



Spending on aged care

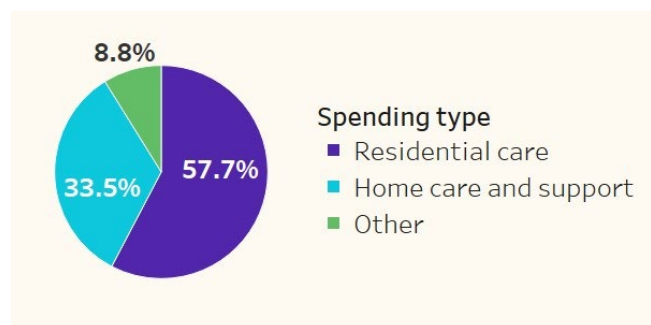
Australia's aged care system operates through funding from the Australian Government and state and territory governments, and care recipient contributions. This fact sheet presents highlights from the GEN topic Spending on aged care.

Allocation of government spending

Government spending refers to the total spending from the Australian Government and state and territory governments. The majority of government spending on aged care comes from the Australian Government (98.6%).

During 2022–23 governments spent almost \$28.3 billion on aged care, with the largest proportion (58%, \$16.3 billion) spent on residential care. The remaining funds were spent on home care and support (34%, \$9.5 billion) and other aged care services, including flexible care, workforce and service improvement, and assessment and information services (8.8%, \$2.5 billion) (Figure 1).

Figure 1: Government spending on aged care services, 2022–23



Source: Report on Government Services 2024: part f, chapter 14, aged care services report

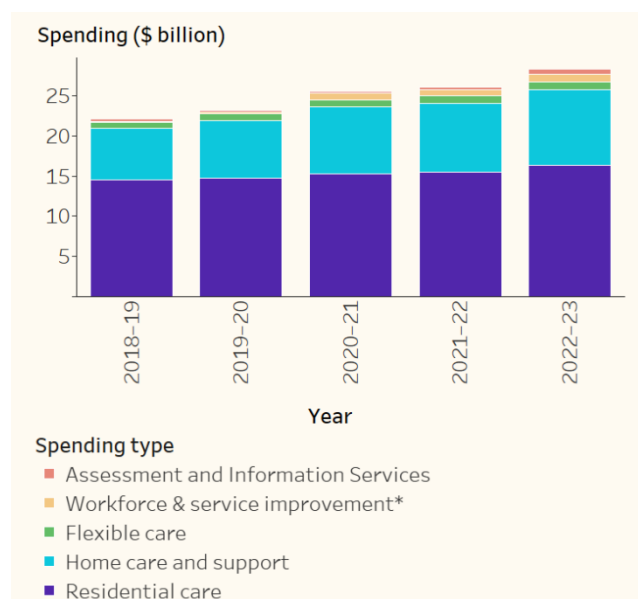
Government spending over time

Aged care spending patterns have changed over the past 5 years. Time series data in this section have been adjusted for inflation.

During 2022–23, government spending on aged care services was 28% higher than it was during 2018–19, resulting from annual spending increases across this 5 year period.

Spending on home care and support was 10% higher than it was during 2021–22, and 46% higher than it was during 2018–19. Over the same 5 year period, spending on flexible care and residential care increased by 35% and 13% respectively (Figure 2).

Figure 2: Government spending on aged care services by spending type, 2018–19 to 2022–23



Source: Report on Government Services 2024: part f, chapter 14, aged care services report

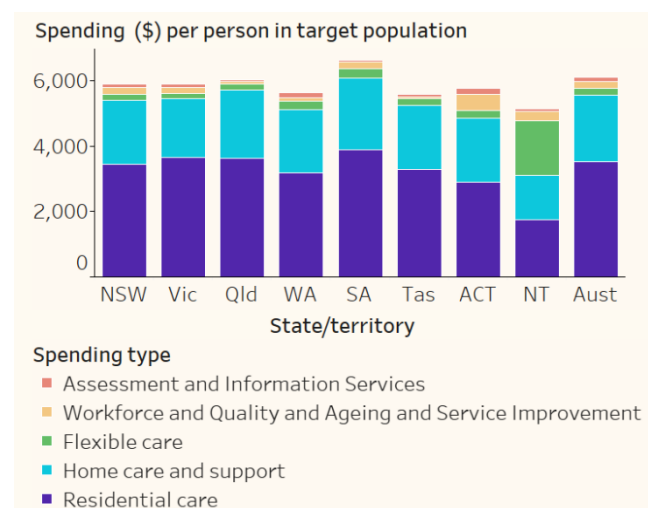
* Workforce and Quality, and Ageing and Service Improvement.

Government spending by state and territory

Government spending on aged care for people in the target population (that is, all people aged 65 and over and Aboriginal and Torres Strait Islander people aged 50–64) varies by the state or territory where services are delivered.

During 2022–23, government spending on residential care was highest in South Australia (\$3,896 per person), followed by Victoria (\$3,643 per person). South Australia had the highest rate of government spending for home care and support (\$2,192 per person), followed by Queensland (\$2,067 per person) (Figure 3).

Figure 3: Government spending on aged care services per person in the target population, by state and territory, 2022–23



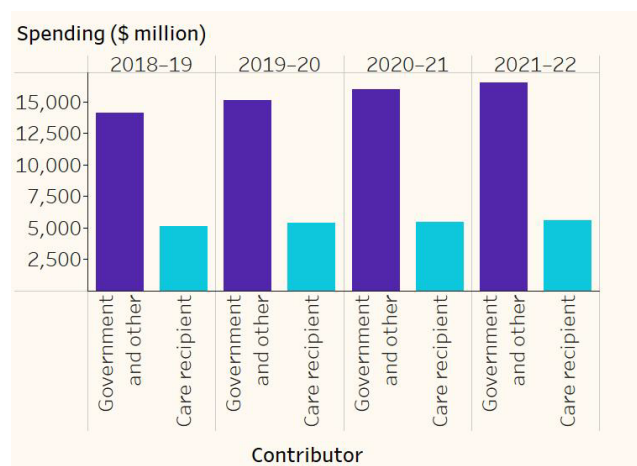
Source: Report on Government Services 2024: part f, chapter 14, aged care services report.

Care recipient spending

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

During 2021–22, contributions from care recipients accounted for 25% of the total revenue received by residential care providers (Figure 4) and 2.4% of total revenue received by home care providers.

Figure 4: Source of revenue for residential care providers, 2018–19 to 2021–22



Source: Financial Report on the Australian Aged Care Sector 2021–22

COVID-19 and government spending

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

- Aged Care Outbreak Management Supplement to contribute to the cost of planning for and managing outbreaks, including COVID-19 and other infectious diseases.
- 2023 COVID-19 Aged Care Support Program Grant to support providers to transition towards managing the costs of COVID-19 outbreaks as part of normal business.
- Commonwealth Home Support Program (CHSP) Ad hoc Proposals Extension for providers to respond to unforeseen and exceptional circumstances.

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 2024. Report on government services 2024: Part F, Chapter 14, Aged Care Services report and attachment tables. Available at: <<https://www.gen-agedcaredata.gov.au/resources/publications/2024/january/report-on-government-services-2024-part-f,-chapter-14,-aged-care-services-report>>

Financial Report on the Australian Aged Care Sector:

Department of Health and Aged Care 2023. Financial Report on the Australian Aged Care Sector 2021–22. Available at: <<https://www.health.gov.au/resources/publications/financial-report-on-the-australian-aged-care-sector-2021-22>>

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