>Inflows:</i>				
Sales of other financial assets	V12	750	192,416	191,666
Sale of property, plant and equipment		-	1,136	1,136
<i>Outflows:</i>				
Payments for other financial assets	V12	-	(206,601)	(206,601)
Payments for property, plant and equipment and intangible assets	V13	(22,108)	(266)	21,842
Net Cash Flow Used In Investing Activities		(21,358)	(13,315)	8,043
Cash Flows From Financing Activities				
<i>Outflows:</i>				
Lease payments		-	(914)	(914)
Net Cash Flow Used In Financing Activities		-	(914)	(914)
Net Decrease in Cash and Cash Equivalents		(25,371)	(28,613)	(3,242)
Cash and Cash Equivalents At Beginning of the Financial Year		251,911	249,704	(2,207)
Cash and Cash Equivalents At End of the Financial Year		226,540	221,091	(5,449)

(i) These variances offset and have arisen due to GST being included in gross receipts and payments for the purpose of the cash flow budget.

Explanations of Major Variances - Statement of Cash Flows

V10. The variances in interest income received and interest expenses paid during the year are due to lower interest rates than budgeted.

V11. This variance is as a result of lower customer balances.

V12. The variance in net payments for financial assets was due to higher purchases of term deposits partially offset by higher than anticipated bond sales.

V13. Payments for property, plant and equipment and intangible assets were lower than expected due to reduced capital expenditure.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

25. Budget to Actual Comparison (Continued)

Administered Unclaimed Moneys

	Variance Notes	Original Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
Administered Income				
Interest from investing activities		853	494	(359)
Unclaimed moneys recognised as Consolidated Revenue	V14	2,988	3,912	924
Total		3,841	4,406	565
Administered Expenses				
Other expenses	V15	734	971	(237)
Amount transferable to Consolidated Fund		3,107	3,435	(328)
Total		3,841	4,406	(565)
Net Surplus/(Deficit)		-	-	-
Administered Assets				
Current				
Receivables	V16	3,841	4,406	565
Total		3,841	4,406	565
Administered Liabilities				
Current				
Payables	V17	3,841	4,406	(565)
Total		3,841	4,406	(565)
Net Administered Assets		-	-	-

The above statement of administered Unclaimed Moneys does not include Unclaimed Moneys held by the Public Trustee for less than six years as these amounts are not yet transferrable to Consolidated Revenue and therefore not reported for budgetary purposes.

The total amount of Unclaimed Moneys held by the Public Trustee for less than six years at 30 June 2020 was \$54.7m (2019: \$50.1m). Please refer financial statement Note 26 for details.

Explanations of Major Variances - Administered Unclaimed Moneys

V14. Unclaimed moneys recognised as consolidated revenue is higher due to an increased volume of unclaimed moneys that have been held by the Public Trustee for more than six years.

V15. Other expenses (including management fees payable to the Public Trustee) were higher in line with unclaimed moneys recognised as consolidated revenue.

V16. Receivables are higher due to higher consolidated revenue recoverable from the Queensland government (refer to V14).

V17. Payables are higher than budget due to higher management fees payable to the Public Trustee (refer V15) and an increase in the amount of consolidated revenue transferrable to government.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

WHAT WE LOOK AFTER ON BEHALF OF THE GOVERNMENT AND OUR CUSTOMERS

26. Administered Transactions and Balances

Unclaimed Moneys Fund

The Public Trustee administers, but does not control, the Unclaimed Moneys Fund on behalf of the Government. In doing so, the Public Trustee has responsibility and is accountable for administering related transactions and items but does not have the discretion to deploy these resources for the achievement of the Public Trustee's objectives. Consequently these transactions and balances are not included in the financial statements and are disclosed in these notes for the information of users.

The investments of the Unclaimed Moneys Fund are being managed through the Public Trustee Common Fund which has a capital guarantee and a regulated rate of interest.

	2020 \$'000	2019 \$'000
Administered Income		
Interest from investing activities	494	888
Unclaimed Moneys recognised as Consolidated Revenue	3,912	2,665
Total	4,406	3,553
Administered Expenses		
Management fees	183	216
Capital rebate fee	788	110
Amount transferable to Consolidated Fund *	3,435	3,227
Total	4,406	3,553
Net Surplus/(Deficit)	-	-
Administered Assets		
Current		
Receivables	971	326
Other financial assets	58,110	53,332
Total	59,081	53,658
Administered Liabilities		
Current		
Payables	4,406	3,553
Total	4,406	3,553
Non-Current		
Unclaimed moneys fund balance	54,675	50,105
Total	54,675	50,105
Net Assets	-	-

* During 2019-20, funds totalling \$3.227 m (2019: \$2.179 m) were transferred to the Consolidated Fund in accordance with the provision of the *Public Trustee Act 1978*.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

27. Other Funds Managed By The Public Trustee

The Public Trustee has responsibility for the management of a range of customer assets, such as property and investments, which are held on behalf of customers and do not form part of the Common Fund.

These transactions and balances held outside the Common Fund are not controlled nor administered items. Consequently they are not included in the financial statements and are disclosed in these notes for the information of users only. Accordingly, measurement requirements of Australian Accounting Standards do not apply to these amounts held outside the Common Fund.

Customers' Assets Held outside the Common Fund at 30 June 2020

Customers	Deposits At Call	Other Investments	Retirement Products	Realty and Homes	Other	PT Growth Trust	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial management	57,853	53,062	279,221	357,027	135,487	135,292	1,017,942
Deceased estates	52,539	27,016	15,886	203,036	21,566	-	320,043
Minors, general and testamentary trusts	60,489	25,462	2,524	136,972	4,819	192,311	422,577
Other customers	11,232	14,302	5,347	22,304	21,043	11,166	85,394
Total	182,113	119,842	302,978	719,339	182,915	338,769	1,845,956

Customers' Assets Held outside the Common Fund at 30 June 2019

Customers	Deposits At Call	Other Investments	Retirement Products	Realty and Homes	Other	PT Growth Trust	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial management	71,486	61,320	258,039	356,216	139,048	137,763	1,023,872
Deceased estates	48,911	24,127	11,951	236,984	20,605	-	342,578
Minors, general and testamentary trusts	62,727	28,995	2,348	122,390	6,384	196,855	419,699
Other customers	13,054	16,367	5,009	24,203	22,080	11,772	92,485
Total	196,178	130,809	277,347	739,793	188,117	346,390	1,878,634

Deposits at call

Deposits at call 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.

Other investments

Other investments 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). Other investments are valued by reference to written advice from the relevant financial institution, company or share registry and are recorded based on the latest available information.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

27. Other Funds Managed By The Public Trustee (Continued)

Pre and Post Retirement Products

Pre and post retirement products represent funds held in superannuation, account based pensions, life insurance policies, annuities and pension accounts. The Public Trustee has appointed Australian Super as its preferred supplier of superannuation services for customers of the office. The values of customer's holdings with Australian Super are provided to the Public Trustee on a monthly basis for updating. For all other service providers, holdings are valued annually based on the latest product statement.

Realty and Homes

Realty comprises land and buildings. Generally, property values are provided by the Public Trustee valuers or external valuers upon commencement of the file. Different valuation rules and review dates apply depending on the type of customer (e.g. deceased estate, financial management, trust) and the services provided by the Public Trustee. Realty assets are valued every three years with no indexation. Detailed valuation rules are contained in relevant operating manuals of the Public Trustee.

Homes include retirement dwellings, relocatable and mobile homes and are valued at original cost or estimated market value.

Other Assets

Other assets include all assets not separately disclosed above. The main items included in this category as at 30 June 2020 and their valuation methods are shown below:

Asset Category	Description	Valuation Basis
Business	A full or part share of a business owned by customers	Financial statements of the customer's business.
Contributions paid by customers	Contributions paid to aged care facilities by customers	Periodic aged care facilities statements.
Chattels	General household items	Estimated market value lodged with Centrelink, minimum insurance value or at original cost if purchased by the Public Trustee.
Other	Includes interest in deceased estates and workers' compensation claims	Original source document.
Vehicles	Including motor vehicles and bicycles	At original cost or estimated market value.
Liabilities	Secured and general liabilities	Periodic statements and invoices.

Public Trustee of Queensland Growth Trust (the Growth Trust)

The *Trusts (Investments) Amendment Act 1999* enables trustees to move away from a defined list of authorised trustee investments to an investment philosophy invoking the "*Prudent Person Rule*". The Public Trustee, through the operation of the Growth Trust, has ensured that customers have access to tailored financial and investment plans to meet their lifestyle requirements.

