

WATERFRONT ACCOMMODATION

WYNYARD



Short Stay Visitor Levy

Submission of feedback

19 January 2026

To Whom It May Concern

As a motel owner on the Northwest Coast for over 23 years now, I have seen the rise and rise of short stay accommodation in the visitor landscape. This has been frustrating at times when seemingly any old house can be put up as visitor accommodation if the owner has a mind to capitalize on the much higher yields afforded to them. And who can blame them.

What it means for our visitors, though, is at times, the quality of the offer is questionable, and the Tasmania brand compromised when people who aren't professionals in the field take up 'hospitality'. Further, there have been frustrations for our industry that there is an inequity in operational costs to meet the compliances required for commercial hospitality versus "pop up" hospitality enterprises. This bill, however, does not address any aspect of that, so I won't speak further to that point, other than to say, that in the face of this additional competition, we ended up 'joining them' and have listed our commercial property alongside other short stay accommodation on the same platforms. So, our issue is not the short stay platforms, or the visitor accommodations listed on there, rather it's whether the proposed visitor levy and the planned distribution of funds, will actually achieve what it is setting out to.

I support measures that improve housing affordability and availability in Tasmania. However, I am concerned the proposed short stay levy may have a material negative impact on small regional tourism businesses while being unlikely to deliver meaningful improvements in housing affordability or supply. I absolutely acknowledge that growth in whole-of-home short stay accommodation has likely contributed to reduced housing / rental availability in some locations. That said, I do feel the dominant driver of Tasmania's housing challenge is the underlying shortage of supply.

While I understand the rationale for addressing one contributor to reduced supply (being short stay accommodation), I do not believe the proposed use of levy proceeds will achieve

the stated objective if significant funding is directed to first home buyer initiatives, which would likely increase demand and place upward pressure on prices rather than address the core issue: insufficient supply. Distribution of levy funds should be designed to improve housing outcomes in a way that is demonstrably effective.

The levy appears structured to be passed through to guests, with the policy expectation that it “need not affect” STR operators’ bottom lines. If the levy is largely guest-paid, the change may not materially alter the incentives that drive dwellings into the short-stay market and therefore may have limited effect on incentivizing a return of dwellings to long-term rentals.

The definition of short stay accommodation is broad and does not meaningfully differentiate between:

- dwellings that were previously used for long-term rental or sale and have since shifted to STR; and
- accommodation developed for tourism/visitor purposes, including regional tourism products such as farm stays and purpose-built cabins.

Applying the levy without distinguishing between these categories’ risks disadvantaging regional operators who are investing to enhance Tasmania’s visitor experience - products that are not realistically part of the long-term housing pool and were not removed from it.

Further I would encourage some consideration of limiting supplies to the short term rental accommodation market from established general housing and units.

The legislation includes a mechanism for declaring classes of premises exempt. Government should use (or expand) this mechanism to exclude accommodation that is demonstrably not part of the residential rental/sale market, such as purpose-built visitor accommodation in regional areas.

In this way, a differentiated approach would better align the levy with its stated housing objective, while avoiding unintended consequences for regional tourism investment.

If the policy objective is housing affordability, levy revenue should prioritise supply-side measures that increase the number of homes available (eg; construction, acquisition, or expansion of affordable housing), rather than demand-side assistance that I believe would serve to increase purchasing pressure and inflate prices. Supply and demand 101.

I would like to suggest some questions in the thinking about this proposed levy and distribution of funds to help identify if this is the right strategy for Tasmania:

1. What evidence does Treasury have that a 5% guest-paid charge will lead to a meaningful shift of dwellings from short stay accommodation back to long-term rental, given the policy expectation that the levy will be passed through to customers and not affect operators' bottom line? What has the Victorian experience been? Did this levy have the desired consequences for housing affordability? I believe learnings from the Victorian and other models, should be considered if it has not yet been.
2. Would Treasury consider using the class-based exemption mechanism to exclude accommodation that was never part of the long-term housing pool (for example, purpose-built regional visitor accommodation such as farm stays and cabins)? If not, why not?
3. What specific "assisting first home buyers" initiatives are contemplated (demand-side vs supply-side)? How will Treasury prevent unintended inflationary impacts that could worsen affordability?

In summary, whilst I support housing reform that improves affordability and availability, I feel that if visitor taxes are on the table to help achieve this, our industry needs to be meaningfully included as a part of its design to ensure there are no unintended consequences to our industry.

Further, I feel to achieve the stated objectives, the levy must be targeted at accommodation that has demonstrably reduced long-term housing supply, paired with exemptions for purpose-built visitor accommodation, with proceeds directed to measures that increase housing supply. Without those changes, the levy risks reducing regional tourism competitiveness without delivering the intended housing benefit.

Sincerely

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