North

Putting the blueprint into practice: An aged care implementation guide for advisers



North

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Foreword

As advisers know, recent legislative changes have made aged care an increasingly complex and consequential area of advice.[1] Our earlier whitepaper, *Planning for the cost of later-life care: An adviser blueprint for a changing system*, looked at the implications of the Aged Care Act 2024 and the Support at Home program, which began on 1 November 2025.

In the short time since its introduction, new questions have arisen for both advisers and their clients about the practicalities of post-Act aged care advice. This guide focuses on the conversations and considerations advisers need to action to make decisions alongside their clients. Importantly though, it does not replace the guidance of licensees, which will be essential through this transition.

In the past year, it's become increasingly apparent the aged care reforms of late 2025 go beyond learning new thresholds or fee rules. Instead, they change the decisions families need to make, the timing of those decisions, and the financial consequences of getting them wrong. Support at Home participant contributions now vary according to a client's means and the services they receive, while changes to residential aged care have altered the way accommodation and ongoing care costs are calculated.[1] Transitional arrangements add another layer of complexity, with different rules depending on when a person entered care or became eligible to enter care.

Of course, these decisions rarely arise in isolation. A move into care can affect a client's cashflow in retirement, Age Pension entitlement, investment strategy, family home, estate plan and the financial position of a spouse who remains at home. Often, they must be made quickly following a fall, hospital admission or sudden decline in health. By that stage, some planning opportunities may already have been lost.

For this reason, aged care can no longer be treated solely as a specialist issue addressed at the point of crisis. Advisers are well placed to identify potential care needs earlier, incorporate them into retirement planning and help families understand the trade-offs before urgent decisions are required. They do not need to manage every complex case themselves, but they do need a reliable way to recognise the risks, begin the conversation, and know when specialist support is needed.

This guide is designed to help practices make that shift, with insights from leading aged care advisers. It translates the broader aged care blueprint into practical steps: introducing consistent screening questions, linking care costs with retirement income strategy, triaging care options (including whether CHSP, Support at Home or a permanent aged care facility is more appropriate), modelling accommodation options, deciding when to build or outsource specialist capability and managing sensitive family discussions.

It has been put together thanks to the insights of a series of specialist advisers. They are:

- **Sarah Leslie**, financial adviser with Story Wealth Management
- **Shaun Ganguly**, certified financial planner with Aged Care Financial Planning
- **Alex Berlee**, director and founder of AGS Financial Group
- **Matthew Lloyd**, certified financial planner with AGS Financial Group
- **Ben Hillier**, director of retirement at AMP.

While we expect this space to continue to evolve, advisers who have put systems and frameworks into place early tell us it has helped to navigate the complexity. We hope it offers a starting point for the decisions, tools and triggers that need to be considered.

1 Department of Health and Aged Care, Support at Home fact sheet

Section 1

Aged care as a book-wide risk

For many practices, aged care has historically been addressed when a client's circumstances change suddenly. For example, a fall or hospital admission may fast-track decisions about care, accommodation, income and the family home, often within a short period. Advisers say there's now a growing need to raise these matters before families reach that point.

The reforms have made an already complicated area of advice more demanding. Support at Home participant contributions, residential accommodation fees and transitional arrangements can all affect the financial position of an older client. Decisions about how assets are structured affect the client's accommodation options and ongoing care costs, while estate planning decisions become more complex due to RAD/RAC retention under the new rules. These changes are relevant to broader retirement advice, even in practices that refer specialist aged care work elsewhere.

Advisers also describe the pressure families face when a care need emerges unexpectedly. In those circumstances, relatives may be trying to understand the available services while making financial decisions on the client's behalf.

The Aged Care Act has made it necessary for client conversations about care and estate planning be brought forward to allow for sufficient planning time internally or allow for referral to an aged care specialist. Where specialist input is required, the adviser can introduce it within the wider retirement plan.

