

Queensland Public Trustee

Proposed fees and charges reform for key services — public consultation

Trust administration services



About our trust administration services and customers

Queensland Public Trustee (QPT) manages over 4,700 trusts, including testamentary, minors, and charitable trusts. We manage trust assets and income, ensuring compliance with legal and fiduciary responsibilities, and fulfilling the intentions of the person who established the trust.

We occupy a crucial gap in the market by serving customers with smaller trusts, particularly minors trusts. Approximately 65% of the trusts we manage belong to minors, and around half of them have assets under \$10,000. Finding comparable services in the private sector can be challenging for these customers.

Why we propose to reform our fees

Currently, the fees charged for trust administration services do not cover the cost of delivering these services. We are proposing to simplify our fees by adopting one fee structure for all trusts. We are also taking practical steps to align our fees with the cost of providing the service. The proposed reform would assist in maintaining the sustainability of our services while fulfilling our social responsibility.

Proposed changes

The proposed changes include:

- Aligning the trust fee with the cost of providing the service.
- Implementing one fee structure for all trusts.
- Removing the special fee structure for charitable trusts with Deductible Gift Receipts status, which currently only recovers about half the cost of the service.
- Removing structured fee rebates for all new trusts, except minors' trusts. A structured fee rebate limits total fees in a year (excluding special fees) to 5% of the trust asset value. Existing trusts would not be impacted by this change.

Two options being considered:

Option 1 (preferred option): A commission-based fee structure with a minimum fee. This type of fee structure is commonly used by most service providers, enhances transparency, and allows customers to easily compare fees across different providers.

Option 2: A simplified version of the current fee structure that seeks to address concerns about having both a service level fee and asset management fee.

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What it would mean for our customers

- Our fees would remain among the lowest in the market.
- The proposed fee options would impact customers differently based on their trust type and value.
- Minors trusts would benefit from lower fees under both options.
- Most other trusts would see some increase compared to current fees. For trusts valued under \$500,000, Option 1 typically offers lower fees than Option 2.
- In recognition of the important work that charitable trusts with Deductible Gift Receipt status perform in the community, QPT is committed to keeping fees as low as reasonably possible.



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 to view the consultation paper and to find out how you can provide feedback.

Next steps

Consultation feedback will be considered before a decision is made to change fees. All customers would be notified in advance of any changes to the fees and charges.

Proposed changes are anticipated to be made over a 12 to 18 month period to allow customers to seek an alternative service provider if they choose.

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