

## **The Independent Pricing and Regulatory Tribunal**

Review of fees of the NSW Trustee & Guardian

Re: Draft Report September 2014

While it could be argued that based on value for money service the proposed fee structures are still too high, the fee recommendations nevertheless provide a step in the right direction.

It is welcoming to see a number of recommendations outlined in chapter 6 of the draft report. Some comments in relation to this follow:

### **1. In relation to 6.1 Improving quality of services**

It would appear that quality of services is not a recent issue and as detailed in the report some measures had been put in place and also that despite these measures there are still significant concerns about the quality of NSW TG's services. While the draft report details some statistics, it is unclear what KPI measures (if any) are in place to improve these numbers. The numbers themselves appear to report client satisfaction data and frequency of complaints. Other than having a measure to determine the number of complaints finalised within a target of 21 days, there is nothing more in the report to suggest that anything other than collecting statistics is being focussed on.

The sort of numbers mentioned for client satisfaction are poor by any standards; in a competitive environment numbers of 95%+ are a very real expectation for customer satisfaction. Behind such targets, typically there would be a series of KPI's to ensure that everything possible is being done to meet performance indicators.

In a competitive environment, consumers are free to choose providers of goods and services and this is precisely why providers have much higher customer service indices. Pricing, service and expedited resolution of complaints all contribute to a competitive strategy for providers. Unfortunately, in a monopoly situation such factors are of little consequence as there is no incentive for competitive excellence. The fact

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that service quality has been an issue with NSWTAG since before 2008 (and continues to be) is probably a reflection of this.

I agree with the proposal of The Mental Health Co-ordinating Council and IPART's recommendations in this regard.

## **2. In relation to Adopting practices that enhance efficiency**

I couldn't agree more with the recommended opportunities to improve operating efficiency. As stated in the draft report, a "cultural change" is probably required.

Perhaps the quickest and easiest solutions to address cost effectiveness, efficiency and customer satisfaction is to open up current monopoly services to competitive forces much sooner rather than later.

## **3. In relation to proposed fees**

I note the proposals in Table 1.1 in relation to variable and fixed administration fees. I do not see any point whatsoever in the application of a fixed monthly fee on top of variable fees which even at the IPART recommended review level are way too high. I base my comments on fees charged by NSWTG to "manage" my mum's affairs.

Review of the latest Statement of Account (Jan-June 2014) shows that NSWTG charge the equivalent of over \$100 per transaction. With the exception of seasonal payments such as rates and insurance and monthly chemist dues, all other transactions are either direct debit or direct credit. I don't know how anyone could possibly justify such fees for basically doing nothing; although I did note a late fee which amounts to paying for someone's neglect. Late fees are a reflection of poor management and clients should not be liable for these; NSWTG should foot the bill for their shortcomings. I strongly urge IPART to revisit fee structures. I am sure that there are many "clients" in a similar situation; there certainly appear to be similar indications within the public submissions to IPART.

Fees should not be source of revenue to prop up inefficiencies or contributions to state coffers. Those in need of protection deserve better than that. If the services are inefficient and costly, then open up the operation to competitive forces.

## **4. General**

I think that an accountability statement is also required. The complaint process is largely self-administered and the reported statistics clearly indicate that all is not well when it comes to dealing with complaints.

In its submission to IPART, NSWTAG stated that *"it takes complaints seriously and every effort is made to resolve issues in a fair and timely way. The resolution of*

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*complaints and IRODs within set timeframes is part of NSWTG best practice procedures.”*

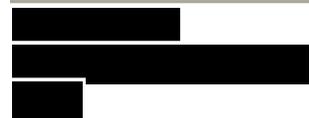
The process of getting a complaint to NSWTAG's Quality Service and Community Relations is multi-tiered. The procedures and time-frames are outlined in NSWTAG procedures document titled "Complaints Procedures". It is quite probable that each tier within the process contributes to an overall time lag which may be the reason why such a poor strike rate on resolution is being reported. Quite obviously issues are not being resolved in a timely way if in fact they are resolved at all. The procedure is possibly in need of overhaul and streamlining.

Sincerely,

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Z. Huszar

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