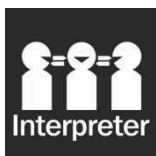


Annual Report **21**

22





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 2021–22 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 2021–22.

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

410 Ann Street Brisbane Qld 4000
GPO Box 1449 Brisbane Qld 4001



31 August 2022

The Honourable Shannon Fentiman MP
Attorney-General and Minister for Justice,
Minister for Women and Minister for the Prevention of
Domestic and Family Violence
GPO Box 149
Brisbane QLD 4001

Dear Attorney-General

I am pleased to submit for presentation to the Parliament the Annual Report 2021-2022 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 113 of this annual report.

Yours sincerely

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

Samay Zhouand
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

CEO's Report

The past year has seen a period of significant change in the Public Trustee as we continued our journey to transform into a more modern, customer-focused organisation. This renewal extends to all parts of the Public Trustee, including the information and support we provide to our customers, how we support our staff in making decisions for our customers, our fees and charges and how we respond to customers when they raise concerns with us.

In addition, the ongoing impacts of the pandemic and severe weather events experienced across Queensland have driven the need for increased flexibility in how we support our staff and ensure we can continue to deliver services to our customers.

A range of key achievements were delivered by the Public Trustee in 2021-22.

The Public Trustee's Customer Advocate, established in 2021 and a national first for state trustees in Australia, has continued to advocate for fair and equitable outcomes for our customers. In the past year, the Customer Advocate was involved in 52 customer matters, facilitating communication between our customers and our staff, and helping achieve positive customer outcomes. These have included assisting customers who wished to return home from living in a care facility, obtaining emergency funding for living expenses and seeking expert advice on strategies to assist customers with specific challenges. The Customer Advocate also works with external advocate groups to drive better outcomes for the Public Trustee's customers.

The Report of our comprehensive Fees and Charges Review was also completed and implementation of the recommendations is a priority for the coming year. The Review, which commenced in 2020, is the most comprehensive review of the Public Trustee's fees and charges in more than two decades. The scope of the Review included consideration of the recommendations arising from the Public Advocate's Report. Targeted consultation occurred with key stakeholders and a senior government steering advisory committee assisted the review.

In 2020-21, we implemented the Structured Decision-Making Framework which is a tool to support our Trust Officers ensuring that the views, wishes and preferences of our customers are heard and considered, along with their human rights, as part of the decision-making process. I am pleased to report that an evaluation of the adoption of this industry-leading framework by the La Trobe University's Living with Disability Research Centre found that the Public Trustee had successfully implemented a new, more rights-based and customer-centric way of working.

We have also partnered with national law firm Sparke Helmore to support their First Nations Will Service and provide free storage of Wills at our purpose-built secure storage facility. In conjunction with the Institute for Urban Indigenous Health and Community Legal Centres Queensland, an ongoing monthly Wills Clinic will be established where clients will have a Will prepared, free of charge, by lawyers from Sparke Helmore.

The Public Trustee has also partnered with Elders-in-Council from the Minjerribah Moorgumpin Aboriginal Corporation to deliver community education to highlight the importance of advance life planning, particularly Wills and Enduring Powers of Attorney. This ongoing initiative provides an opportunity to address the historically low rates of our First Nations people who have a valid Will and Enduring Power of Attorney.

The launch of our Pearls of Wisdom community education video in May this year aimed to highlight the importance of advance life planning which includes having important documents in place such as a valid Will, Enduring Power of Attorney and Advance Health Directive. We partnered with the Logan Area Committee on the Ageing to gather stories from older Queenslanders who generously shared their knowledge and life learnings to encourage all Queenslanders of all ages, to have conversations with those they trust about their wishes for the future.

Our community engagement also included the delivery of regional community forums in Toowoomba, Caloundra and Cairns. At these events, experts came together at a local level to start conversations around preventing and supporting residents experiencing elder financial abuse. This is an issue where the Public Trustee plays an important role – we help to protect, support and care for vulnerable Queenslanders, especially when it comes to financial abuse.

The positive outcomes of these initiatives and many other achievements in the past year are testament to the commitment and resilience of all of our dedicated staff.



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

About the Public Trustee

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

The Public Trustee is a self-funded public entity providing essential support, services, and education to Queenslanders in financial administration, life planning, trusts, and deceased estate management. The Public Trustee has a key role in Queensland's guardianship and administration system.

We actively engage with the community to increase awareness and understanding of life planning, promoting choice and action for individuals to protect their financial futures.

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 our customers and the community.

We provide specialist life and estate services:

- financial administration and financial attorney services for those with impaired capacity for financial decision-making: we assist customers with their financial needs, including budgeting and financial planning
- life-planning services: making Wills and Enduring Power of Attorney documents and the safe and secure storage of Wills and other life-planning documents
- estate administration services: we provide executorial services when acting as executor or administrator of a deceased estate and we assist private customers to obtain grants of representation for deceased estates through the Probate registry of the Queensland Courts
- trusts administration: we provide trustee services for a range of trusts including testamentary trusts and family trusts. We are also the trustee for charitable trusts including the promotion and facilitation of strategic financial welfare to identified and targeted philanthropic beneficiaries
- tax and investment services: we provide advice, investment solutions and the provision of taxation services to the Public Trustee and its customers to ensure the prudent management of funds
- real estate services: we are a fully licensed real estate agency and also facilitate the sale of our customers' vehicles, goods and chattels.

We promote and support community education on a range of issues to promote awareness and informed choice, particularly for our most vulnerable.

Our functions also include:

- administering 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
- managing the estates of prisoners under Part 7 of the *Public Trustee Act 1978*
- carrying out special functions of a public nature under Part 5 of the *Public Trustee Act 1978*
- acting as an approved examiner of the accounts of private financial administrators and report to the Queensland Civil and Administrative Tribunal (QCAT)
- acting as a nominated person for financial matters under an Enduring Power of Attorney.

Our locations

Our services are delivered across Queensland through a network of regional offices and in Brisbane. For further information on the location of our offices or outreach locations please visit our website at www.pt.qld.gov.au.

Strategic Plan 2020–2024

Our Strategic Plan 2020–2024 continues to drive the Public Trustee towards a more modern, professional and customer focused organisation. Our **vision** is: ‘security and peace of mind for Queenslanders’, and our **purpose** is ‘to enhance and protect the rights, dignity and interests of our customers and the community’.

We do this by:

- Supporting our customers’ financial wellbeing.
- Helping people to plan ahead and ensure their legacy for future generations.
- Educating the community about aspects of their financial wellbeing and advance life planning.
- Providing empathetic and reliable customer-focused services.
- Valuing our people and building their capability.

We **value and respect** our customers, our people, our community, and our social responsibility.

Our **objectives** are:

Customers first	Deliver an empathetic, customer-centric experience
Our people	Engaged, empowered workforce, and an employer of choice
Integrity and financial responsibility	Financially and socially responsible leadership and governance
Community care and engagement	Engage with our partners and the community to improve quality of life for Queenslanders

Our priorities

Our key priority for 2022–23 will be to continue our improvement practices and processes, modernise communication and technology capabilities to increase efficiency, enhance service delivery through customer platforms and digital services for transparent, accessible interactions, build our organisational capability and well-being, and focus on socially and financially responsible leadership and governance.

We will engage collaboratively and empathetically with our stakeholders, partners and wider community by sharing knowledge, expertise and education for the benefit of our customers and the community.

Specific goals for 2022-23 are to:

- continue to enhance the Public Trustee’s fees and charges model to ensure it is fair, transparent and reasonable
- support the establishment and effective operation of the Public Trustee Advisory and Monitoring Board
- implement initiatives to recognise customer support networks and promote positive and collaborative engagement with the Public Trustee

- deliver community education programs and initiatives, prioritising education, rights, and wellbeing of Queenslanders and engagement in advance life planning
- refine and improve systems to support leading practice customer advocacy and complaints management
- investigate and trial options to manage workloads so that staff are supported to provide customer-centric services
- develop and implement improvements to regional service delivery including enhanced connectivity
- explore strategies to enhance the effectiveness of deceased estate administration services to benefit customers
- continue to review customer and corporate investment strategies to meet changing environments.

Our strategic challenges and opportunities

In reviewing our Strategic Plan 2020-2024, we considered the major challenges facing Queensland now and into the future. We have identified a number of challenges and opportunities in achieving our vision and purpose:

- Understanding our customers and designing services to meet their needs.
- Harnessing the strengths of our people and growing their capability.
- Collaborating with our partners and stakeholders including government and the community to leverage our joint capabilities.
- Optimising our innovation and resources to continuously strengthen our governance and integrity frameworks and practices.
- Growing resilience, responsiveness and sustainability in a complex and continuously changing social, economic, data-led and increasingly digital environment

Achievements for 2021–22

At a glance in 2021–22:

- 10,661 financial management customers¹
- 1,905 new deceased estates accepted for administration
- 4,126 trusts administered
- 2,578 claims processed and \$3.8 million paid out in unclaimed money
- 15,878 Wills made at no cost to Queenslanders
- 933 Enduring Powers of Attorney made
- 112 Probate and Letters of Administration applications managed for private customers
- 417 customer property sales managed
- 150,224 calls received at our Welcome Desk
- 11,082 online appointments were booked for our life planning services (represents 43% of the total bookings).

The Public Trustee implemented its **Customers First Agenda** in 2019 to ensure that customers were the focus of processes and decisions. Through this Agenda, we have aimed to ensure that our actions are aligned to **customer support and access**, that we would continue to **learn and improve** as an organisation. As an organisation, we will continue to focus on customer needs, wants and requirements. We also recognise and appreciate the value our customers' support networks play in their lives and are engaging with them in a more positive and collaborative way, improving our customers' experiences.

Key achievements for 2021-22 include:

Customers first

- Delivered a **fees and charges review report** for Government consideration in June 2022, providing the most comprehensive review of fees and charges in more than two decades. The report is the culmination of work that commenced in 2020 and includes benchmarking against comparable service providers and targeted and public consultation.
- Removed the family home from calculations for eligibility for a Community Service Obligation (provided as fee rebates). Implemented in August 2021, this change is expected to save customers \$1 million over twelve months.
- **Ceased charges** to customers for expert financial advice where that advice only recommends investing in Public Trustee products.
- Through our **National Redress Scheme Unit**, building customer awareness of the scheme and supporting customers to navigate the application process to make a claim through the Commonwealth Government National Redress Scheme relating to institutional child sexual abuse. Sixty-six customers have requested the involvement of the Public Trustee in their

¹ Comprised of 9,639 adults with impaired decision-making capacity, acting as financial attorney for 242 customers and managing the estate of 780 prisoners.

enquiries, with almost \$1 million in compensation secured through the scheme and civil settlements for seven completed matters.

- Continued to implement the industry-leading **Structured Decision-Making Framework**, with all new frontline staff provided half-day workshops to build their understanding of the framework. The Framework was designed to support Trust officers in decision-making in accordance with the Public Trustee's obligations under the *Guardianship and Administration Act 2000*, and considering the views, wishes, preferences and human rights of customers. Evaluation in November 2021 by La Trobe University's Living with Disability Research Centre found the Public Trustee had successfully implemented a new, more rights-based and customer-centric way of working.
- Continued success delivering the **Financial Independence Pathway** program, illustrating the Public Trustee's ongoing commitment to helping financial management customers achieve financial independence. Seventy-one customers are currently participating in the program and eight customers achieved full independence in 2021-2022. The program educates, supports and empowers our financial management customers to manage their money, and ultimately achieve independence from administration, where possible. Customer fact sheets are accessible on our website, including an Easy English version, along with the program's practice guidelines.
- Reviewed policy and procedures around **small value deceased estates** to identify options to improve estate administration timeframes that are impacted by the requirements of the *Succession Act 1981* (Qld) and distribute these estates within six months of the date of death, with a family provision waiver. Changes are underway with a view to implementation in 2022-2023.
- Delivered significant customer advances in **real estate services**:
 - transition to a new platform, enabling service efficiencies and automation of processes.
 - a new website that provides improved user experience for our customers and potential buyers, with greater search functionality and an automated and seamless interface for the uploading of properties to relevant online internet portals.
- Officially opened the new **Mount Isa location** in August 2021 marking the second Public Trustee service, along with Gladstone, to be co-located in Services Australia offices.
- **Relocated** 314 staff, equipment and files from offices at 444 Queen Street, Brisbane, where the Public Trustee had been located for 45 years, to a new leased space at 410 Ann Street, Brisbane. With modest renovations, the new office space has provided a modern, open plan collaborative workspace and a safe and contemporary service centre with easy access for customers. The relocation delivered:
 - improved customer service delivery, with more modern and comfortable facilities and improved accessibility features such as hearing and audio-loops and increased accessibility for persons with hearing and physical impairments.
 - reduced physical and environmental footprint for the office, with a 5.5 NABERS Energy rating and improved recycling facilities, and further efficiency achievements in longer term asset management planning and management.

Our people

- Investment in a directed program of **Customer Service Essentials Training** for the Public Trustee's services areas, to be rolled out progressively for new and existing staff in 2022-2023.
- In partnership with the Human Rights Commission, rolled out to all staff a new self-paced training program on **Diversity Awareness** including modules on Aboriginal Peoples and Torres Strait Islander Peoples, LGBTIQ+ Communities, Culturally and Linguistically Diverse Communities, Disability.
- Enhanced and developed the Public Trustee's support for employees affected by **domestic and family violence** (DFV) and a work environment where DFV-related matters are handled with sensitivity:
 - Commitment to and active progression towards White Ribbon Accreditation
 - Staff training to assist with support for colleagues and members of our community affected by domestic and family violence
 - Revision of the relevant policies and implementation of a safe work plan
 - Increased internal awareness, with key communications supporting and raising awareness of Domestic and Family Violence Prevention Month, engagement through leadership groups, and active conversations with managers and directors.
- Promoted **Flexible by Design** principles for flexible work structures, with materials and information sessions complementing the guidance provided by the Public Service Commission to assist managers and employees embed flexible work mindsets, opportunities and accountabilities.
- Continued to support our commitment to leadership, through workshops delivered by external facilitators on a range of topics including leadership behaviours, accountability, having positive performance conversations, responding to sexual harassment in the workplace, and supporting employees affected by domestic and family violence.

While we have more work to do, our improved results from the 2021 Working for Queensland employee opinion survey are a positive sign and indicate that our commitment to supporting and developing our workforce is creating positive change.

Integrity and financial responsibility

- Maintaining an Independent Services function, which provides nation-leading accountability with combined assurance and oversight including:
 - Continuing the work of the office of the **Customer Advocate**
 - Reviewing customer experience systems and processes, as a direct action to work through any systemic issues
 - Delivering awareness sessions based on Ethics and Integrity trends and hot topics emerging in the Public Trustee, promoting personal compliance matters including secondary employment declarations.
- Policy revision requiring our employed lawyers to hold a current practising certificate, enhancing their existing professional and ethical standards with accountability to the Legal Services Commission.

- Further revision and strategy for improvement applied to the Public Trustee's independently reviewed **Customer Investment Strategy**, introduced in 2021, basing the investment of customer funds around the customer's needs, views and wishes.
- Continued focus on the provision of transparent and accessible financial information, including publishing readily available material on the Public Trustee's website
 - informing the community about how the Public Trustee invests customer administered funds (available at <https://www.pt.qld.gov.au/other-services/investments/how-does-the-public-trustee-of-queensland-invest-customer-administered-funds/>);
 - updated fee-related information.
- Continued focus on enhancing customer and stakeholder **complaints management**, delivering tailored internal complaints management education seminars and initiatives to monitor the timeliness of complaint responses and assist in reporting and analysing complaints data, with discernible improvement on overall response timeliness since 2020.
- Provision of induction and refresher training about the Code of Conduct for new and existing staff respectively.

Community care and engagement

- Continued successful implementation of the investment strategy (established in 2021) for **charitable trusts** under the Public Trustee's trusteeship, through the Australian Foundation for Charitable Trusts, leading in July 2021 to the largest distribution made to the trusts to date, and enabling the largest flow on of funds to support vulnerable Queenslanders, education purposes and build communities.
- As trustee for five charitable trusts, administered more than \$160 million in funds for these valuable purposes.
- Continued to enhance **community awareness** with the delivery of key activities promoting informed choices about advance life planning, and the awareness and prevention of financial abuse of elderly Queenslanders, including:
 - Valuing the privilege and opportunity to attend at Dunwich, North Stradbroke Island at the invitation of the Minjerribah Moorgumpin (Elders-in-Council) Aboriginal Corporation (MMEIC) to provide information and education on advance life planning and will making services - noting the historically low rates of our First Nations people with a valid Will and Enduring Power of Attorney
 - Launching the Pearls of Wisdom video, based on commissioned research which revealed older people were significantly more comfortable discussing advance life planning and death compared to younger generations, harnessing the power of life experience and wisdom to normalise advance life planning conversations, at any stage of life
 - Hosting regional stakeholder forums in Toowoomba, Caloundra and Cairns, bringing together key sector service providers, academics and frontline professionals in the care of older Queenslanders to discuss elder financial abuse awareness and prevention.

- Continued to support and participate in **sector policy discussions**, including at a leadership level of the Australian Guardianship and Administration Council, collaborating on legislative issues and advice and facilitating national discussion.

Queensland Government objectives for the community

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

The Public Trustee supports the Government's objectives for the community - **Backing our frontline services** 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.
- enhancing customer and community understanding of the Public Trustee.

