

Annual Report **20**

21



Communication objective



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

An electronic copy of The Public Trustee of Queensland Annual Report 2020–21 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 2020–21.

Our acknowledgment

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

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Letter of Compliance

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



31 August 2021

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 2020-2021 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

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

Message from the CEO

It is my pleasure to present the Public Trustee Annual Report 2020-2021.

We have produced this Annual Report in accordance with the *Financial Accountability Act 2009*, providing information about our financial and corporate performance for 2020-21.

This report demonstrates our commitment to our vision to provide security and peace of mind for Queenslanders. It also outlines our contribution to the Government's objective to back our frontline services, including our role in Queensland's guardianship system.

Our activities in 2020-21 – detailed in this report - were firmly focused on our Customers First Agenda, innovating in how we support and communicate to our customers and ensuring our stakeholders are informed and involved. Our continued transformation to a customer-centric culture was driven by our Customers First Agenda and our Social Responsibility Charter.

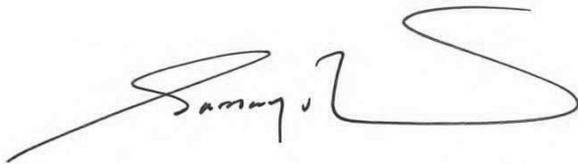
We have appreciated the input and support we received from our strategic partners, including the Public Advocate, as we continue to transform the way we operate. Their advice has been helpful in identifying areas where we can improve our service delivery and our implementation of a range of initiatives, including a comprehensive review of fees and charges.

In 2020-21, our achievements have included:

- Our five-year Strategic Plan 2020 – 2024 was launched in July 2020, outlining our strategic challenges and key opportunities, along with our Social Responsibility Charter and commitment to upholding human rights in our decisions and actions.
- Our Customers First Strategy 2021-2026, released in February 2021, set out our commitment to tangible actions and deliverables to advance the Customers First Agenda over the next 5 years.
- Our first Social Impact Report was delivered in February 2021, measuring our ongoing impact and positive changes achieved for Queenslanders.
- Development of an Easy English package, which focuses on communication that uses everyday words, simple sentences and supporting images, improving the way we engage with our customers and how we provide important information to customers and understand their needs.
- Introduction of a National Redress Scheme Unit to support customers who have experienced institutional child sexual abuse to make a claim through the National Redress Scheme.
- New products for financial management customers including the “tap and go” card and a redesign of financial plans and statements to make them clearer and easier to understand.
- Supporting financial management customers through the Public Trustee's Financial Independence Pathway program to regain control of their finances, with eight individuals achieving independence in 2021.
- Adoption of a Structured Decision-Making Framework, as part of changes to the *Guardianship and Administration and Other Legislation Amendment Act 2019*, which places customers at the heart of decisions that will impact them and their support network.

- Implementing and embedding a Public Trustee Integrity Framework based on honesty, objectivity, ethics and accountability.
- Partnering with the Queensland Law Society in September 2020 to deliver a fully digital campaign, as a response to COVID-19, for Wills Week to raise awareness and community education about will-making and advance life planning.
- Enhancing our complaints management framework to ensure our processes are fair and responsive to the needs of our customers.

In the past 12 months, we have renewed and re-strengthened our focus on service delivery, educating our communities about advance life planning, and protecting older Queenslanders from elder abuse. I am proud of the hard work of our team of Public Trustee employees serving Queenslanders across our 15 regions, in a year when the pandemic continued to make its mark and required us to be ever more agile in how we delivered services.

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

Samay Zhouand

Public Trustee of Queensland and Chief Executive Officer (CEO)

Who we are and what we do

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

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

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

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

We provide professional and accessible:

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

We also:

- administer unclaimed moneys for the State of Queensland: we hold unclaimed money for Queenslanders who have lost touch with the organisation that owes them the money
- manage the estates of prisoners under Part 7 of the *Public Trustee Act 1978*
- carry out special functions of a public nature under Part 5 of the *Public Trustee Act 1978*
- act as an approved examiner of the accounts of private financial administrators and report to the Queensland Civil and Administrative Tribunal (QCAT)
- act as a nominated person for financial matters under an Enduring Power of Attorney
- promote and support community education on a range of issues such as elder abuse, and the importance of making a Will and an Enduring Power of Attorney.

Our locations

Our services are delivered through a network of regional offices, including our head office in Brisbane. We also provide services outside of our offices through the Queensland Government Agent Program and the local court networks. For further information on the location of our offices or outreach locations please visit our website at www.pt.qld.gov.au.



Achievements for 2020–21

The Strategic Plan 2020-24 sets out our strategic direction for our staff, customers and stakeholders. It also outlines how we will contribute to the achievement of the Queensland Government's objectives for the community, our priorities and our strategies.

2020–21 Service delivery highlights:

- 10,394 financial management customers¹
- 17,252 Wills made at no cost to Queenslanders
- 1,018 Enduring Power of Attorney (EPA) documents made
- 4,185 trusts administered
- 1,920 new deceased estates accepted for administration
- Over 107,000 calls answered by the Welcome Desk
- \$2.98B total assets under management
- Processed 4,723 claims and paid out \$3.8M in Unclaimed Money
- Over 1.15M Wills stored in our Wills bunker
- \$40.7M applied in Community Service Obligations, including \$32.0M in fees rebated for customers with limited assets

Achievements towards our objectives in our Strategic Plan 2020-24:



Customers First

The Public Trustee initially implemented our **Customers First Agenda** in 2019 to ensure that our customers were at the focus of all our processes and decisions. Through this Agenda, we set an expectation for ourselves and explored how we would continue to learn and improve as an organisation, to ensure that our actions were aligned to customer support and access and reflected the core values of the Public Trustee. As an organisation, we will continue to challenge expectations and focus on customer needs, wants and requirements.

Following the completion of Phase 1 of the Customers First Agenda, to further support this, in February 2021 we launched a **Customers First Strategy**, and identified opportunities to drive innovation and excellence across the sector to become a leading authority in customer-centric design, process and outcomes.

The Customers First Strategy aligns with our **Strategic Plan 2020 – 2024**, which defines our vision, purpose and **Social Responsibility Charter**. It expands on our commitment to our customers and the Queensland community to provide responsible, transparent and ethical services, as we endeavour to fully understand our customers' needs to provide excellence in service delivery.

The actions defined within the Customers First Strategy are categorised to six key focus areas:

1. Enhancing our customer experience: ensuring that our services, systems and practices are based on and built for our customers.
2. Empowering our people: encouraging and building on the qualities that our staff already have and providing more targeted training to continue to raise the bar in customer service.
3. Engaging with the community: leveraging our customer and community engagement systems and processes, to improve the lives of Queenslanders.
4. Building a sustainable and efficient organisation: embracing sustainability across all aspects of our organisation, including economic, environmental and strategic sustainability.
5. Being a sector leader: continuing to build a modern, professional and customer-focused organisation that strives to be a leader in financial management, estate and trustee services.

¹ Comprised of 9,508 adults with impaired decision-making capacity, acting as financial attorney for 247 customers and managing 639 prisoners' estates.

6. Strengthening our governance: embodying integrity and accountability beyond the responsibilities expected of us and ensuring that exemplary governance is applied through our policies, practices, conduct, decisions, culture and structure.

The Public Trustee has progressed a range of Customers First initiatives in 2020-21 including:

- **Financial Independence Pathway** – The Public Trustee introduced a Financial Independence Pathway to support financial management customers in building practical skills to take on greater management of their finances. Participating customers are supported by their trust officer to gradually take on greater personal management of their finances over a 12-month period. Participants are also referred to a funded financial literacy and resilience provider to develop practical money management skills.

56 customers are currently undertaking the Pathway. To date, the Pathway has assisted eight customers to resume management of their finances through QCAT, and reduced the Public Trustee's involvement under a limited order for a further customer.

- **Easy English Resources** – A range of easy English resources explaining the Public Trustee's services and complaint process to financial management customers are now available on the Public Trustee's website, including two animated videos. In addition, 16 communication letter templates used by frontline staff have been re-developed by a specialist Technical Writer using easy English principles.
- **Budget redesign** – The launch of a "new look" budget for financial management customers in June 2021 assists these customers to be informed about their money. The new budget, which is the product of a 12-month co-design and improvement project, presents information in an easy-to-read format in line with accessibility standards. The new budget was co-designed with customers and staff and involved extensive usability testing of prototypes with customers.
- **Nominated person service** – Following the introduction of new EPA forms made under the *Powers of Attorney Act 1998*, the Public Trustee has made available a new service to act as customers' nominated person for financial matters under an EPA. Customers making an EPA can appoint "nominated persons" to receive information from their attorney about their personal or financial matters.

Whether making an EPA themselves or through the Public Trustee, customers can request the Public Trustee to act as their nominated person for financial matters.

As a nominated person, the Public Trustee may review the financial documents supplied by the attorney and form a view on whether the attorney has acted in accordance with the EPA and the *Powers of Attorney Act 1998*. If necessary, the Public Trustee may refer matters to the Office of the Public Guardian for further investigation.

- **Safe Workplaces workshops** – 283 frontline staff have participated in workshops to increase their debriefing skills after critical incidents. These workshops are part of the Public Trustee's Safe Workplaces program, which includes activities such as a pilot for facilitated onsite debrief sessions and workshops focused on managing customer aggression.

During May and June this year, one-hour face to face Support and Debrief workshops were delivered to Customer Experience and Delivery staff across the state by an external provider. Further workshops focused on responding to challenging customer behaviours also commenced.

- **National Redress Scheme Unit** – The Public Trustee's National Redress Scheme Unit provides assistance to customers to make a claim through the Commonwealth Government National Redress Scheme relating to institutional child sexual abuse. The team plays a pivotal role in building customer awareness of the scheme and helping customers navigate the application process.

To date, the Unit has contacted 80% of financial management customers (approximately 9,000 persons) to promote awareness of the Scheme and of support services such as Knowmore legal assistance. This has resulted in the Unit being able to assist approximately 480 customers with referrals to Knowmore, so that they may receive further support in making an application.

The Unit is currently assisting a further 38 customers considering applications and continuing to build awareness of the scheme with further financial management customers.

- **Implementation of the Structured Decision-Making Framework** - a seven-step process designed to support Public 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.
- **Enhancements to Will services** – in response to COVID-19, to provide safer options for customers and our staff, the Public Trustee introduced telephone Will appointments in early 2020. These have continued to be a popular option for customers with 40% of Will-making services delivered this way in the past year. Customers may also now book their Will appointments online through the Public Trustee website, at a date and time that is convenient for them.

Leadership

We have

- Continued a range of initiatives to communicate important, new and emerging issues to staff such as regular email communications (CEO Updates and Weekly Wraps), Shopfronts and e-Town Hall meetings.
- Enhanced flexible working arrangements to further staff engagement
- Facilitated engagement events for staff such as World Elder Abuse Awareness Day to raise awareness of issues facing our customers and enhance staff capability to support them
- Reduced the administrative duties of trust officers allowing greater focus on customer service and engagement
- Continued our support and participation at a leadership level of the Australian Guardianship and Administration Council, collaborating on legislative issues and advice and facilitating national discussion.

Integrity

We maintained our focus on integrity with

- The recent establishment of the office of the Customer Advocate, to provide a dedicated voice within the Public Trustee to advocate for customers and their support networks, discuss issues and facilitate complaints
- Implementation of a Public Trustee Integrity Framework outlining the instruments, mechanisms and responsibilities to help deliver on the Public Trustee's strategic and business plans, outcomes and values and supporting a high level of honesty, objectivity, ethics and accountability
- Updated the online training module, delivered through the Learning Management System, on the "Code of Conduct and Workplace Conduct Policy Training" which is mandatory for all staff
- Review of key policies and procedures to support our compliance with the *Public Service Act 2008* and the *Public Sector Ethics Act 1994*
- Release of our fees and charges 'Ready Reckoner', complemented by case studies, and an online fee estimator for deceased estates - to assist customers to better understand the fees and charges that may apply to their circumstances.

Financially Responsible

- Implementation of a new Common Fund investment strategy with the view to earning higher rates of return to assist with the funding of Community Service Obligations
- Implementation of a revised Customer Investment Strategy, which provided customers with enhanced investment outcomes in a lower return environment.

Engagement

- We introduced a range of Easy English resources about our services for financial management customers, in line with accessibility standards
- A “new look” budget for financial management customers was introduced in line with accessibility standards and plain English principles
- The launch of a new online portal to lodge unclaimed moneys with the Public Trustee provides more flexibility for users, and reduced red tape and costs for the lodger, such as postage and banking. The portal also facilitates faster review of lodgements, and quicker turnaround for the re-submission of amended files. Over 1600 lodgements were received from organisations this year.

