



February 20, 2026

Mr Gary Swain
Secretary
Department of Treasury and Finance
21 Murray Street HOBART TAS 7000
GPO Box 147 HOBART TAS 7001 Australia

Dear Mr Swain

Hospitality Tasmania (HT) welcomes the opportunity to provide feedback on the draft legislation, the *Short Stay Levy Bill 2025*.

HT is the peak body representing over 2,500 hospitality venues across Tasmania (accommodation venues, hotels, restaurants, pubs and clubs) which employ over 25,000 Tasmanians and the proposed legislation has the potential to have significant impacts on our industry, including:

- It is a tax on visitors, and this has a substantial capacity to cause reputational damage (national and international) to Tasmania as a must-visit destination,
- There has been no investigation or analysis of the damage this tax could cause to Tasmania's tourism and hospitality sectors,
- It sends a message to our national and international visitors that "you are not welcome here",
- The damage to Tasmania's reputation as a destination also has the potential to inhibit much needed growth and investment in our tourism and hospitality sectors, and
- It creates a new administrative and regulatory burden on our tourism businesses, with little in the way of addressing the current budget crisis.

For these reasons HT strongly recommends that this legislation not be proceeded with.

If however, the legislation does proceed, HT is of the strong view that the following matters must be taken into consideration.

Short Stay Accommodation fulfils an important role in our rural regional and remote areas.

First, it is noted that the purpose of the legislation is to encourage short stay accommodation owners to revert their properties back to long term rental housing.

While the need for long term rental housing is acknowledged, it must also be recognised that short stay accommodation plays an important role in a number of tourist destinations around the state, most notably Tasmania's East Coast and our other regional, rural and remote areas.

Need to monitor impacts on Tasmania's hospitality and tourism industries and the levy not to be imposed directly on visitors.

It will be critical to carefully monitor the associated impacts to ensure the levy does not have a detrimental impact on the accommodation needed to support Tasmania's tourism and hospitality industries, including areas that host Tasmania's most iconic destinations.



The imposition of the levy itself also has the potential to result in visitors potentially looking elsewhere as a result of being required to pay a tax on top of their accommodation costs and the impacts on our visitor numbers and impacts on our tourism and hospitality sectors needs to be carefully monitored.

With the above in mind, HT also believes that, should the legislation proceed, the levy should be imposed on the short stay accommodation business owner, or their Online Travel Agent, or their local platform, and not the visiting tourist. While it may be argued that the levy will be passed on to the tourist regardless, incurring a 5% tax charge on the bill when checking out from a venue sends a very bad signal that visitors will take home with them.

Need for a greater focus on safety and compliance

HT has previously provided feedback on Tasmania’s *Short Stay Accommodation Act, 2019* and in particular, the need for a much greater focus on safety and compliance. While the Director of Building Control maintains quarterly reports on the number and type of short stay premises in Tasmania, there is no data collected regarding compliance with the permits issued by Councils or building safety.

By comparison, motels, hotels and other traditional accommodation venues have substantial compliance obligations and costs when it comes to providing safe accommodation, including but not limited to the following:

Fire Protection	
Evacuation Plan for the site	Checks every 3 years
Extinguishers and sprinklers	6 monthly
Fire equipment and Fire Doors for Ground Floor Sites	Annual checks
Bushfire Management Plan	Required as part of Development Applications
Fire Doors Multi Storey (AS1851)	Annual checks
Emergency Exit signs	Quarterly checks
Electrical Safety	
Tag and testing all electrical appliances	Annual checks
Insurance	
Liability Cover (now generally \$20 million)	Annually on Renewal
Maintenance Program and Checks	Annually on Renewal
Fire Protection Compliance	Annually on Renewal
Pool & Spa	
Water quality testing	Monthly
Maintenance Records	
Completion and Display of Form 56	Form no longer required, but now subject to random checks



Building Code

Notices have also been sent to Tasmanian motel accommodation and hotel venues advising them to install RCDs on every circuit in public spaces and accommodation venues.

Water and Sewerage

Traditional venues are also subject to septic tank compliance and local government inspection, and as part of Taswater's equal tenements determination, traditional venues are subject to periodic inspection by TasWater.

Implications of Compliance Costs and Safety

The compliance costs associated with the above requirements are substantial. Along with lower financing, electricity, water, rates and land tax costs, this also means that short stay accommodation providers have an unfair advantage when competing in the accommodation market.

Of greater concern however, there is no understanding of the condition of the short stay properties across the state and the extent to which these properties comply with the relevant building codes and safety requirements.

One tragic event is enough to impact on the wider visitor accommodation industry in Tasmania and HT continues to be of the strong view that there is a need for an ongoing regulatory oversight regime to ensure these properties are up to standard and are safe, as is the case with motels and hotels.

HT poses the same simple question that we did back in 2024:

How many older short stay accommodation venues across Tasmania still operate with old style, fuse operated switch boxes that could present an electrocution risk?

In collecting a levy from short stay accommodation venues, it becomes all the more incumbent on the Tasmanian government to ensure these venues are safe and do not represent a significant risk to Tasmanians and our interstate and overseas visitors.

Revenue Collection

Questions also arise in terms of revenue collection, with venues required to register with the State Revenue Office. This simply highlights the need for oversight of the system to ensure all eligible venues are registered, as well as an auditing and enforcement regime, to ensure compliance and that payments are made.

Length of Stay

HT is of the view that specifying the length of stay for which the levy applies (28 nights), adds an unnecessary layer of complexity to the system. While the nature of the industry will see the greater bulk of short stay visitors staying for periods of less than 28 nights, HT is of the view that it should apply to all short stay periods.

Models elsewhere

HT also notes that there are registration and compliance systems in other states for short stay accommodation and these should be considered as potentially viable options to the legislation that has been proposed.



In conclusion

As noted above, HT strongly recommends that this legislation not be proceeded with.

If however the legislation does proceed, HT is of the strong view that:

- the levy is imposed on the short stay venue owner or their platform, and not the visitor to Tasmania to pay at the time of checking out and paying their bill, and apply regardless of the length of time of the short stay;
- the funds raised from the levy are not only to be used to assist first home buyers but also establish an inspection and compliance regime to ensure that all short stay venues are safe, and do not present a substantial risk to Tasmanians and our interstate and overseas visitors.
- resources are also set aside to monitor the impacts of the proposed levy, particularly to monitor the impacts on visitor perceptions of Tasmania and our tourism and hospitality industries.

HT is also of the view that, as an alternative, consideration should be given to reforming the current legislative framework to a registration and compliance system similar to those that have been adopted in New South Wales and Western Australia, with other states such as Victoria considering a similar framework.

I trust that this feedback is of value.

Kind regards

A handwritten signature in black ink, appearing to read 'Steve Old', written in a cursive style.

Steve Old
CEO