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1.1 - Executive Summary

The review of the policy framework and regulation of the Short Term Rental (STR) sector have come about as a direct result of the growth and popularity of room sharing in city apartments in strata governed buildings. Holiday homes throughout Australia have been used by their owners and holidaymakers for decades, generally without incident or the need for regulatory intervention.

Government should be mindful that by treating all STR in the same way and creating blanket regulations that do not recognise the different types of STR, their locations, impacts on amenity and value propositions to the market, they risk damaging the traditional Australian STR sector, regional tourism and the regional economies that rely on tourism.

Regional differentiation:
Holiday homes are often rented out by owners to other families when they are not using the dwelling themselves. These holiday homes require a different regulatory treatment than that required for properties in our cities. Given the different impacts holiday homes have on regional communities, compared to apartment living and room sharing on city communities, and the positive contribution of the STR sector to the growth and prosperity of regional economies, we favour a two-tier regulatory solution with a zone for Greater Sydney and another for regional New South Wales.

Neighbourhood amenity and industry regulation:
Stayz recognises that concerns about amenity have been legitimately raised by members of the community, and acknowledges the need for improved mechanisms for preserving neighbourhood amenity. To this end, we favour a registration system that requires all homeowners to register before they can offer a property for STR. To support the outcomes required by Government, Stayz favours the creation of a new standalone, independent (of any industry association or member) compliance entity funded by the industry to oversee a new fit-for-purpose code of conduct. The code of conduct should create enforceable penalties for noncompliance that could see a homeowner ultimately prevented from advertising on any platform or through any agent - and thus act as an appropriate deterrent and reasonable
consequence. An effective code of conduct can incentivise good behaviour and deal with genuine neighbourhood amenity issues, without resorting to market interference and anticompetitive regulations. The new compliance entity should be prohibited from being an industry association or advocate and should focus solely on compliance activity, liaison with regulatory authorities, police, local government and the community.

**Regulatory policy**

The approach we favour mitigates the risks for each segment of the market and creates an appropriate regulatory framework that recognises that the STR sector is not generic. We do not favour the imposition of limits or caps, especially in regional Australia where holiday homes have operated largely without incident for decades, and where limits or caps could have a devastating economic impact while not achieving any policy goal. These measures are anti-competitive, disproportionate and unnecessary, and are being requested because of concerns about competition. They are falsely applied as a solution to amenity concerns. Placing heavier burdens on secondary properties or unhosted properties would place an unfair and unreasonable impost on holiday homes in regional Australia. There is not a sufficient evidence base to support the application of these treatments and we believe that a greater focus on owner responsibility is a better mechanism to deal with amenity concerns. Caps and limits distort competition and it is not the role of Government to pick winners.

**1.2 - Recommendations**

1. That Government create two regulatory zones based on pre-existing definitions of 1) Greater Sydney and 2) Regional, reinforced by the Department of Industry’s definitions and that different regulatory requirements be set for each zone.

2. The new regulatory regime should consist of two tiers with the following broad elements.

   **Regional & Metropolitan Listings**
   
   - Registration should be required for all STR owners and properties.
   - Registration should require all owners to confirm they have the requisite insurance.
• Registration should require all owners to comply with a code of conduct.
• Online Advertising Platforms must be required to be members of an entity created for the specific purpose of: (a) ensuring compliance and enforcement with the code of conduct, and (b) liaison with Local Government, Regulatory Bodies (i.e. state fair trading and consumer affairs agencies), law enforcement and the community.
• Platforms must suspend or remove an advertising listing, or prevent an owner from advertising, where that person is deemed, by the Industry Compliance body, to have breached the code.

Additional Requirements for Metropolitan Listings:
• Regulations should not limit the number of days a property can be let out in each calendar year - unless these powers are conferred to Owners Corporations.
• Allow individual strata corporations to impose rules on STR to maintain the comfort and amenity of their building’s community. They should for example be allowed to prevent entire floors or multiple floors from being purchased by single owners or a business for use in STR. However, a blanket ban on STR that would prevent one apartment from being used for STR purposes on a floor of (say) ten is a step too far, a departure from currently Government policy and a questionable interference in property rights

3. That the new regulatory regime requires the establishment of an industry code and compliance and enforcement regime, led by a new separately incorporated compliance entity funded by industry. This new entity will have in its articles of incorporation (or other legal equivalent) the express purpose to undertake compliance, enforcement, monitoring and liaison with respect to the Code and Regulations. It would be prevented via its articles of incorporation of expanding its activities to avoid it becoming a more generic industry body.

4. That the Government rule out consideration of any amendments to the Local Government Act or any other legislation or regulations that would permit or compel the collection of Short-Term-Rental or broader tourism accommodation bed taxes.
5. That the NSW Minister for Local Government consider what powers are available to them to commission an independent review of the Byron Shire Council budget with the intention of testing the veracity of its claims in relation to unmet and unfunded need, to ascertain whether the Council’s alleged funding crisis is legitimate, and what the real cause of the structural deficiencies in its budget are, and act to protect the rights and interests of the community rather than the imposition of a bed tax.
2. Introduction

Expedia, and its wholly owned subsidiary Stayz/HomeAway, is pleased to provide this formal response to the New South Wales Government’s *Short-Term Holiday Letting in NSW Options Paper*. Expedia has a vested interest in the success of the entire accommodation and tourism sectors, including traditional hotel accommodation providers. Our goal is to achieve the most reasonable outcome that supports the continued development of tourism, hotel properties and short term rental (STR), especially in regional tourism areas where quality accommodation is often lacking. Expedia’s comprehensive and inclusive view about the regulation of STR is unique, and without comparison amongst the stakeholders. Due to our unique position, our recommendations in this submission promote the overall growth and vitality of the entire accommodation sector.

We acknowledge that a more robust framework for addressing and minimising adverse impact on amenity is needed in both the city and in regional Australia. We understand that regulating this industry is about striking the right balance between allowing people to rent their properties out, and looking after the valid neighbourhood amenity concerns of residents and the community. We favour a regulatory approach to STR that ensures that the owners of properties are held accountable for the actions of those who short-term let their dwellings. We support a regime of registration for owners and adherence to a code of conduct, administered by a new compliance entity driven by industry, that underpins the new regulations.

While some propose caps or limits to address amenity impacts, we do not believe that caps on the number of nights a property can be short-term let, nor whether the property is hosted or un-hosted, nor applying different regulations to primary dwellings compared to secondary dwellings, would actually result in any different outcomes. There is no evidence to suggest that there are reduced amenity issues in hosted properties against those in un-hosted dwellings. There is also no substantive evidence that restricting the number of nights a property is let impacts amenity issues.
The most effective way to prevent anti-social behaviour or negative amenity issues is to place responsibility on property owners for the actions of their renters, and potentially ultimately restrict them from short-term letting of their property by limiting their ability to advertise their property for STR. If this is coupled with an industry-led compliance and enforcement regime that is linked to Government, with strong and enforceable consequences for infractions by STR tenants and owners, and the right kind of community engagement, the issues associated with reasonable amenity complaints will be appropriately addressed.

For example, a “three strikes” policy in relation to so-called “party houses” could result in a ban on short-term letting, and a ban on advertising on any STR platform or via a property agent. Owners of properties will be more likely to take steps to prevent activity that causes problems if non-compliance means they may be prevented from renting out the property. Real consequences for the behaviour of tenants will drive better outcomes for neighbourhood amenity. Caps, restrictions or limits will not.

3. Regional Differentiation

In May of this year a joint statement was released by Expedia and Tourism Accommodation Australia (TAA) calling on the Government to differentiate between regional and metropolitan areas when creating regulations for STR.

The vast majority of STR outside of Greater Sydney are secondary homes (i.e. holiday homes), that are rented out to other families when they are not being used by their owners. This is a practice that has been going on for generations and has played a key role in sustaining and growing regional tourism and regional jobs.

On the whole, the policy issues facing STR in regional New South Wales are much different to the issues facing STR in metropolitan areas. Accordingly, there is a clear distinction between how the majority of the market operates outside of the cities which warrants a different and distinct regulatory approach. The Government should create a two-tiered regulatory framework, one for Greater Sydney and another for outside of this area.
The bulk of the community concern being raised about STR comes from the city and applies to specific aspects of STR in [Owners' Corporations] residential apartment buildings in areas of high-density living. It would not make sense if concerns about issues in the city were the catalyst for regulatory consideration to impose unwarranted restrictions on regional New South Wales where low density housing dominates.

Additional red tape will see some STR property owners in regional areas choose not to rent their properties out to other holidaymakers when not utilising them, as has already been publicly reported. This will reduce the economic contribution made to those economies from visitors and seriously damage the broader tourism sector, hospitality, retail and service industries, resulting in job losses.

We believe that the process being pursued by Government provides it with enough scope to properly address the core issues, without undermining the economic benefits of STR, if it gives due consideration to the issues and concerns of regional economies.

4. Regulatory Principles

Throughout the debate about a regulatory regime for STR, some stakeholders have advocated for protective and anti-competitive restrictions on STR that would improve their competitive position. We do not believe that Government should entertain any recommendations or give any consideration to any argument or position that is not competitively neutral, or where the application of regulations is motivated by a desire to have Government implement protectionist policies and outcomes.

The principle role of regulation should be the correction of market failure and the creation of preservation of fairness for consumers. To achieve this outcome, a fit-for-purpose regulatory regime must be delivered, not a one size fits all approach. The different segments of the tourist accommodation market have different value propositions, they have different neighbourhood amenity risks and they mitigate those risks in different ways. They have access to both overlapping demand and other discrete components of the market.
If a one size fits all approach was taken to creating a regulatory regime, it would significantly increase the red tape burden and costs of operation in the sector and would stymie competition. It would apply rules or ‘fixes’ to parts of the industry that do not need intervention and are not broken which would be entirely unnecessary.

The role of Government is not to try and curtail the growth or popularity of one industry segment, to the advantage of another, simply because the latter has been around longer. Government should not be picking winners in the market. Just because one participant believes that its own segment is not attracting the interest or investment that it desires, does not warrant regulatory intervention.

If Government were to intervene in this way, and impose restrictions that have a protectionist motivation or outcome, this would not be a correction of market failure, it would be the creation of market failure. Government must refuse the temptation of over regulating or imposing restrictions unless there is a demonstrable market failure.

The concept of ‘fairness’ has been incorrectly applied as part of the STR debate, with many highlighting and questioning the fairness, or lack thereof, regarding rules that impose requirements on one part of the sector but do not require the same rules for another. A fit-for-purpose regime that recognises the different segments of the market, the types of dwelling, the location and the risks and risk mitigation strategies is a fair approach. The unfair approach is asking Government to disproportionately impose rules, restrictions or requirements on one industry segment simply because those rules apply to another, without considering the differences between the segments or why those rules may not always be appropriate.

If one value proposition to the market is more popular, it is not reasonable to ask for a correction by Government. The correction, or fault lies with the industry segment that is not in favour with or hasn’t kept pace with consumer trends. Government’s role is not picking winners. Those in the tourism industry who continue to ask Government to pick winners through the creation of regulatory policy are doing the entire industry a disservice. Put simply the argument and approach is without merit and is being driven by anti-competitive views.
There are several factors that Government should consider when constructing the regulatory regime, including the type of dwelling, its location and the different segments of the market. This review process has unhelpfully defined all STR under the one generic, broad umbrella. The vast majority of holiday home owners in regional Australia who have been letting out their beach shacks and bush getaways for decades are in no way comparable to the operation of STR in other parts of the market. The STR sector is not a generic market.

This review’s genesis was in the city, and the problems, the market failure and the community concern that Government intended to deal with were on the whole the outcomes associated with the new phenomenon of apartment letting and room sharing, in already tenanted dwellings, in strata apartment buildings in metropolitan areas. By inadvertently including entire holiday homes in regional Australia, there is a significant risk of regulatory overreach. By treating all so called STR in the same way, Government will be imposing regulations on parts of the market where there is no compelling evidence to do so.

The perpetuation of a blanket “we have these rules, so others should too” narrative is not an evidenced-based approach to the formulation of public policy. As an example, there is often a catch cry from a small section of the industry who say that it isn’t fair that Hotels or Motels have certain safety requirements that are not required of STR. It is worth noting that the Building Code of Australia (BCA) has different requirements for different classifications of building, including depending on scale. The regulatory framework should be based on the requirements of the BCA for these types of issues and not a blanket set of rules.

It is an entirely fair approach if regulations are based on the same principles that focus on determining:

1. risk,
2. amenity,
3. differing value propositions to the market, and
4. market access.

What is needed is a regulatory regime that recognise and segments the different types of tourist accommodation, and acknowledges that different parts of the market have different risks that require different treatments or mitigating strategies.
Government should however be mindful that this review process should be seen as an opportunity to streamline and reduce overall regulatory burden, and reduce, where appropriate, outdated regulatory costs and imposts on incumbent market segments.

What should not occur is to simply impose the requirements of one segment to new or other market participants as some have suggested. As Government considers the responses to these options and develops a path forward, it should have a clear objective that regulation is about achieving outcomes, not the prescription of the path to get there. There is more than one way to achieve a stated goal, and regulations should ensure that there is scope for innovation and change and that the regulatory framework is not overly prescriptive about the process, only the outcome.

If the only viable way to mitigate a risk in one part of the market is not appropriate for another, or there is a better option or technology or another change allows the delivery of that policy objective via a different means, then this is not an unfair outcome, so long as the end result is achieved.

The use of the so called “level playing field” argument is a falsehood. Each segment of the market, while providing accommodation, is very different in design and construct. The so called level playing field argument if applied would be devastatingly anti-competitive and disproportionate. The product offerings in each segment are so fundamentally different that applying the same rules for the same purpose would not deliver the same outcome. It would not deliver the required policy objective or mitigate risk on one extreme, and on the other it would simply impose burdensome red tape and costs for the sake of it.

For example, regulations should not prescribe the kind of insurance that an STR operator is required as this narrows the ability of the insurance market to consider how risk mitigation and insurance might be improved and shuts the door to innovation. Regulations should prescribe the insurance outcome that is required, or the level of protection that consumers should expect but not in such detail as to specify the path to achieving that outcome and provide no incentive for the marketplace to deliver new products or better outcomes.
5. Addressing the Options

Industry Self Regulation

Just as owners should be responsible for properly managing their listings, the industry should have its own set of responsibilities that provide transparency, compliance and enforcement and protect neighborhood amenity. It’s in the industry’s best interest to fund and support appropriate regulatory, compliance, monitoring and enforcement mechanisms.

Regulation should define the basic requirements to list and maintain an STR property as well as the geographic boundaries where the different regulatory approaches for city and regional areas should apply.

We favour placing the bulk of the administrative, financial and compliance burden on the industry through the formation of a new industry compliance entity and a new industry-led code of conduct. The new entity should be established by, and made up of Online Platforms, with Government and industry working to establish the foundation membership and criteria.

The registration process for STR should be administered by the new Industry entity, with oversight from Government and funded by a homeowner registration fee. This ensures the ongoing independence and integrity of the registration process without imposing undue burden and cost on Government.

A new, fit for purpose code of conduct which is linked to the regulatory framework should be introduced. The new code should be administered by a new and independent industry compliance entity whose role will be to monitor and report on compliance, in addition to liaising with regulators, the community and law enforcement.

Telecommunications is a good example of an industry where a great deal of its regulatory elements exist in industry codes that are administered by the industry themselves. There are
extremely robust requirements in the Code, (e.g. the Telecommunications Consumer Protection Code).

The telecommunications industry created Communications Compliance Inc. - an independent entity that oversees the conduct of the Code and is responsible for compliance checks and liaison with industry. It reports back to regulatory authorities about the compliance activities of service providers and the industry against the requirements of Codes.

We propose that a similar model be established for the STR sector and this could form the basis of a sensible national approach that could be adopted by other jurisdictions.

**Short Term Rental Accommodation Compliance Authority - STRACA**

1. Industry will establish and fund a new entity to;
   a. administer the Code;
   b. monitor compliance;
   c. liaise between law enforcement, Local Government and regulatory authorities;
   d. promote industry best practice;
   e. undertake periodic reviews of the Code and recommend to the Minister any changes to the Code.

2. The Code would be developed by industry, but would require the agreement of the Minister before it is approved. Subsequent changes to the Code would require the agreement of the relevant Minister.

3. The Code should impose a requirement on any platform, homeowners of online and offline listings and listing managers that are contracted by homeowners to oversee their listings. The Government should consider prescribing this requirement by regulation, with appropriate penalties for non-compliance.

4. It be a requirement of a property owner, and if applicable, their agent, to agree to comply with the Code prior to advertising and letting any STR property. Penalties for non-compliance should be established.
5. The Compliance entity will have a public hotline and email address on its website, listed in the telephone directory and published in other prominent places to ensure the public can liaise with it directly to obtain information about a listing.

6. The Compliance entity will investigate and adjudicate complaints received about properties and take action according to the Code and regulations.

7. The Compliance entity should establish MOUs and other instruments with the Local Government Association (on behalf of member councils) and law enforcement to permit appropriate information sharing arrangements.

8. The Compliance entity will take a proactive approach to marketing itself to all relevant regulatory and law enforcement bodies - particularly in key areas - and will respond to issues being raised in the public domain, including the media.

**Strata Regulation**

Housing affordability and accessibility are growing concerns in metropolitan areas and are reported as one of the reasons for this policy review. Additionally, amenity issues are exacerbated in high density housing environments, for instance strata buildings where units are close together and share use of common areas. For these reasons, we support the concept in principle, that Owners Corporations be permitted to introduce rules relating to city properties but not to impose blanket bans.

At the time of the most recent amendments to the laws governing strata (2016), the then Minister responsible, Victor Dominello said. “By 2040, half of all Sydneysiders will be living or working in strata. It is important that our laws reflect current needs and cater for future demands.”

It would be unreasonable, and a departure from the current legislation for an Owners’ Corporation to ban STR outright. Owners Corporations should only be given the power to impose reasonable evidence-based restrictions. To allow them to completely restrict short term
letting would be a departure from the current policy position of the Government that recognises that tenants’ rights and individual owners’ rights must be valued.

According to census data, one third of New South Wales population rents. In the Greater Sydney area, the figure is closer to more than 50%. The Government has already recognised that tenants are entitled to a voice in relation to Strata issues and for this reason it amended legislation to provide for a tenant representative on strata schemes where more than half of a building residents are tenants. Allowing a blanket ban on STR would be an unreasonable departure from this policy framework that the Parliament only reviewed less than one year ago.

In relation to complaints about building amenity in Strata, it should be acknowledged that Government is essentially considering adding expensive and burdensome levels of regulation and red tape for what, on the whole, are neighbourhood disputes between neighbours. It is not Government’s role to create regulations to resolve neighbour disputes.

A homeowner does not get to choose who may be allowed to occupy the property adjacent. The way people are living is changing, and it is not the role of Government to stand in the way of both business and consumer trends, which overall deliver a positive economic and social benefit, because of the opposition and concerns of only one group of industry participants.

Neighbours in a street of houses for example don’t get to decide how the dwelling adjacent to them is utilised, whether the person who occupies the dwelling next door is the owner, or a tenant. Similarly, residents in apartment buildings do not have claim to a special right to be able to choose who their neighbours are, or how long their neighbours stay in the dwelling. We acknowledge that Strata is a different case which requires a regulatory treatment specific to its issues and concerns, but not a regulatory treatment where it is afforded greater rights and privileges than the rest of the sector or the entire community.

Government should not be in the practice of imposing a heavy handed regulatory response to deal with neighbourhood disputes. In addition, it is not the role of Owners Corporations to impose limitations or restrictions to simply protect certain elements of the industry from perceived competition from STR.
At the same time, property owners have the responsibility to ensure that their property does not cause a nuisance for their neighbours. Therefore, we support giving Owners Corporations the authority to introduce controls that preserve well documented and defined amenity.

Owners Corporations should be given sufficient powers to introduce controls that preserve well documented and defined amenity. They should for example be allowed to prevent entire floors or multiple floors from being purchased by single owners or a business for use in STR. However, a blanket ban on STR that would prevent one apartment from being used for STR purposes on a floor of (say) ten is a step too far, a departure from currently Government policy and a questionable interference in property rights.

City apartment living will continue to proliferate, creating more dense living conditions in Sydney. If powers are conferred to Owners Corporations that permit them to make these limits, then we do not support the Government setting any further limits as they could be dealt with by Strata, and instead allow the individual Owners Corporations to make the decision. It would not make sense to set caps or limits if powers are being conferred to Strata to allow it to do so.

**Planning Regulation**

**Metro and Regional Zone**

As outlined in this submission, the simplest way of creating basic definitional distinctions in the industry from which regulatory requirements can be hung, is the Metro and Regional distinction. Others do not hold up against the test of scrutiny and can be used to create unfair competitive advantages for some players or segments of the industry or inadvertently negatively impact others which is a dangerous consequence and precedence to set for regulation of a sector.

**The Building Code of Australia**

The Building Code of Australia (BCA) has different requirements for different classifications of building, including depending on scale. The regulatory framework should be based on the requirements of the BCA for these types of issues and not a blanket set of rules.
Residential Zones

There should be no consideration of a blanket prohibition on STR accommodation in residential zones. Bans are not effective, but consequences for owners are.

Primary or Secondary homes

Limitations based on whether a home is a primary or secondary home would have a devastating impact on the STR industry, particularly in regional Australia, and the sectors of the economy it supports.

Regionally, secondary homes make up the majority of short-term rental listings. Creating regulations that impose heavier burdens on secondary homes would adversely impact on regional tourism and regional jobs. In 2016, 50% of the jobs supported by the STR sector were in regional Australia. The wrong kind of regulatory response could negatively impact more than 205,000 jobs in regional Australia. It would be an unfair and anticompetitive outcome.

Holiday homes are often in families for decades, even passed down through generations. Imposing restrictions on secondary dwellings simply because it is not the primary residence is not backed by any public policy justification. It is supported by those who believe wrongly that STR is unfair competition, rather than its own discrete and growing segment of the market with its own value proposition which attracts different consumers for different reasons.

Hosted v Un-hosted

Creating different sets of rules based on whether the property is supposedly hosted or un-hosted is often unwisely based on a claim that amenity issues don’t occur in hosted properties but they do in whole homes that are un-hosted. The fallacy of creating relaxed rules for supposed hosted short term lets is that there is no way of ensuring the host is indeed present at all times, or that the host will prevent amenity issues. The solution to amenity issues, to so-called party houses, anti-social behaviour, or reduced amenity, is a robust and enforceable regulatory regime that has real consequences.
If a finding of fault or a breach of the code by an owner rendered them unable to advertise on any platform or with any property agent and banned them for a period of time from any STR, then there would be a far greater incentive for the owners of those properties, or their property manager agents, to ensure that guests did the right thing. There are also real consequences for guests in a world of double sided guest review systems on many of the most popular online advertising platforms.

A more robust regulatory regime with compliance and enforcement arrangements that ensure owner responsibility and enforceable consequences is a far stronger treatment for amenity issues than the application of regulations based on a hosted or un-hosted definition. The preference for ‘hosted’ comes from the erroneous belief that the homeowner will be able to immediately act to control or reduce the offending behaviour of a STR guest. This assumes the homeowner is home at the time, that the offending is reported in real time, that the offending is occurring in the dwelling and not on common property of the building. It is entirely unenforceable, unless Government is proposing an inspection regime to check whether owners are in the property at all times when their guest is visiting.

The other motivation by proponents of the hosted v un-hosted distinction is motivated by protectionism. It is not and should not be the role of Government to regulate to give one part of the market protection from another because one is more popular than the other.

If hosted v un-hosted distinctions were applied it would again impose a greater regulatory burden on regional providers, and consumers, despite regional STR not being the catalyst for the review of the issue at hand that Government was seeking to fix.

Day limits

It is untenable to limit the number of days a holiday home can be rented. Whole homes have traditionally been leased by holiday makers for significant periods of time over the summer holidays or school holiday periods, or indeed throughout the year.
If someone owns a beach shack and they rent it out to others when not using it themselves and they have done so for (say) 25 years it would be unreasonable for Government to impose limits on how many days it can be rented because of concerns that have eventuated in city apartment buildings.

Placing day limits on holiday homes adversely affects an important and successful part of the short-term accommodation industry that has operated and thrived for some time, generally without incident. Again, day limits are proposed by under the shield of neighbourhood amenity but the reality is that they seek to achieve a protectionist outcome from their implementation that would not be in the best interest of the sector of the economy as a whole. Often it is the home of an ill-prepared occasional home owner who only rents their home when they are themselves overseas where neighbourhood amenity issues sometimes flare up. However, owners and professional managing agents of homes regularly rented out throughout the year will typically be well-organised and have contingency plans in place to ensure the orderly conduct of their guests.

**Registration**

We accept and recognise that there is a gap presently with respect to compliance and enforcement that needs to be remedied. Law enforcement, local government, Fair Trading and other agencies all need to be able to interface with the sector in an easy and central fashion.

Complaints need a more immediate response mechanism and residents need a sense of certainty that there will be consequences for the misuse of properties that will ensure owners take responsibility for the actions of their guests.

That is why we agree that a registration system should be established and that there should be industry driven engagement, compliance and enforcement activity. Central to success will be the registration of all property owners / managers to a central repository.
To ensure oversight by Government, an industry driven compliance regime will require all hosts to register. The cost and the process must be as easy as possible and streamlined so as not to act as a barrier to market entry.

Owners would attest to meeting the regulatory requirements and agree to the consequences for infractions. Regulation should define the basic requirements to list and require adherence to the Code. Regulations should spell out the geographic boundaries where the different regulatory approaches for city and regional areas should apply. Registration would require owners to agree to meet with these requirements.

We favour placing the bulk of the administrative, financial and compliance burden on the industry through the formation of an independent entity previously described and a new code of conduct.

While Stayz and Expedia are supporters of the Holiday Rental Industry Association (HRIA) and other similar regional industry advocacy bodies, we do not propose they play a role in registration, compliance or enforcement under a new regulatory framework, just as we do not believe it would be appropriate for online advertising platforms such as ourselves or other commercial interests to directly play an active role. The HRIA and organisations similar to them are worthy industry bodies, advocates and service providers. However, owing to their roles as industry advocates it would not be proper for them to be responsible for compliance and this should occur separately.

Whilst being actively involved in the drafting of the original HRIA Holiday Rental Code of Conduct a number of years ago, we believe that document is now due for a significant overhaul in order to facilitate a satisfactory regulatory outcome in today’s STR environment. Accordingly, we advocate for drafting of a new Code as described elsewhere in our submission.

Furthermore, the administration and compliance of the registration requirements for STR owners and platforms should be the responsibility of an independent body that cannot benefit commercially from any outcome. This new independent body should also have as part of its articles of incorporation (or equivalent) that it is not a representative organisation or advocacy body to preserve the important role that industry associations and advocacy bodies play in the
sector whilst maintaining the independence of the registration and compliance and enforcement functions.

6. Other Policy Considerations

There are a number of issues, not directly related to the contents of the Options Paper but which are related to the broad issues of STR regulation that we would like Government to be aware of.

Housing Affordability and Accessibility

Those who oppose STR cite anecdotal reports that claim that housing affordability and accessibility is negatively impacted by STR. Often these arguments are perpetuated by other industry advocates and not sectors of the community with a direct interest in housing equity and are not backed up by an analysis of data.

The report by the New South Wales Tenants Union, a body with an interest in equitable social housing policy and not in the perpetuation of the traditional holiday rental industry, undertook an examination of available data and released a report which counters the claims made that STR increases rents for long-term tenants and is making housing unaffordable.

This report also analyses data and puts into perspective just how small as a percentage of overall activity the STR sector is. The media reports, the use of anecdotal reports without an examination of data could lead people to think that STR is a widespread phenomenon bordering on being dominant. The numbers of people renting out their properties for STR use is extremely low, so small in some places that the question must be asked as to whether this issue should be so dominant.

