



Airbnb Submission

Select Committee on the Future of Work and Workers

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Thank you for the opportunity to comment on the Inquiry into the Future of Work and Workers.

Summary

At a time of growing uncertainty and economic inequality, Airbnb's community is democratising capitalism and creating economic opportunities for everyday Australians, using technology to help connect and empower people – rather than by exploiting or replacing them.

The forces that are driving economic and social changes in the 21st century -- including the impact of changes to technology -- have brought into sharp view the future of work, and the effect these changes will have on workers.

Airbnb believes that the world can become a fairer place to live and work. In times of profound technological change, we take seriously our obligation to contribute in a way which ensures that all people's basic rights are recognised, and that the dividends of economic change driven by technological advancements are shared by society.

This submission relates to the approach taken by Airbnb to ensure that the growth of the sharing economy has people -- not robots, nor algorithms -- at its heart. It provides an overview of Airbnb and its community's contribution to the Australian economy, a summary of the work Airbnb is progressing to democratise capitalism through our Economic Empowerment Agenda, and a section on policy options, which would help to ensure that citizens are prepared with digital literacy skills for the future in the sharing economy.

About Airbnb

Founded in August of 2008 and based in San Francisco, California, Airbnb is a trusted community marketplace for people to list, discover, and book unique accommodation and experiences around the world.

Our company and the Airbnb community are leaders in the new sharing economy, a movement that will represent a significant part of the world's future economic growth. Millions of hospitality micro-entrepreneurs are now empowered to help make ends meet using their underutilised assets or by sharing their passions. This movement is distributing economic opportunities across diverse neighbourhoods and providing millions of people with a trusted platform they can use to benefit their families, earn additional income as hosts, or find unique lodging opportunities and travel experiences as guests.

Since 2008, more than 260 million guests have arrived at 4 million Airbnb listings worldwide, enjoying a safe and positive experience on Airbnb. We have worked hard to provide tools and resources that promote transparency and trust, and we are proud to be a global leader in providing education on these issues for our community.

Simply put, Airbnb allows anyone to belong anywhere. Our platform helps strangers experience a city as a local does and lets hosts become ambassadors for the communities they love, using communication, payment, and trusted tools to empower users around the world.

The Airbnb community in Australia

Airbnb's community has continued to grow into a significant presence in Australia, and it plays an increasingly vital role in the visitor economy. Airbnb Homes is used by a broad spectrum of hosts, including hospitality entrepreneurs, ranging from people who make extra income from sharing space in their own homes, to the long established holiday letting industry, even to traditional accommodation providers who increasingly list their businesses on our platform. Airbnb Experiences is used by hosts who are creatives,

artisans, and small businesses as an online platform to share their passion with the world and unlock their time and potential to create new economic activity.

In 2017, our Homes community welcomed over 5 million guests across the country -- both domestic and international travellers. There are currently 137,700 active Airbnb listings in Australia, and in 2017 the average Airbnb host in Australia earned \$5,200, supporting hosts to earn supplemental income from sharing their spare space. Since being launched in March 2017 and November 2017 respectively, there are currently 200 Experiences in Sydney and Melbourne.

The sharing economy helps to build resilient communities where locals can make supplemental income and robust economies that are supported by increased visitation and spending by Airbnb guests in areas that do not traditionally benefit from the tourism dollar. Our platform connects people through human-to-human hospitality, a process that cannot be automated and replaced by robots.

With annual seasonally adjusted wage growth rising at a moderate 2.0% through to September 2017¹, more Australians are turning to sharing their homes or their passions in order to make extra income. Hosting on Airbnb is an economic lifeline, with 52% of Airbnb hosts in Australia saying that sharing their spare space helps them afford to stay in their homes. Whether that goes towards paying off the mortgage, keeping up with the cost of living, or allowing hosts to more fully participate in their community -- hosting is important for building economic resilience for individuals.

Airbnb's contribution to the Australian economy

The growth and mainstream adoption of the sharing economy is leading to fundamental changes in how people travel and experience destinations, opening up possibilities to build a robust and resilient visitor economy. These trends are resulting in increased travel, increased spending, and increased

¹ <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6345.0>.

engagement with different parts of a city than visitors have typically visited, supporting retail and other small businesses.

