



Media Release

Financial Services Industry Responds to the Changing Need of Aged Care Advice

Monday August 6, 2012. The Federal Government's aged care reforms that were announced earlier this year has sharply brought into focus the area of financial planning that addresses the need for advice to residents and their families considering the move to residential aged care or the delivery of support services to the home said Rachel Lane, founder and principal of industry specialist consultancy Aged Care Gurus.

"The impact of aged care on finances and estate planning has long been identified and acknowledged that it requires an in depth understanding and insight into this very complicated and important area of financial advice," said Rachel Lane.

"Many dealer groups, life companies and financial institutions are responding with training programs and support services that enable financial planners to make this their core service offer."

Rachel Lane points out that the traditional aged care advice that revolves around low care, high care and extra services is going to be only one piece of the puzzle. By 2050 the Government has estimated that around 3.5 million people will be using aged care services, but only 20% will be receiving care in an aged care facility.

While that represents around 500,000 more than currently receive residential aged care the bigger question is where will the other 2.8 million in need of care live?

Rachel Lane says the answer is likely to be a combination of different legal and financial arrangements ranging from staying in their own home or moving in with children to receive companionship and assistance.

While for others, it will require downsizing to a residential community such as an over 55's community or a retirement village or living in a serviced apartment.

"The formalisation of care contributions for people who receive a Government funded care package together with the various legal and financial considerations will create a need for advice on a much wider scale," said Lane.

"However, and most importantly, financial planners will need to have knowledge of the various legislations; Retirement Villages Acts, Manufactured Homes Parks and Caravan Parks legislation and the Aged Care Act."

"In some cases there will even be an overlap into Residential Tenancies legislation and this will require an understanding of the different costs, the potential impacts on pension entitlement and other entitlements and the amount the client will need to contribute towards the cost of a Government funded care package along with any other services."

The complexity of these decisions that Australians will need to face are daunting and will require very specialist advice.

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Both the financial services sector and the aged care industry have responded quickly since the Federal Government's announcement and the impact of the aged care reforms have been the basis for a number of main platform presentations, workshops, training sessions and master classes that Rachel Lane has delivered over the past few months.

Dealer groups in particular have recognised the urgent need for their financial planners to have an in-depth knowledge of the aged reforms and their impact on client wealth accumulation, investment retirement portfolios / aspirations – and have taken action by engaging Aged Care Gurus to provide training programs in this field.

“The complexity of the financial decisions Australians will face has been acknowledged and reflected in the Federal Government's “Living longer, Living Better” report which emphasised and encouraged consumers to access financial advice about their aged care costs from qualified advisers with expertise in aged care funding. This will definitely be a catalyst for financial planners to specialise and respond to this growing consumer demand,” concluded Rachel Lane.

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Issued by Aged Care Gurus Pty Ltd

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Notes to the Editor:

About Rachel Lane

Rachel Lane is the Principal of Aged Care Gurus, a company founded to educate professionals on the many decisions surrounding aged care.

Having worked in financial services for 12 years and as a specialist in aged care for the past eight years, Rachel is often sought by key industry, government and media professionals for her expert comments and advice.

Rachel holds a Masters in Financial Planning and is also co-author of the recently released book 'Aged Care Who Cares?' www.agedcarewhocares.com.au

About Aged Care Gurus

Aged Care Gurus offers comprehensive training, continuing education and support services to financial institutions, accountants, legal professionals and aged care providers.

The company's national Head Office is located in Melbourne.