As at 30 June 2020, the total amount of customers' funds held in the Growth Trust was \$338.8m (2019: \$346.4m). The financial results of the Growth Trust do not form part of these financial statements, consistent with the treatment of all customers' assets held outside the Common Fund.

Financial assets of the Growth Trust are invested in QIC Growth Fund and are valued at fair value (market value) as at 30 June each year. For further information, refer to the Growth Trust's General Purpose Financial Report as at 30 June each year. The financial report of the Growth Trust is independently audited by the Queensland Audit Office.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

OTHER INFORMATION

28. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

During 2019-20, the Public Trustee implemented a new organisational structure as part of the organisation's functional and governance review. The purpose of the new structure is to better align services to support the organisation's Customers First commitment. The functional and governance review also recommended the introduction of a Board of Management (BOM) structure from 11 May 2020 which resulted in a change in the Public Trustee's Key Management Personnel (KMP) as the management team transitioned from the previous Executive Leadership Team (ELT) structure. The ELT continues to operate in an advisory capacity to the BOM.

The below table outlines the positions that had authority and responsibility for planning, directing and controlling the activities of the Public Trustee during 2018-19 and 2019-20 and reflect the transition from the ELT to the BOM. As such, only members of the ELT up to 10 May 2020 who were previously identified as KMP have been included in the table below. Further information on these positions can be found in the body of the annual report under the section relating to Executive Management.

Position	Management Team	Responsibilities
Public Trustee of Queensland	ELT and BOM	The Public Trustee of Queensland is the Chief Executive Officer of the Public Trustee and provides visionary, values based leadership and management to the corporation. The role of the Public Trustee of Queensland is to guide the Public Trustee to deliver high quality, sustainable and reliable financial, trustee and administration services to the Queensland public in a supportive, compassionate and ethical manner.
Chief Operating Officer	ELT and BOM	The Chief Operating Officer is responsible for providing leadership, strategy and direction to all strategic and operational customer and corporate service delivery and business transformation functions to deliver exceptional customer service.
Executive Director, Investment & Finance Services & CFO	ELT and BOM	The Executive Director, Investment & Finance Services & CFO works closely with the Public Trustee of Queensland, providing authoritative high quality policy, budget, financial management and investment advice on matters of strategic importance to the operation of the organisation.
Executive Director, Strategy and Governance	ELT and BOM	The Executive Director, Strategy and Governance leads the Office of the Chief Executive to provide cross program leadership, strategy and co-ordination, supporting the work carried out by the Public Trustee of Queensland.
Official Solicitor	ELT	The Official Solicitor discharges the role of Official Solicitor to the Public Trustee in accordance with S16(3) of the <i>Public Trustee Act 1978</i> and is primarily responsible for the operations of the Office of the Official Solicitor.
Executive Director, Client Experience and Delivery	ELT	The Executive Director, Client Experience and Delivery is responsible for the delivery of a range of high quality professional services to the Public Trustee's customers, will making and the provision of financial products and services, through the organisation's regional service delivery network.
Executive Director, Digital and Technology	ELT	The Executive Director, Digital and Technology is responsible for delivering digital and information technology services across the organisation.
Executive Director, Corporate Services	ELT	The Executive Director, Corporate Services is responsible for providing leadership, strategy and direction to all strategic and operational corporate service units to support and deliver contemporary customer experiences for internal and external customers.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

28. Key Management Personnel Disclosures (Continued)

(b) Remuneration Policy

Remuneration policy for the Public Trustee's KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment for the KMP are specified in employment contracts.

Remuneration expenses for KMP comprise the following components:

- Short-term employee expenses, including
 - Salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position; and
 - Non-monetary benefits – consisting of provision of motor vehicle together with any fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.
- The Public Trustee of Queensland is employed under the *Public Trustee Act 1978* and is not eligible for consideration for a performance bonus. Other KMP are also not eligible for performance bonuses.

(c) Key Management Personnel Remuneration Expense

The following disclosure focuses on the expense incurred by the Public Trustee that is attributable to key management positions during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.

2019-20

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefit	Total
	Monetary Expenses	Non – Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Acting Public Trustee of Queensland and CEO	386	-	94	42	-	522
Acting Executive Director, Office of the CEO (18/11/19 to 15/3/20)	69	-	-	6	-	75
Chief Operating Officer (from 16/3/20)	59	-	1	5	-	65
Executive Director, Investment & Finance Services & CFO (to 24/4/20)	122	-	(11) *	15	-	126
Acting Executive Director, Investment & Finance Services & CFO (from 14/4/20)	41	-	-	4	-	45
Executive Director, Strategy and Governance (from 16/3/20)	49	-	1	4	-	54

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

28. Key Management Personnel Disclosures (Continued.)

(c) Key Management Personnel Remuneration Expense (Continued.)

2019-20 (Continued)

Position	Short Term Employee Expenses		Long Term Employee Expenses \$'000	Post-Employment Expenses \$'000	Termination Benefit \$'000	Total \$'000
	Monetary Expenses \$'000	Non – Monetary Benefits \$'000				
	Acting Official Solicitor (to 9/4/20)	170				
Executive Director, Client Experience & Delivery (to 10/5/20)	179	-	4	15	-	198
Executive Director, Digital & Technology (to 13/9/19)	33	-	(6) *	7	77	111
Acting Executive Director, Digital & Technology (16/9/19 to 15/3/20)	95	-	-	9	-	104
Acting Executive Director, Corporate Services (16/3/20 to 10/5/20)	28	-	-	3	-	31
Total Remuneration	1,231	-	84	124	77	1,516

* These relate to reversal of long service leave provisions on termination.

2018-19

Position	Short Term Employee Expenses		Long Term Employee Expenses \$'000	Post-Employment Expenses \$'000	Termination Benefit \$'000	Total \$'000
	Monetary Expenses \$'000	Non – Monetary Benefits \$'000				
	Public Trustee of Queensland ⁽ⁱ⁾	334				
Public Trustee of Queensland and Acting CEO from 13/06/19	14	-	-	2	-	16
Deputy Public Trustee and Official Solicitor	231	-	6	26	337	600
Official Solicitor (Acting) from 17/06/19	8	-	-	1	-	9
Executive Director, Client Experience & Delivery	197	-	3	19	-	219
Executive Director, Digital & Technology	227	-	4	24	-	255
Executive Director, Investment & Finance Services & CFO	180	-	4	20	-	204
Total Remuneration	1,191	-	26	134	337	1,688

(i) The incumbent of this position does not satisfy the definition of a KMP under AASB 124 *Related Party Disclosures* in respect of 2019-20. The incumbent resigned from the Public Trustee on 31 July 2020.

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The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

29. Related Party Transactions

i. Transactions with people/entities related to KMP

During the year ended 30 June 2020, no transaction has occurred with any of the Public Trustee's KMP or people/entities related to the KMP.

ii. Transactions with other Queensland Government-controlled entities

The Public Trustee has a contractual arrangement with the Office of Liquor and Gaming Regulation (the Regulator) for managing and assigning the tenders for the gaming machine licences. The Public Trustee receives a fee for acting in the capacity as agent but does not control the charges and fee revenue collected from these activities or the revenue, associated receivables and expenditure payments to the Regulator. Total commission earned by the Public Trustee in respect of 2019-20 was \$28,000 (2019: \$102,400).

The Public Trustee receives archival services from the Queensland State Archives, free of charge. The total fair value of archival services received in respect of 2019-20 was \$1.62m (2019: \$1.68m).

The Public Trustee receives insurance cover from the Queensland Government Insurance Fund (QGIF) in respect of property, general liability, professional indemnity, personal accident and illness and marine hull and liability at commercial rates. The total premium paid to QGIF during 2019-20 was \$0.63m (2019: \$0.53m).

The Public Trustee also pays premiums to WorkCover Queensland in respect of workers' compensation insurance at commercial rates. Refer Note 4 for details.

The Public Trustee provides Community Service Obligations to the Queensland community in the form of contributions to Civil Law Legal Aid which is administered by Legal Aid Queensland and the Office of The Public Guardian. Refer Note 6 for details.

The Public Trustee holds investments with Queensland Treasury Corporation (QTC) and Queensland Investment Corporation (QIC). Refer Notes 2, 3 and 8 for details.

