



Annual Report 2019-20



NSW Trustee
& Guardian



NSW Trustee
& Guardian

Hon Mark Speakman SC MP
Attorney General
Parliament House
SYDNEY NSW 2000

Dear Attorney General

I am pleased to present the Annual Report and associated audited financial statements of NSW Trustee & Guardian for 2019-20. The Annual Report summarises the performance and activities of NSW Trustee & Guardian in carrying out the functions of the NSW Trustee, Public Guardian and the Commissioner of Dormant Funds.

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

Yours sincerely

Adam Dent
Chief Executive Officer
NSW Trustee & Guardian

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Overview

NSW Trustee & Guardian's (NSWTG) Annual Report outlines our activities and performance in carrying out the functions of the NSW Trustee, Public Guardian and Commissioner of Dormant Funds for the financial year 2019-20.

It also contains the audited financial statements which have been audited by the Audit Office of New South Wales.

This year's Annual Report also includes a number of case studies to illustrate our work. Names and locations have been changed to maintain customer confidentiality.

This and earlier annual reports are available on our website **tag.nsw.gov.au**. A hardcopy can be provided on request by calling **8688 2600** and speaking to the Customer Resolutions Coordinator or by emailing **tagmail@tag.nsw.gov.au**.

There were no external costs incurred in producing the Annual Report.





From our Chief Executive Officer



I am pleased to present our 2019-20 Annual Report as a summary of how we have worked to protect, promote and support the rights, dignity, choices and wishes of our customers in this most challenging of years.

As you read the report you will see the breadth and the depth of our work, the results we have achieved and examples of where we have made a positive difference to people's lives.

Our work during 2019-20, including supporting our customers during the bushfire crisis and the COVID-19 pandemic, showed that we really are 'here for life's most critical moments'.

I would like to thank our staff for their continued dedication, effort and hard work throughout the year. In particular, I would like to acknowledge the way they stepped up to meet the challenges of this year and the way they adapted when we had to do things differently including a rapid move to working remotely at the peak of the pandemic. Thanks to their hard work, many of our customers did not realise anything had changed internally as our service delivery continued as normal.

Our response to the bushfire crisis and the COVID-19 pandemic

The focus of our response to both the bushfire crisis and the COVID-19 pandemic was to support customers impacted by these events to ensure they had access to what they needed and that no client was left without help if they needed it. This included proactively providing emergency payments to support potential evacuees in fires and managing stimulus payments during the pandemic.

This was particularly important for customers who may have had little or no support and may not have properly understood what was happening, why their usual services were not available or why there were restrictions on the things they usually do.

Demand for our services continues to increase

Demand for our services continued to increase in 2019-20, particularly in financial management and guardianship services.

This increase can generally be attributed to the ageing population and in more recent years the National Disability Insurance Scheme and broader community awareness arising from the two key Royal Commissions. For example, the number of people represented by the Public Guardian has increased by over 37% in the five years to 30 June 2020.

At the same time, we are also managing continued increases in the complexity involved in providing services to customers. For example, the number of guardianship orders that contain restrictive practices has more than doubled in the three years to 30 June 2020. This has led to an associated increase of 94% in the number of decisions we make relating to restrictive practices.

As always, we will continue to look at how we work and endeavour to find ways to meet this increasing demand and workload more effectively and efficiently.

Financial performance

Record low interest rates and the impact of the volatility in the property and financial markets on the value of customer assets were the main challenges affecting our financial performance.

This volatility led to a reduction in revenue received from customers and an unrealised loss on our long term investments. These were the major factors that led to a deficit of \$7.2 million for the year.

Our investment strategy for amounts invested on behalf of customers in the common fund enabled us to minimise the impact of this volatility on our customers. Our Australian cash based investment funds exceeded benchmark returns by an average of 0.6%. The returns on the other investment funds were either equal to or within 0.3% of the benchmark.

The Royal Commissions

The Royal Commissions into Aged Care Quality and Safety and into Violence, Abuse, Neglect and Exploitation of People with Disability are inquiring into issues that impact a significant portion of our customers. These include abuse, neglect and restrictive practices. Some customers will be impacted by the outcomes of both Royal Commissions.

During 2019-20 we monitored the issues raised by the Royal Commissions, contributed to submissions that advocate on behalf of our customers and provided responses to issues they have raised.

The outcomes from both Royal Commissions are likely to provide insights into community views on the services provided in these sectors and what our customers expect and need from us. This may lead to changes in how we provide services to our customers.

Working across government

One of the ways we can protect and improve outcomes for our customers is to work with other government agencies across both the NSW and Commonwealth governments.

Working with these agencies enables us to address systemic issues that impact multiple customers as well as issues impacting individuals.

Our work with other agencies also helps improve government services. Our work as chair of the End of Life Journey Advisory Board will help make it easier for people to deal with government agencies and other service providers in planning for and after the death of a loved one.

Our Strategy 2019-25

This was our first full year of working towards meeting our objective of delivering high-quality, trusted and customer-centred financial management, guardianship and trustee services in a financially sustainable way.

I am pleased to report that we are already starting to see the benefits of this work.

The deployment of mobility infrastructure and software as part of our work to drive digital innovation was fundamental to our ability to implement a split working model during COVID-19. This enabled us to have our staff work remotely without interruption to the services we provide our customers during the pandemic.

The year ahead

During 2019-20 we were able to respond to the COVID-19 pandemic while continuing to support our customers.

We will take the learnings from our response to the pandemic to improve how we operate to enable us to further improve outcomes for our customers.

We also know that our work will be influenced by changes in who our customers are, what they need and what they expect from us. We will also be impacted by changes in the world we work in. These changes include legislative reviews, Royal Commissions, technological innovations and more.

As we head into 2020-21 we have many challenges ahead of us that we will need to address, however I am also excited by the opportunities we have to improve the lives of our customers through the services we provide and the lessons such a challenging year has offered us.

A handwritten signature in black ink that reads "Adam Dent". The signature is written in a cursive, flowing style.

Adam Dent
Chief Executive Officer

Our Executive Leadership Team

The Executive Leadership Team, led by the Chief Executive Officer, provides leadership and sets the direction of NSW TG. It is responsible for monitoring progress in achievement of *Our Strategy 2019-25* and ongoing management of the organisation. The team routinely draws on the expertise of NSW TG staff and Advisory Committees to inform its decisions.

At 30 June 2020 the Executive Leadership Team were:



**Chief Executive Officer,
Commissioner of
Dormant Funds**

Adam Dent, GCertProfLegalSt,
GDipMgt, MBA, FAIM, GAICD



Public Guardian

Megan Osborne, BBus (Mktg),
GDipCom (acting)

Andrew Gabriel, BCom
GradDip(IR) (on leave)



**Director, Financial
Performance & Investments**

Michael Sibelja MEd, CA, AGIA
ACIS (commenced 1 October
2019)



**Director, Information &
Technology**

William Haigh BSc Hons



**Director, Legal &
Professional Services**

Ruth Pollard, LL.B Uni. Syd



**Director, Strategy &
Governance**

Michelle Batterham, BAppSC,
PMIIA, AdvDipLegalStuds



Director, Trustee Services

Deb Simpson, GCertMgt,
DipCommServ, (commenced 30
September 2019)

Director, Communications & Engagement

Substantively held by Megan Osborne. Temporarily vacant at 30 June 2020.

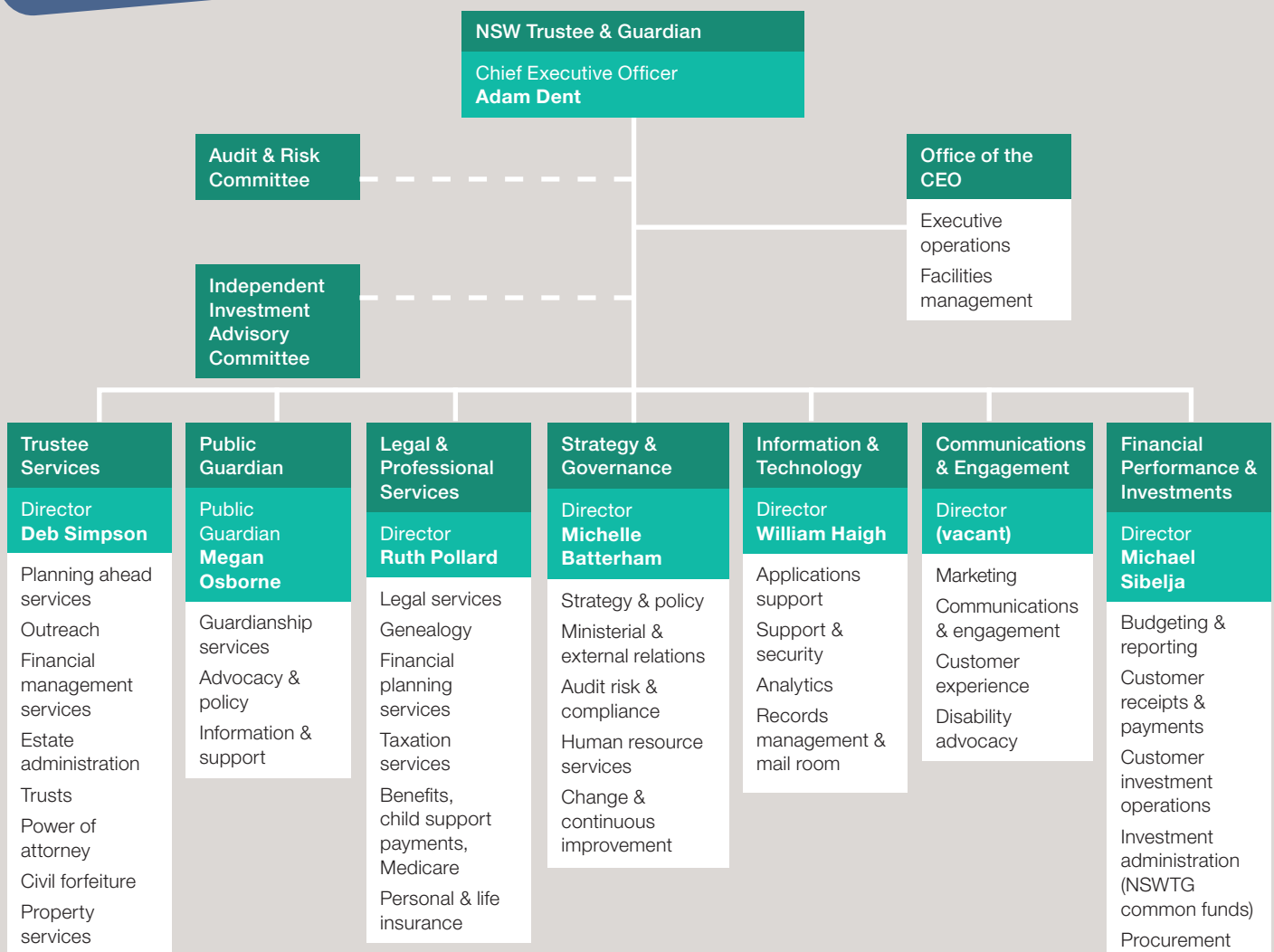
Further information about the Executive Leadership Team is available on page 80.

Organisation structure

NSWTG's organisation structure and the functions carried out within each division are shown below. The structure is intended to align business units to achieve the best outcomes for our customers and to meet the challenges and opportunities of the future.















Further information on separation of decision making is available on page 12.

The Public Guardian reports to the Chief Executive Officer. However, all decisions relating to people under a guardianship order made by the Public Guardian, as part of their statutory functions, are made independently of this reporting line.



2019-20 at a glance

The following table provides a snapshot of the scale and complexity of services we provided to our customers during 2019-20.

During 2019-20:		At 30 June 2020 we were managing
	we provided services to 47,000+ customers 	customer assets \$6.4 billion 
 640 properties were sold or purchased	vehicles sold, purchased or transferred 280 	customer matters 35,000+ 
guardianship decisions made 9,192 	community education events held 153 	vehicles 1,640 
medical consents provided 2,466 	planning ahead documents executed 14,441 	properties 2,931 
2 million transactions worth \$2.9 billion processed for customers 	tax returns prepared 5,686 	We were also holding 462,000+ instruments
\$4.4million in subsidies for people with limited income and assets	financial plans/records of advice developed or reviewed 5,575 	27,000+ documents and personal items

About NSW Trustee & Guardian

NSW Trustee & Guardian (NSWTG) is a statutory agency within the Stronger Communities Cluster. We support the Chief Executive Officer and the Public Guardian to carry out the statutory functions of the NSW Trustee, Public Guardian and the Commissioner of Dormant Funds.

Our services help support and protect some of the most vulnerable members of the NSW community as well as supporting people at the most critical moments in their life. We do this by providing independent and impartial financial management, guardianship and trustee services that support customers and help them manage their health, lifestyle and financial affairs, and to ensure their legacy is carried out in accordance with their wishes when the time comes.

We also support the administration of justice in New South Wales by managing restrained and forfeited assets and paying the proceeds to NSW Treasury.

Our purpose statement guides the organisation by providing clarity of focus for everything that we do.

Our purpose is

To protect, promote and support the rights, dignity, choices and wishes of our customers.

We do this by

Providing support and making decisions at critical moments in customer's lives.

Because we are

An independent and impartial executor, attorney, trustee, guardian, manager and advocate.

As part of the functions of the NSW Trustee we may be appointed to act as:

- executor and administrator of deceased estates
- trustee
- financial manager
- agent or attorney
- collector of estates
- guardian or receiver of estates of minors
- receiver of any property.

The NSW Trustee also provides information, authorisation, direction and support to private managers.

As part of the functions the Public Guardian, we can be appointed as guardian of last resort. The Public Guardian also provides information and support to enduring and private guardians.

We also:

- manage victim support payments for people who were either under 18 or could not be located at the time the application for support was granted
- hold funds on an 'at call basis' in the NSWTG common funds as directed by courts
- act as nominal title holder of all assets of the people of New South Wales from the time of their death until the grant of probate or administration.

We educate the community about the importance of making a Will, Power of Attorney and Enduring Guardianship appointment. We provide advice on relevant government policy and legislation and contribute to law reform.

The Public Guardian also advocates for services and supports needed by people under guardianship.

We advocate on behalf of people under a guardianship or financial management order in relation to systemic issues to protect and promote their legal rights and to pursue their entitlements. This includes making submissions to government inquiries, Royal Commissions and reviews which contribute to policy development and law reform.

The Chief Executive Officer is also the Commissioner of Dormant Funds. As the Commissioner they make recommendations for approval by the Attorney General for the application of charitable funds where:

1. the funds have not been used for the purposes for which they were donated
2. it is not practicable to use the fund for those purposes
3. the purposes of the fund cannot be achieved in a reasonable time
4. the purpose of fund is uncertain or cannot be ascertained.

Legal framework

Our role and the services we provide are supported and governed by an extensive range of New South Wales and Commonwealth legislation. In addition, the legal principles established in case law also support and govern our role and the services we provide to our customers.

The functions of the NSW Trustee, Public Guardian and Commissioner of Dormant Funds are created by the:

- *NSW Trustee and Guardian Act 2009* and *NSW Trustee and Guardian Regulation 2017*
- *Guardianship Act 1987* and *Guardianship Regulation 2016*
- *Dormant Funds Act 1942* and *Dormant Funds Regulation 2014*.

These acts and regulations also set out how those functions are to be carried out.

NSWTG is also authorised to act as trustee, agent and manager of property under other legislation including:

- *Civil Procedure Act 2005* to hold funds for minors and for people where NSWTG has been appointed as financial manager
- *Civil Liability Act 2002* to hold victims support payments owed by an offender and offender damages trust funds
- *Conveyancing Act 1919* to sell real estate and divide the proceeds as ordered
- *Criminal Assets Recovery Act 1990* and *the Confiscation of Proceeds of Crime Act 1989* to manage restrained or forfeited assets
- *Probate and Administration Act 1898* as nominal title holder of all assets of the people of New South Wales from the time of their death until grant of probate or administration

- Uniform Civil Procedures Rules 2005 to hold funds on an 'at call basis' in the NSWTG common funds as directed by courts
- *Workers Compensation Act 1987* as trustee for workers compensation death benefits.

We also manage victims support payments made under the *Victims Rights and Support Act 2013* for people who were either under 18 or could not be located at the time the application for support was granted.

Other NSW legislation that enables, supports and or govern our services include:

- *Administrative Decisions Review Act 1997* and Administrative decisions Review Regulation 2014
- *Carers (Recognition) Act 2010*
- *Civil and Administrative Tribunal Act 2013*, Civil and Administrative Tribunal Regulation 2013 and Civil and Administrative Tribunal Rules 2014
- *Mental Health Act 2007*
- *Powers of Attorney Act 2003* and Powers of Attorney Regulation 2016
- *Probate & Administration Act 1898*
- *Real Property Act 1900*
- *Succession Act 2006* and Succession Regulation 2020
- *Supreme Court Act 1970* and Supreme Court Rules 1970
- *Trustee Act 1925*.

Our services are also impacted by Commonwealth legislation such as the:

- *Aged Care Act 1997 (Cth)*
- *Income Tax Assessment Act 1936* and *1997 (Cth)*
- *National Disability Insurance Scheme Act 2013*
- *Taxation Administration Act 1953 (Cth)*
- *Social Security Act 1991 (Cth)*.

In addition, NSWTG is impacted by general legislation that applies to government agencies including:

- *Government Information (Public Access) Act 2009*
- *Health Records and Information Privacy Act 2002*
- *Ombudsman Act 1974*
- *Privacy and Personal Information Protection Act 1998*
- *Public Finance and Audit Act 1983* and *Government Sector Finance Act 2018*.

Our role as a decision maker

Making financial, health and lifestyle decisions for customers at critical moments in their life is one of the main responsibilities of NSW TG.

Health and lifestyle decisions are made as guardian as part of the functions of the Public Guardian. Financial decisions are made as part of the functions of the NSW Trustee. Decisions under each function are made independently of each other to ensure one person is not responsible for making decisions about all aspects of a person's life.

As financial manager and as guardian we act as a substitute decision maker. These decisions have the same effect as if the person had made that decision themselves. In making these decisions we consider the following principles:

- a) the welfare and interests of the person is given paramount consideration
- b) the person's freedom of decision and freedom of action is restricted as little as possible
- c) the person is encouraged, as far as possible, to live a normal life in the community
- d) the person's views are taken into consideration
- e) the importance of preserving the family relationships and the cultural and linguistic environments of the person are recognised
- f) the person is encouraged, as far as possible, to be self-reliant in matters relating to their personal, domestic and financial affairs
- g) the person is protected from neglect, abuse and exploitation.

Source: NSW Trustee and Guardian Act 2009 and Guardianship Act 1987

Guardianship Act 1987 also notes that the community should also be encouraged to apply and promote these principles.

When making decisions as attorney, executor, administrator or trustee we have:

- a) an obligation to act in accordance with the terms of the Will, deed, court order or power of attorney, to act prudently and in the best interests of the beneficiaries
- b) the same responsibilities, rights, liabilities and immunities as a private person acting in that capacity.

Separation of responsibility for decision making

Where customers receive multiple services or interact with NSW TG in more than one way we ensure that, where appropriate, there is separation of responsibility for decision-making.

We also separate responsibility for major decisions about a customer's life from responsibility for implementing that decision. For example, responsibility for the decision to sell a customer's property is made by their financial manager, while our property team is responsible for managing the sale process. Similarly, a decision to pursue a legal matter is made by the customer's financial manager, who then refers the matter to our legal team to manage the matter on our customer's behalf.

Customers

Customers is an inclusive term that describes all of the different people and groups we provide services to or interact with, regardless of whether they have chosen to do so or not. Customers include people under a financial management or guardianship order, stakeholders, beneficiaries or organisations.

Using customers as an inclusive term enables us to create a shared understanding of the outcomes that we aim to achieve and to embed the logic and principles of being customer-centred.

Customers we provide services to

There are a wide range of people we provide services to, these include:

- people under guardianship orders
- people under financial management orders
- beneficiaries who will benefit from a deceased estate or trust
- people who have been appointed as a private financial manager or guardian
- customers who have engaged us to create Wills, Powers of Attorney and Enduring Guardian appointments
- customers who have engaged us to act as their attorney.

A person under a guardianship or financial management order can also be referred to as a represented person.

During 2019-20 we provided services to over 47,000 customers with 35,000 continuing customers at 30 June 2020.

Our primary responsibility when appointed

For the majority of our customers, NSW TG has been appointed by a court or tribunal as their financial manager, guardian or trustee. These appointments are outside the control of NSW TG. Similarly, the revocation of financial management and guardianship orders is also outside NSW TG's control.

A factor impacting the appointment of NSW TG by courts and tribunals is the availability of willing and suitable people to be appointed private financial managers and guardians. This affects the proportion of people under a financial management or guardianship order where we are appointed manager or guardian.

Our primary responsibility is always to the customer. However, in helping the customer manage their financial affairs, health and lifestyle decisions, we may only have limited interaction with them. For example, some people are not capable of having a role in managing their affairs. In these cases we interact with family, friends, service providers and other people in the person's life to ensure we act in their best interests and, wherever possible, reflect their will and preferences.

Acknowledging our unique context

When exercising our functions as a guardian, financial manager, executor, administrator, trustee or attorney we are acting in a fiduciary relationship with our customers.

A fiduciary relationship means we undertake to act for, on behalf of, or in the interests of the customer when making decisions that will affect their legal interests. We have additional duties and responsibilities that are greater and go beyond what they would be in a typical transaction-based customer relationship.

For all of our customers, regardless of whether they have chosen us or the basis of our relationship with them, our goal is to use our understanding of their needs, preferences, circumstances and the legal framework we work within to deliver outcomes that uphold their rights, dignity, choices and wishes.

Customers and stakeholders may receive multiple services

The same customer or stakeholder may receive multiple services. They can also interact with NSWTG in multiple ways. For example, a person under a financial management order may also have a guardianship order, a private manager may be the beneficiary of a deceased estate or have used NSWTG to prepare their Will, Power of Attorney or Enduring Guardian documents.

Where customers receive multiple services or interact with NSWTG in multiple ways we ensure that, where appropriate, there is separation of responsibility for decision-making.

Customer Excellence Principles

Our Customer Excellence Principles help guide the services we provide to customers, achieve our purpose of protecting, promoting and supporting their rights, dignity, choices and our goal of creating a customer-centred culture. They also reflect what it means to act in a fiduciary role and act in the best interests of our customers.

The Customer Excellence Principles also help ensure the changes we implement to our services meet the needs of our customers and deliver the best possible outcomes for them.

We developed our Customer Excellence Program to support implementation of the Customer Excellence Principles across NSWTG. It ran as a training program during 2019-20 for all NSWTG staff.

Our Customer Excellence Program wins an award

Our Customer Excellence Program won an international award for excellence in strategic communication as part of the International Association of Business Communicators Gold Quill Awards program.

The program was selected from a field of over 600 entries from public and private organisations around the world.

Since winning the award a number of government agencies have expressed interest in the cultural change aspects of the program.

Figure 1: Our Customer Excellence Principles

Customers at 30 June 2020

Customer numbers for the five years to 30 June 2020 are summarised in table 1.

Table 1: Customers at 30 June^{1,2,3}

	2016	2017	2018	2019	2020
People who have NSWTG as their financial manager	11,152	11,332	11,661	11,880	12,100
People who have private financial managers	3,946	4,256	4,747	4,948	5,388
People who have the Public Guardian as their guardian	2,131	2,251	2,413	2,547	2,923
Deceased estate administration	7,619	5,811	5,301	4,932	5,083
Trusts	8,898	8,535	8,446	8,303	8,442
Civil forfeiture		94	146	142	186
Court investments		642	584	640	603
Power of Attorney	374	330	294	281	276
Customers at 30 June	34,120	33,251	33,592	33,673	35,001
Planning ahead documents drafted and executed in the year to 30 June	12,229	7,627	13,302	13,963	14,441

¹ Prior to 2017 civil forfeiture and court investment matters had been included in the number of trusts.

² Prior to 2019 the number of people under a financial management order where a private manager is appointed and the number of people under a guardianship order included customers where NSWTG was finalising the matter after the person's death or where their order had lapsed or been revoked. From 2019 these customers have been excluded to be reported separately. This is consistent with numbers reported for people where NSWTG is appointed the financial manager.

³ Customers who receive multiple services are counted as part of each service. For example, where we are appointed a person's financial manager and guardian that person is counted as a customer of each service.

Customer turnover

We have a large turnover of customers each year. Significant numbers of guardianship orders are time limited to achieve a specific objective and to provide the least restrictive option for the person under the order. Financial management orders can also be time limited.

Similarly, for estate administration, our role is to identify and secure the assets in the estate. We then distribute the money to the beneficiaries. Once that has been achieved, unless a trust is established, the estate is finalised and the matter closed.

This means that the number of customers at the end of each year does not reflect the total number of people we have provided services to throughout that year.

Table 2 shows the number of new customers during 2019-20. It also shows the number of customers where NSW TG's authority to help people manage their health, lifestyle and financial affairs ended or where the matter was finalised.

The number of new customers shows people coming under a financial management or guardianship order for the first time. It does not

include people whose guardianship or financial management order was reinstated during 2019-20. This means the total number of people onboarded during the year will be higher than stated.

The number of new customers each year represents a considerable proportion of the total number of customers we provide services to in a year.

The greatest impact of this turnover is where the Public Guardian is appointed as guardian. For example, new customers represented 29% of the people under guardianship during 2019-20 where the Public Guardian has been appointed as guardian.

Similarly the number of customers who were deceased, their financial management or guardianship order lapsed or was revoked also represent a significant proportion of the people we provide services to each year.

The death of a person is the most common reason for our authority ending for financial management orders. For people under guardianship, the most common cause is the lapse or revocation of the guardianship order.

Table 2: Turnover of customers in 2019-20

	New customers	Discharged/deceased/finalised
People who have NSW TG as their financial manager	1,224	991
People who have private financial managers	1,336	451
People who have the Public Guardian as their guardian	1,114	860
Deceased estate administration	1,391	1,525
Trusts	977	842
Civil forfeiture	108	64
Court investments	212	249
Power of Attorney	31	38
Total	6,393	5,020

Separation for people under a financial management or guardian order

When an order lapses or is revoked NSW TG transfers authority to the person, to the new financial manager or guardian. For people who have died where NSW TG is appointed the financial manager, the estate is transferred to the executor to administer the estate.

Table 3 shows the number of customers where this process is underway.

Table 3: Separation for people under a financial management or guardian order

	2020
People who have NSW TG as their financial manager	1,362
People who have private financial managers	248
People who have the Public Guardian as their guardian	179
Total 30 June 2020	1,789

Profile of people under financial management and guardianship

NSW TG provides financial management and guardianship services to people who lack the ability to make informed health, lifestyle or financial decisions themselves.

We provide financial management and guardianship services to people across the community. Figures 2 and 3 show a breakdown of the ages of our customers where NSW TG is either the financial manager or guardian.

They show that 62% of people where the NSW Trustee is their financial manager and 61% of people where Public Guardian is their guardian are aged over 51.

Figure 2: Age profile of people under a financial management order where the NSW Trustee is appointed financial manager

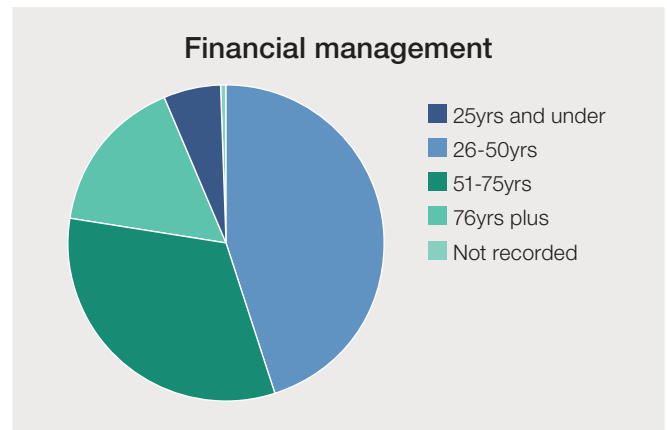
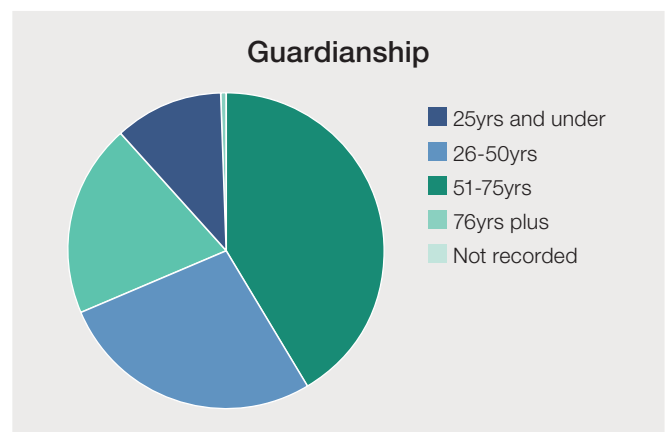


Figure 3: Age profile of people under a guardianship order where the Public Guardian is appointed as guardian



The main reason a person lacks the ability to make the health, lifestyle and financial decisions for themselves is due to disability or illness.

Figures 4 and 5 show a breakdown of the disability profile for our customers' where NSW TG is either the financial manager or guardian.

Figure 4: Disability profile of people under a financial management order where the NSW Trustee is appointed financial manager

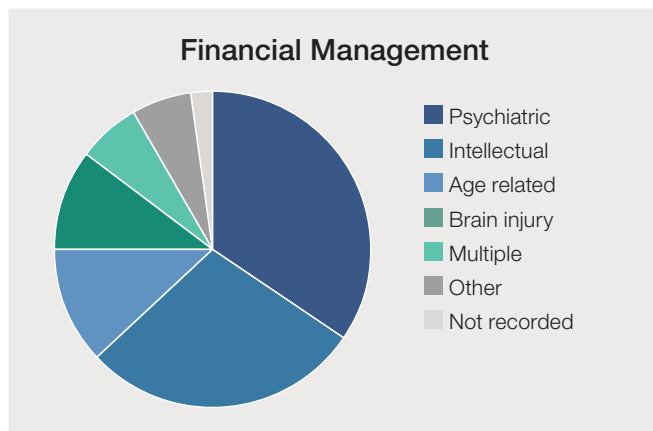
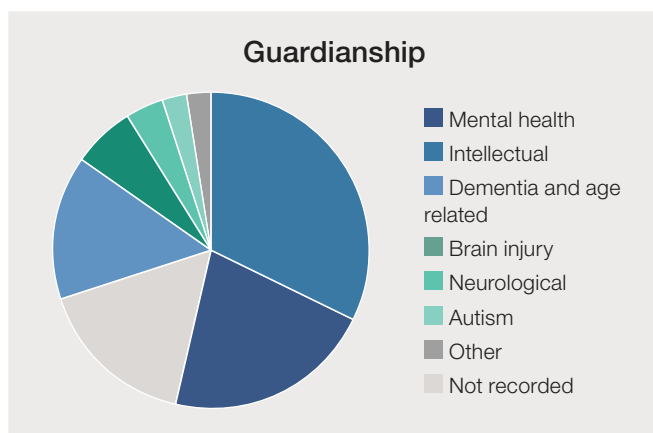


Figure 5: Disability profile of people under a guardianship order where the Public Guardian is appointed



The largest disability categories are intellectual impairment, psychiatric/mental health and age related/dementia which between them represent 75% of people under a financial management order and 69% of people under a guardianship order.

