ECONOMIC SIGNIFICANCE OF THE PROPERTY INDUSTRY TO THE AUSTRALIAN ECONOMY

PROPERTY COUNCIL OF AUSTRALIA
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KEY FINDINGS

- The property industry supported 3.17 million FTE employees in 2021-22 (27.0% of Australia's total employment), including 1.42 million FTE jobs supported directly (12.1% of Australian total) and 1.75 million FTE jobs through flow-on activity (14.9% of Australian total).
- The 1.42 million FTE jobs directly supported by the property industry is more than the mining, manufacturing and financial services industries combined.
- The property industry also directly contributed $232.7 billion to Gross Domestic Product (GDP) in 2021-22 (10.6% of the total contribution to GDP by all industries in Australia), and is estimated to have contributed a further $297.6 billion to Australian GDP through flow-on demand for goods and services (13.6% of Australian total). The combined (direct + flow-on) contribution to GDP of $530.3 billion in 2021-22 represents an increase of 56.9% from the $338.0 billion contribution in 2010-11, with annual growth of the property industry generally tracking in line with the broader national economy.
- The property industry's contribution to GDP (including direct and flow-on activity) has grown by $59.8 billion since 2018-19 (12.7% overall growth), driven by strong growth of $36.1 billion in the last year (7.3% annual growth). This growth was slightly below that of the broader Australian economy over this period, which increased by 18.5% between 2018-19 and 2021-22, driven primarily by strong growth in the mining sector (64.4% increase in direct contribution to GDP since 2018-19).
- The slower growth of the property industry since COVID can be partly attributed to the support the property industry provided to the Australian business community during the pandemic, including considerable contributions in terms of commercial rent relief by property operators/ managers, which reduced overall returns in the property industry. Supply chain issues, increasing interest rates and tighter lending standards have also significantly impacted the property industry's capacity to meet demand for new property stock and increased the risk to developers.
- Of the 1.42 million FTE jobs directly supported by the property industry, 31.9% are in professional, technical roles and service provision, and 68.1% are in construction. Of the total workforce, 26.1% were female and 73.9% male. This is largely driven by a strong male contingent of the construction workforce (86.5%); Of the non-construction components of the property industry, female employees account for around 53.1% of FTE jobs. Of the 1.75 million FTE jobs supported by the property industry through flow-on activity, 45.8% are female.
- Approximately 27.3% of wages and salaries paid to Australian workers is generated by the property industry, including $178.5 billion paid for jobs directly supported by the property industry (13.9% of Australian total) and $174.1 billion paid through flow-on activity (13.6% of Australian total).
- The majority of the property industry's economic contribution is generated by residential activity (62.5% of contribution to GDP; 62.8% of contribution to jobs and employee incomes).
- The property industry contributed approximately $129.6 billion in combined Australian and State Government tax revenues and local government rates, fees and charges revenue in 2021-22. This equates to 18.2% of total Australian and State/ Territory taxes and local government rates, fees and charges revenues in 2021-22. By comparison, the $129.6 billion in combined Australian and State Government tax revenues and local government rates, fees and charges revenue is more than the total company income tax received by the Australian Government for the year ($128.1 billion).

EXECUTIVE SUMMARY

The Australian Property Industry…

The Australian property industry consists of organisations and individuals involved in developing, operating and facilitating activities within the property industry that meet the residential and non-residential property needs of Australia. Typically, this includes residential and non-residential construction along with finance, property and business services associated with property development and operation. While many of these industries are also involved in non-property related activities, this report examines only the contribution of the property related components of these industries to the Australian economy.

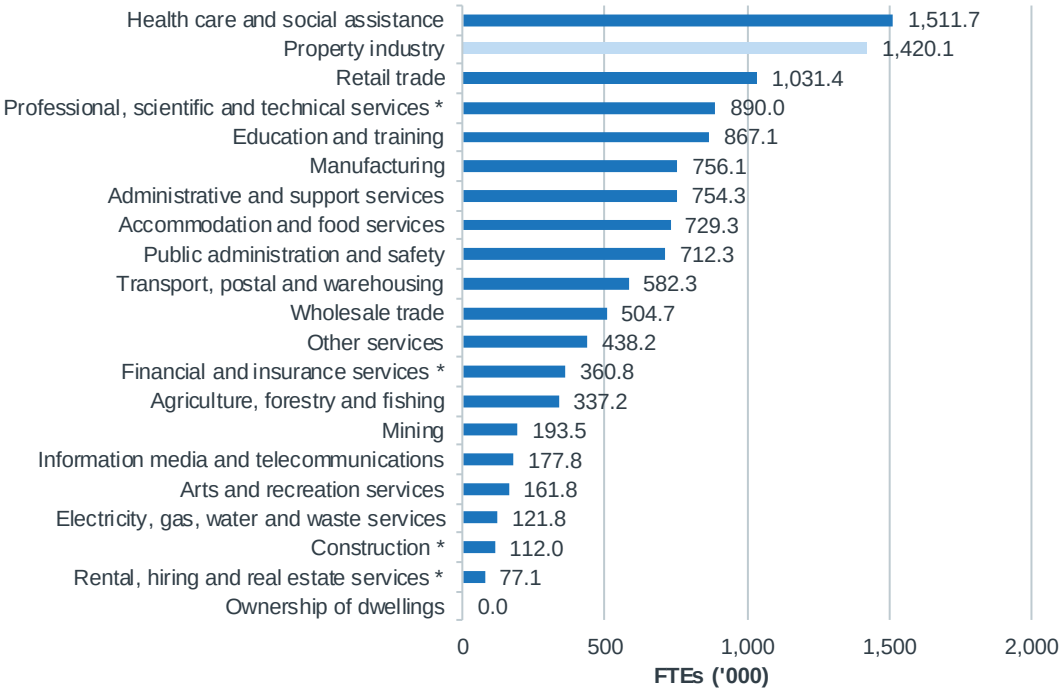
The definition of the property industry used in this report does **not** include ownership of dwellings, which are rents paid by tenants to landlords and imputed rents to owner occupiers.

The Property Industry is one of Australia's largest employers…

The property industry directly employed 1.42 million FTE jobs in 2021-22 (12.1% of Australian total), making it Australia's second largest employing industry in 2021-22 behind only the health care and social assistance industry.

The 1.42 million FTE jobs directly supported by the property industry is more than the mining, manufacturing and financial services industries combined.

Figure ES. 1. Direct Contribution to Employment by Industry, 2021-22 ('000 FTEs)



Note: * Only non-property related activity is included for this industry classification. All property related activity is included in the property industry.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

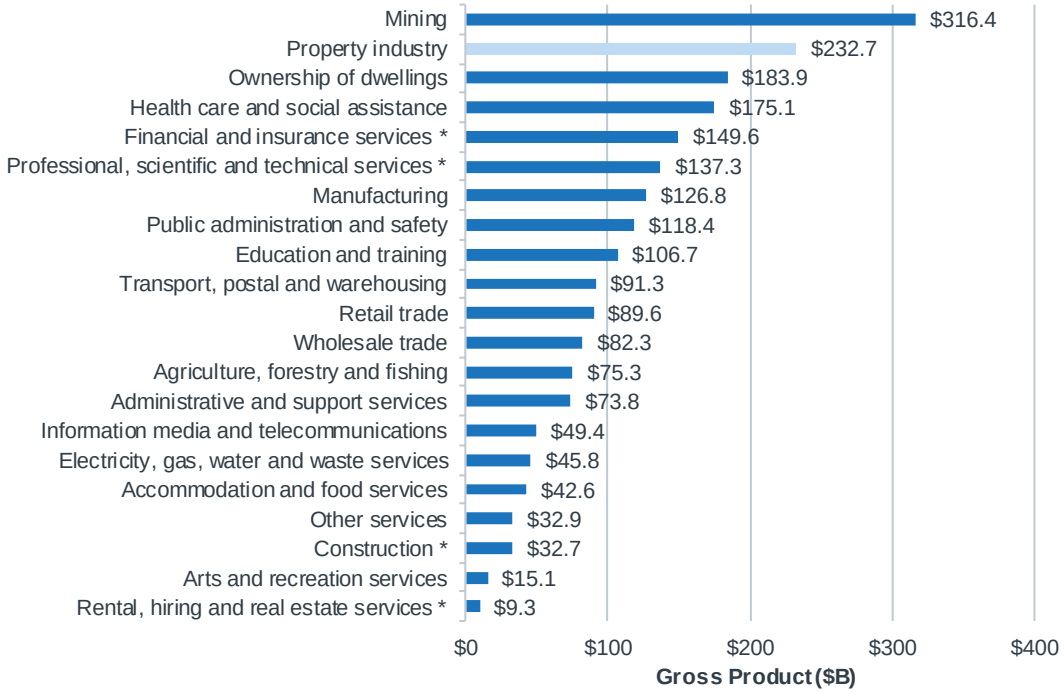
The Property Industry is a significant contributor to Australia's Gross Domestic Product…

The property industry directly contributed $232.7 billion to Gross Domestic Product (GDP) in 2021-22, equating to 10.6% of the total contribution to GDP by all industries in Australia for the year (of $2.19 trillion).[1] The Property Industry was the second largest industry contributor to GDP in 2021-22, behind only the mining industry.

[1] The total contribution to GDP by all industries in Australia of $2.19 trillion differs from total GDP in the National Accounts of $2.31 trillion (ABS, 2023a) as it excludes non-industry based contributions to GDP (e.g. taxes and subsidies on products levied on households rather than industry).

The mining industry's contribution to GDP has increased by nearly 65% since 2018-19 to overtake the property industry in terms of contribution to GDP. This has been driven by significant increases in commodity prices which resulted in a substantial (and likely temporary) lift in value of the mining industry, despite only a modest increase in mining production and employment over this period.

Figure ES. 2. Direct Contribution to Gross Domestic Product by Industry, 2021-22 ($ Billion)



Note: * Only non-property related activity is included for this industry classification. All property related activity is included in the property industry.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

The Property Industry also contributes strongly through flow-on economic activity…

In addition to the direct contribution of the property industry to the Australian economy, the property industry is estimated to have contributed a further $297.6 billion to Australian GDP through flow-on demand for goods and services, including production induced[2] and consumption induced[3] effects. Combined, the property industry contributed $530.3 billion to GDP in 2021-22 through direct and flow-on activity or 24.2% of total GDP contributed by industries.

The property industry also indirectly contributes to employment in Australia through flow-on demand for goods and services. The property industry supported jobs for some 1.75 million FTE employees in 2021-22 through flow-on activity. Around 3.17 million FTE jobs were supported by the property industry in 2021-22 through direct and flow-on activity combined.

The Property Industry has experienced strong growth over the past decade…

The property industry's total (i.e., direct + flow-on) contribution to GDP has increased significantly over the last 12 years, increasing from $338.0 billion in 2010-11 to $530.3 billion in 2021-22. Growth in the property industry has been somewhat cyclic and generally follows the broader Australian economy.

While COVID impacted both the property industry and the national economy in 2019-20 and 2020-21, the property industry experienced a strong recovery in the last year increasing by $36.1 billion. Despite this growth in the latest year, the property industry has recorded lower growth than the broader national economy since COVID, growing

[2] Represents the combination of activity required from all industries that supply goods and services to the property industry, as well as the induced activity from all industries to support the production of industries supplying the property industry.
[3] Represents the subsequent induced activity due to spending by the wage and salary earners across all industries arising from the compensation received for their labour as part of the direct and production induced effects.

by 12.7% in total between 2018-19 and 2021-22 compared to 18.5% growth in the Australian economy (which has been buoyed by strong growth in the mining sector during this period).

The slower growth of the property industry since COVID can be partly attributed to the support the property industry provided to the Australian business community during the pandemic, including considerable contributions in terms of commercial rent relief by property operators/ managers, which reduced overall returns in the property industry. Supply chain issues, increasing interest rates and tighter lending standards have also significantly impacted the property industry's capacity to meet demand for new property stock and increased the risk to developers.

Non-construction related Property Industry activity is a strong supporter of jobs for women…

Of the 1.42 million FTE jobs directly supported by the property industry, 26.1% were female and 73.9% male. A key driver of the high proportion of direct male employment in the property industry is the dominance of the construction industry. Construction employs 967,200 FTEs (or 68.1% of the property industry workforce), approximately 837,000 of whom are male. Of the non-construction components of the property industry, female employees account for around 53.1% of FTE jobs.

Of the 1.75 million FTE jobs supported by the property industry through flow-on activity, 45.8% are female.

The Residential Property Sub-Sector provides the majority of Property Industry economic activity…

The residential sub-sector of the property industry directly contributed 62.5% of total property industry gross product and 62.8% of employment in 2021-22. Of the non-residential sub-sector, the commercial property sub-sector is the largest, estimated to have contributed 9.3% of total direct property industry gross product and 9.0% of employment.

The Property Industry is a key contributor to taxation revenues…

The property industry contributed approximately $129.6 billion in combined Australian and State Government tax revenues and local government rates, fees and charges revenue in 2021-22. By comparison, the $129.6 billion in combined Australian and State Government tax revenues and local government rates, fees and charges revenue is more than the total company income tax received by the Australian Government for the year ($128.1 billion).

The $129.6 billion in Australian and State Government tax revenues and local government rates, fees and charges revenue equates to 18.2% of total Australian and State/ Territory taxes and local government rates, fees and charges revenues in 2021-22. The State and Territory Governments received the largest revenue from property related activities, accounting for 42.9% of total property related revenues to government. Australian Government property related taxes of $47.7 billion represents a contribution of approximately 36.8% of total property related tax revenues in 2021-22.

Table ES.1 . Property Related Tax Revenues (a), All Levels of Government, 2021-22

State	Australian Government Taxes ($M) [(b)]	State Government Taxes ($M)	Local Government Rates, Fees & Charges ($M)	Total Tax Revenues ($M)
New South Wales	$18,018.4	$20,698.0	$6,221.0	$44,937.5
Victoria	$12,471.2	$16,954.0	$6,638.2	$36,063.4
Queensland	$8,418.2	$9,450.5	$7,398.8	$25,267.5
South Australia	$2,273.4	$2,315.2	$1,889.9	$6,478.4
Western Australia	$4,859.4	$4,471.9	$2,555.9	$11,887.1
Tasmania	$582.1	$641.4	$567.1	$1,790.7
Northern Territory	$248.7	$271.3	$208.1	$728.1
Australian Capital Territory	$866.0	$798.7	$832.3	$2,497.0
Australia	**$47,737.3**	**$55,601.0**	**$26,311.3**	**$129,649.6**

Notes: "-" = Not applicable. (a) Includes rates, fees and charges revenues to local government. (b) The total Australian Government taxation revenue from property may be understated as it does not include tax on residents or non-residents for some property related activities such as through rental income.
Sources: AEC, ABS (2023g), ATO (2023b; 2023c), supported by previous AEC analysis and benchmarking of local government rates and charges revenue.

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1. INTRODUCTION

1.1 BACKGROUND

The Property Council of Australia commissioned AEC Group Pty Ltd (AEC) to evaluate the economic significance of Australia's property industry. The industry consists of organisations and individuals involved in developing, operating and facilitating activities that meet Australia's residential and non-residential property needs.

1.2 PURPOSE OF THIS REPORT

The report uses the *Australian and New Zealand Standard Industrial Classifications* (ANZSIC) definition of industry classifications. The property industry is defined as:

- Parts of the construction industry focused on the development of residential and non-residential buildings, as well as all construction services.
- Architectural, engineering and professional services involved in the development of property.
- Non-residential property operators and real estate services.
- Parts of banking, non-bank finance and other financial and insurance services that facilitate the development, acquisition and ownership of property[4].

While many of these industries are also involved in non-property related activities, this report only focuses on the contribution of the property related components of these industries to the Australian economy. The definition of the property industry used in this report does not include ownership of dwellings, which are rents paid by tenants to landlords and imputed rents to owner occupiers. **Appendix A** provides a full list of ANZSIC classes included in the definition of the property industry.

1.3 GEOGRAPHIC SCOPE

The scope of this report focuses on the economic significance of the property industry in Australia, each Australian State/ Territory, each Australian Federal Electorate, and where the PCA has regional chapters.

Data for Federal Electoral divisions as required for this study is not available from the Australian Bureau of Statistics, and to undertake analysis for the Federal Electorates digital boundaries for Federal Electorates were downloaded from the Australian Electoral Commission (Australian Electoral Commission, 2019) and Statistical Area 2 (SA2) geographic boundaries were downloaded from the Australian Bureau of Statistics (ABS, 2021). These boundaries were utilised to convert SA2 data to Federal Electorates. All estimates of property industry activity at the Federal Electorate level are therefore subject to a softer confidence due to any inconsistencies introduced by transforming data using these correspondence files.

Estimates for regions in which PCA has regional chapters were developed based on modelling of the economics significance to each Local Government Area (LGA) in Australia, and the summation of relevant LGAs to the regions of interest.

[4] Parts of banking and credit union operations facilitating acquisition/ ownership of commercial property is excluded due to data limitations (though residential property is included). This is outlined in more detail in **Appendix A**.

