




SHORT STAY LEVY BILL 2025 CONSULTATION
SHELTER TAS & TENANTS' UNION OF TASMANIA SUBMISSION, FEB 2026



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Shelter Tasmania acknowledges the Traditional Owners of country throughout Lutruwita/Tasmania and their continuing connection to the land, sea and community. We pay our respects to them and their cultures, and to elders past and present.



Shelter Tas welcomes and supports people of diverse genders and sexual orientations.

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20 February 2026

Department of Treasury and Finance
GPO Box 147
Hobart TAS 7001
taxpolicy.advice@treasury.tas.gov.au

To Department of Treasury and Finance

Re: Short Stay Levy Bill 2025 - Consultation

Shelter Tasmania Inc (Shelter Tas) and the Tenants Union of Tasmania (TUT) welcome the invitation to provide feedback through the consultative process initiated by government on the draft *Short Stay Levy Bill 2025* (the Bill). Both organisations have long advocated for significant improvement in the regulation and monitoring of the short-term rental accommodation (STR) market, together with the introduction of a levy. We have united to provide a response in relation to the Bill.

INTRODUCTORY COMMENTS

We understand that government is most interested in feedback around the mechanics and implementation challenges of the Bill itself, and we will address those further in our submission. We will, however, also take the opportunity presented to provide feedback on two broad policy parameters that have informed the drafting of this important piece of legislation:

1. The distribution of revenue raised through the application of the Short Stay Levy.
2. The rate of the proposed Short Stay Levy.

Both Shelter Tas and the TUT welcome the recent announcement from the state government honoring their election commitment to introduce a 5% levy on short-stay rental accommodation. In outlining the need for such a levy, government acknowledged at the time that:

"...there is no doubt that the increasing number of houses on the short stay market has reduced the availability of long stay rentals and contributed to higher rents".

The [Monitoring the Impact of Short-Term Rentals \(STRs\) on Tasmanian Housing Markets report](#)¹ is an ongoing research project commissioned by Shelter Tas and co-produced by Emeritus Professor Peter Phibbs. This has provided longitudinal evidence and trends since 2022 on Tasmania's STR market and its impact on the overall Tasmanian rental market.

Our evidence-based research validates concerns regarding the impact of short-stay rental accommodation on the rental market. When rental homes are diverted to short-stay, even slight changes in the number of available properties for rent can mean critical changes in the vacancy rate. This pushes rental prices up and increases competition for the remaining long-term rentals.

¹ https://shelertas.org.au/wp-content/uploads/2025/09/Impact-of-STR-on-Tas-housing-markets_progress-report-5.pdf

In recognition of this important research, and governments' acknowledgement of the impacts of a growing STR market, our respective organisations unreservedly support the proposed introduction of the Short Stay Levy, which is predicted to generate around \$11M per annum in revenue.

Notwithstanding this positive initiative, we remain deeply concerned about the obvious effect on those Tasmanians who are experiencing housing stress due to higher rents or who are forced out of the private rental market. These Tasmanians are left with no option but to join a growing social housing waiting list. Currently, there are 5,410 applicants on this list, with an average wait time of 84.3 weeks² to house people most in need, such as those escaping from family or domestic violence and/or experiencing homelessness.

Rather than directing the totality of this windfall funding towards an extension of the First Home Owners' scheme, given the current housing environment, Shelter Tas and the TUT advocate for a more effective use, as per the Victorian model. Under this model, revenue from the Short Stay Levy is designated for Homes Victoria (an equivalent entity to Homes Tasmania) to boost affordable housing, with a guaranteed 25% spend in regional areas. Measures to quarantine this revenue for this purpose and to ensure transparency in allocation would foster a high level of community trust in the outcomes.

With current data indicating the greatest impact of the housing crisis is on those on low/very low-income levels (i.e. never likely to enter home ownership), we strongly recommend the proceeds of the levy be used to support supply-driven activities such as the construction of more social housing rental stock. Further supporting our position is Homes Tasmania data³, which shows that only 60% (691) of the total homes purchased (1,145) under current affordable home ownership schemes are new supply. The remainder is existing housing stock providing no impact on demand.

Redirecting this crucial revenue to increasing the **new** supply of targeted social and affordable rental housing would see an immediate construction stimulus, help to reduce Tasmania's escalating housing waiting list, and provide long-term positive outcomes for individuals, families and communities. It is also consistent with Shelter Tas' continued advocacy for:

- *A 10% target for social and affordable homes across Tasmania to meet identified demand; and*
- *An Increase in capital investment for social and affordable housing to ensure funding models are adequate, financing options are flexible, and they are established to facilitate an efficient and effective pipeline of good quality, well-located and long-term supply.*

A second or additional option could see this revenue allocated to supplement the existing funding of Tasmania's homelessness services – a sector that is currently experiencing significant strain.

