

# UNCORRECTED PROOF ISSUE

**Thursday 6 December 2018 - House of Assembly - Government Businesses Scrutiny Committee - Public Trustee Office**

## HOUSE OF ASSEMBLY

## GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

**Thursday 6 December 2018**

### MEMBERS

Mr Hidding (Deputy Chair)  
Ms O'Connor  
Mr Shelton (Chair)  
Mr O'Byrne

### SUBSTITUTE MEMBERS

Mr Bacon  
Ms Butler  
Ms Haddad  
Dr Woodruff

### IN ATTENDANCE

**Hon. Elise Archer MP**, Minister for Justice

#### **Ministerial Office**

**Ms Anna Van Loon**, Adviser  
**Ms Ella Woods-Joyce**, Chief of S

#### **The Public Trustee Office**

**Mr Mark Scanlon**, Chairperson, Board of the Public Trustee  
**Mr David Benbow**, CEO, Public Trustee  
**Ms Gaylene Cunningham**, General Manager, Trustee Services  
**Mr Glenn Lucas**, Chief Financial Officer and Company Secretary  
**Mr Tim Levis**, Corporate Solicitor  
**Mr Rodney Clifford**, Manager of Risk and Compliance

**The committee met at 9 a.m.**

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**CHAIR** (Mr Shelton) - Welcome, minister, chair and CEO of Public Trustees. I also welcome the committee. There are a couple of things I need to run through.

First of all, *Hansard*, we are in this new committee room so hopefully there are no problems with the microphones but they are very sensitive. When you are moving books and glasses and things around the table be aware that those microphones are very sensitive.

I also remind the committee that we will have a break at 11 a.m. and that time taken for a break is not added, dissimilar to Estimates. We do not add it on. I will ask people to be as efficient at grabbing their cup of coffee as they can be. Members should also be aware - and I will remind you of the process - when seeking additional information that that question must be asked of the minister. The minister has to agree to take that in writing and then put it through in writing to the secretary and the minister needs to sign it off at the end of the session.

With that all underway I ask the minister if she would introduce the officers that you have with you.

**Ms ARCHER** - Could I just confirm we have got an hour allocated for this haven't we?

**CHAIR** - Yes.

**Ms ARCHER** - I have to my left, Mark Scanlon, the Chairperson of the Board of the Public Trustee. To my right David Benbow, the CEO of the Public Trustee. I also have Glenn Lucas who is the Chief Financial Officer and Company Secretary. Behind we also have Ms Gaylene Cunningham, General Manager of Trustee Services, Mr Tim Levis who is the Corporate Solicitor, and Mr Rodney Clifford, the Manager of Risk and Compliance.

With the indulgence of the committee, I will give a brief opening statement. It is a pleasure to be here this morning with those present from the Public Trustee off the back of a very strong year of activity for the Public Trustee. For the financial year ending 30 June 2018 the Public Trustee achieved an operating profit after tax of \$772 000 compared with a profit last year of \$749 000.

I am pleased to reflect on the fact that for the second successive year and for only the second time since 2014 a dividend will be paid by the Public Trustee to the Government. The board has approved a payment of a dividend of \$20 000 for the financial year ended 30 June 2018. This figure represents 19 per cent of the Public Trustee's operating profit after tax for the year, less of course the community service obligation funding gap. This is only achieved through strong financial performance and I wish to congratulate the board on their strong financial management along with, of course, the CEO and his Public Trustee staff.

Importantly, members will be aware the Public Trustee undertakes a range of non-commercial activities on behalf of the Government, known as community service obligations. As at 30 June 2018 the Public Trustee managed the affairs of 784 community service represented person clients which is an increase of 102 clients in comparison with the same period last year.

As at 30 June 2018 CSOs comprised 52 per cent of the Public Trustee's matters under administration. In line with the ministerial charter the Government provides funding to assist in meeting the costs of the CSOs undertaken. The current agreement extends through to June 2020.

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The total comprehensive income for the year ended 30 June 2018 amounted to \$821 000 compared to a comprehensive income of \$2.52 million for the financial year ended 30 June 2017. Factors contributing to the result were total revenue from activities was 7 per cent higher than last year. Of total revenue fees and commission decreased by 3 per cent on last year and community service obligation funding increased by 2.3 per cent. Total expenses from ordinary activities increased by 3.7 per cent during the year. Salaries and associated expenses were up 2.6 per cent on the prior year as a result of fewer staff vacancies.

Administrative expenses increased 3.9 per cent on last year's result as did finance expenses increasing by 5.5 per cent. Dividend distributions on the Public Trustee's investment of its corporate funds was \$1.41 million, up from \$574 000 in 2017.

