

# UNCORRECTED PROOF ISSUE

**Friday 4 December 2015 - Legislative Council - Government Businesses Scrutiny Committee B - The Public Trust Office**

## LEGISLATIVE COUNCIL

## GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

**Friday 4 December 2015**

### MEMBERS

Mrs Armitage  
Mr Dean  
Mr Finch  
Ms Rattray (Deputy Chair)  
Mrs Taylor (Chair)  
Mr Valentine

### IN ATTENDANCE

**Dr the Hon. Vanessa Goodwin MLC, Minister for Justice**

#### **Ministerial Office**

**Mr Jim Dunham, Adviser**

#### **The Public Trust Office**

**Mr Craig Stephens, Chairperson, Board of the Public Trustee**

**Mr David Benbow, CEO, Public Trustee**

**Mr Duncan Hall, General Manager, Corporate Services**

**Ms Gaylene Cunningham, Manager, Client Services**

**Mr Glenn Lucas, Manager Financial Operations**

**Mr Tim Levis, Corporate Solicitor**

**Ms Angie Dougan, HR Manager**

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**The committee resumed at 1.07 p.m.**

**CHAIR** (Mrs Taylor) - Minister, welcome. Would you like to make an opening statement?

**Dr GOODWIN** - I will make a brief opening statement. The Public Trustee delivered a solid result for the 2014-15 financial year, achieving a profit after tax for the financial year of \$388 000, although this is less than the profit of the previous year of \$739 000. Total comprehensive income for the 2014-15 financial year amounted to \$2.172 million compared to \$985 000 for the previous financial year. The factors contributing to the reduced profit after tax were that total revenue from activities was 0.06 per cent lower than last year; of total revenue, commissions and fees decreased by 2.8 per cent on last year; ad community service obligation funding increased by 5.9 per cent; and total expenses from ordinary activities increased by 7.5 per cent during the year. Salaries and associated expenses were up 7.9 per cent on the previous year as a result of normal award increases and vacant positions from the 2014 financial year being filled for the full 2015 financial year. Administration expenses increased by 13.1 per cent. The majority of the increase resulted from one-off costs associated with the refurbishment of the 116 Murray Street premises. Total comprehensive income includes a re-measurement of the defined benefit liability of \$1.959 million before tax, significantly up on the actuarial loss of \$555 000 in 2014.

I mentioned the \$1.1 million that was incurred on the refurbishment of the 116 Murray Street premises. This refurbishment has already improved operational efficiency and culture and, most importantly, improved the customer experience for all clients of the Public Trustee. Now there is direct access to both operating floors of the premises without the need to have security on the ground floor. I was lucky to go to the launch of the refurbished premises and it has certainly made a big difference for the people working in the Public Trustee and the clients coming in. The board, the CEO and the staff should be commended for the work that was done in that regard.

At last year's GBE scrutiny committee hearing it was announced that the Government would be preparing terms of reference for a review of fees and charges applied to community service obligation represented persons' clients to be undertaken by Treasury in conjunction with the Public Trustee.

You would probably be aware that the Public Trustee has traditionally had one of the highest fee structures for CSO-represented persons with assets less than \$100 000 compared to government operated public trustee organisations in other jurisdictions. This has particularly been the case for individuals at the lowest asset threshold. This has been raised as a concern with governments current and past by stakeholders and the Public Trustee for a number of year. The review undertaken by Treasury in conjunction with the Public Trustee identified an option to reduce costs for CSO-represented persons by eliminating capital or commissions, the monthly account fees, and reducing income commissions. The Treasurer, Peter Gutwein, myself, and the board of the Public Trustee have agreed to adopt the fee recommendations. In addition, we have agreed to further reduce fees for clients with assets under \$10 000 by eliminating entirely the income commissions for those people.

As a result, the changes to the Public Trustee's fees for people with assets under \$100 000 - we will be eliminating capital commissions, eliminating monthly account fees, and reducing income commissions from 6.6 per cent to 2.7 per cent and zero per cent for people with assets under \$10 000. The Government and the Public Trustee will jointly contribute to the cost of implementing the fee reduction with the Government to increase the CSO funding to the Public

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Trustee by \$250 000 from 2016-17. The balance of the cost of the fee reduction can be met from the Public Trustee's operating budget. That means Tasmania will go from being amongst the highest-charging jurisdiction for represented persons to now being among the lowest. That is a fantastic outcome for the low income clients of the Public Trustee, many of whom may be disadvantaged or living with disability, and are represented persons under an order of the Guardianship and Administration Board.

I publicly acknowledge the work of Treasury and the Public Trustee, and also the Treasurer who is a key player in enabling this decision to be made and put into effect around reducing the fees.

**CHAIR** - Can we ask you when that is going to take effect?

**Dr GOODWIN** - Yes. 1 January 2016.

**CHAIR** - Good. That is soon. You would be aware that we have been lobbied about that, as well as other people. That is great.

**Ms RATTRAY** - That is a good new story, minister.

I did want to take you to page 9 of the annual report, which indicates there has been a reduction in the number of new wills that the Public Trustee has undertaken in the last financial year. From 2013-14, from 744 down to 629. There is a similar reduction in the revision of wills. I am interested in what conversations you have had with the Public Trustee around why they think that might be happening, and also what strategy they have to build up those numbers again.