Reports in Byron Bay of STR reducing the availability and affordability of longer-term rental properties proves to be untrue when the data is analysed, showing that more properties are
available for long-term rent than previously and rental prices in Byron Bay for long term properties have reduced.

Byron Shire and Bed Taxes

Byron Shire appears to be commanding a disproportionate share of the public discourse about the future of STR regulation. As a key stakeholder in Byron Bay’s ongoing success, we want to work with the local community and policy makers to ensure that we manage community expectations without damaging local tourism opportunities.

Many local businesses, homeowners, residents and tourists recognise the important value that short-term rental accommodation brings to the local economy, as well as ensuring that Byron Bay retains its traditional “beach house” vibe that has attracted tourists from all around the world.

Recently, the Australian Labor Party, at its NSW Policy Conference, endorsed a motion by the Byron Bay Branch of its party that called on amendments to the Local Government Act that would to permit Councils to impose bed taxes. This is now part of New South Wales Labor’s platform for Government. Airbnb has publicly supported the idea of a bed tax for Byron Bay.

The proponents of a bed tax in Byron Bay cite a number of different justifications and issues to support their view that they should be permitted to tax tourists. These range from amenity concerns, questions about the economics of tourism, and the Byron Shire’s own concern that it has a serious unfunded structural issue with its budget and no immediate plan or solution aside from taxing tourism.

Byron Bay has always been a holiday destination and holidaymakers have been part of the community in Byron Bay and its surrounds for decades. As a community, Byron Bay made deliberate decisions about the kinds of tourist accommodation it wanted in its region and the kinds of developments it would allow, thus artificially capping its ability to grow its rate base, and
rendering impotent its ability to draw new income. There are economic consequences for pursuing this.

At a policy level Byron Shire needs to decide whether it continues to oppose higher density development that would increase its rateable base and allow for a more financially viable budget, or it must reduce its spending.

By not supporting new and different developments such as apartments, Council is accepting that its rateable base will not be able to grow to facilitate the quantum of rateable properties and the population size that it needs to deliver the kinds of services it values. It has publicly declared in not so many words that it doesn't have the money to do what it wants to do, but it won't reprioritise or investigate more efficient financial management and reduce spending. Instead it wants to tax the industry responsible for most of its jobs and most of its revenue in a way that will ensure fewer jobs and less revenue. This is not a reasonable approach.

The signals that Byron Shire have been sending through this debate should be of serious concern to every resident and business owner in the region, every citizen and tourist who will be expected to fund the bed tax, and the New South Wales Government, to whom responsibility would eventually fall. We believe that it may be time for the Government to act.

The Council argues that short term tenants occupying dwellings on a periodic short-term basis for holiday homes result in a greater need for infrastructure on things like roads and sewage than longer-term residential tenants and resident owners.

The costs of providing infrastructure like roads, sewage systems, for example, are the same whether a property is rented on a long-term basis with permanent tenants, or if it is occupied on a periodic basis by short-term holiday goers. The costs to maintain a road for example are not increased because a property is occupied by different tenants every weekend, versus the same people on a 6 or 12 month lease.

Owners of holiday homes that are used as STR properties already pay Council rates and there is no reasonable justification as to why they should be taxed a second time. The increased
property values of Byron Bay in turn means that the rates payable on those properties have increased and Council is already the recipient of increased revenue.

Punitive measures against homeowners - like day restrictions and financial levies - will discourage them from listing their properties and drive up the cost of accommodation. This will have a direct negative impact on local wages and the industries that are dependent on tourism for revenue. Additional taxes also don’t address the alleged amenity issues raised by Council or housing affordability which Council says is high on its agenda.

Byron Shire has not given a commitment to reduce spending on nonessential services or review any of its strategic priorities. It has not given an undertaking that fiscal responsibility and better economic management will be priorities. This is a clear signal that Byron Shire needs more specialist assistance and it is time for State Government to step in, to ensure that the residents and business of the area are not impacted.

The imposition of a bed tax will require an amendment to legislation. Byron Shire has admitted that without a bed tax it does not have a plan to deal with its financial situation. As there is not an immediate plan to amend the legislation, we believe that the Minister for Local Government should consider what powers they may possess under the Act, to commission an investigation into Byron Shire’s financial management and long-term financial viability. As a bare minimum, there should be some additional oversight of Council’s budget and some transparency to these issues before any consideration of a bed tax is undertaken.
Appendix

A. Byron Bay Facts
B. Stayz Position Paper Short Term Rental May 2017
C. TAA & Stayz agreement - regulation of STR April 2017
D. ACIL Allen - The economic contribution of Short Term Rental

Appendix A Byron Bay Facts

The number of residential properties available to be rented on long-term leases have increased in Byron Bay rather than decreased.

- There was an increase by 1% of available properties for long-term residential rent between 2016 and 2017 in Byron Bay.
- Between 2013 and 2017 there had been an increase in properties available for long-term residential rent in Byron Bay. ¹

Overall long-term residential rents have decreased.

- There has been an average 4% decrease overall on rents charged for long-term residential properties in Byron Bay.
- In apartments and units there has been a 1.4% decrease. ²

Most visitors to Byron Bay do not stay in short term rental accommodation.

- 77% of all those who visit Byron Bay stay in other forms of accommodation (Hotels, Motels, caravan/holiday parks).
- Less than one fifth of visitors (23%) stayed in a rented house/apartment,
- 21% in a commercial caravan or camping ground
- 18% are backpackers.
- 38% can be assumed to be staying in hotels/motels, personal holiday homes or those of friends and relatives. ³

³ Byron Shire Visitor Profile and Satisfaction Survey - Dept of Resources, Energy and Tourism - Tourism Research Australia
Most visitors to Byron Bay are families

- Any additional levies or taxes will impact on the choices families make about where they take their holidays. The current debate is often littered with anecdotes about “party houses” or “backpackers and bucks parties all year round” - the reality is that this is not the norm.
  - the highest proportion of visitors was in the family life stage (39%),
  - with a further 18% in the older working singles/couples life stage.

Most visitors to Byron Bay are repeat visitors.

- The proponents of a Bed Tax argue that tourists have no long-term connection with the area. **71% of visitors to Byron Bay are repeat visitors.**  

A Bed tax would be double dipping. Byron Shire Council is already charging tourists levies and fees.

- A $1 ticket levy is already imposed on tickets to Splendour in the Grass and Falls festivals.
- More than $500,000 has been provided to community grants from this levy.
- Splendour in the Grass and Falls Festival were responsible for creating 195 FTE jobs in Byron Shire.  

Visitors have already been slugged $4m in parking fees.

- Byron Shire’s decision to introduce paid parking was targeted directly at visitors and holidaymakers and the need to fund infrastructure and services was used as the justification. Visitors have already been slugged by the Council for their fair share.

Employment in Byron Shire relies on Tourism

- The biggest employer group in Byron Shire is retail trade. More than 2000 jobs. These jobs rely on the visitor economy.
- There are 15500 adults in Byron Shire.
- Of the 14,000 jobs in Byron Shire more than 5000 are supported by the tourist and visitor economy.

There is always a cost to levy collection which could be the same or more than the levy itself.

- Consumption levies of this type are expensive and there is a significant administrative burden that rests with both Council and operators and the industry.

4 https://www.splendourinthegrass.com/faqs.html
● For example, in Western Australia when considering whether a levy should be imposed on all taxi and hire car and ridesharing trips the Government concluded that the additional costs and administration required to administer such a levy including compliance and enforcement, acquittal and audit would outweigh the benefits.  
● “The administrative burden is a significant transaction cost which could in principle be larger than any benefit coming from the levy itself.”  

Over the next four years Council rates will increase by 33.5%, and therefore the income Council receives will increase.

● Property values increased by 19% last year meaning that even without a rate rise Council is levying rates based on increased property values which nets them increased revenue.
● With the rate rise over 4 years of 33.5% calculated against increased property values Council is set to gain a significant increase.
● Owners of Short Term rental properties pay their Council rates like everyone else and are subject to these increases. They have already paid their Council rates and should not be asked to pay again.

The current debate is fueling a narrative that makes visitors feel unwelcome and may deter them from visiting.

● Visitors could be forgiven for thinking that Byron Bay has taken the welcome mat in. Despite tourism, hospitality and accommodation services making up the bulk of employment in the Shire, there is a small group of people who are using this debate to deter tourism at all costs.
● If the costs are too high then people could choose other destinations, if they think they are not welcome they most certainly will. This will cost jobs and create economic devastation for the region. The tourism industry is the foundation of the local economy, it should be supported not punished and jeopardised.

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9 The Hon Dean Nalder, WA Parliament Estimates, 1 June 2016
POSITION PAPER

SHORT-TERM RENTAL ACCOMMODATION IN AUSTRALIA

A fit-for-purpose regulatory response

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About Stayz

Stayz is an Australian holiday rental platform founded in 2001 by Australian entrepreneurs Robert Hunt & Chris Sharkey. Stayz is headquartered in Sydney with offices in Newcastle and has over 100 local staff.

Since 2001 Stayz has grown to over 40,000 accommodation listings, mostly in regional Australia, where it is a significant contributor to regional economic growth. Through its accommodation online booking platform, Stayz helps to sustain local employment as well as provide quality accommodation options for travellers.

In 2013, Stayz joined the Expedia company when it was acquired by HomeAway (a subsidiary of Expedia Inc.). In 2016, over 60M visitors a month used Expedia’s platforms to make their travel plans, opening up listings on the Stayz platform to a global audience and boosting Australian tourism.

Executive Summary and Recommendations

As Governments across Australia review the regulatory frameworks of the Short-Term Rental (“STR”) sector, it is important to acknowledge that a ‘one-size-fits-all’ policy approach will unintentionally cause economic disadvantage in regional areas. Calls for regulatory intervention are largely due to the effect that STR is having on metropolitan strata buildings, and any new regulations should be considered on this basis alone.

In metropolitan areas, the rapid adoption of digital platforms to promote short-term rentals has contributed to the transformation of metropolitan housing markets. Today, owners are finding it more convenient and profitable to rent their properties on a short-term basis. This homeowner choice has precipitated a concern about how STR impacts neighbourhood amenity, housing affordability and accessibility.

In regional areas, holiday rentals have been commonplace since the early 1900’s, providing
the primary supply of holiday accommodation without a broad push for restrictive regulations. Regional holiday rentals have co-existed in harmony with local communities, hotels and motels for decades and form a key part of many regional visitor economies.

As the recent discussions about regulating STR have evolved, there has been a tendency to lean toward a regulatory outcome that differentiates between primary homes and secondary homes. Some have argued that primary dwellings should receive less stringent regulation than secondary homes. However, this approach would be ill-informed as it does not address the more significant social and economic factors in cities, where primary homes make up the vast majority of the STR supply. In strata, regardless of whether a STR is hosted or un-hosted or whether the STR is a primary or secondary home, the amenity, affordability, and accessibility of the residential dwelling has been significantly altered.

Regionally, secondary homes make up the majority of short-term rental listings. Creating regulations that impose heavier burdens on secondary homes would adversely impact on regional tourism and regional jobs. In 2016, 50% of the jobs supported by the STR sector were in regional Australia. The wrong kind of regulatory response could negatively impact more than 205,000 jobs in regional Australia.¹

Importantly, as Australia’s local economies transition away from resource and manufacturing economies to service based industries, such as tourism, it is imperative that regulations do not impede this transition. Restricting or over regulating short-term rentals in regional areas will take economic opportunity away from regions that need economic opportunity the most.

A “one size fits all” regulatory approach would damage regional economies.

Recommendations:

1. Regulations should not restrict use of short-term rentals in regional areas

2. Regional areas should be defined by generally accepted definitions used by all levels of governments to be geographical zones that fall outside the boundaries of areas defined as ‘Greater Capital Cities’

¹ ACIL ALLEN short-term Rental Accommodation Analysis 2017
3. Registration should be required for all short-term rental properties

4. To address strata amenity and social policy concerns related to housing affordability and accessibility – there should be restrictions on STR in metropolitan areas

5. Policymakers should recognise the contribution of Australian companies who pay taxes on revenue earned from hosts and travellers that access Australia’s infrastructure and social services

6. A Short-Term Rental Code of Conduct should be developed that contains the following elements;
   a. Appropriate safety and property management standards for listing a rental property on an online platform
   b. Industry funded body to process and adjudicate amenity concerns.
   c. Facilitate a communication channel between local governments and adjudicating body
   d. ‘Three strikes’ and you are removed from the platform

7. Regulations on traditional accommodation providers should be reviewed and reduced to ease their regulatory and compliance costs to ensure a more level-playing field in the sector
Introduction

Australians have been renting out their holiday homes for decades. Indeed, renting a bush or beach getaway is a uniquely Australian practice, and forms part of our colloquial understanding of a holiday experience.

While the growth of digital platforms has changed the way many people book holiday homes, it has not changed the overall amenity in most areas. In regional areas, the practice of holidaying in a beach shack or a bush getaway remains the same and supports key elements of regional economic activity, including jobs in other sectors like hospitality, retail, transportation and the service sector.

The same cannot be said for metropolitan areas, where short-term rental is a relatively new practice and its impacts have a more pronounced effect on residents and the amenity of residential living in strata and close quarter neighbourhoods in cities.

Most regional areas depend on STR to provide a majority of their tourist accommodation. For many holiday home owners in regional Australia, renting their homes out to travellers is not a necessity, it is a financial convenience. Over-regulating holiday homes in regional areas would discourage owners from renting their homes and deprive regional areas of a much needed source of quality accommodation. It could also starve their economies of tourist dollars which employ large portions of their residential population.

For these reasons, STR regulations must clearly differentiate between regional and metropolitan areas and strive to limit the unintended consequences of regulation on regional economies. Regulatory decisions made with only the city in mind will exacerbate economic disparity in regional areas and in the case of STR could fail to preserve the important contribution that short-term rentals make to regional tourism and regional economies.
Regulatory Considerations

The first question policy makers should ask themselves is “what is the role of Government and what if anything should be regulated?” There is a danger that by attempting to resolve concerns in metropolitan markets, a restrictive regulatory regime could stifle economic growth in regional areas.

It is clear there is significant community concern about the changing amenity of high density residential properties and precincts owing to the growth of STR facilitated in metropolitan areas.

Business travel was once met primarily by traditional accommodation providers. However, the growth of online platforms has led to residential homes in cities being used in a quasi-commercial fashion. As a result, traditional accommodation providers, most importantly the hotel and motel industry, have raised significant concerns about ‘levelling the playing field’ when it comes to regulatory burden and safety requirements.

Regionally, when examining short-term rentals, even with the onset of online booking platforms the use of STR has not significantly changed. More than eighty percent (80%) of the reviews on the Stayz website were from outside the metropolitan area, whereas only 28% of Airbnb's reviews were drawn from regional areas.

Stayz is an online platform with a long history in the Australian market and is known primarily for the ability to book whole dwellings. Its business is focussed on working with people to rent out their holiday homes, activity that has been occurring for decades.

Alternatively, Airbnb has been born out of shorter stays in urban areas, most notably sharing a room in one's own home as an alternative to hotel stays. It is this activity that is a significant change in the accommodation industry and a departure from traditional activity that requires a regulatory response.

Holiday rentals, for example beach houses, are still being used in the same way before the advent of online booking platforms. While it can be said that the growth of online booking
platforms and the sharing economy has led to some city properties changing the amenity of the building or area, this cannot be said in the most part for regional properties, particularly secondary dwelling holiday homes. These properties continue to be utilised in the same way that they were before the advent of online booking platforms.

There is a clear and demonstrable justification for policy makers to review regulatory approaches to STR in the metropolitan areas where there have been significant changes to neighbourhood amenity in strata. However, in regional areas, where STR has been a significant contributor to local economies for decades, there is no compelling evidence to support regulations that could restrict STR use.

The current discussion on revising short-term rental policy has been driven by four factors:

1. **Conflicts in Strata**
The growth of urban short-term rentals, often facilitated by online booking platforms has contributed to conflict in strata properties, often in highly desireable areas where the amenity of the property and its surrounds has been altered.

2. **Increased Competition**
STR platforms are being increasingly used for business traveler accommodation. Business travellers are choosing short-term rentals over hotels, which bear a more costly regulatory burden. This creates an uneven playing field.

3. **Housing Affordability**
The growing political and social concern over housing affordability and accessibility for local residents.

4. **Neighbourhood Amenity**
Urbanisation is changing the way we live and interact in our communities - our personal space is more precious. As online platforms make homesharing prolific, it is easier to associate neighbourhood amenity complaints with short-term visitors.
Australia needs a unique regulatory response

Australia’s economy and tourism industry is unique. Regulatory solutions that have been adopted in New York City, London and Amsterdam have been developed to address city-only problems. Unlike governments in Australia, those cities did not have to consider the effects of regulation on regional and rural areas. As policymakers consider possible regulatory solutions, it is important to highlight a few regulatory ‘traps’ that would have a negative impact on a broad segment of the Australian economy.

1. Residential Zones
There should be no consideration of a blanket prohibition on short-term residential accommodation in residential zones in regional areas as there is not a significant body of evidence to demonstrate that the use of dwellings has changed or the amenity of communities has been altered outside of the metropolitan areas.

2. Primary or Secondary homes
Limitations based on whether a home is a primary or secondary home would add a level of complexity that would hinder regional tourism and economic growth as well as unfairly penalise regional providers.

3. Day limits
In regional areas, it would be inadvisable to limit the number of days a home can be rented. Whole homes are often leased by holiday makers for significant periods of time over the summer holidays or school holiday periods. Placing day limits on holiday homes adversely affects a lucrative and successful part of the short-term accommodation industry that has operated and thrived for some time, generally without incident.

Further, many regional communities rely on STR to support local incomes. Limiting STR in regional communities would negatively impact local incomes and deprive local businesses of the discretionary spending by holidaymakers.
The imposition of day limits also begs the question of where the responsibility for the enforcement thereof lies and who bears those costs. It would appear that artificial limits will place a significant cost burden on local councils.

4. **Penalising Secondary Homeowners**

Homeowners must weigh the benefits of renting out their homes versus the costs. If renting out a holiday home becomes onerous, costly or burdensome, property owners will be more inclined to leave their property empty. As a result, regional communities will be deprived of the economic injection that comes from visiting tourists. Creating barriers that prevent or restrict the use of holiday homes will damage regional economies and undermine the benefits that this sector delivers.
The Opportunity cost of misguided regulation

Unintended consequences may result if a new regulatory framework is developed for the short-term rental accommodation sector that does not properly consider the potential negative impacts on regional economies and employment.

Short-term rental accommodation makes a significant contribution to the economy, particularly in regional areas. Getting the regulatory settings right is key to ensuring that the sector can continue to grow and provide much needed employment and revenue for other industries, including hospitality, retail and transportation and the broader service sector.

A recent report by ACIL Allen Consulting estimated that Australia’s short-term rental accommodation sector;

- Is worth more than $6 billion to the Australian economy
- Provided 7.1 million nights of accommodation in 2016
- Provided approximately 12 per cent of the room nights provided by the Traditional tourist accommodation providers and earned 10 per cent of their revenue
- Contributed up to $5,716 million to Australia’s gross domestic product (GDP) in 2016 (equivalent to 0.34 per cent of Australia’s GDP)

As a snapshot of the total contribution to economy the STRA sector creates 40,823 FTE jobs, primarily within the tourism sector and supports more than 440,000 in other sectors.

Importantly, 20,412 (50%) of these tourism jobs are in regional Australia where tourism makes a critical contribution to economic prosperity and provides ongoing opportunities for further growth and employment.  

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2 ACIL ALLEN short-term Rental Accommodation Analysis 2017
This economic contribution also equates to a significant level of support for employment in regional Australia where tourism represents a critical segment of the economy.

Regional Australia hosts a large number of events and festivals where demand for accommodation cannot be met by traditional forms of tourist accommodation (Hotels, Motels, Caravan/Tourist Parks). Without the ability of short-term accommodation to scale up and scale down, accommodation options in regional locations the ability for these events to be held will be undermined.

These events grow jobs, showcase the areas and often draw tourists back to localities outside of the designated festival or event periods. An economic study of regional festivals in three states of Australia found their economic contribution to be $550m per annum. ³

A key success factor to the continued growth of these events and festivals is the availability of sufficient short-term rental accommodation that does not require the additional investment and infrastructure that permanent tourist accommodation needs or the time it takes for more traditional accommodation options to be established.

Restrictive regulation could undermine the positive impact STR has on regional economies, costing jobs and employment opportunities.
What sensible regulation looks like

Stayz supports a regulatory outcome that promotes regional economic growth while delivering a fair and equitable outcome for all industry participants and communities. STR regulations should include the following principles:

1. Regulations should not restrict use of short-term rentals in regional areas

2. Regional areas should be defined by generally accepted definitions used by all levels of governments to be the geographical zones that fall outside the boundaries of areas defined as ‘Greater Capital Cities’

3. Registration should be required for all short-term rental properties

4. To address strata amenity and social policy concerns related to housing affordability and accessibility – there should be restrictions on STR in metropolitan areas

5. Policymakers should recognise the contribution of Australian companies who pay taxes on revenue earned from hosts and travellers that use Australia’s infrastructure and social services

6. A Short-Term Rental Code of Conduct should be developed that contains the following elements;
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   c. Facilitate a communication channel between local governments and adjudicating body
   d. ‘Three strikes’ and you are removed from the platform

7. Regulations on traditional accommodation providers should be reviewed and reduced to ease their regulatory and compliance costs to ensure a more level-playing field in the sector
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<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>ACT</td>
<td>Australian Capital Territory</td>
</tr>
<tr>
<td>ADR</td>
<td>Average daily rate</td>
</tr>
<tr>
<td>DAE</td>
<td>Deloitte Access Economics</td>
</tr>
<tr>
<td>FTE</td>
<td>Full time equivalent. Note that an FTE job may actually comprise the summation of more than one part-time or casual jobs. Hence, the number of people whose employment is affected is likely to be more than the number of FTE jobs.</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GRP</td>
<td>Gross Regional Product</td>
</tr>
<tr>
<td>GSP</td>
<td>Gross State Product</td>
</tr>
<tr>
<td>NSW</td>
<td>New South Wales</td>
</tr>
<tr>
<td>NT</td>
<td>Northern Territory</td>
</tr>
<tr>
<td>Qld</td>
<td>Queensland</td>
</tr>
<tr>
<td>SA</td>
<td>South Australia</td>
</tr>
<tr>
<td>STRA</td>
<td>Short term rental accommodation</td>
</tr>
<tr>
<td>Tas.</td>
<td>Tasmania</td>
</tr>
<tr>
<td>TRA</td>
<td>Tourism Research Australia</td>
</tr>
<tr>
<td>Vic.</td>
<td>Victoria</td>
</tr>
<tr>
<td>WA</td>
<td>Western Australia</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Over the past ten years there has been a rapid growth in the “sharing economy” where individuals allow other persons to use underutilised personal capital and/or assets for a fee. Often these transactions are facilitated by online platforms. In the accommodation sector, it has become increasingly popular to rent rooms or entire properties for short periods of time in order to supplement household income. This sharing of privately owned homes is not new but online platforms have made transactions between owners and users more transparent and efficient.

In Australia, Short Term Rental Accommodation is mainly facilitated by online booking services such as Airbnb, Stayz, HomeAway and Owners Direct. Although broad, the STRA industry excludes hostels, hotels, caravan parks and camping grounds.

The STRA industry has become a significant segment of the tourism accommodation sector providing a range of benefits to travellers, homeowners and local economies, particularly in regional areas where quality accommodation is limited.

While the STRA industry is experiencing exponential growth, there is little quantitative information regarding the size and economic contribution of the industry. This report helps to fill this gap by estimating the size and economic contribution of the STRA sector to the Australian economy, state economies and to selected regional economies in 2016. This report also provides a solid basis on which to make judgements about benefits and costs of regulation and allows that to be done by distinguishing city and regional economic contributions.

The estimates in this report are based on detailed booking and expense data obtained from the two major supporting platforms for the industry: Airbnb and Stayz. These platforms are not the only online platforms that offer STRA in Australia but they underpin the majority of bookings in Australia and provide useful lower bound estimates of the size of the sector.

The economic analysis herein will show that the STRA sector is worth close to $6 billion to the Australian economy and supports 40,823 FTE jobs, primarily within the tourism sector. Importantly, it is estimated that approximately 20,412 (50%) of these jobs are in regional Australia where tourism makes a critical contribution to economic prosperity and provides ongoing opportunities for further growth and employment.
Size of the STRA sector

As shown in Table ES 1, it is estimated that STRA hosts across Australia provided 7.1 million nights of accommodation in 2016 and received $1,041 million in revenue. To put these numbers in perspective, in 2016 the Traditional tourist accommodation sector (comprising hotels, motels and serviced apartments of 15 rooms or more) provided 60.3 million nights of accommodation at a total cost of $10.6 billion (Table ES 1). Consequently, in 2016 the STRA sector provided approximately 12 per cent of the room nights provided by the Traditional tourist accommodation providers and earned 10 per cent of their revenues.

**TABLE ES 1 IMPORTANCE OF STRA VERSUS TRADITIONAL TOURIST ACCOMMODATION SECTORS BY STATE, 2016**

<table>
<thead>
<tr>
<th>Region</th>
<th>Room nights booked</th>
<th>Revenue A$ million</th>
<th>Room nights booked</th>
<th>Revenue A$ million</th>
<th>% Room nights</th>
<th>% Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>2,568,619</td>
<td>435.2</td>
<td>18,767,722</td>
<td>3,603</td>
<td>13.7</td>
<td>12.1</td>
</tr>
<tr>
<td>Victoria</td>
<td>2,020,784</td>
<td>272.1</td>
<td>12,451,568</td>
<td>2,187</td>
<td>16.2</td>
<td>12.4</td>
</tr>
<tr>
<td>Queensland</td>
<td>1,262,391</td>
<td>162.8</td>
<td>15,499,970</td>
<td>2,558</td>
<td>8.1</td>
<td>6.4</td>
</tr>
<tr>
<td>South Australia</td>
<td>244,774</td>
<td>40.3</td>
<td>3,109,962</td>
<td>474</td>
<td>7.9</td>
<td>8.5</td>
</tr>
<tr>
<td>Western Australia</td>
<td>703,105</td>
<td>83.7</td>
<td>5,169,251</td>
<td>911</td>
<td>13.6</td>
<td>9.2</td>
</tr>
<tr>
<td>Tasmania</td>
<td>201,922</td>
<td>36.3</td>
<td>1,687,758</td>
<td>268</td>
<td>12.0</td>
<td>13.6</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>27,946</td>
<td>4.7</td>
<td>1,972,103</td>
<td>332</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>61,324</td>
<td>6.1</td>
<td>1,613,062</td>
<td>276</td>
<td>3.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Australia</td>
<td>7,090,865</td>
<td>1,041.2</td>
<td>60,271,397</td>
<td>10,609</td>
<td>11.8</td>
<td>9.8</td>
</tr>
</tbody>
</table>

Note: “Traditional tourist accommodation” refers to hotels, motels or serviced apartments with 15 rooms or more. Calendar 2016 are estimated by ACIL Allen based on available ABS data.

SOURCE: ACIL ALLEN CONSULTING

As can be seen from Table ES 1, New South Wales hosts provided the most nights of accommodation and generated the most income compared to other states. This is in line with the Traditional tourist accommodation providers. As a share of total revenues generated by Traditional tourist accommodation providers in each state, the Tasmanian STRA sector was the greatest (13.6 per cent), while the Northern Territory was the least (1.4 per cent).