30. Taxation

The Public Trustee is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). GST credits receivable from and GST payable to the Australian Taxation Office are recognised in the accounts.

31. First Year Application of New Accounting Standards or Changes in Accounting Policy

(i) **Changes in Accounting Policy**

The Public Trustee did not voluntarily change any of its accounting policies during 2019-20.

(ii) **Accounting Standards Early Adopted**

No Australian Accounting Standards have been early adopted for 2019-20.

(iii) **Accounting Standards Applied for the First Time**

Two new accounting standards with material impact were applied for the first time in 2019-20:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*

The effect of adopting these two new standards is detailed below. No other accounting standards or interpretations that apply to the Public Trustee for the first time in 2019-20 have any material impact on the financial statements.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

31. First Year Application of New Accounting Standards or Changes in Accounting Policy (Continued)

(iv) AASB 15 Revenue from Contracts with Customers

The Public Trustee applied AASB 15 *Revenue from Contracts with Customers* for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 15 are described below:

(a) New revenue recognition model

AASB 15 establishes a new five-step model for determining how much and when revenue from contracts with customers is recognised. The five-step model and its application to the Public Trustee's revenue streams at each step are detailed in the table that follows.

Step 1 - Identify the contract with the customer	Services provided by the Public Trustee are mandated under the <i>Public Trustee Act 1978</i> or other relevant legislation. Enforceable obligations are generally created based on a will, court order, testamentary trust document, Queensland Civil and Administrative Tribunal (QCAT), Enduring Power of Attorney or provision of <i>Public Trustee Act 1978</i> . It also contains sufficiently specific performance obligations over time within the scope of AASB 15.
Step 2 - Identify the performance obligations in the contract	<p>This step involves firstly identifying all the activities the Public Trustee is required to perform under the contract, and determining which activities transfer goods or services to the customer.</p> <p>Where there are multiple goods or services transferred, the corporation must assess whether each good or service is a distinct performance obligation or should be combined with other goods or services to form a single performance obligation.</p> <p>The Public Trustee has considered each of the corporation's key revenue streams and determined that the obligations of each contract are sufficiently specific as required by AASB 15, such that the corporation is able to measure how far along it is in meeting the performance obligations.</p>
Step 3 - Determine the transaction price	<p>Transaction price is determined based on the gazetted fees notice for the specific performance obligation.</p> <p>The determination of the amount is variable as it is initially set at the minimum and subsequently adjusted to take into consideration the specific customer's circumstances including financial position that can result in a price concession provided as Community Service Obligations (CSOs) as disclosed in Note 1.</p> <p>When the consideration in the contract includes a variable amount, the corporation needs to estimate the variable consideration to which it is entitled and only recognise revenue to the extent that it is highly probably a significant reversal of the revenue will not occur. This includes fees which may be remitted, where the amount expected to be refunded is estimated and deferred as a refund liability.</p>
Step 4 - Allocate the transaction price to the performance obligations	The majority of the Public Trustee's services have one performance obligation where the entire transaction price is allocated to the service completed. When there is more than one performance obligation in the contract, the transaction price must be allocated to each performance obligation. Any subsequent change in transaction price is allocated to specific efforts to complete the service during the period.
Step 5 - Recognise revenue when or as the corporation satisfies the performance obligation/s	Revenue is recognised when the Public Trustee transfers control of the services to the customer. A key judgement is whether a performance obligation is satisfied over time or at a point in time. And where it is satisfied over time, the Public Trustee must also develop a method for measuring progress towards satisfying the obligation.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

31. First Year Application of New Accounting Standards or Changes in Accounting Policy (Continued)

(iv) AASB 15 Revenue from Contracts with Customers (Continued)

(b) Other changes arising from AASB 15

The standard requires contract assets (accrued revenue) and contract liabilities (unearned revenue) to be shown separately and requires contract assets to be distinguished from receivables. The new disclosures have been included in Notes 1, 3, 10 and 16.

(c) Transitional impact

The Public Trustee applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 118 *Revenue*. The corporation, where applicable, elected to apply the standard retrospectively to all contracts, including completed contracts, at 1 July 2019. Completed contracts include contracts where the department had recognised all of the revenue in prior periods under AASB 1004 *Contributions*.

To align with new terminology in AASB 15, accrued revenue and unearned revenue arising from contracts with customers have been renamed as contract assets and contract liabilities respectively. They are separately disclosed in Note 10 and Note 16.

The following table summarises the on-transition adjustments on 1 July 2019 relating to the adoption of AASB 15. The net impact is recognised as an adjustment to opening accumulated surplus.

	\$'000
An increase in 'Other assets - Contract asset'	646
An increase in 'Other current liabilities - Contract liabilities'	(200)
An increase in 'Other non-current liabilities - Contract liabilities'	(424)
An increase in 'Other current liabilities - Refund liabilities'	(507)
A decrease in 'Accumulated surplus'	485

(v) Impact of adopting AASB 15 in the current financial year

The table below shows the impacts of adopting AASB 15 on the corporation's 2019-20 financial statements. It compares the actual amounts reported to amounts that would have been reported if the previous revenue standards (AASB 1004, AASB 118, AASB 111 and related interpretations) had been applied in 2019-20.

	Previous Standard \$'000	AASB 15 Changes \$'000	As Reported \$'000
Operating result for 2019-20			
Fees	58,894	(308)	58,586
Operating result for the year	(11,687)	(308)	(11,995)
Comprehensive Income	(6,495)	(308)	(6,803)
Balances as at 30 June 2020			
Other assets - Contract asset	-	7,795	7,795
Receivables	16,753	(7,279)	9,474
Total Assets	976,710	516	977,226
Other current liabilities	-	(799)	(799)
Other non-current liabilities	-	(510)	(510)
Total Liabilities	759,077	1,309	760,386
Equity as at 30 June 2020			
Accumulated surplus	178,799	(793)	178,006
Net Assets	217,633	(793)	216,840

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

31. First Year Application of New Accounting Standards or Changes in Accounting Policy (Continued)

(vi) AASB 16 Leases

The Public Trustee applied AASB 16 *Leases* for the first time in 2019-20. The corporation applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 117 *Leases and related interpretations*.

The nature and effect of changes resulting from the adoption of AASB 16 are described below.

(a) Definition of a lease

AASB 16 introduced new guidance on the definition of a lease. For leases and lease-like arrangements existing at 30 June 2019, the Public Trustee elected to apply the practical expedient to grandfather the previous assessments made under AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease* about whether those contracts contained leases.

(b) Changes to lessee accounting

Previously, the Public Trustee classified its leases as operating or finance leases based on whether the lease transferred significantly all of the risks and rewards incidental to ownership of the asset to the lessee. This distinction between operating and finance leases no longer exists for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on the Statement of Financial Position as lease liabilities and right-of-use assets.

Lease liabilities

Lease liabilities are initially recognised at the present value of all future lease payments that are not yet paid. The lease term includes any extension or renewal options that the corporation is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the department under residual value guarantees;
- the exercise price of a purchase option that the department is reasonably certain to exercise; and
- payments for termination penalties, if the lease term reflects the early termination.

The discount rate used is the interest rate implicit in the lease, or the department's incremental borrowing rate if the implicit rate cannot be readily determined.

Subsequently, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in the lease term.

Right-of-use assets

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- lease payments made at or before the commencement date, less any lease incentives received;
- initial direct costs incurred; and
- the initial estimate of restoration costs.

Right-of-use assets subsequently give rise to a depreciation expense and are subject to impairment. Right-of-use assets differ in substance from leased assets previously recognised under finance leases in that the asset represents the intangible right to use the underlying asset rather than the underlying asset itself.

The Public Trustee of Queensland

Notes to the Financial Statements

Year Ended 30 June 2020

31. First Year Application of New Accounting Standards or Changes in Accounting Policy (Continued)

(vi) AASB 16 Leases (Continued)

(c) Transitional impact

Former operating leases as lessee

- The majority of the Public Trustee's former operating leases are now recognised on-balance sheet as right-of-use assets and lease liabilities.
- On transition, lease liabilities were measured at the present value of the remaining lease payments discounted at the corporation's incremental borrowing rate at 1 July 2019.
- The right-of-use assets were measured at their carrying amount as if AASB 16 had always been applied since lease commencement discounted using the corporation's incremental borrowing rate at 1 July 2019.

