

POLITICS VICTORIA SOCIAL SERVICES

# Ombudsman finds State Trustees failed Victoria's most vulnerable

By [Adam Carey](#)

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State Trustees sent the lifetime possessions of a woman in her 70s with dementia and bipolar disorder to the tip, including family photographs and phone and address books, in one of a slew of examples of how the state-owned company failed some of society's most vulnerable people.

In another case of mismanagement unearthed by Victoria's Ombudsman, an 80-year-old client who had just 27 cents in his bank account was directly pursued by debt collectors for more than \$5000, even though State Trustees was responsible for managing his finances.



Victorian Ombudsman Deborah Glass. SIMON SCHLUTER

Ombudsman Deborah Glass said State Trustees too often failed to act in the best interests of its clients, who are by definition among the state's most vulnerable.

The agency manages the finances of about 10,000 Victorians who are unable to look after their own affairs due to disability, illness or injury.

But Ms Glass said there was tension between its role as financial guardian and its commercial motivation as a state-owned company to cut costs.

“While we found no evidence of individual decisions being made for commercial reasons, there is evidence of commercial pressures limiting its service as a whole,” Ms Glass said after tabling her investigation report in state parliament on Thursday.

Her report’s first recommendation was that State Trustees’ status as a state-owned company be reviewed, to determine if the arrangement is suited to meeting the agency’s community service obligations.

It also called for state government departments to determine if funding to State Trustees should be boosted so it can better serve its clients' needs.

The investigation was launched in July last year following a recent surge in complaints to the Ombudsman against State Trustees. Data published in the report shows complaints roughly doubled between 2015 and 2018.

Ms Glass found multiple examples of poor financial management including lost entitlements, delays contributing to increased aged care fees and failure to pursue fraud and financial abuse.

“At the heart of these issues is an overwhelming sense of powerlessness,” Ms Glass said. “The indignity of having to request money for a haircut to supplement a meagre allowance.

“The humiliation of going to the bank to collect your pension, only to find the money is no longer there.”

She also acknowledged that many State Trustees staff are trying to do the right thing and that there were also multiple examples of sound financial management.

“But the evidence of dissatisfaction, directly impacting on State Trustee clients’ quality of life, is too substantial to be treated as other than systemic,” Ms Glass said.

State Trustees chief executive Matt Carrick said the investigation had provided the agency with a chance to identify how it could do better.

"Some key themes of the findings are that we need to respond faster and better support our clients and our people," Mr Carrick said.

Some changes were already under way, including better staff training and looking at speeding up client payments, he said.

Mr Carrick emailed staff this week to tell them nine positions in the company would be made redundant and 12 new roles created so it could better respond to the issues raised in the Ombudsman's report.

"I understand that this is a challenging time, in particular for impacted employees," he told staff.

The past 12 months have been a particularly turbulent time for State Trustees.

The board last year sacked Mr Carrick's predecessor, Craig Dent, over allegations he had misused public funds. Mr Dent has denied the allegations.

In April, Victoria's public sector corruption watchdog, IBAC, recommended State Trustees refer Mr Dent to police for investigation, however the agency and Mr Dent chose to settle the dispute confidentially.

Treasurer Tim Pallas is State Trustee's sole shareholder. The Department of Treasury accepted the report's recommendation to review the company's corporate structure and its funding.



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