1.4 METHODOLOGY

The estimates in this report are produced using Input-Output transaction tables and models developed by AEC. Data sources used include State and National Accounts and industry specific ABS and other agency data. Input-Output models were used to produce estimates of the direct and flow-on contributions of the property industry to Australia's economy, each State/ Territory, each Federal Electorate and each LGA in Australia. Measures used in this report include Gross Domestic Product (GDP), employment, and income (i.e., wages and salaries). **Appendix B** presents a detailed description of the methodology.

All estimates are presented in nominal terms (i.e., current prices in the year received), unless otherwise stated.

2. CONTRIBUTION TO NATIONAL ECONOMY

This chapter describes the property industry's significance and economic contribution to the Australian economy. It includes estimates of direct and flow-on contributions to other industries where relevant.

The contribution of the property industry's output to the Australian economy is estimated across the following three key measures:

- **Gross Product**: Refers to the value of all outputs of an industry including taxes/ subsidies on its final products after deducting the cost of goods and services inputs in the production process. Gross Domestic Product (GDP) is the measure of a nation's total gross production.
- **Incomes**: Measures the level of wages and salaries paid to employees of each industry.
- **Employment**: Refers to the part-time and full-time employment positions supported by an industry, and is expressed in terms of full time equivalent (FTE) positions.

An additional measure, industry output, is also produced from Input-Output modelling but not referenced in this chapter. Industry output refers to the total dollar value of all goods and services produced during the year. This measure overstates the true economic contribution of the industry as it double counts the value of material and services inputs used in the production of an industry's goods and services.

The economic contribution is measured in terms of:

- **Initial stimulus (direct impacts)**, which represent the economic activity of the property industry itself, in terms of revenues/ output, jobs supported, etc.
- **Flow-on impacts**, which comprise the effects from:
    - **Production induced effects (Type I)**, which represent the supply chain effects from direct operational expenditure on goods and services by the property industry as well as the second and subsequent round effects of increased purchases by suppliers in response to increased sales.
    - **Household consumption effects (Type II)**, which represent the consumption induced activity from additional household expenditure on goods and services resulting from additional wages and salaries being paid within the economy.

2.1 CONTRIBUTION OF THE PROPERTY INDUSTRY TO AUSTRALIA

The Australian property industry is estimated to have contributed a total of $530.3 billion to GDP in 2021-22. This was comprised of a direct contribution of $232.7 billion to Australia's GDP, or 10.6% total GDP contributed by industries in Australia (see Table 2.1 and Table 2.2) and a flow-on contribution of $297.6 billion, or 13.6% of total GDP contributed by industries in Australia)[5].

The property industry supported over 3.17 million FTE employment positions in 2021-22, comprised of 1.42 million FTE jobs directly and 1.75 million FTE jobs through flow-on activity. This represented 27.0% of Australia's total employment. These jobs provided approximately $352.7 billion in incomes (wages and salaries), representing 27.3% of total incomes in Australia.

Table 2.1. Estimated Direct & Flow-On Contribution of the Property Industry to the Australian Economy, 2021-22

Property Industry Component	Gross Product ($M)	Incomes ($M)	Employment (FTEs)
Direct Contribution			
Residential Building Construction	$23,272.5	$16,413.6	131,027
Non-Residential Building Construction	$14,695.6	$9,491.7	76,313
Construction Services	$90,151.9	$76,852.0	759,927
Finance	$17,519.2	$6,685.8	81,167
Insurance and Superannuation Funds	$1,896.4	$1,031.3	8,392
Non-Residential Property Operators and Real Estate Services	$52,668.2	$38,837.2	181,952
Professional, Scientific and Technical Services	$32,535.9	$29,219.7	181,347
Total Direct Contribution	***$232,739.7***	***$178,531.2***	***1,420,124***
Flow-On Contribution			
Production Induced (Type I)	$135,316.0	$90,370.5	841,649
Consumption Induced (Type II)	$162,286.3	$83,769.9	905,881
Total Flow-On Contribution	***$297,602.2***	***$174,140.3***	***1,747,530***
TOTAL CONTRIBUTION TO AUSTRALIA	**$530,341.9**	**$352,671.6**	**3,167,654**

Notes: Totals may not sum due to rounding.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

[5] The total contribution to GDP by all industries in Australia excludes non-industry based contributions to GDP (e.g. taxes and subsidies on products levied on households rather than industry).

Table 2.2. Estimated % Contribution of the Property Industry to the Australian Economy, 2021-22

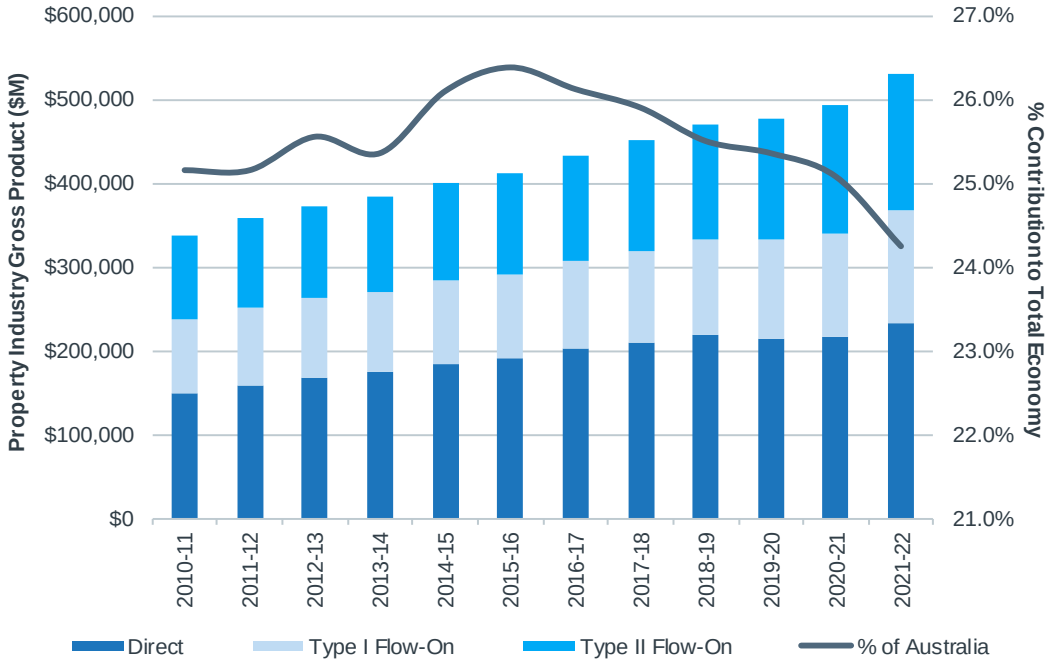
Property Industry Component	Gross Product (%) [(a)]	Incomes (%)	Employment (%)
Direct Contribution			
Residential Building Construction	1.1%	1.3%	1.1%
Non-Residential Building Construction	0.7%	0.7%	0.7%
Construction Services	4.1%	6.0%	6.5%
Finance	0.8%	0.5%	0.7%
Insurance and Superannuation Funds	0.1%	0.1%	0.1%
Non-Residential Property Operators and Real Estate Services	2.4%	3.0%	1.5%
Professional, Scientific and Technical Services	1.5%	2.3%	1.5%
Total Direct Contribution	***10.6%***	***13.9%***	***12.1%***
Flow-On Contribution			
Production Induced (Type I)	6.2%	7.0%	7.2%
Consumption Induced (Type II)	7.4%	6.5%	7.7%
Total Flow-On Contribution	***13.6%***	***13.6%***	***14.9%***
TOTAL CONTRIBUTION TO AUSTRALIA	**24.2%**	**27.5%**	**27.0%**

Notes: Totals may not sum due to rounding. (a) Represents percent of all industry based contributions to GDP only.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

The property industry's total (i.e., direct + flow-on) contribution to GDP has increased significantly over the last 12 years, increasing from $338.0 billion in 2010-11 to $530.3 billion in 2021-22 (see Figure 2.1). Over this period, the percent contribution to total Australian GDP has fluctuated between 24.2% and 26.4%. While COVID impacted both the property industry and the national economy in 2019-20 and 2020-21, resulting in a slowing in growth in these years, the property industry experienced a strong recovery in the last year increasing by $36.1 billion. Despite this growth in the latest year, the property industry has recorded lower growth than the broader national economy since COVID, growing by 12.7% in total between 2018-19 and 2021-22 compared to 18.5% growth in the Australian economy.

Despite continued growth in the sector, the recent slower growth of the property industry relative to the broader national economy has seen the percent contribution to GDP fall slightly since peaking at 26.4%. This decline can be explained by growth in the mining sector which has been driven by considerable increases in commodity prices which has echoed the global macro-economic trends in the post-COVID world, resulting in a significant temporary lift in value of the mining industry, despite only a modest increase in mining production and employment. It can be expected that as commodity prices return to more normalised levels, the value of mining will recede and the percent contribution of the property industry to GDP return to pre-COVID levels.

Figure 2.1. Estimated Direct & Flow-On Contribution of the Property Industry to Australian GDP, 2010-11 to 2021-22, Current Prices (i.e. Nominal Terms)

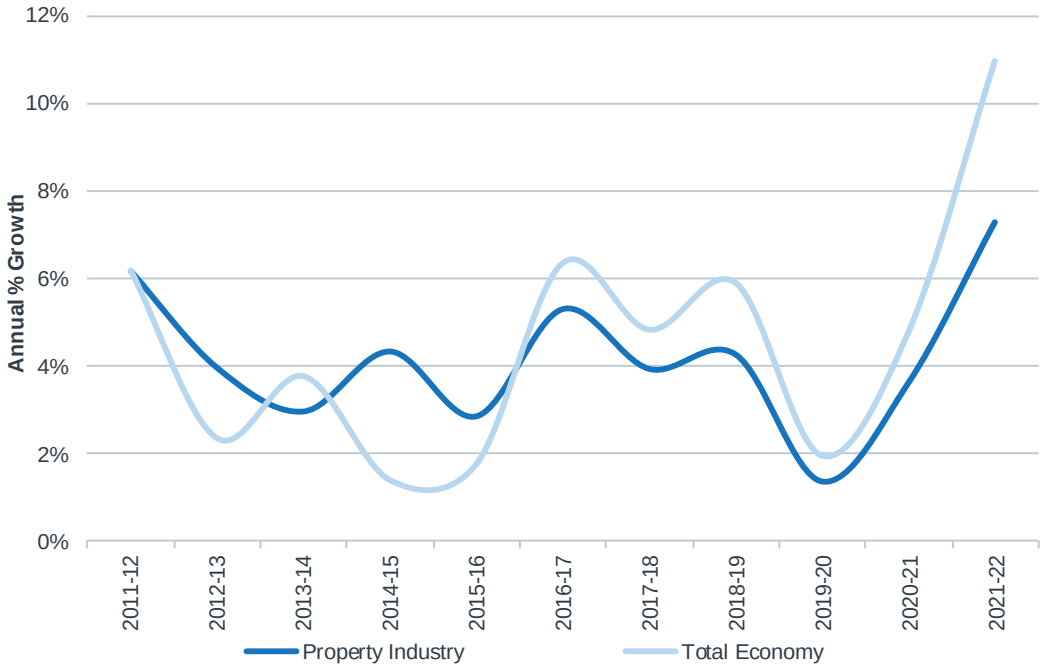


Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

Annual growth in gross product supported by the Australian property industry (both directly and through flow-on activity) is presented in Figure 2.2, compared to growth in Australian GDP. The figure shows growth in the property industry has been somewhat cyclic and generally following the broader Australian economy. Across 2019-20 and 2020-21, it is evident how strongly impacted the property industry was by the economic conditions driven by the COVID-19 pandemic with the annual growth rates similar to but below that of the broader Australian economy.

The slower growth of the property industry since COVID can be partly attributed to the support the property industry provided to the Australian business community during the pandemic, including considerable contributions in terms of commercial rent relief by property operators/ managers, which reduced overall returns in the property industry. Supply chain issues, increasing interest rates and tighter lending standards have also significantly impacted the property industry's capacity to meet demand for new property stock and increased the risk to developers.

Figure 2.2. Annual Growth in Property Industry Supported Gross Product (Direct + Flow-On) & Australian GDP, 2010-11 to 2021-22, Current Prices (i.e. Nominal Terms)

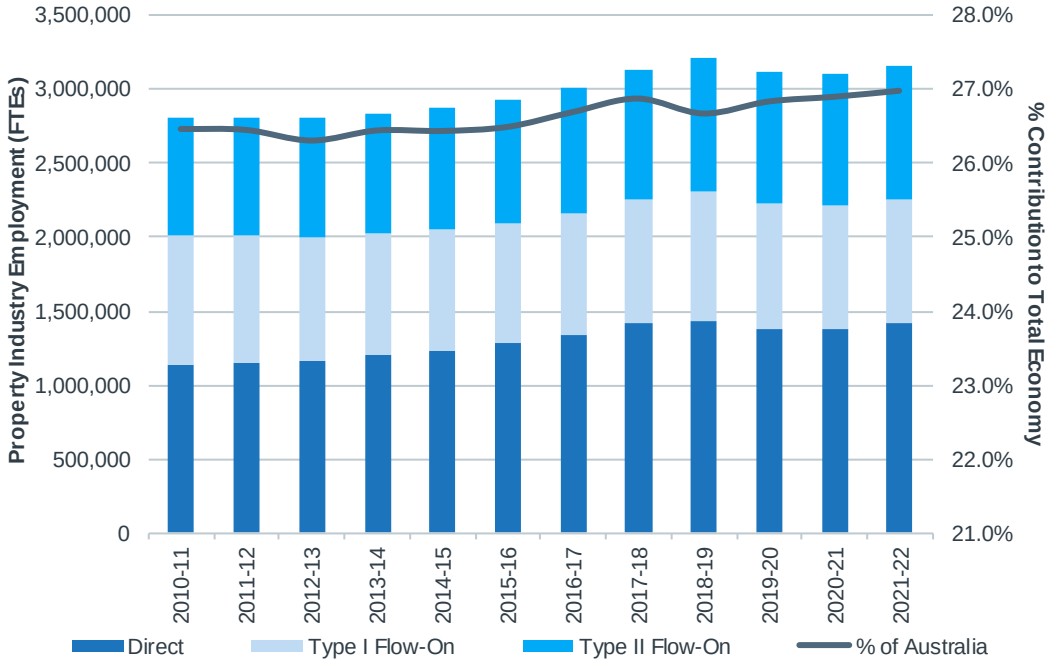


Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

Employment supported by property industry activities (including direct and flow-on jobs) showed growth between 2010-11 and 2016-17, increasing from 2.80 million FTE jobs in 2010-11 to 3.00 million FTE jobs in 2016-17 (see Figure 2.3). The industry saw strong employment growth in 2017-18, increasing 4.2% (126,659 FTE) (see Figure 2.4). There was a relatively minor contraction in FTEs employed across the industry across the 2019-20 and 2021-22 COVID impacted years, before returning to growth in 2021-22.

The property industry supported 26.5% of Australia's total employment in 2010-11 and has since increased its presence to support approximately 27.0% of Australia's total employment in 2021-22, having experienced an upward trend over the years.

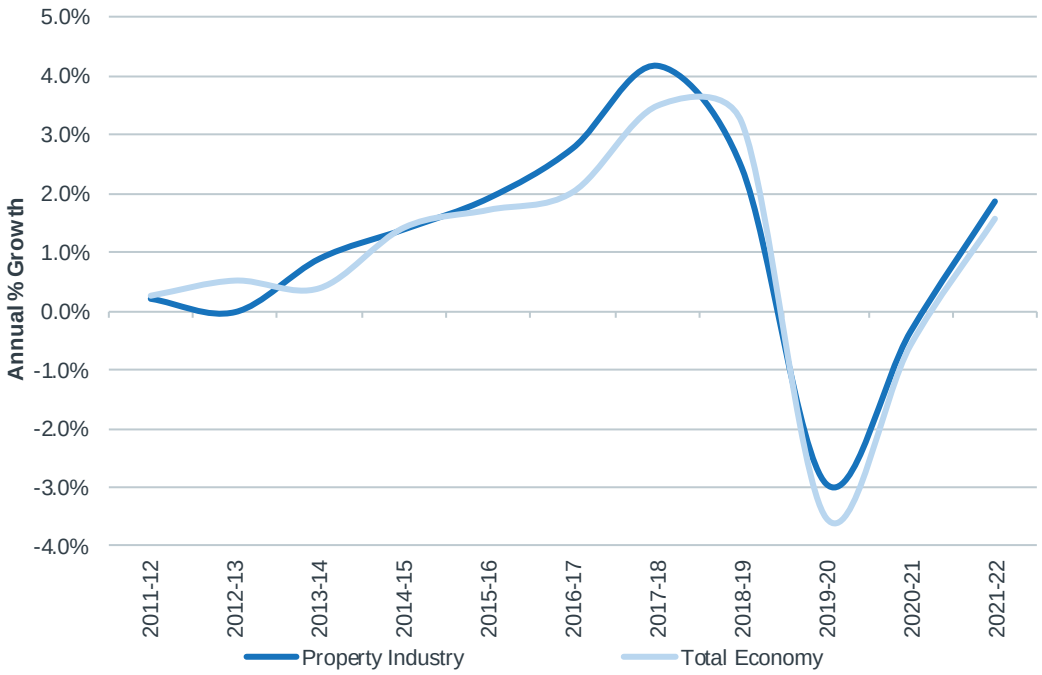
Figure 2.3. Estimated Direct & Flow-On Contribution of the Property Industry to Australian Employment, 2010-11 to 2021-22



Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

Annual change in employment supported by the Australian property industry (both directly and through flow-on activity) is presented in Figure 2.4, compared to the annual change in Australian employment. The figure shows that property industry growth has generally been stronger than overall growth in Australian employment since 2013-14. Of note, this includes higher growth across the COVID impacted years when compared to the Australian economy.

