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Sent: Monday, 2 February 2026 7:12 PM
To: Taxpolicy Advice
Cc: FIBI; Tracey | Visit North Tas
Subject: Submission: Exemption of Flinders Island from the Short-Stay Accommodation Levy

Submission: Exemption of Flinders Island from the Short-Stay Accommodation Levy

Overview

I am writing to strongly oppose the application of the proposed short-stay accommodation levy to Flinders Island. While the intent of the levy may be appropriate for high-pressure metropolitan or high-volume tourism markets, its application to a remote island community like Flinders Island is inequitable and risks causing real harm to visitation, local businesses, and the broader island economy.

Flinders Island operates under fundamentally different conditions to mainland and urban destinations. Travel costs are already a significant barrier, tourism infrastructure is limited, and visitation is highly seasonal and fragile. The addition of a short-stay levy would further compound these barriers and disproportionately impact both travellers and the small operators who rely on them.

1. Flinders Island Is a Remote, High-Cost Destination

Flinders Island is not a mass-tourism destination. It is remote, weather-dependent, and accessible only by air or sea, with limited flight schedules.

Currently, the cost for **two people to fly from Essendon to Flinders Island is approximately \$1,516.02 AUD**. This is before accommodation, food, car hire, or activities are considered. For many travellers, the cost of simply arriving on the island is already a significant deterrent.

Adding a short-stay levy on accommodation introduces yet another financial hurdle, increasing the overall cost of travel to a destination that is already perceived as expensive and difficult to access. For price-sensitive travellers, this additional cost may be the deciding factor not to visit at all.

2. Additional Costs Will Reduce Visitation, Not Regulate It

In urban centres, short-stay levies are often justified as a way to manage housing pressure, over-tourism, or excessive short-stay demand. None of these conditions apply to Flinders Island.

- There is **no over-tourism**
- There is **no housing crisis driven by short-stay accommodation**
- Visitor numbers are **limited by transport capacity, weather, and seasonality**

Tourism on Flinders Island is not something that needs to be curtailed — it needs to be carefully supported.

An additional levy will not regulate excess demand; it will simply reduce visitation. Fewer visitors mean:

- Less income for local accommodation providers
- Less spending in local cafés, shops, fuel stations, and tour businesses
- Less casual and seasonal employment for island residents

In a small island economy, even a modest reduction in visitation has an outsized impact.

3. Disproportionate Impact on Small, Local Operators

Short-stay accommodation on Flinders Island is predominantly provided by **small, locally owned businesses**, often family-run and integrated into the community. These operators are not large investors extracting value from the housing market; they are island residents supplementing income and sustaining viable livelihoods in a remote setting.

Applying a blanket levy treats Flinders Island operators the same as high-yield short-stay providers in inner-city or resort areas, despite the vastly different operating environments.

This lack of differentiation risks:

- Undermining the viability of small accommodation businesses
 - Discouraging reinvestment in accommodation quality
 - Reducing the overall standard and availability of visitor accommodation on the island
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4. Flinders Island Tourism Is Strategic, Not Speculative

Tourism plays a critical role in:

- Supporting year-round population viability
- Justifying essential air services
- Maintaining retail, hospitality, and service businesses
- Enabling younger families to remain on the island

Visitors are not just tourists — they are essential contributors to the island’s social and economic fabric.

Policies that increase the cost of travel without recognising this context risk undermining broader regional development goals, particularly those aimed at sustaining remote and island communities.

5. A Case for Exemption or Differential Treatment

Given Flinders Island's:

- Geographic isolation
- High travel costs
- Limited access and capacity
- Absence of housing pressure from short-stay accommodation
- Reliance on tourism for economic resilience

There is a strong case for **exemption** from the short-stay accommodation levy, or at minimum, the introduction of **differential treatment for remote island communities**.

A one-size-fits-all approach does not reflect the realities of Tasmania's most remote destinations.

Conclusion

Flinders Island already asks more of its visitors than most destinations: higher costs, more complex logistics, and limited flexibility. Those who choose to travel here do so deliberately, often because they value nature, community, and low-impact experiences.

Introducing a short-stay levy will not solve a problem on Flinders Island — it will create one.

For the long-term sustainability of the island's economy, community, and tourism sector, Flinders Island should be exempt from the proposed short-stay accommodation levy.