The Public Trustee

Annual Report

2009-2010

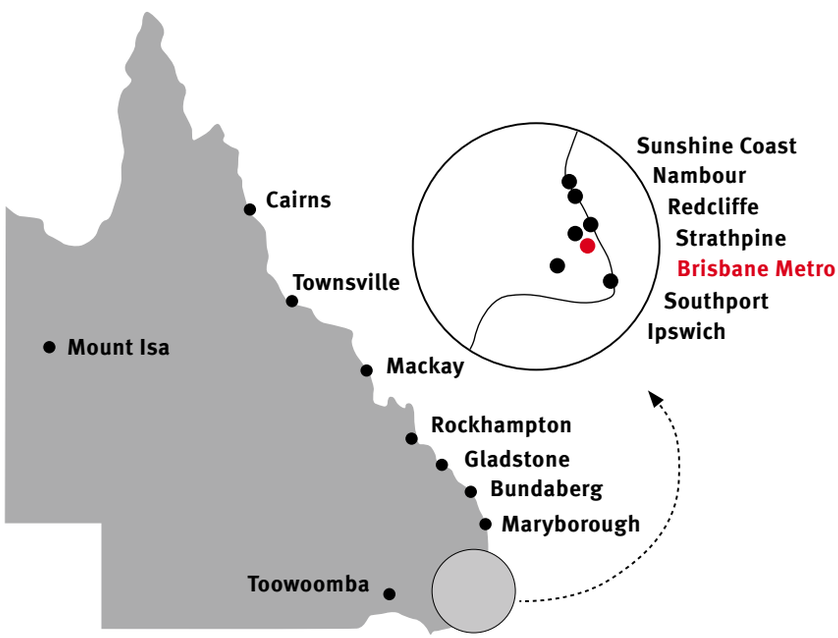
The Public Trustee

The Public Trustee is an independent statutory authority that reports to Queensland Parliament through Queensland's Attorney-General and Minister for Industrial Relations.

Operating as a corporation sole constituted under the *Public Trustee Act 1978* we provide professional, accessible and reliable, trustee, financial and related services to Queenslanders.

For the purpose of this report The Public Trustee of Queensland refers to the independent statutory individual and The Public Trustee refers to our organisation as a whole.

Regional Service Delivery



The Public Trustee Annual Report 2009-10 is available at: www.pt.qld.gov.au

Marketing and Communication
Phone: (07) 3213 9339
Email: marcoms@pt.qld.gov.au

Interpreter Service Statement
We are committed to providing accessible services to people with disability and people from culturally and linguistically diverse backgrounds. If you require assistance accessing this report phone 07 3213 9421.

Phone: 1300 360 044 Vist: www.pt.qld.gov.au

Our Vision and Mission

The Public Trustee – Vision

To be Queensland's best provider of trustee and administration services.

The Public Trustee – Mission

To deliver a full range of professional, accessible and reliable, trustee, financial and related services in a supportive, compassionate and ethical manner.

Our Purpose

To provide professional and accessible services in:

- Deceased Estate Administration
- Trusts
- Will making
- Financial management for those with impaired capacity
- Facilitating philanthropy.

Our Values

Client Service

- Striving for excellence in everything we do
- Developing enduring, respectful and compassionate relationships with our clients
- Responding to new and emerging client needs.

Integrity

- Maintaining the highest standards of ethical practice as Trustees and Administrators.

Accountability

- We are responsible for our actions, decisions and performance
- We strive for transparency in decision-making and relevant timely disclosure to our clients and their carers.

Our Ethics

We conduct our affairs in compliance with applicable laws and regulations, observing the highest standards of professional and business ethics.

A Code of Conduct applies to all our employees and accords with the principles of the *Public Sector Ethics Act 1994*.

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22 September 2010

The Honourable Cameron Dick MP
Attorney-General and Minister for Industrial Relations
18th Floor, State Law Building
50 Ann Street
Brisbane Qld 4000

Dear Attorney-General

I am pleased to present the Annual Report 2009-2010 for The Public Trustee of Queensland.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be accessed at www.pt.qld.gov.au

Yours sincerely

Peter Carne
The Public Trustee of Queensland

Jondaryan, Queensland. Courtesy of Tourism Queensland.

Brisbane, Queensland.
Courtesy of Tourism Queensland.

Public Trustee of Queensland

Year in review

The 2009-10 financial year, has seen us build on our 94 years of tradition to ensure we will have a strong and sustainable future. The Public Trustee has endured since 1916 because of the relevance and quality of the services we provide to Queenslanders.

During the year, my team of over 500 dedicated staff located across the State, have worked hard to ensure we achieve our vision – *To be Queensland's best providers of trustee and administration services*. I thank them for their support and dedication as they embraced our priorities for change and assisted thousands of Queenslanders to plan for their futures.

With Queensland's ageing population rapidly increasing, it has never been more important to educate people about the importance of future planning. This year our staff, in addition to preparing almost 24,000 free Wills for Queenslanders, attended numerous speaking engagements and events in their local regions to raise awareness.

This year, I also personally supported *Planning for Life* forums developed by the Department of Justice and Attorney-General. These forums held across the State, raised awareness of the need for all Queenslanders to have a valid Will and appoint an Enduring Power of Attorney.

Peter Carne, The Public Trustee of Queensland.

The forums also educated participants about the many ways in which the Queensland Civil and Administrative Tribunal, The Adult Guardian and The Public Trustee protect vulnerable people.

The 2009-10 financial year was one of economic pressure for many Queenslanders and we saw an increase in the number of cases where the Queensland Civil and Administrative Tribunal appointed The Public Trustee as Administrator for people unable to manage their financial affairs. Sadly, this is often due to allegations of mismanagement or misuse of a vulnerable person's funds.

> "It has never been more important to educate people about the importance of future planning."

As Public Trustee of Queensland, I am committed to ensuring that we protect the interests of these people who do not have capacity to manage their financial affairs. Everyday we assist the thousands of Queenslanders for whom we are appointed Financial Administrator and our legal team performs an outstanding role defending the rights of some of these vulnerable clients.

In addition to protecting our clients' legal rights, we also protected their assets. This year, our investment team oversaw almost $1.17B in funds under management, a significant achievement in these economic times.

During the financial year, we provided over $22.1M worth of Community Service Obligations to the people of Queensland, at no cost to the State Government. This included preparing almost 24,000 Wills free of charge, managing the affairs of over 7,400 disability clients and acting as Trustee for a number of leading Queensland community foundations and trusts. We also provided funding toward the operations of the Office of the Adult Guardian and the much needed Queensland Civil Law Legal Aid Scheme.

Our other achievements included commencing the implementation of our *Strategic Plan 2009-2013*, and reviewing our organisation through a workforce planning and development project. This project has seen us consult with our staff at all levels, in all our offices across Queensland.

The results of this review will be implemented in the next twelve months as we increase our ability to respond to the Queensland community's changing needs, both now and in the future.

As the State's ageing population increases, so will the number of people unable to manage their financial affairs. It will be vital for Queensland's community and justice system that we are prepared to meet this challenge and we ensure a smooth transition of wealth from generation to generation. Our current strategic objective is to ensure we meet our increasing community service obligations while still remaining a sustainable and financially viable organisation.

> "We are committed to ensuring more Queenslanders can access our services and expertise"

For these reasons, the 2010-11 financial year and beyond will see us working hard to improve the quality and accessibility of our services. We will open a new Sunshine Coast Regional Office and continue to maintain our services to the Nambour community. We are also re-developing our Redcliffe Regional Office to meet the region's growing population of retirees and increasing our services to the Redland Bay area.

We are committed to ensuring more Queenslanders can access our services and expertise. The coming year will see us develop and implement strategies to better meet the needs of people living in rural and remote communities and Aboriginal and Torres Strait Islander people.

Just as we are encouraging our clients to plan for their future, our current plans for The Public Trustee's future will ensure our sustainability and help meet the Government's *Toward Q2* aim of creating a fairer Queensland for us all.

Our highlights

Assisting disadvantaged Queenslanders

We provided over $15M in funding for free or subsidised services to assist disadvantaged Queenslanders. These clients may not be able to afford our services or the legal protection they need. This support was supplied at no cost to the Queensland Government. Visit page 19 to find out about these Community Service Obligations.

Supporting adults with impaired capacity

We assisted over 7,400 clients with impaired capacity to manage their financial affairs in our role as their Administrator. Including preparing over 3,000 tax returns on behalf of our clients. Visit page 15 to find out more.

Philanthropy – Queenslanders helping Queenslanders

We acted as Trustee for some of Queensland's leading philanthropic trusts and foundations. In doing this we distributed over $1.24M to charitable and not-for-profit organisations across the State. Visit page 52 to find out more.

Our services stretched across Queensland

Our 16 regional offices reach from Southport to Cairns, Mount Isa in the West and Toowoomba in the South West. To better serve Queensland we made travelling Will visits and partnered with Courthouses, Centrelink Offices and Queensland Government Agency Project Offices. Visit page 43 to find out more.

Planning for Life – Wills and Estate services

We are the largest provider of free Wills in Australia, with almost 24,000 Wills prepared this year. We also prepared almost 3,600 Enduring Powers of Attorney and administered almost 2,500 new Deceased Estates. Visit page 38 to find out more.

A significant Trustee organisation

We protected $1.17B in funds under management, an increase of 7.6 % over the previous year. Investment returns for multi-sector Public Trustee Investment Funds relative to our benchmark were the best in four years. Visit page 70 to find out more.

Going under the hammer – auctions and valuations

We conducted over 385 auctions, sold 172 houses, 5612 motor vehicles and increased our sales of furniture and computers by 16%, with over 17,084 lots going under the hammer. We also arranged 1,385 valuations on behalf of Deceased Estate and Trust Clients across Queensland. Visit page 65 to find out more.

Achievements against our Strategic Plan 2009-2013

Our strategic plan outlines our vision, values and primary objectives for 2009 – 2013. This year we made the following achievements against the plan.

Our Primary Objectives:	For the 2009-10 financial year we:
Delivering core services consistent with our legislative mandate in a commercial and client responsive manner.	• Experienced steady growth of our core services and prepared almost 24,000 Wills and almost 3,600 Enduring Powers of Attorney. • Met our objectives to be the preferred Financial Administrator for adults with impaired capacity. • Increased our Wills by 14.6%, our Enduring Powers of Attorney by 7.1%, our Deceased Estates by 2.3% and our Testamentary Trusts by 3.6%. • Increased our outreach services so more Queenslanders can access our free Will making service and have their Enduring Power of Attorney drafted. • Planned for the implementation of Client Services Centres to ensure more efficient and cost effective service delivery. • Finalised our Client Services operational plans with our regional offices. • Continued to engage the community through education forums and information sessions held across Queensland. • Increased funds in our Philanthropic Trusts under management to $64M. • Delivered over $22.1M in Community Service Obligations at no cost to the Queensland Government. • Undertook significant planning and development of our new office locations to expand our services. Including our new Sunshine Coast Regional Office opening in August 2010, while ensuring our Nambour Office keeps serving the community. We also commenced work on our Redcliffe Regional Office to ensure its accessibility to our clients and arranged increased Will and Enduring Powers of Attorney making services in the Redland Bay region. • Undertook significant expansion of the learning and development function within Human Resources. This resulted in an increase in the training budget and the number of training staff.

Our Primary Objectives:	For the 2009-10 financial year we:
Generating sufficient surpluses to fund a broad range of Community Service Obligations in line with the Government's social objectives.	• Reviewed our investment objectives and the investment strategy of our Common Fund to ensure our investment assets and fund liabilities are managed in a risk controlled environment. • Reviewed the fee structure of The Public Trustee Investment Funds and implemented a revised fee structure on 1 January 2010. • Increased our resources in our regional offices to meet increasing customer demand. • Re-designed and developed Client Transaction Statements that can be automatically generated. These will be rolled-out in the 2010-11 financial year. • Re-negotiated our agreement with QFleet to auction their surplus vehicles for a further three years. • Introduced new technology to increase staff productivity, including rolling-out report writing software and handheld PDA systems for our property and valuations staff. • Re-structured our former Public Affairs Unit and recruited a Director of Marketing and Communication to assist us to develop our brand awareness and implement an integrated marketing and communication strategy in the 2010-11 financial year. • Undertook a review of our Property Unit including assessing the structure and the fees, with improvements implemented accordingly.
Meeting the needs of all current and future PTO clients in an ethical, professional and responsive way.	• Ensured staff training was provided to all Client Services staff so they could better understand the needs of clients with a disability. • Increased our learning and development opportunities. Training including Wills and documents training, complaints management training, induction, code of conduct and serving clients with a disability. • Commenced project planning to establish a new document storage facility to meet the needs of the Office and help meet Queensland State Archives record keeping standards.

Our *Toward Q2* achievements

As a statutory body that reports to the Queensland Parliament through the Attorney-General, we have embraced the Government's *Toward Q2* Vision for Queensland's Future. In addition to achieving our strategic goals we have also contributed to the *Toward Q2* Vision.

Toward Q2 Priority	What we said in our Strategic Plan 2009-2013	Initiatives this financial year towards achieving these objectives.
Strong	Our *Strategic Plan 2009-2013* is directed to achieving sustainable long-term viability. This is to ensure the delivery of services consistent with the legislative mandate of the Office in a commercial and client responsive manner and to generate sufficient 'surplus' to fund Community Service Obligations	• Despite the economic downturn we protected our $ 1.17B funds under management. • Delivered $22.1M in Community Service Obligations to Queensland at no cost to the Queensland Government. • We are geographically strong with 16 offices located across Queensland serving the state's major population regions. We also have strong relationships with other service providers such as Courthouses, Centrelink Offices and Queensland Government Agency Project Offices in areas where we don't have an Office location. Our staff also perform regular Will making visits to areas without a regional office. • Developed our leadership goals and are continually implementing them across the organisation.

Toward Q2 Priority	What we said in our Strategic Plan 2009-2013	Initiatives this financial year towards achieving these objectives.
Green	We aim to minimise the environmental impact of The Public Trustee, in respect of the accommodation we own and the way in which we go about our work.	• Our new offices are developed with Australian Greenhouse ratings in mind. Where possible we have installed energy efficient lighting, water saving devices, sensors and energy efficient air-conditioning, reflective windows and heat reflecting roofing in our fit-outs. • Implemented a number of waste, water and energy saving initiatives resulting in a saving of: – 1.919,267 kwh saving in power usage – $143,000 on energy related expenses – 624 CO2-e in greenhouse emissions which is equivalent to planting 782 trees – 40% in clean paper for the year as we encouraged our staff to reduce waste, recycle and use paperless electronic technology.
Smart	As part of our *Strategic Plan 2009-2013* we will develop a comprehensive workforce plan. We will ensure our staff are properly and fully trained and skilled to serve our diverse client base.	• Assessed our training needs for all our operation streams and the learning and development needs of staff at middle and senior manager level. • Incorporated our Capability Leadership Framework (CLF) into our role descriptions and training responses to ensure increased readiness of new and existing staff. • Delivering specialist training in project management, complaints management training, Wills training, corporate induction and serving clients with a disability.

Toward Q2 Priority	What we said in our Strategic Plan 2009-2013	Initiatives this financial year towards achieving these objectives.
Smart	The Public Trustee intends to further its innovative use of technology in support of the services it provides.	• Continued our partnership with the University of Queensland – School of Social Work and Human Services Unit to support research into *"Financing and Management of Lifetime Care of Adults with Acquired Disability and High Care Needs."* • Continued the development of our highly successful Client Information System (CIMS). • Delivered community education and awareness sessions throughout the State. • Supported The Department of Justice and Attorney-General's *Planning for Life* forums to promote the importance of all Queenslander's having a valid Will, Health and Personal Attorney and Financial Attorney. These also raised awareness of how the Queensland Civil and Administrative Tribunal, The Office of the Adult Guardian, The Public Advocate and The Public Trustee operate to protect vulnerable Queenslanders. • Improved our Will Making training for new employees and delivered refresher training with a customer service focus for staff involved in the Will Making process.
Healthy	Through our *Strategic Plan 2009-2013* and as part of our workforce planning we will focus on the health and the capacity of our staff.	• Delivered ongoing awareness and practically based training on disability, mental health and pro-social behaviours. This supports service delivery, minimises potential stress and helps improve safety for our staff. • Provided free access to a counselling service for our staff.

Toward Q2 Priority	What we said in our Strategic Plan 2009-2013	Initiatives this financial year towards achieving these objectives.
Fair	The Public Trustee's *Strategic Plan 2009-2013* is intended to ensure that staff are fairly managed, appropriately skilled and developed. The central purpose of the Office is to provide important services to the people of Queensland, part of the delivery of a fair and just society. The Public Trustee in this regard intends to: • Provide a Will making service to ensure that all Queenslanders have access to the preparation of a valid Will in order to avoid the costs and expenses of intestacies. • Continue to act as Administrator for adults with impaired capacity where such appointments are appropriate. Administrators are part of a Guardianship framework within Queensland that seeks to appropriately assist adults with such incapacities whilst balancing the adults' need and right to participation in decision-making. • The Public Trustee will extend its role as a Trustee for philanthropic trusts which have at their centre charitable purposes directed to improving aspects of life in Queensland.	• Delivered over $22.1M in Community Service Obligations to the community at no cost to the Queensland Government. • Expanded our Will Making service to ensure we are accessible to more Queenslanders. Including opening a new Sunshine Coast Regional Office, while retaining our Nambour Office. Increasing our services in the Redland Bay area and refurbishing our Redcliffe Office to cater to this growing region. • Delivered increased services through an extensive network of Courthouses and Centrelink Offices and QGAP agents across the State to enhance delivery of our services in rural and remote areas. • Maintained our lead role as Financial Administrator for adults with impaired capacity as appointed by the Queensland Civil and Administration Tribunal. Often this is as a result of allegations of abuse or mismanagement of funds. • Educated our Client Services staff about the importance of meeting the needs of our clients within our Disability Service Standards. • Provided secure, independent, and accountable Trustee services for a number of philanthropic community foundations. We approved grants of $ 1.24M to be used for philanthropic purposes across Queensland.

Our disability and trust clients

With Queensland experiencing a rapid increase in its ageing population, the number of adults with an incapacity is also increasing. We recognise this growing need and are committed to providing accessible services to this growing group of Queenslanders.

We are often requested to assist Queenslanders who are unable to make decisions about financial matters themselves. This can occur following our appointment as Financial Administrator under an Order of the Court or by the Queensland Civil & Administrative Tribunal.

Our regional offices provide a range of services tailored to our client's individual needs. We strive to provide our clients with the individual support they require.

A skilled Trust Officer is assigned to each of our individual clients to manage their financial affairs. This includes developing a budget to support the person's lifestyle, while ensuring we consider their needs both now and into the future.

We help each client according to the assistance they require such as managing financial affairs and paying some or all of their bills including:

- Accommodation
- Living expenses
- Insurance
- Medical and pharmaceutical expenses
- Property costs such as rates and insurance.

We provide a cost effective financial management service to our clients. This includes access to investment, legal, property and associated services.

Our Disability Support Officer provides specialised assistance and advice about a range of disability related matters. This can include providing Trust Officers with information about government and non-government services, specialist medical equipment, home and vehicle modification and accommodation support services.

Our Disability Support Officer also helps to identify support services that our individual clients might require. This service is provided at no cost to our clients.

We act for our clients in accordance with the General Principles as set out in the *Guardianship and Administration Act 2000*.

Our *Disability Service Standards* are to:

- Promote participation in planning and decision-making by clients, their families and other key people
- Ensure that clients are treated as individuals
- Recognise and respond to diversity
- Promote independence and quality of life
- Provide accountability in practices and procedures.

Disability service	2005-06	2006-07	2007-08	2008-9	2009-10
New clients	760	866	849	1,023	924
Current clients	6,277	6,535	6,784	7,142	7,403
Value of assets under management	$709,391,426	$808,579,023	$820,713,694	$822,422,039	$862,496,665

Sustainability

This year we reduced our carbon footprint, our use of resources and ensured we supported the Government's *Toward Q2 – Green* priority. We achieved the following savings.

Energy

We continued to introduce measures to reduce the energy consumption and greenhouse emissions.

We implemented measures to raise our 444 Queen Street building's Australian Building Greenhouse Rating from 1.5 to 4.0 by:

- Installing a building management system
- Replacing the lift drive system with a more efficient alternative
- Modernising air-conditioning controls to obtain energy efficiency
- Installing lighting controls to reduce power usage
- Installing energy efficient fluorescent down-lights in all foyers.

Our energy savings

Our savings per annum have been calculated at:

- 1,919,267 kwh saving in power used
- $143,000 saving on energy related expenses
- 624 CO2-e reduction in greenhouse emissions which is equivalent to planting 782 trees each and every year.

Water

We completed water saving initiatives in 444 Queen Street. We have also implemented water saving devices in a number of our regional offices. This has included installing:

- Water flow restriction devices
- Dual flush toilets, waterless and water reducing urinals
- Water saving tap and shower-rose fittings.

Making energy savings

Energy Savings at Cairns Regional Office

We installed energy efficient air-conditioning, dual tinting on windows and external louvers at our Cairns Building. This has resulted in a 40% reduction in electricity costs and a significant reduction in our carbon footprint.

Southport Regional Office reducing power costs

We installed new window grills and a new roof coating on our Southport building. These measures will lower the internal roof temperature by 10 degrees and the air-conditioning plant will run more efficiently and use less power.

Vehicles

To support Queensland Government initiatives in vehicle emissions reduction, we leased motor vehicles from QFleet that have a minimum GVG Greenhouse rating of 5.5.

Waste management

This year we maintained our existing waste reduction policy. Measures we undertook included:

- Reducing paper waste
- Using the internet for auction catalogues
- Weekly paper and cardboard recycling
- Installation of duplex printers
- Using Planet Arc to dispose of used toner cartridges.

Our waste management savings

Approximately 40% in clean paper requirements were saved throughout the financial year.

Aboriginal and Torres Strait Islander people

In line with the *Queensland Government Reconciliation Action Plan 2009-12,* this financial year we commenced an evaluation of the services we provide to Aboriginal and Torres Strait Islander people.

In 2009-10, The Public Trustee of Queensland provided Trustee services to the Gulf Area Community Social Development Trust. We assisted the Trust to make grants totalling more than $300,000 to support Indigenous community development programs and organisations in Mornington, Burketown, Doomadgee, Cununa, Normanton and Mount Isa.

This year also saw the inaugural grant round of the Queensland Aboriginal and Torres Strait Islander Foundation, for which the Public Trustee of Queensland provides Trustee services.

> "distributing over $550,000 in scholarships to assist a number of Aboriginal and Torres Strait Islander young people"

This first round of grants saw the distribution of over $550,000 in scholarships to assist a number of Aboriginal and Torres Strait Islander young people to complete their senior schooling.

In a challenging economic climate, The Public Trustee of Queensland safeguarded the perpetual capital of both the Gulf Area Community Social Development Trust and Queensland Aboriginal and Torres Strait Islander Foundation to ensure that these funds will grow and benefit future generations of Aboriginal and Torres Strait Islander People.

The 2010-11 financial year, will see us develop and implement ways to improve the accessibility of our services to Aboriginal and Torres Strait Islander people. We are currently developing projects to engage an Indigenous Liaison Officer and ensure that our future information brochures are accessible to Aboriginal and Torres Strait Islander people.

Our Community Service Obligations

The Public Trustee is a self funding organisation that receives no financial assistance from the Queensland Government.

This year we provided over $22.1M in Community Service Obligations at no cost to the Queensland Community.

Giving all Queenslanders access to a free Will making service

We provide a free Will making service to all Queenslanders over 18. The cost of our free Will making service for 2009-10 was $3.6M.

Supporting an increase in Enduring Powers of Attorney

Enduring Powers of Attorney are made free of charge when The Public Trustee of Queensland is appointed as Principal Attorney. If an Enduring Power of Attorney is drafted appointing another party, a competitive commercial charge is made for this work.

The objectives of our Will and Enduring Power of Attorney services are to:

- Assist Queenslanders by making their Will and Enduring Power of Attorney.
- Where requested, provide members of the community with the assurance that the Public Trustee of Queensland will act as their Attorney.
- Ensure an orderly succession of property between generations, with minimum recourse to the Court system.
- Facilitate individual members of the community to be able to specify who will manage their assets, rather than through an order made by the Queensland Civil and Administrative Tribunal.
- Meet a requirement by Government to ensure the correct management of the assets of members of the community with a minimum recourse to Queensland Civil and Administrative Tribunal or the Courts.

Supporting The Office of The Adult Guardian

The Office of The Adult Guardian protects the rights of adults with impaired capacity. Under the *Public Trustee Act 1978*, we contribute funding approved by the Attorney-General to assist the Office of the Adult Guardian to undertake its activities. We contributed $969,000 in 2009-10.

Managing the commercially uneconomical affairs of adults with impaired capacity

When we are appointed as Administrator under the *Guardianship and Administration Act 2000*, The Public Trustee of Queensland becomes the financial decision-maker for these clients with impaired capacity.

For some of these clients the costs of their administration and legal services exceeds their ability to pay.

Our management of these clients' affairs may extend to their financial affairs, facilitating meetings and where appropriate information sharing with family, care providers and government and non-government agencies.

The cost of providing these services for 2009-10 was over $15M.

Civil Law Legal Aid Scheme

We partner with Legal Aid Queensland to provide the Civil Law Legal Aid Scheme. This scheme assists Queenslanders with limited financial means to pursue civil law actions in the Courts. We made grants of almost $898,000 to support this vital scheme this financial year.

Free advice to the community

Last year we provided free advice to the community, courts and tribunals in areas in which we have expertise including:

- Adults with impaired capacity
- Deceased Estates
- Attorneys and Enduring Powers of Attorney
- Trust Administration.

Cost to provide this advice for the 2009-10 financial year was almost $1.8M.

Supporting the administration of commercially uneconomical Deceased Estates

As part of our community service obligations we reduce our fees and charges for certain Estates that are deemed to be commercially uneconomical to administer. Also, in some cases where the beneficiaries have limited financial means the Government has approved that some costs involved in the Estate may be rebated. The cost of administering these estates in the 2009-10 financial year was over $61,000.