**Dr GOODWIN** - I will hand over to the CEO to talk in more detail around that, but we have been having those conversations. This has been an ongoing challenge for the Public Trustee, because on the one hand it has a significant workload and obligation around the CSO clients, but at the same time, as a GBE, does try to generate income through things such as wills and estate management more importantly. The Public Trustee is competing with the private sector, and specifically, legal stakeholders as well as law firms. It is an ongoing issue for the Public Trustee. I will hand over to the CEO to talk around the specifics of their approach to this issue.

**Mr BENBOW** - Yes, the will numbers are softer this year. What we are seeing is a slow decline in the actual will numbers. We are addressing that through, in the next four years, specifically building a marketing strategy around changing the profile, the attractiveness, of the Public Trustee as a provider of estate planning. In the past, probably a majority of our clients were in that 65-plus age group. It is a very different generation we are seeing moving through over the next two generations. We are working very hard to look at moving our attractiveness from being at that end of the spectrum coming back through the ages 35-plus. Over the next four years, that will involve looking at a re-branding of the Public Trustee. We are doing a lot of work around building our professionalism, making our services more efficient, making our services more transparent, more attractive to a more discerning consumer these days around expecting value for money. The actual campaign itself will be targeted, we are anticipating, the 35-plus females. We have seen those ladies as being the drivers of decisions within families and looking at moving -

**CHAIR** - We get recognition at last.

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**Mr VALENTINE** - That is right. I mean, we have known it for years.

**Mr BENBOW** - It is a reality. We will be not just looking at the estate planning as being an end-of-life decision. In this day and age, people really need to be thinking about enduring powers of attorney, enduring guardianship, and those things to protect their families. When people see the financial planner, then you need to come and see the Public Trustee about the other aspects of managing your family's life.

Although we have a lessening in will numbers, we are not too concerned. We probably had fewer will writing days last year than we have had in other years. As part of the strategy, we are looking at attempting to reduce the cost of acquiring new wills.

**Ms RATTRAY** - Are you talking about the overall cost? Initially there is no charge. Is that still the case?

**Mr BENBOW** - It is the actual cost of acquiring a customer. At the moment it is a free will, but it is not a free will. It is a package of services you will receive, and not a lot of people understand that. We are going through the throes of determining whether we should be charging for wills. We may or we may not, but what we have to do while we have our current packaging services - this is this transparency I am talking about - is being able to get people to understand the service that the Public Trustee offers. The will is just one part of the process. That is the end document. It is a bit like financial planning. The financial plan is the end of a long range of conversations and understandings about your circumstances. For us, that pricing piece is a key aspect, but really, that transparency is the key. The cost of acquiring a client at the moment is too high. We do a range of will writing days and a range of seminars. In the past, we have tended - if we were doing a will writing day in Scottsdale, we would contact every person in Scottsdale via mail. We all know the cost of postage is too high. The numbers -

**Ms RATTRAY** - By the time they get their letter you probably had your seminar. It is getting that bad. There are only deliveries three times a week for some areas now. It is really quite difficult.

**Mr BENBOW** - We have to make use of other formats of getting people along to these events, local radio, papers, utilising community centres, social media, digital strategies, and all those sorts of things to change the model. While we are changing the model, we did fewer will writing days with a view that we are developing strategy, we are absorbing the cost of CSO funding to our bottom line, so we have to find ways to start paying for this stuff.

**CHAIR** - Not all CSO, some CSO.

**Mr BENBOW** - All of it in the first half of the financial year 2015-16. We will absorb the total cost and Government kicks in from 2016-17. We have to manage that transition of fees. Fewer wills, but our strategy is very targeted around changing the profile of the customer, whilst retaining and being able to deliver services to the traditional client base.

**Mr VALENTINE** - You have to look at innovations like working with the Minister for the Arts to have a song and dance act when you get people in.

**Mr BENBOW** - Exactly.

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**CHAIR** - You cannot have expenses up and income down, can you?

**Mr BENBOW** - No. We are an interesting business because what we do today will not deliver revenue tomorrow. We have to build sustainability into the business. If we do nothing and those over 65s, they will pass away, and the Public Trustee will continue to receive revenue. If there are no wills coming in at the other end and we are not administering estates, we are not being innovative around new products and services, the commercial fees starts to shrink which means the cost of delivering services to the represented person fees becomes significant and that becomes the bigger impost to the Government.

**Mr VALENTINE** - It is also the case that people are living longer.

**Ms RATTRAY** - Would you consider the model the Public Trustee works under now is out of date?

**Mr BENBOW** - Its relevance will be tested over time. If we are targeting customers in the 35-plus age group, their life is in the digital space and understanding value for money and being able, through a process, to understand what they are signing up for. Maybe older generations are not quite like that. That is not a challenge for us. We have to look at our business and say, unless we do something we will become irrelevant. Are we relevant today? I would say, yes. But like all businesses, you cannot look at today if the world is changing around you. You have to start putting in strategies for what happen. I will not be here when the success of this comes to fruition. We are talking about as people live longer -

**Mr VALENTINE** - They are living longer so your income is getting further out.

**Mr BENBOW** - It is getting stretched and if someone comes in today and contracts with us to deal with their affairs when they pass away, it could be 40 years. How do we, as an organisation, retain that engagement with a client over 40 years? That is where being better at communicating and being able to communicate via digital means, improving our newsletters, providing seminars to clients, that add value. All of that is part of our marketing strategy.

