



# 2020

## Holiday Ownership Industry Economic Impact Study



**AUSTRALIAN TIMESHARE**  
HOLIDAY OWNERSHIP COUNCIL



There were approximately 184,500 of timeshare in Australia in 2019, approximately 1.1% more than in 2016.

Of this, approximately 99,400 owners (55.2%) have upgraded their timeshare since their original purchase.

**\$468.9** MILLION IN GROSS DOMESTIC PRODUCT (GDP)

**Timeshare is a broad term used to describe the partial ownership of holiday accommodation and is a hybrid of the property development, finance, tourism, and hospitality industries.**

Each "owner" owns a certain period of time, "points" or "intervals" which allow the owner to occupy a unit or choice of units of accommodation on an intermittent basis, making timeshare a form of pre-paid holiday plan for a pre-determined period.

Consumers pay a purchase price and then an annual maintenance fee for the upkeep of the unit/property like a Body Corporate fee. Exchange companies provide exchange services across timeshare resorts internationally allowing flexibility in terms of choosing where to holiday.

## Economic contribution to Australia

Overall, the direct output of the timeshare industry in 2019 included approximately \$245.8 million in timeshare developers, promoters and sellers revenue, \$14.5 million in timeshare exchange company revenue, \$231.5 million in timeshare resort revenue, \$23.6 million in capital improvement expenditure and \$443.1 million of spending by timeshare owners and guests offsite while on holiday, yielding total direct revenue, or output, of approximately \$958.5 million. This activity of the timeshare industry directly supported over 4,350 FTE jobs in the Australian economy, paying over \$300 million in wages and salaries, as well as producing \$468.9 million in Gross Domestic Product (GDP).



# Economic Contribution of the Australian Timeshare Industry, 2019

Impact	Output (\$M)	GDP (\$M)	Incomes (\$M)	Employment (FTEs)
Direct	\$958.5	\$468.9	\$302.7	4,354
Indirect	\$685.5	\$340.4	\$175.1	1,976
<b>Total</b>	<b>\$1,643.9</b>	<b>\$809.3</b>	<b>\$477.8</b>	<b>6,329</b>

Source: ABS (2019a), ABS (2019c), AEC (unpublished<sup>1</sup>), AEC (unpublished<sup>2</sup>), AEC (unpublished<sup>3</sup>).

Comparing the results of the 2019 assessment to the 2016 assessment highlights the timeshare industry increased substantially across all indicators. The timeshare industry increased its total contribution to GDP between 2016 and 2019, by 34.6%, just above the percentage increase in industry output.



The timeshare industry’s total contribution to Australian employment increased by just over 44% between 2016 and 2019, whilst its total contribution to incomes (salaries and wages) increased by 30.1%.



# Comparison of the Total Economic Contribution of the Australian Timeshare Industry, 2019 and 2016

Year	Output (\$M)	GDP (\$M)	Incomes (\$M)	Employment (FTEs)
2019	\$1,643.9	\$809.3	\$477.8	6,329
2016	\$1,229.1	\$601.3	\$367.2	4,388
% Difference	<b>33.7%</b>	<b>34.6%</b>	<b>30.1%</b>	<b>44.2%</b>

Source: ABS (2019a), ABS (2019c), AEC (unpublished<sup>1</sup>), AEC (unpublished<sup>2</sup>), AEC (unpublished<sup>3</sup>).

## Timeshare Resorts and Owner Use

There are 101 timeshare resorts in Australia in December 2019 which are predominantly located in Queensland, New South Wales and Victoria offering 3,591 timeshare units allowing approximately 1,244,100 nights available.

1,085,900 of those nights were occupied equating to an occupancy rate for timeshare of 87.3% nationally.

Whilst holidaying at an Australian timeshare resort, Guest/owner expenditure increased 67% as compared to 2016 (AEC, 2017) with a total of \$493.3 million spent in 2019. This shows an average expenditure of \$3,538 per travel party per trip.

Many also extended their holiday staying in other accommodation during their travels.



# Visitor Party Characteristics

Approximately 71.3% of Australian timeshare owners had a holiday, short break, or trip away for leisure at one of the Australian Timeshare resorts in the past year.

With almost three quarters (73.6%) of those owners' staying at the timeshare they own, with the other 26.4% using their entitlement to stay at an alternative timeshare resort or for non-resort-related services/ activities.

Category	Number
<b>People in Visitor Party</b>	
Average Number of Adults	2.7
Average Number of Children	0.6
<b>Average Size of Visitor Party</b>	<b>3.4</b>
<b>Average Nights Stayed</b>	
In Timeshare Resort	6.3
In Other Accommodation	6.5
<b>Average Nights Stayed in Accommodation</b>	<b>12.7</b>
<b>Timeshare Units Occupied by Visitor Party</b>	
Average Number of Units	1.24

*Note: Totals may not sum due to rounding.  
Source: AEC (unpublished').*

Approximately 65.8% of owners surveyed indicated they were either very satisfied or somewhat satisfied with their timeshare purchase.

Owners did advise a high satisfaction rate with the characteristics of their most recent timeshare resort visit, with all categories rated recording approximately 80% or more of respondents indicating they were either somewhat or very satisfied with the property.

This can be seen with approximately 55.2% (99,400) of owners who advised that they have upgraded their timeshare ownership since their initial purchase. 85.2% of those indicated that their upgrade had increased their benefits and flexibility of use.



