



Public Trustee

UNDERSTANDING THE FINANCIAL IMPACTS OF MENTAL ILLNESS

VIDEO TRANSCRIPT

NARRATOR: People living with mental illness or other cognitive impairments such as dementia, brain injuries and developmental disabilities are among the most vulnerable and marginalised in our community. Because of their condition, they are often unable to access education, employment, housing and financial services.

While some people living with mental illness are fortunate to have family or economic security, many are left to themselves to make ends meet on Centrelink benefits with the added expense of medical, psychological and pharmaceutical services.

With one in five people likely to experience a mental health condition during their lifetime, it is vital that we understand and work together to do what we can to minimise the impact mental illness has on these lives.

GREG¹: *The impact of mental illness on the financial well-being of the sufferer and their family is often overlooked. Repercussions can vary greatly from person to person – including a reduced ability to earn an income, making inappropriate financial decisions, even putting themselves at risk of financial abuse from acquaintances, carers or family members.*

NARRATOR: While it's well recognised that debt or financial stress can lead to anxiety, depression, suicide and other forms of mental illness, mental illness itself can cause severe financial harm.

Illnesses such as schizophrenia, bipolar and personality disorders, for example, can wreak havoc on a person's financial well-being because of the sufferer's lack of insight into their condition. As well as causing impulsive spending behaviours, mental illness can affect a person's understanding and judgement, leaving them susceptible to exploitation by salespeople, telemarketers and lenders.

Health and community service professionals and related service providers can help safeguard the well-being of clients by being aware of the various forms of financial risks encountered by people with a mental illness.

After a history of frequently changing jobs, Ross relocated to Western Australia and secured a role with a successful advertising agency. While his colleagues sometimes joked about him being moody and disorganised, they recognised his creative talent

¹ Public Trustee Manager



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and passion for work. In fact, he sometimes had to be reined in on his enthusiasm for certain assignments.

Because of this, Ross began to feel that company bureaucracy was holding him back from demonstrating his full potential.

ROSS: *My life has been filled with highs and lows, but my love of advertising and design tends to get me through. But in the new job, the frustrations of work, lack of sleep and another relationship breakup finally took its toll. I went to my doctor to get some sleeping tablets to stop my mind obsessing all night.*

NARRATOR: The doctor suggested that talking to a psychiatrist might help. While Ross felt that this was a bit extreme, he took the referral and made an appointment, thinking “there’s no harm in talking to someone, particularly about the problems at work.”

ROSS: *Then out of the blue, I woke up one day and realized that I didn’t need to be tied down by anyone. I was single and commitment free so I decided to go into business for myself. The taste of freedom made me feel instantly better. I was again full of energy and confidence. I easily secured a business loan, quit my job and was consumed with excitement fitting out the office and hiring new staff.*

NARRATOR: However, before Ross even realised it, he’d run out of money and he had no clients or work in the pipeline. With no income and a post box full of final demands, Ross’s energy went too.

By the time he made it to the appointment with the psychiatrist, his euphoria over the new business was replaced with a dark depression. The GP’s unspoken suspicions were confirmed. Ross had bipolar disorder, which had gone undiagnosed since his teens.

Unfortunately, in addition to health-related symptoms, bipolar disorder can cause impulsive, irrational thinking and excessive spending, symptoms that are not evident to the sufferer during a manic episode.

With the help of his psychiatrist, Ross started to see the longstanding pattern of manic episodes, where buoyed by supporters of his well articulated and plausible sounding plans, he would frantically pursue ill conceived money making schemes that generally ended in failure – bringing on periods of deep depression, self harm and suicidal ideation.



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And during episodes of depression, Ross couldn't face dealing with his financial problems and would often bin unopened mail from creditors to try to block out the reality of his situation.

Whilst Ross's GP discussed his health related symptoms and relationship issues, no discussion took place on Ross's financial health or the protective measures that could have been put in place to protect him from financial stress. In Ross's case, the diagnosis and intervention had come too late. The damage was done.

Like many other sufferers without a correct diagnosis, treatment and family or professional support, Ross now faces an uncertain future. With no job, a five year commercial property lease and a bank loan he can't repay, he faces the very real prospect of losing his home.

