

# Care and support economy reform at a glance



The care and support economy includes aged care, disability support, Veterans' care and early childhood education and care.



It is part of the health care and social assistance industry, which accounts for **15% of Australia's workforce and Australia's largest employer.**

Care and support is one of the fastest growing parts of the Australian economy, partly due to our ageing population.

## Projected government investment



## Expected workforce increase



Reforms to care and support have a **two-fold impact** on women's economic equality, because women:



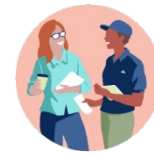
- make up the **majority of workers** in these sectors
- **are more likely to provide informal care** when formal services are not available.

**Vision** A sustainable and productive care and support economy that delivers quality care and support with quality jobs.

**Goals** Long-term ambitions, established through consultation with Australian public and key stakeholders.



**Goal 1: Quality care and support**  
Person-centred care and support that recognise those accessing it as individuals and deliver quality outcomes.



**Goal 2: Quality jobs**  
Secure, safe jobs with fair wages, conditions and opportunities for career development.



**Goal 3: Productive and sustainable**  
Systems of care and support are effective and sustainable and harness innovation to generate efficiency gains that do not compromise quality of services.

## Mechanisms

### Care and Support Economy Reform Unit at PM&C

- Strategic policy coordination
- Policy stewardship and whole-of-care sector governance
- Implementation tracking and monitoring

## PROGRESS – KEY ISSUES AND REFORMS

### Aged Care \$38b 2024-25



The Government is making changes to aged care to support its vision for high-quality, person-centred care for older people, where and when they need it.

**Royal Commission into Aged Care Quality and Safety response:** \$2.2b over five years (from 23-24) to deliver key aged care reforms and continue to implement Royal Commission. Recommendations.

**New Aged Care Act** to take effect from 1 July 2025 to strengthen Australia's aged care system and ensuring that people who access aged care services are treated with respect and have the quality of life they deserve.

**Support at Home:** \$83.7m (2023-24). Incl. \$12.2m supporting design and delivery of new Support at Home program commencing 1 July 2025, with additional \$174.5m (24-25) to fund ICT infrastructure needed to implement new program and Single Assessment System.

**Wages increase:** \$11.3b (total) to deliver a pay rise for aged care workers from 30 June 2023. Incl. \$44m to support Round 2 of the Aged Care Registered Nurses' Payment Program.

#### Other key 2024-25 Budget commitments

- \$531.4m in 2024–25 to release 24,100 additional home care packages in 2024–25
- \$110.9m over 4 years to increase regulatory capability of the Aged Care Quality and Safety Commission and to implement a new aged care regulatory framework from 1 July 2025
- \$87.2m for workforce initiatives to attract nurses and other workers into aged care

### Disability Support \$49b\* 2024-25



\*figure does not include disability employment services funding

The Government is reforming the NDIS to ensure its long-term sustainability, and preparing our response to the Disability Royal Commission.

**NDIS Review:** Delivered December 2023, with \$129.8m over 2 years (23-24) for design and consultation work to respond to Review findings.

**Disability Royal Commission:** Delivered September 2023, with the Government to respond in 2024.

**Developing a NDIS Financial Sustainability Framework** to provide an annual growth target in total costs of the scheme of more than 8 per cent by 1 July 2026.

**Investing in the NDIS** to support participant outcomes and the effective and sustainable operation of the NDIS.

**Improving the operation of the NDIS Quality and Safeguards Commission:** \$142.6m (2023-24) to help the Commission carry out its functions with \$160.7m over 4 years (2024-25) to upgrade the Commission's ICT systems.

**Designing a risk proportionate model for the regulation of all NDIS providers and workers.**

**First tranche of legislation to implement NDIS Review reforms introduced in March 2024.**

**Disability Employment reform:** \$227.6m (2024-25) will be invested in a new specialised disability employment program replacing the existing program from 1 July 2025.

#### Other key 2024-25 Budget commitments

- \$45.5m to establish a NDIS Evidence Advisory Committee
- \$20m to start consultation and design on reforms to help NDIS participants and people with disability navigate services
- \$5.3m to undertake initial work to reform NDIS pricing arrangements

### Early Childhood Education and Care (ECEC) \$15b 2024-25



The Government is committed to identifying solutions that will chart the course for universal, affordable ECEC.

**Productivity Commission's enquiry** into ECEC (due 30 June 2024) to make recommendations that support affordable, accessible, equitable and high-quality ECEC that reduces barriers to workforce participation.

**Australian Competition and Consumer Commission's (ACCC) enquiry** into childcare report delivered in December 2023.

**Cheaper Child Care** delivered for around 1.2 million families across Australia from 1 July 2023

**Workforce development:** Professional Development and Paid Practicum Subsidies established and \$72.4m investment from 2023-24 to 2026-27 in response to ongoing ECEC workforce pressures.

**Early Years Strategy:** Released on 7 May 2024, which will create an integrated approach to the early years.

#### Other key 2024-25 Budget commitments

- Government committed to providing a wage increase for the ECEC sector, with \$30m (2024-25) to be invested in IT and services to deliver this commitment
- \$29.1m over 4 years to be provided to First Nations early childhood education peak bodies to advise government on issues including a new national First Nations Education Policy and First Nations Teacher Strategy
- \$84.2m over 4 years to increase audits of providers in child care sector and manage centralised collection of child care gap fees

### Veterans' Care \$999m 2024-25



We are ensuring access to high quality and timely services and supports, as part of the Government's commitment to recognising and meeting the needs of veterans.

**Royal Commission into Defence and Veterans Suicide:** The Government is implementing its response to the Interim Report of the Royal Commission.

**New single ongoing act for veterans entitlements** from 1 July 2026.

#### Key 2024-25 Budget commitments

\$48.4m over 2 years in additional investment to the Veterans' Home Care and Community Nursing programs to ensure ongoing support to veterans and war widow(er)s access care and support services to enable them to remain in their own home and reduce the need to enter residential aged care.

## Legend

Enquiries, royal commissions

Legislation, regulation

Workforce development

Progressing collaboratively

m = million

b = billion

## WHAT'S NEXT