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Journalist: Malavika Santhebennur

MONEY MANAGEMENT

Aged care advice in its infancy

Financial advisers are only raising the issue of aged care financial advice at a time of crisis for the client or their relative, indicating this area is still in its infancy, according to IOOF.

Technical services manager, Ling Wang, said aged care financial advice was not yet part of the standard offering from financial planners but envisaged this to be the case in the near future given the evolution of the population mix and the increasing ageing population.

"Slowly over time advisers are coming across questions about aged care. They are somewhat a little bit unprepared," Wang said.

"We are hoping to make it a bit more widespread across the board so all advisers will actually have the opportunity to be able to provide some level of advice in that area."

In terms of the training and accreditation required to provide advice in this area, Wang said this was currently driven by licensee groups, with different groups having their own set of requirements. Technical teams currently provided training while some universities were offering some courses in this area.

"A lot of the training for advisers would be more around, as you can see the financing part of it. So a financial adviser wouldn't quite be expected to recommend which home, which aged care home to go to," Wang said.

"A lot of the things they are dealing with is more what are the costs, and what is the best way for the client to actually pay for their aged care costs."

While aged care advice was in its infancy, Wang suggested this area could encompass a part of the higher education and professional standards movement, adding that education providers would perhaps work with someone like the Financial Planning Association (FPA) to provide formal education and accreditation.

Wang also said that while advisers were well equipped with the soft skills required to deal with the emotional aspects and family dynamics involved in the aged care process, they would need to skill up on the technical aspects of the process, including fee structures, and strategies to minimise fees.