

2016-Aged and disabled to be slugged annual fee-public trustee

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By Kirsty Needham

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Ageing population prompts cost-cutting

A decision by the NSW Trustee & Guardian to impose a new annual fee of up to \$12,000 on thousands of elderly and disabled clients has angered the husbands, wives and children left to run the financial affairs of incapacitated loved ones.

The Baird government argues the fee covers insurance to protect the vulnerable from being "ripped off" from private managers, usually family members. ❖ Refusing to sign: Charles Linsell says of the demand, "It makes me an accomplice to theft."

Photo: James Alcock

But there is anger that the annual cost of the insurance policy - 0.4 per cent of the total value of the estate, excluding property - is too high. The money will be paid to Scottish-based insurer Aviva.

A letter demanding the family members sign within 14 days was sent by the Trustee & Guardian to all 3500 private managers.

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Elder abuse expert Sue Field says she can understand why spouses are upset at the new fee which is draining bank accounts.

Ken Halverson's 33-year-old son was badly injured in 2001 when he was in his final year of school. The Supreme Court awarded compensation.

Mr Halverson has calculated the \$12,000 annual insurance premium will take \$570,000 from his son's estate by the time he reaches 65 years of age. "I almost went through the roof," he said. "I could not believe it."

He said the original court decision hadn't allowed for big fees.

Charles Linsell says he will refuse to sign the letter exactly because he has an obligation to protect his wife's estate as her financial manager.

NSW Attorney-General Gabrielle Upton said the insurance would protect vulnerable clients.

"It makes me an accomplice to theft," he said of the letter that would give her money to the Scottish insurer.

Mr Linsell is upset the blanket policy doesn't take into account the individual risk of private managers.

"I have been on the board of a credit union," he said. "I have been on the board of an area health service and we used to spend \$50 million in public money every month. I find it grossly offensive that anyone can force you to sign anything like that."

Mr Linsell already pays annual fees for the Trustee & Guardian to check his account-keeping.

A letter demanding the family members sign within 14 days was sent by the Trustee & Guardian to all 3500 private managers.

"She had to get new dentures, so I took her along to get measured, I paid, then I reimbursed myself out of her account," he said. "It's all on paper."

Con Thanopoulos, an only child, is irate at the fee because he had "no choice" in having the Trustee & Guardian involved in his father's estate.

His father was too far down the path of Alzheimer's disease when the time came to sell his parents' home for the solicitor to allow him to sign a power of attorney.

"Dad had to go into a nursing home because we were finding him being picked up by police," he recalls.

"It was very dangerous. I was just running out of the office and trying to find him, going around in the car. It was a nightmare.

"I didn't choose the disease. Why are they taking my father's hard-earned money and then forcing him to pay 0.4 per cent every year, in addition to the fees already charged?"

Attorney-General Gabrielle Upton's spokeswoman said the insurance would protect vulnerable clients: "There are currently 3526 people in NSW who have no protection against being ripped off."

She said a man awarded \$2.55 million by a court in 1998 was defrauded of \$2 million by his brother, and a civil case by family members took four years to resolve. In another case, the Trustee & Guardian released \$200,000 to pay for an aged care bond, but the money was taken by the woman's sister and the bond remained unpaid.

But University of Western Sydney adjunct fellow in elder law, Sue Field, said: "I have a problem with the introduction of a surety. I can understand that people who have been private managers for a spouse and have done it extremely well would be upset."

Shadow attorney-general Paul Lynch said: "Summarily demanding bonds from people who had been successfully managing the affairs of loved ones for decades is outrageous."

He said the scheme was badly designed and inflexible, and should be rethought.

The Trustee & Guardian annual report says the bond scheme is "designed to underpin" a shift towards more private managers being appointed by courts, to reduce costs for the loss-making government agency.

Ms Field was critical of recent cutbacks at the Trustee & Guardian, which has seen many of its offices closed.

Mr Halverson met this week with the Trustee & Guardian, and said he was told the blanket policy was being reviewed after a backlash, and he shouldn't sign the letter. He was told that cases could be considered individually, depending on the risk to the estate, which may allow for a lower insurance premium.

Ms Upton's office denied there had been a backdown.

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