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## **Mid-Year Economic and Fiscal Outlook 2023-24: Overview for Aged Care Sector**

The Mid-Year Economic and Fiscal Outlook (MYEFO) for 2023-24, released today, indicates that the expected growth in aged care payments will average 5.7 percent over the projection period. This rate is a decrease from the 6.1 percent forecast in the 2023-24 Budget. The slower growth rate is primarily due to increased initial spending in 2023-24, which encompasses support for aged care providers managing the impacts of COVID-19 and investments in digital capabilities for implementing the new Aged Care Act. The share of Aged Care payments in GDP is anticipated to remain consistent in

2033-34, aligning with projections made in the 2023-24 Budget.

Furthermore, the Government has committed an additional \$596.1 million over four years starting from 2023-24, plus \$27.3 million annually thereafter, to support the continued aged care reforms. However, more than half of this funding is allocated to internal government systems and processes required for the ongoing reform.

While the funding is welcome, it raises concerns for the Aged Care Industry Association about the absence of equivalent funding and acknowledgment for the significant costs and challenges aged care providers face in adapting to the new aged care paradigm.

This is an issue we will certainly continue to highlight with the independent pricing authority (IHACPA) and the government.

Additional funding includes:

- \$202.4 million over four years (plus \$3.4 million annually ongoing) for ICT changes needed for the new Aged Care Act.

- \$85.6 million over four years (plus \$10.8 million annually ongoing) to develop virtual nursing support and refine the 24/7 registered nurse and care minutes requirements.
- \$69.4 million over three years to enhance the Aged Care Quality and Safety Commission's ICT governance and cyber security.
- \$44.0 million in 2023–24 for the second round of the Aged Care Registered Nurses' Payment Program.
- \$42.7 million over four years to improve the Commission's Risk Based Targeting and Information Sharing system.
- \$34.7 million in 2023–24 for a grant program following the Fair Work Commission's Aged Care Work Value Case.
- \$31.4 million over four years (plus \$8.8 million annually ongoing) for the Multi-Purpose Service Program and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.
- \$30.8 million over two years to extend the additional 9,500 Home Care Packages from the 2023–24 Budget.
- \$15.7 million over four years (plus \$4.3 million annually ongoing) to extend the Australian National Aged Care Classification framework.

- \$12.2 million over two years for the new Support at Home Program.
- \$11.8 million over two years to monitor compliance with care standards.
- \$10.0 million in 2023–24 to states and territories for ICT and legislative reform.
- \$5.2 million in 2023–24 to support the transition to a new regulatory model under the Aged Care Act.
- \$0.2 million in 2023–24 for commitments to the Umbrella Multicultural Community Care and the Sri Guru Singh Sabha Gurudwara Sikh temple.

Additionally, the Government has allocated \$317.4 million over two years from 2023–24 for continued COVID-19 support in aged care, including a new Aged Care Outbreak Management Supplement starting 1 January 2024.

The MYEFO report can be accessed at [Budget.gov.au | Budget 2023–24](https://budget.gov.au/Budget2023-24).

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