Stakeholders

NSWTG operates in a complex environment. This means we have a broad and diverse range of stakeholders. This includes all levels of government, advocacy groups, service groups and the community:

- family members, carers, health professionals and service providers involved with people under a financial management or guardianship order
- private guardians and enduring guardians
- employees
- courts, tribunals and regulatory agencies
- NSW Crime Commission
- Office of the Director of Public Prosecutions
- state and commonwealth departments and agencies including the National Disability Insurance Agency
- Attorney General and Treasurer on behalf of the NSW Government
- peak disability groups
- people of NSW and organisations who represent them
- non-government and professional bodies, such as the NSW Law Society.

Our Strategy 2019-25

The purpose of *Our Strategy 2019-25* is to guide NSW TG into the future and help us provide better outcomes for our customers by protecting, promoting and supporting their rights, dignity, choices and wishes.

Our Strategy also helps us to respond to changes in:

- who our customers are
- what our customers need
- what our customers expect from us
- the world we work in.

To ensure *Our Strategy* will help us deliver better outcomes for customers, we consulted people we provide services to, stakeholders and staff as part of its development.

The objective of *Our Strategy* is to guide improvements over the next five years and ensure NSW TG delivers high-quality, trusted and customer-centred financial management, guardianship and trustee services in a financially sustainable way.

To achieve this, *Our Strategy* focuses our work through five goals. These goals are to:

- support and develop our people
- create a customer-centred culture
- build a sustainable, efficient organisation
- drive digital innovation
- strengthen our governance.

Support and develop our people

Investing in and supporting our people is an important goal to ensure we can deliver trusted and customer-centred services to our customers in a financially sustainable way.

The initiatives we are putting in place are intended to develop the skills and knowledge of our people and to provide opportunities for them to grow.

Create a customer-centred culture

To create a customer-centred culture we need to place our customers at the centre of the services we design and deliver. To achieve this we will continue engaging with our customers to determine how our services can better meet their needs and deliver the best possible outcomes for them.

Build a sustainable efficient organisation

We will ensure NSW TG is efficient, responsive to change and strengthened to exist in perpetuity. We will do this by investing in our business model and processes to ensure we are delivering value for our customers and to identify areas where our business processes can be improved.



Drive digital innovation

NSWTG will leverage innovations in technology and systems to improve service delivery and business processes. This will help us provide high-quality and timely services that deliver better outcomes for our customers, staff and the organisation.



Strengthen our governance

We will strengthen our governance, risk, change management, service provider and project management capabilities. This will provide assurance and build confidence in our decision-making, management and ensure we maximise the benefits of the investments we make in the organisation.

It will also empower staff to actively engage with risk by using the appropriate tools and supports. Improving our audit, risk and compliance functions will allow us to monitor our services and improve our ability to assess how well we are delivering for our customers.

Our Strategy's objective is to make improvements that deliver

Trusted and customer-centred services to our customers,
in a financially sustainable way



Support and develop our people

We will empower and support our people to develop the knowledge, tools and capabilities to excel



Create a customer-centred culture

Our services will be designed to maximise the opportunities for our customers, to drive the way we work and to deliver the best possible outcomes



Build a sustainable, efficient organisation

We will ensure our organisation is efficient, responsive to change and strengthened to exist in perpetuity



Drive digital innovation

We will actively adopt technology that drives better outcomes for our customers, staff and business, ensuring we have a modern and flexible workplace with the right tools



Strengthen our governance

We will have the capability to manage risk, change, projects and to maximise the benefits of the investments we make in NSW Trustee & Guardian

Progress in 2019-20

The 2019-20 period was the first full year of implementation of *Our Strategy 2019-25*. We are already starting to see the benefits of that work.

One of the main priorities of 2019-20 was to develop People & Culture, Customer, Digital and Governance & Sustainability Plans to provide a roadmap for the initiatives that will help structure our activities to meet our strategic goals and objective.

We also established the governance framework to monitor progress on initiatives and manage change as *Our Strategy 2019-25* progresses.

The initiatives completed or commenced during the 2019-20 all contribute to at least one of our strategic goals with many of them providing the foundation for achievement of the initiatives scheduled in subsequent years.

Support and develop our people

As part of our overall workforce planning NSWTG considered potential retirements of staff and their impact on the organisation. This was complemented by succession planning for key roles in the organisation.

NSWTG also made improvements to our onboarding of new staff to help them become effective members of the organisation sooner.

We also commenced work on a resource capacity analysis that will help us manage workloads and ensure resources across the organisation are allocated to meet the needs of our customers.

Create a customer-centred culture

During 2019-20 we created our Customer Contact Team to receive and direct up to 800 calls from our customers each day. In addition, we also implemented call monitoring to help define and deliver consistent high-quality customer service across the organisation. We also commenced consultation with customers to inform development of our website and ensure it will meet their needs.

Work also started on mapping our external stakeholders. This will help our ongoing work to build and develop relationships with our stakeholders.

The CEO, as chair of the End of Life Journey Advisory board, and staff contributed to a range of initiatives including the Australian Death Notification Service. This will help citizens by making the process of notifying government agencies and non-government service providers of the death of loved one as seamless as possible. A number of end of life initiatives were progressed with launches expected in 2020-21.

Build a sustainable efficient organisation

NSWTG transitioned provision of custodian services for the common fund from JP Morgan to Citigroup Pty Ltd with a view to achieving greater value for money.

NSWTG commenced work on refining our calculations for the current net cost of service and the sustainability of our current funding arrangement. This work will continue in 2020-21.

During 2019-20 NSWTG also commenced work on establishing an in-house conveyancing service for customers to provide a more efficient and cost-effective conveyancing service for customers, reducing delays in property sales and streamlining processes.



Drive digital innovation

During 2019-20 NSWTG completed deployment of foundational mobility infrastructure and software as part of our *Anywhere, Any Device* initiative. The capability provided by this initiative has helped our staff work more effectively. It also provided the capability for us to implement a split working model and have staff work remotely as part of our response to the COVID-19 pandemic while providing continuity of service.

A focus on automation, process enhancements and digitisation has freed up staff to work on the more complex aspects of providing services to customers and reduce the impact of increasing demand.

Legacy system stabilisation has improved reliability of service delivery and enhancements to cyber security have strengthened protections for customer information.



Strengthen our governance

In addition to the implementing of the governance framework for *Our Strategy* we also commenced work on building and developing stronger and more effective relationships with stakeholders. This included the NSW Civil and Administrative Tribunal, the NSW Ombudsman and the National Disability Insurance Agency. NSWTG also commenced work on strengthening the governance of relationships with our service providers from within the Stronger Communities Cluster.

We also strengthened our business continuity and disaster recovery plans as well as developing a Pandemic Management Plan. Our crisis management planning helped manage our response to the COVID-19 pandemic.

The following table sets out additional achievements during 2019-20 that demonstrate our progress in achieving our objective to deliver high-quality, trusted and customer-centred financial management, guardianship and trustee services in a financially sustainable way.

Objective	Achievements
 Create a customer-centred organisation	<ul style="list-style-type: none"> • Average satisfaction with Planning Ahead Services was 4.98/5.00. A 4% increase on the average satisfaction level in 2018-19. • Supported customers impacted by bushfire crisis and COVID-19 pandemic to access what they needed. • Managed Economic Stimulus Payments for over 10,000 customers where NSW TG is appointed their financial manager. • Maintained continuity of service to customers when NSW TG implemented a split working model in response to the COVID-19 pandemic.
 Build a sustainable efficient organisation	<ul style="list-style-type: none"> • Within the common funds the Australian cash based investment funds exceeded benchmark returns by an average of 0.6%. The other funds were either equal to or within 0.3% of the benchmark. • Average time to administer estates was reduced from nine to eight months. • Reduced the number of estates over 12 months old that were still under administration by over 50%. • 100% of Directions and Authorities were issued to new private managers within 15 days. • 98% of people where NSW TG is appointed their financial manager have a current budget in place.
 Support and develop our people	<ul style="list-style-type: none"> • The 2019 PMES survey showed improvements in employee perception in eight key areas of the survey. • Staff were supported during the transition to our split working model and working remotely.
 Drive digital innovation	<ul style="list-style-type: none"> • Creation of a single source of customer information for people under guardianship. • Automation and process enhancements have reduced time staff need to spend on routine tasks and freed up time to spend on more complex aspects of providing services to customers. • Digitisation of mail delivery and invoices for corporate accounts payable sped delivery of mail within NSW TG and processing corporate accounts payable invoices.
 Strengthen our governance	<ul style="list-style-type: none"> • Developed an updated customer and corporate procurement framework and a more strategic sourcing approach to improve value for money for our customers. This will be implemented in 2020-21. • Refreshed the Enterprise Risk Register to maintain our focus on managing our key strategic risks.

Provision of services

NSWTG is based at the Justice Precinct Offices in Parramatta with a network of offices throughout NSW.

Financial management and trustee services are delivered through specialist service centres in Parramatta and Newcastle. The teams manage estate administration, trust administration, direct financial management, private management and power of attorney matters. Communication with customers is primarily by phone, email and letter. Customers have been provided with a 1300 number and email address to enable them to contact their client service team directly.

The Client Specialist Centre in central Sydney provides face to face services for people requiring more intensive management of their financial affairs.

NSWTG's branch network focuses on drafting Wills, Powers of Attorney and Enduring Guardian documents. They also deliver community education on the importance of planning ahead documents and build local stakeholder networks. These services are delivered within the branches and through outreach activities across metropolitan, regional and remote areas of NSW. Some branches also manage estates and trusts.

Guardianship services are delivered from branches in Parramatta, Gosford and Sydney city.

NSWTG has an agreement with Service NSW to provide customers and the people of New South Wales additional access points for our services. Under this agreement Service NSW:

- answers general questions from customers and members of the public about our services
- assists NSWTG customers to contact their Client Service Team
- provides a document drop off service and accepts preplanning documents to be placed in the Will Safe
- witnesses Wills prepared by NSWTG employees.

General information is also available on the Service NSW website with links to the relevant sections of the NSWTG website.

Additionally, Registrars of the Local Court act as an agent for some services.

Our client service teams are supported by specialist teams that provide disability advocacy, legal, financial planning, taxation, genealogy and property services. Additional teams manage customer benefits, insurance, assets, payments and receipts.

Supporting our customers during the bushfire crisis and COVID-19

The focus of our response to both the bushfire crisis and the COVID-19 pandemic was to support customers impacted by these events to ensure they have access to what they needed.

This was particularly important for our customers who may have little or no support, not properly understand what was happening, why their usual services were not available or why there were restrictions on the things they usually do.

Information was made available to impacted customers regarding financial support available to repair and recover losses and where appropriate NSW TG made applications on their behalf. We also worked with service providers and financial institutions to provide information about payment extensions, relief packages and other assistance available to customers impacted by the bushfires.

We also implemented an extension for submission of annual accounts for private financial managers in impacted areas.

The bushfire crisis

Our response to the bushfire crisis focused on emergency access to funds, medical, health or accommodation decisions, access to state and federal assistance and expediting insurance arrangements where required. It also included implementing clear pathways for escalation of urgent enquiries.

Customers in locations impacted by the fires were identified and, where possible, proactively contacted to ensure they were safe and to determine if there was anything they needed that NSW TG could provide or to link them to services.

Processes were put in place to ensure urgent needs of a customer could be met and that payments to customers impacted by the fires were prioritised.

Managers were authorised to approve emergency payments to customers to access money for transport, food and other expenses including where the customer needed financial assistance.

NSW TG also liaised with the Office of Emergency Management to ensure evacuation centres and the Disaster Welfare Assistance line were aware of what to do if they were in contact with any of our customers needing assistance.

Supporting our staff and continuity of service during the pandemic

One of the many challenges in responding to the COVID-19 pandemic and complying with Public Health Orders was to ensure continuity of service and support to our customers while ensuring the safety of our staff.

NSWTG implemented a Pandemic Management Plan and a working group that met regularly to provide advice to the CEO and the Executive Leadership Team for actions in response to the pandemic and the rapid changes associated with the Public Health Orders.

NSWTG also implemented a split working model which allowed people to access their primary location one week per fortnight and work from home wherever possible. Our ability to implement this model and have staff work remotely while

providing continuity of service to customers was provided by the *Anywhere, Any Device* initiative. This initiative was implemented as part of *Our Strategy 2019-25* to improve mobility and allow staff to perform their roles more effectively.

To support the split working model a number of changes were made to the way we work. This included accelerating the move from use of paper to digital files. We also transitioned to digital delivery of physical mail.

NSWTG will take the learnings from our response to the pandemic and incorporate them into how we provide and improve services to our customers.

The COVID-19 pandemic

In supporting our customers during the COVID-19 pandemic NSW TG managed a number of challenges and complexities in our role as executor, attorney, trustee, guardian, financial manager and advocate. We also tailored our response to meet the needs of our different groups of customers and to keep our staff and customers safe.

We worked with stakeholder and other government agencies to ensure we could continue to provide services that met the needs and best interests of our customers. This included working with the Guardianship Division of the NSW Civil and Administrative Tribunal and NSW Health to respond to the rapid changes associated with Public Health Orders.

Guardianship staff worked with service providers to ensure time was taken to explain the movement restrictions to represented people. They advocated to ensure people under guardianship were afforded the opportunity, where possible, to be supported

to understand the restrictions and their impact on them, the people around them as well as the services they were provided. Working in this way helped ensure the least restrictive options were put in place while allowing the person to live safely in the community.

We also made numerous adjustments to the way we provide services. For example, our branch network cancelled all non-essential appointments outside the branch including Plan Ahead Days and community education events.

NSWTG introduced online video conferences to help customers provide their instructions for their planning ahead documents without having to attend one of our branches. In response to a regulation change we also offered witnessing of Wills by online video conference.

Face to face visits to people under guardianship were limited to only occur where there was an identified risk or critical issue. Guardianship staff used alternate channels to contact people under guardianship and to ensure they were supported and the risk of services being interrupted or not delivered was minimised. Where issues were identified, such as providers changing their policies at short notice, the threat of services being relinquished or reduction in supports or services, we worked with the services and other agencies such as the NDIS, the NDIS Quality and Safeguard Commission and NSW Health to resolve the issue and ensure the person was supported.

We introduced new procedures in response to the NSW Government's introduction of interim measures to assist landlords and tenants negotiate rental payments in good faith. This allowed our staff to manage requests from tenants of properties owned by NSW TG customers for rent reductions on a case by case basis.

We managed the Economic Stimulus Payments for our financial management customers on a least restrictive basis. If requested, we transferred the payment to the customer unless there were risks in making the payment to them. If not, it was added to their savings and available for use when the customer chose. Further information is available on page 36.

Providing information was a key part of our response the bushfire crisis and the COVID-19 pandemic

Providing information to customers, stakeholders and staff was a key part of our response to the bushfire crisis and COVID-19 pandemic.

To support staff in their work regular, updates were provided in procedures and services. This included the National Disability Insurance Scheme (NDIS), NDIS provider obligations, NSW Public Health Orders, and advice on how to escalate individual matters to prevent crises.

We also regularly provided information on how staff could look after their wellbeing and mental health.

Information about our response to the pandemic and bushfire crisis was posted on our website. We also provided information to customers. For example, private and enduring guardians were provided with a summary of critical information about NDIS changes, aged care restrictions, NSW Health updates and advice on how guardians could look after their mental health and wellbeing.

Access and contact

Head office

Level 7, Justice Precinct Offices
160 Marsden Street, Parramatta NSW
Locked Bag 5115, Parramatta NSW 2124

Phone: **02 8688 2600**

Email: **tagmail@tag.nsw.gov.au**

Web: **tag.nsw.gov.au**

Business hours

9am to 5pm Monday to Friday
(excluding public holidays).

An out of hours emergency service is provided for urgent medical decisions for people under a guardianship order.

General contact details for individual services

Phone: **1300 364 103** – planning ahead services

02 8688 2600 – financial management, estates, trusts and power of attorney services

02 8688 2650 – guardianship services

Email: **tagmail@tag.nsw.gov.au**

informationsupport@opg.nsw.gov.au – guardianship

Contact assistance

For people who are deaf or have a hearing or speech impairment

Contact us through the National Relay Service and give the NSW TG number you want to call.

For people that require translation and interpreting services

Call the Translating and Interpreting Service on **131 450**. Tell them what language you speak and they will connect you to an interpreter who speaks your language. The interpreter will be on the phone when you are put through to NSW TG.

Information and resources

Our resources are available in multiple languages. These can be downloaded from our website or by contacting NSW TG for a copy to be sent to you.

Our locations

We have locations across metropolitan, regional and remote areas of New South Wales. These locations are in figure 5.

During 2019-20 commenced a refurbishment of our offices in O'Connell Street in Sydney to better support our people and customers while reflecting the building's heritage. This refurbishment will include modifications to ensure the office is accessible for people with a disability. These refurbishments will be completed in 2020-21.



Figure 5: NSW TG locations

-  Planning ahead and outreach services
-  Guardianship
-  Financial management client specialist centre
-  Wheelchair accessible

Review of operations

Overview

NSWTG is a self-funding agency with revenue generated from fees charged to customers and interest received on investments of NSWTG funds. This revenue is supplemented by a community service obligation payment related to our social programs and non-commercial activities. Services provided by the Public Guardian are funded by a government grant.

Although our fees are largely set by regulation, we have a mandate to operate our planning ahead, executor, trustee and power of attorney services on a largely commercial basis. Other services such as financial management are more highly regulated and intended to protect vulnerable members of the community.

Fees charged for NSWTG services

NSWTG's main source of revenue is the fees, commission and charges from managing customer assets for financial management, estate administration, trustee, power of attorney and planning ahead services.

Our schedule of fees for these services is available on our website.

The authority to charge fees for our financial management, estate administration, trustee and power of attorney services is set out in the NSW Trustee and Guardian Regulation 2017. For some services the fees are set by regulation. These represent the majority of fees received. For other services, the regulations authorise the CEO to set the fee charged.

Fees for civil forfeiture matters are charged in accordance with the Criminal Assets Recovery Regulation 2017 and Confiscation of Proceeds of Crime Regulation 2015.

Fees for the services of the Commissioner of Dormant Funds are set out in the Dormant Funds Regulation 2014.

Changes to legal, taxation and financial planning fees

During 2019-20 NSWTG made a number of changes to the fees charged for our legal, taxation, genealogy and financial planning services.

When setting the new fees, NSWTG considered fairness and equity, financial sustainability, fees charged by commercial organisations and in other jurisdictions around Australia as well as the NSW Government guidelines on competitive neutrality.

Changes to the trust management fee

During 2019-20 NSWTG also introduced an annual cap of \$1,000 on the trust management fee charged on the value of real estate occupied by the beneficiary of a life interest, right of residence or discretionary trust.

The annual cap is intended to be more reflective of the work undertaken in managing these matters.

The change was applied retrospectively to the trust management fees charged on these matters since 1 July 2016. Refunds and adjustments totalling \$2.1 million were processed and paid during 2019-20.

Subsidies for people with limited income and assets

Subsidies are provided to people who have limited income and assets for the fees for drafting instruments and for our financial management services. Further information about these subsidies is provided on pages 31 and 33.

In the year to 30 June 2020, 53% of the planning ahead documents executed were for customers of our regional branches.

Drafting Wills, Powers of Attorney and Enduring Guardian documents

NSWTG drafts Wills, Powers of Attorney and Enduring Guardian documents for people throughout NSW. These documents enable customers to:

- set out who they want to receive their assets when they die
- appoint someone to manage their assets and financial affairs on their behalf
- make health and lifestyle decisions when they are not capable of doing so themselves.

This service is provided by NSW TG's branch network and at Plan Ahead Days held throughout metropolitan, regional and remote areas of the state. Plan Ahead Days are held in venues such as local courthouses, community centres and libraries. We also use Service NSW centres that have suitable facilities as venues for Plan Ahead Days.

Figure 6: Our Bathurst staff on the road to a Plan Ahead Day in Manildra



Figure 7: Staff from our Wollongong branch promoting our services in a local shopping centre



During 2019-20 NSW TG conducted 394 Plan Ahead Days across New South Wales. Of those, 237 or 60%, were held in regional areas.

Customers can elect to start planning ahead in several ways. They can start the process online using our Planning Ahead Portal, call or email us to make an appointment at a NSW TG branch or Plan Ahead Day, by phone or by online video conferencing.

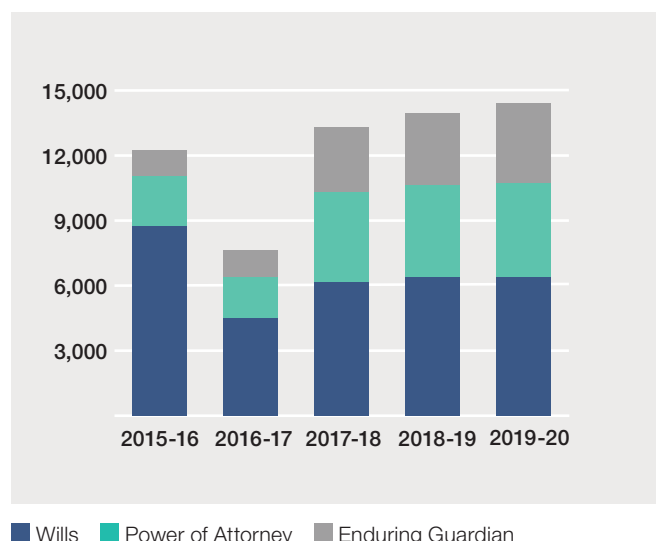
Using the Planning Ahead Portal allows customers to provide personal information and details about their estate and wishes ahead of their appointment with one of our staff. This allows more time during the appointment to focus on discussing their planning ahead needs rather than gathering personal information.

Further information about customers using this facility is available on page 67.

During 2019-20 NSW TG drafted and executed 14,441 Wills, Powers of Attorney and Enduring Guardian documents for 7,410 customers. This was an increase of 3.4% on the 13,963 documents drafted in 2018-19 and an increase of 18.9% on the number of instruments drafted in 2015-16.

A further 513 documents for 324 customers were in progress at 30 June 2020.

Figure 8 shows the documents drafted and executed for the five years to 30 June 2020.

Figure 8: Planning ahead documents

The graph also shows that Powers of Attorney and Enduring Guardian documents represent an increasing proportion of the documents we prepare each year. For example, Enduring Guardian Documents represented 10% of the documents executed in 2015-16 compared with 26% of the documents executed in 2019-20.

This indicates increasing awareness of the benefits of these documents and an increasing demand from members of the public to have them in place as part of their planning ahead.

Customers can choose who they want to appoint as their executor and attorney. Appointing NSWTG as their executor or attorney or as their substitute executor and attorney is one of the choices available to them.

NSWTG was appointed sole or first substitute executor in 42% of the Wills executed in 2019-20. For the remaining Wills, customers appointed someone other than NSWTG as executor.

Storage of instruments

NSWTG provides free secure storage of Wills, Power of Attorney and Enduring Guardian documents for customers who appoint NSWTG as their executor or attorney.

NSWTG also provides secure storage of Wills, Power of Attorney and Enduring Guardian documents for members of the community who have appointed someone other than NSWTG as their executor or attorney. This service is provided for a small fee.

At 30 June 2020 NSWTG held over 462,000 planning ahead documents in secure storage.

Making it easier for customers to have their planning ahead documents prepared

Our Sydney and Newcastle branches hold some of their Planning Ahead events on Saturdays to make it easier for customers who cannot attend a face to face appointment during usual business hours. In addition, our Sydney team offer appointments on some Thursday evenings.

During 2019-20 NSWTG also introduced video conferencing appointments as part of its COVID-19 response. Further information is available on page 32.

Fees for drafting Wills, Powers of Attorney and Enduring Guardian documents

NSWTG charges customers for preparing Wills and Power of Attorney documents. A lower fee is charged for existing customers updating their documents when their circumstances or intentions change.

Enduring Guardian documents are prepared and updated at no cost to customers. In 2019-20 we provided this service to 3,694 customers.

Subsidies for people with limited income or assets

Customers eligible for the full-rate Centrelink Age Pension are fully subsidised to have a Will or Power of Attorney in place. These customers are also eligible to update their Will and Power of Attorney at no charge.

During 2019-20 subsidies for Wills and Power of Attorney documents totalling \$1,045,250 were provided for over 3,800 documents.

Will enquiry services

NSWTG is one of the leading Will makers in New South Wales. Because of the number of Wills we make each year and store, NSW TG receives enquiries from members of the public about whether we hold the Will of a deceased person. This service helps members of the public in locating the most current Will so the estate is correctly administered.

NSWTG provides this service to the people of New South Wales free of charge.

During 2019-20 NSW TG received over 10,000 Will enquiries. Of those enquiries 585 identified Wills held by NSW TG.

Partnering with Service NSW's Cost of Living Program

NSWTG is partnering with Service NSW to include the subsidy for preparing Will and Power of Attorney documents available to people eligible to a full Centrelink pension in Service NSW's Cost of Living program.

Service NSW informs people eligible for a full Centrelink Age Pension of the subsidy, as part of their discussions about other subsidies they may be entitled to receive. If the person is interested in having NSW TG prepare their planning ahead documents they are provided with the contact details to book an appointment.

The Service NSW website also includes information about the subsidy and links to the NSW TG website. The link to our website enables customers to either make an appointment or provide information about their estate prior to their appointment with one of our teams.

Partnering with knowmore to assist survivors of institutional child sexual abuse

NSWTG has partnered with knowmore, a legal service provider, to help survivors of institutional child sexual abuse who have received a payment under the National Redress Scheme to have their

Will, Power of Attorney and Enduring Guardian documents prepared for no cost.

Many survivors of institutional child sexual abuse are now at a stage of life where they need to consider their final wishes. Our partnership with knowmore helps survivors ensure their rights and wishes are respected during and after their life.

Online video conferencing provides flexibility

NSWTG introduced online conferencing calls in April 2020 to help manage social distancing restrictions as part of our COVID-19 response.

We use online video conferencing to enable customers to provide the instructions for their Will, Power of Attorney or Enduring Guardian documents without having to attend one of our branches or Plan Ahead Days.

For customers making a Will, the instructions can be confirmed and witnessed during an appointment at one of our Plan Ahead Days or branches. Alternatively, the document can be witnessed at a Service NSW Service Centre, a local court or posted and returned to NSW TG.

Witnessing requirements for customers appointing a Power of Attorney or Enduring Guardian give customers the option of having their documents witnessed by accredited NSW TG staff during an appointment at one of our branches or at one of our Plan Ahead Days.

A change in the Electronic Transaction Regulation 2017 enabled legal documents to be witnessed by video conference. This resulted in a small number of Wills being witnessed by video conference where customers could not attend face to face appointments.

Customers who cannot access online video calls can provide their initial instructions by phone. These are confirmed during an appointment at one of our branches or Plan Ahead Days.

Financial management services

A financial manager is someone who is legally authorised under a financial management order to make financial and legal decisions on behalf of a person who is not capable of making those decisions themselves. A financial manager can make decisions about any aspect of the person's financial affairs (unless a part of the person's estate has been excluded from management).

The Supreme Court (Equity Division – Protective), NSW Civil and Administration Tribunal and the Mental Health Review Tribunal can make a financial management order.

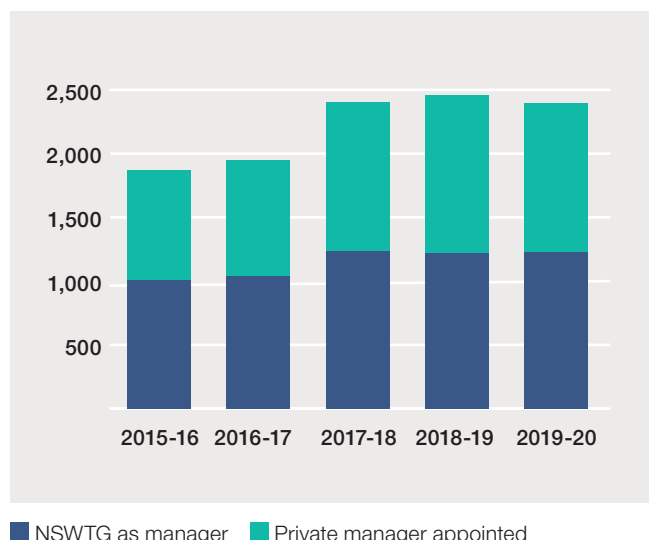
NSWTG is appointed as manager of last resort when there is no one available or suitable to perform that role.

The Supreme Court may also declare that a person is a missing person and order that their financial affairs are subject to management under a financial management order. In addition, a person can apply to the NSW Trustee to have their financial affairs managed under a financial management order.

A summary of the number of people under a financial management order for the five years to 30 June 2020 is shown in the table on page 15. Over this period the overall number of people under financial management has increased by 14%. This is predominantly the result of an increase in people under financial management who have a private financial manager appointed.

Figure 9 shows the number of new financial management customers over the last five years. It shows a general trend of an increase in the number of new customers each year. It also shows that financial management orders appointing a private manager represent an increasing proportion of new customers.

Figure 9: New financial management customers



Fees for financial management services and subsidies for people with low income and assets

Fees for financial management services are charged in accordance with the NSW Trustee and Guardian Regulation 2017.

NSWTG receives funding as part of our community service obligation to subsidise the establishment fee and monthly account keeping fee for people under a financial management order with less than \$75,000 in assets (excluding their principal place of residence). People with less than \$25,000 (excluding their principal place of residence) are fully subsidised. These subsidies totalled \$3.3 million in 2019-20.

Working with the Guardianship Division of the NSW Civil and Administrative Tribunal

NSWTG provides a Liaison Officer to the Guardianship Division of the NSW Civil and Administration Tribunal. The Liaison Officer is the first point of contact that people under a financial management order, their family and other stakeholders have with NSWTG and the services we provide.

One of their primary roles is to provide information to people who have been placed under a financial management order, people appointed as private managers, family members and other stakeholders. This may include information to clarify:

- the role of NSW TG and what happens once a financial management order is made
- the role of a private manager.

The Liaison Officer also provides information to Tribunal members to help support their decision making. This may include information about NSW TG policy and procedures, as well as options for management if a financial management order is made.

Our Client Specialist Centre

Our Client Specialist Centre in central Sydney supports customers who require intensive management due to the complexity of issues involved in managing their affairs.

They support customers who are homeless, have behavioural issues or where conflict among family members means there are significant communication issues in managing the customer's affairs.

The Client Specialist Centre also supports customers who cannot operate a bank account effectively.