Figure 2.4. Annual Growth in Property Industry Supported Employment (Direct + Flow-On) and Australian Employment, 2010-11 to 2021-22



Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

2.2 CONTRIBUTION OF PROPERTY SUB-SECTORS TO AUSTRALIA

The residential sector is the largest property sector, contributing 62.5% of direct property industry activity in Australia, producing around $145.5 billion in gross product and directly supporting approximately 892,100 FTE jobs.

Table 2.3. Estimated Direct Contribution of the Property Industry to the Australian Economy by Property Sector, 2021-22

Property Industry Component	Gross Product ($M)	Incomes ($M)	Employment (FTEs)
Direct Contribution			
Residential	$145,499.0	$112,192.2	892,095
Non-Residential	$87,240.6	$66,339.1	528,029
Total Direct Contribution	**$232,739.7**	**$178,531.2**	**1,420,124**
Percent of Total Direct Contribution			
Residential	62.5%	62.8%	62.8%
Non-Residential	37.5%	37.2%	37.2%
Total Direct Contribution	**100.0%**	**100.0%**	**100.0%**

Notes: Totals may not sum due to rounding.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

The property industry was disaggregated into property type sub-sectors across both the residential and non-residential sectors (in sections 2.2.1 and 2.2.2, respectively) to examine their direct[6] contributions to Australia's economy using the approach outlined in **Appendix B**.

2.2.1 Residential Sub-Sectors

Three growing residential sub-sectors were examined in additional detail regarding their economic contribution to the national economy:

- Retirement living.
- Purpose built student accommodation.
- Build-to-rent.

An overview of the approaches used in estimating the contribution of these sub-sectors is provided in Appendix B.

Of the residential sub-sectors examined, the retirement living sub-sector was the largest, representing $4.3 billion in gross product (1.8% of the total property industry) and around 29,500 jobs (2.1%).

[6] Only direct contributions have been examined as insufficient data is available to appropriately identify any variances between sub-sectors contribution to flow-on effects.

Table 2.4. Estimated Direct Contribution of the Property Industry to the Australian Economy by Residential Property Sub-Sector, 2021-22

Property Industry Component	Gross Product ($M)	Incomes ($M)	Employment (FTEs)
Direct Contribution			
Retirement Living	$4,303.4	$3,302.7	29,504*
Purpose Built Student Accommodation	$2,136.8	$1,642.7	12,270
Build-to-Rent	$1,819.0	$1,413.9	12,768
Other Residential	$137,239.9	$105,832.9	837,553
Total Direct Contribution	***$145,499.0***	***$112,192.2***	***892,095***
% of Total Direct Contribution			
Retirement Living	1.8%	1.8%	2.1%
Purpose Built Student Accommodation	0.9%	0.9%	0.9%
Build-to-Rent	0.8%	0.8%	0.9%
Other Residential	59.0%	59.3%	59.0%
Total Direct Contribution	***62.5%***	***62.8%***	***62.8%***

Notes: Totals may not sum due to rounding.
* The estimate of employment in the retirement living sub-sector is an estimate of the number of jobs and not FTEs, with this job estimate sourced from IBISWorld (2023). It is noted that the methodology to develop the estimate of employment in the IBISWorld report differs from the approach used for examining the contribution across other measures in this report. However, to be consistent with other materials published by the Property Council of Australia, the IBISWorld job estimate has been used and is approximately in line with the modelled estimate of jobs supported by the retirement living sector by AEC.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022). AFR (2023), EY (2023), IBISWorld (2023), Property Council Australia (2022a, 2022b, 2021 and 2014), Savills (2022), Travers (2022), Uniloge (n.d. a, n.d. b, n.d. c, n.d. d, n.d. e, n.d. f), The Urban Developer (2023, 2022, and 2016).

2.2.2 Non-Residential Sub-Sectors

Of the non-residential sub-sector, the commercial property sub-sector is the largest, estimated to have contributed 9.3% of total direct property industry GDP impacts, producing $21.7 billion in GDP and supporting 128,400 FTE jobs. Industrial and education are the second and third largest subsectors, contributing $15.4 billion (6.6%) and $12.4 billion (5.3%) in gross product, respectively.

Table 2.5. Estimated Direct Contribution of the Property Industry to the Australian Economy by Non-Residential Property Sub-Sector, 2021-22

Property Industry Component	Gross Product ($M)	Incomes ($M)	Employment (FTEs)
Direct Contribution			
Retail	$9,928.1	$7,556.6	59,853
Commercial	$21,739.9	$16,458.4	128,420
Industrial	$15,418.2	$11,749.8	93,986
Health	$6,890.9	$5,262.5	41,750
Aged Care	$2,570.3	$1,963.5	15,658
Education	$12,390.2	$9,450.3	76,010
Entertainment/ Recreation	$7,212.8	$5,439.5	42,886
Short Term Accommodation	$4,436.5	$3,365.5	27,403
Religion	$409.5	$308.7	2,428
Other	$6,244.2	$4,784.1	39,635
Total Direct Contribution	***$87,240.6***	***$66,339.1***	***528,029***
% of Total Direct Contribution			
Retail	4.3%	4.2%	4.2%
Commercial	9.3%	9.2%	9.0%
Industrial	6.6%	6.6%	6.6%
Health	3.0%	2.9%	2.9%
Aged Care	1.1%	1.1%	1.1%
Education	5.3%	5.3%	5.4%
Entertainment/ Recreation	3.1%	3.0%	3.0%
Short Term Accommodation	1.9%	1.9%	1.9%
Religion	0.2%	0.2%	0.2%
Other	2.7%	2.7%	2.8%
Total Direct Contribution	***37.5%***	***37.2%***	***37.2%***

Notes: Totals may not sum due to rounding.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

2.3 COMPARISON WITH OTHER INDUSTRIES

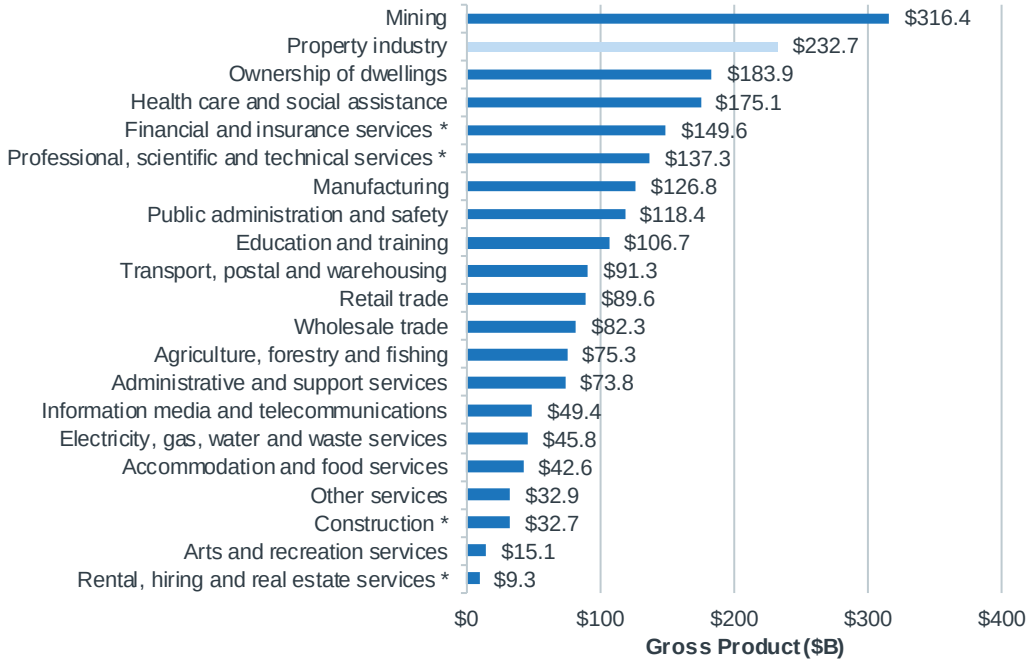
This section presents comparisons of the direct contribution of the Australian property industry to the Australian economy against other industries in the national economy. This section only presents the direct contribution of the property industry compared to the direct contribution of other industries. Flow-on contributions cannot be presented as this would introduce double counting across national economic activity (as flow-on contributions of the property industry represent direct activity of the industries it purchases from, and vice versa).

A summary table of the direct contribution of the property industry compared to other industries is provided in **Appendix C**.

2.3.1 Gross Domestic Product

Australia's total GDP contributed by industries was $2.19 trillion in 2021-22[7]. Figure 2.5 shows the property industry was Australia's second largest industry contributing $232.7 billion directly to the national economy, or 10.6% of total industry contribution to GDP. In 2018-19 the property industry was assessed as Australia's largest industry (by GDP), followed by mining. Mining surpassing the property industry in 2021-22 primarily reflects the significant global increases in commodity prices, and the heavy reliance the mining industry has on commodity prices, which has seen a substantial lift in value for the mining sector in recent years, despite only a modest increase in mining production and employment. It can be expected that as commodity prices return to more normalised levels, the value of mining will recede and return to closer to pre-COVID levels (e.g., contribution to GDP of $192.5 billion in 2018-19).

Figure 2.5. Direct Contribution to Gross Domestic Product by Industry, 2021-22 ($ Billion)



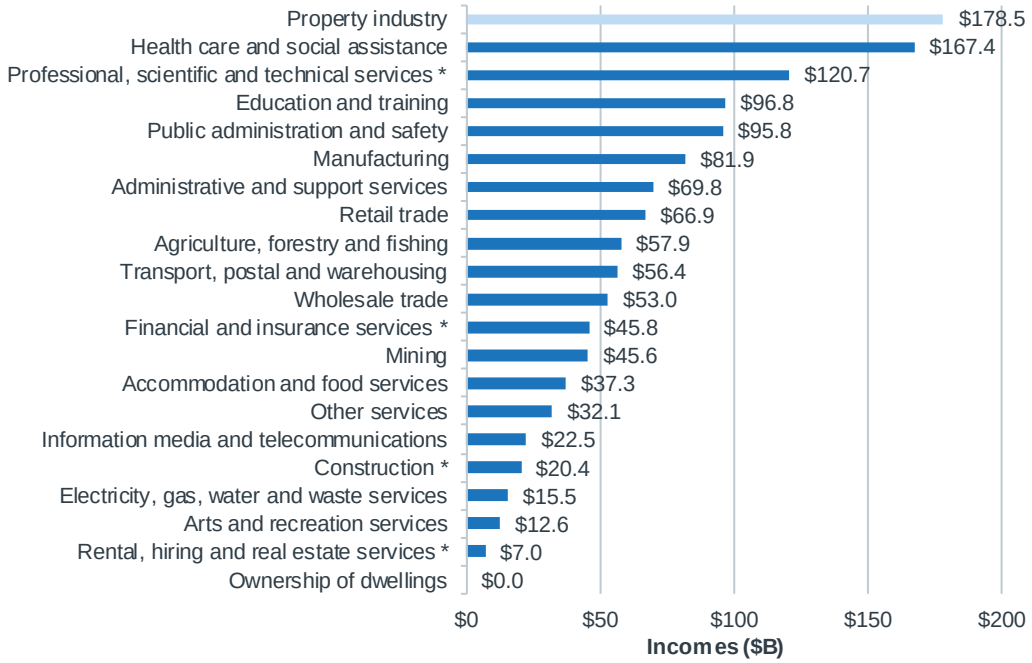
Note: * Only non-property related activity is included for this industry classification. All property related activity is included in the property industry.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

2.3.2 Incomes

Figure 2.6 shows the property industry was the highest direct contributing sector to incomes (wages and salaries) in Australia in 2021-22, paying approximately $178.5 billion to Australian households (13.9% of Australia's total wages and salaries paid directly to workers in 2021-22).

[7] The total contribution to GDP by all industries in Australia of $2.19 trillion differs from total GDP in the National Accounts of $2.31 trillion (ABS, 2023a) as it excludes non-industry based contributions to GDP (e.g. taxes and subsidies on products levied on households rather than industry).

Figure 2.6. Direct Contribution to Incomes by Industry, 2021-22 ($ Billion)



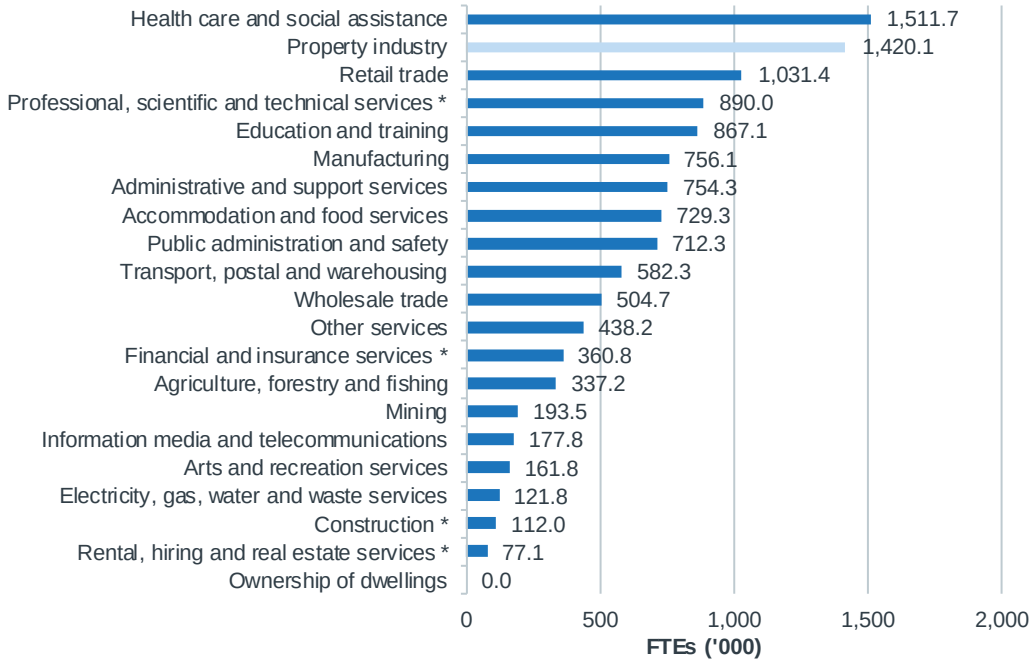
Note: * Only non-property related activity is included for this industry classification. All property related activity is included in the property industry.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

Mining comparatively ranks 13th in terms of total wages paid in Australia, paying $45.6 billion in wages and ranks 15th in terms of FTE employed (refer to section 2.3.3), showing that while mining has the largest contribution in terms of GDP, it is heavily inflated by commodity prices and the contribution in terms of employment is, comparatively, not nearly as significant.

2.3.3 Employment

Figure 2.7 shows that the property industry was the second highest direct contributor to Australian jobs in 2021-22. The industry employed 1.42 million FTE workers (12.1% of Australia's total). Unsurprisingly, the highest employing industry is health care and social assistance, which employed 1.51 million FTE workers (12.9% of the Australia's total). This is less than 100,000 more FTE workers than the property industry. Section 2.3.2 shows the health care and social assistance industry is second to the property industry in terms of the incomes paid to workers, indicating the property industry has, on average, a higher wage per FTE than the health care and social assistance industry.

Figure 2.7. Direct Contribution to Employment by Industry, 2021-22 ('000 FTEs)



Note: * Only non-property related activity is included for this industry classification. All property related activity is included in the property industry.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

2.4 EMPLOYMENT BY GENDER

Of the 1.42 million FTEs directly employed in the property industry across Australia in 2021-22, the majority are male (73.9%). New South Wales has the highest female representation with 27.5%, closely followed by Western Australia (26.8%) and Queensland (26.7%).

Table 2.6. FTEs Employed Directly by the Property Industry, by State and Territory, 2021-22

	Total	Male		Female	
State/ Territory	FTE	FTE	% of Total	FTE	% of Total
New South Wales	431,506	312,799	72.5%	118,707	27.5%
Victoria	393,103	296,511	75.4%	96,591	24.6%
Queensland	290,293	212,674	73.3%	77,619	26.7%
South Australia	89,546	67,672	75.6%	21,873	24.4%
Western Australia	155,071	113,487	73.2%	41,584	26.8%
Tasmania	27,185	21,441	78.9%	5,744	21.1%
Northern Territory	10,154	7,492	73.8%	2,662	26.2%
Australian Capital Territory	23,051	17,238	74.8%	5,813	25.2%
Other Territories	216	184	85.2%	30	13.8%
Total	**1,420,124**	**1,049,500**	**73.9%**	**370,622**	**26.1%**

Note: Numbers may not add up due to rounding.
Sources: AEC, ABS (2022a).