Community Service Obligations

The total cost of Community Service Obligations (CSOs) delivered for the 2021-22 financial year was \$41.5M, representing an increase of \$0.8M from the previous financial year which was \$40.7M. An amount of \$42.6M is budgeted for CSOs in 2022-23.

Category of Community Service Obligations	2021-22 Actual \$M	2022-23 Budget \$M
Fees rebated for clients with limited assets	34.1	34.0
Fees rebated for principal residence and other	0.8	0.8
Management of estates of prisoners	0.4	0.5
Public community education and advice to the courts and tribunals in the areas in which the Public Trustee has expertise	1.4	1.4
Providing a free Will-making service to Queenslanders	3.2	4.2
Contribution to the Office of the Public Guardian	1.2	1.3
Civil Law Legal Aid - outlays written-off and administrative support	0.4	0.4
Total	41.5	42.6

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

- deduction from fee revenue of \$37.0M for the 2021-22 financial year where there is rebate of all or part of a fee to customers (Note 1 of the Public Trustee Financial Statements).
- expenditure of \$1.3M for the 2021-22 financial year as contributions towards other sector operations (Note 6 of the Public Trustee Financial Statements).

The provision of free Will-making services is not included in Revenue in our Financial Statements.

Philanthropy

The Public Trustee is trustee of the **Australian Foundation for Charitable Trusts (AFCT)** established in 2021. Through the AFCT, a new investment strategy for Charitable Trusts has been implemented to improve investment income earnings and provide more funds for charitable works including supporting vulnerable Queenslanders.

The Public Trust Office Investment Board provides oversight of the investment management of the AFCT. The AFCT financial statements are at page 84.

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



Queensland Community Foundation (QCF)

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 \$107.9M under management as at 30 June 2022. During the year, QCF paid \$4.5M in distributions to a broad range of charities.

For further information, visit <https://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 \$6.2M. It 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 (QATSIF)

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.

Trust net assets were \$44.6M as at 30 June 2022.

Scholarships of more than \$3.49M were approved for payment over the 2022 and 2023 calendar years for young Queensland Aboriginal students and Torres Strait Islander students. Scholarships have been awarded to more than 14,300 students from over 380 schools 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.

Trust net assets were \$4.9M as at 30 June 2022 with distributions paid totalling \$0.2M in 2021-22.

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.

Foundation net assets were approximately \$4.0M as at 30 June 2022 with distributions paid totalling \$0.1M in 2021-22.

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 childcare services on a non-profit basis and other purposes which benefit the Gladstone Region.

Initial capital received by the trust was \$13.5M. Foundation net assets were \$0.5M as at 30 June 2022, with distributions paid totalling \$3.5M in 2021-22.

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

Summary of our performance

The Public Trustee's frontline services for our clients and the community provide:

- financial management, acting 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*
- deceased estate administration, pursuant to Wills or on intestacy, delivering services to beneficiaries
- a Will making service, preparing Wills free of charge for all Queenslanders.

The Public Trustee conducts a customer satisfaction survey specifically with:

- beneficiaries of deceased estates being administered by the Public Trustee as executor, under a grant of administration, or under the Public Trustee's statutory powers.
- customers (and their support networks) who have the Public Trustee appointed as financial administrator.
- customers of its Will-making service.

Performance indicators, *Service Delivery Statement 2021-22*

Service standards	2021-22 Target/Est.	2021-22 Actual ¹	2022-23 Target/Est. ²
Effectiveness measures			
Overall customer satisfaction with the deceased estate administration service as measured by the overall experience score	70%	67%	70%
Overall customer satisfaction with the financial management service as measured by the overall experience score	70%	74%	70%
Overall customer satisfaction with Will preparation services	90%	90%	90%
Efficiency measure			
Cost per Will	\$200	\$200	\$200

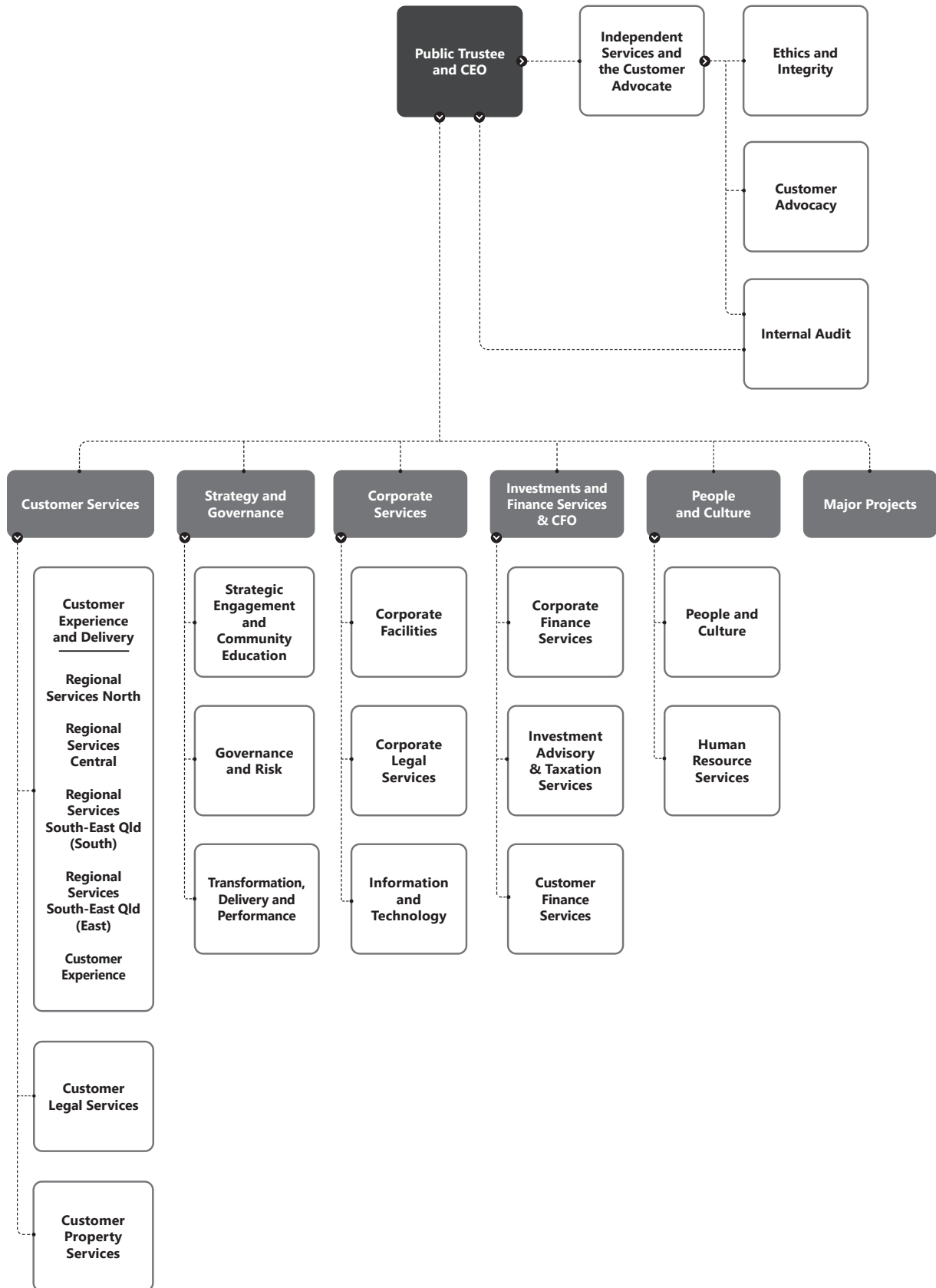
¹ Whilst some of these customer satisfaction results are below service target expectations, we are delivering on a range of initiatives aiming to build on community trust, provide greater transparency and ensure the voice of our customers are central to all decisions, practices and policies as we continually promote and improve our customer's experience at the Public Trustee. Our customer base is extremely diverse and we are committed to providing a service that is positive, supportive, compassionate and ethical. We continue to evolve into a more modern, customer-centric and sustainable organisation that provides valuable services to Queenslanders.

² Estimated target performance measures are proposed based on assumptions of relatively stable trends and a current environment that does not significantly change. It is noted that COVID 19 continues to impact locally and internationally, and that the global economic environment and investment market is experiencing reduced stability with social and other impacts including international unrest. Similarly, at the time of estimation, the review of fees and charges was not concluded and could not inform proposed targets.

The Public Trustee anticipates that its current estimated targets for 2022-23 may be affected by activities emerging from the fees and charges review as well as broader trends.

Management and structure

The Public Trustee's functional structure ensures we have in place appropriate leadership and oversight to ensure progress on strategic and operational priorities.



Governance and committees

The Public Trustee has established a range of 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

The Board of Management (BOM) is the senior leadership, planning and governance group of the agency. BOM is supported by the Executive Leadership Team (ELT), which provides insights and advice to support the organisation. It comprises:

- **Samay Zhouand**, Public Trustee of Queensland and CEO (Chair)
- **Albert Oberholzer**, Executive Director Investment & Finance Services & CFO
- **Megan Bayntun**, Executive Director, Strategy & Governance
- **Tracy Spence**, Executive Director, Corporate Services
- **Elaine Galvin**, Acting Executive Director, Customer Experience & Delivery
- **Amy Pearson**, Acting Executive Director, People & Culture.

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 Investment Trusts (the Growth Trust and the Australian Foundation for Charitable Trusts).

Significant achievements of the Board in 2021–22 included:

- closely monitored the investment performance of the Common Fund during a period of extreme volatility in financial markets caused by rising inflation and geo-political risks.
- invested part of the proceeds from the sale of the Public Trustee's share of ownership in 444 Queen Street in the QIC Long Term Diversified Fund.
- approved that the management of the fixed interest allocation of the Common Fund be continued to be diversified by investing a further 5% of the Common Fund in the QIC Short Term Income Fund.
- reviewed the Investment Policy Guidelines.
- continued to monitor and provide the necessary approvals for the implementation of the recommendations relating to the strategic asset management plan for buildings of the office.
- noted interest rates payable to customers on moneys held in the Common Fund.
- monitored the investment management of the Public Trustee of Queensland Growth Trust and the investment arrangements of the Australian Foundation for Charitable Trusts.
- reviewed the membership of the Board with the view to broadening the skill base.

Remuneration					
Position	Name	Meetings / sessions (attendance)	Approved Fee (annual / sessional / daily fee)	Approved Sub-Committee Fees (if applicable)	Actual Fees Received (GST exclusive)
Public Trustee of Queensland & CEO	Samay Zhouand	6	N/A	N/A	N/A
External Member	Henry Smerdon	6	Meeting Fee (4 hours or less) \$400	N/A	\$2400
External Member	Sandra Birkenleigh	6	Meeting Fee (4 hours or less) \$400	N/A	\$2400
Officer of the Department administered by the Treasurer	Glenn Miller	6	N/A	N/A	N/A
No. of Scheduled Meetings	5				
Total out of pocket expenses	N/A				

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 2021–22. Voting members for 2021–22 were:

Name	Details
Sandra Birkenleigh	External Chair
Felicity Cooper	External Member
Janine Walker AM	External Member
Megan Bayntun	Nominee of the Public Trustee of Queensland (from 1 March 2022)

Standing invitees of the Audit and Risk Management Committee are:

- Public Trustee of Queensland and CEO
- Members of the Board of Management
- Director Governance and Risk
- Queensland Audit Office (QAO)
- Head of Internal Audit.

The recommendations made by the QAO during 2021–22 were considered by the Committee and are being appropriately addressed by management.

Voting members are required to comply with the Code of Conduct for the Queensland Public Service during their term. Remuneration to external members during the 2021–22 financial year is detailed below.

Remunerated committee members	Amount (GST exclusive) Includes fees outstanding for services provided during 2020–21
Sandra Birkenleigh	\$18,700
Felicity Cooper	\$12,500
Janine Walker AM	\$12,500
Total	\$43,700

Information and Communication Technology (ICT) and Digital Steering Committee

This committee was established in its current form in 2020 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 2022 were:

- Executive Director Investment & Finance Services & CFO (Chair)
- Executive Director, Corporate Services
- Executive Director, Strategy & Governance
- Executive Director, Customer Experience & Delivery
- Director Regional Services Central
- Director Human Resources
- Chief Information Officer, Department of Justice and Attorney General (External voting member)

Standing Observers on the committee are the Director Governance and Risk and Internal Audit.

Customers First Strategy Implementation Steering Committee

This committee was established in 2022 to provide leadership for implementation of the Customers First Strategy and actions. The core functions of the committee are to monitor and ensure progression of implementation planning, tracking and reporting, strengthening the reporting and accountability framework to improve oversight and accountability.

Membership of the committee comprises:

- Executive Director Investment & Finance Services & CFO (Chair)
- Director, Customer Experience (Deputy Chair)
- Director, Human Resources
- Director, Governance and Risk
- Director, Transformational Delivery
- Chief Information Officer

The Executive Director, Strategy and Governance is a standing Observer. Board of Management members and initiative leads are standing invitees.

Human Rights Act 2019

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.

To further the objectives of the Human Rights Act:

- human rights have been embedded into our Strategic Plan 2020–2024.
- All new staff are enrolled in the mandatory self-paced online course on the Human Rights Act.
- new and existing staff can access a range of resources and guides on taking action or making a decision that is compatible with human rights. This includes case studies illustrating actions and decision-making compatible with human rights and which put the customer at the forefront of service delivery.
- all programs are required to consider human rights and the Human Rights Act when developing, implementing and reviewing their policy documents.

Human rights complaints

The Public Trustee's Complaints Management Framework ensures 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 advises its customers of the availability of making a human rights complaint and the complaints process through:

- our website - www.pt.qld.gov.au/contact/contact-us/how-we-manage-complaints/
- our Complaints Management Policy – www.pt.qld.gov.au/media/1948/complaints-management-policy.pdf
- our leaflet 'Your Complaints Journey' – www.pt.qld.gov.au/media/1947/your-complaints-journey.pdf

During 2021-22, the Public Trustee received 28 customer complaints that were assessed as human rights complaints:

- nine were identified by the complainant as human rights related
- 19 were assessed by the Public Trustee as being human rights related.

Most of 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.

The Public Trustee found that in 11 cases, it had not acted compatibly with human rights and in line with its obligations under the Human Rights Act. In these cases, the Public Trustee provided an apology to

the customers and their support networks and took steps to:

- investigate the cause
- take corrective action including:
 - offering an apology
 - changing its decision
 - reviewing its policies and procedures
 - undertaking further training with staff.

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.

BOM is responsible for risk management across the Public Trustee and is supported by 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 BOM and the Audit and Risk Management Committee.

In 2021–22, activities to embed a risk management culture at the Public Trustee, in accordance with the Risk Management Framework, included:

- workshops with leadership teams to review Material Business and Strategic risks in the context of the updated Strategic Plan
- implementing regular risk discussions with outcome owners providing advice and guidance on risk ownership, escalation, treatment, review and reporting to program areas across the Public Trustee
- commencing discussions with leadership teams and outcome owners to enhance the linkage of risks to organisational strategic objectives

Internal audit

Internal Audit provides independent and objective assurance 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.

The 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 2021–22, Internal Audit moved to sit within Independent Services, providing further combined assurance and oversight of the Public Trustee's operations.

Over the year, 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, in consultation with the Executive Leadership Team and other key staff.

- successfully executed the internal audit plan, providing reports to the Audit and Risk Management Committee and the 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.

Information systems and recordkeeping

The Public Trustee maintains a comprehensive records management framework that is compliant with the *Public Records Act 2002*, the *Public Service Act 2008* and the Queensland State Archives Records Governance Policy. We use both paper-based records and an electronic document and records management system to effectively manage and secure business records both regionally and centrally. This includes the scheduling and timely disposal of administrative records in line with the Queensland Government's General Records and Disposal Schedule (GRDS) and State Archives approved Public Trust Office Retention and Disposal Schedule (QDAN 651 v.1) for core business records.

We continue to identify and implement improved quality, efficiency and agility in information and records management and in reducing the reliance on paper records through automation and secure digitisation.

In 2021-22, we demonstrated our commitment to compliant recordkeeping practices by:

- Approving the Public Trustee's first Digitisation & Disposal Policy and associated guidelines and checklists to allow the disposal of temporary paper-based records after digitisation.
- Developing and delivering training to staff on digitising and disposing of records in compliance with the Digitisation & Disposal Policy.
- Relocation of the majority of active customer and corporate records from the Brisbane office to secure records storage as part of the office relocation, transitioning the Brisbane office to a paper-lite environment.
- Continued production and maintenance of extensive electronic user guides for staff on record management and use of the corporate record management information system.
- Continuing to deliver personalised recordkeeping training on an ad-hoc basis and providing a mandatory online training course for all employees and contractors.
- Reviewing the configuration of the corporate record management and information systems to ensure compliance, reliability, performance and security of electronic records.

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.

This year the focus in information security has been on further development of the Information Security Management System and implementation of additional cyber-security technical capabilities to continue to protect the Public Trustee's information systems.

During the mandatory annual Information Security reporting process, the Chief Executive Officer attested to the appropriateness of the information security risk management within the Agency to the Queensland Government Chief Information Security Officer, noting that appropriate assurance activities have been

undertaken to inform this opinion and the Agency's information security risk position.

External scrutiny

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

- 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 Safety Committee.

