



Spending on aged care

Australia's aged care system operates through funding from the Australian Government and state and territory governments, and care recipient contributions. This fact sheet presents highlights from the GEN topic Spending on aged care. Note, the terms of 'spending' and 'expenditure' are used interchangeably in this fact sheet.

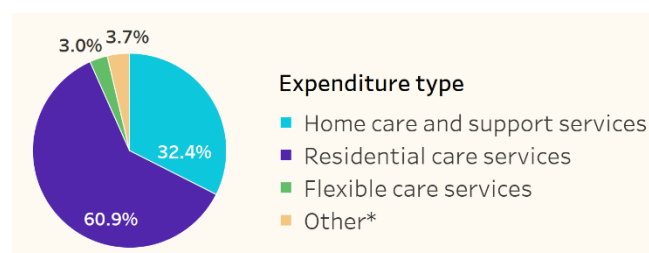
Allocation of government expenditure

Government expenditure refers to the total spending from the Australian Government and state and territory governments. The majority of government expenditure on aged care comes from the Australian Government (99%).

In 2024–25:

- governments spent \$39.8 billion on aged care services, with the largest proportion (61%, \$24.2 billion) spent on residential care services
- the remaining funds were spent on home care and support services (32%, \$12.9 billion), flexible care services (3%, \$1.2 billion) and other aged care services, including workforce and service improvement, and assessment and information services (3.7%, \$1.5 billion).

Figure 1: Government expenditure on aged care services, 2024–25



*Includes Assessment and Information Services, Workforce and Quality, and Ageing and Service Improvement, and Aged Care Quality and Safety Commission.

Source: Report on Government Services 2026: Part F, Section 14, Aged care services report.

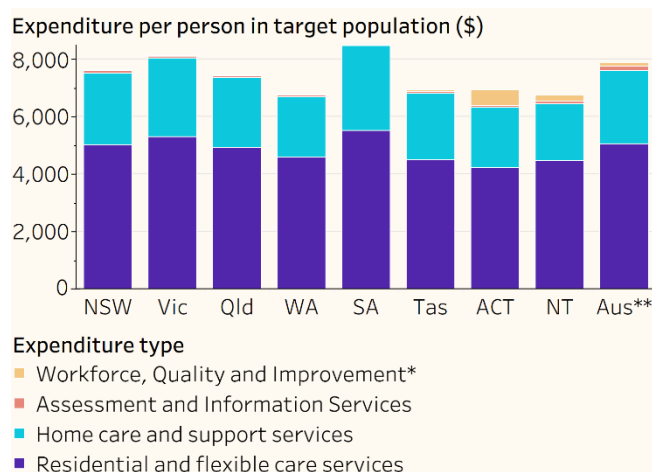
Government expenditure by states and territories

Government expenditure on aged care services for people in the target population (all people aged 65 and over and Aboriginal and Torres Strait Islander people aged 50–64) varies across the states and territories where services are delivered.

In 2024–25:

- government expenditure on residential and flexible care services per person in target population was highest in South Australia (\$5,500 per person) and lowest in Australian Capital Territory (\$4,200 per person)
- government expenditure on home care and support services per person in target population was highest in South Australia (\$3,000 per person) and lowest in Northern Territory (\$2,000 per person).

Figure 2: Government expenditure on aged care services per person in target population by states and territories, 2024–25



*Includes Workforce and Quality, and Ageing and Service Improvement, and Aged Care Quality and Safety Commission.

**The Australian totals can include other expenditure that cannot be attributed to individual states or territories.

Source: Report on Government Services 2026: Part F, Section 14, Aged care services report.