As shown in Figure ES 1, the two major STRA operators — Stayz and Airbnb — have significantly different revenues from capital city versus regional areas. In particular, on average 83 per cent of Stayz’s revenues were from regions outside of capital city areas compared with only 31 per cent of Airbnb’s revenues. This difference is driven by the different business models of the major operators, highlighting the diversity of product offerings within the STRA sector. In particular, Stayz has a significant focus on helping people renting out their secondary homes (i.e. vacation properties) and these properties are generally located outside of Sydney. In contrast, Airbnb’s business focusses on people renting out their principal place of residence (either rooms or entire places).
In aggregate, of the $1,041 million gross revenue from Australian STRA, 50 per cent is generated from bookings within capital cities while 50 per cent is from regional areas (Figure ES 1). In comparison, 39 per cent of revenues for the Traditional tourist accommodation sector are from regional areas.

**Economic contribution of the STRA sector**

There are a range of channels through which the STRA sector contributes to the Australian economy. Of the estimated $1,041 million of revenues, $843 million is a direct return to the labour and capital supplied by the hosts. This value-added is a direct contribution to the GDP of Australia.

In addition to the direct value added by the hosts, there are three key indirect channels through which the STRA sector contributes to the Australian economy. These are:

1. Purchases of intermediate inputs by hosts related to accommodating the visitors: The hosts of properties who accommodate short term visitors purchase goods and services from various businesses in the region in order to provide the property for rent — additional electricity use, cleaners, etc. This creates demand for those services and further stimulates the economic activity in the region.

2. Host spend: The additional income received by the local hosts is either spent on purchasing various goods and services including paying off their mortgage or adding to long term savings. This additional spend generated additional economic activity.

3. Other visitor spend: As a result of their stays, visitors spend money on a range of goods and services besides accommodation. This includes spending on cafes, restaurants, transportation, groceries and entertainment much of which is supplied in the area where they stayed. This creates additional economic activity.

Based on ACIL Allen Input-Output (IO) modelling, it is estimated that the STRA sector in Australia contributed up to $5,716 million to Australia’s gross domestic product (GDP) in 2016 (equivalent to 0.34 per cent of Australia’s GDP). This comprised:

- $843 million directly from the industry (direct contribution)
- $5,716 million indirectly from three sources of activity (indirect contribution):
  - $204 million from activity generated through host purchases of intermediate inputs
  - $906 million from activity generated through host’s additional expenditure on goods and services in the economy
  - $3,763 million through other visitor spending.
Depending on the uptake of this innovation, location and other factors, the Australian STRA sector contributed differently to the state economies in 2016 (see Figure ES 2 and Figure ES 3 and Table ES 2).

As shown in Figure ES 3, in 2016, it is estimated that the STRA sector in Australia supported up to 40,823 FTE jobs. To put this estimate another way, for every one million dollars of revenue received by hosts in the Australian STRA sector, there are up to 39 FTE jobs that are supported elsewhere in the Australian economy (including an estimate of the own labour supplied by hosts). In understanding the estimated number of jobs supported by the industry, it should be noted that they are presented as full-time-equivalent (FTE) jobs for convenience. In reality they represent the summation of many shares of individual jobs or include part-time and casual jobs. Consequently the number of people whose employment is supported (partially or wholly) by the activities of the STRA sector will actually be greater than the estimated number of FTE jobs.

In estimating the jobs associated with the operations of the STRA sector, it is important to note that the direct labour of the hosts has been estimated based on 1.5 hours per booked night.
**TABLE ES 3 TOTAL EMPLOYMENT SUPPORTED BY THE STRA SECTOR BY STATE, 2016**

<table>
<thead>
<tr>
<th>State</th>
<th>Direct STRA</th>
<th>Indirect STRA</th>
<th>Total STRA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTE jobs</td>
<td>FTE jobs</td>
<td>FTE jobs</td>
</tr>
<tr>
<td></td>
<td>Lower bound</td>
<td>Upper bound</td>
<td>Lower bound</td>
</tr>
<tr>
<td>New South Wales</td>
<td>2,234</td>
<td>7,858</td>
<td>11,750</td>
</tr>
<tr>
<td>Victoria</td>
<td>1,757</td>
<td>7,645</td>
<td>11,387</td>
</tr>
<tr>
<td>Queensland</td>
<td>1,098</td>
<td>4,098</td>
<td>6,075</td>
</tr>
<tr>
<td>South Australia</td>
<td>213</td>
<td>791</td>
<td>1,176</td>
</tr>
<tr>
<td>Western Australia</td>
<td>611</td>
<td>2,012</td>
<td>2,899</td>
</tr>
<tr>
<td>Tasmania</td>
<td>176</td>
<td>795</td>
<td>1,124</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>24</td>
<td>69</td>
<td>89</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>53</td>
<td>118</td>
<td>158</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td><strong>6,166</strong></td>
<td><strong>23,386</strong></td>
<td><strong>34,657</strong></td>
</tr>
</tbody>
</table>

Note: FTE = full time equivalent. There are assumed to be no people directly employed by the STRA sector. Instead, the direct employment is estimated based on the assumption of 1.5 hours of own-supplied labour by hosts per booking night.

SOURCE: ACIL ALLEN CONSULTING

**FIGURE ES 3 ECONOMIC CONTRIBUTION OF THE SHORT TERM RENTAL ACCOMMODATION SECTOR TO AUSTRALIA, 2016**

Total contribution AUSTRALIA in 2016

- **$5,716 million GSP**
- **40,823 FTE jobs**

SOURCE: ACIL ALLEN CONSULTING
NSW is the major state in terms of the provision of short term rental accommodation and was responsible for over 37 per cent of the total Australian STRA contribution in 2016. That said, the STRA sector contributes around 0.6 per cent to Tasmania’s GSP which is a noticeably higher share than any other state.

**STRA employment as a share of total tourism industry employment**

The ABS regularly publishes tourism satellite accounts (TSA) that estimate the direct and indirect economic contribution of the tourism industry using a similar methodology to that employed in this study. Although these estimates are derived using different IO tables and multipliers they provide a reasonable benchmark for the size of the total tourism industry (including trips made by international visitors, domestic overnights and domestic day trippers).

At the time of this report, the ABS’s most recent estimate of the national employment throughout the tourism industry and tourism-related sectors of the economy was 580,200 people.¹ This comprised 310,100 full time people and 270,200 part time people. Assuming the average part time person works 0.5 FTE jobs then this equates to total employment across the tourism industry for 2016 being approximately 445,200 FTE jobs.

Prorating the latest state level TSA’s², the estimated total tourism industry employment alongside with the STRA sector employment estimates are presented in **Table ES 4**. As can be seen, employment associated with the STRA sector activities account for an estimated 9.2 per cent of total tourism industry related employment. Given that the total tourism industry includes domestic day trippers and students who stay for less than nine months on a single entry, this represents a substantial portion.

**TABLE ES 4 STRA EMPLOYMENT AS A SHARE OF TOTAL TOURISM INDUSTRY EMPLOYMENT**

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>Vic.</th>
<th>Qld</th>
<th>SA</th>
<th>WA</th>
<th>Tas.</th>
<th>NT</th>
<th>ACT</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE jobs</td>
<td>13,983</td>
<td>13,144</td>
<td>7,173</td>
<td>1,388</td>
<td>3,511</td>
<td>1,300</td>
<td>113</td>
<td>211</td>
<td>40,823</td>
</tr>
<tr>
<td>STRA sector</td>
<td>130,069</td>
<td>103,363</td>
<td>104,533</td>
<td>27,410</td>
<td>49,969</td>
<td>13,683</td>
<td>7,677</td>
<td>7,937</td>
<td>445,200</td>
</tr>
<tr>
<td>STRA share of total</td>
<td>10.8%</td>
<td>12.7%</td>
<td>6.9%</td>
<td>5.1%</td>
<td>7.0%</td>
<td>9.5%</td>
<td>1.5%</td>
<td>2.7%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

**Regional importance – New South Wales**

As noted previously, the STRA sector is the largest and most active in New South Wales. Using detailed data supplied to ACIL Allen by Stayz at the regional level in conjunction with information on Airbnb’s activities, ACIL Allen also estimated the regional economic contribution of the STRA sector and compared it to accommodation provided by the Traditional tourist accommodation sector.

**Gross revenue**

As shown in **Figure ES 4**, the two major STRA operators — Stayz and Airbnb — have significantly different revenues from regional New South Wales. In particular, 82 per cent of Stayz’s revenues were from regions outside of the Greater Sydney area compared with only 28 per cent of Airbnb’s revenues. This difference is driven by the different business models of the major operators, highlighting the diversity of product offerings within the STRA sector. Stayz has a significant focus on helping people to rent out their holiday homes in regional areas. In contrast, Airbnb’s business is built on assisting people to rent out rooms in their homes. As stated above, Airbnb mainly conducts its business in urban and metropolitan areas.

¹ ABS Catalogue Number 5249.0. See also Tourism Research Australia (2016), Tourism Satellite Account, Summary of Key Results, 2015-16, Australian Trade and Investment Commission (Austrade), December. ² For 2014-15 as the 2015-16 state estimates had not been released at the time of this report.
In aggregate, of the $453 million gross revenue from New South Wales STRA, 47 per cent is generated from outside the Sydney area and 53 per cent is from the Greater Sydney area (Figure ES 4). In comparison, 31 per cent of revenues for the Traditional tourist accommodation sector are from regional New South Wales.

**FIGURE ES 4  GROSS REVENUE SHARES, NEW SOUTH WALES**

<table>
<thead>
<tr>
<th></th>
<th>Sydney</th>
<th>Regional NSW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb</td>
<td>72%</td>
<td>28%</td>
</tr>
<tr>
<td>Stayz</td>
<td>82%</td>
<td>18%</td>
</tr>
<tr>
<td>Total STRA</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>Traditional accommodation</td>
<td>69%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Note: “Traditional accommodation” refers to hotels, motels or serviced apartments with 15 rooms or more.

**SOURCE:** ACIL ALLEN CONSULTING BASED ON STAYZ AND AIRBNB DATA AND ABS CATALOGUE NO. 8635.0.

As shown in **Table ES 5**, the importance of the STRA sector in different regions differs greatly. Revenues generated through the STRA sector in the South Coast region of New South Wales were over half of those generated by the Traditional tourist accommodation providers ($62.5 million versus $120 million). In contrast, there is minimal penetration of the STRA sector in Outback NSW, with estimated revenues of just $0.2 million being only 1.1 per cent of the revenues generated by the Traditional tourist accommodation providers.
### TABLE ES 5  IMPORTANCE OF STRA VERSUS TRADITIONAL TOURIST ACCOMMODATION BY NSW REGION, 2016

<table>
<thead>
<tr>
<th>Region</th>
<th>STRA sector</th>
<th>Traditional tourist accommodation</th>
<th>STRA as a share of Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Room nights booked</td>
<td>Revenue</td>
<td>Room nights booked</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>59,086</td>
<td>11.6</td>
<td>301,573</td>
</tr>
<tr>
<td>Capital Country</td>
<td>28,454</td>
<td>8.1</td>
<td>420,576</td>
</tr>
<tr>
<td>Central Coast</td>
<td>74,148</td>
<td>19.7</td>
<td>383,346</td>
</tr>
<tr>
<td>Central NSW</td>
<td>33,035</td>
<td>5.9</td>
<td>809,092</td>
</tr>
<tr>
<td>Hunter</td>
<td>122,787</td>
<td>28.5</td>
<td>1,195,123</td>
</tr>
<tr>
<td>New England North West</td>
<td>9,612</td>
<td>1.3</td>
<td>500,551</td>
</tr>
<tr>
<td>North Coast</td>
<td>305,189</td>
<td>56.1</td>
<td>1,723,195</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>2,449</td>
<td>0.2</td>
<td>172,906</td>
</tr>
<tr>
<td>Riverina</td>
<td>6,421</td>
<td>0.7</td>
<td>472,872</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>46,609</td>
<td>10.6</td>
<td>282,291</td>
</tr>
<tr>
<td>South Coast</td>
<td>307,003</td>
<td>62.5</td>
<td>764,048</td>
</tr>
<tr>
<td>The Murray</td>
<td>6,598</td>
<td>0.8</td>
<td>545,859</td>
</tr>
<tr>
<td>Sydney</td>
<td>1,567,227</td>
<td>229.2</td>
<td>11,196,290</td>
</tr>
<tr>
<td><strong>New South Wales</strong></td>
<td><strong>2,568,619</strong></td>
<td><strong>435.2</strong></td>
<td><strong>18,767,722</strong></td>
</tr>
</tbody>
</table>

Note: “Traditional tourist accommodation” refers to hotels, motels or serviced apartments with 15 rooms or more. Calendar 2016 are estimated by ACIL Allen based on available ABS data.

**SOURCE: ACIL ALLEN CONSULTING**

---

**Total economic contribution by New South Wales regions**

ACIL Allen estimated the direct and indirect economic contribution of the STRA sector to each of the 13 tourism regions of New South Wales. These are provided in Table ES 6 and Table ES 7 below, with Appendix B providing the detailed estimates by component for the seven major regional areas.

Regional areas of New South Wales are estimated to underpin 41-44 per cent of the economic and employment contribution of the STRA sector’s contribution to the state. In absolute terms, the STRA sector made its greatest regional contribution to the economies of the South Coast ($191–$267 million and supporting up to 1,778 FTE jobs), North Coast ($170–$235 million, supporting up to 1,616 FTE jobs) and Hunter ($91–$130 million and supporting up to 836 FTE jobs) regions. STRA also made a significant contribution to the Sydney economy, adding between $815 and $1,260 million to GRP and supporting up to 8,194 FTE jobs.

---

3 See ABS Catalogue number 9503.0.55.001 for details on the exact geography of the tourism regions.
# TABLE ES 6 TOTAL CONTRIBUTION FROM NEW SOUTH WALES REGIONS

<table>
<thead>
<tr>
<th>Region</th>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
<th>Total as share of GRP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$A million</td>
<td>$A million</td>
<td>$A million</td>
<td>$A million</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>9.4</td>
<td>23.6</td>
<td>34.0</td>
<td>33.0</td>
</tr>
<tr>
<td>Capital Country</td>
<td>6.6</td>
<td>17.6</td>
<td>25.8</td>
<td>24.2</td>
</tr>
<tr>
<td>Central Coast</td>
<td>16.0</td>
<td>43.4</td>
<td>65.3</td>
<td>59.4</td>
</tr>
<tr>
<td>Central NSW</td>
<td>4.8</td>
<td>13.2</td>
<td>20.2</td>
<td>18.0</td>
</tr>
<tr>
<td>Hunter</td>
<td>23.1</td>
<td>67.8</td>
<td>107.0</td>
<td>90.9</td>
</tr>
<tr>
<td>New England North West</td>
<td>1.0</td>
<td>2.9</td>
<td>4.4</td>
<td>3.9</td>
</tr>
<tr>
<td>North Coast</td>
<td>45.4</td>
<td>124.9</td>
<td>189.9</td>
<td>170.3</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>0.2</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Riverina</td>
<td>0.6</td>
<td>1.6</td>
<td>2.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>8.6</td>
<td>22.1</td>
<td>32.4</td>
<td>30.7</td>
</tr>
<tr>
<td>South Coast</td>
<td>50.6</td>
<td>140.9</td>
<td>216.2</td>
<td>191.5</td>
</tr>
<tr>
<td>The Murray</td>
<td>0.6</td>
<td>1.8</td>
<td>2.7</td>
<td>2.4</td>
</tr>
<tr>
<td>Sydney</td>
<td>185.6</td>
<td>629.5</td>
<td>1074.7</td>
<td>815.1</td>
</tr>
<tr>
<td><strong>New South Wales</strong></td>
<td>352.4</td>
<td>1,089.8</td>
<td>1,775.6</td>
<td>1,442.2</td>
</tr>
</tbody>
</table>

Note: GRP = Gross regional product. Equivalent to economic output as measured by GDP and GSP except at the regional level. The lower and upper bounds are calculated using the Simple and Total multipliers, respectively. Indirect economic activity due to intrastate and interstate trade has been included in the regional contribution estimates based on their share of underlying activity.

**Source:** ACIL Allen Consulting

As a percentage of total economic activity, the provision of accommodation by the STRA sector is particularly important for the Snowy Mountains regional economy contributing an estimated 1.3–1.7 per cent of its GRP. It is also a significant contributor to the economies of the South Coast (0.7–1.0 per cent), the Blue Mountains (0.6–0.8 per cent) and the North Coast (0.5–0.7 per cent).
### TABLE ES 7 NEW SOUTH WALES TOTAL EMPLOYMENT SUPPORTED BY THE STRA SECTOR BY REGION, 2016

<table>
<thead>
<tr>
<th>State</th>
<th>Direct Lower bound</th>
<th>Direct Upper bound</th>
<th>Indirect Lower bound</th>
<th>Indirect Upper bound</th>
<th>Total Lower bound</th>
<th>Total Upper bound</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTE jobs</td>
<td>FTE jobs</td>
<td>FTE jobs</td>
<td></td>
<td>FTE jobs</td>
<td>FTE jobs</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>51</td>
<td>184</td>
<td>245</td>
<td>235</td>
<td>296</td>
<td></td>
</tr>
<tr>
<td>Capital Country</td>
<td>25</td>
<td>134</td>
<td>183</td>
<td>159</td>
<td>208</td>
<td></td>
</tr>
<tr>
<td>Central Coast</td>
<td>64</td>
<td>325</td>
<td>455</td>
<td>389</td>
<td>519</td>
<td></td>
</tr>
<tr>
<td>Central NSW</td>
<td>29</td>
<td>99</td>
<td>140</td>
<td>128</td>
<td>169</td>
<td></td>
</tr>
<tr>
<td>Hunter</td>
<td>107</td>
<td>500</td>
<td>729</td>
<td>607</td>
<td>836</td>
<td></td>
</tr>
<tr>
<td>New England North West</td>
<td>8</td>
<td>22</td>
<td>31</td>
<td>30</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>North Coast</td>
<td>265</td>
<td>956</td>
<td>1,351</td>
<td>1,221</td>
<td>1,616</td>
<td></td>
</tr>
<tr>
<td>Outback NSW</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Riverina</td>
<td>6</td>
<td>11</td>
<td>16</td>
<td>17</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>41</td>
<td>172</td>
<td>234</td>
<td>213</td>
<td>275</td>
<td></td>
</tr>
<tr>
<td>South Coast</td>
<td>267</td>
<td>1,067</td>
<td>1,511</td>
<td>1,334</td>
<td>1,778</td>
<td></td>
</tr>
<tr>
<td>The Murray</td>
<td>6</td>
<td>13</td>
<td>19</td>
<td>19</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Sydney</td>
<td>1,363</td>
<td>4,372</td>
<td>6,831</td>
<td>5,735</td>
<td>8,194</td>
<td></td>
</tr>
<tr>
<td><strong>New South Wales</strong></td>
<td><strong>2,234</strong></td>
<td><strong>7,858</strong></td>
<td><strong>11,749</strong></td>
<td><strong>10,092</strong></td>
<td><strong>13,983</strong></td>
<td></td>
</tr>
</tbody>
</table>

Notes: FTE = full time equivalent. There are assumed to be no people directly employed by the STRA sector. Instead, the direct employment is estimated based on the assumption of 1.5 hours of own-supplied labour by hosts per booking night.

**SOURCE:** ACIL ALLEN CONSULTING

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**NSW STRA employment as a share of total tourism industry employment**

Based on the regional employment estimates calculated by ACIL Allen using the TSA statistics, **Table ES 8** presents the share of the total tourism employment made by the STRA sector in 2016. As can be seen, the STRA sector contributed up to 18 per cent of the tourism industry’s employment within the regional economies of New South Wales.
TABLE ES 8  NSW REGIONAL STRA EMPLOYMENT AS A SHARE OF TOTAL TOURISM INDUSTRY EMPLOYMENT

<table>
<thead>
<tr>
<th>Region</th>
<th>STRA sector FTE jobs</th>
<th>Total tourism industry FTE jobs</th>
<th>STRA share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Mountains</td>
<td>296</td>
<td>2,781</td>
<td>10.7</td>
</tr>
<tr>
<td>Capital Country</td>
<td>208</td>
<td>2,755</td>
<td>7.5</td>
</tr>
<tr>
<td>Central Coast</td>
<td>519</td>
<td>3,491</td>
<td>14.9</td>
</tr>
<tr>
<td>Central NSW</td>
<td>169</td>
<td>4,706</td>
<td>3.6</td>
</tr>
<tr>
<td>Hunter</td>
<td>836</td>
<td>9,514</td>
<td>8.8</td>
</tr>
<tr>
<td>New England North West</td>
<td>39</td>
<td>3,062</td>
<td>1.3</td>
</tr>
<tr>
<td>North Coast</td>
<td>1,616</td>
<td>15,095</td>
<td>10.7</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>7</td>
<td>1,602</td>
<td>0.4</td>
</tr>
<tr>
<td>Riverina</td>
<td>22</td>
<td>2,802</td>
<td>0.8</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>275</td>
<td>2,149</td>
<td>12.8</td>
</tr>
<tr>
<td>South Coast</td>
<td>1,778</td>
<td>10,068</td>
<td>17.7</td>
</tr>
<tr>
<td>The Murray</td>
<td>25</td>
<td>2,277</td>
<td>1.1</td>
</tr>
<tr>
<td>Sydney</td>
<td>8,194</td>
<td>69,768</td>
<td>11.7</td>
</tr>
<tr>
<td><strong>New South Wales</strong></td>
<td><strong>13,983</strong></td>
<td><strong>130,069</strong></td>
<td><strong>10.8</strong></td>
</tr>
</tbody>
</table>

**SOURCE:** ACIL ALLEN CONSULTING

Regional importance – Tasmania

As noted previously, the Tasmanian STRA sector has the highest economic contribution as a share of GSP than any other Australian state. Using detailed data supplied to ACIL Allen by Stayz at the regional level in conjunction with information on Airbnb’s activities, ACIL Allen also estimated the regional economic contribution of the STRA sector and compared it to accommodation provided by the Traditional tourist accommodation sector.

Gross revenue

As shown in Figure ES 5, the two major STRA operators — Stayz and Airbnb — have significantly different revenues from regional Tasmania. In particular, 81 per cent of Stayz’s revenues were from regions outside of the Inner Hobart area compared with only 48 per cent of Airbnb’s revenues. This difference is driven by the different business models of the major operators, highlighting the diversity of product offerings within the STRA sector. Stayz has a significant focus on helping people to rent out their holiday homes in regional areas. In contrast, Airbnb’s business is built on assisting people to rent out rooms in their homes. As stated above, Airbnb mainly conducts its business in urban and metropolitan areas.

In aggregate, of the $36 million gross revenue from Tasmanian STRA, 57 per cent is generated from outside the Inner Hobart area and 43 per cent is from the Inner Hobart area (Figure ES 5). In comparison, 51 per cent of revenues for the Traditional tourist accommodation sector are from regional Tasmania.
FIGURE ES 5  GROSS REVENUE SHARES, TASMANIA

Note: “Traditional accommodation” refers to hotels, motels or serviced apartments with 15 rooms or more. Inner Hobart = Hobart Inner SA3.

SOURCE: ACIL ALLEN CONSULTING BASED ON STAYZ AND AIRBNB DATA AND ABS CATALOGUE NO. 8635.0.

As shown in Table ES 9, the importance of the STRA sector in different regions differs greatly. Revenues generated through the STRA sector in the East Coast region of Tasmania were 32 per cent of those generated by the Traditional tourist accommodation providers ($6.5 million versus $21 million). In contrast, there is low penetration of the STRA sector in the Wilderness West region, with estimated revenues of just $0.4 million being only 5.7 per cent of the revenues generated by the Traditional tourist accommodation providers.

TABLE ES 9 IMPORTANCE OF STRA VERSUS TRADITIONAL TOURIST ACCOMMODATION BY TASMANIAN REGION, 2016

<table>
<thead>
<tr>
<th>Region</th>
<th>STRA sector</th>
<th>Traditional tourist accommodation</th>
<th>STRA as a share of Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Room nights booked</td>
<td>Revenue</td>
<td>Room nights booked</td>
</tr>
<tr>
<td>East Coast</td>
<td>31,008</td>
<td>6.5</td>
<td>99,889</td>
</tr>
<tr>
<td>Launceston, Tamar and the North</td>
<td>26,940</td>
<td>4.6</td>
<td>439,349</td>
</tr>
<tr>
<td>North West</td>
<td>22,028</td>
<td>3.5</td>
<td>221,880</td>
</tr>
<tr>
<td>Wilderness West</td>
<td>1,999</td>
<td>0.4</td>
<td>60,181</td>
</tr>
<tr>
<td>South and other Hobart</td>
<td>30,685</td>
<td>5.5</td>
<td>102,889</td>
</tr>
<tr>
<td>Inner Hobart</td>
<td>89,262</td>
<td>15.8</td>
<td>763,572</td>
</tr>
<tr>
<td><strong>Tasmania</strong></td>
<td><strong>201,922</strong></td>
<td><strong>36.3</strong></td>
<td><strong>1,687,758</strong></td>
</tr>
</tbody>
</table>

Note: “Traditional tourist accommodation” refers to hotels, motels or serviced apartments with 15 rooms or more. Calendar 2016 are estimated by ACIL Allen based on available ABS data.

SOURCE: ACIL ALLEN CONSULTING

Total economic contribution by Tasmanian region

ACIL Allen estimated the direct and indirect economic contribution of the STRA sector to each of the 6 tourism regions of Tasmania.\(^4\) These are provided in Table ES 10 and Table ES 11 below, with Appendix C providing the detailed estimates by component for each regional area.

Regional areas of Tasmania are estimated to underpin 53-56 per cent of the economic and employment contribution of the STRA sector’s contribution to the state. In absolute terms, the STRA

\(^4\) Note: ACIL Allen have disaggregated the Hobart and the South tourism region into Inner Hobart (as per the SA3 geography) and South and other Hobart using the detailed SA2 level information on the Traditional tourist accommodation data.
sector made its greatest regional economic contribution to the economies of the South and other Hobart ($19–$27 million and supporting up to 221 FTE jobs) and East Coast ($19–$23 million and supporting up to 188 FTE jobs) regions. STRA also made a significant contribution to the Inner Hobart economy, contributing between $55 and $78 million to GRP and supporting up to 571 FTE jobs.

**TABLE ES 10**

**TOTAL CONTRIBUTION FROM TASMANIAN REGIONS**

<table>
<thead>
<tr>
<th>Region</th>
<th>Direct Lower bound</th>
<th>Direct Upper bound</th>
<th>Indirect Lower bound</th>
<th>Indirect Upper bound</th>
<th>Total Lower bound</th>
<th>Total Upper bound</th>
<th>Total as share of GRP</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Coast</td>
<td>5.3</td>
<td>13.4</td>
<td>17.8</td>
<td>18.7</td>
<td>23.1</td>
<td>4.26%</td>
<td>5.24%</td>
</tr>
<tr>
<td>Launceston, Tamar and the North</td>
<td>3.7</td>
<td>12.2</td>
<td>18.4</td>
<td>15.9</td>
<td>22.1</td>
<td>0.24%</td>
<td>0.33%</td>
</tr>
<tr>
<td>North West</td>
<td>2.9</td>
<td>8.3</td>
<td>11.8</td>
<td>11.2</td>
<td>14.6</td>
<td>0.22%</td>
<td>0.28%</td>
</tr>
<tr>
<td>Wilderness West</td>
<td>0.3</td>
<td>0.7</td>
<td>1.0</td>
<td>1.1</td>
<td>1.3</td>
<td>0.34%</td>
<td>0.41%</td>
</tr>
<tr>
<td>South and other Hobart</td>
<td>4.4</td>
<td>14.7</td>
<td>22.2</td>
<td>19.2</td>
<td>26.6</td>
<td>0.19%</td>
<td>0.26%</td>
</tr>
<tr>
<td>Inner Hobart</td>
<td>12.8</td>
<td>42.3</td>
<td>65.4</td>
<td>55.1</td>
<td>78.2</td>
<td>1.82%</td>
<td>2.58%</td>
</tr>
<tr>
<td>Tasmania</td>
<td>29.4</td>
<td>91.8</td>
<td>136.4</td>
<td>121.2</td>
<td>165.8</td>
<td>0.46%</td>
<td>0.63%</td>
</tr>
</tbody>
</table>

Notes: GRP = Gross regional product. Equivalent to economic output as measured by GDP and GSP except at the regional level. The lower and upper bounds are calculated using the Simple and Total multipliers, respectively. Indirect economic activity due to intrastate and interstate trade has been included in the regional contribution estimates based on their share of underlying activity. Totals may not add due to rounding.