On transition, the Public Trustee used the practical expedients to not recognise right-of-use assets and lease liabilities for leases that end within 12 months of the date of initial application and leases of low value assets.

The following table summarises the on-transition adjustments to asset and liability balances at 1 July 2019 in relation to former operating leases. The net impact is recognised as an adjustment to opening accumulated surplus.

	\$'000
An increase in 'Right-of-use assets - Buildings'	6,740
An increase in 'Lease liabilities'	(7,208)
A decrease in 'Accumulated surplus'	468

(d) Reconciliation of operating lease commitments at 30 June 2019 to the lease liabilities at 1 July 2019

	\$'000
Total undiscounted operating lease commitments at 30 June 2019	3,993
- Discounted using the incremental borrowing rate at 1 July 2019 (3.23%)	(116)
Present value of operating lease commitments	3,877
- add adjustments due to reassessments of lease terms	3,331
- add/less other adjustments	-
Finance lease liabilities at 30 June 2019	7,208
Lease liabilities at 1 July 2019	7,208

32. Climate Risk Disclosure

Climate Risk Assessment

The Public Trustee of Queensland has not identified any material climate related risks relevant to the financial statements at the reporting date. However, the corporation will monitor the emergence of such risks under the Queensland Government's climate Transition Strategy.

Current Year Impacts

No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

**Certification of the Public Trustee of Queensland
For The Year Ended 30 June 2020**

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009*, section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1) (b) of the Act we certify that in our opinion:

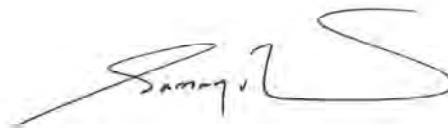
- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Public Trustee for the financial year ended 30 June 2020 and of the financial position of the Public Trustee at the end of that year; and

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Shane Sullivan
FCPA MCom BCom FGIA FCIS MAICD
Acting Executive Director Investment &
Finance Services & CFO

Brisbane
26 August 2020



Samay Zhouand
BA LLB
Acting Public Trustee of Queensland
and CEO

Brisbane
26 August 2020

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Public Trustee of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Public Trustee of Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the Public Trustee of Queensland's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificates given by the Acting Public Trustee of Queensland and the Acting Executive Director Investment and Finance Services and Chief Finance Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the 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 of Queensland in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the Public Trustee of Queensland's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

The Accountable Officer is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

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

I have nothing to report in this regard.

Responsibilities of the Accountable Officer for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the Public Trustee of Queensland's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the Public Trustee of Queensland or to otherwise cease operations.

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 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. This is not done for the purpose of expressing an opinion on the effectiveness of the Public Trustee of Queensland's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Public Trustee of Queensland.
- Conclude on the appropriateness of the Public Trustee of Queensland's 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 of Queensland'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. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Public Trustee of Queensland 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 Accountable Officer 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.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.



John Welsh
as delegate of the Auditor-General

26 August 2020

Queensland Audit Office
Brisbane

The Public Trustee of Queensland Growth Trust

ABN 95 792 610 481

Financial Statements Year Ended 30 June 2020

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General Information

The trustee of the Public Trustee of Queensland Growth Trust (the Trust) is the Public Trustee of Queensland (ABN 12 676 939 467).

For the purpose of this report 'the Public Trustee of Queensland' refers to the independent statutory individual and 'the Public Trustee' comprises all the operating activities under its control.

The head office and principal place of business of the Public Trustee: Trustee House, 444 Queen Street, Brisbane QLD 4000.

For information in relation to the Public Trustee of Queensland Growth Trust's financial statements, please email clientenq@pt.qld.gov.au or visit the Public Trustee's website at www.pt.qld.gov.au.

The Public Trustee of Queensland Growth Trust

Statement of Comprehensive Income

Year Ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Investment Income			
Interest income		33	52
Net gains on financial instruments held at fair value through profit or loss	1	-	7,897
Distribution income	2	6,325	14,331
Total Net Investment Income		6,358	22,280
Expenses			
Net losses on financial instruments held at fair value through profit or loss	1	(13,570)	-
Trustee fees		(5,234)	(4,983)
Total Operating Expenses		(18,804)	(4,983)
(Loss)/Profit		(12,446)	17,297
Finance Costs Attributable To Unitholders			
Distribution to unitholders	3	(2,360)	(9,410)
Increase/(decrease) in net assets attributable to unitholders	5	14,806	(7,887)
Profit For the Period		-	-
Other comprehensive income		-	-
Total Comprehensive Income		-	-

The above statement should be read in conjunction with the accompanying notes.

The Public Trustee of Queensland Growth Trust

Statement of Financial Position

As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	6	1,545	1,459
Distribution receivable		-	8,485
Other receivable		44	46
Financial assets held at fair value through profit or loss	7	337,130	336,799
Total Assets		338,719	346,789
Liabilities			
Distributions payable	3	-	6,000
Redemption payable		224	221
Trustee fees payable		445	450
Total Liabilities (Excluding Net Assets Attributable to Unitholders)		669	6,671
Net Assets Attributable to Unitholders - Liability	5	338,050	340,118

The above statement should be read in conjunction with the accompanying notes.

The Public Trustee of Queensland Growth Trust

Statement of Changes in Equity

Year Ended 30 June 2020

The Trust's net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. As such the Trust has no equity and no items of changes in equity have been presented for the current or comparative year.

Changes in net assets attributable to unitholders are disclosed in Note 5.

The Public Trustee of Queensland Growth Trust

Statement of Cash Flows Year Ended 30 June 2020

Notes	2020 \$'000	2019 \$'000
Cash Flows From Operating Activities		
Interest received	32	51
Reduced input tax credit received	276	261
Distributions received	14,811	12,695
Trustee fees paid	(5,514)	(5,230)
Proceeds from sale of financial instruments held at fair value through profit or loss	-	8,157
Purchase of financial instruments held at fair value through profit or loss	(13,900)	(13,765)
Net Cash (Used In)/Provided By Operating Activities	(4,295)	2,169
Cash Flows From Financing Activities		
Proceeds from applications of units by unitholders	30,383	32,762
Payments for redemptions of units by unitholders	(17,643)	(24,675)
Distributions paid	(8,359)	(9,129)
Net Cash Provided By/(Used In) Financing Activities	4,381	(1,042)
Net Increase in Cash and Cash Equivalents	86	1,127
Cash and Cash Equivalents at Beginning of the Financial Year	1,459	332
Cash and Cash Equivalents at End of the Financial Year	1,545	1,459

The above statement should be read with the accompanying notes.

	2020 \$'000	2019 \$'000
Reconciliation of Net Cash (Used In) / Provided By Operating Activities		
(Decrease)/Increase in net assets attributable to unitholders	(14,806)	7,887
Distributions paid to unitholders	2,360	9,410
Net change in financial instruments held at fair value through profit or loss	(331)	(13,506)
Net change in receivables and other assets	8,487	(1,637)
Net change in payables	(5)	15
Net Cash (Used In) / Provided By Operating Activities	(4,295)	2,169

There were no non-cash financing activities during the year or the prior year.

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements Year Ended 30 June 2020

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The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

BASIS OF FINANCIAL STATEMENTS PREPARATION

a) General Information

The Public Trustee of Queensland Growth Trust (the Trust) is a unit trust structure and was constituted by a Trust Deed Poll on 10 July 1996. The Trust will terminate on 10 July 2076 unless terminated earlier in accordance with the provisions of the Trust Deed.

The Trust Administrator and Registry provider is BDO (Services) Pty Ltd ACN 134 242 434. The Investment Manager is QIC Limited ('QIC') ACN 130 539 123.

The financial statements for the year ended 30 June 2020 were authorised for issue by the Acting Public Trustee of Queensland and the Acting Executive Director Investment & Finance Services & CFO at the date of signing the Public Trustee of Queensland's Declaration.

The Trust was established by the Public Trustee to provide clients of the Public Trustee with an investment option that provides capital growth and income from a diversified investment portfolio.

b) Compliance with Prescribed Requirements

The general purpose financial statements have been prepared in accordance with the requirements of the Trust Deed Poll and any supplemental Trust Deed Polls, the *Public Trustee Act 1978* and the *Financial and Performance Management Standard 2019*.