Corporate investments decreased by \$96 000 in value before tax compared with an increase of \$440 000 last year and the annual re-measurement of the organisation's defined benefit liability resulted in a gain of \$163 000 before tax compared to a re-measurement gain of \$2.09 million in 2017. In the 2017-2018 financial year the Public Trustee paid a dividend to the Government of \$96 000 and tax equivalents totalling \$256 000.

The Public Trustee of Tasmania's 2018-19 to 2021-22 corporate plan has a number of strategic activities centred on its core themes of growing the business, continuous improvement and innovation and to be a sustainable business.

Public Trustee has an extensive program of work centred on product development, process improvement, and training and development of its staff. Key projects include the redevelopment of sites in Launceston and Burnie to improve the branding and scale of the Public Trustee's physical locations outside of Hobart.

The Public Trustee continues to roll out its marketing strategy targeting the key demographic of females in the 35 to 49 age range via its digital marketing strategy, use of social media, and investment in technology to facilitate on-line distribution of its products. The Public Trustee also holds Will Writing days in regional areas of Tasmania and is progressing with its business development strategy of offering products and services to both public and private sector organisations.

In conclusion, this year's strong performance is a testament to the work of board members led by Chair Mark Scanlon and the staff under the leadership of CEO David Benbow. I acknowledge and thank them for this extremely good work and commitment.

I welcome questions from the committee members.

**Mr BACON** - Minister, you said in your opening statement it was 784 CSO represented person's clients. I am not sure if that is the right phrase, and that was up 102 in the last year. Is that a large increase? If so, what was the reason for such an increase in the last 12 months?

**Ms ARCHER** - It is up and for a bit of an explanation on the Community Service Obligation Agreement and how that works with government, I will throw to the Chair on why that was up.

**Mr SCANLON** - In the last year we have started to see an increase in the number of block transfers of clients to the Public Trustee. Groups such as Mosaic Disability Services, starting to see they should not be responsible for managing their clients' money. Groups such as Devonfield in

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the north-west. We are seeing the Guardianship and Administration Board starting to process large groups versus one-off appointments. That will continue into the next couple of years.

**Mr BACON** - Is this a consequence of the NDIS?

**Mr SCANLON** - No. You might remember two years ago we went through the process of readjusting our fees that we charge to represented persons. We significantly reduced our fees. The previous model was based around an Enduring Power of Attorney model which is very much commercially based.

A lot of the people whose funds we manage do not have any money and are living off very scant resources, mainly a pension. We went through a process of working with Treasury to come up with a fee structure that was fair and equitable, so people who have no money are not charged a fee. That makes sense. The Government was kind enough to help us cover the cost of that innovation. It costs us about \$500 000 to reduce our fees. The Government contributed \$250 000 towards that cost.

I have spoken to a number of CEOs of large organisations. There is a view that service level has improved to the point they feel confident in being able to transfer that business to the Public Trustee. More importantly, boards of not-for-profit organisations are becoming more professional. A paper about personal liability aspect of directors was produced some years ago by Anita Smith, the president of the Guardianship and Administration Board. She circulated it to all not-for-profits. In other words, if they are holding funds in trust for their clients they are personally liable for the outcomes. These groups meet quite often and the word is out that they need to resolve that set of circumstances.

**Mr BACON** - Is it your expectation that will continue for at least the next couple of years and then find a balance, once most of those clients have moved over?

**Mr SCANLON** - It is interesting. The number of people who reside in community homes is quite large. That environment would fit into that community of people. The number is something like 15 000 now. We are currently looking after CSO. They fall into a camp of being within the definition of the client service obligation. We look after over 1000 represented persons.

A represented person is appointed by the Guardianship and Administration Board and the Public Trustee becomes the financial administrator. We look after community service obligation people and people but also who have funds and assets.

**Mr BACON** - Are they charged a higher fee because they have assets?

**Mr SCANLON** - We have created a fee structure for represented persons. Correct me if I am wrong, Glenn, in terms of the level of income they might have, fundamentally if you have assets of under \$10 000 and you are on a pension, you will not get charged a fee. As you have more assets, then you will pay a nominal fee.

**Dr WOODRUFF** - The Australian Law Reform Commission has done a report into elder abuse and the national legal response. Does the Public Trustee collate data on instances of elder abuse that come to the attention of the office? If so, how is that done?

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**Ms ARCHER** - I will have to ask if they collate the information. As for the TLRI, that report has not been released yet in relation to the Guardianship and Administration Board. I am not sure which report you are referring to. Are you talking about the elder abuse work that have previously been done or GAP?

**Dr WOODRUFF** - Elder Abuse - A National Legal Response May 2017 from the Australian Law Reform Institute.

**Ms ARCHER** - The CEO could address what data is collated. I know a lot is kept in relation to a lot of other issues as to elder abuse.