**SOURCE:** ACIL ALLEN CONSULTING

As a percentage of total economic activity, the provision of accommodation by the STRA sector is particularly important for the East Coast regional economy contributing an estimated 4.3–5.2 per cent of its GRP.

**TABLE ES 11**

**TASMANIA TOTAL EMPLOYMENT SUPPORTED BY THE STRA SECTOR BY REGION, 2016**

<table>
<thead>
<tr>
<th>State</th>
<th>Direct Lower bound</th>
<th>Direct Upper bound</th>
<th>Indirect Lower bound</th>
<th>Indirect Upper bound</th>
<th>Total Lower bound</th>
<th>Total Upper bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Coast</td>
<td>27</td>
<td>119</td>
<td>161</td>
<td>146</td>
<td>188</td>
<td></td>
</tr>
<tr>
<td>Launceston, Tamar and the North</td>
<td>23</td>
<td>106</td>
<td>162</td>
<td>129</td>
<td>185</td>
<td></td>
</tr>
<tr>
<td>North West</td>
<td>19</td>
<td>73</td>
<td>106</td>
<td>92</td>
<td>125</td>
<td></td>
</tr>
<tr>
<td>Wilderness West</td>
<td>2</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>South and other Hobart</td>
<td>27</td>
<td>127</td>
<td>194</td>
<td>153</td>
<td>221</td>
<td></td>
</tr>
<tr>
<td>Inner Hobart</td>
<td>78</td>
<td>364</td>
<td>493</td>
<td>442</td>
<td>571</td>
<td></td>
</tr>
<tr>
<td>Tasmania</td>
<td>176</td>
<td>795</td>
<td>1,124</td>
<td>970</td>
<td>1,300</td>
<td></td>
</tr>
</tbody>
</table>

Notes: FTE = full time equivalent. There are assumed to be no people directly employed by the STRA sector. Instead, the direct employment is estimated based on the assumption of 1.5 hours of own-supplied labour by hosts per booking night.

**SOURCE:** ACIL ALLEN CONSULTING

**Tasmanian STRA employment as a share of total tourism industry employment**

Based on the regional employment estimates calculated by ACIL Allen using the TSA statistics, **Table ES 12** presents the share of the total tourism employment made by the STRA sector in 2016. As can be seen, the STRA sector contributed up to 21 per cent of the tourism industry’s employment within the regional economies of Tasmania.
Visitor Spend Sensitivity

There is uncertainty about how much money visitors staying in STRA accommodation spend during their stay. For the above estimates, ACIL Allen assumed that the average spend per visitor per night (including accommodation) is the same as estimated in a study sourced by Airbnb in 2015 which indicated that the Airbnb visitors spend $750 per visitor more than the hotel visitors. While it is difficult for ACIL Allen to verify this claim, for the purposes of the main analysis we assumed that the visitor spend by state detailed in the DAE 2017 report undertaken for Airbnb represents the average visitor spend throughout the entire STRA sector.

Alternative estimates are available from Tourism Research Australia (TRA) visitor spend data for each state. Although the TRA collects information on the average visitor spend by visitor type they only publically report the average spend by all international and all domestic overnight tourists. Overall, the DAE (2017) total visitor spend figures (including accommodation) are 65 per cent higher than those estimated by Tourism Research Australia ($236 per visitor night compared to $143 per visitor night).

Under the alternative visitor spend assumptions, it is estimated that, in 2016, the STRA sector contributed up to $3,770 million to Australia’s gross domestic product (GDP) in 2016 (equivalent to 0.22 per cent of Australia’s GDP). This comprised:
- $843 million directly from the industry (direct contribution)
- $2,927 million indirectly from three demand sources (indirect contribution)
  - $204 million from demand generated through host purchases of inputs and services
  - $906 million from demand generated through host’s additional expenditure on goods and services in the economy
  - $1,816 million through the visitor spending – compared with $3,763 million estimated using the DAE (2017) visitor spend data.

Under the alternative visitor spend assumptions, it is estimated that the STRA sector in Australia supported up to 26,088 FTE jobs in 2016. To put this estimate another way, for every one million dollars of revenue received by hosts in the Australian STRA sector, there are up to 25 FTE jobs that are supported elsewhere in the Australian economy (this includes an estimate of the own labour supplied by hosts).

Table ES 13 and Table ES 14 present the state level contributions under the alternative visitor spend assumptions.

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7 See www.tra.gov.au. Additionally, it has been assumed that the non-accommodation spending pattern by STRA visitors is the same as the average person in the Holiday, Business and Visiting friends and relatives categories for domestic and international visitors.
In absolute terms, the STRA sector makes the largest contribution to the New South Wales economy, contributing up to $1.4 billion to the state's GSP along with supporting the employment of up to 8,787 FTE people.

**TABLE ES 13**
TOTAL ECONOMIC CONTRIBUTION OF THE STRA SECTOR BY STATE – ALTERNATIVE VISITOR SPEND

<table>
<thead>
<tr>
<th>State</th>
<th>Direct Lower bound $A million</th>
<th>Direct Upper bound $A million</th>
<th>Indirect Lower bound $A million</th>
<th>Indirect Upper bound $A million</th>
<th>Total Lower bound $A million</th>
<th>Total Upper bound $A million</th>
<th>Total as a share of GSP % of GSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>352.4</td>
<td>664.7</td>
<td>1,050.0</td>
<td>1,017.0</td>
<td>1,402.3</td>
<td>1,402.3</td>
<td>0.19%</td>
</tr>
<tr>
<td>Victoria</td>
<td>220.3</td>
<td>586.7</td>
<td>936.7</td>
<td>807.0</td>
<td>1,157.0</td>
<td>1,157.0</td>
<td>0.21%</td>
</tr>
<tr>
<td>Queensland</td>
<td>131.8</td>
<td>308.4</td>
<td>481.9</td>
<td>440.2</td>
<td>613.7</td>
<td>613.7</td>
<td>0.14%</td>
</tr>
<tr>
<td>South Australia</td>
<td>32.6</td>
<td>61.8</td>
<td>96.0</td>
<td>94.4</td>
<td>128.6</td>
<td>128.6</td>
<td>0.09%</td>
</tr>
<tr>
<td>Western Australia</td>
<td>67.7</td>
<td>166.1</td>
<td>257.4</td>
<td>233.8</td>
<td>325.2</td>
<td>325.2</td>
<td>0.10%</td>
</tr>
<tr>
<td>Tasmania</td>
<td>29.4</td>
<td>53.8</td>
<td>78.1</td>
<td>83.2</td>
<td>107.5</td>
<td>107.5</td>
<td>0.32%</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>3.8</td>
<td>5.8</td>
<td>7.8</td>
<td>9.6</td>
<td>11.6</td>
<td>11.6</td>
<td>0.04%</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>4.9</td>
<td>13.1</td>
<td>18.7</td>
<td>18.1</td>
<td>23.7</td>
<td>23.7</td>
<td>0.05%</td>
</tr>
<tr>
<td>Australia</td>
<td>843.0</td>
<td>1,860.4</td>
<td>2,926.6</td>
<td>2,703.3</td>
<td>3,769.6</td>
<td>3,769.6</td>
<td>0.16%</td>
</tr>
</tbody>
</table>

Notes: The lower and upper bounds are calculated using the Simple and Total multipliers, respectively. Indirect economic activity due to interstate trade has been included in the regional contribution estimates based on their share of underlying activity.

SOURCE: ACIL ALLEN CONSULTING

**TABLE ES 14**
TOTAL EMPLOYMENT SUPPORTED BY THE STRA SECTOR BY STATE – ALTERNATIVE VISITOR SPEND

<table>
<thead>
<tr>
<th>State</th>
<th>Direct Lower bound FTE jobs</th>
<th>Direct Upper bound FTE jobs</th>
<th>Indirect Lower bound FTE jobs</th>
<th>Indirect Upper bound FTE jobs</th>
<th>Total Lower bound FTE jobs</th>
<th>Total Upper bound FTE jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>2,234</td>
<td>4,369</td>
<td>6,554</td>
<td>6,603</td>
<td>8,787</td>
<td></td>
</tr>
<tr>
<td>Victoria</td>
<td>1,757</td>
<td>4,564</td>
<td>6,810</td>
<td>6,321</td>
<td>8,568</td>
<td></td>
</tr>
<tr>
<td>Queensland</td>
<td>1,098</td>
<td>2,351</td>
<td>3,488</td>
<td>3,449</td>
<td>4,586</td>
<td></td>
</tr>
<tr>
<td>South Australia</td>
<td>213</td>
<td>449</td>
<td>669</td>
<td>662</td>
<td>882</td>
<td></td>
</tr>
<tr>
<td>Western Australia</td>
<td>611</td>
<td>1,135</td>
<td>1,639</td>
<td>1,746</td>
<td>2,250</td>
<td></td>
</tr>
<tr>
<td>Tasmania</td>
<td>176</td>
<td>429</td>
<td>608</td>
<td>605</td>
<td>783</td>
<td></td>
</tr>
<tr>
<td>Northern Territory</td>
<td>24</td>
<td>41</td>
<td>52</td>
<td>65</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>53</td>
<td>77</td>
<td>103</td>
<td>130</td>
<td>156</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>6,166</td>
<td>13,415</td>
<td>19,922</td>
<td>19,581</td>
<td>26,088</td>
<td></td>
</tr>
</tbody>
</table>

Note: The direct employment is estimated based on the assumption of 1.5 hours of own-supplied labour by hosts per booking night.

SOURCE: ACIL ALLEN CONSULTING
INTRODUCTION

The short term rental accommodation (STRA) industry is defined as a form of holiday accommodation where people temporarily rent out or share their properties for a period of less than three months. This type of accommodation is mainly facilitated by online booking services such as Airbnb, Stayz, HomeAway and Owners Direct.

The STRA sector is part of the “sharing economy” in which broad segments of the population make use of their underutilised personal capital and labour via fee based sharing facilitated by the online market place.

Although broad, the STRA industry excludes hostels, hotels, caravan parks and camping grounds.

The industry has become an increasingly significant segment of the overall tourism market providing a range of benefits to travellers and accommodation owners as well as to the local economies in which STRA options are located.

On the supply side, individuals can earn additional income by renting out the beds, rooms or properties they own that would otherwise be sitting idle or used for less preferred purposes.

On the demand side, visitors benefit from a wider choice of accommodation options in a wider price range. As a result, they may be able to purchase more of other goods and services in the region they are visiting. Visitors can also stay in areas that are not serviced by traditional accommodation providers, opening up new tourism business opportunities and supporting economies in regional Australia.

While the STRA industry is experiencing exponential growth, there is currently little quantitative information regarding the size and economic contribution of the industry. This report helps to fill this gap, by estimating the size and economic contribution of the STRA sector to the Australian economy, state economies and to selected regional economies in 2016. This report also provides a solid basis on which to make judgements about benefits and costs of regulation and allows that to be done by distinguishing city and regional economic contributions.

The estimates in this report are based on detailed booking and expense data obtained from the two major supporting platforms for the industry in Australia: Airbnb and Stayz. These platforms are not the only ways in which consumers’ source STR accommodation, but they are believed to underpin the majority of bookings and provide useful lower bound estimates of the sector.
SHORT TERM RENTAL ACCOMMODATION INDUSTRY OVERVIEW

A brief description of the data sources is provided in this Chapter followed by an overview of STRA including a comparison of the sector with the Traditional tourist accommodation sector.

2.1 Data sources

There are no official data sources that measure the size of the STRA sector. Particularly, there is no official data for the total number of properties available each year for STRA in Australia.

To estimate the size of the STRA sector, ACIL Allen has obtained data from two of the major internet booking platforms used in the Australian market: Airbnb and Stayz. Revenue data obtained from Airbnb and Stayz have been combined to estimate the total revenue of STRA by state and region for this report. As there are other known platforms that consumers use to book accommodation within the sector, the estimates from the data used for this analysis form a lower bound on the overall size of the STRA sector.

ACIL Allen contacted Stayz directly regarding this analysis. Stayz has provided unpublished data for 2015 and 2016 for following categories.

- State
- Region
- Area
- Bookings
- Booking nights
- Gross booked value
- Sales revenue

Data on Airbnb operations was obtained from Airdna data services in conjunction with publically available Airbnb data including a Deloitte Access Economics (DAE) 2017 report* on the economic contribution of Airbnb’s activities in the 2015-16 financial year. The Airdna information covered up to 20 months of data from June 2015 to February 2017 and provided a wide range of information including the listings, booked nights and estimate revenues across most regions of Australia (particularly capital city regions). According to the Airdna data, there has been rapid growth in the number of bookings facilitated by Airbnb. As DAE (2017) had access to actual Airbnb booking and revenue data, it was deemed more reliable than Airdna’s information for the comparable months and regions.

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The Stayz data provided a better coverage of states and regions in Australia than the Airbnb data and where necessary, was used to prorate non-capital city estimated revenues and bookings across the tourism regions.

2.2 Overview of the STRA sector

The STRA sector is growing at a faster rate in Australia than the traditional accommodation industry. While the economic contribution of the traditional accommodation industry is well researched less is known about the contribution of the STRA sector on the Australian economy and regions. There are a number of reasons why less is known about the STRA sector, including:

— it has grown out of the informal economy where STRA properties were owned and operated by private individuals or households for personal purposes and not business purposes, consequently
  — hosts do not necessarily identify themselves as part of an industry
  — providing or sharing their properties is not their main source of income
— it became highly visible only a few years ago
— a high proportion of bookings are facilitated by online booking services such as Airbnb, Stayz, HomeAway and Owners Direct.

2.2.1 Total nights booked

According to the available data, in 2016 over 7 million nights were booked by visitors in various locations in Australia (Figure 2.1).

New South Wales (mainly Sydney) is the largest market for STRA, with nearly 36 per cent of Australia's STRA nights booked in 2016. This is followed by Victoria with 28 per cent nights booked; Queensland, 18 per cent and Western Australia, 10 per cent. There is relatively less STRA activity in South Australia, Tasmania, the Northern Territory and the ACT.

FIGURE 2.1 NUMBER OF BOOKING NIGHTS BY STATE, 2016

2.2.2 Total visitors (guests)

Over 4 million visitors used short term rental accommodation in 2016. A breakdown of visitors by state is provided in Figure 2.8. Total visitors to the jurisdictions follow their booking nights.
2.2.3 Occupancy rate

The occupancy rate is not uniform and is cyclical across Australian jurisdictions (Figure 2.3). It varies greatly in every area based on location, price and other factors. On average, the occupancy rates track very closely between hotel comparable and entire place bookings made through the Airbnb.

Note: Occupancy rate is defined as Booked Listing Nights divided by Available Listing Nights

Source: ACIL Allen Consulting based on data provided by Stayz and AirDNA

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### Figure 2.2
Number of Visitors by State, 2016

Source: ACIL Allen Consulting based on the data provided by Stayz. It is a sum of Stayz data and Airbnb data.

### Figure 2.3
Average Occupancy Rates

<table>
<thead>
<tr>
<th>City</th>
<th>Entire Place</th>
<th>Hotel Comparable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Melbourne</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brisbane</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perth</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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9 The Airbnb data shows property by property Occupancy rate in percentiles by location on their website. For example, if there were 10 properties in the area, the property with the 9th highest occupancy rate would be in the 90th percentile.

https://www.airdna.co/sample/au/sydney?target_link=occupancy

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2.2.4 Average daily rate

Average Daily Rate (ADR) is the average daily price at which a place is booked for. ADR is a standard metric used in the hotel industry and is a better measurement than advertised price because it shows what price guests are actually paying versus simply what price hosts are advertising. ADR includes cleaning fees but no other service fees or taxes.

Average ADRs across the major Australian cities is not as volatile as the occupancy rates (Figure 2.4). On average the highest ADR was reported for Sydney and the lowest was reported for Brisbane.

**Figure 2.4** AVERAGE DAILY RATE (AUD) BY MONTH, 2016

![Graph showing ADR by month for Sydney, Melbourne, Brisbane, and Perth.](source)

2.2.5 Total host income

It is estimated that owners of short term holiday accommodation properties in Australia received $1,041 million of booking revenues in 2016 (Figure 2.5). This is additional income for the households and property owners who rent out or share their properties on a short term basis.
### 2.2.6 Host expenditure

A survey of property owners would be the ideal way to determine how they spent their income from providing STRA in 2016. For this study, a survey was not possible within the scope of work. In the Airbnb 2015 submission to *Adequacy of the Regulation of Short-Term Holiday Letting in NSW*\(^\text{10}\) Airbnb provided estimates of property owners spending. However, this data was too aggregated for use in this report. In place of a survey ACIL Allen made use of household private consumption expenditure as detailed in the Australian input-output tables (the ABS Australian National Accounts: Input-Output Tables (catalogue number 5209.0.55.001)). It was assumed that the additional expenditure would be spent differently than the average and so applied marginal propensity to consume data.

### 2.2.7 Other visitor expenditure by States

As a result of their stays, visitors spend money on a range of goods and services besides accommodation. This includes spending on cafes, restaurants, transportation, groceries and entertainment much of which is supplied in the area where they stayed. This creates additional economic activity. For the purposes of this study, ACIL Allen has taken data from the recent DAE (2017) study for Airbnb, which themselves are based on information provided to them from a previous Airbnb survey. Given that it is difficult the verify the validity of using the Airbnb survey data for the purposes of estimating the average visitor spending by STRA guests, for completeness, alternative estimates have been obtained from Tourism Research Australia (TRA) and has been presented as a sensitivity analysis in Chapter 9 and Appendix E. Unfortunately, the TRA average visitor spend information is an estimate of the average spend across all types of visitors and not just those visitors that use the STRA sector.

Within the assumed total visitor spend, it has been assumed that the average spend per visitor per night (excluding accommodation) is the same as estimated by TRA\(^\text{11}\) for each state (assuming an equal mix of international and domestic tourists). On this basis, total visitors who have used short term rental accommodation are estimated to have spent $3,383 million in 2016 on Australia-sourced goods and services beyond their direct accommodation expenditure. This includes spending on items such as transport, food and groceries and shopping.

\(^{11}\) See [www.tra.gov.au](http://www.tra.gov.au). More specifically, it has been assumed that the non-accommodation spend pattern by STRA visitors is the same as the average person in the Holiday, Business and Visiting friends and relatives categories for domestic and international visitors.
Visitor expenditure by item

Visitors consume various goods and services (Figure 2.7). It is estimated that more than 20 per cent of their non-accommodation expenditure is related to transport. This is followed by food services (hotels and restaurants). Shopping constitutes 16 per cent of the visitor spend.

2.3 Comparison of STRA and Traditional tourist accommodation

The ABS gathers information on traditional providers of short term accommodation services through its quarterly Survey of Tourist Accommodation. This survey covers hotel, motel and serviced apartment establishments with 15 rooms or more that provide short term accommodation options (i.e. where people stay without a lease, generally for periods of less than two months). ACIL Allen have taken the latest data available at the time of this report and estimated the size of the Traditional tourist accommodation sector for the 2016 calendar year. In total, the Traditional tourist accommodation sector is estimated to have supplied a total of 60.3 million nights of accommodation at a cost of $10.7 billion (Table 2.1).
### TABLE 2.1  IMPORTANCE OF STRA VERSUS TRADITIONAL TOURIST ACCOMMODATION SECTORS BY STATE, 2016

<table>
<thead>
<tr>
<th>Region</th>
<th>Room nights booked</th>
<th>Revenue</th>
<th>Room nights booked</th>
<th>Revenue</th>
<th>STRA as a share of Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>A$ million</td>
<td>Number</td>
<td>A$ million</td>
<td>%</td>
</tr>
<tr>
<td>New South Wales</td>
<td>2,568,619</td>
<td>435.2</td>
<td>18,767,722</td>
<td>3,603</td>
<td>13.7</td>
</tr>
<tr>
<td>Victoria</td>
<td>2,020,784</td>
<td>272.1</td>
<td>12,451,568</td>
<td>2,187</td>
<td>16.2</td>
</tr>
<tr>
<td>Queensland</td>
<td>1,262,391</td>
<td>162.8</td>
<td>15,499,970</td>
<td>2,558</td>
<td>8.1</td>
</tr>
<tr>
<td>South Australia</td>
<td>244,774</td>
<td>40.3</td>
<td>3,109,962</td>
<td>474</td>
<td>7.9</td>
</tr>
<tr>
<td>Western Australia</td>
<td>703,105</td>
<td>83.7</td>
<td>5,169,251</td>
<td>911</td>
<td>13.6</td>
</tr>
<tr>
<td>Tasmania</td>
<td>201,922</td>
<td>36.3</td>
<td>1,687,758</td>
<td>268</td>
<td>12.0</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>27,946</td>
<td>4.7</td>
<td>1,972,103</td>
<td>332</td>
<td>1.4</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>61,324</td>
<td>6.1</td>
<td>1,613,062</td>
<td>276</td>
<td>3.8</td>
</tr>
<tr>
<td>Australia</td>
<td>7,090,865</td>
<td>1,041.2</td>
<td>60,271,397</td>
<td>10,609</td>
<td>11.8</td>
</tr>
</tbody>
</table>

Note: “Traditional tourist accommodation” refers to hotels, motels or serviced apartments with 15 rooms or more. Calendar 2016 are estimated by ACIL Allen based on available ABS data.

Source: ACIL Allen Consulting

As can be seen from Table 2.1, accommodation provided through the STRA sector is a significant portion of the Traditional tourist accommodation sector. In particular, in 2016, the STRA supplied approximately 12 per cent of the room nights supplied by the Traditional tourist accommodation sector at a cost of 10 per cent of total revenues. As a share of total revenues, the Tasmanian STRA sector was the greatest (13.6 per cent), while the Northern Territory was the least (1.4 per cent).

As shown in Figure 2.8, the two major STRA operators — Stayz and Airbnb — have significantly different revenues from capital city versus regional areas. In particular, on average 83 per cent of Stayz’s revenues were from regions outside of capital city areas compared with only 31 per cent of Airbnb’s revenues. This difference is driven by the different business models of the major operators, highlighting the diversity of product offerings within the STRA sector. Stayz has a significant focus on helping people to rent out their holiday homes in regional areas. In contrast, Airbnb’s business is built on assisting people to rent out rooms in their homes. As stated above, Airbnb mainly conducts its business in urban and metropolitan areas.

In aggregate, of the $1,041 million gross revenue from Australian STRA, 50 per cent is generated from bookings within capital cities while 50 per cent is from regional areas (Figure 2.8). In comparison, 39 per cent of revenues for the Traditional tourist accommodation sector are from regional areas.
As shown in Sections 7.1 and 8.1, there is noticeable variation in the regional versus capital city shares across the different states. Queensland, in particular, has a very high share of Traditional accommodation outside of Brisbane in the popular tourism areas of the Gold Coast and Tropical North Queensland. Removing Queensland from the equation, results in the average share of revenues from regional areas falling to 28 per cent for Traditional tourist accommodation and 44 per cent for the STRA sector.

2.4 Summary

The STRA portion of the sharing economy is a growing segment of the overall tourism industry. In this chapter we have summarised ACIL Allen’s estimates of the size of the direct spending on accommodation supplied through the STRA sector based on the existing data available. The rise of the STRA sector will have an impact on the traditional accommodation sector. We have not estimated the impact that the rise of STRA has on the traditional hotel accommodation in this study. This study provides an estimate of the footprint of the industry in 2016 rather than the impact of this growing industry on the traditional accommodation industry. Separate research is required to assess the impact on traditional accommodation industry and requires data on traditional accommodation bookings and revenues by location. Such a study would need to assess the additionality of the room nights booked and revenues through alternative channels. There is evidence that points to many users of the STRA sector choosing to travel purely because of the nature or availability of the accommodation provided by the STRA sector, but there is also likely to be a portion that would have travelled anyway. Similarly, there is some evidence that the availability of cheaper accommodation induces some travellers to stay longer than they otherwise would have thereby potentially spending more on ancillary purchases.
3.1 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 gross domestic product (GDP). An economy has a range of factors of production (including labour and capital stock) and access to various intermediate inputs. By using the factors of production appropriately industries add value to intermediate inputs by converting them into a range of goods and services more suited for use by consumers or other industries. An industry or business’ contribution to GDP measures the total value added generated and is defined as the income that 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. This is shown graphically in Figure 3.1.

Box 3.1 provides a summary of the definitions used by the ABS as part of the System of National Accounts 1993 (SNA93).

FIGURE 3.1 CALCULATION OF DIRECT VALUE ADDED

Note: EBITDA is equivalent to the SNA93 definition of gross operating surplus
SOURCE: ACIL ALLEN CONSULTING
3.2 Indirect economic contribution

Indirect effects are a broader notion of the economic contribution that includes supply-side effects of visitor expenditure beyond the direct accommodation component. For example, when a visitor buys a restaurant meal, indirect effects are generated for the businesses supplying the produce, the transporter who made deliveries to the restaurant, the electricity company and other businesses that provided the inputs required to make the meal. To fully measure the indirect effects, account should also be taken of changes in incomes which may feed through to further changes in domestic demand.

The intermediate inputs used by an industry (food products used by restaurants for example) 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. The calculation of the indirect contribution quickly becomes difficult as one considers that value-added embodied in the intermediate input. For example, to make the food products used by restaurants, consider the fertiliser used in farming, the feedstock used in the fertiliser manufacturing, and so on.

In a global context, the value-added chain can simply be 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 the 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 industry. 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 be an impediment to 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 for the purpose of this analysis and that the use of input-output multipliers to estimate the economic footprint of the STRA sector is appropriate. Further information on input-output tables and the calculation of multipliers can be found in ABS Catalogue number 5246.0.
3.2.1 Lower and upper bounds

In this report we have estimated the likely lower and upper bounds of the indirect economic contribution of the STRA sector’s activities. The lower bound estimate, derived from the simple multipliers, captures only the value added and employment associated with the supply chain of each purchase stream (see Appendix D for details). 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 are commonly referred to as the production induced contribution. When calculated properly, the embodied economic contribution of alternative production chains are additive and should sum to the national accounts estimates of gross state product and gross domestic product.

The upper bound estimate of the impact of the STRA sector, derived using total multipliers, captures all of the effects of inter-industry interactions and also captures the impacts of the purchasing decisions made by workers employed throughout the STRA sector’s supply chain. This effect is commonly referred to as the consumption induced effect.
4.1 Direct economic contribution at national level

The total estimated host revenue of the Australian STRA sector in 2016 was $1,041 million. In 2016, the direct economic contribution of STRA from this host revenue is estimated to have been $843 million, mostly comprising pre-tax returns to dwellings owned by the accommodation providers in Australia (plus a small contribution made from indirect taxes paid on additional purchases that facilitate the visitor stay). The industry is thus a high value-adding industry with a value-add to revenue ratio of 0.81. In 2016, Australian Gross Domestic Product (GDP) was $1,693 billion\(^1\) implying that the direct economic contribution of the STRA sector accounted for 0.05 per cent of Australia’s 2016 GDP.

4.2 Direct economic contribution at state level

The estimated direct economic contribution of the STRA sector by Australian state and territory is provided in Table 4.1.

