

2006

Annual Report of the
Protective Commissioner
and Public Guardian



Attorney General's
department of nsw

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Office of the Protective Commissioner

Vision

A just and inclusive community in which the rights and interests of people with decision-making disabilities are promoted and protected.

Mission

To ensure that people with decision-making disabilities receive the best possible financial management services and their rights and interests are protected.

Charter

The Protective Commissioner is a statutory officer empowered under the provisions of the Protected Estates Act 1983 to:

- manage the affairs of those persons who are not able to manage their own affairs and whose affairs have been formally committed to management by order under the Protected Estates Act
- authorise and direct the performance of the obligations and duties of private managers appointed by the Supreme Court or the Guardianship Tribunal

Who is OPC?

The Office of the Protective Commissioner (OPC) makes substitute financial management decisions for people with disabilities. Some people are not able to manage their own financial affairs and need someone with legal authority to make important decisions on their behalf. The Protective Commissioner is often appointed as a person's financial manager because there is no one else able to assist. The Protective Commissioner also provides

authority and direction to private persons who take on the role of financial manager. The financial affairs of 8,575 persons are directly managed and 2,024 private financial managers are supervised by OPC.

OPC's Clients

People whose financial affairs are managed by OPC have a disability that affects their capacity to make decisions. This decision-making disability may be due to a mental illness, brain injury, intellectual disability, psychiatric disability, developmental disability, dementia or other disability.

Accountability

OPC is a business centre within the NSW Attorney General's Department. The Protective Commissioner reports to the Attorney General via the Director General.

Letter to the Minister

The Hon. Robert John Debus, MP
Attorney General
Minister for the Environment and
Minister for the Arts
Parliament House
SYDNEY NSW 2000

Dear Attorney

I am pleased to present to you the Annual Report of the Protective Commissioner and Public Guardian, together with associated financial statements, for the year 2005-2006.

It is submitted for presentation to Parliament and is prepared as required by the *Protected Estates Act 1983*, the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

Yours sincerely



Mark Orr
Acting Protective Commissioner and Public Guardian

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■ IMPROVED SERVICE DELIVERY

OPC finalised planning for an extensive restructure of much of its service delivery areas in 2005-2006.

The new structure to be implemented in the first half of the new financial year will see the addition of units specialising in liaison with clients and client families, the planning & coordination of management, the development and management of client budgets, client asset management and the management of client income support payments to join our well established specialist units in disability advice, financial planning, investment and taxation.

The introduction of the new structure is being staged to minimise disruption to client service. The new Benefits unit (client income support payments) commenced in May and the new client payment system commenced in June. The new structure is expected to be fully operational by the end of the first quarter of 2006-2007.

Information technology systems within OPC have been enhanced to support the new structure and assist staff members to improve client service. They will also enable OPC to better measure its business performance against benchmarks.

■ ENHANCED INVESTMENT OPTIONS

OPC enhanced the investment products available to clients through the introduction of superannuation and allocated pension products from 1 January 2006. The additional products are a result of changes to Australian superannuation and taxation laws that rendered investment in these products beneficial for some clients.