**Mr SCANLON** - Elder financial abuse are the circumstances we are more aware of because of our charter. That is not just in our represented persons business, it can be across our estate business and other areas of the work we do. We do not keep statistics at this point. The number of matters we refer to the police when we cite something that will require investigation is, on average, most years, around 25. Quite often we are made aware by the Guardianship and Administration Council and that is why we have been appointed. Normally, it is through the process of mismanagement of enduring power of attorney. Our role is to provide information to the police and then they will take that investigation forward.

**Dr WOODRUFF** - Through you, minister, would you be able to contribute to a national prevalence study on elder abuse which is being mooted in the national elder abuse strategy? It has been mooted as a proposal under that strategy. It sounds like you are aware of incidents but there is a proposal to have a national prevalence study that would require formal -

**Ms ARCHER** - In what way do you mean 'to contribute'? Do you mean if they are requested to provide data?

**Dr WOODRUFF** - Yes, that is the recommendation.

**Ms ARCHER** - As Mark has said, they are aware of certain instances. There would be other instances of which they are not aware, so it would not be a comprehensive statistic that they could provide. Certainly, if they are aware of any referrals that have been investigated for reasons where it touches the criminal sphere, those statistics, would be kept, just as complaints are kept.

**Mr SCANLON** - Because of the low numbers we would be able to retrospectively provide and contribute. Via our association with the Australian Guardianship and Administration Council, when public trustees or guardians are asked to provide data, it is normally collated through that environment. For any participation, we would be able to provide the data that is required. In response to our participating in that, we would most likely go through AGAC.

**Dr WOODRUFF** - It would need to be formally collected in order to be provided, so it would good to start on some sort of formalising of the informal data collection you currently have sooner rather than later.

**Ms ARCHER** - Yes, a lot of the work being collected on elder abuse is in its early stages. As we know, it is also being worked on at a national level so there would need to be some consistency in the keeping those statistics.

**Mr BACON** - Minister, are burials a large part of costs for the Public Trustee?

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**Ms ARCHER** - Who would be the appropriate person to answer that? That is very operational. I would not be aware of burials in that context.

**Mr SCANLON** - Obviously, we deal with people's estates. People are buried or cremated. The normal process is that the family will take care of those affairs. Our role in administering the estate is to deal with the estate of the individual, dealing with the cost of burial, for example. Quite often the family will deal with the burial and then we will deal its cost through the estate.

**Mr BACON** - If there is no family or the family is not in a position to pay, does the Public Trustee cover the cost?

**Mr SCANLON** - They do not cover but, Gaylene, maybe you could help. I think there is more of a scheme that applies.

**Ms ARCHER** - This is Gaylene Cunningham, the General Manager of Trustee Services.

**Ms CUNNINGHAM** - There is actually a government scheme that will pay for any person who is unable to pay for their own funeral. A 'pauper's funeral' is the term that is used.

**Mr BACON** - How is that funded? Is there a fund?

**Ms CUNNINGHAM** - Yes, and you actually apply for the funding and they arrange the committal.

**Mr BACON** - That is not administered by the Public Trustee? It is done by government?

**Ms CUNNINGHAM** - No, it is another state government department.

**Mr BACON** - Thank you.

Minister, do you think it is appropriate that the Public Trustee is on a 90 per cent dividend policy given the nature of the work that they do?

**Ms ARCHER** - It is entirely a matter for the Public Trustee in relation to dividends paid. As I have highlighted, the dividends made were modest but the Public Trustee manages its financial affairs incredibly well, as I outlined in my opening statement. A GBE across the board is treated in the same manner. The Public Trustee is not, I suppose, one of our larger GBEs, and when it is able to provide a dividend the board meets and discusses that process and what can be provided by way of dividend, but there have been years where there has not been a dividend available to be paid.

**Mr BACON** - Given that the MAIB only pays a 50 per cent dividend, there is scope for government to make exceptions for different GBEs and the nature of the work, particularly around the community service obligations that the Public Trustee undertakes, do you think there is any case to put forward that the Government would either reduce or eliminate the need for a dividend from the Public Trustee?

**Ms ARCHER** - As you have pointed out correctly, the Government provides a community service obligation and there is an agreement and funding that has been put in place to assist the Public Trustee to be able to do that, specifically so we can assist vulnerable Tasmanians and

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Tasmanians in need, which is an important part of the Public Trustee's role. A large part of its work is in accordance with the CSO but it is a commercial entity as well, and the Government recognises that role by way of the community service obligation.

**Mr BACON** - Do you think it would be appropriate for the Government to further recognise that role by either eliminating or reducing the dividend that is requested from the Public Trustee?

**Ms ARCHER** - We currently have an agreement in place which I think I said was valid until 2020. Any of those matters can be considered and reviewed in due course, but it is a bit of a hypothetical situation at this stage because currently we are operating under a system that we have in place. There is an agreement and the Public Trustee is performing very well under those circumstances and is able to provide a dividend and a profit.