Care for Community

- We implemented our re-developed customer correspondence using a plain English approach to improve readability and accessibility of information for financial management customers
- We supported approximately 480 customers who have experienced institutional child sexual abuse to apply to the National Redress Scheme through Knowmore legal service
- As trustee for five charitable trusts, we have administered more than \$160 million in funds to support vulnerable Queenslanders, education purposes and charitable organisations
- Continued to enhance community awareness of the importance of advance life planning, including having an up-to-date Will through Queensland Wills Week 2020 with the theme “Make Your Wishes Known”.

Other initiatives and significant achievements

- **Australian Foundation for Charitable Trusts:** the Public Trustee worked closely with its investment manager, QIC Limited, to develop a new investment strategy for charitable trusts to improve investment income earnings and provide more funds for charitable works including supporting vulnerable Queenslanders.

The Public Trustee created a new investment trust, the Australian Foundation for Charitable Trusts, to implement the new investment strategy.

The new investment strategy is expected to generate an additional \$1.3 million per year for charitable works, including supporting vulnerable Queenslanders.

- **Customer complaints learnings:** in September 2020, the Queensland Audit Office released the report of the Performance Audit - *Responding to complaints from people with impaired capacity* (Audit).

The Report made six recommendations, to enhance the accessibility, effectiveness, and responsiveness of the Public Trustee’s complaints management system.

Consistent with the Audit recommendations, the Public Trustee has introduced a number of initiatives to improve their responsiveness to complaints, including:

- Structured Decision-Making training for all staff focusing on the customer and their support networks that takes into account, a customer’s human rights, views, wishes and preferences when it comes to decision making.
- Enhanced annual reporting of published Complaints data.

- Quarterly complaints reports, with content including complaint response times, issues and trends, will be used to improve customer service.
- Development of Easy English materials to increase accessibility and support customers with impaired decision-making to understand their rights and to lodge a complaint.
- A review of the Public Trustee's Complaints Management information technology system, to ensure the system is efficient, cost effective and supports best practice complaints management.

Human Rights

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

We are committed to:

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

To further the objectives of the Human Rights Act,

- we have embedded human rights into our Strategic Plan 2020–2024
- all new staff are enrolled in the mandatory self-paced online course on the Human Rights Act
- we incorporate awareness of the Human Rights Act and its application into our corporate orientation for new employees
- 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 that are compatible with human rights and which put the customer at the forefront of our service delivery
- the consideration of human rights in all decision-making by frontline employees is being measured as part of the quarterly quality assurance program, which examines the quality of evidencing of decisions, and provides for systems review, training opportunities and trend analysis
- all programs are required to consider human rights and the Human Rights Act when developing, implementing and reviewing their policy documents to ensure that the Public Trustee acts compatibly with human rights when taking an action or making a decision.

Human rights complaints

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

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

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

- our website - 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 called 'Your Complaints Journey' - www.pt.qld.gov.au/media/1947/your-complaints-journey.pdf

During 2020-21, the Public Trustee received 20 customer complaints that were assessed as human rights complaints:

- 13 complaints were identified by the complainant as human rights related
- seven complaints 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 four 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 network and took steps to:

- investigate the cause
- take corrective action including reviewing policies and procedures
- conduct further training with staff.

During 2020-21, the Public Trustee received one complaint under the Human Rights Act from a staff member. The complaint was resolved by conciliation through the Human Rights Commission.

Non-financial performance

Queensland Government objectives for the community

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

Our services contribute to the Government's objectives for the community – to **Back 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 delivered for the 2020-21 financial year was \$40.7M representing an increase of 6.0 % from the previous financial year (which was \$38.4M). An amount of \$41.7M is budgeted for 2021–22.

Category of Community Service Obligations	2020–21 Actual \$M	2021–22 Budget \$M
Fees rebated for clients with limited assets	\$32.0	\$32.8
Fees rebated for principal residence and other	\$0.9	\$0.9
Management of estates of prisoners	\$0.5	\$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	\$4.4	\$4.5
Contribution to the Office of the Public Guardian	\$1.2	\$1.2
Civil Law Legal Aid - outlays written-off and administrative support	\$0.3	\$0.4
Total	\$40.7	\$41.7

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

- deduction from fee revenue (\$35.0M 2020–21) where there is rebate of all or part of a fee to customers (Note 1 of the Public Trustee Financial Statements)
- expenditure (\$1.3M 2020–21) 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.

Summary of our performance

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

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

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

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, with customers (and their support network) who have used the Public Trustee to act as a financial administrator, and with customers of our Will-making service.

The table below summarises our performance (quantifiable measures and qualitative achievements) against performance indicators in the Public Trustee's *Service Delivery Statement 2020-21* and those in our *Strategic Plan 2020-24*. Our objective is to deliver a full range of professional, accessible and reliable personal trustee, financial and related services that meet customer needs.

Service standards	2020-21 Target/Est.	2020-21 Actual	2021-22 Target/Est.
Effectiveness measures			
Overall customer satisfaction with the deceased estate administration service as measured by the overall experience score ²	70%	76%	70%
Overall customer satisfaction with the financial management service as measured by the overall experience score ²	70%	74%	70%
Overall customer satisfaction with Will preparation services	90%	93%	90%
Efficiency measure			
Cost per Will ³	\$180	\$250	\$200

Notes:

1. The name of the service area has been amended from "Client Experience and Delivery" as presented in the 2020-21 *Service Delivery Statements*, to "Customer Experience and Delivery" as it better aligns the services delivered by the Public Trustee's Strategic Plan. In 2020, the Public Trustee replaced references to "client" to "customer", consistent with the public service value of Customers First and the launch of the Public Trustee Customers First Agenda.
2. There have been changes to the methodology from the 2020-21 Service Delivery Statements. Previously, the Public Trustee calculated overall experience as a combined index of customer satisfaction, service and process factors which were then weighted according to importance. The revised methodology is based on the customer's overall experience with the Public Trustee service on a scale of 0 to 10 and is a more direct indication of the customer's overall experience. Results are comparable with the previous methodology as the customer will consider those factors in providing an indication of their overall experience.
3. The 2020-21 Actual is higher than the 2020-21 Target/Estimate as a result of fewer Wills being completed during the period. In response to COVID-19, in-person Will appointments were temporarily suspended; however, customers were also offered telephone Will appointments. More Wills are estimated for 2021-22, resulting in the lower 2021-22 Target/Estimate Cost per Will.

Philanthropy

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



Queensland Community Foundation

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

The QCF has net assets of \$113.2M under management as at 30 June 2021. During the year, QCF paid \$1.5M 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 \$6.9M.

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



Queensland Aboriginal and Torres Strait Islander Foundation

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

The trust has net assets of \$45.8M as at 30 June 2021.

Scholarships of more than \$3.66M were approved for payment over the 2021 and 2022 calendar years for young Queensland Aboriginal and Torres Strait Islander students. Scholarships have been awarded to more than 12,000 students from over 350 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.

The trust has net assets of \$5.4M as at 30 June 2021 with distributions paid totalling \$0.4M in 2020–21.

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



The Forde Foundation

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

The foundation has net assets of approximately \$4.3M as at 30 June 2021 with distributions paid totalling \$0.1M in 2020–21.

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



g l a d s t o n e
f o u n d a t i o n

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. The foundation has net assets of \$4.1M as at 30 June 2021, with distributions paid totalling \$2.0M in 2020–21.

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



Strategic Plan 2020 – 2024

Our Vision

Security and peace of mind for Queenslanders

Our Purpose

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

We will do this by:

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

Because we value:

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



Our Social Responsibility Charter

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

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

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

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

Our Role & Services

Enduring Powers of Attorney and Wills

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

Our role and services to the community contribute to **Unite and Recover – Queensland’s Economic Recovery Plan** to Back 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 to Queenslanders
- enhancing customer and community understanding of the Public Trustee

Our Values

The Public Trustee aligns with the Queensland Public Sector values and contributes to the Queensland Government’s objectives for the community, outlined in **Unite and Recover – Queensland’s Economic Recovery Plan**.



Customers first



Ideas into action



Unleash potential



Be courageous



Empower people

Strategic Plan 2020–2024

Our Strategic Challenges

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

Our Key Opportunities

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

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

Objectives



Customers first
Customer-centric, fair and equitable experiences



Leadership
Engaged, empowered and customer focused workforce



Integrity
Socially responsible services that meet the needs of Queenslanders



Financially responsible
Financially and ethically responsible leadership and governance



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



Care for community
Inclusive with our customers, their support networks and our stakeholders

Strategies

- Understand our customers and their support networks' complex and changing needs so we can continue to improve our services, including new service delivery channels
- Continually improve the customer experience through gathering and analysing customer insights
- Develop, implement and continuously improve an enhanced, proactive customer engagement model
- Transition to best practice complaint handling standards
- Foster a culture of integrity, empowerment and continuous learning that enables workforce change
- Promote an environment where our people are resilient, high performing and agile leaders
- Invest in our training and development programs, building our peoples' leadership capability to achieve their potential
- Enhance and further develop a workforce that is reflective of the Queensland community we serve
- Enact our Social Responsibility Charter – applying our knowledge and understanding of the ethical and social responsibilities of our services
- Continue to review our policies to optimise our overall impact and value for Queenslanders
- Enhance integrity, empathy, respect and trust into our relationships with our customers and their support networks' and stakeholders
- Be financially responsible and transparent in the management of our customers' funds
- Be transparent about our fees and charges
- Focus on effective governance structures and systems, implementing business improvements, and allocating resources to deliver streamlined services for our customers
- Adopt a continuous improvement approach to our service delivery to ensure we remain relevant, sustainable, efficient and cost effective for our customers
- Enhance customer and community information and empowerment
- Highlight the quality of our services as a trusted partner of financial, estate and trust administration, and other essential fiduciary services
- Lead the way in Queensland's guardianship system to protect the rights and interests of adults with impaired decision-making capacity
- Focus on evolving customer needs to facilitate value-add and targeted services
- Make informed decisions through research and analysis of our data that benefits our customers and stakeholders
- Prioritise opportunities for process and performance improvement

Performance Indicators

- Our services continue to meet the changing complex needs of our customers as measured by our Customer Feedback Report
- Customers and stakeholders have increased positive experience with us as measured by our customer satisfaction research
- Service improvements arising from complaints analysis
- Staff are empowered and committed to improving the customer experience
- A safe and healthy workplace as monitored by our Health, Safety and Wellness report
- Workforce capability increased through the adoption of training, coaching and formal development opportunities
- Improved results in the Working for Queensland survey
- Improved accessibility to, and timeliness of, Public Trustee services as measured by our Customer Feedback Report
- Customer investment strategies, fees and charges are consistent with benchmarking
- Efficiencies in governance, structure and business processes as measured by our internal audit program
- Increased overall customer satisfaction as measured by our customer satisfaction research
- Increased capability and improved performance as evidenced in staff performance development plans
- Evidence, values and principles based reforms informed by data
- Responsible and accessible services as measured by our customer satisfaction research

Our acknowledgment

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

Our Strategic Plan 2020–2024 continues to drive the Public Trustee towards a more modern, professional and customer focused organisation. The Plan serves as our blueprint to help us achieve our vision to 'provide security and peace of mind for Queenslanders', and clearly articulates our purpose to 'enhance and protect the rights, dignity and interests of our customers and the community'.

Our priorities

Our key priority for 2021–22 will be to continue our Customers First Strategy to deliver organisational capability, process and technology changes aligned with our strategic objectives, including ensuring continued financial responsibility and sustainability, and to support future business needs. These initiatives build on community trust, provide greater transparency and ensure the voice of our customers is heard to guide our future decision-making. We will engage collaboratively with our stakeholders by building goodwill, sharing knowledge and expertise, and fostering partnerships for the benefit of our customers and the community.

Specific goals for 2021-22 are to:

- undertake a comprehensive review of all the Public Trustee's fees and charges to ensure they are fair, sustainable and transparent
- continue a review of Public Trustee Office locations
- embrace online service delivery by enhancing our customer platforms and digital services
- deliver community education programs to support engagement in financial and life planning
- implement a new Public Trustee complaints management system to support best practice complaints management
- continue the introduction of Easy English materials to support engagement with our customers, stakeholders and the community
- continue with steps to establish a Legal Expert Transformation Panel to support the Official Solicitor - Customer Legal Services reviewing the policies of the office
- enhance our cultural capacity across the agency
- continue to elevate our cultural sensitivity and disability inclusivity practices.