Airbnb's community is an important contributor to the Australian economy. A recent report by Deloitte Access Economics -- *Economic effects of Airbnb in Australia*² -- found that Airbnb guests who stayed in Australia spent \$2 billion, which supported 14,409 jobs in brick-and-mortar businesses such as cafes, restaurants, and retailers, and contributed \$1.6 billion to Gross Domestic Product.

Importantly, in stark contrast to traditional mass tourism, Airbnb spreads the benefits of tourism to the places and communities that have traditionally missed out. Airbnb's report, *Beyond Cities: How Airbnb supports rural revitalisation*³, found our community's growth was driving the revitalisation of regional communities without the cost or delay of having to build any new accommodation, attractions, or amenity. In Australia, a majority of unique Airbnb listings and a majority of guest arrivals are in regional areas. Airbnb hosts in regional Australia earned \$287 million in income in 2016 and welcomed more than 1.7 million guests into their homes.

Furthermore, Airbnb is also actively working with partners to ensure all communities share the benefits from tourism. In an Australian-first, Airbnb has partnered with the Western Sydney Chamber of Commerce to publish *The Local List : Western Sydney -- A Pocket Guide from Airbnb*⁴. *The Local List : Western Sydney* is a collection of recommendations from our host community that highlights the neighbourhoods, diverse experiences, cafes, and restaurants to be explored outside the regular hotspots when staying in Western Sydney.

² <https://www2.deloitte.com/au/en/pages/economics/articles/economic-effects-airbnb-in-australia.html/>.

³ <https://australia.airbnbcitizen.com/beyond-cities-australia/>.

⁴ <https://2sqy5r1jf93u30kwzc1smfqt-wpengine.netdna-ssl.com/wp-content/uploads/sites/66/2016/07/Western-Syd-Guidebook-A6.pdf>.

In addition to visitor spending, the home sharing economy is supporting the growth of ancillary services -- such as domestic cleaning and property management -- to support hosts who prefer to engage professional services to manage their listings and bookings.

Future of Work and Workers

At a time of growing uncertainty and economic inequality, Airbnb is democratising capitalism and creating economic opportunities for everyday Australians, using technology to help connect and empower our community – not replace it. The sweeping economic and social changes in the 21st century -- including the impact of technology -- have brought into sharp view the future of economic enterprise and work, and the impact these changes will have on workers.

An analysis by the McKinsey Global Institute in 2017 found that the accommodation and food service sector, not manufacturing, was the most readily automatable sector of the economy in the United States with 73 per cent of activities performed by workers in that sector with the potential to be automated⁵. Similarly, an analysis by PwC in 2017 found that 25.5 per cent of jobs in the United Kingdom's accommodation and food service sector are at high risk of job automation⁶.

Airbnb believes that the world can become a fairer place to live and work. In times of profound technological change, we take seriously our obligation to contribute in a way which ensures that all people's basic rights are recognised, and that the dividends of economic change driven by technological advancements are shared by society.

⁵ McKinsey Global Institute, January 2017, A future that works: Automation, employment, and productivity, p. 7.

⁶ PwC, March 2017, UK Economic Outlook: Will robots steal our jobs? The potential impact of automation on the UK and other major economies, p.35.

At Airbnb, we are true believers in the enduring, irreplaceable ingenuity and dynamism of humanity. To that end, whilst some businesses search to replace or minimise the human element, we instead want to liberate and maximise it. Rather than displacing workers, we want to empower millions of people and strengthen local communities through technology. We want to harness the transformative power of technology to improve livelihoods, reimagine what it means to travel, and make communities more open and resilient.

Airbnb's technology empowers people to create supplementary income -- whether by sharing spare space in their home through Airbnb Homes, or sharing their unique insights and skills through Airbnb Experiences -- and our hosts are at the centre of everything we do. Importantly, through every step of the process of listing a Home or an Experience through Airbnb, hosts are empowered and in control of their business, including describing their listing, deciding the nights their Home is available or the times they list their Experience, and, importantly, the amount that is charged to guests for booking their Home or Experience. In other words, Airbnb's human hosts set their price, not an algorithm.