**Mr BACON** - Would you consider reviewing that, particularly in the post-2020 environment?

**Ms ARCHER** - I am not going to commit or guarantee to doing anything, other than when that agreement is up, in the usual course of events we will consider all the matters we need to consider in the context of that particular agreement.

**Mr BACON** - So you will consider it in the context of that agreement?

**Ms ARCHER** - I said I would not be able to provide a guarantee. I am always willing to look at any particular issue or issue that is highlighted particularly by the board and the CEO when that agreement is up for discussion, and I will certainly listen to the views of the board.

**Mr BACON** - Did you say that agreement has been in place for two years?

**Ms ARCHER** - I might get Mark to answer that.

**Mr SCANLON** - The current agreement expires in -

**Ms ARCHER** - Sorry, it is 2021-22. I got my years mixed up.

**Mr BACON** - Financial year 2021-22?

**Ms ARCHER** - Yes.

**Mr BACON** - When was the agreement signed?

**Ms ARCHER** - Last year.

**Mr BACON** - Does that include the 90 per cent dividend as part of that agreement, or is that separate?

**Mr SCANLON** - That is a separate arrangement.

**Mr BACON** - So the dividend expectation could be revisited outside of that agreement in the next budget?

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**Ms ARCHER** - All of these things are considered but I do not think you could consider it in isolation of the arrangements the Public Trustee is currently operating under.

**Mr BACON** - How long has the Public Trustee been under a 90 per cent dividend expectation?

**Mr SCANLON** - Historically since that was implemented by government.

**Mr BACON** - Since 2014?

**Mr SCANLON** - Yes.

**Mr BACON** - Can I just ask one more on that line of questioning?

**CHAIR** - One last question, and then I need to give Dr Woodruff a decent run.

**Mr BACON** - What was the policy before 2014?

**Mr SCANLON** - I could not give you a response.

**Mr BACON** - That is fine.

**Dr WOODRUFF** - Minister, my understanding is that Tasmania is developing a substantial response to South Australia's recent inquiry into elder abuse. One of the demands that has been made from aged care advocates has been for a national guardianship network. Supposedly it is reasonably common, unfortunately too common, for a family member to hop across a state border to avoid the attentions of one state's public guardian or public trustee. Is that a concern for the Public Trustee and the Public Guardian in Tasmania? Has that sort of occurrence happened here?

**Ms ARCHER** - I am not quite sure what your question is aiming to address and link to the Public Trustee. I am not trying to be smart here. We can talk about statistics and all of those things where elder abuse is relevant to the Public Trustee but I am not quite sure what your question is.

**Mr SCANLON** - I cannot respond on behalf of what happens with the Guardian, obviously. From a financial administration viewpoint, if the Guardianship Board puts in place an order, quite often that individual who is under the order may move. That does not change our role or responsibility to manage that individual's affairs. Gaylene might have a different view, but in my view that does not necessarily create a problem for us and there are a number of represented persons whereby we can get that order revoked. For example, if they have moved to Queensland the Queensland Public Trustee would take over responsibility simply because that person has relocated. As to the actual financial responsibility, I do not see that as being an issue.

**Dr WOODRUFF** - My understanding is it is in relation to families who may have enduring powers of attorney and for whatever reason are wanting to avoid their requirements, or move to another state essentially to be outside the framework of the state laws and the jurisdiction of the agency that have made that order or has responsibility for overseeing it.

I will give you a bit more background. One of the specific requests has been for consistent laws between states and territories in relation to people moving between jurisdictions; a nationwide prevalence study into whether and when this happens; a national register of power of attorney documents.; a serious incident response team; and financial abuse training for bank tellers. I am

wondering in Tasmania what is the progress that has been made towards this, or what are we doing in this space?

**Ms ARCHER** - Chair, I think this is going outside the Public Trustee scrutiny. I can certainly tell you what we are doing as a government in relation to elder abuse but I do feel it is stretching what we are here to do today. I accept that question was able to be answered by the CEO in relation to the financial obligations of the Public Trustee, but I think we are going into government policy areas. Dr Woodruff is asking about government policy.

**Dr WOODRUFF** - Maybe I could clarify, minister. What I am asking is how the rubber hits the road in terms of whether there is or is not policy to guide the work of the Public Trustee? What do you do in a situation where you become aware of something like that happening? Does it happen? How do you engage with other state jurisdictions on such matters? How do you provide training, or do you see a role for your organisation in providing training for other bodies? The suggestion is banks, but I am sure there would be others?

**CHAIR** - It is heading into a statement. Maybe you could ask one or two questions and allow the minister or one of the officers to have a go at answering.