As part of its role in supporting our customers, staff from the Client Specialist Centre participate in Homeless Connect at Sydney Town Hall. This is an annual event that gives homeless people access to services and supports from a range of providers.

Through our Liaison Officer Tribunal members are able to alert NSW TG of issues that could impact the person who has been placed under financial management or their finances. This may include issues associated with securing assets, where there is a risk of exploitation or pending legal actions.

During 2019-20 NSW TG and the Guardianship Division met regularly to address issues that would help both organisations work together more effectively to improve outcomes for our common customers.

Management by NSW TG

As financial manager NSW TG secures and collects income and entitlements owing to the person, pays their expenses and debts, sets up regular allowances, liaises with financial institutions to ensure assets and investments are secured and insured, informs relevant authorities such as Centrelink and the Department of Veterans' Affairs of changes in their circumstances and lodges tax returns on their behalf.

We prepare a budget based on the person's circumstances each year. For those customers with simpler affairs we prepare a budget every two years. Budgets can also be reviewed if the person's circumstances change or there are unexpected expenses.

Budgets are intended to ensure fixed expenses (such as rent, electricity and telephone) and other expenses such as personal allowances, clothing and entertainment are:

- met from their yearly income
- affordable based on the customers cash flow, savings and other assets.

As part of the budget setting process NSW TG seeks input from the person, their family and other significant people in their life. This helps ensure the budget reflects their wishes and any specific requests they have for the coming budget period.

As at 30 June 2020, 98% of people under management order where NSW TG is appointed manager had a current budget in place.

Having a current budget in place enables faster processing of regular and one-off expenses as well as faster processing of any discretionary requests from customers during the budget period.

Helping our financial management customers who are members of the Stolen Generations

Part of our role as financial manager is to ensure our customers receive payments and benefits they are entitled to.

NSW TG has commenced working with the Stolen Generations Reparations Unit to claim payments under the NSW Government's Stolen Generations Reparations Scheme on behalf of our financial management customers who are members of the Stolen Generations.

Successful applicants under the Reparations Scheme are also considered to have met the eligibility criteria to receive a one-off payment of \$7,000 under the Stolen Generations Funeral Assistance Fund.

During 2019-20 NSW TG worked with the Stolen Generations Reparations Unit to identify those customers who may be entitled to the payment under the scheme and submit applications on their behalf. The first of those applications have been approved for payment.

As part of managing the payment NSW TG will consult with the customer and their family to determine how the money should be spent. NSW TG will also ask the customer or their family if they would like the Reparations Unit to contact them to discuss whether the customer would like to receive an apology or make an impact statement.

Our role in financial management and guardianship orders made in other jurisdictions

The NSW Civil and Administrative Tribunal can recognise appointments of guardians and financial managers made by other courts and tribunals around Australia and in New Zealand.

These recognition orders provide the authority for guardians and financial managers who have been appointed in another jurisdiction to act in New South Wales.

For financial management these orders tend to be made and where a person living in another jurisdiction and has a major asset in New South Wales such as real estate.

NSW TG provides oversight to all financial managers operating under recognition orders to ensure the assets are managed for the person's benefit.

For guardianship orders, NSW TG can provide information and support to the guardian.

Public Trustee's in other jurisdictions around Australia and in New Zealand can also ask NSW TG to act on their behalf in relation to people under a financial management order that they represent. For example, to sell real estate on their behalf.

Managing Economic Support payments for our financial management customers

During 2019-20, approximately 10,000 financial management customers received the first of two Economic Support payments made to people who receive Centrelink benefits. This payment was part of the Australian Government's COVID-19 stimulus.

These payments were managed on a least restrictive basis. If requested, the payment was transferred to the customer unless there were risks in making that payment to them. For other customers, the payment was added to their savings. These funds are available for use when the customer chooses.

Private Management

A private manager is a person who has been appointed to manage the financial affairs of a person not capable of doing so themselves. A private manager may be a spouse, other family member or friend of the person. A trustee company, a solicitor or an accountant can also be appointed as a private manager.

Private Managers can be appointed by the Supreme Court of NSW or the Guardianship Division of the NSW Civil and Administrative Tribunal.

During 2019-20 our private management teams:

- provided 15,469 instances of guidance and/or support to private managers
- considered 2,370 proposals from private managers relating to significant life events including managing investments and issues with depletion of the person's estate.

NSWTG's role is to oversee private managers by providing information, authorisation and direction, support, approving significant decisions and reviewing annual accounts.

The Directions and Authorities set out the private manager's:

- specific obligations in relation to the person under management (for example providing annual accounts to NSWGTG)
- financial actions they have the authority to perform.

During 2019-20, 100% of Directions and Authorities to new financial managers were issued within 15 days of appointment.

Support for new private managers

Newly appointed private managers receive an induction phone call to explain their role and what their first actions need to be as managers. We also call private managers in advance of the lodgement of their first set of accounts to assist them with the process and what is required.

Private manager responsibilities

Private managers make decisions in the best interest of the person under management within the limit of the Directions and Authority from NSWGTG. This includes paying day-to-day expenses such as general living costs and costs associated with maintaining a person's property and personal assets.

Any decisions outside the limits of the Directions and Authority, including expenses outside general day-to-day expenses, need to be referred to NSWGTG for approval.

Private Managers are required to submit a manager's plan within two months of their appointment. The plan provides an overview of the person's estate including forecast income and expenditure. During 2019-20, 95% of manager's plans due to be submitted were submitted within two months. This is an increase on the 91% of managers plans submitted in 2018-19.

Private managers are required to keep full details of the managed person's assets, debts, income and expenditure and to lodge an account of the financial dealings they have carried out for the person. Accounts are normally lodged on an annual basis within 30 days of the order anniversary date.

During 2019-20, 90% of the annual accounts due have been submitted. A slight decrease on the 93% submitted when due last year.

Examination of accounts

NSWTG reviews the annual accounts to confirm:

- the private manager is managing the person's financial affairs appropriately and in their best interest
- that management of their affairs is consistent with the Directions and Authorities and any further approvals by NSW TG.

If any issues are identified through the accounts review process, we contact the private manager and ask for clarification and work with them to resolve the issue. If clarification cannot be provided or the issue cannot be resolved NSW TG may refer the matter to the Guardianship Division of the NSW Civil and Administrative Tribunal or to the Supreme Court to review the private manager's appointment.

Approximately 99% of the accounts reviewed during 2019-20 were passed on the basis the accounts showed the person's financial affairs were being managed appropriately.

Guardianship

A guardian is legally authorised under the *Guardianship Act 1987* to make health or lifestyle decisions on behalf of a person who lacks the ability to make informed decisions on their own or with support.

A guardian can be authorised to make decisions such as:

- where the person should live
- what support services the person should receive
- what healthcare, medical and dental treatment the person should receive
- the use of restrictive practices in the management of the person's behaviour.

A guardian is often appointed where someone has not appointed an enduring guardian or where the NSW Civil and Administrative Tribunal has been asked to review the actions of an existing enduring guardian.

The Public Guardian is the 'guardian of last resort' and will only be appointed if it is determined a guardian is needed and a suitable private guardian - usually a family member or friend of the person who is willing to take on the role - cannot be identified.

There are no fees charged for guardianship services.

Our guardianship and financial management services work with other agencies to support the rights, dignity, choices and wishes of one of our new customers

Yael is an 81 year old man living on his own in a unit in Sydney. He is a widow and has no family in his life. He is a self-funded retiree who was very proud of his life savings from many years of hard work.

He had no informal supports and a history of refusing services and not attending appointments.

Yael was admitted to hospital by his community case manager after he found Yael injured from a fall in his unit.

After assessment, the hospital treating team confirmed a diagnosis of moderate Alzheimer's, poor mobility and some other health issues. The treating team also considered that it was not safe for Yael to return home due to the progression of his Alzheimer's and a significantly increased risk of falls.

As part of the Health Guardian project the hospital made an application to the Guardianship Division of the NSW Civil and Administrative Tribunal for a financial manager and a guardian to be appointed. NSW TG (as the NSW Trustee) was appointed as Yael's financial manager and the

Public Guardian was appointed as guardian to make decisions about Yael's accommodation and services.

Once appointed, the guardian worked with the treating team to get an understanding of Yael's needs and wants.

The treating team recommended that Yael should live in an aged care facility as he needed 24-hour care and support. They were also able to find out that Yael had been thinking about aged care facility options and had already identified a facility he liked.

While this facility was considerably more expensive than an average facility the team also knew that Yael was adamant he was prepared to spend his savings on care costs.

The treating team contacted the aged care facility, confirmed that it met Yael's needs and that a vacancy was available.

The guardian worked closely with the financial management team and the aged care facility to ensure Yael's spot was not lost while his assets were identified, secured, and the affordability of the facility confirmed.

Yael now lives in the aged care facility he had chosen and has the 24 hour care and support he needs.

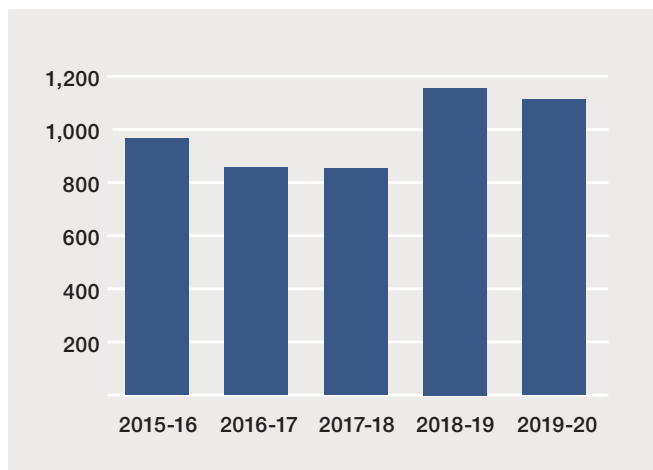


Public Guardian

A summary of the people represented by the Public Guardian is shown on page 17. At 30 June 2020 there were 2,923 people where the Public Guardian had been appointed as their guardian. Over the five years to 30 June 2020 the number of people for whom the Public Guardian was appointed has increased by 37.2%. This increase can generally be attributed to the aging population and in more recent years to the National Disability Insurance Scheme.

There were 1,114 new orders appointing the Public Guardian during 2019-20. A summary of the new orders made for the last five years is shown in figure 10.

Figure 10: New guardianship customers



Over the course of 2019-20 there were over 3,700 people represented by the Public Guardian. This includes people who were placed under guardianship for a limited amount of time to achieve a specific objective (for example, to enable a person to move into supported accommodation or an aged care facility) or where the order was discharged or a private guardian appointed.

When the Public Guardian is appointed, the guardian establishes what is happening in the person's life, what kinds of decisions need to be made and, where possible, ascertain the person's will and preferences. This involves talking to the person and the important people in their life.

The Public Guardian's role is to make decisions about a person's health and lifestyle within the specific functions included in the guardianship order.

In making these decisions the Public Guardian gives paramount consideration to the person's welfare and interests as well as protecting them from neglect, abuse and exploitation. The principles from the *Guardianship Act 1987* that guide these decisions are set out on page 12.

They also advocate for the person's preferences, needs to be resourced and realised and identify and manage risks. This is to maximise the person's social, health and cultural wellbeing while minimising any impact on their freedom of action and decision-making wherever possible.

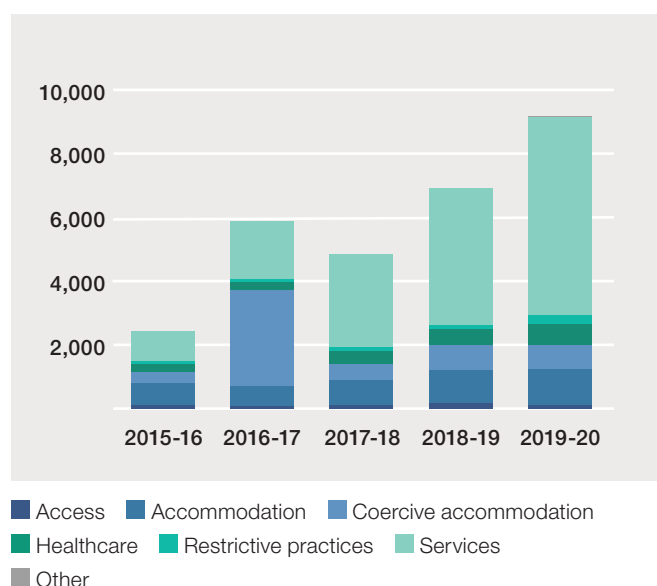
Major decisions, medical and dental consents and visits to people we represent

A major part of the work of the Public Guardian each year is to visit, make decisions and provide consent to medical and dental treatment for the people we represent.

Major decisions

A summary of the number of major decisions made by the Public Guardian for the five years to 30 June 2020 is shown in figure 11. Over this period the total number of major decisions made by the Public Guardian has increased by 278%.

The majority of this increase is in decisions related to services. These have increased by 551% over the five years to 30 June 2020 and currently represent 68% of all major decisions.

Figure 11: Major decisions by the Public Guardian

This increase in decisions is largely due to the number of people we represent who are NDIS participants. In 2019-20, 44% of the people under a guardianship order where the Public Guardian was appointed were eligible to participate in the NDIS.

For the majority of these people, the Public Guardian:

- consents to the person accessing the NDIS
- participates in the planning process to advocate for the services the person receives through their NDIS plan
- makes decisions about NDIS funded services
- advocates for NDIS plans and funding to reflect the person's support needs.

The rise in the number of major decisions is also being driven by the increased community and regulatory focus on the rights of people with disability. This includes the Royal Commissions into Aged Care Quality and Safety and into Violence, Abuse, Neglect and Exploitation of People with Disability and the move to increased regulation of restrictive practices.

Medical and dental consents

A summary of the medical and dental consents provided by the Public Guardian over the five years to 30 June 2020 is shown in figure 12.

Impact of the increasing use of the restrictive practices on decision making by the Public Guardian

A guardian can be authorised to make health and lifestyle decisions in a number of areas of a person's life. One of those areas is the use of restrictive practices in the management of a person's behaviour.

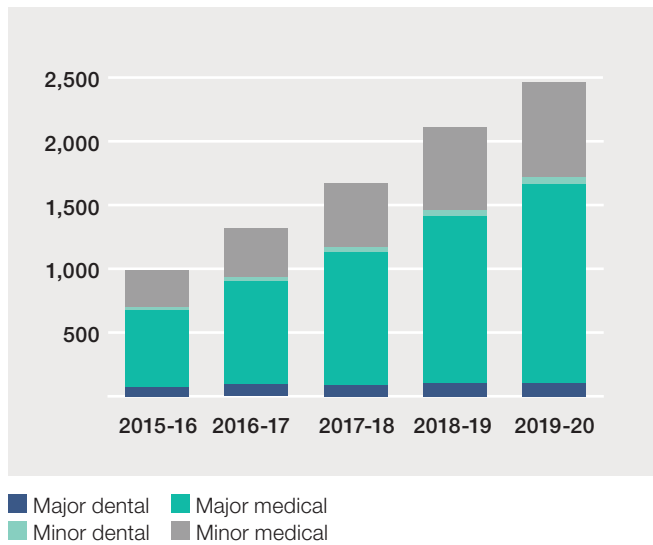
Guardianship orders generally specify what restrictive practices the guardian is authorised to consent to. This can include chemical or environmental restraint.

The proportion of orders appointing the Public Guardian that contain restrictive practices has increased from 5.6% in 2017-18 to 12.5% in 2019-20.

This increase in the number of orders containing restrictive practices has led to an associated increase in the number of decisions made by the Public Guardian relating to restrictive practices. Between 2017-18 and 2019-20 the number of restrictive practice decisions increased by 94.4%.

NSWTG considers these increases may be attributable to the role of regulatory bodies such as the NDIS Quality and Safeguards Commission as well the current Royal Commissions into Aged Care and Disability.

Figure 12: Medical consents provided by the Public Guardian



As with major decisions the number of medical consents provided for the people we represent has increased considerably. They increased by 17% in 2019-20 and by 149% in the five years to 30 June 2020.

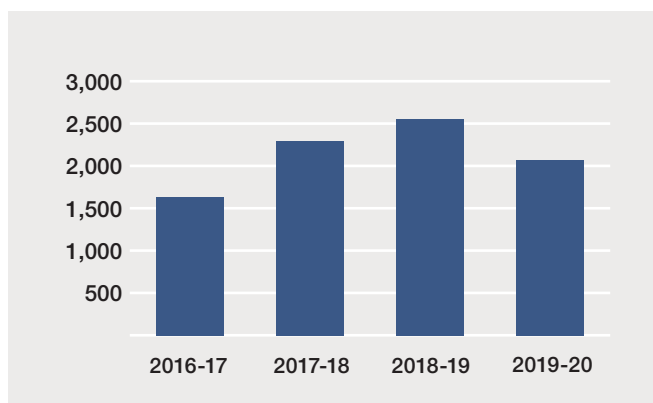
Visits to people we represent

Visiting the people we represent provides an indication of:

- whether the needs of those people are being met
- the environment they are living in is sufficient
- whether there are any other concerns.

The number of visits to people we represent for the four years to 30 June 2020 are shown in the figure 13.

Figure 13: Visits to people under guardianship



During 2019-20 Public Guardian staff made 2,073 visits to people we represent, this is a 19% decrease on the number of visits in the previous financial year.

The number of visits guardians were able to make in 2019-20 was significantly impacted by restrictions imposed by COVID-19. Further information on how these restrictions were managed and the person under guardianship supported is set out on page 26.

Support for private and enduring guardians

A private guardian is usually a family member or friend of the person who is willing to take on the role of guardian.

An enduring guardian is a person someone appoints to make personal or lifestyle decisions on their behalf in the event they lose the capacity to make those decisions themselves.

The Public Guardian offers information, support and guidance to private and enduring guardians through the Private Guardian Support Unit. The unit helps guardians understand their legal role and responsibilities under the *Guardianship Act 1987* and the extent of their decision-making authority. The service helps guardians navigate the systems which support the people they represent, such as the NDIS, health system and aged care services.

The unit provides support over the phone and via email and provides resources that help guardians in their role. In some cases they will also meet with the guardian or attend meetings and guardianship hearings with them.

Deceased estates

NSWTG provides estate administration services as executor and administrator. As executor we carry out the wishes of the person who made the Will. As administrator we can be appointed by the court where:

- there is no Will (intestate)
- a Will exists but no executor is appointed
- where the executor cannot act or appoints us to act in their place.

The duties and power of an administrator are essentially the same as an executor. In both cases we obtain a grant of probate or administration to confirm our authority to administer the estate. Administering the estate includes identifying and securing assets and, where appropriate, paying any debts of the deceased person.

We then distribute the proceeds of the estate or transfer the assets to the beneficiaries in accordance with the terms of the Will. If there is no Will, the estate is distributed in accordance with the laws of intestacy.

As trustee we look after ongoing bequests to family and friends included in the Will until the trust ends or the funds are exhausted. For example, where money is held for young children or there is a life interest in the estate.

During 2019-20 NSWTG obtained administration of 1,198 estates with an approximate value of \$598 million. Of these:

- 292 of the estates were intestacies
- the average value of the estates being administered under a grant of administration was \$722,505.

NSWTG finalised 1,525 estates during 2019-20. The average time taken to complete administration of estates during the year was eight months. This is a reduction on the average of nine months during 2018-19.

Of those, 81 estates were smaller estates that did not require formal administration. These involved transferring property to the surviving joint tenant and arranging funerals where no-one else was available.

One of NSWTG's priorities in relation to deceased estates during 2019-20 was to finalise administration of estates over 12 months old. Many of these estates had issues that added complexity to the administration process. These issues included conflict, disputes over entitlement, litigation, difficulties in realising assets and in some cases included unrealisable assets.

By 30 June 2020 NSWTG had reduced the number of the estates over 12 months old that were still under active administration by over 50%.

At 30 June 2020 NSWTG had 5,083 estates on hand with an estimated administration value of approximately \$2.2 billion. These were made up of:

- 1,450 newly reported estates or estates under active administration to realise assets, identify beneficiaries and distribute the estate
- 645 estates relating to testamentary trusts established to manage rights of residence, life interests, amounts being held for minor beneficiaries or other long term trusts

Intestacy referrals

As the largest administrator of estates in NSW, individuals and legal practitioners often seek to refer intestacies to NSWTG. We also administer estates where someone else is appointed executor but asks us to take over their role, or where there is a valid Will but no executor appointed.

- The remaining 2,988 matters relate to estates where:
 - small residual balances were being finalised for payment
 - a provision had been retained pending confirmation of the final tax liability for the estate
 - the estate includes assets that NSWTG had not been able to realise to 30 June 2020. These assets include companies in liquidation and/or remote properties with no legal right of access
 - next of kin searches were being conducted to identify and/or locate beneficiaries
 - family provision actions are underway in relation to who is entitled to claim money from the estate
 - other litigation is underway
 - NSWTG has exhausted all avenues available (based on the value of the estate) to identify and locate beneficiaries or is unable to distribute the funds to the beneficiary
 - NSWTG's genealogy research has established there is no-one entitled to the estate. These matters will be paid to the NSW Government as *bona vacantia* ("ownerless goods").

Services to the community

Under the *Probate and Administration Act 1898* the property of deceased persons vests in NSWTG until probate or administration is granted by the court.

NSWTG receives and responds to legal notices and court documents served on it as title holder of property during this period. When needed, NSWTG also appears in the Supreme Court proceedings related to these matters. In 2019-20 NSWTG responded to 198 notices, an increase of 44% on the number of notices we responded to last year.

We do not charge for these services unless the court makes an order in relation to our costs.

Reporting of new estates

New estates can be reported to NSWTG by family members or other people involved in the person's life. We also monitor death notices and funeral notices to identify any matches to planning ahead customers in our database where the estate has not already been reported to NSWTG. When a customer is identified we write to the family to advise them we hold a Will.

In addition, we also monitor the Supreme Court's online registry for preliminary notices relating to planning ahead customers. If a match is found we contact the person or solicitor who placed the notice advising them we hold a Will.

By monitoring death notices, funeral notices and the Supreme Court's online registry we can help ensure a person's estate is distributed in accordance with their wishes by reducing the risk of an estate being incorrectly administered under an earlier revoked Will. It also reduces the risk of having to revoke an incorrect grant of probate.

Improving our quality assurance processes for deceased estates and trusts

During 2019-20 we have continued our focus on reducing delays in distribution of the proceeds of an estate or trust to the beneficiaries.

By 30 June 2020 the average time for our Service Centre Accounts team to audit an estate or trust to:

- ensure it has been administered in accordance with our policies and legal processes
- process any distributions for payment was between two to three weeks.

Trusts

Trusts can be created by individuals, organisations or government agencies. They can be created by a Will, deed or court order. Trusts created by a Will are called testamentary trusts and become effective from a person's death. Trusts created by a deed are effective during the person's lifetime.

NSWTG creates and administers trusts for children, adults who are not able to manage their own affairs, family discretionary trusts and charitable trusts. NSWTG also administers trusts created by court orders and victims' support payments.

Court orders and victims support payments are currently the largest source of trusts administered by NSWTG.

Court ordered trusts can result from:

- damages awarded under the *Civil Procedure Act 2005*
- payments made under the *Workers Compensation Act 1987*.

These trusts are commonly created where the beneficiary is a minor or is not capable of managing their financial affairs.

Trusts can also be created by orders made under the *Conveyancing Act 1919* to sell real estate and divide the proceeds in accordance with the orders.

Victims' support payments are paid to victims of crime to provide financial assistance for immediate needs, economic loss and funeral expenses. The majority of victims' support payments received by NSWTG relate to minors. A smaller number of payments relate to people who are not capable of managing their financial affairs and people who cannot be located at the time the payment was made.

NSWTG's role is to ensure the trust funds are used in accordance with the terms of the trust, for example, a child's maintenance, education and benefit. As trustee we:

- have responsibility for managing the assets and investments
- are required to act prudently and in the best interests of the beneficiaries.

If appropriate, funds can be released from the trust for the benefit of the beneficiaries while the trust continues. In releasing funds from a trust we consider the needs of the beneficiaries, the value of the trust, how long the trust will run and the effect of inflation and taxes.

During 2019-20 NSWTG received 977 new trusts with a value of \$42.7 million. 882 (90%) of these trusts were either damages trusts or victims support payments.

As at 30 June 2020 NSWTG was managing 8,442 trusts worth approximately \$539 million. These trusts were made up of:

- 7,444 damages trusts awarded by courts and victims support payments paid to minors, people not capable of managing the payment or people that could not be located by Victims Services at the time the application for payment was approved
- 417 workers compensation trusts payable to people under 18
- 581 trusts where:
 - NSWTG has been appointed trustee by deed
 - the original trustee did not wish to continue in their role
 - funds are held for the benefit of an organisation or association
 - funds are held under legislation
 - where a court has appointed NSWTG to hold the assets of a protected person on trust.

In the five years to 30 June 2020, NSWTG has paid \$86.1 million to NSW Treasury from the proceeds of seized and confiscated assets.

Powers of Attorney

NSWTG's Power of Attorney services enable customers to appoint NSWTG as their attorney to manage their assets and financial affairs on their behalf. Customers can choose the level of assistance they require and can appoint NSWTG on a short term or ongoing basis. Customers can also appoint NSWTG as their Enduring Power of Attorney which can be activated in the future if they lose the capacity to manage their financial affairs.

This year NSWTG received 31 new matters. As at 30 June 2020 we were managing the financial affairs of 276 customers under Powers of Attorney with an approximate value of \$71 million. NSWTG is acting as Enduring Power of Attorney for 252 of these customers.

Civil forfeiture

NSWTG manages forfeiture of seized and confiscated assets under the *Criminal Assets Recovery Act 1990* and *Confiscation of Proceeds of Crime Act 1989*.

In providing this service, NSWTG manages a wide range of assets from real estate, cash, bullion, jewellery, motor vehicles, luxury items, wine collections, boats and livestock.

The assets managed under these matters are either secured, sold immediately or managed until further court orders are issued. Managing these matters involves close liaison with the Director of Public Prosecutions, NSW Crime Commission and the Law Enforcement Conduct Commission to ensure orders are implemented promptly.

In recent years, cryptocurrency has increasingly formed part of the seized and confiscated assets included in these matters. In response to this increase, NSWTG commenced working with the NSW Crime Commission and the Australian Federal Police during 2019-20 to establish procedures to manage these assets more effectively.

Fees for civil forfeiture matters are charged in accordance with the Criminal Assets Recovery Regulation 2017 and Confiscation of Proceeds of Crime Regulation 2015 and deducted before the proceeds are paid to NSW Treasury.

During 2019-20 NSWTG received 108 new civil forfeiture matters with a value of \$20.9 million and paid \$20.5 million (net of NSWTG's fees) to NSW Treasury from the proceeds of the sale of seized and confiscated assets.

At 30 June 2020 NSWTG was managing 186 civil forfeiture matters worth approximately \$50.1 million.

Court investments

NSWTG holds amounts paid into court under the Uniform Civil Procedure Rules 2005. These amounts are invested in cash and cash equivalent funds in the NSWTG common fund and returned to the court as instructed.

During 2019-20 NSWTG received 212 matters valued at \$166.4 million. At 30 June 2020 NSWTG was holding \$140.8 million in the common fund on behalf of courts in 603 matters.

Dormant funds

The Chief Executive Officer is the Commissioner of Dormant Funds. The Commissioner's role is to make recommendations to the Attorney General for dealing with funds relating to charitable purposes or purposes of a public character that have become dormant. Under the Dormant Funds Regulation 2014 NSWTG charges a 5% fee based on the value of the funds.

During 2019-20 NSWTG managed 11 dormant funds matters with a total value of \$843,185.

Property services

NSWTG provides a range of services for customers in relation to management of their property, vehicles and personal effects. Property services include:

- sales, purchase and leasing of real estate (including notional sales of real estate between beneficiaries)
- securing of properties for new customers
- property inspections, valuations and compliance
- construction and renovation
- ongoing repairs and maintenance, payment of outgoings, specialist cleaning and clearances
- sales, purchase, insurance and registration of vehicles. This includes ensuring any pensioner concessions offered by the NSW Government on car registration are claimed
- managing house, contents and vehicle insurance claims (people under a financial management order where NSWTG is appointed manager)
- collecting personal items, ensuring they are stored securely and, where necessary, sold.

Some services are outsourced to external service providers while the remainder are provided by NSWTG staff.

During 2019-20 NSWTG managed 640 property transactions on behalf of our customers. This included 612 property sales and 28 purchases.

In addition, we also managed:

- 628 construction, renovations and property safety inspections tasks
- 709 tasks to secure and search customer properties or obtain sales and leasing reports
- 3,563 property insurance renewals and claims
- onboarding of 1,250 customer properties.

During the same period NSWTG purchased or sold 280 vehicles for customers. We also managed 2,565 tasks associated with vehicle insurance renewals and claims and registration.

The team also regularly provides information to support decision-making by other staff across the organisation.

At 30 June 2020 NSWTG was managing a portfolio of 2,931 properties and 1,640 vehicles for customers either on an ongoing basis or pending sale or transfer. NSWTG also had over 27,000 personal items and documents securely stored for customers.

NSWTG's insurance broker has negotiated a "fleet rate" for CTP insurance for our customers. This means we have been able to reduce the cost of CTP insurance premiums for our customers who own motor vehicles registered in New South Wales.

Financial planning services

Our financial planners prepare financial plans (Statements of Advice) for the investment of customer assets. Each plan is intended to suit the needs of the individual customer and provide the least investment risk.

Our planners consult the customer, their family, guardian and any other stakeholders ensuring we understand their circumstances, needs and aspirations (both short and long term). Development of the plan takes into consideration cash flow, liquidity, flexibility, investment risk, potential income and capital growth as well as the customer's taxation position and eligibility for government payments.

For customers who have lost capacity, we acknowledge that the investments they had prior to becoming a customer reflects their preferences for managing their investments. These investments are reviewed and generally retained unless there is a compelling reason to recommend otherwise.

This approach enables our planners to develop a financial plan tailored to the customer's circumstances that provide a better outcome from the financial resources (income, assets and investments) available to the customer.

Financial plans are reviewed on an annual basis to ensure they are still appropriate for the customer's situation and continue to meet their needs. The team also review requests to access savings or capital to determine if the request is affordable.

When we make an investment recommendation for a customer it is communicated to the customer, or a family member in a formal Statement of Advice. The customer or family member has the right to express their views and if they do not agree with NSW TG's advice the recommendations are not implemented. NSW TG will then continue to work with the customer or family member to reach an agreed outcome to implement.

During 2019-20 our financial planners:

- developed or reviewed 1,123 financial plans for people under a financial management order
- developed or reviewed 2,657 financial plans for customers where a trust, life interest or right of residence has been established as part of a Will, and for trusts and power of attorney customers.

In addition, the team prepared 1,795 records of advice to inform decision-making about a customer's assets. Additional advice was provided to inform decision-making for estate administration, trustee and power of attorney customers.

The financial planning team has specialist knowledge particularly in superannuation and aged care and complies with the Australian & Securities Investment Commission and the Financial Planning Association of Australia's best practice principles.