Some practices ask about ageing parents in the same way they ask about children or grandchildren. Prompts for further planning may include changes in mobility, a recent hospital visit or an increasing reliance on a family member. Raising these signs gradually allows clients and families to think through choices without the urgency of an immediate move.

Practical screening triggers:

- Client or partner turns 75, or has a parent aged 80+
- Any mention of a recent fall, hospital stay, or new mobility aid
- A client or their parent is widowed, or a spouse's health has deteriorated
- Increasing informal care being provided by, or to, the client
- Power of attorney or guardianship documents are being discussed or updated
- A client mentions considering downsizing, a retirement village, or moving in with family.

Source: Ensombl aged care podcast interviews.

The price of waiting

Advisers say the date a client enters residential care can shape their initial assessment and limit the strategies available to them. As such, clients may get different outcomes depending on whether they make decisions about income or assets before or after entry.

Adviser Shaun Ganguly described a case where he restructured a client's assets immediately before they entered care and as such, they became a low-means resident: through a series of strategies including sheltering and use of a compliant lifetime income stream, he reduced the assessable assets from $260,000 to around $214,000.

While screening for possible care needs does not resolve every technical question, it gives advisers a chance to identify those questions while the client can still compare care pathways, funding and accommodation choices.[2]

Adviser insight
The value of time

"If you do not have a large amount of money... you've got to use the other factor, which is time."

Matthew Lloyd, AGS Financial Group

Adviser insight
Developing a response

"I think it means either skilling up or partnering up. You've got to have that technical knowledge and resource somewhere."

Alex Berlee, AGS Financial Group

2 Ensombl, The Aged Care Conversation, Episode 2

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Section 2

A whole-of-plan framework, anchored by income strategy

Few clients want to set aside money for aged care when they're planning how to enjoy retirement. However, the right framework can make that conversation easier by showing how care costs fit alongside other needs. Ben Hillier's framework separates liquidity, living costs, lifestyle, later-life care and legacy, giving advisers a way to discuss those competing priorities.

Of course, Australian retirement spending may not follow a single predictable curve. Hillier suggests that real spending often declines over time, while health and care can occupy a larger share of the remaining budget. Advisers can test different care scenarios alongside living expenses rather than applying a uniform annual spending assumption.

Adviser insight
Changing spending needs

"Our capacity to spend that money on lifestyle will decrease in line with our need to spend it on care…it's just a reallocation."

Ben Hillier, AMP

Several adviser observations also point to a tension in retirement planning, in that clients may preserve substantial balances while worrying about whether they can afford to enjoy their savings. Hillier describes earlier analysis suggesting that, on average, 90 per cent of superannuation balances remained at death.[2] The 2020 Retirement Income Review similarly found that many retirees died with much of their retirement wealth intact. Uncertainty about life expectancy may be behind this level of caution.[3]

Given this, persuading clients to spend more is often a difficult proposition. Modelling what they can afford day to day, what to keep aside for surprises and how they might pay for care later can help them feel more comfortable making decisions about travel, helping family and what they leave behind.

Hillier reports North internal data indicating that clients using an Innovative Retirement Income Stream strategy spend about 60 per cent more than clients without one. He also points to concessional Centrelink treatment and potential Age Pension effects for eligible products. AMP's MyNorth Lifetime is one example; an assets-test discount of 40 per cent may apply, with the potential for a larger discount in some circumstances. AMP reported more than $21 billion in members' retirement savings across its lifetime income solutions at mid-2026. These observations describe AMP's experience and do not establish the result for an individual client.[3 4]

2 Ensombl, The Aged Care Conversation, Episode 2
3 Australian Government, Retirement Income Review: Final Report (2020), Appendix 6A, pp. 487–490
4 AMP Lifetime Pension



Linking income decisions with care

The way a client structures retirement income may have consequences for care, as well as for the Age Pension. Eligible lifetime income streams can receive concessional treatment in income and assets assessments, and for some clients, this may affect both age pension entitlement and contributions towards aged care. For others, the need for ready access to capital may weigh more heavily. The interaction is best understood as part of a whole-of-plan assessment.