**Ms ARCHER** - Mr Benbow is willing to answer what he can in relation to those questions.

**Mr BENBOW** - In terms of uniform enduring powers of attorney, it has been a significant topic for public trustees for a number of years. Currently as a result of that piece of work, the group that I mentioned called AGAC, which is the Australian Guardianship and Administration Council, is currently doing work for the federal government around recommendations, around how possibly a uniform legislation around enduring powers of attorney could work.

I am not able to provide you with any detail. That work is currently being undertaken out of the Victorian jurisdiction in consultation with all participants of AGAC.

**Dr WOODRUFF** - And in relation to what do you do in a situation or are you aware of any of these situations happening in Tasmania?

**Mr BENBOW** - Possibly, Tim are you able to contribute to this?

**Ms ARCHER** - This is Tim Levis, Corporate Solicitor at the Public Trustee.

**Mr LEVIS** - Good morning. Tim Levis is my name. I am the Corporate Solicitor at the Public Trustee. This certainly falls within my jurisdiction, issues of elder abuse and the like. Each state has its own legislation in respect of the administration of powers of attorney. In Tasmania, it is the Power of Attorney Act 1930.

We have different rules in Tasmania that apply to the administration of powers of attorney in Tasmania than apply in New South Wales. In New South Wales, for example, you do not have to register a power of attorney. In Tasmania, you do.

When we come across a situation, for example and we do come across them, where we have a situation where there is suspicion of elder abuse in another state or we have an issue that crosses jurisdiction, there are legal means of addressing that. A power of attorney can be registered in another state. A guardianship order can be registered in another state.

The issue of elder abuse is an interesting one. You spoke about statistics on that. It becomes a very qualitative assessment in people's eyes. It is a very personal thing. As well, the type of space that we are working in often brings to the surface a lot of family issues. People get accused of elder abuse where it might not be elder abuse. Certainly, in our jurisdiction though, there is a need, unfortunately, and as Mr Benbow said a moment ago, it happens all too frequently, that we have to refer these matters to the police.

Going to your question, where the Public Trustee is appointed as a power of attorney, we do have the power to cross jurisdictions and deal with other entities. We had a circumstance many years ago where we were chasing somebody around New South Wales who had been involved with elder abuse and it was actually a disabled sibling.

**Ms ARCHER** - Could I summarise also that because I am on the Council of Attorneys-General where all state and territory as well as federal Attorneys-General meet at least a couple of times a year, although it has been more frequent this year. There is work that is being undertaken between all states and territories to develop a national plan to respond to the abuse of older Australians in recognition of the fact that there are differences in law across jurisdictions. That work is being done in an over-arching way by the Council of Attorneys-General.

When we meet we resolve to do further things, work in committees and usually there is a lead jurisdiction that does that type of work. The national plan to respond in part will determine our updated Tasmanian plan and the national plan is due for release in early 2019. There has been a lot of work that has been developed in the last year also, in particular in that capacity.

Then in a Tasmanian context there is a whole-of-government response to elder abuse in Tasmania driven by the statewide Elder Abuse Prevention Advisory Committee and it is anticipated that this committee will meet at least quarterly to discuss and to inform the strategic direction in this state of our Elder Abuse Prevention Plan for Tasmania. That next meeting of EAPAC will be on 7 December this year.

**Ms CUNNINGHAM** - Tomorrow and the Public Trustee has a seat at that table.

**Ms ARCHER** - That work is underway.

**Mr HIDDING** - Minister, looking at last year's questions on this portfolio, I see the client management system had just become fully operational and given what we have heard now with these new blocks of clients coming in, is the Public Trustee seeing the efficiencies as a result of this substantial upgrade?

**Mr SCANLON** - That system was implemented on 1 July 2017. We are seeing efficiencies. Our staff number to the end of the financial year, FTEs at 52.08 which is slightly down on previous years. In terms of productivity there is no doubt we are starting to be able to absorb more clients with the same number of FTEs. It is still a work in progress. We have the tools now to be able to look at our service delivery model, particularly with the represented person's business. If you can imagine we are running a case management approach to dealing with our represented clients, so each 70 clients equals an FTE. With the growth we are seeing it is not sustainable to keep throwing people at the problem.

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We now have a client management system that will allow us to look at that service delivery model. It will not impact the service delivery to the client. That current model, a large part of the work is paying bills. That is what we do. We pay Hydro bills, power bills, aged care bills, disability bills and all those things. That is a manual process at the moment.

One of the CFO's projects via our IT strategy is looking at how we can automate some of those processes, to separate the client function from the administration function and see if, in the administration function we can get some synergies. We would not have been able to do that without a client management system. That system is very flexible and allows us to change processes very quickly. More importantly, it allows us to manage files across the state.