Our financial planners also abide by the *Trustee Act 1925* and in particular the prudent person principle which sets out the matters to which a trustee is to have regard when exercising the power of investment.

Benefits, child support payments, Medicare, health, personal and life insurances

NSWTG manages pensions allowances and other social security benefits received from Centrelink, Department of Veterans Affairs and overseas providers for people under a financial management order.

We review pensions each year to ensure people under a financial management order receive their correct entitlements and ensure any changes in their income and assets are advised to the provider. Reviews are also conducted when the customer's circumstances change or there are significant variations in the pension received. We also manage requests from providers for additional information.

We also:

- manage pensions received from Commonwealth Superannuation Corporation and the State Authorities Super scheme for people under a financial management order
- manage processing of Medicare and private health insurance claims for customer medical expenses
- send new and replacement Medicare and Pensioner Concession cards to customers
- ensure premiums for private health cover and life insurances are paid
- investigate total and permanent disability and income protection insurances and, where appropriate, lodge claims on behalf of customers
- manage any prepaid funeral and funeral bonds people had when they came under a financial management order
- manage child support payments on behalf of people under a financial management order.

Some of our financial management customers are entitled to receive age or retirement pensions, invalidity or disability pensions or survivors' pensions for widows, widowers and orphans from other countries. These include pensions from the United Kingdom, New Zealand, United States of America, France, Germany, Italy and Spain.

These pensions can affect our customers entitlement to pensions from Centrelink and the Department of Veteran Affairs

Our role as financial manager is to liaise with providers in each country, Centrelink and the Department of Veteran Affairs to ensure our customers receive the amount they are entitled to and that information is provided as needed.

Taxation services

NSWTG's Taxation team has specialist knowledge in the taxation of individuals, minors, deceased estates, testamentary trusts and businesses. It deals with a wide range of taxation issues including Capital Gains Tax calculations, GST calculations on commercial property sales, superannuation lump sum receipts and rental properties.

The team includes licensed taxation agents who oversee the work of other members of the team.

During 2019-20 our taxation team:

- prepared 5,686 taxation returns for customers. All returns were lodged within the required timeframe
- provided 3,001 tax clearances enabling money from deceased estates and trusts to be paid to the beneficiaries while ensuring funds were retained to meet estimated tax liabilities.

The Taxation team also completes Business Activity Statements on behalf of customers as well as submitting applications for a Tax File Number for our customers under a financial management order.

Genealogy services

NSWTG undertakes next of kin searches in Australia and overseas to identify and locate relatives of the deceased who are entitled to a share of an estate. Research is also undertaken for beneficiaries named in a Will who are missing or for persons falling within a class of beneficiaries described in a Will.

Entitlements to an intestate estate are typically established using event certificate evidence (birth, death and marriage certificates) and search certificate evidence (issue searches and marriages searches). Where this is not possible secondary evidence such as immigration and burial records may be considered if they satisfactorily prove entitlement.

Once beneficiaries who are entitled to share in an estate have been identified and located, the money from the estate is distributed to them. In some cases, genealogical research will establish there is no-one entitled to a share of the estate according to the intestacy laws of NSW. Funds from these estates are described as *bona vacantia* and are paid to the State.

Where entitlement cannot be established because of a lack of certificate evidence, paternity is not known, a person cannot be located or their living status is not known an application is made to the Supreme Court of New South Wales for determination.

Our Genealogy Unit are a small group of specialists with a high level of knowledge, expertise and experience in the relevant areas of law and in the use of genealogical methods, strategies and tools to identify, locate and prove beneficiaries.

During 2019-20 our Genealogy Unit commenced research to establish entitlement for 87 matters and completed research for 55 matters. In addition, they provided assistance in another 190 matters.

At 30 June 2020 they had 903 matters where research to establish entitlement was ongoing.

Our genealogy services in the media

The work of our Genealogy Unit and the interesting stories that arise from their research were featured in a number of television stories and radio interviews during 2019-20. There were stories on Channel 7 News, ABC News and Channel 9's Weekend Today as well as an interview on ABC Radio.

These stories help communicate some of the lesser known aspects of our work to the community.

Changes in demographics impact the research we undertake to identify beneficiaries of an estate

To date the research undertaken by the Genealogy Unit has been significantly impacted by the wave of immigration following World War 2 and the refugees included in that wave of immigration. We are now starting to see the impact of the wave of immigration from Vietnam during the 1970's and 1980's.

These changes in immigration patterns impact the level and types of evidence we have access to establish entitlement to an estate.

Legal services

NSWTG's Legal Services play an important role in protecting the legal rights and interests of our customers.

They manage a wide range of legal matters that arise in the delivery of our services in the following areas of law:

- estate planning, succession, entitlement and trusts
- financial management and guardianship orders
- personal injury, family, criminal, employment, interests in estates, workers compensation and victims compensation
- commercial, misappropriation, asset recovery, claim and debt matters
- vacant possession and other property matters
- civil forfeiture, legal costs, foreign jurisdiction matters.

They also:

- provide assistance, advice and training to support delivery of our services
- provide legal support to the wider organisation

- engage external legal service providers for customers from our panels for specific areas of law, overseeing the provision of these services.

Legal Services represent NSWTG in courts and tribunals and responds to subpoenas and other requests for information.

During 2019-20, as part of our goal of building a sustainable and efficient organisation, NSWTG commenced work on establishing an in-house conveyancing service for customers. This service will commence in 2020-21 and replace the current outsourcing of conveyancing to external providers. The new service will provide a more efficient and cost-effective service for customers, reducing delays in property sales and streamlining processes.

To improve the efficiency of the new service NSWTG applied for and has received a Participation Rules Waiver from the Office of the Registrar General. This will enable NSWTG to utilise e-conveyancing to lodge documents with Land Registries and complete financial settlements electronically rather than using the traditional paper based system.

During 2019-20 Legal Services received 970 new matters, finalised 773 matters, and was managing 1,423 active legal matters as at 30 June 2020.

How our legal services help achieve better outcomes for our customers

Nicholas had been placed under a financial management order. At the time the order was made he had recently received an inheritance from an uncle's estate. He was also part owner of a property in regional New South Wales which had been purchased using a loan. At the time the financial management order was made the bank had foreclosed on the loan and commenced proceeding to repossess the property after repayments had stopped.

Legal services obtained a stay of proceedings and lodged a complaint with the Australian Financial Complaints Authority on behalf of Nicholas. After the Financial Complaints Authority upheld the complaint Nicholas was released from the loan contract and compensation paid.

The work done by Legal Services enabled Nicholas to remain in his home and retain the inheritance from his uncle's estate to help provide for his future needs.

Our Legal and Professional staff sharing their expertise to inform change and reform and support continuing education

NSWTG was part of a consultative group to review changes proposed by the Australian Taxation Office to limit access to pre-death tax records which would potentially delay administration of deceased estates. The group made a number of recommendations which were accepted and implemented by ATO.

NSWTG also provided feedback to the NSW State Revenue Commissioner on the impact on low value trusts, protective trusts and special disability trusts of proposed legislative changes. This consultation is ongoing.

Our staff regularly undertake continuing professional education. They also regularly contribute to or conduct these sessions.

Legal staff conducted a Will drafting workshop, sat on discussion panels and delivered a paper and presentation on International Genealogy of Intestacy at the Blue Mountains Law Society Succession Law Conference in September 2019.



During 2019-20 they also made presentations and conducted a number of Webinars on their own or as part of larger panel. These included estate planning for pets at the Veterinary Science faculty of the University of Sydney, “Managing Digital Assets in Wills and the pitfalls” for Austlaw and “Implications of the electronic witnessing provisions” for LawInform.

We also have staff who are members of the NSW Law Society Succession Law Committee and the editorial committee for continuing education of financial planners.

Authorised Visitor program

An Authorised Visitor is an independent professional who helps inform decision making for our customers.

They provide an independent assessment of a customer’s living environment, quality of life, social interactions and health status as well as an understanding of their needs, wishes and the nature of their disability.

NSWTG uses the information provided by Authorised Visitors to enable the customer’s wishes, access to services and entitlements to be addressed in the context of their financial resources.

Advocacy and support

Our Disability Advocacy Unit supports NSWTG to engage effectively and appropriately with people with disability. This includes policy advice, training, support and guidance to our staff when interacting with people with disability.

They also support our frontline staff in managing systemic issues that impact our customers. This includes issues arising from assisted boarding houses, closures of and sanctions placed on aged care and disability facilities, NDIS and coordination issues associated with transitioning customers from the Hunter Residences.

The Unit also engages with external stakeholders on disability and age-related issues to inform decision-making for our customers.

NSWTG and the National Disability Insurance Scheme

NSWTG is involved in the National Disability Insurance Scheme (NDIS) through its role as a financial manager or guardian for people with disability. Our role depends on whether we have been appointed as financial manager or guardian.

For people under a guardianship order where the Public Guardian is appointed, NSWTG is involved in the NDIS pre-planning and planning process, including releasing information and attending meetings. We negotiate with the National Disability Insurance Agency (NDIA) on behalf of the customer about what is accepted as reasonable and necessary supports and seek reviews of plans when needed. We also negotiate with support coordinators about the selection of the most appropriate service provider for the customer and decide which service providers will provide a service to the customer.

For people under a financial management order where NSWTG is appointed manager, NSWTG:

- informs customers that they may be eligible for the NDIS
- provides the person a copy of their personal budget to take to their planning meeting or review
- provides the NDIA with financial information to assist in planning customers' NDIS packages to ensure the development of meaningful plan
- manages their transport funding if the customer is unable to manage it themselves.

Customer assets under management

One of NSWTG's main responsibilities is to secure and manage customer assets. These assets include funds invested in the NSWTG common funds, real estate, vehicles, bank accounts, shares and other investments and personal property.

At 30 June 2020 NSWTG was managing \$6.4 billion in customer assets, an increase of 5.2% on the previous year. A summary of the customer assets under management is shown in Table 4.

The total assets are shown net of estimated customer liabilities. These liabilities are an estimate of amounts to be paid from funds in estate, trust and power of attorney matters.

NSWTG common funds

The *NSW Trustee and Guardian Act 2009* directs NSWTG to operate common funds for investment of customer funds. We currently operate two common funds – the financial management and trustee common funds.

The financial management common fund includes funds invested for people where NSWTG has been appointed as financial manager as well as some funds invested for trustee matters. Private managers can also elect to invest funds in the financial management common fund.

The common fund for trustee customers includes funds invested for deceased estate, trust, power of attorney, civil forfeiture and for amounts held on behalf of courts.

The common funds are made up of 10 investment funds. This range of funds enables the investments to meet individual needs by allowing appropriate diversification and risk management. A fund performance report is provided for each investment fund and published on NSWTG's website.

Our investment strategy for the common funds and COVID-19

Part of our investment strategy for the common funds is to manage adverse economic shocks including events such as a pandemic by maintaining a sufficient level of liquidity in the funds. This meant that when COVID-19 emerged in early 2020 we only needed to make a small adjustment to our investment strategy to manage the impact of the pandemic on the common funds.

Within the common funds NSWTG manages investments in bank accounts, term deposits and other similar assets. The remainder of the investment fund assets are holdings in unit trusts managed by Blackrock Investment Management Australia (Blackrock).

Most of the funds aim to track the returns on major financial markets. This approach enables the funds to provide returns to customers close to the financial markets whilst saving on costs that would be associated with investment research and selection.

During 2019-20 NSWTG completed the transition of the custodian function for assets held in the common funds from JP Morgan to Citigroup Pty Ltd without disruption to services. The custodian function involves safekeeping of fund assets, fund accounting, fund unit pricing, investment performance reporting and retail unit registry functions.

An Independent Investment Advisory Committee provides specialist investment advice to the Chief Executive Officer to assist in management and oversight of the NSWTG common funds. Further information on the Committee is available on page 80.

Performance of each investment fund is measured against the relevant financial market benchmark net of NSW TG's investment management fee. For the financial management common fund the investment fee is 0.10%. For the trustee common fund the investment fee is 0.11%.⁴

At 30 June 2020 there was \$3.1 billion invested in the common funds. During 2019-20 the Australian cash based investment funds exceeded benchmark returns by an average of 0.6%. The other funds were either equal to or within 0.3% of the benchmark.

There may be variances in individual customer returns depending upon the customer's entry date into the fund and any new applications or redemptions during the financial year.

Table 5 shows the amount invested in the common fund and the allocation to the individual investment funds. It also shows the returns achieved over the last year and a comparison with the return of the financial market benchmark for each asset class after an allowance for NSW TG's investment management fee.

Financial management common fund

The financial management common fund consists of eight investment funds. The amounts invested in the funds are predominantly owned by people under a financial management order whose financial affairs are directly managed by NSW TG. They also include amounts owned by people

whose affairs are managed by a private manager. Estate, trust and power of attorney customers also have funds invested in the Australian Cash Plus and Australian Fixed Interest funds.

When investing customer funds NSW TG seeks to avoid adverse effects from any short to medium term financial market volatility wherever possible. To achieve this, planned customer living expenses for the short to medium term are generally held in funds focused on cash and fixed interest. The capital security of these funds helps ensure that customer's living expenses can be met in full. The balance is invested in growth asset funds to provide for the longer term needs of the customer.

At 30 June 2020 there was \$1.7 billion invested in the financial management common fund.

Trustee common fund

The amounts invested in the trustee common fund are from matters arising from NSW TG's role as executor, trustee or attorney as well as amounts invested under civil forfeiture matters and investments on behalf of courts. The fund is made up of two investment funds - the Primary and Growth Portfolios.

Table 4: Customer assets under management

	Customer Assets \$'000
Common funds	
Financial management	1,727,240
Trustee	1,337,588
Total	3,064,828
Customer assets outside the common fund	3,357,018
Less estimated trustee customer liabilities (customer payables)	(18,138)
Total	6,403,708

⁴ The investment fee for the trustee common fund includes 10% GST.

Money deposited into the trustee common fund is initially placed in the Primary Portfolio. This money is invested in a wholesale money market-based unit trust as well as cash deposits, short-term money market securities and term deposits.

Investment plans are prepared for each trustee customer and, when exposure to growth assets is required, funds are transferred to the Growth Portfolio which invests in a blend of Australian and international companies, tracking the returns on major financial markets. The objective of the fund is to achieve capital growth over the medium to long term that well exceeds inflation.

At 30 June 2020, \$1.3 billion was invested in the trustee common fund. During 2019-20 the Primary Portfolio exceeded benchmark returns by 0.6%.

The Growth Portfolio return was broadly in line with the benchmark. Both returns are after deducting NSW TG's investment management fee and the GST payable on that fee.

Distribution of return on investments in the common fund

For the Access Fund and Primary Portfolio interest is calculated daily and credited to customer accounts in June and December. For the other investment funds income is calculated six monthly and credited to the customer's account as a re-investment of units or it is paid as a cash distribution.

Table 5: Amounts held in the NSW TG common fund

Investment Fund	Financial Mgt \$'000	Private Mgt \$'000	Trustee \$'000	Total \$'000	Customer Return ^{4,5}	Benchmark Return ^{4,5}
Financial management common fund						
Access Fund	724,418	51,727	-	776,145	1.44%	0.85%
Australian Cash	180,526	8,220	-	188,746	1.25%	0.85%
Australian Cash Plus	95,647	1,391	84,063	181,101	1.50%	0.85%
Australian Fixed Interest	42,769	1,100	81,032	124,901	4.09%	4.18%
Australian Shares	242,783	9,224	-	252,007	(7.58%)	(7.61%)
Australian Listed Property Securities	51,126	1,949	-	53,075	(20.49%)	(20.71%)
International Bond	4,245	225	-	4,470	4.91%	5.18%
International Shares	141,481	5,314	-	146,795	2.05%	2.04%
	1,482,995	79,150	165,095	1,727,240		
Trustee common fund						
Primary			1,090,386	1,090,386	1.72%	0.85%
Growth			247,202	247,202	(3.86%)	(3.67%)
	-	-	1,337,588	1,337,588		
Total	1,482,995	79,150	1,502,683	3,064,828		

⁵ Returns are shown net of NSW TG's investment fee.

Financial statements and auditing of the NSWTG common funds

The customer assets held in the NSWTG common funds are reported separately in the financial statements of the NSWTG – Common Funds.

The common funds and financial statements are audited by the Audit Office of New South Wales each year.

Customer assets outside the common funds

One of NSWTG's key roles in helping customers manage their financial affairs is to ensure their assets are secured and cannot be accessed, sold or transferred without NSWTG's consent.

Customer assets outside the common fund include real estate, motor vehicles, boats, caravans and personal property. Further information about management of these assets is available on page 53.

They also include financial and investment assets such as shares, bank accounts, term deposits, loans, mortgages, superannuation and other investments.

We manage the rollover of term deposits, sale of shares, superannuation contributions and withdrawals and sale of other financial and investment assets.

Table 6 shows a breakdown of the confirmed customer assets at 30 June 2020 being managed by NSWTG or being held for sale or transfer to the beneficiary.

A breakdown of customer investment assets is shown in table 7.

Table 7: Customer investment assets at 30 June 2020

Investment	Fin Mgt \$'000	Trustee \$'000	Total \$'000
Debentures	95,084	218	95,302
Deposit account	39,802	36,898	76,700
Life policy	-	978	978
Shares	74,436	71,294	145,730
Superannuation and allocated pension	423,464	10,712	434,176
Unit trusts	27,896	4,485	32,381
Other financial assets	20,118	-	20,118
Total	680,800	124,585	805,385

Table 6: Customer assets outside the common fund

Asset Category	Financial Mgt \$'000	Private Mgt \$'000	Estate \$'000	Trusts \$'000	POA \$'000	Other \$'000	Total \$'000
Real estate	1,789,100	-	305,225	28,697	17,137	-	2,140,159
Investments	680,800	-	108,547	389	15,649	-	805,385
Mortgages	-	-	-	448	-	-	448
Other general assets	353,174	-	-	-	-	-	353,174
Other personal property	-	-	20,537	17,534	19,961	-	57,852
Total	2,823,074	-	434,129	47,068	52,747	-	3,357,018

Financial transactions for customers

In 2019-20 NSWTG processed over two million financial transactions for customers totalling \$2.9 billion.

The transactions include:

- payment of invoices and allowances for customers
- receipt of income, pensions and proceeds from realisation of assets
- payments from estates and trusts to beneficiaries
- transfers of amounts between accounts (including deduction of NSWTG management fees from customer funds).

Overall, 94% of the transactions processed were for people under a financial management order where NSWTG is appointed manager. The remaining 6% were for deceased estate, trust and power of attorney matters. People under a financial management order represented 42.7% of the value of the transactions processed and deceased estate, trust and power of attorney matters the remaining 57.3%.

NSWTG continues to improve the efficiency of processing transactions for customers with a strategic focus on digitisation and work flow automation. For example:

- During 2019-20 NSWTG made almost 364,000 third party payments on behalf of people under a financial management order where NSWTG is appointed manager. Of these 72% used automated processes.
- NSWTG is continuing work to phase out cheque payments for payments made on behalf of customers. During 2019-20, 99% of payments made on behalf of people under a financial management order and 98% of payments for estate administration, trust and power of attorney matters were made electronically.

- NSWTG uses automation to assist in processing amounts received on behalf of customers. Each customer is issued a unique account number that enables amounts received on their behalf to be allocated directly to their account. During 2019-20 96% of receipts for people under a financial management order and 70% of receipts for estate, trust and power of attorney matters were processed in this way.

Improving the efficiency of processing of transactions frees up staff to focus on more complex aspects of providing services to our customers.

Standardisation of payer reference for customer transactions

During 2019-20 NSWTG completed standardisation of the payer reference for all customer transactions. This means that all payments to a customer's account will clearly identify NSWTG as the source of the funds and make it easier for them to identify payments they receive from us.

Working with other agencies to improve outcomes for our customers

A key part of NSW TG's role in providing services to customers is working with other agencies across the NSW and Commonwealth governments to help protect and improve outcomes for our customers.

We work with these agencies to address issues at two levels. The first are systemic issues that could impact multiple customers. The second are issues impacting individual customers.

National Disability Insurance Agency

During 2019-20 NSW TG continued to work closely with the NDIA to address systemic issues identified with the NDIS. This included developing our working relationship with NDIA, assisting in best practice plan development, and addressing gaps in current and future service delivery. For example the NDIA's responsiveness to people in crisis and with complex needs.

NSW TG continued to deliver information sessions to NDIS planners, Local Area Coordinators, NDIA Support Coordinators and other stakeholders about financial management and guardianship services and clarified our role and function in relation to our customers.

NDIS Quality & Safeguards Commission

The NDIS Quality and Safeguards Commission is an independent agency established to improve the quality and safety of NDIS supports and services. It works with NDIS participants, NDIS providers and the community to uphold the rights of people with disability and build the capacity of providers to deliver safe and quality services and supports. The NDIS Quality & Safeguards Commission:

- regulates NDIS providers
- provides national consistency
- promotes safety and quality services

- resolves problems
- identifies areas for improvement.

NSW TG makes a referral to the Commission when there are concerns about the support a customer is receiving from an NDIS service provider. This includes circumstances where the customer is at risk of harm, there are allegations of abuse, neglect or exploitation or there are concerns the provider is not acting in the best interests of our customer.

Aged Care Quality and Safety Commission

The Aged Care Quality and Safety Commission is the national regulator of aged care services. Their role is to protect and enhance the safety, wellbeing and quality of life of people receiving aged care services.

NSW TG has many customers receiving aged care services and has a duty of care to ensure our customers are safe and well looked after by their aged care service provider.

On being notified an aged care service provider has been sanctioned and is being investigated for non-compliance issues we:

- contact the Commission to determine the nature of the non-compliance and level of risk to our customers
- identify customers living in the facility
- arrange visits to the customers who reside at the facility to identify any issues or unmet needs.

When notified by the Commission that an aged care facility is closing we work with the service provider to ensure a smooth transition for the customer to a new facility.

During 2019-20 NSW TG responded to 14 notices that an aged care facility had been sanctioned and that two facilities were closing.

Integrated Service Response

Integrated Service Response (ISR) is a NSW Government initiative that helps services to coordinate wraparound support across multiple agencies and providers for a person who has disability and complex support needs when their wellbeing is threatened by a crisis.

NSWTG works with the ISR team and the NDIA to promote the best outcomes for our customers who have been referred to ISR. This includes participation in conferences and working with stakeholders to identify the supports required to improve outcomes for the customer and ensuring NSWTG's role in providing support to the person is understood.

During 2019-20 NSWTG worked with ISR to develop wraparound support for 10 customers.

Hunter Residence transition

During 2019-20 the NSW Government continued the transition of people from the Hunter Residences to specialist disability accommodation provided by several non-government organisations.

NSWTG has facilitated meetings with the Service Delivery Team within the Department of Communities and Justice and the accommodation providers to help approximately 270 of our customers transition to new accommodation.

By 30 June 2020 the majority of our customers had transitioned to new accommodation. It is anticipated the remaining customers will move during 2020-21.

Ageing and Disability Commission

The role of the Ageing and Disability Commission is to promote the rights of older people and adults with disability and to protect them from abuse, neglect and exploitation.

The Commission responds to allegations of abuse, neglect and exploitation of older people and adults with disability by providing advice, making referrals and conducting investigations, and taking any further action that is necessary to protect the person.

The Commission can raise concerns relating to our customers from members of the public. NSWTG can also raise concerns with the Commissioner about individual customers.

During 2019-20 a Memorandum of Understanding was established between NSWTG and the Commission. The agreements sets out how:

- NSWTG and the Commission request assistance from and provide information to each other
- NSWTG reports to the Commission
- the Commission reports to NSWTG.

NSWTG received 25 referrals from the Commission during 2019-20. These referrals related to people under a financial management or guardianship order. For each of these referrals NSWTG provided information to help the commission to determine what actions are needed and how best to respond.

NSWTG made two referrals to the Commission which were subsequently closed by the Commission.

Revenue NSW and enforcement orders for people under a financial management order

For a number of years NSWTG has had a Memorandum of Understanding with Revenue NSW. This Memorandum has enabled Revenue NSW to identify:

- outstanding debts for people under a financial management order where NSWTG is appointed as their manager
- where those debts are unlikely to be recovered or where payment plans need to be established.

NSWTG supplies relevant customer information to Revenue NSW to have any debts set aside that resulted from their disability.

The Health Guardianship Project

The Health Guardianship Project is a collaboration between NSW Health, the NSW Civil and Administrative Tribunal and NSW TG.

The aim of the project is to reduce the duration of hospital admissions for patients who are waiting for guardianship for financial decisions to allow hospital discharge.

Where NSW TG is appointed, our role is to expedite the guardianship and financial decisions required to enable the early release of people from hospital.

This helps reduce constraints on inpatient bed capacity in NSW hospitals and the risk of adverse events that can arise during long hospital stays. It also means the person can be placed in accommodation and have supports in place that meets their needs sooner.

As part of the Health Guardianship project the Guardianship Division of the NSW Civil and Administrative Tribunal appointed NSW TG as financial manager for 456 people. They appointed the Public Guardian as guardian for 669 people.

In 2019-20 NSW TG received \$541,000 from NSW Health and the Department of Communities and Justice as funding for recovery of salary costs associated with the Health Guardianship Project.

Australian Guardianship and Administration Council

NSW TG is a member of the Australian Guardianship and Administration Council which provides a national forum for State and Territory agencies that provide financial management and guardianship services to people who lack the ability to make health, lifestyle or financial decisions on their own.

The Council aims to advance the common goals of its members. This includes working towards a consistent approach to common issues, adapting a collaborative focus on issues and sharing of information between members.

NSW TG is a member of the Council's Senior Officers Group. This forum facilitates sharing, dissemination and discussion in relation to the NDIS and its impact on service delivery to customers of trustee and guardianship organisations in other jurisdictions around Australia.

First choice trustee advertising campaign

NSW TG's *First choice trustee* advertising campaign was in market for a third time between November 2019 to June 2020. This was the final phase of this campaign.

The campaign's key objective was to increase awareness and uptake of NSW TG's Will making services in an increasingly competitive market. The campaign promoted two key messages across radio, print, podcast and digital channels focused on NSW TG's experience, trustworthiness and accessibility:

- 'NSW Trustee & Guardian has 100 years of experience.'
- 'NSW Trustee & Guardian makes planning ahead easy and flexible.'

While it was in market the campaign generated 854 appointments for members of the public to have NSW TG draft their Will, Power of Attorney or Enduring Guardianship documents. The campaign also drove over 91,600 visitors to our website, a 30% increase on the number of visitors from the 2019-20 campaign.

Figure 14: First choice trustee campaign



Surety Bond Scheme

The report from the independent review of the Surety Bond scheme conducted by KPMG and NSWTG's response was released in September 2019.

NSWTG is also sponsor for the estate management stage of the End of Life journey. The goal of this stage is to identify ways to make it easier for someone when they have been appointed as executor of a Will.

Improving government services with Life Journeys

Life Journeys provides a detailed view of all contact a person will have with government and non-government organisations at major events in their life. For example, the birth of a child, starting school, or the death of a loved one. Its aim is to improve a person's experience when accessing government and non-government agencies at critical times in their life.

End of Life was identified as a priority area as the death of a loved one is a life event that everyone has or will experience at some point in their life. In addition, when dealing with the death of loved one there are currently many agencies and organisations to deal with and numerous disconnected administrative tasks which need to be completed. This can be particularly difficult to manage at a time of grief.

The End of Life project is about understanding this difficulty, and working with individuals, government and non-government service providers to make the tasks that need to be completed as seamless as possible.

The Chief Executive Officer of NSWTG chairs the End of Life Journey Advisory Board which provides expertise and guidance to the project team.

During 2019-20 NSWTG provided insights for the death and ceremony stage and worked with the project team on developing the National Death Notification System. This is an opt-in system that will allow people who have lost a loved one to notify key agencies, including NSWTG, of a death in a single easy process.

Customer feedback and response

Customer satisfaction surveys

In previous years NSW TG has conducted customer satisfaction surveys to help us understand what was working well for customers and what could be improved.

The surveys were conducted by an external service provider who interviewed a selection of beneficiary, trust, financial management and private management customers chosen at random. All responses were anonymous.

The 2019-20 survey was placed on hold while NSW TG commenced a re-evaluation of how we track and measure our customers' experience of our services and how they interact with us. Insights from previous customer surveys were used in the re-evaluation.

The new survey will look at multiple aspects of the customer experience on a more regular basis. This is intended to provide a more effective measure of our customers' experience than the annual measure provided by the current survey.

Our aim is to implement the new customer satisfaction survey in 2020-21.

Customer Insights Program

The Customer Insights Program provides insights into our customers' experience of our planning ahead services.

When a customer has an appointment to make their planning ahead documents they provide some ratings, comments & demographic information via an iPad.

The data provided by the customers allows us to track and measure the level of customer service being delivered. It also provides real time customer data about the experience a customer has had.

The intended outcome is to gain a deeper insight into the service that customers are receiving from us, where we can make improvements and any gaps in the services we are delivering.

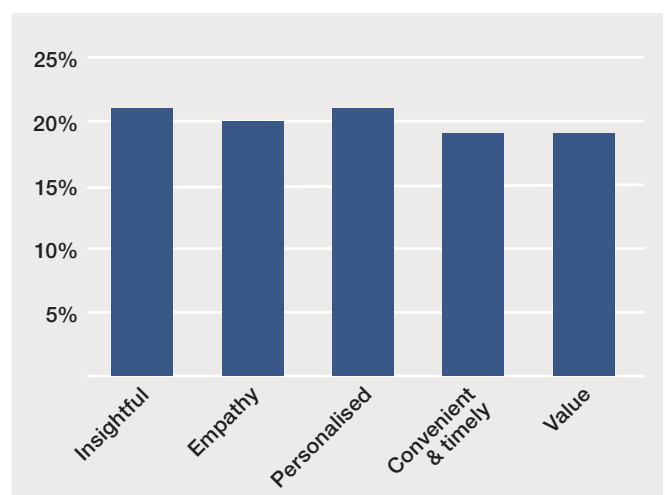
The Customer Insights Program ran from July 2019 to March 2020. During that time 986 customers responded to the survey. The average customer satisfaction score was 4.98/5.00 an increase of 0.2 on the average satisfaction in the 2018-19 survey. It shows there is a high level of satisfaction with our customers' experience of our planning ahead services.

Our Net Promoter Score of 89.60 from the survey shows a high willingness of our planning ahead customers to recommend our services to others.

As part of the survey, customers were asked to rate our customer service based on our Customer Excellence Principles of insightful, empathy, personalised, convenient and timely and value. The highest rated principles were 'personalised' and 'insightful'. This indicates that our customers considered they received individualised service tailored to their needs.

Further information on our Customer Excellence Principles is available on page 14.

Figure 15: Customer service factors



'Trusted service provider' was the highest rated reason for choosing our planning ahead services.

This was followed by ‘trusted advice and expertise’ and ‘independent and impartial.’

