Incorporating the share economy into the Australian CPI

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Overview

- Background

- Concepts, classification and structure

- Practical considerations

- Results

- Questions
Background: Share economy

- Technological advancement challenging the way we view traditional economic flows
- Rise in popularity of the ‘Sharing Economy’
- International debate around treatment. New product or new outlet?
- Is there a practical way forward?
Concept, classification and structure: ABS Share economy decision tree

A. Identify: business/enterprise involved in the sharing Economy

B. Distinguish: is there more than one participant involved in the supply of the service?
   1. Provider of service
   2. Third-party facilitator

Yes, more than one.

Facilitator is a separate entity
C. Is the facilitator connecting the provider to the customer?

Yes

D. In which order does the customer payment move for the supply of the service?
   - Customer pays the provider who then pays facilitator a fee or commission
   - Customer pays the facilitator who then pays the provider

Some Characteristics of sharing economy:
- Use of mobile/internet software platform/application
- Direct matching of customers and providers
- Registered to pay GST with ATO

Likely to be a single business engaged in:
- a) Non-store retailing; or
- b) Supply of both facilitation interface and service.

Definitions (see notes for further explanation):
- Provider: individual or enterprise selling service
- Customer: end user or buyer of services making payment
- Facilitator: third-party transaction enabler (often via app) between provider and customer

Third party likely to be only providing a one-to-one transaction type of service that is of a different activity class to provider.

Facilitator likely to be receiving a fee or commission from the customer and/or the provider. Classify facilitator activity to relevant support services class. If no support services class exists for the services contact Economic Standards for assistance.

Facilitator is actively involved in providing a Value-Added service to the customer. Classify facilitator to the activity class of the provider.
Concept, classification and structure

Provider
Facilitator (App/Website)
Consumer
- Two separate transactions taking place (Provider product and Facilitator service)

- Each should be classified and measured separately where possible

- Practical limitations in separating out the transactions

- What has the ABS done to overcome this?
Practical considerations and method

- Transaction data not readily available
- Imperfect substitutes – quality determining characteristics
- Creation of new Elementary Aggregates with fixed weights
- Matched model approach, with online collection methods
Results: Ride sharing

Ride sharing services vs taxi services

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Non-share economy producers
Ride sharing - Sydney
Ride sharing - Melbourne
Ride sharing - Brisbane

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Thank you

Questions