**Ms RATTRAY** - Chair, I should have addressed that question to the minister and I apologise because I am interested if the minister believes the model is appropriate.

**Dr GOODWIN** - It is the model that is in place at the moment and there are different models around Australia as to how organisations like the Public Trustee work. It is not in dire straits yet but it is something we need to closely monitor. The organisation is doing the right thing by having a good look at how they have been doing business in this area and how relevant it is to the target group they want to attract.

**CHAIR** - It is a very different model to most estate lawyers who charge you the fee upfront for writing your will so people know what they are up for.

**Dr GOODWIN** - Yes, it is. It is good that the organisation is having a look at it. They are doing the right thing and it is something we need to continue to monitor because what we have seen, although it has started to level off, has been the huge growth in the number of represented persons and there is a cost that comes with that. If the other side of the business is shrinking, then there are issues of viability. We need to continue to monitor it carefully.

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**Mr FINCH** - On those numbers, minister, of the diminution, can I have some idea of where that occurred - the southern part of the state, the northern part of the state or the north-western part of the state? Is there more of a drop-off in a particular area?

**Mr BENBOW** - Not really. It seems to be a general softening across the board. For example, the north-west is much the same as it has been for a number of years - probably a little more in the south. I am not sure why that is. You look at our marketing research and the majority of our referral to the Public Trustee were through word of mouth. Probably 80 per cent of referrals come in that format. Is it because more people engage with the Public Trustee because of their age, because we are attractive to that demographic, are there less of them? I think that is potentially the case.

As to services into regional Tasmania, they have not changed. We still have a full team in Burnie and Launceston. As part of our regional service delivery we have undertaken a model review. Our corporate solicitor, Tim Levis, has put a solicitor in the north of the state, which we never had, to improve the service and start building on that professional area and be able to deliver the same level of service you would receive in the south of the state. That person covers the entire north-west through to the north-east.

We now have a regional manager with a focus on the north-west coast not just on administration but business development. Although the numbers are declining - and in terms of revised wills, that model needs to be looked at. We do a lot of will revisions on the basis of people coming in weekly. A classic story is if people do not get visited by the niece one weekend they will come in and change the will and if a visit happens they will come in and revise it the next week. That is an important thing for people to have, social interaction and connection, but as an organisation we have to find a model that works on how we deliver these services, otherwise our cost of acquisition is significantly higher.

I note the ACT has recently brought in a consultation fee. You cannot even come in and talk to the Public Trustee in the ACT unless you pay, but if you end up writing a will with the ACT being nominated as your executor, they will rebate the fee. Everyone is conscious of the cost of providing the service and the heavy burden upfront that you do not collect on until down the track. It is a difficult model to work with.

**Mr FINCH** - When you do your marketing, do you target a statewide audience - newspapers, television, social media, or however you do your marketing?

**Mr BENBOW** - Very much so. We see one of the biggest opportunities for the Public Trustee is in the north of the state. We think we have probably got it right in the south but we see greater opportunity in the north and that is why we have put a solicitor, a legally trained person, on the coast. That will be supported through our marketing campaign, which is being reviewed. We are working with a group, H&M, out of Launceston. I have worked with them before and they understand the funny nature of trustee companies and how you promote their services.

One of the biggest things we, as a public trustee, can do is start working with other government agencies, which is not something we have done before. We are not the preferred provider of the estate planning services to the wider public service and as a starting point we will be looking at partnering with groups such as RBF, Quadrant, Tasplan, Education, and Health. Instead of trying to acquire a customer one by one, we will be putting in business development strategies throughout the state that can put us in front of more people at a lower cost.

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**CHAIR** - Have you drafted those already?

**Mr BENBOW** - Our plan is being presented to our board in December, but like everything else we have to work out how we are going to pay for it. That is a conversation the Chair will be driving. I think it is time to start ramping up our business development and marketing promotion to fill that softened gap we can see occurring.

**Mr VALENTINE** - We talked about people getting older. Has any work been done to identify the profile over time of how much older people are getting before they are passing on?

**Mr BENBOW** - We have a general understanding of the age demographic of our clients. A fantastic model would be if we knew their health and estimated probate values. Then you could very cleverly model by using attrition rates. Not every will we write stays with us; it is a very competitive space out there. One of the key developments we are undertaking is that next year we will be implementing a client management system. We are working on that now. We are, for the best part, paper-based in a lot of ways. Our tax system is, our accounting system records fairly basic client data, but we feel we need to have a client management system which will deliver a range of efficiencies and so on. It will also give us better ability to manage -

**Mr VALENTINE** - Better base data.

**Mr BENBOW** - Better base data, with an ability to real-time model.

**Mr VALENTINE** - I noticed you are doing a new funding dividend policy. You cannot really do that without proper understanding of exactly what your long term is going to look like.