One of our key strategies this year is to look at the size of our business in Hobart versus the balance of the state. We see an opportunity to start making our Launceston business a more sizeable organisation. If you do not have a case management approach, that means you could have a processing centre for RP bills in Burnie. We are starting to get some uplift in being able to look at the way we do business. Productivity for us may not mean having less people. It will be moving people across the state as we get the opportunity. We are not making people redundant or firing people. An example would be, we have a senior management position in Hobart where someone has left and we are now going to move that position into Launceston. One of our band 3 people has left and we are going to move that position to Launceston and starting looking at locate.

Let us look at driving productivity and also driving growth in the other centres in Tasmania and that will mean new sites in Launceston and Burnie.

**Mr HIDDING** - Does this new system have head room in it? You are speaking of the possibility of some numbers moving across. Does it have the head room to do that?

**Mr SCANLON** - Absolutely. We can develop it. It is very flexible in how we can develop that system. It is a local developer, ISW, who has developed that system for us. It is the same system that is utilised by Tasmanian Perpetual Trustees, so there is some joint ownership around that system.

I suspect if we are clever that we will be able to deal with hundreds of clients in terms of an influx, without having to look at additional resources, if we can get the IT process right.

**Mr BACON** - How much did that system cost?

**Mr LUCAS** - About \$380 000 - and continued development as we progress the system.

**Ms BUTLER** - You have undergone an unusually vast remeasurement of assets and investments over the last financial year, going through your reports. Can you run through the reasoning behind the rise in the revaluation of these assets and investments?

**Mr LUCAS** - So I can understand your question, are you talking about the measurement of our defined benefit liability, or the investments in each fund?

**Ms BUTLER** - The remeasurement of assets. Have there been revaluations done this year?

**Ms ARCHER** - Are you going from the annual report?

**Ms BUTLER** - Yes.

**Mr LUCAS** - Our investments are market to market, so as the market moves our investments move up or down. Our funds under management at 30 June totalled \$12.5 million. It actually went down \$96 000 before tax.

**Ms BUTLER** - And the assets?

**Mr LUCAS** - The asset moves as well. If I start at 30 June 2017, the value of our funds under management, on our balance sheet at page 28 of the annual report, it shows non-current assets and other financial assets. So at 30 June 2017 it was valued at \$12.6 million, and a year later it was valued at \$12.5 million, so it actually dropped \$96 000 net that financial year. If we sold it on that date, that is what it was worth. If we called it in, it was \$12.5 million.

**Ms BUTLER** - Has there been a strategy of remeasurement of assets over the last financial year?

**Mr LUCAS** - We have an investment policy we follow that is signed off by the board and in that we set ourselves an objective of what we want to achieve in terms of return and then we invest accordingly in accordance with that policy. We employ fund managers to provide us advice and look after those funds in accordance with that policy.

**Ms BUTLER** - I have another question to do with employment and workplace diversity. Who would be best to answer that question?

**Ms ARCHER** - The CEO, on employment matters.

**Ms BUTLER** - How many people who identify as having a disability do you employ?

**Mr BENBOW** - None.

**Ms BUTLER** - Do you have any strategies in place to try to attract people with disabilities?

**Mr BENBOW** - No strategies specifically but we employ staff via the State Service Act employment directions, so we invite people with disabilities to apply. We do not have a specific strategy but we have recently renovated our Hobart building to enable us to have people with disabilities work within our business. It is probably fair to say we are a fairly small business, we are only 52 souls, but the actual active employment of looking for the employment of disabled people is not something which is specifically done.

**Ms BUTLER** - Doesn't DPAC have a target of sorts?

**Ms ARCHER** - I am not sure about disability because it is not my portfolio, but certainly in relation to gender, we encourage all businesses and agencies across government to have a target of 50:50. I am pleased to report that, on a head count, we have 43 females and 13 males, so women are 77 per cent at the Public Trustee. In relation to people living with disability, I think Mr Benbow has explained that they have recently renovated to have that capacity to accommodate anyone applying for a job and they will be selected based on merit, and rightly so. Any difficulties they may have will be catered for in the work environment.

**Ms BUTLER** - Regarding the breakdown of gender with the Public Trustee, what proportion of females are in senior roles as opposed to administrative roles?

**Ms ARCHER** - I have a part-time/full-time split but in terms of management?

**Mr HIDDING** - There is such a thing as senior administrative roles.

**Ms BUTLER** - Yes, of course. What I am asking is are women represented in the higher end of management?

**Ms ARCHER** - You might like to explain the board split too, because women outnumber the men on the board too.

**Mr SCANLON** - We will maybe start with the board. Do you want to cover that?

**Mr BENBOW** - The board is comprised of five people, including myself, and three of those are female and two are male. We also look at geographical balance so we have two from Hobart, one from the north, one from the north-west and, because of personal reasons, we have a director who comes in from Victoria but was previously based in Hobart. We think the balance is fine.

