



Tasmanian Council of Social Service Inc.

Tasmanian Short Stay Levy Consultation

23 February 2026



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About TasCOSS

TasCOSS' vision is for one Tasmania, free of poverty and inequality where everyone has the same opportunity. Our mission is two-fold: to act as the peak body for the community services industry in Tasmania; and to challenge and change the systems, attitudes and behaviours that create poverty, inequality and exclusion.

Our membership includes individuals and organisations active in the provision of community services to Tasmanians on low incomes or living in vulnerable circumstances. TasCOSS represents the interests of our members and their service users to government, regulators, the media and the public. Through our advocacy and policy development, we draw attention to the causes of poverty and disadvantage, and promote the adoption of effective solutions to address these issues.

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Table of Contents

About TasCOSS	2
Introduction	4
Opportunities to Strengthen the Bill	5
Mandate Specific Revenue Allocation to Social Housing	5
Implement a Higher Levy Rate of 7.5%	5
Introduce an Exclusion or Exemption for Primary-Residence Short-Stay Rental Accommodation	6
Collaborate with Local Government to Enable Local Responses to Short-Stay Rental Accommodation	6
Establish Transparent Reporting and Accountability Frameworks	7
Conclusion	8

Introduction

TasCOSS welcomes the Tasmanian Government's introduction of the Short Stay Levy (SSL) on short-stay rental accommodation (STRA) as an initial policy response to address housing affordability challenges.

However, we believe the current draft Bill represents a missed opportunity to meaningfully address housing inequity for low income Tasmanians. This submission proposes several amendments and enhancements to strengthen the SSL's capacity to improve housing outcomes for those most in need and bring down the social housing waitlist.

TasCOSS recommends that the Tasmanian Government:

- 1. Mandate revenue allocation to social housing.**
- 2. Implement a higher levy rate of 7.5%.**
- 3. Amend the draft Bill to introduce an exclusion or exemption for primary-residence short-stay rental accommodation.**
- 4. Collaborate with local government to allow councils to develop local responses to short-stay rental accommodation in their LGAs.**
- 5. Require annual public reporting of revenue collected by region, number of registered properties and platforms, and expenditure of the Short Stay Levy on social housing.**
- 6. Strengthen data collection and reporting about short-stay rental accommodation to inform policy measures.**

In addition to our submission, please refer to Topic 7 of *TasCOSS's State of Housing Dashboard* for data insights about short-stay rental accommodation: tascoss.org.au/state-of-housing/indicators.

We welcome the opportunity to discuss these recommendations further and to participate in ongoing consultation as the Bill progresses.

Opportunities to Strengthen the Bill

Mandate Specific Revenue Allocation to Social Housing

While the estimated \$11 million annual revenue to be generated by the proposed levy is positive, the draft legislation lacks critical provisions ensuring those funds directly benefit low income Tasmanians experiencing housing stress.¹ While the Discussion Paper states that revenue will "assist first home buyers," the draft Bill contains no legislative requirement for how SSL revenue must be spent.² Clause 23 assigns administration to the Treasurer but provides no binding expenditure framework.³

TasCOSS recommends specific amendments to maximise housing equity outcomes. Low income Tasmanians face the most acute housing stress but are least likely to benefit from first home buyer schemes, which typically assist middle-income households. In our view, rather than direct this revenue to initiatives for first home buyers, which risks further increasing house prices, the Tasmanian Government should instead direct it to social housing, especially in regional areas, as per Victoria's short stay levy.⁴

Recommendation:

- 1. Insert a new Part 4 in the Bill mandating 100% of revenue to be allocated to social housing.**

Implement a Higher Levy Rate of 7.5%

The 5% rate for the SSL, as specified in clause 10(2), is unlikely to be large enough to influence decisions about operating or purchasing short-stay rental accommodation. As a standalone regulatory measure, the proposed levy amount of 5% is unlikely to be effective in changing the behaviour of customers, owners or booking platforms of STRAs, and thus is unlikely to result in fewer STRAs or even slow the growth of STRA.

For a short stay levy to achieve an ultimate outcome of reducing or slowing the growth of STRA in Tasmania, the amount levied needs to be high enough to drive decisions about whether the owner uses the property for short-stay rental accommodation or long-term rental.

At only 5% of the cost of a booking, the proposed size of the levy is unlikely to reduce demand from purchasers of STRAs (if the booking platform or person taking the booking passes on the cost of the levy as proposed by the Tasmanian Government). For example, the Discussion Paper highlights that a stay with a total booking fee of **\$1,300** would attract a levy of only **\$65**. Similarly, if owners or platforms opt to absorb the cost of the levy rather than pass it on to customers, a levy of \$65 on a \$1,300 stay is insufficient to materially change the cost-benefit

¹ Department of Treasury and Finance (2025), [Tasmania Short Stay Levy Discussion Paper](#), Tasmanian Government, December.

² Ibid.

³ Office of Parliamentary Counsel (2025), [Consultation Draft Short Stay Levy Bill 2025](#), Tasmanian Government, 5 November.

⁴ State Revenue Office Victoria (2026), [Understanding the Short-Stay Levy](#), Victorian Government.

analysis of an owner offering their property for short-stay rental accommodation rather than long-term rental.