Our strategic challenges and opportunities

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

Our strategic challenges include:

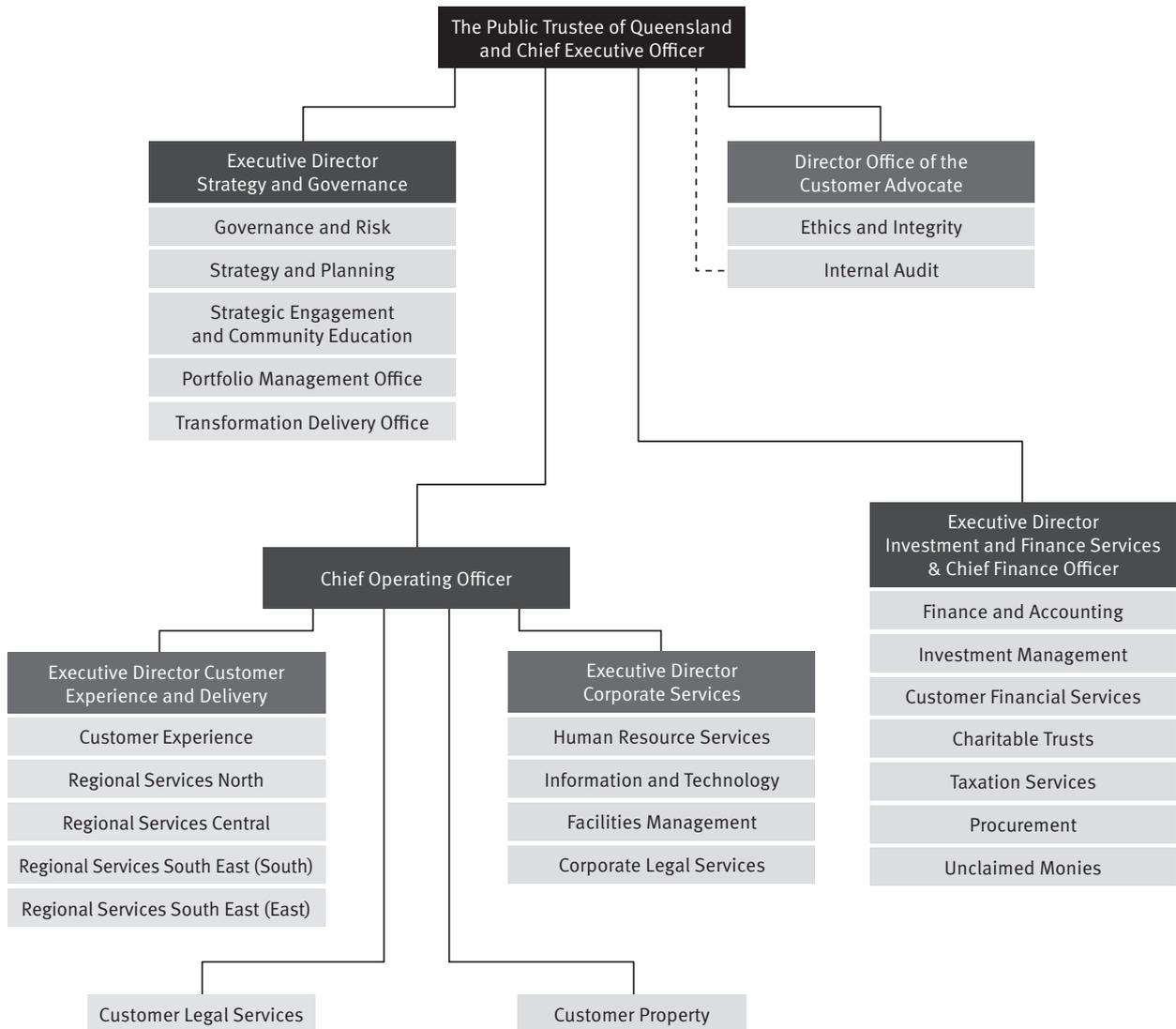
- understanding and responding to the impact of changing economic factors on our services
- increasing demand for services that meet the changing complex needs of vulnerable Queenslanders
- maintaining confidence and trust in our ability to deliver fair and transparent services
- building the capability of our workforce and systems to enable us to respond effectively to the needs of our customers
- maintaining service delivery through effective planning and business continuity responses.

Our key opportunities include:

- embedding a culture of learning and continuous improvement to drive customer-centric service delivery
- innovating through data and digital transformation
- ensuring our fees and charges are transparent, fair and reflect value for the services provided
- contributing to the community's understanding about the importance of planning for different life-stages
- being recognised for our professionalism by customers, their support networks and sector partners.

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.



Senior internal management committees

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

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

Board of Management

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

In 2020-21 the BoM comprised:

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

Samay Zhouand

Public Trustee of Queensland and CEO

Samay Zhouand commenced as Acting Public Trustee in June 2019 and was appointed to the role in May 2021. Prior to taking up the role of acting Public Trustee, Mr Zhouand held senior executive positions with Queensland Corrective Services and the former Department of Community Safety. He also has extensive experience working as a solicitor within Crown Law and various government departments and was admitted as a Barrister-at-Law in 2002.

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

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

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

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

Shane Sullivan****A/Executive Director, Investment & Finance Services & CFO***

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

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

**From 1 July 2021 the role of Executive Director, Investment & Finance Services & CFO, has been performed by Adam Black.*

Jacob Fredericks****A/Chief Operating Officer***

Jacob commenced as Acting Executive Director, Strategy & Governance in March 2020, accountable for Strategy, Planning, Governance, Risk, Marketing and Communications, Portfolio Management Office and the office of the CEO, and as Acting Chief Operating Officer from March 2021 with a focus on delivering the Customers First Agenda.

**Jeanette Miller performed the role of Chief Operating Officer on the Board of Management from July 2020 to March 2021.*

Callie Evans***A/Executive Director, Strategy & Governance***

Callie Evans commenced in March 2021 as the Acting Executive Director, Strategy & Governance. In this role, she is accountable for Transformation Delivery, Portfolio Management, Planning and Performance, Governance and Risk and Strategic Engagement and Community Education. Callie has over 15 years' experience in leading and driving organisational transformation, performance management, business improvement, analytics and business intelligence across the state government, the not-for-profit and commercial sectors.

Callie's focus is leading the design and delivery of effective, data driven organisational performance and governance systems, strategy and operational planning, maturing risk and portfolio management, delivery of transformative and improvement initiatives and high value community education programs to inform Queenslanders about advance life planning, and their choices.

She holds a Diploma in Business Marketing, a Bachelor of Communications, a Master of Technology (Business Systems) and a Certificate in Market and Social Research.

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 of 30 June 2021 were:

- Acting Executive Director Investment & Finance Services & CFO
- Acting Chief Operating Officer
- Acting Executive Director, Strategy & Governance
- Executive Director, Corporate Services
- Chief Information Officer, Department of Justice and Attorney General
- Public Trustee Human Resource Services Representative
- Public Trustee Customer Services Representative.

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 2020–21 were:

- approved a revised investment strategy to meet the interim investment objectives of the Common Fund. This consisted of investing an amount, equivalent to the amount held in accumulated surplus, to be invested in the QIC Long Term Diversified Fund
- approved that the management of the fixed interest allocation of the Common Fund be diversified by investing 20% of the QIC Global Credit Income Fund and the QIC Short Term Income Fund
- reviewed the operating limits for interest rate and credit risks
- 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
- endorsed revised benchmarks for interest rates payable to customers
- noted the interest rate structure for interest rates payable to customers
- monitored the investment management of the Public Trustee of Queensland Growth Trust and the investment arrangements of the Australian Foundation for Charitable Trusts.

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	5	N/A	N/A	N/A
External Member	Henry Smerdon	5	Meeting Fee (4 hours or less) \$400	N/A	\$2000
External Member	Sandra Birkenleigh	5	Meeting Fee (4 hours or less) \$400	N/A	\$2000
Officer of the Department administered by the Treasurer	Geoffrey Waite Glenn Miller	3 2	N/A	N/A	N/A
No. of Scheduled Meetings	5				
Total out of pocket expenses	N/A				

- The Governor-in-Council approved that Mr Glenn Miller be appointed as a part-time Member as the Treasurer's representative for the three-year period 21 May 2021 up to and including 20 May 2024.

Public Sector Ethics

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 has an emphasis on the delivery of socially responsible services that meet the needs of Queenslanders. To deliver quality frontline services, we consider we must empower employees to act in an ethical manner.

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 2020–21, these strategies included:

- implementation of an Integrity Framework
- implementation of a Workplace Conduct policy
- 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
- rollout 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)
- rollout of an updated online mandatory training module titled "Code of Conduct and Workplace Conduct Policy Training" through the LMS.

Following the establishment of the Office of the Customer Advocate, the Ethics and Integrity function was realigned in April 2021 to form part of the Public Trustee's Independent Services team, reporting to the Director, Office of the Customer Advocate.

This will allow our Independent Services functions to focus on proactive and preventative initiatives to identify and address systemic issues and drive continuous improvement within the Public Trustee.

Public Service Values

Work was undertaken to assess the culture at the Public Trustee and to identify key cultural attributes to shape future culture. During 2020-21, the Public Trustee continued to focus on promoting and reinforcing behaviours to enhance a culture of “customer focused professionals” and “learner improvers”.

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

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



Customers first

- we continued the Customers First Agenda with the introduction of our Customers First Strategy, supported by our Social Responsibility Charter. We have embedded our organisational structure over the last 12 months
- we provided training, new processes and procedures to support our staff in the implementation of our seven-step Structured Decision-Making Framework to better support our customers and their stakeholders
- we have continued to provide specialised technical training to trust officers at all levels to ensure our employees have the technical skills to meet the needs of our customers.



Ideas into action

- we streamlined some of our internal human resource procedures to reduce time and complexity for staff
- we continued our commitment to the Customers First working groups – People and Culture, Trust and Transparency and Products and Services – to generate ideas, to solve key business challenges and to take action on agreed activities.



Unleash potential

- we continued to enhance and deliver our specialised, organisation-specific, mandatory eLearning compliance modules for all employees, to equip our workforce with the knowledge and skills to meet our legislative requirements and customer/ stakeholder expectations
- we delivered Corporate Orientation to new employees, as needed in 2020-21, based on business requirements and COVID-19 restrictions
- we delivered supervisor development workshops for current and emerging supervisors across the business. These workshops were focused on self-awareness and management, the skills to supervise and lead small teams, as well as how their work would impact on organisational outcomes
- we provided assistance to individual employees to build their professional capabilities through the support and management of our Study and Research Assistance Scheme.



Be courageous

- we established and continued to embed the Ethics and Integrity Unit and its role within the office. We focused on building knowledge, awareness and understanding of each employee's roles and responsibilities as public servants
- we initiated myCoach "one-on-one" discussion tools within Customer Experience and Delivery, to support open conversations between supervisors and employees about key business and customer outcomes and employees' development.



Empower people

- the Public Trustee has continued to educate and raise awareness of PIDs with sessions held for PID support officers across the business conducted by the Office of the Queensland Ombudsman
- we have engaged with employees through sub-working groups on key topics and actions to create a collaborative environment
- we have encouraged employees to participate in the Queensland Government's Working for Queensland (WfQ) Survey and in 2020 we obtained a response rate of 79%
- we have continued to have regular information-sharing sessions between managers at all levels during the last 12 months, focused on COVID-19, flexible work practices, work health and safety and health directives. In the last six months, we expanded these meetings to focus on key projects and activities across the business, to increase managers' knowledge and to cascade meaningful information to their teams. Participants have the opportunity to learn from their peers and ask questions of organisational subject matter experts
- with regular updates from the Human Resource Services team, employees have had the opportunity to engage in more detail with information relating to policies, practices and procedures, learning and development, technical training and health safety and wellbeing.

Governance – risk management and accountability

Risk management

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

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

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

In 2020–21, the Governance and Risk Team continued activities to embed a risk management culture at the Public Trustee, in accordance with the Risk Management Framework. These activities included:

- conducting workshops with leadership teams to review Material Business and Strategic risks in the context of the updated Strategic Plan
- completing a Risk Maturity Analysis (against QAO best practice guidelines) identifying areas for improvement to develop risk management maturity
- 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
- Actively participating in the whole of government risk management forum (facilitated by the Department of the Premier and Cabinet), to enhance understanding of contemporary risk management approaches, facilitate awareness of risks in a public sector context and to promote discussion of assurance and control related activities.

Internal audit

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

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

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

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

In 2020–21, Internal Audit conducted independent reviews and audits of our internal controls, business processes and management practices. Key achievements included:

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

Audit and Risk Management Committee

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

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

The committee assists with reviewing:

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

The Audit and Risk Management Committee met four times during 2020–21.