A key driver of the high proportion of direct male employment in the property industry is the dominance of the construction sector. Construction employs 967,200 FTEs (or 68.1% of the property industry workforce), approximately 837,000 of whom are male. Female employment in non-construction related property industry jobs accounted for around 53.1% of total FTE jobs.

Table 2.7. FTEs Employed Directly by the Property Industry in Australia, by Industry and Gender, 2021-22

Industry of Employment	Total	Male		Female	
	FTE	FTE	% of Industry Total	FTE	% of Industry Total
Construction [(a)]	967,266	837,042	86.5%	130,224	13.5%
Non-Construction [(b)]	452,858	212,277	46.9%	240,581	53.1%
Total	**1,420,124**	**1,049,319**	**73.9%**	**370,805**	**26.1%**

Note: Numbers may not add up due to rounding. (a) Includes the property related industries of residential building construction, non-residential building construction, and construction services, as outlined in section 2.1. (b) Includes the property related industries of Finance, Insurance and Superannuation Funds, Property Operators and Real Estate Services, and Professional, Scientific and Technical Services, as outlined in section 2.1.
Sources: AEC, ABS (2022a).

Additional details regarding employment by industry and gender, including direct and flow-on FTE jobs supported, is presented in **Appendix C** (Table C.2). Of note, of the 1.75 million FTE jobs supported by the property industry through flow-on activity, 45.8% are female, including 39.2% of production induced flow-on jobs and 51.8% of household consumption induced flow-on jobs.

2.5 STATE CONTRIBUTION OF THE PROPERTY INDUSTRY

In addition to providing the largest direct economic footprint of any industry in Australia across the combined measures of GDP, employment and employee incomes (12.2%, as outlined in section 2.3), the property industry also provides the largest direct economic footprint across these combined measures in Australia's three most populace States of New South Wales (13.1%), Victoria (13.0%) and Queensland (12.1%).

A breakdown of the direct and flow-on contribution of the property industry by State/ Territory is presented in Table 2.8 below, and highlights:

- New South Wales accounts for the largest share of total national property industry economic footprint, at around 34% of the Australian total (on average, across the measures of GDP, employment and employee incomes). Victoria, Queensland and Western Australia account for the next largest shares of total Australian property industry economic footprint. Combined, these four States account for approximately 92% of total Australian property industry economic footprint.
- The property industry in New South Wales and Victoria contributed an above national average proportion of total State/ Territory economic footprint, while in Queensland the contribution was similar to the national average.
- The percent contribution of the property industry to Gross State/ Territory Product (GSP/ GTP) in Northern Territory was considerably lower than the contribution to employment while the GSP/ GTP in Western Australia, Tasmania and the Australian Capital Territory was approximately 40% lower than the national average. This reflects that the contribution to gross product per employee in the property industry is lower than some other prominent industries in these jurisdictions.

Table 2.8. Estimated State/ Territory Economic Contribution of the Property Industry, 2021-22

State/ Territory	Direct Contribution			Flow-On (Type I + Type II) Contribution			Total Contribution		
	Gross Product ($B)	Incomes ($B)	Employment (FTEs)	Gross Product ($B)	Incomes ($B)	Employment (FTEs)	Gross Product ($B)	Incomes ($B)	Employment (FTEs)
Value Contribution									
New South Wales	$81.7	$60.8	431,506	$107.8	$62.8	582,810	$189.5	$123.6	1,014,317
Victoria	$58.1	$44.6	393,103	$83.9	$48.6	516,268	$142.0	$93.2	909,370
Queensland	$44.0	$34.3	290,293	$56.8	$33.3	349,459	$100.7	$67.6	639,752
South Australia	$12.3	$9.7	89,546	$14.4	$8.5	97,542	$26.7	$18.1	187,088
Western Australia	$27.4	$21.9	155,071	$28.5	$17.1	160,434	$55.8	$38.9	315,505
Tasmania	$3.1	$2.4	27,185	$3.0	$1.8	21,313	$6.1	$4.2	48,498
Northern Territory	$1.5	$1.2	10,154	$1.3	$0.7	6,003	$2.8	$1.9	16,157
Australian Capital Territory	$4.6	$3.6	23,051	$2.1	$1.4	13,642	$6.7	$5.0	36,692
Other Territories	$0.0	$0.0	216	$0.0	$0.0	57	$0.0	$0.0	274
Total Australia	***$232.7***	***$178.5***	***1,420,124***	***$297.6***	***$174.1***	***1,747,530***	***$530.3***	***$352.7***	***3,167,654***
% of National Property Industry									
New South Wales	35.1%	34.0%	30.4%	36.2%	36.1%	33.4%	35.7%	35.0%	32.0%
Victoria	25.0%	25.0%	27.7%	28.2%	27.9%	29.5%	26.8%	26.4%	28.7%
Queensland	18.9%	19.2%	20.4%	19.1%	19.1%	20.0%	19.0%	19.2%	20.2%
South Australia	5.3%	5.4%	6.3%	4.8%	4.9%	5.6%	5.0%	5.1%	5.9%
Western Australia	11.8%	12.3%	10.9%	9.6%	9.8%	9.2%	10.5%	11.0%	10.0%
Tasmania	1.3%	1.4%	1.9%	1.0%	1.0%	1.2%	1.2%	1.2%	1.5%
Northern Territory	0.7%	0.7%	0.7%	0.4%	0.4%	0.3%	0.5%	0.6%	0.5%
Australian Capital Territory	2.0%	2.0%	1.6%	0.7%	0.8%	0.8%	1.3%	1.4%	1.2%
Other Territories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Australia	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***

State/ Territory	Direct Contribution			Flow-On (Type I + Type II) Contribution			Total Contribution		
	Gross Product ($B)	Incomes ($B)	Employment (FTEs)	Gross Product ($B)	Incomes ($B)	Employment (FTEs)	Gross Product ($B)	Incomes ($B)	Employment (FTEs)
% Contribution to State Economy									
New South Wales	12.5%	14.8%	12.1%	16.5%	15.3%	16.4%	29.0%	30.0%	28.5%
Victoria	12.1%	14.3%	12.8%	17.4%	15.5%	16.8%	29.5%	29.8%	29.5%
Queensland	10.4%	13.6%	12.3%	13.4%	13.2%	14.8%	23.7%	26.8%	27.0%
South Australia	10.2%	12.3%	11.1%	11.9%	10.8%	12.1%	22.1%	23.1%	23.3%
Western Australia	6.9%	13.9%	11.6%	7.2%	10.9%	12.0%	14.1%	24.8%	23.5%
Tasmania	8.5%	10.2%	11.4%	8.3%	7.5%	9.0%	16.8%	17.8%	20.4%
Northern Territory	5.1%	7.8%	9.7%	4.2%	4.8%	5.7%	9.3%	12.6%	15.4%
Australian Capital Territory	10.4%	11.3%	9.3%	4.6%	4.4%	5.5%	15.0%	15.7%	14.8%
Other Territories	9.9%	10.0%	8.8%	2.3%	2.1%	2.3%	12.2%	12.1%	11.1%
Total Australia	***10.6%***	***13.9%***	***12.1%***	***13.6%***	***13.6%***	***14.9%***	***24.2%***	***27.5%***	***27.0%***

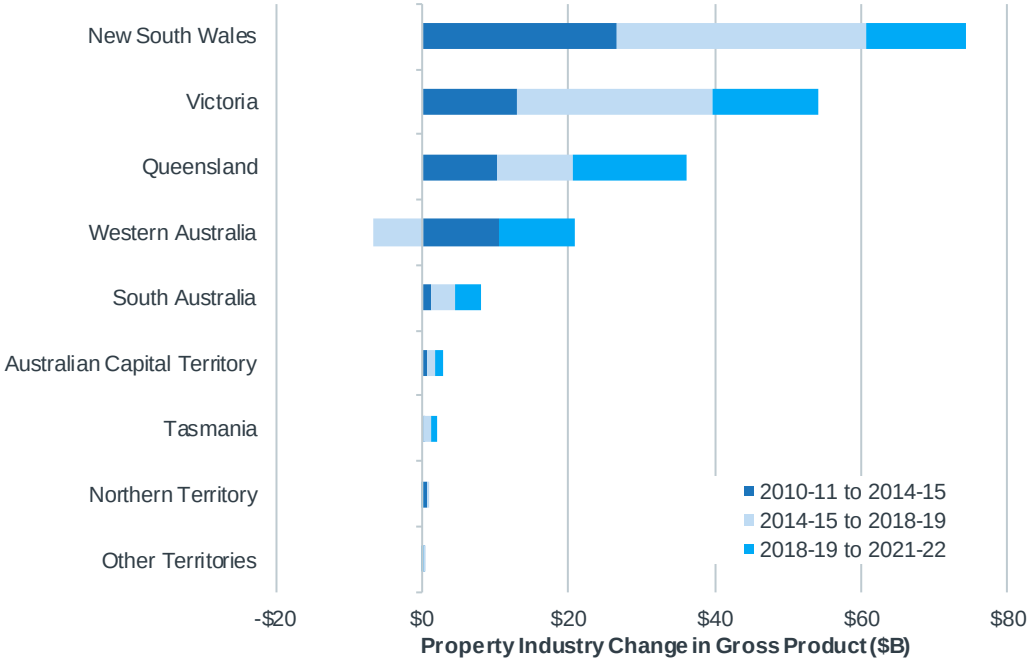
Notes: Total may not sum due to rounding.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

Expansion of the property industry in New South Wales was the key driver of the national industry's expansion (in terms of Gross Product) prior to COVID. In the five years between 2010-11 and 2014-15, New South Wales comprised 42% of the national industry's growth. This increased over the five years from 2014-15 to 2018-19, with New South Wales recording nearly 50% of the country's growth in the property industry, or $34.0 billion.

Victoria and Queensland were second and third to New South Wales in terms of contribution between 2014-15 and 2018-19, with growth of $26.8 billion (38.5% of the total growth) and $10.1 billion (14.5% of the total growth), respectively. The property industry's contribution to the Western Australia economy has increased $14.3 billion over the 12-year period.

Since COVID, the contribution of Victoria and Queensland to national property industry growth has lifted to more in line with that of New South Wales, with all three States showing relatively similar growth between 2018-19 and 2021-22, each comprising between 23.0% and 26.4% of the total national industry, with Queensland recording the greatest increase over this time period ($14.5 billion).

Figure 2.8. Change in Property Industry Total (Direct + Flow-On) Contribution to Gross Product, 2010-11 to 2021-22



Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

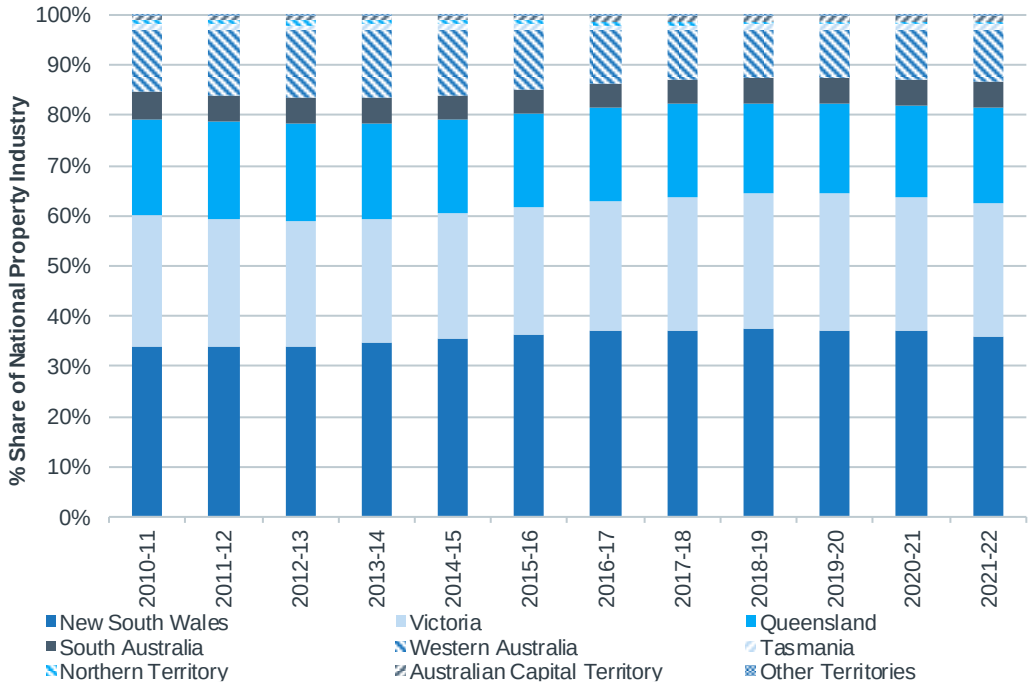
Since 2010-11, New South Wales' property industry increased its prominence within the national property industry (in terms of Gross Product) by 1.7 percentage points (from 34.0% in 2010-11 to 35.7% in 2021-22). During this time, New South Wales saw a constant increase in their share of the national property industry from 2011-12 to 2018-19, reaching a peak of 37.3% of the total national industry in 2018-19. The State has seen an average decrease in the share of national property industry of 0.5 percentage points from 2018-19 to 2021-22 to reach 35.7%.

Victoria has also increased its share of the national property industry between 2010-11 and 2021-22, increasing by 0.8 percentage points over this period.

South Australia, since 2016-17, has seen an increase in their national share from 4.8% to 5.0%. Similarly, Queensland has seen an increase in their share of the national industry in recent years, with the highest growth following the 2019-20 and 2020-21 COVID impacted years, increasing their share of the national industry by 1.0 percentage point.

Tasmania and Australian Capital Territory were on broadly par in 2021-22 with their share in 2010-11, with their percentage share changing -0.04 and 0.1 percentage points, respectively.

Figure 2.9. State Share of National Property Industry Total (Direct + Flow-On) Contribution to GDP, 2010-11 to 2021-22



Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

3. CONTRIBUTION TO FEDERAL ELECTORATES

The following table provides a summary of the direct contribution of the property industry to each Federal Electorate in Australia, in terms of gross product, incomes and employment. The direct contribution the property industry makes to each electorate's economy is presented both in value and as a proportion of total electorate economy.

***Note**: Other Territories of Christmas Island, Cocos (Keeling) Islands, Jervis Bay and Norfolk Island are allocated to Federal Electorates in the Northern Territory and Australian Capital Territory, despite not being part of those Territories. As a result, the totals for Northern Territory and Australian Capital Territory in this table will exceed those values in the State/ Territory summaries in the preceding sections.*

Table 3.1. Direct Contribution of Property Industry by Federal Electorate, 2021-22

Federal Electorate	Property Industry Contribution			% of Total Electorate		
	Gross Product ($M)	Incomes ($M)	Emp. (FTEs)	Gross Product (%)	Incomes (%)	Emp. (%)
New South Wales						
Banks	$832.0	$650.3	4,782	16.6%	21.8%	17.8%
Barton	$1,405.6	$978.0	6,647	16.5%	19.2%	14.5%
Bennelong	$1,669.2	$1,303.1	8,737	7.9%	9.9%	8.0%
Berowra	$982.0	$786.7	5,859	14.5%	18.9%	15.7%
Blaxland	$1,316.6	$1,058.2	8,270	11.3%	14.0%	12.1%
Bradfield	$1,426.7	$1,101.4	6,924	12.8%	15.7%	11.3%
Calare	$1,275.6	$1,005.1	7,761	8.7%	11.5%	11.2%
Chifley	$837.2	$647.7	4,907	11.3%	14.3%	11.4%
Cook	$1,728.0	$1,281.8	9,044	18.1%	21.6%	16.8%
Cowper	$1,253.9	$978.2	7,582	11.8%	13.5%	11.0%
Cunningham	$1,497.2	$1,200.9	8,732	11.7%	14.0%	11.8%
Dobell	$1,346.7	$1,022.1	7,654	14.3%	16.5%	13.1%
Eden-Monaro	$1,303.1	$1,037.8	8,046	13.7%	16.7%	14.7%
Farrer	$1,141.4	$876.5	6,782	8.4%	9.2%	9.1%
Fowler	$849.2	$624.9	4,354	10.5%	11.5%	8.5%
Gilmore	$1,408.3	$1,118.3	8,272	15.5%	18.1%	15.0%
Grayndler	$1,329.5	$1,036.9	6,434	14.5%	17.6%	12.3%
Greenway	$1,403.1	$1,101.2	8,332	13.9%	16.8%	14.0%
Hughes	$1,015.4	$813.1	6,019	12.5%	15.5%	13.6%
Hume	$1,393.8	$1,088.0	8,304	14.7%	18.8%	16.4%
Hunter	$1,169.4	$954.6	7,544	6.2%	10.5%	11.5%
Kingsford Smith	$1,579.9	$1,243.7	9,028	9.3%	10.7%	8.7%
Lindsay	$1,552.8	$1,211.5	9,285	14.6%	16.8%	13.9%
Lyne	$1,071.6	$858.8	6,368	13.5%	16.7%	13.7%
Macarthur	$1,611.0	$1,261.9	9,711	14.7%	17.6%	14.6%
Mackellar	$1,585.9	$1,272.0	8,800	15.0%	19.4%	15.1%
Macquarie	$1,183.2	$940.4	7,155	15.4%	18.3%	15.5%
McMahon	$1,883.8	$1,475.4	11,357	9.9%	12.5%	10.2%
Mitchell	$1,900.1	$1,464.3	10,216	14.5%	17.2%	13.0%
Newcastle	$1,900.6	$1,386.6	10,203	10.8%	11.8%	9.8%
New England	$1,173.1	$901.1	6,962	11.0%	11.9%	11.1%
North Sydney	$3,569.6	$2,868.3	17,444	12.5%	15.5%	11.7%
Page	$944.3	$730.0	5,904	10.4%	11.9%	9.8%
Parkes	$969.0	$744.9	5,704	6.3%	8.1%	8.8%

