



Care and support economy – state of play

The care and support economy – the provision of paid care and support across aged care, disability support, veterans’ care and early childhood education and care – is one of Australia’s biggest industries and largest employers. It’s also growing at a steady pace. Making sure this core part of our economy works as well as it can is an important opportunity to drive economic prosperity and productivity, ensure government investment is effective, and most importantly, improve the quality of life of Australians needing care and support.

High-quality care and support provide benefits that go well beyond direct users. Care and support services form part of our social infrastructure. They enable people with care and support needs and their families and carers to participate in society and the workforce.

The care and support economy has a two-fold impact on women’s economic equality because women make up the majority of workers in these sectors, and are more likely to provide informal care when formal services are not available.

Care and support is one of the fastest growing parts of the Australian economy

Projected government investment



Expected workforce increase



Reviews and inquiries in recent years have highlighted challenges to delivery of high quality services across the sectors that the government is working to address. The interdependent nature of the service systems means addressing challenges like workforce shortages and appropriate regulatory settings needs to be carefully managed to consider impacts on other care and support sectors.

Care and support are essential services, and we need to make sure we can meet growing demand into the future, so that Australians get the quality care and support they need and deserve.

Vision and goals

The government’s vision is for a sustainable and productive care and support economy that delivers quality care and support with quality jobs.

Three high level goals will guide this vision.



Goal 1: Quality care and support

Person-centred care and support that recognise those accessing it as individuals and deliver quality outcomes.

Objectives

- People have access to quality care and support services that are safe and easy to navigate
- There are enough workers and they have the right skills and training to deliver quality care and support
- Carers are valued and supported



Goal 2: Quality jobs

Secure, safe jobs with fair wages, conditions and opportunities for career development.

Objectives

- Pay and conditions are fair and equitable across the care and support economy
- Jobs are secure and safe and workplaces are inclusive
- Jobs are professionalised and there are pathways to support career progression, further training and mobility



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.

Objectives

- Regulation is simplified and more efficient to comply with
- Government uses purposeful and productive stewardship to align incentives between care and support providers, users and the community
- Funding models support quality care and support
- Innovation is shared, adopted and adapted across sectors

These goals are important and interrelated. The primary goal of quality care and support can only be achieved through a workforce who have quality jobs, and both quality care and support and quality jobs are best supported within systems that are sustainable.

These are long term ambitions, established through consultation with key stakeholders, government and the Australian community.

A connected approach

A significant reform agenda is underway across different parts of the care and support economy. This work is already helping to deliver on the vision and goals for care and support in Australia.

Taking a holistic, harmonised approach to the implementation of these reforms is vital to ensure changes in one sector do not have unintended or negative consequences in another. A core part of this is changing the way we think about our care and support sectors to avoid treating them as silos and to ensure coordination in policy design and implementation.

Stewarding reforms to the NDIS, aged care, veterans' services and early childhood education and care in this way will help us tackle the challenges and opportunities that are best addressed holistically across the sectors. This means we can take a genuinely connected approach to achieving quality care and support, and quality jobs, and making sure the systems and processes that support the care and support economy are productive and sustainable into the future.

Almost all Australians benefit from quality care and support across their lifetime:



1.4 million children from 994,000 families use child care subsidy approved care.



4.4 million or 1 in 6 people in Australia have a disability.



1.5 million people accessed some form of aged care in 2021-22.



284,000 veterans access treatment, care and support from the Department of Veterans' Affairs.



Aged Care

We are making changes to aged care to support our vision for high-quality, person-centred care for older people, where and when they need it.

- From 1 October 2023, the mandatory residential aged care minutes increased to 200 minutes, including 40 minutes from a Registered Nurse to improve the quality of care that older people receive.
- 24/7 Registered Nurse coverage in residential aged care from December 2023.
- Introduced star ratings to assist older Australians to make informed choices.
- Introduction of a new Aged Care Act from July 2025.

- Implement a new aged care regulatory framework from 1 July 2025.
- Implement the new *Support at Home Program* and Single Assessment System from 1 July 2025.
- Delivering pay rises for aged care workers.
- Investing in measures to attract and retain aged care workers, collect more reliable data, and improve the outcomes for people receiving aged care services.



Disability Support

We are reforming the NDIS to ensure its long-term sustainability, and preparing our response to the Disability Royal Commission.

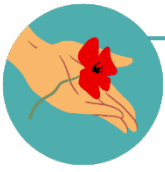
- National Cabinet agreed the *NDIS Financial Sustainability Framework* to provide an annual growth target in the total costs of the NDIS of 8 per cent by 1 July 2026.
- Investing in the National Disability Insurance Agency (NDIA) to lift its capability, capacity and systems to better support participants.
- Improving NDIS service quality and safeguards to better protect participants and reduce regulatory burden on NDIS providers.
- Developing and implementing the Foundational Supports Strategy to provide a renewed approach to disability supports, without people having to be a NDIS participant.
- Reforming participant pathways onto the NDIS and working towards a unified system of support for people with disability.
- First tranche of legislation to implement NDIS reforms introduced in March 2024 aimed at securing the future of the NDIS and progressing key Independent NDIS Review Recommendations.
- Established the Fraud Fusion Taskforce to prevent fraud and serious organised crime in the NDIS and make sure NDIS funding goes directly to participants.



Early Childhood Education and Care

We are committed to identifying solutions that will chart the course for universal, affordable Early Childhood Education and Care (ECEC).

- Cheaper Childcare reforms commenced on 10 July 2023, changing the Child Care Subsidy to make child care cheaper for families.
- Delivering funding towards a wage increase for the ECEC sector.
- Building a better and fairer education system and charting a course for universal, affordable ECEC by responding to the Australian Competition and Consumer Commission (ACCC) child care price inquiry and the Productivity Commission's (PC) inquiry into ECEC, with a final report to be delivered to the Government by 30 June 2024.
- The Early Years Strategy was released in May 2024, which will create an integrated approach to the early years.



Veterans' Care

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.

- 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.
- Additionally, the Government:
 - is continuing its response to the Interim Report of the Royal Commission into Defence and Veteran Suicide
 - successfully eliminated claims backlog and continuing to invest more into veterans' claims processing
 - will be introducing a Bill - Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill - to provide a new single ongoing act for veterans' entitlements from 1 July 2026, which will harmonise veterans' compensation and rehabilitation legislation, creating a simpler system so veterans and their families can more easily get the support they are entitled to
 - is developing a new joint Defence and Veteran Mental Health and Wellbeing Strategy.



Cross-cutting work

We are working across Government to address shared issues facing the care and support sectors.

- Working for Women: A Strategy for Gender Equality highlights unpaid and paid care one of the Strategy's five priority areas to support gender equality.
- The Government is working with states and territories to improve worker screening arrangements for the care and support sector, including considering options that could improve arrangements nationally over time.

Stewarding reform

Work is already underway to reform our care and support economy. Realising our vision will require aligning and appropriately sequencing reforms across multiple sectors and government programs over the next decade.

It's about making sure the work that is already underway is connected, gives consideration to cross-sectoral interdependencies and is aligned with delivering on the key care and support economy goals.

The Care and Support Economy Reform Unit within the Department of the Prime Minister and Cabinet will steward the government's care and support economy reform agenda by supporting alignment of policies and actions across aged care, disability support, veterans' care and ECEC and advising on the sequencing and implementation of reforms. The Unit will also track and monitor the progress of implementation of care sector reforms.

As reforms progress, we will keep you informed along the way and continue to engage with state and territory governments, the public, and key stakeholders.