**Dr GOODWIN** - It is an issue that needs to be considered. Certainly it helps if you have readily obtainable data. Paper-based files are problematic, obviously. The case management system is an important addition.

**Mr VALENTINE** - With an organisation that is dealing with lots of people over a long period of time, if that is stretching then that is going to change the whole face of your end point in terms of viability of the business.

**Mr STEPHENS** - The client management system we are talking about is underway and will be in place in this financial year, which will then give us the capacity to start looking at those analyses.

**Mr VALENTINE** - It will take a lot of work to pull past data together to know those trends.

**Mr STEPHENS** - The data is there in our system. The underlying system has it all in there.

**Mr BENBOW** - It is there.

**Mr VALENTINE** - Getting it out might be the challenge.

**Mr BENBOW** - I meet with all state CEOs of government-owned trust companies. I have worked in the private sector and this is not a unique problem. You are dealing with data that is very old. For example, we have wills we consider active but that probably are not active because

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people cannot live that long. You do not know where they are. There are a lot of assumptions that come into it. I know the modelling you are talking about. If you had an actuary and could provide them with the basic assumptions and the data, they could work out the profile.

In terms of capital commissions, which for us is almost the litmus test of where we are travelling in terms of what that will bank is doing, it is starting to flatten. It tends to grow. Really, the variables in that are the values of the assets you administer - houses, bank accounts, that sort of stuff. Generally in Tasmania they move by about CPI. One would assume, in general, that if you are administering much the same mix of estates with much the same level, you will get a steady climb at around CPI in terms of revenues. We are in an interesting space where it is just starting to taper a bit. Unfortunately in our business you cannot go out and ask people if they are going to die this year or next. The assumption is you that look at the data and the data is suggesting something is happening. Either values of probates are declining or number of estates is much the same. If that is the case is that going to suddenly blip back up or is that going to blip down? That is the space we are in at the moment in terms of that analytical work.

**Mrs ARMITAGE** - I was going to ask about the key IT project that has tentative completion in June 2016. I wondered about the overall cost of the project.

**Mr BENBOW** - The client management system is developed locally by ISW. It is a system built for another local trustee company that I used to work for. We are piggy-backing off a lot of the work done in that. At the moment we have an initial costing, which the board has approved, of around \$218 000, which is not a lot of money for a system that is going to develop functionality and control around how you administer files. At the moment we have files, so if you are in Launceston and need to know what someone in Hobart needs to know, you have to ring someone up and ask them to look at the file. We will have a system with everything on the system. You could administer a file because it will no longer be a file; it will be data on a system you can access. That \$218 000 business case was put to the board. Pay-back was about two-and-a-half years.

**Mr HALL** - It is only a couple of years because of savings in the wills but also from efficiency.

**Mr BENBOW** - We currently pay for a will-writing system; it costs us around \$50 000 to \$60 000 a year. This client management system will pick up that functionality, as well as like productivity that we can see. We are only a small business; we employ about 55.2 FTEs, but this system will probably save us a couple of people every year, plus a reduction.

**Mrs ARMITAGE** - Will there likely be any extra ongoing costs associated with maintaining the system?

**Mr BENBOW** - We pay maintenance fees of \$50 000 a year but they were all built into the cost.

**Mr VALENTINE** - Software maintenance, not hardware?

**Mr BENBOW** - Correct. Also, that \$50 000 includes 150 hours of development. In other words we can keep developing the system at no cost.

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**Mrs ARMITAGE** - Is the Public Trustee committed to keeping all of its offices around the state open, or with the IT improvements do you anticipate rationalisation of offices and more reliance on technology as a means of doing business? I know what you said about staff but what about the offices?

**Mr BENBOW** - Offices remain.

**Mrs ARMITAGE** - Current hours will remain?

**Mr BENBOW** - Current hours. Our view is that the system provides us with an ability to deliver better services. One of the keys of our regional service delivery model review was about getting consistency in service level. There is a focus that Burnie and Devonport and Launceston are regional, but my view is that all service centres need to be the same. You walk into Hobart, Burnie, Devonport, Launceston and you get the same level of service. The model that you create is the same in every region. The CMS will allow us to do administrations in a different way, so instead of someone in Burnie doing all types of administrations - deceased estates, enduring power of attorney, represented persons - there will be an element of specialisation, but the actual head count and the service delivery we do not see changing in regions. In fact some specialist functions may end up in Burnie, for example.

**Mrs ARMITAGE** - So you will not have a head office?

**Mr BENBOW** - It is not a head office. One of the key things for us is around us getting some scalability. When you have three people in an office and suddenly one leaves, suddenly you have lost 30 per cent of staff. It is difficult to manage, especially when they are people with significant skills or managers at a senior level. It is not easy to manage that scalability, whereas if you have a system that allows you to move files easily and you are focusing on service centres, then that is what we are talking about where people come in and want to speak to you about acquiring your products or what is occurring with their files et cetera. Represented persons need to talk about their budgets. That is the focus for our service centres. For example, in Launceston we will have people sitting in a back office still managing files, but maybe in a slightly different way once we have the capability to move files around.