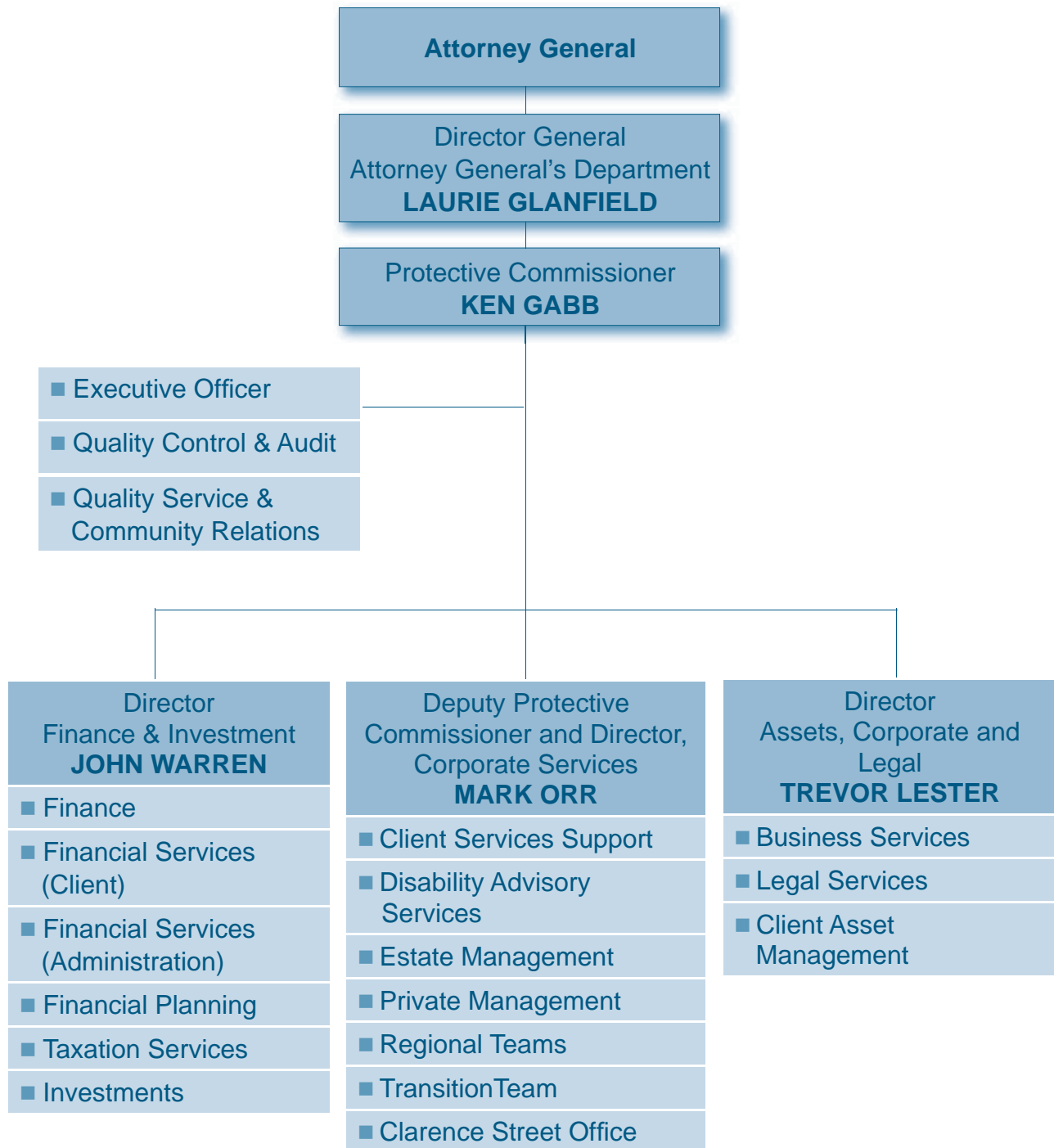
■ REDUCED FEES

A favourable investment climate, both here and overseas, saw OPC's investment funds again provide good returns in 2005-2006. As a result of these favourable conditions, OPC was able to return to clients \$2.5 million in investment fees that had not been needed for OPC's operations. Although OPC's investment fees are low by industry standards (at 0.5 per cent of funds invested), the return of fees reduced the effective fee rate to 0.31 per cent in 2005-2006.

While OPC cannot guarantee the favourable investment conditions in ensuing years or that it will be able to remit fees to clients in the future OPC will maintain a commitment to the provision of effective services at the lowest possible cost to clients.

Challenges	Achievements	Future Directions
Restructure of OPC to reflect recommendations of the Treasury sponsored review	New structure determined; position descriptions drafted and positions graded; staff placed or recruited to new positions; new work procedures determined	The roll out of the new structure will be completed on 14 August, 2006
Develop policies and procedures to reflect the new service delivery systems	Position responsibility has been allocated for each operational process. Work commenced in updating procedures to reflect new structure. New policies continue to be developed to improve transparency and quality of documentation available. All new policies include a timeline for review	One of the reporting priorities and projects across AGD is to develop and maintain a standard policy and procedure approach to improve consistency and encourage better knowledge management. Quarterly reports will be provided to AGD Executive on progress
Implement new records management system	Data migration, change management and communication strategies have been completed. Template revision for the new system has commenced, as has the creation of new files	Electronic document management will be implemented in the first half of 2006-2007. Template revision for the new structure to be completed October 2006. Hardware upgrades needed to facilitate live incremental feeds to backup site in Redfern. Task Manager software to be implemented in October 2006
Progressively move from the current Client Information System to a new database on a platform which will be support post 2008	Agreed strategy developed. OPC has entered into an interim Service Level Agreement with AGD Information Services Branch	Plan to be implemented to migrate to new database platform

Established under the *Protected Estates Act 1983* the Office of the Protective Commissioner is part of the NSW Attorney General's Department. The Protective Commissioner reports to the Attorney General via the Director General.



Corporate Governance

■ RECORDS MANAGEMENT

OPC's new system of file management will see the introduction of an events based system for management of estates. That means OPC will open a new file for different aspects of the management of a client's estate. OPC will be able to dispose of records relating to specific events within legislative timeframes and approved disposal schedules.

The new system will not only comply with the State Records Act but also assist OPC to only the information we need to fulfil our functions.