Prisoners

Under Section 7 of the *Public Trustee Act 1978*, we manage the estates of prisoners who are convicted of an indictable offence and who are serving sentences of three years or more.

These prisoners are required to obtain the consent of The Public Trustee of Queensland prior to defending or instituting civil proceedings. The cost of providing this service in 2009-10 was almost $62,000.

Our financial highlights

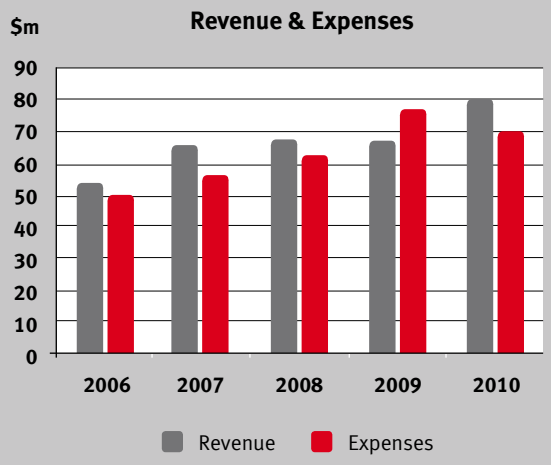
In line with the *Financial Accountability Act 2009*, our Chief Financial Officer has fulfilled the minimum responsibility required by the Act. The Chief Financial Officer has provided The Public Trustee of Queensland with a statement about financial controls in accordance with *Section 57 of the Financial and Performance Management Standard 2009*.

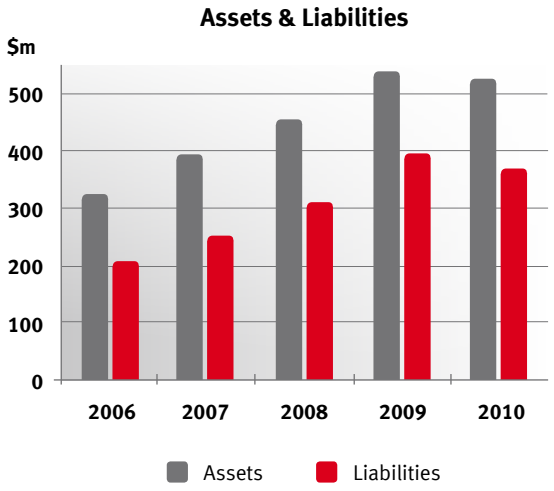
Statement of comprehensive income

The Public Trustee returned an operating surplus of $9.4M after providing Community Service Obligations, at no cost to Government, totaling $22.1M. The increase in operating surplus was primarily due to market revaluation of financial assets of $8.2M. The increase in market revaluation of financial assets represents a book gain and is not a realised cash flow. The revaluation of financial assets represents a significant turnaround from the prior year, where a book loss of $6.8M was brought to account in 2008-09. Generally, investments in the portfolio are held to maturity which has the effect of reversing the book losses.

The contribution by The Public Trustee to Government through our Community Service Obligations is shown in the revenue line items of the Statement of Comprehensive Income and in further detail in the notes to the Financial Statements. Additional information as to the Community Service Obligation services provided is set out later in this report.

Total income grew from $66.9M in the year ended 30 June 2009 to $79.6M in the year ended 30 June 2010. Expenses fell from $76.5M to $70.2M in the comparative periods.





Statement of financial position

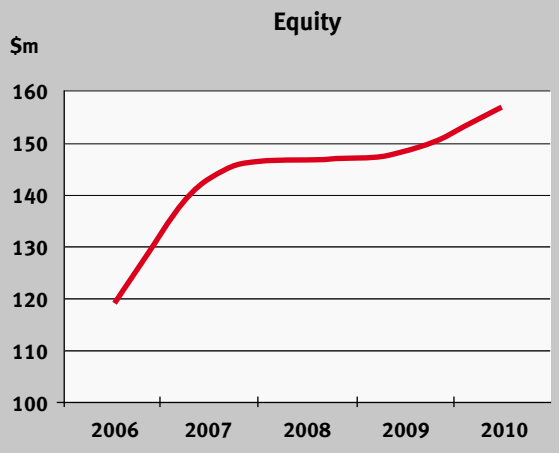
Assets decreased from $538.9M in the year ended 30 June 2009 to $527.3M in the year ended 30 June 2010. Liabilities decreased from $390.7M to $370.2M in the comparative periods.

The decrease in the assets and liabilities was mainly due to client funds being placed in The Public Trust Office Investment Funds.

The values shown for assets include the operating profit for the year, the indexed revaluation of all land and the market revaluation of other financial assets that are held available-for-sale consistent with accounting standards.

Statement of changes in equity

In the year ended 30 June 2010, the equity of The Public Trustee increased from $148.2M to $157.1M. This increase included the operating profit for the year and the market revaluation of other financial assets that are held available-for-sale, consistent with accounting standards.



Budget vs Actual

Statement of Comprehensive Income for the year ended 30 June 2010 Actual				
	2010 Actual $000	2010 Budget $000	Variance $000	Variance %
Income				
Revenue				
Fees and charges	67,787	58,837	8,950	15%
Less community service obligations	(22,185)	(21,212)	(973)	5%
Interest	22,454	17,883	4,571	26%
Distribution Revenue	1,796	5,827	(4,031)	(69%)
Other revenue	1,253	1,286	(32)	(3%)
	71,105	62,620	8,485	14%
Gains/(Losses)				
(Loss) on sale of property, plant and equipment	-	-	-	-
Gain/(Loss) on revaluation of other financial assets held at fair value	5,485	-	5,485	100%
Gain on sale of available for sale financial assets	282	-	282	100%
Gain/(Loss) on revaluation of unit based cash fund	2,746	-	2,746	100%
	8,512	-	8,512	100%
Total Income	**79,618**	**62,620**	**16,998**	**27%**
Expenses				
Employee expenses	37,521	37,552	31	0%
Supplies and services	19,340	17,409	(1,931)	(11%)
Depreciation	1,622	1,516	(105)	(7%)
Amortisation	129	192	63	33%
Interest paid to Clients	8,516	7,560	(956)	(13%)
Other expenses	3,087	879	(2,209)	(251%)
Total Expenses	**70,215**	**65,108**	**(5,107)**	**(8%)**
Operating Surplus/(Deficit)	**9,403**	**(2,488)**	**11,891**	***478%**
Other Comprehensive Income				
Increase/(decrease) in asset revaluation surplus	**(2,802)**	**-**	**(2,802)**	100%
Net gain/(loss) on available-for-sale financial assets	**2,330**	**-**	**2,330**	100%
Total Other Comprehensive Income	**(473)**	**-**	**(473)**	**100%**
Total Comprehensive Income	**8,930**	**(2,488)**	**11,418**	**459%**

**Market revaluation of financial assets of 8.2M, refer to page 21.*

Client fees and charges

The scale of fees used by The Public Trustee is designed to reflect a fair charge for the services provided. The Government has approved that the interests of disadvantaged clients be protected by way of a scheme of Community Service Obligation subsidies for these fees. The subsidies are applied by way of direct rebates at the time of charging the fees, placing no obligation upon clients to pay and seek reimbursement. The direct rebates increased to $15M, the major part of the $22.1M of Community Service Obligation services provided by The Public Trustee during the year ended 30 June 2010.

The amount of the Community Service Obligation rebates continues to increase each year, rising by 7.1% in the year ended 30 June 2010. This is in line with the increase in adults with impaired capacity, who comprise the highest proportion of clients receiving Community Service Obligation funded services.

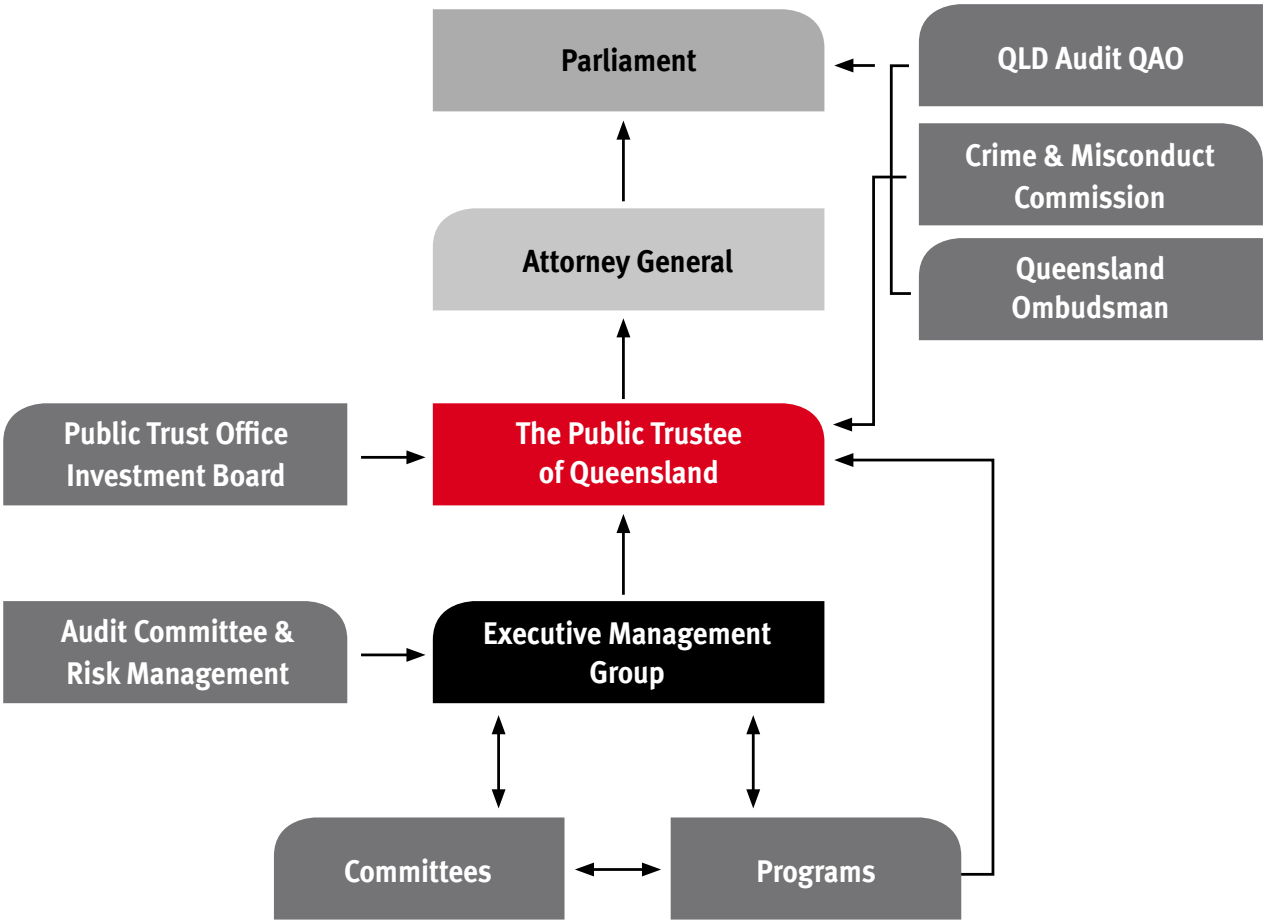
A priority continues to be the close and careful management of the services provided to our clients to ensure financial viability. Gross Fees and Charges Income, before Community Service Obligation rebates, in the year ended 30 June 2010 was $67.8M an increase of 3.7% over the previous year ended 30 June 2009.

“The amount of the Community Service Obligation rebates continues to increase each year”

Our Corporate Governance

Our corporate governance framework

The Public Trustee has a corporate governance framework that assists us to meet the purpose, values and objectives set out in our *Strategic Plan 2009-2013*. The framework ensures we are accountable for our decisions and assists us to achieve our vision – *To be Queensland's best provider of trustee and administration services*.



Audit and Evaluation Unit

An important part of our corporate governance framework is our Audit and Evaluation Unit. The unit provides independent, objective, assurance and consulting activity to add value and improve the operation of The Public Trustee.

During the 2009-10 financial year, Audit and Evaluation conducted independent reviews and audits of the operation of internal controls, business processes and management practices consistent with our audit charter and the Annual Internal Audit Plan that was endorsed by the Audit and Risk Management Committee.

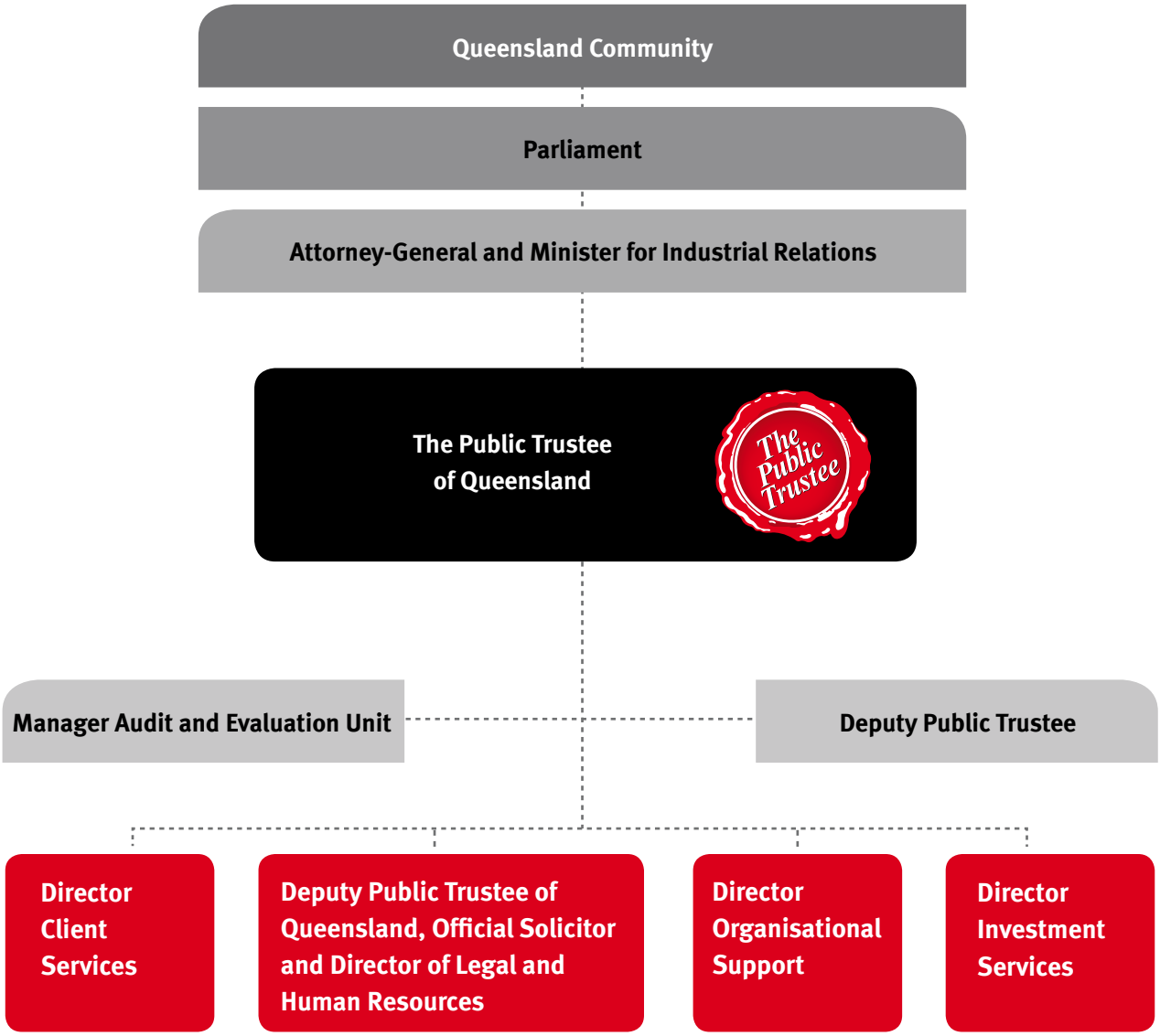
A review of the scope, size and structure of the Audit and Evaluation Unit commenced during the financial year. This purpose of the review was to ensure that Internal Audit is appropriately resourced to assist The Public Trustee of Queensland, and other levels of management to achieve sound control over all activities under their management, so these activities can be carried out efficiently and effectively.

A project was also conducted to develop and implement a selection process for the acquisition of Audit Management Software to replace the existing manual record keeping system. This resulted in the selection and purchase of a suitable software program to ensure greater effectiveness and efficiency of the Unit.

External scrutiny

In 2009-10, the Office was one of several entities reviewed by the Queensland Audit Office (QAO) in relation to Audit Committee Guidance and Financial Accountability Roles and IT Network Security. The result of the review of Audit Committee Guidance and Financial Accountability Roles was included in the Auditor- General of Queensland Report to Parliament No.8 for 2010, tabled on 6 July 2010. The results of the review of IT Network Security will be tabled by QAO in mid 2011.

Our organisational structure



Peter Carne

The Public Trustee of Queensland

Peter Carne brings over 30 years legal expertise to his statutory appointment as The Public Trustee of Queensland. In addition to managing his own legal practice, Peter has held a number of public roles including Chief Executive Officer of the Queensland Law Society, Commissioner of the Queensland Legal Aid Commission and Director of the College of Law (Queensland).

He has also held a number of honourary positions including President of the Queensland Law Society, Chair of the Queensland Law Society Specialist Accreditation Board and Director of the Queensland Law Foundation. In 2003, he was awarded the Centenary Medal for his contribution to the legal profession.

Peter has a Bachelor of Arts and a Bachelor of Laws from the University of Queensland and is a Fellow of the Australian Institute of Company Directors and the Australian Institute of Management. From 1999 until 2007 he was a board member of Tarong Energy Corporation and is currently a board member of Australia Post.

Peter is committed to ensuring the future sustainability of The Public Trustee and achieving our vision - *To be Queensland's best provider of trustee and administration services*.

Patrick Wedge

Deputy Public Trustee of Queensland

Patrick Wedge brings over 30 years of legal experience to his role as Deputy Public Trustee. He is a Solicitor, a nationally accredited Mediator and has a Graduate Diploma of Public Administration from Griffith University.

Since his admission as a Solicitor in 1975, Patrick has used his legal knowledge to serve the people of Queensland through his work in Crown Law for 26 years. In 2002, Patrick relinquished his role as Deputy Crown Solicitor Commercial to become Deputy Public Trustee. He also acted as The Public Trustee of Queensland from January 2008 until March 2009.

As part of his role Patrick is ensuring our compliance with the introduction of Queensland's right to information and privacy legislation. Patrick is Chair of the Government Lawyers Committee of the Queensland Law Society and he is a member of the Institute of Public Administration Australia.

Mark Crofton

A/Deputy Public Trustee of Queensland, Official Solicitor and Director of Legal and Human Resources

Mark Crofton heads our in-house legal practice that provides legal support to The Public Trustee of Queensland and our clients.

Mark has a Bachelor of Arts/Laws (Hons) from the University of Queensland, a Masters of Laws from Queensland University of Technology and extensive experience practicing law in both the private and public sectors. He has spent a large part of his career undertaking legal work on behalf of disadvantaged clients.

During his time with The Public Trustee, Mark has honed his management skills and is our Director of Legal and Human Resources. In this capacity, Mark is committed to developing a sustainable future for the Office and is actively involved in ensuring our legal and human resource capabilities meet our future strategic objectives.

Tim Feely

A/Deputy Director Client Services

Tim Feely commenced working for The Public Trustee in 1992. With Bachelor of Laws from Melbourne University and over 30 years experience in the public and private trust industry both in Australia and overseas, he is a valued member of our Executive team.

As A/Director, Client Services, Tim manages a team of over 300 dedicated staff who deliver frontline Public Trustee services to Queenslanders from our 16 regional offices located across the State.

Tim's work with The Public Trustee has seen him undertake a variety of roles. He was instrumental in the successful establishment of the Queensland Community Foundation, the largest of its type in Queensland. This Foundation was used as the model for other Queensland Foundations including the Forde Foundation, Lady Bowen Trust and the Queensland Aboriginal and Torres Strait Islander Foundation. All of which, Tim is significantly involved in administering.

Ray Bowers

A/Director Organisational Support

Ray Bowers has over 20 years leadership experience in our organisation, managing teams both in our corporate office and our regional offices in Gladstone and Redcliffe.

His extensive experience in delivering front-line, financial and strategic management and a Bachelor of Business, majoring in Accounting from Central Queensland University has seen him lead numerous initiatives. This includes the implementation of our new electronic documentation and records management system that is being rolled out across Queensland.

As A/Director Organisational Support, Ray currently manages a team of over 80 people who work across specialist fields ranging from investment, finance, property, marketing and communication and information services. He is committed to continuously improving Organisational Support's delivery of high quality and efficient service to our internal and external clients.

Frank Prostamo

Director of Investment Services

Frank Prostamo has over 22 years experience managing finance and investments. For over 18 years he has been successfully growing The Public Trustee's assets. He oversees the investment management of over $1.17B funds that are held in trust for over 10,000 of our clients.

Frank has a Bachelor of Science (Mathematics), from the University of Queensland, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia and a Masters of Business Administration from Queensland University of Technology.

Currently managing a staff of 24 people, Frank is committed to ensuring the continued good performance of our assets under management. He is Trustee of the Committee of Economic Development Australia, Fellow of the Financial Services Institute of Australasia, Councillor of Queensland's Institute of Public Administration of Australia and lectures for a Masters Course offered by Kaplan Professional.

Andrew Grima

Chief Finance Officer

Andrew Grima is our Chief Finance Officer, he brings a wealth of experience to the Public Trustee including 17 years experience with the Queensland Audit Office where he served for over twelve months as Audit Manager.

Andrew is a Certified Practicing Accountant with a Graduate Certificate in Management and a Bachelor of Business in Accountancy from Queensland University of Technology.

He currently manages a team of 21 staff who are responsible for the day to day maintenance of corporate accounts, business intelligence, monthly financial reporting and taxation. This includes preparing over 3,000 tax returns for our clients each financial year.

Caroline Hannigan

Manager Audit and Evaluation Unit

Caroline Hannigan is Manager of the Audit and Evaluation Unit, performing a vital monitoring and review role for our organisation. She provides a secretariat role for our Audit and Risk Management Committee made up of internal and external members.

A valued member of our executive team, Caroline has a Bachelor of Commerce from the University of Queensland and a Graduate Certificate of Public Sector Management. She is a Certified Practicing Accountant and is a member of the Institute of Internal Auditors of Australia.

Caroline brings over 10 years experience in financial management and internal and external audit. In her role, she has assisted in implementing many improvements to policies and procedures, ensuring we have the best possible internal control environment. She is committed to continuous improvement within our organisation.

Our boards and committees with external members

Public Trust Office Investment Board

The Public Trust Office Investment Board is responsible for controlling and managing the investments of the Common Fund, in line with Section 21(1) of the *Public Trustee Act 1978*. The Board provides The Public Trustee of Queensland with advice in relation to the investment management of The Public Trustee Investment Funds.

During the year, with the approval of the Investment Board, we implemented a revised investment strategy for our Common Fund. This provided enhancements to the management of interest rate risk and more stable income payments.

Members of our Investment Board are:

- The Public Trustee of Queensland (Chair)
- Mr Walter Ivessa, Assistant Under Treasurer, Queensland Treasury
- Mr Henry Smerdon, Consultant and former Under Treasurer
- Ms Helen Davis, Chief Strategy Officer, QSuper

During the year Ms Molly Robson resigned from the Board and Ms Helen Davis was appointed. The Public Trustee thanks Ms Robson for her contribution to the Board and welcomes Ms Helen Davis to the role.

The board met six times during 2009-10.

Audit and Risk Management Committee

The Audit and Risk Management Committee was newly created on 1 January 2010 and was formed from an amalgamation between our former Audit Committee and the Risk Management Committee. The group meets quarterly to act as an independent advisory body to The Public Trustee of Queensland, to assist him to fulfil his responsibilities as the Accountable Officer under the *Financial Accountability Act 2009*.

The committee operates under new terms of reference established according to Queensland Treasury's best practice guidelines. To date the committee has assisted with reviewing the risk management framework and the scope, structure and size of Audit and Evaluation Unit.

The voting members of the committee are:

- Stephen Maitland, OAM as the External Chair
- Len Scalan as an external representative
- Deputy Public Trustee

Standing invitees are:

- The Public Trustee of Queensland
- Chief Finance Officer
- Manager, Audit and Evaluation Unit
- A representative from the Queensland Audit Office

The committee met four times during 2009-10.

Internal committees and working groups

Executive Management Group

Our Executive Management Group's role is to provide advice and assistance to The Public Trustee of Queensland in the leadership of the Office. Including providing advice to ensure we:

- Develop, implement and review the *Strategic Plan 2009-2013*
- Develop and train our employees
- Develop short-term strategies that assist in achieving our long-term goals
- Report on progress and achievements to the rest of the organisation
- Remain relevant and makes a difference in the lives of Queenslanders
- Build on our identity.

Membership of the Executive Management Group is determined by The Public Trustee of Queensland.

Members of the group were:

- The Public Trustee of Queensland (Chair)
- Deputy Public Trustee
- Director Legal & Human Resource Services and Official Solicitor
- Director Organisational Support
- Director Investment Services
- Director Client Services
- Deputy Director Client Services
- Assistant Director Client Services
- Chief Finance Officer
- Chief Information Officer
- Manager Human Resources
- Manager Audit and Evaluation.

The Executive Management Group met 48 times during 2009-2010.

Members of the Executive Management Group.

Strategic Governance Group

Our Strategic Governance Group supports The Public Trustee of Queensland to provide the strategic direction for our organisation, as part of our overall corporate governance framework. It is also responsible for overseeing organisational performance and plays a critical role in assisting to provide positive and effective leadership and direction.

The role of the Strategic Governance Group is to oversee:

- Corporate strategy involving strategic planning, setting strategic direction and analysis of strategic trends and issues.
- Organisational performance involving the monitoring of output performance, service delivery improvement and budget performance.