The Trust is a not-for-profit entity and these general purpose financial statements are prepared in compliance with the requirements of Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations applicable to not-for-profit entities.

c) Presentation Matters

All amounts are presented in Australian dollars and have been rounded to the nearest \$1,000 or, where the amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets held at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

d) Basis of Measurement

Historical cost is used as the measurement basis in this financial report except for financial assets measured at fair value through profit or loss.

e) The Reporting Entity

The Trust carries on business for the benefit of unitholders. The financial statements include the value of all income, expenses, asset, liabilities and net assets attributable to unitholders of the Trust.

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

NOTES ABOUT OUR FINANCIAL PERFORMANCE

1. Net (Losses)/Gains on Financial Instruments held at Fair Value through Profit or Loss (FVPL)

	2020 \$'000	2019 \$'000
Financial instruments at fair value through profit and loss	(13,570)	7,897
Net (Losses)/Gains on financial assets held at FVPL	(13,570)	7,897

2. Distribution Income

Distributions from financial assets held at fair value through profit or loss are as follows:

	2020 \$'000	2019 \$'000
Distribution Income	6,325	14,331
Total distribution income received	6,325	14,331

Accounting Policy – Distribution Income

Distribution income is recognised when the right to receive payment is established.

3. Distribution to Unitholders

Distributions for the year were as follows:

	2020 \$'000	2020 CPU*	2019 \$'000	2019 CPU*
Distribution paid 30 September 2019	-	-	-	-
Distribution paid 31 December 2019	901	0.2396	2,304	0.6296
Distribution paid 31 March 2020	1,459	0.3841	1,106	0.3005
Distribution payable 30 June 2020	-	-	6,000	1.6195
Total distribution	2,360	0.6237	9,410	2.5496

* CPU is cents per unit

Accounting Policy – Distribution to Unitholders

The Trust distributes income to unitholders by cash in accordance with the Trust Deed. The unitholders may choose to reinvest these distributions into the Trust at the applicable application price. The distributions are recognised in profit or loss as finance costs attributable to unitholders.

Distribution payable to unitholders at the end of the reporting period is recognised in the statement of financial position when unitholders are presently entitled to the distributable income.

4. Remuneration of Auditors

During the year audit fees of \$19,500 (2019: \$19,500) were incurred by the Public Trustee for services provided by the Queensland Audit Office being auditor of the Trust. Fees for the audit of financial statements are included as part of the Trustee fees in the statement of comprehensive income.

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

NOTES ABOUT OUR FINANCIAL POSITION

5. Net Assets Attributable to Unitholders

Net assets attributable to unitholders and the movements in the number of units during the year were as follows:

	2020	2019
Amount	\$'000	\$'000
Opening balance	340,118	324,082
Applications	30,383	32,762
Redemptions	(17,645)	(24,613)
Change in net assets attributable to unitholders	(14,806)	7,887
Closing balance	338,050	340,118

	Unit No's	Unit No's
Opening balance	370,497	361,352
Applications	33,397	36,452
Redemptions	(19,080)	(27,307)
Closing balance	384,814	370,497

Accounting Policy - Net Assets Attributable to Unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities as the Trust is required to distribute its taxable income. The units can be put back to the Trust at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Trust.

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income.

Accounting Policy - Applications and Redemptions

The Trust utilises a buy-sell spread methodology to ensure that unitholders joining or leaving the Trust contribute to the transaction costs incurred by the Trust in buying/selling assets. The buy-sell spread is retained by the Trust to cover transactional costs and to ensure equity among unitholders is maintained.

Application requests are processed utilising the application price to determine the number of units in the Trust to be issued. Redemption requests are processed utilising the redemption price to determine the number of units in the Trust to be cancelled.

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

5. Net Assets Attributable to Unitholders (Continued)

Disclosure

Capital Risk Management

The capital structure of the Trust consists of net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change on a daily basis as the Trust is subject to daily applications and redemptions at the discretion of unitholders.

The Public Trustee reviews the applications and redemptions relative to the liquidity of the Trust's underlying assets twice weekly. Under the terms of the Trust Deed, the Public Trustee has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Trust does not have any externally imposed capital requirements.

The Investment Manager manages the capital of the Trust in accordance with the Trust's investment objectives, policies and restrictions, as outlined in the Trust's product information statement, while maintaining sufficient liquidity to meet participating unitholders' redemptions.

The Investment Manager reviews the capital structure on a monthly basis. As part of this review, the Investment Manager considers the risks associated with each asset class.

6. Cash and Cash Equivalents

For the purpose of presentation in the statement of financial position and the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions.

Receipts and payments relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as gains and losses arising from trades in these securities represent the Trust's main income generating activities.

Receipts and payments pertaining to the applications and redemptions of units by unit holders are classified as financing activities.

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

7. Financial Assets held at Fair Value through Profit or Loss

	2020	2019
	\$'000	\$'000
Unlisted unit trusts	337,130	336,799
Total financial assets held at fair value through profit or loss	337,130	336,799

Comprising:

Unlisted unit trusts

Units in growth trusts	337,130	336,799
Total	337,130	336,799

An overview of the risk exposures of fair value measurements relating to financial assets at fair value through profit or loss is included in Note 10.

Accounting Policy - Financial Instruments

Classification

The Trust's investments are classified as financial assets measured at fair value through profit or loss as their contractual terms do not give rise to cash flows that are solely payments of principal and interest. They are comprised of financial instruments designated at fair value through profit or loss upon initial recognition.

These investments are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategies. The Trust's policy is for the Public Trustee to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

Recognition / De-recognition

The Trust recognises financial assets and financial liabilities on the date they become party to the contractual agreement (trade date).

Investments are derecognised when the right to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

Measurement

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss.

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

Investments in unlisted unit trusts are recorded at fair value per unit as reported by QIC using an unadjusted net asset value of the unit trust.

Financial liabilities arising from the redeemable units issued by the Trust are carried at the redemption amount representing the unitholders' right to a residual interest in the Trust's assets, effectively at fair value at the reporting date.

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

8. Fair Value Measurement

The Trust measures and recognises financial assets at fair value through profit or loss (FVPL) (see Note 7) on a recurring basis. The Trust has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements within the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs for the asset or liability that are substantially derived from unobservable inputs.

Investments in the QIC unlisted unit trusts are fair valued through profit or loss and classified as level 2. The fair value has been determined as the redemption value per unit as reported by QIC using an unadjusted asset value of the unit trust. The Trust does not have any relevant assets classified as level 1 or level 3.

9. Accounting Estimates and Judgements

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The majority of the Trust's financial investments are held in QIC unlisted trusts and QIC (the investment manager) may use estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

10. Financial Risk Management

The Trust is exposed to a range of financial risks: market, risk, credit risk and liquidity risk through its investment activities. This note presents information about the Trust's exposure to each of the above risks, as well as the Trust's objectives, policies and processes for measuring and managing the risk.

The disclosures are prepared on the basis of the Trust's direct investments with the exception of price risk disclosures which are on a look-through basis to the underlying investments of the QIC unlisted unit trusts.

(a) Risk Management Framework

The Trust's risk management framework focuses on compliance with the Trust Deed and product information statement and seeks to maximise the returns derived for prudent levels of risk. The primary method of mitigating or controlling risks to the Trust's investment portfolio is diversification through the QIC Growth Fund, which changed its name to 'QIC Long Term Diversified Fund' from 1 May 2020.

The Investment Manager of the QIC Growth Fund manages the investments of the Trust in terms of the Investment Management Agreement entered into with the Public Trustee of Queensland. The Trusts' investment objectives are currently under review in response to the change from 'QIC Growth Fund' to 'QIC Long Term Diversified Fund' (the Fund) on 1 May 2020.

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

10. Financial Risk Management (Continued)

(a) Risk Management Framework (Continued)

The investment manager of the Fund employs a disciplined approach to risk management. The Trust's portfolio is constructed utilising investments that provide exposure to different asset classes, the returns from which have low correlation. The aim of this strategy is to provide an appropriate risk adjusted return on the whole, so as to strengthen diversification and consequently reduce the overall effect on asset specific risk.

Dynamic Asset Allocation (DAA) is a strategy used by investment managers to achieve exposure to various asset classes and principal protection. The Investment Manager of the Fund sets asset allocation targets within the approved DAA and adjusts the asset allocation targets to allow the portfolio to move within the DAA ranges, depending on expected future asset class returns.

The Public Trustee uses different methods to measure different types of risk to which the Trust is exposed. These methods include sensitivity analysis (for interest rate and price risks) and ratings analysis for credit risk.

(b) Market Risk

Market risk is the risk that the fair value of the investments will fluctuate due to changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and price risk.