Complaints

A complaint is an expression of dissatisfaction, protest or grievance about the service we have provided or a decision we have made. Complaints can be submitted by the client, family, friends, service providers or other agencies. The complaint may be about the quality of service, the conduct of a staff member or a policy or procedure.

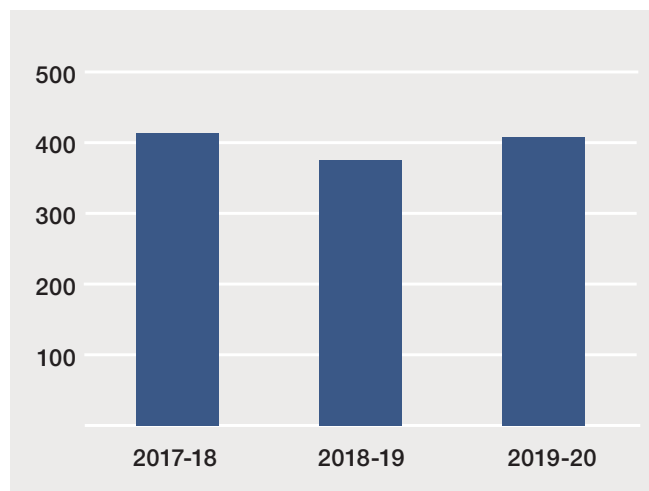
We treat complainants with courtesy and respect and understand that a person making a complaint wants to be heard, understood, receive an impartial and timely response and, if appropriate, an apology.

Complaints provide an opportunity for us to explain our role and processes to customers and those involved in their lives. They also provide the opportunity to review our practices and show we are accountable for our actions.

NSWTG received⁶ 408 complaints during 2019-20 (Figure 16). This represents an 11.2% increase on the 376 complaints received in 2018-19.

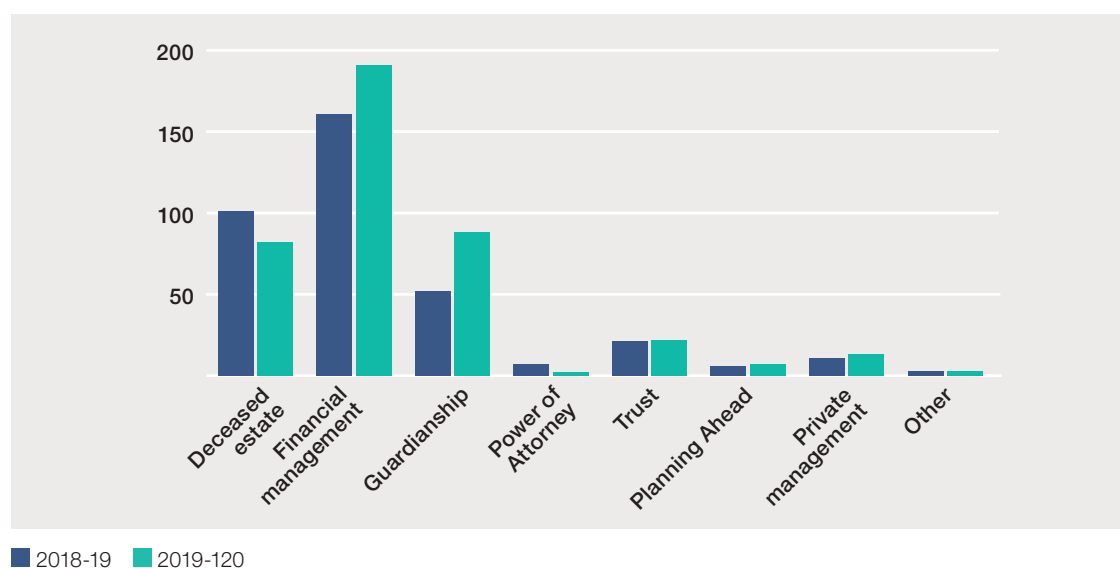
A comparison of complaints received by service in 2018-19 and 2019-20 is shown in figure 17.

Figure 16: Complaints received 2017-18 to 2019-20



Complaints related to deceased estates fell by 20% in 2019-20. This follows on from a fall of 23% in 2018-19. The increase in the number of complaints relating to guardianship can be attributed to the general increase in the number of people where the Public Guardian is appointed guardian and the associated increase in the number of decisions being made for people we represent.

Figure 17: Comparison of complaints received in 2018-19 and 2019-20 by service



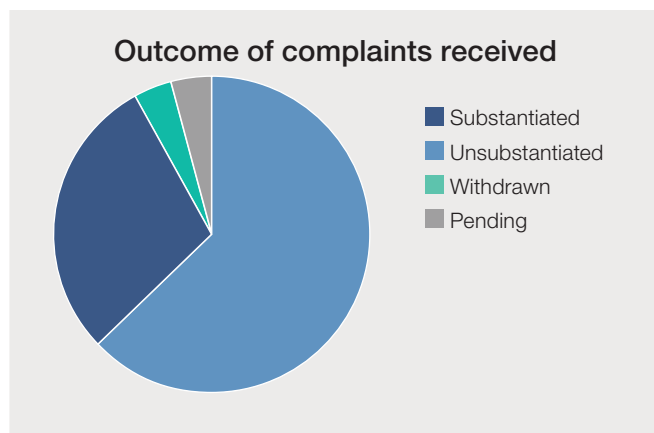
⁶ Complaints received through multiple sources and complaints raising issues that have already been investigated are not included in the number of complaints received.

Of the 408 complaints received:

- 47% were related to timeliness and communication. These included complaints about delays in making decisions, a lack of progress updates, and the length of time NSW TG takes to respond to correspondence, emails and phone calls
- 29% were about the decisions made
- 24% related to processes, costs and other concerns.

At 30 June 2020, 376 (92%) of the complaints received had been finalised and 16 (4%) withdrawn. A further 16 (4%) complaints were in progress. Figure 18 shows a summary of the outcome of these complaints as at 30 June 2020. Of the finalised complaints 119 (32%) were substantiated and 257 (68%) were unsubstantiated.

Figure 18: Outcome of complaints received in 2019-20



A significant proportion of unsubstantiated complaints relate to the fact the person who made the complaint does not agree with our decision or the processes and procedures we put in place to implement that decision.

Internal reviews of decisions

We understand that the people we represent and their family, close friends or guardians don't always agree with decisions we make. When this happens (except where the decision has been made by the Supreme Court) customers can apply to have the decision reviewed.

People under a financial management or guardianship order, their family, close friends or guardians can initially ask the manager of their client service team to review a decision informally. They also have the option of a more formal process (often for more significant decisions) under the *Administrative Decisions Review Act 1997*.

The first step in this review process is for the person or an interested party to make a request for an internal review of the decision (IROD). The internal reviewer is independent of the original decision maker and can affirm, vary or set aside and make a substitute decision in line with section 53(3) of the Act.

In 2019-20 NSW TG received 84 requests for an IROD, an increase 7% on the 78 requests received in 2018-19.

At 30 June 2020, 71 (85%) of the IROD's received had been finalised, eight had been withdrawn and five were in progress. This includes IRODs where we have requested additional information from the applicant or where we are waiting on advice from an external agency or service provider to support the review.

Of the 71 IROD requests finalised this year, 59% of the decisions were affirmed, 13% varied and 28% set aside.

Customers who are not satisfied with the internal review of decision can ask the Administrative and Equal Opportunity Division of the NSW Civil and Administrative Tribunal to review the decision.

Timeliness of response

NSWTG's standard timeframe to respond to IRODs and complaints is 15 business days. Additional time may be required if further information is requested to enable us to respond to a complaint or review of a decision.

In 2019-20 70% of the complaints received and 21% of IRODs were completed within the standard timeframe.⁷ Delays in finalising complaints and IRODs are commonly caused by complexities in the matters reviewed, a need for additional information or reports and delays by external parties.

Changes implemented in response to issues identified in complaints and reviews

During 2019-20 NSWTG implemented call monitoring as part of our response to the recommendations from a 2018-19 review of our complaints and their underlying causes.

A sample of calls are reviewed each month. Any issues identified in the calls are incorporated into training and coaching to improve our overall communication with customers.

Working with the NSW Ombudsman

NSWTG worked closely with the NSW Ombudsman to address issues they raised during the year. These related to:

- specific complaints from customers that had been made through the NSW Ombudsman
- systemic process issues raised by the Ombudsman in relation to NSWTG's estate management policy and administration and property services

- issues associated with assisted boarding houses.

NSWTG also implemented our revised Unreasonable Complainant Conduct policy. The policy was developed with the NSW Ombudsman during 2018-19 utilising their best practice guidelines for defining what is unreasonable complainant behaviour. The policy provides guidelines to help staff define unreasonable behaviour and to help them manage this behaviour more effectively.

During 2019-20 we commenced revising policies in response to issues raised in complaints made to the NSW Ombudsman. These included updating our policies relating to:

- complex case coordination meetings that assist with developing a unified understanding of the customer and the issues that need to be addressed across the areas involved in providing services to the customer
- depletion of funds policy to provide more clarity around decisions that need to be made as a matter of priority once depletion has been identified. It will also include how to manage and engage with the customer when they do not agree with the decisions we have made, particularly where the customer has not utilised the internal and external review processes available to them.

⁷ This does not include complaints received in relation to guardianship matters.

Digital access, communication, information and support

Digital access and communication

NSWTG website

Our website (www.tag.nsw.gov.au) continued to grow as an important point of access for services and information about NSW TG. During 2019-20 333,749 users visited the site, a 12.5% increase on the visits in the previous year.

Service NSW is the largest source of referrals to our website. In 2019-20 they provided 69% of referral traffic, a 23% increase on the referral traffic in 2018-19.

The *First choice trustee* advertising campaign (refer page 60) also continues to be a strong driver of traffic to our website. People are directed via online display advertisements and paid search channels as well as navigating directly after learning about the campaign via radio or print advertising.

The website also receives general enquiries, enquiries about whether NSW TG holds the Will of a deceased person and intestacy referrals for people who had died without a Will.

Figure 19: NSW TG website

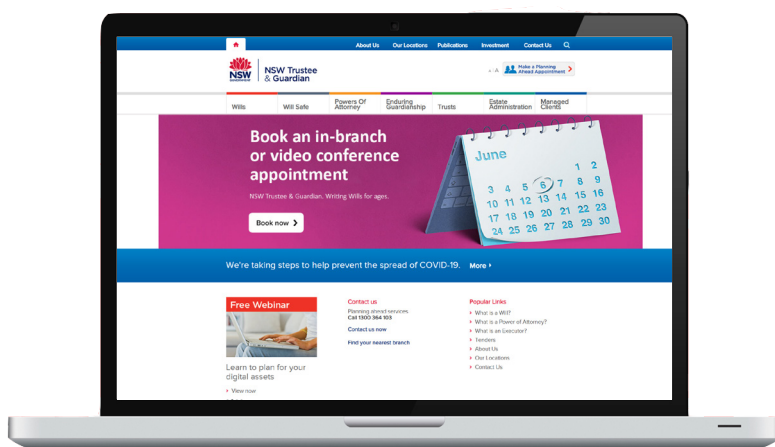
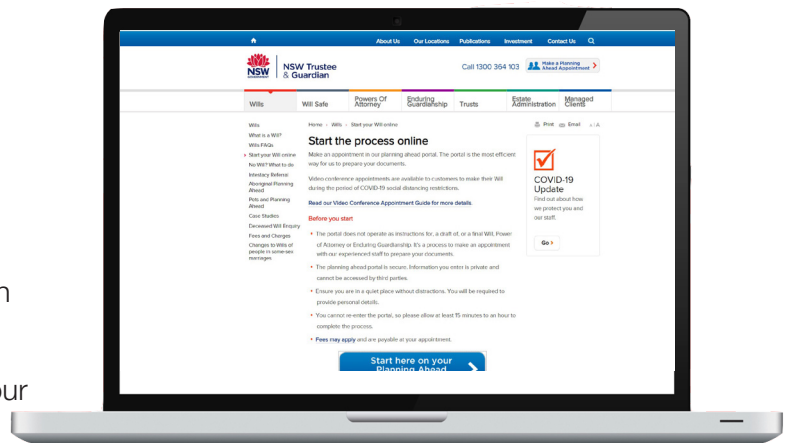


Figure 20: Planning Ahead Portal



Planning Ahead Portal

Our website hosts the Planning Ahead Portal which enables customers to provide their personal details and other information needed to prepare their planning ahead documents. This means during their appointment we can focus on the customer's planning ahead requirements rather than collecting information needed to draft their documents.

During 2019-20 there were 3,121 completed submissions to the Planning Ahead Portal from people either booking an appointment at a Plan Ahead Day or providing the information required to prepare their planning ahead documents.

Public Guardian

A separate website (www.publicguardian.justice.nsw.gov.au) for the Public Guardian provides information about guardianship and the services we provide. During 2019-20, 24,963 users visited the site. This was an increase of 14% on the previous year.

A new website

During 2019-20 NSWTG commenced a project to build a new website including consolidation of the existing NSWTG and Public Guardian websites. The design of the new website will be informed by interviews with customers to understand their motivations and needs.

The new website will go live in 2020-21.

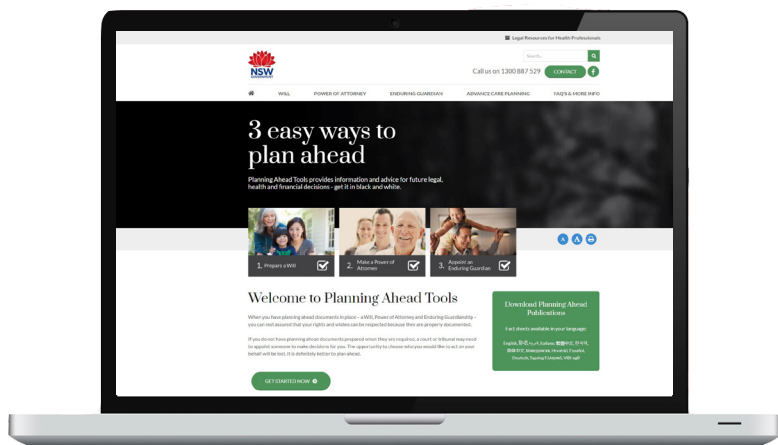
Planning Ahead Tools website

NSWTG also administers the Planning Ahead Tools website which was developed collaboratively by NSWTG and the NSW Office for Ageing.

The website provides people with multiple options to commence the planning ahead process. Two of the ways people can commence the process is by requesting an appointment with NSWTG via the online portal or by contacting the NSW Law Society solicitor referral service.

During 2019-20 5,972 users visited the website.

Figure 21: Planning Ahead Tools website



Newsletters

NSWTG produces two newsletters for customers and stakeholders, TAGconnect and Onguard.

TAGconnect (figure 22) is sent to more than 55,000 customers and stakeholders. The newsletter is used to inform customers about NSWTG and industry-wide news, events, updates, and changes which may impact our services. In 2019-20 we used TAGconnect to inform customers about:

- the new Ageing and Disability Commission
- Life Journeys, a whole-of-government and industry project to understand all contact a person will have with government and non-government organisations at major events in their life – like the birth of a child, starting school, or the death of a loved one
- Our partnership with legal service provider knowmore, who establishes pathways for survivors of institutional child sexual abuse to have their Will, Power of Attorney and Enduring Guardianship documents prepared for no cost. Further information about this partnership is available on page 32.

Onguard provided updates and advice to private and enduring guardians. During 2019-20 Onguard included articles on changes to NDIS and support services for people impacted by the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability.

Figure 22: TAGconnect



Figure 23: Onguard



Information and support

The Public Guardian provides information to the community about the role and function of guardianship and the general principles of the *Guardianship Act 1987*. The Public Guardian offers this information through the Information and Support team. The team addresses a range of matters including planning ahead, the 'person responsible' hierarchy in medical and dental consent, supported decision-making, the need for guardianship, alternatives to guardianship and the role of the Public Guardian.

During 2019-20 the Information and Support team responded to 6,065 requests for information.

Social programs and non-commercial activities

Promoting the importance of planning ahead

NSWTG continues to promote the importance of preparing a Will, making a Power of Attorney and appointing an Enduring Guardian.

Our initiatives aim to increase the awareness across the wider NSW community about the need to plan ahead, the benefits of having current planning ahead documents in place and how to get started. These initiatives:

- help ensure people:
 - are empowered with information so they can appoint their attorney, guardian or executor of choice
 - have their wishes respected in relation to how their estate should be distributed when they die
 - understand the importance of appointing an independent executor and attorney with NSWTG being able to provide these services to people as an alternative to private appointment
- reduce demand for state intervention and appointment of financial managers and guardians when people lose capacity to manage their financial and personal affairs without having made a Power of Attorney or Enduring Guardian
- reduce the number of people who die without a valid Will.

The importance of educating the community about the need to plan ahead and having current documents in place is highlighted by the findings of research commissioned by NSWTG in 2020.⁸

This research found that 53% of the NSW population aged over 18 years has a Will. Of those people 37% say it is not up to date and 19% say it is over 10 years old. An earlier report from 2017 showed that 34% have made a Power of Attorney and 36% have appointed an Enduring Guardian.⁹

Community education

NSWTG uses community education to promote the importance of planning for the future by preparing a Will, making a Power of Attorney and appointing an Enduring Guardian, the benefits of having these documents in place and what can happen when they are not.

One of the ways we aim to engage with the community about the importance of planning ahead is to link planning ahead to key life events such as marriage, having children or acquiring a pet.

We also use community education sessions to clarify the role of the Public Guardian, what it means to have a financial management order in place, how we provide support and direction to private managers and the support available for private guardians.

In 2019-20 NSWTG staff were involved in 153 community education events across metropolitan and regional NSW. These included presentations to various community groups, aged care providers, hospitals and disability service providers as well as attending expos and events.

⁸ Market Sizing Validation "Making Wills for Ages" Campaign Evaluation 2020 IPG Mediabrands

⁹ NSWTG Addressable Market and Validating Barriers 2017 Cadreon Research Agency

Community education sessions include presentations made to culturally and linguistically diverse groups including Arabic, Croatian, Serbian, Greek, Vietnamese and Chinese groups.

The number of community education events conducted in 2019-20 fell significantly as a result of the bushfire crisis and social distancing measures put in place to manage COVID-19.

Some of the metropolitan and regional expos and events attended by NSW TG are shown in table 8.

Table 8: Expos and events attended by NSW TG

Metropolitan	Regional
<ul style="list-style-type: none"> • Seniors' Festival • Yabun Festival • Mardi Gras Fair Day • Southwest Disability Expo • Community Services Expo • Carers' Week • Department of Communities and Justice information session • Homeless Connect 	<ul style="list-style-type: none"> • Senior Festivals in Wagga, Newcastle, Wollongong and Port Macquarie • Agquip in Port Macquarie • The Getabouts in Lismore • Pride Expo in Newcastle • Menindee Health Service

Figure 24: A member of the Outreach team from our Sydney branch presenting at a community education event



Figure 25: Mardi Gras Fair Day



Figure 26: Seniors' Expo as part of the Seniors' Festival



Partnering with other government agencies

NSWTG participates in the Joint Outreach Initiatives Network established by the Energy and Water Ombudsman New South Wales. The network was established to promote free, fair and independent access to information and to improve transparency about the information people are entitled to receive and their rights to make a complaint.

The network shares information and resources and identifies opportunities for joint initiatives and community education.

Each year NSWTG partners with other agencies in the network to host and attend a range of events including the Bring Your Bills Day event.

We also partner with other government agencies such as Victims Services, the Ageing and Disability Commission, Births, Deaths & Marriages and Legal Aid to create a Stronger Community Services offering at some events. In 2019-20 this included the Seniors Festival, Yabun Festival and Mardi Gras Fair Day.

NSWTG also provided information about planning ahead services for Legal Aid New South Wales' 2020 Legal Topics for Older People Diary. Copies of the diary were made available for our customers.

Media opportunities

NSWTG also uses media opportunities to promote the importance of having planning ahead documents in place as well as to promote our Plan Ahead Days in the local area.

During 2019-20 NSWTG employees appeared on local radio in regional areas such as Wagga Wagga and Newcastle to discuss topics such as planning ahead and how it relates to marriage, young people, travel and holidays and online afterlife. Articles in newspapers across the state also promoted the importance of planning ahead.

Planning ahead for Aboriginal people in New South Wales

During 2019-20 we continued to focus on increasing the uptake of planning ahead documents among Aboriginal people through our publications – *The Aboriginal Wills Handbook* and *Taking care of business*. These publications were developed to provide appropriate resources to promote the importance of planning ahead for Aboriginal people.

Planning ahead for 18-25 year olds - Will It Your Way

NSWTG has entered into a partnership with Will It Your Way – a charity whose aim is to educate Australians – particularly 18 to 25 year olds – about the importance of having a current and valid Will.

NSWTG has provided specialist content for the Will It Your Way website including material explaining why young people often have more assets than they think. We have also provided resources to help young Aboriginal people plan ahead. NSWTG is featured on the Will It Your Way website as a service provider available to make planning ahead documents for people aged 18-25 years.

The Will it Your Way website also includes a facility for website visitors to be referred to NSWTG.

Yabun 2020

The Yabun 2020 festival was a key part of our promotion of planning ahead among Aboriginal people during 2019-20.

The festival is a one day gathering and recognition of Aboriginal and Torres Strait Islander cultures and celebration of the world's oldest living culture. It was held on 26 January 2020 on Gadigal country. The theme of the 2019-20 year's festival was Resist Invasion. Celebrate Survival. Continue Culture.

Information was available from NSW TG, Victim Services, NSW Ombudsman, Births, Deaths & Marriages and Legal Aid.

The festival provided an opportunity for each agency to offer practical advice and information around a range of subjects, including the importance of getting your Will, Power of Attorney and Enduring Guardianship in place.

Pet Emergency Card

During 2019-20 we continued to use pet ownership and the Pet Emergency Card as a means of communicating the importance of planning ahead to the community.

During 2019-20 NSW TG made several presentations about including pets in your planning ahead arrangements. This included a presentation to Veterinary Science at Sydney University and the Cat Protection Society of NSW. NSW TG staff also contributed an article on the importance of planning ahead for pets to the Australian Dog Lover website.

Figure 27: Pet Emergency Card



Promoting supported decisions for people with a disability and the Supported Decision-Making Project

Family members, government and industry professionals have traditionally made many decisions for people with disabilities. Since Australia ratified the United Nations Convention on the Rights of Persons with Disabilities in 2008, there has been a shift away from others deciding what is considered to be in a person's 'best interest' to what people with disability would like to happen in their own life, driven by their own 'will and preferences'. This is referred to as supported decision-making.

Before being finalised in May 2020 the Supported Decision-Making Project was led by the Public Guardian and funded by the Department of Communities and Justice. The project aimed to:

- build the capacity of people with disabilities to exercise choice and control when making decisions by educating those who can act as supporters
- build the capacity of service providers to promote and deliver supported decision-making to people they provide services to
- create a community of practice to support and develop supported decision-making practice and knowledge.

The project developed a suite of resources for the sector and public on what supported decision-making is and how to implement it. It also produced an e-learning tool for the disability service sector and for staff within NSW TG. The supported decision-making tab is one of the most visited pages on the Public Guardians website.

The workshops held as part of the project and the community of practice reached over 4,700 people. Surveys to assess the training workshops showed that 95% of people surveyed agreed the workshops provided them with a better understanding of the Public Guardian and how to avoid unnecessary guardianship orders.

The project's strong following among service providers shows a commitment by those working in the disability and aging sectors to focus on human rights and person-centred practices. It has also provided strengthened links between the Public Guardian, the service sector, legal and medical practitioners, academia and other guardianship agencies.

Legislative change, judicial decisions, reviews and inquiry submissions

Legislative change

During 2019-20 there were amendments to the *State Revenue Legislation Amendment Bill 2020* and the Electronic transactions Amendment (COVID-19 Witnessing of Documents) Regulation 2020.

State Revenue Legislation Amendment Bill 2020

This amendment has impacted how surcharge purchaser duty and surcharge land tax are applied when residential land located in NSW is held in a discretionary trust. NSW TG needs to consider the impact of this change when drafting Wills and has sought a Private Ruling regarding its impact.

Electronic transactions Amendment (COVID-19 Witnessing of Documents) Regulation 2020

This amendment was implemented to help manage social distancing requirements arising from the pandemic. It enables legal documents to be witnessed by video conference. NSW TG utilised this amendment to implement new procedures for witnessing of Wills as part of managing the impact of COVID-19.

Judicial decisions

There were no significant judicial decisions impacting NSW TG or the services we provide to our customers.

Royal Commissions

The Royal Commissions into Aged Care Quality and Safety and into Violence, Abuse, Neglect and Exploitation of People with Disability are inquiring into issues that may impact a significant portion of our customers.

Some customers, such as people under guardianship who are NDIS participants and live in an aged care facility, may be impacted by the findings of both Royal Commissions.

During 2020-21 NSW TG will continue monitor the issues raised by the Royal Commissions and identify implications for NSW TG and the services we provide to our customers. We will also provide any information they request.

Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety (Aged Care Royal Commission) was established in October 2018 and is expected to provide a final report in February 2021.

The Royal Commission released its interim report in October 2019. The report includes many issues and observations about the aged care sector. It also includes reports in relation to neglect, elder abuse and restrictive practices which impact our customers and the services we provide.

NSW TG continued to engage with the Royal Commission during 2019-20. In July 2019 we also contributed to preparation of the NSW Government's general submission to the Royal Commission. Our contribution to the submission raised issues relating to restrictive practices, enduring powers of attorney, enduring guardianship and the complexity of financial assessments for entry into aged care services.

Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability

The Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Disability Royal Commission) was established on 4 April 2019.

During 2019-20 NSW TG provided a response to the Disability Royal Commission's issue paper on Group Homes. Our response raised issues relating to our experiences when making guardianship and financial management decisions for customers in group homes.

Submissions

During 2019-20 NSW TG made submissions to a number of reviews raising issues that impact our customers and the services we provide to them. These submissions included:

- Review of the *Boarding House Act 2012* to determine whether its policy objectives remain valid and whether the current Act needs to be amended to achieve those objectives.
- Review of the *National Disability Insurance Scheme Act 2013 (NDIS Act)* to identify opportunities to simplify NDIS processes and remove legislative barriers to positive participant and provider experiences with the NDIS.
- Review into Disability Advocacy in NSW to better understand the purpose, functions and future funding needs of disability advocacy across NSW.

Financial performance

NSWTG is predominantly a self-funding NSW Government agency. Our revenue comes from:

- commissions and fees on estates, trusts and Powers of Attorney
- fees for managing our customers' assets
- fees for drafting Wills and Powers of Attorney
- income on corporate investments.

This revenue is supplemented by:

- funding for community service obligations from the NSW Government
- a NSW Government grant for the Public Guardian's operations.

The main challenges affecting our financial performance in 2019-20 were:

- to achieve our financial targets and maintain financial sustainability within NSW Treasury guidelines
- the impact of record low interest rates and the volatility of the property and financial markets on the value of customer assets and NSWTG revenue due to COVID-19.

High level results

NSWTG's result from operating activities was a deficit of \$6.4 million. This includes a revaluation loss from an investment with T-Corp of \$5.1 million due to market volatility caused by COVID-19.

The final result for 2019-20 was a deficit of \$7.2 million after reflecting an impairment loss of right of use assets lease properties of \$0.7 million and an impairment loss on plant and equipment assets of \$0.1 million.

2019-20 approved revenue and expenditure budget

Details of the approved 2019-20 recurrent revenue and expenditure budget compared to actual expenses are shown in table 9. The table also sets out the recurrent budget for 2020-21.

The budget for 2019-20 was set at a deficit of \$0.67 million. Budgeted revenue was based on trends from previous years, operational plans, business level predictions and NSWTG's current fees.

The expenditure budget provided for increases in personnel services and operating costs, with maintenance and depreciation expenses proportionate to existing assets and the capital expenditure program.

The actual result (a deficit of \$7.2 million) was higher than budgeted mainly due to:

- lower than expected commission and fees received for trustee matters. This reduction was driven by a decline in the average value of estates administered, a decrease in the amount received on the sale of estate assets and a reduction in the number of properties being sold due to COVID-19
- a reduction in fees received in other matters as a result of an overall decrease in the value of customer assets, including those held in the common fund
- an unrealised loss of \$5.1 million in TCorp's IM LongTerm Growth Fund investment due to volatility in financial markets resulting from COVID-19

- higher than expected contractor costs, telephone and postage charges. These were partially offset by lower than expected other operating expenses and maintenance fees
- lower than expected depreciation expenses resulting from delays in completing capital projects.

Revenue

In summary, total revenue for 2019-20 was \$82.6 million – below budget by \$5.7 million (6.5%).

The main components of revenue for 2019-20 were:

- commissions and fees of \$18.7 million. This was \$2.5 million (11.9%) lower than budget. The reduction is primarily the result of a decline in the average value of estates administered and a decrease in the amount received from the sale of estate assets as a result of COVID-19. A reduction in the number of properties being sold also impacted the commissions and fees received from deceased estate matters
- management and investment fees of \$39.8 million. This was \$0.1 million (0.3%) lower than budget
- legal and professional services fees were \$7.0 million. This was \$1.2 million (20.1%) higher than budget primarily as a result of an increase in the fees accrued for work in progress on Genealogy and Legal services matters
- funding of \$5.1 million from NSW Treasury for our community service obligations
- a grant of \$9.1 million from NSW Treasury for services provided by the Public Guardian
- other grants totalling \$1.4 million made up of:
 - \$0.5 million in funding for the Health Guardianship Project
 - \$0.9 million to augment rental cost increments for our offices in the Parramatta Justice Precinct

- Investment revenue was \$0.5 million. This was a decrease of \$4.67 million mainly as a result of an unrealised loss from long term growth investments of \$5.1 million held in the TCorpIM investment fund
- the recognition of Personnel Services Liabilities to Crown entities of \$0.7 million arising from the transfer to the Crown of the liability arising under the defined benefit superannuation funds.

Expenditure

Total operational expenses including depreciation and amortisation expenses for 2019-20 were \$89.0 million which is in line with budget. The major components of expenses were:

- personnel services costs were below budget by \$3.6 million (5.6%). This is a result of contractors occupying vacant roles and backfilling. These contractor costs were classified as fees for services in operating expenses (\$5.7 million)
- advertising, consultancy, travel, training costs and maintenance fees were lower than budget by \$2.3 million (34.5%). This was offset by an increase of \$0.6 million in telephone expenses
- depreciation and amortisation expenses were below budget by \$0.4 million (6.5%) mainly due to deferral of capital works in plant and equipment and intangible assets
- other gains/(losses) for 2019-20 include:
 - a \$0.7 million loss arising from the impairment of right of use assets – lease properties
 - a \$0.1 million loss on disposal of plant and equipment assets.

Capital expenditure

Table 10 shows details of the 2019-20 capital expenditure budget compared to actual expenditure as well as the capital budget for 2020-21.

Total capital expenditure in 2019-20 was \$13.7 million. The majority of expenditure in 2019-20 related to office refurbishments, inclusion of right of use lease property assets and upgrading of computer software.