**Mrs ARMITAGE** - You have 53.9 staff as at 30 June 2015. You said you might be cutting back some staff - to do with the IT. How many staff are you likely to lose?

**Mr BENBOW** - At the moment we actually work on a budgeted number of staff.

**Mrs ARMITAGE** - FTEs?

**Mr BENBOW** - FTEs. We have a sophisticated way of being able to establish exactly how many staff we require. We have a workload management tool that works around effort. In other words we know exactly how many files a person can manage at various stages of their career with the Public Trustee.

**Mrs ARMITAGE** - How many do you require then, what does it tell you?

**Mr BENBOW** - As at the end of financial year 2015 we budgeted for 57.8, which is a 2.2 reduction on financial year 2014. The majority of that is simply around better productivity. With

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the CMS, is that going to increase productivity? I would say so. We are not looking to lose staff through any other means than -

**Mrs ARMITAGE** - The figure I have of 53.9 staff employed on a full-time equivalent basis at 30 June 2015 -

**Mr BENBOW** - That is the actual bodies in seats at that time. I am talking about budgeted numbers. We are filling positions all the time. We have something like 60 per cent of our staff are young females -

**Mrs ARMITAGE** - What is it likely to go down to? There is 57.8 budgeted, so what is the figure likely to be?

**Mr BENBOW** - Within our business case for the development of our IT system we think over two years we would probably reduce that by about two.

**Mrs ARMITAGE** - Can you give me a breakdown of where they are employed across the offices?

**Ms DOUGAN** - Sorry, did you ask about numbers?

**Mrs ARMITAGE** - Numbers in offices, because if they are all fairly equal - are the numbers all fairly equal?

**Mr BENBOW** - No.

**Ms DOUGAN** - In our Burnie office we have five employees, and in Launceston, six. The remainder are in Hobart.

**Mrs ARMITAGE** - Did we have a Devonport office did you say?

**Mr BENBOW** - We have an unmanned Devonport office that we deliver services from, so people can make appointments at Devonport.

**Mrs ARMITAGE** - How many in Hobart then?

**Ms DOUGAN** - The remainder, so that is 48.

**Mrs ARMITAGE** - We are saying all our offices are equal. Equal does not seem terribly equal to me when we have five in Burnie, six in Launceston, and 48 in Hobart.

**Mr BENBOW** - I think equal in terms of when I am talking about a consistency of service, if you walk into the Burnie, Launceston or Hobart office, the model is the same. We do not have a head office as such, so if you are a represented person and you walk into Burnie you get exactly the same service as if you walk into Hobart. Hobart has always traditionally been the biggest office.

**Mrs ARMITAGE** - What is occurring in Hobart to make up for the large number of staff there?

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**CHAIR** - Is it because you have more clients? Why do you have more staff in Hobart?

**Mrs ARMITAGE** - Why do you have 48 staff?

**CHAIR** - Are they doing different jobs?

**Mr BENBOW** - No, historically there have always been more people in the Public Trustee based in Hobart. Are we going to change that over time -

**Mrs ARMITAGE** - I am just trying to glean from you -

**CHAIR** - There are more customers, is what he is saying, in Hobart.

**Mrs ARMITAGE** - I would not have thought they would have that many more with 48 compared to six.

**Mr BENBOW** - Significantly more.

**Mr STEPHENS** - There are some central administration issues in Hobart.

**Mr VALENTINE** - Back office functions.

**Mrs ARMITAGE** - That is what I am just trying to get to. You were talking about the IT, that it is tidying things up and it is cutting things out. I am thinking okay, is this where they are doing the bulk of their work? Do they see someone in Launceston and they send it down to Hobart for everything to be done?

**Mr BENBOW** - No.

**Mrs ARMITAGE** - Otherwise all I am looking at is Burnie - five, Launceston - six, Hobart - 48. That just seems to be a little bit of a discrepancy to me if they are doing much the same work.

**Mr BENBOW** - The entire finance team, for example, is based in Hobart.

**Mrs ARMITAGE** - That is what I am trying to ascertain - who is in what?

**Dr GOODWIN** - It might not be called a head office, but the fact is that most of the services that support the whole organisation are based in Hobart.

**Mrs ARMITAGE** - That is what I was trying to get to, what they are actually doing. If they are doing the same service in each region then it does not balance up.

**Mr BENBOW** - That is a fair comment. The majority of back office-type functions are in Hobart. That is where you get the scale. Our legal team, the majority are in Hobart.

**Mr VALENTINE** - Research.

**Mr BENBOW** - Yes, all of that. HR happens to be based in Hobart and does not need to be.

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**Mrs ARMITAGE** - There are other jobs happening in Hobart that are not happening in the other two regions and that is what I was trying to get at.

**Mr BENBOW** - What I was getting to was the service model in Hobart and the number of people might be slightly bigger because they are dealing with more clients. The level of service and your ability to transact or do whatever, should be the same.

