ACIL ALLEN

Economic Contribution of Australian Private Hospitals

Final report

25 August 2026

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Report to: Australian Private Hospitals Association

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ACIL Allen acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land and its waters. We pay our respects to Elders, past and present, and to the youth, for the future. We extend this to all Aboriginal and Torres Strait Islander peoples reading this report.

Goomup, by Jarni McGuire

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Glossary

Abbreviations	Definitions
ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AIHW	Australian Institute of Health and Welfare
AR-DRG	Australian Refined Diagnoses Related Groups
COE	Compensation of employees
DVA	Department of Veterans Affairs
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
FTE	Full-time equivalent
GDP	Gross domestic product
GSP	Gross state product
HIF	Health insurance funds
NSW	New South Wales
NT	Northern Territory
QLD	Queensland
SA	South Australia
TAS	Tasmania
VIC	Victoria
VMOs	Visiting Medical Officers
WA	Western Australia

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Summary Report

Executive Summary

Australian private hospitals are essential to the Australian healthcare sector, making particularly significant contributions to surgeries, elective care, subacute and non-acute care (such as rehabilitation care), and mental health care.[1]

In this context, the Australian Private Hospitals Association commissioned ACIL Allen to assess the economic contribution of private hospitals in Australia for the 2024-25 financial year. The estimates in this report include the direct and indirect contributions made by the sector to the economy and employment for each state and territory.

National footprint

Table ES 1 and Figure ES 1 present the estimated economic contribution of the Australian private hospitals sector in financial year 2024-25. The estimates include the direct contribution made by the industry to Australia's gross domestic product (GDP), wages and salaries, and employment, along with the indirect contribution embodied in the industry's supply chain. Indirect contributions are generated using simply multipliers and provide a conservative estimate of the value-added, wages and salaries and employment associated with the purchase of intermediate goods.

The estimates exclude the economic contribution made by workers throughout the private hospitals sector spending their after-tax wages and salaries on other Australian goods or services (such as hairdressers, restaurants, retail traders etc.). These are calculated using total multipliers and are discussed separately in Appendix A.

In financial year 2024-25, the activities of private hospitals resulted nationally in:

- A direct economic contribution comprising:
  - $14,838 million value-added, comprising 0.53% of total GDP[2]
  - $13,377 million wages and salaries, comprising 1.01% of total compensation of employees (COE)
  - 126,339 full-time equivalents (FTE) or 158,600 employed persons, comprising 1.03% of total FTE or 1.08% of total employed persons
- An indirect economic contribution comprising:
  - $12,172 million value-added, comprising 0.44% of total GDP
  - $6,589 million wages and salaries, comprising 0.50% of total COE
  - 59,952 FTE or 71,222 employed persons, comprising 0.49% of total FTE and 0.49% of total employed persons
- A total economic contribution comprising:
  - $27,010 million value-added, comprising 0.97% of total GDP
  - $19,966 million wages and salaries, comprising 1.50% of total COE
  - 186,291 FTE or 229,822 employed persons, comprising 1.51% of total FTE or 1.57% of total employed persons

[1] AIHW, 'Admitted patient care 2024-25 4: Why did people receive care?', *Australian Institute of Health and Welfare* [dataset], (2025), Table 4.2, https://www.aihw.gov.au/hospitals/topics/admitted-patient-care, accessed July 2026 and AIHW, 'Admitted patient care 2024-25 5: What services were provided?', *Australian Institute of Health and Welfare* [dataset], (2025), Table S5.1, https://www.aihw.gov.au/hospitals/topics/admitted-patient-care, accessed July 2026.

[2] Please note that this includes indirect taxes paid on inputs to production. This is why the value-added figures slightly exceed the $14,794 million value-added reported in the ABS Industry Statistics for Hospitals (Private).

Table ES 1 Total contribution of Australian private hospitals, direct and indirect, 2024-25

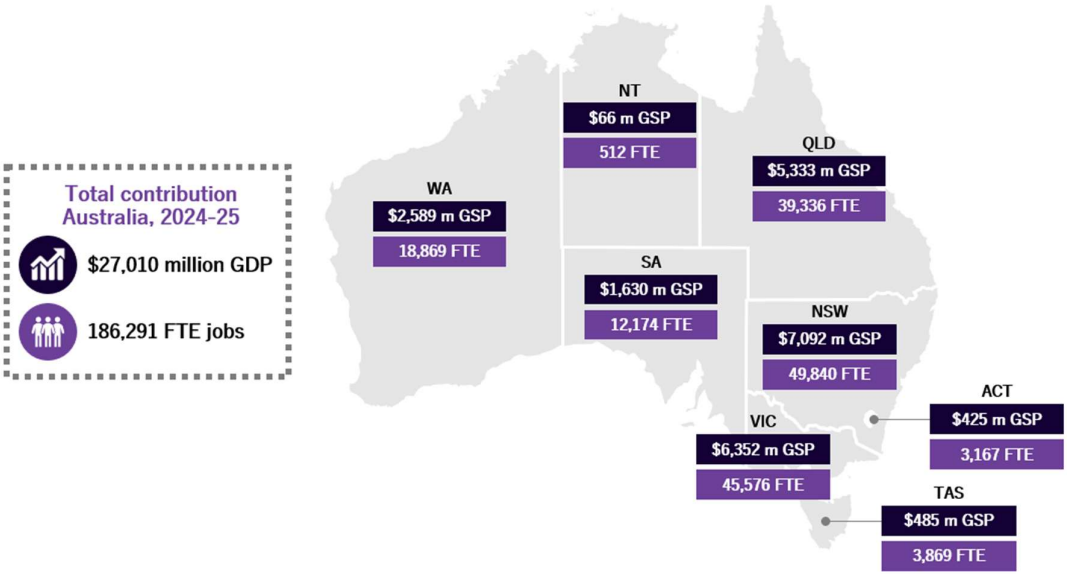
	Value-added		Wages and salaries		Employment			
	$m	% of GDP	$m	% of COE	FTE*	% total of FTE	People	% total of People
Direct	$14,838	0.53%	$13,377	1.01%	126,339	1.03%	158,600	1.08%
Indirect	$12,172	0.44%	$6,589	0.50%	59,952	0.49%	71,222	0.49%
Australia	**$27,010**	**0.97%**	**$19,966**	**1.50%**	**186,291**	**1.51%**	**229,822**	**1.57%**

Note: Totals may not add due to rounding.

* FTE differs from ABS employment as there are approximately 0.80 FTE per employed persons in the private hospitals sector. Total employed persons are summarised in the People and %total People columns.

Source: ACIL Allen

Figure ES 1 Total contribution of the Australian private hospital sector, by state, 2024-25



Note: Totals may not add due to rounding. The calculated economic contributions do not include consumption induced from the wages and salaries from people directly employed by private hospitals. These are discussed separately in Appendix A

Source: ACIL Allen

Footprint by state

In addition to Figure ES 1, Table ES 2 and Table ES 3 provide the value-added and employment contributions of private hospitals to Gross State Product (GSP) and total FTE employed in each state and territory in financial year 2024-25. These figures illustrate the importance of private hospitals to the overall state economies in terms of magnitude and significance.

Private hospitals in New South Wales contributed the largest amount to GDP at $7.1 billion, representing a contribution of 0.83 per cent to GSP. Private hospitals contributed the highest share to GSP in Tasmania at 1.10 per cent, or $485 million. Private hospitals made the smallest contribution to total value add in the Northern Territory at $66 million. They also made the smallest percentage contribution at 0.19 per cent.

Private hospitals in New South Wales contributed the largest amount to total FTE employed at 49,840 FTE, representing 1.32 per cent to total FTE employed. Private hospitals contributed the highest share to total FTE employed in Tasmania at 1.61 per cent, or 3,869 FTE. Private hospitals made the smallest contribution to total FTE employed in the Northern Territory at 512 FTE. They also made the smallest percentage contribution at 0.42 per cent.

Table ES 2 Total value-added contribution of the Australian private hospital sector, by state, 2024-25

State	Direct value-added	Indirect value-added	Total value-added	% of GDP or GSP
	$m	$m	$m	% of GDP or GSP
NSW	$4,235	$2,857	$7,092	0.83%
VIC	$3,755	$2,597	$6,352	1.00%
QLD	$3,368	$1,965	$5,333	1.00%
SA	$1,037	$593	$1,630	1.03%
WA	$1,726	$863	$2,589	0.56%
TAS	$347	$138	$485	1.10%
NT	$51	$15	$66	0.19%
ACT	$318	$107	$425	0.72%
Australia	**$14,838**	**$12,172**	**$27,010**	**0.97%**

Note: Totals may not add due to rounding.

Source: ACIL Allen

Table ES 3 Total employment contribution (FTE) of Australian private hospital sector, by state, 2024-25

State	Direct employment	Indirect employment	Total employment	% of employment
	FTE	FTE	FTE	% of total FTE
NSW	36,063	13,777	49,840	1.32%
VIC	31,972	13,604	45,576	1.43%
QLD	28,681	10,654	39,336	1.55%
SA	8,828	3,345	12,174	1.48%
WA	14,699	4,170	18,869	1.36%
TAS	2,957	913	3,869	1.61%
NT	430	81	512	0.42%
ACT	2,708	458	3,167	1.37%
Australia	**126,339**	**59,952**	**186,291**	**1.51%**

Note: Totals may not add due to rounding.

* FTE differs from ABS employment as there are approximately 0.80 FTE per employed persons in the private hospitals sector.