The majority of unspent capital expenditure in 2019-20 has been approved by NSW Treasury to be carried forward to 2020-21.

Corporate investments

Investments of NSWTG corporate funds are held in funds managed by NSW TCorp Investment Management. These monies are invested to help pay for NSWTG's projected capital expenditure and to generate returns to support the financial sustainability of NSWTG.

Further information about the performance of corporate investments is set out in the financial statements on page 152.

Liability management

The majority of the current and noncurrent liabilities on NSWTG's Balance Sheet are related to personnel services. These liabilities are managed in accordance with Department of Communities and Justice policies.

Further information on NSWTG's liability management is set out in the financial statements on page 141.

Table 9: Recurrent revenue and expenditure budget

	2019-20 Budget (\$'000)	2019-20 Actual (\$'000)	2020-21 Budget (\$'000)
Revenue			
Commission and Fees	21,191	18,667	17,310
Client Management & Investment Fees	39,899	39,765	39,829
Legal & Professional Service Fees	5,862	7,043	8,230
Community Service Obligation	5,112	5,112	5,112
Government grant - other	903	1,412	1,452
Government grant - Public Guardian	9,119	9,119	9,119
Investment revenue	5,181	515	5,814
Other revenue	391	282	289
Acceptance by Crown Entity of Personnel Services Liabilities	670	684	730
Total Revenue	88,328	82,599	87,885
Expenses			
Personnel service expenses	65,869	62,207	69,536
Advertising	1,616	1,117	1,421
Fees for services	6,848	11,956	5,955
Office supplies, postal and telephone	1,634	2,049	1,818
Lease expenses	3,316	3,377	3,355
Other operating expenses	1,817	1,377	1,709
Maintenance	2,376	1,751	2,071
Depreciation and amortisation	5,517	5,161	6,123
Total Expenses	88,993	88,995	91,988
Surplus/(Deficit) from Operational Activities	(665)	(6,396)	(4,103)
Other gains/(losses)	(2)	(812)	-
NET RESULT FOR THE YEAR	(667)	(7,208)	(4,103)

Table 10: Capital expenditure budget

	2019-20 Budget (\$'000)	2019-20 Actual (\$'000)	2020-21 Budget (\$'000)
Lease acquisition (properties)	-	5,018	277
Building fixtures	7,700	7,081	617
Leasehold improvements	550	179	2,921
Computer hardware	850	17	2,000
Computer software	4,861	1,363	4,485
	13,961	13,658	10,300

NSWTG executive and committees

The NSWTG Chief Executive Officer (CEO) is a statutory office appointed by the NSW Governor. The CEO is responsible for the day-to-day management of the affairs of NSWTG.

The CEO has used their power of delegation to create the management and reporting structure of NSWTG.

NSWTG Executive Leadership Team

The NSWTG Executive Leadership Team comprising the CEO, NSW Public Guardian and directors meets weekly. The role of the Executive Leadership Team is to set the strategic direction, monitor progress towards achieving the strategic plan and KPIs and ongoing management of the organisation. The Executive Leadership Team has a charter which provides a framework for how the group operates.

Independent advisory committees

NSWTG has established two independent advisory committees to provide high-level advice, guidance and oversight. Both committees have independent members and an independent chair. The advisory committees have charters developed in accordance with NSW Treasury Guidelines to provide a framework for how they operate.

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance to the CEO that NSWTG has a sound and efficient system of internal control by monitoring, reviewing and providing advice about NSWTG's governance processes, risk management and control frameworks and its external accountability obligations.

The members of the committee at 30 June 2020 were:

- **Julie Elliott** (Chair) has a diverse commercial background with over 35 years of experience in senior management positions in global corporations. She also has board chair and committee member roles for public and private organisations.
- **Stephen Horne** is a leading figure in internal audit and governance and is currently a member of a number of public sector audit and risk committees. This is complemented by extensive experience with the Audit Office of NSW and the Institute of Internal Auditors.
- **Elizabeth Carr AM** serves on a number of NSW public sector audit and risk committees and is a recipient of the Order of Australia for significant service to the community. She holds a number of board positions in the private, non-profit and education sectors and has held senior executive management positions in technology, finance and government.

Independent Investment Advisory Committee

The Independent Investment Advisory Committee monitors, reviews and advises the CEO on issues relating to customer investment and NSWTG's corporate investment portfolio.

This includes reviewing policies, providing oversight and recommending strategies for the management of investments.

The external members of the committee at 30 June 2020 were:

- **David Hartley** (Chair) has over 30 years investment experience in executive capacities, including Chief Investment Officer at Sunsuper until 2015.

- **Andrew Buchanan** was a prominent broadcast programmer and General Manager with ABC Local Radio and International Affairs. He also has experience working with organisations advocating for people with disabilities.
- **Julie Elliot** has a diverse commercial background with over 35 years of experience in senior management positions in global corporations. She also has board chair and committee member roles for public and private organisations.
- **Jim Kalotheos** represents NSW Treasury where he is Director - Assets in the Financial Risk Management branch.

Other key committees

NSWTG also has a Joint Consultative Committee (Appendix 4) and Workplace Health and Safety Committee (Appendix 4).

Governance

Our corporate governance framework supports the CEO in discharging his responsibilities and provides for the efficient and effective administration of NSWTG's resources.

The Executive Leadership Team support the CEO in carrying out this function. NSWTG's independent advisory committees also provide high-level advice, guidance and oversight.

Risk management

NSWTG is exposed to a range of strategic, operational, compliance and financial risks associated with our financial management, guardianship, executor, administrator, trustee and attorney services.

The CEO and Executive Leadership Team lead management of risk across the organisation.

The framework for managing risks is provided by our enterprise risk management framework and our overall approach to corporate governance.

We maintain risk registers identifying both operational and corporate risks. The management of risk is compliant with relevant NSW Treasury policies, including the Internal Audit and Risk Management Policy (TPP 15-03) and the Certifying the Effectiveness of Internal Controls Over Financial Information Policy (TPP 17-06). Our risk management framework also meets the requirements of the Risk Management— Principles and Guidelines Australian standard (AS/NZS ISO 31000).

Major business processes are protected by:

- a fraud control strategy and a corruption prevention framework
- monitoring and review by and advice from the Audit and Risk Committee
- business continuity and business resilience plans
- NSWTG policy and procedure framework, including clearly defined delegations.

Internal audit

Internal audit assists NSWTG accomplish its objectives by leveraging a systematic, disciplined approach to evaluate and improve the effectiveness of risk management and internal control systems to strengthen the governance framework.

The Director Strategy and Governance is the Chief Audit Executive and oversees the internal audit function, reporting administratively to the Chief Executive Officer and functionally to the Chair of the Audit and Risk Committee.

NSWTG has a strategic internal audit plan which is approved by the Audit and Risk Committee. The plan is reviewed each year and provides assurance over the key risks that may impact achievement of *Our Strategy 2019-25* and the internal controls established over critical business processes.

Internal audit reports provide advice and assurance to management by monitoring governance, risk and control issues affecting NSWTG.

The main areas of focus for internal audit in 2019-20 were cybersecurity, management of customer finances and supporting the implementation of agreed audit actions.

Business continuity

NSWTG's business continuity plans are designed to ensure that in the event of an emergency situation all critical business systems and processes will continue to operate, enabling the continuation of services to customers.

The outbreak of COVID-19 in January 2020 was an event that had the potential to impact our operations and the services we provide to our customers. Further information about our response to the pandemic is provided on page 25.

Organisational strategy

NSWTG has developed *Our Strategy 2019-25* to guide improvements from now until 2025 and ensure NSWTG delivers high-quality, trusted and customer focused financial management, guardianship and trustee services in a financially sustainable way.

Further information on *Our Strategy 2019-25* is included on page 19.

Workforce

Supporting and developing our people is one of the goals of *Our Strategy 2019-25*. This reflects the importance of our people in delivering and improving the services we provide to our customers. During 2019-20 we have continued our focus on building both the capacity and capability of our people.

Number of employees

At 30 June 2020 there were 611 roles on the NSWTG establishment. These are a mixture of full-time and part time as well as on-going and temporary roles.

At 30 June 2020 there were 558.85 full time equivalent (FTE) staff occupying those roles.

Table 11 shows the number of FTE by the Australian and New Zealand Standard Classification of Occupations (ANZSCO) category at 30 June 2020. A comparison with the previous three years is also included in the table. Please note all figures in this table are net of vacant roles within the establishment.

The majority of NSWTG's employees are located in Parramatta with other staff located in the Sydney CBD and regional locations across the state.

Table 11: Employees by ANZSCO Classification of Occupations at 30 June 2020¹⁰

Category (ANZSCO Major Code)	2016-17 FTE	2017-18 FTE	2018-19 FTE	2019-20 FTE
Clerical and Administrative Workers	295.60	282.52	340.90	320.56
Community and Personal Service Workers	2.00	3.71	1.80	2.00
Managers	102.70	96.66	86.90	92.20
Professionals	120.20	81.42	105.99	123.59
Sales Workers ¹¹	4.00	2.00	18.00	20.50
Total	524.50	466.31	553.59	558.85

¹⁰ The activities and performance of the Public Guardian were reported separately within the 2016-17 Annual Report. This included employees by ANZCO classification.

¹¹ These roles are in our property team and manage customer real estate.

Health and wellbeing

The wellbeing and resilience of our staff is a key priority in supporting and developing our people.

NSWTG has a Health & Wellbeing Committee and program under the banner of TAGfit which aims to develop a workplace that is resilient and well-supported in an environment built around a strong sense of wellbeing.

The committee has implemented a number of programs including online tools and resources, workshops in resilience and mental health, physical activities as well as initiatives to support charities.

NSWTG made flu shots available to employees to improve their physical health and reduce the spread of infection.

We are also continuing the Clinical Supervision Program implemented in 2018-19. The program provides training on the management of customer behaviours in addition to raising awareness of the importance of self-care when staff are carrying out their roles.

Organisational capability and performance

NSWTG's employees are key to delivering quality services to the public. During 2019-20 we continued to focus on building both the capability and performance of our staff.

We have a learning and development function that supports the organisation to:

- provide staff with technical training, including the core technical knowledge program
- continuing professional development training
- leadership development
- other training and development aligned with our strategic objectives and employee's performance development plans.

Staff training initiatives in 2019-20 included:

- training on Living and Leading the Customer Excellence Principles to support the implementation of the Customer Excellence Principles
- development and implementation of a mandatory privacy awareness online training module
- implementation of mandatory training in work, health and safety fundamentals and ergonomics
- leadership development workshops and coaching
- risk and compliance training including training on the *Government Information (Public Access) Act 2009* and fraud prevention
- communication, customer service, advocacy and complaints handling to better support our customers.

Core Technical Knowledge program

Our Core Technical Knowledge program provides continuing professional development that supports the onboarding and upskilling of new and existing staff providing financial management, estate administration, trusts and power of attorney services. The program is composed of modules of training, designed and delivered by subject matter experts from across NSW TG.

During 2019-20 we continued our focus on increasing capability in Will drafting by establishing a continuous professional development program. This has resulted in continual upskilling of staff providing planning ahead services from industry standard resources.

During 2019-20 an additional seven staff were accredited as Will-makers, seven were accredited to witness Enduring Guardian documents and five were accredited to draft and witness Power of Attorney documents.

People Matter Employee Survey

The People Matter Employee Survey is conducted across the public sector each year. The survey provides an opportunity for staff across NSW TG to have a say about their workplace and to help make NSW TG a better place to work.

The 2019 survey was completed by 67% of our staff and saw improvements on the previous survey in employee perception in eight key areas. These included employee engagement (up 4%), confidence in senior managers (up 6%), communication (up 5%), performance (up 6%), diversity and inclusion (up 4%) and public sector values (up 4%).

Analysis of the survey results also identified a number of focus areas for improvement. These included helping staff reduce workplace stress, the number of people experiencing bullying, building leadership capability, and increasing collaboration between teams across the organisation.

The focus areas have been incorporated into the initiatives being implemented to achieve our goal of supporting and developing our people.

Further information on NSW TG's workforce is available in Appendix 4 on page 96.

Information technology and information management

We maintain a number of complex systems that support provision of services to our customers including the processing of over two million financial transactions on their behalf.

One of the goals of *Our Strategy 2019-25* is to drive digital innovation to improve our systems, deliver better outcomes for our customers, staff and the organisation. The enhancements made in 2019-20 are intended to support this goal.

Automation and process improvement was a focus area for improving our systems in 2019-20. During the year a number of changes were made that have freed up our staff to work on more complex aspects of providing services to our customers.

Improving how we manage mail redirections of mail for customers

To carry out our role as financial manager, executor, trustee or power of attorney we usually need to redirect a customer's mail.

During 2019-20 NSW TG worked with Australia Post to implement online processing of requests for redirection of customer mail.

The new system replaced a process where our staff had lodged requests for each customer (including payment by cheque) in person at post offices.

The new online process means mail redirections for customers can be implemented sooner reducing the risk of mail going astray. It has also reduced the amount of time needed to process each redirection request.

Client management systems

During 2019-20 NSW TG continued to make enhancements to our client management systems to improve service delivery by improving performance, functionality and stability of these systems.

This included completion of the migration of data from a legacy system for our guardianship services. Migrating this data enabled us to implement a single source of customer information for guardianship services.

One of the key initiatives of *Our Strategy 2019-25* is to automate manual and repetitive tasks. During 2019-20 we used Robotic Process Automation to automate a number of tasks used by our taxation and information management teams. Some of these changes have saved up to 20 hours of staff time per month and reduced the risks associated with manual processes. Staff have been able to use the time saved by automating these tasks to concentrate on more complex aspects of providing services to our customers, such as making decisions on behalf of the people we represent.

Supporting systems and environment

Our Anywhere, Any Device initiative is an approach to mobility to help staff work more effectively and allow customers to engage with NSW TG in ways that best suits them.

As part of this initiative, during 2019-20 NSW TG completed the roll out of new laptops with Windows 10 and Office 365. These devices are faster and more reliable than the machines they replaced. Windows 10 and Office 365 also provide a more secure environment and address a number of security and reliability issues which help staff provide service to customers more effectively.

Roll out of the new laptops and the upgrade to Windows 10 and Office 365 as well as other functionality such as Follow-Me printing and Scan-to-Email have improved staff mobility and provided the technical capability for our staff to deliver services to our customers while working remotely during the COVID-19 pandemic.

During 2019-20 we established our Customer Contact Team who manage up to 800 calls from customers each day. The Customer Contact Team also manage a dedicated number for Tribunal members of the Guardianship Division of the NSW Civil and Administrative Tribunal. This number reduces delays during financial management and guardianship hearings by making it easier for tribunal members to contact our financial management and guardianship staff to participate in the hearings.

These changes were made possible by our work in 2018-19 to standardise telephony across our Parramatta and O'Connell Street locations.

During 2019-20 NSW TG piloted Amazon Connect across numerous areas of the organisation as a potential replacement for our existing phone system. Amazon has the potential to better support NSW TG's response to the COVID-19 pandemic by improving our capability to provide services to customers when staff work remotely. It would also provide a platform for implementation of web and mobile chat to give customers more choice in contacting us.

NSW TG also implemented call and email monitoring to help improve the consistency and quality of our service to customers.

A new financial statement reporting tool was implemented to enable us to prepare financial statements more efficiently. We also commenced an initiative to digitise the accounts payable process and speed up processing of supplier invoices for payment. As of 30 June 2020 almost all invoices for corporate accounts payable were received electronically.

During 2019-20 we improved the capability of our cybersecurity defences to improve protection of customer information. This included enhancing our maturity against the NSW Cyber Security Policy and the Australian Cyber Security Centre's *Essential 8* risk management framework.

Onsite support was also implemented across our main locations to help staff perform their roles more effectively, make it easier for them to provide services to customers and reduce disruptions to service delivery.

Working with the Department of Communities and Justice

NSW TG has a service partnership agreement with the Information and Digital Services division of the Department of Communities and Justice. This agreement is for the provision of core information technology support and services including security, telephony and core server and network infrastructure.

Information and records management

NSW TG's Information Management team ensure that instruments, other key customer documentation and corporate documents are managed in accordance with the *State Records Act 1998*.

The team processes in excess of 6,000 documents per week including original birth certificates, land titles and client invoices.

During 2019-20 NSW TG transitioned to digital delivery of mail for all teams across the organisation. Implementation of digital delivery has sped up delivery of mail to teams in all locations across NSW. This means teams can start responding to requests or addressing any issues for customers sooner.

Future plans

During 2019-20 we were able to respond to the COVID-19 pandemic while continuing to support our customers and ensuring the safety of our staff.

As we head into 2020-21 we will continue to evolve our response to the pandemic as changes are made to the Public Health Orders.

We will also take the learnings from our response to the pandemic to improve how we operate and enable us to further improve outcomes for our customers.

Any changes implemented as a result of the outcomes of the Royal Commissions are likely to lead to changes in what our customers need from us and the services we provide to them. We will work across government to ensure these changes are implemented effectively.

We will also continue our work towards meeting our objective of delivering high-quality, trusted and customer-centred financial management, guardianship and trustee services in a financially sustainable way. This will include launching our new website and in-house conveyancing service.

We will also incorporate any changes in who our customers are, what they need and expect from us as well any changes in our environment and technological innovations into *Our Strategy 2019-25*. This will ensure it is still able to guide us into the future and to provide better outcomes for our customers.

Appendix 1: Access to government information

The aim of the *Government Information (Public Access) Act 2009 (GIPA Act)* is to promote and facilitate the sharing of government information with the public. The purpose of sharing government information is to improve transparency and accountability.

In accordance with the Act, NSW TG's approach is to proactively release information unless there is an overriding public interest consideration against its disclosure or it is excluded information.

Release of information under the GIPA Act applies to NSW TG's functions as financial manager, guardian and power of attorney. Release of information in relation to our functions as administrator, executor or trustee is considered under general trustee principles and law. This is because the GIPA Act specifically excludes information relating to these functions.

Proactive release of government information

During 2019-20 NSW TG reviewed its program for the release of government information to identify the kinds of government information we held where it is in the public's interest for that information to be made publicly available. This work will be completed in 2020-21.

As part of our release of government information NSW TG published the following policies on our website during 2019-20:

- Insurance of Assets Policy
 - Leasing and Occupation of Real Property Policy
 - Personal Property Policy
 - Real Property Purchase Policy
 - Real Property Sale Policy
 - Repairs, Maintenance, Construction and Renovations Policy
 - Self-Management for Direct Management Customers (Section 71) Policy.
-
- Affordability of Expenditure Policy
 - Authorised Visitors Policy
 - Benefits Unit Policy
 - Inspecting, Securing and Storing Real and Personal Property Policy

Requests for access to government information

During 2019-20 we received 20 formal applications for information under the GIPA Act from members of the public or their legal representative. A summary of the requests received and the outcomes of these requests is shown in the following tables.

In cases where more than one decision was made in respect of a particular application each decision has been recorded separately. In 2019-20 there was one application that involved multiple decisions.

Number of applications by type of applicant and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Media								
Members of Parliament			1					
Private sector business								
Not for profit organisations or community groups								
Members of the public (application by legal representative)		2		1	1	2		2
Members of the public	1	4		1	5			1

Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Personal information applications ¹²	1	1						
Access applications (other than personal information applications)		4	1	2	6	2		3
Access applications that are partly personal information applications and partly other		1						

¹² A personal information application is an access application for personal information about the applicant (as defined in clause 4 of Schedule 4 to the GIPA Act).

Invalid applications

Nil

Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

Nil

Other public interest considerations against disclosure: matters listed in the table to section 14 of the Act

	Number of times consideration used
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	6
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	17
Decided after 35 days (by agreement with applicant)	3
Not decided within time (deemed refusal)	0
Total	20

Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

The application for review under Part 5 of the Act was in progress at 30 June. The outcome of this review will be reported in the 2020-21 Annual Report.

Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

Nil

Appendix 2: Action plans and carers recognition

Disability Action Plan

NSWTG actively promotes access to services for people with disability through the design and implementation of service improvements. Employment of people with disability is an important part of our service delivery strategy.

NSWTG's website, including the Planning Ahead Portal, has been developed to meet Web Content Accessibility Guidelines (WCAG) 2.0. implementation of the Guidelines helps make the content on our website accessible to a wider range of people with disabilities.

Accessible versions of brochures and booklets relating to financial management and trustee services are available on request. Easy Read versions of several key resources for guardianship services are also available.

Interpreting services such as AUSLAN are provided on request to both customers and staff.

During 2019-20 we commenced a refurbishment of our offices in O'Connell Street in Sydney to better support our people and customers. This refurbishment includes modifications to ensure the office is accessible for people with a disability. These refurbishments will be completed in 2020-21.

This means that from 2020-21 all NSWTG locations will be wheelchair accessible.

Other accessibility adjustments made for customers include enabling customers to bring a support person, hearing amplification, relocation to a quieter area or provision of documents in large print or electronic formats.

Where ever possible Plan Ahead Days and community education events are held at venues with better access and facilities for people with disabilities, such as local courthouses, libraries, Service NSW locations and community centres.

As part of our goal of creating a customer-centred culture NSWTG will create a better understanding of our vulnerable customers and the challenges they face that impede their ability to interact with us. This includes developing knowledge resources that staff can use to inform their communication with customers who have specific needs. It also includes a volunteering program. This may include staff visiting a group home or aged care facility to develop their understanding of our customers and their circumstances.

Multicultural policies and services

NSWTG uses interpreting and translation services and translated resources to provide support to customers from culturally diverse backgrounds.

We provide onsite and telephone interpreting services for our guardianship, financial management, estate administration, trustee, power of attorney services and planning ahead services free of charge. Fees for interpreting and translation services used in identification of beneficiaries in an estate or trust are charged to the matter.

We have translated a number of information sheets and brochures to cater for customers who speak languages other than English. These are available on our website and in hardcopy by request.

NSWTG also speaks at community education sessions targeted at people from culturally diverse backgrounds.

Carers recognition

The legislative framework for NSW TG makes it mandatory to consider the views of those involved in the lives of people under a financial management or guardianship order when making decisions.

This enshrines the role of carers in all decision-making processes for substitute decision-making. The involvement of carers in the decision-making process is reinforced through our decision-making framework.

NSW TG maintains information on the intranet for all staff on the *Carers (Recognition) Act 2010*.

Appendix 3: Code of Ethics and Behaviour

As employees of the Department of Communities and Justice, staff were required to comply with the Department's Code of Conduct and Ethics Policy. This includes conflicts of interest, gifts and benefits and secondary employment requests.

The policy also provided information and guidance in relation to employee responsibilities and obligations and the expected standards of ethical behaviour.

Prior to commencing with NSW TG, staff are advised of the Code of Conduct and Ethics through their offer of employment pack and further education is provided at induction training.

The code is consistent with the *Independent Commission Against Corruption Act 1988*, *Public Finance and Audit Act 1983*, *Government Sector Employment Act 2013* and the *Privacy and Personal Information Protection Act 1998*.

A separate Statement of Business Ethics applies to all business partners, suppliers and contractors. Our Statement of Business Ethics provides a framework of mutual obligations, roles and constraints in business operations in relation to business conducted for NSW TG and also on behalf of our customers.

Appendix 4: Employment reporting

The Chief Executive Officer is a statutory officer established under section 7 of the *NSW Trustee & Guardian Act 2009*. All other staff are employed under the *Government Sector Employment (GSE) Act 2013*.

During 2019-20 all staff other than the CEO were employees of the Department of Communities and Justice assigned to NSW TG.

Human resource, payroll and employee records services

During the reporting period the Department of Communities and Justice provided human resources, payroll and employee records services under a service partnership agreement.

Workforce diversity

NSWTG aims to build a diverse workforce that is aware and more representative of our diverse customer base. A diverse workforce will help us deliver services with empathy and develop a more caring and harmonious workforce.

The following tables set out the representation of diversity groups in our workforce (table 12) and the distribution of those groups across salary bands (table 13).¹³

The data in these tables is based on responses to the Department of Communities and Justice Workforce Diversity Questions. At 30 June 2020 67% of our employees had responded to at least one of these questions.

The distribution of diversity groups across salary bands shows that employees in these groups tend to be slightly more concentrated in lower salary bands than is the case for other staff.

NSWTG introduced a Diversity and Inclusion calendar to enable us to celebrate our diversity and to promote inclusiveness.

Table 12: Representation of diversity groups

Workforce diversity group	Benchmark	2020
Women	50%	67.5%
Aboriginal and/or Torres Strait Islander People	3.3%	1.3%
People whose first language spoken as a child was not English	23.2%	37.1%
People with disability	5.6%	6.3%
People with disability requiring work-related adjustment	N/A	2.8%

Table 13: Distribution of diversity groups across salary bands

Workforce diversity group	Benchmark	2020
Women	100	98
Aboriginal and/or Torres Strait Islander People	100	N/A
People whose first language spoken as a child was not English	100	95
People with disability	100	92
People with disability requiring work-related adjustment	100	N/A

¹³ In previous years workforce diversity data was reported in the Department of Justice Annual Report.

As part of implementing *Our Strategy 2019-25* and our work to build a diverse workforce NSW TG aims to:

- conduct an accessibility and inclusion assessment of our facilities and technology
- implement initiatives to increase representation of diversity groups where we do not currently meet the benchmark
- develop and implement diversity and cultural awareness training to develop staff awareness and build empathy
- formally identify target diversity and inclusion roles through role assessments as part of our overall workforce planning
- develop a career support framework for all identified and targeted diversity and inclusion roles
- establish an indigenous employment guide and framework.

Industrial relations

The Joint Consultative Committee is made up of representatives of NSW TG management and the Public Service Association of NSW. The committee meets quarterly and provides a platform to discuss and consult on human resource policies, industrial relations matters and other concerns raised by the Public Service Association.

Work health and safety

NSW TG is committed to providing a healthy and safe workplace for our staff and complying with the requirements of the *Work Health and Safety Act 2011*.

During 2019-20 NSW TG established a working group to respond to recommendations of the audit of our Workplace Health and Safety practices conducted in the previous year.

The NSW TG Work Health Safety Committee provides a forum for staff and management to consult about issues affecting workplace safety. The Committee met four times during the reporting period.

Incidents

A breakdown of the 22 incidents reported during 2019-20 is shown in table 14.

Table 14: WHS incidents reported

Category	Number
Incidents	17
Hazards	3
Near misses	2
Total	22

There were three workers compensation claims received during the reporting period.

There were no prosecutions under the *Work Health and Safety Act 2011* during the year.

Movement in salaries 2019-20

A 2.5% pay increase came into effect in July 2019.

Personnel policies and practices

All employees have rights and obligations as determined by Department of Communities and Justice policies. These policies are supplemented by policies specific to NSW TG employees.

All policies are available to staff on the intranet.

Senior executives

As at 30 June 2020, there were eight Public Sector Senior Executives (PSSE) within NSW TG. Further information about those senior executives is provided on page 6.

A breakdown of the senior executives at 30 June 2020 is shown in table 15. The number of senior executives at 30 June 2019 is shown in table 16.

Table 15: Senior executives at 30 June 2020

PSSE Band	Female	Male	Total
Executive Director (Band 2)		1	1
Director (Band 1)	4	3	7
	4	4	8

Table 16: Senior executives at 30 June 2019¹⁴

PSSE Band	Female	Male	Total
Executive Director (Band 2)		1	1
Director (Band 1)	3	3	6
	3	4	7

The average total remuneration for each PSSE Band is shown in table 17.

Table 17: Senior executive average total remuneration¹⁵

PSSE Band	PSSE Band Salary Range	2019-20 Average Remuneration
Executive Director (Band 2)	274,701-345,550	342,981
Director (Band 1)	192,600-274,700	206,167

Senior executives represent 2.91% of total employee-related expenditure in 2019-20.

Information about average remuneration for senior executives and the percentage of total employee-related expenditure for 2018-19 was published in the former Department of Justice Annual Report.

Appendix 5: Key statutory compliance programs

As a NSW public sector organisation, NSW TG complies with government policies and reporting requirements. This includes external governance and compliance for business performance.

GST compliance

NSW TG met corporate and trustee responsibilities for GST compliance in 2019-20.

Privacy management

NSW TG took account of the privacy principles set out in *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002* in all areas of our operation.

In 2019-20, NSW TG launched a mandatory eLearning module on Privacy Awareness for all staff.

NSW TG provides advice on compliance and best practice to support staff in managing privacy obligations.

There was one internal review in progress at 30 June 2020 under *Part 5 of the Personal Information Protection Act 1998*. This application was determined shortly after the close of the reporting period. There were no reviews in relation to disclosure of personal information kept in a public register.

¹⁴ As at 30 June 2019 there were eight senior executive roles in total. One of these senior executive roles was filled on a temporary basis and is included in table 16. Another was filled temporarily by splitting a temporary assignment between two staff equally. This position is not included in table 16.

¹⁵ No on-costs were applied to average remuneration.

Appendix 6: Public interest disclosures

The *Public Interest Disclosures Act 1994* is aimed at encouraging and facilitating the disclosure, in the public interest, of wrongdoing in the public sector.

All NSW TG staff have a responsibility to report suspected wrongdoing, including corruption; maladministration; serious and substantial waste of public money; and breaches of the *Government Information (Public Access) Act 2009* (GIPA Act).

NSW TG is committed to protecting staff that make public interest disclosures from reprisal.

We have also ensured that staff are aware of their responsibilities under the *Public Interest Disclosures Act 1994* by providing:

- information on how to make public interest disclosures to all staff through policies and procedures¹⁶
- factsheets on the intranet supported by an online learning module and face to face training
- information to suppliers and service providers about reporting wrongdoing through the Statement of Business Ethics published on our website.

There was one Public Interest Disclosure received in 2019-20. Details of this disclosure are shown below.

Table 18: Public interest disclosures

	PIDs made by public officials in performing their day-to-day functions as public officials	PIDs made under a statutory or legal obligation	All other PIDs
Number of public officials who have made a PID to NSW TG	1	–	–
Number of PIDs received by NSW TG	1	–	–
Of PIDs received, how many were primarily about:			
Corrupt conduct	1	–	–
Maladministration	–	–	–
Serious and substantial waste of public money	–	–	–
Government information contraventions	–	–	–
Local government pecuniary contraventions	–	–	–
Total	1		
Number of PIDs (received on or after 1 January 2012) that were finalised in this reporting period	–	–	–

¹⁶ NSW TG has adopted the Department of Communities and Justice Public Interest Disclosure Policy and Procedure to provide guidance to staff.

Appendix 7: Payment performance indicators

The following tables show our performance for on-time payment of NSW TG's corporate invoices in 2019-20. There were no notable changes in our performance and no interest payments made for late payments. Information about processing of payments for customers is on page 57.