A change in care needs may also change the amount of income required before government funding increases. Hillier points to a temporary boost reported at 20 per cent for up to two years in some AMP Super income products when a member becomes eligible for a higher level of Support at Home funding. Advisers considering this feature would need to examine its current terms alongside the client's expected care costs and waiting period.[4]

These examples illustrate why retirement income strategy needs to serve several purposes. A flexible reserve, a sustainable income stream, possible care expenses and an intended legacy may require different arrangements. Considering them together can make the trade-offs clearer when a client's circumstances change.

A natural point to discuss legacy

Planning for care can also be a prompt to get clients thinking about what they want to keep, what they're willing to spend and what they hope to leave their family. For some, the cost of care brings those choices into focus sooner than expected, and raises questions their existing financial plan may not have answered.

Hillier sees confidence in future income as a possible basis for helping family during the client's lifetime. Ganguly observes that the likely estate becomes particularly relevant once residential care is being considered. Around 86% of exits from permanent residential aged care are due to death, with these residents having a median stay of approximately 22 months.[5]

Financial advisers can model the effects of these decisions and coordinate a discussion with the family, but legal practitioners remain responsible for preparing or changing estate planning documents.

Adviser insight
A reason for underspending

"Most people are actually spending less than they can afford to, because they have what we call our 'fear of running out'."

Ben Hillier, AMP

4 AMP Lifetime Pension
5 Australian Institute of Health and Welfare, People leaving aged care



Section 3

Home care contribution changes: A referral decision tool

The introduction of Support at Home in late 2025 changed both the range of available funding and the way some clients contribute to services. The program replaced four Home Care Package levels with eight ongoing care classifications plus three short-term classifications. Contributions depend on a person's income, assets, pensioner status and the services received. Clinical care remains fully government funded, while other categories can involve a client contribution.[6]

Table 1: Support at Home funding classifications (effective 1 November 2025; current as at 1 July 2026 and indexed July 1 each year)

Classification	Quarterly funding	Annual funding
Level 1	$2,752.50	$11,010.01
Level 2	$4,112.84	$16,451.35
Level 3	$5,634.20	$22,536.81
Level 4	$7,617.13	$30,468.51
Level 5	$10,182.38	$40,729.53
Level 6	$12,341.32	$49,365.27
Level 7	$14,915.00	$59,660.00
Level 8	$20,034.28	$80,137.12

Source: Department of Health and Aged Care, funding classifications for Support at Home[7]. Figures indexed annually each 1 July; current as at 1 July 2026. Unused funding can be carried over up to $1,000 or 10 per cent of quarterly funding, whichever is greater.

Transitional arrangements add another layer. People already receiving a Home Care Package as at **31 October 2025** generally retained their former funding levels without a carryover limit. Participant contribution protections under the "no worse off" grandfathering rules depend on their eligibility status for Home Care Package on 12 September 2024. As a result, two clients with similar current care needs may face different contributions and funding because of when they received or became eligible for the Home Care program.[8]

Considering escalation: Calculators and grandfathering arrangements

Advisers describe self-service calculators as a useful starting point, provided the information entered reflects the client's actual circumstances. However, a small error in classifying assets, income or a transition date can change the estimate. A generalist adviser may be able to help a family gather information and understand an uncomplicated result, while a client near a threshold or subject to older arrangements may need specialist review.

Adviser insight
Understanding the estimate

"The calculator, although accurate…doesn't really help you understand what to put in certain areas and what is the correct amount to put in certain areas, so rubbish in, rubbish out."

Matthew Lloyd, AGS Financial Group

6 Department of Health and Aged Care, Funding classifications for Support at Home
7 Department of Health and Aged Care, Funding classifications for Support at Home
8 Department of Health and Aged Care, Means tested fees

Table 2: Deciding when to refer

The following table gives some general parameters of when advisers may consider referring to an aged care specialist, based on interviews with other advisers.

