QTON No. 16

Legislative Assembly for the Australian Capital Territory
Standing Committee on Public Accounts and Administration

Inquiry into Annual and Financial Reports 2023–2024

Answer to question taken on notice

Asked by: MISS LAURA NUTTALL MLA

Addressed to: Mr Mitch Pirie, Acting Under Treasurer, ERI and Acting Coordinator-General for Housing, Office of the Deputy Under Treasurer, ERI, Treasury, CMTEDD

In relation to: SHORT-TERM RENTAL LEVY

Hearing: 13 February 2025
Uncorrected Proof Transcript pp 13, 14, 15
Transcript provided: 20 February 2025
Answer Due: 27 February 2025

Mr Mitch Pirie took on notice the following questions:

Miss Nuttall: Got you. Okay. So just to confirm, so far who has the consultation been with for this levy?

Mr Pirie: Quite a few providers in the sector, so I might take that on notice, if you like, and we can work with that detail.

Miss Nuttall: Yes, please, if that is okay. Do you mind me asking then, how many short-term rentals do we currently have in Canberra?

Mr Pirie: Take that on notice as well.

Miss Nuttall: Yes. Sweet. Thank you. I think you mentioned that the money that it is expected to raise will be in the budget estimate; is that correct?

Mr Pirie: I can give you that that data, if you would like.

Miss Nuttall: If that is all right. Thank you.

Mr Pirie: Yes. So it is in page 62 of budget review. So estimated to raise 3,819,000 in 25-26, 3,993,000 in 26-27, 4,175,000 in 27-28.

Miss Nuttall: Got you. Awesome. Do you mind me asking how you arrived at those calculations if the modelling still happening?

Mr Pirie: Sorry. We have got analysis to enable those estimates, which is based on an estimate of the number of properties that we expect to be subject to the levy and rents that are generated by those properties, so we could provide you with that detail as well if that would be helpful.

Miss Nuttall: If that is possible, that would be wonderful. Thank you. And do you do you expect at this point in time—I appreciate it is still early days. Do you think it may lead to more short-term rentals entering the long-term rental market?

Mr Pirie: I do not think I would want to speculate on that at this point in terms of second-round effects for housing market more broadly.

Miss Nuttall: Got you. Is that an estimation that might be—like, that might be part of the modelling that you are doing and the research and consultation?

Mr Pirie: Not at this stage.

Mr Steel: We have not planned for that in our second-round effect modelling.

Miss Nuttall: Got you.

Mr Pirie: We know stock—well, we will get you the specific number—is relatively small in the context of the total rental market in the territory.

Miss Nuttall: Got you. Thank you.

Mr Steel: I guess the rental data that comes out on a semi-regular basis in the future may show some of the impact, if there is any, and can then be monitored.

Miss Nuttall: Yes. I would be interested to see that analysis. And lastly, other than the predictions in the budget review, have you published any additional work about this issue? Any sort of, like, publicly available information?

Mr Pirie: There was a review undertaken by a Better Regulation Taskforce a couple of years ago, but I might take that on notice just in terms of what is publicly available that we can provide you with. But there was some work done a couple of years ago that looked at that.

MR CHRIS STEEL MLA: The answer to the Member's question is as follows:

Treasury has consulted with booking platforms and industry peak bodies through a survey, followed by one-on-one meetings with respondents who requested a meeting. These consultations occurred during January and February 2025. The participants were the Short Term Accommodation Association Australia (STAAA), the Australian and New Zealand Short Term Rental Association (ASTRA), the Australian Hotels Association (AHA) ACT Branch, Airbnb, booking.com and Stayz/Expedia.

The number of short-term rentals in the ACT is around 2,100 as at February 2025 (AirDNA). However, only whole property rentals will be subject to the levy – these represent about 85 per cent of the market in the ACT (around 1,785 properties).

The data indicates that the short-term rental market constitutes about 4 per cent of the total rental market and fewer than 1 per cent of residential dwellings in the ACT. No behavioural impact – such as a significant change in the number of short-term rentals available - has been assumed in revenue estimates. Estimates of revenue from the levy for later years will consider actual returns, consistent with normal budgeting approaches.

The Better Regulation Taskforce reviewed the short-term rental sector in 2022. As part of this review, a YourSay panel survey was conducted and a public report on its findings was released in September 2022: https://www.act.gov.au/open/short-term-rental-accommodation-survey

Analysis undertaken by the Better Regulation Taskforce was also incorporated into a 2023 Government Response to an Assembly Resolution on short-term rental accommodation in the ACT, available at: https://www.parliament.act.gov.au/__data/assets/pdf_file/0011/2355518/List_-_Treasurer_Short-term-rental-accomm-in-the-ACT-Assembly-Resolution-30-March-2023-Gov-Response.pdf.

Approved for circulation to the Standing Committee on Public Accounts and Administration

Signature: Date: 28/2/25

By the Treasurer, Chris Steel MLA