(i) Price Risk

Investments in QIC unit trusts held at fair value through profit or loss are particularly exposed to price risk associated with changes in the property and equity markets.

As the Trust's portfolio is constructed using a range of unlisted unit trusts that provide exposure to different assets classes, the price risk is also represented by changes in interest rates and foreign exchange rates that the unlisted unit trusts is exposed to.

The Investment Manager of the Fund mitigates price risk through diversification and a careful selection of investments within the DAA ranges.

The following table is a summary of the DAA ranges pertaining to the QIC Long Term Diversified Fund and the exposure of the Trust to these asset classes on reporting date.

QIC Long Term Diversified Fund Asset Class	Ranges Dynamic Asset Allocation Ranges		Actual Exposure 30 June 2020	Actual Exposure 30 June 2019
	Minimum	Maximum		
Global equities	25%	75%	56%	57%
Global fixed interest	-15%	35%	18%	6%
Other alternatives	-10%	40%	11%	12%
Cash	-15%	35%	7%	17%
Global real estate	0%	15%	3%	4%
Global infrastructure	0%	15%	4%	3%
Global private equity	0%	10%	1%	1%
Overlays				
Foreign Currency	-10%	30%	17%	11%
Inflation Overlay	-20%	40%	0%	0%
Credit Overlay	-20%	60%	20%	20%

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The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

10. Financial Risk Management (Continued)

(b) Market Risk (Continued)

(i) Price Risk (Continued)

The following table summarises the impact on the Trust's net assets attributable to unitholders of an increase/decrease in the value of the Trust's investment in unlisted unit trusts. The analysis is based on the assumptions that the unlisted unit trusts' net asset values increased by 10.0% (2019: 12.0%) and decreased by 11.0% (2019: 12.0%) with all other variables held constant.

Impact on Operating Profit/Net Assets Attributable to Unitholders	2020	2019
	\$'000	\$'000
Fair value of investments in unlisted unit trusts increased by 10% (2019:12%)	33,713	40,416
Fair value of investments in unlisted unit trusts decreased by 11% (2019: 12%)	(37,084)	(40,416)

The sensitivity analysis presented is based upon the portfolio composition as at 30 June. The composition of the Trust's investment portfolio is expected to change over time. The sensitivity analysis prepared as at 30 June is not necessarily indicative of the effect on the Trust's net assets attributable to unitholders of future movements in the value of the investments in unlisted unit trusts.

The 10.0% increase change and 11.0% decrease change in the fair value of investments in unlisted unit trusts has been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in the fair value of investments in the unlisted unit trusts.

However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of and/or correlation between the performances of economies, markets and securities in which the Trust has exposure. As a result, historic variations in risk variables should not be used to predict future variations in risk variables.

(c) Credit Risk

The Trust is exposed to credit risk, which is the risk that a counter party will be unable to pay the amounts in full when they fall due. The main concentration of credit risk, to which the Trust is exposed, arises from the Trust's investments in unlisted unit trusts. The Trust is also exposed to a counterparty credit risk on cash and cash equivalents and other receivables.

(i) Unlisted Unit Trusts

The credit risk arising on investments in unlisted unit trusts is mitigated by investing with QIC who is well recognised and has a proven track record of delivering on its stated investment objectives. Continual monitoring of QIC by the Public Trustee is also carried out on an ongoing basis.

QIC separately carries out extensive due diligence on any proposed underlying investment managers prior to making an investment allocation to ensure these managers are well recognised and have a proven track record of delivering on their stated investment objectives.

(ii) Cash and Cash Equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA- (as determined by Standard and Poor's) or higher.

The investment team of the Public Trustee monitors the Trust's credit position on a daily basis.

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

10. Financial Risk Management (Continued)

(d) Liquidity Risk

Liquidity risk is the risk that the Trust may not be able to generate sufficient cash resources to settle its obligations in full as they fall due, or can only do so on terms that are materially disadvantageous.

The Growth Trust invests primarily in the QIC Long Term Diversified Fund and manages liquidity by maintaining an investment range of between 0.0% and 1.0% of its assets in cash, either in the QIC Cash Enhanced Fund or cash at bank. At reporting date all cash is held within the Trust's bank account.

The Trust is exposed to cash redemptions of redeemable units twice weekly during the financial year. Investments in unlisted unit trusts expose the Trust to the risk that the manager of those unlisted unit trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Trust.

In order to manage the Trust's overall liquidity, the Public Trustee has the discretion to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. Units are redeemed on demand at the unitholder's option (except as noted above). Accordingly for both the 2019 and 2020 financial periods, the Trust's non-derivative financial liabilities contractual maturity is classified within 1 month. However, the Public Trustee does not envisage that the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

11. Impact of COVID-19 on Financial Statements for 2019-20

The Public Trustee Growth Trust has returned -3.64% over the financial year, driven by the drawdown in equity markets and the corresponding broad based weakness across most asset classes as a result of the COVID-19 pandemic. Positive contributions from fixed interest, cash and private equity have partially offset losses.

The Fund distributes taxable income it has earned during the year. This income could include interest income, rental income and dividends received from shares and capital gains received when shares are sold or other assets like a building is sold. This income received by the QIC Long Term Diversified Fund is then reduced by any realised losses from investment activities and any gain/loss of converting the QIC Long Term Diversified Fund's global investments into Australian dollars.

The Trust is required to distribute all taxable income received but the distribution amount will vary between distribution periods and is not guaranteed. There may be times when a distribution is not made by the Fund and/or the Trust. Due to a number of factors, including foreign exchange losses, the Fund has returned negative taxable income during the June 2020 quarter resulting in nil distribution income for the quarter and full year distribution being below the long term average.

12. Events Occurring after the Reporting Period

There were no significant events that have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the statement of financial position as at 30 June 2020 or on the results and cash flows of the Trust for the period ended on that date.

13. Contingent Assets and Liabilities and Commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2020 and 30 June 2019.

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

OTHER INFORMATION

14. Key Management Personnel

(a) Trustee

The trustee of the Trust is the Public Trustee of Queensland.

(b) Details of Key Management Personnel

Key management personnel that held positions of authority and responsibility for planning, directing and controlling the activities of the Trust during the financial year (and the previous financial year where relevant), unless otherwise stated, were key management personnel of the Public Trustee comprising:

Position	Responsibilities
The Public Trustee of Queensland	The Public Trustee of Queensland is responsible for administering the fiduciary obligations of the Trust.
Executive Director, Investment & Finance Services & CFO	The Executive Director, Investment & Finance Services & CFO is responsible for the strategic direction of the Trust.
Director, Investment and Taxation Services	The Director, Investment and Taxation Services is responsible for the operational management of the Trust.

15. Related Party Transactions

(i) Transactions with people/entities related to Key Management Personnel

No key management personnel had any personal unit holdings or transactions with the Trust.

No compensation was directly attributable to key management personnel.

(ii) Trustee Fees and Other Transactions

Under the terms of the Trust's Trust Deed and product information statement, the Public Trustee is entitled to receive Trustee fees, calculated daily on the Trust's net asset value and paid monthly in arrears.

The fee covers the usual expenses incurred and includes the QIC's investment management fees charged to the Public Trustee in respect of each of the QIC Trusts and covers other expenses incurred by the Public Trustee such as auditing, accounting expenses and ongoing maintenance of the unit registry.

The annual Trustee fees are grossed up for GST and reduced by the Reduced Input Tax Credits (RITCs) allowed. The annual Trustee fee of the Trust (including GST and reduced by RITCs) is 1.52% (2019: 1.52%).

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

15. Related Party Transactions (Continued)

(iii) Trustee Fee Rebate

Trustee fee rebate a reduction in trustee fees that is available for investors holding more than \$100,000. This rebate is calculated based on the value of each investor's holding at the close of each month. The tiered Trustee fee rebate structure is as follows:

Net asset value	30 June 2020 Rebate %	30 June 2019 Rebate %
First \$100,000	-	-
Next \$150,000	0.15%	0.15%
Next \$250,000	0.40%	0.40%
Next \$500,000	0.45%	0.45%
Next \$9M	0.85%	0.85%
Next \$15M	1.00%	1.00%
Over \$25M	1.05%	1.05%

16. Taxation

(i) Income Tax

Under current legislation, the Trust is not subject to income tax as unitholders are presently entitled to the income of the Trust. The benefit of imputation credits and foreign tax paid are passed on to unitholders.

