

Public Trustee fee structure questioned in damning auditor-general report calling for urgent review

By [Keane Bourke](#)

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Fees charged by the Public Trustee sometimes substantially eroded the value of deceased estates, the report found. (*ABC News: Ian Cutmore*)

WA's auditor-general has called for an urgent review into the state's Public Trustee, questioning the way it charges for its services and describing it as being only "partly effective" at carrying out key functions.

The Public Trustee controls about \$1.4 billion of assets on behalf of some of the most vulnerable West Australians.

It manages the financial affairs of people unable to do so themselves, as well as administering the estates of people who have died.

Auditor-general Caroline Spencer found the body's current model, by which it largely funds itself, means some clients unknowingly subsidise the fees of others, who cannot pay.

"This model delivers an inherent incentive to maximise fees from clients regarded by the Public Trustee as having the capacity to pay, but who by community standards would not be considered wealthy," she said.

"This is not appropriate.

"While people should pay for the services they receive, it is not fair for a public institution entrusted to act in their best interests to have them unknowingly subsidise others."

High fees for little work

Ms Spencer recommended the government consider funding the agency and introducing transparency requirements.

"This enables scrutiny by Treasury and parliamentary committees, and increases oversight for an entity that currently has relatively little and holds a sizeable amount of other people's money," she said.

Earlier this year, the ABC revealed how [WA's Public Trustee had taken \\$10,000 in legal fees from the bank account of a dying woman](#) in order to help build a police case against her daughter for stealing.

The case against Siham Benz was dismissed by a jury after just 10 minutes of deliberations.

Key points:

- The report found some Public Trustee clients unknowingly subsidise others
- Fees charged were sometimes excessive and not made clear
- A review of the funding model has been urged



Siham Carollisen (right) was accused of stealing from her mother Amina Carollisen (left).
(Facebook: Siham Carollisen)

While Ms Spencer said fees were charged in accordance with a published schedule, "clients will not know what fees they have been charged unless they ask, and some are charged considerable fees for little work".

The audit found that was because fees are based on the value of the trust involved – meaning large trusts could be charged significant amounts where the actual work done was "minimal or automated".

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In one case, a trust that held \$135,000 until a child turned 18 was charged \$6,300 in fees over a 14-month period, despite requiring "little input" once established.

"After the initial set-up, the trust manager has not had to perform any ongoing tasks or respond to requests from the client," the report read.

People 'massively overcharged'

WA Liberal Party leader David Honey echoed sentiments there were "significant issues" in the state's Public Trustee.

"It seems clear from the evidence that the auditor-general has presented that some people are being massively overcharged for the services that are offered," he said.



WA Liberal leader David Honey says vulnerable people have had their money mismanaged by the Public Trustee. (ABC News: Cason Ho)

"Many, if not most of the people who are managed, if you like, by that Public Trustee office are often people who can't manage their own affairs, and they often won't even know what the fees are.

"We have no way of knowing how many thousands of dollars of vulnerable people's money has been misused."

Risk of financial exploitation

Fees were not adjusted unless clients complained, which "can place considerable responsibility on its vulnerable clients".

"Actively waiting and reducing fees to reflect actual work would better align with the Public Trustee's stated fee for service approach and promote equity and value for money for individual clients," the report found.

The audit also found trust clients were not provided a "clear and easy to understand" explanation of the fees they are likely to be charged, with a more detailed schedule "written in formal and complex language".



The auditor's report found Public Trustee clients were often not told what fees they were being charged. (*ABC News: Jessica Hinchliffe*)

Concerns were also raised because "trust clients are not regularly told what fees they have been charged and why", and only received the information when it was requested, an account was closed, or when required to by a State Administrative Tribunal order.

"This reflects the Public Trustee's concern that financial statements in the wrong hands increase the risk of clients being financially exploited," the report found.

"However, not all clients face this risk, and the approach reduces transparency of charges for all trust clients.

"Some clients remain with the Public Trustee for long periods, during which they may not know what funds they have or the fees they have paid."

Public Trustee defends 'affordable service'

The auditor-general made five recommendations, including that the Public Trustee consider a way to assess whether full fees reflect the work on a trust and should be charged and review and improve its communication of trust fees.

The report also recommended the Department of Treasury review the "appropriateness and transparency" of the current fees and funding model, which the government has committed to.

A response from the Public Trustee included in the report noted that an independent review into fees and charges had been carried out in 2020, and found it to be "fair, reasonable and appropriate in most circumstances".



Attorney-General John Quigley says the report is being considered by government. (ABC News: Hugh Sando)

"The Public Trustee believes its clients receive a quality service at an affordable price," the response continued.

"The Public Trustee will fully co-operate with any planned review by the Department of Treasury to assess the appropriateness of its self-funding model and related governance arrangements."

In a statement, Attorney-General John Quigley said he welcomed the report, and the areas for improvement it identified.

"I am pleased Treasury is already making arrangements to provide the government with options to improve equity and value-for-money for the Public Trustee's clients," he said.

"The government will carefully consider Treasury's findings."