

Survey Results

In recent times, within the business community in Cairns there has been frequent discussion regarding the effects of an accommodation shortage in the city and the effects this was having on businesses' ability to recruit and retain staff. To try and obtain some data that might either confirm or refute this anecdotal viewpoint MiHaven commissioned a survey to consider the effects that any accommodation shortage was having on the Cairns economy.

Over a period of 4 weeks from July 2023 an online survey was conducted among Cairns-based businesses to gauge the effect of the purported accommodation shortage. Questions were asked to determine whether, during the past three years, respondents had suffered any difficulty while recruiting or retaining staff that could be associated with a shortage of accommodation. Respondents were also asked about the scale of any negative (or positive) effects of the shortage on their business activity.

Survey Size

The survey attracted 82 qualifying responses (i.e. from businesses operating within the Cairns Regional Council area). We have taken account of this sample size relative to population when calculating margins of error for results.

Survey Coverage

Of the 19 different industry designations recognised within the ANZSIC¹ system used by the ABS the survey elicited responses from 15 categories. Those from which no responses were obtained were;

- Agriculture, Forestry & Fishing
- Mining
- Electricity, Gas, Water and Waste Services
- Wholesale Trade

Together these four categories comprise 6.9% of Cairns businesses.

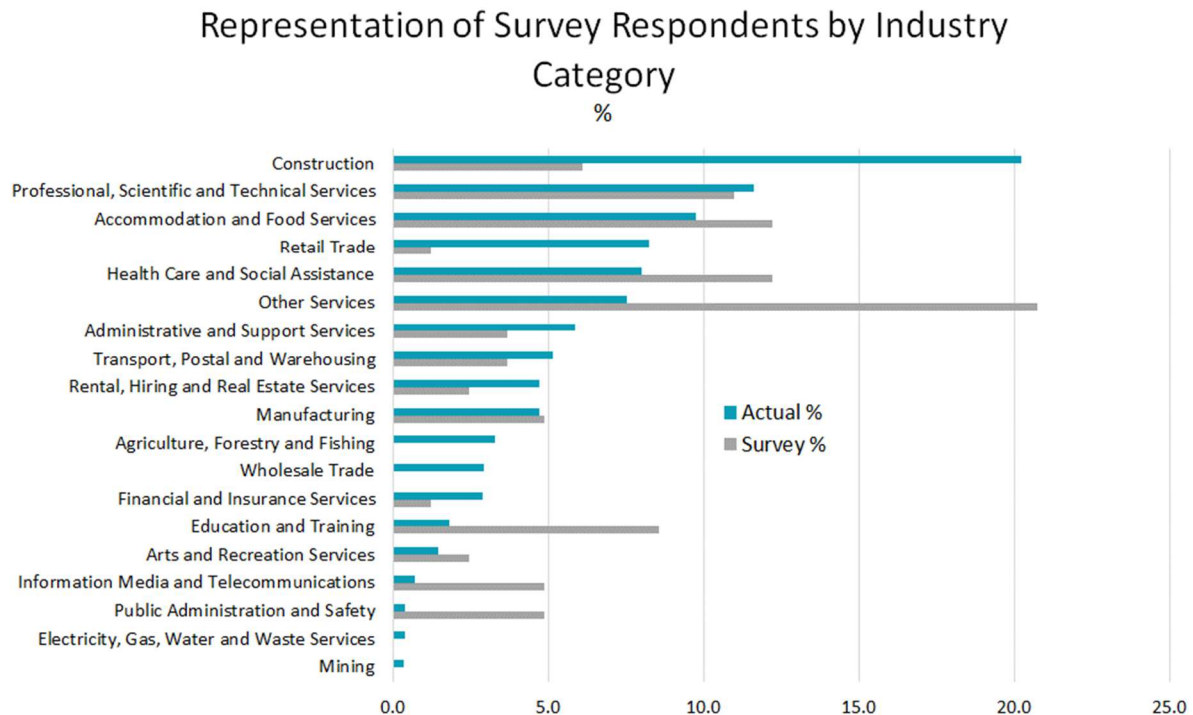
Within those industry categories represented by survey respondents the percentage representations of some varied from the percentage representation within the general population of businesses. Examples are the Construction sector was under-represented (6.1% of respondents v 20.2% of actual businesses) as was Retail Trade (1.2% v 8.2%), while Other Services (20.7% v 7.5%) and Education & Training (8.5% v 1.8%) were both over-represented.

We have therefore statistically adjusted survey results by weighting responses from the various industry categories to be consistent with the weight of those industry sectors within the Cairns economy (sample weighted).

¹ The Australian and New Zealand Standard Industrial Classification (ANZSIC) has been developed for use in the compilation and analysis of industry statistics in Australia and New Zealand.

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Given the size and composition of the survey responses we can be reasonably confident that the results derived are a fair reflection of the general impacts on the business population in Cairns.



Survey Results

Have businesses faced issues with recruiting or retaining staff?

Having sample weighted results by industry category, we estimate that **56.4%** of Cairns businesses have suffered issues caused by the accommodation shortage when either recruiting or retaining staff over the past three years. When considered individually we see that **56.0% reported issues with recruiting staff** and **35.5% issues with retaining existing staff**.

On average, Cairns businesses report that accommodation shortages have cause issues with the **recruitment of 4.3 people per business** during the past 3 years.

Not only did a smaller percentage of businesses report issues with retaining rather than recruiting staff but, on average, the number of people impacted was also fewer. Cairns businesses report that accommodation shortages have cause issues with the **retaining of 2.8 people per business** during the past 3 years.

Averaging these results across Cairns the survey suggests that in the past three years businesses have had issues with recruiting 27,700 people (or 9,200 per year) and retaining 17,800 people (or 5,900 per year) due to issues with availability of accommodation. To be clear, this does not mean that these people were not recruited or retained, but rather that businesses reported issues with the recruitment or retention of those people.

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Have businesses faced economic impacts?

When asked to specify whether shortages in the availability of accommodation have had negative economic impacts on their business, respondents (when sample weighted) suggested that **51.6% had not suffered a negative impact**.

However, **48.4% who did report an impact**; 25.8% suggested the effect came about due to shortages in the long-term (multi-month +) market with 8.1% highlighting the short-term (multi-day or multi-week) market and 14.4% claiming the issue lay with both.

When asked to estimate the effect (either positive or negative) of the accommodation shortage on their turnover the average result, when sample weighted, shows a **reduction in turnover of 1.52%**. The most recent available data shows that total output² by businesses in the Cairns Regional Council area was \$17.5 billion in 2021/22. A reduction of 1.52% in this figure would suggest a **direct impact from the effects of the accommodation shortage in Cairns of \$266 million in that year**. Considering the sample size, population size and standard deviation of response results we can be 95% confident that the mean of the population shows a direct impact figure between \$262m and \$271m.

| Table 8.3 Survey Results (sample weighted) | | |
|--|-------------------|-------------------------------|
| Staff Issues over past 3 years | % reporting issue | Average/business |
| Recruiting | 56.0 | 4.3 pax |
| Retaining | 35.5 | 2.8 pax |
| Either | 56.4 | |
| Turnover Impact | | -1.52% (\$266 million) |
| 95% confidence | | \$262 - \$271 million |
| No impact | 51.6 | |
| Some impact | 48.4 | |
| Impact caused by... | | |
| Long-term accommodation market | 25.8 | |
| Short-term accommodation market | 8.1 | |
| Both | 14.4 | |

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² NIEIR estimates for 2021/22 on economy.id. Output by industry is a gross measure of the total sales of each industry sector