Signal	May be more straightforward	May need escalation to a specialist
Care classification	Levels 1–3, stable circumstances	Levels 5–8, or transitioning between grandfathered and new arrangements
Entry timing	Client entered care well before or well after key dates of 12 September 2024 and 1 November 2025	Eligibility or transition status sits close to a key cut-off date
Assets	Simple asset mix, well below or well above relevant thresholds	Assets near low-means or means-tested thresholds; defined benefit income, trusts or business interests
Family structure	Single client or straightforward couple	Blended families, life-interest arrangements or disputed power of attorney
Objective	Budgeting for known, stable costs	Restructuring assets or income specifically to change eligibility outcomes

Note: This table is illustrative only and does not constitute legal, financial or aged care advice, nor does it determine whether a matter falls within an adviser's authorisation or competence. The appropriate course of action depends on the client's individual circumstances and the applicable law, policy and fee arrangements. Advisers should independently verify eligibility, transition status, relevant dates and current thresholds, and obtain specialist advice where required.

Given grandfathering arrangements, certain dates are particularly important. Clients receiving or eligible for a Home Care Package, or on the National Priority System, at 12 September 2024 are grandfathered. Covered by the "no worse off" principle, they will pay the same participant contributions (fees) or less than they were paying under the Home Care Program. New funding classifications and fee structures began on 1 November 2025. An adviser needs to establish the client's position at both dates before interpreting an estimate or comparing it with another person's costs.[9]

Advisers also reinforce the appropriate pathway is likely to change over time. A client could remain at home with Support at Home or lower-level Commonwealth Home Support Program services, move to a retirement village, live with family under a granny flat arrangement or use residential respite. Subsidised respite may be available for up to 63 days in a financial year and, where approved by an Aged Care Assessor, for another 21 days. Each option carries different costs and legal or Centrelink consequences. Discussing them together helps families avoid treating a permanent move as the only answer to a new care need.[10]

Adviser insight

Respite and the wider family

"Sometimes the language that's used means that people are putting that it's respite for the individual, whereas really it's respite for the support network around them."

Sarah Leslie, Story Wealth

9 Department of Health and Aged Care, Means tested fees
10 Department of Health and Aged Care, Managing residential respite care

Section 4

Residential aged care: Fee structuring as a genuine advice deliverable

Residential care often requires a series of linked financial decisions, including the resident's means-tested position, the price of accommodation, the way it will be paid and the treatment of the family home. Specialist advisers describe this as a substantial piece of work that is likely to justify its own defined scope and fee.

The starting point is the client's means-tested position, which determines whether they are eligible for government assistance with accommodation and whether they may need to pay an accommodation contribution or the agreed accommodation price. The room price is negotiated with the provider.

My Aged Care identifies $219,854 in assessable assets as the relevant low-means threshold at 20 September 2026, subject to indexation. The income assessment, home ownership and partner status must also be considered. Clients assessed as low means generally face a different accommodation contribution from high-means clients who must fund a room at its market price.[11]

For clients close to the threshold, specialist advisers report that restructuring before entry can have a substantial effect. Ganguly describes cases where clients qualified for low-means arrangements instead of facing a market Refundable Accommodation Deposit (RAD) of $850,000 or more.

The result depends on the full income and assets assessment; a defined benefit pension, for example, may affect a client whose assets alone appear to fall below the threshold.