Our people: 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 Public Trustee continues to adhere to the Queensland Government direction regarding attraction, recruitment and selection. This includes continuing our commitment to managing our vacancies in line with the Queensland Government’s Savings and Debt Plan for economic recovery. We continue to advertise our roles, promoting inclusivity, diversity in the workplace while ensuring a capable workforce. We are proud to have approximately 60% women in leadership roles.

Our budgeted establishment for 2021-22 was 637 full-time equivalents (FTE). For the quarter ending 30 June 2022 we had 602 employees working at an FTE of 559.46² Our workforce profile for target groups is provided in Figure 2.

Figure 1: Workforce profile data

	FTE
Total FTE for Public Trustee	559.46

Figure 2: Workforce profile data*

Gender	Number (Headcount)	Percentage of total workforce (Calculated on headcount)
Woman	456	75.75
Man	144	23.92
Non-binary	<5	-
Diversity groups	Number (Headcount)	Percentage of total workforce (Calculated on headcount)
Women	456	75.75
Aboriginal Peoples and Torres Strait Islander Peoples	7	1.16
People with disability	27	4.49
Culturally and Linguistically Diverse – Born Overseas	19	3.16
Culturally and Linguistically Diverse – Speak a language at home other than English (including Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages)	12	1.99
	Number (Headcount)	Percentage of total Leadership Cohort (Calculated on headcount)
Women in leadership roles**	13	59.09

*To ensure privacy, where there are less than 5 respondents in a category, specific numbers have been replaced by '<5'.

**Women in Leadership Roles are considered those positions that are Senior Officer and equivalent and above.

² MOHRI FTE data for fortnight ending 17 June 2022.

No redundancy/early retirement/retrenchment packages were paid during the period.

Our Achievements at pages 8 - 11 of this Annual Report speak to our commitment to our people, demonstrated in 2021-22 in:

- providing leadership development sessions about positive performance conversations, sexual harassment and preventing domestic and family violence.
- pursuing White Ribbon Workplace Accreditation as part of our commitment to building a workplace that fosters inclusion and diversity and supports employees affected by domestic and family violence.
- relocating most of our Brisbane-based workforce to new premises to provide an enhanced, inclusive workplace experience with a modern fit out, enabling technology and dedicated wellness spaces.
- maintaining a wellbeing program that includes access to an Employee Assistance Program, critical response services, agency-funded flu vaccinations, ergonomic assessments and equipment and a Wellbeing Resource Centre.
- encouraging flexible approaches to working.
- recognising staff contributions through formal and informal recognition mechanisms.
- empowering our staff by providing information about agency priorities and their improvement ideas through forums such as Town Halls, weekly all staff communications, and regular meetings of the state-wide leadership team.

Our Working for Queensland employee opinion survey results improved against 2020 results in all factors and climate indices.

The Public Trustee considers the health, safety, and wellbeing of our people to be a key priority. This is reflected in our *Strategic Plan 2020-2024* and *Social Responsibility Charter*. During 2021-22 we demonstrated our commitment to the safety and wellbeing of our staff by:

- increasing the number of internal positions dedicated to monitoring and enhancing our health and safety culture.
- ensuring staff and their family members have access to funded support via our Employee Assistance Provider (Benestar).
- engaging external expertise to respond to critical incidents.
- ensuring timely responses and communications about managing risks related to COVID-19 in our workplace.
- encouraging work-life balance and flexible ways of working. 13% of our staff work part-time, and 83% of our staff access flexible work options.
- providing agency-funded flu vaccinations, ergonomic assessments and equipment and a Wellbeing Resource Centre.
- maintaining specialised protective services at various locations, including Brisbane.
- providing training to recognise and respond to sexual harassment in the workplace to senior leaders.
- commencing a review of our safety management system.

We continue to actively identify and progress business improvement initiatives to position the Public Trustee and its employees for the future of work. To streamline recruitment to frontline vacancies, this year we piloted a continuous applicant pool for our Public Trust Officer roles. The pilot has been running since April 2022 and attracted over 800 potential candidates for roles across the State.

The Public Trustee ensures that all employees have knowledge of and understanding of the positive

performance management framework. Employee's performance and development agreements are implemented and reviewed every six months aligned to outcomes from the business area's operational plans.

The Public Trustee's formal Employee Awards for Excellence program recognises the exceptional work of individuals, initiatives and teams across the agency. Held in December 2021, the Awards focused on the Public Sector Values, our key cultural attributes and actions undertaken by our employees who provide exceptional support and service to our customers. The Awards were also aligned to the Public Trustee's strategic objectives around leadership and fostering a culture of integrity, empowerment, and continuous learning.

We encourage our employees to develop their skills and portable capabilities, while we promote an agile, flexible and safe workplace. This includes our continued commitment to external secondments and cross-sector mobility. We continue our cultural transformation through our Customers First Agenda.

Over the last 12 months, learning and development in the Public Trustee has focused on programs to enhance leadership expertise and the technical capability of our staff, including:

- Technical webinars continued in 2021-22, delivering learning sessions to frontline employees across the state on specific technical topics and areas of complexity.
- Tech1 and Tech2 programs continued to be delivered with 25 frontline staff participating in the foundation modules of Tech1 and 21 employees participating in Tech2.
- New and existing frontline employees attend half day workshops to embed our seven-step Structured Decision-Making Framework to support the changes from the *Guardianship and Administration Act 2000* and the *Human Rights Act 2019*.
- Mandatory eLearning Human Rights modules are incorporated into local inductions.
- Annual mandatory refresher eLearning modules have also been rolled out to all employees, including: Work Health, Safety and Wellbeing; Code of Conduct and Workplace Behaviours; Information Privacy; Right to Information; Cybersecurity Awareness; Challenging Behaviour Management; Fraud and Corruption Control; and Recordkeeping and File Management.
- New Diversity Awareness eLearning training from the Queensland Human Rights Commission has been launched across the Public Trustee in 2021-22. The training raises awareness regarding the value and promotion of diversity in the workplace with practical strategies for inclusion.
- People and Leadership workshops were delivered to all leaders from April to July 2022, focussing on leadership behaviours, accountability and having positive performance conversations with staff.

The Public Trustee's industrial and employee relations framework incorporates an active approach to consultation with employees and unions. Regular Agency Consultative Committee meetings were conducted throughout the year.

We will continue to build on this work in 2022-23 through actions such as enhanced wellbeing programs, workload management plans and learning and development programs.

Public Sector Ethics Act 1994

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

Our Strategic Plan 2020-2024 emphasises the delivery of socially responsible services that meet the needs of Queenslanders and we empower our employees to act in an ethical manner. 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.

The Public Trustee's dedicated Ethics and Integrity function has led the development and implementation of proactive education, communication and other key initiatives to support and embed positive conduct, identification and reporting of ethics and integrity matters.

Through various strategies and building on the strong moral and ethical principles and values of the Public Trustee's organisational culture, the function is focused on further integrating these principles and values into decision making, leadership and behaviours.

In 2021–22, these strategies included:

- collaboration with other government agencies to ensure the Public Trustee's integrity activities meet best practice initiatives and standards across the wider public service.
- development and embedding of robust assessment processes to ensure timely and comprehensive assessment and actioning of ethics and integrity matters.
- updates to integrity policies such as the Reporting Corrupt Conduct Policy, Complaints about the Public Official Policy (s48A of the *Crime and Corruption Act 2001*), and the Public Interest Disclosure (PID) Policy and Procedure.
- increased communication to management and staff (all levels) on ethics and integrity topics through periodic all staff emails and resources located on the ethics and integrity intranet page.
- delivery of integrity discussions/sessions across the agency at staff and management meetings
- PID training for staff in collaboration with the Queensland Ombudsman's office (virtual and online).
- provided recommendations to business units on systemic practice improvements.

Sitting within our Independent Services functions, this combined assurance model continues to focus on proactive and preventative initiatives to identify and address systemic issues and drive continuous improvement within the Public Trustee.

Financial performance

Overview

This financial overview provides a summary of the Public Trustee's financial performance for the year ended 30 June 2022. The financial statements are included from page 37 - 83 of this annual report.

The Public Trustee's financial position was severely impacted by a number of global events influencing financial markets. These events impacted inflation expectations, increased uncertainty around monetary policy and the global growth outlook, which consequently had a negative impact on global equity and fixed interest markets. This resulted in the Public Trustee recognising significant unrealised investment losses across the majority of the Public Trustee's non-cash investments. These losses comprise fair value losses on financial assets (investments)³. Refer to the Revenue section below and Other Comprehensive Income on page 33 for further details of these losses.

Importantly, whilst customer funds in investment vehicles are also subject to market volatility, all customer funds held in the Public Trustee's Common Fund are protected by a Government Guarantee.

The financial performance for the last two financial years is as follows:

Financial year	Revenue \$M	Expenses \$M	Operating Result \$M
2020-21	107.5	105.3	2.2
2021-22	84.5	131.4	(46.9)

The operating result for the 2021-22 financial year is a deficit of \$46.9M against a budgeted loss of \$5.2M, with \$42.6M of the deficit comprising unrealised investment losses.

Revenue

Total Revenue	2021-22 \$M	2020-21 \$M
Gross Fees	92.8	94.1
Less Community Service Obligations	(36.9)	(35.0)
Net Fees	55.9	59.1
Investment Revenue (including QIC distributions)	23.5	42.7
Fair Value Gain on Investments	0.8	3.0
Other Income	4.3	2.7
Total Revenue	84.5	107.5

³ When an entity has investments, fair value losses/gains are normal as a result of changes in the fair value of investments. Losses/gains are realised once investments are sold. During 2021-22, the fair value losses are unrealised as the Public Trustee did not sell any QIC Managed Funds during the year. Refer to Notes 2 and 20 in the financial statements for further details of fair value and fair value losses.

Total revenue decreased by 21.4% from the prior year due to a significant decrease in investment revenue of \$19.2M.

Net fees decreased by \$3.2M compared to the previous year. Fees and charges increased by 1.7% in 2021-22 in line with the Government indexation rate. However, as a result of lower customer activity levels in some service areas and higher Community Service Obligations, particularly fees rebated for clients with limited assets, net fees are lower than prior year.

The majority of Community Service Obligations (excluding the provision of free Will-making services of \$3.2M) are deducted from gross fees to arrive at net fees reported in the financial statements, with the remaining amount recorded in contributions expense (refer to Note 6 of the Public Trustee Financial Statements for further details). Refer to Note 1 of the Public Trustee Financial Statements for further details regarding fee revenue.

In 2020-21, the Public Trustee implemented a new Common Fund investment strategy with the assistance of QIC Limited and the advice of the Public Trust Office Investment Board (PTOIB). This resulted in the investment of \$360M in three QIC managed funds. During 2021-22, an additional \$96M was invested in the QIC Short Term Income Fund and \$50M in the QIC Global Credit Income Fund to gain exposure to a wider range of active return strategies including international corporate securities. Furthermore, following the sale of the Public Trustee's property holding situated at 444 Queen Street, Brisbane, an additional \$4.9M was invested in the QIC Long Term Diversified Fund. At 30 June 2022, the Common Fund investment benchmark allocations were 55% in QIC managed funds, 25% cash and 20% fixed and floating interest securities.

The Common Fund performance during the year was adversely impacted by global events influencing financial markets, with fixed interest and equity markets posting negative returns. Both domestically and globally, central banks increased cash rates higher than expected to bring inflation back under control. This resulted in higher fixed interest yields across all time frames. Geo-political risks, higher interest rates and supply chain pressures have negatively impacted on equity markets.

QIC fund returns for the 2021-22 financial year are as follows:

QIC Fund name	At 30 June 2022	Annual return 2021-22		
	Investment \$M	Return %	Capital \$M	Distributions \$M
QIC Global Credit Income Fund	125.2	(10.26)	(15.7)	0.9
QIC Long Term Diversified Fund	161.6	(5.57)	(14.5)	4.8
QIC Short Term Income Fund	175.2	(2.26)	(12.4)	8.1
Total QIC portfolio	462.0	(5.41)	(42.6)	13.8

Refer to Notes 2 and 11 of the Public Trustee Financial Statements for further details of these investments and related revenue.

Expenses

Total Expenses	2021-22	2020-21
	\$M	\$M
Employee Expenses	59.0	60.1
Supplies and Services	19.5	17.0
Other	8.0	7.5
<i>Expenses before Investment Expenses</i>	86.5	84.6
Fair Value Loss on Investments	42.6	17.5
Interest Expense	2.3	3.2
Total Expenses	131.4	105.3

Expenditure before investment expenses increased by 2.2% mainly due to one-off costs incurred in the relocation of the Brisbane office to new leased premises following the sale of the Public Trustee's 444 Queen Street property. These costs which are included in supplies and services, will be offset by future cost savings in capital investment and maintenance.

Employee expenses are lower as a result of fewer FTE's due to unfilled vacancies during the year.

A loss on disposal of assets amounting to \$0.8M has been recognised relating to the sale of the 444 Queen Street property which was held for sale at 30 June 2021.

Fair value loss on investments of \$42.6M relates to the QIC managed funds referred to earlier.

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.

Land and buildings were revalued during the 2021-22 financial year by external independent valuers, with land and building values increasing by \$3.4M, with a corresponding increase in the asset revaluation surplus. Refer to Note 12 of the Public Trustee Financial Statements for further details regarding the valuation of land and buildings.

The market value of the Public Trustee's other financial assets (at Fair Value through Other Comprehensive Income) comprising semi-government bonds, corporate bonds and corporate notes recorded unrealised losses of \$26.9M due to extreme bond devaluations, taking cumulative declines in many bond benchmarks to the largest on record in global markets.

Statement of Financial Position

Assets

As at 30 June 2022 the Public Trustee held \$1B in assets. The Public Trustee's major assets are cash, other financial assets, property, plant and equipment, and right-of-use assets (for leased properties).

Total assets increased by \$38.5M from 30 June 2021, mainly due to a larger investment portfolio compared to the prior year as a result of higher deposits held in trust (liabilities).

Right-of-use assets of \$21.5M increased from the prior year as a result of the new Brisbane office accommodation lease that was entered into for a six-year term with an option to renew for a further four years.

Liabilities

The Public Trustee had \$884.6M in liabilities as at 30 June 2022, an increase of \$108.9M from the previous year. Liabilities include deposits held in trust, lease liabilities and accrued employee benefits.

Deposits held in trust within the Common Fund increased by \$88.7M, predominantly due to higher balances in deceased estates and financial management compared to prior year. Lease liabilities were higher by \$19.3M as a result of the new Brisbane office accommodation lease.

Equity

Total Common Fund reserves were \$137.6M as at 30 June 2022, decreasing significantly from \$207.9M in the prior year due to the decrease in other comprehensive income referred to above combined with the operating deficit for the year. As discussed earlier, the fair value loss on investments and Fair Value through Other Comprehensive Income are unrealised, thus Common Fund returns should increase once financial markets improve.

Prospective Outlook

The Public Trustee is anticipating a budgetary deficit for the 2022-23 financial year.

The number of customers eligible for rebates under the Public Trustee's Community Service Obligations policy continues to impact the financial results.

The Public Trustee is undertaking the following measures to ensure financial sustainability for the future:

- An independent review by PricewaterhouseCoopers (PwC) of the Public Trustee's fees and charges model has been completed in line with principles to ensure they are transparent, equitable, sustainable, fair, efficient and accessible. The fees and charges review is a key input into positioning the Public Trustee for long-term sustainability. It forms part of a broader program of works under the Public Trustee's Customers First Agenda to review the Public Trustee's operating model and position it for the future.
- The review of key cost saving initiatives for implementation during the 2023-24 financial year.
- Moving from a building ownership strategy to an office leasing strategy. Leasing reduces the costs associated with ageing infrastructure.
- The Public Trustee is continuously reviewing its Investment Strategy to ensure appropriate returns to assist the organisation in its operations.

Chief Finance Officer Statement

The Executive Director Investments & Finance Services & CFO is the appointed Chief Finance Officer (CFO) for the Public Trustee. In accordance with section 77(2)(b) of the *Financial Accountability Act 2009*, the CFO has provided the Public Trustee of Queensland with a statement conforming with section 54 of the *Financial and Performance Management Standard 2019* attesting that the Public Trustee's financial internal controls are operating efficiently, effectively and economically. The Public Trustee's CFO has fulfilled minimum responsibilities of the role as defined in section 77(1) of the *Financial Accountability Act 2009*. The statement was noted by the Audit and Risk Management Committee.

The Public Trustee of Queensland Investment Trusts

The Public Trustee of Queensland Investment Trusts were 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 Public Trustee of Queensland Investment Trusts 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 Public Trustee of Queensland Investment Trusts.

The Public Trustee of Queensland Growth Trust (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 annum over rolling five-year periods. The investment objective has been reviewed to ensure appropriateness for the Growth Trust's customers and will be implemented during the 2022-23 financial year.

The Growth Trust currently gains exposure to various assets classes and investment sectors by investing in the QIC Long Term Diversified Fund, while liquidity for the Growth Trust is managed by an investment of approximately 1 % 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 2022 is as follows:

Fund	CPI Objective (after fees)	Objective Target Return (%)	Annualised Return (%)
Growth Trust	CPI + 2.4% over rolling 5 years	4.6%	3.5%

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 Australian Foundation for Charitable Trusts (AFCT)

The AFCT has been established to provide an investment solution for perpetual charitable trusts with a long-term investment horizon and the need to maximise income. The investment strategy is expected to improve investment income earnings and provide more funds for charitable works including supporting vulnerable Queenslanders.