Members of the Strategic Governance Group were:

- The Public Trustee of Queensland (Chair)
- Deputy Public Trustee
- Director Legal & Human Resource Services and Official Solicitor
- Director Organisational Support
- Director Investment Services
- Director Client Services
- Deputy Director Client Services
- Assistant Director Client Services
- Chief Finance Officer
- Chief Information Officer
- Manager Human Resources
- Manager Audit and Evaluation
- Special Counsel.

The committee met ten times during 2009-2010.

Agency Consultative Committee

As required by the State Government Departments Certified Agreement 2006, The Public Trustee has an Agency Consultative Committee (ACC).

Members of the committee were:

- Director Client Services (Chair)
- Representatives from the Executive Management Group
- Representatives from the Queensland Public Sector Union (QPSU).

The committee met seven times during 2009-10.

Information Steering Committee

Our Information Steering Committee reviews strategic and operational information technology plans, as well as security and policy practices for approval by The Public Trustee of Queensland.

Members of the committee were:

- Director Organisational Support (Chair)
- Director Client Services
- Director Investment Services
- Director Legal & Human Resource Services and Official Solicitor
- Special Counsel
- Chief Information Officer
- Deputy Director Client Services
- Chief Finance Officer
- Deputy Director Investment Services
- Manager IT Services
- Manager Audit and Evaluation
- Manager Human Resources
- Representative from Queensland Transport
- Representative from the Department of Justice and Attorney-General.

The committee met seven times during 2009-2010.

Human Resource Committee

The Human Resource Committee evaluates, prioritises and assists the execution of human resource procedures, policies, practices and strategies.

Members of the committee were:

- Director Legal and Human Resource Services (Chair)
- Deputy Public Trustee
- Director Client Services
- Director Investments
- Director Organisational Support
- Deputy Director Client Services
- Manager Human Resources
- Manager Training and Development
- Human Resource Team Leader
- Senior Human Resources Officer.

The Committee met nine times during 2009-10.

Training Committee

The Training Committee strategically determines the training requirements of our staff. It also provides a forum where management is informed on the monitoring and effectiveness of our training programs.

Members of the committee were:

- Director Client Services (Chair)
- Director Organisational Support
- Director Legal and Human Resource Services and Official Solicitor
- Director Investment Services
- Deputy Director Investment Services
- Deputy Director Client Services
- Manager Human Resources
- Chief Information Officer
- Principal Human Resource Officer (Learning & Development)
- Client Services Managers (Training and Compliance)
- Manager Training & Development (commenced attendance October 2009)
- Rolling committee of 10 self-nominated staff from a cross section of classification levels and programs

The committee met six times during 2009-10.

Public Affairs Committee

The Public Affairs Committee provides advice to the Office on client relations, internal and external communications, marketing and media issues. This committee has ceased to function as of 30 June 2010. This committee will be replaced in 2010-11 with the formation of the Marketing and Communication Committee.

Members of the committee were:

- The Public Trustee of Queensland
- Deputy Public Trustee
- Director Legal and Human Resource Services and Official Solicitor
- Director Organisational Support (Chair)
- Director Investments
- Director Client Services
- Assistant Director Client Services
- Deputy Director Client Services
- Manager Public Affairs Unit

The committee met five times during 2009-10.

Client Services

Townsville, Queensland. Courtesy of Tourism Queensland.

Townsville, Queensland. Courtesy of Tourism Queensland.

Image by Ray Cash Photography.

Client Services

Client Services is the operational frontline that delivers our core services to Queensland. This includes:

- Administration of Deceased Estates
- Disability Services - acting as Financial Administrator for adults with impaired capacity
- Preparing Wills and Enduring Powers of Attorney
- Acting as financial Attorney under an Enduring Power of Attorney
- Acting as Trustee
- Trustee services for philanthropic foundations.

During the year, our Client Services team made almost 24,000 free Wills and drafted almost 3,600 Enduring Powers of Attorney.

Throughout the year, staff from our regional offices delivered an extensive program of community engagement, information and education sessions. These sessions informed the Queensland community about the importance of having a valid Will and Enduring Power of Attorney and the importance of updating these documents during key life-stages, such as marriage, birth of a child, death of a spouse and divorce.

In the 2009-10 financial year, over 15,271 clients appointed The Public Trustee of Queensland as their Executor and we experienced an increase in the number of Deceased Estates under Administration.

Our Client Services Program manages the financial affairs of adults with impaired capacity, for whom The Public Trustee of Queensland has been appointed Administrator. Our appointment as Administrator is a serious responsibility that involves protecting and serving some of the Queensland community's most vulnerable people.

We recognise that many of these clients have limited means and that we have a community service obligation to assist these people. We rebate a substantial proportion of fees that we might otherwise charge to manage their affairs. It is anticipated these appointments will continue to increase in 2010-11.

We are also responsible for:

- Administration of the Unclaimed Moneys Fund
- Acting as Trustee for Unincorporated Associations
- Victims of Crime Compensation Trusts
- The Financial Administration for prisoners serving three years or more in custody
- Acting as Trustee for three caravan parks.

Delivering our services to more Queenslanders

To enable us to better respond to our clients' needs and expectations, a major focus this year was to increase the reach of our services both in Brisbane and in regional areas of Queensland.

Our primary operations were delivered by regional offices situated in the major population centres of Queensland.

We also undertook visits to the sick and elderly at home, in nursing facilities and hospitals. Our service provision was complimented by off-site visitation services to 38 other centres across the State. These services were delivered with the co operation of local Courthouses, Centrelink Offices and Queensland Government Agency Project Offices.

During the 2009-10 financial year we undertook extensive planning and development to prepare for a new regional office on the Sunshine Coast and increased our Will making and Enduring Power of Attorney services to the Cleveland area.

Our dedicated Client Services staff were active in supporting our *Strategic Plan 2009-2013*. As part of our undertaking to implement better services to our clients, each regional office completed their own operational plans during the year. This ensures we are better able to meet the evolving needs of our clients.

Our Free Will making service

- Our team provided a free Will making service to almost 24,000 Queenslanders during the 2009-10 financial year.

Wills	2006-07	2007-08	2008-09	2009-10
New Clients	11,038	11,278	10,736	12,468
Existing Clients	10,399	9,882	10,143	11,464
Total Wills made	21,437	21,160	20,879	23,932
Number appointing The Public Trustee of Queensland as Executor	11,261	11,447	10,350	15,271

Deceased Estates

We administer the highest number of Deceased Estates in Queensland. We Administer a Deceased Estate when:

- There is a Will appointing The Public Trustee of Queensland as Executor
- The Executor renounces their appointment and next of kin, or the beneficiaries, request The Public Trustee of Queensland act as Executor on their behalf
- The Executor has died, is unable to act or is absent from Queensland
- There is no Will and The Public Trustee of Queensland is requested by the next of kin to administer the Estate
- The Public Trustee of Queensland is appointed by the Supreme Court.

In response to client demand, a private probate and executorial service was also provided. With a growing number of Executors requesting to obtain probate on their behalf for the 2009-10 financial year.

Deceased Estate Administration	2005-06	2006-07	2007-08	2008-09	2009-10
New Deceased Estates received	2336	2293	2398	2,394	2,449
Number of Estates on hand	2132	2057	2179	2,385	2,532
Value of those Estates on hand	$308,210,048	$327,395,765	$383,533,797	$432,874,447	$457,378,445
% completed within 9 months	64.35%	64.12%	64.35%	66.41%	63.73%
% completed within 12 months	73.82%	74.76%	74.99%	78.20%	75.14%
New Testamentary Trusts received	159	168	101	116	143
Number of Testamentary Trusts on hand	919	975	989	968	1,018
Value of Testamentary Trusts on hand	$140,655,223	$158,277,434	$161,561,324	$165,031,809	$177,323,906

Proceeds of crime

The *Criminal Proceeds Confiscation Act 2002* provides that The Public Trustee of Queensland may be asked to take control of property possibly related to illegal activity.

This financial year we received property related to 43 matters. Property held included cash, jewellery, property, vehicles and motorbikes.

Trusts

During the 2009-10 financial year we acted as Trustee for a variety of Trusts.

Trust Management	2005-06	2006-07	2007-08	2008-09	2009-10
Number of new Minors Trusts	740	619	518	552	572
Number of Minors Trusts on hand	4,801	4,491	4,269	4493	3,671
Value of assets under management	$139,573,714	$151,781,278	$135,011,225	$163,166,837	$166,624,191
Number of sundry new matters	106	207	364	288	169
Number of sundry matters on hand	710	753	923	1,155	1,136
Value of sundry trusts assets under management	$105,970,204	$136,916,265	$131,614,163	$163,166,837	$166,624,191

Enduring Powers of Attorney

We prepared Enduring Powers of Attorney for almost 3,600 Queenslanders.

Enduring Powers of Attorney	2005-06	2006-07	2007-08	2008-9	2009-10
Numbers prepared for clients	3,483	3,239	3,429	3,323	3,559
The Public Trustee as first Attorney	568	417	437	419	565
The Public Trustee as substitute Attorney	262	217	231	214	317
Number of new agency clients	192	140	147	137	120
Number of agency clients matters on hand	1,080	1,013	973	874	828
Value of agency clients assets under management	$133,624,180	$147,251,969	$141,977,394	$133,408,471	$145,766,678

Cairns, Queensland. Courtesy of Tourism Queensland.

Our Regional Offices

Gladstone, Queensland. Courtesy of Tourism Queensland.

Our regional offices

Our regional offices are the backbone of our organisation. They deliver the majority of services to our clients across the State. Our staff also make regular visits to draft Wills and Enduring Powers of Attorney in communities without an Office.

Our regional offices understand their local communities. Our staff work with local service providers, federal and state government agencies, non-government and not-for-profit organisations to ensure our clients' needs are met.

Toowoomba

Our Toowoomba Regional Office is located in the heart of Toowoomba's city centre. We have 31 staff, that work hard to provide a range of services to the local community, including drafting Wills and managing Trusts for hundreds of clients every year.

This financial year we commenced a visiting Wills program to Warwick and may expand this service in the coming year to include regular visits to Dalby and Kingaroy.

Our Toowoomba staff regularly attend local community forums and inter-agency meetings to promote the work of The Public Trustee and educate people on the importance of having a valid Will. A highlight of our office's education program was attending FarmFest, the largest rural event in Queensland with over 70,000 visitors. Our staff provided information and advice to the public over this three day event.

Toowoomba, Queensland. Courtesy of Tourism Queensland.

Redcliffe

From our Redcliffe Regional Office and our satellite office at Strathpine, we provide a full range of Trustee related services to Redcliffe, Pine Rivers, Caboolture and some parts of the Sunshine Coast.

Our Redcliffe Regional Office opened in 1984 and our Strathpine satellite office opened in 1998, due to the demands of the growing region. We now have a team of 30 staff at Redcliffe, and a team of six at Strathpine serving the local community.

Together these two offices prepare around 2,500 free Wills each year and respond to the needs of some of the most disadvantaged members of the local community. This year, our skilled staff attended several local expos for Seniors Week to promote the importance of Wills and Enduring Powers of Attorney and to provide information for a range of services available to Queensland's seniors.

Redcliffe, Queensland. Courtesy of Tourism Queensland.

Mount Isa, Queensland. Courtesy of Tourism Queensland.

Mount Isa

Our Mount Isa Regional Office has been serving the community for almost 30 years. We also serve remote communities such as Boulia, Camooweal, Burketown and Cloncurry through our co-operation with Queensland Government Agency Project Offices and Courthouses. We are proud that the services provided by our Mount Isa Office are the same as the services provided in Brisbane.

Our team of five dedicated staff have a professional and caring approach to their work, especially in Deceased Estates and Disability Services, where many of our clients are from an Indigenous background.

Our Mount Isa team works closely with The Queensland Civil Administration Tribunal, The Office of the Adult Guardian, Disability Services Queensland, Queensland Mental Health and other support agencies.

Last year, we assisted over 200 clients to make their Will and or Enduring Power of Attorney and we visited clients at home or in hospital if they were unable to attend the Office in person.

Gladstone

Gladstone, Queensland. Courtesy of Tourism Queensland.

Our Gladstone Regional Office has been serving the local community for approximately 30 years. Not only do we assist the people of Gladstone, this year we also made visits to Monto and Biloela.

In the past twelve months, our office underwent a major refurbishment to ensure better disability access and a better environment for our staff and our clients.

We have a team of five dedicated staff, including our A/Regional Manager who has worked in the Gladstone Office for the past eighteen years. This financial year we prepared over 400 Wills and 90 Enduring Powers of Attorney.

We were also active in educating the community about the importance of having a valid Will and Enduring Power of Attorney and we presented at numerous information sessions throughout the area.

Mackay

Our Mackay Regional Office has eleven staff serving Mackay and Whitsundays region. During the financial year our office assisted over 980 clients to make Wills and Enduring Powers of Attorney.

The team delivered almost 40 presentations to external organisations about our services and the importance of having a Will and an Enduring Power of Attorney. We made visits to Clermont and Moranbah in the Western mining areas, Carmilla and Sarina in the South; and Bowen, Cannanvale and Proserpine in the North during the course of the year.

Our Officers also made bi-annual visits to Queensland Government Agency Project Offices, Courthouses and the Local MPs offices in Proserpine and Sarina.

Our Regional Manager was part of the organising committee for the regions annual Seniors Expo, an event sponsored by the Queensland Government's Department of Communities and the Mackay Regional Council, as part of Seniors Week.

Eimeo, Queensland. Courtesy of Tourism Queensland.

Ipswich

Our Ipswich Regional Office has been serving the community for over 30 years. Since our small beginning with three staff, we have grown into a dedicated and energetic office of 33 people, who provide services from Gatton to Brisbane's South Western suburbs and all the way to Beaudesert.

This year our team helped over 1,800 disability and trust clients, administered almost 200 Deceased Estates and prepared Wills and Enduring Powers of Attorney for over 1,200 people from the local region.

Our staff are dedicated to giving back to the community and have developed a relationship with the Ipswich Hospice.

Over many years the Hospice has been the benefactor of our office's 'free dress day' donations. This year, we also sponsored the Hospice's Carols by Candlelight event.

We play an important role serving the Ipswich disability community and we link with other government, non government organisations and advocacy groups to better deliver our services. We also conducted public education visits across the Ipswich area, to better inform people of our services and the importance of having a valid Will.

Ipswich, Queensland. Courtesy of Tourism Queensland.

Townsville

Our Townsville Regional Office has been delivering services to North Queensland since the 1920s. We have 25 dedicated staff, three of these have been serving the region for 40 years – that's over 120 years combined experience.

During 2009-10, we made over 1,200 Wills and our Officers travelled regularly to Ayr, Charters Towers and Ingham. We also supplied Will and Enduring Power of Attorney services to the people of Kirwan from the local Centrelink Office.

Our Regional Manager made over 20 presentations to local community groups, to promote our services and educate the public about the importance of having a valid Will and an Enduring Power of Attorney.

We are also committed to the community, with our staff contributing to the local Variety Club's Movie Spectacular that provided a boost to children in need.

Townsville, Queensland. Courtesy of Tourism Queensland.

Bundaberg, Queensland. Courtesy of Tourism Queensland.

Bundaberg

Our Bundaberg Regional Office has six dedicated staff serving the Bundaberg and Burnett region. We also serve Childers, Gin Gin and Bargara. The Bundaberg region is growing by almost 2,750 people a year and many of these are retirees.

This growth is reflected in our Will making appointments which steadily increased during the year. Our Deceased Estate administration also grew by 54% in the 2009-10 financial year.

Much of the Bundaberg Office's work is assisting our disability clients to manage their financial affairs. Often these people are placed under our care by the Queensland Civil and Administrative Tribunal. Our staff work hard to ensure we protect our clients' assets and manage their financial affairs prudently.

We also conducted a number of community education visits including local Q Super seminars, Seniors Forums, Endeavour, Rotary and the regions annual three day agricultural expo – AgroTrend.

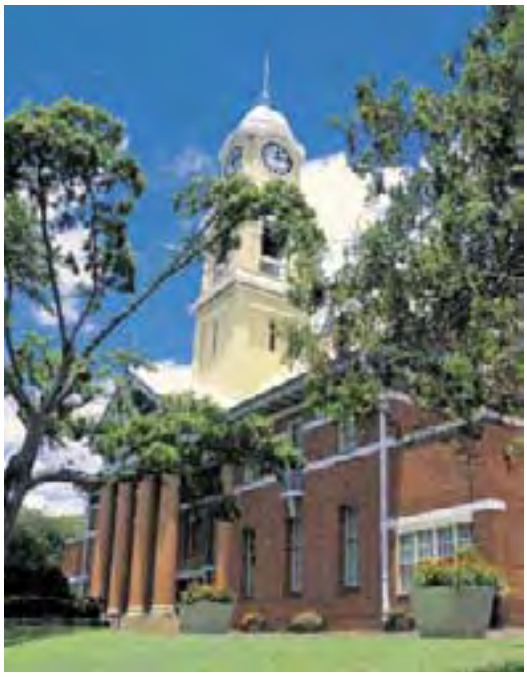
Rockhampton

Our Rockhampton Regional Office first opened its doors in 1916, the year The Public Trustee commenced operations in Queensland. It was one of three offices located across the State.

This year, we regularly travelled to Yeppoon, Emerald and Capella. Our services extended to the Northern Territory border including Blackall and Longreach.

We have 18 staff, six of these have more than 27 years service each. We prepared over 1,000 Wills during the year. We also engaged in numerous community awareness raising events, where staff delivered presentations to promote the importance of having a valid Will and Enduring Power of Attorney.

Rockhampton, Queensland. Courtesy of Tourism Queensland.



Maryborough, Queensland. Courtesy of Tourism Queensland.

Maryborough

Our Maryborough Regional Office has been serving the local community since 1978. We have 11 staff and drafted over 1,200 Wills this financial year. Our Officers travel to Hervey Bay three times a week, to Gympie three times a fortnight and to Tin Can Bay once a month.

Our team are familiar with the local area and our longest serving member of the team has been working at the Office since it opened.

We conducted regular visits to organisations to promote the importance of having a valid Will and Enduring Power of Attorney. This included supporting the Fraser Coast Seniors Expo in August and our local agricultural show in May.

Cairns

Our Cairns Regional Office has been providing services to the people of Cairns and surrounding districts since 1927. We provide Will and Enduring Power of Attorney making services from Courthouses and Queensland Government Agency Project Offices in Tully, Mareeba and Atherton.

Our 22 dedicated staff are experienced in drafting Wills and Enduring Powers of Attorney and have also provided other Trustee services during the year, including Deceased Estate Administration and facilitating auctions.

The Office also provides regular information sessions to the public in Cairns, Ravenshoe, Innisfail, Atherton Tablelands, Tully and Babinda.

The Cairns team is committed to helping the community, with the Office participating in this year's *Jeans for Genes* day and annually sponsoring prizes for a local surf-lifesaving club competition.

Tropical North Queensland, Queensland. Courtesy of Tourism Queensland.

Nambour and Sunshine Coast

During 2009-10 our Nambour Regional Office of nine staff, served the local community from Caloundra to Landsborough. We assisted over 250 clients with disabilities to manage their financial affairs and administered approximately 100 deceased estates.

Mooloolaba, Queensland. Courtesy of Tourism Queensland.

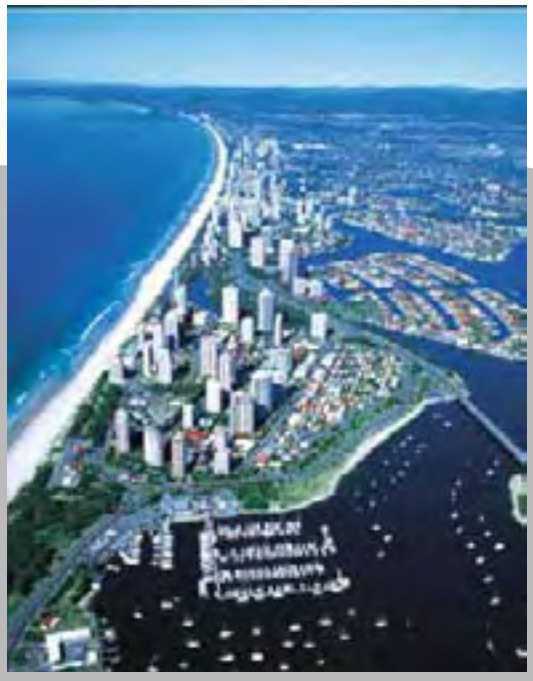
We presented information about the importance of having a valid Will and Enduring Power of Attorney at more than 25 events.

The Public Trustee has been based permanently on the Sunshine Coast for over nine years. With increases in the region's population, work was undertaken during the year to plan for the expansion of our services. This will see a new office open in Kawana in August 2010, while our Nambour Regional Office will still remain open to the local community.

Southport

Our Southport Regional Office has a team of 34 people who provide the full range of Trustee services. This year we completed approximately 2,350 Wills, with extra services provided regularly at the Beenleigh Courthouse and at Palm Beach Centrelink. We also co-operated with Gold Coast Legacy to provide an in-house service to their members throughout the year.

There is a strong charitable culture within our Office. This year our staff raised funds for various charities through activities such as free dress days. This year, we made donations to the KMart Wishing Tree, YoungCare and the Paediatric Ward of the Gold Coast Hospital.



Southport, Queensland. Courtesy of Tourism Queensland.

We delivered numerous presentations to community groups and provided information stalls at a number of Expos. We attended the Aged Care Queensland Conference held on the Gold Coast as both a delegate and as an exhibitor.

Brisbane

The Deceased Estates and Wills team of our Brisbane Office provide services relating to:

- Document preparation (Wills and Enduring Powers of Attorney)
- Administration of Deceased Estates Management of Unclaimed Monies
- Management of Cancelled Incorporation Association matters
- Management of proceeds of crime.

Our team prepared over 6,600 documents, accepted the Administration of 560 Deceased Estates and processed more than 1,200 claims on the Unclaimed Monies Fund.

This year, we expanded our document making service by increasing our visits to a range of Centrelink Offices and Courthouses. This provided easier access for clients, as they did not have to travel to the Brisbane CBD to receive our services.

The Disability Services and Trusts Region within our Brisbane Office assists with managing the financial affairs of Queenslanders with an incapacity. During the year our 35 staff served over 1,648 clients.

We also manage Trusts for 750 minors, 159 general Trust Funds and 278 Testamentary Trusts.

We delivered numerous presentations to community organisations to educate people about our work and the importance of having a valid Will and Enduring Power of Attorney.

Philanthropic Trusts

Philanthropic Trusts

The Public Trustee of Queensland is Trustee for a number of leading Queensland philanthropic trusts. During 2009-10, these organisations distributed over $1.24M to a diverse range of Queensland charities, community organisation, schools and qualifying individuals.

The Trusts maintain their capital in perpetuity for future generations of Queenslanders. Some Trusts, such as the Queensland Community Foundation, continue to grow their capital bases due to the generous support of philanthropic minded people who choose to leave a lasting legacy to Queensland.

Queensland Community Foundation

Established in 1997 under the Trusteeship of The Public Trustee of Queensland, the Queensland Community Foundation aims to provide a permanent source of philanthropic funding for charitable organisations to enable them to respond to current and emerging community needs of Queenslanders.

The Queensland Community Foundation brings together community, business, education and government leaders to further philanthropic causes across the State. The Public Trustee of Queensland is advised by a Board of Governors, made up of representatives from the community with an interest in philanthropy. The present Chair of the Foundation is Dr John de Groot and its Patron is the Hon. Mike Ahern AO.

Since the Queensland Community Foundation's inception the fund has grown from $300,000 with 12 sub-funds for charities under its umbrella, to having funds of almost $30M invested and over 150 sub-funds. This year, grants of over $100,000 were made to community organisations across Queensland.

The Queensland Community Foundation has no administration costs levied against donations received. These costs are met through the committed corporate sponsorship of The Public Trustee, QIC Limited and Anglo American Metallurgical.

WA Lee Equity Lecture – 2010

Gulf Area Community Social Development Trust

In May 1997, the State of Queensland signed the Century Zinc Agreement with the Waanyi, Mingginda, Gkuthaam and Kakatj Native Title Groups and Century Zinc Limited.

Following a Social Impact Assessment in 2000, the Gulf Area Community Social Development Trust was established and placed under the management of the Queensland Community Foundation. The Public Trustee of Queensland is Trustee of this Foundation.

The Gulf Area Community Social Development Trust provides funding that supports projects promoting cultural, educational, health and social development within the Lower Gulf Region. During 2009-10 the Trust provided funding of over $310,000 to projects designed to strengthen communities by funding initiatives inline with the grant theme "Youth and Elders".

Grants were made to organisations in the communities of Mornington, Burketown, Doomadgee, Cununa, Normanton and Mount Isa for a range of projects such as: Information Technology resources, Health and Nutrition program, Youth Skills program, Early Language and Literacy program and Facility renovations and extensions.

The Gulf Area Community Social Development Trust is fostering relationships with regional communities and organisations to enable future funding allocations to have meaningful and lasting benefits for the Lower Gulf Region.

The Forde Foundation

In August 2000, the Queensland Government responded to the findings of the Commission of Inquiry into the Abuse of Children in Queensland Institutions. One of the outcomes was the establishment of the Forde Foundation named after the Chair of the Inquiry, Ms Leneen Forde, who is also Patron of the Foundation. The Foundation was designed to support former residents of Queensland Institutions.

Following an independent review in 2009-10, a new phase is beginning for the Foundation. After the completion of a Redress Scheme that assisted thousands of people, it was decided to re-focus the Foundations activities into the future.

In May 2010, the Queensland Government, The Public Trustee of Queensland and the Foundation's Board of Advice announced that the Forde Foundation will offer two types of grants.

The first type of grant will be provided to not-for-profit organisations to work with groups of former institution residents. Grants will fund innovative programs and projects that provide community participation opportunities such as reunions, skills mentoring workshops and other social and community events.

The second type of grant will be provided to individuals for specific purposes, such as dental care, education, training and personal development opportunities.