Source: ACIL Allen

Table ES 4 Total employment contribution (People) of Australian private hospital sector, by state, 2024-25

State	Direct employment	Indirect employment	Total employment	% of employment
	People	People	People	% of total People
NSW	45,272	16,367	61,639	1.38%
VIC	40,136	16,161	56,297	1.48%
QLD	36,005	12,657	48,662	1.61%
SA	11,083	3,974	15,057	1.54%
WA	18,452	4,954	23,406	1.42%
TAS	3,712	1,084	4,796	1.68%
NT	540	97	637	0.44%
ACT	3,400	545	3,945	1.44%
Australia	**158,600**	**71,222**	**229,822**	**1.57%**

Note: Totals may not add due to rounding.

Source: ACIL Allen

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Main Report

1 Introduction

The Australian private hospital sector plays an important role in the nation's healthcare system, providing care to millions of Australians each year. Private hospitals make a particularly significant contribution to surgeries, elective care, subacute and non-acute care (such as rehabilitation care), and mental health care.[3]

In this context, the Australian Private Hospitals Association engaged ACIL Allen to assess the economic contribution of private hospitals in Australia for the 2024-25 financial year. This report evaluates the economic contribution made by the sector to GDP and GSP, as well as employment and wages and salaries. This analysis does not consider any potential social costs or benefits, nor does it consider any indirect implications on other industries. Additionally, the availability of various datasets at the time of analysis can influence the estimates. The estimates provide the economic and employment footprint of the private hospitals sector to Australia and for each state and territory.

Key contents of this report include:

- Chapter 1: Introduction
- Chapter 2: Measuring economic contribution
- Chapter 3: Direct economic contribution
- Chapter 4: Indirect economic contribution
- Chapter 5: Total contribution of the Australian private hospital sector

[3] AIHW, 'Admitted patient care 2024-25 4: Why did people receive care?', op. cit. and AIHW, 'Admitted patient care 2024-25 5: What services were provided?', op. cit.

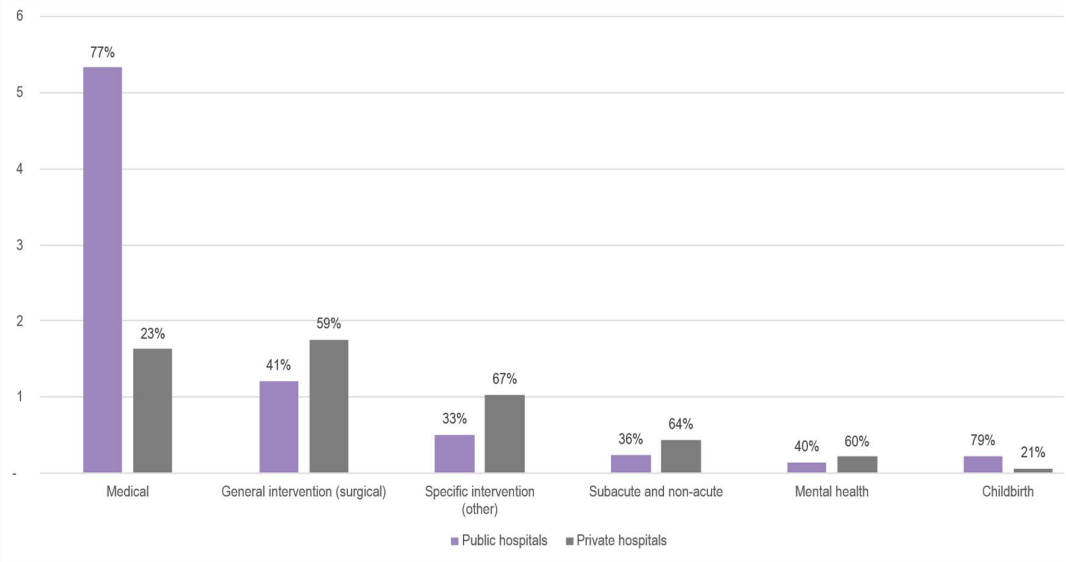
1.1 Private hospital sector

In 2024-25, Australian hospitals provided care through around 12.8 million separations.[4] The Australian Institute of Health and Welfare (AIHW) defines separations as an episode of care for an admitted patient, which can be a total hospital stay (from admission to discharge, transfer or death) or a portion of a hospital stay beginning or ending in a change of type of care (for example, from acute care to rehabilitation). Separation also means the process by which an admitted patient completes an episode of care either by being discharged, dying, transferring to another hospital or changing type of care.[5]

Approximately 54 per cent of the separations completed by Australian hospitals were for medical care, which is defined as acute separations for which the Australian Refined Diagnoses Related Groups (AR-DRG) belonged to the Medical partition (not involving an operating room procedure), excluding separations for childbirth.[6] Public hospitals contributed the most to medical care and childbirth related separations, completing 77 per cent or 5.3 million separations, and 79 per cent or 220,466 separations respectively.

Private hospitals also play an important role in the nation's healthcare system, performing over 5.1 million or 40 per cent of separations in 2024-25.[7] Private hospitals provided the majority of care for general intervention (surgical),[8] specific intervention (other),[9] mental health,[10] and subacute and non-acute separations[11] (see Figure 1.1).

Figure 1.1 Separations by care type (million), 2024-25



Source: ACIL Allen, based on AIHW admitted patient care data (2024-25)

[4] AIHW, 'Admitted patient care 2024-25 5: What services were provided?', op. cit.

[5] AIHW, 'Hospitals: Other resources: Glossary', https://www.aihw.gov.au/hospitals/other-resources/glossary, (2025) accessed July 2026

[6] AIHW, 'Admitted patient care 2024-25 5: What services were provided?', op. cit.

[7] Ibid.

[8] General intervention (surgical) = acute separations for which the AR-DRG belonged to the Surgical partition of the AR-DRG classification (involving an operating room procedure), excluding separations for childbirth. Ibid.

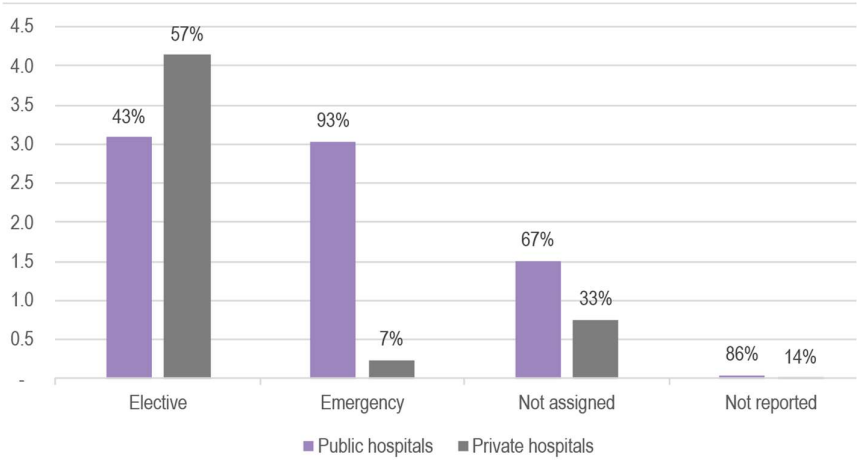
[9] Specific intervention (other) = acute separations for which the AR-DRG did not belong to the Surgical or Medical partitions (involving a non-operating room procedure, such as endoscopy), excluding separations for childbirth. Ibid.

[10] Mental health = separations for which either the care type was reported as mental health care or for which specialised psychiatric care days were reported, excluding separations for childbirth. Ibid.

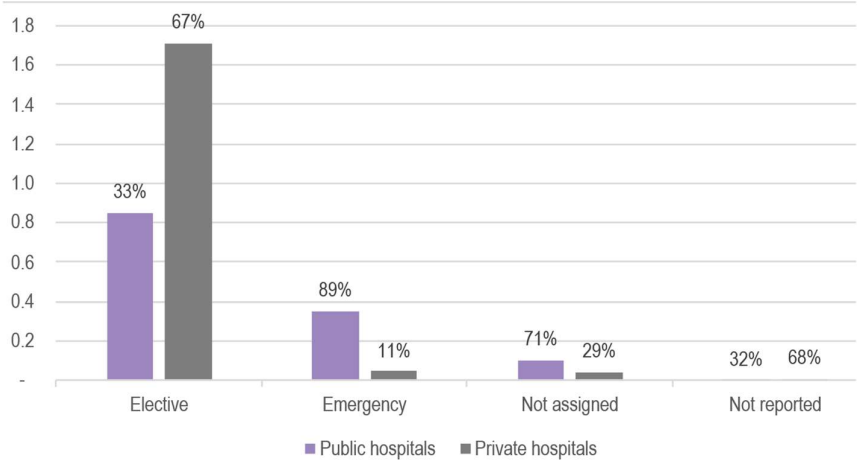
[11] Subacute and non-acute = separations for which the care type was Rehabilitation care, Palliative care, Psychogeriatric care, Geriatric evaluation and management or Maintenance care, excluding separations for childbirth. Ibid.

Of the total number of separations conducted by hospitals in 2024-25, 7.2 million or 57 per cent were elective separations.[12] Private hospitals make a particularly significant contribution to elective separations, conducting 4.1 million or 57 per cent elective separations in 2024-25. In addition to the contributions to elective separations, private hospitals make a significant contribution to surgical care. In 2024-25, private hospitals conducted 1.8 million or 58 per cent of surgeries.[13] A total of 3.1 million surgical separations were performed in 2024-25. Of these, 2.6 million or 82 per cent were elective surgeries, with private hospitals completing 1.7 million or 67 per cent of elective surgeries (see Figure 1.2).

