

# PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Department of Health and Aged Care

Senate Standing Committee on Community Affairs Legislation Committee

Inquiry into the Aged Care Bill 2024 (Provisions)

03 October 2024

PDR Number: IQ24-000123

**Intergenerational Report in relation to the future sustainability of aged care spending**

**Written**

**Senator:** Marielle Smith

**Question:**

What did the Intergenerational Report find in relation to the future sustainability of aged care spending?

**Answer:**

The *Intergenerational Report 2023* found that the number of people aged 80 years and over is expected to triple and that Australian Government spending on aged care is projected to increase as a proportion of Gross Domestic Product from 1.1 per cent in 2022–23 to around 2.5 per cent in 2062–63.

The reforms announced in response to the Aged Care Taskforce and included in the Aged Care Bill 2024 moderate this growth in spending. As a result of the reforms, by 2034–35:

- Average annual growth over the decade to 2034–35 will come down to 5.2 per cent from its previous level of 5.7 per cent at the 2024–25 Budget.
- Aged care spending as a share of GDP is projected to moderate, from 1.5 per cent of GDP to 1.4 per cent, even as the number of participants and the quality of care increase.