

Submission on the Proposed Short-Stay Accommodation Levy in Tasmania

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I have owned and operated Little Norfolk Bay Bistro and Chalets in Taranna for over 20 years. I built four tourist chalets specifically for the purpose of visitor accommodation. Looking back, if I had known that almost every second shack on the Tasman Peninsula would eventually be used as tourist accommodation, I would not have built them.

Over the past two decades, I have watched the local accommodation industry change dramatically, and in many ways decline. Professionally run accommodation businesses that once operated in the area—such as Norfolk Bay Convict Station, Cascades Colonial Accommodation, Eaglehawk Hideaway, and many others—have all closed within the last 15 years and been converted into permanent housing. This raises serious questions about what current policy settings are actually achieving for regional areas and the tourism industry as a whole.

When Wotif first entered the market, I believed it was a positive development—a way to sell leftover rooms. I was also one of the first operators to sell through Airbnb because of its lower fees and less rigid rules at the time. However, over the years, I have seen the industry increasingly taken over by overseas booking platforms.

Tourism employees often suggest that these platforms are “bringing people to Tasmania.” I disagree. If that were truly the case, why are we spending such large sums on tourism advertising? Tourism Australia alone has spent around \$130 million on campaigns, only for much of the resulting profit to flow straight back overseas through platform commissions. This is not good business sense.

These platforms now dominate online searches to such an extent that even when there is a local wedding in the area, nearly all accommodation bookings are made through them. Even guests who see and respond to advertising that I pay for often still book via these platforms. It has worsened every year. We are now at the point where people will stand outside my business, read my signage, and then book online through a platform instead—because for 20 years they have been told, without any counterbalance, that it is “safer” to book that way. Rather than walking in, meeting the host, and paying directly.

The irony is striking. If a guest has a problem with me, they can contact me directly or even speak to the local police if necessary. If they have a problem with Airbnb, they may spend hours on the phone to an overseas call centre.

The proposal to impose a 5 per cent levy on short-stay accommodation in Tasmania is a short-sighted and superficial response. It does not address the structural problems in the short-stay market. Instead, it adds costs for consumers and creates additional administrative burdens for operators, while leaving the real sources of power and profit untouched.

The policy fails to meaningfully engage with who actually controls pricing, availability, and market behaviour: large multinational booking platforms. Currently, 15 per cent or more of every night's stay is diverted offshore through commissions. This is an insane amount of money. These platforms perform no on-the-ground work in Tasmania, yet extract enormous value from the local tourism economy. Operators cannot realistically compete with them and are effectively forced to use them.

A more challenging—but far more effective—approach would be for the government to establish a centralised short-stay booking platform, potentially on a regional basis, and directly collect commissions. For this to work, these global platforms would need to be banned, as a government-run platform could never compete with them otherwise.

While this would be a significant undertaking, Tasmania is uniquely positioned to lead the way as Australia's smallest state. Other countries and cities that were early adopters of these platforms have already implemented bans, proving it can be done.

This approach would:

- Retain revenue currently flowing offshore
- Improve transparency and tax collection
- Create fairer conditions for local operators
- Provide government with meaningful oversight of pricing, data, and market concentration

It would also result in a single, accurate source of up-to-date local information for visitors, rather than the confusing and unreliable search results that currently exist online. For operators, it would simplify operations by consolidating bookings and communications into one system rather than multiple platforms.

One key reason many operators rely exclusively on third-party platforms is the belief that platform-provided insurance covers them. In reality, most platforms require operators to hold their own insurance—a condition often buried in fine print. This has led to some businesses operating without adequate insurance while avoiding stamp duty and other costs that properly insured businesses must pay.

Additionally, many short-stay properties are not held to the same standards for fire safety checks and council regulations as traditional accommodation providers. Addressing these issues would also support the future role of TasInsure when it commences operations.

At present, a small number of multinational corporations dominate the short-stay sector, controlling visibility, access to customers, and commission structures. If left unchecked, there is nothing preventing these platforms from increasing commissions to 30 or even 40 per cent or more as their dominance grows. Already, many operators pass booking fees and levies directly onto guests, while platforms can charge whatever they choose. This reduces value for money and

negatively affects the visitor experience. A levy applied at the consumer level does nothing to curb monopolistic behaviour or protect hosts, renters, or local communities.

The proposal also places responsibility on individual operators to calculate, collect, and remit the levy for direct bookings. This creates additional administrative costs for small businesses and directly contradicts the stated aim of encouraging direct bookings—which keep more money in the local economy and reduce reliance on offshore platforms.

From my perspective, this policy seems as though government is being influenced by large booking platforms with an easy and lazy ‘solution’, rather than working with local businesses to address what the industry actually needs. While establishing a government-run booking platform is a significant and long-term goal, there are practical steps that could be taken immediately. For example, clear public education and advertising about how the short-stay accommodation industry actually operates would help rebalance the market and support informed decision-making by both operators and consumers.

At present, I see new operators entering the market every week, often pricing their accommodation unrealistically low. Many are effectively subsidising their business as a hobby, influenced by the idealised version of hosting that platforms like Airbnb have promoted for over 20 years. Hospitality and tourism are largely unregulated compared to other industries, with few industry standards or qualification requirements. This lack of regulation creates confusion, unfair competition, and unrealistic expectations.

Based on my experience, many people would choose to return properties to the long-term rental market after experiencing the realities of running short-stay accommodation, if clearer information, standards, and expectations were in place. Addressing these underlying issues would deliver far more meaningful outcomes than imposing a levy that fails to tackle the root causes of the problem.

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