Figure 1.2 Separations by urgency of care (million), 2024-25



Surgical separations by urgency of care (million), 2024-25



Note: Not assigned =admissions for normal delivery (obstetric), admissions which begin with the birth of the patient or shortly after the birth of the patient, statistical admissions, and planned readmissions to receive limited care or treatment for a current condition.[14]

Source: ACIL Allen, based on AIHW admitted patient care data (2024-25)

[12] AIHW, 'Admitted patient care 2024-25 4: Why did people receive care?', op. cit.

[13] AIHW, 'Admitted patient care 2024-25 6: What procedures were performed?', *Australian Institute of Health and Welfare* [dataset], (2025), Table S6.7, https://www.aihw.gov.au/hospitals/topics/admitted-patient-care, accessed July 2026.

[14] AIHW, 'Episode of admitted patient care – admission urgency status, code N', https://meteor.aihw.gov.au/content/686084, accessed March 2026.

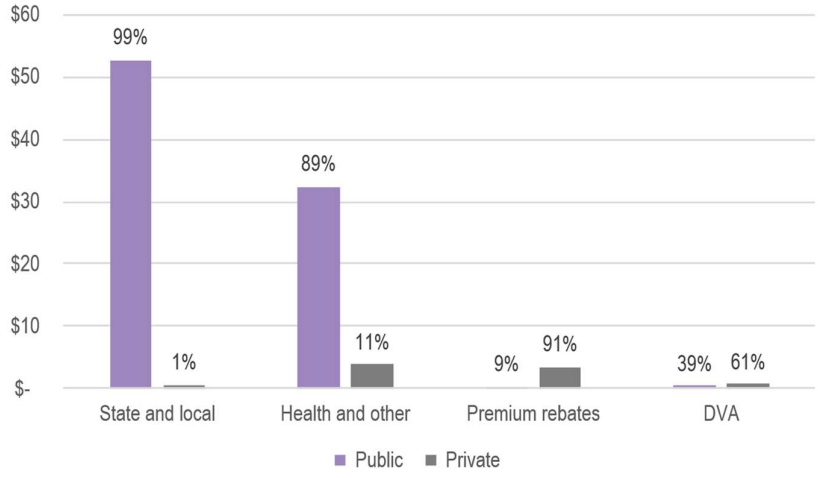
1.2 Funding

In 2023-24 alone, public hospitals received approximately $90 billion in funding, around $85 billion or 95 per cent of which came from government sources.[15] While government funds the vast majority of this public hospital service expenditure (on top of capital expenditure), private hospitals only receive $8.5 billion or 9 per cent of total government spending on hospitals on a fee for service basis. The Australian Government does not directly fund private hospitals, they receive their income from a variety of sources, including through private health insurers, patients, the Australian Government through the Department of Veterans Affairs (DVA), and state or territory governments when they contract private hospitals to deliver public hospital services.[16] When excluding payments from the DVA and premium rebates to health insurers, government funding of private hospitals almost halves to $4.3 billion or 5 per cent of total government spending on hospitals in 2023-24.

Private hospitals received around $14.5 billion or 74 per cent of total non-government spending on hospitals in 2023-24. When excluding funding from health insurance funds (HIF), this reduces by over two thirds to $4.0 billion or 50 per cent of total non-government spending on hospitals. It is noted that the remaining $4.0 billion includes out of pocket expenses from patients, injury compensation insurance providers, non-government sector capital spending, non-patient revenue of private hospitals, and other private spending on health and medical research.[17]

When excluding funding from the DVA and premium rebates to health insurers, government spending on all hospitals was around $89.4 billion in 2023-24.[18] State and local governments contributed the most to hospital funding at $53.1 billion or 59 per cent of this funding, while Health and other department contributed $36.2 billion or 41 per cent. Private hospitals received only $481 million or 1 per cent, and $3.9 billion or 11 per cent of funding from those respective areas. Government funding through premium rebates is worth $3.8 billion or 4 per cent of total government funding. Government funding through the DVA is worth $1.2 billion or 1 per cent of total government funding. Private hospitals received the majority of funding from these areas at $3.5 billion or 91 per cent, and $708 million or 61 per cent respectively (see Figure 1.3).

Figure 1.3 Government spending on hospitals ($b), 2023-24



Source: ACIL Allen, based on AIHW expenditure data (2023-24)

[15] AIHW, 'Health expenditure Australia 2023-24', *Australian Institute of Health and Welfare* [dataset], (2025), Table A6, https://www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure-australia-2023-24/data, accessed March 2026.

[16] Department of Health, Disability and Ageing, 'Private hospitals', (2024), https://www.health.gov.au/topics/hospital-care/about/private-hospitals, accessed July 2026.

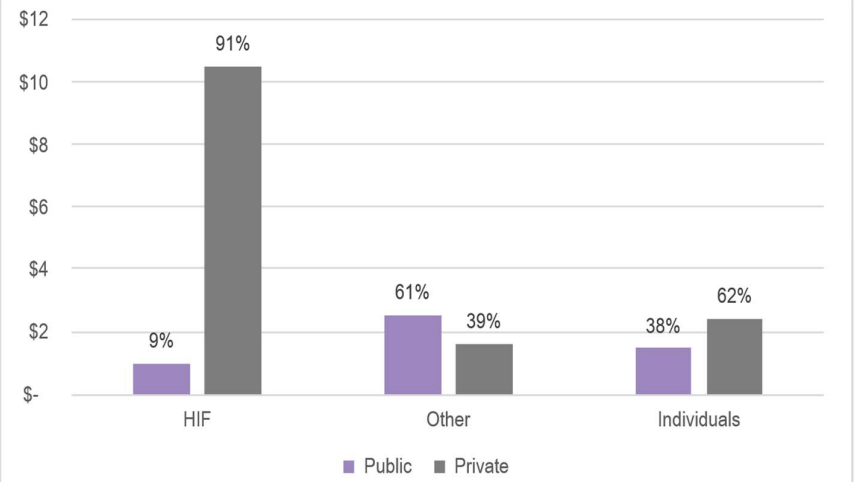
[17] Department of Health, Disability and Ageing, 'Private hospitals', op. cit.

[18] AIHW, 'Health expenditure Australia 2023-24', op. cit.

In 2023-24, non-government spending on hospitals when excluding funding from HIF was $8.0 billion.[19] Individuals contributed $3.9 billion or 48 per cent of this funding, while all other[20] non-government sources of funding contributed $4.1 billion or 52 per cent. Private hospitals received $2.4 billion or 62 per cent, and $1.6 billion or 39 per cent of funding from these respective areas. This results in public and private hospitals each receiving roughly equal amounts of non-government funding when excluding funding from HIF.

Non-government funding through HIF is worth $11.5 billion or 59 per cent of total non-government funding. Private hospitals receive the majority of this funding at $10.5 billion or 91 per cent of funding (see Figure 1.4).

Figure 1.4 Non-government spending on hospitals ($b), 2023-24



Source: ACIL Allen, based on AIHW expenditure data (2023-24)

1.3 Workforce

According to the ABS Industry Statistics, the private hospital sector employed 158,600 people at the end of June 2025.[21] This total employment number has been converted to FTE figures using the full time and part time job estimates for the Australian heath care sector in the latest ABS input output tables and the following formula used by the ABS to convert from full time and part time workers to an FTE equivalent:

$$FTE = Full\text{-}time\ employment + 0.5 \times Part\text{-}time\ employment$$

This calculation gives an estimate of approximately 8 FTE workers for every 10 actual workers in the health care sectors. This means that the number of FTE workers in the private hospital sector was approximately 126,339 FTE at the end of June 2025. This compares to 8.4 FTE workers for every 10 workers in the whole of the Australian economy.

This reflects the fact that there are a higher proportion of part-time staff in the healthcare services sector[22] compared to the economy as a whole.

[19] Ibid.

[20] Other = other non-government sources such as injury compensation insurance providers, non-government sector capital spending, non-patient revenue of private hospitals, and other private spending on health and medical research. Ibid.

[21] ABS, 'Australian Industry', *Australian Bureau of Statistics* [dataset], (2026), https://www.abs.gov.au/statistics/industry/industry-overview/australian-industry/latest-release, accessed July 2026.

[22] As defined in the input-output tables available at ABS, 'Australian National Accounts: Input-Output Tables', (2026), https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-input-output-tables/latest-release, accessed July 2026

However, it is estimated that just under 50 per cent of workers in the Australian healthcare sector work in both public and private practices (see articles by T Cheng et al,[23] G Freed et al,[24] and A Scott et al[25]). These employees include Visiting Medical Officers (VMOs), defined by the Australian Public Hospitals Association as doctors generally working in private practice who are in addition engaged as independent contractors in the public health system. VMOs usually have five-year contracts with local health districts and on average spend about ten hours per week working in the public health system, they also participate in on-call rosters to provide services after hours. VMOs more commonly work in procedural specialties where treatment is in discreet episodes of care rather than for chronic or continuous care. However, they can also fulfil some management responsibilities such as working as heads of hospital departments.[26]

It is also worth noting that the figures presented in the Industry Statistics and used in this analysis are based on the ABS' annual Economic Activity Surveys, which are sent to a sample of businesses based on the main industry of their business according to the ABS Business Register.[27] As a result, the survey results will include all people employed by private hospitals, such as nurses and salaried medical professionals. This may result in some variance in the employment figures due to differing accounting methods used by the private hospitals, with some including and others excluding VMOs from their responses. This is an example of a non-sampling error with the private hospital data available via the ABS Industry Statistics.[28]

Additionally, while the staffing mix in public hospitals is known,[29] it is impossible to do a meaningful comparative analysis of public and private hospitals for 2024-25. This is because the most recent ABS data relating to private hospitals was released in 2016-17,[30] and the shares of staffing mixes will have changed overtime, particularly as a result of the COVID-19 pandemic.[31]

