

16th January 2026

Department of Treasury and Finance
The Treasury Building
21 Murray Street HOBART TAS 7000

Short Stay Levy Bill 2025 Consultation Response

Dear Mr Swain,

Thank you for your letter of 17 December 2025 inviting East Coast Tasmania Tourism to provide feedback on the draft Short Stay Levy Bill 2025.

East Coast Tasmania Tourism does not support the introduction of the proposed Short Stay Levy in its current form and wishes to formally outline our concerns for consideration prior to the Bill being finalised.

First and foremost, the Bill has been developed without meaningful consultation with the Tasmanian tourism industry, including regional tourism organisations and accommodation providers operating across Tasmania's regional and rural communities. While consultation is now being undertaken, the policy framework and levy model appear to have been determined in advance, without industry input at the formative stage where impacts, feasibility and alternatives could have been properly explored.

There has also been no publicly available assessment of the economic impact of the levy on the Tasmanian visitor economy. Tourism is one of the most significant contributors to regional employment and business viability, particularly in areas such as the East Coast where the local economy is heavily reliant on visitor expenditure. Introducing a new cost on visitors without a clear understanding of its flow-on impacts risks undermining regional economies that already operate within highly seasonal and price-sensitive conditions.

The proposed levy will disproportionately affect Tasmania's tourism-reliant regions. Short stay accommodation plays a critical role in enabling visitation to regional areas where traditional hotel supply is limited or non-existent. A uniform levy applied across

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all short stay accommodation, including direct bookings, removes flexibility for small operators to manage pricing, distribution channels and visitor relationships in ways that reflect local market conditions.

East Coast Tasmania Tourism is also concerned about the proposed self-administered model. Small accommodation operators are already managing significant regulatory and administrative burdens across planning, compliance, taxation, workforce and booking platforms. Requiring operators to self-administer and remit the levy adds further red tape and cost, with no clear evidence that this approach will be efficient or proportionate.

We also note that the levy is applied to the nightly accommodation amount inclusive of GST. This effectively results in tax being collected on an existing tax, compounding costs for visitors and creating additional complexity for operators in administering and explaining charges to guests.

Importantly, East Coast Tasmania Tourism does not believe the proposed levy will address the underlying causes of housing affordability and supply challenges in Tasmania. Structural issues such as planning constraints, construction costs and capacity, infrastructure provision, workforce accommodation shortages and long-term housing policy settings require coordinated, whole-of-government solutions.

We offer the following alternative approaches for consideration, which we believe would more directly and effectively address affordable housing and regional worker accommodation challenges:

- Targeted investment in regional worker accommodation, including co-funded developments with local government and industry for purpose-built seasonal and key worker housing in tourism-reliant regions.
- Planning and zoning reforms to enable faster delivery of small-scale, well-located housing in regional towns, including secondary dwellings, modular housing and mixed-use developments.
- Incentives for new long-term rental supply, such as land tax concessions, accelerated approvals or infrastructure support tied specifically to long-term leasing outcomes.

Infrastructure investment in regional towns to unlock housing supply, including

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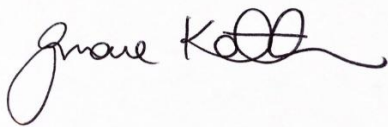
sewer, water, transport and digital connectivity that enable private sector development to proceed.

- Support for employer-led and community housing models, particularly in regions where tourism, health and essential services compete for a limited workforce.
- A coordinated, evidence-based approach that recognises the role of tourism in sustaining regional economies while addressing housing supply through structural reform rather than demand-side taxation.

Targeting the visitor economy without addressing these systemic drivers risks unintended consequences, including reduced visitation, lower regional employment and weakened local economies, without delivering meaningful or timely housing outcomes.

East Coast Tasmania Tourism supports evidence-based policy development and constructive collaboration. We strongly encourage the Tasmanian Government to pause progression of the Short Stay Levy Bill 2025, undertake genuine consultation with industry and regional stakeholders, commission a comprehensive economic impact assessment, and work with the tourism sector and local government on solutions that address housing supply while maintaining the viability of regional tourism communities. We appreciate the opportunity to provide feedback and would welcome further engagement as this matter progresses.

Yours sincerely



Grace Keath

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