<table>
<thead>
<tr>
<th>State</th>
<th>Direct contribution</th>
<th>Per cent of GSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>352.4</td>
<td>0.06</td>
</tr>
<tr>
<td>Victoria</td>
<td>220.3</td>
<td>0.06</td>
</tr>
<tr>
<td>Queensland</td>
<td>131.8</td>
<td>0.04</td>
</tr>
<tr>
<td>South Australia</td>
<td>32.6</td>
<td>0.03</td>
</tr>
<tr>
<td>Western Australia</td>
<td>67.7</td>
<td>0.03</td>
</tr>
<tr>
<td>Tasmania</td>
<td>29.4</td>
<td>0.11</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>3.8</td>
<td>0.02</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>4.9</td>
<td>0.01</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td><strong>843.0</strong></td>
<td><strong>0.05</strong></td>
</tr>
</tbody>
</table>

**Source:** ACIL Allen Consulting

The STRA sector does not directly pay hosts a wage to produce STRA activities; nonetheless, hosts have indicated that preparing a property for guest arrival does require an investment of their time. Stayz have consulted with a selection of their hosts and as a result we have used a value of 1.5 hours

per night booked as a way of estimating the direct labour contribution of hosts to the STRA sector. The estimated direct employment contribution of the STRA sector by Australian state and territory is provided in Table 4.2.

**TABLE 4.2  DIRECT EMPLOYMENT CONTRIBUTION BY STATE AND TERRITORY**

<table>
<thead>
<tr>
<th>State</th>
<th>Direct contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>2,234 FTE</td>
</tr>
<tr>
<td>Victoria</td>
<td>1,757 FTE</td>
</tr>
<tr>
<td>Queensland</td>
<td>1,098 FTE</td>
</tr>
<tr>
<td>South Australia</td>
<td>213 FTE</td>
</tr>
<tr>
<td>Western Australia</td>
<td>611 FTE</td>
</tr>
<tr>
<td>Tasmania</td>
<td>176 FTE</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>24 FTE</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>53 FTE</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td><strong>6,166 FTE</strong></td>
</tr>
</tbody>
</table>

Notes: FTE = full time equivalent. There are assumed to be no people directly employed by the STRA sector. Instead, the direct employment is estimated based on the assumption of 1.5 hours of own-supplied labour by hosts per booking night.

SOURCE: ACIL ALLEN CONSULTING
The direct contribution of an activity in terms of value added is confined to the initial impacts of the activity. However, in turn, purchases of intermediate inputs or spending of incomes made as a result of an activity will lead to further economic impacts and these are estimated as the indirect contribution.

In addition to the direct value added by the hosts, there are three key indirect channels through which the STRA sector contributes to the Australian economy. These are:

1. **Purchases of intermediate inputs by hosts related to accommodating the visitors**: The hosts of properties who accommodate short term visitors purchase goods and services from various businesses in the region in order to provide the property for rent — additional electricity use, cleaners, etc. This creates demand for those services and further stimulates the economic activity in the region.

2. **Host spend**: The additional income received by the local hosts is either spent on purchasing various goods and services (including paying off their mortgage or being added to long term savings). This additional spend generated additional economic activity.

3. **Other visitor spend**: As a result of their stays, visitors spend money on a range of goods and services besides accommodation. This includes spending on cafes, restaurants, transportation, groceries and entertainment much of which is supplied in the area where they stayed. This creates additional economic activity. There is uncertainty about how much money visitors staying in STRA accommodation spend during their stay. A study sourced by Airbnb in 2015 indicates that the Airbnb visitors spend $750 per visitor more than the hotel visitors, but it is difficult for ACIL Allen to verify this claim. For the purposes of this analysis, ACIL Allen have assumed that the average spend per visitor per night (excluding accommodation) is the same as estimated by Tourism Research Australia for each state.

These three effects are captured by supply chain information which is embodied in input output tables of the Australian and state economies. 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 STRA.

For this analysis, ACIL Allen have estimated an input cost structure for the STRA based on the need for hosts to provide basic amenities (electricity, heating, water, etc.), cleaning (directly through cleaning services or indirectly using their own labour and additional purchase of cleaning products) and other minor purchases. Hosts also pay a fee to the STRA booking company (Airbnb, Stayz, etc.).

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14 See [www.tra.gov.au](http://www.tra.gov.au). More specifically, it has been assumed that the non-accommodation spend level and spend pattern by STRA visitors is the same as the average person in the Holiday, Business and Visiting friends and relatives categories for domestic and international visitors.
Hosts spend their additional income on purchasing goods and services and the visitors who use STRA also purchase goods and services in the surrounding regions.

### 5.1 Indirect economic contribution at national level

Allocating the Australian intermediate inputs to their corresponding input-output industries and applying the appropriate multipliers for the Australian value added and employment it is possible to estimate the total Australian value added and employment embodied in the Australian produced inputs and services demanded by the STRA sector.

It is estimated that the Australian STRA owners spent $198 million on goods and services in preparing and renting their properties for short term accommodation in 2016. Of this it is estimated that $143 million was on domestically produced goods and services, comprising:

- $62.3 million on cleaning, pest control and other administrative services
- $50.0 million on electricity, gas and water services
- $13.1 million on booking service fees and fees associated with finance and insurance
- $10.4 million on food and beverages
- $7.3 million on other inputs and services.

It is estimated that the domestic spend of $143 million by property owners, contributed between $129.3 million and $204.3 million to the Australian economy, which is between 0.008 and 0.012 per cent of GDP in 2016. This is in addition to the direct contribution of 0.05 percent reported in Chapter 4.

Details of national production costs are provided in Figure 5.1.

#### FIGURE 5.1 MAP OF STRA RELATED EXPENDITURE – AUSTRALIA, 2016

Providing their property for rent is a low-cost activity for most property owners and thus generates a large surplus income. Property owners spending their additional income on goods and service generated further growth and employment in the economy.

This demand is estimated to have contributed between $643 million and $906 million to the Australian economy, which is between 0.04 per cent and 0.05 per cent of Australia’s GDP in 2016.
Other visitor spending contributed to additional economic activity. This demand is estimated to have contributed between $2,253 million and $3,763 million to the Australian economy, which is between 0.13 per cent and 0.22 per cent of Australia’s GDP in 2016. Short term rental accommodation provides employment indirectly through the services required to accommodate the visitors and the additional spend by the hosts in purchasing goods and services due to the additional disposable income.

It was estimated that between 23,386 and 34,657 FTE jobs were indirectly supported by STRA activities in the economy.

The estimated indirect impacts at national level of three channels with lower and upper bound are provided in Table 5.1.

### Table 5.1
**Estimated Indirect Economic Contribution of the STRA Sector at National Level in 2016**

<table>
<thead>
<tr>
<th></th>
<th>Host cost</th>
<th>Host spend</th>
<th>Visitor spend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
</tr>
<tr>
<td>Indirect economic contribution ($A million)</td>
<td>129</td>
<td>204</td>
<td>643</td>
</tr>
<tr>
<td>Indirect economic contribution (per cent of GSP)</td>
<td>0.008</td>
<td>0.012</td>
<td>0.038</td>
</tr>
<tr>
<td>Employment (FTE)</td>
<td>1,067</td>
<td>1,525</td>
<td>3,046</td>
</tr>
</tbody>
</table>

**Source:** ACIL Allen Consulting

#### 5.2 New South Wales

New South Wales is the major state for STRA in Australia. It is estimated that New South Wales STRA hosts spent $83 million on goods and services in preparing and renting their properties for short term accommodation in 2016. Of this, it is estimated that $59.4 million was on locally produced goods and services, comprising:

- $24.4 million on cleaning, pest control and other administrative services
- $17.3 million on electricity, gas and water services
- $13.1 million on booking service fees and fees associated with finance and insurance
- $3.6 million on food and beverages
- $1.3 million on other inputs and services.

A local spend of $59.4 million by New South Wales hosts, contributed an additional between $61.4 million and $96.5 million to the New South Wales economy, which is between 0.011 and 0.018 per cent of State GSP in 2016. This is in addition to the direct contribution of 0.06 percent reported in Chapter 4.

A more detailed breakdown of the New South Wales production costs is presented in Figure 5.2.

Hosts in New South Wales spending their additional income on goods and service generated further activity in the economy. This activity is estimated to have contributed between $269 million and $383 million to the New South Wales economy, which is an additional contribution between of 0.049 per cent and 0.07 per cent to the state’s GSP in 2016.

Visitors who used STRA in New South Wales also purchased other goods and service which generated further activity in the economy. This activity is estimated to have contributed between $759 million and $1,296 million to the New South Wales economy, which is an additional contribution to the state GSP between 0.14 per cent and 0.24 per cent to the state GSP in 2016.

In total, it is estimated that between 6,223 and 9,268 FTE jobs were indirectly supported by STRA activities in the New South Wales economy.
The estimated indirect economic contribution to the New South Wales economy with lower and upper bounds are provided in Table 5.2.

<table>
<thead>
<tr>
<th></th>
<th>Host cost</th>
<th>Host spend</th>
<th>Other visitor spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect economic contribution ($A million)</td>
<td>61.4</td>
<td>96.5</td>
<td>269.2</td>
</tr>
<tr>
<td>Indirect economic contribution (per cent of GSP)</td>
<td>0.011</td>
<td>0.018</td>
<td>0.049</td>
</tr>
<tr>
<td>Employment (FTE)</td>
<td>431</td>
<td>629</td>
<td>1,205</td>
</tr>
</tbody>
</table>

Note: Other visitor spend does not include accommodation.

SOURCE: ACIL ALLEN CONSULTING

5.3 Victoria

Victoria (mainly Melbourne) is the second major state for STRA activity in Australia. It is estimated that Victorian STRA hosts spent $51.8 million on goods and services in preparing and renting their properties for short term accommodation in 2016. Of this it is estimated that $32.4 million was on locally produced goods and services, comprising:

— $16.3 million on cleaning, pest control and other administrative services
— $12.4 million on electricity, gas and water services
— $2.5 million on food and beverages
— $1.25 million on other
A local spend of $32.4 million by Victorian hosts, contributed between $31.5 million and $51.3 million to the Victorian economy, which is between 0.008 and 0.013 per cent of State GSP in 2016. This is in addition to the direct contribution of 0.06 percent reported in Chapter 4.

A more detailed breakdown of the Victorian production costs is presented in Figure 5.3.

Hosts in Victoria spending their additional income on goods and service generated further activity throughout the economy. This activity is estimated to have had an additional contribution of between $175.2 million and $248.5 million to the Victorian economy, which is an additional contribution of between 0.046 per cent and 0.065 per cent to the state’s GSP in 2016.

Visitors who used STRA in Victoria also purchased other goods and service which generated further activity in the economy. This activity is estimated to have contributed between $725 million and $1,214 million to the Victorian economy, which is an additional contribution to the state GSP between 0.19 per cent and 0.32 per cent to the state GSP in 2016.

In total, it is estimated that between 6,465 and 9,603 FTE jobs were indirectly supported by STRA activities in the Victorian economy.

**FIGURE 5.3** MAP OF STRA RELATED EXPENDITURE – VICTORIA, 2016

The estimated indirect economic contribution to the Victorian economy with lower and upper bounds are provided in Table 5.3.
TABLE 5.3  ESTIMATED INDIRECT ECONOMIC CONTRIBUTION OF THE STRA SECTOR TO VICTORIA IN 2016

<table>
<thead>
<tr>
<th>Indirect economic contribution ($A million)</th>
<th>Lower</th>
<th>Upper</th>
<th>Lower</th>
<th>Upper</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Host cost</td>
<td>31.5</td>
<td>51.3</td>
<td>175.2</td>
<td>248.5</td>
<td>724.8</td>
<td>1,214.1</td>
</tr>
<tr>
<td>Host spend</td>
<td>0.008</td>
<td>0.013</td>
<td>0.046</td>
<td>0.065</td>
<td>0.191</td>
<td>0.319</td>
</tr>
<tr>
<td>Other visitor spend</td>
<td>306</td>
<td>435</td>
<td>874</td>
<td>1,348</td>
<td>6,465</td>
<td>9,603</td>
</tr>
</tbody>
</table>

Note: Other visitor spend does not include accommodation.
SOURCE: ACIL ALLEN CONSULTING

5.4 Queensland

Queensland is an attractive destination for STRA. It is estimated that Queensland STRA hosts spent $31 million on goods and services in preparing and renting their properties for short term accommodation in 2016. Of this it is estimated that $19 million was on locally produced goods and services, comprising:

— $9.8 million on cleaning, pest control and other administrative services
— $7.6 million on electricity, gas and water services
— $1.0 million on food and beverages
— $0.5 million on other

A local spend of $19 million by Queensland hosts, contributed between $18 million and $28 million to the Queensland economy, which is 0.006 per cent and 0.009 per cent of State GSP in 2016. This is in addition to the direct contribution of 0.04 percent reported in Section 4.2.

A more detailed breakdown of the Queensland production costs is presented in Figure 5.4.

Hosts in Queensland spending their additional income on goods and service and generated further activity in the economy. This activity is estimated to have made an additional contribution of between $98 million and $137 million to the Queensland economy, which is between 0.031 per cent and 0.043 per cent to the state GSP in 2016.

Visitors who used STRA in Queensland also purchased other goods and service which generated further activity in the economy. This activity is estimated to have contributed between $391 million and $644 million to the Queensland economy, which is an additional contribution to the state GSP between 0.12 per cent and 0.20 per cent to the state GSP in 2016.

In total, it is estimated that between 3,439 and 5,095 FTE jobs were indirectly supported by STRA activities in the Queensland economy.
The estimated indirect contribution to the Queensland economy with lower and upper bounds are provided in Table 5.4.

### Table 5.4 Estimated Indirect Economic Contribution of the STRA Sector to Queensland in 2016

<table>
<thead>
<tr>
<th></th>
<th>Host cost</th>
<th>Host spend</th>
<th>Other visitor spend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
</tr>
<tr>
<td>Indirect economic contribution (SA million)</td>
<td>17.7</td>
<td>27.7</td>
<td>97.8</td>
</tr>
<tr>
<td>Indirect economic contribution (per cent of GSP)</td>
<td>0.006</td>
<td>0.009</td>
<td>0.031</td>
</tr>
<tr>
<td>Employment (FTE)</td>
<td>169</td>
<td>236</td>
<td>490</td>
</tr>
</tbody>
</table>

Note: Other visitor spend does not include accommodation.

**5.5 South Australia**

The STRA is still in initial stages in South Australia. It is estimated that South Australian STRA hosts spent $7.7 million on goods and services in preparing and renting their properties for short term accommodation in 2016. Of this it is estimated that $5 million was on locally produced goods and services, comprising:

- $2.4 million on cleaning, pest control and other administrative services
- $1.9 million on electricity, gas and water services
- $0.4 million on food and beverages
- $0.8 million on other
A local spend of $5 million by South Australian hosts, contributes between $4.6 million and $7.3 million to the South Australian economy, which is between 0.004 per cent and 0.007 per cent of State GSP in 2016. This is in addition to the direct contribution of 0.03 percent reported in Section 4.2.

A more detailed breakdown of the South Australian production costs is presented in Figure 5.5. Hosts in South Australia spent their additional income on goods and service which generated further activity in the economy. This activity is estimated to have generated additional economic activity of between $25 million and $36 million in the South Australian economy, which is an additional contribution to the state GSP between 0.025 per cent and 0.035 per cent to the state GSP in 2016.

Visitors who used STRA in South Australia also purchased other goods and service which generated further activity in the economy. This activity is estimated to have contributed between $36 million and $71 million to the South Australian economy, which is an additional contribution to the state GSP between 0.07 per cent and 0.12 per cent to the state GSP in 2016.

In total, it is estimated that between 621 and 921 FTE jobs were indirectly supported by STRA activities in the South Australian economy.

**Figure 5.5** MAP OF STRA RELATED EXPENDITURE – SOUTH AUSTRALIA, 2016

The estimated indirect contribution to the South Australian economy with lower and upper bounds are provided in Table 5.5.
### TABLE 5.5  ESTIMATED INDIRECT ECONOMIC CONTRIBUTION OF THE STRA SECTOR TO SOUTH AUSTRALIA IN 2016

<table>
<thead>
<tr>
<th></th>
<th>Host cost</th>
<th></th>
<th>Host spend</th>
<th></th>
<th>Other visitor spend</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
<td>Upper</td>
</tr>
<tr>
<td>Indirect economic contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>($A million)</td>
<td>4.6</td>
<td>7.3</td>
<td>25.3</td>
<td>35.7</td>
<td>70.9</td>
<td>117.6</td>
</tr>
<tr>
<td>Indirect economic contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(per cent of GSP)</td>
<td>0.004</td>
<td>0.007</td>
<td>0.025</td>
<td>0.035</td>
<td>0.070</td>
<td>0.116</td>
</tr>
<tr>
<td>Employment (FTE)</td>
<td>42</td>
<td>59</td>
<td>128</td>
<td>195</td>
<td>621</td>
<td>921</td>
</tr>
</tbody>
</table>

*Note: Other visitor spend does not include accommodation.*

*SOURCE: ACIL ALLEN CONSULTING*

### 5.6 Western Australia

Western Australia is an attractive destination for STRA. It is estimated that Western Australian STRA owners spent $16 million on goods and services in preparing and renting their properties for short term accommodation in 2016. Of this it is estimated that $10 million was on locally produced goods and services, comprising:

- $5.0 million on cleaning, pest control and other administrative services
- $3.7 million on electricity, gas and water services
- $0.7 million on food and beverages
- $0.5 million on other

A local spend of $10 million by Western Australian hosts, contributes between $9.5 million and $15 million to the Western Australian economy, which is between 0.004 per cent and 0.006 per cent of State GSP in 2016. This is in addition to the direct contribution of 0.03 percent reported in Section 4.2.

A more detailed breakdown of the Western Australian production costs is presented in Figure 5.6.

Hosts in Western Australia spent their additional income on goods and services which generated further activity in the economy. This activity is estimated to have contributed between $49 million and $68 million to the Western Australian economy, which is an additional contribution to the state GSP between 0.02 per cent and 0.028 per cent to the state GSP in 2016.

Visitors who used STRA in Western Australia also purchased other goods and services which generated further activity in the economy. This activity is estimated to have contributed between $218 million and $355 million to the Western Australian economy, which is an additional contribution to the state GSP between 0.09 per cent and 0.15 per cent to the state GSP in 2016.

In total, it is estimated that between 1,722 and 2,476 FTE jobs were indirectly supported by STRA activities in the Western Australian economy.
The estimated indirect contribution to the Western Australian economy with lower and upper bounds are provided in Table 5.6.

### Table 5.6: Estimated Indirect Economic Contribution of the STRA to Western Australia in 2016

<table>
<thead>
<tr>
<th></th>
<th>Host cost</th>
<th>Host spend</th>
<th>Other visitor spend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
</tr>
<tr>
<td>Indirect economic contribution ($A million)</td>
<td>9.5</td>
<td>15.0</td>
<td>49.4</td>
</tr>
<tr>
<td>Indirect economic contribution (per cent of GSP)</td>
<td>0.004</td>
<td>0.006</td>
<td>0.020</td>
</tr>
<tr>
<td>Employment (FTE)</td>
<td>74</td>
<td>105</td>
<td>216</td>
</tr>
</tbody>
</table>

Note: Other visitor spend does not include accommodation.

**SOURCE:** ACIL ALLEN CONSULTING

### 5.7 Tasmania

It is estimated that Tasmanian STRA hosts spent $6.9 million on goods and services in preparing and renting their properties for short term accommodation in 2016. Of this it is estimated that $4.3 million was on locally produced goods and services, comprising:
- $2.1 million on cleaning, pest control and other administrative services
- $1.7 million on electricity, gas and water services
- $0.3 million on food and beverages
- $0.2 million on other

A local spend of $4.3 million by Tasmanian hosts, contributes between $3.7 million and $5.3 million to the Tasmanian economy, which is between 0.014 per cent and 0.020 per cent of State GSP in 2016. This is in addition to the direct contribution of 0.11 percent reported in Section 4.2.

A more detailed breakdown of the Tasmanian production costs is presented in Figure 5.7.
Hosts in Tasmania spent their additional income on goods and service which generated further activity in the economy. This activity is estimated to have contributed between $21 million and $28 million to the Tasmanian economy, which is an additional contribution to the state GSP between 0.08 per cent and 0.106 per cent to the state GSP in 2016.

Visitors who used STRA in Tasmania also purchased other goods and service which generated further activity in the economy. This activity is estimated to have contributed between $67 million and $103 million to the Tasmanian economy, which is an additional contribution to the state GSP between 0.25 per cent and 0.39 per cent to the state GSP in 2016.

In total, it is estimated that between 645 and 911 FTE jobs were indirectly supported by STRA activities in the Tasmanian economy.

The estimated indirect contribution to the Tasmanian economy with lower and upper bounds are provided in Table 5.7.

### Table 5.7: Estimated Indirect Economic Contribution of the STRA Sector to Tasmania in 2016

<table>
<thead>
<tr>
<th></th>
<th>Host cost (Lower)</th>
<th>Host cost (Upper)</th>
<th>Host spend (Lower)</th>
<th>Host spend (Upper)</th>
<th>Other visitor spend (Lower)</th>
<th>Other visitor spend (Upper)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect economic contribution ($A million)</td>
<td>3.7</td>
<td>5.3</td>
<td>21.1</td>
<td>28.0</td>
<td>67.0</td>
<td>103.1</td>
</tr>
<tr>
<td>Indirect economic contribution (per cent of GSP)</td>
<td>0.014</td>
<td>0.020</td>
<td>0.080</td>
<td>0.106</td>
<td>0.254</td>
<td>0.391</td>
</tr>
<tr>
<td>Employment (FTE)</td>
<td>39</td>
<td>51</td>
<td>112</td>
<td>162</td>
<td>645</td>
<td>911</td>
</tr>
</tbody>
</table>

Note: Other visitor spend does not include accommodation.

Source: ACIL Allen Consulting
5.8 Northern Territory

It is estimated that Northern Territory STRA owners spent $0.89 million on goods and services in preparing and renting their properties for short term accommodation in 2016. Of this it is estimated that $0.46 million was on locally produced goods and services, comprising:

- $0.28 million on cleaning, pest control and other administrative services
- $0.14 million on electricity, gas and water services
- $0.01 million on food and beverages
- $0.02 million on other

A local spend of $0.46 million by NT property owners, contributes between $0.4 million and $0.5 million to the NT economy, which is between 0.001 per cent and 0.002 per cent of State GSP in 2016. This is in addition to the direct contribution of 0.02 percent reported in Section 4.2.

A more detailed breakdown of the NT production costs is presented in Figure 5.8.

Hosts in NT spent their additional income on goods and service which generated further activity in the economy. This activity is estimated have contributed between $2.3 million and $2.9 million to the NT economy, which is an additional contribution to the state GSP between 0.010 per cent and 0.012 per cent to the state GSP in 2016.

Visitors who used STRA in the Northern Territory also purchased other goods and service which generated further activity in the economy. This activity is estimated to have contributed between $6.4 million and $9.1 million to the NT economy, which is an additional contribution to the state GSP between 0.027 per cent and 0.038 per cent to the state GSP in 2016.

In total, it is estimated that between 55 and 71 FTE jobs were indirectly supported by STRA activities in the NT economy.

FIGURE 5.8 MAP OF STRA RELATED EXPENDITURE – NORTHERN TERRITORY, 2016

The estimated indirect contribution to the Northern Territory economy with lower and upper bounds are provided in Table 5.8.
5.9 Australian Capital Territory

It is estimated that ACT STRA hosts spent $1.16 million on goods and services in preparing and renting their properties for short term accommodation in 2016. Of this it is estimated that $0.55 million was on locally produced goods and services, comprising:

- $0.32 million on cleaning, pest control and other administrative services
- $0.21 million on electricity, gas and water services
- $0.01 million on food and beverages
- $0.01 million on other

A local spend of $0.55 million by ACT hosts, contributed between $0.5 million and $0.7 million to the ACT economy, which is between 0.001 per cent and 0.002 per cent of State GSP in 2016. This is in addition to the direct contribution of 0.01 percent reported in Section 4.2.

A more detailed breakdown of the ACT production costs is presented in Figure 5.9.

Hosts in the ACT spent their additional income on goods and service which generated further activity in the economy. This activity is estimated to have contributed between $3.1 million and $4 million to the ACT economy, which is an additional contribution to the state GSP between 0.008 per cent and 0.011 per cent to the state GSP in 2016.

Visitors who used STRA in the ACT also purchased other goods and service which generated further activity in the economy. This activity is estimated to have contributed between $15.8 million and $23.4 million to the ACT economy, which is an additional contribution to the state GSP between 0.043 per cent and 0.063 per cent to the state GSP in 2016.

In total, it is estimated that between 103 and 138 FTE jobs were indirectly supported by STRA activities in the ACT economy.
The estimated indirect contribution to the ACT economy with lower and upper bounds are provided in Table 5.9.

**TABLE 5.9** ESTIMATED INDIRECT ECONOMIC CONTRIBUTION OF THE STRA SECTOR TO THE ACT ECONOMY IN 2016

<table>
<thead>
<tr>
<th></th>
<th>Host cost</th>
<th>Host spend</th>
<th>Other visitor spend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indirect economic contribution ($A million)</strong></td>
<td>Lower 0.5</td>
<td>Upper 0.7</td>
<td>Lower 3.1</td>
</tr>
<tr>
<td><strong>Indirect economic contribution (per cent of GSP)</strong></td>
<td>0.001</td>
<td>0.002</td>
<td>0.008</td>
</tr>
<tr>
<td><strong>Employment (FTE)</strong></td>
<td>4</td>
<td>5</td>
<td>10</td>
</tr>
</tbody>
</table>

Note: Other visitor spend does not include accommodation.

Source: ACIL Allen Consulting
Adding the direct and indirect economic contributions for the STRA sector from Chapters 4 and 5, provides lower and upper bound estimates of the total economic footprint of the Australian STRA sector.

6.1 Total Australian contribution

In 2016, it is estimated that the STRA sector in Australia (Figure 6.1):

— Resulted in a lower bound contribution of $3,869 million to Australian GDP, comprising:
  - $843 million directly from the industry (direct contribution)
  - $3,026 million indirectly from three demand sources (indirect contribution)
    - $129 million from demand generated through host purchases of inputs and services
    - $643 million from demand generated through host’s additional expenditure on goods and services in the economy
    - $2,253 million through the visitor spending.
  - as a whole, the STRA sector contributed a minimum of 0.23 per cent to Australian GDP in 2016.

— Resulted in an upper bound contribution of $5,716 million to Australian GDP, comprising:
  - $843 million directly from the industry (direct contribution)
  - $4,873 million indirectly from three demand sources (indirect contribution)
    - $204 million from demand generated through host purchases of inputs and services
    - $906 million from demand generated through host’s additional expenditure on goods and services in the economy
    - $3,763 million through the visitor spending.
  - as a whole, the STRA sector contributed a maximum of 0.34 per cent to Australian GDP in 2016.

In 2016, it is estimated that the STRA sector in Australia supported up to 40,823 FTE jobs. To put this estimate another way, for every one million dollars of revenue received by hosts in the Australian STRA sector, there are up to 39 FTE jobs that are supported elsewhere in the Australian economy (this includes an estimate of the own labour supplied by hosts).

In understanding the estimated number of jobs supported by the industry, it should be noted that they are presented as full-time-equivalent (FTE) jobs for convenience. In reality they represent the summation of many shares of individual jobs or include part-time and casual jobs. Consequently the number of people whose employment is supported (partially or wholly) by the activities of the STRA sector will actually be greater than the estimated number of FTE jobs.
6.2 Total economic contribution by State

Depending on the uptake of this innovation, location and other factors, the STRA sector in different states contributed differently to their state economies. The total economic footprint of the STRA sector in terms of GSP by state are provided in Table 6.1 and Figure 6.2 and the contribution to employment by state in Table 6.2 and Figure 6.3 with Appendix A providing the detailed estimates by component.