[23] T Cheng et al, 'An empirical analysis of public and private medical practice in Australia', (2013), doi.org/10.1016/j.healthpol.2013.03.011

[24] G Freed et al, 'Public or private care: where do specialists spend their time?', (2016), doi.org/10.1071/AH15228

[25] A Scott et al, 'Preferences of physicians for public and private sector work', (2020), doi.org/10.1186/s12960-020-00498-4

[26] Audit Office of NSW, 'Visiting medical officers and staff specialists', *NSW Ministry of Health*, (2011), https://healthcarefunding.specialcommission.nsw.gov.au/assets/Uploads/publications/Exhibits-133/EXHIBIT-H_TAB-H.002.006_MOH.0010.0133.0001.pdf, accessed July 2026

[27] ABS, 'Economic Activity Survey', *Australian Bureau of* Statistics, (n.d.), https://www.abs.gov.au/participate-survey/business-survey/economic-activity-survey, accessed July 2026

[28] Non-sampling errors are inaccuracies in collecting, recording and or processing data. They can also include non-responses from selected respondents. ABS, 'Australian Industry methodology', Australian Bureau of Statistics, (2026), https://www.abs.gov.au/methodologies/australian-industry-methodology/2024-25, accessed July 2026

[29] AIHW, 'Hospital workforce', *Australian Institute of Health and* Welfare, (2026), https://www.aihw.gov.au/hospitals/topics/hospital-resources/workforce, accessed July 2026

[30] ABS, 'Private Hospitals, Australia', *Australian Bureau of Statistics* [dataset], (2018), https://www.abs.gov.au/statistics/health/health-services/private-hospitals-australia/latest-release, accessed September 2025.

[31] M Tran et al, 'Health Workforce Shortage in Australia Post COVID-19 – International Perspectives', *Australian National University*, (2024), https://nceph.anu.edu.au/files/NCHWS%20Data%20Insight%20Serries%20-%20Mar2024.pdf

2 Measuring economic contribution

ACIL Allen has used input-output multiplier analysis to estimate the economic footprint (economic contribution) of the Australian private hospitals sector. The economic footprint analysis describes the direct contributions the industry makes to the economies of each state and Australia as a whole, plus the hospital sector's indirect contribution to each economy through their demand for intermediate inputs from other sectors. This is a methodology that is frequently used to understand the full linkages of an industry throughout the economy.

The economic footprint analysis describes:

— the direct contributions Australian private hospitals make to the economies of each state and to Australia as a whole; plus

— the indirect contributions Australian private hospitals make to the economy through their demand for intermediate inputs from suppliers in other industries

For this analysis, the estimates of the economic footprint of Australian private hospitals have been estimated using what are known as 'Simple Multipliers'. Consequently, the estimates in this report include the direct contribution made by the industry to Australia's GDP and employment along with the contribution embodied in the industry's supply chain (e.g. pharmaceuticals, medical equipment, contract services and so on). They do not include what is referred to as the 'Consumption-induced effect'. That is, they do not include the economic effects associated with workers within the industry (or its supply chain) spending their after-tax wages and salaries on other Australian goods and services (such as hairdressers, travel, retail trade etc.). Consumption-induced effects are instead discussed in Appendix A.

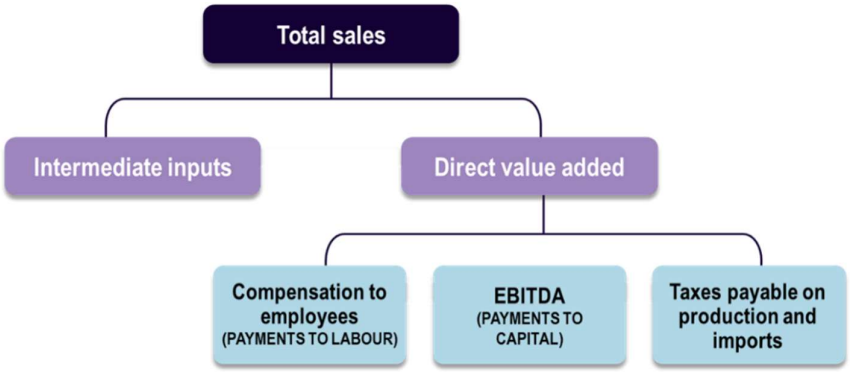
More details of direct and indirect contribution (footprint) analysis are provided below.

2.1 Direct economic contribution

The standard measure of economic contribution is the extent to which it increases the value of goods and services generated by the economy as a whole – in other words, the extent to which it increases economic activity as measured by GDP.

An economy has a range of factors of production (including labour and capital stock) and access to various intermediate inputs. By appropriately using the factors of production, industries are able to add value to intermediate inputs by converting them into a range of goods and services more suited for use by consumers or other sectors. An industry or business' contribution to GDP measures the total value-added generated. It is defined as the income an industry or business generates, less the cost of the inputs that it uses to generate that income, plus certain taxes paid. The direct contribution of an industry or a company to the Australian economy can therefore be estimated by determining their payments to the factors of production plus the taxes (less subsidies) payable on production and imports (Figure 2.1).

Figure 2.1 Calculation of direct value-added



Note: EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization and is equivalent to the SNA93 definition of gross operating surplus

Source: ACIL Allen

2.2 Indirect economic contribution

Indirect effects are a broader notion of the economic contribution, including the supply side. For example, when a hospital uses a delivery service, that service consumes more fuel and other inputs and increases the hours worked by employees. The delivery service's consumption of extra fuel in itself creates additional supply side effects that cascade through the economy.

The intermediate inputs used by the private hospital industry can be sourced either from within the Australian economy or from foreign economies. If purchased from within the Australian economy, then the portion of value-added embodied in the intermediate input is indirectly associated with the activity of the purchaser. Calculating the indirect contribution becomes complicated as one considers the value-added embodied in the intermediate inputs of the intermediate input.

In a global context, the value-added chain is measured by the value of the final goods and services consumed. In a national context, input-output tables and the associated 'input-output multipliers' can be used to estimate indirect economic contributions. Input-output multipliers are summary measures generated from input-output tables that can be used for predicting the total impact on all industries in the economy of changes in demand for the output of any one sector. The tables and multipliers can also be used to measure the relative importance of the production chain linkages to different parts of the economy.

It should be noted that some of the assumptions underpinning input-output multipliers can impede credible analysis. Understanding these assumptions is necessary to prevent the inappropriate application of input-output multipliers – for example, in situations where economic constraints are present or when the profile of a business or project differs substantially from the industry average. We do not consider that these conditions apply to this analysis and that using input-output multipliers to estimate the economic footprint of the private hospital sector is appropriate. Further information on input-output tables and the calculation of multipliers can be found in ABS Catalogue number 5246.0.[32]

[32] ABS 1995, Information Paper, Australian National Accounts: Introduction to Input-Output Multipliers, 1989-90, Cat No: 5246. http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5246.01989-90?OpenDocument

Lower and upper bounds

The lower bound estimate, derived from simple multipliers, captures only the value-added and employment associated with the supply chain of each purchase stream. Consequently, they provide a conservative estimate – or lower level bound – of the indirect economic contribution of intermediate inputs. The difference between these estimates and the direct economic contribution is the production-induced contribution. For simplicity, this supply chain induced contribution will be referred to as the indirect contribution in the body of this report.

The upper bound estimate of the contribution of the private hospital sector, derived from total multipliers, captures all of the effects of inter-industry interactions and the impacts of the purchasing decisions made by workers employed throughout the private hospital sector's supply chain. This secondary effect is referred to as the consumption-induced effect.

This report provides estimates of the lower bounds of the indirect economic contribution of the private hospital sector's activities. Upper bounds of the indirect economic contribution are discussed separately in Appendix A.

2.3 Data sources

While there are a range of publicly available data sets for the Australian private hospitals sector, much of the data is lagged. We used the available data sets from financial years 2022-23 and 2023-24 to project the missing data for financial year 2024-25. Key data sets used to produce this report are laid out in Table 2.1. Most of the data were available for financial year 2024-25, with the exception of the input-output tables and multipliers, and the health expenditure data. These were scaled up as needed using datasets such as the Industry Statistics and population growth rates from the ABS.

Table 2.1 Key data sets used to produce this report

Name of data set	Period used	Organisation	Date released	Next release
Industry statistics	FY24-25	ABS	19 June 2026	18 September 2026
Input-output tables and multipliers	FY23-24	ABS	25 March 2026	March 2027*
Labour account	Jun 25	ABS	05 June 2026	04 September 2026
Labour force	Jun 25	ABS	25 June 2026	23 July 2026
National accounts	FY24-25	ABS	03 June 2026	02 September 2026
Population	FY24-25	ABS	18 June 2026	17 September 2026
State accounts	FY24-25	ABS	20 November 2025	18 November 2026
Admitted patient care	FY24-25	AIHW	29 May 2026	May 2027*
Health expenditure	FY23-24	AIHW	29 October 2025	Q4 2026*
Cost structure	2025 with forecasts	IBISWorld	February 2025	Unknown
Industry data	2025 with forecasts	IBISWorld	February 2025	Unknown
Key ratios	2025 with forecasts	IBISWorld	February 2025	Unknown

Note: * = estimated next release date based on historical releases.

Source: ACIL Allen

3 Direct economic contribution

This chapter estimates the private hospital sector's direct economic contributions to the Australian, state and territory economies. The direct contribution reflects the immediate economic impacts through employment, profits, and taxes.