As an example of the benefits of the sharing economy, in the face of the rise of automation, which will affect industries with high rates of women participation, Airbnb is empowering women around the world to successfully participate in the sharing economy. Globally, Airbnb's report, *Women Hosts and Airbnb: Building a Global Community*⁷, found that whilst women participate in the general workforce at 68 per cent of the rate that men participate, women host on Airbnb at 120 per cent of the rate of men. 55 per cent of the global Airbnb host community are women. Since the company was founded in 2008, globally, women hosts on Airbnb have earned more than US\$10 billion in income.

⁷ https://press.airbnb.com/app/uploads/2017/03/WomensReport_print_3-2-17_v1-2-1.pdf.

Airbnb's Economic Empowerment Agenda

Our platform uses technology to empower people, not replace them, and in March 2017 Airbnb established our Economic Empowerment Agenda⁸. At the heart of the Airbnb Economic Empowerment Agenda are three specific commitments that focus on the effort to democratise capitalism.

First, in the United States, Airbnb established a Living Wage Pledge to support people cleaning Airbnb hosts' homes and ensure they are paid a living wage. To determine a living wage, the Airbnb Living Wage Pledge references the standards established by the National Domestic Workers Alliance (NDWA). The NDWA is the leading association for cleaners, nannies, and domestic workers across the United States.

Second, Airbnb has committed that by 2020, all contractors and vendors whose personnel provide a substantial amount of work to Airbnb in the United States will be paid at least \$15 per hour.

Third, to help make sure all communities are benefiting from the economics of tourism, we're setting a goal of doubling the size of our host community in neighbourhoods historically underserved by tourism around the United States in the next two years. To advance this commitment we will hold on-the-ground, in-person events and trainings to help more people realise the economic benefits of the sharing economy.

With regards to the ancillary services that support the home sharing economy, specifically domestic cleaning services, Airbnb is committed to providing opportunities to create jobs in safe work environments where workers are protected by collective agreements, there are certification standards and access to training, and workplace protections. To this end, in New York City, Airbnb has partnered with Cooperative Cleaning -- a worker-owned home cleaning cooperative -- to encourage our Homes host community to access

⁸ <https://www.airbnbcitizen.com/introducing-airbnb-economic-empowerment-agenda/>.

professional domestic cleaning services for their listings through an enterprise that provides strong working conditions.

In line with the measures outlined in the Economic Empowerment Agenda being pursued in the United States, Airbnb is also open to similar opportunities globally, including here in Australia, to ensure that jobs in ancillary services of the sharing economy lead the industry, and the economic opportunities of the sharing economy are equitably shared throughout the economy and the community.

Digital Literacy Skill Development

The economic opportunities of the future will depend on a suite of skills and proficiencies to participate in the new economy, and the opportunities and emerging enterprises made available by technological change. Improving digital literacy is key to the successful, innovative, and technologically savvy industries of the future, including the visitor economy, and extending the opportunities of the sharing economy to more individuals.

Investment in digital literacy skills is particularly important for regional areas which face a series of significant, intertwined social and economic challenges, including the stubborn gap in income, employment and economic opportunity between the city and the country, exodus of people -- particularly young people -- leaving in search of better opportunities and services, the increasing frequency and severity of extreme weather events such as floods and droughts, and the dependency of local businesses and economies on volatile commodity markets.

There is scope for the Commonwealth Government to investigate opportunities to partner with industry to deliver digital literacy workshops in targeted locations throughout Australia, including a focus on regional, Indigenous, and culturally and linguistically diverse communities. By partnering with industry, there is opportunity to provide resources and content for the training of hospitality entrepreneurs and upskilling so that citizens can

participate confidently in the sharing economy. Similar work is already underway in other parts of the world, such as India, where Airbnb has signed a Memorandum of Understanding with the Indian Government to train 50,000 hospitality entrepreneurs.

As a corollary to digital literacy, the future growth of the sharing economy and the jobs of the future that rely on digital infrastructure can be supported through increased investment in Internet infrastructure. Growth in the digital economy has placed extra pressure on Australia's Internet infrastructure and will require investment to ensure that the opportunities and growth into the future are not impeded by slow speeds or connectivity instability. We would encourage a bipartisan approach to Australia's Internet infrastructure, to ensure that Australians (and visitors to Australia) have access to world class Internet speeds.

We look forward to working with the Commonwealth Government in relation to these issues, and would be pleased to engage further with the Select Committee and discuss or provide additional information which would be helpful for the Select Committee's deliberations related to this Inquiry.

Sincerely,

Airbnb