**Mrs ARMITAGE** - Front office people would be a similar number, I would assume.

**Mr BENBOW** - Slightly higher in Hobart. More represented persons based in Hobart than there are in other regions. We manage an office complement, especially around the service piece, around the number of matters they are handling.

**Mrs ARMITAGE** - What hours are you open? Not like Service Tasmania, you have not cut your hours back like they have?

**Mr BENBOW** - No, we are a 9 to 5 operation. We don't close. We remain open between Christmas and New Year when a lot of the public service close down. We recognise the need, especially for our represented persons. We cannot close our office for days on end.

**Mrs ARMITAGE** - No. That is good, thank you. Thank you, Attorney-General.

**Mr DEAN** - The main complaints I get, minister, is that it is too difficult to do business with the Public Trustee and they are too slow. That is what people say with a lot of wills when they are settling wills.

**Dr GOODWIN** - Maybe it reflects people's lack of understanding of what is involved in the process, at least in part. I am not suggesting that some of the complaints may or may not be valid. Maybe it is the lack of understanding of the processes -

**Mr DEAN** - You may not have the statistics and I know it would be difficult, but is there any comparison with the finalisation of activities and transactions, compared with the private area through lawyers and so on, and the management of this business? Is there any way of comparing whether there is a similarity in the time frames?

**Mr BENBOW** - That is good question and the answer is, there is no solid data. Deceased estates is the area we get most complaints. We had about 34 complaints in 2015. We had about 2 000 matters and of that there were 20 that were substantiated. We do not count someone who does not like the fact their father did not leave them the Holden Commodore they were expecting. That is not considered a complaint. These are substantiated complaints. Out of that, the majority of it is around timeliness. We have service standards within our trustee services terms. Generally that is based on certain statutory points at which you can only do things - granting probate - time frames that are in the process.

Generally, in the industry, a straightforward estate, you should be able to get out the door between six, seven or eight months. That understanding is there. This is where our client management system is going to be so useful for us because we will be able to manage those time frames. We will know, in real time, on a day by day basis, where files are sitting in terms of meeting those standards.

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**Mr DEAN** - There is some opportunity to speed it up, maybe, with this new process.

**Dr GOODWIN** - It should help, by the sound of it, to keep people on track and make sure they are complying with the targets internally and also the external time frames.

**Mr DEAN** - The next I raise is a bad story, good story for the Public Trustee. I will not refer to the name but the name will be known to you once I start to talk about the case with a Launceston person where you managing their affairs.

The aged lady was in an aged home and while there was money in the account, her bills were high and she was getting from the Public Trustee, each fortnight, zero - absolutely nothing at all from her account. I became involved and making a long story short, I then agreed to pay her \$20 a fortnight out of my own moneys, out of my electorate allowance to keep her going. I made contact with the Public Trustee, and I must say it was excellent. I am not sure who I spoke to, someone in one of the offices, it would have been. It was excellent and great service. As a result of that, it was then agreed the Public Trustee would pay her \$20 a fortnight or whatever it was, and I might be wrong there. It was agreed that as a result of that they had to pay her something. She could not even buy a handkerchief, she could not buy a pair of knickers, she could not buy a lolly, or whatever. She could not buy anything at all. That all changed and there was an agreement that they would pay her at least \$10 or \$20 a week. Is it a position now that that has been addressed? Is that likely to happen again? Are we looking at those issues, that a person in that position will at least receive something?

**Mr BENBOW** - You might remember when this committee met in 2013, one of the discussions was around the outcome of a survey that was being done with our represented persons. I believe I sent you the outcomes of that survey under separate cover when I started with the organisation.

One of the key findings that came out of that was that we needed to improve how we deal with people who come into our organisation, and how we deal with people we would like to assist to get out of the organisation. In other words, one of the key findings of that was being able to sit down with clients and their support network, and working with those clients to understand their needs and budgets. The issue around providing people with comforts - everybody needs to have something to buy those necessities of life, so that is part of our process. The good thing is that communication, working with clients on a one-on-one basis with their support network to ensure that is right.

The other key part of that is trying to get people off guardianship orders. We have a process now where we can identify who is who - in other words, people who are in aged care homes are not going to get younger, people who have dementia are going to struggle going forward, so who are those people we think can improve their own situation and start managing their own budgets. We have a process for dealing with that, starting to get them to pay their own power bills, say, and pay for their groceries without us organising vouchers, and things like that. From that survey in 2013, we have come a long way.

**CHAIR** - One of the issues, if I recall rightly, at that time was that you had done a survey of your clients, but not your supported clients, and the results were good.

**Mr STEPHENS** - They were the estate clients.

## UNCORRECTED PROOF ISSUE

**CHAIR** - Yes, rather than your represented persons. We were saying it might be a different situation. Certainly, the people we mostly hear from in complaints are represented persons.

**Dr GOODWIN** - I do not think the results were available at the time the GBE sat, but you did provide them when they were available. The survey is due to be repeated next March.