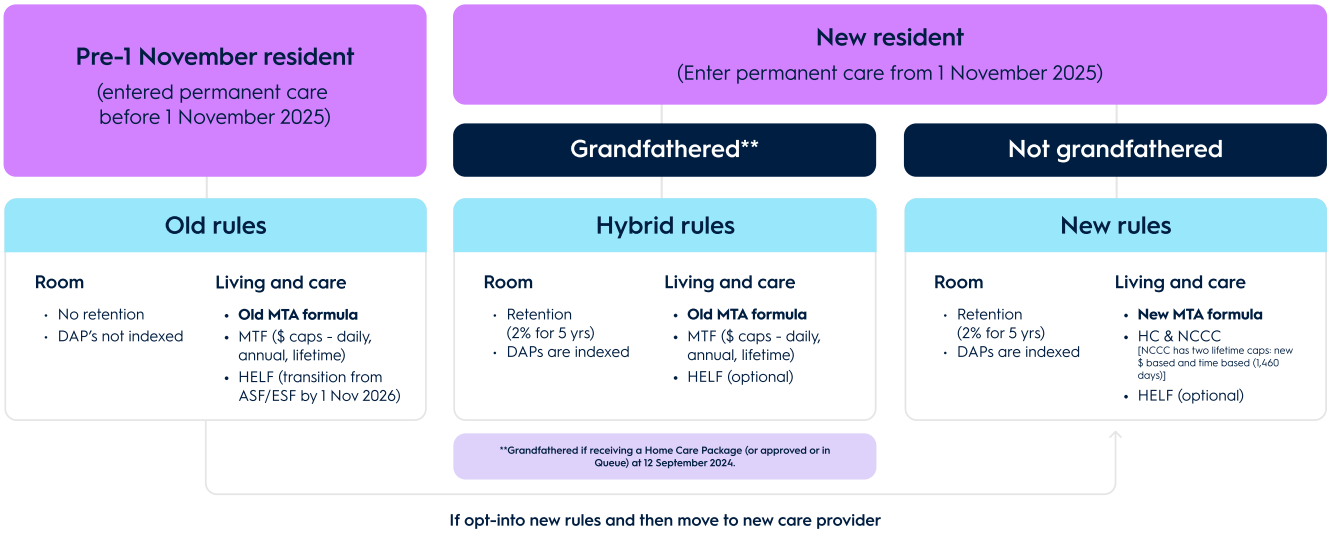
The grandfathering rules for aged care

Residents who entered permanent care before 1 November 2025 remain under the old rules for both accommodation and ongoing care fees.

New residents who are not grandfathered are fully subject to the new rules for both accommodation and ongoing care costs.

A hybrid situation exists: when a grandfathered Home Care Packages (HCP) client enters permanent residential care, their care fees remain subject to the pre-1 November 2025 rules, but accommodation costs are subject to the new rules from 1 November 2025; i.e. RAD retention and DAP indexation will apply.

Figure 1: Which rules apply? Residential aged care



Source: Aged Care Steps 2026

11 My Aged Care, Means assessments for residential aged care

The effect of RAD retention

The new arrangements also change the comparison between paying a RAD and making Daily Accommodation Payments (DAP). For residents entering permanent care from 1 November 2025, a provider may retain 2 per cent a year from the outstanding RAD balance, calculated daily and deducted at least quarterly.

Retention stops after a maximum of five years from the first payment towards the RAD.[12] Advisers may consider paying a small RAD shortly after entry to start the five-year clock, while still allowing time for the client to sell their home or other assets.

Because retention is calculated on a declining balance, it doesn't amount to a flat 10 per cent deduction after five years. The total over that period is closer to 9.6 per cent of the original deposit. Advisers note that distinction can be relevant when families compare a RAD with the cost of keeping capital invested and paying a DAP.

Adviser insight
Compare the full cost

"You need the numbers for your individual scenario, so that people go into it with their eyes open, knowing the ins and outs."

Matthew Lloyd, AGS Financial Group

Example
RAD vs. DAP[13]

Consider a room with an $800,000 Refundable Accommodation Deposit (RAD). A resident could pay the full RAD, make daily accommodation payments (DAPs) instead, or combine the two.

If they pay a $400,000 partial RAD, DAPs would be calculated on the remaining $400,000. At a 2 per cent annual retention rate, deductions from a full $800,000 RAD would be about $16,000 in the first year, then fall as the deposit balance declines. Paying even part of the RAD starts the five-year retention period. The choice may depend on available cash, plans for the family home, and the return the resident could earn by keeping capital invested elsewhere.

