

Appendix A:

Submissions and comments

We have consulted with State Trustees, and we considered its views when reaching our audit conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to the audited agency and asked for its submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the relevant agency head.

Responses received

Agency	Page
State Trustees	A-2



State Trustees Limited
ABN 68 064 593 148
AFSL No. 238037

GPO Box 1461
MELBOURNE VIC 3001

T 1300 138 672
statetrustees.com.au

14 March 2025

Mr Andrew Greaves
Auditor General
Level 31, 35 Collins Street
Melbourne VIC 3000

Dear Mr Greaves,

Proposed Report: State Trustees' Financial Administration Services

Thank you for the *Proposed Report: State Trustees' Financial Administration Services*, which we received on 27 February 2025. I am grateful for the opportunity to provide comment on the report and its recommendations.

The *Guardianship and Administration Act 2019 (Vic)* (Act) transformed the way in which decisions were made for represented persons who, due to disability, dementia, or mental illness, need assistance in financial decision-making. Central to the Act is the concept of "will and preferences", or what's important to a person. State Trustees has worked diligently to ensure we capture and give effect to our clients' will and preferences, allowing us to support them to live as they wish. State Trustees serves some of Victoria's most vulnerable people and we are committed to supporting their rights and interests.

Our clients remain at the heart of everything we do.

I am grateful for the recognition of our efforts to support the rights and interests of our clients, and the changes we have made to our operations since the introduction of the new Act. Your report correctly notes that many of the important changes we have made were possible due to an increase in funding through our Community Services Agreement with government.

Findings

I am pleased to accept all three recommendations and have made comment on your two findings below. Our Action Plan in relation to the recommendations is appended to this letter.

Finding 1 – State Trustees has identified the will and preferences for 95 per cent of its clients since the Act was amended in 2020. This gives it a basis to make financial decisions that reflect their rights.

Prior to the Act's effective date of 1 March 2020, we commenced efforts to capture clients' will and preferences and established processes for them to be integrated into our dealings with clients, including and importantly through their fortnightly budgets. Your report correctly notes we have captured will and preferences for 95% of our clients. We expect that proportion to be relatively stable given we will always have clients who are new, missing, uncontactable, or unwilling or unable to speak with us. Our response to Recommendation 1, below, relates to this finding.

Finding 2: State Trustees' reasons for declining clients' requests for extra money are not always clear to clients and may not be consistent with their rights under the Act.

We recognise the need for transparency and clarity for our clients if they are to have confidence their affairs are in good order. Our responses to Recommendations 2 and 3, below, relate to this finding.

Recommendations

Recommendation 1: Continue increasing its effort to visit existing clients to update their will and preferences and understand their financial administration needs

There are two components to this recommendation – one relates to gathering will and preferences, the other to visiting clients.

Gathering and acting on will and preferences are central to the Act and essential parts of State Trustees' service and so this will continue. Will and preferences can be gathered in person via client visits or by phone, email, and other available evidence. We strongly believe visiting clients face-to-face is the best way to not only confirm will and preferences, but also to understand their financial administration needs more broadly including living situations, personal relationships and other requirements that may not be evident through a phone call or email. Our ability to continue face-to-face visits is reliant on funding.

Our Existing Client Visit Program is funded through an uplift in Community Services Agreement funding which expires on 30 June 2026. We will shortly commence development of a business case that will seek ongoing funding for this program, and other important client services, through our next Agreement with government.

It is our strong recommendation this face-to-face visit program continues and we will advocate for it through our negotiations with government.

Recommendation 2: Review the reasons (such as 'unaffordable to budget') for declining clients' requests for extra money and ensure that staff apply them consistently and in line with the Guardianship and Administration Act 2019

We appreciate the importance of accurately recording the reasons we decline client requests for funds. At the time of writing, we are reviewing those reasons and ensuring staff training that supports how reasons for declining are applied and recorded is current, comprehensive, and appropriately delivered to all relevant staff.