3.1 Australia

Table 3.1 sets out the direct economic contribution of the Australian private hospitals sector at the national level in financial year 2024-25.

Table 3.1 Direct economic contribution, 2024-25

Financial year	Value-added	Wages and salaries	Employment	
	$m	$m	FTE*	People
Private hospitals	$14,838	$13,377	126,339	158,600
Australian	$2,778,897	$1,329,326	12,305,577	14,618,767
Private hospitals as % of Australian	**0.53%**	**1.01%**	**1.03%**	**1.08%**

Note: Month or quarter ending June 2025 for Labour Account and Labour Force. Financial year ending June 2025 data for State and National Accounts.

Source: ACIL Allen

The estimated direct value add of the Australian private hospitals sector at the national level was $14.8 billion in financial year 2024-25. Since Australia's GDP in 2024-25 was $2.8 trillion, the direct economic contribution of the private hospital sector accounted for 0.53 per cent of total GDP. While the sector had a total sales and services income of $24.8 billion in financial year 2024-25, this does not equate to the value of the sector when discussing its direct economic contribution.[33] The value add was determined by adding compensation of employees, goods operating surplus and mixed income, goods and services tax, duty on products, taxes on products not elsewhere identified, subsidies on products, payroll tax, and other taxes less subsidies on production.

It is estimated that Australian private hospitals directly employed 126,339 FTE or 158,600 people in financial year 2024-25. Over the same period, the ABS reports that there were approximately 14,618,767 total employed persons in Australia who worked around 32 hours per week. As a result, the total national FTE can be estimated as 12,305,577 FTE and the direct employment contribution of the private hospital sector accounts for 1.03 per cent of Australia's total FTE or 1.08 per cent of Australia's total employed persons.

The FTE figures were derived by applying the following formula to the latest ABS employment figures:

$$FTE = Full\text{-}time\ employment + 0.5 \times Part\text{-}time\ employment$$

The average FTE per employee was then calculated by dividing the total number of employed persons (full-time and part-time) by the FTE figure generated using above formula. This resulted in an average FTE per worker of approximately 0.84 across the whole Australian economy, and 0.80 in the healthcare services sector. As a result, the total FTE is lower than the total employment figures reflected by the ABS in the Industry Statistics.

[33] ABS, 'Australian Industry', *Australian Bureau of Statistics* [dataset], (2026), op. cit.

3.2 By state

The estimated direct economic contribution of the Australian private hospital sector at the state level is provided in Table 3.2. Private hospitals in New South Wales directly contributed the largest amount to GDP at $4.2 billion, representing a contribution of 0.50 per cent to the GSP. Private hospitals directly contributed the highest share to GSP in Tasmania at 0.78 per cent of total GSP. Private hospitals made the smallest direct contribution in total value add to the Northern Territory at $51 million. They also made the smallest percentage contribution at 0.15 per cent.

It is estimated that Australian private hospitals directly employed 36,063 FTE or 45,272 people in New South Wales, which contributed to 0.96 per cent of total state FTE or 1.01 per cent of total state employed persons. Private hospitals in most other states and territories directly employed a greater percentage of total state FTE or employed persons, with Tasmania employing the greatest percentage contribution at 1.23 per cent of FTE or 1.30 per cent of employed persons. Private hospitals made the smallest direct contribution to the Northern Territory at 430 FTE or 540 employed persons. They also made the smallest percentage contribution in the Northern Territory at 0.35 per cent of FTE or 0.37 per cent of employed persons.

Table 3.2 Direct economic contribution, by state, 2024-25

State	Value-added		Wages and salaries		Employment			
	$m	% of GDP or GSP	$m	% of COE	FTE*	% total of FTE	People	% total of People
NSW	$4,235	0.50%	$3,818	0.91%	36,063	0.96%	45,272	1.01%
VIC	$3,755	0.59%	$3,385	1.06%	31,972	1.00%	40,136	1.06%
QLD	$3,368	0.63%	$3,037	1.15%	28,681	1.13%	36,005	1.19%
SA	$1,037	0.66%	$935	1.19%	8,828	1.07%	11,083	1.13%
WA	$1,726	0.38%	$1,556	0.91%	14,699	1.06%	18,452	1.12%
TAS	$347	0.78%	$313	1.34%	2,957	1.23%	3,712	1.30%
NT	$51	0.15%	$46	0.30%	430	0.35%	540	0.37%
ACT	$318	0.54%	$287	0.74%	2,708	1.17%	3,400	1.24%
Australia	**$14,838**	**0.53%**	**$13,377**	**1.01%**	**126,339**	**1.03%**	**158,600**	**1.08%**

Note: Totals may not add due to rounding.

Source: ACIL Allen

4 Indirect economic contribution

This chapter estimates the private hospital sector's indirect economic contributions to the Australian, state and territory economies. The indirect contribution arises from the sector's purchase of goods and services from other businesses as part of its supply chain. These indirect effects are measured using economic multipliers derived from input-output tables developed and updated by ACIL Allen, based on ABS data.

The direct contribution of an activity in terms of value-added is confined to the initial impacts on the activity. The first round impacts capture the value-added arising from direct domestic purchases made by private hospitals. In turn, each of these first-round domestic purchases subsequently leads to further rounds of impacts arising from further stimulated purchases from domestic producers.

As discussed in Section 2.2 this information is embodied in input output tables of the Australian economy, and the indirect economic contribution can be measured using the relevant multipliers. Based on information from the ABS, ACIL Allen has developed (and regularly updates) detailed input output tables for Australia and each State and Territory (along with various regional areas, when necessary). From these tables, ACIL Allen has calculated a range of multipliers to facilitate economic analysis.

For this analysis, ACIL Allen has estimated a detailed input cost structure based on publicly available data provided by the private hospital sector in conjunction with the ABS detailed input-output tables of the Australian private hospital sector.

4.1 Intermediate goods

In total, it is estimated that the Australian private hospital sector spent $8.3 billion on intermediate goods and services in 2024-25. In terms of domestically supplied inputs, this comprised:

- $1.3 billion on administrative support (16 per cent of total intermediate goods and services)
- $1.1 billion on financial and insurance services (13 per cent of total intermediate goods and services)
- $947 million on professional, scientific and technical services (11 per cent of total intermediate goods and services)
- $803 million on wholesale trade (10 per cent of total intermediate goods and services)

A more detailed breakdown of this spending is presented in Table 4.1.

Table 4.1 Intermediate goods and services ($m), 2024-25

Industry	Intermediate goods ($m)	% of intermediate goods
Administrative and support services	$1,328	16%
Financial and insurance services	$1,092	13%
Professional, scientific and technical services	$947	11%
Wholesale trade	$803	10%
Manufacturing	$698	8%
Health care and social assistance	$663	8%
Electricity, gas, water and waste services	$547	7%
Transport, postal and warehousing	$406	5%
Rental, hiring and real estate services	$362	4%
Other services	$313	4%

Industry	Intermediate goods ($m)	% of intermediate goods
All remaining industries	$1,139	14%
Total intermediate goods and services	**$8,298**	**100%**

Note: Totals may not add due to rounding.

Source: ACIL Allen

Allocating the Australian intermediate inputs to their respective industries, accounting for margins and applying the appropriate simple multipliers for the Australian value-added and employment, it is possible to estimate the Australian value-added and employment embodied in the Australian-produced intermediate inputs consumed by Australian private hospital sector.

4.2 Value-added

An estimated $12.1 billion value-added is indirectly contributed by the private hospital sector in Australia, comprising:

- $2.2 billion on administrative support (18 per cent of total supply chain contributions)
- $1.5 billion on financial and insurance services (12 per cent of total supply chain contributions)
- $1.5 billion on professional, scientific and technical services (12 per cent of total supply chain contributions)
- $1.2 billion on wholesale trade (10 per cent of total supply chain contributions)

A more detailed breakdown of indirect value-added generated by the direct intermediate inputs of the supply chain are presented in Table 4.2.

Table 4.2 Indirect value-added ($m) due to private hospitals, 2024-25

Industry	Indirect value-added ($m)	Share of indirect GDP
Administrative and support services	$2,236	18%
Financial and insurance services	$1,515	12%
Professional, scientific and technical services	$1,510	12%
Wholesale trade	$1,168	10%
Health care and social assistance	$1,113	9%
Manufacturing	$838	7%
Electricity, gas, water and waste services	$740	6%
Transport, postal and warehousing	$531	4%
Rental, hiring and real estate services	$502	4%
Retail trade	$453	4%
All remaining industries	$1,565	13%
Total indirect value-added	**$12,172**	**100%**

Note: Totals may not add due to rounding. The summation of state and territory indirect economic contribution is less than the national indirect economic contribution. This is because purchases between states are not captured in the individual state figures, they are, however, captured in the national figures.

Source: ACIL Allen

In total, it is estimated that the value-added embodied in the Australian inputs used by the sector in 2024-25 was $12.2 billion. The estimated indirect value-added contribution of the Australian private hospitals sector at the state level is provided in Table 4.3. Private hospitals in New South Wales indirectly contributed the largest amount to GDP at $2.9 billion, representing a contribution of 0.33 per cent to the GSP. Private hospitals indirectly contributed the highest share to GSP in Victoria at 0.41 per cent of total GSP. Private hospitals made the smallest indirect contribution in total value-added to the Northern Territory at $15 million. They also made the smallest percentage contribution at 0.04 per cent.