Federal Electorate	Property Industry Contribution			% of Total Electorate		
	Gross Product ($M)	Incomes ($M)	Emp. (FTEs)	Gross Product (%)	Incomes (%)	Emp. (%)
Parramatta	$2,474.4	$1,543.6	10,114	13.6%	13.5%	10.2%
Paterson	$1,565.7	$1,232.8	9,386	12.7%	15.6%	13.6%
Reid	$2,430.1	$1,778.7	12,224	13.8%	16.4%	12.4%
Richmond	$1,470.2	$1,165.0	8,433	14.5%	17.3%	13.2%
Riverina	$1,106.5	$843.7	6,774	8.6%	9.7%	10.0%
Robertson	$1,187.1	$916.1	6,554	13.9%	16.1%	12.6%
Shortland	$1,212.4	$958.7	7,307	15.7%	19.0%	15.5%
Sydney	$16,415.7	$10,383.9	68,075	13.8%	15.0%	12.1%
Warringah	$1,530.1	$1,218.5	7,629	15.7%	20.0%	14.2%
Watson	$1,175.6	$901.4	6,763	12.9%	15.4%	12.2%
Wentworth	$1,544.6	$1,209.7	7,079	14.3%	17.9%	12.1%
Werriwa	$822.3	$627.5	4,826	11.5%	14.8%	12.0%
Whitlam	$1,226.7	$970.6	7,219	14.8%	18.0%	14.6%
New South Wales	**$81,669.7**	**$60,774.0**	**431,506**	**12.5%**	**14.8%**	**12.1%**
Victoria						
Aston	$1,391.7	$1,103.5	10,261	12.1%	14.9%	13.4%
Ballarat	$1,061.2	$848.3	7,963	11.7%	13.6%	12.8%
Bendigo	$1,122.2	$824.1	7,851	11.3%	12.8%	12.6%
Bruce	$1,294.3	$1,014.6	9,213	13.4%	15.2%	13.5%
Calwell	$1,299.3	$1,037.5	10,172	12.3%	15.1%	14.5%
Casey	$974.5	$791.6	7,392	14.3%	17.6%	15.6%
Chisholm	$1,848.4	$1,432.1	12,074	12.1%	13.7%	12.1%
Cooper	$982.7	$757.4	6,592	11.1%	12.8%	10.9%
Corangamite	$1,031.4	$828.5	7,742	15.5%	19.3%	17.7%
Corio	$1,506.5	$1,211.1	10,861	12.2%	14.1%	13.0%
Deakin	$1,269.5	$1,006.8	8,986	13.0%	15.4%	13.3%
Dunkley	$1,296.4	$1,037.6	9,960	15.6%	18.6%	17.6%
Flinders	$1,346.2	$1,079.4	10,225	16.0%	19.8%	18.6%
Fraser	$1,204.9	$946.3	8,191	9.7%	11.4%	9.5%
Gellibrand	$1,612.3	$1,280.0	11,219	11.5%	14.9%	12.6%
Gippsland	$941.2	$743.7	6,888	8.0%	10.8%	10.8%
Goldstein	$1,042.7	$825.5	7,018	13.7%	17.2%	14.6%
Gorton	$1,170.6	$907.0	8,178	16.7%	20.4%	17.3%
Hawke	$893.1	$721.2	6,770	15.6%	20.2%	18.0%
Higgins	$1,626.5	$1,277.0	9,677	15.0%	17.3%	13.1%
Holt	$704.6	$558.5	5,347	14.4%	18.5%	16.4%
Hotham	$1,461.4	$1,138.7	10,211	10.9%	12.5%	11.0%
Indi	$967.8	$777.1	7,316	10.3%	11.9%	11.2%
Isaacs	$2,536.8	$2,043.4	20,848	12.7%	15.5%	13.8%
Jagajaga	$956.2	$765.0	6,554	12.1%	13.8%	12.3%
Kooyong	$1,354.6	$1,071.1	8,264	11.9%	14.2%	11.5%
Lalor	$780.8	$605.4	5,541	11.9%	14.2%	12.3%
La Trobe	$1,104.9	$866.8	8,403	16.5%	20.2%	19.0%
Macnamara	$3,704.9	$3,040.5	24,353	11.9%	15.4%	12.5%
Mallee	$844.0	$651.3	6,170	7.1%	7.7%	8.6%
Maribyrnong	$1,416.4	$1,139.2	10,314	11.8%	14.2%	12.3%
McEwen	$842.2	$674.6	6,302	16.1%	21.0%	18.9%

Federal Electorate	Property Industry Contribution			% of Total Electorate		
	Gross Product ($M)	Incomes ($M)	Emp. (FTEs)	Gross Product (%)	Incomes (%)	Emp. (%)
Melbourne	$10,930.7	$7,205.2	56,249	11.7%	12.7%	11.0%
Menzies	$982.4	$775.7	6,438	13.3%	16.7%	13.6%
Monash	$833.7	$655.5	6,085	11.6%	13.7%	13.2%
Nicholls	$994.5	$790.4	7,428	9.4%	10.6%	10.8%
Scullin	$1,137.1	$896.0	8,133	12.6%	14.9%	13.1%
Wannon	$943.7	$742.5	7,062	8.7%	9.9%	10.9%
Wills	$707.7	$562.2	4,855	11.6%	14.6%	12.3%
Victoria	**$58,120.1**	**$44,632.4**	**393,103**	**12.1%**	**14.3%**	**12.8%**
Queensland						
Blair	$863.9	$664.7	5,877	8.6%	10.1%	9.2%
Bonner	$1,469.5	$1,165.8	10,228	11.4%	14.4%	12.1%
Bowman	$1,034.4	$810.3	7,237	15.0%	18.4%	16.0%
Brisbane	$7,079.4	$5,247.8	37,512	12.7%	15.5%	12.2%
Capricornia	$1,062.5	$859.8	7,162	2.8%	6.5%	8.7%
Dawson	$925.9	$737.0	6,373	8.5%	10.8%	10.1%
Dickson	$1,000.9	$801.3	7,455	14.7%	18.4%	16.5%
Fadden	$1,718.3	$1,366.0	11,714	16.2%	20.3%	16.6%
Fairfax	$1,662.9	$1,336.8	12,004	15.6%	19.1%	17.0%
Fisher	$1,640.4	$1,273.4	11,294	16.3%	19.4%	17.2%
Flynn	$908.4	$722.9	6,332	4.3%	7.2%	8.7%
Forde	$1,549.6	$1,239.1	11,677	16.2%	20.2%	18.5%
Griffith	$2,128.4	$1,676.3	12,743	14.0%	15.6%	11.7%
Groom	$1,166.8	$864.3	7,357	8.6%	10.9%	10.3%
Herbert	$1,243.9	$969.5	8,273	11.2%	13.1%	11.8%
Hinkler	$846.1	$652.9	5,943	11.3%	13.0%	11.7%
Kennedy	$858.4	$680.8	6,239	4.7%	6.8%	8.2%
Leichhardt	$1,344.1	$1,064.3	9,458	10.0%	12.3%	11.1%
Lilley	$1,560.7	$1,246.6	11,115	9.4%	11.5%	10.2%
Longman	$929.3	$741.5	6,815	12.3%	15.2%	13.2%
Maranoa	$788.2	$615.8	5,522	3.6%	6.3%	8.6%
McPherson	$1,649.8	$1,302.6	11,025	15.8%	18.6%	15.1%
Moncrieff	$2,226.1	$1,724.4	13,569	15.0%	17.1%	13.0%
Moreton	$1,550.4	$1,214.0	10,446	11.0%	13.1%	11.1%
Oxley	$1,165.1	$937.3	8,523	9.7%	12.2%	10.8%
Petrie	$982.2	$764.2	6,532	12.7%	15.3%	12.5%
Rankin	$1,350.2	$1,054.6	9,341	14.3%	17.2%	14.6%
Ryan	$955.4	$742.7	5,946	9.3%	10.7%	9.4%
Wide Bay	$1,078.0	$854.9	7,571	12.9%	15.6%	13.8%
Wright	$1,217.6	$978.5	9,008	13.7%	17.1%	15.7%
Queensland	**$43,956.7**	**$34,310.2**	**290,293**	**10.4%**	**13.6%**	**12.3%**
South Australia						
Adelaide	$3,672.7	$2,770.0	24,491	11.2%	12.8%	10.8%
Barker	$834.0	$662.4	6,487	6.9%	7.8%	8.6%
Boothby	$961.4	$805.7	7,763	10.2%	12.9%	11.8%
Grey	$867.6	$694.1	6,273	5.9%	8.5%	9.0%
Hindmarsh	$1,423.5	$1,046.9	10,208	12.0%	14.2%	12.7%
Kingston	$670.7	$543.0	5,607	12.5%	16.2%	14.7%

Federal Electorate	Property Industry Contribution			% of Total Electorate		
	Gross Product ($M)	Incomes ($M)	Emp. (FTEs)	Gross Product (%)	Incomes (%)	Emp. (%)
Makin	$990.5	$808.1	7,698	12.3%	15.3%	13.1%
Mayo	$829.5	$667.7	6,408	10.6%	13.3%	12.2%
Spence	$660.9	$525.6	4,867	7.4%	8.7%	7.6%
Sturt	$1,429.1	$1,130.6	9,744	14.5%	17.1%	13.5%
South Australia	**$12,339.9**	**$9,654.1**	**89,546**	**10.2%**	**12.3%**	**11.1%**
Western Australia						
Brand	$1,140.1	$919.1	7,049	9.7%	14.1%	12.7%
Burt	$774.3	$626.2	4,699	11.5%	15.8%	12.6%
Canning	$1,079.9	$868.6	6,501	10.9%	14.8%	12.3%
Cowan	$1,833.1	$1,468.0	11,511	16.0%	20.7%	17.8%
Curtin	$2,694.0	$2,133.1	13,983	13.7%	15.9%	11.5%
Durack	$1,681.5	$1,358.6	10,664	1.3%	7.3%	8.5%
Forrest	$1,549.4	$1,236.2	8,924	13.1%	16.6%	13.2%
Fremantle	$2,073.2	$1,692.3	12,372	12.1%	16.4%	13.7%
Hasluck	$911.8	$725.3	5,541	9.3%	12.4%	9.9%
Moore	$936.7	$741.3	5,377	12.2%	14.7%	10.9%
O'Connor	$1,273.4	$1,003.4	7,530	4.2%	6.9%	7.8%
Pearce	$1,765.3	$1,448.6	11,855	16.5%	23.3%	20.6%
Perth	$5,698.1	$4,483.4	27,663	9.5%	16.9%	11.8%
Swan	$2,451.5	$1,978.2	13,164	7.0%	12.3%	8.8%
Tangney	$1,482.4	$1,182.2	8,166	9.6%	13.2%	10.2%
Migratory- Offshore- Shipping (WA)	$8.9	$7.5	72	0.4%	2.6%	4.7%
Western Australia	**$27,353.5**	**$21,872.1**	**155,071**	**6.9%**	**13.9%**	**11.6%**
Tasmania						
Bass	$681.1	$515.9	5,594	9.3%	10.4%	11.1%
Braddon	$531.5	$415.7	4,827	6.5%	8.6%	10.3%
Clark	$922.9	$739.9	8,053	8.2%	9.5%	10.2%
Franklin	$576.4	$458.1	5,098	12.4%	15.6%	16.8%
Lyons	$388.9	$308.1	3,612	7.5%	9.2%	11.6%
Tasmania	**$3,100.9**	**$2,437.6**	**27,185**	**8.5%**	**10.2%**	**11.4%**
Northern Territory						
Lingiari	$666.5	$516.1	4,895	3.8%	6.3%	9.5%
Solomon	$889.1	$703.5	5,387	7.2%	9.5%	9.9%
Migratory- Offshore- Shipping (NT)	$0.6	$0.5	5	0.1%	0.8%	3.4%
Northern Territory	**$1,556.2**	**$1,220.1**	**10,286**	**5.2%**	**7.8%**	**9.7%**
Australian Capital Territory						
Bean	$1,058.1	$815.9	5,413	11.7%	13.1%	10.6%
Canberra	$2,517.1	$1,972.5	12,320	8.7%	9.1%	7.7%
Fenner	$1,067.3	$842.3	5,402	15.7%	19.2%	14.4%
Australian Capital Territory	**$4,642.5**	**$3,630.7**	**23,134**	**10.4%**	**11.3%**	**9.3%**
Other Territories						
Migratory- Offshore- Shipping (OT)	$0.2	$0.1	1	9.3%	11.0%	6.3%
Other Territories	**$0.2**	**$0.1**	**1**	**9.3%**	**11.0%**	**6.3%**
Australia						
Australia	**$232,739.7**	**$178,531.2**	**1,420,124**	**10.6%**	**13.9%**	**12.1%**

Notes: Totals may not sum due to rounding.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

4. CONTRIBUTION TO KEY REGIONS

The property industry is a key economic contributor to many regional centres across Australia. This section outlines the economic contribution of the property industry to the Western Sydney, Hunter and Illawarra regions of New South Wales Geelong in Victoria, and the Gold Coast, Sunshine Coast and Townsville regions of Queensland, where the Property Council of Australia has regional chapters. Appendix D details the LGAs included in each key region.

In total (including direct and flow-on activity), the property industry contributed over $102.3 billion in Gross Regional Product and 609,657 FTE jobs in the seven regions. The property industry in Western Sydney contributed nearly half of the gross regional economic activity across the seven regional centres.

Table 4.1. Estimated Direct and Flow-On Contribution of the Property Industry to Key Regions, 2021-22

Region	Gross Product ($M)	Incomes ($M)	Employment (FTEs)
Direct Contribution			
Western Sydney	$57,270.3	$20,454.7	$15,728.7
Hunter	$19,271.3	$7,005.6	$5,514.2
Illawarra Shoalhaven	$10,366.3	$3,914.1	$3,112.3
Geelong	$7,947.6	$2,833.5	$2,275.4
Gold Coast	$20,072.4	$6,616.3	$5,222.0
Sunshine Coast	$11,748.2	$3,513.0	$2,742.2
Townsville	$3,547.2	$1,404.7	$1,089.4
Flow-On Contribution			
Western Sydney	$62,777.9	$32,424.9	$18,607.2
Hunter	$13,381.6	$6,799.2	$4,167.6
Illawarra Shoalhaven	$6,345.8	$3,314.4	$2,043.8
Geelong	$5,160.0	$2,616.8	$1,583.2
Gold Coast	$12,159.7	$6,444.6	$3,775.0
Sunshine Coast	$6,582.5	$3,559.9	$2,064.7
Townsville	$2,747.7	$1,371.8	$837.1
Total Contribution			
Western Sydney	$120,048.2	$52,879.5	$34,335.8
Hunter	$32,652.8	$13,804.8	$9,681.8
Illawarra Shoalhaven	$16,712.1	$7,228.5	$5,156.1
Geelong	$13,107.6	$5,450.3	$3,858.6
Gold Coast	$32,232.2	$13,060.9	$8,997.0
Sunshine Coast	$18,330.7	$7,072.9	$4,807.0
Townsville	$6,294.9	$2,776.6	$1,926.5
Total % Share of Economy			
Western Sydney	39.1%	34.6%	35.2%
Hunter	25.3%	22.0%	25.5%
Illawarra Shoalhaven	29.6%	25.0%	26.9%
Geelong	30.5%	25.4%	26.5%
Gold Coast	38.3%	31.3%	32.7%
Sunshine Coast	37.9%	29.6%	31.0%
Townsville	22.9%	20.1%	20.8%

Notes: Totals may not sum due to rounding.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

5. TAXATION CONTRIBUTION

This chapter outlines the direct contribution of property related activities to Australian and State government taxes as well as local government rates and charges. The approach utilised in allocating Australian and State taxes to property related activities is outlined in **Appendix E**.

5.1 CONTRIBUTION TO AUSTRALIAN TAXES

Australian Government property related tax revenues amounted to approximately $47.7 billion in 2021-22. Capital gains tax was the largest contributor (67.3% of property related taxes or $32.1 billion), followed by GST (16.8% or $8.0 billion) and company income tax (excluding capital gains tax) (15.5% or $7.4 billion). Other property related taxes contributed 0.3% of total property related taxes paid to the Australian Government.