Voting members of the Audit and Risk Management Committee for 2020–21 were:

Name	Details
Sandra Birkenleigh	External Chair
Felicity Cooper	External Member
Janine Walker AM	External Member
Jeanette Miller	Nominee of the Public Trustee of Queensland
Jacob Fredericks	Nominee of the Public Trustee of Queensland (from 22 April 2021)

Standing invitees of the Audit and Risk Management Committee are:

- Public Trustee of Queensland and CEO
- Members of the Executive Leadership Team
- Queensland Audit Office (QAO)
- Head of Internal Audit.

The recommendations made by the QAO during 2020–21 were considered by the Committee and are being appropriately addressed by management.

Remuneration payments

Remuneration to external members during the 2020–21 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

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

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, Content Manager, to effectively manage and secure administrative and core business records both regionally and centrally. This includes the correct scheduling and 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 explore and implement ways of enhancing our efficiency and agility in providing services to Queenslanders and demonstrate our commitment to quality information and records management that reduces the reliance on paper records through automation and digitisation. The Public Trustee's Information and Technology (I&T) section provides advice, guidance, technical support and security management of recordkeeping and information systems. The services it provides supports the confidentiality, integrity and availability of business information contained within recordkeeping and information systems.

In 2020-21, we demonstrated our commitment to compliant recordkeeping practices by:

- Ensuring the ongoing program to increase digital recordkeeping compliance continued with the development of the Digitisation & Disposal Policy, and related documents to dispose of paper after it has been digitised
- Piloting a Digitisation of Incoming Mail project to improve processes to reduce reliance on paper from physical mail
- Ensuring high-value digital records, such as those in the Client Information Management System (CIMS) are discoverable in Content Manager
- Producing extensive electronic user guides for staff relating to record management concepts within Content Manager
- Continuing to deliver personalised mandatory recordkeeping training on an ad-hoc basis and providing an online training course for all employees and contractors
- Reviewing the configuration of Content Manager and information systems to ensure compliance, reliability, performance and security of electronic records
- Relocating archived files from regional offices to review current holdings against the approved retention and disposal schedule to identify records for disposal.

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 Public Trustee's information security team was permanently expanded to provide additional focus on development of the ISMS and supporting the organisation. Additionally, a range of additional pro-active information security testing, monitoring and maintenance activities have been established.

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 the:

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

Governance – human resources

Workforce planning and performance

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

The 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.

Our budgeted establishment for 2020-21 was 636.9 full-time equivalents (FTE). During this year and as per our commitment to the Queensland Government Savings and Debt Plan, our FTE for the quarter ending 30 June 2021 was 578² (as per the Minimum Obligatory Human Resources Information [MOHRI] reporting). Our headcount was 610 employees.

In 2020-21, the permanent separation rate was 8.4% reduced from 2019-20 (as per the MOHRI reporting). More than 35% of Public Trustee employees have greater than 10 years' service and more than 13% have been with the Public Trustee for 20 years or more.

The Public Trustee supports its employees' work-life balance through flexible work arrangements such as part-time agreements and working from home options.

- In early 2020 new ways of working from home were introduced and improvements have continued in 2021 in response to COVID-19. Regular communications to employees have also been streamlined with weekly COVID-19 updates, Weekly Wraps from the Public Trustee/CEO and the introduction of Teams for our virtual and online meetings.
- Our communication has focused on desk setup and ergonomics, managing work and breaks at home, engagement strategies for managers and their teams as well as sharing information about mental health support and employee wellbeing. In 2021, the Public Trustee aligned with whole of Government directives to encourage employees to return to the workplace as well as continuing to leverage working from home arrangements. Employees continue to work from home, supported by their managers, with a focus on wellbeing and safety in their home office.
- Further flexibility and support for work-life balance is demonstrated in the Public Trustee's significant part-time workforce. A total of 74 employees are undertaking "flexible by design" part-time arrangements which equates to 11.76 % of the workforce.

The Public Trustee's industrial and employee relations framework incorporates an active approach to consultation with employees and unions. Six regular Agency Consultative Committee meetings were conducted throughout the financial year with five extraordinary meetings, some of which were undertaken virtually via teleconference.

Reduced customer contact hours, implemented as part of the Public Trustee's COVID-19 response, have continued for all face-to-face and telephone-based services, including the Welcome Desk call

² MOHRI FTE date for fortnight ending 18 June 2021.
The Public Trustee Annual Report 2020–21

centre. Email access and self-service options remain available channels for customer communication and transactions outside of the reduced customer contact hours. With normal operating hours retained, these managed customer contact hours have allowed staff more time to focus on administrative work to support our customers. This has also provided an opportunity to improve our productivity and efficiency and more time for coaching and training activities.

Over the last 12 months, learning and development in the Public Trustee has focused on programs to enhance the technical capability of our staff as well as raising employees' self-awareness and self-care. Changes in our legislative obligations has required employees to expand their knowledge and skills as they continued to provide our diverse customer groups with support and guidance and incited new ways for the Public Trustee to support our employees.

- Workshops focused on Debrief and Support and Managing Customer Aggression were delivered to frontline employees through a specialist external provider. The workshops refreshed our employees' knowledge and increased skills in responding to escalated customer incidents as well as focusing on the de-escalation process, post-incident debriefing, and self-care.
- A pilot program also launched in the Cairns, Townsville and Mackay regions, providing onsite group and individual facilitated coaching by qualified psychologists. These sessions were designed to support staff post-incident while providing an opportunity for employees to engage and practice the debriefing process.
- Technical webinars commenced in March 2021, delivering learning sessions to staff across the state on specific technical topics and areas of complexity.
- Through August to November, frontline employees attended a full day workshop to implement the Public Trustee's seven-step Structured Decision-Making Framework to embed understanding of our obligations under the *Guardianship and Administration Act 2000* and the *Human Rights Act 2019*. Corporate and non-frontline employees also participated in a tailored Structured Decision-Making workshop to ensure that all employees understood the importance of the Framework to their roles.
- Workshops for supervisors were also held throughout May 2021. These workshops were created to build the skills of our current and emerging leaders across the supervisor cohort in Customer and Experience Delivery and Corporate business areas. The focus was on self-knowledge, managing a small team, organisational perspective as well as management, leadership, and communication skills.
- Corporate Orientation sessions continued where required through the COVID-19 pandemic, with new starters undertaking their onboarding experience with their managers and supervisors. Mandatory eLearning modules were also undertaken as part of the new starter local induction and like 2019-20, this included the online Human Rights training from the Queensland Human Rights Commission.

These activities were delivered in addition to the annual refresher mandatory eLearning modules for all employees. These refresher modules include Workplace Health and Safety, Code of Conduct and Workplace Behaviours, Information Privacy and Cybersecurity Awareness.

Important cultural initiatives have emerged from the Customers First Agenda. These initiatives have focused on a continuous improvement culture while empowering our employees and sharing knowledge to transform the way customer services are delivered.

One of these initiatives has been the inaugural Employee Awards for Excellence which was held in December 2020 to recognise the exceptional work of individuals, initiatives and teams across the office. The Awards were focused on the Public Sector Values, our key cultural attributes and actions undertaken by our employees who provided 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.

Staff-driven initiatives, such as the Community of Practice for Will and Enduring Powers of Attorney Checkers developed in 2021 with monthly online meetings, have facilitated employees across the state to share stories and helpful ideas, resolve issues and develop comradery.

The Public Trustee formally commenced the White Ribbon Workplace Accreditation program in June 2021 demonstrating our promise to provide our employees with both a physical and psychological safe workplace. This accreditation is an initiative under our Safe Workplaces program and shows our commitment to delivering on our Customers First Strategy.

Held quarterly, Public Trustee Town Hall meetings have provided ongoing accessibility for all staff in a multi-channel form of communication via live stream, messenger, and teleconferencing. The Town Halls serve as a successful way for staff to connect with one another from around the state and provide a forum for staff to ask questions directly to our Chief Executive Officer and other leaders on initiatives and projects in the Public Trustee.

Early retirement, redundancy and retrenchment

No redundancy, early retirement or retrenchment packages were paid during the 2020–21 financial year.

Financial performance

The Public Trustee recorded an operating surplus of \$2.2M against a budgeted loss of \$9.2M. The substantial improvement in the operating result is due to improved investment returns and less expenditure incurred than originally anticipated. This demonstrates the Public Trustee's ability to implement strategies to enhance its investment earnings and manage costs effectively, enabling the Public Trustee to fund its operations and continue to support customers under its Community Service Obligations policy.

Total Revenue

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

Revenue	2020-21 \$M	2019-20 \$M
Fees	\$59.1	\$58.5
Investment Revenue	\$42.7	\$21.0
Fair Value Gain on Investments	\$3.0	\$1.2
Other Income	\$2.7	\$2.5
Total Revenue	\$107.5	\$83.2

Total revenue increased by 29.2 % from the prior year due to an increase in investment revenue of \$21.7M.

The higher investment revenue is due to the implementation of a new Common Fund investment strategy, supported by favourable global financial markets. The new strategy was implemented with the assistance of QIC Limited and the advice of the Public Trust Office Investment Board. This strategy was progressively implemented during the financial year and included the investment of \$180M in the QIC Long Term Diversified Fund in February 2021; and a further \$180M in the QIC Global Credit Income Fund and the QIC Short Term Income Fund in March 2021. Investment revenue includes \$28.1M QIC distribution income. Refer to Notes 2 and 11 of the Public Trustee Financial Statements for further details of these investments and related revenue.

The increase in investment revenue and fair value gain on investments should be considered in conjunction with the fair value losses on investments (included under Expenditure) which partially reduces the overall investment return for the financial year.

Gross fees and Community Service Obligations are detailed in the table below. Refer to Note 1 of the Public Trustee Financial Statements for further details.

Fees	2020-21 \$M	2019-20 \$M
Gross Fees	\$94.1	\$91.0
Community Service Obligations	(\$35.0)	(\$32.4)
Net Fees	\$59.1	\$58.6

Gross revenue from fees before Community Service Obligations (as a percentage) increased by 3.4 % and net fees increased by 0.8 % compared to the previous year. Fees and charges increased by 1.8% in 2020-21 in line with the Government indexation rate.

The majority of Community Service Obligations (excluding the provision of free Will-making services of \$4.4M) 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).

Total Expenses

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

Expenditure	2020-21 \$M	2019-20 \$M
Employee Expenses	\$60.1	\$60.6
Supplies and Services	\$18.6	\$17.4
Contributions	\$1.3	\$1.3
Depreciation and Amortisation	\$2.8	\$2.7
Other Expenses	\$1.8	\$5.2
Expenditure before Investment Expenses	\$84.6	\$87.2
Fair Value Loss on Investments	\$17.5	-
Interest Expense	\$3.2	\$8.0
Total Expenses	\$105.3	\$95.2

Expenditure before investment expenses decreased by 3.0 % from the prior year due to good cost control and initiatives completed for less than budgeted expenditure during the year.

Fair value loss on investments of \$17.5M relate to the new QIC managed funds which were acquired during the year as part of the new Common Fund investment strategy.

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.

Three owned properties have been classified as held for sale during the year resulting in a decrease in the asset revaluation surplus of \$1.8M. Other than this decrease, no further adjustments were made to land and buildings during 2020-21 as there was no significant change in the fair value of the Public Trustee's land and buildings based on the movement in the relevant indices year-on-year.

The market value of the Public Trustee's financial assets recorded unrealised losses of \$9.3M due to a sharp rise in long-term bond yields during the year as interest rates declined.

Statement of Financial Position

Total Assets

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

As at 30 June 2021, the Public Trustee held \$983.7M in assets, an increase of \$6.5 from 30 June 2020, mainly due to a larger investment portfolio compared to the prior year. Total assets includes \$19.6M in property, plant and equipment held for sale relating to three owned properties that have been measured at fair value less costs to sell. Receivables include \$27.6M in distribution income receivable from the QIC managed funds.

Total Liabilities

The Public Trustee's liabilities include amounts held on behalf of customers, amounts owing to staff for leave entitlements and amounts owed to suppliers. Total liabilities were \$775.7M as at 30 June 2021, an increase of \$15.3M from the previous year. The increase in liabilities is primarily due to an increase in deposits held in trust within the Common Fund of \$16.5M.

Statement of Changes in Common Fund Reserves

Total Common Fund reserves were \$207.9M as at 30 June 2021, decreasing from \$216.8M in the prior year due to decrease in comprehensive income referred to above combined with the operating surplus for the year.

