

Video transcript: Preserving the financial futures of vulnerable Queenslanders: A review of Public Trustee fees, charges and practices

I'm Mary Burgess, Queensland's Public Advocate.

Over the past two years, I've been reviewing the Public Trustee's fees, charges and practices that affect its financial administration clients and I've prepared a report about what I learned during the review.

The Public Trustee is the financial administrator for around 10,000 Queensland adults who are unable to manage their own financial affairs.

People under financial administration are some of the most vulnerable in our community. Many have conditions arising from disability, illness, age or injury.

A person's administrator is in a position of trust, controlling the person's money and property and exercising significant power over the person's life.

I did the review because people under administration with the Public Trustee and their supporters raised concerns about the Public Trustee's fees and charges, and other practices and the negative impact they were having on their financial circumstances.

The review identified that the Public Trustee is not meeting its legal and ethical responsibilities to some under financial administration. Some of the concerns detailed in my report include:

- fees and charges that are complex and are not explained to people so that they can understand what services they will receive for the money they pay;
- Annual fees that can be more than a third of a person's pension, taking them below the poverty line;
- charging people for financial advice that they may not need that recommends investing client funds in line with Public Trustee policies;
- charging second management fees on clients' money in particular investments when the client has already paid an annual Asset Management Fee on that money;
- keeping up to 60 percent of the interest earned on clients' money to pay for general business operations; and
- the Public Trustee's use of the Official Solicitor, its setting of Official Solicitor fees, charging clients legal fees for Solicitor services, and earning revenue from these arrangements with no external professional oversight or accountability.

The report includes some real-life stories that highlight the consequences of some of these practices.

There's 'Tony', who has a disability and inherited the family home and \$32,000 in shares from his parents. Tony's only income was the Disability Support Pension. Within two years the shares were sold, the proceeds spent, and Tony was in danger of having his home sold because he

was unable to afford some minor maintenance because of the high Public Trustee fees. Members of Tony's family had to step in. They paid for the work on his home and became his administrators.

In another case, the Public Trustee wanted to spend \$25,000 in legal fees to investigate a claim on behalf of a client that had no prospects of success, and would have used all of her \$12,000 of savings, and left her in debt.

Over the past year the Public Trustee started a business improvement program and has taken steps to fix some of the problems outlined in my report. But, there is still a lot more to do. There need to be changes to the law, and the way the Public Trustee is funded and invests people's money, and the operation of the Official Solicitor.

The goal of my review has been to protect the rights and interests of people with impaired decision-making capacity. The Public Trustee plays an important role in our community. It is vital the Public Trustee has the community's trust and confidence. My report makes 32 recommendations to help the Public Trustee and the government to resolve the issues identified in the review and restore that trust and confidence. We owe it to vulnerable Queenslanders to get this right.