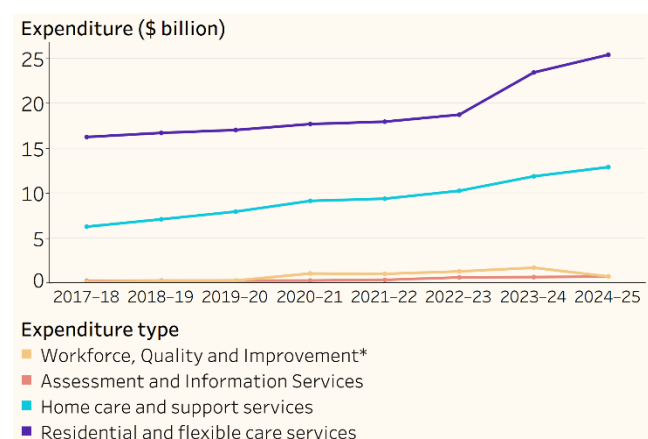
Government expenditure over time

Aged care expenditure patterns have changed since 2017–18. Time series data in this section have been adjusted for inflation.

Between 2017–18 and 2024–25:

- government expenditure on total aged care services increased by 73% (from \$22.9 billion to \$39.8 billion)
- government expenditure on residential and flexible care services increased by 56% (from \$16.3 billion to \$25.4 billion)
- government expenditure on home care and support services more than doubled from \$6.3 billion to \$12.9 billion (a 106% increase).

Figure 3: Government expenditure on aged care services, 2017–18 to 2024–25



*Includes Workforce and Quality, and Ageing and Service Improvement, and Aged Care Quality and Safety Commission.

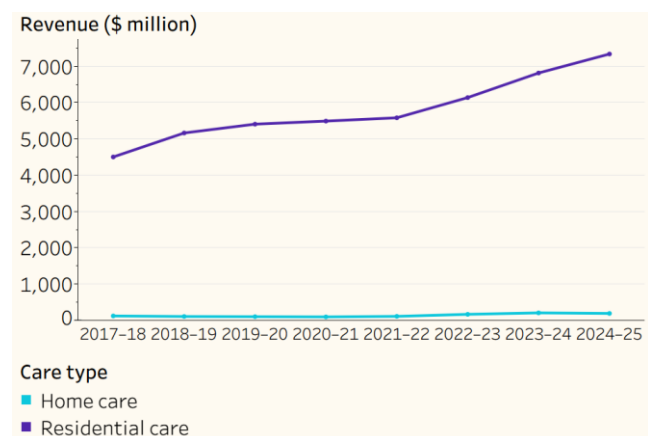
Source: Report on Government Services 2026: Part F, Section 14, Aged care services report.

Care recipient contribution

Most people using aged care contribute to the cost of their care. The level of contribution is subject to an assessment of affordability.

In 2024–25, contributions from care recipients accounted for 2.2% of the total revenue received by home care providers and 21% of the total revenue received by residential care providers.

Figure 4: Revenue for home care and residential care providers from care recipient, 2017–18 to 2024–25



Source: Financial Report on the Australian Aged Care Sector: 2020–21 to 2024–25.

COVID-19 and government expenditure

The Australian Government continues to support aged care providers impacted by COVID-19 through specific funding measures. This includes:

- Aged Care Outbreak Management Support Supplement to contribute to the cost of planning for and managing outbreaks, including COVID-19 and other infectious diseases.
- Surge workforce program to help eligible aged care homes manage COVID-19 outbreaks and maintain high-quality, safe care for residents. Surge workers can be quickly placed when all other avenues for staffing have been exhausted.
- Commonwealth Home Support Program Emergency and Critical Need Grant Opportunity (GO7393), which assists providers with financial support to respond to unforeseen and exceptional circumstances.

Where can I find out more?

GEN Topic: Spending on aged care

www.gen-agedcaredata.gov.au/topics/Spending-on-aged-care

Report on Government Services

www.pc.gov.au/ongoing/report-on-government-services/community-services/aged-care-services/

Financial Report on the Australian Aged Care Sector

www.health.gov.au/resources/publications/financial-report-on-the-australian-aged-care-sector-2024-25

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Suggested citation

Australian Institute of Health and Welfare 2026. *GEN fact sheet 2024–25: Spending on aged care*. Canberra: AIHW.

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