Decisions made before entry

Clients approaching the means-tested threshold may benefit from considering the structure of their income and assets before the initial assessment, advisers say. Those working in this area emphasise that timing, product suitability and the interaction of the income and assets tests all matter. A decision that appears helpful under one test may produce a different result once the full assessment is considered.

The modelling and documentation may include:

1. Establishing the client's assessable assets, home ownership and relationship status and comparing them with the current thresholds.
2. Checking the income assessment alongside the assets assessment.
3. Modelling a full RAD, DAP and combined payment against liquidity needs and the possible treatment of the family home.
4. Checking the target market determination and product disclosure statement for any proposed income stream product.
5. Recording the proposed entry date and completing any appropriate asset/income restructuring before the relevant assessment.

12 Department of Health and Aged Care, RAD and RAC retention
13 My Aged Care, Understanding aged care accommodation costs

Section 5

Deciding how much capability to build in-house

In the new era of aged care advice, practices will increasingly need to decide whether to build in-house capacity to face the new complexity or partner with specialist firms. Ganguly believes the decision should be driven by the expected workload. For example, his firm handles enough cases to support a dedicated Centrelink role and separate systems. He considers that level of investment difficult to justify for a practice seeing only one case a month, while several cases a week may create a stronger case.

Adviser insight

Case volume

"If we did one case a month, there is no way we would do that...if you're doing multiple per week, go for gold."

Shaun Ganguly, Aged Care Financial Planning

Table 3: A capability decision for practice principals

The below table contains some of the questions practices may wish to consider before making the choice.

Question	If yes, consider	If no, consider
Does the practice see multiple aged care cases each week?	Build in-house capability	Partner with a specialist
Is a team member willing to specialise deeply in Centrelink and aged care rules?	Build	Partner
Would referring the work risk losing the client relationship?	Partner while retaining the broader relationship	Either
Is the firm willing to invest in dedicated tools, subscriptions and facility relationships before case volume justifies it?	Build	Partner
Does the practice already have referral relationships with aged care specialists, solicitors or placement consultants?	Partner	Build, while establishing these relationships regardless

Advisers caution against an informal middle position in which a practice accepts occasional technical cases, without maintaining the knowledge to deliver them consistently. A referral arrangement can give the practice a defined way to respond while retaining responsibility for the client's broader retirement strategy. Under the model, the specialist may manage the aged care and Centrelink considerations, while the generalist continues the wider advice relationship.

Adviser insight

A different fee model

"The way we structure (aged care advice) is that now it's a project, it's a fixed fee, fixed scope, 12 months, all of your Centrelink financial facilitation, everything handled."

Shaun Ganguly, Aged Care Financial Planning

Section 6

Supporting families, protecting the practice

Aged and home care decisions often affect an entire ecosystem, including spouses, adult children and other professionals. Advisers working in the space emphasise the importance of involving family early and clarifying wishes well before a crisis occurs.

In some families, one person has taken on most of the work of arranging care and managing finances. Ganguly's practice uses family meetings to explain decisions about the home, accommodation funding and projected estate value to other relatives. He says this can reduce the pressure on the person coordinating care and give family members a shared account of why a particular course was chosen.

Adviser insight
Family meetings

"We've now taken the target off the decision maker's back. Just having that conversation... is so valuable, so there's no surprises along the way."

Shaun Ganguly, Aged Care Financial Planning

When family involvement raises concern

Unfortunately, advisers are also increasingly seeing circumstances where family interests threaten to compromise their clients' interests. Such scenarios can include pressure to transfer assets, unexplained changes in instructions or a relative who will not allow the client to speak privately.

Advisers operating in the aged care space will need to become increasingly aware of "red flags", which may require referral to other services.

Adviser insight
Protecting the client

"There have been many, many occasions where we, as the financial planners, have been the ones to prevent what is, by any stretch, elder abuse."

