

Queensland Public Trustee

## Proposed fees and charges reform for key services — public consultation

### Financial management services



#### About our financial management services and customers

Queensland Public Trustee (QPT) provides financial management services to around 10,500 people with impaired decision-making capacity due to disability, illness, or injury. We provide personal and ongoing support to help our customers create a budget, pay bills, manage assets, apply for government benefits, and make financial decisions.

Around 95% of our customers come to us when a court or tribunal has appointed QPT to manage their finances due to suitable family members or friends being unavailable to handle these responsibilities.

Most of our financial management customers rely on government support payments as their main source of income. Less than 30% of customers have savings and other assets worth over \$100,000. This means that more than 75% of our customers have their fees subsidised. We provide fee rebates to help make our services more affordable for everyone who needs them.

#### Why we propose to reform our fees

We are proposing fee reforms for financial management customers to ensure they pay no more in fees than the cost of providing the service. We are also simplifying the fee structure to make it easier to understand.

Fee rebates for financial management customers are not changing. However, we are seeking feedback on the fee rebate program with a view to ensure the long-term sustainability of the program.

#### Proposed changes

The proposed changes to financial management fees focus on addressing issues relating to fees charged for personal financial administration and the charging methodology for asset management services.

**Option 1 (preferred):** delivers substantial fee reductions, addressing concerns with personal financial administration fees and asset management fees. Recognising the current cost-of-living challenges, where the current fees are less than the cost of service, this option would minimise the impact on customers by only allowing increases in line with inflation.

The personal financial administration fee is the largest component of the total fee. It is divided into six service levels based on the customer's living arrangement, whether QPT manages their main source of income, and how much contact the customer has with QPT.

- The personal financial administration fee for levels 5 and 6 would reduce significantly. Level 5 fees would reduce from \$6,630 to \$4,932 per year. The level 6 fee would reduce from \$9,283 to \$7,731 per year.
- The personal financial administration fee would include a basic level of asset management service — up to five hours of asset management services per year (excluding the management of real estate property).
- Any customer requiring additional asset management services would incur an additional hourly fee.
- Incidental outlays would be abolished.

**Option 2:** is the same as Option 1, except the personal financial administration fees for levels 1 and 2 would increase to align with service costs.

- Personal financial administration fees for level 1 would increase from \$1,325 to \$1,779 per year.
- Personal financial administration fees for level 2 would increase from \$2,123 to \$3,463 per year.

#### Contact us

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## What it would mean for our customers

The proposed fee options could affect customers differently depending on their personal circumstances, such as their personal financial administration level and fee rebate eligibility. Customers with limited assets who already receive significant rebates are likely to see minimal impact, while those with higher assets would experience larger benefits.

### Under Option 1:

- All customers would be either better or no worse off in real terms (after adjusting for inflation).
- Around 25% of customers would obtain a significant fee reduction of over \$200 per year.
- Customers with higher asset values would benefit due to reductions in personal financial administration and asset management fees.

### Under Option 2:

- More than 97% of customers would be either better off or no worse off in real terms (after adjusting for inflation).
- Around 216 customers would pay higher fees. These are mostly personal financial administration level 2 customers who reside in aged care or hospital. For around 175 of these customers, the fee increase (after accounting for any fee rebate) would be less than \$200 a year.
- As with Option 1, customers with higher asset values would benefit due to reductions in personal financial administration and asset management fees.

## What it would mean for our financial sustainability

The proposed changes would have funding implications.

- They would result in a significant reduction in QPT's annual revenue, in the order of \$8.9 million under Option 1 and \$7.9 million under Option 2.
- QPT could not sustain such a reduction in revenue for an extended period and maintain critical frontline services. Therefore, the implementation of the proposed changes would require additional funding from other sources.



### Have your say

To inform public discussion and feedback, the **Queensland Public Trustee: Fees and charges for key services — public consultation paper** has been developed to provide a detailed rationale on the different fee reform options for key services.

Public consultation on QPT's fees and charges reform for key services is open for comment until Wednesday 8 May 2024.

Visit [www.pt.qld.gov.au](http://www.pt.qld.gov.au) to read the consultation paper and to find out how you can provide feedback.

### Next steps

Consultation feedback will be considered before decisions are made about any fee changes. All current customers will be notified in advance of any changes to the fees and charges. Changes are anticipated for early next year.

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