

METHODOLOGY

ECONOMIC IMPACT OF THE RESIDENTIAL AGED CARE SECTOR

The aim of this tool is to quantify the economic impact of the residential aged care sector on local economies in terms of secure employment and economic activity. To estimate the economic significance of the Residential Aged Care sector in Australia, Per Capita has undertaken an economic contribution assessment for 2019-20 financial year (FY20).

The economic contribution of the Residential Aged Care sector in Australia is examined using an Input-Output modelling framework, developed by Acil Allen.¹ Results are produced in the form of direct and indirect contribution of the sector to the Australian economy in terms of contribution to:

- economic output (Gross State Product);
- income (wages and salaries earned);
- employment (Full Time Equivalent (FTE) jobs; and
- income taxation payments made to the Commonwealth Governments based on employment generated by the sector.

The primary sources of information were the Australian Bureau of Statistics (ABS) and The National Aged Care Data Clearinghouse (NACDC), which provides a detailed breakdown of the estimates for the aged care sector in Australia.²

¹ ACIL Allen (2021), Economic and Social Impact of the Aged Care Sector in Western Australia, Report commissioned by WA Aged Care Providers.

² Australian Bureau of Statistics (2016) CED (UR) by INCP Total Personal Income (weekly) by INDP - 1 Digit Level [Census of Population and Housing, 2016, TableBuilder], accessed 23 March 2022. Commonwealth Government. 2020. Aged Care Data Snapshot 2020. Accessed online at <http://www.health.gov.au>