



# Spending on aged care

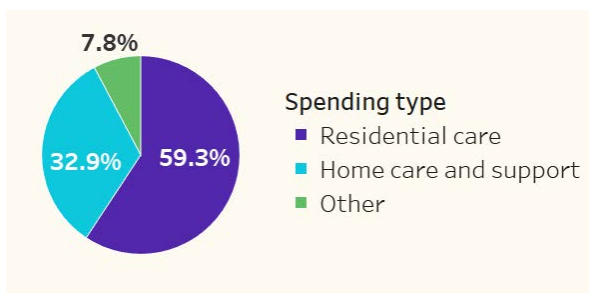
Australian aged care services operate through a combination of government (federal, state, territory and local), non-government (charities, religious and community groups), and personal financial contributions. This fact sheet presents highlights from the GEN topic Spending on aged care.

## Allocation of government spending

Government spending referred to in this fact sheet is the total spending from both Australian Government and state and territory governments.

During 2021-22 governments spent over \$25.1 billion on aged care, with the largest proportion (59%, \$14.9 billion) spent on residential aged care. The remaining funds were spent on home care and support (33%, \$8.3 billion) and on other care, including flexible care, workforce and service improvement, and assessment and information services (7.8%, \$2.0 billion) (Figure 1).

**Figure 1: Government spending on aged care services, 2021-22**



Source: Report on Government Services 2023: part f, chapter 14, aged care services report

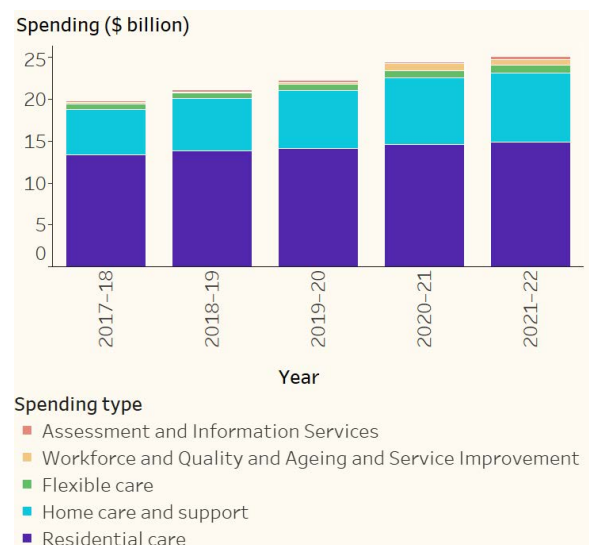
## Government spending over time

During the 5 years between 2017-18 and 2021-22, spending patterns on aged care services have changed. Note: Time series data in this topic have been adjusted for inflation.

During 2021-22:

- Government spending on aged care services was 27% higher than it was during 2017-18, resulting from annual spending increases across this period.
- Spending for residential aged care services was 1.9% higher than it was during 2020-21, and 12% higher than it was during 2017-18.
- Spending on flexible care was 9.0% higher than it was during 2020-21, and 39% higher than it was during 2017-18 (Figure 2).

**Figure 2: Government spending on aged care services by spending type, 2017-18 to 2021-22**



Spending type

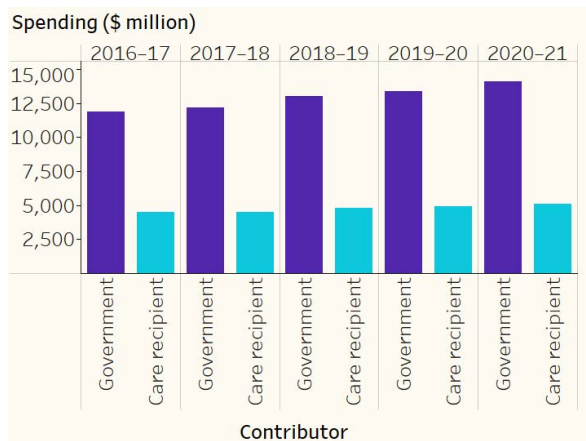
- Assessment and Information Services
- Workforce and Quality and Ageing and Service Improvement
- Flexible care
- Home care and support
- Residential care

Source: Report on Government Services 2023: part f, chapter 14, aged care services report

## Care recipient spending

Most people using aged care contribute to the cost of their care. Overall, during 2020–21, contributions from residents (excluding lump sum deposits) represented 27% of total residential care provider revenue (Figure 3). People using home care packages contributed 2.2% of home care provider revenue, and people using home support contributed 8.5% of total spending on home support.

**Figure 3: Annual government and aged care recipient contributions to residential aged care costs, 2016–17 to 2020–21**



Source: Financial Report on the Australian Aged Care Sector 2020–21

## Government spending by state and territory

Australian and state and territory government spending varies. The amount spent on aged care services per person in the target population (that is, all people aged 70 years and over and Aboriginal and Torres Strait Islander Australians aged 50–69 years) differed by spending type and state and territory.

During 2021–22, spending on residential aged care was highest in South Australia (\$5,070 per person), followed by Victoria (\$4,863 per person). South Australia also had the highest rate of government spending for home care and support (\$2,674 per person), followed by Queensland and Victoria (\$2,637 and \$2,605 per person respectively) (Figure 4).

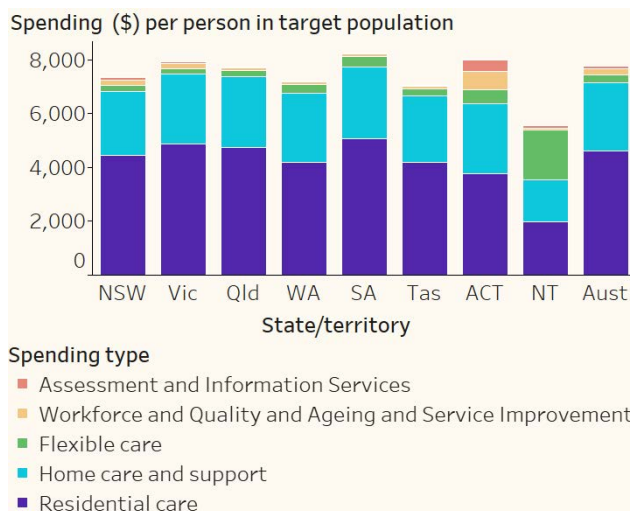


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**Figure 4: Government spending on aged care services per person in the target population, by state and territory, 2021–22**



Source: Report on Government Services 2023: part f, chapter 14, aged care services report.

## COVID-19 and government spending

Australia has faced significant challenges during the COVID-19 pandemic. COVID-19 can be more serious for people who are vulnerable, including older Australians. This heightened risk prompted a specific response in the aged care sector.

According to the Report on the Operation of the Aged Care Act 2021–22 (Department of Health and Aged Care), most of Australia's residential aged care homes experienced an outbreak during 2021–22. The Australian Government continues to support aged care providers to have access to personal protective equipment, COVID-19 vaccination clinics, PCR and rapid antigen testing, and supplementary workforce arrangements.

### Where can I find out more?

#### GEN Topic: Spending on aged care

<<https://www.gen-agedcaredata.gov.au/Topics/Spending-on-aged-care>>

#### Report on government services:

Steering Committee for the Review of Government Service Provision 2023. *Report on government services 2023: Part F, Chapter 14, Aged Care Services report and attachment tables.* Available at: <<https://www.gen-agedcaredata.gov.au/resources/reports-and-publications/2023/january/report-on-government-services-2023-part-f,-chapter>>

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Information and data on aged care in Australia

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