Risk Management and Internal Control

■ BUSINESS CONTINUITY PLANNING

OPC's Business Continuity Planning has progressed to include off site data storage for computer records in the case of a disaster. OPC has also identified an immediate response team to guide the response to a disaster over the first 24 – 48 hours. The Audit Office of NSW also did a review of compliance with the NSW Premier's Department Circular 2001-46 '*Security of Electronic Information*'

A list of issues which need to be resolved to implement the plan is currently being reviewed so we can continue to provide services to clients in the event of a disaster.

■ INTERNAL AUDIT

During the reporting period OPC's Audit Committee was extended to include OPG. The first meeting of the OPC/OPG Audit Committee was held in June 2006.

OPC introduced Risk Management software to enable compliance with AS3906, the Australian Standard on risk management. This will provide the organisation with broader risk management capabilities. It is anticipated that the first phase of task allocation will be rolled out in the first half of 2006-2007.

OPC will be introducing a yearly Fraud Control Health Check, to evaluate compliance with AUS 210. This is a statutory requirement for the annual audit of our accounts, and provides our external auditors with an assurance regarding fraud and internal controls.

A formal Corporate Governance Policy was adopted during the year to emphasise the importance of good corporate governance and outline the various tasks associated with it.

■ COMPLAINT MANAGEMENT AND REVIEWS OF DECISIONS

OPC welcomes feedback from clients and other interested parties. Clients and stakeholders are encouraged, and have a right, to express their views about the organisation and the service it provides. On an individual basis this provides an opportunity for people to have issues related to their particular circumstances reviewed. On an organisational level the information received helps OPC to develop ways to improve the service it provides to clients. We aim:

- to provide easy accessibility for clients and other stakeholders who want to give us feedback;
- to have complaints and reviews of decisions resolved in an appropriate and timely manner; and
- to provide statistics on the nature of the feedback received for evaluation and future planning purposes.

Clients and stakeholders can provide feedback in a variety of ways that best suits them. They may telephone or write to:

- our Client Liaison Branch or their Private Management Support Officer;
- OPC's Manager, Quality Service & Community Relations.

Alternatively, they may complete a "Have your Say" brochure or seek referral to an appropriate advocacy organisation.

Listed below is a summary of the feedback received this year through the centralised complaint handling mechanism in comparison with previous years.

Type of feedback	2003-2004	2004-2005	2005-2006
Compliments	15	11	11
Complaints	151	163	199
Reviews of Decision	27	35	32*
Ministerials	64	48	62#



* Of the 32 internal reviews carried out by OPC, in accordance with the *Administrative Decisions Tribunal (ADT) Act 1997* 21 decisions were affirmed, 4 were varied and 10 were set aside.

Of the 62 ministerials received in this financial year, 57 were complaints and 5 related to requests for information or clarification of the role of the Office. A total of 16 decisions were externally reviewed by the ADT. Of those, 7 were affirmed, 3 were set aside, 1 application

was withdrawn, 2 were dismissed on the basis of lack of jurisdiction, 1 was dismissed because it was out of time, 1 matter was settled outside the ADT and 1 matter did not proceed because the protected person passed away.

The most common complaint (36%) related to people being unhappy with the role of the Protective Commissioner. A further 16% of complaints had an element relating to dissatisfaction with the appointment of the Protective Commissioner. These issues are largely outside the control of OPC and often relate to family conflict or an unwillingness to accept the decision by a court or tribunal of the need for a financial management order.

29.6 per cent of complaints had an element relating to dissatisfaction with a decision the office had made, although a review of decision had not been sought at the time of the complaint. Six percent of complaints had an element relating to OPC fees, which is unchanged from last year. Concern about delays in making decisions or taking action was an element in 14% of the complaints, which is the same percentage figure as last year. A number of complaints had an element that was either misconceived (15.6%) or vexatious (9%).

OPC will continue to try and capture more information from clients and stakeholders through the complaints system to enable the office to improve its service to clients. OPC continues to look at ways to keep clients and stakeholders informed of their right to make a complaint or seek a review of decision. This has been demonstrated by the increasing amount of feedback the office receives.

The complexity associated with making

substitute decisions in the overall best interests of clients cannot be overstated. OPC is only appointed in situations where a person is at risk of exploitation, abuse or neglect and there is no suitable alternative available. The expectations that some people may have about the role of the Protective Commissioner can sometimes lead to dissatisfaction.

Underlying the majority of complaints received by OPC are issues such as a lack of funds in a client's estate to allow the approval of requests for extra money and extreme family conflict with opposing ideas about what is in the overall best interests of the client. In these situations, no matter what decision is made, at least one of the parties is likely to feel aggrieved. However, OPC recognises that improvements can always be made and initiatives, such as improved explanations of the reasons for decisions and community education can have a positive impact.