The investment objective of the AFCT is to provide capital growth to maintain the real value of capital invested and to provide for distribution of 1.4% per annum over rolling 10-year periods (after fees). The AFCT was created on 17 May 2021 and was seeded on 8 June 2021.

The AFCT currently gains exposure to various asset classes and investment sectors by investing in three QIC funds, as provided below, while liquidity for AFCT is managed by holding funds in cash at bank of up to 1%.

The Public Trust Office Investment Board assists the Public Trustee by providing oversight of the investment management of the AFCT.

Funds	Benchmark Allocation	Operating Range
QIC Diversified Australian Equities Fund	50%	45% - 55%
QIC Long Term Diversified Fund	40%	35% - 45%
QIC Short Term Income Fund	10%	5% - 15%
Total	100%	

For the financial year ended 30 June 2022 the investment return of the AFCT was -7.19% and distribution of taxable income to the charitable trusts was 3.76% on the market value as at 30 June 2022.

The Public Trustee of Queensland

Financial Statements

For the year ended 30 June 2022

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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 Act)*; 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 is 410 Ann 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 / Loss

For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Revenue			
Fees	1	55,937	59,083
Investment revenue	2	23,547	42,670
Fair value gain on investments	2	829	3,054
Other income	3	4,281	2,690
Total Revenue		84,594	107,497
Expenses			
Employee expenses	4	58,983	60,148
Supplies and services	5	19,512	17,007
Contributions	6	1,322	1,267
Depreciation and amortisation		2,843	2,765
Fair value loss on investments	2	42,625	17,526
Interest expense	15	2,322	3,169
Other expenses	7	3,839	3,408
Total Expenses		131,446	105,290
Operating Result		(46,852)	2,207
Other Comprehensive Income / Loss			
<u>Items that will not be reclassified to Operating Result</u>			
Increase/(Decrease) in asset revaluation surplus	18	3,410	(1,791)
<u>Items that may be reclassified to Operating Result</u>			
Net loss on financial assets at fair value through other comprehensive income (FVOCI)		(26,870)	(9,305)
Total Other Comprehensive Loss		(23,460)	(11,096)
Total Comprehensive Loss		(70,312)	(8,889)

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 2022

	Notes	2022 \$'000	2021 \$'000
Current Assets			
Cash and cash equivalents	8	112,333	87,642
Receivables	9	17,771	36,842
Other assets	10	7,106	8,172
Other financial assets	11	778,440	687,733
Property, plant and equipment held for sale	12	-	19,583
Total Current Assets		915,650	839,972
Non-Current Assets			
Other financial assets	11	53,483	111,028
Property, plant and equipment	12	31,580	26,324
Right-of-use assets	13	21,533	6,328
Intangible assets		-	23
Total Non-Current Assets		106,596	143,703
Total Assets		1,022,246	983,675
Current Liabilities			
Lease liabilities	13	503	636
Payables	14	3,465	2,640
Deposits held in trust	15	836,008	747,264
Accrued employee benefits	16	16,014	15,900
Other liabilities	17	1,014	920
Total Current Liabilities		857,004	767,360
Non-Current Liabilities			
Lease liabilities	13	25,637	6,217
Accrued employee benefits	16	1,356	1,571
Other liabilities	17	610	576
Total Non-Current Liabilities		27,603	8,364
Total Liabilities		884,607	775,724
Net Assets		137,639	207,951
Equity			
Asset revaluation surplus	18	25,877	37,043
Accumulated surplus	19	111,762	170,908
Total Equity		137,639	207,951

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

The Public Trustee of Queensland

Statement of Changes in Equity

For the year ended 30 June 2022

	Accumulated Surplus \$'000	Asset Revaluation Surplus \$'000	Total Equity \$'000
Balance as at 1 July 2020	178,006	38,834	216,840
Operating result for the year	2,207	-	2,207
<i>Other comprehensive income</i>			
Net loss on financial assets at FVOCI	(9,305)	-	(9,305)
Decrease in asset revaluation surplus	-	(1,791)	(1,791)
Balance as at 30 June 2021	170,908	37,043	207,951
Balance as at 1 July 2021	170,908	37,043	207,951
Operating result for the year	(46,852)	-	(46,852)
<i>Other comprehensive income</i>			
Net loss on financial assets held at FVOCI	(26,870)	-	(26,870)
Increase in asset revaluation surplus	-	3,410	3,410
Transfer from asset revaluation surplus to accumulated surplus	14,576	(14,576)	-
Balance as at 30 June 2022	111,762	25,877	137,639

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

The Public Trustee of Queensland

Statement of Cash Flows

For the year ended 30 June 2022

Notes	2022 \$'000	2021 \$'000
Cash Flows From Operating Activities		
<i>Inflows:</i>		
Fees received	58,801	60,411
Interest income received	42,884	15,104
Other income received	642	456
GST collected from customers	8,775	7,234
Net amount received as deposits held in trust	88,587	17,162
<i>Outflows:</i>		
Payments to suppliers and employees	(80,099)	(82,762)
GST paid to suppliers	(3,202)	(2,910)
GST remitted to ATO	(5,766)	(4,363)
Interest expense paid	(1,913)	(2,935)
Net Cash Provided By Operating Activities	108,709	7,397
Cash Flows From Investing Activities		
<i>Inflows:</i>		
Sales of other financial assets	91,311	284,113
Sales of property, plant and equipment	18,834	-
<i>Outflows:</i>		
Payments for other financial assets	(193,139)	(423,841)
Payments for property, plant and equipment	(154)	(150)
Net Cash Used In Investing Activities	(83,148)	(139,878)
Cash Flows From Financing Activities		
<i>Outflows:</i>		
Lease payments	(870)	(968)
Net Cash Used In Financing Activities	(870)	(968)
Net Increase/(Decrease) In Cash and Cash Equivalents	24,691	(133,449)
Cash and Cash Equivalents at Beginning of the Financial Year	87,642	221,091
Cash and Cash Equivalents at End of the Financial Year	112,333	87,642

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

The Public Trustee of Queensland

Statement of Cash Flows

For the year ended 30 June 2022

	2022 \$'000	2021 \$'000
Reconciliation of Operating Result to Net Cash Provided By Operating Activities		
Operating Result	(46,852)	2,207
Non-cash items included in operating result:		
Depreciation and amortisation expense	2,843	2,765
Interest on leases	409	235
Gain on lease modifications	-	(83)
Net loss on sale of plant and equipment	780	-
Net loss on revaluation of financial assets	41,796	14,472
Change in Assets and Liabilities:		
Decrease/(Increase) in receivables	19,071	(27,368)
Decrease in other assets	1,066	166
Increase/(Decrease) in other payables	825	(1,256)
(Decrease) in accrued employee benefits	(101)	(399)
Increase in deposits held in trust	88,744	16,471
Increase in other liabilities	128	187
Net Cash Provided By Operating Activities	108,709	7,397

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

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

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The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

BASIS OF FINANCIAL STATEMENTS PREPARATION

(a) Objectives of the Public Trustee

The Public Trustee (PT) is a not-for-profit corporation owned by the Queensland Government which 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 2021 and other authoritative pronouncements.

The Public Trustee is a not-for-profit entity and these general purpose financial statements have been prepared on an accrual 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

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current year.

(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.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

BASIS OF FINANCIAL STATEMENTS PREPARATION (Continued)

(d) Authorisation of Financial Statements for Issue

The financial statements for the year ended 30 June 2022 were authorised for issue by the Public Trustee of Queensland and CEO and the Executive Director Investment & Finance Services & CFO at the date of signing the certification of the Public Trustee.

(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.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

BASIS OF FINANCIAL STATEMENTS PREPARATION (Continued)

(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 judged to be immaterial, they have not been included in these accounts.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

NOTES ABOUT OUR FINANCIAL PERFORMANCE

1. Fees

	2022 \$'000	2021 \$'000	Accounting Policy
Revenue from contracts with customers			
Administration of estates and trusts	73,135	71,431	Revenue from contracts with customers is recognised when the Public Trustee transfers control over the service to the customer. See below for further details about the nature and timing of the satisfaction of performance obligations and revenue recognition for services.
Professional and other services	19,732	22,711	
Community service obligations	(36,930)	(35,059)	
	55,937	59,083	

Refer to Notes 10 and 17 for disclosures on contract assets, contract liabilities and refund liabilities.

Revenue Recognition Policy

Revenue arising from contracts that are 'enforceable' and contain 'sufficiently specific performance obligations' are recognised as revenue on satisfaction of the performance obligations.

Type of Service	Nature and Timing of Satisfaction of Performance Obligations	Revenue Recognition Policy
Administration of estates and trusts	Administration services provided are based on gazetted annual fees or hourly rates and charged monthly, or in accordance with other agreed 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 PT has the right to payment for work performed to date.
Professional and other services	Professional and other services provided 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 containing a fixed fee component, revenue is recognised based on estimated progress of the completion of the performance obligation.
Unclaimed moneys (UCM) 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 UCM 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.

Disclosure - Administration of estates and trusts

The key services provided by PT 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 (CSOs)

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 CSOs. The PT has determined that the most appropriate method of accounting for CSOs under AASB 15 is to make portfolio level provision for CSOs utilising the expected value method based on historical evidence.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

2. Investment Revenue

	2022 \$'000	2021 \$'000
Interest and Distribution Income		
Cash – at call deposits	877	1,814
Fixed rate deposits	2,692	4,870
Floating rate deposits	249	228
Government securities	-	67
Semi-government securities	3,610	3,906
Corporate securities	2,266	2,995
Corporate notes	7	660
Other interest	15	14
Interest on investments	9,716	14,554
QIC distribution income ⁽ⁱ⁾	13,831	28,116
	23,547	42,670
Fair value gains on sale of financial assets held at FVOCI ⁽ⁱⁱ⁾	829	3,054
Fair Value Losses		
Fair value losses on financial assets FVPL ⁽ⁱⁱⁱ⁾	42,625	17,526

(i) This relates to PT's investment in QIC Limited's managed funds during the financial year. PT is entitled to the QIC distribution income based on its unit holdings at the end of each quarter.

(ii) This amount relates to gains on the sale of financial assets held at FVOCI.

(iii) This relates to changes in the fair value of QIC managed funds (Refer to Notes 11 and 23). The losses are due to a number of global events influencing financial markets and negatively impacting the fair value of the funds. These events impacted inflation expectations, increased uncertainty around monetary policy and the global growth outlook, which consequently had a negative impact on global equity markets.

3. Other Income

	2022 \$'000	2021 \$'000
Property rental income	346	279
Services received below fair value	1,681	1,627
Gain on modifications – Right-of-use assets ⁽ⁱ⁾	-	83
Bad debts recovered ⁽ⁱⁱ⁾	1,460	-
Sundry income	794	701
	4,281	2,690

Disclosure

(i) This relates to the gain on the termination of a lease. Refer to Note 13.

(ii) This amount represents bad debts recovered during the financial year relating to customer balances which were written off in prior years.

In response to the COVID-19 pandemic, the PT offered rental relief to tenants in relation to office accommodation in PT's owned buildings. The amount of revenue forgone was \$40,000 in the 2020-21 financial year. No revenue was forgone in 2021-22.

Accounting Policy - Interest Revenue

Interest income is recognised using the effective interest method.

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the PT 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.

Accounting Policy - Distribution Income

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

Accounting Policy - Fair Value Gains/Losses on Investments

Gains/losses on the sale of financial assets held at FVOCI and changes in the fair value of investments held at FVPL are recognised in the period in which they arise. The fair value of units held in QIC managed funds is based on the closing redemption price.

Accounting Policy - Property rental income

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

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

This service is essential to the PT'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.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

4. Employee Expenses

	2022 \$'000	2021 \$'000
Employee Benefits		
Salaries and wages	46,624	46,502
Employer superannuation contributions	6,191	6,251
Annual leave	4,811	4,885
Long service leave	812	1,833
Employee Related Expenses		
Workers' compensation premiums	151	158
Other employee related expenses	394	519
	58,983	60,148
Full-time Equivalent Employees ⁽ⁱ⁾	560	583

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

FTEs at 30 June 2022 are based upon the fortnight ended 1 July 2022.

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

Accounting Policy - Workers' Compensation Premiums

The PT 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

	2022 \$'000	2021 \$'000
Advertising and promotion	230	54
Auction expenses	42	99
Computer expenses	4,654	5,605
Consultants, contractors and agency temporary staff	4,955	3,275
Repairs and maintenance expense	581	870
Investment and registry fees	2,485	2,848
Motor vehicles and travel	314	269
Office expenses	1,028	871
Lease expenses	1,132	196
Professional and management fees	2,397	1,244
Rates, utilities and cleaning	1,694	1,676
	19,512	17,007

Disclosure - Lease Expenses

Lease expenses include outgoings in relation to PT's leased office accommodations and lease rentals under government-wide frameworks with the Department of Energy and Public Works. 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 16 for further details.

Accounting Policy - Employer Superannuation Contributions

Superannuation benefits are provided through defined contribution plans or the Queensland Government's QSuper defined benefit plan.

Defined contribution plans - contributions are made to eligible complying superannuation funds based on the rates specified in the relevant enterprise agreement or other conditions of employment. Contributions are expensed in the period to which they relate.

The liability for the defined benefit plan 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 PT adopts the accrual basis of accounting and recognises expenses when incurred, usually when goods/services are received/rendered.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

6. Contributions

	2022 \$'000	2021 \$'000	Accounting Policy
Office of the Public Guardian	1,234	1,214	Contributions are non-reciprocal in nature with no exchange of goods and services in return for contributions provided by PT.
Civil Law Legal Aid Scheme outlays	88	53	
	1,322	1,267	

Disclosure

The PT 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 Regulation 13 of the *Public Trustee Regulation 2012* respectively.

7. Other Expenses

	2022 \$'000	2021 \$'000	Accounting Policy - Impairment
Bank fees	35	20	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).
Customer reimbursements	-	106	
Entertainment and hosting	7	1	
External audit fees ⁽ⁱ⁾	297	312	
Loss on sale on property, plant and equipment	780	-	
Impairments and write downs:			
Receivables - bad debt expense	180	113	
Insurance premiums ⁽ⁱⁱ⁾	703	711	
Losses:			
Public Trustee write-offs ⁽ⁱⁱⁱ⁾	(21)	314	
Services received below fair value	1,681	1,627	Accounting Policy - Services received below fair value
Special payments ^(iv)	52	89	
Sponsorships ^(v)	125	115	
	3,839	3,408	

Disclosure

(i) Total fees paid/payable to the Queensland Audit Office relate to the audit of PT's 2021-22 financial statements \$287,400 (2021: \$278,450); audit of the Public Trustee of Queensland Growth Trust \$9,975 (2021: \$19,500); and other audit services rendered by QAO \$Nil (2021: \$14,450).

(ii) Insurance premiums – PT'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 includes PT's write-offs relating to customer balances during this financial year \$78,882 and the reversal of a prior year provision for write-off of \$100,000.

(iv) This amount relates to two ex-gratia payments paid to customers during the financial year (2021: 4).

(v) This relates to the annual sponsorship of the QCF Management Co. Ltd.

Accounting Policy - Special Payments

Special payments represent ex-gratia and other expenditure that PT is not contractually or legally obligated to make to other parties. The PT 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

For the year ended 30 June 2022

NOTES ABOUT OUR FINANCIAL POSITION

8. Cash and Cash Equivalents

	2022 \$'000	2021 \$'000
Cash at bank and on hand	3,290	4,037
At call deposits held with Queensland Treasury Corporation (QTC) at FVOCI	109,043	83,605
	112,333	87,642

Accounting Policy

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

	2022 \$'000	2021 \$'000
Distribution income receivable ⁽ⁱ⁾	8,223	27,562
Customer balances ⁽ⁱⁱ⁾	7,672	7,546
Civil Legal Aid Scheme advances ⁽ⁱⁱⁱ⁾	2,569	2,146
Accrued revenue ^(iv)	259	525
Trade and other debtors	175	3
	18,898	37,782
Less: Allowance for impairment	(1,127)	(940)
	17,771	36,842
Impairment		
Allowance for impairment as at 1 July	(940)	(831)
Increase in allowance recognised in operating result	(187)	(109)
Allowance for impairment as at 30 June	(1,127)	(940)

Accounting Policy

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 PT 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 PT 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.

The PT 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.

Disclosure

(i) This represents distribution income receivable from the QIC managed funds at 30 June 2022.

(ii) This relates to overdrawn balances of PT's customers which arise from time to time and are expected to clear as funds become available. An allowance for expected credit losses of \$1,018,865 has been provided at 30 June 2022 (2021: \$843,188) following a recoverability review.

(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 PT's Community Service Obligations. Funds recovered by the scheme are returned to the PT with any unrecoverable funds written off as they arise. No due date applies to this receivable, but credit losses are expected based on historic trends. An allowance for expected credit losses of \$107,911 has been provided at 30 June 2022 (2021: \$97,067).

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

All known bad debts have been written-off as at 30 June 2022.

