

QUESTIONS ON NOTICE

Legislative Council Select Committee Government Business Scrutiny Committee 'B'

PUBLIC TRUSTEE – 3 December 2021

ASKED BY: The Hon Tania Rattray MLC, Chair

ANSWERED BY: The Hon Elise Archer MP, Attorney-General
and Minister for Justice

QUESTIONS:

1. Provide total amount of services being procured from supermarkets and how does that work with the Treasurer's instructions, is that being complied with?

I am advised that the total payments to suppliers for services from supermarkets for 2020-21 totalled \$355,194.

I understand that the use of purchase orders (vouchers) is a long established practice (since the 1980s) of the Public Trustee with the original decision to use them being based on overall client preference, a desire by the Public Trustee to protect vulnerable clients, and the availability and willingness of the supplier to offer the service. The procurement of groceries is not being made by the Public Trustee itself but by the client, and the client is able to request a store account with another chain, if available, if that is their preference.

The Treasurer's Instructions do not apply as the Public Trustee is not a listed Government Agency or accountable authority as detailed in Column 1 of Schedule 1, Part 1 in the *Financial Management Act 2016*.

2. Provide compensation payments for the last three years and a brief description of each.

Please refer to the information provided in the table at Appendix 1.

3. In relation to the three CSO non-compliance files. Provide detail of the process followed, plus any training activity.

I am advised that the files with items of non-compliance relate to identified issues with budget preparation.

I am further advised that the Public Trustee has identified and implemented improvements to the process for preparing budgets, which includes consultation with the represented person's support network to confirm financial needs and identification of other financial entitlements.

I understand that the specific implementation actions taken to resolve the issues include:

- counselling the client Account Managers involved with the non-compliance;
- ensuring that NDIS plans are incorporated into the budgeting process;
- adding a requirement for communication to be recorded on files regarding determination of budget, including anticipated capital expenditure;
- confirmation of communication with Represented Person and/or support network has been added to budget template;
- the budget has been included in the Investment Review System;
- tasks have been added to Client Management System checklist of the requirement for Managers to sign off on budgets;
- instructions and directions have been given to staff in relation to the completion of Budgets; and
- the budget calculator has been reviewed and updated as necessary.

4. Provide detail regarding the 'underlying profit (loss)' figure being significantly down 2020-21 – see Table 5: page 51 of the Auditor-General's Report on the Financial Statements of State Entities, 25 November 2021.

I am advised that there were two contributors which lead to the underlying profit in 2020-21 being lower than prior years, including realised capital gains paid as distributions varying as a result of activity by the underlying manager and the vagaries of financial markets. For example, in 2019-20 realised capital gains was \$704,000, compared with 2020-21 where it was only \$120,000.

In 2020-21, total dividends received from corporate investments was \$663,000 lower than the previous period.

The Public Trustee charges a management fee of 1 per cent on client funds held in the Common Fund. With term deposit rates dropping below 1 per cent, I am advised that the Public Trustee Board made the decision to reduce the management fee to avoid a negative Common Fund crediting rate.

The Management Fee on the Common Fund in 2019-20 was \$776,000. The reduction in 2020-21 for this management fee was \$526,000 (down \$250,000).

5. Provide breakdown of 'other associated personal expenses' – see page 38 of Public Trustee Annual Report 2020-21.

I am advised that the 'Other associated personal expenses' incorporate:

Relief Staff	\$37,000
Fringe Benefit Tax (FBT) Related Expenses	\$4,000
FBT	\$16,000
Total	\$57,000



The Hon Elise Archer
Attorney-General
Minister for Justice

Date: 9/12/2021

Compensation Payments running through Losses**FY21**

\$	Comment Brief Description
2,113.20	Jul/20 Reimburse lost jewellery
790.20	Jul/20 Reimbursement of Land Tax debt - paid post final distribution
2,360.52	Nov/20 Refund PT Investment Mangement Fees - FY 18; FY 19 & FY 20
2,543.16	Jan/21 Reimbursement of boat insurance Feb 15 to Jun 20
10,000.00	Apr/21 Corporate: PT Cyber Ins indemnity claim excess
512.22	May/21 Reimbursement of losses - ANZ bank statement mis-management
649.50	May/21 Refund 50% stamp duty (xxx, xxx & xxx)
2,024.20	Jun/21 Reimbursement of rental assistance allowance
906.42	Jun/21 Refund of Onecare fees - overpaid at death
12,000.00	Jun/21 xxx Matter settled Jun 21
\$ 33,899	Total Losses & Frauds processed in FY21

FY20

\$	Comment Brief Description
891	Aug/19 Refund unpaid Centrelink rental assistance 10 Jan to 30 May 2019
669	Nov/19 Reimburse balance of funds short fall for payment of final Taswater expense
2,526	Dec/19 Reimburse balance of funds short fall for payment of mortgage loan
1,059	Dec/19 Reimburse balance of funds short fall for payment of legal fees
1,050	Dec/19 Refund of final tax fees - paid to xxx
4,818	Jan/20 Restraint Order application - paid to xxx xxx
871	Jan/20 Reimbursement of lost title application - file closed
2,703	Jan/20 Nil cash estate - Balance paid to close account
464	Feb/20 Restraint Order served - paid to xxx xxx
122	Feb/20 Refund of interest paid on HCC rates
(1,512)	Mar/20 Corporate: PT FBT credit from ATO - Jun 19
300	Mar/20 Recovery of overpaid weekly allowance
1,200	Mar/20 Recovery of overpaid weekly allowance
828	Apr/20 Reimbursement of rates paid by beneficiary post settlement
3,015	May/20 Reimbursement of Centrelink rental assistance
\$ 19,004	Total Losses & Frauds processed in FY20

FY19

\$	Comment Brief Description
4,985	Aug/18 Legal fees paid to xxx
1,563	Aug/18 Legal fees paid to xxx
609	Aug/18 Refund of incorrect payment - xxx
202	Sep/18 Refund of over-paid June quarter GIF distribution
2,411	Nov/18 Refund of over-paid June quarter GIF distribution
2,199	Dec/18 Refund of overpaid weekly allowance
1,965	Mar/19 Reimbursement of Aurora accounts paid
620	Jun/19 Interest adjustment on undeposited funds Dec 18 to May 19
2,054	Jun/19 Refund to Centrelink of Rental assistance overpayment
\$ 16,608	Total Losses & Frauds processed in FY19