Committees and Boards

■ ADVISORY COUNCIL

OPG and OPC's Advisory Council was established to provide high level independent advice and comment on policies, service delivery and strategic direction. Meetings of the Advisory Council are held quarterly. Members of the Advisory Council are:

Noel Atkinson

Former Research Fellow at the Centre for Developmental Disability Studies with 35 years professional experience in the developmental disability field. Parent of a young woman who requires support to live and work in the community.

.....

Andrew Buchanan

Member of the Disability Council of NSW.

The Hon. Brian Cohen, QC

A Barrister for 24 years, appointed Master of Supreme Court of NSW in 1976 and later Justice of that Court.

Lloyd Draney

Retired Head of AMP Foundation. Previous AMP appointments included Group Financial Controller and Investment Manager. Also a Board member and Chairman of the Finance Committee of the Sunnyfield Association.

Phillip French

A lawyer with extensive background in advocacy for people with disabilities. Works as a consultant in the areas of human rights, health and social policy.

Susan Field (appointed to vacancy March 2006)

Inaugural Public Trustee New South Wales Fellow in Elder Law at UWS and is the Ministerial Advisory Committee on Ageing representative.

Jenny Green

Former head of TAFE Disability Services and now lecturer in management at School of Management, University of Technology, Sydney.

Janet Meagher AM

Director of Development, Psychiatric Rehabilitation Association and Patron Australian Mental Health Consumer Network

Barbara Squires

Director, Centre on Ageing, The Benevolent Society; and Immediate Past President of the Australian Association of Gerontology.

Roger Stancliffe, Ph.D

Over 29 years experience in the developmental disability field. Currently a senior research fellow at the Centre for Developmental Disability Studies.

■ INVESTMENT ADVISORY COMMITTEE

This Committee advises the Protective Commissioner on issues associated with the investment of clients' funds. OPC is represented on the Committee by the Protective Commissioner and the Director, Finance and Investment. External members are:

Alan Bertram

31 years experience in investment activities for AMP until retirement in 1999. Has undertaken advisory and consultative roles for AMP and Medibank Private.

Susan Doyle (representing the Attorney General)

35 years experience in the funds management industry, including Commonwealth Funds management, Suncorp Investments and NRMA Investments. Appointed during the reporting period as a member of the Board of Guardians for the Future Fund.

Ted Gifford

41 years experience in a wide range of investment activities culminating in a senior management position in AMP until retirement in 2002.

Tim North (representing the NSW Treasurer)

Principal Advisor, Intergovernmental Finances, NSW Treasury

■ INTERAGENCY FORUM

OPC has an interagency forum to foster better relationships and communication with the disability sector. The forum

discusses developments within OPC and provides an ongoing mechanism for feedback.

The forum comprises representatives from disability groups that share a client base with OPC. The forum provides opportunities for members to raise difficulties their constituents may be experiencing in dealing with OPC and solutions can be discussed. The membership consists of representatives from the following organisations:

- Aboriginal Medical Service
- Aboriginal Mental Health Service
- Aged Care Rights Service Inc
- Alzheimer’s Association of NSW
- Association of Relatives and Friends of the Mentally Ill Inc(ARAFMI)
- Brain Injury Association of NSW
- Carers NSW
- Council for Intellectual Disability (NSW)
- Disability Council of NSW
- Intellectual Disability Rights Service
- Mental Health Advocacy Service
- Mental Health Coordinating Council Inc
- Multicultural Disability Advocacy Association of NSW
- People with Disabilities Australia
- Schizophrenia Fellowship of NSW

The forum met once in 2005-2006

■ OTHER COMMITTEES

Significant external committees with representation from OPC during the year were:

- Australian Association of Social Workers
- Brain Injury Interest Group
- Mental Health Workers Interest Group
- Aged Care Workers Interest Group
- Australian Guardianship and Administration Committee
- AGD Capacity Reference Group
- AGD Right to Dignity at Work Working Group
- Banker Clients Working Group
- Guardianship Tribunal
- Department of Ageing, Disability and Home Care

Satisfaction Surveys

During the reporting period OPC surveyed clients, family or other representatives of clients whose estates we directly manage and private managers as a follow up to the surveys conducted in 2004.

The surveys were sent to all contacts who normally receive correspondence from OPC dealing with the affairs of protected persons. The surveys were also available on the website for other interested parties to complete.

At the time of reporting the data is still being analysed and will be compared, where possible, to the results of the 2004 survey to monitor any changes in satisfaction levels. Further, the results, including the comments will provide OPC with information which will inform plans for the future.