Table 4.3 Indirect value-added ($m) due to private hospitals, by state, 2024-25

State	Value-added ($m)	GSP ($m)	%GSP
NSW	$2,857	$855,408	0.33%
VIC	$2,597	$637,435	0.41%
QLD	$1,965	$531,007	0.37%
SA	$593	$157,887	0.38%
WA	$863	$458,831	0.19%
TAS	$138	$44,280	0.31%
NT	$15	$34,605	0.04%
ACT	$107	$59,443	0.18%
Total indirect value-added	**$12,172**	**$2,778,897**	**0.44%**

Note: Totals may not add due to rounding. The summation of state and territory indirect economic contribution is less than the national indirect economic contribution. This is because purchases between states are not captured in the individual state figures, they are, however, captured in the national figures.

Source: ACIL Allen

4.3 Wages and salaries

An estimated $6.8 billion of wages and salaries (or COE) are indirectly contributed by the private hospital sector in Australia, comprising:

- $1.4 billion on administrative support (21 per cent of total indirect COE)
- $890 million on professional, scientific and technical services (14 per cent of total indirect COE)
- $698 million on health care and social assistance (11 per cent of total indirect COE)
- $677 million on financial and insurance services (10 per cent of total indirect COE)

A more detailed breakdown of indirect COE generated by the direct intermediate inputs of the supply chain are presented in Table 4.4.

Table 4.4 Indirect COE ($m) due to private hospitals, 2024-25

Industry	Indirect COE ($m)	Share of indirect COE
Administrative and support services	$1,389	21%
Professional, scientific and technical services	$890	14%
Health care and social assistance	$698	11%
Financial and insurance services	$677	10%
Wholesale trade	$604	9%
Manufacturing	$406	6%
Electricity, gas, water and waste services	$367	6%
Transport, postal and warehousing	$274	4%

Industry	Indirect COE ($m)	Share of indirect COE
Other services	$259	4%
Retail trade	$245	4%
All remaining industries	$780	12%
Total indirect COE	**$6,589**	**100%**

Note: Totals may not add due to rounding. The summation of state and territory indirect economic contribution is less than the national indirect economic contribution. This is because purchases between states are not captured in the individual state figures, they are, however, captured in the national figures.

Source: ACIL Allen

In total, it is estimated that the wages and salaries embodied in the Australian inputs used by the sector in 2024-25 was $6.6 billion. The estimated indirect wages and salaries contribution of the Australian private hospitals sector at the state level is provided in Table 4.5. Private hospitals in New South Wales indirectly contributed the largest amount to wages and salaries at $1.6 billion, representing a contribution of 0.38 per cent to the state wages and salaries. Private hospitals indirectly contributed the highest share to wages and salaries in Victoria at 0.45 per cent of total state wages and salaries. Private hospitals made the smallest indirect contribution in total wages and salaries to the Northern Territory at $8 million. They also made the smallest percentage contribution at 0.05 per cent.

Table 4.5 Indirect COE ($m) due to private hospitals, by state, 2024-25

State	Wages and salaries ($m)	Total COE ($m)	%COE
NSW	$1,590	$417,353	0.38%
VIC	$1,439	$320,013	0.45%
QLD	$1,116	$265,079	0.42%
SA	$324	$78,245	0.41%
WA	$488	$171,611	0.28%
TAS	$79	$23,355	0.34%
NT	$8	$15,080	0.05%
ACT	$66	$38,588	0.17%
Total indirect COE	**$6,589**	**$1,329,326**	**0.50%**

Note: Totals may not add due to rounding. The summation of state and territory indirect economic contribution is less than the national indirect economic contribution. This is because purchases between states are not captured in the individual state figures, they are, however, captured in the national figures.

Source: ACIL Allen

4.4 Employment

An estimated 59,952 FTE or 71,222 people are employed indirectly by the private hospital sector in Australia, comprising:

- 9,559 FTE or 11,356 people in administrative and support services (16 per cent of total indirect FTE and people)
- 7,967 FTE or 9,464 people in professional, scientific and technical services (13 per cent of total indirect FTE and people)
- 6,867 FTE or 8,158 people in health care and social assistance (11 per cent of total indirect FTE and people)
- 5,656 FTE or 6,720 people in finance and insurance services (9 per cent of total indirect FTE and people)

A more detailed breakdown of indirect employment generated by the direct intermediate inputs of the supply chain are presented in Table 4.6.

Table 4.6 Indirect employment due to private hospitals, 2024-25

Industry	Indirect FTE	Indirect people	Share of indirect
Administrative and support services	9,559	11,356	16%
Professional, scientific and technical services	7,967	9,464	13%
Health care and social assistance	6,867	8,158	11%
Financial and insurance services	5,656	6,720	9%
Wholesale trade	4,962	5,894	8%
Manufacturing	4,112	4,884	7%
Other services	3,965	4,711	7%
Electricity, gas, water and waste services	3,440	4,087	6%
Transport, postal and warehousing	3,092	3,673	5%
Retail trade	2,873	3,414	5%
All remaining industries	7,459	8,861	12%
Total indirect employment	**59,952**	**71,222**	**100%**

Note: Totals may not add due to rounding. There are approximately 0.84 FTE per employed persons in the Australian economy. Indirect People were calculated by dividing indirect FTE by 0.84. Since indirect People is calculated the same way across all industries, the share of indirect FTE equals the share of indirect People for all industries.

Source: ACIL Allen

In total, it is estimated that the Australian indirect employment associated with the private hospital sector in 2024-25 was 59,952 FTE or 71,222 people. The estimated indirect employment contribution of the Australian private hospital sector at the state level is provided in Table 4.7. Private hospitals in New South Wales indirectly contributed the largest amount to employment at 13,777 FTE or 16,367 people, representing a contribution of 0.37 per cent of total state FTE and total state employed persons. Private hospitals indirectly contributed the highest share to employment in Victoria at 0.43 per cent of total state FTE and total state employed persons. Private hospitals made the smallest indirect contribution in total employment to the Northern Territory at 81 FTE or 97 people. They also made the smallest percentage contribution at 0.07 per cent of total state FTE and total state employed persons.

Table 4.7 Indirect employment due to private hospitals, by state, 2024-25

State	FTE		Employed people		Both
	Indirect FTE	Total FTE	Indirect People	Total People	Share of total
NSW	13,777	3,767,088	16,367	4,475,221	0.37%
Vic	13,604	3,192,502	16,161	3,792,625	0.43%
Qld	10,654	2,542,706	12,657	3,020,681	0.42%
SA	3,345	823,428	3,974	978,215	0.41%
WA	4,170	1,386,250	4,954	1,646,835	0.30%
Tas	913	240,115	1,084	285,252	0.38%
NT	81	122,132	97	145,090	0.07%
ACT	458	231,357	545	274,848	0.20%
Total indirect employment	**59,952**	**12,305,577**	**71,222**	**14,618,767**	**0.49%**

Note: Totals may not add due to rounding. The summation of state and territory indirect economic contribution is less than the national indirect economic contribution. This is because purchases between states are not captured in the individual state figures, they are, however, captured in the national figures.

There are approximately 0.84 FTE per employed persons in the Australian economy. Indirect People were calculated by dividing indirect FTE by 0.84. Since indirect People is calculated the same way across all industries, the share of indirect FTE equals the share of indirect People for all industries.

Source: ACIL Allen

5 Total contribution of the Australian private hospital sector

This chapter brings together the estimated contributions detailed in the previous chapters to provide an overall footprint of the private hospital sector in Australia.

5.1 Total economic contribution

In financial year 2024-25, the activities of private hospitals resulted nationally in:

- A direct economic contribution comprising:
  - $14,838 million value-added, comprising 0.53% of total GDP
  - $13,377 million wages and salaries, comprising 1.01% of total COE
  - 126,339 FTE or 158,600 employed persons, comprising 1.03% of total FTE or 1.08% of total employed persons
- An indirect economic contribution comprising:
  - $12,172 million value-added, comprising 0.44% of total GDP
  - $6,589 million wages and salaries, comprising 0.50% of total COE
  - 59,952 FTE or 71,222 employed persons, comprising 0.49% of total FTE and 0.49% of total employed persons
- A total economic contribution comprising:
  - $27,010 million value-added, comprising 0.97% of total GDP
  - $19,966 million wages and salaries, comprising 1.50% of total COE
  - 186,291 FTE or 229,822 employed persons, comprising 1.51% of total FTE or 1.57% of total employed persons

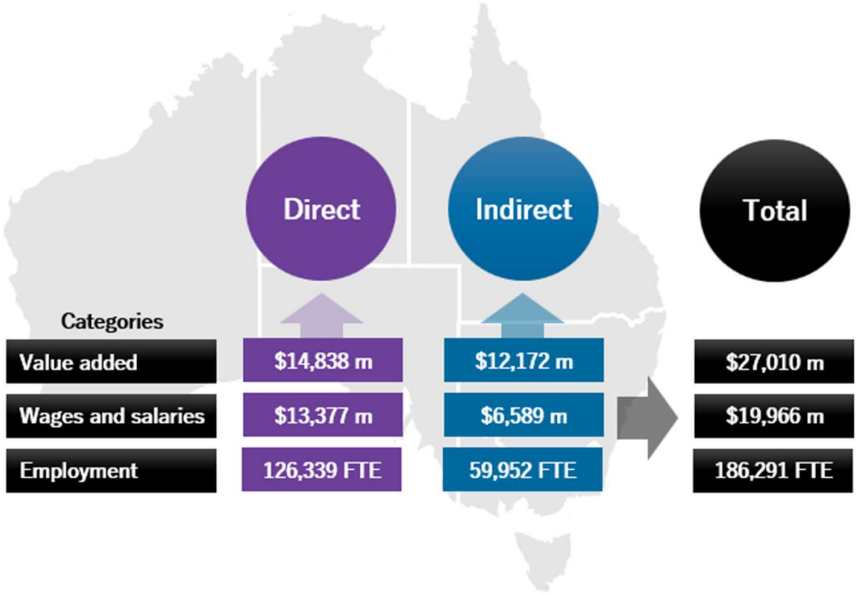
In total it is estimated that the Australian private hospital sector spent $8.3 billion on intermediate goods and services in 2024-25. In terms of domestically supplied inputs, this comprised:

- $1.3 billion on administrative support (16 per cent of total intermediate goods and services)
- $1.1 billion on financial and insurance services (13 per cent of total intermediate goods and services)
- $947 million on professional, scientific and technical services (11 per cent of total intermediate goods and services)
- $803 million on wholesale trade (10 per cent of total intermediate goods and services)

Table 5.1 and Figure 5.1 present the estimated economic contribution of the Australian private hospitals sector in financial year 2024-25. The estimates include the direct contribution made by the industry to Australia's GDP, wages and salaries, and employment, along with the indirect contribution embodied in the industry's supply chain. Indirect contributions are generated using simply multipliers and provide a conservative estimate of the value-added, wages and salaries and employment associated with the purchase of intermediate goods.