**Mr SCANLON** - In terms of the executive management team, which is basically the people in this room, it was two but our HR manager is now working for TasTAFE and that function, because we are so small, has been outsourced to the Department of Justice, which makes a lot of sense. In terms of other senior positions, three out of five next-level people looking after the balance of the service delivery piece were female, and one of those females has left the business and that is the role that will be going to Launceston. I cannot tell you the gender of that particular role at this point.

**Mr BACON** - It was one out of how many?

**Mr SCANLON** - In the executive management team, one out of five.

**Dr WOODRUFF** - Minister, the head of the Victorian Public Trustee was recently sacked for misusing public funds. In South Australia, unfortunately, a former employee of their Public Trustee was prosecuted and found guilty and sentenced to five-and-a-half years jail for terrible breaches of trust and stealing from her clients' estates. What actions are in place in the Tasmanian Public Trustee to make sure that things like that do not occur in our state?

**Ms ARCHER** - It is an unusual question to ask because -

**Mr HIDDING** - She thinks there's an epidemic going on.

**Ms ARCHER** - Yes. As members will know, we have strict employment strategies and selection panel processes so that due diligence is done. Hopefully we are selecting the right people in the first place, which is absolutely no reflection on those surrounding me today, I am sure. In organisations themselves, in the case of the Public Trustee we have board oversight and the CEO reports to the board, other staff beneath the CEO report to the CEO. I am sure it is incumbent on anyone in any organisation, not just the Public Trustee but any GBE, to report anything they think might be occurring within an organisation, but we are really in hypothetical territory here. I am not

quite sure what you are asking me to do as minister, short of going there and doing daily inspections myself. I am sure the board is very capable of overseeing the functions of the CEO and the CEO is exceptionally capable of overseeing the functions of all of his staff.

**Dr WOODRUFF** - My question was not talking about an epidemic at all; you only need one of these instances to be truly outraged and concerned for the people who have been affected, and there were many people.

**Ms ARCHER** - But you are talking about other jurisdictions so it is hypothetical.

**Dr WOODRUFF** - I am talking about whether the antecedence of those experiences in other states have been investigated by the board or the staff of the Public Trustee to see whether there was anything structural in the organisation in the reporting, in the due diligence, in the checking of the finances, in the oversight, in the independence processes that could be changed in Tasmania to make sure that we never have that situation here.

**Ms ARCHER** - I can ask Mr Scanlon, who is the chair of the board, what structure they have in place in relation to reporting and whether it was specifically done in response to another jurisdiction. I am sure he will address that if it is appropriate.

**Mr SCANLON** - Yes, we have an audit and risk management committee. That is correct. We also have an internal audit function, which is conducted by KPMG. They report directly to the committee and then the committee reports to the board. We also have an internal risk and compliance manager who does a post-administration audit to see that the estates have been handled correctly and reports to the board on the findings.

David might add to this. There are a lot of operational issues involved. I think the board appreciates the importance of the reputation of the Public Trustee and conducts its business of governance with that as its primary area, which is identified as a real risk and we need to protect it.

**Mr BENBOW** - The issue of what occurred in Victoria is very public and disturbing.

The Public Trustee of Tasmania has a very robust framework for risk and compliance. A key component of that is how we deal with expenditure within our business. For example, my expenditure is signed off by my chairman. The chairman's expenditure, if there is any, is signed off by the audit committee. We have very robust delegation authorities throughout the business.

In terms of my own personal expenditure, it is not significant. I am a State Service employee. My benefits are defined and I do not get any benefits outside of that. What occurred in South Australia is a risk for any public trustee business because there is just so much trust in what your employees do.

**Dr WOODRUFF** - You do not think anything could be done to make sure that -

**Mr BENBOW** - There was. What occurred in South Australia was because of poor policy and poor delegation management. When that report was provided as a public document what we did, as an organisation, our manager of risk and compliance went through the report and mapped our own processes and practices against the findings in South Australia.

## UNCORRECTED PROOF ISSUE

**Dr WOODRUFF** - Thank you. That is exactly what I was hoping you would say. It is really good to hear that. It is about looking interstate and looking at what could be changed, if anything.

**Mr SCANLON** - We did not change a lot. We stood up very well. We provided a number of our processes and practices to the South Australian CEO as an outcome of that process.

**Dr WOODRUFF** - But you did change some things.

**Mr BACON** - In your last answer you said you are an SES employee under the State Service Act. Are the rest of the employees covered by the State Service Act? There is a 2 per cent wage cap by the Government at the moment. Does this apply to employees of the Public Trustee?

**Mr BENBOW** - Yes.

**Mr BACON** - Basically you are all State Service employees?

**Mr BENBOW** - Yes.

**Mr BACON** - Executive remuneration is done on five yearly contracts?

**Mr BENBOW** - Mine is. I am the only SES contracted employee. Everybody else is a permanent employee under the State Service Act.