Number of Employees by Category

	30 June 2004			30 June 2005			30 June 2006		
	Men	Women	Total Staff	Men	Women	Total Staff	Men	Women	Total Staff
Permanent F/T	92	122	214	94	118	212	87	104	191
P/T	3	14	17	3	7	10	4	16	20
Temporary F/T	10	16	26	4	21	25	18	22	40
P/T	1	1	2	nil	2	2	nil	5	5
Contract SES	2	nil	2	2	nil	2	2	nil	2
non-SES	nil	nil	nil	nil	nil	nil	nil	nil	nil
Training	nil	nil	nil	nil	nil	nil	nil	nil	nil
Casual	nil	nil	nil	nil	nil	nil	nil	nil	nil
Total	108	150	261#	103	148	251*	111	147	258@

This figure excludes 12 temporary staff employed by employment agencies to fill vacancies on a short term basis.

* This figure excludes 29 vacancies filled on short term basis by staff employed by employment agencies.

@ This figure excludes 28 temporary staff employed by employment agencies to fill vacancies on a short term basis.

OPC has two positions identified in the Client Services Division for Aboriginal and Torres Strait Islanders. These positions are currently filled.

■ MOVEMENT IN SALARIES DURING 2005-2006

A 4% Public Sector award salary increase came into effect in July 2005.

■ PERSONNEL POLICIES AND PRACTICES

OPC staff are employed under the provisions of the *Public Sector Employment and Management Act 2002* and the Crown Employees (Public Service Conditions of Employment) Award 2006. OPC staff

are employees of the Attorney General's Department.

OPC staff have online access, via an Intranet, to a comprehensive range of personnel policies provided to all administrative units of the Attorney General's Department. Staff can access a range of flexible working arrangements to accommodate disabilities or work/life balance.

The Employee Assistance Programme offers a confidential counselling and trauma debriefing service to staff.

■ INDUSTRIAL RELATIONS POLICIES AND PRACTICES

No industrial dispute resulting in work stoppage occurred during the year.

OPC management continues to meet regularly with staff to discuss industrial matters via a Joint Consultative Committee. The committee comprises representatives of the Public Service Association, OPC and OPG Workplace Committee representatives

and OPC and OPG management.

■ WOMEN

OPC had 147 female staff on 30 June 2006 and continues to support the Spokeswomen's Program.

OPC had appointed two (2) Spokeswomen at the end of the financial year. They are currently developing a program of activities for their term. In the interim female staff participate in activities coordinated by other Spokeswomen in AGD.

■ TRAINING

The Director General, Attorney General's Department mandated that all staff should receive 2 days of training during the year.

At the end of June 2006 87% of OPC staff who had not been absent for extended periods during the financial year met or exceeded this requirement. The 13% of staff who didn't meet requirement had completed some training but not the 2 days.

The training staff participated in ranged from job skills to professional development. The mandatory training for staff in the ensuing year will be increased to 3 days.

■ HEALTH AND SAFETY

The Occupational Health and Safety Committee consists of elected of employee representatives and management representatives. The committee met nine (9) times in the financial year. The committee undertakes a range of activities to promote staff awareness in OHS and risk management. The main issues dealt with included reviewing incident reports within OPC to minimise any risks, workplace inspections, maintenance of first aid facilities, workplace violence, security and cleaning. The committee also played

an active role in developing emergency evacuation procedures.

Number of Clients

■ PROTECTED PERSONS

Persons who have OPC as their manager

30/06/2006	30/06/2005	30 June 2006
8,026	8,235	8,575

Persons who have private managers

30/06/2004	30/06/2005	30/06/2006
1,767	1,873	2,024

Total Number of clients

9,793	10,108	10,599
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Persons whose estates are no longer under management (including deceased persons) but whose estates have not yet been finalised.

Persons who had OPC as their manager

30/06/2004	30/06/2005	30/06/2006
572	368	347

Persons who had a private manager

30/06/2004	30/06/2005	30/06/2006
417	351	343

Persons for whom OPC fulfils the role of banker *

30/06/2004	30/06/2005	30/06/2006
908#	898#	825

**These people have developmental disabilities and reside in centres operated by the Department of Ageing, Disability and Home Care. OPC does not formally manage their financial affairs.*

includes 6 institutional resident amenities fund accounts and 9 OPC working accounts.

■ NEW ORDERS MADE BETWEEN 1 JULY AND 30 JUNE

Persons who have OPC as manager of their affairs

2003-2004		2004-2005		2005-2006	
956	67.4%	964	67%	1101	66.6%

Persons who have private managers of their affairs

2003-2004		2004-2005		2005-2006	
462	32.6%	474	33%	552	33.4%

Total Orders Made

2003-2004		2004-2005		2005-2006	
1418		1448		1653	

There were two reciprocal orders made in the reporting period. One from ACT and the other from Victoria.