Shaun Ganguly, Aged Care Financial Planning



The following signs are prompts for advisers to pause and consider their licensee's vulnerable-client, capacity and undue-influence processes. None, on its own, establishes that abuse has occurred:

Financial elder abuse red flags in aged care advice

What to notice

Patterns that can help advisers recognise and understand where financial elder abuse may surface in aged care advice, to be considered together, not in isolation.

Table 4

Signal/Red flags	How it may surface in aged care advice
The client can't speak freely or is spoken for	• A relative, carer or "helper" sits in on everything, answers for the client, or manages all contact; the client goes quiet, defers, or looks to that person before answering. • Contact may also be narrowed: correspondence redirected, the client no longer reachable directly, or visits and calls from others discouraged.
Agreement without understanding	• The client nods along to a fee, transaction or care decision but can't put it in their own words, e.g. the "Noddy" response.
The plan serves someone else's interest	• The RAD-versus-DAP choice, room price, facility choice, the keep-sell-rent decision on the home, or a gifting or drawdown strategy is shaped around protecting an inheritance or meeting a relative's need, rather than the client's own care and cashflow. • Non-disclosure of the resident's financial position driven by a family member rather than a considered client choice. • Reluctance to spend the older person's own assets on their own care (steering to a cheaper option, resisting a RAD).
Money isn't reaching the client's care	• Accommodation costs, means-tested fees or day-to-day expenses go unpaid or delayed although the means exist, while another person controls the accounts, statements or online banking. • Care itself may go unmet, e.g., services declined, or an approved home care package or placement not pursued, while the client's own funds would readily cover it.
A large, recent or unexplained asset movement	• A gift, loan, transfer, or a modification to the former home surfaces around entry to care, often the sale proceeds of the home that would otherwise fund the RAD. • An unusually large withdrawal inconsistent with normal pattern and behaviour and leaves the elderly person worse off.
A related party is on both sides of a dealing	• A family member proposes to buy the home, take an unsecured "loan," or move the client's capital into an asset in their own name. The client may be left an unsecured creditor for a large share of their wealth, with no mortgage, caveat or guarantee.
The benefit isn't tested from the client's side	• A deal is framed as a "better rate" or a documented loan, but the relative gets the clearer benefit, e.g., a discharged mortgage, development funding, or a sole-name retirement-village interest, while the client carries the credit, liquidity, fee or estate risk.

Table 4 cont.

Signal/Red flags	How it may surface in aged care advice
An attorney acting beyond, or against, their role	• An attorney treats the client's money as their own, mixes it with their own, benefits themselves or family, or blocks the client's access to funds, records, visitors or an advocate.
Documents or authority don't add up	• No certified power of attorney has been sighted; its scope or activation is unclear; or a will, nomination or EPOA changed close to entry to care or a decline in health. • New signatory or authority added to an account or asset shortly before a large withdrawal or transfer. • Recent changes to Will, EPOA, beneficiary nominations or property arrangements, especially near entry to care or a decline in capacity.
Loss of capacity is asserted to exclude the client	• Someone says the client "can't" take part, or pushes to activate an attorney role early. Capacity is decision-specific and presumed unless proven otherwise. It isn't determined by age, a dementia diagnosis, disability, or needing support to communicate.
Heightened vulnerability at a point of change	• Recent bereavement, illness, a move into care, social isolation, or reliance on one person for banking and transport raises exposure. These are risk factors that warrant care, not evidence of abuse or incapacity in themselves.
Observed demeanour and behaviours at meetings	• Anxiety, hesitation or fear when the family member is present. • Belittling, dismissiveness, or threats to withdraw care, contact or visits. Pressure of this kind is often what makes a financial decision possible. • Resident looks to the relative before answering, or contradicts themselves. • Change in demeanour when money is discussed. • Resident appears unaware of arrangements being made in their name. • Unexplained injury, or reluctance to return home after respite. Unlikely to surface in an advice meeting, and a matter to escalate rather than enquire into.

What to consider

Key concepts that inform how advisers think about these situations — noting your licensee's policies govern any actions and responses.