**Mr BACON** - Obviously you are separate, so 51 employees are covered by the 2 per cent wages cap at the moment.

Could you give us a breakdown on the regional dispersal of staff? You talked about moving staff around the state, but what is the current make-up?

**Mr BENBOW** - Currently in Hobart, 46; Launceston, five; Burnie, three; and in north-west region, two.

**Mr BACON** - Have you had any termination payments over the last 12 months at all?

**Mr SCANLON** - I might pass that to the CFO to get the timing right.

**Ms ARCHER** - Do you mean termination payments that are the usual payout of annual leave, or do you mean severance?

**Mr BACON** - Severance pay. People are entitled to their leave but have there been any that have been over and above?

**Mr LUCAS** - Nothing outside of genuine entitlements, so no redundancy payments to the year ended 30 June 2018.

**Mr BACON** - Have you had much turnover in staff in the last 12 months?

**Mr BENBOW** - About 9.6 per cent. Because of our large number of female staff, we have quite a number of maternity leave positions that we roll through, so we manage quite a lot of fixed-term contracts that we tend to. I would like to have about a 5 per cent turnover but people start to

look for their next position prior to the expiry of their fixed-term contract so it tends to be a little higher.

**Mr BACON** - Do you think, minister, if you offered a proper wage increase that you would see less turnover in staff?

**Ms ARCHER** - I do not accept the premise of the question. Out of the eight people who left, four were employed on fixed-term contracts. There were four resignations, one retirement, one transferred to another agency, and two not returning from maternity leave. I do not see any sort of issue there to back up the premise of your question. They are the reasons for those four resignations.

**Mr BACON** - You don't think any of those were due to low rates of pay?

**Ms ARCHER** - I do not know the personal circumstances of those people but when people resign they resign for all sorts of reasons, including personal.

**Mr BACON** - Is asking people to take a pay cut an attractive way to retain staff?

**Ms ARCHER** - I can see what you are up to here, Mr Bacon. As we all know, it is the subject of much media at the moment in relation to the Government's negotiations on the 2 per cent pay rise. We would like to see all members of the State Service be able to receive that. I am sure that they would like to receive their pay rise prior to Christmas.

I am not going to add anything further to what you are clearly trying to do here, when we are doing scrutiny of the Public Trustee.

**CHAIR** - We are here to scrutinise the GBE and we have two minutes left.

**Mr BACON** - Given that the turnover rate is now 9.6 per cent and we heard the CEO say he would like to get it down to about 5 per cent, do you think if you offered a pay rise rather than a pay cut it would assist?

**Ms ARCHER** - Again, we are heading into hypothetical territory. The employee turnover in an organisation the size of the Public Trustee is quite low. I have given you the breakdown of the reasons for eight leaving; four were resignations. I do not have the circumstances at hand, nor would I talk about any one person's individual circumstances in any event.

**Dr WOODRUFF** - Minister, Recommendation 14 from the Australian Law Reform Commission's 2017 report recommends giving adults safe guardian agencies such as the Public Trustee or the Public Guardians coercive information gathering powers such as the power to require a person to answer questions and produce documents. Would the current Public Trustee feel equipped to do that? Would that require more resourcing for training or any other support to take on that sort of a role were that to be accepted?

**Ms ARCHER** - I do not really know how to answer a question of 'how would the Public Trustee feel?'

**Dr WOODRUFF** - Perhaps the Public Trustee could answer that.

## UNCORRECTED PROOF ISSUE

**Ms ARCHER** - Perhaps Mr Benbow could answer that to the best of his ability. The Public Trustee already has training and development of staff. I am sure within the current training and development regime there could be included anything that would be required in relation to advancements in the law on elder abuse as it develops, as I have outlined in terms of the national plan and also the work that is being done in Tasmania by EAPAC that I mentioned.

If there was a significant amount of work that needed to be done, I am sure -

**Dr WOODRUFF** - My question was, does the Public Trustee feel equipped

**Ms ARCHER** - (cont'd) ... if there was a significant amount of work that needed to be done then I am sure -

**Dr WOODRUFF** - My question was, does the Public Trustee feel equipped to have the power to be able to do that?

**Ms ARCHER** - We are dealing with hypotheticals and we do not know what is the result of the -

**Dr WOODRUFF** - It is clear - coercive information gathering powers.

**Ms ARCHER** - Chair, I was answering the question. It is clear we do not yet have the report from the national plan to inform what we are doing in Tasmania to know the full remit of work that is required to even to be able to answer that.

**CHAIR** - Order. Unfortunately, it is now 10 a.m. There has been an agreed one hour limit on this and rather than cut into the next session I need to cut it off there. I thank everyone.

**The Committee suspended at 10 a.m.**