Prospective Outlook

A budgetary deficit is forecast for the 2021-22 financial year which includes investment in continuous improvement initiatives which will ensure that the Public Trustee continues to be a sustainable self-funding organisation into the future, with a move towards a more modern, customers first service organisation.

The number of customers eligible for rebates under the Public Trustee's Community Service Obligations policy is expected to continue to impact the financial results in the coming year. However, the new investment strategy implemented during 2020-21 may reduce the budgeted deficit should market conditions continue to remain favourable. A number of high impact strategies are being developed to minimise the impact of the current environment on the Public Trustee's financial position. This

includes a review of fees and charges to ensure they are aligned with Queensland Government principles for fees and charges, including cost recovery.

Chief Finance Officer Statement

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

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. However, this investment objective is currently under review to ensure appropriateness for the Growth Trust's customers in the lower return environment that has been forecasted.

The Growth Trust currently gains exposure to various assets classes and investment sectors by investing in the QIC Long Term Diversified Fund (formerly known as the QIC Growth Fund), while liquidity for the Growth Trust is managed by an investment of approximately 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 2021 is as follows:

Fund	CPI Objective (after fees)	Objective Target Return (%)	Annualised Return (%)
Growth Trust	CPI + 2.4% over rolling 5 years	4.21%	7.08%

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 1.45% 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 assets 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 will assist 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%	

The Public Trustee of Queensland

Financial Statements

For the year ended 30 June 2021

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General Information

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

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

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

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

The Public Trustee of Queensland

Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Revenue			
Fees	1	59,083	58,586
Investment revenue	2	42,670	20,964
Fair value gain on investments	2	3,054	1,202
Other income	3	2,690	2,482
Total Revenue		107,497	83,234
Expenses			
Employee expenses	4	60,148	60,586
Supplies and services	5	18,634	17,415
Contributions	6	1,267	1,272
Depreciation and amortisation		2,765	2,747
Fair value loss on investments	2	17,526	20
Interest expense	14	3,169	8,024
Other expenses	7	1,781	5,165
Total Expenses		105,290	95,229
Operating Result		2,207	(11,995)
Other Comprehensive Income			
<u>Items that will not be reclassified to Operating Result</u>			
Decrease in asset revaluation surplus	17	(1,791)	-
<u>Items that may be reclassified to Operating Result</u>			
Net (loss)/gain on financial assets at fair value through other comprehensive income (FVOCI)		(9,305)	5,192
Total Other Comprehensive (Loss) / Income		(11,096)	5,192
Total Comprehensive Loss		(8,889)	(6,803)

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 2021

	Notes	2021 \$'000	2020 \$'000
Current Assets			
Cash and cash equivalents	8	87,642	218,024
Receivables	9	36,842	9,474
Other assets	10	8,172	8,338
Other financial assets	11	687,733	520,841
Property, plant and equipment held for sale	12	19,583	-
Total Current Assets		839,972	756,677
Non-Current Assets			
Other financial assets	11	111,028	165,037
Property, plant and equipment	12	26,324	49,512
Right-of-use assets	13	6,328	5,921
Intangible assets		23	79
Total Non-Current Assets		143,703	220,549
Total Assets		983,675	977,226
Current Liabilities			
Payables		2,640	3,896
Lease liabilities	13	636	649
Deposits held in trust	14	747,264	730,793
Accrued employee benefits	15	15,900	16,455
Other liabilities	16	920	799
Total Current Liabilities		767,360	752,592
Non-Current Liabilities			
Lease liabilities	13	6,217	5,869
Accrued employee benefits	15	1,571	1,415
Other liabilities	16	576	510
Total Non-Current Liabilities		8,364	7,794
Total Liabilities		775,724	760,386
Net Assets		207,951	216,840
EQUITY			
Asset revaluation surplus	17	37,043	38,834
Accumulated surplus	18	170,908	178,006
Total Equity		207,951	216,840

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 2021

	Accumulated Surplus	Asset Revaluation Surplus	Total Equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2019	185,762	38,834	224,596
Net effect of changes in accounting policies - AASB 15	(485)	-	(485)
Net effect of changes in accounting policies - AASB 16	(468)	-	(468)
Restated balance as at 1 July 2019	184,809	-	223,643
Operating result for the year	(11,995)	-	(11,995)
Other comprehensive income			
Net gain on financial assets at FVOCI	5,192	-	5,192
Balance as at 30 June 2020	178,006	38,834	216,840
Balance as at 1 July 2020	178,006	38,834	216,840
Operating result for the year	2,207	-	2,207
Other comprehensive income			
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

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 2021

	Notes	2021	2020
		\$'000	\$'000
Cash Flows From Operating Activities			
<i>Inflows:</i>			
Fees received		60,411	60,536
Interest revenue received		15,104	20,987
Other revenue received		456	620
GST collected from customers		7,234	6,868
Net amount received/(paid) as deposits held in trust		17,162	(6,705)
<i>Outflows:</i>			
Payments to suppliers and employees		(82,762)	(82,054)
GST paid to suppliers		(2,910)	(2,675)
GST remitted to ATO		(4,363)	(4,159)
Interest expense		(2,935)	(7,802)
Net Cash Provided By / (Used) In Operating Activities		7,397	(14,384)
Cash Flows From Investing Activities			
<i>Inflows:</i>			
Sales of other financial assets		284,113	192,416
Sales of property, plant and equipment		-	1,136
<i>Outflows:</i>			
Payments for other financial assets		(423,841)	(206,601)
Payments for property, plant and equipment		(150)	(266)
Net Cash Flow Used In Investing Activities		(139,878)	(13,315)
Cash Flows From Financing Activities			
<i>Outflows:</i>			
Lease payments		(968)	(914)
Net Cash Flow Used In Financing Activities		(968)	(914)
Net Decrease In Cash and Cash Equivalents		(133,449)	(28,613)
Cash and Cash Equivalents at Beginning of the Financial Year		221,091	249,704
Cash and Cash Equivalents at End of the Financial Year	8	87,642	221,091

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 2021

Reconciliation of Operating Result to Net Cash Provided By / (Used In) Operating Activities	2021	2020
	\$'000	\$'000
Operating Result	2,207	(11,995)
Non-cash items included in operating result:		
Depreciation and amortisation expense	2,765	2,747
Asset impairment and write downs	-	246
Interest on leases	235	224
Gain on lease modifications	(83)	-
Net gain on sale of plant and equipment	-	(55)
Net loss/(gain) on revaluation of financial assets	14,472	(1,182)
Change in Assets and Liabilities:		
Increase in receivables	(27,368)	(96)
Decrease in other assets	166	785
Decrease in other payables	(1,256)	(263)
(Decrease)/Increase in accrued employee benefits	(399)	1,278
Increase/(Decrease) in deposits held in trust	16,471	(6,251)
Increase in other liabilities	187	178
Net Cash Provided By/ (Used In) Operating Activities	7,397	(14,384)

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

The Public Trustee of Queensland

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For the year ended 30 June 2021

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The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

BASIS OF FINANCIAL STATEMENTS PREPARATION

(a) Objectives of the Public Trustee

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

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

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

(b) Compliance with Prescribed Requirements

The Public Trustee has prepared these financial statements in compliance with the requirements of the *Public Trustee Act 1978* and section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's *Minimum Reporting Requirements* for reporting periods beginning on or after 1 July 2020 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

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

(iii) Current/Non-Current Classification

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

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

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

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

BASIS OF FINANCIAL STATEMENTS PREPARATION (Continued)

(d) Authorisation of Financial Statements for Issue

The financial statements for the year ended 30 June 2021 were authorised for issue by the Public Trustee of Queensland and CEO and the Acting Executive Director Investment & Finance Services & CFO at the date of signing the certification of the Public Trustee.

(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 2021

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 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 2021

NOTES ABOUT OUR FINANCIAL PERFORMANCE

1. Fees

	2021 \$'000	2020 \$'000
Revenue from contracts with customers		
Administration of estates and trusts	71,431	68,853
Professional and other services	22,711	22,102
Community service obligations	(35,059)	(32,369)
	59,083	58,586

Accounting Policy

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.

Refer to Notes 10 and 16 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 Public Trustee (PT) is a not-for-profit corporation owned by the Queensland Government which provides financial administrative services to Queenslanders. The key services provided include personal financial administration and the administration of deceased estates and trusts. The services are provided in accordance with legislative directives and the fees for these services are gazetted annually.

Disclosure - Professional and other services and unclaimed moneys administration services

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

Disclosure - Community Service Obligations (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 2021

2. Investment Revenue

	2021 \$'000	2020 \$'000
Interest and Distribution Income		
Cash – at call deposits	1,814	3,777
Fixed rate deposits ⁽ⁱ⁾	4,870	6,413
Floating rate deposits ⁽ⁱⁱ⁾	228	454
Government securities ⁽ⁱ⁾	67	-
Semi-government securities ⁽ⁱ⁾	3,906	3,634
Corporate securities ⁽ⁱ⁾	2,995	4,239
Corporate notes ⁽ⁱⁱⁱ⁾	660	2,353
Other interest	14	32
Interest on investments	14,554	20,902
QIC distribution income ⁽ⁱⁱⁱ⁾	28,116	62
	42,670	20,964
Fair value gain on financial assets FVOCI ^(iv)	3,054	1,202
Expenses		
Fair value loss on financial assets FVPL ^(v)	17,526	20

(i) Fixed interest rate applies to these financial assets.

(ii) Floating interest rate applies to these financial assets.

(iii) This relates to PT's investment in QIC Limited's managed funds during the financial year. Refer to Notes 11 and 22 for further details.

The PT is entitled to the above QIC distribution income based on its unit holdings on 30 June 2021 and payment was received in July 2021.

(iv) This amount is predominantly gain on the sale of financial assets held at FVOCI.

(v) This relates to changes in the fair value of QIC managed funds.

3. Other Income

	2021 \$'000	2020 \$'000
Property rental income	279	350
Services received below fair value	1,627	1,619
Gain on sale on property, plant and equipment	-	55
Gain on modifications – Right-of-use assets ⁽ⁱ⁾	83	-
Sundry income ⁽ⁱⁱ⁾	701	458
	2,690	2,482

Disclosure

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

(ii) This amount includes insurance proceeds received of \$2,711 during this financial year in relation to insurance claims for customer and property related matters (2020: \$217,930).

PT offered a rental relief package for six months from 1 April 2020 to 30 September 2020 for tenants in relation to office accommodation in PT's owned buildings. The amount of revenue forgone for the 2020-21 financial year is approximately \$40,000 (2020: \$40,000). This amount is not included in PT's revenue.

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 2021

4. Employee Expenses

	2021 \$'000	2020 \$'000
Employee Benefits		
Salaries and wages	46,502	47,464
Employer superannuation contributions	6,251	6,175
Annual leave	4,885	4,918
Long service leave	1,833	1,236
Employee Related Expenses		
Workers' compensation premiums	158	173
Other employee related expenses	519	620
	60,148	60,586
Full-time Equivalent Employees ⁽ⁱ⁾	583	600

(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 2021 are based upon the fortnight ending 2 July 2021.

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

	2021 \$'000	2020 \$'000
Advertising and promotion	54	180
Auction expenses	99	34
Computer expenses	5,605	4,336
Consultants, contractors and agency temporary staff	3,275	4,625
Repairs and maintenance expense	870	754
Investment and registry fees	2,848	2,423
Motor vehicles and travel	269	279
Office expenses	871	1,246
Lease expenses	196	222
Professional and management fees	1,244	245
Rates, utilities and cleaning	1,676	1,452
Services received below fair value	1,627	1,619
	18,634	17,415

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 15 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 EBA 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.

Accounting Policy - Services received below fair value

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

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Notes to the Financial Statements

For the year ended 30 June 2021

6. Contributions

	2021 \$'000	2020 \$'000	Accounting Policy
Office of the Public Guardian	1,214	1,192	Contributions are non-reciprocal in nature and do not require any goods or services to be provided in return.
Civil Law Legal Aid Scheme outlays	53	80	
	1,267	1,272	

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

	2021	2020	Accounting Policy - Impairment
Bank fees	20	7	Impairment losses may arise on assets from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting policies and events giving rise to impairment losses are disclosed in Receivables (Note 9) and Property, Plant and Equipment (Note 12).
Entertainment and hosting	1	1	
External audit fees ⁽ⁱ⁾	312	295	
Impairments and write downs:			
Receivables - bad debt expense	113	733	
Property, plant and equipment	-	246	
Insurance premiums ⁽ⁱⁱ⁾	711	708	
Losses:			
Public Trustee write-offs ⁽ⁱⁱⁱ⁾	314	198	
Court settlements ^(iv)	-	284	
Special payments ^(v)	89	78	Accounting Policy - Special Payments
Customer reimbursements ^(vi)	106	2,500	
Sponsorships ^(vii)	115	115	
	1,781	5,165	Special payments include ex gratia expenditure and other expenditure that the PT is not contractually obligated or where there is no clear legal obligation to make a payment under the contract terms. The PT maintains a register of all special payments greater than \$5,000 in accordance with the <i>Financial and Performance Management Standard 2019</i> .