Website: www.fordefoundation.org.au

Email: forde@merivale.org.au

> "Grants will fund innovative programs and projects that provide community participation opportunities"

Lady Bowen Trust

Established in 2006, the Lady Bowen Trust aims to re-engage people experiencing chronic homelessness so they achieve genuine, positive and lasting outcomes.

Since it began, the Lady Bowen Trust has provided over $280,000 to community organisations that assist homeless Queenslanders to transition to more stable housing arrangements. By carefully targeting its financial support, the Trust aims to provide homeless people with assistance, relief and personal and social support.

Each year, a Board of Advice comprised of individuals from the public, community and business sector provides recommendations to The Public Trustee of Queensland about the application of funds to meet the Trust's objectives.

Based on these recommendations, in 2009-10, funding was allocated to seven organisations that provide support and assistance to people experiencing homelessness. This included allocating funding to flexible and practical programs that compliment these organisations' existing services.

The Trust also continued to support Mission Australia which maintains Roma House. This facility was established to enhance clients' life skills, confidence and resilience, while assisting them to find secure accommodation. Roma House provides 24-hour, intensive care, support and accommodation for people who are chronically homeless.

During the year, the Board of Advice also undertook a range of activities to raise community awareness of the varied issues associated with homelessness.

Website: www.ladybowentrust.org.au Email: enquiries@ladybowentrust.org.au

From right: Her Excellency Ms Penelope Wensley AO, Governor of Queensland, Peter Carne, The Public Trustee of Queensland with grant recipients.

Queensland Aboriginal and Torres Strait Islander Foundation

A perpetual legacy for a positive future

The Queensland Aboriginal and Torres Strait Islander Foundation was established in 2008. This not-for-profit foundation provides a secure, independent and perpetual funding source to advance the education and life opportunities of Aboriginal and Torres Strait Islander children and young people in Queensland through the provision and promotion of scholarships.

A Board of Advice, comprising representatives from Aboriginal and Torres Strait Islander communities, makes recommendations to The Public Trustee of Queensland on the allocation of grants each year.

The Foundation has four objectives:

- To apply the foundation's income for the charitable purposes of advancing the education of Aboriginal and Torres Strait Islander children and young people of Queensland through the provision of scholarships.
- To apply the foundation's income to increase community awareness of the need to advance the education of Aboriginal and Torres Strait Islander children and young people in Queensland.
- To ensure engagement by the Aboriginal and Torres Strait Islander community with the Queensland Aboriginal and Torres Strait Islander Foundation.
- To ensure the foundation's income is perpetual and to obtain additional financial support from the community for the delivery of its charitable objects.

The 2009-10 inaugural grant program, allocated scholarship funding of $550,000 to assist fourteen of Aboriginal and Torres Strait Islander students to complete their senior studies.

This scholarship funding was provided to State, Catholic and Independent schools, who then distributed the money to benefit individual students.

The Queensland Aboriginal and Torres Strait Islander Foundation Board is progressing a community engagement program across Queensland. This will raise community awareness about the Foundation and encourage community involvement in future funding allocations.

Office of the Official Solicitor

Brisbane, Queensland. Courtesy of Tourism Queensland.

The Civil Law Legal Aid Scheme

Partnering with Legal Aid to help vulnerable Queenslanders

The Public Trustee together with Legal Aid Queensland funds and operates the Civil Law Legal Aid Scheme. The scheme assists Queenslanders, especially those with limited means, to access justice.

Last financial year we provided 659 grants of almost $900,000 to support this vital scheme.

Applicants recovered a total of $62M on these claims during the year. Many of these people would not have been able to pursue their claims, but for the preparedness of solicitors to act on a 'No Win No Fee' basis, barristers to lend their support and the scheme funding the expenses and costs involved in the claims.

What is the Civil Law Legal Aid Scheme?

The Civil Law Legal Aid Scheme provides Queenslanders with financial assistance to enable them to pursue Civil Law claims. The types of claims which are assisted by the scheme include:

- Personal injuries matters – including workplace accidents and motor vehicle claims for personal injury.
- Public interest cases where an issue is of broad public importance or the matter deals with legal issues previously untested.

The scheme funds the outlays (expenses) involved in prosecuting these types of legal actions. Applicants are the subject of a means test applied by Legal Aid Queensland.

As a result, the scheme allows people who are financially disadvantaged to pursue civil claims. This is on the basis that they will not have to fund, during the course of the action, their solicitor or barrister and that the outlays or expenses involved in the claim are met by the scheme.

An applicant to the scheme would otherwise face great difficulty in advancing their claim (where they would have to meet the cost of expensive medical or expert reports for example).

How does the scheme work and when did it start?

Legal Aid Queensland attends to the administration of the scheme and The Public Trustee provides the money to fund the outlays.

The scheme started in 1992 when Legal Aid Queensland ceased funding Civil Law matters but it was identified that many Queenslanders may not be able to pursue Civil claims, given the barrier that legal costs and expenses represent. Since then the scheme has helped hundreds of Queenslanders.

Office of the Official Solicitor

Our purpose

The Office of The Official Solicitor is The Public Trustee's legal practice.

We aim to provide high-quality, timely and cost competitive legal advice to The Public Trustee of Queensland in all of his roles.

We are diverse with specialities in succession (Deceased Estates), acting for persons under a legal disability and providing The Public Trustee with corporate legal advice.

Our people

We operate in a similar way to private practice, but for the volume and areas of specialities of our work. The success of our practice is due to our highly motivated, skilled and knowledgeable staff of 41 people. This includes 26 lawyers, four Paralegal Officers and eleven administrative support staff who operate from four work teams.

Our first work team provides legal advice and litigation services for our clients with an incapacity. This includes matters where adults with an incapacity, have had property or money misappropriated – commonly by family, Attorneys or Administrators.

Our second work team undertakes Deceased Estates work and attends to difficult probate matters, litigation in respect of Estates (largely family provision applications) and other work associated with the administration of Estates.

Our third work team attends to work flowing from The Public Trustee's Wills practice and provides legal advice and services in respect of Trusts. This team also provides legal services to The Public Trustee of Queensland in his role as Administrator for clients with impaired incapacity.

Our fourth work team attends to commercial and property related matters. They undertake legal work in relation to conveyancing and property related advice, originating from The Public Trustee of Queensland's role as Administrator for adults with impaired capacity, as well as Deceased Estates. They also provide high-level legal advice and undertake work for other government departments.

Our achievements

This year the Office of The Official Solicitor excelled in the delivery of timely, accurate and cost effective legal advice for The Public Trustee of Queensland and our clients.

Our work has grown significantly in the past year, as has the complexity of this work.

This year we had increasing litigation in respect of Deceased Estates. There was also an increase in litigation as the result of financial abuse or misappropriation from adults with impaired capacity. Some of our most significant successes have been in relation to this work.

Our dedicated staff have ensured the Office of The Official Solicitor met and exceed the challenges presented this financial year. Some of our successes included:

- Effectively settling all family provision matters which have come to a conclusion without recourse to a trial.
- Dealing effectively with a 34% increase in the numbers of matters received.
- Increasingly directing support to the core service area of the Office including providing training and involvement in the development of systems and processes for the Administration of Deceased Estates and the role of The Public Trustee of Queensland acting as Administrator for adults with impaired capacity
- Settling the full implementation of a new legal management system (software).
- Transitioning to a new workgroup structure with greater speciality and focus on the areas of activity of the Office.

Our work

The table below describes the number of matters referred to the Office of the Official Solicitor for the 2009-10 financial year.

Type of work	06 – 07	07- 08	08-09	09-10
Family Provision Applications	101	99	81	148
Sanctions – s.59 Public Trustee Act 1978	290	285	277	252
Advices and Other Matters	990	1,018	1,029	1397
Total number of new matters	**1,381**	**1,402**	**1,387**	**1797**
Additional Matters:				
– Regional Legal Matters			25	30
– Probate Files			913	864
– Freedom of Information Files			21	0
Total number of new legal matters			**2,346**	**2,691**

A total of 2,691 matters were received during the year and a further 1,130 matters were undertaken by our commercial property work team.

In total there were 3,821 'new' matters received by the Office of The Official Solicitor for the financial year.

The number of legal matters undertaken increased by more than 350, compared to last year, with our commercial property work team undertaking a record number of files.

Our particular areas of advice

Acting for adults with impaired capacity: The Public Trustee of Queensland accepts the role of Administrator for adults with impaired capacity when appointed by the Queensland Civil and Administrative Tribunal.

Often these adults have need for legal advice and services and sometimes are involved in litigation. Our legal practice is often required to provide these services.

These range from:

- Managing matrimonial and personal injuries actions (for which the practice often seeks the assistance of external legal advice).
- Assisting adults, for whom The Public Trustee of Queensland is appointed Administrator, that are being sued for debts owed or transactions said to have been entered into.
- Occasions where The Official Solicitor is called upon to investigate whether property or money has been unlawfully misappropriated from these adults.

Some of the most significant areas of our legal practice involves acting for adults with impaired capacity includes:

- **Accommodation agreements:** Providing advice and settling accommodation agreements for adults with an incapacity – nursing home and aged care agreements are referred to The Official Solicitor for advice.

  Some 403 matters of this nature were considered by The Official Solicitor in 2009-10.

- **Family Provision matters:** Often adults with an incapacity, when one of their parents dies, are left with little provision from the Deceased Estate.

  The Official Solicitor is asked in those circumstances to advise as to whether a family provision application (for further and adequate provision from the Estate of the parent) should be advanced; 68 new matters of this kind were commenced during the year.
- **Litigation:** Often adults with an incapacity are the subject of litigation or need to commence litigation to protect their interests.

  The Public Trustee of Queensland, as Administrator is often the decision-maker in respect of such litigation; 35 new matters of this type were opened in the financial year ending 30 June 2010.
- **Misappropriation:** 26 significant matters were commenced in the financial year dealing with circumstances where adults with impaired capacity have been the subject of misappropriation; by family, friends or previous Attorneys or Administrators.

These matters are often protracted and involved.

At any point The Official Solicitor will have nearing 200 such matters being progressed.

- **Executor and Trustee:** One of The Public Trustee of Queensland's roles is to act as Executor and Trustee in Deceased Estates. This results in a substantial amount of legal work.

  The Office of The Official Solicitor has significant expertise and volume of work in this area. For the current financial year this has included:

  - **Probate:** Providing advice and settling probate applications.

    864 matters were considered by the Office in the current financial year – 320 probate applications and in excess of 540 probate applications where The Public Trustee of Queensland was appointed Executor of Deceased Estates.
  - **Family Provision Applications:** Sometimes Estates where The Public Trustee of Queensland is appointed as Executor are the subject to family provision applications – although not necessarily from adults with a disability.

    80 family provision applications were defended by The Public Trustee of Queensland through The Official Solicitor in the year ended 30 June 2010.

- **Other advice – Probate Litigation:** Sometimes there is a contest as to the validity of the last Will of the deceased. Issues as to capacity might be raised and the matter needs to proceed to a Supreme Court Judge for decision.

  40 new matters of this kind were received and were the subject of advice work during the financial year.

- **Other advice and litigation:** Trust and Estates are frequently the subject of claims, for example by creditors or those who assert an interest in the property of the Estate.

  The Public Trustee of Queensland in his role as Trustee, frequently requires legal advice as to rights, interests and investments.

  Some 67 matters involving litigation or complex advice were referred to The Official Solicitor during the year.

- **Special functions of a public nature:** One part of the *Public Trustee Act 1978* imposes some functions of a public nature on The Public Trustee of Queensland.

  These statutory functions are peculiar to The Public Trustee of Queensland and serve to generally assist the community.

  Often the legal practice of The Official Solicitor provides those services:

  - **Sanctions:** In circumstances where a person under a legal disability (a child or an adult with a legal incapacity claims money or damages or has a claim for money or damages against them) the Court or The Public Trustee is called upon to *sanction* the settlement.

    This happens where a child or a person under a legal disability is involved in a personal injuries action – that is suing for damages. A child or a person under a legal disability cannot agree to compromise or settle those types of actions. In order to ensure there is a timely resolution if a settlement can be reached, the Court or The Public Trustee will scrutinise the agreement to ensure that it is reasonable and fair (to the child or the adult with impaired capacity).

    This area of activity is generally known as the sanction jurisdiction.

    252 sanctions were considered by our office in the year ended 30 June 2010.

  - **Prisoners:** A separate part of the *Public Trustee Act 1978* provides that any person who is convicted of an indictable offence and is undergoing a sentence of three years or upwards, is to have his or her estate (property) managed by The Public Trustee of Queensland.

    Often prisoners are the subject of claims for compensation by victims and with greater frequency, claims by the State in respect of the proceeds of crime.

    Some 265 of such legal matters were commenced during the financial year.

Organisational Support

Organisational Support

Organisational Support provides a range services to The Public Trustee's internal and external clients. Our key management areas include accounting and finance, property, public affairs, records management and information technology.

Some of our achievements for the 2009-2010 financial year included:

- Moving our facilities management in house to provide more economical management of our buildings and a more energy efficient and safe work environment for our staff.
- Reviewing and enhancing our Client Information System (CIMS) in conjunction with UNYSIS to improve the system's capabilities so we better serve our clients.
- Undertaking ongoing implementation of our electronic document and records management system (EDRMS), with a successful pilot conducted by our information services team. This will ensure more secure and cost effective management of our documents for our client and organisation.
- Working collaboratively with Queensland State Archives to implement more effective record keeping practices for our organisation.
- Preparing over 3,000 tax returns and providing timely and accurate reporting to each of the business areas including finalising the annual financial statements.
- Undertaking 385 auctions during the financial year and increasing the number of lots of furniture and computers sold by 16%.
- Facilitating a new arrangement with QFleet for the sale of surplus vehicles right across Queensland for the next three years.
- Co operating with the Department of Justice and Attorney-General to support their *Planning for Life* forums.
- Supporting over 100 community awareness visits and sponsoring the Queensland Symphony Orchestra and Senior Superstar to promote our services.

Our Finance Program

The Finance Program consists of three sub-programs that provide key organisational support to all areas of the Office.
The three teams that comprise the Finance program are:

- Financial Accounting
- Decision Support Services
- Taxation.

Financial Accounting Services

Financial Accounting Services provide business services to both core operations and external parties of our organisation. This includes providing expert financial advice, administrative processing and preparing annual financial statements.

Key achievements during the year included the successful implementation of ODX – a secure gateway for the automatic transfer of electronic files with our banking partners.

Other key achievements include the completion of all monthly financial reports within five days of end of month.

Decision Support Services

Decision Support Services provides quality business reporting and forecast data to senior management to enable strategic decision-making.

This year we selected and implemented a business intelligence tool. This will enhance reporting to management to enable measurement against our key performance indicators.

The reports will outline past performance, as an indicator of progress toward strategic objectives, present performance to indicate how the Office is currently operating and future performance to indicate how current strategies will lead to fulfilling the Office's strategic objectives.

Taxation

This year our Tax Accounting team operated an Australian Taxation Office lodgement program, under a registered tax agent. The team also provided taxation accounting services for our clients and advice to Trust Officers who are responsible for our clients' financial affairs. The Tax Accounting team prepared approximately 3,000 tax returns this financial year.

Property

Our property team manages the Office's corporate property across Queensland. We also support the staff that administer Deceased Estates and provide financial management services to our clients.
Our core services are:

- Management of corporate property assets
- House, motor vehicle and furniture auctions
- Property management
- Property valuation.

In the year ended 30 June 2010, the Property subprogram provided auction services throughout the state, with house and motor vehicle auctions regularly conducted across Queensland. We conducted over 385 auctions during 2009-10.

This year, there was an increase of 19% in the number of items of furniture and computers sold.

Our property team sold 172 houses, 5612 motor vehicles and 17,084 lots of furniture and computers in the year ended 30 June 2010. Additionally 1,385 valuations were arranged on behalf of Deceased Estate and Trust clients, representing an 8% increase in valuations over the prior year.

Other services provided to the Queensland Government in 2009-10 included:

- Managing the tender of gaming machine operating authorities
- Auctioning surplus QFleet vehicles throughout Queensland
- Assisting the Department of Mines and Energy in relation to the 2008 mines subsidence at Collingwood Park
- Liquidating assets acquired from the proceeds of crime.

Information Services

Information Services manages our IT systems and resources. Investment and development of our IT systems are determined by our Information Steering Committee against four criteria:

- Reducing costs
- Increasing revenue
- Increasing productivity
- Complying with legislation.

Services we provided during the year included:

- Maintaining and developing network services, including servers, personal computers, printers and other hardware and software.
- Development and maintenance of the organisation's Client Information Management System (CIMS).
- Providing Service Desk support for desktop systems, Finance One and CIMS.
- Managing records, mail and document management systems.
- Providing web development and maintenance.

Ensuring compliant record keeping

To meet our obligations under the provisions of the *Public Records Act 2002* and the principles contained in Information Standard 40: Recordkeeping. The State Archivist endorsed our Strategic Recordkeeping Implementation Plan.

During 2009-10, we made considerable progress towards achieving compliance with Information Standard 40, through the selection and purchase of an electronic document records management solution. A pilot was implemented in April 2010, with the rollout across our organisation scheduled to occur in 2010-11.

We improved our recordkeeping practices by:

- Appointing a Records Manager
- Implementing a corporate record keeping policy
- Having our retention and disposal schedule endorsed by the State Archivist
- Updating job descriptions to include record keeping as one of the responsibilities
- Running recordkeeping awareness sessions for staff.

We also ensured our records staff received ongoing training in effective records management practices.

All new Wills and Enduring Powers of Attorney made by The Public Trustee during 2009-10 were imaged electronically. This further enhanced our record keeping compliance and provided operational efficiencies and paper savings.

Rod Kelly and Peter Carne

Sponsorship of 139 Club

In December 2009, we sponsored the 139 Club, a charity in Brisbane's Fortitude Valley that provides a range of services and assistance to homeless people. With our sponsorship, the 139 Club's Manager, Rod Kelly was able to purchase 60 street swags to assist the homeless.

Supporting *Planning for Life*

During the year we supported the Department of Justice and Attorney-General's *Planning for Life Forums* held in Cairns and Toowoomba. These forums were designed to educate the community on the importance of having a valid Will and Enduring Power of Attorney for financial, health and personal matters. The forums also highlighted how the State's justice and guardianship agencies interact to protect vulnerable Queenslanders.

Peter Carne, The Public Trustee of Queensland joined with the Hon. Cameron Dick, Attorney-General and Minister for Industrial Relations, Dianne Pendergast, The Adult Guardian, Lindsay Irons, The Public Advocate and representatives of the Queensland Civil and Administrative Tribunal, Seniors Legal and Support Service and a range of community advocacy agencies to promote the importance of all Queenslanders planning for their future.

Public Affairs

During the 2009-10, Public Affairs provided marketing, communication and public relations support and advice to our internal and our external clients, including our regional offices.

In addition to maintaining our brand and undertaking advertising and media management, our Public Affairs team also supported over 100 community events, speaking engagements and sponsorships. Including:

- Queensland Symphony Orchestra – Music on Sundays
- Senior Superstar
- Brisbane EKKA
- Toowoomba FarmFest
- Law Week 2010
- Brisbane Retirement and Lifestyle Expo

We are committed to educating Queenslanders about the need for everyone over the age of 18, to have a valid Will and an Enduring Power of Attorney. Supporting sponsorships, events and speaking engagements are an important part of meeting our Community Service Obligations.

Investment Services

Investment Services

Investment Services provides advice and investment solutions to the Office and our clients. Our role is to ensure the prudential management of funds held in trust on behalf of our clients by providing professional investment services.

We closely monitor our investment opportunities, particularly in regard to risk and returns. We work in partnership with other agencies and a number of key partners in the financial services industry to both safeguard our assets and maximise our returns.

This year we focused on planning for the future needs of our clients and we developed our Investment Services Operational Plan in line with our *Strategic Plan 2009-2013*. This also included a review of Investment Services senior structure to ensure we meet our future objectives.

This financial year, the volume of financial assets under management exceeded $1.17B and our funds management operations were benchmarked to industry standards.

The investment strategies that were employed to manage our Common Fund resulted in strong outperformance over the forecasted benchmark and The Public Trustee Investment Funds performed well in volatile market conditions.

Planning our investments for the future

For us to continue to deliver prudent investment services efficiently and effectively, we must prepare for future changes to the way we manage our assets. We are currently assessing new technology and the automation of a number of investment related functions to ensure the sustainability of our operating environment.

We also face the challenge of performing in a lower and volatile return environment and ensuring we respond accordingly. To address this issue, particularly in response to the uncertainty in global markets over the financial year, we partnered with QIC Limited to develop investment strategies for both the Common Fund and The Public Trustee Investment Funds.

These initiatives provide investment portfolio diversity, reduce risk and enhance our ability to meet performance objectives. We are confident that our planning and staff commitment will position us to meet the expectations of our clients and stakeholders. Our successful performance this year is due to the skills and dedication of our staff and our partnerships in the financial services industry.

We have a number of staff in the financial planning and technical services unit with financial planning qualifications. These staff are available to assist our Trust Officers with investment and financial planning related issues.

We are focusing on ways to expand and improve our services within the organisation. We commenced a project this financial year, to enhance the efficiency of our financial planning process and reduce the costs involved in the provision of this service.

This year we enhanced the investment management of our Common Fund by implementing a revised investment strategy. This strategy provides enhanced capital stability, minimises interest rate risks and enhances the stability of income payments.

Our investment strategy was implemented through a staged process over the year. This revised strategy will improve risk control and enhance the ability of the Common Fund to achieve our performance objectives.

> "Our successful performance this year is due to the skills and dedication of our staff and our partnerships"

Financial Services

Our financial planning services are provided through arrangements with RBS Morgans, one of Australia's largest financial planning firms. Through this arrangement, our clients have access to a wide range of investment and financial services. The long-term management of clients' large holdings of listed equities is assisted by RBS Morgans *wealth plus*.

The administration of listed equities in estate matters is assisted by a range of services provided by the stock broking firm Wilson HTM Limited.

The Investment Services Program, in consultation with QIC Limited, is responsible for providing investment advice on the investment management on a wide range of social infrastructure funds, such as The Queensland Community Foundation and The Lady Bowen Trust.

Funds Management

We are responsible for $1.17B of funds under management. As at 30 June 2010 the volume of funds invested in The Public Trustee Investment Fund was $476M. The investment management of The Public Trust Investment Fund is carried out by QIC Limited, a Government owned corporation with over $50B of funds under management. The Fund comprises four unit trusts each with its own investment strategy.

In consultation with QIC Limited and The Public Trust Office Investment Board, we reviewed the investment strategy of The Public Trust Investment Fund to ensure our long-term objectives continued to be met.

For the period ended 30 June 2010 the performance of the Fund's gross of taxes and fees was as follows:

Public Trustee Higher Growth Fund

Annual Return	1 Year p.a.	3 Years p.a.	5 Years p.a.	7 years p.a.
Fund	14.21%	-6.80%	3.01%	7.02%
Benchmark	12.93%	-5.62%	3.36%	6.98%

Public Trustee Growth Fund

Annual Return	1 Year p.a.	3 Years p.a.	5 Years p.a.	7 years p.a.
Fund	14.51%	-3.62%	3.86%	6.91%
Benchmark	12.31%	-2.54%	4.04%	6.74%

Public Trustee Conservative Fund

Annual Return	1 Year p.a.	3 Years p.a.	5 Years p.a.	7 years p.a.
Fund	14.67%	1.07%	4.94%	6.59%
Benchmark	11.05%	1.96%	4.93%	6.28%

Public Trustee Australian Equities Fund

Annual Return	1 Year p.a.	3 Years p.a.	5 Years p.a.	7 years p.a.
Fund	13.14%	-6.93%	4.94%	10.30%
Benchmark	13.15%	-7.84%	4.52%	9.73%

The year ended 30 June 2010 saw a rebound in world equity markets following the low experienced in March 2009. Whilst global interest rates remained at historical low levels, interest rates in Australia have increased. An overview of investment markets is outlined by QIC Limited on page x.

The Public Trustee Australian Fixed Interest Fund was closed during the year and terminated on 30 June 2010.

The investments of the Common Fund consist primarily of direct investments in the cash and fixed interest markets and investments. The active return strategies are sourced by making investments in a range of QIC Limited's absolute return funds. As at 30 June 2010, the market value of the financial assets of the Common Fund was over $465M.

The Common Fund's allocation to cash and fixed interest resulted in sound investment performance with a return of 7.26% for the year, similar to the return of 7.29% achieved last financial year.

All interest rates payable on funds held in the Common Fund were reviewed on a monthly basis by The Public Trust Office Investment Board and The Public Trustee of Queensland was advised accordingly. Any changes to interest rates are actioned through amendments to the *Public Trustee Regulation 2001*.

Year in review prepared by QIC Limited for The Public Trustee

Market Review

At the beginning of the financial year, equity markets continued to rally from the lows of March 2009, on indications that world economic growth was bottoming. The June quarter 2009 finally saw positive economic growth in several emerging markets, on the back of strong Chinese growth, as well as a recovery in Europe and Japan. The narrowing of credit spreads and bank borrowing rates helped reduce the cost of capital and improved corporate earnings growth, supporting equity markets. The tone of economic data improved steadily over the second half of 2009.

However, it was evident the world's largest economies remained fragile. The United States emerged from recession in October, however housing data there continues to disappoint and job losses, while on a downward trend, still pushed the unemployment rate to a 25-year high. The end of the calendar year was dominated by crises and uncertainty and equity markets traded side-ways for a while.

By mid-April the Greek debt troubles were centre of mind. Risk appetite evaporated and equity markets began to reverse the gains of the first half of the financial year. By May, the debt crisis had spread across the European periphery and equity sold-off sharply. The EU and IMF were forced to enact a €750B support facility to stem ratings downgrades and soaring sovereign bond yields in countries where debt sustainability was questioned (especially Greece). During the first half of June, equity markets saw a short term rally as sentiment improved. However, by the end of the month, the introduction of austerity measures across Europe, as well as weaker data from the US and China, increased the uncertainty regarding growth forecasts, leading to a new sell-off.