■ ORDER SOURCE

Supreme Court

2003-2004		2004-2005		2005-2006	
64	4.5%	52	3.6%	58	3.5%

Guardianship Tribunal

2003-2004		2004-2005		2005-2006	
1,097	77.4%	1,128	77.9%	1,299	78.6%

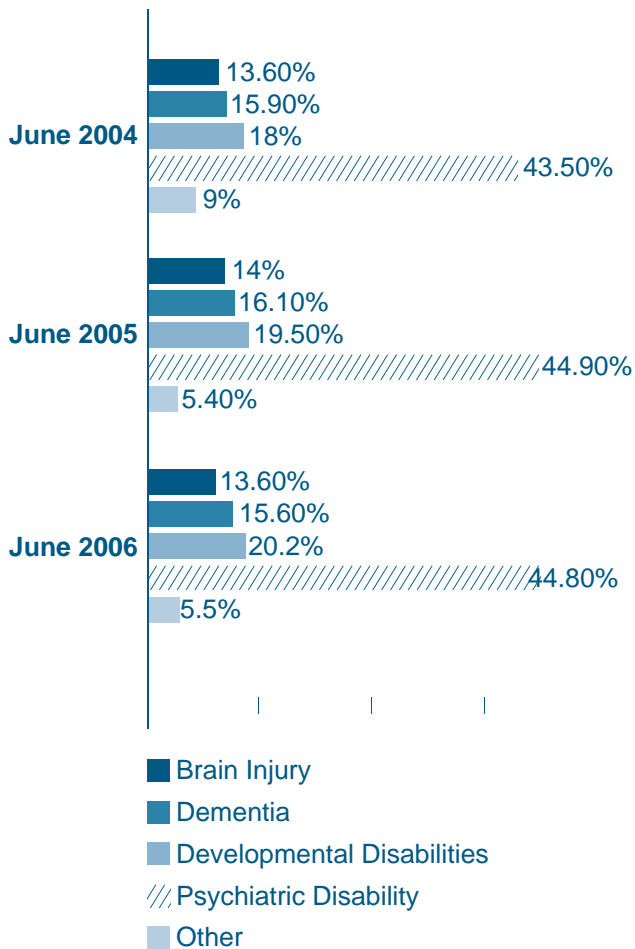
Magistrate Orders

2003-2004		2004-2005		2005-2006	
116	8.2%	50	3.5%	52	3.1%

Mental Health Review Tribunal

2003-2004		2004-2005		2005-2006	
141	9.9%	218	15.1%	242	14.6%

■ TYPES OF DISABILITY



Brain Injury - includes people with an acquired or traumatic brain injury.

Dementia - includes all of the dementias, including Alzheimer’s Disease, Vascular Dementia, AIDS Dementia Complex and early, or younger, onset Dementia

Developmental disabilities - includes people with an intellectual disability and autistic disorders.

Psychiatric Disability - relates to all psychiatric disorders/conditions including mental illness, bipolar disorder, schizophrenia, other psychoses and alcohol related brain damage.

Other - includes people who may not fit in any other category, including frail aged persons not diagnosed with dementia, or who are unable to communicate their wishes to their physical disability.

Services in OPC are grouped into the following programs:

- Financial and Asset Management
- Private Management Support
- Funds Management
- Community Relations

1. Financial and Asset Management

Key Activities: Managing the property, personal finances and legal matters of clients.

■ CARERS AND OH&S

OPC received legal advice during the year about clients' direct employment of carers and the Occupational Health and Safety responsibilities which flow from that employment. Generally the advice stated that OPC should ensure that clients are aware that as employers they had to adhere to the OH&S obligations of all employers under the Occupational Health and Safety Act.

Wherever possible OPC, on behalf of clients, engages carers through care agencies. In this way the client is not the direct employer of the carer from whom they are receiving care.

■ CENTRELINK AND DVA BENEFITS

OPC established a unit this year which specialises in Centrelink and Department of Veterans Affairs benefits. This unit will enable OPC to ensure clients receive all benefits to which they are entitled and that all changes in circumstances are notified promptly to minimise any possible overpayments.

■ CONVEYANCING SERVICES TENDER

OPC completed a tender for conveyancing services. The panel now consists of five firms and will run for five years.

■ FINANCIAL PLANNING

OPC's Financial Planning Branch develops and regularly reviews financial plans for clients. More than \$1,043 million has been invested to date on behalf of OPC's clients in line with these plans.

■ LEGAL SERVICES

As at June 2006 OPC managed 704 legal matters on behalf of clients. These matters included personal injury and family law actions, claims against deceased estates, consumer protection matters and recovery of assets.

During the year OPC also completed a legal services tender for a new panel of external legal service providers. Nine firms were appointed to the panel with specialties in various area of law.