The estimates exclude the economic contribution made by workers throughout the private hospitals sector spending their after-tax wages and salaries on other Australian goods or services (such as hairdressers, restaurants, retail traders etc.). These are calculated using total multipliers and are discussed separately in Appendix A.

Figure 5.1 Total contribution of the Australian private hospital sector, direct and indirect, 2024-25



Note: the calculated economic contributions do not include consumption induced from the wages and salaries from people directly employed by private hospitals. These are discussed separately in Appendix A

Source: ACIL Allen

Table 5.1 Total contribution of the Australian private hospital sector, 2024-25

	Value-added		Wages and salaries		Employment			
	$m	% of GDP	$m	% of COE	FTE*	% total of FTE	People	% total of People
Direct	$14,838	0.53%	$13,377	1.01%	126,339	1.03%	158,600	1.08%
Indirect	$12,172	0.44%	$6,589	0.50%	59,952	0.49%	71,222	0.49%
Australia	**$27,010**	**0.97%**	**$19,966**	**1.50%**	**186,291**	**1.51%**	**229,822**	**1.57%**

Note: Totals may not add due to rounding.

* FTE differs from ABS employment as there are approximately 0.80 FTE per employed persons in the private hospitals sector. Total employed persons are summarised in the People and %total People columns.

Source: ACIL Allen

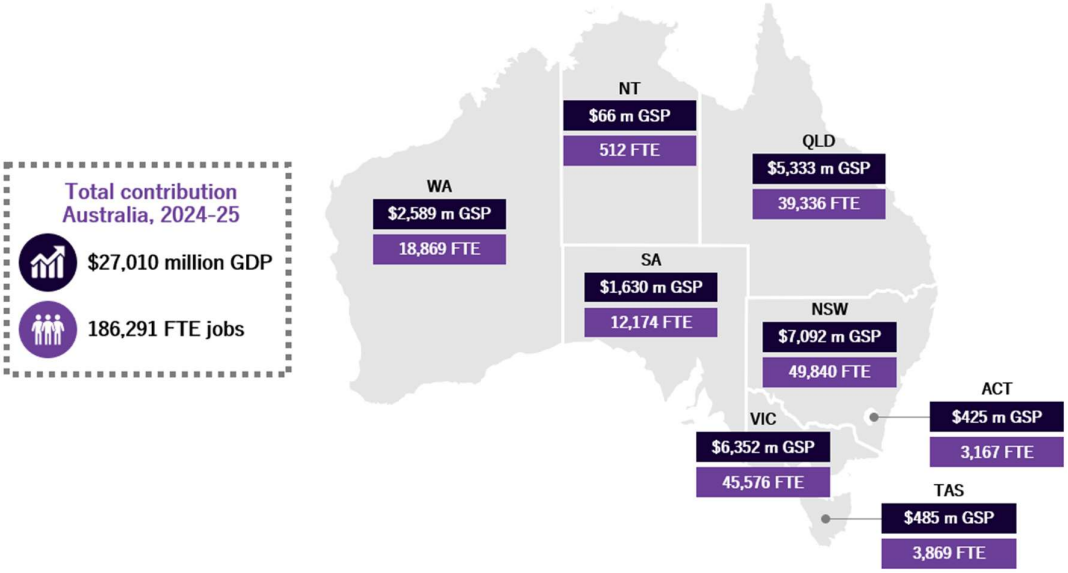
By state

Table 5.2, Table 5.3and Figure 5.2 provide the value-added and employment contributions of private hospitals to GSP and total FTE employed in each state and territory in financial year 2024-25. These figures illustrate the importance of private hospitals to the overall state economies in terms of magnitude and significance.

Private hospitals in New South Wales contributed the largest amount to GDP at $7.1 billion, representing a contribution of 0.83 per cent to GSP. Private hospitals contributed the highest share to GSP in Tasmania at 1.10 per cent, or $485 million. Private hospitals made the smallest contribution to total value add in the Northern Territory at $66 million. They also made the smallest percentage contribution at 0.19 per cent.

Private hospitals in New South Wales contributed the largest amount to total FTE employed at 49,840 FTE, representing 1.32 per cent to total FTE employed. Private hospitals contributed the highest share to total FTE employed in Tasmania at 1.61 per cent, or 3,869 FTE. Private hospitals made the smallest contribution to total FTE employed in the Northern Territory at 512 FTE. They also made the smallest percentage contribution at 0.42 per cent.

Figure 5.2 Total economic contribution of the Australian private hospital sector by state, 2024-25



Note: Totals may not add due to rounding.

Source: ACIL Allen

Table 5.2 Total value-added contribution of the Australian private hospital sector, by state, 2024-25

State	Direct value-added	Indirect value-added	Total value-added	% of GDP or GSP
	$m	$m	$m	% of GDP or GSP
NSW	$4,235	$2,857	$7,092	0.83%
VIC	$3,755	$2,597	$6,352	1.00%
QLD	$3,368	$1,965	$5,333	1.00%
SA	$1,037	$593	$1,630	1.03%
WA	$1,726	$863	$2,589	0.56%
TAS	$347	$138	$485	1.10%
NT	$51	$15	$66	0.19%
ACT	$318	$107	$425	0.72%
Australia	**$14,838**	**$12,172**	**$27,010**	**0.97%**

Note: Totals may not add due to rounding.

Source: ACIL Allen

Table 5.3 Total employment contribution of Australian private hospital sector, by state, 2024-25

State	Direct employment	Indirect employment	Total employment	% of employment
	FTE	FTE	FTE	% of total FTE
NSW	36,063	13,777	49,840	1.32%
VIC	31,972	13,604	45,576	1.43%
QLD	28,681	10,654	39,336	1.55%
SA	8,828	3,345	12,174	1.48%
WA	14,699	4,170	18,869	1.36%
TAS	2,957	913	3,869	1.61%
NT	430	81	512	0.42%
ACT	2,708	458	3,167	1.37%
Australia	**126,339**	**59,952**	**186,291**	**1.51%**

Note: Totals may not add due to rounding.

* FTE differs from ABS employment as there are approximately 0.80 FTE per employed persons in the private hospitals sector.

Source: ACIL Allen

Table 5.4 Total employment contribution (People) of Australian private hospital sector, by state, 2024-25

State	Direct employment	Indirect employment	Total employment	% of employment
	People	People	People	% of total People
NSW	45,272	16,367	61,639	1.38%
VIC	40,136	16,161	56,297	1.48%
QLD	36,005	12,657	48,662	1.61%
SA	11,083	3,974	15,057	1.54%
WA	18,452	4,954	23,406	1.42%
TAS	3,712	1,084	4,796	1.68%
NT	540	97	637	0.44%
ACT	3,400	545	3,945	1.44%
Australia	**158,600**	**71,222**	**229,822**	**1.57%**

Note: Totals may not add due to rounding.

Source: ACIL Allen

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Appendices

A Consumption-induced effects

A.1 Upper bound estimates

The upper bound estimate of the contribution of the private hospital sector, derived from total multipliers, captures all of the effects of inter-industry interactions and the impacts of the purchasing decisions made by workers employed throughout the private hospital sector's supply chain. This secondary effect is referred to as the consumption-induced effect. It provides a higher estimate of the total amount of economic activity or jobs potentially affected by changes to the private hospital sector.

A.2 Consumption-induced effects

Goods and services

In total it is estimated that workers employed throughout the Australian private hospital sector spent $7.6 billion on goods and services in 2024-25. In terms of domestically supplied inputs, this comprised:

— $2.0 billion on rental, hiring and real estate services (26 per cent of total goods and services)

— $916 million on retail trade (12 per cent of total goods and services)

— $667 million on financial and insurance services (9 per cent of total goods and services)

— $634 million on manufacturing (8 per cent of total goods and services)

A more detailed breakdown of this spending is presented in Table A.1.

Table A.1 Consumption-induced goods and services ($m), 2024-25

Industry	Intermediate goods ($m)	% of intermediate goods
Rental, hiring and real estate services	$1,990	26%
Retail trade	$916	12%
Financial and insurance services	$667	9%
Manufacturing	$634	8%
Accommodation and food services	$624	8%
Health care and social assistance	$577	8%
Wholesale trade	$343	5%
Education and training	$335	4%
Other services	$302	4%
Transport, postal and warehousing	$286	4%
All remaining industries	$910	12%
Total consumption-induced goods and services	**$7,584**	**100%**

Note: Totals may not add due to rounding.