Table 5.1. Australian Government Property Related Taxes, 2021-22

State	Capital Gains Tax ($M) [a]	Company Income Tax (excl. CGT) ($M) [b]	Goods and Services Tax ($M)	Other Property Related Taxes ($M)	Total ($M) [c]
New South Wales	$12,292.8	$2,853.8	$2,821.7	$50.2	$18,018.4
Victoria	$8,584.2	$1,842.1	$2,008.0	$36.8	$12,471.2
Queensland	$5,553.7	$1,317.5	$1,518.7	$28.3	$8,418.2
South Australia	$1,472.3	$366.8	$426.3	$8.0	$2,273.4
Western Australia	$3,147.6	$748.6	$945.1	$18.1	$4,859.4
Tasmania	$382.4	$90.6	$107.1	$2.0	$582.1
Northern Territory	$149.4	$45.3	$53.1	$1.0	$248.7
Australian Capital Territory	$565.4	$137.7	$159.9	$3.0	$866.0
Australia	**$32,147.8**	**$7,402.3**	**$8,039.9**	**$147.4**	**$47,737.3**

Notes: "-" = not applicable. (a) Includes Capital Gains Tax paid by individuals, companies and superannuation funds. (b) CGT = Capital Gains Tax. The Company Income Tax estimates presented are net of the estimated Capital Gains Tax paid by companies. (c) The total Australian Government taxation revenue from property may be understated as it does not include tax on residents or non-residents for some property related activities such as through rental income.
Sources: AEC, ABS (2023g), ATO (2023b; 2023c).

5.2 CONTRIBUTION TO STATE TAXES

Property related activities generated $55.6 billion in State taxation revenue in 2021-22. Transfer/ stamp duties made up the majority of property-based taxation revenue (64.2% or $35.7 billion), followed by land tax (21.9% or $12.2 billion). Property related payroll tax is estimated to have contributed $4.0 billion (7.1%), with other property related taxes accounting for $3.8 billion (6.8%).

Table 5.2. State Government Property Related Taxes, 2021-22

State	Payroll Tax ($M)	Transfer Duty ($M)	Land Tax ($M)	Other Property Related Taxes ($M)	Total ($M)	Contribution to Total State Taxes (%)
New South Wales	$1,341.0	$13,534.0	$4,834.0	$989.0	$20,698.0	47.9%
Victoria	$1,008.0	$10,722.0	$4,135.0	$1,089.0	$16,954.0	54.4%
Queensland	$677.5	$6,336.0	$1,633.0	$804.0	$9,450.5	32.5%
South Australia	$178.2	$1,352.0	$533.0	$252.0	$2,315.2	38.2%
Western Australia	$613.9	$2,621.0	$749.0	$488.0	$4,471.9	19.7%
Tasmania	$43.4	$410.0	$137.0	$51.0	$641.4	39.6%
Northern Territory	$18.3	$253.0	$0.0	$0.0	$271.3	22.9%
Australian Capital Territory	$73.7	$446.0	$158.0	$121.0	$798.7	45.6%
Australia	**$3,954.0**	**$35,674.0**	**$12,179.0**	**$3,794.0**	**$55,601.0**	**40.7%**

Sources: AEC, ABS (2023g), New South Wales Government (2022), Northern Territory Government (2022), Queensland Government (2022), South Australian Government (2022), Tasmanian Government (2022), Victorian Government (2022), Western Australian Government (2022).

5.3 LOCAL GOVERNMENT RATES, FEES AND CHARGES

A total of $26.3 billion in rates, fees and charges revenue is estimated to have been raised by Australian local government authorities in 2021-22. Queensland local governments received the largest rates and charges revenues at $7.4 billion, followed by Victoria ($6.6 billion) and New South Wales ($6.2 billion).

Table 5.3. Estimates of Local Government Rates, Fees and Charges, 2021-22

State	Total ($M)
New South Wales	$6,221.0
Victoria	$6,638.2
Queensland	$7,398.8
South Australia	$1,889.9
Western Australia	$2,555.9
Tasmania	$567.1
Northern Territory	$208.1
Australian Capital Territory	$832.3
Australia	**$26,311.3**

Sources: AEC, ABS (2023g), supported by previous AEC analysis and benchmarking of local government rates and charges revenue.

5.4 SUMMARY OF TAX REVENUES

The property industry contributed approximately $129.6 billion in combined Australian and State Government tax revenues and local government rates, fees and charges revenue in 2021-22. By comparison, the $129.6 billion in combined Australian and State Government tax revenues and local government rates, fees and charges revenue is more than the total company income tax received by the Australian Government for the year ($128.1 billion).

The $129.6 billion in Australian and State Government tax revenues and local government rates, fees and charges revenue equates to 18.2% of total Australian and State/ Territory taxes and local government rates, fees and charges revenues in 2021-22. The State/ Territory Government received the largest revenue from property related activities, accounting for 42.9% of total property related revenues to government.

Australian Government property related taxes of $47.7 billion represents a contribution of approximately 36.8% of total property related tax revenues in 2021-22.

Table 5.4. Property Related Tax Revenues [a], All Levels of Government, 2021-22

State	Australian Government Taxes ($M) [b]	State Government Taxes ($M)	Local Government Rates, Fees & Charges ($M)	Total Tax Revenues ($M)
New South Wales	$18,018.4	$20,698.0	$6,221.0	$44,937.5
Victoria	$12,471.2	$16,954.0	$6,638.2	$36,063.4
Queensland	$8,418.2	$9,450.5	$7,398.8	$25,267.5
South Australia	$2,273.4	$2,315.2	$1,889.9	$6,478.4
Western Australia	$4,859.4	$4,471.9	$2,555.9	$11,887.1
Tasmania	$582.1	$641.4	$567.1	$1,790.7
Northern Territory	$248.7	$271.3	$208.1	$728.1
Australian Capital Territory	$866.0	$798.7	$832.3	$2,497.0
Australia	**$47,737.3**	**$55,601.0**	**$26,311.3**	**$129,649.6**

Notes: "-" = Not applicable. (a) Includes rates, fees and charges revenues to local government. (b) The total Australian Government taxation revenue from property may be understated as it does not include tax on residents or non-residents for some property related activities such as through rental income.
Sources: AEC, ABS (2023g), ATO (2023b; 2023c), supported by previous AEC analysis and benchmarking of local government rates and charges revenue.

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APPENDIX A: DEFINITION OF THE PROPERTY INDUSTRY

The information contained in this report is obtained from published data produced by the Australian Bureau of Statistics (ABS) as well as other data sources as relevant. The ABS uses the Australian and New Zealand Standard Industrial Classification (ANZSIC) in the collection and publication of statistics. The 2006 ANZSIC has been used in this report.

The property industry as defined in this report consists of the following industries.

CONSTRUCTION

Class 3011 – House Construction

This class consists of units mainly engaged in the construction of houses (except semi-detached houses) or in carrying out alterations, additions or renovations to houses, or in organising or managing these activities.

Not included are units mainly engaging in:

- Off-site production of prefabricated buildings or building components are included in the appropriate classes of Group 222 Structural Metal Product Manufacturing
- Providing special trade repair services such as electrical or plumbing repairs are included in the appropriate classes of Group 323 Building Installation Services
- Providing architectural or building consultancy services are included in the appropriate classes of Group 692 Architectural, Engineering and Technical Services.

Class 3019 – Other Residential Building Construction

This class consists of units mainly engaged in the construction of residential buildings (except freestanding houses) or in carrying out alterations, additions or renovations to such buildings or in organising or managing these activities.

Not included are units mainly engaging in:

- Off-site production of prefabricated buildings or building components are included in the appropriate classes of Group 222 Structural Metal Product Manufacturing
- The construction of hotels, hostels, hospitals and other public buildings are included in Class 3020 Non-Residential Building Construction
- Providing special trade repair services such as electrical or plumbing repairs are included in the appropriate classes of Group 323 Building Installation Services
- Providing architectural or building consultancy services are included in the appropriate classes of Group 692 Architectural, Engineering and Technical Services.

Class 3020 – Non-Residential Building Construction

This class consists of units mainly engaged in the construction of non-residential buildings such as hotels, motels, hostels, hospitals, prisons or other buildings, in carrying out alterations, additions or renovation to such buildings, or in organising or managing these activities.

Not included are units mainly engaging in:

- Off-site production of prefabricated metal buildings or metal building components are included in the appropriate classes of Group 222 Structural Metal Product Manufacturing
- Providing special trade repair services such as electrical or plumbing repairs are included in the appropriate classes of Group 323 Building Installation Services

- Providing architectural or building consultancy services are included in the appropriate classes of Group 692 Architectural, Engineering and Technical Services.

Class 3211 – Land Development and Subdivision

This class consists of units primarily engaged in subdividing land into lots and servicing land (such as excavation work for the installation of roads and utility lines), for subsequent sale.

Not included are units mainly engaging in:

- Constructing buildings on lots they subdivide or develop are included in the appropriate classes of Subdivision 30 Building Construction
- Construction of roads on a subcontract basis for land subdividers are included in Class 3101 Road and Bridge Construction
- Legal subdivision of land without land preparation are included elsewhere in the classification system based on the primary activity of the unit.

Class 3212 – Site Preparation Services

This class consists of units mainly engaged in earthmoving work such as levelling of construction sites, excavation of foundations, trench digging or removal of overburden.

Not included are units mainly engaging in:

- Quarrying sand or gravel are included in Class 0911 Gravel and Sand Quarrying
- Quarrying earth soil or filling are included in Class 0919 Other Construction Material Mining
- Selling sand, gravel or other quarried construction materials are included in Class 3339 Other Hardware Goods Wholesaling.

Class 3221 – Concreting Services

This class consists of units mainly engaged in concreting work, concrete pouring or other concrete work on construction projects.

Not included are units mainly engaging in:

- Terrazzo laying are included in Class 3243 Tiling and Carpeting Services
- Brick paving are included in Class 3291 Landscape Construction Services.

Class 3222 – Bricklaying Services

This class consists of units mainly engaged in bricklaying or concrete block laying.

Not included are units mainly engaging in:

- Units mainly engaged in brick paving are included in Class 3291 Landscape Construction Services

Class 3223 – Roofing Services

This class consists of units mainly engaged in roof tiling, metal roof fixing and the application of roof coatings.

Not included are units mainly engaging in:

- The installation of insulation materials are included in Class 3239 Other Building Installation Services
- The installation of roof guttering are included in Class 3231 Plumbing Services
- The installation of wooden roof trusses are included in Class 3242 Carpentry Services.

Class 3224 – Structural Steel Erection Services

This class consists of units mainly engaged in the erection (including on-site fabrication) of metal silos, storage tanks or structural steel components for buildings or other structures such as bridges, overhead cranes or electricity transmission towers.

Not included are units mainly engaging in:

- The construction of buildings (which incorporate structural steel components) are included in the appropriate classes of Subdivision 30 Building Construction
- The construction of complete structures such as bridges, towers or oil refinery plants (which incorporate structural steel components) are included in the appropriate classes of Subdivision 31 Heavy and Civil Engineering Construction.

Class 3231 – Plumbing Services

This class consists of units mainly engaged in plumbing or drainage (except sewerage or stormwater drainage systems construction). Also included are units mainly engaged in septic tank and other plumbing installation and repair.

Not included are units mainly engaging in:

- The construction of sewerage or stormwater drainage systems are included in Class 3109 Other Heavy and Civil Engineering Construction
- Installation of fire sprinkler systems are included in Class 3234 Fire and Security Alarm Installation Services
- Repairing gas appliances are included in Class 9421 Domestic Appliance Repair and Maintenance
- Pumping or cleaning septic tanks are included in Class 2921 Waste Treatment and Disposal Services.

Class 3232 – Electrical Services

This class consists of units mainly engaged in the installation of electrical wiring or fittings in buildings or other construction projects. Electrical work arising from the installation of appliances is included in this class.

Not included are units mainly engaging in:

- Repairing electricity transmission or distribution lines are included in Class 3109 Other Heavy and Civil Engineering Construction
- Installing fire and/or security systems are included in Class 3234 Fire and Security Alarm Installation Services
- Repairing electrical appliances are included in Class 9421 Domestic Appliance Repair and Maintenance.

Class 3233 – Air Conditioning and Heating Services

This class consists of units mainly engaged in the installation of heating equipment, refrigeration equipment, air conditioning equipment, or in the installation of air conditioning duct work.

Not included are units mainly engaging in:

- Manufacturing air conditioning duct work are included in Class 2240 Sheet Metal Product Manufacturing (except Metal Structural and Container Products)
- The on-site assembly of industrial furnaces from prefabricated components are included in Class 3109 Other Heavy and Civil Engineering Construction
- Installing motor vehicle air conditioning equipment are included in Class 9411 Automotive Electrical Services.

Class 3234 – Fire and Security Alarm Installation Services

This class consists of units mainly engaged in the installation of fire protection, detection and control systems, and in installing security systems.

Not included are units mainly engaging in:

- Units mainly engaged in the installation and monitoring of security systems are included in Class 7712 Investigation and Security Services.

Class 3239 – Other Building Installation Services

This class consists of units mainly engaged in building installation services not elsewhere classified.

Class 3241 – Plastering and Ceiling Services

This class consists of units mainly engaged in plastering, plaster fixing or finishing.

Class 3242 – Carpentry Services

This class consists of units mainly engaged in carpentry work or the fixing of wooden formwork on construction projects.

Not included are units mainly engaging in:

- Units mainly engaged in manufacturing prefabricated, wooden built-in cabinets, cupboards or shop fronts and their installation (except on-site fabrication) are included in Class 1492 Wooden Structural Fitting and Component Manufacturing.

Class 3243 – Tiling and Carpeting Services

This class consists of units mainly engaged in laying carpet, or setting wall or floor tiles

Not included are units mainly engaging in:

- Installing roofing tiles are included in Class 3223 Roofing Services
- Installing wooden flooring are included in Class 3242 Carpentry Services

Class 3244 – Painting and Decorating Services

This class consists of units mainly engaged in painting, decorating or wallpapering houses or other structures.

Not included are units mainly engaging in:

- Units mainly engaged in roof painting, spraying or coating are included in Class 3223 Roofing Services.

Class 3245 – Glazing Services

This class consists of units mainly engaged in glazing, including glass installation and repair work.

Not included are units mainly engaging in:

- Units mainly engaged in the fabrication of aluminium and timber framed glass products are included in the appropriate classes of Division C Manufacturing.

Class 3291 – Landscape Construction Services

This class consists of units mainly engaged in constructing landscapes, including landforming and the provision of retaining walls and paths, decks, fences, ponds and similar structures. Units also engaged in garden planting or installation of sprinkler/drainage systems in conjunction with constructing landscapes are included.

Not included are units mainly engaging in:

- Landscape consultancy and design services are included in Class 6921 Architectural Services
- Garden maintenance activities and maintenance of lawns are included in Class 7313 Gardening Services.

Class 3292 – Hire of Construction Machinery with Operator

This class consists of units mainly engaged in hiring construction machinery, plant or equipment with operator(s).

Not included are units mainly engaging in:

- Units mainly engaged in hiring earthmoving plant and equipment with operator are included in Class 3212 Site Preparation Services.

Class 3299 – Other Construction Services – not elsewhere classified

This class consists of units mainly engaged in construction services not elsewhere classified.

RENTAL, HIRING AND REAL ESTATE SERVICES

Class 6712 – Non-Residential Property Operators

This class consists of units mainly engaged in renting or leasing non-residential properties.

Not included are units mainly engaging in:

- Units mainly engaged in land development and subdivision are included in Class 3211 Land Development and Subdivision.

Class 6720 – Real Estate Services

This class consists of units mainly engaged in valuing, purchasing, selling (by auction or private treaty), managing or renting real estate for others.

Not included are units mainly engaging in:

- Providing title transfer or conveyancing service are included in Class 6931 Legal Services
- Providing engineering or structural property and house inspections are included in Class 6923 Engineering Design and Engineering Consulting Services.

FINANCIAL AND INSURANCE SERVICES

Class 6221 – Banking (Partial Only)

This class consists of units mainly engaged in operating banks (except merchant banks). Banks incur liabilities by accepting demand and other deposits and make commercial, industrial and consumer loans.

Not included are units mainly engaging in:

- Performing central banking functions are included in Class 6210 Central Banking
- Operating building societies are included in Class 6222 Building Society Operation
- Operating credit unions are included in Class 6223 Credit Union Operation
- Operating merchant banks are included in Class 6229 Other Depository Financial Intermediation.

Not all of this class has been allocated to the property industry. The allocation of this class to the property industry is based on the share of loans and advances to the residential sector in the banks' total assets. Although part of loans to the commercial sector is property-related, data limitations regarding loans to the commercial sector precluded its inclusion.

Class 6222 – Building Society Operation

This class consists of units mainly engaged in operating building societies which accept deposits and provide specialised financing for home building or purchasing purposes.

Not included are units mainly engaging in:

- Operating development, savings and trading banks are included in Class 6221 Banking
- Operating credit unions are included in Class 6223 Credit Union Operation.

Class 6223 – Credit Union Operation (Partial Only)

This class consists of units mainly engaged in operating credit unions which accept members' share deposits and provide loans to their members for various purposes.

Not included are units mainly engaging in:

- Operating development, savings and trading banks are included in Class 6221 Banking
- Operating building societies are included in Class 6222 Building Society Operation.