In Australia, the economy was supported in 2009 by demand generated by government infrastructure spending and the social stimulus, offsetting part of the slowdown in consumer demand. It appeared clear that the Australian recession had been very shallow, leading to a relatively minor increase in the unemployment rate. The Australian equity market was very strong until October. Combined with a strong Australian dollar, this made the Australian market one of the best performers around the developed world up to the end of September (+34.4% from the end of March 2009). The market traded sideways between end of September and end of February, consolidating the very sharp gains made in the first quarter of the financial year. It then rallied sharply to mid April, before declining significantly to finish the year up 13.2% over the financial year.

At the beginning of the financial year, sovereign bond yields rallied as inflation fears declined and it became apparent that policy rates were to be kept low for an extended period. However, in the middle of the financial year, bonds sold-off on expectations of heavy supply in 2010 and rising inflation expectations. Core countries sovereign bonds finally rallied from April, on flight to quality following the Greek debt crisis. Australian bond yields were very volatile over the year, within a 5.1% to 5.9% range.

Credit spreads narrowed as the economy recovered, lowering the risks on corporate earnings. Liquidity improved sharply. By the end of the calendar year, investment grade and high yield names were able to issue debt. With debt capital markets open and businesses able to refinance, the default outlook had improved considerably, supporting the rally in credit markets. By the end of March 2010, high yield spreads were at 5.70%, a two year low, while investment grade credit spreads were at 1.50%, their lowest since November 2007. However, risk aversion led to a new increase in credit spreads by the end of the financial year. US high yields spreads finished the year at 7.0% and investment grade spreads at 1.93%.

At its October meeting, the Reserve Bank of Australia became the first G20 central bank to start unwinding monetary policy stimulus, with a 25 basis point increase in the official cash rate to 3.25%. It followed up with a 0.25% increment, as the outlook for close to trend global growth in 2010-11 appeared more certain. The cash rate finished the calendar year at 3.75%. The Reserve Bank of Australia then paused until March, as market volatility increased following concerns over the European debt crisis. Three consecutive hikes in March, April and May took the cash rate to 4.5%.

Australian and International equities

Along with other risky assets, there was a sustained rally across global equity markets for much of the 2009-10 financial year. March 2009 marked the bottom for most global markets following the devastating losses from the Global Financial Crisis. From extremely high levels, risk aversion subsided as economic data began to show signs of improvement and companies were able to demonstrate dramatic cost savings to return to profit.

The rally lost its way by mid-April 2010, as relatively contained Greek debt concerns transformed into a European sovereign debt crisis engulfing several peripheral EU nations. This unsettled equity markets globally and led to a re-rating of the growth outlook. Since then, troubling economic data from the US has added to this uncertainty.

The MSCI World (ex Australia) Index of developed market equities posted a full year return of 11.5%. Regionally, the US S&P 500 gained 14.4%, while the Russell 2000 Index, an indicator of small caps, was up 21.5%. In Europe, both the DAX in Germany and the CAC in France posted solid gains, up 24.1% and 14.0%, respectively, while the FTSE 100 in London was up 19.8%. The Japanese Nikkei 225 was down 5.8%.

Emerging market equities were again strong this financial year, with a total return of 19.8% on the MSCI Emerging Markets Index. This was despite weak Chinese equities, with the Shanghai Composite down 18.9% over the past 12 months.

In Australia, the S&P/ASX 200 Accumulation Index returned 13.2%. The Information Technology and Financials sectors were particularly strong while Energy and Healthcare detracted. Small caps underperformed the large caps benchmark, with the ASX Small Ordinaries Accumulation Index adding 11.2%. On a style basis, Australian value outperformed the broader market.

Global Listed Real Estate

Global Listed Real Estate performed strongly over the course of the 2010 financial year as credit concerns eased and investors returned to risk assets. The UBS Global Investors Index (AUD Hedged) finished the year up 39.1%. All regions posted positive returns with the exception of Japan. North America and Singapore both outperformed the global Index, rallying 53.2% and 40.6% respectively. Domestically the ASX300 A-REIT Accumulation Index finished the year 20.3% higher. Hotels (68.5%) was the strongest performing sector given its leverage to the economic recovery, followed by Retail (32.4%) and Industrial (32.0%).

Fixed interest

Global fixed interest markets were range bound for much of the year as the market view oscillated between a strong and a weak economic recovery. However, the later part of the year was dominated by European sovereign concerns which caused global bond yields to fall significantly. In Australia, the Reserve Bank of Austrlia increased the cash rate from 3.25% to a more normal level of 4.50% over the year, as the economy performed well.

Despite the cash rate rise, 10-year bonds rallied 43bps to 5.09% due to global concerns. US, European and UK bonds all rallied between 35bps and 80bps, with German bonds the main beneficiary from the flight-to-quality from peripheral European countries.

After the turbulence of the past two years, corporate credit markets underwent a strong, broad-based rally over the financial year. The Barclays Capital US Investment Grade Index returned 15.9%, while the High Yield Index gained 26.7% on a total return basis. From spreads in excess of 600 basis points during the financial crisis, physical investment grade credit rallied to around 140 basis points before closing the year at 193, in conjunction with the withdrawal of risk capital associated with the European sovereign debt crisis. Similarly, high yield credit spreads contracted significantly. They finished the financial year at 233 basis points above comparable US Treasuries, from 376 basis points 12 months earlier.

Cash

The Reserve Bank of Australia increased the cash rate six times over the year taking the cash rate from its emergency setting of 3.25% to a more normal rate of 4.50%. The Reserve Bank of Australia were forced to balance a strong recovery in the Australian economy with global economic uncertainty in the major European and US markets. The Reserve Bank of Australia remained concerned by the fact that although the inflation rate began slowing, it was still expected to trough towards the higher end of the target band. The UBSA Bank Bill index returned 3.89% over the year.

Currency

The Australian dollar reached a high of 0.93 USD by September 2009, on the back of a strong positive interest rate differential with other developed economies and strong commodity prices. Continued weakness in the US economy in the first half of the financial year kept the US dollar weak. The euro reached a high just above 1.50 USD by November 2009.

The USD appreciated solidly during December to record a rise against both the Yen and the Euro. The main catalyst was stronger than expected data and a stabilisation in unemployment. At the beginning of the calendar year, the Greek sovereign debt crisis further weighed on the Euro.

The British pound declined sharply from mid November 2009, on a weak economy and quantitative easing. The Yen also underperformed as authorities introduced further expansionary fiscal and monetary policies.

Over the March quarter, rising commodity prices benefited the Australian and Canadian dollars, while sovereign debt concerns continue to weigh on the Euro. In the June quarter, risk aversion drove the Yen and US dollar up.

Human Resources

Human Resource Management

Our focus during 2009-10 was to increase the capacity of our people. It is through our staff that we deliver our services to Queensland. For this reason our *Strategic Plan 2009-2013* places strong emphasis upon supporting and improving our staff.

Our highlights

Establishing a Learning and Development Unit

This year we created a new unit to ensure we train and develop our staff effectively. The Learning and Development Unit achieved the following:

- Continued to support our staff undertaking Certificate, Diploma and Under Graduate qualification through the Study and Research Assistance Scheme.
- Co ordinated significant learning and development training delivered by external suppliers. A highlight was arranging the Queensland Ombudsman's Office to deliver complaints training to all staff in all regions, so we can improve our service to our clients.
- Facilitated the delivery of other external courses including:
  - Certificate IV in Financial Services (Personal Trust Administration)
  - Certificate IV in Government
  - Diploma in Financial Planning
  - Public Sector Management program (post graduate certificate level).

- Co-ordinated and/or delivered a range of in-house development opportunities, including providing specialist technical training for Client Services staff. Courses included:
  - Practical People Management (PPM) program
  - Springboard program
  - Disability Services Awareness and Communication
  - Pro-social behaviour workshops
  - Wills and Document workshops.

Next financial year our Learning and Development Unit will focus on:

- Identifying improved ways to develop our staff
- Implementing our Performance Planning and Development Program
- Designing and delivering training
- Continuing our Study and Research Assistance Scheme
- Increasing delivery of technical and communication training to our core service delivery staff
- Finalising Professional Development Support tools and calendar.

Peter Carne, Dr Leonie Horrigan and Peter Mulholland.

Developing Performance Planning and Development

During the year we committed to a broad review of performance planning and development for all our staff.

New policies and procedures have been developed that will be implemented in 2010-11. This will see our staff undertake a co-ordinated and clear performance planning and development cycle. This is to be supported by a comprehensive training program.

Our performance and development process is linked to delivering our *Strategic Plan 2009–2013*. This will assist our staff to clearly understand their roles and accountabilities.

Workforce planning

During the year we commenced a workforce planning project. This will continue into 2010-11, with a review of our recruitment and selection, rewards and recognition and retention strategies.

We will develop a clear plan to ensure we have the right number of people, at the right time to deliver our services to Queenslanders.

Evaluating organisational culture

During the year we reviewed our work and organisational, culture so we can better progress organisational changes in the coming financial year. Our focus is on:

Transparency – we will ensure our decisions are high-quality, timely and appropriate; and our staff are empowered to question decisions and errors, so we can provide the best decisions for clients.

Client Service – we will approach client service with clear opportunities for staff to provide input to planning and ideas within the scope of our role.

Practices and Procedures – we will review our practices, processes and procedures to ensure our clients receive the highest possible service in an efficient and effective manner.

Delegations – we will review our delegations to ensure that decision-making is made at the appropriate level.

Personal Performance and Accountability – we will emphasise to our staff the importance of their personal performance and accountability.

Our Workforce profile

Category		Total
Permanent staff	Full Time	434
	Part Time	46
Total		**480**
Secondment (out of office)		4
Total		**4**
Temporary staff	Full Time	27
	Part Time	4
Total		**31**
Grand Total		**515**

Workforce profile of target groups - *Equal Opportunity in Public Employment Act 1992*

Category	Staff
Aboriginal and Torres Strait Islander	4
Non English-Speaking Background	31
People with a Disability	38
Women	370

Voluntary early retirements

We had no voluntary early retirements during 2009-10.

Redundancies

There were no redundancies in 2009-10.

Whistleblowers

There were no disclosures made under the *Whistleblowers Protection Act 1994* during 2009-10.

Overseas travel

No overseas travel was undertaken by any employees in 2009-10.

Classification	2008-09	2009-10
AO2	102	96
AO3	129	145
AO4	66	64
AO5	25	27
AO6	13	16
AO7	4	3
AO8	1	1
PO3	4	5
PO4	7	9
PO5	1	1
PO6	1	1
SO1.1	0	1
SO2.1	0	1

The table identifies the number of women employed at each classification level within our organisation.

Alana Perry, Kerrin Benson, Peter Carne, Linda Lavarch, Jenine Beekhyzen.

International Women's Day 2010

Each year we encourage our staff to celebrate International Women's Day, with many of our offices across Queensland holding events. Offices that held events included: Ipswich, Southport, Sunshine Coast, Townsville, Cairns, Gladstone and Bundaberg.

This year over 60 staff from our Brisbane Offices attended an International Women's Day morning tea celebration at 444 Queen Street.

Peter Carne, The Public Trustee of Queensland was joined by speakers Linda Lavarch former Attorney-General and Minister for Justice, Kerrin Benson CEO of the Multicultural Development Association, Jenine Beekhyzen author and IT specialist and Alana Pelly an inspirational consultant and breast cancer survivor.

Women on boards

Our Investment Board has four members including Ms Helen Davis, Chief Strategy Officer, QSuper.

Our Strategic Governance Group has seventeen members, including Kathryn Williams, A/Special Counsel and Caroline Hannigan, Manager Audit and Evaluation Unit.

Initiatives for women

Women are 71% of our workforce and we are committed to ensuring a culture of equal opportunity exists within our organisation. Initiatives that assist women to compete for promotion equitably within our organisation include:

- Springboard training
- Sponsoring participation in the Public Sector Management Program
- Encouraging women to obtain tertiary qualifications by providing Study and Research Assistance Scheme assistance
- Ensuring women are represented on our boards and committees.

Consultancies

Name	Supplier
Aurion Corporation Pty Ltd	3,750.00
BDO Kendalls	5,250.00
Brumfield Bird & Sandford Pty Ltd	217.60
CCH Australia	9,000.00
Compass Asset Management	660.00
Deloitte	26,000.00
Deloitte Actuaries & Consultants Ltd	5,000.00
Dept of Justice & Attorney-General	2,427.27
Directory Concepts Brisbane Pty Ltd	24,800.00
Gourluck Pty Ltd	7,650.00
GR Ryan Cost Consulting	2,250.00
Hawker Britton Pty Ltd	675.00
Infohrm Pty Ltd	2,376.00
Lambda Investment Solutions Pty Ltd	9,000.00
LexisNexis	2,200.00
Mercer Australia Pty Ltd	26,796.00
Noel Arnold & Associates	33,000.00
Office of Economic & Statistical Research	385.45
People & Performance Consulting Pty Ltd	47,864.96
PriceWaterHouse Coopers	11,853.20
The Consultancy Bureau	40,909.09
Total	**$267,038.21**

Cost of boards and committees

Name	Cost for financial year
The Public Trust Office Investment Board	$3,851
Audit Committee	$12,669

Right to information

The Queensland Government has introduced a new approach to accessing information, with the *Right to Information Act 2009* and the *Information Privacy Act 2009*. Government information is to be released administratively as a matter of course, unless there is good reason not to do so. Applications under the *Right to Information Act 2009* should be a last resort.

We have responded to Queensland Government's policy by, where possible, releasing information administratively.

We also developed a publication scheme on our website which enables us to publish available information.

Financial Statements

The Public Trustee of Queensland

Financial Statements

2009-10

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General Information

These financial statements cover The Public Trustee of Queensland. The principal address of The Public Trust Office is:

Trustee House
444 Queen Street
Brisbane QLD 4000

A description of the nature of the Public Trust Office's operations and its principal activities are included in the notes to the financial statements.

For information in relation to the Public Trust Office's financial statements please call (07) 3213 9288, email clientenq@pt.qld.gov.au or visit the Public Trustee of Queensland's internet site at www.pt.qld.gov.au.

The Public Trustee of Queensland
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2010

	Notes	2010 $000	2009 $000
Income from continuing operations			
Revenue			
Fees and charges	2(g), 3	67,787	65,435
less Community service obligations	2(g), 4	(22,185)	(20,256)
Interest	2(h)	22,454	21,947
Distribution Revenue	2(h)	1,796	5,314
Other revenue	5	1,253	1,328
		71,105	**73,767**
Gains/(Losses)			
(Loss) on sale of property, plant and equipment		-	(14)
Gain/(Loss) on revaluation of other financial assets held at fair value	2(j)	5,485	(5,367)
Gain on sale of available for sale financial assets	2(j)	282	-
Gain/(Loss) on revaluation of unit based cash fund	2(j)	2,746	(1,452)
		8,512	**(6,833)**
Total Income from continuing operations		**79,618**	**66,934**
Expenses from continuing operations			
Employee expenses	2(o), 6	37,521	34,671
Supplies and services	7	19,340	21,538
Depreciation	2(l), 13	1,622	1,480
Amortisation	2(m), 14	129	116
Interest paid to Clients	10	8,516	13,147
Other expenses	8	3,087	5,569
Total Expenses from continuing operations		**70,215**	**76,521**
Operating Surplus/(Deficit) from continuing operations		**9,403**	**(9,587)**
Other Comprehensive Income			
(Decrease) in asset revaluation surplus	2(l)	**(2,802)**	**-**
Net gain/(loss) on available-for-sale financial assets	2(j), (p)	**2,330**	**11,427**
Total Other Comprehensive Income		**(473)**	**11,427**
Total Comprehensive Income		**8,930**	**1,840**

The accompanying notes form part of these statements

QAO CERTIFIED STATEMENTS

The Public Trustee of Queensland
STATEMENT OF FINANCIAL POSITION
as at 30 June 2010

	Notes	2010 $000	2009 $000
Assets			
Current assets			
Cash and cash equivalents	2(i), 9	66,545	139,722
Other financial assets	2(j), 11	368,109	333,188
Receivables	2(k), 12	13,066	8,336
Prepayments		1,327	1,361
Total current assets		**449,047**	**482,607**
Non-current assets			
Other financial assets	2(j), 11	30,487	5,107
Property, plant and equipment	2(l), 13	47,378	50,886
Intangibles	2(m), 14	413	284
Total non-current Assets		**78,277**	**56,277**
Total assets		**527,324**	**538,884**
Liabilities			
Current liabilities			
Payables	2(n), 15	3,066	6,527
Amounts held for Clients	2(n), 16	355,772	372,594
Accrued Employee benefits	2(o), 17	4,275	4,737
Total current liabilities		**363,112**	**383,859**
Non-current liabilities			
Accrued Employee benefits	2(o), 17	7,090	6,833
Total non-current liabilities		**7,090**	**6,833**
Total liabilities		**370,202**	**390,692**
Net assets		**157,122**	**148,192**
Equity			
Reserves	2(p)	147,719	157,778
Operating Surplus/(Deficit)		9,403	(9,587)
Total equity		**157,122**	**148,192**

The accompanying notes form part of these statements

QAO CERTIFIED STATEMENTS

The Public Trustee of Queensland
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2010

	Notes	2010 $000	2009 $000
Asset revaluation reserve			
Land balance at 1 July		14,573	14,573
(Decrease) in valuation		(853)	-
Balance at 30 June		**13,719**	**14,573**
Buildings balance at 1 July	2(b)	21,056	21,056
(Decrease) in valuation		(1,949)	-
Balance at 30 June		**19,107**	**21,056**
Total asset revaluation reserve	2(l)	**32,827**	**35,629**
Investment revaluation reserve			
Available for sale financial asset balance at 1 July		1,080	(10,346)
Increase in market valuation		2,330	11,427
Balance at 30 June		**3,410**	**1,080**
Total investment revaluation reserve	2(l), (p)	**3,410**	**1,080**
Capital support reserve			
Balance at 1 July		16,800	13,000
transfer from/(to) general reserve		5,700	3,800
Balance at 30 June	2(p)	**22,500**	**16,800**
Income stabilisation reserve			
Balance at 1 July		21,900	17,200
transfer from/(to) general reserve		(600)	4,700
Balance at 30 June	2(p)	**21,300**	**21,900**
Revenue maintenance reserve			
Balance at 1 July		874	1,796
transfer from/(to) general reserve		364	(922)
Balance at 30 June	2(p)	**1,238**	**874**
General reserve and operating surplus			
Balance at 1 July		71,908	89,073
add Operating Surplus/(Deficit)	2(b)	9,403	(9,587)
transfer (to) specific reserves		(5,464)	(7,578)
Balance at 30 June	2(p)	**75,847**	**71,908**
Total equity	2(p)	**157,122**	**148,191**

The accompanying notes form part of these statements
Transactions with owners as owners are represented by movements between General reserve and Operating surplus; and the Capital support reserve, Income stabilisation reserve and Revenue maintenance reserve.

QAO CERTIFIED STATEMENTS

The Public Trustee of Queensland
STATEMENT OF CASH FLOWS
for the year ended 30 June 2010

	Notes	2010 $000	2009 $000
Cash flows from operating activities			
Inflows:			
Fees and charges received		44,091	43,064
Interest received		26,976	26,073
Other revenue received		533	1,393
GST Collected on Fees and other charges		6,268	7,210
(Outflows):			
Employee expenses paid		(37,735)	(34,305)
Supplies and services		(19,636)	(21,872)
Interest paid to Clients		(11,355)	(10,308)
Other expenses paid		(3,902)	(7,921)
GST paid on purchases		(3,877)	(5,387)
GST remitted to ATO		(2,701)	(2,068)
Net cash (used in) operating activities	18	**(1,339)**	**(4,121)**
Cash flows from investing activities			
Inflows/(outflows):			
Net payments for other financial assets	2(q)	(49,956)	(37,484)
Net payments for property, plant and equipment	2(q)	(1,166)	(1,290)
Net cash flow (used in) investing activities		**(51,123)**	**(38,774)**
Cash flows from financing activities			
Inflows/(outflows):			
Net receipts from Clients (amounts held for clients)	2(q)	(20,716)	80,625
Net cash provided by/(used in) financing activities		**(20,716)**	**80,625**
Net increase/(decrease) in cash held		**(73,177)**	**37,731**
Cash at beginning of the financial year		**139,722**	**101,995**
Cash at end of the financial year	2(i), 9	**66,545**	**139,722**

The accompanying notes form part of these statements

QAO CERTIFIED STATEMENTS

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QAO CERTIFIED STATEMENTS

1 Objectives of the Public Trustee of Queensland

The Public Trustee of Queensland is constituted as a corporation sole under section 8 of the *Public Trustee Act 1978*. The Public Trustee is appointed as Accountable Officer of the Public Trust Office pursuant to section 65(2) (b) of the *Financial Accountability Act 2009*.

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

The Public Trust Office also provides custodian services in respect of a number of managed investment schemes and acts as trustee for a number of debenture issues by Companies, under Chapter 2L of the *Corporations Act 2001*.

The staff of the Public Trust Office seek to make a difference in the lives of our clients throughout the State. The highest standards of ethical practices as trustees and administrators are integral to the services provided to the community.

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

2 Summary of significant accounting policies

(a) Statement of compliance

The Public Trust Office of Queensland has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations.

In particular, the financial statements comply with *Treasury's Financial Reporting Requirements* for the year ending 30 June 2010, and other authoritative pronouncements. With respect to compliance with Australian Accounting Standards and Interpretations, the Public Trust Office have applied these requirements applicable to not-for-profit entities as the Public Trust Office is a not-for-profit entity.

Except where stated, the historical cost convention is used.

(b) Change of accounting policy, new and revised accounting standards, and corrections

The Public Trust Office did not voluntarily change any of its accounting policies during 2009-10. Those new and amended Australian accounting standards that were applicable for the first time in the 2009-10 financial year and that had a significant impact on the Office's financial statements are as follows.

The Public Trust Office complied with the revised AASB101 *Presentation of Financial Statements* as from 2009-10. This revised standard does not have any measurement or recognition implications. Pursuant to the change of terminology used in the revised AASB101, the Balance Sheet is now re-named to the Statement of Financial Position, and the Cash Flow Statement has now been re-named to the Statement of Cash Flows. The former Income Statement has been replaced by a Statement of Comprehensive Income. In line with the new concept of "comprehensive income", the bottom of this new statement contains certain transactions that previously were detailed in the Statement of Changes in Equity (refer to the items under the sub-heading "Other Comprehensive Income" in the new Statement of Comprehensive Income). The Statement of Changes in Equity now only includes details of transactions with owners in their capacity as owners, in addition to the total comprehensive income for the relevant components of equity.

The Public Trust Office is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Public Trust Office has not applied any Australian Accounting Standards and AASB &

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UIG Interpretations that have been issued but are not yet effective. The Public Trust Office applies Standards and Interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the only significant impacts of new or amended Australian accounting standards with future commencement dates are as set out below.

AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards* arising from AASB 9 [*AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12*] become effective from reporting periods beginning on or after 1 January 2013. The main impacts of these standards are that they will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at either amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. On initial application of AASB 9, the Office will need to re-assess the measurement of its financial assets against the new classification and measurement requirements, based on the facts and circumstances that exist at that date.

Assuming no change in the type of transactions the Public Trust Office enters into, it is expected that Held to Maturity financial assets (term deposits,) will continue to be held at amortised cost (as disclosed in Note 2(j.)

All other financial assets will be required to be classified as 'financial assets required to be measured at fair value through the profit or loss,' instead of the measurement classifications currently used in Note 2(j) and Note 10. The same classification will be used for net gains/(losses) recognised in the Statement of Comprehensive Income in respect of these financial assets.

In the case of the Office's receivables, the carrying amount is considered to be a reasonable approximation of fair value.

All other Australian Accounting Standards and Interpretations with future commencement dates are either not applicable to the Public Trust Office's activities, or have no material impact on the Public Trust Office.

(c) The reporting entity

The financial statements include the value of all assets, liabilities, equities, revenues and expenses controlled by the Public Trust Office of Queensland.

(d) Administered transactions and balances

Unclaimed Moneys Fund
The Public Trust Office administers but does not control the Unclaimed Moneys Fund on behalf of the Government. In doing so, the Public Trust Office has responsibility and is accountable for administering related transactions and items but does not have the discretion to deploy these resources for the achievement of the Public Trust Office's objectives. These transactions and balances are not significant in comparison to the Public Trust Offices' overall financial performance or financial position. Administered transactions and balances are disclosed in note 21.

(e) Public Trustee Investment Funds

The Public Trust Office has established a range of investment funds that have been designed to provide clients of the Office with investment options to better meet their individual financial requirements.

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

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As at 30 June 2010 the total amount of client funds held in the Public Trustee Investment Funds was as per note 22. Financial results of the Public Trustee Investment Funds do not form part of these financial statements, consistent with the treatment of all clients' assets held outside the Common Fund.

(f) Outputs/major activities of The Public Trustee of Queensland

Deceased Estate and Trust Administration Services

The identity and purpose of the output, Deceased Estate and Trust Administration Services, undertaken by the Public Trust Office is summarised below:

- The management of the financial affairs of persons with a disability,
- The administration of the estates of deceased persons,
- The management of the affairs of persons under an Enduring Power of Attorney, and
- The preparation of Wills and Enduring Powers of Attorney.

These services are provided throughout the State to serve Queensland's population and the increasing needs of the people in the community who have a decision making disability or who, because of their age, require various services to enhance the quality of their life.

As the Public Trust Office operates under one output, an Income Statement by Outputs/Major Activities has not been prepared as all revenues, expenses, assets, liabilities and equity are disclosed in the Statement of Comprehensive Income and Statement of Financial Position.

(g) Fees, charges and community service obligations

The Public Trust Office's scale of fees and charges in relation to its deceased estate and trust activities is based on the concept of an equitable fee for service. The fee scales are approved by Government through the *Public Trustee (Fee and Charges Notice)*.

Under this scale, revenue is recognised on a gross basis, at the time the service is delivered. In instances where a client, because of financial circumstances could not pay the full amount of the fee, that client may be given an immediate rebate for all or part of the fee that has been levied. These community service obligations (CSO) are in accordance with arrangements as determined by Government. The CSO amount has been shown separately as an outflow against revenue as the Public Trustee of Queensland is a self-funded organisation - refer to note 4.