Quarter	Current \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days overdue \$'000	More than 90 days overdue \$'000
All suppliers					
September	5,344	22	-	-	-
December	3,447	-	-	-	-
March	3,412	3	-	-	-
June	4,134	43	-	-	-
Small business suppliers					
September	112	-	-	-	-
December	54	-	-	-	-
March	106	-	-	-	-
June	44	-	-	-	-

Measure	Sep-19	Dec-19	Mar-20	Jun-20
All suppliers				
Number of invoices due for payment	830	681	600	627
Number of invoices paid on time	823	678	598	604
Actual percentage of invoices paid on time (based on number of invoices)	99.2%	99.6%	99.7%	96.3%
Amount due for payment (\$'000)	5,366	3,447	3,415	4,177
Amount paid on time (\$'000)	5,344	3,447	3,412	4,133
Actual percentage of invoices paid on time (based on \$)	99.2%	99.6%	99.7%	95.9%
Number of payments for interest on overdue accounts (#)	-	-	-	-
Interest paid on overdue accounts (\$'000)	-	-	-	-
Small business suppliers				
Number of invoices due for payment	52	17	37	27
Number of invoices paid on time	52	17	37	27
Actual percentage of invoices paid on time (based on # of invoices)	100%	100%	100%	100%
Amount paid on time (\$'000)	112	54	106	44
Amount due for payment (\$'000)	112	54	106	44
Actual percentage of invoices paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts (#)	-	-	-	-
Interest paid on overdue accounts (\$'000)	-	-	-	-

Appendix 8: Disclosures

Consultants

NSWTG observed government policy on employment of consultants. As Trustee we are specifically excluded from the requirement of reporting the nature of these consultancies under the Schedule 1 of the Annual Reports (Statutory Bodies) Regulation 2015.

Credit card certification

NSWTG certify that credit card usage by employees complied with appropriate government policy, Premier's Memoranda and Treasurer's Directions.

Funds granted to non-government community organisations

NSWTG did not make any grants to non-government organisations during 2019-20.

Land disposal

There was no land disposal in 2019-20.

Overseas travel

There was no overseas travel by staff members in 2019-20.

Appendix 9: Internal Audit and Risk Management Attestation Statement

Internal Audit and Risk Management Attestation for the 2019-2020 Financial Year for NSW Trustee and Guardian

I, Adam Dent, am of the opinion that the NSW Trustee and Guardian has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements	For each requirement, please specify whether compliant, non-compliant or in transition
Risk Management Framework	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function	
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

From previous page

Exceptions or Transitional Arrangements

Nil

Membership

The Chair and Members of the Audit & Risk Committee are:

- Independent Chair, Julie Elliott, appointed 6 March 2019 to 5 March 2024
- Independent Member, Stephen Horne, appointed 6 March 2019 to 5 March 2022
- Independent Member, Gul Izmir, full term from 7 March 2016 to 6 March 2020
- Independent Member, Elizabeth Carr, appointed 7 March 2020 to 6 March 2023



Adam Dent
Chief Executive Officer
Date: 7th September 2020

Agency Contact Officer:
Michelle Batterham, Chief Audit Executive
Phone: 02 8061 9330

Appendix 10: Cyber Security Annual Attestation Statement

Attestation Statement

Cyber Security Annual Attestation Statement for the 2019-2020 financial year for NSW Trustee & Guardian

I, Adam Dent, am of the opinion that:

NSW Trustee & Guardian have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

- Risks to the information and systems of NSW Trustee & Guardian have been assessed and are managed.
- Governance is in place to manage the cyber-security maturity and initiatives of NSW Trustee & Guardian.
- There exists a current Cyber Incident Response Plan for the Department of Communities and Justice which covers NSW Trustee & Guardian and has been tested during the reporting period.
- NSW Trustee and Guardian is doing the following to continuously improve the management of cyber security governance and resilience:
 - Implementing all staff Cyber Security awareness training
 - Maintaining close Cyber Security relationships with the Department of Communities and Justice
 - Regularly reporting incidents to the Department of Communities and Justice
 - Improving maturity scores against the ACSC Essential Eight and the NSW Cyber Security Policy Requirements
- This attestation covers NSW Trustee and Guardian.



Adam Dent
Chief Executive Officer
Date: 17 August 2020



NSW Trustee
& Guardian

Financial Statements

For the year ended
30 June 2020

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**NSW Trustee
& Guardian**

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

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

- (a) The accompanying financial statements exhibit a true and fair view of the financial position as at 30 June 2020 and transactions for the year ended 30 June 2020;
- (b) The financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer; and
- (c) As at the date of this statement, I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

Adam Dent
Chief Executive Officer
NSW Trustee & Guardian
12 October 2020

Parramatta Branch

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INDEPENDENT AUDITOR'S REPORT

NSW Trustee and Guardian

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of NSW Trustee and Guardian, which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of NSW Trustee and Guardian as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of NSW Trustee and Guardian in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

The NSW Trustee and Guardian's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Chief Executive of NSW Trustee and Guardian is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Statement by the Chief Executive.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

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

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

I have nothing to report in this regard.

The Chief Executive's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Chief Executive is responsible for assessing NSW Trustee and Guardian's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Nathan Carter
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

13 October 2020
SYDNEY

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	Budget 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Expenses excluding losses				
Personnel services	2(a)	65,869	62,207	55,290
Other operating expenses	2(b)	17,473	21,499	26,489
Depreciation and amortisation	2(c)	5,517	5,161	4,210
Finance costs	2(d)	134	128	-
Total Expenses excluding losses		88,993	88,995	85,989
Revenue				
Rendering of services	3(b)	66,952	65,475	63,798
Investment revenue	3(c)	5,181	515	6,194
Grants and contributions	3(d)	15,134	15,643	20,953
Acceptance by Crown Entity of personnel services liabilities	3(e)	670	684	759
Other revenue	3(f)	391	282	497
Total Revenue		88,328	82,599	92,201
Operating result		(665)	(6,396)	6,212
Gain/(Loss) on disposal	4	-	(97)	1,269
Other Gains/(Losses)	5	(2)	(715)	(530)
Net result		(667)	(7,208)	6,951
Other comprehensive income				
<i>Items that will not be reclassified to net result</i>				
Net increase in property, plant and equipment revaluation surplus	10	-	2,485	1,253
Total other comprehensive income		-	2,485	1,253
TOTAL COMPREHENSIVE INCOME		(667)	(4,723)	8,204

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2020

	Notes	Budget 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	6	5,971	12,498	38,463
Receivables	7	21,058	25,992	24,097
Contract assets	8	2,338	3,330	2,338
Financial assets at fair value	9	10,000	20,206	-
Total Current Assets		39,367	62,026	65,708
Non-Current Assets				
Financial assets at fair value	9	73,390	68,651	68,546
Property, plant and equipment	10			
- Land and buildings		24,840	27,651	25,735
- Plant and equipment		18,779	12,466	6,926
Total property, plant and equipment		43,619	40,117	32,661
Right-of-use assets	11	4,030	5,930	-
Intangible assets	12	14,794	10,630	11,486
Total Non-Current Assets		135,833	125,328	112,693
Total Assets		175,200	187,354	178,401
LIABILITIES				
Current Liabilities				
Payables	14	21,730	10,215	4,023
Provisions	16	8,111	29,361	28,546
Borrowings	15	646	679	-
Total Current Liabilities		30,487	40,255	32,569
Non-Current Liabilities				
Provisions	16	861	2,132	2,266
Borrowings	15	3,468	6,124	-
Total Non-Current Liabilities		4,329	8,256	2,266
Total Liabilities		34,816	48,511	34,835
Net Assets		140,384	138,843	143,566
EQUITY				
Accumulated funds		127,330	123,304	130,512
Asset Revaluation Surplus		13,054	15,539	13,054
Total Equity		140,384	138,843	143,566

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2020

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2019		130,512	13,054	143,566
Changes in accounting policy	1w	-	-	-
Restated balance at 1 July 2019		130,512	13,054	143,566
Net result for the year		(7,208)	-	(7,208)
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	10	-	2,485	2,485
Total other comprehensive income		-	2,485	2,485
Total comprehensive income for the year		(7,208)	2,485	(4,723)
Balance at 30 June 2020		123,304	15,539	138,843
Balance at 1 July 2018		120,981	14,391	135,372
Changes in accounting policy (AASB 9)		(10)	-	(10)
Restated balance at 1 July 2018		120,971	14,391	135,362
Net result for the year		6,951	-	6,951
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	10	-	1,253	1,253
Total other comprehensive income		-	1,253	1,253
Total comprehensive income for the year		6,951	1,253	8,204
Transfer of revaluation surplus of assets sold to accumulated funds		2,590	(2,590)	-
Balance at 30 June 2019		130,512	13,054	143,566

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2020

	Notes	Budget 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel Services		(65,869)	(59,504)	(50,756)
Payments to suppliers for goods and services		(22,914)	(23,050)	(30,444)
Finance Cost		(134)	(128)	-
Total Payments		(88,917)	(82,682)	(81,200)
Receipts				
Sale of services		66,952	64,495	63,503
Investment revenue received		573	245	523
Grants and other contributions		15,803	15,643	20,569
Other		7,409	5,930	6,341
Total Receipts		90,737	86,313	90,936
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	1,820	3,631	9,736
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of land and buildings		-	-	6,735
Purchase of plant and equipment		(9,100)	(7,609)	(4,426)
Purchase of intangible assets		(4,861)	(1,363)	(626)
Purchase of financial assets		(1,578)	(20,000)	-
Proceeds from sale of Investment		16,220	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		681	(28,972)	1,683
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of principal portion of lease liabilities		(608)	(624)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(608)	(624)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,893	(25,965)	11,419
Opening cash and cash equivalents		4,078	38,463	27,044
CLOSING CASH AND CASH EQUIVALENTS	6	5,971	12,498	38,463

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2020

1. Summary of Significant Accounting Policies

a. Reporting entity

NSW Trustee and Guardian is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent.

NSW Trustee and Guardian is a not-for-profit entity (as profit is not its principal objective). The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

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

These financial statements of NSW Trustee and Guardian for the year ended 30 June 2020 have been authorised for issue by Adam Dent, Chief Executive Officer on 12 October 2020.

b. Basis of preparation

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

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* (the Act) and *Public Finance and Audit Regulation 2015* and
- Treasurer's Directions issued under the Act

Property, plant and equipment, and certain financial assets are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the entity's presentation and functional currency.

c. Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

d. Insurance

NSW Trustee and Guardian's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (icare), a controlled entity of the ultimate parent.

e. Finance Cost

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW General Government Sector entities.

f. Accounting for the goods and services tax (GST)

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

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

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

g. Income recognition

Until 30 June 2019

Income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

Rendering of services

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

From 1 July 2019

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is an 'enforceable' contract with a customer containing 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15.

i. Rendering of services

Revenue from rendering of services is recognised when NSW Trustee and Guardian satisfies the performance obligation by transferring the promised services. NSW Trustee and Guardian charge fees and commission mainly from providing a range of trustee and financial management services. Performance obligation is typically satisfied when service is delivered. No element of financing is deemed present as payments are due when service is provided.

- Commissions and fees for trustee matters are recognised at the time the charges are levied. The rates and timing of charges are governed by the *NSW Trustee and Guardian Regulation 2017*.
- NSW Trustee and Guardian charges a percentage value of the total value of chargeable assets in a client's estate for the financial management of that estate. Fees include management fees, investment fees, and other fees while retaining NSW Trustee and Guardian's power to recover additional costs incurred, where applicable, from the Common Fund, refer to Note 21.
- Genealogy and legal fees are accrued and recognised as costs incurred.

ii. NSW Government contributions and grants

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

Until 30 June 2019

Income from grants is recognised when NSW Trustee and Guardian obtains control over the contribution. NSW Trustee and Guardian is deemed to have assumed control when the grant is received or receivable. Contributions are recognised at their fair value.

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined, and the services would be purchased if not donated.

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

From 1 July 2019

Income from grants without sufficiently specific performance obligations is recognised when the entity obtains control over the granted assets (e.g. cash).

Revenue from grants with sufficiently specific performance obligations is recognised when NSW Trustee and Guardian satisfies a performance obligation by transferring the promised goods. Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

iii. Common Fund transfers

Transfers from the Common Fund Reserves are recognised in the period in which they are determined to be receivable by NSW Trustee and Guardian. There were no transfers from Common Fund Reserves in this financial year (2018-19 – Nil).

iv. Investment revenue

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

Investment revenue earned on TCorpIM Fund investments is recognised as described in Note 1(k).

h. Property, plant and equipment

i. Acquisitions of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the

fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

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

ii. Capitalisation thresholds

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

iii. Major inspection costs

When a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied.

iv. Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

v. Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

vi. Depreciation of property, plant and equipment

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

All material identifiable components of assets are depreciated separately over their useful lives. Land is not a depreciable asset.

The estimated useful lives of the major classes of assets of NSW Trustee and Guardian are as follows:

	Years
Building	20-39
Computer equipment	3-5
Leasehold improvements and office refurbishments	2-10
Plant and equipment	4-20

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

vii. Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and takes into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 10 and Note 13 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. NSW Trustee and Guardian conducts a comprehensive revaluation at least every three years for its land and buildings where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. A comprehensive revaluation was completed on 31 March 2018 and was based on an independent assessment. NSW Trustee and Guardian used external professionally qualified valuers to conduct the comprehensive revaluation.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying amount. A desktop valuation was completed by external professionally qualified valuers on 31 March 2020.

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value of property, plant and equipment. NSW Trustee and Guardian has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

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

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

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

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

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

Right of use asset acquired by lessees (under AASB 16 from 1 July 2019)

From 1 July 2019, AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. NSW Trustee and Guardian has elected to present right-of-use assets separately in the Statement of Financial Position.

viii. Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

NSW Trustee and Guardian assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, NSW Trustee and Guardian estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

i. Leases

Lease expense (up to 30 June 2019)

Under AASB 117, a distinction was made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

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

An operating lease was a lease other than a finance lease. Operating lease payments were recognised as an expense on a straight-line basis over the lease term.

Lease expense (from 1 July 2019)

NSW Trustee and Guardian adopted AASB 16 from 1 July 2019, all leases are accounted for under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

For policy changes and impact disclosure, refer to Note 1(w) and Note 11.

j. Intangible Assets

NSW Trustee and Guardian recognises intangible assets only if it is probable that future economic benefits will flow to NSW Trustee and Guardian and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met. The useful lives of intangible assets are assessed to be finite.

NSW Trustee and Guardian's intangible assets are amortised using the straight-line method over 3-10 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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

k. Financial Assets at Fair Value**Recognition**

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and measurement

NSW Trustee and Guardian's financial assets at fair value are classified, at initial recognition, as fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed and their performance is evaluated on a fair value basis and therefore the business model is neither to hold to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss. A gain or loss of a financial asset that is subsequently measured at fair value is recognised through profit or loss.

I. Receivables

Recognition and measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

NSW Trustee and Guardian holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

NSW Trustee and Guardian recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, NSW Trustee and Guardian applies a simplified approach in calculating ECLs. It recognises a loss allowance based on lifetime ECLs at each reporting date. NSW Trustee and Guardian has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

m. Payables

Recognition and measurement

Payables represent liabilities for goods and services provided to NSW Trustee and Guardian and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

n. Derecognition of financial assets and financial liabilities

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

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

Where NSW Trustee and Guardian has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of NSW Trustee and Guardian's continuing involvement in the asset. In that case, NSW Trustee and Guardian also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

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

o. Personnel Services Expenses and Provisions

i. Personnel Services Expenses

The Department of Communities and Justice provides employees to NSW Trustee and Guardian to enable it to carry out functions under the *NSW Trustee and Guardian Act 2009*.

The expense and liabilities due to the Department of Communities and Justice are classified as "Personnel services expenses" in the Statement of Comprehensive Income and "Provisions" in the Statement of Financial Position (specified in NSWTC 15/07).

Personnel services expenses include salaries and wages and other costs for these services. Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

ii. Personnel Services Provisions

Personnel services provisions comprise NSW Trustee and Guardian's liability to the Department of Communities and Justice for annual leave, long service leave and superannuation arising from personnel services rendered by the Department of Communities and Justice to balance date. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as NSW Trustee and Guardian does not have an unconditional right to defer settlement.

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits*. Actuarial advice obtained by NSW Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The NSW Trustee and Guardian has assessed the actuarial advice based on the NSW Trustee and Guardian's circumstances and has determined that the effect of discounting is immaterial to annual leave.

NSW Trustee and Guardian is a member of the Agency Funded Crown Long Service Leave Pool (the pool). The Department of Communities and Justice contributes to the pool on behalf of NSW Trustee and Guardian. The amount expected to be reimbursed by the Crown Entity is recognised as a personnel services receivable (refer Note 7).

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

NSW Trustee and Guardian's defined benefit superannuation liability is assumed by the Crown Entity. NSW Trustee and Guardian accounts for the liability as having been extinguished and recognises a non-monetary revenue item described as 'Acceptance by the Crown Entity of personnel services provisions.

The superannuation expense for the period is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

iii. Consequential on-costs

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

p. Other provisions

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

Any provisions for restructuring are recognised only when an entity has a detailed formal plan and the entity has raised a valid expectation in those affected by the restructuring that will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

q. Equity and reserves

i. Revaluation surplus

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

ii. Accumulated Funds

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

r. Trust Fund

The NSW Trustee and Guardian receives monies in a trustee capacity for various trusts as set out in Note 21. As NSW Trustee and Guardian performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the entity's own objectives, these funds are not recognised in the financial statements.

s. Fair value measurement and hierarchy

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of NSW Trustee and Guardian's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the NSW Trustee and Guardian categories, for disclosure purpose, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the NSW Trustee and Guardian can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The NSW Trustee and Guardian recognises transfers between levels of the fair value hierarchy at the end of reporting period during which the change has occurred.

Refer Note 13 and Note 22 for further disclosures regarding fair value measurements of non-financial and financial assets.

t. Budgeted amounts

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

Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 19.

u. Comparative information

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

v. Reclassification of financial information

When making changes in presentation or classification NSW Trustee and Guardian reclassifies its comparative information, unless impracticable to do so.

w. Changes in accounting policy, including new or revised Australian Accounting Standards

i. Effective for the first time in 2019-20

NSW Trustee and Guardian applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards is described below.

Several other amendments and related interpretations apply for the first time in FY 2019-20, but do not have an impact on the financial statements of NSW Trustee and Guardian.

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

This standard applies to Not-for-Profit entities from 1 July 2019. AASB 15 replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts and Interpretations* on recognising different revenue streams. This Standard provides a single framework for revenue recognition using a five-step model. Revenue recognition is now based on when control of the goods or services are transferred to the customer.

Revenue recognition may be accelerated or deferred, compared to existing pronouncements. In particular for revenue contracts with multiple components, variable consideration, and licences. There are significant additional disclosure requirements to provide more useful information to financial statement users.

The effect of adoption AASB 15 did not have a significant impact on the financial statements for the financial year.

- **AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and volunteer services.

AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- When the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- Immediately, for all other income within the scope of AASB 1058.

The adoption of AASB 1058 did not have an impact on the Statement of Financial Position, Statement of Comprehensive Income and the Statement of Cash Flows for the financial year.

- **AASB 16 Leases**

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an arrangement contains a lease*, Interpretation 115 *Operating Leases Incentives* and Interpretation 127 *Evaluating the substance of transactions involving the legal form of a lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and required lessees to recognise most leases on the balance sheet.

AASB 16 requires NSW Trustee and Guardian to account for all leases under a single on balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, NSW Trustee and Guardian recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

NSW Trustee and Guardian has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In relation to leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.71%

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019. The exception is right-of-use assets that are subject to accelerated depreciation. These assets are measured at their fair value at 1 July 2019.

NSW Trustee and Guardian had no leases that were previously classified as finance leases.

NSW Trustee and Guardian elected to use the practical expedient exception to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new low-value assets.

In applying AASB 16 for the first time, NSW Trustee and Guardian has used the following practical expedients permitted by the standard:

- not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4.
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review.
- not recognise a lease liability and right-of-use-asset for short-term leases that ends within 12 months of the date of initial application.
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The effect of adopting AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

	\$'000
Assets	
Right-of-use assets	4,674
Total assets	4,674
Liabilities	
Borrowings	4,674
Operating result	-
Equity	-
Accumulated Funds	-

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Operating lease commitments as at 30 June 2019 (GST included)	1,527
(Less): GST included in operating lease commitments	(139)
Operating lease commitments as at 30 June 2019 (GST excluded)	1,388
Weighted average incremental borrowing rate as at 1 July 2019	1.71%
Discounted operating lease commitments as at 1 July 2019	1,363
Add: Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	3,452
(Less): lease commitments that was not Right-of-use assets as at 1 July 2019	(119)
Other rental payment variation	(22)
Lease liabilities as at 1 July 2019	4,674

ii. Issued but not yet effective

NSW public sector entities do not early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise.

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

- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of material*
- AASB 2019-1 *Amendments to Australian Accounting Standards - References to the Conceptual framework*

NSW Trustee and Guardian has assessed the impact of these new standards and consider the impact to be nil.

- AASB 1059 *Service Concession Arrangements: Grantors*

AASB 1059 Service Concession Arrangements: Grantor (AASB 1059) is effective for financial reporting periods commencing on or after 1 January 2020. Therefore, for NSW Trustee and Guardian AASB 1059 will be effective from 1 July 2020. Based on NSW Trustee and Guardian's assessment, it is expected that the first-time adoption of AASB 1059 will not have a material impact on the transactions and balances recognised in the financial statements for the year ending 30 June 2021.

2. Expenses Excluding Losses

	2020	2019
	\$'000	\$'000
(a) Personnel services		
Salaries and wages (including annual leave) ¹	52,812	46,012
Superannuation – defined benefit costs assumed by Crown ²	684	759
Superannuation – defined contribution plans	4,337	3,695
Long service leave	1,062	1,202
Worker's compensation insurance ³	254	909
Payroll tax and fringe benefits tax	3,058	2,713
Total personnel services	62,207	55,290

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

¹ Includes restructuring charges of \$0.7 million (\$0.3 million in 2019).

² Notional defined benefit super expense assumed by Crown.

³ Includes hindsight premium charges of \$0.26 million as well as reversal of provision of \$0.55 million (\$0.50 million premium in 2019)

	2020	2019
	\$'000	\$'000
(b) Other operating expenses		
Auditor's remuneration – audit of financial statements:		
- NSW Trustee and Guardian	231	230
- Common Fund ¹	-	239
Motor vehicle expenses	69	52
Occupancy expenses ²	3,308	3,948
Maintenance	1,751	1,586
Insurance	316	251
Consultants	156	92
Advertising	1,117	1,609
Internal audit fees	181	283
Contractor expenses	5,679	9,192
Fees for services rendered	5,709	6,236
Gas and electricity	389	401
Office supplies	251	276
Postal and telephone	1,797	1,256
Travel expenses	272	371
Training and development	208	393
Other	65	74
Total other operating expenses	21,499	26,489

¹ Common fund audit fee is paid from NSW Trustee and Guardian Sec 109 (2)(b) Reserve Fund from 1 July 2019 as it is incurred in protecting investments of the Common Fund.

² Occupancy expenses are payments to the Department of Communities and Justice. All other lease payments to Property NSW (where a lease agreement exists between Property NSW and NSW Trustee and Guardian) have been recognised as part of lease liability, refer to Note 11.

	2020 \$'000	2019 \$'000
(c) Depreciation and amortisation expense		
Depreciation		
Buildings	569	524
Plant and equipment	1,640	1,553
Right-of-use assets	733	-
Total depreciation	2,942	2,077
Amortisation		
Intangible assets	2,219	2,133
Total amortisation	2,219	2,133
Total depreciation and amortisation	5,161	4,210

	2020 \$'000	2019 \$'000
(d) Finance costs		
Interest expense from lease liabilities	128	-
Total finance costs	128	-

3. Revenue

	2020 \$'000	2019 \$'000
(a) Appropriations and Transfers to the Crown Entity		
Movement of section 4.7 GSF Act – deemed appropriations:		
Opening balance	-	-
Adjustment for appropriations deemed on commencement of section 4.7	38,463	-
Adjusted opening balance	38,463	-
Add: additions of deemed appropriations	86,313	86,252
(Less): expenditure charged against deemed appropriations	(111,654)	(86,252)
Closing balance	13,148	-

The NSW Trustee and Guardian receives its grant funding from Department of Communities and Justice which receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Act for that year. Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill have been delayed and is anticipated to be tabled in Parliament in November/December 2020. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2020 until the earlier of 31 December 2020 (or another day prescribed by the regulations) or enactment of the 2020-21 Annual Appropriations Act.

	2020 \$'000	2019 \$'000
(b) Rendering of services		
Rendering of Services		
Commissions and fees	30,504	30,809
Trustee fees	8,546	7,173
Private management supervision fees	1,105	1,160
Common Fund management fees	25,320	24,656
Total rendering of services	65,475	63,798

	2020 \$'000	2019 \$'000
(c) Investment revenue		
Interest revenue from financial assets at amortised cost	204	569
Net gain/(loss) TCorpIM Funds Investment designated at fair value through profit or loss*	311	5,625
Total investment revenue	515	6,194

*This includes unrealised gain of \$5.1 million (gain of \$2.7 million in 2019).

	2020 \$'000	2019 \$'000
(d) Grants and contributions		
Grants Revenue		
Funding for the operations of the Public Guardian	-	8,961
Community service obligation	-	5,112
Contribution from NSW Government*	-	6,496
Guardianship hospital project funding	-	384
Grants without sufficiently specific performance obligations		
Funding for the operations of the Public Guardian	9,119	-
Community service obligation	5,112	-
Contribution from NSW Government*	902	-
Guardianship hospital project funding	510	-
Total grants and contributions	15,643	20,953

*Prior year balance includes \$0.3 million grant receipt from NSW Treasury through Department of Communities and Justice for redundancy payment made to employees as a result of the implementation of the 2017 and Beyond Transformation business case.

	2020 \$'000	2019 \$'000
(e) Acceptance by Crown Entity of personnel services liabilities		
Defined benefit superannuation	649	720
Payroll tax on defined benefit superannuation	35	39
Total personnel services liabilities assumed by Crown	684	759

From 1 January 2017 Crown assumed defined benefit super liabilities of NSW Trustee and Guardian. As a result a notional amount equivalent to defined benefit super expense NSW Trustee and Guardian would have otherwise incurred is recognised as expense and revenue. Refer to Note 2(a).

	2020 \$'000	2019 \$'000
(f) Other revenue		
Refund of working expenses from clients – <i>NSW Trustee and Guardian Regulation 26</i>	195	288
Other	87	209
Total other revenue	282	497

4. Gain/(Loss) on Disposal

	Property, Plant and equipment \$'000	Intangible assets \$'000	Total \$'000
At 30 June 2020			
Proceeds from disposal	-	-	-
Written down value of assets disposed	(97)	-	(97)
Net gain/(loss) on disposal	(97)	-	(97)

At 30 June 2019			
Proceeds from disposal	6,733	-	6,733
Written down value of assets disposed	(5,462)	(2)	(5,464)
Net gain/(loss) on disposal	1,271	(2)	1,269

5. Other Gains/(Losses)

	2020 \$'000	2019 \$'000
Impairment on receivables	(10)	(21)
Impairment on intangible assets	-	(509)
Impairment on right-of-use assets	(716)	-
Gain on right-of-use-asset written off	11	-
Total other gains/(losses)	(715)	(530)

Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the NSW Trustee and Guardian 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 the following notes:

- Property, plant and equipment – Note 10
- Leases – Note 11
- Intangible assets – Note 12

6. Current Assets – Cash and Cash Equivalents

	2020 \$'000	2019 \$'000
Cash at bank and on hand	4,498	3,463
Short-term deposits	8,000	35,000
Total cash and cash equivalents	12,498	38,463

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposit with original maturities of three months or less and subject to an insignificant risk of changes in value. Cash and cash equivalents in the Statement of Financial Position is the same as cash and cash equivalents in the Statement of Cash Flows.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. Current Assets – Receivables

	2020 \$'000	2019 \$'000
Trade receivables from rendering of services	3,222	3,523
- Allowance for expected credit loss	(12)	(14)
Accrued income	2,418	2,172
Personnel services	20,318	18,674
Prepayments	46	145
GST receivable	-	212
Other debtors	-	195
Total receivables	25,992	24,907

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 22.

(a) Movement in the allowance for expected credit loss	\$'000
Balance at 1 July 2019	(14)
(Increase)/decrease in allowance recognised in profit or loss	2
Balance at 30 June 2020	(12)
 Balance at 1 July 2018	 (10)
(Increase)/decrease in allowance recognised in profit or loss	(4)
Balance at 30 June 2019	(14)

8. Contract Assets

	2020 \$'000	2019 \$'000
Contract assets	3,330	2,338
	3,330	2,338

Contract assets relate to NSW Trustee and Guardian's right to consideration in exchange for legal and genealogy work performed but not billed at the reporting date. NSW Trustee and Guardian recognises contract assets when it has fulfilled legal and genealogy service obligations but must perform further obligations before being entitled to payment.

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

	2020 \$'000	2019 \$'000
Current financial assets at fair value		
TCorpIM Short Term Income Fund Investment	20,206	-
Total Current financial assets at fair value	20,206	-

	2020 \$'000	2019 \$'000
Non-current financial assets at fair value		
TCorpIM Long Term Growth Fund Investment	68,651	68,546
Total non-current financial assets at fair value	68,651	68,546

Refer to Note 22 for further information regarding fair value measurement, credit risk, liquidity risk and market risk arising from financial instruments.

10. Non-Current Assets – Property, Plant and Equipment

	Land and buildings \$'000	Plant and equipment \$'000	Plant and Equipment – WIP \$'000	TOTAL \$'000
At 1 July 2019 – fair value				
Gross carrying amounts	26,445	20,270	2,650	49,365
Accumulated depreciation and impairment	(710)	(15,994)	-	(16,704)
Net carrying amount	25,735	4,276	2,650	32,661

	Land and buildings \$'000	Plant and equipment \$'000	Plant and Equipment – WIP \$'000	TOTAL \$'000
At 30 June 2020 – fair value				
Gross carrying amounts	29,036	19,982	7,617	56,635
Accumulated depreciation and impairment	(1,385)	(15,133)	-	(16,518)
Net carrying amount	27,651	4,849	7,617	40,117

Reconciliation

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

	Land and buildings \$'000	Plant and equipment \$'000	Plant and equipment – WIP \$'000	TOTAL \$'000
Year ended 30 June 2020				
Net carrying amount at start of year	25,735	4,276	2,650	32,661
Derecognition of finance lease	-	-	-	-
Adjusted net carrying amount at beginning of year	25,735	4,276	2,650	32,661
Purchase of assets	-	-	7,277	7,277
Transfer from work in progress	-	2,310	(2,310)	-
Net revaluation increment less revaluation decrements	2,485	-	-	2,485
Disposals (including write off)	-	(97)	-	(97)
Depreciation expense	(569)	(1,640)	-	(2,209)
Net carrying amount at end of year	27,651	4,849	7,617	40,117

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 13.