(ii) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties such as trustee fees have been passed onto the Trust. The Trust qualifies for RITCs at a rate of 55% (2019: 55%); hence expenses have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office (ATO). Payables are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

The Public Trustee of Queensland Growth Trust

Notes to the Financial Statements

Year Ended 30 June 2020

17. First Year Application of New Accounting Standards or Change in Accounting Policy

Voluntary Changes in Accounting Policy

No voluntary changes in accounting policies have occurred during the 2019-20 financial year.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2019-20.

Accounting Standards Applied for the First Time

There are no standards, interpretations or amendments to existing standards that apply to the Public Trustee of Queensland Growth Trust for the first time in 2019-20 that have any material impact on the financial statements.

The Public Trustee of Queensland Growth Trust

The Public Trustee of Queensland's Declaration

Year Ended 30 June 2020

In the opinion of the Public Trustee of Queensland:

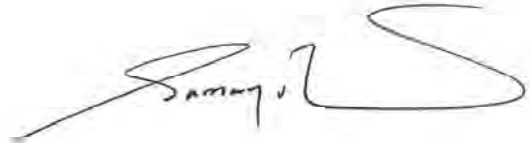
- a) These general purpose financial statements have been prepared pursuant to the Trust Deed Poll and any supplemental Trust Deed Polls, the *Public Trustee Act 1978* (the Act) and other prescribed requirements;
- b) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- c) The financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Trust for the financial year ended 30 June 2020 and of the financial position of the Trust as at the end of that year.

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Shane Sullivan
FCPA MCom BCom FGIA FCIS MAICD
Acting Executive Director Investment &
Finance Services & CFO

Brisbane
26 August 2020



Samay Zhouand
BA LLB
Acting Public Trustee of Queensland
and CEO

Brisbane
26 August 2020

INDEPENDENT AUDITOR'S REPORT

To the Trustee and Unit Holders of The Public Trustee of Queensland Growth Trust

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of The Public Trustee of Queensland Growth Trust

In my opinion, the financial report:

- a) gives a true and fair view of the trust's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the Trust Deed Poll of The Public Trustee of Queensland Growth Trust dated 10 July 1996 and any Supplemental Trust Deed Polls and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the trustee's declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the 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 trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the Public Trustee of Queensland's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

The Trustee is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

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

I have nothing to report in this regard.

Responsibilities of the Trustee for the financial report

The trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Trust Deed Poll of The Public Trustee of Queensland Growth Trust dated 10 July 1996 and any Supplemental Trust Deed Polls and Australian Accounting Standards, and for such internal control as the trustee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The trustee is also responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the trust or to cease operations, or has 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 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 expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trust.
- Conclude on the appropriateness of the trust's 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 trust'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. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust 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 trustee 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.



John Welsh
as delegate of the Auditor-General

26 August 2020

Queensland Audit Office
Brisbane

Our offices

To contact us, phone **1300 360 044** or email clientenq@pt.qld.gov.au.

Brisbane

Trustee House
444 Queen Street, Brisbane QLD 4000
GPO Box 1449, Brisbane QLD 4001

Sunshine Coast

Suite 1-3, 20 Innovation Parkway,
Birtinya QLD 4575
PO Box 49, Buddina QLD 4575

Brendale

170 South Pine Road, Brendale QLD 4500
PO Box 5204, Brendale DC QLD 4500

Bundaberg

Trustee House
189 Bourbong Street, Bundaberg QLD 4670
PO Box 860, Bundaberg QLD 4670

Cairns

Trustee House
27 Sheridan Street, Cairns QLD 4870
PO Box 656, Cairns QLD 4870

Gladstone

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66 Goondoon Street, Gladstone QLD 4680
PO Box 5021, Gladstone QLD 4680

Ipswich

Trustee House
99 Brisbane Street, Ipswich QLD 4305
PO Box 140, Ipswich QLD 4305

Mackay

Trustee House
18 Brisbane Street, Mackay QLD 4740
PO Box 401, Mackay QLD 4740

Maryborough

277 Alice Street, Maryborough QLD 4650
PO Box 280, Maryborough QLD 4650

Mount Isa

30-32 West Street
Mount Isa QLD 4825
PO Box 960, Townsville QLD 4810

Redcliffe

Trustee House
165 Sutton Street, Redcliffe QLD 4020
PO Box 131, Redcliffe QLD 4020

Rockhampton

Trustee House
67 East Street, Rockhampton QLD 4700
PO Box 273, Rockhampton QLD 4700

Southport

Trustee House
66 Nerang Street, Southport QLD 4215
PO Box 876, Southport QLD 4215

Toowoomba

Trustee House
447 Ruthven Street, Toowoomba QLD 4350
PO Box 139, Toowoomba QLD 4350

Townsville

370 Flinders Street, Townsville QLD 4810
PO Box 960, Townsville QLD 4810

Outreach locations

Outreach for our Will and EPA making services are usually conducted on a regular basis at the below locations. Some of these locations may be unavailable due to COVID-19 restrictions. Please phone 1300 360 044 or email clientenq@pt.qld.gov.au for more information on an outreach location near you.

Brisbane

- Chermside Centrelink
- Cleveland Courthouse
- Holland Park Courthouse
- Mitchelton Centrelink
- Nundah Centrelink
- Toowong Centrelink
- Wynnum Courthouse
- Woodridge Centrelink

Bundaberg

- Childers Courthouse

Cairns

- Mareeba Courthouse
- Atherton Courthouse
- Innisfail Courthouse
- Mossman Courthouse

Ipswich

- Beaudesert Queensland Government Customer Centre – in person and video conferencing
- Richlands Courthouse

Maryborough

- Gympie Courthouse
- Hervey Bay Courthouse
- Tin Can Bay RSL Sub Branch Inc.

Mount Isa

- Cloncurry Courthouse

Rockhampton

- Yeppoon Courthouse
- Woorabinda
- Dululu / Wowan
- Central Queensland University

Southport

- Beenleigh Neighbourhood Centre
- Palm Beach Centrelink

Sunshine Coast

- Nambour Courthouse
- Caloundra Courthouse

- Noosa Courthouse

Townsville

- Ayr Courthouse
- Charters Towers Courthouse
- Ingham Courthouse
- Townsville Dispute Resolution Centre

Across all our locations we also provide a visitation service for people who have difficulty in attending a Public Trustee office or outreach location for exceptional circumstances generally relating to medical and health reasons.

Our legislation

The Public Trustee administers the *Public Trustee Act 1978*. We have a wide range of powers and functions, and operate in accordance with many other Acts including:

Acquisition of Land Act 1967
Adoption Act 2009
Agents Financial Administration Act 2014
Airports Assets (Restructuring and Disposal) Act 2008
Associations Incorporation Act 1981
Body Corporate and Community Management Act 1997
Building Units and Group Titles Act 1980
Charitable Funds Act 1958
Child Protection Act 1999
Child Protection (International Measures) Act 2003
Civil Partnerships Act 2011
Collections Act 1966
Corrective Services Act 2006
Criminal Proceeds Confiscation Act 2002
Debt Collectors (Field Agents and Collection Agents) Act 2014
Disposal of Uncollected Goods Act 1967
Drugs Misuse Act 1986
Financial Accountability Act 2009
Gaming Machine Act 1991
Guardianship and Administration Act 2000
Human Rights Act 2019
Industrial Relations Act 2016
Information Privacy Act 2009
Integrity Act 2009
Integrated Resort Development Act 1987
Justice Legislation (COVID-19 Emergency Response-Documents and Oaths) Regulation 2020
Land Act 1994
Land Sales Act 1984
Legal Profession Act 2007
Liquor Act 1992
Local Government Act 2009
Manufactured Homes (Residential Parks) Act 2003
Mineral Resources Act 1989
Mixed Use Development Act 1993
Motor Dealers and Chattel Auctioneers Act 2014
National Injury Insurance Scheme (Queensland) Act 2016
Personal Injuries Proceedings Act 2002
Police Powers and Responsibilities Act 2000
Powers of Attorney Act 1998
Property Law Act 1974
Property Occupations Act 2014
Public Guardian Act 2014
Public Interest Disclosure Act 2010
Public Officers Superannuation Benefits Recovery Act 1988
Public Records Act 2002
Public Sector Ethics Act 1994
Public Service Act 2008
Residential Services (Accreditation) Act 2002
Residential Tenancies and Rooming Accommodation Act 2008
Retirement Villages Act 1999
Right to Information Act 2009
Sanctuary Cove Resort Act 1985
Second-hand Dealers and Pawnbrokers Act 2003
South Bank Corporation Act 1989
Storage Liens Act 1973
Succession Act 1981
Surrogacy Act 2010
Trust Accounts Act 1973
Trustee Companies Act 1968
Trusts Act 1973
Victims of Crime Assistance Act 2009
Workers' Compensation and Rehabilitation Act 2003
Work Health and Safety Act 2011
Youth Justice Act 1992

Glossary

This glossary provides a simple description of some terms used in or relevant to this report to generally assist the reader.

