

16 January 2026

**RE: Short Stay Levy legislation
Response from West by North West Regional Tourism**

To whom it may concern,

West by North West supports the Tourism Industry Council of Tasmania's position that the proposed Short Stay Levy has been developed without consultation, without impact assessment, and without evidence that it will meaningfully improve housing outcomes or support the visitor economy.

However, from a regional and agritourism perspective, the current Bill creates additional, unintended and inequitable consequences that are not captured in statewide modelling and which will disproportionately affect rural communities and small operators.

The proposed Short Stay Levy is being presented as a housing policy, but it is being implemented as a broad-based tax on regional visitor accommodation, including businesses that have nothing to do with housing supply.

Unless amended, the levy will have three clear consequences in our region:

1. It will directly harm agritourism and regional tourism businesses
2. It will fail to increase housing supply
3. It will shift cost and administrative burden onto small, locally owned operators

Regional accommodation is not housing stock

The Bill treats all short-stay accommodation as if it were converted housing. In regional Tasmania this is fundamentally incorrect.

Most visitor accommodation in our region consists of purpose-built cabins, cottages, eco-lodges and farm stays that are located on agricultural or rural resource zoned land and approved through planning systems that prohibit long-term residential use.

These properties cannot become homes for Tasmanians, do not remove dwellings from the rental market, and exist only because of tourism investment. Taxing them will not return a single home to the housing market.

The Bill creates an uneven playing field

The proposed legislation exempts hotels, motels, inns, hostels and caravan parks, but taxes farm stays, cabins, eco-lodges, hosted accommodation and tiny homes.

Yet from a visitor's perspective, these accommodation types compete in the same market. This creates a risk that price-sensitive traveller will favour properties that do not attract the levy.

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Agritourism and hosted accommodation are wrongly captured

The Bill only exempts “bed and breakfasts” where the host and guest occupy the same building. Most farm stays and rural hosted accommodation operate legally with a manager’s residence and separate guest buildings. Under the Bill, these businesses are not exempt, even though they operate in the same way as hosted B&Bs and are not housing stock.

This directly contradicts current Government policy to encourage agritourism, farm-based tourism and nature-based accommodation in regional Tasmania.

Small regional businesses carry additional administrative burden

Under the Bill, regional operators who take direct bookings must register with the State Revenue Office and calculate, collect and remit the levy. Properties exempt from this obligation will not be required to do so.

This means small, family-run tourism businesses will carry an additional compliance burden while many of their competitors do not, adding cost and red tape at a time when regional businesses are already under pressure.

The levy will not fix housing

The Bill does not distinguish between investor-owned housing and purpose-built visitor accommodation, indicating that the policy is primarily designed to raise revenue rather than increase housing supply.

There are no targets or mechanisms to differentiate whole-home short-term rentals from non-convertible tourism accommodation, nor does the Bill consider zoning or conversion ability.

West by North West asks Department of Treasury and Finance to:

1. **Clarify the purpose of the levy**
Is it housing policy or a visitor contribution? The legislation must reflect its intent.
2. **Exempt non-convertible accommodation**
Agritourism, eco-tourism, farm stays and purpose-built visitor accommodation should be excluded.
3. **Restore competitive neutrality**
Only housing stock removed from the residential market should be subject to this levy, with purpose-built visitor accommodation treated equally.

In its current form, the Short Stay Levy targets the wrong properties, the wrong businesses and the wrong regions. Without amendment it will weaken regional tourism, penalise small Tasmanian operators and fail to deliver the housing outcomes it claims to support.



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