**Mr BENBOW** - We do a biannual survey. We survey our clients and their support network.

**CHAIR** - Which is a big improvement.

**Mr DEAN** - I could only compliment your staff. I could not say more.

**CHAIR** - How long ago was this?

**Mr DEAN** - A couple of years ago now, since that last one.

**CHAIR** - Sounds as though you have changed the system since then. There would be nobody now, minister, who would not have any spending money?

**Mr BENBOW** - People have money to spend. Some people spend more than others, and that is the problem we deal with. Sometimes there is no money to give people to spend, once they have spent it. That is the difficult thing with dealing with people. That is the wonderful thing about what we have done with CSO fees. On average, the numbers are quite significant. If you have less than \$10 000, now you will have an extra \$1 800 in your pocket based on the standard disability pension. For people who are earning \$19 000 to \$21 000 a year, that is a significant amount of money.

**Dr GOODWIN** - It is a reality that some people who are unable to manage their own funds sustainably. That is why they end up with orders requiring the Public Trustee to be appointed.

**CHAIR** - I understand that, but people do have absolutely no money in their pocket ever to buy anything. That seems quite cruel, really.

**Mr DEAN** - I had one further question if I could, not a supplementary.

Minister, in relation to the refurbishments. The last time we met, there was a lot of discussion around security of the premises in Hobart only, where you were engaging or employing security personnel to be present in the building. With the new refurbishments, I take it that security would have improved within the building, so is there now a need, or are you continuing to employ security in person within the building? If you are, why would you be, having carried out all of these refurbishments?

**CHAIR** - I think Mr Hall addressed that in the beginning. There is no longer a security person.

**Dr GOODWIN** - There is security, but they are performing a security administrative function. They are at reception, essentially, but they are people who are able to provide security should that be required.

## UNCORRECTED PROOF ISSUE

**Mr BENBOW** - We undertook a security audit of all our offices. We engaged a firm to review, for example, how clients come into our premises, what were the instances around issues in meeting with staff. We still felt that we needed someone in security in Hobart, because that seems to be where we have the majority of issues.

**Mr DEAN** - All the troublesome people are down this way.

**Mr BENBOW** - Absolutely!

You might remember security was on the ground floor. Everybody was frisked down on the ground floor and then moved up if they were allowed. We have moved upstairs now. We have removed all that. All clients walk into the building, go up in a lift, you are directed to either the second or the third floor. They are both secure lobbies. We have a security person on our second floor who is not just a security guard. They do our reception duties and allowed us to save some money. Instead of having the security guard staring at the wall, we now have a person who is fundamentally part of staff managing that. It seems to be working well.

**Mr DEAN** - That is the current position. They do reception work plus security responsibility.

**Mr BENBOW** - There is not a lot of security work to do. It is only when there is an incident.

**Mr DEAN** - Have there been any major security incidents or risks over the last say two year period?

**Mr BENBOW** - Not risks. We have had, I think, two matters where we have called the police to come and remove a client that did not want to leave. Our floors are all secure. The important thing is to make sure that your staff are secure, but also your other clients are secure. We have gone to great lengths. We now have CCTV as well within our premises.

**Mr DEAN** - Launceston and Burnie - no security issues there at all?

**Mr BENBOW** - We do not have security guards. Our security audit suggested we did not need it.

**Dr GOODWIN** - There are fewer people. When you have fewer people interacting, you are likely to have fewer security issues.

**Mr BENBOW** - We are comfortable with the arrangements now. It seems to be working well.

**Mr STEPHENS** - The offices are secure as far as access when people come into those offices.

**Mr DEAN** - I take it that you people would probably have access to the security system - the same as we have in our offices.

## UNCORRECTED PROOF ISSUE

**Mr BENBOW** - Yes, you have buttons. I suppose the key around this security audit is really about positioning, furniture, and things like that. If you are in a position, and you do not feel comfortable, you just leave.

**Mr VALENTINE** - I have a couple of questions. You talk about doing your risk management and business continuity plans annually. I am presuming that would go down to your information systems as well, as you bring in a new information system. How does that sit at the moment? When you bring in this new system, is it on a specialty database system that no-one else knows how to manage or maintain, apart from ISW, if you are doing it with them? Is it in house? Can you give me some idea on the risks associated with that?

**Mr BENBOW** - Lotus Notes. It is generally accepted technology. Plenty of people can step in and -

**Mr VALENTINE** - So if someone falls off a twig, or leaves to interstate, you are not left unsupported?

**Mr BENBOW** - If ISW goes broke and closes its doors we simply get another provider than can write the code. There is one other Tasmanian trustee company in the private space that is using that as well, so that gives some scale to that. It is not a specific requirement.

**Mr VALENTINE** - Do you outsource the basic service and maintenance associated with the system or is that all in-house?

**Mr BENBOW** - We have a service provider, Intuit, that deals with our IT requirements. We have our own internal capability around producing -

**Mr VALENTINE** - Internal client queries?

**Mr BENBOW** - Yes.

**Mr VALENTINE** - If that system fails for any length of time, does your risk management take that into account, being able to move back to a manual process? Your business would critically rely on this system, I presume, on a daily basis.

