



27 March 2019

Black Economy Division
The Treasury
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To Whom It May Concern,

Airbnb welcomes the opportunity to respond to Treasury's Consultation Paper on *A Sharing Economy Reporting Regime*, and would be available for further consultation with Treasury if that would be of assistance.

About Airbnb

Founded in 2008, Airbnb's mission is to create a world where people can belong through healthy travel that is local, authentic, diverse, inclusive and sustainable. Airbnb uniquely leverages technology to economically empower millions of people around the world to unlock and monetise their spaces, passions and talents to become hospitality entrepreneurs.

Our accommodation marketplace provides access to more than 6 million listings in more than 81,000 cities and 191 countries. With Experiences, Airbnb offers unprecedented access to local communities and interests through over 20,000 unique, handcrafted activities run by hosts across more than 1,000 cities around the world.

The Airbnb community's economic contribution in Australia

The Airbnb community contributes significantly to the Australian tourism economy.

In the 2018 calendar year, Homes hosts welcomed more than 7.4 million guests, including both domestic and international travellers. As the Airbnb community grows, it creates more local jobs in cafes, restaurants, shops and even pubs, which adds to the local economy.

Specifically, Deloitte Access Economics found in 2015-16 Airbnb guests spent more than \$2 billion in Australia to support the equivalent of 14,000 full time jobs (including close to 4,000 jobs in regional Australia), and contributed \$1.6 billion to Gross Domestic Product¹. As these figures are now dated, the current impact is likely to be far higher.

Importantly, Airbnb spreads the benefits of tourism to the people and places that have traditionally missed out. More than 60 percent of Australian hosts are women, and seniors are our fastest growing host and guest demographic. What's more, our *Beyond Cities: How Airbnb*

¹ Deloitte Access Economics 2017, *Economic Effects of Airbnb in Australia*.



supports rural revitalization Report² found in 2016, that the majority of Airbnb listings and guest arrivals were in regional and remote Australia.

With more than 160,000 Airbnb listings across Australia, when we consider the social benefit that Airbnb has for individual hosts, we see that hosting helps Australians earn much needed supplemental income at a time when the cost-of-living is high.

The typical Airbnb host in Australia earns a modest AUD6,900 a year in extra income from sharing their space for just 33 nights a year³.

According to Airbnb's 2017 host community impact survey, 49 percent of hosts in Australia report that hosting helps them pay the rent, mortgage or household expenses⁴. The survey also found that 6 percent of local hosts said hosting helped them avoid eviction or foreclosure⁵.

The sharing economy and mandatory reporting

It is therefore with a deep appreciation of this contribution to the Australian economy that we make the following comments.

As the Board of Taxation noted, *"the practical application of the current law to the sharing economy presents specific challenges for the Australian tax system"*⁶. Specifically, the current tax system can be challenging and confusing for sharing economy participants to navigate.

In acknowledging this challenge, as well as the fact that the Airbnb community wants to pay its fair share of taxes, we help Airbnb hosts meet their tax obligations by providing a yearly earnings summary, partnering with PricewaterhouseCoopers (PwC) to provide a free tax guide, and offering hosts discounted tax services with H&R Block.

We therefore also support an efficient, carefully considered and mandatory data reporting regime that applies to all platforms operating in Australia, that would make it easier for people to meet their tax obligations, and encourage greater participation in the sharing economy, whilst appreciating the significant economic benefits the sharing economy provides Australia.

To ensure fairness for all, this regime must apply to all platforms operating in Australia, regardless of whether the platform has a physical presence in Australia.

In light of this, we strongly agree with Treasury's statement in its [Consultation Paper](#), that *"reporting should not stifle economic activity and entrepreneurship. Rather it has the potential to make it easier for those receiving income from third parties to meet their tax obligations."*

² Airbnb's 2017 *Beyond Cities: How Airbnb supports rural revitalization* Report, <https://www.airbnbcitizen.com/beyond-cities-how-airbnb-supports-rural-revitalisation-2/>

³ Airbnb internal data 2019.

⁴ Airbnb's 2017 Host Compact Survey.

⁵ Airbnb's 2017 Host Compact Survey.

⁶ Board of Taxation, *Tax and the Sharing Economy: A Report to the Government (2017)*, pp. v.



We believe it is essential that any mandatory data reporting regime encourages the sharing economy and the economic opportunities it creates, rather than stifles it.

The Airbnb community in Australia looks forward to continuing to work constructively with the Australian Government on creating a regulatory environment which creates more economic opportunities for everyday people and local small businesses.

We again thank you for the opportunity to respond to the Consultation Paper and are available for further consultation.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Jeff Fung', with a long horizontal line extending to the right.

Jeff Fung
Head of APAC Tax