Table 5

Key principle	What this means in practice
Make space for the client	Consider spending part of the meeting alone with the client, adjusting for hearing, language or cognition, and using an interpreter or a support person the client chooses.
Act for the client	The client, not the attorney or the family member, is the person the advice serves.
Respect the client's own choices	Capacity is presumed until that presumption is displaced, and a client with capacity is entitled to make their own choices. Support and respect the client's autonomy and dignity, ask what they want, adjust how you communicate so the decision can be theirs, and work with their consent.
Test whether the choice is freely made	Undue influence is not a capacity question. A client with full capacity can still be pressured.
Weigh whether to slow down	Where something doesn't sit right, consider not proceeding immediately. A further conversation, an internal compliance or second-adviser view, or independent legal, capacity or tax input may be warranted under your licensee's guidance.
Manage conflicts and authority	Consider sighting a certified power of attorney and its conditions, identifying any conflict where an attorney or relative benefits, and recommending independent advice for the client (and separately for any contributing relative).
Test the client's benefit, and alternatives	For a family or related-party dealing, consider the client's benefit in its own right (e.g., legal ownership, security, arm's-length terms, liquidity, fees and exit costs, the aged-care and means-tested impact, and fit with the client's care needs and estate intentions), and whether alternatives to a sale, transfer or family loan were explored first.
Document at the time	Consider recording objective observations, the client's own words, who was present, instructions, the authority relied on, information considered, consent and preferred contact — keeping observations separate from conclusions. For a related-party dealing, add the counterparty, value, timing, security and conflicts.
Escalate and review	Consider your licensee's vulnerable client, incident, conflicts, complaints and breach processes. A manager, compliance or legal view may help where a party benefits or authority or client benefit is unclear, and whether later steps warrant a further review. Where the concern attaches to the aged care service rather than a family member, the provider's incident-reporting obligations and the Commission's complaints pathway may be the relevant route.
Refer and support	With the client's consent, consider pointing to independent legal, tax, specialist aged care advice. For an immediate risk or suspected crime, emergency or police pathways may apply.

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Australian survey data indicates how often advisers may encounter these arrangements. Among people aged 65 and over, 13 per cent of those with an active enduring power of attorney reported elder abuse, compared with 17 per cent without one and 15 per cent with an inactive power. About 52 per cent had granted an enduring power of attorney, rising from 33 per cent among those aged 65–69 to 61 per cent among those aged 85 and over. The figures reinforce the need to clarify who holds authority in any individual case.[15]

Care decisions, capacity and the estate

The financial consequences of care can bring estate planning into focus. Decisions about the family home, a RAD and an income stream can alter the assets available to beneficiaries.

With cognitive decline and dementia common among aged care residents, having an enduring power of attorney in place before capacity is lost is a critical part of aged care planning, ensuring a trusted person can manage financial and legal matters when needed.

Specialist advisers describe working with solicitors on wills, testamentary trusts and enduring powers of attorney while retaining responsibility for explaining the financial effects to the client and, where appropriate, their family.

Conclusion

Aged care requirements have become more complex in the past 12 months, requiring advisers and practices to consider bringing forward client conversations, partnering with specialist firms and building internal capacity to manage the new complexity.

No single practice model will suit every adviser or client and the licensee will become a more important part of the picture in guiding advisers. The experiences gathered here show how regular screening, coordinated income and care planning, and a defined approach to specialist referrals can help advisers respond before an urgent care decision narrows the available choices.

About this guide

This implementation guide accompanies *Planning for the cost of later-life care: An adviser blueprint for a changing system*, with the support of North. It draws on research and interviews recorded for North's Aged Care podcast series.

We would like to thank the following advisers, whose insights recorded for the podcast series directly informed this guide:

- **Alex Berlee**, AGS Financial Group
- **Matthew Lloyd**, AGS Financial Group
- **Ben Hillier**, AMP
- **Shaun Ganguly**, Aged Care Financial Planning
- **Sarah Leslie**, Story Wealth

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