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From: Michelle Crawford [REDACTED]
Sent: Monday, 16 February 2026 5:07 PM
To: Taxpolicy Advice
Subject: Submission: Proposed 5% Levy on Short-Stay Accommodation

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Hello

We are writing to provide feedback on the proposed 5% levy on short-stay accommodation in Tasmania. As hosts who share part of our principal residence in the Huon Valley, we wish to highlight the distinctions between home-sharing and commercial property investment, and the particular impacts this levy will have on regional tourism economies.

Nature of Our Accommodation

Our accommodation is integrated into our principal residence—we share our home with guests. This is fundamentally different from standalone investment properties. If short-stay hosting became unviable, we would not convert this space to long-term rental; it is part of how we live and work. For operators like us, this is not housing being removed from the rental market.

Regional Context: Tourism Infrastructure, Not Housing Shortage

While we recognise Tasmania's housing pressures in urban centres, the Huon Valley faces a different challenge: insufficient visitor accommodation. The scarcity of places to stay directly constrains regional economic activity, affecting local businesses, employment opportunities, and the viability of tourism-dependent enterprises.

Economic Viability in Regional Areas

Income from hosting is essential to covering mortgage costs and sustaining our small business. Operating in regional Tasmania presents inherent challenges:

- Highly seasonal visitor patterns with extended low-demand periods
- High transport and logistics costs
- Limited tourism infrastructure investment
- Distance from major attractions and services

A 5% levy will necessarily result in either higher guest prices or reduced operator margins. Both outcomes threaten booking volumes, particularly during the already challenging off-season when regional operators most need support.

Competitive Positioning and Price Sensitivity

Tasmania is already a relatively expensive destination when considering:

- Return flights (particularly from mainland capitals)
- Vehicle hire costs
- Seasonal accommodation pricing premiums
- General cost of goods and services in an island economy

Additional charges may shift travellers' decisions toward mainland alternatives, especially during the winter months, when regional operators are most vulnerable. Price sensitivity is highest precisely when regional hosts need volume to remain viable.

Wider Economic Contribution

Visitors staying in regional short-stay accommodation generate substantial economic activity beyond accommodation fees. Our guests:

- Dine at local cafés and restaurants
- Purchase from farm gates and regional producers
- Visit wineries, distilleries, and attractions
- Hire local services and guides
- Extend their stays specifically because accommodation is available

This multiplier effect means that accommodation providers serve as a critical gateway to broader regional tourism spending.

Direct Local Employment and Procurement

Our hosting operation creates tangible local economic activity:

- We employ a local housekeeper
- We regularly engage local tradespeople for maintenance and improvements
- We provide breakfast provisions to every guest, sourced exclusively from Huon Valley growers, producers, and makers

This gives visitors an authentic regional experience while supporting small businesses that depend on tourism traffic.

Cumulative Impact on Small Operators

While a 5% levy may appear modest in isolation, small regional operators work with tight margins. The practical reality is:

- **If absorbed by hosts:** Further erosion of already modest profitability, reducing capacity to employ local services, source from regional producers, and reinvest in property standards
- **If passed to guests:** Higher prices in a price-sensitive market, leading to reduced bookings, particularly outside peak periods

Either scenario leads to fewer visitors and reduced economic activity across the region.

Distinguishing Home-Sharing from Investment Properties

Many Tasmanians hosting short stays are sharing part of their primary residence to manage rising living costs. This is fundamentally distinct from commercial property investment. A policy that treats all short-stay accommodation identically overlooks this important nuance and risks disadvantaging households that use home-sharing as a cost-of-living strategy.

Recommendations

If the levy proceeds, we strongly encourage:

1. **Exemption for principal places of residence** where hosts share their own home, recognising the distinction between home-sharing and investment properties
2. **Delayed implementation beyond July 2026** to avoid introducing additional costs ahead of the winter off-season, which would compound existing challenges for regional operators during their most vulnerable period
3. **Statewide regulatory consistency** without restrictive caps, providing clarity and stability for small operators planning their businesses
4. **Ongoing consultation with regional accommodation providers** to ensure policy reflects operational realities outside urban centres and adapts to demonstrated impacts

Conclusion

Short-stay accommodation in regional Tasmania often exists because locals are building sustainable livelihoods, not speculative property portfolios. Effective policy should recognise this distinction while supporting both housing availability in urban centres and the tourism infrastructure that underpins regional economic resilience.

Thank you for the opportunity to contribute to this consultation process.

Michelle & Leo Crawford

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