**Mr BENBOW** - Any business in this day and age does. We have a disaster recovery plan.

**Mr VALENTINE** - Not just for the system but for the business surrounding the system.

**Mr BENBOW** - Absolutely. We have our systems backed up off site in another region. We are backing up in Launceston. We have that covered. It is a risk in any business.

**Mr VALENTINE** - You have to manage the risk. What you are saying is it is managed.

**Mr BENBOW** - Yes.

**Mr VALENTINE** - Do you do much transfer of clients between other states? If somebody has put in the will in New South Wales with their public trustee and they have decided to move to Tasmania - it is more convenient. Do you do transfers of clients like that?

## UNCORRECTED PROOF ISSUE

**Mr BENBOW** - Not significant.

**Ms CUNNINGHAM** - You need to make a will in the jurisdiction you live in. You cannot transfer a will. In relation to our guardianship and administration board clients, we have arrangements with the other states whereby you can register your order in that state if there is an asset that you need to deal with. However, if the client moved to another state you would generally seek a revocation here in Tasmania, then a reappointment in the state that they have moved to.

**Mr VALENTINE** - Thanks for that.

**Mr FINCH** - Minister, I want to talk about staff morale. It was interesting to hear those numbers of where your people are located. The high numbers in Hobart, being head office, is the way I read it. Then you have Launceston. Any Devonport operations?

**Mr BENBOW** - No, we only use it for appointments. Burnie and Launceston are the two regions we staff.

**Mr FINCH** - I go to staff morale because Mr Dean and I had some evidence given to us 18 months to two years ago, which we took at face value. It was about a very discontented former employee who had a lot to say about the way he felt about the Launceston office and the way it was regarded. Going back through some of the evidence that was given to us in 2013, it is quite compelling to read the comments that were made. One - I am drawing two bows here - was staff morale and my concern for the people who work outside of head office and how they might be treated. I am looking for assurances that they are being treated well.

Also referring to the member for Apsley's question in respect of the diminution in numbers of wills and revision of wills, one of the comments we had a couple of years ago was that if we do a good job for one person, they will tell one person; if we do a bad job for one person they will tell 10 people that we have done a bad job. Without looking at the stat, my knowledge and intuition tells me that if you are doing a lousy job you are going to lose business.

That statement is resonating with me when I think about the diminution that the Public Trustee is suffering at the moment. To swing that figure around you need to have an office that hums, that works sufficiently and that you do not have one person telling you about a bad job that has been done and that the people are being dealt with well. That means the staff to be on song and need to be encouraged, worked with, and supported. I want some assurances that that occurs in the Public Trustee system, particularly for those away from head office in Burnie and Launceston.

**Mr BENBOW** - I am happy to respond to that. I started with the organisation in February 2014 and one of the key documents I picked up and had a good look at was the staff survey. That is the litmus test of what people are feeling, particularly the comments that are made. There are a number of comments in it about needing more support from senior management - a whole range of issues. I thought, okay, culturally we need to do some work in the organisation and that has been one of the key focuses for myself and my executive management team since I started. We do a staff survey every year -

**Mr VALENTINE** - Staff identified through it?

## UNCORRECTED PROOF ISSUE

**Mr BENBOW** - It is not hard to identify comments amongst 55 staff. What I was looking for was improvement in a number of sectors. One of the key areas was around senior management performance in managing their areas and engaging staff. We had a significant uplift in 2015 in our survey. We survey again in March 2016. Since then, as an organisation, we have been meeting as teams about the things we can individually do to improve sectors of our performance that need addressing. It might be work place behaviours, it might be in the Launceston office. It might be a different issue than the Burnie office, as to the Hobart office, as it is to the executive management team.

You are looking for assurances as to whether we have that on the radar. To me, staff engagement is everything. That is how you get highly, motivated, productive people doing the job that we need to do to start telling our customers that we are the pre-eminent provider of the state planning services in the state. You can do all the marketing you like, but unless you walk the talk, and the promise is real, you will come unstuck. For us, as a team, I would be very disappointed if I walked into the Burnie office now and someone said they felt neglected, given we now have a management focus. This group met in 2013 and there was a whole range of issues about the Launceston manager that hadn't been rectified over 14 years. The structure has been rectified so that the manager has the time to manage the staff, not ticking the boxes, it is the engagement piece, the support piece, the management piece. Unless anyone else has anything to add, my view would be that whether it be Launceston, Burnie, Hobart or the finance team, we all do the walk and the talk in terms of building engagement.

**Mr FINCH** - There has been a long running issue, as you say, for 14 years, with the manager and trying to get the right person - a round peg in a round hole. Has that problem been solved with the solicitor you now have? It is interesting to hear that you have that - or is there a designated manager who is doing what you are suggesting?

**Mr BENBOW** - With our business in Burnie and Launceston we have a regional manager. They manage the staffing issues between the two. In Launceston we now have the support of a senior solicitor, which was never there. So there is another layer of seniority. We are starting to build scalability about how people get decisions made, how they feel about supporting the office. Gaylene, our Manager of Client Services, is being more visible in getting the right people in our Launceston and Burnie offices. All the people in this room are more frequent visitors to our Burnie and Launceston offices. I am relatively comfortable about where we are at this point.