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Notes to the Financial Statements

For the year ended 30 June 2022

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 PT 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	June 2022			June 2021		
	Gross Receivables	Loss Rate	Expected Credit Losses	Gross Receivables	Loss Rate	Expected Credit Losses
	\$'000	%	\$'000	\$'000	%	\$'000
Distribution income receivable	8,223	0.0%	-	27,562	0.0%	-
Customers' debit balances	7,672	13.3%	(1,019)	7,546	11.2%	(843)
Civil Legal Aid Scheme	2,569	4.2%	(108)	2,146	4.5%	(97)
Accrued Revenue	259	0.0%	-	525	0.0%	-
<u>Trade & Other Debtors</u>						
Current	132	0.0%	-	(32)	0.0%	-
31-60 days	12	0.0%	-	7	0.0%	-
61-90 days	8	0.0%	-	10	0.0%	-
> 90 days	23	0.0%	-	18	0.0%	-
> 365 days	-	0.0%	-	-	0.0%	-
Total	18,898		(1,127)	37,782		(940)

10. Other Assets

	2022 \$'000	2021 \$'000
Contract assets	6,374	7,263
Prepayments	732	909
	7,106	8,172

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.

A contract asset represents the PT'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 PT's right to payment becomes unconditional, this usually occurs when the fee is charged to the customer or when an invoice is issued.

Disclosure - Contract Assets

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

The net reduction in contract asset balances of \$0.9m was the result of a decrease in accrued revenue relating to legal services \$1.4m and an increase in accrued revenue arising from other administration and professional services \$0.5m.

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For the year ended 30 June 2022

11. Other Financial Assets

	2022 \$'000	2021 \$'000	Accounting Policy
Current			
<u>Financial Assets at Fair Value through Profit or Loss (FVPL)</u>			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 or Fair Value through Profit or Loss.
QIC Long Term Diversified Fund	161,568	171,194	
QIC Short Term Income Fund	175,197	88,873	
QIC Global Credit Income Fund	125,216	82,406	
	461,981	342,473	
<u>Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)</u>			The classification is based on two criteria:
Semi-government bonds	147,606	180,972	<ul style="list-style-type: none"> whether the financial asset's contractual cash flows represent solely payments of principal and interest; and
Corporate bonds	86,985	83,212	<ul style="list-style-type: none"> the PT's business model for managing the assets.
Corporate notes	4,213	-	
	238,804	264,184	
<u>Financial Assets at Amortised Cost</u>			Financial assets are derecognised when the right to receive cash flows from the investments have expired or the PT has transferred substantially all risks and rewards of ownership.
Fixed rate deposits	59,639	81,076	
Floating rate deposits	18,016	-	
	77,655	81,076	
Total Current	778,440	687,733	
Non-Current			
<u>Financial Assets at Amortised Cost</u>			
Fixed rate deposits	45,472	85,006	
Floating rate deposits	8,011	26,022	
Total Non-Current	53,483	111,028	

Classification and Measurement

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

A financial asset is classified in this category if it is held within a business model that acquires financial assets principally for the purpose of selling or if it is an equity investment. PT's investments in financial assets held at FVPL is limited to products managed by QIC Ltd including holdings in the Long-Term Diversified Fund, Short Term Income Fund and Global Credit Income Fund.

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)

PT's investments in bonds 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

PT'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. They are classified and measured at amortised cost in accordance with AASB 9.

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.

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For the year ended 30 June 2022

12. Property, Plant and Equipment

Held for Sale

	2022 \$'000	2021 \$'000	Accounting Policy - Property, Plant and Equipment Held for Sale
Land	-	10,460	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.
Building	-	9,123	
	-	19,583	

Disclosure - Property, Plant and Equipment Held for Sale

During the previous financial year, the Public Trustee Office Investment Board approved the sale of three PT owned office accommodations at Brisbane, Gladstone and Mount Isa which were classified as assets held for sale and measured at net realisable value on 30 June 2021.

All three properties have been sold and a net loss on sale of \$763,750 has been recorded in the current financial year (refer to Note 7).

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 amounts

30 June 2022	Land	Buildings	Leasehold Improvements	Plant and Equipment	Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	9,570	15,498	6,863	3,730	11	35,672
Less Accumulated depreciation	-	(179)	(1,001)	(2,666)	-	(3,846)
Less Accumulated impairment	-	-	-	(246)	-	(246)
Carrying amount at 30 June 2022	9,570	15,319	5,862	818	11	31,580
Carrying amount at 1 July 2021	10,320	11,836	2,448	1,716	4	26,324
Acquisitions	-	-	3,847	-	154	4,001
Depreciation	-	(732)	(302)	(1,090)	-	(2,124)
Disposals	-	-	-	(31)	-	(31)
Transfers between asset classes	-	55	(131)	223	(147)	-
Net revaluation (decrement)/increment	(750)	4,160	-	-	-	3,410
Carrying amount at 30 June 2022	9,570	15,319	5,862	818	11	31,580

30 June 2021	Land	Buildings	Leasehold Improvements	Plant and Equipment	Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	10,320	14,024	3,148	6,499	4	33,995
Less Accumulated depreciation	-	(2,188)	(700)	(4,537)	-	(7,425)
Less Accumulated impairment	-	-	-	(246)	-	(246)
Carrying amount at 30 June 2021	10,320	11,836	2,448	1,716	4	26,324
Carrying amount at 1 July 2020	20,780	23,820	2,421	2,451	40	49,512
Acquisitions	-	-	-	-	150	150
Depreciation	-	(1,163)	(209)	(592)	-	(1,964)
Transfers between asset classes	-	93	236	(143)	(186)	-
Net revaluation decrement	-	(1,791)	-	-	-	(1,791)
Transfers to 'assets held for sale'	(10,460)	(9,123)	-	-	-	(19,583)
Carrying amount at 30 June 2021	10,320	11,836	2,448	1,716	4	26,324

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Notes to the Financial Statements

For the year ended 30 June 2022

12. Property, Plant and Equipment (Continued)

Disclosure - Land and Buildings

The Queensland Public Sector Non-Current Asset Policy (NCAP) requires that all land and buildings to be recorded at fair value. Accordingly, it is the policy of the Public Trustee that a revaluation of land and buildings be performed every three years.

A comprehensive revaluation of land and buildings was undertaken during the current financial year by external independent valuers following the previous revaluation in 2018-19.

Valuation Approaches

In determining fair value, NCAP prescribes the following revaluation methods with reference to an asset's highest and best use:

- i. Income approach (where the highest and best use is primarily dependent on the asset's ability to generate net cash inflows).

The income based approach was adopted by the PT's engaged independent valuer this financial year for all properties. Utilising the income based approach, the PT's properties have been fair valued on an in use basis, assuming a notional lease on market terms and conditions. Land and buildings valued under this approach have been classified as level 2.

- ii. Market approach (where observable data for similar assets is available, that data is likely to represent the best indicator of the asset's fair value).

In the previous comprehensive independent valuation of a PT property in Southport in 2018-19, the valuer adopted a market approach valuation technique with an assumption that the highest and best use of the site by market participants which would maximise the value of the asset would be as a redevelopment site. The valuation technique adopted by the independent valuer in the current financial year is an income approach, with the change of valuation technique arising as a result of new information and new market developments which have informed the revision of assumptions regarding the highest and best use of this asset.

- iii. Cost approach (current replacement cost) reflecting the cost to acquire the service potential embodied in an asset, adjusted to reflect the asset's current condition/physical deterioration, functionality and economic obsolescence.

In the previous comprehensive independent valuation of a PT property in Brendale in 2018-19, the valuer adopted a cost approach valuation technique with an assumption that there were restrictions on the marketability and use of the site due to the physical characteristics and specialised nature of the facility. The valuation technique adopted by the independent valuer in the current financial year is an income approach, with the change in valuation technique arising as a result of new information and new market developments which have informed the revision of assumptions regarding the highest and best use of this asset.

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 Improvements	Plant and Equipment
Recognition threshold	\$1	\$10,000	\$5,000	\$5,000
Useful life	Unlimited	5 – 60 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 (loss through ordinary wear and tear) is expensed.

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Notes to the Financial Statements

For the year ended 30 June 2022

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 PT.

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 not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is reasonably certain.

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 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 by an independent valuer. 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 to Note 20).

Materiality is considered in determining the frequency of revaluations, so as to ensure that carrying amounts of items of property, plant and equipment do not differ materially from their fair values at the end of the reporting period.

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 PT 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.

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.

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Notes to the Financial Statements

For the year ended 30 June 2022

12. Property, Plant and Equipment (Continued)

Accounting Policy - Measurement Using Fair Value (Continued)

Accounting for Changes in Fair Value (Continued)

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 considering 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 PT 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

The PT 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 PT is reasonably certain it will renew the lease.

Right-of-use Assets	2022	2021	Disclosure - Leases as lessee
	\$'000	\$'000	
Opening balance at 1 July	6,328	5,921	(i) During the financial year, PT entered into a new lease for office accommodation at 410 Ann Street, Brisbane for a term of six years with the option to renew for a further four years.
Additions ⁽ⁱ⁾	17,449	216	
Remeasurements/modifications	(1,548)	936	
Amortisation expense	(696)	(745)	
Carrying amount at 30 June	21,533	6,328	Under the terms of the lease, a lease incentive amount comprising lease fit out contribution and rent abatement was provided. Accordingly, a lease liability has been initially recognised at \$21.296m together with a right-of-use asset of \$17.449m and leasehold improvements of \$3.847m (refer to Note 12).
Lease Liabilities			(ii) Interest expenses on lease liabilities for the year is \$408,811 (2021: \$234,929) and is recognised as interest expense in profit or loss.
Opening balance at 1 July	6,853	6,518	
Additions ⁽ⁱ⁾	21,296	216	The Department of Energy and Public Works (DEPW) provides the PT with access to motor vehicles under government-wide frameworks. These arrangements are not categorised as leases as DEPW has substantive substitution rights over the assets. The related expenses are recognised as lease expenses in Note 5.
Remeasurements/modifications	(1,548)	853	
Interest expense ⁽ⁱⁱ⁾	409	234	
Repayments	(870)	(968)	
Carrying amount at 30 June	26,140	6,853	
Current lease liabilities	503	636	
Non-current liabilities	25,637	6,217	
Total	26,140	6,853	

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

Accounting policies - Leases as lessee

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 are subsequently depreciated over the lease term and be subject to annual impairment testing.

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates of a change in lease term.

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

Lease liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term 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; and
- variable lease payments that depend on a rate, initially measured using the rate as at the commencement date;

When measuring the lease liability, the PT uses its incremental borrowing rate as the discount rate as the interest rate implicit in the lease cannot be readily determined for the corporation's leases. To determine the incremental borrowing rate, the PT uses loan rates provided by QTC that correspond to the commencement date and term of the lease.

Subsequent to initial recognition, 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.

14. Payables

	2022	2021	Accounting Policy
	\$'000	\$'000	
Trade creditors	1,563	980	Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price. Amounts owing are unsecured.
Goods and services taxes payable	167	324	
Other accrued expenses	1,735	1,336	
	3,465	2,640	

15. Deposits Held In Trust

	2022	2021	Accounting Policy - Deposits Held In Trust
	\$'000	\$'000	
Deceased estates	228,251	164,135	The PT holds funds on behalf of customers in cash and cash equivalents and other financial assets within the Common Fund. These amounts are presented on gross basis in the statement of financial position. As such, the PT also recognises 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.
Financial management	359,694	340,559	
Minors, general and testamentary trusts	214,038	207,501	
Other customers	34,025	35,069	
	836,008	747,264	

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15. Deposits Held In Trust (Continued)

Disclosure - Interest Payable to Customers

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

In response to the COVID-19 Pandemic, the PT has supported Queenslanders through a decision not to lower interest rates payable on customers' balances from 1 July 2021 until 31 August 2022.

16. Accrued Employee Benefits

	2022 \$'000	2021 \$'000	Accounting Policy - Annual Leave
Current			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.
Annual leave	6,233	6,216	
Paid parental leave	3	15	
Long service leave	9,778	9,669	
	16,014	15,900	
Non-Current			
Long service leave	1,356	1,571	
	1,356	1,571	
Total Accrued Employee Benefits	17,370	17,471	

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 classified as current at its undiscounted value.

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.

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.

17. Other Liabilities

	2022 \$'000	2021 \$'000	Accounting Policy - Contract Liabilities
Current			Contract liabilities arise from contracts with customers under AASB 15 <i>Revenue from Contracts with Customers</i> in respect of unclaimed moneys services provided by the PT. Revenue is recognised in PT's statement of comprehensive income on the lodgement of the unclaimed funds and set up of the unclaimed moneys register (refer to Note 1). A portion of the fees charged is deferred over time based on the estimated length of time to complete the service. The PT will periodically allocate/release amounts to/from contract liabilities to revenue based on the estimated remaining period of time to complete the service obligation.
Contract liabilities	275	243	
Refund liabilities	677	637	
Prepaid rent	62	40	
	1,014	920	
Non-current			
Contract liabilities	610	576	
	610	576	
Total	1,624	1,496	

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17. Other Liabilities (Continued)

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 recognised as a current refund liability as fee remissions may arise anytime in the future as funds are claimed.

Disclosure - Contract Liabilities

Contract liabilities 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.

Of the contract liability balance at 1 July 2021, \$243,049 has been recognised as revenue in 2021-22 (2021: \$225,103). There were no significant changes in the underlying assumptions relating to the recognition of contract liabilities.

Disclosure - Refund Liabilities

Refund liabilities 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.

There were no significant changes in the underlying assumptions relating to the recognition of refund liabilities.

18. 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

	2022			2021		
	Land \$'000	Buildings \$'000	Total \$'000	Land \$'000	Buildings \$'000	Total \$'000
Opening Balance at 1 July	16,722	20,321	37,043	16,722	22,112	38,834
Transfer to Accumulated Surplus	(5,596)	(8,980)	(14,576)	-	-	-
Revaluation (decrements)/increments	(750)	4,160	3,410	-	(1,791)	(1,791)
Balance at 30 June	10,376	15,501	25,877	16,722	20,321	37,043

19. Accumulated Surplus

PT 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 PT's approved investment strategy across cash, financial assets and property. The basis for these allocations is as follows:

i. Capital support allocation

As the capital within the PT's Common Fund carries a Government Guarantee, a capital support allocation has been established to support the capital guarantee on the liabilities of the PT. 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 2.925% (2021: 2.41%). Current capital support allocation is \$54.6m (2021: \$53.9m).

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 income stabilisation allocation is \$49.7m (2021: \$44.4m).

The balance of the Accumulated Surplus of \$7.5m (2021: \$72.6m) relates to general reserves and is maintained to support the sustainability of the PT's ongoing operations.

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Notes to the Financial Statements

For the year ended 30 June 2022

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

20. 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 PT 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 PT 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 PT's other financial assets (by class) measured at fair value according to the fair value hierarchy at 30 June 2022 and 30 June 2021.

	Level 1		Level 2		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash - at call deposits	109,043	83,605	-	-	109,043	83,605
QIC Long Term Diversified Fund	-	-	161,568	171,194	161,568	171,194
QIC Short Term Income Fund	-	-	175,197	88,873	175,197	88,873
QIC Global Credit Income Fund	-	-	125,216	82,406	125,216	82,406
Semi-government bonds	147,606	180,972	-	-	147,606	180,972
Corporate bonds	86,985	83,212	-	-	86,985	83,212
Corporate notes	4,213	-	-	-	4,213	-
Fixed rate deposits	-	-	105,111	166,082	105,111	166,082
Floating rate deposits	-	-	26,027	26,022	26,027	26,022
	347,847	347,789	593,119	534,577	940,966	882,366

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

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

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Notes to the Financial Statements

For the year ended 30 June 2022

21. Commitments

(a) Capital expenditure commitments

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

	2022 \$'000	2021 \$'000
Buildings		
Not later than one year	212	-
Later than one year and not later than five years	-	-
	212	-

(b) Contribution commitments

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

	2022 \$'000	2021 \$'000
Not later than one year	1,256	1,227
	1,256	1,227

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

22. Contingent Liabilities

Litigation in progress

As at 30 June 2022, the PT was a party to the following litigations and hearings in progress.

	2022 Number of cases	2021 Number of cases
Supreme Court of Queensland	1	1
District Court of Queensland	-	-
Queensland Civil and Administrative Tribunal	3	1
Total	4	2

As at 30 June 2022, the PT has received notification of 11 other matters (2021: 7) that are not yet subject to court action. These cases may or may not result in subsequent litigation. The PT 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, it is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time or notifications of other matters that are not yet subject to court action.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

23. Financial Risks Disclosures

(a) Financial Asset and Liability Categories

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

The PT has the following categories of financial assets and financial liabilities:

	Note	2022 \$'000	2021 \$'000
Financial Assets			
Cash and cash equivalents	8	112,333	87,642
Receivables	9	17,771	36,842
Other financial assets - FVPL	11	461,981	342,473
Other financial assets - FVOCI	11	238,804	264,184
Other financial assets - amortised cost	11	131,138	192,104
Total Financial Assets		962,027	923,245
Financial Liabilities			
Payables	14	3,465	2,640
Deposits held in trust	15	836,008	747,264
Total Financial Liabilities		839,473	749,904

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 PT'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 PT may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The PT is exposed to credit risk in respect of its receivables and other financial assets.
Liquidity Risk	Liquidity risk refers to the risk that the PT may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The PT 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, share market 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 PT does not trade in foreign currency or share markets (other than indirectly through its investments in QIC managed funds) 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.