Office of the Adult Guardian
The Public Trust Office contributes funding towards the operating costs of the Office of the Adult Guardian. This funding is sourced from revenue raised by the Public Trust Office. The Public Trust Office administers but does not control funds advanced to the Office of the Adult Guardian for operating costs - refer to note 4.

Civil Law Legal Aid Scheme Advances
The Public Trust Office provides working capital to allow the operation of the Civil Law Legal Aid Scheme. This capital is part of the common fund and is administered by Legal Aid Queensland - refer to note 4.

(h) Interest and distribution revenue

Interest revenue includes interest from cash assets shown in note 9.

Distribution revenue includes both interest and other distributions of income from assets held at fair value through profit or loss shown in note 11.

(i) Cash assets and cash equivalents, and the Statement of Cash Flows

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions, net of outstanding bank overdrafts at their carrying amounts.

It also includes investments with short periods to maturity that are readily convertible to cash on hand at the Public Trust Office's option and that are subject to a low risk of changes in value.

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(j) Other financial assets

Other financial assets have been classified in accordance with *AASB139 - Financial Instruments: Recognition and Measurement.* These assets and their associated accounting treatment are categorised below.

Assets held at fair value through the profit or loss are carried at fair value (which equates to market value), without any deduction for expected transactions costs on disposal. All assets held at fair value are classified as current.

Distributions, realised and unrealised gains and losses and impairment losses are recognised directly in the Income Statement.

Available-for-sale financial assets (Bonds) are carried at fair value without any deduction for disposal costs which equates to market value. All available-for-sale assets are classified as current.

Realised gains and losses, impairment losses and interest income at the effective interest rate are recognised directly in the Income Statement.

Unrealised gains and losses resulting from a movement in the market value of the asset is recognised in equity against the investment revaluation reserve, until the financial asset is derecognised. On derecognition, any unrealised gains and losses included in equity are transferred to profit and loss.

Impairment

The Public Trust Office assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets are impaired. One or more events that impact on the estimated future cash flows of the financial asset, such as significant financial difficulty of the issuer, is considered as an indicator that the financial asset is impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is recognised in the income statement.

Held-to-maturity financial assets (term deposits) are measured at amortised cost using the effective interest method.

The Public Trust Office has adopted the following policies in relation to term deposits:

- Revenue from the term deposits is recognised on an accruals basis using the effective interest method;
- Term deposits with maturity dates greater than one (1) year are classified as non-current assets.

(k) Receivables

Receivables arising from the Public Trust Office's fees and charges are recognised at the actual amount due at the time of sale or service delivery. Interest receivable is recognised as it accrues. Distributions receivable are recognised as they are declared. Distributions receivable by clients are recognised on a trust accounting basis.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written off as at 30 June. Receivables are generally collected within 30 days. Receivables from Deceased Estates and Trusts may only be settled when funds are available. No credit risk (note 10) has been identified against receivables held as at 30 June.

The collectability of receivables resulting from the provision of custodian services or as trustee for a number of debenture issues by Companies will be determined on their individual merits. Recoverability will depend on the individual circumstances of each matter and may only be settled if the relevant custodian or trusteeship has the ability to pay in due course. A provision for impairment has been assessed for each individual matter and included in the accounts as at 30 June. For further information relating to financial risks, refer to note 10.

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(l) Property, plant and equipment

Classes of property, plant and equipment are detailed in note 13. Recognition thresholds and bases, useful life, depreciation bases and revaluation bases are detailed in the table below.

Class	Recognition Threshold	Recognition Basis	Useful life	Depreciation Basis	Revaluation Basis
Land	$1	Cost	Unlimited useful life	NA	Fair Value
Buildings	$10,000	Cost	20-60 years	Straight-line	Fair Value
Plant and equipment	$5,000	Cost	5-60 years	Straight-line	NA

Acquisition
Property, plant and equipment with a cost greater than the recognition threshold above are capitalised. Items with a lesser value are expensed in the year of acquisition.

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

Assets under construction (work-in-progress) are capitalised progressively however not depreciated until they reach service delivery capacity.

Items comprising the Public Trust Office's legal library are expensed on acquisition.

Depreciation
Straight-line depreciation is used so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Public Trust Office. Depreciation expenses for the period are shown in note 13.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

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

Revaluations
Land and buildings are measured at fair value in accordance with *AASB116 – Property, Plant and Equipment* and *Queensland Treasury's Non-Current Assets Accounting Policies for the Queensland Public Sector*. The carrying amount of plant and equipment should not materially differ from their fair value.

Non-current physical assets measured at fair value are comprehensively revalued at least once every three years. A comprehensive external revaluation of all land and buildings was undertaken by ACVAL Pty Ltd as at 30 June 2010.

Separately identified components of assets are measured on the same basis as the assets to which they relate. Indices are applied annually between comprehensive revaluations.

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

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On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimated remaining useful life.

All other plant and equipment are measured at cost.

Disposals and gains
When property, plant and equipment are disposed of, any difference between the consideration received and written down value of the asset at the time of sale is recognised as a gain or loss in the income statement.

Property, plant and equipment held available for sale
No property, plant and equipment have been classified as held for sale.

Impairment
All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Public Trust Office determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss and recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

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

(m) Intangibles

Intangible assets with a cost or other value greater than the value in the table below are recognised in the financial statements as assets, while items with a lesser value are expensed. All intangibles have a residual value of zero. It has been determined that there is not an active market for any of the Public Trust Office's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses

Classes of intangibles are detailed in note 14. Recognition thresholds and bases and useful life and amortisation bases are detailed in the table following. Amortisation expenses are shown in note 14.

Class	Recognition Threshold	Recognition Basis	Useful Life	Amortisation Basis
Software Internally generated	$100,000	Cost	4-8 years	Straight-line
Software Purchased	$100,000	Cost	4-8 years	Straight-line
Software work-in-progress	$100,000	Cost	NA	NA

(n) Payables and amounts held for clients

Creditors which are categorised for financial instrument purposes as financial liabilities not through profit or loss are measured at nominal value and recognised upon confirmation of the transaction or receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Accounts owing are unsecured and are generally settled on 30 day terms.

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Amounts held for clients are categorised for financial instrument purposes as financial liabilities not through profit or loss. These amounts represent the cash value owed to clients. Other client assets held outside the Common Fund are also disclosed in Note 22 which outlines the broad asset categories and valuation policies which have been adopted.

(o) Accrued employee benefits

Wages, salaries, recreation leave and sick leave
Wages, salaries and recreation leave due but unpaid at reporting date are recognised in the Statement of Financial Position at the remuneration rates expected to apply at the time of settlement. Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. Whilst they are not employee benefits they are included in employee expenses. Employer superannuation contributions and long service leave accruals as detailed below are regarded as employee benefits.

All entitlements are recognised at their undiscounted values with the exception of long service. Long service leave is recognised as set out below.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to recur in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlement is recognised. As sick leave is a non-vesting expense, an expense is recognised for this leave when it is taken.

Long service leave
Long Service Leave expected to be paid within 12 months is recognised at its undiscounted value and disclosed as current.

Long Service Leave expected to be paid beyond 12 months is disclosed as non-current and recognised as follows:

A liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date as set out in note 17. Consideration is given, when assessing expected future payments, to expected future wage and salary increases (4.0% per annum; 2009: 4.0%), experience of employee departures and periods of service.

Expected future payments are discounted using rates attaching, as at the reporting date, to Commonwealth Government guaranteed securities with terms to maturity (7 years) of 4.9% per annum (2009: 5.14%). Related on-costs have also been included in the liability.

Superannuation
Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees at rates determined by the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Public Trust Office's obligation is limited to its contribution to Q-Super.

No liability is recognised for accruing superannuation benefits in this financial statement, the liability being held on a whole-of-Government basis and reported in the financial statements prepared pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Executive remuneration
The executive remuneration disclosures in the employee expenses note (Note 6) in the financial statements include:

- The aggregate remuneration of all senior executive officers whose remuneration for the financial year is $100,000 or more; and
- The number of senior executives whose total remuneration for the financial year falls within each successive $20,000 band, commencing at $100,000.

The remuneration disclosed is all remuneration paid or payable, directly or indirectly, by the Public Trust Office or any related party in connection with the management of the affairs of the Public Trust Office, whether as an executive or otherwise. For this purpose, remuneration includes:

- Wages and salaries;

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- Accrued leave (that is, the increase/decrease in the amount of annual and long service leave owed to an executive, inclusive of any increase in the value of leave balances as a result of salary rate increases or the like);
- Accrued superannuation (being the value of all employer superannuation contributions during the financial year, both paid and payable as at 30 June);
- Car parking benefits and the cost of motor vehicles, such as lease payments, fuel costs, registration/insurance, repairs/maintenance and fringe benefit tax on motor vehicles incurred by the Public Trust Office during the financial year, both paid and payable as at 30 June; net of any amounts subsequently reimbursed by the executives;
- Housing, being the market value of the rent or rental subsidy, where rent is part-paid by the executive during the financial year, both paid and payable as at 30 June;
- Allowances (which are included in remuneration agreements of executives, such as airfares or other travel cost paid to/for executives whose homes are situated in a location other than the location they work in); and
- Fringe benefits tax included in remuneration agreements.

The disclosures apply to all senior executives appointed under the *Public Service Act 2008* and classified as SES1 and above, with remuneration above $100,000 in the financial year. 'Remuneration' means any money, consideration or benefit, but excludes amounts:

- Paid to an executive by the Public Trust Office where the person worked during the financial year wholly or mainly outside Australia during the time the person was so employed; or
- In payment or reimbursement of out-of-pocket expenses incurred for the benefit of the entity or any of its subsidiaries.

In addition, separate disclosure of separation and redundancy/termination benefit payments is included.

(p) Reserves

Asset revaluation reserve
The *Asset Revaluation Reserve* is established to account for increases in the fair value of land and buildings as per note 2(l).

Investments revaluation reserve
The *Investments Revaluation Reserve* is established to account for increases and decreases in the market value of other financial assets that are classified as available for sale as per note 2(j).

The following reserves are reviewed annually as at 30 June taking account of the level of Common Fund liabilities and expected movements in financial markets.

Capital support reserve
As the capital within the Public Trust Office's Common Fund carries a Government Guarantee, a *Capital Support Reserve* has been established to support the capital guarantee on the liabilities of the Office.

Income stabilisation reserve
In order to minimise the mismatch between yield on the investment portfolio of the Common Fund and the return paid to clients during the periods of interest volatility, an *Income Stabilisation Reserve* has been established.

Revenue maintenance reserve
As funds are transferred from the Common Fund to the Public Trustee Investment Funds, the Public Trust Office's revenue stream will be dependent on a funds management fee based on market value. To protect this revenue stream against adverse effects of significant negative movements in financial markets, a *Revenue Maintenance Reserve* has been established.

General reserve and operating surplus/(deficit)
The *General Reserve* represents the remaining equity components of the Common Fund that are required to allow the Public Trust Office to operate. Operating surpluses/deficits are transferred to the General Reserve on an annual basis.

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(q) Statement of Cash Flows

In the Statement of Cash Flows all investing and financing activities are presented on a net basis due to the large number and value of transactions involved.

(r) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all the risk and benefits incidental to ownership, and operating leases under which the lessor retains substantially all the risks and benefits. The Public Trust Office has not entered into any finance lease agreements.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly, are charged to the Income Statement in the periods in which they are incurred - refer to note 7. Commitments are shown at note 19.

(s) Insurance

The Public Trust Office's physical assets (with a replacement value greater than $2,000) and other risks are insured. Where possible, risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Public Trust Office pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. In all other cases, insurance risks are covered by commercial insurers.

(t) Taxation

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

(u) Issuance of financial statements

The financial statements are authorised for issue by the Public Trustee of Queensland and Acting Director, Organisational Support at the date of signing the Management Certificate.

(v) Judgements and assumptions

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Provision for impairment – note 12;
- Valuation of Property, Plant and Equipment – note 13;
- Valuation of Accrued Employee Benefits – note 17;
- Contingent liabilities – note 20;
- Other Client Assets held outside the Common Fund – note 22.

(w) Rounding and comparatives

Amounts included in the financial statements have been rounded to the nearest $1,000 or, where that amount is $500 or less to zero, unless disclosure of the full amount is specifically required. All totals shown are direct from the financial accounting system, the totals shown are correct and the subordinate lines before rounding cumulatively add to the correct total. Sub-totals and totals may not add due to rounding, but the overall discrepancy is no greater than two.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

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	2010 $000	2009 $000
3. Fees and charges		
Administration of estates and trusts and other revenue	56,428	53,442
Investment Management revenue	7,301	8,434
Auctions revenue	4,059	3,558
	67,787	**65,435**
4. Community service obligations		
Fees remitted for disadvantaged clients	(15,010)	(13,957)
Management of prisoners' criminal compensation and civil actions	(62)	(51)
Free advice to the public	(1,794)	(2,069)
Will-making service provided free to Queenslanders	(3,605)	(3,011)
Grant to the Office of the Adult Guardian	(969)	(950)
Contributions to Queensland Community Foundation	(344)	(180)
Civil Law Legal Aid - outlays written-off, administrative support	(401)	(38)
	(22,185)	**(20,256)**
5. Other revenue		
Property rental	796	880
Commission	117	69
Sundry revenue	67	62
Caravan Park Management Fees	273	317
	1,253	**1,328**
6. Employee expenses		
Salaries and wages	27,264	25,395
Employer superannuation contributions	3,656	3,439
Recreation leave	3,096	2,646
Long service leave	1,013	948
Other	2,492	2,243
	37,521	**34,671**
Number of employees	# Employees	# Employees
The number of employees including both full-time employees and part-time employees measured on a full-time equivalents basis:	541	523
Executive remuneration		
The following is remuneration paid to Senior Executive Officers:	# Executives	# Executives
$140,000 to $159,999	2	4
$160,000 to $179,999	1	-
$180,000 to $199,999	1	-
$200,000 to $219,999	-	1
Total count of executives paid more than $100,000	**4**	**5**
	$000	**$000**
Aggregate of remuneration of executives shown above:	656	803
Aggregate of separation and redundancy or termination payments to executives:	90	284

The Public Trustee is employed under the Public Trustee Act 1978 and is not eligible for consideration for a performance bonus.

The remuneration paid includes amounts received or receivable in relation to leave accruals including, industry allowances, leave loading and fringe benefits such as private use of a motor vehicle and employer superannuation contributions.

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	2010 $000	2009 $000
7. Supplies and services		
Advertising and promotion	969	679
Auction expenses	600	591
Computer expenses	4,283	3,881
Investment and registry fees	3,142	3,102
Fixed assets repairs and expenses	1,681	1,666
Motor vehicles and travel	421	435
Rates, utilities and cleaning	1,115	1,055
Office expenses	1,986	1,771
Operating lease expense - note 2(r)	476	451
Professional and management fees	3,165	6,734
Consultants, contractors and agency temporary staff	1,503	1,171
	19,340	**21,538**

8. Other expenses		
Bad debts expense and write-offs*	2,499	4,958
Insurances - note 2(s)	296	333
External audit fees**	285	272
Entertainment and hosting	7	5
	3,087	**5,569**

*Includes losses of public monies 2010:$118,169 (2009:$188,704)

**External audit fees relating to the financial year are estimated to be $300,074 (2009:$267,120) comprised of PTQ (2010:$242,000) (2009:$220,000), PTIF (2010:$58,074) (2009:$47,120). The PTIF 2010 audit fee of $58,074 includes an amount of $10,120 related to the publication of the PTIF financial statements, not recognised in the external audit fee expense.

	2010	2009		
9. Cash and cash equivalents	Weighted Avg Rate-Note 10			
Cash on hand	NA	NA	14	14
Cash at bank	4.50%	4.25%	(488)	(2,179)
11am at call deposits	4.31%	3.43%	9,735	17,350
Unit based cash fund	5.96%	4.64%	57,283	124,537
			66,545	**139,722**

10. Financial instruments

Australian Accounting standard AASB 7 requires entities to provide disclosures in their financial report that enable users to evaluate the significance of financial instruments for the entity's financial performance and position, and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date and how the entity manages those risks.

The Public Trustee's activities expose it to a variety of financial risks as noted below. These are managed by the Investment Services and Finance Programs in accordance with the Strategic Asset Allocation and operating ranges approved by the Public Trust Office Investment Board.

i(a). Categorisation of Financial Instruments

The categorisation of the Public Trust Office's financial assets and liabilities held are as per notes 2(i), (j), (k) and (n).

The investments of the Common fund include cash, fixed interest securities and unit trusts. The cash portion of the Common Fund is managed through the QTC Cash Fund and the QIC Cash Enhanced fund. The fixed interest component of the Common Fund is invested in commonwealth government bonds, semi-government bods and corporate securities. The Common Fund also invests in a number of alpha products (unit trusts) managed by QIC, namely the QIC Global Fixed Interest Alpha fund, QIC Global Macro Fund, and the QIC Global Credit Opportunities Fund.

The Alpha return is the rate of return earned by a security in excess of or below its benchmark rate of return. Alpha return is generally subject to the skill of the manager to outperform the market.

QAO CERTIFIED STATEMENTS

i(b). Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As of 1 July 2009, PTQ has adopted the amendment of AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(1) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

(2) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2), and

(3) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3.)

The financial instruments of the Public Trust Office are classified under Level 2 of the AASB 7 Fair Value Hierarchy, that is, instruments other than those quoted in the marketplace, but which are observable in the market either directly (as prices,) or indirectly (derived from market prices.) Such instruments include the Common Fund investments in cash, fixed interest securities and unit trusts.

The fair value of other financial assets approximates the current market value. Assets held at fair value through the profit or loss are invested in several actively traded unit trusts with QIC. The current market value of these products is provided by QIC and this market value is used as an approximation for fair value.

The fair value of available-for-sale financial assets approximates the current market value. Available-for-sale financial assets are generally government, semi-government, bank and corporate bonds. All bonds may be traded in the secondary market. The current market value of these assets is provided by QIC and this market value is used as an approximation for fair value.

The net fair values of cash assets, other financial assets classified both at fair value in the income statement and as available-for-sale, and amounts held for clients approximate their carrying value as shown in notes 9,11,12,15 and 16.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

ii. Credit risk exposure

Credit risk exposure refers to the situation where the Public Trust Office may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation. The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The credit risk within the Common Fund is managed within the policy approved by the Public Trust Office Investment Board.

The following table summaries the credit exposures within the following categories of credit quality:

Category	Standard & Poor's credit rating	2010 Actual exposure $000	2009 Actual exposure $000
Government Bonds	AAA	85,313	83,872
	AA	29,471	47,344
Bank Bonds	AAA	5,136	8,265
	AA	154,976	68,871
	A+	10,155	10,149
	A	7,042	4,911
Corporate Bonds	AA+	5,000	20,230
	A+	-	9,066
Assets held at fair value through profit or loss	Unrated	36,351	75,451
Held to maturity assets	AA	59,000	5,029
	A	6,152	5,107
Deposits at call	AA+	9,735	17,350
	AAf+	57,283	124,537
Receivables	Unrated	13,066	8,336

QAO CERTIFIED STATEMENTS

The Public Trust Office does not expect to incur material losses in relation to financial assets due to the risk management practices the Public Trust Office employs. No significant credit risks have been identified. The Public Trust Office through QIC assesses credit risk through assessment of earnings at risk and current and expected changes in economic conditions and aging, duration and sensitivity analysis.

The Public Trust Office's maximum exposure to credit risk based on contractual amounts net of any allowances as per AASB139 is disclosed in notes 9, 11 and 16.

The Public Trust Office does not hold any corporate financial assets not recognised in the Statement of Financial Position.

Past due or impaired
No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired. Financial assets are stated at the carrying amount as indicated.

Aged debtors as at 30 June	2010 $000	2009 $000
Amounts paid on behalf of clients and secured by client assets	4,315	3,425
Current	3,374	1,212
>30 Days	92	89
>60 Days	66	32
>90 Days	13,253	9,286
Total	21,100	14,045
Provision for Impairment*	(8,034)	(5,708)
Carrying Amount	13,066	8,336

* The balance of provision for impairment for receivables >90 days at 30 June 2009 was $5,708,417. The provision for impairment for receivables >90 days increased by $2,325,869 during 2009/10.

iii. Liquidity risk
Liquidity risk refers to the situation where the Public Trust Office may encounter difficulty in meeting obligations associated with financial liabilities.

The Public Trust Office is exposed to liquidity risk through its trading in the normal course of business and the management and administration of amounts held on behalf of clients.

The risk is managed through investment of financial assets in accordance with a Strategic Asset Allocation approved by the Public Trust Office Investment Board. The allocation is matched to the expected duration of the liabilities and through the maintenance of reserves as detailed in note 2(p). The Strategic Asset Allocation ensures that there is no significant exposure to illiquid or thinly traded financial instruments and applies limits to ensure there is no concentration of liquidity risk to a particular counterparty or market. Liquidity risk is also managed by a policy of having a minimum of 10% of assets in a cash form able to be liquidated within 24 hours.

QAO CERTIFIED STATEMENTS

Amounts held for clients are available at call. The expected duration of these liabilities falls within the following bands which are measured against the underlying financial instruments:

Maturity range	2010 Maturity profile as at reporting date	2009 Maturity profile as at reporting date
Less than one year	48%	44%
One to four years	39%	43%
Four to seven years	8%	5%
Greater than seven years	5%	8%

Interest is paid in respect of amounts held on behalf of clients and the rates of interest payable are prescribed by the Public Trustee regulations at varying rates. Weighted average rates of return by client activities are shown in note 16.

iv. Market risk

Market risk is the risk that the value of financial assets will fluctuate as a result of changes in market prices, including interest rates.

Financial instruments are used by the Public Trust Office to optimize the level of net interest income, while maintaining acceptable levels of interest rate, credit and liquidity risk. To achieve this objective, the Public Trust Office invests in a combination of cash trusts, unit trusts and bonds. Compliance with the investment strategy is reviewed monthly by the Public Trust Office Investment Board.

The Public Trust Office Investment Board monitors investments to ensure that the overall exposure of the portfolio is within acceptable levels. An analysis of the portfolio is prepared by QIC and reviewed by the Investment Board monthly. An analysis of the portfolio is performed to ensure that interest rate risk exposure is within the acceptable operating range.

The Public Trust Office has some exposure to fixed interest rates due to maturity dates of other financial assets held. As detailed in note 2(j), with the exception of term deposits, all of these financial instruments are classified as current assets as they are available-for-sale and may be traded at any time regardless of maturity. The Public Trust Office's exposure to interest rate risk and the effective interest rates of financial assets and liabilities are shown in terms of the weighted average market interest rates based on their net fair values in notes 9, 11 and 16.

Based on the market value of the portfolio as at reporting date, being $465m (2008/09:$479m,) a 1% instantaneous parallel shift in interest rates across the yield curve would incur a change in valuation of approximately $7.53m (2008/09:$7.7m.)

Sensitivity to two standard deviations from the return expected, results in a price risk movement of between -$9.49m and +$16.92m on the equity position. In 2008/09 two standard deviation sensitivity resulted in total return ranges of -1.1% and +10.9% equating to a price risk movement of between -$5.30m and +$52.56m. The percentage ranges resulted from a blending of total alpha funds. This financial year however, blending is not appropriate as the Global Credit Opportunities Fund will be closed. Therefore separate percentage ranges for alpha funds are -30.1% to +49.9% (Global Fixed Interest Alpha Fund) and -12.1% to +27.9% (Global Credit Opportunities Fund.)

To manage price risk an Income Stabilisation Reserve is maintained (see note 2(p)). Its purpose is to minimise the mismatch between yield on the investment portfolio of the Common Fund and the return paid to clients during the periods of interest volatility.

The disclosures are prepared on the basis of direct investment and not on a look through basis. Consequently, interest rate risk of funds are not separately disclosed however are reflected in the price risk.