ROSS: *I can't explain how it went so wrong, or why I keep doing this to myself. Why did I leave a secure job and put everything at risk? I feel humiliated and worried about the future. I'm still not sleeping and I am frightened by thoughts that ending it all is the only way out of this mess. I can't tell my family or they'll worry too. They've bailed me out of similar situations before. I feel like a failure and a disappointment to them.*

NARRATOR: Due to the lack of insight into their mental illness, many sufferers fail to understand the implications of spending more than they earn. And as they often come across as functioning "normally", persuasive sales people will see no obstacles in signing them up to contracts for major purchases without questioning their ability to pay.

People living with mental illness will often run up large credit and store card bills, and make snap decisions involving expenditure on items they don't really want or need and that they have no reasonable chance of repaying.

ALEX²: *Candice is a client of mine who suffers from a borderline personality disorder, but has no insight into her condition. She "thinks" she's got a normal decision-making capacity and comes across as an intelligent and well spoken individual, but she likes to live extravagantly – "a champagne lifestyle on a beer budget".*

NARRATOR: Candice decided to travel interstate, using a new credit card to book five star accommodation and business class flights through a travel agent.

² Mental Health Worker



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It became very obvious to her friends that her level of expenditure was exceeding the income she was receiving from a part time job and a Centrelink payment and they began looking into ways of helping her avoid further debt and possible bankruptcy.

ALEX: *When Candice came back from her trip, her power had been turned off and her landlord was threatening eviction over unpaid rent. I think it gave her a bit of a jolt and finally opened the door for those around her to get involved in getting her to accept some help. Having Candice's decision-making capacity assessed was emotionally challenging for both Candice and her friends, but the outcome was a positive one.*

NARRATOR: It came as quite a shock to Candice when she was deemed not to be able to manage her own finances. Arrangements were made for the appointment of the Public Trustee as her financial administrator. She was allocated a Trust Manager to take control of her income and expenditure.

The role of the Trust Manager is to balance the client's wants against what is in their best financial interests. Each case is assessed on its own specific circumstances, and the primary goals are to ensure that the "represented person's" essential living expenses are budgeted and paid for and to help the client avoid further financial or legal problems.

Because of Candice's low income and lack of assets, the Public Trustee rebates the total cost of its services to Candice's trust account, helping her retain what little surplus funds she has for unexpected household or medical expenses.

ALEX: *Candice has had her Trust Manager for around 6 months, and it is now clear to both her and her friends that the appointment of the Public Trustee was a necessary step that is being successful in keeping her spending under control and helping her to live within her means.*

NARRATOR: So what are some of the most common pathways from mental illness to financial distress?

Prior to diagnosis, debt can be exacerbated with the intensification of an illness, subsequent hospitalisation and loss of work.

Low income results in a constant struggle to pay everyday expenses, trapping people in a state of poverty with chronic and increasing debt.



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Mental illness (comorbidity) can lead to a suffer developing other problems that can have a severe impact on their financial well-being such as substance abuse or gambling.

Anxiety and stress caused by an inability to pay debts or as a result of pressure from debt collectors can cause a person to borrow to pay off some of what they owe, increasing their overall debt.

Depression can lead to buying items on credit to elevate a black mood. The depressive state can make it arduous for the person to attend to their day-to-day commitments, such as paying bills.

The elevated mood of a manic phase of bipolar disorder often causes a person to buy items using savings or credit, followed by being unable to face managing finances in the depressive phase.

Borderline personality disorder can typically cause a person to act impulsively or with poor judgment, thereby incurring significant debt.

Psychosis can result in people incurring debt when they are in a delusional or hallucinatory phase.

Schizophrenia can severely impair a person's ability to manage their day-to-day affairs due to disordered thoughts, poor concentration and memory, periods of confusion and inappropriate behaviour. Impaired social awareness may prevent them from seeing the true intentions of others or being taken advantage of.

Isolation and/or vulnerability can make people with mental illness easier targets for scams and financial abuse.