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Notes to the Financial Statements

For the year ended 30 June 2022

23. Financial Risks Disclosures (Continued)

(b) Financial Risks Management (Continued)

(ii) Risk Management Strategies

Financial risk is managed by the Investment Advisory Program under policies approved by Public Trust Office Investment Board (Investment Board). The Investment Board approves written policies in respect of credit risk, liquidity risk and market risk. The PT'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"> Sensitivity analysis 	<ul style="list-style-type: none"> Market risk is managed within the risk limits as approved by the Investment Board Management Framework. The PT 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 The investment in the QIC Funds are managed within approved operating limits

PT's Investment Advisory Program has been given the discretionary authority to manage the assets of the Common Fund in line with the PT's investment objectives. As part of the Investment Board's annual review of its investment objectives and strategies, the investment objectives of the Common Fund continue to be appropriate during 2021-22 as follows:

- Risk Objective – that the nominal value of customers liabilities be maintained over rolling five years with a 95% probability
- Return Objective - CPI + 0.5% over rolling five years

The core of the PT's investment strategy includes investments with QIC Limited to meet PT's primary risk objective.

The Investment Board approved that the fixed interest allocation be further diversified by investing an additional 10% of the Common Fund in the QIC Short Term Income Fund (STIF) and 5% in the QIC Global Credit Income Fund (GCIF) to gain exposure to a wider range of active return strategies including international corporate securities. Further, following the sale of the PT's property holding situated at 444 Queen Street, Brisbane, an additional \$4.9 million was invested in the QIC Long Term Diversified Fund (LTDF).

As at 30 June 2022, PT's investment management arrangements are as follows:

Investments	Benchmark Allocation %	Actual \$'000	Investment Managed By
Cash	25%	112,333	PT - Investment Advisory Program
QIC Long Term Diversified Fund	20%	161,568	QIC
QIC Short Term Income Fund	20%	175,197	QIC
QIC Global Credit Income Fund	15%	125,216	QIC
Fixed and Floating Interest Securities	20%	369,942	PT - Investment Advisory Program
Total	100%	944,256	

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Notes to the Financial Statements

For the year ended 30 June 2022

23. Financial Risks Disclosures (Continued)

(c) Credit Risk

The PT 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.

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.

The PT regularly monitors its credit positions and these are reviewed by the Investment Board 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 managed funds (Funds)

QIC undertakes extensive analysis of individual securities held in the Funds to assess credit risk and limits are applied to the Funds' exposure to a single name issuer.

QIC also manages credit risk for the Funds by setting limits for the credit spread duration of the Funds, which is managed daily with the assistance of QIC's risk management systems.

At 30 June 2022, the PT held investments totalling \$462.0 million in QIC managed funds (2021: \$342.5m).

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

PT's exposure to credit risk by asset category and credit rating as determined by Standard and Poor's is set out below:

30 June 2022	Debt securities \$'000	Deposits \$'000	Total \$'000
'AAA' credit rating	19,850	-	19,850
'AA+' credit rating	126,272	-	126,272
'Aa3' (Moody's credit rating)	1,484	-	1,484
'A+' credit rating	11,610	-	11,610
'AA-' credit rating	79,588	126,122	205,710
'BBB+' credit rating	-	5,016	5,016
Total	238,804	131,138	369,942

30 June 2021	Debt securities \$'000	Deposits \$'000	Total \$'000
'AA+' credit rating	179,359	-	179,359
'Aa3' (Moody's credit rating)	1,613	-	1,613
'A+' credit rating	3,630	-	3,630
'AA-' credit rating	79,582	182,052	261,634
'BBB+' credit rating	-	10,052	10,052
Total	264,184	192,104	456,288

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Notes to the Financial Statements

For the year ended 30 June 2022

23. Financial Risks Disclosures (Continued)

(d) Liquidity Risk

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

The PT 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 customer.

It is important to note that whilst Deposits held in trust (Note 15) 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 2022	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	112,333	-	-	-	112,333
Receivables	17,771	-	-	-	17,771
Other financial assets	580,108	48,722	54,319	148,774	831,923
Total	710,212	48,722	54,319	148,774	962,027
Financial Liabilities					
Payables	3,465	-	-	-	3,465
Deposits held in trust	836,008	-	-	-	836,008
Total	839,473	-	-	-	839,473

30 June 2021	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	87,642	-	-	-	87,642
Receivables	36,842	-	-	-	36,842
Other financial assets	423,549	109,549	62,036	203,627	798,761
Total	548,033	109,549	62,036	203,627	923,245
Financial Liabilities					
Payables	2,640	-	-	-	2,640
Deposits held in trust	747,264	-	-	-	747,264
Total	749,904	-	-	-	749,904

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Notes to the Financial Statements

For the year ended 30 June 2022

23. Financial Risks Disclosures (Continued)

(e) Market Risk

(i) Price risk

Investments in QIC managed funds are exposed to price risk associated with changes in the fixed interest, property and equity markets. As the Common Fund's portfolio is constructed with the inclusion of 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 funds are exposed to.

In relation to the QIC managed funds, QIC mitigates price risk through diversification and a careful selection of investments within the Opportunistic Asset Allocation (OAA) ranges.

(ii) Market risk – sensitivity analysis

The PT'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 PT, 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 PT, 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 PT'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 +/- 200 basis points (2021: +/- 25 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.

	2022		2021	
	+2.00%	-2.00%	+0.25%	-0.25%
	\$'000	\$'000	\$'000	\$'000
Interest rate change				
Impact on Operating Result / Equity	(13,579)	18,408	(2,885)	2,874

The 200 basis points (2021: 25 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.

In relation to the QIC managed funds, the market risk of PT's holding in the QIC investment funds comprises the risk that the unit price of the funds will change during the next reporting period (effectively price risk). The following table summarises the impact on the fair value of the PT's QIC investment funds at 30 June 2022 and 30 June 2021 when the QIC's low % and high % of price risk are applied to each of the investment funds:

Price risk	2022				2021			
	Low	High	Decrease	Increase	Low	High	Decrease	Increase
	%	%	\$'000	\$'000	%	%	\$'000	\$'000
QIC Global Credit Income Fund	-3%	3%	(3,756)	3,756	-1%	1%	(824)	824
QIC Long Term Diversified Fund	-12%	12%	(19,388)	19,388	-11%	11%	(18,831)	18,831
QIC Short Term Income Fund	-2%	2%	(3,504)	3,504	-1%	1%	(889)	889
Impact on Operating Result / Equity			(26,648)	26,648			(20,544)	20,544

24. Events Occurring After the Reporting Period

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

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Notes to the Financial Statements

For the year ended 30 June 2022

NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET

25. Budget to Actual Comparison

This section discloses the PT's original published budget for 2021-22 compared to actual results, with explanations of major variances relating to PT's statement of comprehensive income, statement of financial position and statement of cash flows.

Statement of Comprehensive Income	Variance	Budget	Actual	Variance
	Notes	2022 \$'000	2022 \$'000	2022 \$'000
Revenue				
Fees	V1	60,959	55,937	(5,022)
Investment revenue	V2	11,358	23,547	12,189
Fair value gain on investments	V2	8,781	829	(7,952)
Grants and other contributions		1,682	1,681	(1)
Other income	V3	771	2,600	1,829
Total Revenue		83,551	84,594	1,043
Expenses				
Employee expenses	V4	64,272	58,983	5,289
Supplies and services	V5	15,594	19,512	(3,918)
Contributions		1,302	1,322	(20)
Depreciation and amortisation		3,111	2,843	268
Fair value loss on investments	V2	-	42,625	(42,625)
Interest expenses		1,589	2,322	(733)
Other expenses	V6	2,904	3,839	(935)
Total Expenses		88,772	131,446	(42,674)
Operating Result		(5,221)	(46,852)	(41,631)
Other Comprehensive Income				
<u>Items that will not be reclassified to Operating Result</u>				
Increase in asset revaluation surplus		-	3,410	3,410
<u>Items that may be reclassified to Operating Result</u>				
Net loss on the revaluation financial assets at FVOCI	V7	-	(26,870)	(26,870)
Total Other Comprehensive Loss		-	(23,460)	(23,460)
Total Comprehensive Loss		(5,221)	(70,312)	(65,091)

Explanations of Major Variances – Statement of Comprehensive Income

V1. Fees are unfavourable as a result of lower customer activity levels and higher community service obligations.

V2. The overall variance is due to a number of global events influencing financial markets and negatively impacting the fair value of PT's funds managed by QIC. These events impacted inflation expectations, increased uncertainty around monetary policy and the global growth outlook, which consequently had a negative impact on global equity markets.

V3. Other income is higher due to a bad debt recovered during the year.

V4. Employee expenses are lower as a result of fewer FTEs due to unfilled vacancies.

V5. Supplies and services are higher than budget predominantly due to costs incurred in the relocation of the Brisbane office to leased premises as the accommodation options were being considered at the time the original PT budget was prepared.

V6. Other expenses are higher as a result of a loss on sale on property, plant and equipment and bad debt provision.

V7. The net loss is due to geo-political risks and central banks tightening monetary policy to fight inflation, with global interest rates including bond yields increasing during the year. This resulted in a decrease in PT's financial assets held at FVOCI with unrealised losses of \$26.9 million recorded.

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Notes to the Financial Statements

For the year ended 30 June 2022

25. Budget to Actual Comparison (Continued)

Statement of Financial Position	Variance Note	Budget 2022 \$'000	Actual 2022 \$'000	Variance 2022 \$'000
Assets				
Current Assets				
Cash and cash equivalents	V8	182,161	112,333	(69,828)
Receivables		17,335	17,771	436
Other assets	V9	842	7,106	6,264
Other financial assets	V8	633,353	778,440	145,087
Total Current Assets		833,691	915,650	81,959
Non-Current Assets				
Other financial assets	V8	114,418	53,483	(60,935)
Property, plant and equipment	V10	43,372	31,580	(11,792)
Right-of-use of asset	V10	-	21,533	21,533
Total Non-Current Assets		157,790	106,596	(51,194)
Total Assets		991,481	1,022,246	30,765
Liabilities				
Current Liabilities				
Lease liabilities	V10	1,839	503	1,336
Payables		-	3,465	(3,465)
Deposits held in trust	V11	755,533	836,008	(80,475)
Accrued employee benefits	V12	14,972	16,014	(1,042)
Other liabilities		883	1,014	(131)
Total Current Liabilities		773,227	857,004	(83,777)
Non-Current Liabilities				
Lease liabilities	V10	11,969	25,637	(13,668)
Accrued employee benefits	V12	1,415	1,356	59
Other liabilities		518	610	(92)
Total Non-Current Liabilities		13,902	27,603	(13,701)
Total Liabilities		787,129	884,607	(97,478)
Net Assets		204,352	137,639	(66,713)
Equity		204,352	137,639	(66,713)

Explanations of Major Variances - Statement of Financial Position

V8. Total cash is lower due to higher investment holdings in other financial assets.

V9. This variance is predominantly due to the inclusion of contract balances arising from contracts with customers in receivables in the original budget.

V10. Right-of-use assets were included in property, plant and equipment in the original budget. The overall variance is due to the lease and fit out costs relating to the new Brisbane office accommodation lease being higher than the original budget as the details of the lease, including optional extensions were not known when the original budget was prepared.

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

V12. The variance is primarily due to higher employee entitlements.

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Notes to the Financial Statements

For the year ended 30 June 2022

25. Budget to Actual Comparison (Continued)

Statement of Cash Flows	Variance Notes	Budget 2022 \$'000	Actual 2022 \$'000	Variance 2022 \$'000
Cash Flows From Operating Activities				
<i>Inflows:</i>				
Fees received	V13	60,959	58,801	(2,158)
Interest income received	V14	11,358	42,884	31,526
Other income received		771	642	(129)
GST collected from customers		-	8,775	8,775
Net amount received as deposits held in trust	V15	-	88,587	88,587
<i>Outflows:</i>				
Payments to suppliers and employees		(82,390)	(80,099)	2,291
GST paid to suppliers		-	(3,202)	(3,202)
GST remitted to ATO		-	(5,766)	(5,766)
Interest expense paid		(1,343)	(1,913)	(570)
Net Cash (Used In) / Provided By Operating Activities		(10,645)	108,709	119,354
Cash Flows From Investing Activities				
<i>Inflows:</i>				
Sales of other financial assets	V16	158,904	91,311	(67,593)
Sale of property, plant and equipment	V17	21,158	18,834	(2,324)
<i>Outflows:</i>				
Payments for other financial assets	V16	(156,700)	(193,139)	(36,439)
Payments for property, plant and equipment	V18	(3,000)	(154)	2,846
Net Cash Provided By / (Used In) Investing Activities		20,362	(83,148)	(103,510)
Cash Flows From Financing Activities				
<i>Outflows:</i>				
Lease payments	V19	(2,029)	(870)	1,159
Net Cash Used In Financing Activities		(2,029)	(870)	1,159
Net Increase in Cash and Cash Equivalents		7,688	24,691	17,003
Cash and Cash Equivalents At Beginning of the Financial Year		174,473	87,642	(86,831)
Cash and Cash Equivalents At End of the Financial Year		182,161	112,333	(69,828)

Explanations of Major Variances - Statement of Cash Flows

V13. The variance is due to lower fees and higher community service obligations.

V14. The variance in interest income received is due to higher interest rates.

V15. This variance is as a result of higher customer balances.

V16. Net outflows relating to other financial assets are above budget due to higher investment holdings in QIC managed funds.

V17. Proceeds from the sale of property, plant and equipment is unfavourable compared to budget as result of a lower consideration received for the sale PT's Brisbane head office compared to the held for sale asset at 30 June 2021.

V18. The variance is due to less capital expenditure incurred compared to budget.

V19. Variance mainly due to lower rental payments than originally budgeted due to timing of the new office accommodation lease.

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Notes to the Financial Statements

For the year ended 30 June 2022

25. Budget to Actual Comparison (Continued)

Administered Unclaimed Moneys	Variance Notes	Budget 2022 \$'000	Actual 2022 \$'000	Variance 2022 \$'000
Administered Income				
Interest from investing activities		29	96	67
Unclaimed moneys recognised as Consolidated Revenue	V20	3,067	5,309	2,242
Total		3,096	5,405	2,309
Administered Expenses				
Other expenses	V21	774	401	373
Amount transferable to Consolidated Fund		2,322	5,004	(2,682)
Total		3,096	5,405	(2,309)
Net Surplus/(Deficit)		-	-	-
Administered Assets				
Current				
Receivables	V22	3,096	5,405	2,309
Total		3,096	5,405	2,309
Administered Liabilities				
Current				
Payables	V23	3,096	5,405	(2,309)
Total		3,096	5,405	(2,309)
Net Administered Assets		-	-	-

The above statement of administered Unclaimed Moneys does not include Unclaimed Moneys held by the PT 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 PT for less than six years at 30 June 2022 was \$68.7m (2021: \$61.8m). Please refer financial statement Note 26 for details.

Explanations of Major Variances - Administered Unclaimed Moneys

V20. Unclaimed moneys recognised as consolidated revenue is favourable to budget due to a higher than expected level of unclaimed moneys that have been held by the PT for more than six years.

V21. Other expenses (including management fees payable to the PT) were lower than budget due to a lower than expected level of capital rebates claimed by owners of unclaimed moneys.

V22. Receivables are higher due to higher consolidated revenue receivable from the Public Trustee (refer V14).

V23. Payables are higher mainly due to an increase in the amount of net consolidated revenue payable to the Queensland government (Consolidated Fund).

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

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

26. Administered Transactions and Balances

Unclaimed Moneys Fund

The PT administers, but does not control, the Unclaimed Moneys Fund on behalf of the Government. In doing so, the PT 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 PT'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 PT's Common Fund which has a capital guarantee and a regulated rate of interest.

	2022	2021
	\$'000	\$'000
Administered Income		
Interest from investing activities	96	31
Unclaimed Moneys recognised as Consolidated Revenue	5,309	3,608
Total	5,405	3,639
Administered Expenses		
Management fees	153	259
Capital rebates	248	766
Amount transferable to Consolidated Fund *	5,004	2,614
Total	5,405	3,639
Net Surplus/(Deficit)	-	-
Administered Assets		
Current		
Receivables	401	1,025
Other financial assets	73,730	64,449
Total	74,131	65,474
Administered Liabilities		
Current		
Payables	5,405	3,639
Total	5,405	3,639
Non-Current		
Unclaimed moneys fund balance	68,726	61,835
Total	68,726	61,835
Net Assets	-	-

* During 2021-22, funds totalling \$2.614m (2021: \$3.435m) 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

For the year ended 30 June 2022

27. Other Funds Managed by The Public Trustee

The PT 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 2022

Customers	Deposits at Call \$'000	Retirement Products \$'000	Other \$'000	Realty and Homes \$'000	Other Investments \$'000	Investment Trusts \$'000	Total \$'000
Financial management	48,334	303,935	116,008	382,217	68,923	139,804	1,059,221
Deceased estates	45,159	19,703	20,623	261,888	23,127	-	370,500
Minors, general and testamentary trusts	36,295	1,839	(297)	124,992	45,935	211,747	420,511
Other customers	7,575	10,071	21,940	25,203	15,934	5,615	86,338
Total	137,363	335,548	158,274	794,300	153,919	357,166	1,936,570

Customers' Assets Held outside the Common Fund at 30 June 2021

Customers	Deposits at Call \$'000	Retirement Products \$'000	Other \$'000	Realty and Homes \$'000	Other Investments \$'000	Investment Trusts \$'000	Total \$'000
Financial management	71,769	273,532	182,825	374,924	69,900	163,078	1,136,028
Deceased estates	39,016	16,753	16,215	196,028	29,053	-	297,065
Minors, general and testamentary trusts	67,873	2,130	8,285	121,031	41,473	238,207	478,999
Other customers	8,208	7,898	23,611	22,768	16,182	6,666	85,333
Total	186,866	300,313	230,936	714,751	156,608	407,951	1,997,425

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

For the year ended 30 June 2022

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 PT has appointed Australian Super as its preferred supplier of superannuation services for its customers. The values of customer's holdings with Australian Super are provided to the PT 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 PT 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 PT. Realty assets are valued every three years with no indexation. Detailed valuation rules are contained in relevant operating manuals of the PT.

