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RetireInvest seminar: Affordable Aged Care

ING-owned financial advisory group RetireInvest last Thursday addressed the range of issues surrounding aged care needs at a key industry half-day seminar held in conjunction with the Commercial Law Association of Australia and Gadens Law Firm: "Affordable aged care – current issues, innovative solutions and the role of insurance".

The seminar, chaired by the CEO of Alzheimer's Australia, The Hon John Watkins, and closed by the Minister for Ageing, The Hon Justine Elliott, provided a forum for industry leaders to face the major challenges and implications of Australia's ageing population.

ING Australia CEO Harry N. Stout gave a keynote address on the financial needs of Australia's ageing population, and the dilemmas of funding care into the future.

Improved life expectancies and falling birth rates are driving a structural ageing of the Australian population. The proportion of the population aged 65 and over is expected to nearly double by 2056.

"Individuals and their families must plan their affairs to consider the key financial risks of ageing," said Mr Stout.

Mr Stout detailed seven key financial risks of ageing: longevity, inflation, investment, aged care and health, lifestyle protection, final expenses, and burial expenses.

"Australians are more financially stretched than ever, people are living longer and spending more on healthcare in later years, retirement periods are longer than ever, fewer younger workers are supporting those in retirement, and financial risks are being shifted primarily from the government to individuals.

"Research commissioned by ING shows that the risks most concerning our customers are market risk such as we've seen with the current financial crisis, lifestyle risk such as unexpected health or home costs, and credit or guarantor risk.

"Quality financial advice will help individuals to minimise these risks and achieve their objectives," said Mr Stout.

Taking a forward look to Australia's future in-retirement needs, Mr Stout noted the financial services industry will need to adapt to meet the rapidly changing needs of our ageing population.

"Superannuation is a building block that can be used to address the financial risks of ageing. Australia currently does not mandate taking a lifetime income from superannuation – is it time for a change?"

RetireInvest adviser John Walker also addressed the seminar, emphasising through case studies the value of financial advice for planning care needs, and the twin financial and emotional needs of those facing aged care.

"The financial requirements of those entering aged care include an upfront accommodation bond, ongoing basic daily care fees, income-tested daily care fees, extra services fees and the cost of personal needs," said Mr Walker.

“But underpinning this is the emotional need for certainty, the issues surrounding leaving home or losing memory and mind, and questions such as who will make decisions and what will be left for their children.”

Other addresses at the seminar were given by Associate Professor Cameron Stewart, Sydney Law School, who explored the legal issues concerning elder law and advance care planning; Arthur Koumoukelis, Partner, Gadens Lawyers, who outlined the cost of living in retirement villages and nursing homes; and Ray Giblett, Partner, Gadens Lawyers, who assessed the barriers and opportunities posed by our current insurance regulation.

Neil O’Grady, RetireInvest’s National Alliance Manager, said “RetireInvest is well placed to provide value added services to the operators of Retirement Villages and Aged Care facilities. Our Strategic Alliance program provides tailored financial solutions to families that are faced with putting a loved one in care or a retirement village. That in itself is a big relief for them and ensures that operators and residents have financial certainty.”

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