Not all of this class has been allocated to the property industry. The allocation of this class to the property industry is based on the share of loans and advances to the residential sector in credit union's total assets. Although part of loans to the commercial sector is property-related, data limitations regarding loans to the commercial sector precluded its inclusion.

Class 6322 – General Insurance (Partial Only)

This class consists of units mainly engaged in providing general insurance cover (except life and health insurance).

Not included are units mainly engaging in:

- Providing insurance broking services are included in Class 6420 Auxiliary Insurance Services
- Providing insurance cover for hospital, medical, dental, pharmaceutical or funeral expenses or costs are included in Class 6321 Health Insurance
- Providing life insurance and life reinsurance cover are included in Class 6310 Life Insurance.

Not all of this class has been allocated to the property industry. The allocation of this class to the property industry is based on the value of gross written premiums on general insurance to houseowners/ householders as a share of total gross written premiums on general insurance.

Class 6330 – Superannuation Funds (Partial Only)

This class consists of units of separately constituted funds mainly engaged in providing retirement benefits.

Not included are units mainly engaging in:

- Investing money on their own account in predominantly financial assets (e.g. shares, bonds, bills etc, including mortgages) are included in Class 6240 Financial Asset Investing
- Managing or in carrying out the operations of separately constituted superannuation funds on a commission or fee basis are included in Class 6419 Other Auxiliary Finance and Investment Services.

Not all of this class has been allocated to the property industry. The allocation of this class to the property industry is based on the share of property assets in superannuation total investment. Although part of equity assets is property-related, data limitations regarding the proportion of equity related to the property industry precluded its inclusion.

PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES

Class 6921 – Architectural Services

This class consists of units mainly engaged in providing architectural services such as planning and designing buildings and structures; or planning and designing the development of land. Units apply knowledge of design, construction procedures, zoning regulations, location and land use, building codes and building materials.

Not included are units mainly engaging in:

- Units mainly engaged in managing or organising construction projects as the prime contractor are included in the appropriate classes of Division E Construction.

Class 6922 – Surveying and Mapping Services

This class consists of units mainly engaged in providing surveying and mapping services (including exploration surveying services on contract). Units in this class use a variety of surveying techniques depending on the purpose of the survey, including magnetic surveys, gravity surveys, seismic surveys or electrical and electromagnetic surveys. These services may also include surveying and mapping of areas above or below the surface of the earth.

Not included are units mainly engaging in:

- Units mainly engaged in exploring for petroleum or minerals are included in the appropriate classes of Group 101 Exploration.

Class 6923 – Engineering Design and Engineering Consulting Services

This class consists of units mainly engaged in providing engineering consulting services. These units are primarily involved in applying physical laws and principles of engineering in the design, development and utilisation of machines, materials, instruments, structures, processes and systems. Units provide advice, prepare feasibility studies, prepare preliminary and final plans and designs, provide technical services during the construction or installation phase, inspect and evaluate engineering projects, and related services.

Not included are units mainly engaging in:

- The physical or chemical transformation of materials into new products are included in the appropriate classes of Division C Manufacturing
- Managing or organising construction projects as the prime contractor are included in the appropriate classes of Division E Construction
- Undertaking scientific research are included in Class 6910 Scientific Research Services
- Providing scientific or technical laboratory or testing services are included in Class 6925 Scientific Testing and Analysis Services.

APPENDIX B: SIGNIFICANCE ASSESSMENT METHODOLOGY

The economic significance estimates in this report are produced using Input-Output transaction tables and models developed by AEC for the purposes of this assessment, combined with data from a range of sources, including State and National Accounts data and various industry specific data from the ABS. The Input-Output models were used to produce estimates of the direct and flow-on contribution of the property industry to the Australian, State/ Territory, Federal Electorate and LGA economies in terms of output, gross product, employment and income.

OVERVIEW OF INPUT-OUTPUT MODELLING

Input-Output analysis demonstrates inter-industry relationships in an economy, depicting how the output of one industry is purchased by other industries, households, the government and external parties (i.e. exports), as well as expenditure on other factors of production such as labour, capital and imports. Input-Output analysis shows the direct and indirect (flow-on) effects of one sector on other sectors and the general economy. As such, Input-Output modelling can be used to demonstrate the economic contribution of a sector on the overall economy and how much the economy relies on this sector or to examine a change in final demand of any one sector and the resultant change in activity of its supporting sectors.

The economic contribution can be traced through the economic system via:

- **Initial stimulus (direct) impacts**, which represent the economic activity of the industry directly experiencing the stimulus.
- **Flow-on impacts**, which are disaggregated to:
    - **Production induced effects (type I flow-on)**, which comprise the effects from:
        - Direct expenditure on goods and services by the industry experiencing the stimulus (direct suppliers to the industry), known as the first round or direct requirements effects.
        - The second and subsequent round effects of increased purchases by suppliers in response to increased sales, known as the industry support effects.
    - **Household consumption effects (type II flow-on)**, which represent the consumption induced activity from additional household expenditure on goods and services resulting from additional wages and salaries being paid within the economic system.

These effects can be identified through the examination of four types of impacts:

- **Output**: Refers to the gross value of goods and services transacted, including the costs of goods and services used in the development and provision of the final product. Output typically overstates the economic impacts as it counts all goods and services used in one stage of production as an input to later stages of production, hence counting their contribution more than once.
- **Gross product**: Refers to the value of output after deducting the cost of goods and services inputs in the production process. Gross product (e.g., Gross Regional Product) defines a true net economic contribution and is subsequently the preferred measure for assessing economic impacts.
- **Income**: Measures the level of wages and salaries paid to employees of the industry under consideration and to other industries benefiting from the project.
- **Employment**: Refers to the part-time and full-time employment positions generated by the economic shock, both directly and indirectly through flow-on activity, and is expressed in terms of full time equivalent (FTE) positions.

Input-Output multipliers can be derived from open (Type I) Input-Output models or closed (Type II) models. Open models show the direct effects of spending in a particular industry as well as the indirect or flow-on (industrial

support) effects of additional activities undertaken by industries increasing their activity in response to the direct spending.

Closed models re-circulate the labour income earned as a result of the initial spending through other industry and commodity groups to estimate consumption induced effects (or impacts from increased household consumption).

SIGNIFICANCE ASSESSMENT VERSUS IMPACT ASSESSMENT

The framework employed in significance assessment **differs from that employed in traditional economic impact analysis** in that economic significance assessment primarily seeks the contribution of an existing industry as opposed to the impact of a "stimulus" (or expansion) in a particular industry or in several industries. The usual approach of comparing what the economy would be with and without the industries whose contributions are to be assessed does not work because the inter-relationship between industries means whether or not the industries to be assessed exist, there will still be demand for their outputs (e.g., a complete vehicle needs tyres so that whether or not the entire tyre manufacturer is closed down, the car manufacturer's demand for tyres still exists). From a modelling stance, this problem is solved by assuming that demand for outputs of the industries to be assessed will instead be met by imports.

MODEL DEVELOPMENT

Multipliers used in this assessment are derived from sub-regional transaction tables developed specifically for this project. The process of developing a sub-regional transaction table involves developing regional estimates of gross production and purchasing patterns based on a parent table, in this case, the 2018-19, 2019-20 and 2020-21 Australian transaction tables (ABS, 2021a; 2022c; 2023c).

Estimates of gross production (by industry) in the study areas were developed based on the percent contribution to employment (by place of work) of the study areas to the Australian economy and applied to Australian gross output identified in the 2018-19 Australian table (for all years between 2010-11 and 2018-19), 2019-20 transaction table (for 2019-20) and 2020-21 transaction table (for 2020-21 and 2021-22).

This is based on AEC's annual employment estimates by industry by small area (AEC, unpublished[a]) applied to Australian gross output identified in the Australian transaction tables. Annual estimates between 2010-11 and 2021-22 were developed based on estimates of annual change across a range of data sets, including:

- GRP from AEC's in-house estimates of GRP by small area (AEC, unpublished[b]), as well as Gross State Product and Gross Domestic Product (ABS, 2023a), was used to estimate change in both gross product and output between years.
    - An exception to this approach was construction-based industries, which used data regarding the change in total value of construction work done by State for buildings (ABS, 2023e) and engineering construction activity (ABS, 2023d).
- Annual employment by industry estimates from AEC's in-house employment by industry by small area model (AEC, unpublished[a]) was used to estimate changes in employment between years for each industry.

Industry purchasing patterns within the study area were estimated using a Flegg Location Quotient approach, as described in Flegg *et al*. (2021), with a fixed degree of convexity applied to the regional size scalar. These were then adjusted based on differences in industry value added activity per employee between the State/ region and Australia, as estimated using AEC's GRP and employment estimates models.

Input-Output tables utilise an aggregated system of industry classifications based on the ANZSIC system. In total, the Input-Output transaction tables produced by the ABS (2021a; 2022c, 2023c) define 114 distinct industries, some of which are aggregates of the industry classes outlined in **Appendix A**. Some of the property related industries in the Input-Output tables consist of both property and non-property related sub-sectors, and it is necessary to separate the property component from the non-property component in the related Input-Output industry.

The industries defined in the Input-Output tables that are included in the property industry are as follows:

- Residential Building Construction (all).
- Non-Residential Building Construction (all).
- Construction Services (all).
- Finance (partially).
- Insurance and Superannuation Funds (partially).
- Non-Residential Property Operators and Real Estate Services (all).
- Professional, Scientific and Technical Services (partially).

The separation of property from non-property related operation for those Input-Output industries listed as "partially" included in the property industry is based on either:

1 The share of total income (revenue) of the sub-sectors listed in **Appendix A** in the total income (revenue) of all sub-sectors grouped under the same Input-Output industry classification code[8]; or

2 The share of asset (loans and advances to as well as investment in) in the property industry in the total assets of all sub-sectors grouped under the same Input-Output industry classification code[9].

These shares are then utilised to expand the original Input-Output tables to separate these industries into their property related and non-property related components to facilitate the economic significance assessment of the property industry in isolation. Once the transaction table is complete, the significance model is developed through the development of coefficients as per West (1993), using a Flegg Location Quotient approach.

INPUT-OUTPUT ASSUMPTIONS

The key assumptions and limitations of Input-Output analysis include:

- **Lack of supply-side constraints**: The most significant limitation of economic impact analysis using Input-Output multipliers is the implicit assumption that the economy has no supply-side constraints so the supply of each good is perfectly elastic. That is, it is assumed that extra output can be produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or near capacity.
- **Fixed prices**: Constraints on the availability of inputs, such as skilled labour, require prices to act as a rationing device. In assessments using Input-Output multipliers, where factors of production are assumed to be limitless, this rationing response is assumed not to occur. The system is in equilibrium at given prices, and prices are assumed to be unaffected by policy and any crowding out effects are not captured. This is not the case in an economic system subject to external influences.
- **Fixed ratios for intermediate inputs and production (linear production function)**: Economic impact analysis using Input-Output multipliers implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. That is, the input function is generally assumed linear and homogenous of degree one (which implies constant returns to scale and no substitution between inputs). As such, impact analysis using Input-Output multipliers can be seen to describe average effects, not marginal effects. For example, increased demand for a product is assumed to imply an equal increase in production for that product. In reality, however, it may be more efficient to increase imports or divert some exports to local consumption rather than increasing local production by the full amount. Further, it is assumed each commodity (or group of commodities) is supplied by a single industry or sector of production. This implies there is only one method used to produce each commodity and that each sector has only one primary output.

[8] The "Professional, Scientific and Technical Services" Input-Output sector uses this approach based on data from the ABS (2023b) and AEC (unpublished[a]).

[9] The "Finance" and "Insurance and Superannuation Funds" sectors use this approach based on data from APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), and RBA (2021 and 2022).

- **No allowance for economies of scope**: The total effect of carrying on several types of production is the sum of the separate effects. This rules out external economies and diseconomies and is known simply as the "additivity assumption". This generally does not reflect real world operations.
- **No allowance for purchasers' marginal responses to change**: Economic impact analysis using multipliers assumes that households consume goods and services in exact proportions to their initial budget shares. For example, the household budget share of some goods might increase as household income increases. This equally applies to industrial consumption of intermediate inputs and factors of production.
- **Absence of budget constraints**: Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume that household and government consumption is not subject to budget constraints.

Despite these limitations, Input-Output techniques provide a solid approach for taking account of the inter-relationships between the various sectors of the economy in the short-term and provide useful insight into the quantum of final demand for goods and services, both directly and indirectly, likely to be generated by a project.

In addition to the general limitations of Input-Output analysis, there are three other factors that need to be considered when assessing the outputs of sub-regional transaction table developed using the above approach, namely:

- It is assumed the sub-region has similar technology and demand/ consumption patterns as the parent (Australia) table (e.g. the ratio of employee compensation to employees for each industry is held constant).
- Intra-regional cross-industry purchasing patterns for a given sector vary from the national tables depending on the prominence of the sector in the regional economy compared to its input sectors. Typically, sectors that are more prominent in the region (compared to the national economy) will be assessed as purchasing a higher proportion of imports from input sectors than at the national level, and vice versa.
- The size of the regional economy is assumed to have an inverse relationship with the requirement to import goods/ services to meet its needs (i.e. the smaller the economy, in general the greater the reliance on imports).

SIGNIFICANCE ASSESSMENT APPROACH

Contribution to Australia and its Regions

The significance assessment is initially undertaken for the "base" financial year of the transaction table used (2018-19 for years between 2010-11 and 2018-19, 2019-20 for 2019-20, and 2020-21 for 2020-21 and 2021-22) to be consistent with the Input-Output transaction tables utilised. These estimates are then "rebased" to the year being assessed based on the approach outlined in the 'Model Development' section of this Appendix above.

Estimates of the flow-on effects of the property industry in each year are obtained assuming constant proportion between individual industries' flow-on effects and the direct (total) effects (output, gross product, income and employment) in the base transaction table year. Since the relationship between industries is likely to have changed over this period, the estimates produced are indicative only. In the absence of a more recent Input-Output transaction table, which forms the basis to quantify the inter-relationships between industries, the estimates produced represent the flow-on effects of the property industry assuming no significant structural changes in the relationship between industries.

Regional allocation of the direct and flow-on effects is performed in three steps:

1 Individual Input-Output transaction tables and significance assessment models were developed for each State/ Territory, Federal Electorate and LGA (as described in the "Model Development" section of this Appendix). This approach produces regional estimates of direct and flow-on property industry contributions assuming each region operates in isolation, and therefore does not account for any inter-regional flow-on relationships.

2 To account for inter-regional flows of demand for goods and services between States/ Territories, the difference between the total Australian flow-on effects and the sum of flow-on effects for each State/ Territory by industry (the "inter-regional" flow-on effects) has been redistributed to each State/ Territory based on the proportion

that each State/ Territory contributes to total Australian activity in each industry (i.e., if New South Wales accounts for 50% of total Australian output in retail trade, then 50% of the inter-regional retail trade flow-on effects have been allocated to New South Wales).

3 To allocate to each Federal Electorate and LGA the same approach is used as for States/ Territories in redistributing inter-regional flows, but uses the proportional contribution of each Federal Electorate/ LGA to the State/ Territory in which it is located to allocate inter-regional flows within the State/ Territory rather than Australia.

Contribution to Australia by Property Sub-Sector

The direct contribution of the property industry to the Australian economy was disaggregated across the following property sub-sectors:

- Non-Residential, split by:
  - Retail.
  - Commercial.
  - Industrial.
  - Health.
  - Education.
  - Entertainment/ recreation.
  - Short term accommodation.
  - Religion.
  - Other.
- Residential, split by
  - Retirement Living
  - Purpose Build Student Accommodation (PBSA)
  - Build-to-Rent (BTR)
  - Other Residential.

The direct contribution of each non-residential sub-sector has been estimated based on allocation of each of the Input-Output industry contributions to the sub-sectors. Allocations have been based on:

- Direct “Non-Residential Building Construction” effects are allocated across all non-residential property sub-sectors based on proportional splits of value of non-residential building works commenced for each non-residential property sub-sector in 2021-22 (ABS, 2023e).
- All other property related Input-Output industry effects are allocated based on the proportional split of value of total building works commenced for each sub-sector in in 2021-22 (ABS, 2023e).

The direct contribution of each residential sub-sector has been estimated based on the new development and operational activity of each sub-sector.

- New property development: This is estimated as the cost of development on a per room (PBSA) or dwelling basis (Retirement Living and BTR) across Australia, multiplied by the number of new developments completed (on a per room or per dwelling basis) identified across each State/ Territory. Direct “Residential Building Construction” effects are entirely allocated to the Residential property sub-sector.
- Sector Operations: for each sub-sector, the total property management or relevant operating component of the properties by looking at the total properties operating across 2022 and the relevant operating expenses of each sector. The operating expenses are estimated based on either the weekly rent (PBSA and BTR) or the monthly service fee (Retirement Living).

APPENDIX C: DIRECT CONTRIBUTION TO AUSTRALIA BY INDUSTRY

The following table presents a comparison of the direct economic contribution of the property industry to the Australian economy compared to other industries.

