



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 2017-18, governments spent just over \$18 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 (3% of total government expenditure) and the Australian Government (97%).

What do governments spend money on in aged care?

More than two-thirds (67%) of government funding on aged care was spent on residential aged care, and 28% 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.

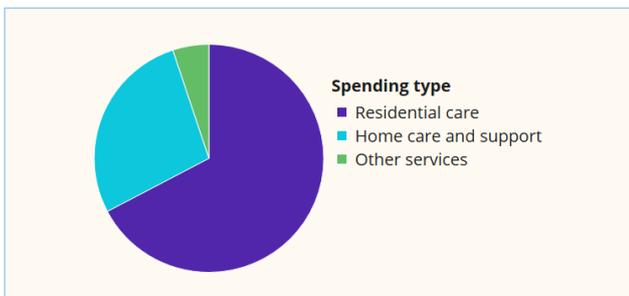


Figure 1: Proportion of government spending on aged care services by spending type, 2017-18

How has government spending on aged care changed over time?

There has been a 23% increase over the past 5 years in the amount governments have spent on aged care, from approximately \$15 billion in 2012-13 to \$18 billion in 2017-18 (Figure 2). These figures have been adjusted for inflation.

Between 2012-13 and 2017-18 there was a 34% increase in spending on home care and support, 24% increase in residential care, and 50% increase in assessment and information services. Over this period, the amount spent on flexible care, and workforce and service improvement, decreased (9% and 62%, respectively).

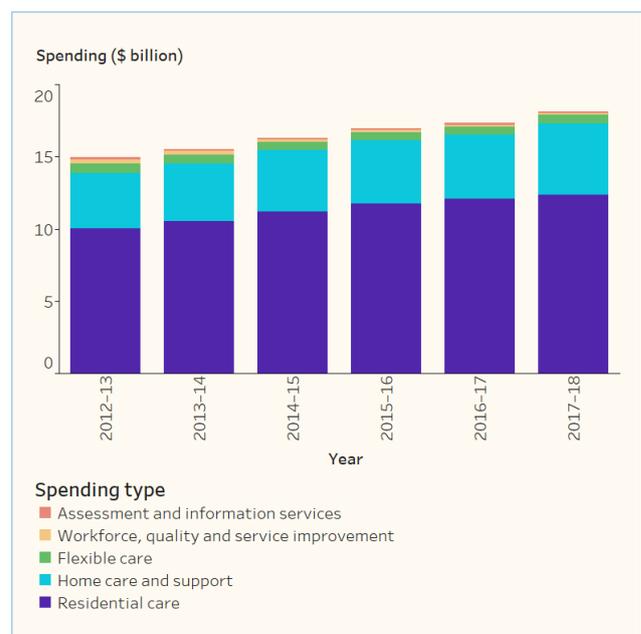


Figure 2: Government spending on aged care services by spending type, 2012-13 to 2017-18

How does government spending vary among states and territories?

South Australia had the highest rate of spending (\$4,914) 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 Victoria (\$4,823) and the Australian Capital Territory (\$4,571) were also higher than the national rate (\$4,609) (Figure 3).

Home care and support is emphasised in the Northern Territory

The Northern Territory had the highest rate of government spending for home care and support (\$1,616 per person in the target population), closely followed by the Australian Capital Territory (\$1,539) (Figure 3).

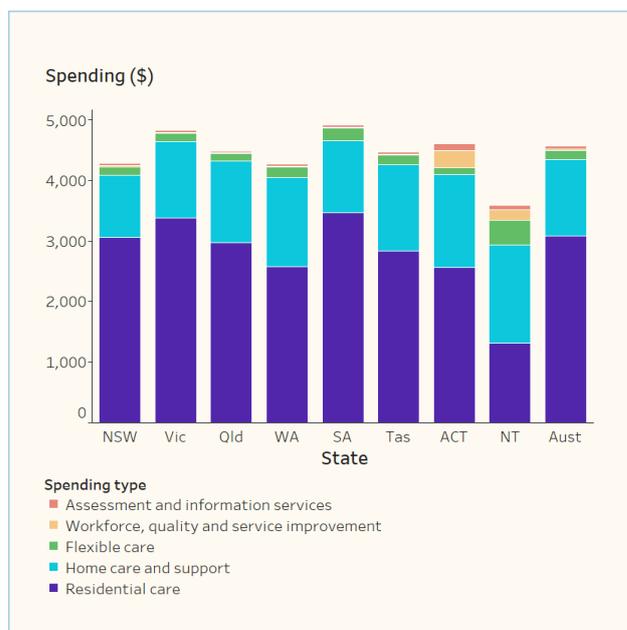


Figure 3: Government spending on aged care services per person in the target population, by state, 2017–18

Where can I find out more?

Report on government services:

Steering Committee for the Review of Government Service Provision 2019. Report on government services 2019: Part F, Chapter 14, aged care services report and attachment tables. Accessed 22 January 2019.

Available at: <http://www.pc.gov.au/research/ongoing/report-on-government-services/2019/community-services/aged-care-services>

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Information and data on aged care in Australia

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