GRACE³: *Jack was referred to me after his parents passed away. He suffers schizophrenia and is luckier than most in that his parents left him a substantial inheritance that they hoped would give him a good quality of life.*

NARRATOR: Jack's support worker Grace was worried by the amount of money he was spending on expensive toys, but she became particularly concerned when he suddenly

³ Carer



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acquired a group of friends who would not previously have given him the time of day.

GRACE: *Initially I was very conflicted, as a primary aim of my work with Jack is to help him maintain his independence. But on the other hand, I couldn't just sit back and let him be taken advantage of. Backed up by his so-called mates, he became increasingly hostile if I tried to talk to him about his spending.*

NARRATOR: A colleague suggested to Grace that she approach the Public Trustee or Public Advocate for advice. With their help, an independent trustee was appointed to help Jack manage his affairs, but not before he'd lost a significant sum, including what turned out to be some unrecoverable loans to his new acquaintances.

GRACE: *It has got much better, the Trustee works it all out directly with Jack, and fortunately the hangers-on seem to have drifted away as his spending has been brought under control and some of his recent purchases investigated. He also seems to be rebuilding relationships with some of the friends that were scared away by the people he was mixing with.*

NARRATOR: By recognising the signs of financial mismanagement or abuse and acting on our concerns, we can help protect mentally ill and other vulnerable clients from falling through the gaps into preventable financial hardship.

There are a range of options available, from simple financial guidance and mentoring, to full external control of a person's finances.

In dealing with debts or concerns about general financial management, there are financial counsellors, such as those employed by Centrelink's financial information service, who have expertise in providing advice and support to people in debt about the options available to them.

They take into account the mental health of the client and often work in collaboration with the person's mental health professional, guardian and/or administrator.

Financial counsellors can ensure that the person is receiving all the income they are entitled to and is taking advantage of all the concessions they are eligible to receive. They can advise on Centrepay, getting special consideration for fines, utility relief grants, hardship provisions for credit contracts and bankruptcy.



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A person suffering from an episodic mental illness may wish to appoint a 'donee', through an Enduring Power of Attorney, during a time when they have the capacity to manage their own affairs.

This arrangement has limited effect in preventing financial harm as the person with the mental illness is not prevented from accessing their own finances. A donee arrangement offers only limited protection over contractual obligations.

When an individual has reached a stage where they have difficulty making reasoned decisions, or if a person has concerns that a person's affairs are not being managed appropriately, an application can be made to the State Administrative Tribunal, or SAT, for the appointment of a financial administrator.

The administrator is empowered to make financial decisions for what is called "the represented person". Similarly, a guardian can be appointed to make health, welfare and lifestyle decisions.

SAT is an independent statutory body that conducts hearings to consider these applications and has jurisdiction to make the final decision on whether or not a financial administrator and/or guardian will be appointed and under what terms.

Alternatively, if you have concerns about the well-being of a person with a mental illness or other cognitive impairment, you can report the circumstances, in confidence, to the Office of the Public Advocate, or OPA, for investigation.

OPA works under the Guardianship and Administration Act to promote and protect the rights of adults with decision-making disabilities.

One of its key roles is to investigate reports from the public about the financial welfare of vulnerable members of our community, and, when necessary, report its findings to SAT who will then decide if an administrator, such as the Public Trustee, should be appointed.

The Public Trustee is typically appointed to take on the role of financial administrator for a represented person when there is no one else willing or able to take on the role, such as a friend or family member.

Currently, the Public Trustee's financial administration service is managing the affairs of around 4500 represented persons, many of these as a result of orders from SAT.



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Some clients appoint the Public Trustee themselves, having prepared an Enduring Power of Attorney before losing their decision-making capacity.

GREG: *The loss of security and independence as a result of financial mismanagement can destroy lives and tear families apart. Sadly, it's something that we see in our offices far too often. For people with a mental illness or other cognitive impairment, the ramifications can be even greater. It's a community issue that we should all be far more aware of.*

NARRATOR: People suffering from a mental illness face many challenges. Helping to facilitate awareness and provide professional referrals or guidance in relation to their financial affairs can make an important contribution to the overall health and well-being of these people and their loved ones.

By watching for indicators of financial distress or abuse and being aware of who can help assess or administer an at-risk person's affairs, we can work together to reduce the incidence and impact of financial loss on mentally ill members of our community.