

NATIONAL SECRETARIAT

Level 7, 34 Hunter Street, SYDNEY NSW 2000
GPO Box 1595, SYDNEY NSW 2001
Telephone: (02) 9221 1983
Facsimile: (02) 9221 2639
E-mail: association@trustcorp.org.au
Website: www.trustcorp.org.au



MEDIA RELEASE

**5 May 2010
Trustee Corporations Association
Welcomes New National Regulatory Regime**

The Trustee Corporations Association, the industry peak representative body, welcomes the commencement on 6 May of the *Financial Services Modernisation Act*, which introduces a new national regulatory regime for trustee companies.

TCA National President Tony Fitzgerald (Managing Director of State Trustees Ltd) said “the move to Commonwealth legislation will eliminate the inconsistencies between current State and Territory legislation, promote greater efficiency and create a genuine national market in the provision of traditional trustee company services, such as the administration of deceased estates and the management of personal trusts.”

The new regime, with regulation by the Australian Securities and Investments Commission, will entail robust licensing and ongoing operating standards to ensure participants have the necessary resources and expertise to properly conduct trust and estate activities.

Also, clients will have added protection in terms of fee disclosure arrangements and access to an ASIC approved dispute resolution system.

ANZ Trustees

Australian Executor
Trustees

Equity Trustees

National Australia Trustees

New South Wales Trustee
and Guardian

Perpetual

Public Trustee for the
Australian Capital Territory

Public Trustee for the
Northern Territory

The Public Trustee of
Queensland

Public Trustee
South Australia

The Public Trustee
Tasmania

Public Trustee
Western Australia

Sandhurst Trustees

State Trustees
Victoria

Tasmanian Perpetual
Trustees

Trust

Mr Fitzgerald said “the TCA appreciates the opportunity to operate nationally under a single licence with a single regulator” and added that “the industry acknowledges the consultative approach taken by the Government when developing the new regime.”

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For further information, please contact: Tony Fitzgerald, TCA National President, on (03) 9667 6344
or Ross Ellis, TCA Executive Director, on (02) 9221 1983.

Background Information

The Trustee Corporations Association (TCA), formed in 1947, is the peak representative body for the trustee corporations industry in Australia.

Its main objectives are to:

- represent and advance the interests of member statutory trustee corporations with government, regulators and the wider public
- serve as a forum for discussion on matters of mutual interest to members
- ensure that an adequate training program in the Personal Trust field is available to members
- provide centralised services for members, including maintenance of industry data

The Association represents 16 organisations, comprising all 8 Public Trust Offices and the great majority of the 10 private statutory trustee corporations.

The Association operates out of premises in Sydney. It is controlled by a National Council, which comprises the Chief Executive Officer or another senior executive of each member institution, and an Executive Committee, made up of a small group of those persons.

Member products and services

In the 1870s, Governments first enacted legislation to extend the role of executor or administrator of a deceased estate, traditionally taken on by a natural person, to licensed trustee corporations.

This was to benefit the public by providing greater expertise and resources than are available from an individual, together with perpetual succession to a client establishing a long-term trust.

Within the next decade, most of the trustee corporations that are currently authorised under relevant State and Territory law were established.

Today, trustee corporations provide a wide range of wealth management products and services to individual, family and corporate clients, including:

Traditional personal wealth management

Wealth protection and transfer

- estate planning and writing wills
- acting as executor of deceased estates

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- establishing, and acting as trustee of, personal trusts, including testamentary trusts
 - administering client assets under Powers of Attorney

Protecting vulnerable members of the community

- acting as financial manager or guardian, usually under a Court or Tribunal order, for persons unable to look after their own affairs, including minors and the intellectually-disabled

Administering charitable trusts and foundations

- including for medical research, galleries, museums, and education scholarships

Other personal business

- trustee or administrator for small superannuation funds
- providing tax advice and preparing tax returns
- financial planning

Funds management

- offering most types of unit trusts and common funds

Corporate activities

- registry and custodial operations
- trustee for debenture and convertible note issues
- securitisation facilities
- compliance monitoring
- trustee or administrator for retail superannuation funds

Industry statistics

In aggregate, trustee corporations have over \$500 billion of assets under administration or management, and capital resources of about \$1 billion.

TCA members manage about 2,000 charitable trusts and foundations with assets of about \$3.3 billion; in 2008/09 they distributed about \$180 million to worthy causes as grants from those trusts and foundations or directly as part of deceased estate administrations.

They employ over 3,600 staff in almost 90 offices located in all States and Territories of Australia.

Almost 2 million Australians have their wills recorded with trustee corporations.

Each year trustee corporations:

- write about 60,000 wills and powers of attorney
- administer about 9,000 deceased estates
- administer assets under agency arrangements or Court / Tribunal orders for about 44,000 people
- prepare over 40,000 tax returns