Owners saw the top 4 benefits of owning timeshare as: Choice of resorts; Encouraging a holiday; Quality of facilities and Affordability of their holidays.

- Approximately 15.6% of timeshare owners took the opportunity to use their timeshare to book non-resort related services and/or activities. Of these owners:
  - 37.9% used their timeshare to book alternative accommodation.
  - 34.5% used their timeshare to book airfares.
  - 27.6% used their timeshare to book a yacht/ cruise.
  - 21.3% used their timeshare to a motor vehicle.
  - 13.6% used their timeshare to book tour(s).
  - 10.1% used their timeshare to buy travel insurance.
  - 7.1% used their timeshare to for entertainment/ leisure activities (other than tours).
  - 2.3% used their timeshare for a motor home.
- There were an estimated 2,080 full-time equivalent (FTE) employees of timeshare sales, marketing, exchange, and resort companies in Australia in 2019.



## Direct Fiscal Contribution of the Australian Timeshare Industry, 2019

Total direct taxes paid by the timeshare industry were estimated at \$113.9 million in 2019, with \$99.5 million paid in Commonwealth Government taxes and \$14.4 million in State Government taxes.

Category	Value (\$M)
<b>State Government Taxes</b>	
Property taxes	\$4.9
Payroll taxes	\$9.5
<b>Total State Government Taxes</b>	<b>\$14.4</b>
<b>Commonwealth Government Taxes</b>	
Personal income tax	\$69.3
Fringe benefits tax	\$1.8
Company tax	\$12.6
Goods and services tax	\$15.8
<b>Total Commonwealth Government Taxes</b>	<b>\$99.5</b>

Source: ABS (2018), ABS (2019d), ABS (2019e), ABS (2019f), AEC (unpublished<sup>2</sup>).

- Timeshare products are classed as managed investment schemes and are, therefore, regulated by the Corporations Act and overseen by the Australian Securities and Investment Commission.
- Timeshare operators in sales must be a member of an External Dispute Resolution body.
- Timeshare staff only give advice on their individual company timeshare product.
- Timeshare is sold as a lifestyle product rather than a financial investment.
- Approximately 81.1% of owners surveyed consider timeshare to be a lifestyle product, while 5.6% consider it to be an investment product.
- A cooling off period of at least 7 days is given to all purchasers of a new timeshare product.

## Contribution to the Regional Queensland Economy

Regional Queensland has 32 timeshare resorts located within the region, comprising 31.3% of total timeshare resort units.

**Table 5.3. Economic Contribution of the Timeshare Industry to Regional Queensland, 2019**

Year	Output (\$M)	GDP (\$M)	Incomes (\$M)	Employment (FTEs)
Initial Stimulus (Direct)	\$411.3	\$209.8	\$146.9	1,987
Production Induced (Indirect)	\$219.7	\$107.9	\$55.7	660
Total	<b>\$631.0</b>	<b>\$317.6</b>	<b>\$202.6</b>	<b>2,647</b>

Source: AEC (unpublished<sup>1</sup>), AEC (unpublished<sup>2</sup>), AEC (unpublished<sup>3</sup>), AEC.



## Contribution to the Regional New South Wales Economy

Regional New South Wales has 22 timeshare resorts located within the region, comprising 20.6% of total timeshare resort units.

**Table 5.5. Economic Contribution of the Timeshare Industry to Regional New South Wales, 2019**

Year	Output (\$M)	GDP (\$M)	Incomes (\$M)	Employment (FTEs)
Initial Stimulus (Direct)	\$141.1	\$66.4	\$42.3	652
Production Induced (Indirect)	\$81.7	\$38.8	\$20.4	241
Total	<b>\$222.7</b>	<b>\$105.2</b>	<b>\$62.7</b>	<b>893</b>

Source: AEC (unpublished<sup>1</sup>), AEC (unpublished<sup>2</sup>), AEC (unpublished<sup>3</sup>), AEC.





## Contribution to the Regional Victoria Economy

Regional Victoria has 16 timeshare resorts located within the region, comprising 14.9% of total timeshare resort units.

**Table 5.6. Economic Contribution of the Timeshare Industry to Regional Victoria, 2019**

Year	Output (\$M)	GDP (\$M)	Incomes (\$M)	Employment (FTEs)
Initial Stimulus (Direct)	\$113.6	\$52.5	\$33.9	517
Production Induced (Indirect)	\$69.3	\$32.1	\$16.2	198
<b>Total</b>	<b>\$182.9</b>	<b>\$84.6</b>	<b>\$50.1</b>	<b>714</b>

Source: AEC (unpublished<sup>1</sup>), AEC (unpublished<sup>2</sup>), AEC (unpublished<sup>3</sup>), AEC.



## Contribution to the Regional Western Australia Economy

Regional Western Australia has seven timeshare resorts located within the region, comprising 6.8% of total timeshare resort units.

**Table 5.7. Economic Contribution of the Timeshare Industry to Regional Western Australia, 2019**

Year	Output (\$M)	GDP (\$M)	Incomes (\$M)	Employment (FTEs)
Initial Stimulus (Direct)	\$54.6	\$26.1	\$16.6	251
Production Induced (Indirect)	\$23.2	\$11.1	\$5.8	70
<b>Total</b>	<b>\$77.9</b>	<b>\$37.3</b>	<b>\$22.4</b>	<b>320</b>

Source: AEC (unpublished<sup>1</sup>), AEC (unpublished<sup>2</sup>), AEC (unpublished<sup>3</sup>), AEC.