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 2022 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 PT.
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 Investment Trusts (the Investment Trusts)

The Public Trustee of Queensland Growth Trust (Growth Trust)

The Growth Trust was established by the Public Trustee on 10 July 1996 to provide PT's customers with an investment option that provides capital growth and income from a diversified investment portfolio.

Australian Foundation for Charitable Trusts (AFCT)

The AFCT was established by the Public Trustee on 17 May 2021 to provide charitable trust customers of the Public Trustee with an investment option that provides income from a diversified investment portfolio and maintains the real value of the capital over the longer term.

Collectively these two trusts are referred to as the 'Public Trustee of Queensland Investment Trusts'.

As at 30 June 2022, the total market value of customers' funds held in the Investments Trusts was \$357.2m (2021: \$408.0m).

The financial results of the Investment Trusts do not form part of these financial statements. For further information, please refer to the Investment Trusts' annual General Purpose Financial Report. The financial report of the Investment Trusts is independently audited by the Queensland Audit Office.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

OTHER INFORMATION

28. Key Management Personnel (KMP) Disclosures

(a) Details of Key Management Personnel

The *Public Trustee (Advisory and Monitoring Board) Amendment Bill 2021* was passed by the Queensland Parliament in May 2022. The Bill amends the *Public Trustee Act 1978* to establish the 'Public Trustee Advisory and Monitoring Board' (the Board) that will provide additional advice and oversight to the Public Trustee to enhance transparency and public accountability. Members of the Board are not considered to be PT's KMP for the purposes of the PT financial statements consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*.

Management is of the view that all members of the Board of Management (BOM) which was established on 11 May 2020, jointly have the authority and responsibility for planning, directing and controlling the activities of PT and therefore meet the definition of Key Management Personnel.

The composition of the BOM has changed during 2021-22 and those changes in membership have been reflected below.

Position	Responsibilities
Public Trustee of Queensland	The Public Trustee of Queensland is the Chief Executive Officer of the PT and provides visionary, values based leadership and management to the corporation. The role of the Public Trustee of Queensland is to guide the PT to deliver high quality, sustainable and reliable financial, trustee and administration services to the Queensland public in a supportive, compassionate and ethical manner.
Executive Director, Fees and Charges	The Executive Director, Fees and Charges is responsible for providing expert financial and business analysis to lead the delivery of a strategic review of the fees and charges structure of the Public Trustee.
Executive Director, Corporate Services	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.
Executive Director Customer Experience & Delivery	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, Investment & Finance Services & CFO	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	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.
Executive Director, People & Culture	The Executive Director, People and Culture, leads and directs the successful design, delivery and embedment of strategic initiatives that strengthen and enhance the quality of people, engagement, safety and employee relations services across the Public Trustee.

Please refer to the annual report for further information on the BOM.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

28. Key Management Personnel (KMP) Disclosures (Continued)

(b) Remuneration Policy

Remuneration policy for the PT's KMP is set by the Queensland Public Service Commission 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 – include the provision of motor vehicle benefits and any applicable fringe benefits tax.
- 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.

The following disclosure relate to expenses incurred by the PT attributable to KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.

2021-22

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 and CEO	322	-	10	41	-	373
Executive Director, Fees and Charges (from 05/07/21)	196	-	5	21	-	222
Executive Director, Corporate Services (from 01/07/21)	193	-	6	21	-	220
Acting Executive Director Customer Experience & Delivery (from 02/07/21)	178	-	10	18	-	206
Acting Executive Director, Investment & Finance Services & CFO (01/07/21 - 04/10/21)	52	-	-	6	-	58
Executive Director, Investment & Finance Services & CFO (from 18/10/21)	142	-	1	15	-	158
Acting Executive Director, Strategy and Governance (to 28/02/22)	117	-	(7)	12	-	122
Executive Director, Strategy and Governance (from 01/3/22)	92	-	4	7	-	103
Acting Executive Director, People & Culture (from 28/03/22)	80	-	1	5	-	86
Total Remuneration	1,372	-	30	146	-	1,548

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

28. Key Management Personnel Disclosures (Continued)

(c) Key Management Personnel Remuneration Expense

2020-21

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 and CEO	342	-	18	42	-	402
Chief Operating Officer (to 30/4/2021)	162	-	3	17	-	182
Acting Chief Operating Officer (24/3/2021 to 30/6/2021)	67	-	4	8	-	79
Acting Executive Director, Investment & Finance Services & CFO	218	-	3	23	-	244
Executive Director, Strategy and Governance (to 23/3/2021)	140	-	14	13	-	167
Acting Executive Director, Strategy and Governance (24/3/2021 to 30/6/2021)	58	-	2	5	-	65
Total Remuneration	987	-	44	108	-	1,139

29. Related Party Transactions

i. Transactions with people/entities related to KMP

No transaction has occurred with any of the PT's KMP or people/entities related to the KMP during 2021-2022.

ii. Transactions with other Queensland Government-controlled entities

The PT 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 PT 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 PT in respect of 2021-22 was \$48,636 (2021: \$66,400).

The PT receives archival services from the Queensland State Archives, free of charge. The total fair value of archival services received in respect of 2021-22 was \$1.68m (2021: \$1.63m).

The PT 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 2021-22 was \$0.67m excluding GST (2021: \$0.66m).

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

The PT 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 to Note 6 for details.

The PT holds investments with Queensland Treasury Corporation (QTC) and QIC Ltd. Refer to Notes 2, 8 and 11 for details.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2022

30. Taxation

The PT 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/payable to the Australian Taxation Office are recognised in the financial statements.

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

(i) Changes in Accounting Policy

The PT did not voluntarily change any of its accounting policies during 2021-22.

(ii) Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2021-22.

(iii) Accounting Standards Applied for the First Time

No Australian Accounting Standards or interpretations that apply to the Public Trustee for the first time in 2021-22 have any material impact on the financial statements.

Following the issuance of IFRIC's agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement in April 2021, the Corporation has changed its accounting policy for certain cloud computing and software-as-a-service (SaaS) costs. This change has no impact on PT's financial statements.

32. Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, there are no expected impacts of new or amended Australian Accounting Standards issued.

33. 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, the Queensland Climate Adaptation Strategy and the Queensland Climate Action Plan 2030.

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 2022

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 PT for the financial year ended 30 June 2022 and of the financial position of the PT 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.



Albert Oberholzer
FCCA CAANZ BCom Hons
Executive Director, Investment &
Finance Services & CFO

Brisbane
30 August 2022



Samay Zhouand
BA LLB
Public Trustee of Queensland
and CEO

Brisbane
30 August 2022

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 2022, 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 2022, the statement of comprehensive income/loss, 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 certificate given by the Public Trustee of Queensland and the Executive Director Investment and Finance Services and Chief Finance Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General 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 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 2022, 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.

Report on other legal and regulatory requirements

Statement

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- 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 entity's transactions and account balances to enable the preparation of a true and fair financial report.



Brydie Morris
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office
Brisbane

The Public Trustee of Queensland Investment Trusts

Financial Statements

For the year ended 30 June 2022

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General Information

These financial statements cover:

- Public Trustee of Queensland Growth Trust ("Growth Trust") (ABN: 95 792 610 481)
- Australian Foundation for Charitable Trusts ("AFCT") (ABN: 25 970 014 066)

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

The registered office and principal place of business of the Trusts is 410 Ann Street, Brisbane QLD 4000.

The Public Trustee of Queensland Investment Trusts

Statement of Income and Retained Earnings

For the year ended 30 June 2022

	Notes	GROWTH TRUST		AFCT	
		2022 \$'000	2021 \$'000	2022	17 May to 30 June 2021 \$'000
Investment Income					
Interest income		13	10	8	-
Net gains on financial assets held at fair value through profit or loss	2	-	33,159	-	-
Distribution income	3	6,303	26,716	7,716	8,717
Total Net Investment Income		6,316	59,885	7,724	8,717
Expenses					
Net losses on financial assets held at fair value through profit or loss	2	15,683	-	13,399	8,326
Fund administration fees		-	-	150	22
Investment management fees		-	-	409	25
Other expenses		-	-	-	2
Trustee fees		3,523	5,373	1,258	66
Total Operating Expenses		19,206	5,373	15,216	8,441
(Loss)/Profit for the Year Before Finance Costs Attributable to Unitholders		(12,890)	54,512	(7,492)	276
Finance Costs Attributable to Unitholders					
Distribution to unitholders	4	(5,085)	(31,276)	(5,906)	(8,602)
Decrease/(Increase) in net assets attributable to unitholders	6	17,975	(23,236)	13,398	8,326
Profit/(Loss) for the Year		-	-	-	-
Retained Earnings at the Beginning of the Financial Year					
Profit/(Loss) for the Year		-	-	-	-
Retained Earnings at the End of the Financial Year		-	-	-	-

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

The Public Trustee of Queensland Investment Trusts

Statement of Financial Position

As at 30 June 2022

	Notes	GROWTH TRUST		AFCT	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Cash and cash equivalents	7	781	1,118	2,507	1,528
Distribution receivable		3,440	23,549	4,118	8,717
Other receivables		29	45	8	6
Financial assets held at fair value through profit or loss	8	211,637	229,820	152,322	152,871
Total Assets		215,887	254,532	158,955	163,122
Liabilities					
Distribution payable		3,700	31,276	5,906	8,602
Redemption payable		401	633	-	-
Other payables		-	-	48	50
Trustee fees payable		282	387	109	69
Total Liabilities		4,383	32,296	6,063	8,721
Net Assets Attributable to Unitholders - Liability	6	211,504	222,236	152,892	154,401

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

The Public Trustee of Queensland Investment Trusts

Statement of Cash Flows

For the year ended 30 June 2022

Notes	GROWTH TRUST		AFCT	
	2022 \$'000	2021 \$'000	2022 \$'000	17 May to 30 June 2021 \$'000
Cash Flows From Operating Activities				
Interest received	13	10	8	-
Reduced input tax credit received	202	281	93	-
Distributions received	26,411	3,167	12,315	-
Other expenses paid	-	-	(590)	(2)
Trustee fees paid	(3,812)	(5,714)	(1,284)	-
Proceeds from sale of financial assets held at fair value through profit or loss	19,200	14,300	-	-
Purchase of financial assets held at fair value through profit or loss	(16,700)	(6,000)	(12,850)	(29,028)
Net Cash Provided By/(Used In) Operating Activities	25,314	6,044	(2,308)	(29,030)
Cash Flows From Financing Activities				
Proceeds from applications of units by unitholders	37,658	27,792	11,889	30,628
Payments for redemptions of units by unitholders	(30,648)	(34,263)	-	(70)
Distributions paid	(32,661)	-	(8,602)	-
Net Cash (Used In)/Provided By Financing Activities	(25,651)	(6,471)	3,287	30,558
Net (Decrease)/Increase in Cash and Cash Equivalents	(337)	(427)	979	1,528
Cash and Cash Equivalents at the Beginning of the Financial Year	1,118	1,545	1,528	-
Cash and Cash Equivalents at the End of the Financial Year	781	1,118	2,507	1,528

The above statement should be read with the accompanying notes.

The Public Trustee of Queensland Investment Trusts

Statement of Cash Flows

For the year ended 30 June 2022

	GROWTH TRUST		AFCT	
	2022	2021	2022	17 May to 30 June 2021
	\$'000	\$'000	\$'000	\$'000
Reconciliation of Net Cash Provided By/ (Used In) Operating Activities				
(Decrease)/Increase in net assets attributable to unitholders	(17,975)	23,236	(13,398)	(8,326)
Distributions paid to unitholders	5,085	31,276	5,906	8,602
In-specie Distributions	-	(132,170)	-	132,169
Net change in financial assets held at fair value through profit or loss	18,183	107,310	549	(152,871)
Net change in receivables and other assets	20,125	(23,550)	4,597	(8,723)
Net change in payables	(104)	(58)	38	119
Net Cash Provided By/(Used in) Operating Activities	25,314	6,044	(2,308)	(29,030)

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

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

1. BASIS OF FINANCIAL STATEMENTS PREPARATION

a) General Information

These financial statements cover:

- The Public Trustee of Queensland Growth Trust (“Growth Trust”) (ABN: 95 792 610 481)
- Australian Foundation for Charitable Trusts (“AFCT”) (ABN: 25 970 014 066)

as individual entities. Collectively these trusts are referred to as the Public Trustee of Queensland Investment Trusts.

The Trusts were constituted by a Trust Deed Poll or supplemental Trust Deed Poll as follows:

- The Public Trustee of Queensland Growth Trust (Growth Trust) – 10 July 1996
- Australian Foundation for Charitable Trusts (AFCT) – 17 May 2021

The Trusts will terminate on 10 July 2076 unless terminated earlier in accordance with the provisions of the Trust Deed.

The Trusts’ 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 2022 were authorised for issue by the Public Trustee of Queensland and the Executive Director Investment & Finance Services & CFO at the date of signing the Public Trustee of Queensland’s Declaration.

Growth Trust

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

Australian Foundation for Charitable Trusts (AFCT)

The AFCT was established by the Public Trustee to provide charitable trust customers of the Public Trustee with an investment option that provides income from a diversified investment portfolio and maintains the real value of the capital over the longer term. The 2021 comparatives represent the first year of operation, being 17 May 2021 to 30 June 2021, for this Trust.

b) Compliance with Prescribed Requirements

The Trusts are not-for-profit entities and these 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*.

These financial statements comply with the recognition and measurement requirements of Australian Accounting Standards; and the presentation and disclosure requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities*. Accordingly, the financial statements comply with Accounting Standards – Simplified Disclosures.

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

1. BASIS OF FINANCIAL STATEMENTS PREPARATION (Continued)

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.

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 Trusts carry 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 Trusts.

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

NOTES ABOUT OUR FINANCIAL PERFORMANCE

2. Net (Losses)/Gains on Financial Assets Held at Fair Value Through Profit or Loss (FVPL)

	GROWTH TRUST		AFCT	
	2022 \$'000	2021 \$'000	2022 \$'000	17 May to 30 June 2021 \$'000
Financial assets held at FVPL	(15,683)	33,159	(13,399)	(8,326)
Net (Losses)/Gains on financial assets held at FVPL	(15,683)	33,159	(13,399)	(8,326)

Please refer to Note 12 for further details.

3. Distribution Income

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

	GROWTH TRUST		AFCT	
	2022 \$'000	2021 \$'000	2022 \$'000	17 May to 30 June 2021 \$'000
Distribution Income	6,303	26,716	7,716	8,717
Total distribution income received	6,303	26,716	7,716	8,717

Accounting Policy – Distribution Income

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

4. Distribution to Unitholders

Distributions for the year were as follows:

GROWTH TRUST		2022 \$'000	2022 CPU*	2021 \$'000	2021 CPU*
Distribution	Quarter 1	815	0.31	-	-
Distribution	Quarter 2	570	0.22	-	-
Distribution	Quarter 3	-	-	-	-
Distribution	Quarter 4	3,700	1.45	31,276	12.62
Total		5,085	1.98	31,276	12.62
AFCT		2022 \$'000	2022 CPU*	2021 \$'000	2021 CPU*
Distribution	Quarter 1	-	-	-	-
Distribution	Quarter 2	-	-	-	-
Distribution	Quarter 3	-	-	-	-
Distribution	Quarter 4	5,906	3.37	8,602	5.29
Total		5,906	3.37	8,602	5.29

* CPU is cents per unit

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The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

NOTES ABOUT OUR FINANCIAL POSITION

4. Distribution to Unitholders (continued)

Accounting Policy – Distribution to Unitholders

The Trusts distribute income to unitholders by cash in accordance with the Trust Deed. The unitholders may choose to reinvest these distributions into the Trusts 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.

5. Remuneration of Auditors

During the year, audit fees were paid or payable by the Public Trustee to the auditor of the Trusts, Queensland Audit Office, for the audit of the Trust's financial statements:

	GROWTH TRUST		AFCT	
	2022	2021	2022	2021
	\$	\$	\$	\$
Audit Fees	9,975	19,500	9,975	-

Audit fees for the Growth Trust is included as part of the Trustee fees in the statement of income and retained earnings.

The AFCT is responsible for the payment of its audit fees which is not included in the Trustee fees.

