

SUBMISSION TO THE SHORT STAY LEVY BILL 2025 CONSULTATION PAPER

TO: The Department of Treasury and Finance, Tasmanian Government

FROM: Paul & Joanne Cook. [REDACTED]

DATE: January 24, 2026

SUBJECT: Exemption Request for Commercial Heritage Premises at 105 Macquarie St, Hobart

We write to provide a formal submission regarding the proposed Short Stay Levy Bill 2025. We respectfully request that our commercially operated premises at **105 Macquarie St, Hobart**, be formally recognized as "**excluded accommodation**" under Section 8 of the draft legislation.

1. Nature of the Premises: A "Similar Commercial Premises"

Our property is a heritage-listed, three-level commercial building. In 2017, we repurposed the top level from vacant office space into two short-stay lodging units. This was a significant commercial investment that required compliance with stringent Hobart City Council requirements, including the costly addition of a dedicated external fire escape. These are commercial-grade standards required for Class 3 buildings, fundamentally distinguishing our property from standard residential "short-stay" dwellings.

2. Alignment with Legislative Intent and Housing Supply

The stated goal of the 5% levy is to address the housing crisis by discouraging the removal of long-term rentals from the market. Our operation achieved the opposite: we **added** to the stock of tourist accommodation by converting underutilized **commercial/office space** without removing a single residential home from the rental market. Penalizing such a conversion contradicts the policy's aim of protecting residential housing stock.

3. Inconsistency with Other Commercial Exclusions

We note that the draft legislation provides exemptions for "hotels, motels, inns, or similar commercial premises," as well as hostels. We believe our operation fits the functional definition of a boutique hotel or inn.

- **Comparison to Mövenpick Hotel:** A nearby property on our block in Elizabeth Street (formerly a Westpac banking commercial premises) was similarly repurposed into what is now the Mövenpick Hotel. As a "hotel," that commercial conversion is exempt.
- **Fairness:** It would be highly inconsistent and unfair to exempt a large-scale commercial conversion like the Mövenpick while applying the levy to a smaller-scale commercial conversion at 105 Macquarie St that operates under the same professional and safety standards.

Conclusion

Given that our 105 Macquarie St is a dedicated commercial asset that does not impact the residential housing market and has met all commercial safety requirements, we request it be formally excluded from the Short Stay Levy.

Yours sincerely,

Paul & Joanne Cook [REDACTED]

[REDACTED]

From: Paul Cook [REDACTED]
Sent: Tuesday, 17 February 2026 2:28 PM
To: Taxpolicy Advice
Subject: Short stay additional submission . Paul & Jo Cook.

Dear Sir/Madam,

Re: Draft Short Stay Accommodation Legislation – Proposed Exemption for Heritage Mixed-Use CBD Buildings

We seek to add this submission to our existing submission ,

This additional submission proposes a narrowly defined exemption for heritage-listed mixed-use buildings located within Central Business District (CBD) zones where short stay accommodation is ancillary and limited in scale.

The intention of this submission is not to weaken the objectives of the legislation. Rather, it seeks to ensure that the Act does not unintentionally capture a small and distinct category of buildings that do not materially contribute to housing displacement and that play an important role in heritage preservation and CBD activation.

1. Policy Intent of the Draft Legislation

The objectives of short stay regulation are generally understood to include:

- Protecting long-term residential housing supply;
- Preventing the conversion of dwellings into de facto hotel stock;
- Reducing amenity impacts in suburban residential areas; and
- Ensuring equity between residential housing and commercial accommodation providers.

These are legitimate policy aims.

However, the current drafting risks applying identical regulatory treatment to fundamentally different building types — including heritage mixed-use CBD buildings whose dominant character is commercial rather than residential.

A proportional and character-based exemption would better align the legislation with its intended purpose.