■ PROPERTY INSPECTION, VALUATION AND MAINTENANCE TENDER

In October 2005 Archicentre was appointed as OPC's property protection plan provider following an expression of interest process. Archicentre provides building inspection reports on client owned and occupied properties and client owned properties occupied by a family member/s on a three year rolling cycle. Where the building inspection suggests that a pest inspection should be done, Archicentre will organise this. A building replacement value assessment will also be provided as a check on insurance coverage.

■ SUPERANNUATION

During the year OPC chose Sunsuper to be the provider of superannuation and allocated pensions for OPC clients. For clients with existing superannuation funds the cost savings are significant, in some cases up to 90%. Clients with existing allocated pensions were not transferred across, as there may have been significant taxation implications to do so. New clients may benefit through the tax savings that superannuation provides.

■ TAXATION SERVICES

During 2005-2006 the number of income tax returns and activity statements lodged by OPC on behalf of clients decreased as did the number of land tax matters managed:

No. of income tax returns & activity statements lodged		
2003-2004	2004-2005	2005-2006
3,576	3,300	3,268

No. of land tax matters managed		
2002-2003	2003-2004	2004-2005
153	524	253

■ TRANSACTIONS FOR CLIENTS

A summary of the key operational activities appears in the table below, with comparative volume over the last 3 years:

Activity		
2003-2004	2004-2005	2005-2006
No. of transactions completed		
1,370,250	1,075,800	1,150,300

Activity

2003-2004	2004-2005	2005-2006
Unit Registry: Applications (\$million)		
246	93	100
Unit Registry: Redemptions (\$million)		
122	116	146
Number of applications		
1530	679	1124
Number of redemptions		
1216	1574	2129

The increased number of redemptions reflects annual reviews of financial plans and investment asset allocation.

2. Private Management Support

Key Activities: Direct and authorise the activities of persons appointed to manage the financial affairs of people with disabilities.

■ PRIVATE MANAGERS HANDBOOK

The Private Managers' Handbook was rewritten to better target the information provided and improve readability.

Each private manager was posted a copy of the new handbook in June 2006 and the feedback so far has been positive.

The handbook is also available on the OPC website.

■ PRIVATE MANAGEMENT FEE REVIEW

Work commenced on a review of Private Management fees during the year. These fees were not reviewed as part of the IPART review in 2002-2003. During the year we undertook time related data collection for specific functions in the

branch. That data was used to model different fee models.

OPC engaged RSM Bird Cameron to model new fees based on the total allocated costs of the Branch's operations. Consultation with private managers and the development of a Regulatory Impact Statement will occur in the new financial year.

3. Funds Management

Key Activities: Investment of clients' funds held within OPC's Common Fund.

The Common Fund represents funds owned by clients whose financial affairs are directly managed by OPC, as well as funds of protected persons whose affairs are managed by a private manager. The Common Fund consists of the Access Fund, which is best described as an interest bearing working account for client transactions, and diversified investment funds.

All the investment funds comprising the Common Fund have been outsourced to State Street Global Advisors as Funds Manager and are managed on an indexed basis to the relevant benchmarks specified on page 20. BNP Paribas Securities has been appointed as the Master Custodian for the custody, compliance and accounting functions of the Common Fund.

■ ACCESS FUND

The Access Fund invests money on behalf of clients in cash and short term money market securities. Interest is calculated on the closing daily balance of the account and paid at the end of December and June.

The accounts of clients that comprise this fund are similar to standard retail

bank accounts, through which regular transactions occur - including receipt of monies, payment of accounts, issuance of cheques and direct crediting.

■ DIVERSIFIED INVESTMENT FUNDS

OPC's funds management program allows clients' investments to be diversified to reflect the amount of money available for investment and their individual needs. OPC offers clients seven investment funds plus interest bearing working accounts.

The funds are: -

Investment Fund	Fund Profile	Fund Objective
Australian Cash Fund	To provide clients with a low risk investment of capital and ready access to their funds. Classed as a low risk investment.	To achieve returns comparable to bank deposit and cash management trusts in the short-term money market.
Australian Cash Plus Fund	To provide clients with a relatively low risk investment with potentially higher returns obtained by investing in bonds. Classed as a low to medium risk investment.	To achieve a more attractive income stream over the medium term than could be expected from investing solely in cash related products.
Australian Fixed Interest Fund	To provide clients with a diversified portfolio of Australian bonds. Classed as a medium risk investment.	To achieve a more attractive income stream than could be expected from investing in predominantly cash related products, with the possibility of capital gain over the medium to longer term.
Australian Listed Property Securities Fund	To provide clients with exposure to a diversified portfolio of property trusts or property related companies listed on the Australian Stock Exchange. Classed as a medium to high-risk investment.	To achieve capital growth and some income over the medium to longer term.
Australian Share Fund	To provide clients with exposure to a diversified portfolio of companies listed on the Australian Stock Exchange. Classed as a medium to high-risk investment.	To achieve medium to long term capital growth with a modest level of income.
International Bond Fund	To provide clients with exposure to a diversified portfolio of international bonds across a range of countries. Classed as a medium risk investment.	To achieve medium to long term capital growth and income returns.
International Share Fund	To provide clients with exposure to a diversified portfolio of international shares across a range of countries. Classed as a high risk investment.	To achieve medium to long term capital growth.

