setting fees for trustee & guardianship services

9 September 2014

The Independent Pricing and Regulatory Tribunal (IPART) is calling for public submissions on proposed new fees for the monopoly services provided by the NSW Trustee and Guardian.

The NSW Trustee and Guardian (NSWTG) provides financial management services for people assigned to the NSWTG by a court or tribunal due to their diminished capacity to make their own financial decisions (managed persons). The NSWTG also provides trustee services such as making wills and powers of attorney, administering estates and establishing and managing trusts for people who cannot afford or who choose not to obtain them from a private lawyer, accountant or trustee company.\(^1\)

IPART Chairman Dr Peter Boxall said IPART has not accepted NSWTG’s submission to substantially increase fees and is instead proposing a move towards a more cost-reflective, consistent and fair fee structure that recovers the efficient, rather than the actual, costs of NSWTG.

“We have found significant stakeholder and client concern about the quality of service and the level of fees.” Dr Boxall said.

“Further, there is significant scope for NSWTG to improve its operational efficiency and provide better service at lower cost.”

“Vulnerable and disadvantaged clients should only be asked to fund efficient costs rather than NSWTG’s actual costs. We are seeking comments on a new fee structure based on efficiency, fairness and transparency.”

“IPART is recommending subsidised fees for low wealth clients most in need of financial assistance.”

IPART would also set subsidised fees for drafting wills and power of attorney for people eligible for the full-rate Centrelink age pension. Under IPART’s draft approach, Government funding through Community Service Obligations (CSOs) would be better targeted and more transparent.

IPART is recommending draft fees for services where clients do not have a choice of service provider, including direct and private financial management services, trust services and estate administration for involuntary clients.

While the impact of the proposed fees on different clients will vary, on average clients will pay 11% less under these draft recommendations compared to current fees, and significantly less than NSWTG’s proposed fees.

\(^1\) The NSWTG also administers the Public Guardian, which may be legally appointed to make major health and lifestyle decisions for those lacking the capacity to make such decisions themselves. However, the costs associated with this role, and the fees charged by the Public Guardian are outside the scope of our review.
Submissions are being sought on the draft report *Review of Fees for NSW Trustee and Guardian* until 10 October 2014. A public roundtable will be held in Sydney on 23 September 2014, with the final report to be submitted to the NSW Government in late November.


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