In absolute terms, the STRA sector makes the largest contribution to the New South Wales economy, contributing between $1.4–2.1 billion to the state’s GSP along with supporting the employment of between 10,092–13,983 FTE jobs.

### TABLE 6.1 TOTAL ECONOMIC CONTRIBUTION OF THE STRA SECTOR BY STATE, 2016

<table>
<thead>
<tr>
<th>State</th>
<th>Direct Lower bound</th>
<th>Direct Upper bound</th>
<th>Indirect Lower bound</th>
<th>Indirect Upper bound</th>
<th>Total Lower bound</th>
<th>Total Upper bound</th>
<th>Total as a share of GSP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$A million</td>
<td>$A million</td>
<td>$A million</td>
<td>$A million</td>
<td>$A million</td>
<td>$A million</td>
<td>% of GSP % of GSP</td>
</tr>
<tr>
<td>New South Wales</td>
<td>352.4</td>
<td>1,089.8</td>
<td>1,776</td>
<td>1,442.2</td>
<td>2,128</td>
<td>0.26%</td>
<td>0.39%</td>
</tr>
<tr>
<td>Victoria</td>
<td>220.3</td>
<td>931.5</td>
<td>1,514</td>
<td>1,151.8</td>
<td>1,734</td>
<td>0.30%</td>
<td>0.46%</td>
</tr>
<tr>
<td>Queensland</td>
<td>131.8</td>
<td>506.7</td>
<td>808</td>
<td>638.6</td>
<td>940</td>
<td>0.20%</td>
<td>0.29%</td>
</tr>
<tr>
<td>South Australia</td>
<td>32.6</td>
<td>100.8</td>
<td>161</td>
<td>133.4</td>
<td>193</td>
<td>0.13%</td>
<td>0.19%</td>
</tr>
<tr>
<td>Western Australia</td>
<td>67.7</td>
<td>277.0</td>
<td>438</td>
<td>344.8</td>
<td>505</td>
<td>0.14%</td>
<td>0.21%</td>
</tr>
<tr>
<td>Tasmania</td>
<td>29.4</td>
<td>91.8</td>
<td>136</td>
<td>121.2</td>
<td>166</td>
<td>0.46%</td>
<td>0.63%</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>3.8</td>
<td>9.1</td>
<td>12.5</td>
<td>12.9</td>
<td>16.3</td>
<td>0.05%</td>
<td>0.07%</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>4.9</td>
<td>19.4</td>
<td>28.0</td>
<td>24.4</td>
<td>33.0</td>
<td>0.07%</td>
<td>0.09%</td>
</tr>
<tr>
<td>Australia</td>
<td>843.0</td>
<td>3,026.2</td>
<td>4,873</td>
<td>3,869.1</td>
<td>5,716</td>
<td>0.23%</td>
<td>0.34%</td>
</tr>
</tbody>
</table>

Notes: The lower and upper bounds are calculated using the Simple and Total multipliers, respectively. Indirect economic activity due to interstate trade has been included in the regional contribution estimates based on their share of underlying activity.

**SOURCE:** ACIL ALLEN CONSULTING
### TABLE 6.2  TOTAL EMPLOYMENT SUPPORTED BY THE STRA SECTOR BY STATE, 2016

<table>
<thead>
<tr>
<th>State</th>
<th>Direct FTE jobs</th>
<th>Indirect Lower bound FTE jobs</th>
<th>Indirect Upper bound FTE jobs</th>
<th>Total Lower bound FTE jobs</th>
<th>Total Upper bound FTE jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>2,234</td>
<td>7,858</td>
<td>11,750</td>
<td>10,092</td>
<td>13,983</td>
</tr>
<tr>
<td>Victoria</td>
<td>1,757</td>
<td>7,645</td>
<td>11,387</td>
<td>9,402</td>
<td>13,144</td>
</tr>
<tr>
<td>Queensland</td>
<td>1,098</td>
<td>4,098</td>
<td>6,075</td>
<td>5,196</td>
<td>7,173</td>
</tr>
<tr>
<td>South Australia</td>
<td>213</td>
<td>791</td>
<td>1,176</td>
<td>1,003</td>
<td>1,388</td>
</tr>
<tr>
<td>Western Australia</td>
<td>611</td>
<td>2,012</td>
<td>2,899</td>
<td>2,623</td>
<td>3,511</td>
</tr>
<tr>
<td>Tasmania</td>
<td>176</td>
<td>795</td>
<td>1,124</td>
<td>970</td>
<td>1,300</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>24</td>
<td>69</td>
<td>89</td>
<td>94</td>
<td>113</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>53</td>
<td>118</td>
<td>158</td>
<td>171</td>
<td>211</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td><strong>6,166</strong></td>
<td><strong>23,386</strong></td>
<td><strong>34,657</strong></td>
<td><strong>29,552</strong></td>
<td><strong>40,823</strong></td>
</tr>
</tbody>
</table>

Note: FTE = full time equivalent. There are assumed to be no people directly employed by the STRA sector. Instead, the direct employment is estimated based on the assumption of 1.5 hours of own-supplied labour by hosts per booking night.

**SOURCE:** ACIL ALLEN CONSULTING

### FIGURE 6.2  TOTAL ECONOMIC CONTRIBUTION OF THE STRA SECTOR BY STATE, 2016

![Graph showing economic contribution by state](source)

**SOURCE:** ACIL ALLEN CONSULTING

### FIGURE 6.3  TOTAL EMPLOYMENT SUPPORTED BY THE STRA SECTOR BY STATE, 2016

![Graph showing employment supported by state](source)

Note: FTE = full time equivalent.

**SOURCE:** ACIL ALLEN CONSULTING

SHORT TERM RENTAL ACCOMMODATION ECONOMIC CONTRIBUTION ANALYSIS
As noted in previous Chapters, the STRA sector is the largest and most active in New South Wales. Using detailed data supplied to ACIL Allen by Stayz at the regional level in conjunction with information on Airbnb’s activities, this Chapter estimates the regional economic contribution of the STRA sector and compares it to accommodation provided by the Traditional tourist accommodation sector.

7.1 Gross revenue

As shown in Figure 7.1, the two major STRA operators — Stayz and Airbnb — have significantly different revenues from regional New South Wales. In particular, 82 per cent of Stayz’s revenues were from regions outside of the Greater Sydney area compared with only 28 per cent of Airbnb’s revenues. This difference is driven by the different business models of the major operators, highlighting the diversity of product offerings within the STRA sector. Stayz has a significant focus on helping people to rent out their holiday homes in regional areas. In contrast, Airbnb’s business is built on assisting people to rent out rooms in their homes. As stated above, Airbnb mainly conducts its business in urban and metropolitan areas.

In aggregate, of the $453 million gross revenue from New South Wales STRA, 47 per cent is generated from outside the Sydney area and 53 per cent is from the Greater Sydney area (Figure 7.1). In comparison, 31 per cent of revenues for the Traditional tourist accommodation sector are from regional New South Wales.

In comparing the STRA estimates with the Traditional tourist accommodation sector, it should be noted that the latter only includes hotels, motels or serviced apartments with 15 rooms or more. These places are surveyed quarterly by the ABS in the Survey of Tourist Accommodation (ABS Catalogue number 8635.0). It is likely that smaller establishments (i.e. places with less than 15 rooms) play a greater role within regional areas in providing accommodation options. In addition, there are likely to be alternative accommodation options that aren’t captured within the ABS Survey, such as tourist parks.

Despite these shortcomings with data on the Traditional accommodation sector, it is useful to compare the available data against the STRA estimates in this report.
Based on the ABS Survey of Tourist Accommodation, it is estimated that in 2016 the Traditional accommodation sector provided 18.8 million room nights of accommodation across New South Wales at a cost of $3.6 billion. In contrast, as per the estimates in Chapter 2, the New South Wales STRA sector provided 2.57 million room nights of accommodation at a cost of $435 million. Hence, the STRA sector is a substantial provider of accommodation throughout New South Wales, accounting for approximately 14 per cent of the room nights and 12 per cent of the revenues as supplied by the Traditional tourist accommodation sector (with 15 rooms or more) (Table 7.1).

### TABLE 7.1 IMPORTANCE OF STRA VERSUS TRADITIONAL TOURIST ACCOMMODATION BY NSW REGION, 2016

<table>
<thead>
<tr>
<th>Region</th>
<th>STRA sector</th>
<th>Traditional tourist accommodation</th>
<th>STRA as a share of Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Room nights booked</td>
<td>Revenue</td>
<td>Room nights booked</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>59,086</td>
<td>11.6</td>
<td>301,573</td>
</tr>
<tr>
<td>Capital Country</td>
<td>28,454</td>
<td>8.1</td>
<td>420,576</td>
</tr>
<tr>
<td>Central Coast</td>
<td>74,148</td>
<td>19.7</td>
<td>383,346</td>
</tr>
<tr>
<td>Central NSW</td>
<td>33,035</td>
<td>5.9</td>
<td>809,092</td>
</tr>
<tr>
<td>Hunter</td>
<td>122,787</td>
<td>28.5</td>
<td>1,195,123</td>
</tr>
<tr>
<td>New England North West</td>
<td>9,612</td>
<td>1.3</td>
<td>500,551</td>
</tr>
<tr>
<td>North Coast</td>
<td>305,189</td>
<td>56.1</td>
<td>1,723,195</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>2,449</td>
<td>0.2</td>
<td>172,906</td>
</tr>
<tr>
<td>Riverina</td>
<td>6,421</td>
<td>0.7</td>
<td>472,872</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>46,609</td>
<td>10.6</td>
<td>282,291</td>
</tr>
<tr>
<td>South Coast</td>
<td>307,003</td>
<td>62.5</td>
<td>764,048</td>
</tr>
<tr>
<td>The Murray</td>
<td>6,598</td>
<td>0.8</td>
<td>545,859</td>
</tr>
<tr>
<td>Sydney</td>
<td>1,567,227</td>
<td>229.2</td>
<td>11,196,290</td>
</tr>
<tr>
<td><strong>New South Wales</strong></td>
<td><strong>2,568,619</strong></td>
<td><strong>435.2</strong></td>
<td><strong>18,767,722</strong></td>
</tr>
</tbody>
</table>

Note: “Traditional tourist accommodation” refers to hotels, motels or serviced apartments with 15 rooms or more. Calendar 2016 are estimated by ACIL Allen based on available ABS data.

SOURCE: ACIL ALLEN CONSULTING
As shown in Table 7.1, the importance of the STRA sector in different regions differs greatly. Revenues generated through the STRA sector in the South Coast region of New South Wales were over half of those generated by the Traditional tourist accommodation providers ($62.5 million versus $120 million). In contrast, there is minimal penetration of the STRA sector in Outback NSW, with estimated revenues of just $0.2 million being only 1.1 per cent of the revenues generated by the Traditional tourist accommodation providers.

### 7.2 Total economic contribution by New South Wales regions

Following the methodology used in the previous Chapters, ACIL Allen estimated the direct and indirect economic contribution of the STRA sector to each of the 13 tourism regions of New South Wales. These are provided in Table 7.2 and Table 7.3 below, with Appendix B providing the detailed estimates by component for the seven major regional areas.

Regional areas of New South Wales are estimated to underpin 41-44 per cent of the economic and employment contribution of the STRA sector’s contribution to the state. In absolute terms, the STRA sector made its greatest regional contribution to the economies of the South Coast ($191–$267 million and supporting up to 1,778 FTE jobs), North Coast ($170–$235 million, supporting up to 1,616 FTE jobs) and Hunter ($91–$130 million and supporting up to 836 FTE jobs) regions. STRA also made a significant contribution to the Sydney economy, adding between $815 and $1,260 million to GRP and supporting up to 8,194 FTE jobs.

### Table 7.2 TOTAL CONTRIBUTION FROM NEW SOUTH WALES REGIONS

<table>
<thead>
<tr>
<th>Region</th>
<th>Direct Lower bound</th>
<th>Direct Upper bound</th>
<th>Indirect Lower bound</th>
<th>Indirect Upper bound</th>
<th>Total Lower bound</th>
<th>Total Upper bound</th>
<th>Total as share of GRP %</th>
<th>Total as share of GRP %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Mountains</td>
<td>9.4</td>
<td>23.6</td>
<td>34.0</td>
<td>33.0</td>
<td>43.4</td>
<td>43.4</td>
<td>0.62%</td>
<td>0.81%</td>
</tr>
<tr>
<td>Capital Country</td>
<td>6.6</td>
<td>17.6</td>
<td>25.8</td>
<td>24.2</td>
<td>32.4</td>
<td>32.4</td>
<td>0.27%</td>
<td>0.36%</td>
</tr>
<tr>
<td>Central Coast</td>
<td>16.0</td>
<td>43.4</td>
<td>65.3</td>
<td>59.4</td>
<td>81.3</td>
<td>81.3</td>
<td>0.36%</td>
<td>0.50%</td>
</tr>
<tr>
<td>Central NSW</td>
<td>4.8</td>
<td>13.2</td>
<td>20.2</td>
<td>18.0</td>
<td>24.9</td>
<td>24.9</td>
<td>0.10%</td>
<td>0.14%</td>
</tr>
<tr>
<td>Hunter</td>
<td>23.1</td>
<td>67.8</td>
<td>107.0</td>
<td>90.9</td>
<td>130.1</td>
<td>130.1</td>
<td>0.20%</td>
<td>0.28%</td>
</tr>
<tr>
<td>New England North West</td>
<td>1.0</td>
<td>2.9</td>
<td>4.4</td>
<td>3.9</td>
<td>5.5</td>
<td>5.5</td>
<td>0.03%</td>
<td>0.05%</td>
</tr>
<tr>
<td>North Coast</td>
<td>45.4</td>
<td>124.9</td>
<td>189.9</td>
<td>170.3</td>
<td>235.2</td>
<td>235.2</td>
<td>0.54%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>0.2</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
<td>0.8</td>
<td>0.8</td>
<td>0.02%</td>
<td>0.03%</td>
</tr>
<tr>
<td>Riverina</td>
<td>0.6</td>
<td>1.6</td>
<td>2.4</td>
<td>2.2</td>
<td>3.0</td>
<td>3.0</td>
<td>0.02%</td>
<td>0.03%</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>8.6</td>
<td>22.1</td>
<td>32.4</td>
<td>30.7</td>
<td>41.0</td>
<td>41.0</td>
<td>1.29%</td>
<td>1.72%</td>
</tr>
<tr>
<td>South Coast</td>
<td>50.6</td>
<td>140.9</td>
<td>216.2</td>
<td>191.5</td>
<td>266.8</td>
<td>266.8</td>
<td>0.74%</td>
<td>1.03%</td>
</tr>
<tr>
<td>The Murray</td>
<td>0.6</td>
<td>1.8</td>
<td>2.7</td>
<td>2.4</td>
<td>3.3</td>
<td>3.3</td>
<td>0.03%</td>
<td>0.05%</td>
</tr>
<tr>
<td>Sydney</td>
<td>185.6</td>
<td>629.5</td>
<td>1074.7</td>
<td>815.1</td>
<td>1260.3</td>
<td>1260.3</td>
<td>0.23%</td>
<td>0.35%</td>
</tr>
<tr>
<td><strong>New South Wales</strong></td>
<td><strong>352.4</strong></td>
<td><strong>1,089.8</strong></td>
<td><strong>1,775.6</strong></td>
<td><strong>1,442.2</strong></td>
<td><strong>2,128.0</strong></td>
<td><strong>2,128.0</strong></td>
<td><strong>0.26%</strong></td>
<td><strong>0.39%</strong></td>
</tr>
</tbody>
</table>

Notes: GRP = Gross regional product. Equivalent to economic output as measured by GDP and GSP except at the regional level. The lower and upper bounds are calculated using the Simple and Total multipliers, respectively. Indirect economic activity due to intrastate and interstate trade has been included in the regional contribution estimates based on their share of underlying activity. Totals may not add due to rounding.

Source: ACIL Allen Consulting

As a percentage of total economic activity, the provision of accommodation by the STRA sector is particularly important for the Snowy Mountains regional economy contributing an estimated 1.3–1.7 per cent. It is also a significant contributor to the economies of the South Coast (0.7–1.0 per cent), the Blue Mountains (0.6–0.8 per cent) and the North Coast (0.5–0.7 per cent).

---

15 See ABS Catalogue number 9503.0.55.001 for details on the exact geography of the tourism regions.
FIGURE 7.2  NEW SOUTH WALES REGIONAL GRP CONTRIBUTION OF STRA SECTOR, 2016

<table>
<thead>
<tr>
<th>State</th>
<th>Direct FTE jobs</th>
<th>Indirect FTE jobs</th>
<th>Total FTE jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Mountains</td>
<td>51</td>
<td>184</td>
<td>235</td>
</tr>
<tr>
<td>Capital Country</td>
<td>25</td>
<td>134</td>
<td>159</td>
</tr>
<tr>
<td>Central Coast</td>
<td>64</td>
<td>325</td>
<td>455</td>
</tr>
<tr>
<td>Central NSW</td>
<td>29</td>
<td>99</td>
<td>128</td>
</tr>
<tr>
<td>Hunter</td>
<td>107</td>
<td>500</td>
<td>607</td>
</tr>
<tr>
<td>New England North West</td>
<td>8</td>
<td>22</td>
<td>30</td>
</tr>
<tr>
<td>North Coast</td>
<td>265</td>
<td>956</td>
<td>1,351</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Riverina</td>
<td>6</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>41</td>
<td>172</td>
<td>234</td>
</tr>
<tr>
<td>South Coast</td>
<td>267</td>
<td>1,067</td>
<td>1,334</td>
</tr>
<tr>
<td>The Murray</td>
<td>6</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>Sydney</td>
<td>1,363</td>
<td>4,372</td>
<td>5,735</td>
</tr>
<tr>
<td><strong>New South Wales</strong></td>
<td><strong>2,234</strong></td>
<td><strong>7,858</strong></td>
<td><strong>10,092</strong></td>
</tr>
</tbody>
</table>

Note: FTE = full time equivalent. There are assumed to be no people directly employed by the STRA sector. Instead, the direct employment is estimated based on the assumption of 1.5 hours of own-supplied labour by hosts per booking night.

SOURCE: ACIL ALLEN CONSULTING

### TABLE 7.3  NEW SOUTH WALES TOTAL EMPLOYMENT SUPPORTED BY THE STRA SECTOR BY REGION, 2016

<table>
<thead>
<tr>
<th>State</th>
<th>Direct Lower bound FTE jobs</th>
<th>Direct Upper bound FTE jobs</th>
<th>Indirect Lower bound FTE jobs</th>
<th>Indirect Upper bound FTE jobs</th>
<th>Total Lower bound FTE jobs</th>
<th>Total Upper bound FTE jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Mountains</td>
<td>51</td>
<td>184</td>
<td>245</td>
<td>235</td>
<td>296</td>
<td>296</td>
</tr>
<tr>
<td>Capital Country</td>
<td>25</td>
<td>134</td>
<td>183</td>
<td>159</td>
<td>208</td>
<td>208</td>
</tr>
<tr>
<td>Central Coast</td>
<td>64</td>
<td>325</td>
<td>455</td>
<td>389</td>
<td>519</td>
<td>519</td>
</tr>
<tr>
<td>Central NSW</td>
<td>29</td>
<td>99</td>
<td>140</td>
<td>128</td>
<td>169</td>
<td>169</td>
</tr>
<tr>
<td>Hunter</td>
<td>107</td>
<td>500</td>
<td>729</td>
<td>607</td>
<td>836</td>
<td>836</td>
</tr>
<tr>
<td>New England North West</td>
<td>8</td>
<td>22</td>
<td>31</td>
<td>30</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>North Coast</td>
<td>265</td>
<td>956</td>
<td>1,351</td>
<td>1,221</td>
<td>1,616</td>
<td>1,616</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Riverina</td>
<td>6</td>
<td>11</td>
<td>16</td>
<td>17</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>41</td>
<td>172</td>
<td>234</td>
<td>213</td>
<td>275</td>
<td>275</td>
</tr>
<tr>
<td>South Coast</td>
<td>267</td>
<td>1,067</td>
<td>1,511</td>
<td>1,334</td>
<td>1,778</td>
<td>1,778</td>
</tr>
<tr>
<td>The Murray</td>
<td>6</td>
<td>13</td>
<td>19</td>
<td>19</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Sydney</td>
<td>1,363</td>
<td>4,372</td>
<td>6,831</td>
<td>5,735</td>
<td>8,194</td>
<td>8,194</td>
</tr>
<tr>
<td><strong>New South Wales</strong></td>
<td><strong>2,234</strong></td>
<td><strong>7,858</strong></td>
<td><strong>11,749</strong></td>
<td><strong>10,092</strong></td>
<td><strong>13,983</strong></td>
<td><strong>13,983</strong></td>
</tr>
</tbody>
</table>

Notes: FTE = full time equivalent. There are assumed to be no people directly employed by the STRA sector. Instead, the direct employment is estimated based on the assumption of 1.5 hours of own-supplied labour by hosts per booking night.

SOURCE: ACIL ALLEN CONSULTING
As noted in previous Chapters, the Tasmanian STRA sector has the highest economic contribution as a share of GSP than any other Australian state. Using detailed data supplied to ACIL Allen by Stayz at the regional level in conjunction with information on Airbnb’s activities, this Chapter estimates the regional economic contribution of the STRA sector and compares it to accommodation provided by the Traditional tourist accommodation sector.

8.1 Gross revenue

As shown in Figure 8.1, the two major STRA operators — Stayz and Airbnb — have significantly different revenues from regional Tasmania. In particular, 81 per cent of Stayz’s revenues were from regions outside of the Inner Hobart area compared with only 48 per cent of Airbnb’s revenues. This difference is driven by the different business models of the major operators, highlighting the diversity of product offerings within the STRA sector. Stayz has a significant focus on helping people to rent out their holiday homes in regional areas. In contrast, Airbnb’s business is built on assisting people to rent out rooms in their homes. As stated above, Airbnb mainly conducts its business in urban and metropolitan areas.

In aggregate, of the $36 million gross revenue from Tasmanian STRA, 57 per cent is generated from outside the Inner Hobart area and 43 per cent is from the Inner Hobart area (Figure 8.1). In comparison, 51 per cent of revenues for the Traditional tourist accommodation sector are from regional Tasmania.

In comparing the STRA estimates with the Traditional tourist accommodation sector, it should be noted that the latter only includes hotels, motels or serviced apartments with 15 rooms or more. These places are surveyed quarterly by the ABS in the Survey of Tourist Accommodation (ABS Catalogue number 8635.0). It is likely that smaller establishments (i.e. places with less than 15 rooms) play a greater role within regional areas in providing accommodation options. In addition, there are likely to be alternative accommodation options that aren’t captured within the ABS Survey, such as tourist parks.

Despite these shortcomings with data on the Traditional accommodation sector, it is useful to compare the available data against the STRA estimates in this report.
Based on the ABS Survey of Tourist Accommodation, it is estimated that in 2016 the Traditional accommodation sector provided 1.7 million room nights of accommodation across Tasmania at a cost of $268 million. In contrast, as per the estimates in Chapter 2, the Tasmanian STRA sector provided 202 thousand room nights of accommodation at a cost of $36 million. Hence, the STRA sector is a substantial provider of accommodation throughout Tasmania, accounting for approximately 12 per cent of the room nights and 14 per cent of the revenues as supplied by the Traditional tourist accommodation sector (with 15 rooms or more) (Table 8.1).

As shown in Table 8.1, the importance of the STRA sector in different regions differs greatly. Revenues generated through the STRA sector in the East Coast region of Tasmania were 32 per cent of those generated by the Traditional tourist accommodation providers ($6.5 million versus $21 million). In contrast, there is low penetration of the STRA sector in the Wilderness West region, with estimated revenues of just $0.4 million being only 5.7 per cent of the revenues generated by the Traditional tourist accommodation providers.

TABLE 8.1 IMPORTANCE OF STRA VERSUS TRADITIONAL TOURIST ACCOMMODATION BY NSW REGION, 2016

<table>
<thead>
<tr>
<th>Region</th>
<th>STRA sector</th>
<th>Traditional tourist accommodation</th>
<th>STRA as a share of Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Room nights booked</td>
<td>Revenue</td>
<td>Room nights booked</td>
</tr>
<tr>
<td>East Coast</td>
<td>31,008</td>
<td>6.5</td>
<td>99,889</td>
</tr>
<tr>
<td>Launceston, Tamar and the North</td>
<td>26,940</td>
<td>4.6</td>
<td>439,349</td>
</tr>
<tr>
<td>North West</td>
<td>22,028</td>
<td>3.5</td>
<td>221,880</td>
</tr>
<tr>
<td>Wilderness West</td>
<td>1,999</td>
<td>0.4</td>
<td>60,181</td>
</tr>
<tr>
<td>South and other Hobart</td>
<td>30,685</td>
<td>5.5</td>
<td>102,889</td>
</tr>
<tr>
<td>Inner Hobart</td>
<td>89,262</td>
<td>15.8</td>
<td>763,572</td>
</tr>
<tr>
<td>Tasmania</td>
<td>201,922</td>
<td>36.3</td>
<td>1,687,758</td>
</tr>
</tbody>
</table>

Note: “Traditional tourist accommodation” refers to hotels, motels or serviced apartments with 15 rooms or more. Calendar 2016 are estimated by ACIL Allen based on available ABS data.

Source: ACIL Allen Consulting.
8.2 Total economic contribution by Tasmanian region

Following the methodology used in the previous Chapters, ACIL Allen estimated the direct and indirect economic contribution of the STRA sector to each of the 6 tourism regions of Tasmania. These are provided in Table 8.2 and Table 8.3 below, with Appendix C providing the detailed estimates by component for each regional area.

Regional areas of Tasmania are estimated to underpin 53-56 per cent of the economic and employment contribution of the STRA sector’s contribution to the state. In absolute terms, the STRA sector made its greatest regional economic contribution to the economies of the South and other Hobart ($19–$27 million and supporting up to 221 FTE jobs) and East Coast ($19–$23 million and supporting up to 188 FTE jobs) regions. STRA also made a significant contribution to the Inner Hobart economy, contributing between $55 and $78 million to GRP and supporting up to 571 FTE jobs.

### TABLE 8.2 TOTAL CONTRIBUTION FROM TASMANIAN REGIONS

<table>
<thead>
<tr>
<th>Region</th>
<th>Direct Lower bound</th>
<th>Direct Upper bound</th>
<th>Indirect Lower bound</th>
<th>Indirect Upper bound</th>
<th>Total Lower bound</th>
<th>Total Upper bound</th>
<th>Total as share of GRP Lower bound</th>
<th>Total as share of GRP Upper bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Coast</td>
<td>5.3</td>
<td>13.4</td>
<td>17.8</td>
<td>18.7</td>
<td>23.1</td>
<td>4.26%</td>
<td>5.24%</td>
<td></td>
</tr>
<tr>
<td>Launceston, Tamar and the North</td>
<td>3.7</td>
<td>12.2</td>
<td>18.4</td>
<td>15.9</td>
<td>22.1</td>
<td>0.24%</td>
<td>0.33%</td>
<td></td>
</tr>
<tr>
<td>North West</td>
<td>2.9</td>
<td>8.3</td>
<td>11.8</td>
<td>11.2</td>
<td>14.6</td>
<td>0.22%</td>
<td>0.28%</td>
<td></td>
</tr>
<tr>
<td>Wilderness West</td>
<td>0.3</td>
<td>0.7</td>
<td>1.0</td>
<td>1.1</td>
<td>1.3</td>
<td>0.34%</td>
<td>0.41%</td>
<td></td>
</tr>
<tr>
<td>South and other Hobart</td>
<td>4.4</td>
<td>14.7</td>
<td>22.2</td>
<td>19.2</td>
<td>26.6</td>
<td>0.19%</td>
<td>0.26%</td>
<td></td>
</tr>
<tr>
<td>Inner Hobart</td>
<td>12.8</td>
<td>42.3</td>
<td>65.4</td>
<td>55.1</td>
<td>78.2</td>
<td>1.82%</td>
<td>2.58%</td>
<td></td>
</tr>
<tr>
<td>Tasmania</td>
<td>29.4</td>
<td>91.8</td>
<td>136.4</td>
<td>121.2</td>
<td>165.8</td>
<td>0.46%</td>
<td>0.63%</td>
<td></td>
</tr>
</tbody>
</table>

Notes: GRP = Gross regional product. Equivalent to economic output as measured by GDP and GSP except at the regional level. The lower and upper bounds are calculated using the Simple and Total multipliers, respectively. Indirect economic activity due to intrastate and interstate trade has been included in the regional contribution estimates based on their share of underlying activity. Totals may not add due to rounding.