The structure of the investment funds is similar to that offered by other funds managers and provides clients with access

to a full range of asset classes, allowing for appropriate diversification and risk management to be undertaken.

The performance of the OPC funds against benchmarks is shown below:

OPC Investment Fund Fund Performance *	(%)	Benchmark *	(%)
Access Fund	5.57	UBS Australian 90 day Bank Bill Index	5.26
Australian Cash	5.51	UBS Australian 90 day Bank Bill Index	5.26
Australian Cash Plus	4.54	UBS Australian 0-3 year Composite Bond Index	4.34
Australian Fixed Interest	3.15	UBS Australian All Maturities Composite Bond Index	2.91
Australian Listed Property Securities Fund	17.50	S&P ASX 200 Listed Property Trust Accumulation Index	17.55
Australian Shares	23.30	S&P/ASX 200 Accumulation Index	23.43
International Bonds	0.85	JP Morgan Global Bond (ex Australia) Index	0.70
International Shares	19.44	MSCI World (ex Australia) Index	19.38

* Please note both Benchmark and Client returns have been reduced by 0.5% to reflect the investment fee that OPC may charge under the *Protected Estates Regulation 2003*. Remission of investment fees by OPC during 2005-2006 financial year reduced the effective investment fee to 0.31%.

The above schedule of performance has been confirmed by an external actuary at OPC's request.

4. Community Relations

Key Activities: Providing written information and education sessions to the community and stakeholders on the role of financial managers and OPC.

■ COMMUNITY EDUCATION

In 2005-2006 OPC provided 19 community education sessions to 520 participants across the state.

As part of its community education program OPC worked with a variety of organisations

including: NSW Police Missing Persons Unit, Sutherland Hospital, Department of Ageing Disability and Home Care and Home and Community Care Services.

OPC also worked closely with the Metropolitan Remand & Reception Centre, Silverwater Correctional Centre providing three separate information sessions for 80 members of staff.

OPC participated in a forum on Legal Issues in Aged Care on the Central Coast in conjunction with the Office of the Public Guardian and the Public Trustee. OPC also provided information to staff People with Disabilities Australia and the Mental Health Rehabilitation Unit at Prince of Wales Hospital.

■ COMMUNICATION

OPC Web Site

There has been increased interest in the OPC's web site in the last financial year. The most downloaded information from the OPC site is our Budget Booklet, client feedback brochure, Private Managers

Handbook and our Annual report.

The website address is: www.lawlink.nsw.gov.au/opc.

Newsletters

OPC produces three newsletters – one for clients of the OPC (OPC News), one for private financial managers (Managing) and one for service providers (Connect). In 2005-2006 OPC produced one of each of the newsletters.

■ ADVOCACY

International Conference

During a private overseas trip, Mark Orr, the Deputy Protective Commissioner attended the fifth International Conference of Public Trustees and Public Guardians in London from 4-8 June 2006. Mark presented a paper entitled: *A picture's worth a thousand words: using augmentative communication strategies to engage and empower clients*. Mark also chaired a working group on the same topic.

AGAC Meeting

The Protective Commissioner attended Australian Guardianship and Administration Committee (AGAC) meetings in Hobart (October 2005) and Perth (March 2006). These meetings occur every six months and bring together all of the Public Advocates, Public Guardians, Public Trustees, the Protective Commissioner and Heads of Tribunals throughout Australia to discuss issues of interest.

Outlook for OPC

■ PROGRAM PRIORITIES

Financial and Asset Management

Implement the new structure for delivery of financial management services for directly managed estates.

Introduce Australian International Financial Reporting Standards (AIFRS) for OPC's financial statements.

Private Management

Introduce New Private Management Fee structure.

Undertake restructure in Private Management Branch.

Community Relations

Work with Legal Aid, OPG, Guardianship Tribunal and the Official Visitors Program and other organisations on Mental Health Community education.

The group will share information and plans to form a panel to be available for community education purposes.

Further priorities for OPC in the coming year include:

Further expand Corporate Services Reform initiatives through integration with OPG.

Plan for relocation to Parramatta in 2007/2008.

Develop a Strategic Plan for OPC.

Finalise Key Performance Indicators for OPC operations and report progress.

Test the Business Continuity Plan.