6. Net Assets Attributable to Unitholders

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

Amount	GROWTH TRUST		AFCT	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Opening balance	222,236	338,050	154,401	-
Applications	37,658	27,792	11,889	162,797
Redemptions	(30,415)	(166,842)	-	(70)
Change in net assets attributable to unitholders	(17,975)	23,236	(13,398)	(8,326)
Closing balance	211,504	222,236	152,892	154,401

Unit Numbers	GROWTH TRUST		AFCT	
	Unit No's '000	Unit No's '000	Unit No's '000	Unit No's '000
Opening balance	247,848	384,814	162,492	-
Application	41,450	29,032	12,674	162,562
Redemptions	(34,171)	(165,998)	-	(70)
Closing balance	255,127	247,848	175,166	162,492

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

6. Net Assets Attributable to Unitholders (Continued)

There is one class of units and every unit confers on its holder an equal interest in the Trusts and are of equal value. The unitholder is not entitled to a Certificate in respect of a holding.

Accounting Policy - Net Assets Attributable to Unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities as the Trusts are required to distribute its taxable income. The units can be put back to the Trusts 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 Trusts.

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

Accounting Policy - Applications and Redemptions

The Trusts utilise a buy-sell spread methodology to ensure that unitholders joining or leaving the Trusts contribute to the transaction costs incurred by the Trusts in buying/selling assets. The buy-sell spread is retained by the Trusts 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 Trusts to be issued. Redemption requests are processed utilising the redemption price to determine the number of units in the Trusts to be cancelled.

Disclosure

Capital Risk Management

The capital structure of the Trusts 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 Trusts are 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 Growth Trust's underlying assets twice weekly and the AFCT's underlying assets twice monthly. 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 Trusts do not have any externally imposed capital requirements.

The Investment Manager manages the capital of the Trusts in accordance with the Trusts' investment objectives, policies and restrictions, as outlined in the Trusts' Product Information Statements, while maintaining sufficient liquidity to meet participating unitholders' redemptions.

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

6. Net Assets Attributable to Unitholders (Continued)

Disclosure (Continued)

Capital Risk Management (Continued)

The Investment Manager reviews the asset allocation on a continual basis. As part of the review, the Investment Manager considers the risks associated with each asset class; using equities and fixed income as proxies for these asset classes and overlays to adjust these exposures regularly.

7. 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.

8. Financial Assets held at Fair Value through Profit or Loss (FVPL)

	GROWTH TRUST		AFCT	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Unlisted unit trusts	211,637	229,820	152,322	152,871
Total financial assets held at FVPL	211,637	229,820	152,322	152,871

Comprising:

QIC Long Term Diversified Fund	211,637	229,820	62,170	61,503
QIC Diversified Australian Equities Fund	-	-	74,181	75,873
QIC Short Term Income Fund	-	-	15,971	15,495
Total	211,637	229,820	152,322	152,871

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 11.

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 on the principal amount outstanding.

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

8. Financial Assets held at Fair Value through Profit or Loss (Continued)

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 Trusts recognise 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 Trusts have 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 Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

9. Fair Value Measurement

The Trusts measure and recognise financial assets at fair value through profit or loss (FVPL) (see Note 8) on a recurring basis. The Trusts have 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 net asset value of the unit trust. The Trusts do not have any asset classified as level 1 or 3.

10. Accounting Estimates and Judgements

The Trusts make 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 Trusts' 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.

11. Financial Risk Management

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

The disclosures are prepared on the basis of the Trusts' 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 Trusts' risk management framework focuses on compliance with the Trust Deeds and Product Information Statement (where applicable) and seeks to maximise the returns derived for prudent levels of risk. The primary method of mitigating or controlling risks to the Trusts' investment portfolios is diversification.

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

11. Financial Risk Management (Continued)

(a) Risk Management Framework (Continued)

The Investment Manager manages the investments of the Trusts in terms of the Investment Management Agreements entered into with the Public Trustee of Queensland. To ensure prudential management of funds for the Trusts, the Trusts undertake periodic and independent reviews of the investment objectives and strategies with the current review being underway as at the date of this report.

The Investment Manager employs a disciplined approach to risk management. The Trusts' portfolios are 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.

For the QIC Long Term Diversified Fund, Opportunistic Asset Allocation (OAA) manages the portfolio's shorter-term exposures to liquid markets and currencies when there is a material opportunity to move away from the Strategic Asset Allocation (SAA) to generate additional returns over and above the SAA returns. There is also the ability to invest outside the traditional asset classes (equities, fixed income and cash), if an asset class or thematic is deemed significantly attractive.

The Public Trustee uses different methods to measure different types of risk to which the Trusts are 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 Trusts' portfolios are 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 OAA ranges.

Growth Trust

The PTQ Growth Trust currently gains exposure to the various asset classes and investment sectors by investing in the QIC Long Term Diversified Fund (formerly known as the QIC Growth Fund).

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

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

11. Financial Risk Management (Continued)

(b) Market Risk (Continued)

(i) Price Risk (Continued)

Growth Trust (Continued)

QIC Long Term Diversified Fund Asset Class	OAA Allocation Ranges	Actual Exposure 30 June 2022	Actual Exposure 30 June 2021
Global equities	25% - 75%	50%	50%
Global fixed interest *	0% - 60%	20%	20%
Other alternatives	0% - 40%	15%	19%
Cash	0% - 50%	0%	0%
Global real estate	0% - 15%	4%	4%
Global infrastructure	0% - 15%	4%	4%
Global private equity	0% - 10%	4%	3%
Global private debt	0% - 10%	3%	0%
Overlays			
Foreign Currency	45%	17%	15%

* The reported global fixed interest exposure is defined as the interest rate exposure of the Fund. In addition, the QIC Long Term Diversified Fund may also contain inflation and credit exposures, which may be implemented via either physical and/or synthetic instruments. The interest rate exposures are stated at ten year durations.

The following table summarises the impact on the Growth Trust's net assets attributable to unitholders of an increase/decrease in the value of the Growth Trust's investment in unlisted unit trusts. The analysis is based on the assumptions that the trusts' net asset values increased by 12% (2021: 11%) and decreased by 12% (2021: 11%) with all other variables held constant.

Impact on Operating Profit/Net Assets Attributable to Unitholders	2022 \$'000	2021 \$'000
Fair value of investments increased by 12% (2021:11%)	25,396	25,280
Fair value of investments decreased by 12% (2021:11%)	(25,396)	(25,280)

The sensitivity analysis presented is based on the portfolio composition as at 30 June. The composition of the Growth 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 Growth Trust's net assets attributable to unitholders of future movements in the value of the investments in unlisted unit trusts.

The 12% increase and 12% decrease in the fair value of investments in unlisted unit trusts has been determined based on management's best estimate, taking into account 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 Growth Trust has exposure. As a result, historic variations in risk variables should not be used to predict future variations in risk variables.

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

11. Financial Risk Management (Continued)

(b) Market Risk (Continued)

(i) Price Risk (Continued)

AFCT

The following table is a summary of the allocations pertaining to the various QIC managed funds and the exposure of the AFCT to their asset classes on reporting date.

Fund	Strategic Asset Allocation	Actual Exposure 30 June 2022	Actual Exposure 30 June 2021
QIC Diversified Australian Equities Fund	50%	49%	48%
QIC Long Term Diversified Fund	40%	41%	42%
QIC Short Term Income Fund	10%	10%	10%
Total	100%	100%	100%

The following table summarises the impact on the AFCT's net assets attributable to unitholders of an increase/decrease in the value of the AFCT's investment in unlisted unit trusts. The analysis is based on the assumptions that the unlisted unit trusts' net asset values increased by 12% (2021: 11%) and decreased by 12% (2021: 11%) with all other variables held constant.

Impact on Operating Profit/Net Assets Attributable to Unitholders	2022 \$'000	2021 \$'000
Fair value of investments increased by 12% (2021: 11%)	18,279	16,816
Fair value of investments decreased by 12% (2021: 11%)	(18,279)	(16,816)

The sensitivity analysis presented is based upon the portfolio composition as at 30 June. The composition of the AFCT'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 AFCT's net assets attributable to unitholders of future movements in the value of the investments in unlisted unit trusts.

The 12.0% increase and 12.0% decrease in the fair value of investments in unlisted unit trusts has been determined based on management's best estimate, taking into account 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 AFCT has exposure. As a result, historic variations in risk variables should not be used to predict future variations in risk variables.

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

11. Financial Risk Management (Continued)

(c) Credit Risk

The Trusts are 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 Trusts are exposed, arises from the Trusts' investments in unlisted unit trusts. The Trusts are 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 traditionally low across counterparties with an average rating of BBB (as determined by Standard and Poor's) or higher. When considering the broader fixed income portfolio however, Funds may invest in high yield or sub-investment grade assets where risk and return metrics are attractive. Any investments in high yield securities are subject to concentration and overall exposure limits as described in each Fund's Information Memorandum.

(d) Liquidity Risk

Liquidity risk is the risk that the Trusts 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 AFCT invests in the QIC Long Term Diversified Fund, the QIC Diversified Australian Equities Fund and the QIC Short Term Income Fund, and manages liquidity by maintaining an investment range of between 0.0% and 1.0% of its assets in cash.

The Growth Trust and the AFCT are exposed to cash redemptions of redeemable units twice weekly and twice monthly respectively during the financial year. Investments in unlisted unit trusts expose the Trusts 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 Trusts.

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

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

12. Financial Performance for 2021-22

The performance of the Public Trustee Investment Trusts for the financial year ended 30 June 2022 was attributable to both equity markets and fixed interest markets falling due to geopolitical risks and central banks increasing interest rates to combat inflation.

Financial markets have been grappling with aggressive tightening by central banks and the likelihood of a monetary policy induced recession, with bond and equity markets experiencing significant volatility. The fallout of the Russia/Ukraine war remains an issue.

The Trusts are 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 QIC Funds and/or the Trusts.

The Growth Trust

The investment objective of the Growth Trust is CPI plus a margin of 2.4% per annum after fees on a rolling five year basis. The investment strategy to meet the investment objective is to invest in the QIC Long Term Diversified Fund (LTDF).

For the financial year ended 30 June 2022 the investment performance of the Growth Trust was (6.93)%.

The AFCT

The investment objective of the AFCT is CPI plus a margin of 1.4% per annum after fees on a rolling ten year basis. The investment strategy of the AFCT is to invest in a range of QIC Funds with the objective to maintain the real value of the capital invested and to provide for distributions of 2.5% per annum over rolling ten year period.

For the financial year ended 30 June 2022 the investment performance of the AFCT was (7.19)% after fees.

The investment performance of the underlying QIC Funds was as follows:

QIC Fund	Benchmark Asset Allocation	12 Month Return to 30 June 2022
Diversified Australian Equities Fund	50%	(7.22)%
Long Term Diversified Fund	40%	(5.59)%
Short Term Income Fund	10%	(2.17)%

13. 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 Trusts disclosed in the statement of financial position as at 30 June 2022 or on the results and cash flows of the Trusts for the period ended on that date.

14. Contingent Assets and Liabilities and Commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2022.

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

OTHER INFORMATION

15. Key Management Personnel

(a) Trustee

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

(b) Details of Key Management Personnel (KMP)

KMP 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 Trusts.
Executive Director, Investment & Finance Services & CFO	The Executive Director, Investment and Finance Services & CFO is responsible for the strategic direction of the Trusts.
Director, Investment Advisory and Taxation Services	The Director, Investment Advisory and Taxation Services is responsible for the operational management of the Trusts.

16. 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 Trusts and no compensation was directly attributable to key management personnel.

(ii) Trustee Fees and Other Transactions

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

The annual Trustee fees for the Trusts are as follows:

- Growth Trust (including GST and reduced by Reduced Input Tax Credits (RITC's)) - 1.52% (2021: 1.52%)
- AFCT (including GST and reduced by RITCs) - 0.79% (2021: 0.79%)

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

16. Related Party Transactions (continued)

(ii) Trustee Fees and Other Transactions (continued)

Growth Trust

The Trustee fee is charged by the Public Trustee for acting as Trustee and managing the Growth Trust. This fee includes QIC's investment management fee for each of the QIC Funds and all expenses incurred by the Public Trustee on behalf of the Growth Trust including accounting, auditing, fund administration and registry expenses.

The Trustee fee accrues daily based on the net asset value of the Growth Trust and is reflected in the unit price. It is paid monthly in arrears from the assets of the Growth Trust.

The Trustee fee does not cover any direct QIC Fund expenses, such as external investment managers' fees which are paid directly by QIC and are deducted from the assets of the applicable underlying QIC Fund.

Trustee fee rebates are provided to investors of the Growth Trust 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 below:

Net asset value	30 June 2022 Rebate %	30 June 2021 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%

AFCT

The Trustee fee paid to the Public Trustee covers Public Trustee expenses only. All other expenses pertaining to the AFCT are paid directly by the AFCT and are not included in the Trustee fee.

Trustee fee rebates do not apply to the AFCT.

17. Taxation

(i) Income Tax

The Trusts are 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)

GST incurred on the costs of various services provided to the Trusts such as trustee fees have been passed onto the Trusts. The Trusts qualify for RITCs at a rate of 55% (2021: 55%).

Expenses have been recognised in profit or loss net of GST. The amount of GST recoverable from the Australian Taxation Office (ATO) is included in receivables in the statement of financial position.

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2022

18. 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 2021-22 financial year.

Accounting Standards Early Adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

No other new or amended Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

Accounting Standards Applied for the First Time

The Trusts have early adopted during the previous financial year ended 30 June 2021, AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* which applies to the Trusts for the first time in 2021-22.

There are no standards, interpretations or amendments to existing standards that apply to the Trusts for the first time in 2021-22 that have any material impact on the financial statements.

The Public Trustee of Queensland Investment Trusts

The Public Trustee of Queensland's Declaration

Year ended 30 June 2022

In the opinion of the Public Trustee of Queensland:

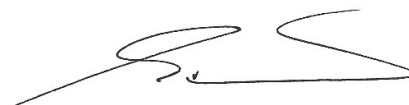
- a) These general purpose financial statements have been prepared pursuant to the Trust Deed Poll and any Supplemental Trust Deed Polls, the *Public Trustee Act 1978* (the Act) and other prescribed requirements;
- b) The prescribed requirements for establishing and keeping the accounts have been complied 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 Trusts for the financial year ended 30 June 2022 and of the financial position of the Trusts 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.



Albert Oberholzer
FCCA CAANZ BCom Hons
Executive Director
Investment & Finance Services & CFO

Brisbane
30 August 2022



Samay Zhouand
BA LLB
Public Trustee of Queensland
and CEO

Brisbane
30 August 2022

PTIT 21

INDEPENDENT AUDITOR'S REPORT

To the Trustee and Unit Holders of The Public Trustee of Queensland Investment Trusts (the trusts)

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of The Public Trustee of Queensland Investment Trusts

In my opinion, the financial report:

- a) gives a true and fair view of the trusts' financial positions as at 30 June 2022, and their 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, Trust Deed Poll of Australian Foundation for Charitable Trust dated 17 May 2021 and any Supplemental Trust Deed Polls and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2022, the statements of income and retained earnings, statements 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 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 trusts 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 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 2022 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, Trust Deed Poll of Australian Foundation for Charitable Trust dated 17 May 2021 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 trusts' 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 trusts 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 trusts' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trusts.

- Conclude on the appropriateness of the trusts' 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 trusts' 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 trusts 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.



Brydie Morris
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office
Brisbane

Glossary

This glossary provides a simple description of some terms used in or relevant to this report to 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*.

Advance life planning, life planning

A term used to cover all documents, processes, and decisions associated with end of or advanced stages in life, including Wills, Enduring Powers of Attorney, Advance Health Directives and Statements of Choices.

AFCT - Australian Foundation for Charitable Trusts

The AFCT is an investment trust created in 2021. The Public Trustee is the trustee and manager of the AFCT and QIC Limited is the investment manager.

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 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. QIC Limited 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.

The Public Trustee of Queensland Investment Trusts

The Growth Trust and the Australian Foundation for Charitable Trusts

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

AASB	Australian Accounting Standards Board
ACN	Australian Company Number
AFCT	Australian Foundation for Charitable Trusts
B	Billion
BOM	Board of Management
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CPI	Consumer Price Index
ELT	Executive Leadership Team
EPA	Enduring Power of Attorney
FTE	Full-time equivalent
GST	Goods and Services Tax
ICT	Information and Communication Technology
ISMS	Information Security Management System
ISO	International Organization for Standardization
LMS	Learning Management System
M	Million
MOHRI	Minimum Obligatory Human Resources Information
N/A	Not applicable
PID	Public Interest Disclosure
QAO	Queensland Audit Office
QCAT	Queensland Civil and Administrative Tribunal
QCF	Queensland Community Foundation
QDAN	Queensland Disposal Authority Number
QIC	QIC Limited

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 Glossary 	ARRs – section 9.1	iii 109
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	ii
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	ii
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4	ii
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 9.5	ii
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	4
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	13
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	16
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	16
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	31
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	17
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	18
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	18-21
	<ul style="list-style-type: none"> Public Sector Ethics 	Public Sector Ethics Act 1994 ARRs – section 13.4	30
	<ul style="list-style-type: none"> Human Rights 	Human Rights Act 2019 ARRs – section 13.5	22
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	30
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	24
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	19
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	24
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	26
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	25
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6	25
	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1	27-29

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	<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	28
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 31.1	https://data.qld.gov.au
	<ul style="list-style-type: none"> • Overseas travel (Nil) 	ARRs – section 31.2	https://data.qld.gov.au
	<ul style="list-style-type: none"> • Queensland Language Services Policy 	ARRs – section 31.3	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	80, 105
	<ul style="list-style-type: none"> • Independent Auditor’s Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2	81, 106

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

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www.pt.qld.gov.au