2. Distinguishing Heritage Mixed-Use CBD Buildings

Certain buildings within Hobart’s CBD possess the following characteristics:

- Heritage-listed under State or Local Heritage controls;
- Mixed-use in nature, with substantial commercial floor area;
- Residential components forming a minority of total gross floor area;
- Located within established commercial zones;
- Structurally constrained from expansion or intensification.

In these buildings, short stay use is typically confined to a limited portion of upper-level lots and does not represent wholesale conversion of housing stock.

By contrast, the primary target of short stay reform appears to be:

- Entire residential dwellings removed from the long-term rental market;
- Investor-owned apartments in residential zones;
- Suburban housing diverted into tourism use.

Heritage mixed-use CBD buildings are qualitatively different from that policy target.

3. Proportionality and Housing Supply Impact

Where:

- Short stay floor area represents a minority of the building (for example, less than one-third of total gross floor area); and
- The majority of the building remains commercial in character;

the impact on metropolitan housing supply is negligible.

Such buildings are not part of large-scale residential estates.

They cannot be replicated or expanded.

They are limited in number and fixed in footprint.

Accordingly, their inclusion within a broad short stay levy or restriction regime risks regulatory overreach without delivering meaningful housing supply benefit.

4. Heritage Preservation Considerations

Heritage-listed commercial buildings:

- Have high maintenance and compliance costs. This financial year we have already spent over \$19000, just on sandstone conservation. More than 2.5 times the 5% levy ;
- Are subject to strict conservation requirements;
- Cannot be readily redeveloped or intensified;

- Often face structural and financial constraints unique to historic fabric.

Limited short stay accommodation within such buildings can:

- Contribute to ongoing maintenance funding;
- Support adaptive reuse;
- Improve building activation and safety;
- Sustain long-term conservation outcomes.

If regulation materially reduces the financial viability of these buildings, there is a risk of deferred maintenance, reduced activation and long-term deterioration of heritage assets.

Heritage conservation is a public good. Regulatory settings should avoid unintended consequences that undermine it.

5. Commercial Character and CBD Context

Buildings located within CBD zones are already embedded in mixed commercial environments.

Unlike suburban residential neighbourhoods:

- Amenity impacts are materially different;
- Tourism and commercial activity are expected land uses;
- The planning framework anticipates mixed occupation.

Where a building's dominant character is commercial, and short stay use is ancillary rather than primary, it is more analogous to commercial accommodation than to residential housing diversion.

The Draft Bill already recognises distinctions between accommodation types through specific exemptions. Extending a narrowly tailored exemption to heritage mixed-use CBD buildings would be consistent with that differentiated approach.

6. Proposed Amendment

It is proposed that the legislation include a defined exemption category for:

Heritage Mixed-Use CBD Buildings, being buildings that satisfy the following criteria:

1. Located within a Central Business Zone under the applicable planning scheme;
2. Heritage-listed under State or Local Heritage legislation;
3. Contain a mix of commercial and residential use;
4. Short stay accommodation comprises no more than a specified proportion (for example, 33%) of total gross floor area;

5. The building was not constructed or substantially redeveloped for the primary purpose of short stay accommodation.

Such an exemption would:

- Preserve the integrity of the legislation’s housing protection objectives;
 - Prevent unintended capture of a small and distinct building class;
 - Support heritage conservation;
 - Maintain CBD economic activity;
 - Provide clear and measurable criteria to avoid ambiguity.
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7. Conclusion

The Draft Short Stay Accommodation legislation serves an important public policy function. However, effective legislation requires careful calibration.

Heritage-listed mixed-use CBD buildings with limited and ancillary short stay accommodation do not represent the housing displacement problem the legislation seeks to address.

A narrow, objective exemption for this defined category would improve proportionality, protect built heritage, maintain consistency with planning principles, and avoid unintended economic and conservation consequences.

We respectfully request that such an amendment be considered in the finalisation of the Act.

Yours faithfully,

Paul and Jo Cook OAM.

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