### FIGURE 8.2 TASMANIAN REGIONAL GRP CONTRIBUTION OF STRA SECTOR, 2016

As a percentage of total economic activity, the provision of accommodation by the STRA sector is particularly important for the East Coast regional economy contributing an estimated 4.3–5.2 per cent of its GRP.

Note: ACIL Allen have disaggregated the Hobart and the South tourism region into Inner Hobart (as per the SA3 geography) and South and other Hobart using the detailed SA2 level information on the Traditional tourist accommodation data.
### Table 8.3 Tasmanian Total Employment Supported by the STRA Sector by Region, 2016

<table>
<thead>
<tr>
<th>State</th>
<th>Direct FTE jobs</th>
<th>Indirect FTE jobs</th>
<th>Total FTE jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower bound</td>
<td>Upper bound</td>
<td>Lower bound</td>
</tr>
<tr>
<td>East Coast</td>
<td>27</td>
<td>119</td>
<td>161</td>
</tr>
<tr>
<td>Launceston, Tamar and the North</td>
<td>23</td>
<td>106</td>
<td>162</td>
</tr>
<tr>
<td>North West</td>
<td>19</td>
<td>73</td>
<td>106</td>
</tr>
<tr>
<td>Wilderness West</td>
<td>2</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>South and other Hobart</td>
<td>27</td>
<td>127</td>
<td>194</td>
</tr>
<tr>
<td>Inner Hobart</td>
<td>78</td>
<td>364</td>
<td>493</td>
</tr>
<tr>
<td>Tasmania</td>
<td>176</td>
<td>795</td>
<td>1,124</td>
</tr>
</tbody>
</table>

Notes: FTE = full time equivalent. There are assumed to be no people directly employed by the STRA sector. Instead, the direct employment is estimated based on the assumption of 1.5 hours of own-supplied labour by hosts per booking night.

Source: ACIL Allen Consulting
Chapter 5 presented the estimated indirect economic contribution of the STRA sector. There is significant uncertainty around one of the components: Other visitor spend. That is, how much money do visitors staying in STRA accommodation spend during their stay. This Chapter provides alternative estimates.

In Chapter 5, ACIL Allen assumed that the average spend per visitor per night (including accommodation) is the same as estimated in a study sourced by Airbnb in 2015 which indicated that the Airbnb visitors spend $750 per visitor more than the hotel visitors. 17 While it is difficult for ACIL Allen to verify this claim, for the purposes of the main analysis we assumed that the visitor spend by state detailed in the DAE 2017 report 18 undertaken for Airbnb represents the average visitor spend throughout the entire STRA sector.

Alternative estimates can be obtained through the Tourism Research Australia (TRA) 19 visitor spend data for each state. Although the TRA collects information on the average visitor spend by visitor type they only publically report the average spend by all international and all domestic overnight tourists. Overall, the DAE (2017) total visitor spend figures (including accommodation) are 65 per cent higher than those estimated by Tourism Research Australia ($236 per visitor night compared to $143 per visitor night). Table 9.1 provides a state-by-state comparison of the different visitor spend assumptions (accommodation inclusive).

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19 See www.tra.gov.au. Additionally, it has been assumed that the non-accommodation spending pattern by STRA visitors is the same as the average person in the Holiday, Business and Visiting friends and relatives categories for domestic and international visitors.
### TABLE 9.1 VISITOR SPEND BY STATE AND TERRITORY

<table>
<thead>
<tr>
<th>State</th>
<th>DAE²</th>
<th>TRA DATA¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A$ per visitor night</td>
<td>A$ per visitor night</td>
</tr>
<tr>
<td>New South Wales</td>
<td>238</td>
<td>142</td>
</tr>
<tr>
<td>Victoria</td>
<td>241</td>
<td>150</td>
</tr>
<tr>
<td>Queensland</td>
<td>233</td>
<td>140</td>
</tr>
<tr>
<td>South Australia</td>
<td>230</td>
<td>138</td>
</tr>
<tr>
<td>Western Australia</td>
<td>213</td>
<td>127</td>
</tr>
<tr>
<td>Tasmania</td>
<td>267</td>
<td>154</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>282</td>
<td>178</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>241</td>
<td>163</td>
</tr>
<tr>
<td>Australia¹</td>
<td>236</td>
<td>143</td>
</tr>
</tbody>
</table>

**Source:**
1. Tourism Research Australia Average of Spend per Visitor Night for Domestic and Foreign Visitors. [HTTP://WWW.TRA.GOV.AU/RESEARCH/LATEST/NVS-REPORT.HTML](HTTP://WWW.TRA.GOV.AU/RESEARCH/LATEST/NVS-REPORT.HTML)
2. International Visitors in Australia (March 2017), Workbook IVS_WEB/Publications_Final_2016Q4.XLSX, Table 10a
3. Travel by Australians (March 2017), Workbook IVS_WEB_O4_2016.XLSX, Table 9.

### 9.1 Total Australian contribution – Alternative visitor spend

Adding the previously estimated economic contributions for the STRA sector from Chapters 4 and 5 with the recalculated figures for the indirect impacts based on the alternative visitor spend assumptions from TRA, the total economic footprint of the Australian STRA sector is revised significantly downwards, as shown in Table 9.2 and Table 9.3.

In 2016, it is estimated that, under the alternative visitor spend assumptions, the STRA sector in Australia:

— Resulted in a *lower bound* contribution of $2,703 million to Australian GDP, comprising:
  - $843 million directly from the industry (direct contribution)
  - $1,860 million indirectly from three demand sources (indirect contribution)
    - $129 million from demand generated through host purchases of inputs and services
    - $643 million from demand generated through host’s additional expenditure on goods and services in the economy
    - $1,088 million through the visitor spending – compared with $2,253 million estimated using the DAE (2017) visitor spend data
  - as a whole, the STRA sector contributed a minimum of 0.16 per cent to Australian GDP in 2016.

— Resulted in a *upper bound* contribution of $3,770 million to Australian GDP, comprising:
  - $843 million directly from the industry (direct contribution)
  - $2,927 million indirectly from three demand sources (indirect contribution)
    - $204 million from demand generated through host purchases of inputs and services
    - $906 million from demand generated through host’s additional expenditure on goods and services in the economy
    - $1,816 million through the visitor spending – compared with $3,763 million estimated using the DAE (2017) visitor spend data
  - as a whole, the STRA sector contributed a maximum of 0.22 per cent to Australian GDP in 2016.

Under the alternative visitor spend assumptions, it is estimated that the STRA sector in Australia supported up to 26,088 FTE jobs in 2016. To put this estimate another way, for every one million dollars of revenue received by hosts in the Australian STRA sector, there are up to 25 FTE jobs that
are supported elsewhere in the Australian economy (this includes an estimate of the own labour supplied by hosts).

9.2 Total economic contribution by State – Alternative visitor spend

Table 9.2 and Table 9.3 present the state level contributions under the alternative visitor spend assumptions.

In absolute terms, the STRA sector makes the largest contribution to the New South Wales economy, contributing between $1.0–1.4 billion to the state’s GSP along with employing an estimated 6,603–8,787 FTE people.

### TABLE 9.2 TOTAL ECONOMIC CONTRIBUTION OF THE STRA SECTOR BY STATE, 2016 – ALTERNATIVE VISITOR SPEND

<table>
<thead>
<tr>
<th>State</th>
<th>Direct Lower bound</th>
<th>Direct Upper bound</th>
<th>Indirect Lower bound</th>
<th>Indirect Upper bound</th>
<th>Total Lower bound</th>
<th>Total Upper bound</th>
<th>Total as a share of GSP %</th>
<th>% of GSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>352.4</td>
<td>664.7</td>
<td>1,050.0</td>
<td>1,017.0</td>
<td>1,402.3</td>
<td>1,402.3</td>
<td>0.19%</td>
<td>0.26%</td>
</tr>
<tr>
<td>Victoria</td>
<td>220.3</td>
<td>586.7</td>
<td>936.7</td>
<td>807.0</td>
<td>1,157.0</td>
<td>1,157.0</td>
<td>0.21%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Queensland</td>
<td>131.8</td>
<td>308.4</td>
<td>481.9</td>
<td>440.2</td>
<td>613.7</td>
<td>613.7</td>
<td>0.14%</td>
<td>0.19%</td>
</tr>
<tr>
<td>South Australia</td>
<td>32.6</td>
<td>61.8</td>
<td>96.0</td>
<td>94.4</td>
<td>128.6</td>
<td>128.6</td>
<td>0.09%</td>
<td>0.13%</td>
</tr>
<tr>
<td>Western Australia</td>
<td>67.7</td>
<td>166.1</td>
<td>257.4</td>
<td>233.8</td>
<td>325.2</td>
<td>325.2</td>
<td>0.10%</td>
<td>0.13%</td>
</tr>
<tr>
<td>Tasmania</td>
<td>29.4</td>
<td>53.8</td>
<td>78.1</td>
<td>83.2</td>
<td>107.5</td>
<td>107.5</td>
<td>0.32%</td>
<td>0.41%</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>3.8</td>
<td>5.8</td>
<td>7.8</td>
<td>9.6</td>
<td>11.6</td>
<td>11.6</td>
<td>0.04%</td>
<td>0.05%</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>4.9</td>
<td>13.1</td>
<td>18.7</td>
<td>23.7</td>
<td>0.05%</td>
<td>0.05%</td>
<td>0.06%</td>
<td>0.06%</td>
</tr>
<tr>
<td>Australia</td>
<td>843.0</td>
<td>1,860.4</td>
<td>2,926.6</td>
<td>2,703.3</td>
<td>3,769.6</td>
<td>3,769.6</td>
<td>0.16%</td>
<td>0.22%</td>
</tr>
</tbody>
</table>

Notes: The lower and upper bounds are calculated using the Simple and Total multipliers, respectively. Indirect economic activity due to interstate trade has been included in the regional contribution estimates based on their share of underlying activity.

### TABLE 9.3 TOTAL EMPLOYMENT SUPPORTED BY THE STRA SECTOR BY STATE, 2016 – ALTERNATIVE VISITOR SPEND

<table>
<thead>
<tr>
<th>State</th>
<th>Direct FTE jobs</th>
<th>Indirect FTE jobs</th>
<th>Total FTE jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower bound</td>
<td>Upper bound</td>
<td>Lower bound</td>
</tr>
<tr>
<td>New South Wales</td>
<td>2,234</td>
<td>4,369</td>
<td>6,554</td>
</tr>
<tr>
<td>Victoria</td>
<td>1,757</td>
<td>4,564</td>
<td>6,810</td>
</tr>
<tr>
<td>Queensland</td>
<td>1,098</td>
<td>2,351</td>
<td>3,488</td>
</tr>
<tr>
<td>South Australia</td>
<td>213</td>
<td>449</td>
<td>669</td>
</tr>
<tr>
<td>Western Australia</td>
<td>611</td>
<td>1,135</td>
<td>1,639</td>
</tr>
<tr>
<td>Tasmania</td>
<td>176</td>
<td>429</td>
<td>608</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>24</td>
<td>41</td>
<td>52</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>53</td>
<td>77</td>
<td>103</td>
</tr>
<tr>
<td>Australia</td>
<td>6,166</td>
<td>13,415</td>
<td>19,922</td>
</tr>
</tbody>
</table>

Notes: FTE = full time equivalent. There are assumed to be no people directly employed by the STRA sector. Instead, the direct employment is estimated based on the assumption of 1.5 hours of own-supplied labour by hosts per booking night.

SOURCE: ACIL ALLEN CONSULTING

More detailed state level results under the alternative visitor spend assumptions are provided in Appendix E.
This chapter compares the estimated employment contribution made by the STRA sector to the employment generated by the entire tourism industry. The ABS regularly publishes tourism satellite accounts (TSA) that estimate the direct and indirect economic contribution of the tourism industry using a similar methodology to that employed in this study. Although these estimates are derived using different IO tables and multipliers they provide a reasonable benchmark for the size of the total tourism industry (including trips made by international visitors, domestic overnighters and domestic day trippers).

At the time of this report, the ABS’s most recent estimate of the national employment throughout the tourism industry and tourism-related sectors of the economy was 580,200 people. This comprised 310,100 full time people and 270,200 part time people. Assuming the average part time person works 0.5 FTE jobs then this equates to total employment across the tourism for 2016 being approximately 445,200 FTE jobs.

Prorating the latest state level TSA’s, the estimated total tourism industry employment alongside with the STRA sector employment estimates are presented in Table 10.1. As can be seen, employment associated with the STRA sector activities account for an estimated 9.2 per cent of total tourism industry employment. Given that the total tourism industry includes domestic day trippers and students who stay for less than nine months on a single entry, this represents a substantial portion.

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>Vic.</th>
<th>Qld</th>
<th>SA</th>
<th>WA</th>
<th>Tas.</th>
<th>NT</th>
<th>ACT</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE jobs</td>
<td>13,983</td>
<td>13,144</td>
<td>7,173</td>
<td>1,388</td>
<td>3,511</td>
<td>1,300</td>
<td>113</td>
<td>211</td>
<td>40,823</td>
</tr>
<tr>
<td>STRA sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTE jobs</td>
<td>130,069</td>
<td>103,363</td>
<td>104,533</td>
<td>27,410</td>
<td>49,969</td>
<td>13,683</td>
<td>7,677</td>
<td>7,937</td>
<td>445,200</td>
</tr>
<tr>
<td>Total tourism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTE jobs</td>
<td>10.8%</td>
<td>12.7%</td>
<td>6.9%</td>
<td>5.1%</td>
<td>7.0%</td>
<td>9.5%</td>
<td>1.5%</td>
<td>2.7%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

Although the TSA statistics do not provide estimates of employment by tourism region, it is possible to obtain estimates of the average total visitor spend. Assuming that the average employment by tourism region within each state is proportionate to the average visitor spend then it is possible to estimate the share of the employment by the STRA sector of the total tourism industry. Using the STRA regional estimates in Chapters 7 and 8, these shares are presented in Table 10.2 and Table 10.3.

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20 ABS Catalogue Number 5249.0. See also Tourism Research Australia (2016), Tourism Satellite Account, Summary of Key Results, 2015-16, Australian Trade and Investment Commission (Austrade), December.

21 For 2014-15 as the 2015-16 state estimates had not been released at the time of this report.

22 Available through TRA detailed information on visitor spend by tourist category by region.
### TABLE 10.2 NSW REGIONAL STRA EMPLOYMENT AS A SHARE OF TOTAL TOURISM INDUSTRY EMPLOYMENT

<table>
<thead>
<tr>
<th>Region</th>
<th>STRA sector</th>
<th>Total tourism industry</th>
<th>STRA share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTE jobs</td>
<td>FTE jobs</td>
<td>%</td>
</tr>
<tr>
<td>Blue Mountains</td>
<td>296</td>
<td>2,781</td>
<td>10.7%</td>
</tr>
<tr>
<td>Capital Country</td>
<td>208</td>
<td>2,755</td>
<td>7.5%</td>
</tr>
<tr>
<td>Central Coast</td>
<td>519</td>
<td>3,491</td>
<td>14.9%</td>
</tr>
<tr>
<td>Central NSW</td>
<td>169</td>
<td>4,706</td>
<td>3.6%</td>
</tr>
<tr>
<td>Hunter</td>
<td>836</td>
<td>9,514</td>
<td>8.8%</td>
</tr>
<tr>
<td>New England North West</td>
<td>39</td>
<td>3,062</td>
<td>1.3%</td>
</tr>
<tr>
<td>North Coast</td>
<td>1,616</td>
<td>15,095</td>
<td>10.7%</td>
</tr>
<tr>
<td>Outback NSW</td>
<td>7</td>
<td>1,602</td>
<td>0.4%</td>
</tr>
<tr>
<td>Riverina</td>
<td>22</td>
<td>2,802</td>
<td>0.8%</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>275</td>
<td>2,149</td>
<td>12.8%</td>
</tr>
<tr>
<td>South Coast</td>
<td>1,778</td>
<td>10,068</td>
<td>17.7%</td>
</tr>
<tr>
<td>The Murray</td>
<td>25</td>
<td>2,277</td>
<td>1.1%</td>
</tr>
<tr>
<td>Sydney</td>
<td>8,194</td>
<td>69,768</td>
<td>11.7%</td>
</tr>
<tr>
<td><strong>New South Wales</strong></td>
<td><strong>13,983</strong></td>
<td><strong>130,069</strong></td>
<td><strong>10.8%</strong></td>
</tr>
</tbody>
</table>

SOURCE: ACIL ALLEN Consulting

### TABLE 10.3 TASMANIAN REGIONAL STRA EMPLOYMENT AS A SHARE OF TOTAL TOURISM INDUSTRY EMPLOYMENT

<table>
<thead>
<tr>
<th>Region</th>
<th>STRA sector</th>
<th>Total tourism industry</th>
<th>STRA share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTE jobs</td>
<td>FTE jobs</td>
<td>%</td>
</tr>
<tr>
<td>East Coast</td>
<td>188</td>
<td>964</td>
<td>19.5%</td>
</tr>
<tr>
<td>Launceston, Tamar and the North</td>
<td>185</td>
<td>3,515</td>
<td>5.3%</td>
</tr>
<tr>
<td>North West</td>
<td>125</td>
<td>1,961</td>
<td>6.4%</td>
</tr>
<tr>
<td>Wilderness West</td>
<td>11</td>
<td>581</td>
<td>1.8%</td>
</tr>
<tr>
<td>South and other Hobart</td>
<td>221</td>
<td>645</td>
<td>34.3%</td>
</tr>
<tr>
<td>Inner Hobart</td>
<td>571</td>
<td>6,016</td>
<td>9.5%</td>
</tr>
<tr>
<td><strong>Tasmania</strong></td>
<td><strong>1,300</strong></td>
<td><strong>13,683</strong></td>
<td><strong>9.5%</strong></td>
</tr>
</tbody>
</table>

SOURCE: ACIL ALLEN Consulting
A.1 New South Wales

In 2016, it is estimated that the STRA sector in New South Wales:

— resulted in a lower bound contribution of $1,442 million to New South Wales GSP, comprising:
  - $352.4 million directly from the industry (direct contribution)
  - $1,089.8 million indirectly from three additional demand sources (indirect contribution)
    - $61.4 million from additional demand generated through host purchases of inputs and services
    - $269.2 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $759.2 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.26 per cent to New South Wales GSP in 2016.

In 2016, it is estimated that the STRA sector in New South Wales:

— resulted in an upper bound contribution of $2,128 million to New South Wales GSP, comprising:
  - $352.4 million directly from the industry (direct contribution)
  - $1,776 million indirectly from three demand sources (indirect contribution)
    - $96.5 million from additional demand generated through host purchases of inputs and services
    - $382.8 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $1,296 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.39 per cent to New South Wales GSP in 2016.
In 2016, it is estimated that the STRA sector in Victoria:

- resulted in a lower bound contribution of $1,151.8 million to Victoria’s GSP, comprising:
  - $220.3 million directly from the industry (direct contribution)
  - $931.5 million indirectly from three additional demand sources (indirect contribution)
    - $31.5 million from additional demand generated through host purchases of inputs and services
    - $175.2 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $724.8 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.3 per cent to Victoria’s GSP in 2016.

In 2016, it is estimated that the STRA sector in Victoria:

- resulted in an upper bound contribution of $1,734.3 million to Victoria’s GSP, comprising:
  - $220.3 million directly from the industry (direct contribution)
  - $1,514 million indirectly from three demand sources (indirect contribution)
    - $51.3 million from additional demand generated through host purchases of inputs and services
    - $248.5 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $1,214 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.46 per cent to Victoria’s GSP in 2016.
A.3 Queensland

In 2016, it is estimated that the STRA sector in Queensland:

— resulted in a lower bound contribution of $638.6 million to Queensland’s GSP, comprising:
  - $131.8 million directly from the industry (direct contribution)
  - $506.7 million indirectly from three additional demand sources (indirect contribution)
    - $17.7 million from additional demand generated through host purchases of inputs and services
    - $97.8 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $391.2 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.2 per cent to Queensland’s GSP in 2016.

In 2016, it is estimated that the STRA sector in Queensland:

— resulted in an upper bound contribution of $940.2 million to Queensland GSP, comprising:
  - $131.8 million directly from the industry (direct contribution)
  - $808 million indirectly from three demand sources (indirect contribution)
    - $27.7 million from additional demand generated through host purchases of inputs and services
    - $136.55 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $644 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.29 per cent to Queensland’s GSP in 2016.
A.4 South Australia

In 2016, it is estimated that the STRA sector in South Australia:

— resulted in a lower bound contribution of $133.4 million to South Australia’s GSP, comprising:
  – $32.6 million directly from the industry (direct contribution)
  – 100.8 million indirectly from three additional demand sources (indirect contribution)
    - $4.6 million from additional demand generated through host purchases of inputs and services
    - $25.3 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $70.9 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  – as a whole, the STRA sector contributed a minimum of 0.13 per cent to the South Australia’s GSP in 2016.

In 2016, it is estimated that the STRA sector in South Australia:

— resulted in an upper bound contribution of $193.2 million to South Australia’s GSP, comprising:
  – $32.6 million directly from the industry (direct contribution)
  – $161 million indirectly from three demand sources (indirect contribution)
    - $7.3 million from additional demand generated through host purchases of inputs and services
    - $35.7 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $118 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  – as a whole, the STRA sector contributed a maximum of 0.19 per cent to South Australian GSP in 2016.
A.5 Western Australia

In 2016, it is estimated that the STRA sector in Western Australia:

— resulted in a lower bound contribution of $344.8 million to Western Australia’s GSP, comprising:
  - $67.7 million directly from the industry (direct contribution)
  - $277 million indirectly from three additional demand sources (indirect contribution)
    - $9.5 million from additional demand generated through host purchases of inputs and services
    - $49.4 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $218.1 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.14 per cent to Western Australia’s GSP in 2016.

In 2016, it is estimated that the STRA sector in Western Australia:

— resulted in an upper bound contribution of $505.4 million to Western Australia GSP, comprising:
  - $67.7 million directly from the industry (direct contribution)
  - $438 million indirectly from three demand sources (indirect contribution)
    - $15 million from additional demand generated through host purchases of inputs and services
    - $67.9 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $355 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.21 per cent to Western Australia’s GSP in 2016.
A.6 Tasmania

In 2016, it is estimated that the STRA sector in Tasmania:

— resulted in a lower bound contribution of $121.1 million to Tasmania’s GSP, comprising:
  – $29.4 million directly from the industry (direct contribution)
  – $91.8 million indirectly from three additional demand sources (indirect contribution)
    - $3.7 million from additional demand generated through host purchases of inputs and services
    - $21.1 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $67 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  – as a whole, the STRA sector contributed a minimum of 0.46 per cent to Tasmania’s GSP in 2016.

In 2016, it is estimated that the STRA sector in Tasmania:

— resulted in an upper bound contribution of $165.8 million to Tasmania GSP, comprising:
  – $29.4 million directly from the industry (direct contribution)
  – $136 million indirectly from three demand sources (indirect contribution)
    - $5.3 million from additional demand generated through host purchases of inputs and services
    - $28 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $103 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  – as a whole, the STRA sector contributed a maximum of 0.63 per cent to Tasmania’s GSP in 2016.
A.7 Northern Territory

In 2016, it is estimated that the STRA sector in NT:

— resulted in a lower bound contribution of $12.9 million to NT’s GSP, comprising:
  - $3.8 million directly from the industry (direct contribution)
  - $9.1 million indirectly from three additional demand sources (indirect contribution)
    - $0.4 million from additional demand generated through host purchases of inputs and services
    - $2.3 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $6.4 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.05 per cent to the NT’s GSP in 2016.

In 2016, it is estimated that the STRA sector in NT:

— resulted in an upper bound contribution of $16.3 million to NT GSP, comprising:
  - $3.8 million directly from the industry (direct contribution)
  - $12.5 million indirectly from three demand sources (indirect contribution)
    - $0.5 million from additional demand generated through host purchases of inputs and services
    - $2.9 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $9.1 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.07 per cent to the NT’s GSP in 2016.
A.8 Australian Capital Territory

In 2016, it is estimated that the STRA sector in ACT:

— resulted in a lower bound contribution of $24.4 million to ACT’s GSP, comprising:
  - $4.9 million directly from the industry (direct contribution)
  - $19.4 million indirectly from three additional demand sources (indirect contribution)
    - $0.5 million from additional demand generated through host purchases of inputs and services
    - $3.1 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $15.8 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.07 per cent to the ACT’s GSP in 2016.

In 2016, it is estimated that the STRA sector in ACT:

— resulted in an upper bound contribution of $33 million to ACT GSP, comprising:
  - $4.9 million directly from the industry (direct contribution)
  - $28 million indirectly from three demand sources (indirect contribution)
    - $0.7 million from additional demand generated through host purchases of inputs and services
    - $4.0 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $23.4 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.09 per cent to the ACT’s GSP in 2016.
FIGURE A.8  TOTAL ECONOMIC CONTRIBUTION OF THE STRA SECTOR TO ACT, 2016

Total contribution
AUSTRALIAN CAPITAL TERRITORY
in 2016

$33.0 million GSP
211 FTE jobs

Direct contribution
$4.9m

Indirect contribution
$24.4m

COMPRISING

Host costs
$0.7m

Host expenditure
$4.0m

Other visitor expenditure
$23.4m

SOURCE: ACIL ALLEN CONSULTING
B.1 Blue Mountains

In 2016, it is estimated that the STRA sector in the Blue Mountains tourism region:

— resulted in a lower bound contribution of $33 million to New South Wales GSP, comprising:
  — $9.4 million directly from the industry (direct contribution)
  — $23.6 million indirectly from three additional demand sources (indirect contribution)
    - $1.0 million from additional demand generated through host purchases of inputs and services
    - $5.6 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $17.0 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  — as a whole, the STRA sector contributed a minimum of 0.62 per cent to the GRP of the Blue Mountains economy in 2016.

In 2016, it is estimated that the STRA sector in the Blue Mountains tourism region:

— resulted in an upper bound contribution of $43 million to New South Wales GSP, comprising:
  — $9.4 million directly from the industry (direct contribution)
  — $25.4 million indirectly from three demand sources (indirect contribution)
    - $1.5 million from additional demand generated through host purchases of inputs and services
    - $7.1 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $25.4 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  — as a whole, the STRA sector contributed a maximum of 0.81 per cent to the GRP of the Blue Mountains economy in 2016.

B.2 Central Coast

In 2016, it is estimated that the STRA sector in the Central Coast tourism region:

— resulted in a lower bound contribution of $59 million to New South Wales GSP, comprising:
  — $16 million directly from the industry (direct contribution)
  — $43 million indirectly from three additional demand sources (indirect contribution)
    - $2 million from additional demand generated through host purchases of inputs and services
    - $11 million from additional demand generated through host’s expenditure on goods and services in the economy
- $31 million from additional demand generated through visitor’s expenditure on goods and services in the economy
- as a whole, the STRA sector contributed a minimum of 0.36 per cent to the GRP of the Central Coast’s economy in 2016.

