



Government spending on aged care

Government spending

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. This factsheet presents highlights from the GEN topic Government spending on aged care. In 2018–19, governments spent just over \$20 billion on aged care services, with the majority of funding (98%) coming from the Australian Government. Time series data in this factsheet are adjusted to 2018–19 dollars.

What is Government spending in aged care used for?

More than two-thirds (66%) of government funding on aged care was spent on residential aged care, and 29% was spent on home care and home support (Figure 1). Flexible care, workforce and service improvement, and assessment and information services accounted for just 5% of total spending.

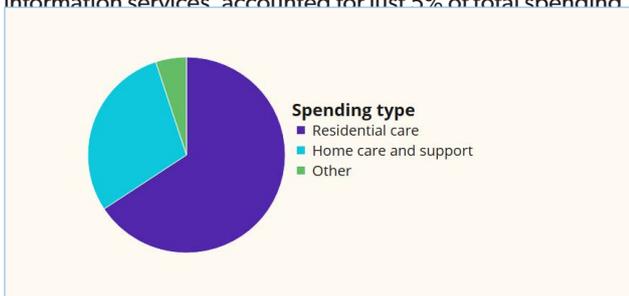


Figure 1: Proportion of government spending on aged care services by spending type, 2018–19

How has government spending on aged care changed?

There has been a 27% increase over the past 5 years in the amount governments have spent on aged care, from approximately \$15.8 billion in 2013–14 to \$20.1 billion in 2018–19 (Figure 2). These figures have been adjusted for inflation.

Between 2013–14 and 2018–19 spending rose the most for assessment and information services (73% increase), followed by home care and support (45% increase), residential aged care (24%), and finally, flexible aged care (7%). Over this period, the amount spent on workforce and service improvement decreased (53%).

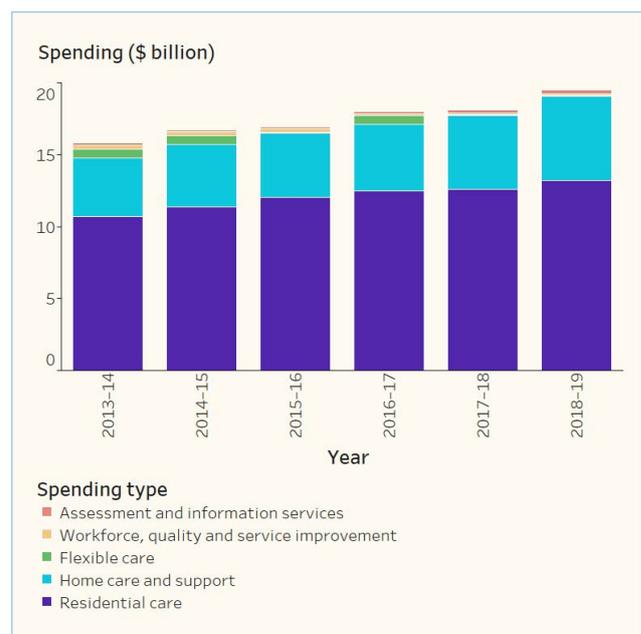


Figure 2: Government spending on aged care services by spending type, 2012–13 to 2018–19

How does government spending vary among states and territories?

Allocation of Australian Government and state/territory government spending varies across Australia. South Australia had the highest rate of spending (\$5,370) on aged care services per person in the target population (all people aged 65 years and over and Aboriginal and Torres Strait Islander Australians aged 50–64 years). Government spending rates per older person in the Australian Capital Territory (\$5,216) and Victoria (\$5,142) were also higher than the national rate (Figure 3).

There are also variations on the type of spending. For example, the Australian Capital Territory had the highest rate of government spending for home care and home support (\$1,960 per person in the target population), closely followed by the Northern Territory (\$1,888) (Figure 3).

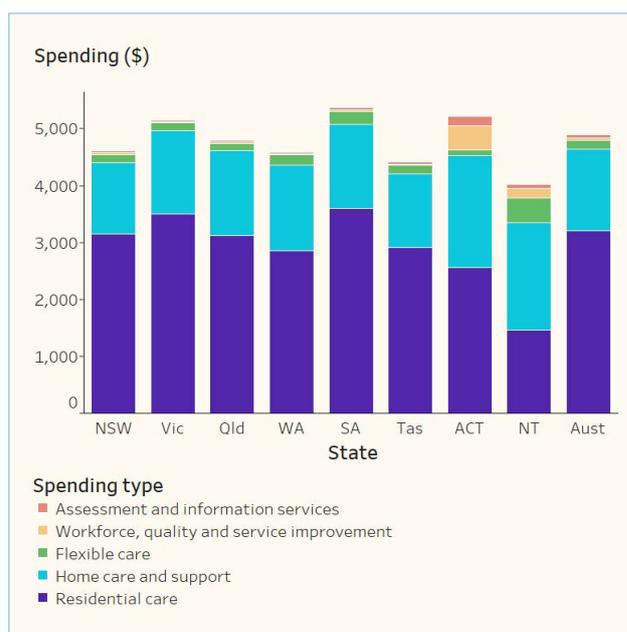


Figure 3: Government spending on aged care services per person in the target population, by state, 2018–19

Where can I find out more?

Report on government services:

Steering Committee for the Review of Government Service Provision 2020. *Report on government services 2020: Part F, Chapter 14, aged care services report and attachment tables.* Accessed 17 March 2020. Available at: <https://www.pc.gov.au/research/ongoing/report-on-government-services/2020/community-services/aged-care-services>

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Information and data on aged care in Australia

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Contact

GPO Box 570, Canberra, ACT 2601
(02) 6244 1000 | GEN@aihw.gov.au