Disclosure

(i) Total fees paid/payable to the Queensland Audit Office relate to the audit of PT's 2020-21 financial statements \$278,450 (2020: \$277,000); audit of the Public Trustee of Queensland Investment Trusts \$19,500 (2020: \$19,500); and other audit services rendered by QAO in relation to the review of an IT project \$14,450 (2020: nil).

(ii) Insurance premiums – The 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 represents the PT's write-offs relating to customer matters.

(iv) There were no payments made to customers under court or tribunal orders in 2020-21 (2020: 2).

(v) During 2020-21, the PT made 4 ex-gratia payments (2020: 5) and nil out-of-court settlements (2020: Nil) to customers.

(vi) A provision of \$2.5m for customer reimbursements was made during the last financial year following a recommendation arising from an internal fees and charges review. A total amount of \$2.6m was paid during this financial year resulting in an additional expense of \$0.1m in 2020-21.

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

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Notes to the Financial Statements

For the year ended 30 June 2021

NOTES ABOUT OUR FINANCIAL POSITION

8. Cash and Cash Equivalents

	2021 \$'000	2020 \$'000
Cash at bank and on hand	4,037	5,355
At call deposits held with Queensland Treasury Corporation (QTC) at FVOCI	83,605	212,669
	87,642	218,024

Reconciliation to Statement of Cash Flows

Cash and cash equivalents	87,642	218,024
QIC Cash Enhanced Fund at FVPL ⁽ⁱ⁾	-	3,067
Balance per Statement of Cash Flows	87,642	221,091

(i) The PT has divested from the QIC Cash Enhanced Fund during the financial year.

9. Receivables

	2021 \$'000	2020 \$'000
Distribution income receivable ⁽ⁱ⁾	27,562	-
Customer balances ⁽ⁱⁱ⁾	7,546	8,206
Civil Legal Aid Scheme Advances ⁽ⁱⁱⁱ⁾	2,146	1,999
Accrued revenue ^(iv)	525	6
Trade and other debtors	3	94
	37,782	10,305
Less: Allowance for impairment	(940)	(831)
	36,842	9,474
Impairment		
Allowance for impairment as at 1 July	(831)	(78)
Increase in allowance recognised in operating result	(109)	(753)
Allowance for impairment as at 30 June	(940)	(831)

Disclosure

(i) This represents distribution income receivable from the QIC managed funds at 30 June 2021.

(ii) This relates to overdrawn balances of the 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 \$843,188 has been provided at 30 June 2021 (2020: \$730,557) 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.

(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 2021.

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.

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 during the preceding 12 years.

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.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

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 2021			June 2020		
	Gross Receivables	Loss Rate	Expected Credit Losses	Gross Receivables	Loss Rate	Expected Credit Losses
	\$'000	%	\$'000	\$'000	%	\$'000
Distribution income receivable	27,562	0.0%	-	-	-	-
Customers' debit balances	7,546	11.2%	(843)	8,206	8.9%	(731)
Civil Legal Aid Scheme	2,146	4.5%	(97)	1,999	5.0%	(100)
Accrued Revenue	525	0.0%	-	6	0.0%	-
<u>Trade & Other Debtors</u>						
Current	(32)	0.0%	-	26	0.0%	-
31-60 days	7	0.0%	-	59	0.0%	-
61-90 days	10	0.0%	-	3	0.0%	-
> 90 days	18	0.0%	-	6	0.0%	-
> 365 days	-	0.0%	-	-	0.0%	-
Total	37,782		(940)	10,305		(831)

10. Other Assets

	2021 \$'000	2020 \$'000
Contract assets	7,263	7,795
Prepayments	909	543
	8,172	8,338

Accounting Policy - Contract Assets

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

Disclosure - Contract Assets

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

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.

There were no significant changes in contract asset balances during the year except for a decrease in the contract asset balance relating to legal fees of \$0.49m due to a re-assessment of fee consideration constraints for services provided.

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.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

11. Other Financial Assets

	2021 \$'000	2020 \$'000	Accounting Policy
Current			
<u>Financial Assets at Fair Value through Profit or Loss (FVPL):</u>			
QIC Cash Enhanced Fund	-	3,067	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	171,194	-	
QIC Short Term Income Fund	88,873	-	
QIC Global Credit Income Fund	82,406	-	
	342,473	3,067	
<u>Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)</u>			
Semi-government bonds	180,972	169,054	The classification is based on two criteria:
Corporate bonds	83,212	143,420	
Corporate notes	-	111,110	<ul style="list-style-type: none"> whether the financial asset's contractual cash flows represent solely payments of principal and interest'; and the PT's business model for managing the assets.
	264,184	423,584	
<u>Financial Assets at Amortised Cost</u>			
Fixed rate deposits	81,076	94,190	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.
	687,733	520,841	
Non-Current			
<u>Financial Assets at Amortised Cost</u>			
Fixed rate deposits	85,006	147,024	
Floating rate deposits	26,022	18,013	
	111,028	165,037	

Classification and Measurement

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

A financial asset is classified in this category if it's held within a business model that acquires financial assets principally for the purpose of selling or if it is an equity investment. The PT's investments in financial assets held at FVPL is limited to products managed by QIC Ltd including holdings in the Cash Enhanced Fund, 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)

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

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

(iii) Financial Assets at Amortised Cost

The 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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Notes to the Financial Statements

For the year ended 30 June 2021

12. Property, Plant and Equipment

Held for Sale

	2021 \$'000	2020 \$'000
Land	10,460	-
Building	9,123	-
	19,583	-

Accounting Policy - Property, Plant and Equipment Held for Sale

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

Disclosure - Property, Plant and Equipment Held for Sale

Due to operational requirements, the Public Trustee Investment Board has approved the sale of three PT owned office accommodations at Brisbane, Gladstone and Mount Isa.

Management is committed to and have initiated a plan to sell the properties with a view to complete the sales within twelve months except for the Mount Isa property which was sold in July 2021 by auction for an amount that was higher than the carrying value at 30 June 2021 as disclosed in Note 24.

All the held for sale properties are measured at fair value less costs to sell at the time of meeting the "held for sale" criteria.

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 2021	Land (FV) \$'000	Buildings (FV) \$'000	Leasehold Improvement \$'000	Plant and Equipment \$'000	Work In Progress \$'000	Total \$'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

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

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Notes to the Financial Statements

For the year ended 30 June 2021

12. Property, Plant and Equipment (Continued)

Disclosure - Land and Buildings

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

During 2020-21 and 2019-20, no indexations were applied in respect of land and buildings as movements in both land indices (as provided by State Valuation Service) and the 'Asset revaluation index: Non-residential construction, Queensland' were below the materiality threshold of 5% in accordance with Queensland Treasury's Non-Current Asset Policies (NCAP).

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

Accounting Policy – Recognition

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

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

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

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

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

Accounting Policy - Measurement Using Fair Value

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

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

12. Property, Plant and Equipment (Continued)

Accounting Policy - Measurement Using Fair Value (Continued)

Use of Specific Appraisals

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

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

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

Use of indices

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

The 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.

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.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

13. Right of Use Assets and Lease Liabilities

Right-of-use Assets	2021 \$'000	2020 \$'000
Buildings		
Opening balance at 1 July	5,921	6,740
Additions	216	-
Modifications	936	-
Amortisation expense	(745)	(819)
Carrying amount at 30 June	6,328	5,921
Lease Liabilities		
Opening balance at 1 July	6,518	7,208
Additions	216	-
Modifications	853	-
Interest expense	234	224
Repayments	(968)	(914)
Carrying amount at 30 June	6,853	6,518
Current lease liabilities	636	649
Non-current liabilities	6,217	5,869
Total	6,853	6,518

Disclosure - Leases as lessee

- i. 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.
- ii. 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.
- iii. Interest expenses on lease liabilities for the year is \$234,929 (2020: \$223,870) and is recognised as amortisation expense in profit or loss.

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.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

14. Deposits Held In Trust

	2021 \$'000	2020 \$'000
Deceased estates	164,135	156,156
Financial management	340,559	316,043
Minors, general and testamentary trusts	207,501	231,015
Other customers	35,069	27,579
	747,264	730,793

Accounting Policy - Interest Expense

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 on deposits held in trust are determined from time to time under Regulation 9 of the *Public Trustee Regulation 2012*.

15. Accrued Employee Benefits

	2021 \$'000	2020 \$'000
Current		
Wages payable	-	1,414
Annual leave	6,216	6,047
Paid parental leave	15	20
Long service leave	9,669	8,974
	15,900	16,455
Non-Current		
Long service leave	1,571	1,415
	1,571	1,415
Total Accrued Employee Benefits	17,470	17,870

Accounting Policy - Annual Leave

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

Accounting Policy - Deposits Held In Trust

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

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

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

Accounting Policy - 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.

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Notes to the Financial Statements

For the year ended 30 June 2021

16. Other Liabilities

	2021 \$'000	2020 \$'000
Current		
Contract liabilities	243	225
Refund liabilities	637	574
Prepaid rent	40	-
	920	799
Non-current		
Contract liabilities	576	510
	576	510
Total	1,496	1,309

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 2020, \$225,103 has been recognised as revenue in 2020-21. 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.

17. Asset Revaluation Surplus

Accounting Policy

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

Asset Revaluation Surplus by Asset Class

2021	Land \$'000	Buildings \$'000	Total \$'000
Balance at 1 July 2020	16,722	22,112	38,834
Revaluation decrements	-	(1,791)	(1,791)
Balance at 30 June 2021	16,722	20,321	37,043

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

Accounting Policy - Contract Liabilities

Contract liabilities arise from contracts with customers under AASB 15 *Revenue from Contracts with Customers* in respect of unclaimed moneys services provided by the PT. Revenue is recognised in the corporation's statement of comprehensive income (refer Note 1) on the lodgement of the unclaimed funds and set up of the unclaimed moneys register. A portion of the fees charged is deferred over time based on the estimated length of time to complete the service. The 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.

Accounting Policy - Refund Liabilities

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

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Notes to the Financial Statements

For the year ended 30 June 2021

18. Accumulated Surplus

The 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, and are recorded across cash, financial assets and property. The basis for these allocations is as follows:

i. Capital support allocation

As the capital within the 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 2.41% (2020: 2.41%). Current capital support allocation is \$53.9m (2020: \$34.8m).

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 \$44.4m (2020: \$28.9m).

The balance of the Accumulated Surplus 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 2021

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

19. Fair Value Measurement

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

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

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the 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 2021 and 30 June 2020.

	Level 1		Level 2		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash – at call deposits	83,605	212,669	-	-	83,605	212,669
QIC Cash Enhanced Fund	-	-	-	3,067	-	3,067
QIC Long Term Diversified Fund	-	-	171,194	-	171,194	-
QIC Short Term Income Fund	-	-	88,873	-	88,873	-
QIC Global Credit Income Fund	-	-	82,406	-	82,406	-
Government and Semi-government bonds	180,972	169,054	-	-	180,972	169,054
Corporate bonds	83,212	143,420	-	-	83,212	143,420
Corporate notes	-	111,110	-	-	-	111,110
Fixed rate deposits	-	-	166,082	241,214	166,082	241,214
Floating rate deposits	-	-	26,022	18,013	26,022	18,013
	347,789	636,253	534,577	262,294	882,366	898,547

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 2021

20. Commitments

(a) Capital expenditure commitments

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

	2021 \$'000	2020 \$'000
Buildings		
Not later than one year	-	68
Later than one year and not later than five years	-	60
	-	128

(b) Contribution commitments

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

	2021 \$'000	2020 \$'000
Not later than one year	1,227	1,215
	1,227	1,215

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.

21. Contingent Liabilities

Litigation in progress

As at 30 June 2021, the PT was a party to the following litigations and hearings in progress.