In 2016, it is estimated that the STRA sector in the Central Coast tourism region:
- resulted in an upper bound contribution of $81 million to New South Wales GSP, comprising:
  - $16 million directly from the industry (direct contribution)
  - $65 million indirectly from three demand sources (indirect contribution)
    - $3 million from additional demand generated through host purchases of inputs and services
    - $14 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $48 million from additional demand generated through visitor’s expenditure on goods and services in the economy
- as a whole, the STRA sector contributed a maximum of 0.50 per cent to the GRP of the Central Coast’s economy in 2016.

B.3 Hunter

In 2016, it is estimated that the STRA sector in the Hunter tourism region:
- resulted in a lower bound contribution of $91 million to New South Wales GSP, comprising:
  - $23 million directly from the industry (direct contribution)
  - $68 million indirectly from three additional demand sources (indirect contribution)
    - $3 million from additional demand generated through host purchases of inputs and services
    - $17 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $48 million from additional demand generated through visitor’s expenditure on goods and services in the economy
- as a whole, the STRA sector contributed a minimum of 0.20 per cent to the GRP of the Hunter’s economy in 2016.

In 2016, it is estimated that the STRA sector in the Hunter tourism region:
- resulted in an upper bound contribution of $130 million to Hunter’s GRP, comprising:
  - $23 million directly from the industry (direct contribution)
  - $107 million indirectly from three demand sources (indirect contribution)
    - $5 million from additional demand generated through host purchases of inputs and services
    - $23 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $79 million from additional demand generated through visitor’s expenditure on goods and services in the economy
- as a whole, the STRA sector contributed a maximum of 0.28 per cent to the GRP of the Hunter’s economy in 2016.

B.4 North Coast

In 2016, it is estimated that the STRA sector in the North Coast tourism region:
- resulted in a lower bound contribution of $170 million to NSW GSP in 2016, comprising:
  - $45 million directly from the industry (direct contribution)
  - $125 million indirectly from three additional demand sources (indirect contribution)
    - $5 million from additional demand generated through host purchases of inputs and services
    - $30 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $89 million from additional demand generated through visitor’s expenditure on goods and services in the economy
as a whole, the STRA sector contributed a minimum of 0.54 per cent to the GRP of the North Coast’s economy in 2016.

In 2016, it is estimated that the STRA sector in the North Coast tourism region:

— resulted in an upper bound contribution of $235 million to NSW GSP, comprising:
  - $45 million directly from the industry (direct contribution)
  - $190 million indirectly from three demand sources (indirect contribution)
    - $9 million from additional demand generated through host purchases of inputs and services
    - $40 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $142 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  — as a whole, the STRA sector contributed a maximum of 0.75 per cent to the GRP of the North Coast’s economy in 2016.

### B.5 South Coast

In 2016, it is estimated that the STRA sector in the South Coast tourism region:

— resulted in a lower bound contribution of $192 million to New South Wales GSP, comprising:
  - $51 million directly from the industry (direct contribution)
  - $141 million indirectly from three additional demand sources (indirect contribution)
    - $6 million from additional demand generated through host purchases of inputs and services
    - $35 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $100 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  — as a whole, the STRA sector contributed a minimum of 0.74 per cent to the GRP of the South Coast’s economy in 2016.

In 2016, it is estimated that the STRA sector in the South Coast tourism region:

— resulted in an upper bound contribution of $267 million to New South Wales GSP, comprising:
  - $51 million directly from the industry (direct contribution)
  - $216 million indirectly from three demand sources (indirect contribution)
    - $9 million from additional demand generated through host purchases of inputs and services
    - $46 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $160 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  — as a whole, the STRA sector contributed a maximum of 1.03 per cent to the GRP of the South Coast’s economy in 2016.

### B.6 Snowy Mountains

In 2016, it is estimated that the STRA sector in the Snowy Mountains tourism region:

— resulted in a lower bound contribution of $31 million to New South Wales GSP, comprising:
  - $9 million directly from the industry (direct contribution)
  - $22 million indirectly from three additional demand sources (indirect contribution)
    - $1.0 million from additional demand generated through host purchases of inputs and services
    - $5.3 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $15.7 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  — as a whole, the STRA sector contributed a minimum of 1.29 per cent to the GRP of the Snowy Mountains economy in 2016.
In 2016, it is estimated that the STRA sector in the Snowy Mountains tourism region:

- resulted in an upper bound contribution of $41 million to New South Wales GSP, comprising:
  - $9 million directly from the industry (direct contribution)
  - $32 million indirectly from three demand sources (indirect contribution)
    - $1.5 million from additional demand generated through host purchases of inputs and services
    - $6.8 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $24.0 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 1.72 per cent to the GRP of the Snowy Mountains economy in 2016.

**B.7 Sydney**

In 2016, it is estimated that the STRA sector in the Sydney tourism region:

- resulted in a lower bound contribution of $815.1 million to New South Wales GSP, comprising:
  - $186 million directly from the industry (direct contribution)
  - $630 million indirectly from three additional demand sources (indirect contribution)
    - $41 million from additional demand generated through host purchases of inputs and services
    - $157 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $432 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.23 per cent to the GRP of Sydney’s economy in 2016.

In 2016, it is estimated that the STRA sector in the Sydney tourism region:

- resulted in an upper bound contribution of $1,260.3 million to New South Wales GSP, comprising:
  - $186 million directly from the industry (direct contribution)
  - $1074.7 million indirectly from three demand sources (indirect contribution)
    - $65 million from additional demand generated through host purchases of inputs and services
    - $234 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $776 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.35 per cent to the GRP of Sydney’s economy in 2016.
C.1 East Coast

In 2016, it is estimated that the STRA sector in the East Coast of Tasmania region:

— resulted in a lower bound contribution of $18.7 million to East Coast GRP, comprising:
  - $5.3 million directly from the industry (direct contribution)
  - $13.4 million indirectly from three additional demand sources (indirect contribution)
    - $6 million from additional demand generated through host purchases of inputs and services
    - $3 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $9.9 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 4.26 per cent to the GRP of East Coast’s economy in 2016.

In 2016, it is estimated that the STRA sector in the East Coast tourism region:

— resulted in an upper bound contribution of $23.1 million to East Coast GRP, comprising:
  - $5.3 million directly from the industry (direct contribution)
  - $17.8 million indirectly from three additional demand sources (indirect contribution)
    - $0.7 million from additional demand generated through host purchases of inputs and services
    - $3.5 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $13.5 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 5.24 per cent to the GRP of East Coast’s economy in 2016.

C.2 Launceston, Tamar and the North

In 2016, it is estimated that the STRA sector in the Launceston, Tamar and the North of Tasmania region:

— resulted in a lower bound contribution of $15.9 million to Launceston, Tamar and the North of Tasmania GRP, comprising:
  - $3.7 million directly from the industry (direct contribution)
  - $12.2 million indirectly from three additional demand sources (indirect contribution)
    - $0.5 million from additional demand generated through host purchases of inputs and services
- $2.8 million from additional demand generated through host’s expenditure on goods and services in the economy
- $3.9 million from additional demand generated through visitor’s expenditure on goods and services in the economy
- as a whole, the STRA sector contributed a minimum of 0.24 per cent to the GRP of Launceston, Tamar and the North economy in 2016.

In 2016, it is estimated that the STRA sector in the Launceston, Tamar and the North of Tasmania region:
- resulted in an upper bound contribution of $22.1 million to Launceston, Tamar and the North of Tasmania GRP, comprising:
  - $3.7 million directly from the industry (direct contribution)
  - $18.4 million indirectly from three additional demand sources (indirect contribution)
    - $0.7 million from additional demand generated through host purchases of inputs and services
    - $3.8 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $13.9 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.33 per cent to the GRP of Launceston, Tamar and the North of Tasmania economy in 2016.

C.3 North West

In 2016, it is estimated that the STRA sector in the North West tourism region of Tasmania:
- resulted in a lower bound contribution of $11.2 million to North West’s GRP, comprising:
  - $2.9 million directly from the industry (direct contribution)
  - $8.3 million indirectly from three additional demand sources (indirect contribution)
    - $0.3 million from additional demand generated through host purchases of inputs and services
    - $1.9 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $6.2 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.22 per cent to the North West tourism region of Tasmania economy in 2016.

In 2016, it is estimated that the STRA sector in the North West tourism region of Tasmania:
- resulted in an upper bound contribution of $14.6 million to North West’s GRP, comprising:
  - $2.9 million directly from the industry (direct contribution)
  - $11.8 million indirectly from three additional demand sources (indirect contribution)
    - $0.4 million from additional demand generated through host purchases of inputs and services
    - $2.4 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $9.1 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.28 per cent to the GRP of North West tourism region of Tasmania in 2016.

C.4 Wilderness West

In 2016, it is estimated that the STRA sector in the Wilderness West tourism region of Tasmania:
- resulted in a lower bound contribution of $1.1 million to Wilderness West's GRP, comprising:
  - $0.31 million directly from the industry (direct contribution)
  - $0.7 million indirectly from three additional demand sources (indirect contribution)
    - $0.0 million from additional demand generated through host purchases of inputs and services
    - $2.3 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $0.9 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.52 per cent to the GRP of Wilderness West tourism region of Tasmania in 2016.
- $0.2 million from additional demand generated through host’s expenditure on goods and services in the economy
- $0.6 million from additional demand generated through visitor’s expenditure on goods and services in the economy
- as a whole, the STRA sector contributed a minimum of 0.34 per cent to the Wilderness West tourism region of Tasmania economy in 2016.

In 2016, it is estimated that the STRA sector in the Wilderness West tourism region of Tasmania:
- resulted in an upper bound contribution of $1.3 million to Wilderness West’s GRP, comprising:
  - $0.31 million directly from the industry (direct contribution)
  - $1.0 million indirectly from three additional demand sources (indirect contribution)
    - $0.03 million from additional demand generated through host purchases of inputs and services
    - $0.19 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $0.7 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.41 per cent to the GRP of Wilderness West tourism region of Tasmania in 2016.

C.5 South and other Hobart

In 2016, it is estimated that the STRA sector in the South and other Hobart region of Tasmania:
- resulted in a lower bound contribution of $19.2 million to South and other Hobart’s GRP, comprising:
  - $4.4 million directly from the industry (direct contribution)
  - $14.7 million indirectly from three additional demand sources (indirect contribution)
    - $0.6 million from additional demand generated through host purchases of inputs and services
    - $3.4 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $10.7 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.19 per cent to the South and other Hobart economy in 2016.

In 2016, it is estimated that the STRA sector in the South and other Hobart of Tasmania:
- resulted in an upper bound contribution of $26.6 million to South and other Hobart’s GRP, comprising:
  - $4.4 million directly from the industry (direct contribution)
  - $22.2 million indirectly from three additional demand sources (indirect contribution)
    - $0.88 million from additional demand generated through host purchases of inputs and services
    - $4.63 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $16.7 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.26 per cent to the GRP of South and other Hobart in 2016.

C.6 Inner Hobart

In 2016, it is estimated that the STRA sector in the Inner Hobart tourism region:
- resulted in a lower bound contribution of $55.1 million to Inner Hobart GRP, comprising:
  - $12.8 million directly from the industry (direct contribution)
  - $42.3 million indirectly from three additional demand sources (indirect contribution)
    - $1.8 million from additional demand generated through host purchases of inputs and services
    - $9.9 million from additional demand generated through host’s expenditure on goods and services in the economy
- $30.7 million from additional demand generated through visitor’s expenditure on goods and services in the economy
- as a whole, the STRA sector contributed a minimum of 1.82 per cent to the GRP of Inner Hobart’s economy in 2016.

In 2016, it is estimated that the STRA sector in the Inner Hobart tourism region:
- resulted in an upper bound contribution of $78.2 million to Inner Hobart GRP, comprising:
  - $12.8 million directly from the industry (direct contribution)
  - $65.4 million indirectly from three additional demand sources (indirect contribution)
  - $2.7 million from additional demand generated through host purchases of inputs and services
  - $13.5 million from additional demand generated through host’s expenditure on goods and services in the economy
  - $49.2 million from additional demand generated through visitor’s expenditure on goods and services in the economy
- as a whole, the STRA sector contributed a minimum of 2.58 per cent to the GRP of Inner Hobart’s economy in 2016.
D.1 Overview

Input-output tables provide a snapshot of an economy at a particular time. The tables used in this analysis were for the 2016 calendar year.

Input-output tables can be used to derive input-output multipliers. These multipliers show how changes to a given part of an economy impact on the economy as a whole. A full set of input-output multipliers for each region were estimated for the purpose of this analysis.

The input-output multipliers allow rigorous and credible analysis of the economic footprint of a particular facility, industry or event for the region of interest. Although input-output multipliers may also be suitable tools for analysing the impact of various types of economic change, caution needs to be adopted in their application for this purpose. Misuse of input-output multipliers for the purpose of impact analysis has led to scepticism of their general use in favour of other tools such as computable general equilibrium (CGE) modelling. Notwithstanding this, they are still eminently suitable for understanding the economic linkages between a given facility or industry to gain an appreciation of the wider interactions of the industry beyond its direct contribution.

D.2 Multiplier types

Input-output multipliers estimate the economic impact on a region's economy from a one dollar change in the final demand for the output of one of the region's industries. Generally, four types of multipliers are used:

1. Output – measures the impact on the output of all industries in the economy
2. Income – measures the effect on the wages and salaries paid to workers within the economy
3. Employment – measures the jobs creation impact, and
4. Value-added – measures the impact on wages and salaries, profits and indirect taxes.

The sum of wages and salaries, profits and indirect taxes for a given industry provides a measure of its contribution to the size of the local economy – its contribution to gross regional product (GRP). The value added multiplier can therefore also be considered to be the GRP multiplier.

Input-output multipliers are a flexible tool for economic analysis. Their flexibility stems from the different forms of each multiplier type. For each region, multipliers were estimated in the following forms:

1. initial effects
2. first round effects
3. industrial support effects
4. production induced effects  
5. consumption induced effects  
6. simple multipliers  
7. total multipliers  
8. type 1A multipliers  
9. type 1B multipliers  
10. type 2A multipliers  
11. type 2B multipliers.

The above multiplier types are defined in full in Johnson (2004) for output, income, employment and value-added multipliers; however, a brief overview of the different types of output multipliers is presented below.

D.2.1 Multiplier effects

When additional sales to final demand are made, for example through increased exports or sales to the public, production increases to meet the increased demand, and this is the initial effect. Since production increases to exactly match the increased final demand, the increase is always equal to one (noting that the multipliers are defined in terms of a one dollar increase in final demand).

The industry producing the additional output makes purchases to enable itself to increase production, these new purchases are met by production increases in other industries and these constitute the first round effect. These first round production increases cause other industries to also increase their purchases, and these purchases cause other industries to increase their production, and so on. These ‘flow-on’ effects eventually diminish, but when ‘added together constitute the industrial support effect.

The industrial support effect added to the first round effect is known as the production induced effect. So far this chain of events has ignored one important factor, the effect on labour and its consumption. When output increases, employment increases, and increased employment translates to increased earnings and consumption by workers, and this translates to increased output to meet the increased consumption. This is the consumption effect.

D.2.2 Multipliers

The simple and total multipliers are derived by summing the effects. The simple multiplier is the sum of the initial and production induced effects. The total multiplier is larger, because it also adds in the consumption effect. So far all the effects and multipliers listed have had one thing in common, they all measure the impact on the economy of the initial increase in final demand.

The remaining multipliers take a different point of view, they are ratios of the above multiplier types to the initial effect. The type 1A multiplier is calculated as the ratio of the initial and first round effects to the initial effect, while the type 1B multiplier is the ratio of the simple multiplier to the initial effect. The type 2A multiplier is the ratio of the total multiplier to the initial effect, while the type 2B multiplier is the ratio of the total multiplier less the initial effect to the initial effect.

Given the large number of multiplier types to choose from, output, income, employment and value added multipliers, and each with numerous variations (simple, total, type 2A, etc) it is important that the analysis uses the most appropriate multipliers. Usually, the multipliers that include consumption effects (i.e. the added impact that comes from wage and salaries earners spending their income) are used. These are the total and type 2A multipliers. The total and type 2A multipliers will generally provide the biggest projected impact. Simple or type 1B (which omit the consumption effect) may be used to provide a more conservative result.

For this analysis, given that we were kindly provided with access to the detailed expenditure items for CCA and CCSP, the Simple and Total multipliers were used to calculate the lower and upper estimates of the total contribution the resorts make to their respective economies.
D.3 Limitations of input-output analysis

Although input-output analysis is valid for understanding the contribution a sector makes to the economy, when used for analysing the potential impacts of a change in production of a particular sector, input-output analysis is not without its limitations. Input-output tables are a snapshot of an economy in a given period, the multipliers derived from these tables are therefore based on the structure of the economy at that time, a structure that it is assumed remains fixed over time. When multipliers are applied, the following is assumed:

— prices remain constant;
— technology is fixed in all industries;
— import shares are fixed.

Therefore, the changes predicted by input-output multipliers proceed along a path consistent with the structure of the economy described by the input-output table. This precludes economies of scale. That is, no efficiency is gained by industries getting larger – rather they continue to consume resources (including labour and capital) at the rate described by the input-output table. Thus, if output doubles, the use of all inputs doubles as well.

One other assumption underpinning input-output analysis which is worth considering is that there are assumed to be unlimited supplies of all resources, including labour and capital. With input-output analysis, resource constraints are not a factor. It is thus assumed that no matter how large a development, all required resources are available, and that there is no competition between industries for these resources.

It is important to understand the limitations of input-output analysis, and to remember that the analysis provides an estimate of economic contribution of a facility or industry, not a measurement of economic impact if the facility or industry shut down or did not exist.
E.1 New South Wales (Alternative visitor spend)

In 2016, it is estimated that the STRA sector in New South Wales:

— resulted in a lower bound contribution of $1,017 million to New South Wales GSP, comprising:
  - $352.4 million directly from the industry (direct contribution)
  - $664.7 million indirectly from three additional demand sources (indirect contribution)
    - $61.4 million from additional demand generated through host purchases of inputs and services
    - $269.2 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $334 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.19 per cent to New South Wales GSP in 2016.

In 2016, it is estimated that the STRA sector in New South Wales:

— resulted in an upper bound contribution of $1,402.3 million to New South Wales GSP, comprising:
  - $352.4 million directly from the industry (direct contribution)
  - $1050 million indirectly from three demand sources (indirect contribution)
    - $96.5 million from additional demand generated through host purchases of inputs and services
    - $382.8 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $570.7 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.26 per cent to New South Wales GSP in 2016.
E.2 Victoria (Alternative visitor spend)

In 2016, it is estimated that the STRA sector in Victoria:

- resulted in a lower bound contribution of $807 million to Victoria’s GSP, comprising:
  - $220.3 million directly from the industry (direct contribution)
  - $586.7 million indirectly from three additional demand sources (indirect contribution)
    - $31.5 million from additional demand generated through host purchases of inputs and services
    - $175.2 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $380 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.212 per cent to Victoria’s GSP in 2016.

In 2016, it is estimated that the STRA sector in Victoria:

- resulted in an upper bound contribution of $1,157 million to Victoria’s GSP, comprising:
  - $220.3 million directly from the industry (direct contribution)
  - $1157 million indirectly from three demand sources (indirect contribution)
    - $51.3 million from additional demand generated through host purchases of inputs and services
    - $248.5 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $636.9 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.304 per cent to Victoria’s GSP in 2016.
E.3 Queensland (Alternative visitor spend)

In 2016, it is estimated that the STRA sector in Queensland:

- resulted in a lower bound contribution of $440.2 million to Queensland’s GSP, comprising:
  - $131.8 million directly from the industry (direct contribution)
  - $308.4 million indirectly from three additional demand sources (indirect contribution)
    - $17.7 million from additional demand generated through host purchases of inputs and services
    - $97.8 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $192.8 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.138 per cent to Queensland’s GSP in 2016.

In 2016, it is estimated that the STRA sector in Queensland:

- resulted in an upper bound contribution of $613.7 million to Queensland GSP, comprising:
  - $131.8 million directly from the industry (direct contribution)
  - $481.9 million indirectly from three demand sources (indirect contribution)
    - $27.7 million from additional demand generated through host purchases of inputs and services
    - $136.55 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $317.7 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.192 per cent to Queensland’s GSP in 2016.
E.4 South Australia (Alternative visitor spend)

In 2016, it is estimated that the STRA sector in South Australia:

— resulted in a lower bound contribution of $94.4 million to South Australia’s GSP, comprising:
  - $32.6 million directly from the industry (direct contribution)
  - $61.8 million indirectly from three additional demand sources (indirect contribution)
    - $4.6 million from additional demand generated through host purchases of inputs and services
    - $25.3 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $31.9 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.093 per cent to the South Australia’s GSP in 2016.

In 2016, it is estimated that the STRA sector in South Australia:

— resulted in an upper bound contribution of $128.6 million to South Australia’s GSP, comprising:
  - $32.6 million directly from the industry (direct contribution)
  - $96 million indirectly from three demand sources (indirect contribution)
    - $7.3 million from additional demand generated through host purchases of inputs and services
    - $35.7 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $53 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.127 per cent to South Australian GSP in 2016.
In 2016, it is estimated that the STRA sector in Western Australia:

— resulted in a lower bound contribution of $233.8 million to Western Australia’s GSP, comprising:
  
  $67.7 million directly from the industry (direct contribution)
  $166.1 million indirectly from three additional demand sources (indirect contribution)
    - $9.5 million from additional demand generated through host purchases of inputs and services
    - $49.4 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $107.2 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  
  as a whole, the STRA sector contributed a minimum of 0.097 per cent to Western Australia’s GSP in 2016.

In 2016, it is estimated that the STRA sector in Western Australia:

— resulted in an upper bound contribution of $325.2 million to Western Australia GSP, comprising:
  
  $67.7 million directly from the industry (direct contribution)
  $257.4 million indirectly from three demand sources (indirect contribution)
    - $15 million from additional demand generated through host purchases of inputs and services
    - $67.9 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $174.5 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  
  as a whole, the STRA sector contributed a maximum of 0.134 per cent to Western Australia’s GSP in 2016.
E.6 Tasmania (Alternative visitor spend)

In 2016, it is estimated that the STRA sector in Tasmania:
- resulted in a lower bound contribution of $83.2 million to Tasmania’s GSP, comprising:
  - $29.4 million directly from the industry (direct contribution)
  - $53.8 million indirectly from three additional demand sources (indirect contribution)
    - $3.7 million from additional demand generated through host purchases of inputs and services
    - $21.1 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $29.1 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.315 per cent to Tasmania’s GSP in 2016.

In 2016, it is estimated that the STRA sector in Tasmania:
- resulted in an upper bound contribution of $107.5 million to Tasmania GSP, comprising:
  - $29.4 million directly from the industry (direct contribution)
  - $78.1 million indirectly from three demand sources (indirect contribution)
    - $5.3 million from additional demand generated through host purchases of inputs and services
    - $28 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $44.7 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.407 per cent to Tasmania’s GSP in 2016.
E.7 Northern Territory (Alternative visitor spend)

In 2016, it is estimated that the STRA sector in NT:
- resulted in a lower bound contribution of $9.6 million to NT’s GSP, comprising:
  - $3.8 million directly from the industry (direct contribution)
  - $5.8 million indirectly from three additional demand sources (indirect contribution)
    - $0.4 million from additional demand generated through host purchases of inputs and services
    - $2.3 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $3.1 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a minimum of 0.040 per cent to the NT’s GSP in 2016.

In 2016, it is estimated that the STRA sector in NT:
- resulted in an upper bound contribution of $11.6 million to NT GSP, comprising:
  - $3.8 million directly from the industry (direct contribution)
  - $7.8 million indirectly from three demand sources (indirect contribution)
    - $0.5 million from additional demand generated through host purchases of inputs and services
    - $2.9 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $4.4 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  - as a whole, the STRA sector contributed a maximum of 0.048 per cent to the NT’s GSP in 2016.
E.8 Australian Capital Territory (Alternative visitor spend)

In 2016, it is estimated that the STRA sector in ACT:

— resulted in a lower bound contribution of $18.1 million to ACT’s GSP, comprising:
  – $4.9 million directly from the industry (direct contribution)
  – $13.1 million indirectly from three additional demand sources (indirect contribution)
    - $0.5 million from additional demand generated through host purchases of inputs and services
    - $3.1 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $9.5 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  – as a whole, the STRA sector contributed a minimum of 0.049 per cent to the ACT’s GSP in 2016.

In 2016, it is estimated that the STRA sector in ACT:

— resulted in an upper bound contribution of $23.7 million to ACT GSP, comprising:
  – $4.9 million directly from the industry (direct contribution)
  – $18.7 million indirectly from three demand sources (indirect contribution)
    - $0.7 million from additional demand generated through host purchases of inputs and services
    - $4.0 million from additional demand generated through host’s expenditure on goods and services in the economy
    - $14.1 million from additional demand generated through visitor’s expenditure on goods and services in the economy
  – as a whole, the STRA sector contributed a maximum of 0.064 per cent to the ACT’s GSP in 2016.
FIGURE E.8  TOTAL ECONOMIC CONTRIBUTION OF THE STRA SECTOR TO ACT, 2016 – ALTERNATIVE VISITOR SPEND

Direct contribution $4.9m
Indirect contribution $18.7m

COMPRISING
- Host costs $0.7m
- Host expenditure $4.0m
- Other visitor expenditure $14.1m

Total contribution
AUSTRALIAN CAPITAL TERRITORY in 2016
$23.7 million GSP
156 FTE jobs

SOURCE: ACIL ALLEN CONSULTING
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TAA & Stayz announce world-first agreement on regulation of short-term accommodation sector

5 April 2017: In a world first, Australia’s peak accommodation body, Tourism Accommodation Australia (TAA), and Stayz, the largest Australian short-term rental platform, today announced that they have struck a common position on regulation of the short-term accommodation sector in New South Wales.

The joint TAA and Stayz position calls for the NSW Government to support the healthy growth of the NSW visitor economy by:

1. Introducing restrictions on short-term rentals in residential buildings in metropolitan areas in order to mitigate the effects that such rentals have on housing affordability and accessibility;
2. Introducing measures to increase transparency and data-sharing across the entire accommodation sector in order to better inform government and industry planning;
3. Limiting the regulatory impact on regional areas, where short term rentals play an important role in supporting local economies and promoting growth of regional tourism;
4. Establishing measures to ensure environmental, health, safety and amenity issues are appropriately managed.

The agreement is the first of its kind globally struck between an accommodation association and a short term rental platform regarding regulation of short-term rentals.

Carol Giuseppi, CEO of Tourism Accommodation Australia, said: “These measures would provide certainty for operators across the accommodation sector, and encourage investment, employment and sustainable growth in the visitor economy.”

Jordan Condo, Director of Corporate Affairs for Stayz, said: “We appreciate the New South Wales Government’s leadership on this important issue. As two of the industry’s largest stakeholders, we look forward to working with the government to maintain the momentum of the current process and ensure any new regulation of short-term rentals addresses issues in metropolitan areas and does not have a detrimental impact on regional economies.”

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About TAA
Tourism Accommodation Australia (TAA) is the peak industry body for the accommodation sector, representing the needs and interests of more than 800 members and 24 chains. The accommodation sector is a dominant player in the Australian tourism industry, directly supporting $23.9 billion in gross product in 2015-16 and some 184,110 jobs. Jobs supported by the sector contributed over $11.6 billion to Australian household incomes. www.tourismaccommodation.com

About Stayz
Australia’s number one online holiday rental website, Stayz allows travellers to search and compare a huge variety of amazing holiday homes to ensure a unique and memorable accommodation experience wherever they break in Australia. With more than 45,000 holiday rentals in over 2,000 unique locations across Australia, Stayz offers whole homes ranging from the highly aspirational and unique to the everyday getaway, suiting every budget and family size. Stayz is part of online holiday rental global leaders HomeAway Inc. www.stayz.com.au
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