Recommendation 3: Provide more detailed reasons why it declines clients' requests for extra money and/or introduce an option for clients to check their account balance before making a request

Most complaints related to declined funds are received through the Client Feedback phone line and the Client Feedback team talks with clients in some detail about the decision. The team's continued efforts to explain in a manner which satisfies the client's understanding is reflected in the latest Client Experience Index survey. A greater proportion of our clients reported that we explained the reasons for declined funds requests than in the previous survey round, rising from 47 per cent to 67 per cent. The survey outcomes became available in late February 2025 and were therefore unable to be included in your analysis, but it does show significant improvement in this important metric.

Whilst it is less common that a letter is sent back to clients regarding declined funds requests, where they are sent, the letter has tended to be less detailed because there is a greater risk that a client's personal financial information will be shared, which could lead to exploitation. We are often appointed due to a person experiencing financial abuse, or for people who are at risk of abuse or exploitation, and it is therefore important we protect vulnerable clients as far as practicable. Within these bounds of protection, however, we recognise the importance of clarity and transparency. We have commenced a review of letters to clients for this purpose and will make required improvements by June 2025.

In relation to clients being able to check their balances, we have existing functionality which allows clients to check their balances by phone or SMS. We remain committed to supporting our clients

through accessible services which suit their individual needs. We are therefore reviewing ways to make existing functionality more widely available and investigating other ways for clients to access their financial information.

Conclusion

I wish to thank you and your team for your willingness to understand the complex and important role administrators play in the lives of many vulnerable Victorians. The report you have prepared is fair and balanced and accurately represents the work of State Trustees. We are grateful for your recommendations and guidance and look forward to advising you of our progress as we make these important changes.

Regards,



Melissa Reynolds
Chief Executive Officer
State Trustees Limited

OFFICIAL: Sensitive

State Trustees action plan to address VAGO recommendations from State Trustees' Financial Administration Services audit

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	Continue increasing its effort to visit existing clients to update their will and preferences and understand their financial administration needs.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	This recommendation relates to: <ul style="list-style-type: none"> Capturing and updating will and preferences; and Continuation of the Existing Client Visit Program Capturing and updating our clients' <i>will and preferences</i> will continue to be an essential part of our service delivery. These are captured and updated through phone calls, emails, and through face-to-face interactions, including visits to clients' homes.	Will and preferences capture and updating: Ongoing
2	Review the reasons (such as 'unaffordable to budget') for declining clients' requests for extra money and ensure that staff apply them consistently and in line with the <i>Guardianship and Administration Act 2019</i> .	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	The Existing Client Visit Program is funded through the current Community Services Agreement (CSA) which has an ongoing and a fixed-term funding component. The fixed-term component ends on 30 June 2026. This program is contingent on renewed funding through the next CSA.	Dependent on renewal of funding for Existing Client Visit Program: State Budget FY26-27 (announced May 2026)
			This recommendation relates to the internal recording of reasons client requests for extra funds are declined.	June 2025
			As of late February 2025, the reasons for declining requests are under review, as is related staff training material.	

OFFICIAL: Sensitive

3	<p>Provide more detailed reasons why it declines clients' requests for extra money and/or introduce an option for clients to check their account balance before making a request.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle</p>	<p>This recommendation relates to:</p> <ul style="list-style-type: none"> • Written responses to client complaints where requests for funds have been declined; and • Clients' ability to check balances before making requests. <p>State Trustees accepts that greater detail could be provided. We have commenced a review of the standard letter responses and will implement changes, personalising on a case-by-case basis.</p> <p>Functionality already exists for clients to check their current balance via phone and SMS service. State Trustees is committed to ensuring accessibility for clients and is reviewing the ways in which this could be more accessible to more clients.</p>	<p>Review of letters and implementation of appropriate changes: June 2025</p> <p>Review of accessibility options: December 2025</p>
---	---	--	--	---