QAO CERTIFIED STATEMENTS

	2010	2009	2010	2009
	Weighted Avg Rate-Note 10		$000	$000
11. Other financial assets				
Assets held at fair value through profit or loss	NA	NA	36,351	75,451
Available-for-sale financial assets				
Maturity less than 1 year			26,267	13,429
Maturity more than 1 year and less than 5 years			151,042	78,768
Bank bonds	6.01%	5.76%	177,309	92,196
Maturity less than 1 year			5,000	24,389
Maturity more than 1 year and less than 5 years			-	4,907
Corporate bonds	6.36%	6.19%	5,000	29,296
Maturity less than 1 year			-	10,257
Maturity more than 1 year and less than 5 years			62,874	63,669
Maturity more than 5 years			51,910	57,290
Government bonds	5.73%	5.75%	114,784	131,216
Total available-for-sale financial assets			297,093	252,708
Held-to-maturity assets				
Maturity less than 1 year			34,666	5,029
Maturity more than 1 year and less than 5 years (non-current)			25,487	5,107
Maturity more than 5 years (non-current)			5,000	-
Term deposits and commercial loans	6.18%	4.85%	65,152	10,136
Total other financial assets			398,596	338,295
12. Receivables	NA	NA		
General receivables			4,204	2,077
Accrued receivables			10,934	7,006
Client receivables			4,315	3,425
Civil Law Legal Aid Scheme Advances			1,648	1,536
			21,101	14,045
less provision for impairment			(8,034)	(5,708)
			13,066	8,336
Provision for impairment as at 1 July			(5,708)	(1,064)
Increase in provision for impairment recognised in profit and loss			(2,326)	(4,645)
Provision for impairment as at 30 June			(8,034)	(5,708)

QAO CERTIFIED STATEMENTS

	2010	2009	2010	2009
	Weighted Avg Rate-Note 10		$000	$000
13. Property, plant and equipment				
Land				
Land at valuation as at 1 July			21,265	21,265
less revaluation (decrement)			(853)	-
Balance as at 30 June			**20,412**	**21,265**
Buildings				
Buildings at gross valuation as at 1 July			60,065	59,144
less accumulated depreciation as at 1 July			(33,076)	(31,883)
Carrying amount as at 1 July			26,989	27,261
plus additions			680	568
plus transfers between asset classes			1,243	353
less period depreciation			(1,258)	(1,193)
less revaluation (decrement)		2(b)	(1,949)	-
Balance at 30 June			**25,705**	**26,989**
Original cost written down to $0 but still in use $0 (2009:$4,463,162)				
Plant and equipment				
Plant and equipment at cost as at 1 July			3,028	2,415
less accumulated depreciation as at 1 July			(1,664)	(1,442)
Carrying amount as at 1 July			1,364	973
plus additions			75	70
plus transfers between asset classes			11	621
less disposals			-	(79)
less period depreciation			(362)	(221)
Balance as at 30 June			**1,088**	**1,364**
Original cost written down to $0 but still in use $375,022 (2009:$375,022)				
Work in progress				
Work in progress at cost as at 1 July			1,267	1,574
plus additions			170	697
less capitalised			(1,254)	(974)
less expensed			(10)	(30)
Balance at 30 June			**173**	**1,267**
Total property, plant and equipment			**47,378**	**50,886**
14. Intangibles				
Software purchased - at cost as at 1 July			1,445	1,534
less accumulated amortisation as at 1 July			(1,209)	(1,181)
less adjustments		2(b)		(89)
Carrying amount as at 1 July			236	264
plus additions			257	-
less period amortisation			(117)	(28)
Balance as at 30 June			**376**	**236**
Software internally generated - at cost as at 1 July		2(b)	4,432	4,343
less accumulated amortisation as at 1 July			(4,383)	(4,295)
plus adjustments			-	89
Carrying amount as at 1 July			49	136
less period amortisation			(12)	(88)
Balance as at 30 June			**36**	**49**
Original cost written down to $0 but still in use $4,247,147 (2009:$4,247,147.) This includes $4.03m for the Client Information Management System (CIMS) which has been fully amortised but is still in use. The Public Trust Office does not intend to replace this asset in the near future.				
Total intangibles			**413**	**284**

QAO CERTIFIED STATEMENTS

	2010	2009	2010	2009
	Weighted Avg Rate-Note 10		$000	$000
15. Payables	NA	NA		
General payables			2,330	2,180
Accrued payables			1,279	4,583
Taxation payable (including GST)			(543)	(236)
			3,066	**6,527**
16. Amounts held for Clients *	2.34%	3.97%		
Deceased estates & testamentary trusts			149,942	150,205
Protective management			117,126	128,129
Minors & general trusts			60,333	63,436
Agencies			17,154	18,758
Miscellaneous			11,217	12,066
*Interest rates paid are prescribed by regulation at varying rates (note 10(iv))			**355,772**	**372,594**
17. Accrued employee benefits				
Accrued employee expenses			-	831
Recreation leave			3,536	3,185
Long service leave - current			738	722
			4,275	**4,737**
Long service leave - non-current			7,090	6,833
			7,090	**6,833**
Total accrued employee benefits			**11,365**	**11,571**
18. Reconciliation of operating surplus to net cash from operating activities				
Operating surplus			**9,403**	**(9,587)**
Depreciation expense			1,622	1,480
Amortisation expense			129	116
Net loss/(gain) on sale and devaluation of other financial assets			(5,766)	5,367
Change in assets and liabilities				
(Increase) in receivables			(4,677)	(1,754)
(Increase)/Decrease in prepayments			34	(696)
Increase/(Decrease) in payables			(1,876)	571
Increase/(Decrease) in employee benefits			(206)	381
Net cash from operations			**(1,339)**	**(4,121)**

QAO CERTIFIED STATEMENTS

	2010 $000	2009 $000

19. Commitments for expenditure

Material expenditure commitments (inclusive of GST other than grants which are GST exclusive) contracted for but not recognised as payable include:

(a) Information system commitments

Commitments under software licencing agreements as at reporting date are payable as follows:

Mainframe & network processing agreements		
Not later than 1 year	2,478	2,246
Later than 1 year and not later than 5 years	-	1,069
	2,478	3,314

(b) Non - cancellable operating lease commitments

Commitments under operating leases at reporting date are payable as follows:

Not later than 1 year	491	413
Later than 1 year and not later than 5 years	1,032	199
	1,523	612

Operating leases are entered into as a means to enable the Public Trustee to acquire the necessary motor vehicle fleet facility and office space where required. Lease payments are generally fixed but with inflation escalation clauses.

(c) Operational expenditure commitments

Commitments for operational expenditure (purchase orders) at reporting date are payable as follows:

Not later than 1 year	287	262
	287	262

(d) Grant commitments

Grant commitments not later than 1 year at reporting date are payable as follows:

Commitment for funding the Office of the Adult Guardian	993	989
Commitments for contributions to the Queensland Community Foundation	73	73
	1,066	1,061

(e) Capital expenditure commitments

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

Not later than 1 year	2,657	500
	2,657	500

20. Contingent liabilities

Litigation in progress

The following cases were filed in the courts:

	2010 Cases	2009 Cases
Supreme Court	4	1
Magistrates Court	1	-
District Court	-	1
	5	2

As at balance date the Public Trustee has received notification of 26 other cases (2009:18) that are not yet subject to court action. These cases may result in subsequent litigation. The Public Trustee is insured in relation to claims of negligence and only liable to a maximum of $100,000 per claim as per note 2(s).

The Public Trustee's legal advisers and management believe that it would be misleading to estimate the final amounts payable (if any) in relation to these claims at this time.

QAO CERTIFIED STATEMENT

	2010 $000	2009 $000
21. Administered item - Unclaimed Moneys Fund - note 2(d)		
Administered income		
Distribution from Public Trustee Investment Funds	2,890	3,160
Interest from investing activities	506	31
(Loss) on sale of other financial assets**	(3,443)	-
Total administered income	**(47)**	**3,191**
Administered expenses		
Management fees paid/payable to the Public Trustee of Queensland	187	176
Interest paid/payable to Treasury (in relation to the Unclaimed Moneys Fund)	3,211	3,014
Total administered expenses	**3,399**	**3,191**
Net (Deficit)	**(3,446)**	**-**
Administered assets and liabilities		
Current assets		
Cash at bank	38	37
Book value of investments in the Public Trustee Investment Funds*	-	47,149
Deposits in the Public Trustee Term Investment Account	-	1,844
Book value of fixed rate deposits held in the Queensland Treasury Corporation*	49,300	-
General receivables	2,248	11
Total current assets	**51,586**	**49,041**
Total assets	**51,586**	**49,041**
Other payables	1,596	14
Total current liabilities	**1,596**	**14**
Non-current liabilities		
Unclaimed moneys fund balance	52,675	48,266
Total non-current liabilities	**52,675**	**48,266**
Total liabilities	**54,271**	**48,280**
Net assets	**(2,685)**	**761**
Equity		
General reserves	(2,685)	761
	(2,685)	**761**

* The fair value of funds invested in Queensland Treasury Corporation Fixed Rate Deposit at 30 June 2010 was $49,712,391. (At 30 June 2009, the fair value of the Public Trustee Australian Fixed Interest Fund was $42,944,397.)

Fees for receipt of unclaimed monies of $2,772,587 (2009:$1,529,049) were recorded as part of the administration of estates and trusts and other revenue (refer Note 3.)

**Investment of unclaimed moneys funds held is in accordance with the investment strategy as endorsed by the Public Trust Office Investment Board. During 2009-10, investment of unclaimed moneys in the PTIF Australian Fixed Interest Fund were realised and reinvested in a fixed interest account with QTC. The realisation of this investment was in preparation for the transfer back to Treasury of amounts held for more than six years which is expected to be transacted in the 2010-11 financial year. The redemption of moneys invested in the PTIF Australian Fixed Interest Fund has resulted in a loss on sale of investment due to two factors; namely interest rate risk and by the payment of distributions inclusive of capital gains.

In terms of the restructure of the Unclaimed Moneys Fund, it is proposed that the investments of the Fund will be managed through the Public Trustee Common Fund which has a capital guarantee and a regulated rate of interest.

QAO CERTIFIED STATEMENTS

	2010 $000	2009 $000

22. Other client assets held outside the Common Fund

In addition, the Public Trustee has responsibility for the control and management of clients' assets such as property and investments which, being held in specie, do not form part of the Common Fund. Those clients include the Queensland Community Foundation, the Disaster Appeals Trust Fund, the Aboriginal & Torres Strait Islander Foundation, the Lady Bowen Trust and the Forde Foundation. These values also include holdings in the Public Trustee Investment funds. Values attributed to these assets are as follows:

Realty	714,214	687,544
Public Trustee Investment Funds - note 2(e)	476,901	423,859
Deposits at call	185,351	165,549
Other Investments	115,608	101,824
Other Assets	94,538	87,866
	1,586,612	1,466,641

Realty

Realty comprises land and buildings. Generally, property values are provided by Public Trustee Office valuers or external valuers upon commencement of the file. Different valuation rules and review dates apply depending on the type of client (e.g. deceased estate, disability service, trust) and the services provided by the Public Trustee. Detailed valuation rules are contained in relevant operating manuals of the Public Trust Office.

Public Trustee Investment Funds (PTIF's)

Financial assets are invested in QIC General Investment Funds and are valued at fair value (market value) as at 30 June each year. For further information, refer to note 2(e) and the Public Trustee of Queensland Investment funds Special Purpose Financial Report as at 30 June each year. The financial report of the PTIF's are independently audited by the Queensland Audit Office.

Deposits at call

Deposits at call represent balances held in bank accounts and other short-term deposits at commencement of the file. Balances are generally updated annually when the client file is reviewed.

Other investments

Other Investments represent listed equities, unit trusts, fixed interest rate investments, unlisted shares and unlisted unit trust investments. Listed equities are valued at fair value (market value) at the commencement of the file. Other investments are valued by reference to written advice from the relevant financial institution, company or share registry and are recorded at historical cost. Amounts are generally updated annually when the client file is reviewed.

Other

Other assets include all assets not separately included above. This category includes jewellery, valuables, furniture and effects, goods and chattels, farm machinery, motor vehicles, watercraft and any other motorised vehicles, livestock, life insurance policies and superannuation policies. Different valuation rules and review dates apply to each separate type of asset. Detailed valuation rules are contained in relevant operating manuals of the Public Trust Office.

QAO CERTIFIED STATEMENTS

The Public Trustee of Queensland
CERTIFICATE OF THE PUBLIC TRUSTEE OF QUEENSLAND

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

(a) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

(b) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of The Public Trustee of Queensland for the financial year ended 30 June 2010 and of the financial position as at the end of that year.

RAY BOWERS, B Bus (Accy)
Acting Director, Organisational Support

Date: 19th AUGUST 2010

PETER CARNE, BA LLB FAICD FAIM
Public Trustee of Queensland

Date: 19 August 2010

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of The Public Trustee of Queensland

Report on the Financial Report

I have audited the accompanying financial report of The Public Trustee of Queensland, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the certificates given by the Public Trustee and Acting Director, Organisational Support.

The Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report and any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

(i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of The Public Trustee of Queensland for the financial year 1 July 2009 to 30 June 2010 and of the financial position as at the end of that year.

DIRECTOR OF AUDIT
23 AUG 2010
QUEENSLAND AUDIT OFFICE

P A TOGNOLINI CPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

The Public Trustee of Queensland

Investment Trusts

Special purpose financial report
for the year ended 30 June 2010

The Public Trustee of Queensland

The Public Trustee of Queensland Investment Trusts

Special Purpose Financial Report

for the year ended 30 June 2010

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The Public Trustee of Queensland Investment Trusts
Income Statements
for the year ended 30 June 2010

		The Public Trustee of Queensland Investment Trusts											
		Cash		Australian Fixed Interest		Conservative Fund		Growth		Higher Growth		Australian Equities	
	Notes	June 2010 $000	June 2009 $000	June 2010 $000	June 2009 $000	June 2010 $000	June 2009 $000	June 2010 $000	June 2009 $000	June 2010 $000	June 2009 $000	June 2010 $000	June 2009 $000
REVENUES													
Interest	2(b)	-	10	121	-	3	9	3	6	2	4	1	2
Realised Gain/ (Loss) on Sale of QIC General Investment Funds	2(b)	-	(3)	588	79	2,418	(53)	2,326	(373)	3,388	(706)	911	(1,504)
Unrealised Gain / (Loss) on Revaluation of QIC General Investment Funds	2(b)	-	-	-	242	3,756	(12,477)	4,934	(24,952)	3,154	(28,410)	2,446	(11,386)
Realised Gain / (Loss) on Derivative Overlay Holdings	2(b)	-	-	-	-	168	(28)	37	(841)	684	(825)	-	-
Unrealised Gain / (Loss) on Derivative Overlay Holdings	2(b)	-	-	-	-	-	7	-	(42)	-	7	-	-
Distributions from QIC General Investment Funds	2(b)	-	190	3,075	3,691	6,947	7,415	10,367	7,594	8,947	4,954	3,673	2,408
TOTAL REVENUE		-	200	3,784	4,002	13,294	(5,127)	17,649	(18,518)	16,155	(24,536)	7,031	(12,480)
EXPENSES													
Trustee Fees	9	-	45	420	775	1,480	1,121	2,324	2,430	1,855	2,190	919	920
Borrowing Costs - Unitholders													
Borrowing Costs - Distributions Paid	2(e)	-	232	2,779	3,216	2,895	1,337	4,103	1,441	2,871	524	1,055	1,105
Borrowing Costs - Distributions Payable	2(e)	-	-	-	-	3,257	3,446	4,330	2,194	4,580	675	1,966	-
TOTAL EXPENSES		-	277	3,202	3,931	7,632	6,454	10,757	6,065	9,306	3,389	3,940	2,025
PROFIT FROM ORDINARY ACTIVITIES		-	(77)	582	71	5,662	(11,621)	6,912	(24,583)	6,849	(28,325)	3,091	(14,505)
less transfers (to)/from Capital Reserve Account	2(b)(ii)	-	-	-	-	-	-	-	-	-	528	-	-
PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO UNITHOLDERS		-	(77)	582	71	5,662	(11,621)	6,912	(24,583)	6,849	(27,800)	3,091	(14,505)

The Income Statements should be read in conjunction with the notes to the Financial Report

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The Public Trustee of Queensland Investment Trusts
Statements of Financial Position
as at 30 June 2010

The Public Trustee of Queensland Investment Trusts

		Cash		Australian Fixed Interest		Conservative Fund		Growth		Higher Growth		Australian Equities	
	Notes	June 2010 $'000	June 2009 $'000	June 2010 $'000	June 2009 $'000	June 2010 $'000	June 2009 $'000	June 2010 $'000	June 2009 $'000	June 2010 $'000	June 2009 $'000	June 2010 $'000	June 2009 $'000
CURRENT ASSETS													
Cash and Cash Equivalents	2(d)	-	-	-	9	83	15	76	19	87	17	45	10
Reduced Input Tax Credit - Receivable		-	-	-	3	8	8	16	11	12	10	6	4
Distribution Receivable – QIC	2(h)	-	-	-	8	2,523	3,825	4,309	3,543	2,707	1,937	1,933	577
TOTAL CURRENT ASSETS		-	-	-	20	2,534	3,848	4,401	3,573	2,806	1,964	1,984	591
NON-CURRENT ASSETS													
Other financial assets - investments													
Direct Derivative Holdings	2(c)	-	-	-	-	-	1,058	-	2,110	-	1,366	-	-
QIC - General Investment Funds	2(c)	-	-	-	40,782	101,984	85,549	169,601	119,588	126,458	109,770	62,716	53,355
TOTAL NON-CURRENT ASSETS		-	-	-	40,782	101,984	87,047	169,601	121,798	126,458	111,136	62,716	53,355
TOTAL ASSETS		-	-	-	40,802	103,668	90,895	174,002	125,371	129,264	113,100	62,700	53,946
CURRENT LIABILITIES													
Redemptions Payable		-	-	-	-	351	-	232	-	28	-	63	-
Reduced Input Tax Credit - Payable		-	-	-	-	-	-	-	-	-	-	-	-
Distribution Payable - Public Trustee Common Fund	2(h)	-	-	-	-	3,257	3,448	4,330	2,194	4,510	575	1,966	-
Accrued Trustee Fees	9	-	-	-	45	130	114	221	161	168	151	76	68
TOTAL CURRENT LIABILITIES		-	-	-	45	3,738	3,562	4,783	2,355	4,706	726	2,107	68
NON-CURRENT LIABILITIES													
Unitholders Funds	2(b)(i)	-	-	-	40,757	99,930	87,333	169,219	123,016	124,558	112,374	60,593	53,878
TOTAL NON-CURRENT LIABILITIES		-	-	-	40,757	99,930	87,333	169,219	123,016	124,558	112,374	60,593	53,878
TOTAL LIABILITIES		-	-	-	40,802	103,668	90,895	174,002	125,371	129,264	113,100	62,700	53,946
NET ASSETS		-	-	-	-	-	-	-	-	-	-	-	-
ISSUED UNITS													
Number of Units on Issue at Balance Date		-	-	-	51,450	106,269	126,630	206,673	166,548	169,304	179,855	70,060	66,352

The Statements of Financial Position should be read in conjunction with the notes to the Financial Report

QAO CERTIFIED STATEMENTS

The Public Trustee of Queensland Investment Trusts
Statements of Cash Flow
for the year ended 30 June 2010

		The Public Trustee of Queensland Investment Trusts											
		Cash		Australian Fixed Interest		Conservative Fund		Growth		Higher Growth		Australian Equities	
	Notes	June 2010 $'000	June 2009 $'000	June 2010 $'000	June 2009 $'000	June 2010 $'000	June 2009 $'000	June 2010 $'000	June 2009 $'000	June 2010 $'000	June 2009 $'000	June 2010 $'000	June 2009 $'000
CASH FLOWS FROM OPERATING ACTIVITIES													
Interest Received		-	10	131	-	5	9	5	6	2	4	1	2
Rebuted Input Tax Credit - Received		-	(1)	37	55	103	107	162	152	139	175	66	74
Distributions Received		-	-	1,775	-	-	-	-	-	-	-	-	-
Trustee Fees Paid		-	(53)	(498)	(796)	(1,559)	(1,515)	(2,434)	(2,703)	(2,079)	(2,445)	(978)	(1,028)
NET CASH PROVIDED (UTILISED) BY OPERATING ACTIVITIES		-	(44)	1,445	(731)	(1,442)	(1,773)	(2,267)	(2,545)	(1,938)	(2,266)	(911)	(952)
CASH FLOWS FROM INVESTING ACTIVITIES													
Proceeds from Sale of Investments		-	6,253	45,622	5,400	16,570	18,524	13,867	15,012	8,867	11,551	3,772	5,355
Purchase of Investments		-	(446)	(944)	(1,636)	(16,474)	(9,455)	(44,758)	(12,041)	(10,804)	(8,454)	(5,459)	(4,451)
Purchase of Investments from Return of Capital		-	-	-	-	-	-	-	-	-	-	-	-
NET CASH PROVIDED (UTILISED) BY INVESTMENT ACTIVITIES		-	5,807	45,678	3,764	596	9,169	(30,901)	2,971	(1,937)	3,097	(1,687)	904
CASH FLOWS FROM FINANCING ACTIVITIES													
Received on Applications for Units		-	249	18	1,502	24,473	17,604	53,743	18,668	14,273	11,522	7,279	5,294
Received on Applications for Units under the Distribution Reinvestment Plan		-	200	5	22	1,018	571	770	1,016	366	546	157	325
Management Fee Rebates	8	-	2	133	16	6	58	2	67	1	85	41	91
Paid on Redemption of Units		-	(5,886)	(44,501)	(846)	(18,203)	(22,872)	(14,983)	(14,719)	(7,149)	(8,300)	(3,829)	(4,243)
Distributions Paid		-	(320)	(2,775)	(3,723)	(6,349)	(2,798)	(6,267)	(5,529)	(3,540)	(4,571)	(1,055)	(1,414)
NET CASH PROVIDED (UTILISED) BY FINANCIAL ACTIVITIES		-	(5,755)	(47,120)	(3,029)	926	(7,385)	33,225	(471)	3,945	(916)	2,633	53
NET INCREASE/(DECREASE) IN CASH HELD		-	(5)	(5)	4	38	11	57	(5)	70	15	35	5
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		-	5	9	5	15	4	19	24	17	4	10	5
CASH AT THE END OF THE FINANCIAL YEAR	2(g)	-	-	-	9	53	15	76	19	87	17	45	10

The Statements of Cash Flow should be read in conjunction with the notes to the Financial Report

QAO CERTIFIED STATEMENTS

The Public Trustee of Queensland Investment Trusts
Notes to the Special Purpose Financial Report
for the year ended 30 June 2010

1. Objectives of the Trusts

The Public Trustee of Queensland Investment Trusts were established by the Public Trustee to provide clients of The Public Trust Office with a wider range of investment options than are currently available through The Public Trust Office Common Fund to better meet clients short-term and long-term financial requirements.

2. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a special purpose financial report that has been prepared in accordance with the requirements of the Trust Deed Poll, and Australian Accounting Standards Board except:

- AASB 7 - Financial Instruments: Disclosures
- AASB 101 (77),(80) - Presentation of Financial Statements
- AASB 107 (43), (Aus 20.1) - Statement of Cash Flows

Additional disclosure has been provided for the first time to aid investors with understanding the performance of the Trusts and the associated risks.

Fund information has also been provided on the trusts asset allocation.

This disclosure does not comply with requirements of AASB7. Management has decided to disclose more user relevant information to Unitholders.

This information has been obtained from public and management information including our Investment Manager, QIC, The Public Trustee of Queensland Investment Fund Information Memorandum and resolutions from The Public Trust Office Investment Board.

The following accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

The Financial Report has been prepared on an accruals basis.

(b) Income and Expenses

Gain/(Loss) on Sale of Investments
Changes in the net fair value of investments are recognised as income and determined as the difference between the net fair value at year-end or consideration received (if sold during the period) and the net fair value as at the prior year-end or cost (if the investment was acquired during the period).

Interest Revenue
Revenue on money market and fixed interest securities is recognised on an accruals basis and if not received at balance date, is reflected in the Statements of Financial Position as a receivable.

Distributions from QIC
Distribution Revenue is recognised on an accrual basis. Distributions are recognised as at the date the unit value is quoted ex-distribution.

During the 2009/10 year, distributions received from the QIC General Investment Funds included non-taxable concessional components which arose as a result of realised capital loses that have been offset against discounted capital gains.

The value of these concessional components for each Trust was credited to the Capital Reserve Account in accordance with clause 14.15 of the Trust Deed. The Trustee then chose to distribute the non-taxable component to Unitholders in accordance with clause 14.2 of the Trust Deed.

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The net effect of these transactions of the concessional components for each Trust was NIL as follows:

	2010 $'000	2009 $'000
Conservative Fund	0	0
Growth Trust	0	0
Higher Growth Trust	0	0
Australian Equities Fund	0	0
	0	0

Expenses
Expenses are brought to account on an accruals basis.

(c) Financial Assets

General
In the Trustee's opinion, all financial assets are readily realisable. Financial assets are initially measured at cost on trade date, which includes transaction costs, when the contractual rights or obligations exist. Subsequent to initial recognition, financial assets are recognised at fair value through the Income Statements. Realised and unrealised gains and losses arising from changes in fair value of these assets are included in the Income Statements in the period in which they arise.

All financial assets comply with the definition of authorised investments contained within the Trust Deed Poll.

QIC Limited - General Investment Funds
Financial assets in the QIC General Investment Funds are valued at market value based on the post distribution unit sell price at balance date, which is materially the same as the mid price at balance date.

Distributions from the QIC General Investment Funds are brought to account when the Trusts become presently entitled to the income. During the 2009/10 year distributions received from the QIC General Investment Funds included non-taxable concessional components. Refer to Note 2(b) for further information.

Derivative Holdings
The Trusts investment activities are subject to changes in interest rates, foreign exchange rates and share market prices. It is the policy of the Trusts to use derivative financial instruments to hedge a proportion of these changes and/or to use derivatives as a substitute for physical exposure, when the use of such instruments is more efficient. It is not Trust policy to enter, hold or issue derivative financial instruments for speculative purposes, or to enter into leveraged positions.

Derivative returns are affected by the buy and sell of option contracts over various asset classes. As a result of these transactions, gains and losses both realised and unrealised are recorded for the value of investments and foreign exchange gains and losses.

(d) Other Liabilities

Other liabilities represent Unitholders funds contributed to the Trusts. The recognition of Unitholders funds as liabilities for accounting purposes does not impact on the taxation treatment of these amounts. The amounts paid to Unitholders for accounting purposes will be treated as a borrowing cost expense because the Trusts have a fixed and determinate life and funds previously raised from Unitholders

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must be returned on the vesting date of the Trusts. For taxation purposes, these payments continue to represent distributions under the *Income Tax Assessment Act 1997*. Borrowing costs on Unitholders funds for accounting purposes are accrued once the amounts are declared to the market.

Unitholders funds held in the Capital Reserve Account are as follows:

	2010 $'000	2009 $'000
Conservative Fund	1,501	1,501
Growth Trust	4,660	4,660
Higher Growth Trust	5,631	5,631
Australian Equities Fund	6,461	6,461
	18,253	18,253

(e) Distributions to Unitholders

The amounts paid to Unitholders for accounting purposes are treated as borrowing cost expenses. Distribution entitlements have been recognised on an accrual basis.

The Trustee of the Trusts is the Public Trustee of Queensland. Distributions are determined in accordance with the Trust Deed Poll. At each distribution date, the Public Trustee, on behalf of the Unitholders is presently entitled to the net income of the Trusts together with any further amount which the Trustee determines to distribute to the Public Trustee in respect of that period.

The Trustee has allocated to the Public Trustee on behalf of Unitholders all of the income to which the Public Trustee on behalf of the Unitholders is entitled.

The distributions from the Trusts are transferred to The Public Trust Office Common Fund. These amounts do not form part of the Trusts, but are held by the Trustee, on trust, for distribution to the Public Trustee for the registered holder of Units in the Trusts as at the close of business on the last business day of the distribution period.