	Land and buildings \$'000	Plant and equipment \$'000	Plant and equipment – WIP \$'000	TOTAL \$'000
At 1 July 2018 – fair value				
Gross carrying amounts	23,620	19,402	439	43,461
Accumulated depreciation and impairment	(127)	(15,598)	-	(15,725)
Net carrying amount	23,493	3,804	439	27,736

At 30 June 2019 – fair value

Gross carrying amounts	26,445	20,270	2,650	49,365
Accumulated depreciation and impairment	(710)	(15,994)	-	(16,074)
Net carrying amount	25,735	4,276	2,650	32,661

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below:

	Land and buildings \$'000	Plant and equipment \$'000	Plant and equipment – WIP \$'000	TOTAL \$'000
Year ended 30 June 2019				
Net carrying amount at start of year	23,493	3,804	439	27,736
Purchase of assets	-	-	4,585	4,585
Transfer from non-current assets held for sale	1,513	-	-	1,513
Transfer from work in progress	-	2,374	(2,374)	-
Net revaluation increment less revaluation decrements	1,253	-	-	1,253
Disposals (including write off)	-	(349)	-	(349)
Depreciation expense	(524)	(1,553)	-	(2,077)
Net carrying amount at end of year	25,735	4,276	2,650	32,661

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 13.

11. Leases as a lessee

NSW Trustee and Guardian leases various properties from Property NSW. Lease contracts are typically made for fixed periods of three to five years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. NSW Trustee and Guardian does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by NSW Trustee and Guardian and not by Property NSW. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have been included in the lease liability because it is reasonably certain that the leases will be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of NSW Trustee and Guardian. During the current financial year, there has been no revision of lease terms to reflect the effect of exercising extension and termination options.

From 1 July 2019, AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for the most leases.

NSW Trustee and Guardian does not have any short-term leases and low value leases. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

(a) Right-of-use assets under leases (from 1 July 2019)

The following tables presents right-of-use assets that do not meet the definition of investment property.

	Land and buildings \$'000	TOTAL \$'000
Balance at 1 July 2019	4,674	4,674
Additions	5,018	5,018
Disposal	(2,413)	(2,413)
Depreciation expense	(733)	(733)
Impairment	(716)	(716)
Others	100	100
Balance at 30 June 2020	5,930	5,930

b) Lease Liabilities (from 1 July 2019)

The following table presents liabilities under leases.

	TOTAL \$'000
Balance at 1 July 2019	4,674
Additions	5,018
Disposal	(2,413)
Interest expenses	128
Payments	(752)
Others	148
Balance at 30 June 2020	6,803

(c) Right-of-use expenses under leases (from 1 July 2019)

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2020:

	\$'000
Depreciation expense of right-of-use assets	(733)
Interest expense on lease liabilities	(128)
Gain on right-of-use assets written off	11
Impairment on right-of-use assets	(716)
Total amount recognised in the statement of comprehensive income	(1,566)

The entity had total cash outflows for leases of \$0.6 million in FY2019-20.

(d) Operating lease (up to 30 June 2019)

Future non-cancellable operating leases not provided for and payable for the year ended 30 June 2019.

	Operating Lease \$'000
No later than 1 year	716
Later than 1 year but not later than 5 years	811
Later than 5 years	-
(Less): GST recoverable from the Australian Tax Office	(139)
Total (excluding GST)	1,388

Operating lease in prior year relate to leases currently held in relation to the occupancy of premises by NSW Trustee and Guardian in Sydney and regional offices.

Recognition and measurement (under AASB 16 from 1 July 2019)

NSW Trustee and Guardian assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. NSW Trustee and Guardian recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

(i) Right-of-use assets

NSW Trustee and Guardian recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to NSW Trustee and Guardian at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The NSW Trustee and Guardian assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result. Refer to accounting policies in Property, Plant and Equipment note 1(h).

(ii) Lease liabilities

At the commencement date of the lease, NSW Trustee and Guardian recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by NSW Trustee and Guardian; and
- payments of penalties for terminating the lease, if the lease term reflects NSW Trustee and Guardian exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments shall be discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that NSW Trustee and Guardian would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. NSW Trustee and Guardian does not borrow funds in the market therefore it uses TCorp rates as its incremental borrowing rates.

The following TCorp rates have been applied in the current financial year depending on commencement date of the lease:

	For leases up to 5 years	For leases >5 years up to 10 years	For leases >10 years
Rates updated on 1 Jul 2019	1.42%	2.00%	2.42%
Rates updated on 2 Jan 2020	1.41%	1.87%	2.30%

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NSW Trustee and Guardian's lease liabilities are included in borrowings.

(iii) Short-term leases and leases of low-value assets

NSW Trustee and Guardian does not have any short-term lease or lease that is considered to be low value.

12. Intangible Assets

	Computer Software \$'000	Computer Software – WIP \$'000	TOTAL \$'000
At 1 July 2019			
Cost (gross carrying amount)	15,115	730	15,845
Accumulated amortisation and impairment	(4,359)	-	(4,359)
Net carrying amount	10,756	730	11,486
At 30 June 2020			
Cost (gross carrying amount)	16,015	1,137	17,152
Accumulated amortisation and impairment	(6,522)	-	(6,522)
Net carrying amount	9,493	1,137	10,630

Reconciliation

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

	Computer Software \$'000	Computer Software – WIP \$'000	TOTAL \$'000
Year ended 30 June 2020			
Net carrying amount at start of year	10,756	730	11,486
Additions			
Software development	-	1,363	1,363
Transfer from work in progress	956	(956)	-
Amortisation (recognised in “depreciation and amortisation”)	(2,219)	-	(2,219)
Net carrying amount at end of year	9,493	1,137	10,630

	Computer Software \$'000	Computer Software – WIP \$'000	TOTAL \$'000
At 1 July 2018			
Cost (gross carrying amount)	15,277	764	16,041
Accumulated amortisation and impairment	(2,541)	-	(2,541)
Net carrying amount	12,736	764	13,500

At 30 June 2019			
Cost (gross carrying amount)	15,115	730	15,845
Accumulated amortisation and impairment	(4,359)	-	(4,359)
Net carrying amount	10,756	730	11,486

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below:

	Computer Software \$'000	Computer Software – WIP \$'000	TOTAL \$'000
Year ended 30 June 2019			
Net carrying amount at start of year	12,736	764	13,500
Additions			
Software development	-	627	627
Transfer from work in progress	153	(153)	-
Impairment loss	-	(508)	(508)
Amortisation (recognised in “depreciation and amortisation”)	(2,133)	-	(2,133)
Net carrying amount at end of year	10,756	730	11,486

13. Fair value measurement of non-financial assets

(a) Fair value hierarchy

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
2020				
Property, plant and equipment (Note 10)				
Land and buildings	-	27,651	-	27,651
	-	27,651	-	27,651
2019				
Property, plant and equipment (Note 10)				
Land and buildings	-	25,735	-	25,735
	-	25,735	-	25,735

There were no transfers between Level 1, 2 and 3 during the period ended 30 June 2020

(b) Valuation techniques, inputs and processes

Property, plant and equipment

NSW Trustee and Guardian's land assets are valued using market evidence. They are usually measured using the market approach with adjustment for condition, location, comparability, etc. and therefore are categorised as Level 2. The market approach will usually be available even when the land has no feasible use.

NSW Trustee and Guardian's building assets are valued using market evidence and are categorised as Level 2. The valuer considers the market as observable inputs and has tried to maximise the use of observable inputs in accordance with the intention of AASB 13.

Right-of-Use Assets

The COVID-19 outbreak occurring throughout the 2019-20 financial year had an unprecedented effect on the NSW and global economies. COVID-19 significantly impacted the market rent for properties in Sydney CBD and therefore the value of some lease right-of-use assets in the Statement of Financial Position.

NSW Trustee and Guardian has therefore undertaken an impairment assessment for the above right-of-use assets to determine whether the carrying amount exceeded their recoverable amount. Impacted right-of-use assets were written down to their recoverable amounts by reference to the right-of-use asset's fair value less costs of disposal and an impairment loss is recognised.

NSW Trustee and Guardian recognised impairment losses for right-of-use assets during the 2019-20 financial year of \$0.7 million. Impairment losses for right-of-use assets are included in Net Gains/(Losses) in the Statement of Comprehensive Income. Refer to Note 5.

14. Current Liabilities - Payables

Payables are accrued cost of goods and services provided to NSW Trustee and Guardian.

	2020 \$'000	2019 \$'000
Personnel services payable	668	291
Creditors	9,226	3,341
Capital expenditure payables	-	332
GST payable	321	-
Other liability	-	59
	10,215	4,023

Details regarding credit risk, liquidity risk and market risk including a maturity analysis of the above payables, are disclosed in Note 22.

15. Current/Non-Current Liabilities - Borrowings

	2020 \$'000	2019 \$'000
Current		
Lease liability	679	-
	679	-
Non-current		
Lease liability	6,124	-
	6,124	-

16. Current/Non-Current Liabilities - Provisions

These relate to annual leave and long service leave for personnel services provided by the NSW Department of Communities and Justice and other specific provisions.

(a) Current Provisions	2020 \$'000	2019 \$'000
Personnel services		
Annual leave	6,889	5,527
Long service leave	21,850	20,079
Redundancy Provision	622	-
Other provisions		
Provision for cost of rectification work	-	-
Provision for hindsight insurance payable ¹	-	240
Provision for fee refund ²	-	2,700
Total current provisions	29,361	28,546
Expected to be settle before 12 months	2020 \$'000	2019 \$'000
Personnel services	9,500	7,185
Other provisions	-	2,940
Expected to be settled after 12 months		
Personnel services	19,861	18,421
Total current provisions	29,361	28,546
(b) Non-current Provisions	2020 \$'000	2019 \$'000
Personnel services		
Long service leave	1,900	1,747
Other provisions		
Restoration costs ²	232	214
Provision for hindsight insurance payable ¹	-	305
Total non-current provisions	2,132	2,266

¹ Hindsight insurance provision made for 2021 has been reversed back to workers compensation expenses as it is no longer required by iCare.

² Provision is recognised for lease contracts with material make good provision or where the impact of the provision is considered to be material.

Aggregate employee benefits and related on-costs	2020 \$'000	2019 \$'000
Personnel services - current	29,361	25,606
Personnel services - non-current	1,900	1,747
Accrued salaries, wages and on-costs	668	291
Total current provisions	31,929	27,644

Movements in provisions (other than employee benefits), are set out below:

Rectification costs	2020 \$'000	2019 \$'000
Carrying amount at beginning of the year	-	251
Additional provisions recognised	-	-
Amounts used	-	(251)
Carrying amount at end of the year	-	-

Restoration costs	2020 \$'000	2019 \$'000
Carrying amount at beginning of the year	214	225
Additional provisions recognised	18	10
Amounts used	-	(29)
Unwinding/change in discount rate	-	8
Carrying amount at end of the year	232	214

Provision for hindsight insurance payable	2020 \$'000	2019 \$'000
Carrying amount at beginning of the year	545	-
Additional provisions recognised	-	545
Amounts reversed	(545)	-
Carrying amount at end of the year	-	545

Provision for fee return	2020 \$'000	2019 \$'000
Carrying amount at beginning of the year	2,700	-
Additional provisions recognised	-	2,700
Amount refunded	(2,059)	-
Amount reversed	(641)	-
Carrying amount at end of the year	-	2,700

17. Commitments

(a) Capital commitments

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

	2020 \$'000	2019 \$'000
Not later than 1 year	1,352	364
Later than 1 but not later than 5 years	-	-
Later than 5 years	-	-
Total (including GST)	1,352	364

18. Contingent Liabilities and Contingent Assets

Legal Matters

NSW Trustee and Guardian may bear a cost risk of some proceedings brought on behalf of clients due to adverse verdicts or other court orders. The total estimated cost is approximately \$4 million (\$8.0 million in 2019) of which \$4 million (\$6.8 million in 2019) is expected to be recovered from the Treasury Managed Fund.

There were no contingent assets during the year.

19. Budget Review

Net Result

The overall actual net loss is \$6.5 million greater than the budgeted loss. This result includes losses on disposal of assets of \$0.1 million, impairment of right of use assets of \$0.7 million and TCorpIM Fund Investment unrealised loss of \$5.1 million not included in the budget.

Personnel services expense is lower than budget by \$3.6 million. This is mainly due to permanent positions temporarily filled by agency contractors which are classified as other operating expenses.

Personnel services cost also includes NDIS related roles not budgeted of \$1.5 million and \$0.6 million set aside for restructuring expenses planned to be expended in the 2020/21 financial year.

Other operating expenses are greater than budget by \$4 million. This is mainly due to temporary agency contractor charges of \$5.7 million (noted above) not budgeted in other operating expenses, an increase in telephone and postage expenses of \$0.6 million offset by decreases in repairs and maintenance, consultancy fees, audits, travel and other operating expenses amounting to \$2.3 million.

Depreciation and amortisation expenses are lower than budget by \$0.4 million mainly due to the delay in completion of the Sydney Office refurbishment project.

Revenue is lower than budget by \$5.7 million. Budgeted revenue in 2019/20 did not include Government funding which had been received in 2018/19, being the NDIS funding and the NSW Treasury transition funding totalling \$5.4 million. The community service obligation funding is not indexed and has remained static for over ten years. Similarly, the funding for the Public Guardian is indexed at a lower rate than general wage increases and inflation. The level of funding for these services is currently under review. Revenue from trustee services decreased by \$1.5 million resulting from a decline in the number of estates administered. The outbreak of COVID-19 further impacted on the values of the estates, financial assets and property sales. Investment revenue dropped by \$4.7 million due to TCorpIM Fund Investment posting an unrealised loss of \$5.1 million because of financial markets reaction to the COVID-19 pandemic. Grant and contributions are higher than budget by \$0.5million as contributions for the Guardianship Hospital project were not classified as grant and contributions in the budget but offset against the personnel costs.

The right of use assets arising from the leased properties were assessed to carry an impairment of \$0.7 million as a result of the decline experienced in the rental market, particularly the Sydney CBD due to COVID-19.

Assets and Liabilities

Total assets exceeded budget by \$12.2 million. Total current assets are higher than budget by \$22.6 million, represented by an increase in cash and cash equivalents of \$6.5 million and receivables and contract assets of \$5.9 million. Financial assets at fair value exceeded budget by \$10.2 million. The increase in cash assets and short-term financial assets is mainly due to lower than budgeted capital expenditure. The increase in receivables is largely due to the year-end present value adjustment on long service leave pool balance and an increase in fee revenue to be received from the Common Fund.

Total non-current assets are lower than budget by a net \$10.5 million. This is represented by a decrease in fair value of financial assets of \$4.7 million due to unbudgeted unrealised loss suffered by the TCorpIM Fund Investment, an increase in land and buildings of \$2.8 million (due to revaluations), decrease in plant and equipment of \$6.3 million, decrease in intangible assets of \$4.2 million and increase in right of use assets of \$1.9 million. Decreases in plant, equipment and intangible assets are mainly due to delays in completing various capital expenditure projects budgeted for 2019-20.

Total liabilities are higher than budget by \$13.7 million. Total current liabilities increased by \$9.8 million. This is represented by increases in trade and intercompany payables of \$4.1 million, personnel services payable of \$0.3 million, leave and other personnel services provision of \$5.4 million. Budgeted payables include \$16.2 million of long service leave provisions (as per NSW Treasury guidelines) whereas the actual financial statements require disclosure of these items as provisions.

Total non-current liabilities are \$3.9 million higher than budget. This is mainly due to increases in the non-current portion of long service leave of \$1.3 million and the borrowing for right of use assets of \$2.6 million.

Cash flows

Net cash flows from operating activities is higher than budget by \$1.8 million mainly due to net decrease in personnel services and other operating expense payments of \$6.2 million, offset by a decrease in revenue receipts of \$4.4 million.

Net cash outflow from investing activities is higher than budget by \$29.7 million. This is mainly due to a reduction in cash outflow on capital purchases of \$4.9 million, increase in purchase of short-term financial assets of \$18.4 million and not utilising long term financial assets of \$16.2 million included in the budget to fund capital expenditure. Investment income from TCorpIM Fund Investment of \$5.2million was reinvested on the same day and hence not shown separately as a cash inflow and outflow in the cash flow statement.

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

	2020 \$'000	2019 \$'000
Net cash used on operating activities	3,631	9,736
Depreciation and amortisation expense	(5,161)	(4,210)
Revaluation on TCorpIM Funds	311	5,625
(Increase)/Decrease in provisions	(681)	(6,276)
Increase/(Decrease) in prepayments and other assets	1,756	1,496
(Increase)/Decrease in payables	(6,034)	(180)
Impairment loss on assets	(726)	(509)
Gain on Right-of-use asset written off	11	-
Gain on disposal of assets	(97)	1,269
Net Result	(7,208)	6,951

21. Common Fund Assets

NSW Trustee and Guardian manages the assets of clients under the *NSW Trustee and Guardian Act 2009*. These assets are not included in the financial statements as NSW Trustee and Guardian cannot use them for the achievement of its objectives. These are separately reported in the financial statements of NSW Trustee and Guardian – Common Funds.

Under Section 104 (5) of the *NSW Trustee and Guardian Act 2009*, amounts credited to a common fund are held on trust by the NSW Trustee and Guardian. Details are summarised below:

	2020 \$'000	2019 \$'000
Common Fund – Trustee		
Balance at beginning of the financial year	1,316,294	1,284,260
Receipts	1,014,092	988,738
Payments	(1,001,621)	(1,010,166)
Distribution to trust accounts	18,357	25,596
Distribution to unit holders	12,700	13,208
Unrealised gain/(loss) in investments	(22,234)	14,658
Balance at end of the financial year	1,337,588	1,316,294
Common Fund – Financial Management		
Balance at beginning of the financial year	1,761,465	1,670,529
Receipts	591,402	590,277
Payments	(614,875)	(587,576)
Distribution to trust accounts	11,148	16,752
Reinvestment of distributions	29,586	36,449
Unrealised gain/(loss) in investments	(51,486)	35,034
Balance at end of the financial year	1,727,240	1,761,465
Total Common Fund assets	3,064,828	3,077,759

Note: as at the date of signing these financial statements Common Fund 2020 results have not been audited.

22. Financial Instruments

NSW Trustee and Guardian's principal financial instruments are outlined below. These financial instruments arise directly from NSW Trustee and Guardian's operations or are required to finance NSW Trustee and Guardian's operations. NSW Trustee and Guardian does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NSW Trustee and Guardian's main risks arising from financial instruments are outlined below, together with NSW Trustee and Guardian's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management, reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by NSW Trustee and Guardian, to set risks limits and controls and to monitor risks. Compliance with policies is reviewed by NSW Trustee and Guardian's Audit and Risk Committee, Independent Investment Advisory Committee and Internal Auditors on a regular basis.

(a) Financial instrument:

i. As at 30 June 2020

Financial assets	Notes	Category	Carrying amount
Class:			2020 \$'000
Cash and cash equivalents	6	N/A	12,498
Receivables ¹	7	Amortised cost	2,310
Contract assets	8	Amortised cost	3,330
Financial assets at fair value	9	Fair value through profit and loss – designated as such upon initial recognition	88,857

Financial liabilities	Notes	Category	Carrying amount
Class:			2020 \$'000
Payables ²	14	Financial liabilities measured at amortised costs	9,894

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

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

ii. As at 30 June 2019

Financial assets	Notes	Category	Carrying amount
Class:			2019
			\$'000
Cash and cash equivalents	6	N/A	38,463
Receivables ¹	7	Amortised cost	5,889
Contract assets	8	Amortised cost	2,338
Financial assets at fair value	9	Fair value through profit and loss – designated as such upon initial recognition	68,546

Financial liabilities	Notes	Category	Carrying amount
Class:			2019
			\$'000
Payables ²	14	Financial liabilities measured at amortised costs	3,963

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

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

NSW Trustee and Guardian determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Credit risk

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

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

NSW Trustee and Guardian has not granted any financial guarantees.

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

NSW Trustee and Guardian considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by NSW Trustee and Guardian.

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System (TBS). Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorpIM Long Term Growth Fund and TCorpIM Short Term Income Fund Investments are discussed in paragraph (d) below.

Receivables – Trade debtors

All trade debtors are recognised as amounts receivable at balance date. Receivables include trade debtors and other receivables, comprising:

- Commissions and fees; and
- Sundry debtors.

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

NSW Trustee and Guardian applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are reviewed to reflect current and forward-looking information on macroeconomic and personal factors affecting the ability of the customers to settle the receivables and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 180 days past due.

The loss allowance for trade debtors as at 30 June 2020 and 30 June 2019 was determined as follows:

30 June 2020 \$'000					
	Current	<90 days	90-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	15%	
Estimated total gross carrying amount at default	56	29	13	79	177
Expected credit loss	-	-	-	12	12

30 June 2019 \$'000					
	Current	<90 days	90-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	10%	
Estimated total gross carrying amount at default	50	39	34	144	267
Expected credit loss	-	-	-	14	14

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

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

(c) Liquidity risk

Liquidity risk is the risk that NSW Trustee and Guardian will be unable to meet its payment obligations when they fall due. NSW Trustee and Guardian continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash and investments. NSW Trustee and Guardian does not have any loans.

No assets have been pledged as collateral. NSW Trustee and Guardian's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSWTC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, NSW Trustee and Guardian may automatically pay the supplier simple interest. The rate of interest applied for the year was 8.89% (2019 9.96%)

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

	Weighted average effective interest rate %	Nominal Amount \$'000	Interest Rate Exposure		Maturity Dates		
			Fixed Interest rate	Non-interest bearing \$'000	<1 Year \$'000	1-5 years \$'000	>5 year \$'000
2020 Payables							
Personnel services payable	N/A	668	-	668	668	-	-
Creditors	N/A	9,226	-	9,226	9,226	-	-
Lease liability	2.13%	7,832	6,787	-	679	2,216	3,892
Total		17,726	6,787	9,894	10,573	2,216	3,892

			Interest Rate Exposure	Maturity Dates
	Weighted average effective interest rate %	Nominal Amount \$'000	Non-interest bearing \$'000	<1 Year \$'000
2019 Payables				
Personnel services payable	N/A	291	291	291
Creditors	N/A	3,341	3,341	3,341
Capital expenditure	N/A	332	332	332
Other liability	N/A	59	59	59
Total		4,023	4,023	4,023

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. NSW Trustee and Guardian's exposure to market risk is primarily through other price risks associated with the movement in the unit price of the TCorpIM Long Term Growth Fund Investments and TCorpIM Short Term Income Fund Investments. NSW Trustee and Guardian has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which NSW Trustee and Guardian operates and the time frame for the assessment which is until the end of the next annual reporting period. The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis as 2019. The analysis assumes that all other variables remain constant.

(i) Interest rates risk

NSW Trustee and Guardian does not have interest bearing liabilities.

Exposure to interest rates risk arises primarily through NSW Trustee and Guardian's deposits with financial institutions. However, the risks are minimised as the deposits are either at call or short term (1 month). A reasonable possible change of interest of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest volatility.

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

2020	Carrying	-1% Profit	Equity	+1% Profit	Equity
Financial assets	Amount	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	12,498	(125)	(125)	125	125

2019

Financial assets

Cash and cash equivalents	38,463	(385)	(385)	385	385
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(ii) Other price risk – TCorpIM Funds

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM Long Term Growth Fund and Short Term Income Fund, which are held for strategic rather than trading purposes. NSW Trustee and Guardian has no direct equity investments. NSW Trustee and Guardian holds units in:

Fund	Investments	Investment Horizon	2020	2019
			\$'000	\$'000
TCorpIM Short Term Income Fund	Australian cash and fixed interest	1.5 years to 3 years	20,206	-
TCorpIM Long Term Growth Fund	Cash, Australian shares, International shares, Listed property, Emerging market shares, Emerging Markets debt, Bank loans, Fixed interest, Global Credit, High Yield, Multi-Asset	7 Years and over	68,651	68,546

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

NSW TCorp as trustee for each of the funds is required to act in the best interest of the unit holders and to administer the funds in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each fund in accordance with a mandate agreed by the parties. TCorp has also leveraged internal expertise to manage certain fixed income assets for the TCorpIM Investments. A significant portion of the administration of the funds is outsourced to an external custodian.

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

TCorp provides sensitivity data for each TCorpIM Investments. The sensitivity percentages are derived from historically based volatility data collected over a ten-year period, quoted at two standard deviations (i.e. 95% probability). The TCorpIM Funds are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

A reasonably possible change is based on the percentage change in unit price +/-10% (2019 +/-13%) as advised by TCorp multiplied by the redemption value as at 30 June each year for the investments held in the TCorpIM Funds, are as follows:

Facility	Change in Unit Price		Impact on profit/loss	
	2020 %	2019 %	2020 \$'000	2019 \$'000
TCorpIM Short Term Income Fund	+10%	-	2,021	-
TCorpIM Short Term Income Fund	-10%	-	(2,021)	-
TCorpIM Long Term Growth Fund	+10%	+13%	6,865	8,911
TCorpIM Long Term Growth Fund	-10%	-13%	(6,865)	(8,911)

(e) Fair value measurement

(i) Fair value compared to carrying amount

TCorpIM Long Term Growth Fund and TCorpIM Short Term Income Fund investments are measured at fair value. Management assessed that the carrying amount of all other financial instruments approximate their fair value.

(ii) Fair value recognised in the Statement of Financial Position

Financial assets at fair value	Level 2 \$'000	2020 Total \$'000	2019 Total \$'000
TCorpIM Short Term Income Fund	20,206	20,206	-
TCorpIM Long Term Growth Fund	68,651	68,651	68,546
	88,857	88,857	68,546

There were no transfers between levels 1, 2 and 3 during the year ended 30 June 2020.

There were no levels 1 and 3 investment, hence not disclosed.

The value of investment in TCorpIM Funds are based on NSW Trustee and Guardian's share of the value of the underlying assets of the fund, based on the market value. TCorpIM Funds are valued using 'redemption' pricing.

(f) Committees

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

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

- Risk Management
- Internal control framework (governance)
- Legislative compliance
- Internal audit

- External audit
- Initiate investigations into any matter deemed appropriate.

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

- Understand the fiduciary duty owed by NSW TG to its clients and provide recommendations and advice to the CEO to ensure these obligations are met;
- Review and provide advice on the actions of management in relation to the design and application of policies procedures and frameworks governing clients' investable assets;
- Recommend the investment objectives and asset allocations for the Common Funds and NSW TG Financial Assets;
- Review and provide advice on the actions of management in relation to the Common Funds and NSW TG financial assets, other than for financial accounting and reporting (which is the responsibility of the Audit & Risk Committee);
- Review and provide advice on management's supervision (including competitive tendering) of the Common Fund's external investment advisors and manager(s) as appointed from time to time;
- Review and provide advice on investment compliance, performance monitoring, benchmarking and competitiveness of returns of the UNCLASSIFIED 3 Common Funds and NSW TG financial assets from time to time;
- Review the operation of the Financial Planning Unit's policies and make recommendations or endorse changes or amendments as proposed by management;
- Consider and recommend to the CEO, on at least an annual basis, the suitability of the appointed external service provider(s) to continue to provide Custodian and Investment Administration Services for the Common Funds and NSW TG financial assets including providing oversight for competitive tendering activities;
- To assist the CEO in assessing ongoing suitability of existing and new investment products for the investment of client monies and NSW TG financial assets;
- When requested review and recommend structural changes to products consistent with the objectives of the funds and determine appropriate performance benchmarks;
- Undertake any other activities that the CEO considers appropriate and requests of the Committee;
- Ensure that all events listed on the Calendar of Events are undertaken.

23. Related Party Disclosures

NSW Trustee and Guardian's key management personnel and their compensation disclosures are limited to the key decision maker, the Chief Executive Officer. There is no management board for NSW Trustee and Guardian.

NSW Trustee and Guardian's key management personnel compensation are as follows:

	2020 \$'000	2019 \$'000
Short-term employee benefits:		
Gross wages, salaries and related payments	343	327
Total remuneration	343	327

During the year, NSW Trustee and Guardian did not enter into any transactions on arm's length terms and conditions with key management personnel, their close family members or jointly controlled entities thereof.

During the year, NSW Trustee and Guardian entered into transactions with other entities that are controlled/ jointly controlled/significantly influenced by the NSW Government. These transactions in aggregate are a significant portion of the NSW Trustee and Guardian's rendering of services and receiving of services, however none of the above-mentioned transactions are individually significant.

These transactions include:

- Defined Benefit Superannuation assumed by the Crown.
- Community Service Obligation and other grants received from Treasury via Department of Communities and Justice.
- Employer contributions paid to Defined Benefit Superannuation funds
- Payments into and reimbursements from the Treasury Managed Fund for workers' compensation insurance and other insurances
- Lease rental payments made to Property NSW
- Payments made to the Department of Communities and Justice for Service Level Agreement fees, rent, personnel services and other procurement charges

24. Natural disasters and financial impact

The natural disasters in the financial year, primarily coronavirus ("COVID-19"), has had a major impact on individuals, businesses and the whole government sector.

The primary area of heightened risk from COVID-19 is to NSW Trustee and Guardian's workforce, in both public-facing and office based roles. As a result, significant focus has been placed on managing work health and safety (WHS) risks, physical, mental and social. Most office-based staff have moved to working from home arrangements, and NSW Trustee and Guardian has acted to reduce any adverse impact on staff arising from these work arrangements. Frontline staff have also been provided with guidance in relation to hygiene, travel, illness prevention, and flexible working. NSW Trustee and Guardian continues to support the health and safety of its staff.

NSW Trustee and Guardian has identified and quantified, where possible, the financially known impacts of COVID-19 currently as follows:

- Revenue in trustee services – decreases in asset values, overall property demand, and attendance at housing auctions due to social distancing measures have led to delays in revenue realisation from the sale of property. As a result, lower revenue has been earned from asset-based percentage fees, sale of properties, and preparation of customer documentation (e.g. wills).
- Right-of-Use assets ("ROUA") relating to accommodation leases have been impaired by \$0.7 million based on the valuation of lease contracts under existing market conditions and verifying market data up to the date of this report. Refer to Note 11 for details on the assumptions and estimates used.
- Financial assets at fair value – the TCorp Short Term Income and Long Term Growth Funds have suffered unrealised loss of \$5.1 million resulting in decrease in fair value of \$4.7m, refer to Note 9 and Note 3 (c).

There is no uncertainty about NSW Trustee and Guardian's ability to continue as going concern at 30 June 2020 as liquidity and credit risk are not significant areas of risk for NSW Trustee and Guardian. There has been no impact on NSW Trustee and guardians' liquidity or credit risk profiles as a result of COVID-19.

A further assessment on the fair value of the following accounts, taking into account relevant assumptions and estimates, has been performed resulting in either no impact or insignificant impact being identified:

- Receivables – Note 7
- Property, plant and equipment – Note 10
- Intangibles – Note 12; and
- Financial instruments – Note 22.

Other than the above, it has not come to NSW Trustee and Guardian's attention that there would be any other significant impact on the financial statements for the financial year ended 30 June 2020.

25. Events after the Reporting Period

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

End of Audited Financial Statements

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