Administrator

An administrator is a substitute decision-maker and makes decisions on behalf of an adult with impaired decision-making capacity in respect to financial matters. An administrator is appointed by the Queensland Civil and Administrative Tribunal or a Court under the *Guardianship and Administration Act 2000*.

Attorney

An attorney is the person nominated by an individual under a power of attorney or an EPA to manage their affairs.

Beneficiary

A beneficiary is a person or organisation who receives a benefit under a Will or trust which may include personal effects, property or money.

Charitable and Philanthropic Trusts

The Public Trustee acts as trustee for various significant charitable and philanthropic trusts. These trusts are established for charitable purposes and usually will have a deductible gift recipient status, which means that people who make donations to the trustee for the use of the charitable trust can receive a tax deduction for the donation.

Common Fund

Under section 19 of the *Public Trustee Act 1978*, all moneys vested in or coming into the hands of the Public Trustee on behalf of clients, shall be held in one or more common funds and shall be invested by the Public Trustee.

Enduring Power of Attorney (EPA)

An EPA is an important legal document that gives someone else the power to make personal or financial decisions on behalf of the donor (the maker of the EPA) under the *Powers of Attorney Act 1998*. The Public Trustee accepts appointment as a financial attorney under EPAs.

Further information regarding EPAs can be found in the publication 'Let's talk about Enduring Powers of Attorney' available online at https://www.pt.qld.gov.au/media/1812/lets-talk-about-enduring-powers-of-attorney_brochure_dl_2020.pdf.

Executor

The role of an Executor of a Will is to administer the estate of a deceased person and distribute the assets in accordance with the deceased's Will.

Further information regarding executorship can be found in the publication 'Let's talk about Executor Services' available online at https://www.pt.qld.gov.au/media/1815/lets-talk-about-executors_brochure_dl_2020.pdf.

General Retention and Disposal Schedule

The General Retention and Disposal Schedule covers records of common activities and functions, and transitory and short term records created as part of routine transactional business practices.

Growth Trust (Public Trustee of Queensland Investment Fund Growth Trust)

A unit trust is an investment vehicle that enables a number of investors to pool their money to make investments in a variety of assets such as property and shares. The Growth Trust is a unit trust. The Public Trustee is the Trustee and manager of the Growth Trust. Queensland Investment Corporation (QIC) is the investment manager.

Intestacy

Where a person dies without a valid Will the person is said to have died intestate. The person who administers the estate and distributes it in these circumstances is normally referred to as an Administrator. The Public Trustee is often asked to act as administrator in intestate estates.

Majority

Majority is the age at which a minor (child) is said to have reached full legal age and is competent to manage his/her own affairs. The age of majority in Queensland is prescribed by the *Law Reform Act 1995*. Section 17 of the Act provides that “the age of majority is 18 years”.

Minor’s Trust

Often there is a need for a Trustee to hold property on behalf of a minor. The Public Trustee often becomes involved in a minor’s trust where the child has received assets from a deceased estate or personal injury claim etc. In these circumstances the Public Trustee holds the assets in trust for the benefit of the minor.

The Public Trustee

The Public Trustee is legislated by the *Public Trustee Act 1978* and is a corporation sole constituted by the Act.

The Public Trustee of Queensland

The appointment to the position of the Public Trustee of Queensland is made by the Governor in Council and the position holder is subject to the Minister for Justice.

Queensland Civil and Administrative Tribunal

The Queensland Civil and Administrative Tribunal has the legislative power to appoint guardians and administrators for an adult with impaired decision-making capacity. This makes sure that the adult’s needs are met and their interests protected.

Queensland Government Agent Program

In rural and smaller regional areas, local and Queensland Government offices have been nominated as part of the Queensland Government Agent Program as agents for public sector agencies including the Public Trustee. A broad range of government services can be accessed at these offices which provide information, help and advice on all Queensland Government services. Information on participating offices can be found at: www.qld.gov.au/about/contact-government/contacts/government-service-offices/.

Trust

A trust exists where the owner of property is obliged to deal with that property for the benefit of some other person or people or for some particular purpose recognised by law, for example for a charitable purpose. There are three key elements of a trust: a trustee, beneficiary/beneficiaries (or, in the case of a charitable trust, a charitable purpose) and trust property.

Trustee

A trustee is the person (including the Public Trustee of Queensland) who holds the trust property and administers the trust in accordance with the terms of the trust for the benefit of the beneficiary/beneficiaries or the purpose of the trust. The trustee is under an obligation to deal with those assets not for his or her own benefit but for the benefit of the beneficiaries or the purpose of the trust (for example, a charitable purpose).

Will

A Will is a document stating how a testator (the maker of the Will) would like their estate (assets) to be distributed after they die. The *Succession Act 1981* defines how a Will should be prepared for it to be valid.

Further information regarding the Public Trustee’s will-making service can be found in the publication ‘Let’s talk about Wills’ available online at https://www.pt.qld.gov.au/media/1813/lets_talk_about_wills_brochure_dl_2020.pdf.

Acronyms

ACN	Australian Company Number
AASB	Australian Accounting Standards Board
B	Billion
BoM	Board of Management
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CPI	Consumer Price Index
eDRMS	electronic Document and Records Management System
ELT	Executive Leadership Team
EPA	Enduring Power of Attorney
FTE	Full-time equivalent
GST	Goods and Services Tax
ICT	Information and Communication Technology
IS	Information Security Policy
ISMS	Information Security Management System
ISO	International Organization for Standardization
M	Million
N/A	Not applicable
QCF	Queensland Community Fund
QDAN	Queensland Disposal Authority Number
QIC	Queensland Investment Corporation
QUT	Queensland University of Technology
SMS	Short Message Service
WH&S	Workplace Health and Safety

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	1
Accessibility	<ul style="list-style-type: none"> Table of contents 	ARRs – section 9.1	iii
	<ul style="list-style-type: none"> Glossary 		114
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	ii
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	ii
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	ii
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	ii
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	4
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – sections 10.2, 31 and 32	N/A
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	4
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	4-10, 18-21
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	5-6, 14
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	14-16, 18-21
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	15
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	35-38
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	22
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	22-24
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	25-26

	<ul style="list-style-type: none"> • Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	26-27
	<ul style="list-style-type: none"> • Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	11-13
	<ul style="list-style-type: none"> • Queensland public service values 	ARRs – section 13.6	27-28
Governance – risk management and accountability	<ul style="list-style-type: none"> • Risk management 	ARRs – section 14.1	29
	<ul style="list-style-type: none"> • Audit committee 	ARRs – section 14.2	30-31
	<ul style="list-style-type: none"> • Internal audit 	ARRs – section 14.3	30
	<ul style="list-style-type: none"> • External scrutiny 	ARRs – section 14.4	32
	<ul style="list-style-type: none"> • Information systems and recordkeeping 	ARRs – section 14.5	32
Governance – human resources	<ul style="list-style-type: none"> • Strategic workforce planning and performance 	ARRs – section 15.1	33-34
	<ul style="list-style-type: none"> • Early retirement, redundancy and retrenchment 	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	34
Open Data	<ul style="list-style-type: none"> • Statement advising publication of information 	ARRs – section 16	ii
	<ul style="list-style-type: none"> • Consultancies 	ARRs – section 33.1	https://data.qld.gov.au/
	<ul style="list-style-type: none"> • Overseas travel 	ARRs – section 33.2	https://data.qld.gov.au/
	<ul style="list-style-type: none"> • Queensland Language Services Policy 	ARRs – section 33.3	https://data.qld.gov.au/
Financial statements	<ul style="list-style-type: none"> • Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	84,106
	<ul style="list-style-type: none"> • Independent Auditor’s Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2	85-87, 107-109

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

QGEA *Queensland Government Enterprise Architecture*