Source: ACIL Allen

Value-added

In total it is estimated that workers employed throughout the Australian private hospital sector generated $10.1 billion value-added through consumption of goods and services in 2024-25, comprising:

— $2.1 billion on rental, hiring and real estate services (21 per cent of total induced value-added)

— $1.4 billion on retail trade (14 per cent of total induced value-added)

— $963 million on health care and social assistance (10 per cent of total induced value-added)

— $932 million on accommodation and food services (9 per cent of total induced value-added)

A more detailed breakdown of consumption-induced value-added generated by the indirect intermediate inputs of the supply chain are presented in Table A.2.

Table A.2 Consumption-induced value-added ($m), 2024-25

Industry	Value-added ($m)	% of value-added
Rental, hiring and real estate services	$2,071	21%
Retail trade	$1,386	14%
Health care and social assistance	$963	10%
Accommodation and food services	$932	9%
Financial and insurance services	$907	9%
Manufacturing	$773	8%
Education and training	$548	5%
Wholesale trade	$498	5%
Other services	$443	4%
Transport, postal and warehousing	$357	4%
All remaining industries	$1,189	12%
Total consumption-induced value-added	**$10,067**	**100%**

Note: Totals may not add due to rounding.

Source: ACIL Allen

Wages and salaries

In total it is estimated that workers employed throughout the Australian private hospital sector generated $4.4 billion wages and salaries (or COE) through consumption of goods and services in 2024-25, comprising:

— $748 million on retail trade (17 per cent of total induced COE)

— $599 million on health care and social assistance (14 per cent of total induced COE)

— $509 million on accommodation and food services (12 per cent of total induced COE)

— $390 million on financial and insurance services (9 per cent of total induced COE)

A more detailed breakdown of consumption-induced wages and salaries generated by the indirect intermediate inputs of the supply chain are presented in Table A.3.

Table A.3 Consumption-induced wages and salaries ($m), 2024-25

Industry	COE ($m)	% of COE
Retail trade	$748	17%
Health care and social assistance	$599	14%
Accommodation and food services	$509	12%
Financial and insurance services	$390	9%
Manufacturing	$372	8%
Education and training	$337	8%
Other services	$264	6%
Wholesale trade	$258	6%
Transport, postal and warehousing	$183	4%
Rental, hiring and real estate services	$162	4%
All remaining industries	$562	13%
Total consumption-induced COE	**$4,384**	**100%**

Note: Totals may not add due to rounding.

Source: ACIL Allen

Employment

In total it is estimated that workers employed throughout the Australian private hospital sector generated 45,809 FTE or 54,420 employed persons through consumption of goods and services in 2024-25, comprising:

- 8,781 FTE or 10,432 employed persons in retail trade (19 per cent of total induced employment)
- 6,168 FTE or 7,327 employed persons in accommodation and food services (13 per cent of total induced employment)
- 6,141 FTE or 7,295 employed persons in health care and social assistance (13 per cent of total induced employment)
- 3,938 FTE or 4,679 employed persons in manufacturing (9 per cent of total induced employment)

A more detailed breakdown of consumption-induced employment generated by the indirect intermediate inputs of the supply chain are presented in Table A.4.

Table A.4 Consumption-induced employment, 2024-25

Industry	FTE	People	% of employment
Retail trade	8,781	10,432	19%
Accommodation and food services	6,168	7,327	13%
Health care and social assistance	6,141	7,295	13%
Manufacturing	3,938	4,679	9%
Financial and insurance services	3,615	4,295	8%
Education and training	3,162	3,757	7%
Other services	3,101	3,684	7%
Wholesale trade	2,117	2,514	5%
Transport, postal and warehousing	1,778	2,113	4%
Arts and recreation services	1,655	1,966	4%

Industry	FTE	People	% of employment
All remaining industries	5,352	6,358	12%
Total consumption-induced employment	**45,809**	**54,420**	**100%**

Note: Totals may not add due to rounding. Due to the way the calculations were run, the % of FTE and % of People are equal.

Source: ACIL Allen

A.3 Total contribution at the upper bound

In financial year 2024-25, the activities of private hospitals resulted nationally in:

- A direct economic contribution comprising:
  - $14,838 million value-added, comprising 0.53% of total GDP
  - $13,377 million wages and salaries, comprising 1.01% of total COE
  - 126,339 FTE or 158,600 employed persons, comprising 1.03% of total FTE or 1.08% of total employed persons
- An indirect economic contribution comprising:
  - $12,172 million value-added, comprising 0.44% of total GDP
  - $6,589 million wages and salaries, comprising 0.50% of total COE
  - 59,952 FTE or 71,222 employed persons, comprising 0.49% of total FTE and 0.49% of total employed persons
- A consumption-induced economic contribution comprising:
  - $10.8 billion value-added, comprising 0.39% of total GDP
  - $4.4 billion wages and salaries, comprising 0.33% of total COE
  - 45,809 FTE or 54,420 employed persons, comprising 0.37% of total FTE and total employed persons
- A total economic contribution (upper bound) comprising:
  - $37.8 billion value-added, comprising 1.36% of total GDP
  - $24.4 billion wages and salaries, comprising 1.83% of total COE
  - 232,100 FTE or 284,242 employed persons, comprising 1.89% of total FTE or 1.94% of total employed persons

In total it is estimated that the Australian private hospital sector spent $8.3 billion on intermediate goods and services in 2024-25. In terms of domestically supplied inputs, this comprised:

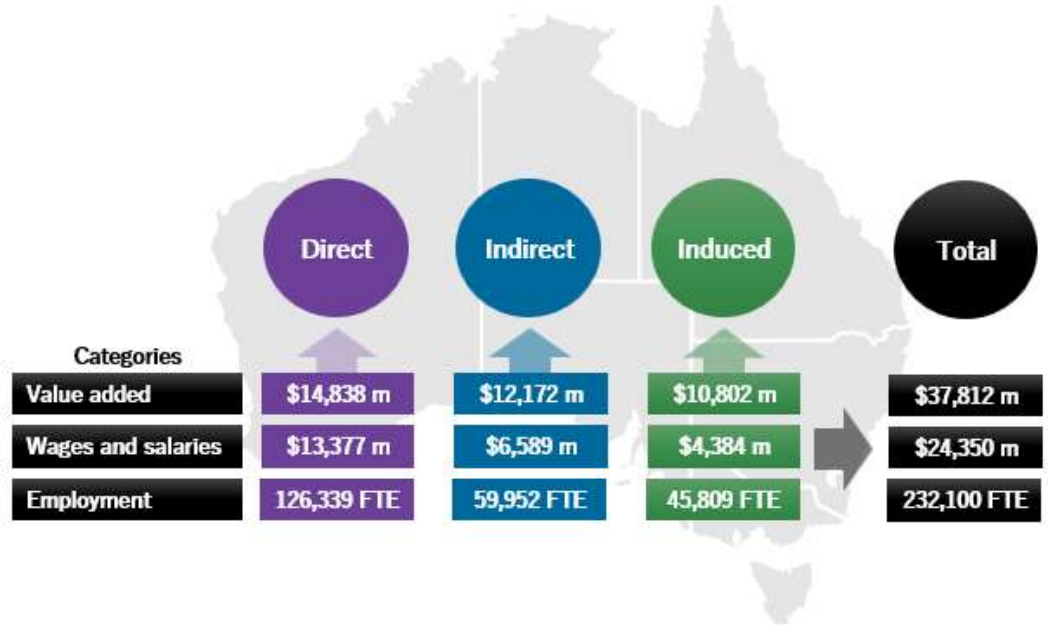
- $1.3 billion on administrative support (16 per cent of total intermediate goods and services)
- $1.1 billion on financial and insurance services (13 per cent of total intermediate goods and services)
- $947 million on professional, scientific and technical services (11 per cent of total intermediate goods and services)
- $803 million on wholesale trade (10 per cent of total intermediate goods and services)

In total it is estimated that workers employed throughout the Australian private hospital sector spent $7.6 billion on goods and services in 2024-25. In terms of domestically supplied inputs, this comprised:

- $2.0 billion on rental, hiring and real estate services (26 per cent of total goods and services)
- $916 million on retail trade (12 per cent of total goods and services)
- $667 million on financial and insurance services (9 per cent of total goods and services)
- $634 million on manufacturing (8 per cent of total goods and services)

Table A.5 and Figure A.1 present the estimated economic contribution of the Australian private hospitals sector in financial year 2024-25. The estimates include the direct contribution made by the industry to Australia's GDP, wages and salaries, and employment, along with the indirect contribution embodied in the industry's supply chain and the consumption-induced effects.

Figure A.1 Total economic contribution (upper bounds) of the Australian private hospital sector, 2024-25



Note: Totals may not add due to rounding. Induced refers to consumption-induced effects.

Source: ACIL Allen

Table A.5 Total contribution (upper bound) of the Australian private hospital sector, 2024-25

	Value-added		Wages and salaries		Employment			
	$m	% of GDP	$m	% of COE	FTE*	% total of FTE	People	% total of People
Direct	$14,838	0.53%	$13,377	1.01%	126,339	1.03%	158,600	1.08%
Supply-chain induced	$12,172	0.44%	$6,589	0.50%	59,952	0.49%	71,222	0.49%
Consumption-induced	$10,802	0.39%	$4,384	0.33%	45,809	0.37%	54,420	0.37%
Total contribution	**$37,812**	**1.36%**	**$24,350**	**1.83%**	**232,100**	**1.89%**	**284,242**	**1.94%**

Note: Totals may not add due to rounding.

* FTE differs from ABS employment as there are approximately 0.80 FTE per employed persons in the private hospitals sector. Total employed persons are summarised in the People and %total People columns.

Source: ACIL Allen

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