Ms Janine Bush  
Executive Officer  
Family and Community Development Committee  
Parliament House  
Spring Street  
East Melbourne VIC 3002

2 September 2011

Dear Ms Bush,

State Trustees welcomes the opportunity to contribute to the Victorian Parliament’s Family and Community Development Committee’s Inquiry into Opportunities for Participation of Victorian Seniors (‘the Inquiry’). Our response to specific questions in the Inquiry’s submission guide is below. We have drawn on our direct experience providing trustee services to our clients, the majority of whom are aged 50 years and over, and on a recent research project we commissioned into financial elder abuse.

1. What do you see as the emerging issues for senior Victorians over the next 20 years?

We regard financial elder abuse as an emerging issue, not only for those older people affected, but for the community as a whole. As noted in the Inquiry’s submission guide, Victorian faces significant challenges posed by current and future demographic changes relating to older people. Today’s older people are the richest in history. The first of the baby boomers turned 65 this year and the proportion of the ‘old old’ in the population will begin to increase dramatically. This generation will produce the biggest transfer of wealth between generations that the world has seen. Unfortunately, people in some families are not prepared to wait.

Every year, State Trustees discovers instances where older people have been taken advantage of financially by those they trust most. In many cases, we are asked to step in after much of the damage has already been done. Financial elder abuse involves the taking or misusing of an older person’s money, property or assets by someone in a position of trust. It includes misusing an ATM or credit card; taking money or property, forcing or forbidding an older person’s signature, or persuading them to change their Will and contracts or power of attorney through deception or undue influence.

Surprisingly little is known about financial elder abuse and in order to shed some light on this ‘silent crime’ in Victoria, State Trustees commissioned Monash University to conduct a three year research project entitled: Protecting Eiders Assets Study (PEAS): Ethical Management of Older Persons’ Financial Assets (2009-2011). The five reports from the study have made a significant contribution to raising awareness, education and professional development about financial elder abuse.

Due to the hidden nature of financial elder abuse, it is difficult to get a sense of the numbers involved, but the research found that up to 5 per cent of Australians over 65 have experienced it and that older women over the age of 80 are most at risk. Other characteristics of older people most vulnerable to abuse and of potential interest to the inquiry include:

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- Diminished capacity due to dementia and other related illnesses
- Isolation and dependence on others
- Reliance on others for translation, transactions and services relating to the management of their finances, particularly if they are of a culturally and linguistically diverse background

PEAS confirmed findings of previous research that sons are the most likely perpetrators, followed by daughters, then others closest to the older person\(^3\). Overall, the study highlighted the distressing irony that older people do not believe it will happen to them, and yet their own children are likely to be the most common perpetrators.

The impact of financial losses for older people cannot be underestimated and may be greater than for younger people as they have neither the time nor the capacity to recover from economic loss. Financial loss may have far-reaching effects on an older person, including forcing major life decisions such as sale of their homes, may cause marked emotional distress and may even be linked to adverse health states\(^4\).

We encourage the Inquiry to consider these reports in your review of national literature on preparing for an ageing society.

2. How should “senior Victorians” be defined?

State Trustees clients come from all age groups; however, the majority of our clients would be considered ‘seniors’ and are segmented into five-year age groups, for example, 50-54 years, 55-59 years and then 65 years+. Interestingly, the second PEAS report found inconsistency of data among a range of government and service organisations about older people. A common problem was that organisations only classify age (if at all) as ‘65 years and over’. For example, ‘...some organisations report age as greater than 55 years, or greater than 64 years, while others break it down into five or 10-year age groups’\(^5\). Regardless of how the term ‘senior Victorians’ is defined, data collection about older people clearly needs to be consistent, so as to better inform the development of evidence-based policy\(^6\).

3. What issues are experienced by diverse groups of senior Victorians (including men, women, people of different ages and capacities, people from culturally and linguistically diverse backgrounds (CALD), people living in rural and regional areas, Indigenous people)?

and


4. What strategies need to be considered to account for the diversity of experience?

As noted in our submission to the Guardianship Law review by the Victorian Law Reform Commission (3 June 2011), the fourth PEAS report, *Diversity and financial elder abuse in Victoria* (February 2011)\(^7\) provided recommendations about communicating with older Victorians from CALD groups, which may be applicable to future strategies that aim to take account of the diversity of their experience. For example, the report highlighted that variations in cultural values be taken into consideration when communicating with older people about financial protection, and noted that:

...it is not sufficient to put in place systems that support English speaking members of the dominant culture (and that) the widespread reliance on family for support in old age and the way culture frames intergenerational responsibilities are also factors to consider in future strategies to prevent financial elder abuse\(^8\).

5. What are the key issues for Victorians planning for ageing well?

From State Trustees perspective, we believe that empowering older people to manage their financial affairs and assets is a key component for ageing well. We agree with the Inquiry that financial security is a key enabler of participation for senior Victorians.

State Trustees therefore encourages the ongoing investment by government in improving the financial literacy of all Victorians through relevant and accessible programs. The five reports from PEAS\(^5\) have some insights into the most effective ways to communicate about financial issues with older people. For instance, the study found that senior citizens and migrant resource centres are valuable places for information and training\(^9\). Other appropriate distribution channels for increased community education include OPA, Citizens Advice Bureaus, health providers and State Trustees.

However, perhaps the most important component of the financial aspect of ageing well is to encourage open and regular dialogue within families about planning for the future. State Trustees recommends that this aspect be incorporated into any future community education campaigns about positive ageing.

6. In what way could collaboration between government departments, organisations and services be improved?

State Trustees believes that scarce resources of government and relevant organisations could be better pooled to increase financial literacy and to empower senior Victorians to protect their assets, secure their financial affairs to support healthy ageing.

State Trustees regularly conducts education sessions on administration, guardianship, powers of attorney, wills and financial elder abuse for service providers, non-government organisations and the public. We provide such education on our own and jointly with organisations such as the Office of the

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\(^7\) Wainer J, Owada K, Lowndes G and Darzins P (2011) *Diversity and financial elder abuse in Victoria*, Protecting elders assets study, Monash University, Eastern Health Clinical School, Melbourne

\(^8\) Ibid p. 11


Public Advocate and the Victorian Civil and Administrative Tribunal. There is consistent demand for such education, indicating a level of professional and community interest that we believe cannot currently be met with existing resources.\textsuperscript{11}

Our experience is that policy-development bodies are not as well equipped to play the role of community educator, and that education is best and most practically delivered by the bodies that are responsible for implementing the solutions. In our experience, community education must involve those organisations who are equipped to cope with 'real life' enquiries from Victorians and that can respond at a very practical level with appropriate services.

Simply put, older Victorians, and those who work with them, should be aware of the risks of financial elder abuse. Everyone should plan ahead and put mechanisms in place to protect themselves in the event that they suffer a diminution of their decision-making capacity. We encourage the following strategies to help minimise this risk:

- Appoint an Enduring Power(s) of Attorney (financial, medical treatment and guardianship)
- Get professional and independent advice
- Keep your Will up-to-date
- Make loans legally binding

State Trustees would be happy to share our knowledge and experience with the relevant government body responsible for developing community education that includes information to empower older Victorians to protect their assets and plan for their financial future security, in the interests of supporting them to age well.

Thank you for considering our response and please contact Jacinta Cubis on 9667 6392 if you have any queries.

Yours sincerely,

A G Fitzgerald
Managing Director

\textsuperscript{11} State Trustees' submission in response to the Victorian Law Reform Commission Consultation Paper 10 (2011), Guardianship Law review, 3 June