



Government spending on aged care

Who funds aged care in Australia?

Aged care services in Australia are funded by governments (federal, state, territory and local governments), non-government organisations (charities, religious and community groups), and personal contributions from those receiving care. Governments subsidise the cost of care and recipients contribute through fees and payments.

Government spending

In 2015–16, governments spent almost \$17 billion on aged care services. The information in this factsheet presents data from the *Report on Government Services* on the amount spent on aged care by state and territory governments (4% of total government expenditure) and the Australian Government (96%).

What do governments spend money on in aged care?

More than two thirds (69%) of government funding on aged care was spent on residential aged care, and 26% was spent on home care and support (Figure 1). Flexible care, workforce and service improvement, and assessment and information services accounted for just 5% of total spending.

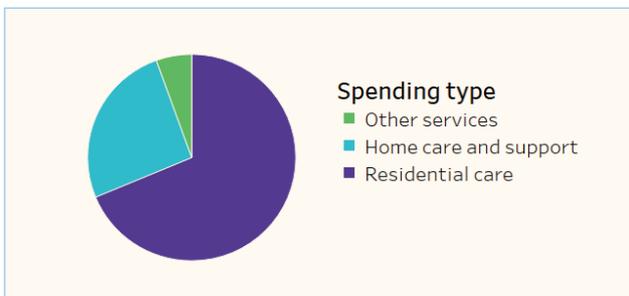


Figure 1: Proportion of government spending on aged care services by spending type, 2015–16

How has government spending on aged care changed overtime?

There has been a 19% increase over the past 5 years in the amount governments have spent on aged care from approximately \$14 billion in 2011–12 to \$17 billion in 2015–16 (Figure 2).

Between 2011–12 and 2015–16 there was an increase in spending on home care and support (22%), residential care (21%), and assessment and information services (14%), while the amount spent on flexible care, and workforce and service improvement decreased (11% and 9%, respectively).

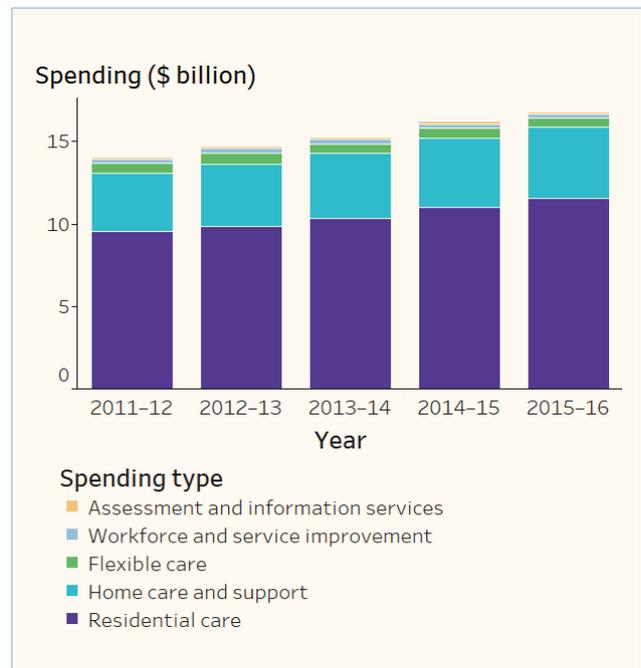


Figure 2: Government spending on aged care services by spending type, 2011–12 to 2015–16

How does government spending vary between states and territories?

South Australia has the highest rate of spending (\$4,848) on aged care services per person in the target population (all people aged 65 years and over and Aboriginal and Torres Strait Islander people aged 50–64 years). Government spending rates per older person in the Australian Capital Territory (\$4,738) and Victoria (\$4,769) were also higher than the national rate (\$4,453) (Figure 3).

Home care and support is emphasised in the Northern Territory

Despite the Australian Capital Territory having the highest rate of spending for home care and support overall (\$1,829 per person in the target population), the Northern Territory was the only state or territory to spend more on home care and support than residential care per person in the target population (\$1,568 compared with \$1,362). In addition, government spending on flexible care and assessment and information services was highest in the Northern Territory (Figure 3).

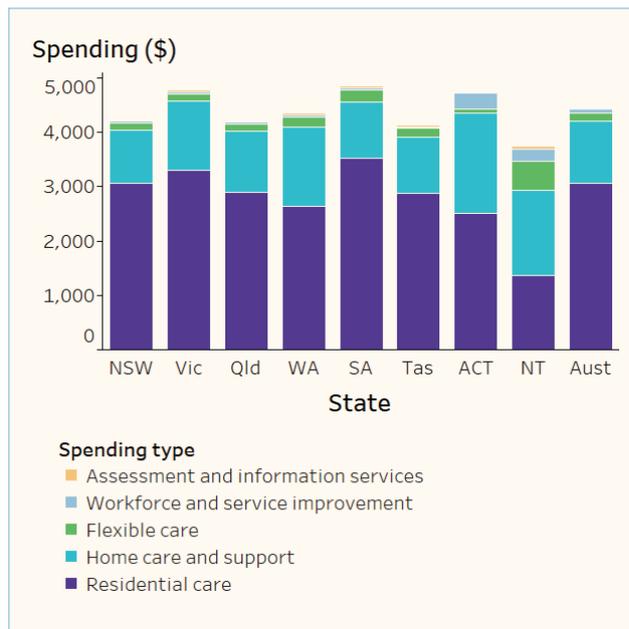


Figure 3: Government spending on aged care services per person in the target population, by state, 2015–16

Where can I find out more?

Report on Government services:

Steering Committee for the Review of Government Service Provision 2017. Report on Government Services 2017: Volume F, Chapter 14, Aged Care Services Report and Attachment Tables. Accessed 15 March 2017. Available at: <<http://www.pc.gov.au/research/ongoing/report-on-government-services/2017/community-services>>

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Information and
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