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**From:** Kim Robinson [REDACTED]  
**Sent:** Wednesday, 4 February 2026 1:31 PM  
**To:** Taxpolicy Advice  
**Subject:** Submission regarding the Short Stay Levy Bill 2025

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**To the Tax Policy Team,**

I am writing as the owners and operators of **The Cove Tasmania**, a boutique luxury coastal retreat and high-end agritourism business. While we support the Government's objective to assist first home buyers, we have significant concerns regarding the **Short Stay Levy Bill 2025** and its potential unintended consequences for the niche luxury and agritourism sectors.

I am also acting Chair of our informal LTA group - Mersey Valley Tourism.

As an operator of a unique agritourism business I wish to raise the following concerns:

**1. Disproportionate Impact on Regional Luxury Agritourism** The North-West coast relies heavily on high-yield, boutique accommodation to drive regional tourism. A 5% levy, while seemingly small, adds a further cost barrier to guests already paying premium rates for high-end experiences. This risk is compounded in a "cost of living" crisis, where even a 5% increase can be the tipping point that discourages visitors from staying in regional areas like ours, shifting their spend instead towards traditional hotels in larger hubs (which are notably exempt).

**2. The Inequity of Exemptions** The Bill proposes exemptions for hotels, motels, and traditional Bed and Breakfasts. This creates an unlevel playing field. Contemporary boutique retreats like in the region—which provide a high level of amenity and contribute significantly to local employment—are effectively being penalised for our choice of booking platform. We urge the Government to consider an exemption for "Agritourism and Primary Production-linked accommodation" to ensure this sector continue to increase offerings and remain viable.

**3. Administrative Burden and "Hidden" Costs** The discussion paper states the levy will be paid by the guest, not the owner. However, for small operators, the administrative burden of tracking, reporting, and ensuring compliance is a "hidden cost" in time and resources. As mostly family-run businesses, this represents another layer of red tape that stifles our ability to reinvest in small businesses and our community-driven projects.

**4. Potential for "Double Taxation" and Fee Stacking** Short stay operators already contribute through significantly higher commercial council rates, land taxes, and high platform fees (15-20% through Airbnb/Stayz). Adding a 5% state levy creates a "stacked" tax environment that makes the short stay model increasingly unsustainable for family-run businesses.

Our farm - in the Devonport Council municipality already has increased costs - DCC do not have a rural rate, thus our entire farm is taxed as commercial. With a number of farm houses, these are also taxed as commercial. We understand The Cove Tasmania should be rated as commercial, however our home, the farm, the old homes - should surely not be rated as commercial.

**Recommendations:**

- **Exempt Agritourism:** Provide a specific exemption for accommodation located on working farms or primary production land to support the Tasmanian Agritourism Strategy.
- **Tiered Thresholds:** Introduce a revenue or "nights-booked" threshold (e.g., exempting the first \$50,000 of annual revenue) to protect small, "mom and dad" boutique operators.
- **Platform Responsibility:** Ensure that the responsibility for collection and remittance lies 100% with the digital platforms (Airbnb/Stayz) to prevent any further administrative burden on the property owners.

We request that the Department considers the unique role that high-quality, boutique short stay accommodation plays in the North-West regional economy before finalising this Bill.

Yours sincerely,

**Kim Robinson**

**Managing Director**

**The Cove Tasmania**

**& Acting Chair - Mersey Valley Tourism**