Recommendation:

- 2. Amend clause 10(2) of the draft Bill to implement a higher payable levy rate of 7.5%.**

Introduce an Exclusion or Exemption for Primary-Residence Short-Stay Rental Accommodation

Unlike Victoria's short stay levy, the draft Bill applies to all short-stay rental accommodation regardless of whether it's a principal place of residence. This represents a missed opportunity to focus the levy on short-stay rental accommodation which is not the owner's primary place of residence and thus could be made available for longer-term rental. Such a measure would acknowledge the difference between households renting out a spare room occasionally versus investor-owned properties removed from residential supply. From an equity perspective, this policy would mean that low income homeowners would not be disadvantaged when earning additional income from renting out a spare bedroom for short stays (if they don't pass on the levy to customers).

Recommendation:

- 3. Amend the draft Bill to introduce an exclusion or exemption from the levy for primary-residence short-stay rental accommodation.**

Collaborate with Local Government to Enable Local Responses to Short-Stay Rental Accommodation

A Tasmanian Liberal's media release during the 2024 Tasmanian Election emphasised "continued statewide consistency of short stay regulation in Tasmania, by prohibiting the imposition of arbitrary caps and further geographic distortions of the market."⁵

However, the data on STRA published by CBOS shows that, as of April to June 2024, the density of non-primary residence STRA varies significantly by Local Government Area, from **0.1%** in Brighton to **10.6%** in Glamorgan-Spring Bay. This highlights the need for bespoke, locally informed policy responses to short-stay rental accommodation. Local governments are best placed to develop and implement these kinds of local measures.

TasCOSS is calling on the Tasmanian Government to facilitate local regulatory responses, so that individual Tasmanian councils can develop and implement responses to STRA which respond to location-specific issues in their LGAs. As noted by Professor Peter Phibbs for Shelter Tasmania, "other Australian states have recognised that a 'one-size-fits-all' approach is not efficient."⁶ As is evident when considering the density of STRA in LGAs, there are multiple, distinct STRA markets operating in Tasmania (e.g. holiday regions versus Central Business

⁵ Tasmanian Liberals (2024), '[Making it easier for Tasmanians to own their own home](#),' media release, 18 February 2024.

⁶ Phibbs, P (2022), '[Monitoring the Impact of Short-Term Rentals on Tasmanian Housing Markets](#)', Baseline Report, p. 29, Shelter Tasmania.

Districts versus suburban areas), and “regulation that seeks to drive behaviours in one market may not work in another.”⁷

Elsewhere in Australia, different jurisdictions are employing locally specific combinations of regulatory approaches to address emerging issues with short-stay rental accommodation. The Local Government Association of Tasmania (LGAT) argues that where STRA is impacting housing supply and security, councils in Tasmania should be empowered to “investigate and apply a differential rating regime for commercial short stays in residential areas”.⁸

Recommendation:

- 4. Collaborate with local government to allow councils to develop local responses to short-stay rental accommodation in their LGAs.**

Establish Transparent Reporting and Accountability Frameworks

Whilst some data collection and reporting on STRA is conducted by Consumer, Building and Occupation Services (CBOS), TasCOSS notes that the draft Bill contains no reporting requirements, including for revenue collection or expenditure of revenue from the levy. While regulation of STRA, including new levies, is increasing across Australia and internationally, there is not yet good evidence of the effectiveness of those measures for improving long-term rental affordability. There is a critical need for detailed, accurate, location-specific and publicly available data about STRAs in Tasmania to inform judgements about the impact of STRA on rental affordability and the effectiveness of various regulatory measures.^{9 10}

One dataset missing from what is currently published by the Tasmanian Government is the number of long-term rentals which are converted to STRA and the number of STRA which are converted to long-term rentals. These metrics have implications for rental vacancy rates and affordability, and it is important to track them over time as new regulatory responses to STRA are introduced. For more information, see Professor Peter Phibbs’s excellent [analyses of this type of data for Shelter Tasmania](#) (Progress Report #2).

Recommendations:

- 5. Require annual public reporting of revenue collected by region, number of registered properties and platforms, and expenditure of the Short Stay Levy on social housing.**
- 6. In collaboration with Consumer Building and Occupational Services, strengthen data collection and analysis on short-stay rental accommodation to inform policy measures.**

⁷ Activate Consulting & Hornsby & Co. (2025), [Short-Term Rentals in Australia: A qualitative exploration of regulatory impacts in 18 Local Government Areas](#), University of Canberra, Canberra.

⁸ Local Government Association of Tasmania (2024) [Local Government Housing Position Statement](#).

⁹ Phibbs, P (2022), [Monitoring the Impact of Short-Term Rentals on Tasmanian Housing Markets](#), Baseline Report, Shelter Tasmania.

¹⁰ Lang, M et al. (2025), [Insights into Short-Term Rental Accommodation: History, statistics and landlord perspectives](#), no. 451, Australian Housing and Urban Research Institute, Melbourne.

Conclusion

The proposed Short Stay Levy represents an important policy tool for addressing Tasmania's housing crisis, but only if designed and implemented with housing equity at its core. The current draft Bill lacks specific provisions necessary to ensure meaningful benefit accrues to low income Tasmanians experiencing housing stress.

The housing crisis demands bold, evidence-based policy that prioritises equity. Tasmania has an opportunity to lead Australian jurisdictions in creating a short stay levy that genuinely improves housing outcomes for those who need it most.

TasCOSS urges the Government to strengthen the draft Bill through the six key recommendations above, ensuring the Short Stay Levy delivers on its promise to help Tasmanians access safe, affordable and secure housing.