Table C.1. Comparison of Direct Contribution of the Property Industry and Other Industries to the Australian Economy, 2021-22

Industry	Gross Product ($B)	Incomes ($B)	Employment ('000 FTEs)
Property industry	***$232.7***	***$178.5***	***1,420.1***
Agriculture, forestry and fishing	$75.3	$57.9	337.2
Mining	$316.4	$45.6	193.5
Manufacturing	$126.8	$81.9	756.1
Electricity, gas, water and waste services	$45.8	$15.5	121.8
Construction *	$32.7	$20.4	112.0
Wholesale trade	$82.3	$53.0	504.7
Retail trade	$89.6	$66.9	1,031.4
Accommodation and food services	$42.6	$37.3	729.3
Transport, postal and warehousing	$91.3	$56.4	582.3
Information media and telecommunications	$49.4	$22.5	177.8
Financial and insurance services *	$149.6	$45.8	360.8
Rental, hiring and real estate services *	$9.3	$7.0	77.1
Professional, scientific and technical services *	$137.3	$120.7	890.0
Administrative and support services	$73.8	$69.8	754.3
Public administration and safety	$118.4	$95.8	712.3
Education and training	$106.7	$96.8	867.1
Health care and social assistance	$175.1	$167.4	1,511.7
Arts and recreation services	$15.1	$12.6	161.8
Other services	$32.9	$32.1	438.2
Ownership of dwellings	$183.9	$0.0	0.0
Total	**$2,187.1**	**$1,283.9**	**11,739.3**

Notes: Totals may not sum due to rounding; * Only non-property related activity is included for this industry classification. All property related activity is included in the property industry.
Sources: AEC, AEC (unpublished[a], unpublished[b]), ABS (2023a, 2023b, 2023c, 2023d, 2023e, 2023f, 2022a, 2022b, 2022c, 2021a, 2017, 2012), APRA (2023a, 2023b, 2022a, 2022b and 2021), ATO (2023a), RBA (2021 and 2022).

The following table details employment (of persons, rather than FTE) by industry for direct and flow-on activity. Direct employment in the property industry has been attributed to the ANZSIC industries representative of the activity undertaken by the persons employed.

Table C.2. Direct and Flow-On FTE Employment Supported by the Property Industry in Australia by Industry and Gender, 2021-22

Industry	Total			Male			Female		
	Initial Stimulus (Direct)	Production Induced (Type I Flow-On) Impacts	Household Consumption (Type II Flow-On) Impacts	Initial Stimulus (Direct)	Production Induced (Type I Flow-On) Impacts	Household Consumption (Type II Flow-On) Impacts	Initial Stimulus (Direct)	Production Induced (Type I Flow-On) Impacts	Household Consumption (Type II Flow-On) Impacts
Agriculture, forestry and fishing	-	13,239	33,137	-	9,351	21,740	-	3,888	11,396
Mining	-	10,180	1,067	-	8,377	848	-	1,803	220
Manufacturing	-	140,118	54,935	-	111,565	35,566	-	28,553	19,369
Electricity, gas, water and waste services	-	16,118	11,267	-	12,256	8,330	-	3,862	2,937
Construction *	967,266	802	364	837,042	655	297	130,224	147	67
Wholesale trade	-	51,742	44,093	-	34,076	29,039	-	17,666	15,055
Retail trade	-	9,771	175,583	-	4,260	76,549	-	5,511	99,033
Accommodation and food services	-	43,936	125,891	-	19,897	57,937	-	24,039	67,954
Transport, postal and warehousing	-	66,520	38,270	-	52,696	30,035	-	13,824	8,234
Information media and telecommunications	-	15,062	16,201	-	9,334	9,937	-	5,728	6,264
Financial and insurance services *	89,558	60,132	41,592	42,349	31,389	20,360	47,209	28,743	21,232
Rental, hiring and real estate services *	181,952	18,612	4,667	81,891	12,779	3,205	100,061	5,833	1,463
Professional, scientific and technical services *	181,347	171,820	49,366	88,036	89,299	27,016	93,311	82,522	22,350
Administrative and support services	-	151,327	54,708	-	69,958	24,816	-	81,368	29,892
Public administration and safety	-	25,143	7,040	-	13,586	3,684	-	11,558	3,356
Education and training	-	3,262	53,680	-	1,303	17,498	-	1,959	36,182
Health care and social assistance	-	2,544	106,749	-	607	24,123	-	1,937	82,626
Arts and recreation services	-	5,253	18,584	-	2,585	9,678	-	2,668	8,906
Other services	-	36,070	68,687	-	27,526	35,878	-	8,544	32,809
Ownership of dwellings	-	-	-	-	-	-	-	-	-
Total	**1,420,124**	**841,649**	**905,881**	**1,049,319**	**511,497**	**436,535**	**370,805**	**330,152**	**469,346**
Proportion of Total	**100%**	**100%**	**100%**	**73.9%**	**60.8%**	**48.2%**	**26.1%**	**39.2%**	**51.8%**

Notes: Totals may not sum due to rounding
Sources: AEC, ABS (2022a).

APPENDIX D: KEY REGION BREAKDOWN

The seven regional centres of interest include the following LGAs:

- Western Sydney (New South Wales)
  - Blacktown LGA
  - Blue Mountains LGA
  - Camden LGA
  - Campbelltown LGA
  - Catnterbury-Bankstown LGA
  - Cumberland LGA
  - Fairfield LGA
  - Hawkesbury LGA
  - Liverpool LGA
  - Parramatta LGA
  - Penrith LGA
  - The Hills Shire LGA
  - Wollondilly LGA
- Hunter (New South Wales)
  - Cessnock LGA
  - Dungog LGA
  - Lake Macquarie LGA
  - Maitland LGA
  - Mid-Coast LGA
  - Muswellbrook LGA
  - Newcastle LGA
  - Port Stephens LGA
  - Singleton LGA
  - Upper Hunter Shire LGA
- Illawarra (New South Wales)
  - Kiama LGA
  - Shellharbour LGA
  - Shoalhaven LGA
  - Wingecarribee LGA
  - Wollongong LGA.
- Geelong (Victoria)
  - Colac Otway LGA
  - Golden Plains LGA
  - Greater Geelong LGA
  - Queenscliffe LGA
  - Surf Coast LGA
- Gold Coast
  - Gold Coast LGA
- Sunshine Coast (Queensland)
  - Sunshine Coast LGA
  - Noosa LGA
- Townsville (Queensland)
  - Townsville LGA

APPENDIX E: ALLOCATION OF TAXES

AUSTRALIAN TAXES

Australian Government taxation revenues have been allocated to property related activities based on the allocation approach outlined in Table E. 1. All taxation data except capital gains tax was sourced from the Australian Bureau of Statistics (2023g). Capital gains tax components of personal income tax, company income tax and income tax paid by superannuation funds was estimated as follows:

- Data of capital gains tax paid by individuals, companies and super funds in 2020-21 was collated from the Australian Taxation Office (ATO, 2023ba; 2023c). 2020-21 data was used as this was the latest year of data available.
- The contribution of capital gains tax paid by individuals, companies and super funds to total personal income tax, company income tax and income tax paid by super funds (respectively) in 2020-21 was estimated (ABS, 2023g).
- The average percent contribution of capital gains tax in 2020-21 was applied to 2021-22 estimates of total personal income tax, company income tax and income tax paid by super funds revenue received by the Australian Government (ABS, 2023g).

Table E. 1. Allocation of 2021-22 Australian Government Taxes to Property Related Activities

Tax Item	Total Tax ($M)	Method of Allocation
Income Taxes Levied on Individuals		
Personal Income Tax	*$242,199*	
Capital Gains Tax Component	$13,489	Property related activity
Tax on Other Income Component	$228,710	Not allocated to property [(a)]
Fringe Benefits Tax	$3,261	Not property related
Government Health Insurance Levy	$20,195	Not property related
Total Income Taxes Levied on Individuals	**$265,655**	
Income Taxes Levied on Enterprises		
Company Income Tax	*$128,080*	
Capital Gains Tax Component	$4,811	Property related activity
Tax on Other Income Component	$123,269	Allocated across each industry based on contribution to GDP less Incomes [(a)]
Income Tax Paid by Superannuation Funds	*$26,560*	
Capital Gains Tax Component	$13,851	Property related activity
Tax on Other Income Component	$12,709	Not allocated to property [(a)]
Other income tax levied on enterprises	$94	Allocated across each industry based on contribution to GDP less Incomes [(a)]
Total Income Taxes Levied on Enterprises	**$154,734**	
Income Levied on Non-Residents	**$1,637**	Not property related
Superannuation Guarantee Charge	**$1,060**	Allocated across each industry based on contribution to Incomes
Taxes on the Provision of Goods Services		
Goods and Services Tax (GST)	$75,565	Allocated across each industry based on contribution to GDP
General Taxes (Sales Taxes)	$2,096	Not property related
Excises and Levies	$23,545	Not property related
Taxes on International Trade	$16,945	Not property related
Taxes on Financial and Capital Transactions	$15	Not property related
Other Taxes on the Provision of Goods and Services	$9,384	Not property related
Total Taxes on the Provision of Goods and Services	**$127,550**	

Notes: (a) Personal income tax, company tax and income tax paid by superannuation funds includes potential income streams from property related activities (e.g. rents) other than capital gains. However, the Australian Government does not release any data to enable a breakdown of these taxes by property related components and has therefore been excluded from this assessment. (b) This includes income and withholding tax on some property related activities, including sale of property and incomes earned from property (e.g. rents). However, the Australian Government does not release any data to enable a breakdown of income tax levied on non-residents by property related component and has therefore been excluded from this assessment.
Sources: AEC, ABS (2023g), ATO (2023b; 2023c).

Australian Government tax revenues have been allocated to each State/ Territory using the following approach:

- Capital gains tax on individuals was allocated based on the 2020-21 proportional split by State/ Territory outlined by the ATO (2023c).
- Capital gains tax on companies and super funds was allocated based on the State/ Territory contribution to total property related gross product in 2021-22. ATO splits by state for companies and super funds were not available.
- Company income tax (excluding capital gains tax) was allocated based on the State/ Territory contribution to total property related gross product less total property related incomes paid in 2021-22.
- GST was allocated based on the State/ Territory contribution to total property related gross product in 2021-22.
- Other property related taxes (which consist of super guarantee charges) were allocated based on the State/ Territory contribution to total property related incomes paid in 2021-22.

A summary of Australian Government taxes based on the above methodology is outlined in Table E.2.

Table E.2. Australian Government Property Related Taxes, 2021-22

State	Capital Gains Tax ($M) [a]	Company Income Tax (excl. CGT) ($M) [b]	Goods and Services Tax ($M)	Other Property Related Taxes ($M)	Total ($M) [c]
New South Wales	$12,292.8	$2,853.8	$2,821.7	$50.2	$18,018.4
Victoria	$8,584.2	$1,842.1	$2,008.0	$36.8	$12,471.2
Queensland	$5,553.7	$1,317.5	$1,518.7	$28.3	$8,418.2
South Australia	$1,472.3	$366.8	$426.3	$8.0	$2,273.4
Western Australia	$3,147.6	$748.6	$945.1	$18.1	$4,859.4
Tasmania	$382.4	$90.6	$107.1	$2.0	$582.1
Northern Territory	$149.4	$45.3	$53.1	$1.0	$248.7
Australian Capital Territory	$565.4	$137.7	$159.9	$3.0	$866.0
Australia	**$32,147.8**	**$7,402.3**	**$8,039.9**	**$147.4**	**$47,737.3**

Notes: (a) Includes Capital Gains Tax paid by individuals, companies and superannuation funds. (b) CGT = Capital Gains Tax. The Company Income Tax estimates presented are net of the estimated Capital Gains Tax paid by companies. (c) The total Australian Government taxation revenue from property may be understated as it does not include tax on residents or non-residents for some property related activities such as through rental income.
Sources: AEC, ABS (2023g), ATO (2023b; 2023c).

STATE TAXES

State/ Territory government taxes were taken from the Australian Bureau of Statistics (ABS, 2023g). Royalty payments were identified from the relevant State/ Territory government's Budget or Financial Statement papers.

State Government taxation and royalty revenues have been allocated to property related activities based on the allocation approach outlined in Table E.3.

Table E.3. Allocation of 2021-22 State/ Territory Taxes to Property Related Activities

Tax Item	NSW ($M)	VIC ($M)	QLD ($M)	SA ($M)	WA ($M)	TAS ($M)	NT ($M)	ACT ($M)	Method of Allocation
Payroll Tax	**$9,083**	**$7,063**	**$4,985**	**$1,446**	**$4,406**	**$425**	**$235**	**$654**	By industry based on contribution to incomes
Property Taxes									
Transfer	$13,534	$10,722	$6,336	$1,352	$2,621	$410	$253	$446	Property related activity
Land Tax	$4,834	$4,135	$1,633	$533	$749	$137	$0	$158	Property related activity
Other Property Related Taxes	$989	$1,089	$804	$252	$488	$51	$0	$121	Property related activity
Total Property Taxes	**$19,357**	**$15,946**	**$8,773**	**$2,137**	**$3,858**	**$598**	**$253**	**$725**	
Gambling Taxes and Levies	**$2,431**	**$2,023**	**$1,645**	**$531**	**$353**	**$113**	**$97**	**$74**	Not property related
Taxes on Financial Institutions [(a)]	**$3,064**	**$1,724**	**$1,263**	**$564**	**$845**	**$153**	**$65**	**$52**	Not property related
Guarantee Fees	**$319**	**$152**	**$333**	**$119**	**$131**	**$13**	**$0**	**$0**	Not property related
Motor Vehicle Taxes									
Stamp duty on vehicle registration	$939	$1,122	$703	$241	$579	$51	$28	$36	Not property related
Other Motor Vehicle Taxes	$3,000	$1,845	$2,103	$570	$1,224	$187	$59	$162	Not property related
Total Motor Vehicle Taxes	**$3,939**	**$2,967**	**$2,806**	**$811**	**$1,803**	**$238**	**$87**	**$198**	
Other Taxes	**$1,300**	**$1,134**	**$350**	**$88**	**$161**	**$0**	**$3**	**$49**	Not property related
Royalties and Land Rents	**$3,709**	**$140**	**$8,917**	**$369**	**$11,091**	**$80**	**$445**	**$0**	Not property related
Total Taxation and Royalty Revenue	**$43,202**	**$31,149**	**$29,072**	**$6,065**	**$22,648**	**$1,620**	**$1,185**	**$1,752**	

Note: State governments also collect municipal rates revenues. (a) Includes insurance.
Sources: AEC, ABS (2023g), New South Wales Government (2022), Northern Territory Government (2022), Queensland Government (2022), South Australian Government (2022), Tasmanian Government (2022), Victorian Government (2022), Western Australian Government (2022).

A summary of State Government taxes based on the above methodology is outlined in Table E.4.

Table E.4. State Government Property Related Taxes, 2021-22

State	Payroll Tax ($M)	Transfer Duty ($M)	Land Tax ($M)	Other Property Related Taxes ($M)	Total ($M)
New South Wales	$1,341.0	$13,534.0	$4,834.0	$989.0	$20,698.0
Victoria	$1,008.0	$10,722.0	$4,135.0	$1,089.0	$16,954.0
Queensland	$677.5	$6,336.0	$1,633.0	$804.0	$9,450.5
South Australia	$178.2	$1,352.0	$533.0	$252.0	$2,315.2
Western Australia	$613.9	$2,621.0	$749.0	$488.0	$4,471.9
Tasmania	$43.4	$410.0	$137.0	$51.0	$641.4
Northern Territory	$18.3	$253.0	$0.0	$0.0	$271.3
Australian Capital Territory	$73.7	$446.0	$158.0	$121.0	$798.7
Australia	**$3,954.0**	**$35,674.0**	**$12,179.0**	**$3,794.0**	**$55,601.0**

Sources: AEC, ABS (2023g), New South Wales Government (2022), Northern Territory Government (2022), Queensland Government (2022), South Australian Government (2022), Tasmanian Government (2022), Victorian Government (2022), Western Australian Government (2022).

LOCAL GOVERNMENT RATES, FEES AND CHARGES

Local government rates, fees and charges data is periodically collated by AEC for the States/ Territories of New South Wales, Victoria, Queensland, South Australia, Western Australia, Tasmania and Norther Territory, using a variety of data sources and an Application Programming Interface (API), supporting a database of local government rates and charges between 2015-16 and 2019-20.

Local government rates and charges data was not available for the Australian Capital Territory across any year, as no single authority publishes this data in these States/ Territories and budget considerations precluded the collation of this data from individual Councils.

Municipal rates estimates are also available from the Australian Bureau of Statistics (ABS, 2023g), providing a ten-year time series between 2012-13 and 2021-22 for all States/ Territories. This data, however, excludes fees and charges and is only for municipal rates revenues. To develop indicative estimates of rates and charges revenue, for years and States/ Territories in which local government rates and charges data was available, a ratio of local government rates and charges to municipal rates was estimated. The average rate for each State/ Territory over the 2015-16 to 2019-20 period was used for years in which local government rates and charges was not available. The average ratio across the States/ Territories in which local government rates and charges was available was used for the States/ Territories which did not have this data (Australian Capital Territory). The respective ratios were then applied to the municipal rates estimates in 2021-22 for each State/ Territory to estimate the local government rates and charges revenue.

All rates, fees and charges revenues are included as property-related revenue to local governments.

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