	2021 Number of cases	2020 Number of cases
Supreme Court of Queensland	1	1
District Court of Queensland	-	-
Queensland Civil and Administrative Tribunal	1	1
Total	2	2

As at 30 June 2021, the PT has received notification of 7 other matters (2020: 5) that are not yet subject to court action. These cases may 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, the PT's legal advisers and management believe it is not appropriate to estimate and provide for the final settlement amount (if any) in relation to these claims.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

22. Financial Risks Disclosures

(a) Financial Asset and Liability Categories

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

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

	Note	2021 \$'000	2020 \$'000
Financial Assets			
Cash and cash equivalents	8	87,642	218,024
Receivables	9	36,842	9,474
Other financial assets - FVPL	11	342,473	3,067
Other financial assets - FVOCI	11	264,184	423,584
Other financial assets - amortised cost	11	192,104	259,227
Total Financial Assets		923,245	913,376
Financial Liabilities			
Deposits held in trust	14	747,264	730,793
Payables		2,640	3,896
Total Financial Liabilities		749,904	734,689

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 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 (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 2021

22. Financial Risks Disclosures (Continued)

(b) Financial Risks Management (Continued)

(ii) Risk Management Strategies

Financial risk is managed by the Investment Services Program under policies approved by PT's 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"> The volatility of the market risk is reduced as 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 QIC manages assets 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 have been revised during 2020-21 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

Subsequently, the Investment Board approved a revised investment strategy to meet the revised investment objectives. The core of the revised investment strategy included additional investments with QIC Limited to meet PT's primary risk objective. As a result, PT invested \$180 million in the QIC Long Term Diversified Fund in February 2021, which was equivalent to the amount held in accumulated surplus.

The Investment Board approved that the fixed interest allocation be further diversified by investing 10% of the Common Fund in each of the QIC Global Credit Income Fund (GCIF) and the QIC Short Term Income Fund (STIF) to gain exposure to a wider range of active return strategies including international corporate securities. Accordingly, the PT invested a further \$90 million in each of the GCIF and the STIF in March and April 2021.

As at 30 June 2021, PT's investment management arrangements are as follows:

Investments	Benchmark Allocation %	Actual \$'000	Investment Managed By
QIC Long Term Diversified Fund	20%	171,194	QIC
QIC Global Credit Income Fund	10%	88,873	QIC
QIC Short Term Income Fund	10%	82,406	QIC
Cash	25%	87,642	PT - Investment Advisory Program
Fixed interest securities	35%	456,288	PT - Investment Advisory Program
Total	100%	886,403	

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Notes to the Financial Statements

For the year ended 30 June 2021

22. 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 2021, the PT held investments totalling \$342.5 million in QIC managed funds (2020: \$3.1m).

(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 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

30 June 2020	Debt securities \$'000	Deposits \$'000	Total \$'000
'AAA' credit rating	106,338	20,143	126,481
'AA+' credit rating	138,466	-	138,466
'AA-' credit rating	159,862	218,885	378,747
'Aa3' Moody's credit rating	1,640	-	1,640
'A+' credit rating	17,278	5,034	22,312
'BBB+' credit rating	-	15,165	15,165
Total	423,584	259,227	682,811

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Notes to the Financial Statements

For the year ended 30 June 2021

22. 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 14) are disclosed as current liabilities consistent with the classification in the statement of financial position (as they are available at call), the expected payout profile of these amounts are much longer dated based on historic trends.

30 June 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					
Deposits held in trust	747,264	-	-	-	747,264
Payables	2,640	-	-	-	2,640
Total	749,904	-	-	-	749,904

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

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Notes to the Financial Statements

For the year ended 30 June 2021

22. 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 +/- 25 basis points (2020: +/- 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.

	2021 \$'000	2020 \$'000
Interest rate change +25 basis points (2020: +25 points)		
Impact on Operating Result / Equity	(2,885)	(3,342)
Interest rate change -25 basis points (2020: -25 points)		
Impact on Operating Result / Equity	2,874	3,323

The 25 basis points (2020: 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 2021 when the QIC's low % and high % of price risk are applied to each of the investment funds:

	Price risk		2021	
	Low %	High %	Decrease \$'000	Increase \$'000
QIC Global Credit Income Fund	-1%	1%	(824)	824
QIC Long Term Diversified Fund	-11%	11%	(18,831)	18,831
QIC Short Term Income Fund	-1%	1%	(889)	889
Impact on Operating Result / Equity			(20,544)	20,544

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Notes to the Financial Statements

For the year ended 30 June 2021

23. Impact of COVID-19 on Financial Statements

The PT has supported Queenslanders through a decision not to lower interest rates payable on customers' balances from 1 May 2020 until 1 October 2021 and provided rent relief to tenants for office accommodation in PT owned buildings (refer Note 3).

The PT has assessed the impact of COVID-19 on the 2020-21 financial statements and have not recognised any significant transactions as a result of the pandemic. Accordingly, the PT considers the impact of COVID-19 on the corporation's 2020-21 financial statements to be immaterial.

24. Events Occurring After the Reporting Period

On 2 July 2021, the PT's owned property in Mount Isa that was classified as held for sale on 30 June 2021 (refer Note 12) was successfully sold by auction for an amount that was above the property's carrying amount at 30 June 2021.

There are no other matters or circumstances which have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of the PT, 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 2021

NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET

25. Budget to Actual Comparison

This section discloses the PT's original published budgeted figures for 2020-21 compared to actual results, with explanations of major variances, in respect of the PT's statement of comprehensive income.

Statement of Comprehensive Income

	Variance Notes	Budget 2021	Actual 2021	Variance 2021
Revenue				
Fees		59,736	59,083	(653)
Interest and distribution income	V1	17,754	42,670	24,916
Fair value gain on investments		3,272	3,054	(218)
Grants and other contributions		1,682	1,627	(55)
Other income		690	1,063	373
Total Revenue		83,134	107,497	24,363
Expenses				
Employee expenses	V2	61,265	60,148	1,117
Supplies and services	V3	20,789	17,007	3,782
Contributions		1,287	1,267	20
Depreciation and amortisation		2,640	2,765	(125)
Interest expenses		3,510	3,169	341
Fair value loss on investments	V1	-	17,526	(17,526)
Other expenses		2,844	3,408	(564)
Total Expenses		92,335	105,290	(12,955)
Operating Result		(9,201)	2,207	11,408
Other Comprehensive Income				
<u>Items that will not be reclassified to Operating Result</u>				
Decrease in asset revaluation surplus		-	(1,791)	(1,791)
<u>Items that may be reclassified to Operating Result</u>				
Net loss on the revaluation financial assets at FVOCI		-	(9,305)	(9,305)
Total Other Comprehensive Loss		-	(11,096)	(11,096)
Total Comprehensive Loss		(9,201)	(8,889)	312

Explanations of Major Variances - Statement of Comprehensive Income

V1. Investment revenue and fair value losses on investments are higher due to the implementation of a new investment strategy during the financial year and strong global financial markets.

V2. Employee expenses are lower as a result of fewer FTEs due to unfilled vacancies.

V3. Supplies and services are lower as a result of important initiatives completed for less than budgeted expenditure as well as savings in computer and IT expenses.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

25. Budget to Actual Comparison (Continued)

Administered Unclaimed Moneys

		Adjusted Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000
	Variance Notes			
Administered Income				
Interest from investing activities		384	31	(353)
Unclaimed moneys recognised as Consolidated Revenue	V4	2,759	3,608	849
Total		3,143	3,639	496
Administered Expenses				
Other expenses	V5	680	1,025	(345)
Amount transferable to Consolidated Fund		2,463	2,614	(151)
Total		3,143	3,639	(496)
Net Surplus/(Deficit)		-	-	-

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 2021 was \$61.8m (2020: \$54.7m). Please refer financial statement Note 26 for details.

Explanations of Major Variances - Administered Unclaimed Moneys

V4. Unclaimed moneys recognised as consolidated revenue is higher due to an increased volume of unclaimed moneys that have been held by the PT for more than six years.

V5. Other expenses (including management fees payable to the PT) were higher in line with unclaimed moneys recognised as consolidated revenue.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

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.

	2021 \$'000	2020 \$'000
Administered Income		
Interest from investing activities	31	494
Unclaimed Moneys recognised as Consolidated Revenue	3,608	3,912
Total	3,639	4,406
Administered Expenses		
Management fees	259	183
Capital rebate fee	766	788
Amount transferable to Consolidated Fund *	2,614	3,435
Total	3,639	4,406
Net Surplus/(Deficit)	-	-
Administered Assets		
Current		
Receivables	1,025	971
Other financial assets	64,449	58,110
Total	65,474	59,081
Administered Liabilities		
Current		
Payables	3,639	4,406
Total	3,639	4,406
Non-Current		
Unclaimed moneys fund balance	61,835	54,675
Total	61,835	54,675
Net Assets	-	-

* During 2020-21, funds totalling \$3.435m (2020: \$3.227m) 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 2021

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 2021

Customers	Deposits at Call	Other Investments	Retirement Products	Realty and Homes	Other	Investment Trusts	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial management	71,769	69,801	273,532	374,924	182,825	163,078	1,135,929
Deceased estates	39,016	28,297	16,753	196,028	16,215	-	296,309
Minors, general and testamentary trusts	67,873	41,462	2,130	121,031	8,285	238,207	478,988
Other customers	8,208	16,202	7,898	22,768	23,611	6,666	85,353
Total	186,866	155,762	300,313	714,751	230,936	407,951	1,996,579

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

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

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 2021

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 2021 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 2021, the total market value of customers' funds held in the Investments Trusts was \$408.0m (2020: \$338.8m).

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 2021

OTHER INFORMATION

28. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

As part of PT's functional and governance review to better align services to support the organisation's Customers First commitment, PT introduced a new Board of Management (BOM) structure during the last financial year from 11 May 2020. Accordingly, PT's Key Management Personnel (KMP) disclosure for 2019-20 consisted of BOM members and members of the Executive Leadership Team (ELT) up to 10 May 2020 to reflect the transition in the management team from ELT to BOM.

The KMP table below reflects BOM positions that had authority and responsibility for planning, directing and controlling the activities of the PT during 2020-21.

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.
Chief Operating Officer	The Chief Operating Officer is responsible for providing leadership, strategy and direction to all strategic and operational customer and corporate service delivery and business transformation functions to deliver exceptional customer service.
Executive Director, Investment & Finance Services & CFO	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.

Please refer to the annual report for further information on the Board of Management.

(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 Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

28. Key Management Personnel Disclosures (Continued)

(c) Key Management Personnel Remuneration Expense

The following disclosure relate to expense 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.

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

2019-20

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

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

28. Key Management Personnel Disclosures (Continued)

(c) Key Management Personnel Remuneration Expense (Continued)

2019-20 (Continued)

Position	Short Term Employee Expenses		Short Term Employee Expenses	Post-Employment Expenses	Termination Benefit	Total
	Monetary Expenses	Non-Monetary Expenses				
Acting Official Solicitor (to 9/4/20)	170	-	1	14	-	185
Executive Director, Customer Experience & Delivery (to 10/5/20)	179	-	4	15	-	198
Executive Director, Digital & Technology (to 13/9/19)	33	-	(6) *	7	77	111
Acting Executive Director, Digital & Technology (16/9/19 to 15/3/20)	95	-	-	9	-	104
Acting Executive Director, Corporate Services (16/3/20 to 10/5/20)	28	-	-	3	-	31
Total Remuneration	1,231	-	84	124	77	1,516

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

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 2020-2021.

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 2020-21 was \$66,400 (2020: \$28,000).

The PT receives archival services from the Queensland State Archives, free of charge. The total fair value of archival services received in respect of 2020-21 was \$1.63m (2020: \$1.62m).

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 2020-21 was \$0.66m (2020: \$0.63m).

The PT also pays premiums to WorkCover Queensland in respect of workers' compensation insurance at commercial rates. Refer 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 Note 6 for details.

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

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

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 2020-21.

(ii) Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2020-21.

(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 2020-21 have any material impact on the 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.

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.

The Public Trustee of Queensland

Notes to the Financial Statements

For the year ended 30 June 2021

Certification of the Public Trustee of Queensland

For the year ended 30 June 2021

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 2021 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.



Adam Black
BCom FCPA CA
Acting Executive Director, Investment &
Finance Services & CFO

Brisbane
26 August 2021



Samay Zhouand
BA LLB
Public Trustee of Queensland
and CEO

Brisbane
26 August 2021

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 2021, 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 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificates given by the Public Trustee of Queensland and the Acting Executive Director Investment and Finance Services and Chief Finance Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the Public Trustee of Queensland in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the Public Trustee of Queensland's annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

The Accountable Officer is responsible for the other information.

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

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

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

I have nothing to report in this regard.

Responsibilities of the Accountable Officer for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the Public Trustee of Queensland's internal controls but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Public Trustee of Queensland.
- Conclude on the appropriateness of the Public Trustee of Queensland's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Trustee of Queensland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Public Trustee of Queensland to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

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

Prescribed requirements scope

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



John Welsh
as delegate of the Auditor-General

27 August 2021

Queensland Audit Office
Brisbane

The Public Trustee of Queensland Investment Trusts

Financial Statements

For the year ended 30 June 2021

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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 Investment 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: Trustee House, 444 Queen Street, Brisbane QLD 4000.