Distributions periods for the year ended 30 June 2010 were:

- 1 July 2009 – 30 September 2009
- 1 October 2009 – 31 December 2009
- 1 January 2010 – 31 March 2010
- 1 April 2010 – 30 June 2010

(f) Derivative Financial Instruments

Derivative financial instruments are recognised in the Statements of Financial Position at fair value with unrealised gains or losses recognised in the Income Statements for the ineffective hedges.

All derivatives contracts, whether used as hedging instruments or otherwise, are carried at fair value.

(g) Cash & Cash Equivalents

For the purposes of the Statements of Cash Flow, cash and cash equivalents includes Cash at Bank. Cash as at the end of the financial year as shown in the Statements of Cash Flow is reconciled to the related items in the Statements of Financial Position.

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(h) Impairment of Assets

At each reporting date, the Trusts review the carrying values of their tangible assets to determine whether there is any indication that those assets have been impaired. Any excess of the assets carrying value over its recoverable amount is expensed to the Income Statements.

(i) Payables

These amounts represent liabilities for amounts owing by the Trusts at year-end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Receivables

Receivables may include amounts for distributions and Reduced Input Tax Credits (RITC). Distributions are accrued when the right to receive payment is established. Amounts are generally received within 30 days of recognition.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the acquisition of the asset or as part of the item of expense.

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

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statements of Financial Position.

The trustee fee percentages take into account the net effect of the GST. The Trusts are entitled to a Reduced Input Tax Credit equal to 75% of the GST paid.

(l) Income Tax Expense

Under current legislation the Trusts are not subject to income tax as the taxable income (including assessable realised capital gains) is distributed in full to the Unitholders.

The price of a unit is based upon market values of underlying assets and thus may include a share of unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Trusts are not subject to capital gains tax.

Realised capital losses are not distributed to Unitholders but are retained in the Trusts to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to Unitholders.

The benefits of imputation credits and foreign tax paid are passed on to Unitholders.

(m) Contingent Assets & Liabilities

There are no known contingent assets or liabilities at the time that these Financial Statements were prepared.

(n) Rounding of Amounts

Amounts disclosed in the financial reports have been rounded to the nearest thousand dollars.

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The Public Trustee of Queensland Investment Trusts
Notes to the Special Purpose Financial Report
for the year ended 30 June 2010

(o) Comparative Amounts

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

(p) Statement of Changes in Equity

The Trusts are not required to complete a Statement of Changes in Equity as all Unitholders funds have been classified as non-current liabilities.

3. Trust Deed

The date of the Trust Deed Poll for the Growth Trust and Conservative Fund (also known as Income Trust) is 10 July 1996.

The dates of the various Supplemental Trust Deed Polls are as follows:

Cash Plus Trust	22 August 1997
Australian Fixed Interest Trust	28 August 1997
Australian Equities Fund	5 March 1998
Higher Growth Trust	14 September 1999
Cash Trust	14 September 1999
Conservative Fund	26 April 2005
Termination Deed Cash Plus Trust	30 June 2006
Termination Deed Cash Trust	30 June 2009
Termination Deed Australian Fixed Interest	30 June 2010

4. Investment Objectives and Asset Allocation

The Public Trustee of Queensland Investment Trusts comprises a number of investment options covering a range of investment asset classes. These options and asset allocation positions are outlined as follows:

Australian Fixed Interest Trust (terminated 30 June 2010)
Objectives:

- To provide investors with income over the medium term.
- Capture the performance of a diversified portfolio of Australian fixed interest securities.
- Provide a total return on investment (before fees) at least equal to CPI + 2.4% per annum over rolling 5 year periods, with an expected probability of success of about 95% which is on average nineteen out of twenty times.

Australian Fixed Interest Trust Asset Allocation (closed)			
	Physical Exposure 30 June 2010	Strategic Allocation	Range
Australian Fixed Interest	0.00%	0.00%	0%

Conservative Fund
Objectives:

- To protect the value of an investor's capital value while achieving a higher return in the medium to longer term that could be achieved by solely investing in interest bearing securities, with less volatility than a fully balanced portfolio.
- Capture the performance of a diversified group of assets, weighted to the defensive asset classes.

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- Provide a total return on investment (before fees) at least equal to CPI + 3% per annum over rolling 5 year periods, with an expected probability of success of about 90% which is on average nine out of ten times.

Conservative Fund Asset Allocation	Physical Exposure 30 June 2010	Neutral Strategic Allocation	Range
Australian Equities	14.85%	15.00%	13% - 17%
International Equities	10.83%	11.00%	7% - 15%
Global Listed Property	6.85%	7.00%	5% - 9%
Diversified Fixed Interest	50.89%	50.00%	47% - 53%
Cash	16.58%	17.00%	12% - 22%
Total	100.00%	100.00%	
Growth Assets		33.00%	
Defensive Assets		67.00%	

Growth Trust
Objectives:

- To provide a fully diversified investment strategy for those investors seeking long term income and capital growth.
- Capture the performance of a diversified group of assets, weighted to the growth asset classes.
- Provide a total return on investment (before fees) at least equal to CPI + 3.5% per annum over rolling 10 year periods, with an expected probability of success of about 90% which is on average nine out of ten times.

Growth Trust Asset Allocation	Physical Exposure 30 June 2010	Neutral Strategic Allocation	Range
Australian Equities	31.76%	32.00%	30% - 34%
International Equities	19.96%	20.00%	16% - 24%
Global Listed Property	9.83%	10.00%	8% - 12%
Diversified Fixed Interest	29.76%	29.00%	26% - 32%
Cash	8.69%	9.00%	4% - 14%
Total	100.00%	100.00%	
Growth Assets		62.00%	
Defensive Assets		38.00%	

Higher Growth Trust
Objectives:

- To provide a fully diversified investment strategy for those investors seeking modest income and long term capital growth.
- Capture the performance of a diversified group of assets, weighted to shares.
- Provide a total return on investment (before fees) at least equal to CPI + 4% per annum over rolling 10 year periods, with an expected probability of success of about 80% which is on average eight out of ten times.

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The Public Trustee of Queensland Investment Trusts
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Higher Growth Trust Asset Allocation	Physical Exposure 30 June 2010	Neutral Strategic Allocation	Range
Australian Equities	39.95%	40.00%	38% - 42%
International Equities	33.83%	34.00%	30% - 38%
Global Listed Property	6.98%	7.00%	5% - 9%
Diversified Fixed Interest	13.48%	13.00%	10% - 16%
Cash	3.23%	3.50%	0% - 9%
Global Fixed Interest Alpha	2.53%	2.50%	0% - 8%
Total	100.00%	100.00%	
Growth Assets		83.50%	
Defensive Assets		16.50%	

Australian Equities Fund
Objectives

- To provide investors with capital growth and some franked income over the long term.
- Capture the performance of the Australian Share market by investing in securities listed or about to be listed on the Australian Stock Exchange.
- Provide a total return on investment (before fees) at least equal to CPI + 5.3% per annum over rolling 10 year periods, with an expected probability of success of about 65% which is on average thirteen out of twenty times.

Australian Equities Fund Asset Allocation	Physical Exposure 30 June 2010	Strategic Allocation	Range
Australian Equities	100%	100%	100%

5. Investment Risk and Risk Management Measures

The Public Trustee has adopted a commercial approach to considering the ongoing management of the Portfolio with the fundamental aim of achieving the best rate of return on investments subject to prudent risk levels.

The investment strategy is based on a disciplined approach to the management of risk. Where allowed by the Strategic Asset Allocation ranges, QIC construct portfolios of investments in different asset classes, the returns from which have low correlation, so as to strengthen diversification and consequently reduce the overall effect on asset specific risk. Attention is paid to within-sector diversification, for example, spreading investments across different industries in an asset class. It is expected that thorough investment analysis to be put in place to effect this approach. Where appropriate, QIC construct portfolios from one or more of the following asset classes: Australian Equities, International Equities, Property, Australian Fixed Interest, International Fixed Interest, Cash, Absolute Return Strategies and Currency.

Unitholders should be aware that their investment in The Public Trustee of Queensland Investment Trusts may be influenced by a number of factors outside the control of the Public Trustee. In addition, it is important to note that events affecting the performance or security of an investment cannot always be foreseen or identified.

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Therefore, it is not always possible to protect investments against risks. Neither the State of Queensland, The Public Trustee of Queensland, QIC or any other party guarantees the performance of the Trust or the repayment of capital or any particular rate of capital or income return from the Trust. There may be loss of income or principal invested and delays in repayment. The holding of units is subject to investment and other risks. The assets of the Trust will rise and fall in value. The value of any investment or distribution may also rise and fall.

The general state of the economy may affect an individual Trust in a number of areas including movements in interest rates, currencies, and commodities. Depending on the weighting of investments in particular assets, each particular Trust has a different earnings and risk profile. A Trust which predominantly invests in more 'capital stable' products, such as the cash, may represent a more secure investment, but with potentially lower returns, than for example, the Australian Equities Fund which invests in shares. Conversely the value of shares (and other assets) can rise and fall depending upon a large range of factors. There are differing levels of market volatility for each Trust to reflect the differing exposure levels which underlying assets and earnings have to market volatility.

Public Trustee of Queensland Investment Trusts may invest in one or more asset classes, depending on the Trust Fund. Each asset class possess the market risk of the underlying securities or investments. A summary of the most common risks for each asset class is outlined in the following table.

Asset Class	Common Risks
Cash	Inflation can erode the real value of the investment over time, particularly when interest received is less than the rate of inflation.
Fixed Interest	Interest rate fluctuations are the major source of risk for fixed interest investments. In general o falling interest rates can lead to an increase in the value of the underlying investment o rising interest rates can lead to a decrease in the value of the underlying investment o typically, the longer the term of maturity of fixed interest investments, the greater a change in interest rates impacts on the value of the investment.
Global Listed Property	• Supply and demand for the underlying properties can affect property valuation. Market sentiment, economic conditions and political events can also impact upon property supply and demand • These factors may also influence the level of income achieved through rent and capital appreciation which in turn may affect the value of property investments • Property investments also face liquidity risks as the underlying properties can take a reasonable period of time to convert to cash (liquid assets) when sold. Such liquidity risks can affect the value of the investment from time to time

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The Public Trustee of Queensland Investment Trusts
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Asset Class	Common Risks
Australian Equities	The risk factors for Australian shares include: • performance of the industry in which a company (to which the share relates) operates • performance of a company (to which the share relates) affected by the markets in which the company operates and changes in the company's financial position • the size of the company - smaller companies (and their shares) tend to be more volatile than larger companies (and their shares) • the Australian and international political and social environment • a change in the overall performance of the sharemarket (market sentiment) and the liquidity of the shares.
International Equities	International equities are faced with the same range of risks as identified for Australian Equities. In addition to exposure to movements in currency exchange rates.

The primary method of mitigating or controlling market risk within each sector, asset class or portfolio is diversification. In addition to market risk for each asset class, the following risks may also be present:

Counterparty (Credit) Risk
Counterparty risk, also known as credit risk, is the likelihood of suffering loss owing to another party defaulting on its financial obligations. QIC aims to reduce counterparty risk by diversifying across a spread of counterparties. Counterparty risk is monitored regularly and controlled by key contracts including ISDA documentation.

Currency Risk
Currency risk is the potential for adverse movements in exchange rates to reduce the Australian dollar value of investments and realised profits held in a foreign currency. QIC manages this risk by imposing limits on the possible impact of adverse currency movements through the use of hedging strategies of international investments back into Australian dollars.

Derivatives Risk
As derivatives derive their value from the returns obtained on another security, they are subject to the same risks as the security upon which the derivatives is valued (derived). Besides the risks of the underpinning investments, derivatives are subject to liquidity risk and counterparty risk. In addition, as the notional exposure of derivatives positions may be greater than the capital invested to take that position, the risk of capital loss could be magnified and could be in excess of the funds invested. QIC maintains a disciplined approach to derivatives use as set out in their Derivatives Risk Statement (DRS). The DRS provides the guidelines within which QIC operate with respect to the use of derivatives.

The Public Trust Office Investment Board performs an advisory role to the Public Trustee and provides advice in setting investment objectives, strategies and monitoring QIC's performance. The Board receives and considers monthly and quarterly investment and performance reports for The Public Trustee of Queensland Investment Trusts and monitors conformity with the performance and operating ranges set for the Trusts.

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6. Investment Performance

Each of The Public Trustee of Queensland Investment Trusts achieves an investment return commensurate with the performance of the underlying assets of each Trust, after fees. Investors with holdings of greater than $100,000 in any one Trust receive a management fee rebate (MFR) as set out at Note 9, and effectively receive a return higher than that indicated in the following table.

Investment Trust Returns as at 30 June 2010

Investment Trust	1 Year Actual Return	3 Year Actual Return	5 Year Actual Return	7 Year Actual Return
Conservative	13.1%	-0.7%	3.1%	4.6%
Growth	13.0%	-5.4%	1.9%	4.9%
Higher Growth	12.6%	-8.5%	1.1%	5.0%
Australian Equities	11.6%	-8.5%	3.2%	8.4%

All returns are Annualised.

7. Liquidity and Trading Constraints

Liquidity Risk

Liquidity refers to the ability of an investment to be easily and quickly converted into cash with little of no loss of capital. If the Trusts are required to sell illiquid investments (e.g. due to a redemption request or an alteration in investment strategy), the Trusts may need to realise that investment at a sale price lower than what could have been achieved had a longer sale period been allowed. In some circumstance, it may be necessary to suspend redemptions. The Public Trustee manages each of The Public Trustee of Queensland Investment Trusts and QIC manage the underlying QIC Funds so the level of illiquid investment is commensurate with the best estimates of the redemption obligations of each Trust.

Subscription Status

During the year ended 30 June 2010, units in The Public Trustee of Queensland Investment Trusts were able to be subscribed for and redemptions made on a daily basis as outlined in the Information Memorandum. Redemption proceeds were available in the clients Australian Financial Institution Account (eg bank or credit union) within five business days of the Public Trustee's receipt of their written requests prior to 2pm, subject to satisfactory verification of account details. During quarterly distribution periods this was extended to 20 business days.

The Information Memorandum states: "All transactions, applications and withdrawals, will be completed within the timeframes noted in this Information Memorandum. However delays may be experienced due to:

(a) force majeure – any circumstance beyond the reasonable direct or indirect control and without the fault or negligence of the Trustee, including but not limited to any act of God, act of war or terrorism, cyclone, fire, flood, explosion, storm or earthquake.

(b) large transaction values – if the value of a transaction is greater than 5% of the Fund's total investments delays in completing the transaction may occur.

(c) significant market movements –in accordance with best practice, the Public Trustee protects investors in the event of significant market movements by temporarily pausing transaction processing in the effected Trust."

QAO CERTIFIED STATEMENTS

The Public Trustee of Queensland Investment Trusts
Notes to the Special Purpose Financial Report
for the year ended 30 June 2010

8. Related Parties and subscription status.

(a) Trustee

The Trustee is the Public Trustee of Queensland.

The principal place of business of The Public Trustee of Queensland Investment Trusts is 444 Queen Street, Brisbane, Queensland. Their principal activities are investing in Managed Funds.

(b) Administrator

The Administrator is BDO (Qld) Pty Ltd ACN 134 242 434.

(c) Investment Manager

The Investment Manager is QIC Limited ACN 130 539 123.

9. Management Fees

Management fees incurred by Unitholders in the Public Trustee Investment Trusts are comprised of the Annual Base Management Fees charged directly to the Trust by the Trustee, and QIC expenses incurred by the underlying QIC General Investment Funds.

The Public Trustee of Queensland Annual Base Management Fee
From the Trusts date of commencement, a fee, which is calculated and paid monthly, is deducted from each Trust and paid to the Trustee. Expenses of the Trust are paid out of this amount. The fee is a percentage of total assets. The percentage for each Trust is inclusive of the Reduced Input Tax Credit detailed in Note 2(k).

The Public Trustee of Queensland Annual Base Management Fee as at 30 June is:

Trust Fund	2010	2009 *
Growth	1.45%	1.45%
Conservative	1.45%	1.45%
Australian Equities	1.40%	1.40%
Higher Growth	1.50%	1.50%
Australian Fixed Interest *(terminated 30 June 2010)*	1.15%	1.15%

** Effective from 1 May 2009.*

Indirect Cost Ratio (ICR)
The fees below are expressed as an Indirect Cost Ratio (ICR). ICR is the rate of the funds management costs that are not deducted directly from the Unitholders account, to the funds total average net assets. ICR includes the Public Trustee Annual Base Management Fee, combined with the expenses incurred by the QIC General Investment Funds (QIC's Expenses). QIC Expenses are the indirect expenses within the QIC products for the year ended 30 June. Actual indirect costs will vary from year to year.

QAO CERTIFIED STATEMENTS

The ICR as at 30 June is:

Trust Fund	2010	2009
Growth	**1.60%**	1.78%
Conservative	**1.56%**	1.75%
Australian Equities	**1.57%**	1.52%
Higher Growth	**1.69%**	1.87%
Australian Fixed Interest *(terminated 30 June 2010)*	**1.19%**	1.19%

Expenses of the Trusts that were paid by the Trustee out of the Trustee Fees were as follows:

Expense	2010 $'000	2009 $'000
Unit Registry Services (BDO)	**519**	559
Investment Manager's Fees (QIC)	**1,441**	1,270
Auditing Fees (QAO)	**58**	47
Other	**76**	94
	2,094	1,970

Management Fee Rebate (MFR)
Management Fee Rebate is paid by the Public Trustee of Queensland by the tenth working day of the month. MFR is a reduction in the Trustee Fee. MFR may be applicable to those clients who hold more than $100,000 in any single fund. The MFR is calculated on a per fund basis on the Net Asset Value (NAV) at the close of each month. NAV is calculated as units multiplied by the hard close sell price.

The tiered management fee rebate structure effective from 1 January 2010 is as follows:

	Net Asset Value	Rebate% – Australian Fixed Interest Trust	Rebate % – All Other Trusts
a)	first $100,000	nil	nil
b)	next $150,000	0.15%	0.15%
c)	next $250,000	0.40%	0.40%
d)	next $500,000	0.45%	0.45%
e)	next $9m	0.55%	0.85%
f)	next $15m	0.70%	1.00%
g)	> $25m	0.80%	1.05%

Note: The management fee rebate structure effective 1 May 2009 to 31 December 2009 was tiers (a) to (d). Tiers (e) to (g) were introduced 1 January 2010.

Prior to that, MFRs were applicable to Unitholders with total holdings in the Public Trustee of Queensland Investment Trusts valued greater than $1million as at the last day of each month.

QAO CERTIFIED

The Public Trustee of Queensland Investment Trusts
Notes to the Special Purpose Financial Report
for the year ended 30 June 2010

10. Auditor's Remuneration

Amount received, or due and receivable, by the auditor of The Public Trustee of Queensland Investment Trusts are shown in Note 9 and are paid by the Trustee out of Trustee Fees.

11. Events Occurring After Balance Date

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of The Public Trustee of Queensland Investment Trusts, the results of those operations or the state of affairs of The Public Trustee of Queensland Investment Trusts in future periods.

12. Segment Information

Geographical Segments
The Trusts operate solely in Queensland and invest within Australian based funds.

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STATEMENTS

TRUSTEE'S DECLARATION

In the opinion of the Trustee:

The foregoing financial report has been prepared in accordance with section 17 of the Trust Deed Poll dated 10 July 1996 and the Supplemental Trust Deed Polls of The Public Trustee of Queensland Investment Trusts. We certify that:

(a) the financial report is in the form required by the Trust Deed Poll and Supplemental Trust Deed Polls and is in agreement with the accounts of The Public Trustee of Queensland Investment Trusts; and

(b) in our opinion:

(i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report has been drawn up so as to present a true and fair view of the transactions and cash flows of The Public Trustee of Queensland Investment Trusts for the year ended 30 June 2010, and of the financial position as at 30 June 2010.

Frank Prostamo
Director, Investment Services
GDipApFin (Finsia), MBA (acc), FFin

Peter Carne
Public Trustee
BA LLB FAICD FAIM

Brisbane

Date: 30 August 2010

QAO CERTIFIED STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Trustee and unitholders of The Public Trustee of Queensland Investment Trusts

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of The Public Trustee of Queensland Investment Trusts, which comprises the statements of financial position as at 30 June 2010, and the income statements and statements of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Public Trustee of Queensland and Director, Investment Services.

The Trustees' Responsibility for the Financial Report

The trustee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 2(a) to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Trust Deed Poll of The Public Trustee of Queensland Investment Trusts dated 10 July 1996 and the Supplemental Trust Deed Polls and are appropriate to meet the needs of the unitholders. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. No opinion is expressed as to whether the accounting policies used, as described in Note 2(a), are appropriate to meet the needs of the unitholders. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with the provisions of the Trust Deed Poll of The Public Trustee of Queensland Investment Trusts dated 10 July 1996 and the Supplemental Trust Deed Polls, I have audited the financial report of The Public Trustee of Queensland Investment Trusts, and –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion, the financial report presents fairly, in all material respects, the financial position of The Public Trustee of Queensland Investment Trusts, as at 30 June 2010, and its financial performance and cash flows for the year then ended in accordance with the accounting policies described in Note 2(a).

P A TOGNOLINI CPA
(as Delegate of the Auditor-General of Queensland)
Queensland Audit Office
Brisbane

DIRECTOR OF AUDIT
10 AUG 2010
QUEENSLAND AUDIT OFFICE

Legislation

The Public Trustee is a corporation sole constituted under the *Public Trustee Act 1978*. The Attorney-General and Minister for Industrial Relations is responsible for the *Public Trustee Act 1978*.

The Public Trustee of Queensland and The Public Trustee have a wide range of powers and functions and operates under many Acts including the following:

- *Acquisition of Land Act 1967*
- *Adoption of Children Act 1964*
- *Art Unions and Public Amusements Regulation 1992*
- *Associations Incorporation Act 1981*
- *Charitable Funds Act 1958*
- *Child Protection Act 1999*
- *Child Protection (International Measures) Act 2003*
- *Collections Act 1966*
- *Companies (Acquisition of Shares) (Application of Laws) Act 1981*
- *Corrective Services Act 2000*
- *Criminal Proceeds Confiscation Act 2002*
- *Disposal of Uncollected Goods Act 1967*
- *Drugs Misuse Act 1986*
- *Gaming Machine Regulation 2002*
- *Guardianship and Administration Act 2000*
- *Information Privacy Act 2009*
- *Juvenile Justice Act 1992*
- *Land Sales Act 1984*
- *Local Government Act 1993*
- *Manufactured Homes (Residential Parks) Act 2003*
- *Mineral Resources Act 1989*
- *Mixed Use Development Act 1993*
- *Motor Accident Insurance Regulation 2004*
- *Personal Injuries Proceedings Act 2002*
- *Police Powers and Responsibilities Act 2000*
- *Powers of Attorney Act 1998*
- *Property Agents and Motor Dealers Act 2000*
- *Property Law Act 1974*
- *Public Officers Superannuation Benefits Recovery Act 1988*
- *Public Trustee Act 1978*
- *Residential Services (Accommodation) Act 2002*
- *Residential Tenancies Act 1994*
- *Retirement Villages Act 1999*
- *Right to Information Act 2009*
- *Second-hand Dealers and Pawnbrokers Act 2003*
- *Storage Liens Act 1973*
- *Succession Act 1981*
- *Trust Accounts Act 1973*
- *Trusts Act 1973*
- *Water Act 2000*
- *Workers Compensation and Rehabilitation Act 2003*

Glossary

Accountable officer

The chief executive of a department of Government declared under the *Public Service Act 2008*, section 14(1), is the accountable officer of the department. *(Financial Administration and Audit Act 1977, S 34(1))*.

Annual Report

A written report on the operations of the agency during the financial year, as prescribed by the *Financial Administration and Audit Act 1977, S 39*.

Budget

An outline of Office's priorities and plans for the coming year, expressed in terms of financial and non-financial performance information.

Client Service Centres (CSC)

CSCs are streamlined processing centres located in larger regional offices.

Community Service Obligations (CSO)

Services to the Queensland community performed by the Office which are provided at no cost to Government.

fiscal objectives

Detail the Office's commitment to maintaining a strong fiscal position and asset base to support the current and future service delivery needs.

Government targets

Set specific, observable and measurable goals for improvement in key policy areas. Achievement of Government targets is likely to require collaboration between multiple government agencies.

Toward Q2: Tomorrow's Queensland is the Government's blueprint for the state to the year 2020.

Non-Government Organisation (NGO)

An association based on the common interests of its members, individuals, or institutions. It has no government status or function and is not created by, nor is its agenda set or implemented by, a government. Their work is devoted to the enhancement of welfare amongst the socially disadvantaged.

NGOs work at the national or local community level and often work cooperatively with governments.

public service office

An entity stated as a public service office in Schedule 1 to the *Public Service Act 2008*, or subject to section 23, another designated entity, or part of a designated entity, declared under a regulation to be a public service office.

Service Delivery Statement (SDS)

Budget papers prepared on a portfolio basis by agencies reporting to each Minister and the Speaker. The SDS set out the priorities, plans and financial statements of agencies.

service standard

Describes the standards of efficiency and effectiveness to which the agency will deliver services within its fiscal limit. Standards are set with the aim of defining a level of performance that is appropriate for the service and is expected to be achieved.

services

Services are the deliverables that will help the agency to achieve its objectives. They describe the areas in which an agency delivers services to its clients at a level appropriate to the agency.

strategic plan

Each Accountable officer and statutory body must develop a strategic plan for the agency to cover a period of at least 4 years.

strategy

The way in which an agency intends to pursue its objectives and deliver its services, and assist in achieving the Government's objectives for the community.

Strategies can occur at various levels within an agency.

the Office

Abbreviation in this report of The Public Trustee.

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Queensland Government

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For more information about the services of The Public Trustee please visit **www.pt.qld.gov.au**

The Public Trustee – Vision

To be Queensland's best provider of trustee and administration services.

The Public Trustee – Mission

To deliver a full range of professional, accessible and reliable trustee, financial and related services in a supportive, compassionate and ethical manner.

Queensland Government