The Public Trustee of Queensland Investment Trusts

Statements of Income and Retained Earnings

For the year ended 30 June 2021

	Notes	GROWTH TRUST		AFCT
		2021 \$'000	2020 \$'000	17 May to 30 June 2021 \$'000
Investment Income				
Interest income		10	33	-
Net gains on financial assets held at fair value through profit or loss	2	33,159	-	-
Distribution income	3	26,716	6,325	8,717
Total Net Investment Income		59,885	6,358	8,717
Expenses				
Net losses on financial assets held at fair value through profit or loss	2	-	(13,570)	(8,326)
Fund administration fees		-	-	(22)
Investment management fees		-	-	(25)
Other expenses		-	-	(2)
Trustee fees		(5,373)	(5,234)	(66)
Total Operating Expenses		(5,373)	(18,804)	(8,441)
Profit/(Loss) for the Year Before Finance Costs Attributable to Unitholders		54,512	(12,446)	276
Finance Costs Attributable to Unitholders				
Distribution to unitholders	4	(31,276)	(2,360)	(8,602)
(Increase)/Decrease in net assets attributable to unitholders	6	(23,236)	14,806	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

Statements of Financial Position

As at 30 June 2021

	Notes	GROWTH TRUST		AFCT
		2021 \$'000	2020 \$'000	2021 \$'000
Assets				
Cash and cash equivalents	7	1,118	1,545	1,528
Distribution receivable		23,549	-	8,717
Other receivables		45	44	6
Financial assets held at fair value through profit or loss	8	229,820	337,130	152,871
Total Assets		254,532	338,719	163,122
Liabilities				
Distribution payable		31,276	-	8,602
Redemption payable		633	224	-
Other payables		-	-	50
Trustee fees payable		387	445	69
Total Liabilities (Excluding Net Assets Attributable to Unitholders)		32,296	669	8,721
Net Assets Attributable to Unitholders - Liability	6	222,236	338,050	154,401

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

The Public Trustee of Queensland Investment Trusts

Statements of Cash Flows

For the year ended 30 June 2021

	Notes	GROWTH TRUST		AFCT
		2021	2020	2021
		\$'000	\$'000	\$'000
Cash Flows From Operating Activities				
Interest received		10	32	-
Reduced input tax credit received		281	276	-
Distributions received		3,167	14,811	-
Other expenses paid		-	-	(2)
Trustee fees paid		(5,714)	(5,514)	-
Proceeds from sale of financial assets held at fair value through profit or loss		14,300	-	-
Purchase of financial assets held at fair value through profit or loss		(6,000)	(13,900)	(29,028)
Net Cash Provided By/(Used In) Operating Activities		6,044	(4,295)	(29,030)
Cash Flows From Financing Activities				
Proceeds from applications of units by unitholders		27,792	30,383	30,628
Payments for redemptions of units by unitholders		(34,263)	(17,643)	(70)
Distributions paid		-	(8,359)	-
Net Cash (Used In)/Provided By Financing Activities		(6,471)	4,381	30,558
Net (Decrease)/Increase in Cash and Cash Equivalents		(427)	86	1,528
Cash and Cash Equivalents at beginning of the Financial Year		1,545	1,459	-
Cash and Cash Equivalents at End of the Financial Year		1,118	1,545	1,528

The above statement should be read with the accompanying notes.

	GROWTH TRUST		AFCT
	2021	2020	2021
	\$'000	\$'000	\$'000
Reconciliation of Net Cash Provided By / (Used In) Operating Activities			
Increase/(Decrease) in net assets attributable to unitholders	23,236	(14,806)	(8,326)
Distributions paid to unitholders	31,276	2,360	8,602
In-specie Distributions	(132,170)	-	132,169
Net change in financial assets held at fair value through profit or loss	107,310	(331)	(152,871)
Net change in receivables and other assets	(23,550)	8,487	(8,723)
Net change in payables	(58)	(5)	119
Net Cash Provided By Operating Activities	6,044	(4,295)	(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 2021

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 2021 were authorised for issue by the Public Trustee of Queensland and the Acting Executive Director Investment & Finance Services & CFO at the date of signing the Public Trustee of Queensland’s Declaration.

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. As this is the first year of operation there are no comparatives 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 2021

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 2021

NOTES ABOUT OUR FINANCIAL PERFORMANCE

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

	GROWTH TRUST		AFCT
	2021	2020	7 May 2021 to 30 June 2021
	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss	33,159	(13,570)	(8,326)
Net Gains/(Losses) on financial assets held at FVPL	33,159	(13,570)	(8,326)

3. Distribution Income

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

	GROWTH TRUST		AFCT
	2021	2020	7 May 2021 to 30 June 2021
	\$'000	\$'000	\$'000
Distribution Income	26,716	6,325	8,717
Total distribution income received	26,716	6,325	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		2021	2021	2020	2020
		\$'000	CPU*	\$'000	CPU*
Distribution	30 September 2020	-	-	-	-
Distribution	31 December 2020	-	-	901	0.2396
Distribution	31 March 2021	-	-	1,459	0.3841
Distribution	30 June 2021	31,276	12.62	-	-
Total		31,276	12.62	2,360	0.6237

AFCT		2021	2021
		\$'000	CPU*
Distribution	30 June 2021	8,602	5.29
Total		8,602	5.29

* CPU is cents per unit

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2021

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
	2021	2020	2021
	\$	\$	\$
Audit Fees	19,500	19,500	-

For the Growth Trust, audit fees are 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. There are no audit fees payable by the AFCT this financial year.

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:

	GROWTH TRUST		AFCT
	2021	2020	2021
Amount	\$'000	\$'000	\$'000
Opening balance	338,050	340,118	-
Applications	27,792	30,383	162,797
Redemptions	(166,842)	(17,645)	(70)
Change in net assets attributable to unitholders	23,236	(14,806)	(8,326)
Closing balance	222,236	338,050	154,401

	GROWTH TRUST		AFCT
	Unit No's	Unit No's	Unit No's
Opening balance	384,814	370,497	-
Application	29,032	33,397	162,562
Redemptions	(165,998)	(19,080)	(70)
Closing balance	247,848	384,814	162,492

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The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2021

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 2021

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
	2021 \$'000	2020 \$'000	2021 \$'000
Unlisted unit trusts	229,820	337,130	152,871
Total Financial Assets held at FVPL	229,820	337,130	152,871

Comprising Units held in QIC Funds (Funds) :

QIC Long Term Diversified Fund	229,820	337,130	61,503
QIC Diversified Australian Equities Fund	-	-	75,873
QIC Short Term Income Fund	-	-	15,495
Total	229,820	337,130	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 Assets

Classification

The Trusts' 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 2021

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 Trusts' documented investment strategies. The Trusts' policies are for the Public Trustee to evaluate the information about these financial assets 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 parties to the contractual agreement (trade date).

Investments are derecognised when the rights 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 financial assets 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 Trusts are carried at the redemption amount representing the unitholders' right to a residual interest in the Trusts' 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 2021

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 2021

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, fixed interest 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 are exposed to.

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

Growth Trust

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 2021

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	
	Minimum	Maximum	30 June 2021	Actual Exposure 30 June 2020
Global equities	25%	75%	50%	56%
Global fixed interest	-15%	35%	20%	18%
Other alternatives	-10%	40%	19%	11%
Cash	-15%	35%	0%	7%
Global real estate	0%	15%	4%	3%
Global infrastructure	0%	15%	4%	4%
Global private equity	0%	10%	3%	1%
Overlays				
Foreign Currency	-10%	30%	15%	17%
Inflation Overlay	-20%	40%	0%	0%
Credit Overlay	-20%	60%	20%	20%

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 unlisted unit trusts' net asset values increased by 11.0% (2020: 10.0%) and decreased by 11.0% (2020: 11.0%) with all other variables held constant.

Impact on Operating Profit/Net Assets Attributable to Unitholders	2021	2020
	\$'000	\$'000
Fair value of investments increased by 11% (2020:10.0%)	25,280	33,713
Fair value of investments decreased by 11% (2020:11.0%)	(25,280)	(37,084)

The sensitivity analysis presented is based upon 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 11% increase and 11% 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 2021

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 2021
QIC Diversified Australian Equities Fund	50%	48%
QIC Long Term Diversified Fund	40%	42%
QIC Short Term Income Fund	10%	10%
Total	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 11.0% and decreased by 11.0% with all other variables held constant.

Impact on Operating Profit/Net Assets Attributable to Unitholders

	2021 \$'000
Fair value of investments increased by 11%	16,816
Fair value of investments decreased by 11%	(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 11% increase and 11% 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 2021

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 if the exercise of such discretion is in the best interests of unitholders. Units are redeemed on demand at the unitholder's option (except as noted above). Accordingly, for both the 2020 and 2021 financial periods, 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 2021

12. Financial Performance for 2020-21 and Impact of COVID-19

The Growth Trust has returned +16.4% over the financial year, driven by the rebound in equity markets following the low point of March 2020 as a result of the COVID19 pandemic.

The Supplementary Trust Deed Poll for the AFCT was executed on 17 May 2021 and the initial investments in the AFCT were made on 10 June 2021. The return for the period 10 June 2021 to 30 June 2021 was +0.44%.

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.

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 2021 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 2021.

The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2021

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 RITCs) - 1.52% (2020: 1.52%)
- AFCT (including GST and reduced by RITCs) - 0.79%

Growth Trust

The trustee fee paid or payable to the Public Trustee covers expenses incurred by the Public Trustee on behalf of the Growth Trust such as auditing, accounting and ongoing maintenance expenses of the registry and includes QIC's investment management fees in respect of each of the QIC Trusts.

AFCT

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

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The Public Trustee of Queensland Investment Trusts

Notes to the Financial Statements

For the year ended 30 June 2021

16. Related Party Transactions (Continued)

(iii) Trustee Fee Rebate (applicable to the Growth Trust only)

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

Net asset value	30 June 2021 Rebate %	30 June 2020 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%

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% (2020: 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

Notes to the Financial Statements

For the year ended 30 June 2021

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 2020-21 financial year.

Accounting Standards Early Adopted

The Trusts have early adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

On adoption of AASB 1060, as permitted by the standard, the Trusts present a statement of income and retained earnings in place of a statement of comprehensive income and a statement of changes in equity as the only changes to the Trust's equity during the periods for which financial statements are presented arise from profit or loss, payment of dividends, corrections of prior period errors, and changes in accounting policy.

Other than the aforementioned change and additional disclosures, the adoption of AASB 1060 did not have a material impact on the financial statements.

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

There are no standards, interpretations or amendments to existing standards that apply to the Trusts for the first time in 2020-21 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 2021

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 2021 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.



Adam Black
BCom FCPA CA
Acting Executive Director Investment &
Finance Services & CFO

Brisbane
26 August 2021



Samay Zhouand
BA LLB
Public Trustee of Queensland
and CEO

Brisbane
26 August 2021

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 position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the Trust Deed Poll of The Public Trustee of Queensland Growth Trust dated 10 July 1996, 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 2021, 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 of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the 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 of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the Public Trustee of Queensland's annual report for the year ended 30 June 2021 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.



27 August 2021

John Welsh
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary

This glossary provides a simple description of some terms used in or relevant to this report to generally assist the reader.

Administrator

An administrator is a substitute decision-maker and makes decisions on behalf of an adult with impaired decision-making capacity in respect to financial matters. An administrator is appointed by the Queensland Civil and Administrative Tribunal or a Court under the *Guardianship and Administration Act 2000*.

Australian Foundation for Charitable Trusts (AFCT)

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	3 110-111
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	ii
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	ii
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	ii
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	ii
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	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	12
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	13
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	13
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	37
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	19
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	20
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	22-23
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	24
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	10-11
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	25
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	27
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	28-29
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	28
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	31
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	30
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6	30-31
	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1	32-34

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 34
Open Data	<ul style="list-style-type: none"> • Statement advising publication of information 	ARRs – section 16 ii
	<ul style="list-style-type: none"> • Consultancies 	ARRs – section 33.1 https://data.qld.gov.au
	<ul style="list-style-type: none"> • Overseas travel 	ARRs – section 33.2 https://data.qld.gov.au
	<ul style="list-style-type: none"> • Queensland Language Services Policy 	ARRs – section 33.3 https://data.qld.gov.au
Financial statements	<ul style="list-style-type: none"> • Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1 82, 106
	<ul style="list-style-type: none"> • Independent Auditor’s Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2 85, 109

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