² https://www.homestasmania.com.au/__data/assets/pdf_file/0020/290009/Homes-Tasmania-Dashboard-December-2025.pdf

³ https://www.homestasmania.com.au/__data/assets/pdf_file/0020/290009/Homes-Tasmania-Dashboard-December-2025.pdf

In terms of the quantum of the proposed levy, Shelter Tas and the TUT are of the view that 5% is too low and that the STR market could reasonably absorb a higher rate. We suggest a rate of 7.5% (in line with the Victorian model) targeted at non-hosted accommodation where the visitor is staying for fewer than 28 days.

Complementary to the introduction of the Short Stay Levy, Shelter Tas proposes additional measures to assist in regulating this market, focused on data capture, monitoring, and transparency in reporting. Critical too is empowering local councils to manage and limit the use of entire homes for STR accommodation where there is a shortfall in homes for residents and essential workers.

In short, other policy levers must also be used to reverse the drift of long-term private rental homes to STRs across Tasmania. This will help to address the chronic lack of available rental properties.

COMMENTS ON SPECIFICS OF THE BILL

Shelter Tas and the TUT have jointly reviewed the Bill and associated Discussion Paper and are pleased to provide considered feedback on its mechanisms and proposed implementation process. We note the broad policy parameters that have guided the drafting of the Bill, and support three of the four, those being:

- The levy will be introduced on short-stay rental accommodation, such as those advertised on Airbnb and Stayz (and other platforms);
- The levy will not apply to accommodation operators such as hotels, pubs, bed and breakfasts, and caravan parks; and
- The levy will be paid by those using short-stay rental accommodation, not the property owners.

As discussed in our introductory comments, Shelter Tas and the TUT strongly recommend that, in relation to the first of the four stated policy parameters, 100% of the revenue generated by the levy should be directed to the construction of new social and affordable rental housing, in order to boost supply in an environment of critical shortages of this tenure type.

Shelter Tas and the TUT would like to highlight the following areas in which we believe the draft Bill is either deficient, unclear, or leaves room for unintended consequences.

1. The definition of short stay in relation to the premises: As currently drafted, the levy does not apply to stays that are longer than 28 days. The issue with short-stay accommodation is not the duration of a stay per se, but the purpose of that stay. That is, using houses, apartments and other dwellings as visitor/holiday accommodation rather than as a home. Viewed through this lens, the 28-day cutoff is arbitrary; the application of the levy should instead be conditional on the purpose of the occupation. Not only is it incongruous to differentiate between a 28-day holiday vs a 29-day holiday but the potential to circumvent application of the levy is high under this definition.

Furthermore, the opportunity to harness much-needed revenue should not be overlooked, and we therefore recommend an extension of the definition to include longer stays. We suggest a re-wording of the proposed definition to capture all holiday-related stays.

Example:

short stay, in relation to premises, means:

- a. occupation of the premises for a continuous period of less than 28 nights; or
- b. Occupation of the premises for a continuous period of more than 28 nights, if the purpose of the occupation is:
 - i. a holiday; or
 - ii. a business or employment-related trip.

OR

short stay, in relation to premises, means:

occupation of the premises for:

- a. The purpose of a holiday;
 - b. The purpose of a business or employment-related trip; or
 - c. A purpose other than as a principal place of residence.
2. Whilst the inclusion or exclusion of premises from the levy is clear, we are concerned that in some instances the **status** of people that rent these dwellings should also be considered.

Example 1: A Community Housing Provider (CHP) that owns or manages social housing needs to temporarily relocate a resident to complete urgent property works or due to redevelopment. The only option available is to utilise short-stay rental accommodation. In this instance, the accommodation is essentially being used for emergency purposes but is not attached to the CHP as per the definition contained within the Bill.

Example 2: Short-stay rental accommodation being used as an interim principal place of residence by a person who may be either a recent immigrant or transitioning between homes.

3. Liability for the Levy: whilst bookings made on hosting platforms are easy to capture, how will short stay rental accommodation providers who do not use these platforms be monitored to ensure compliance?

As a general comment, government will need to ensure that systems and processes are simple, easy to use, well tested, and bedded down prior to implementation. A seamless adoption for those registering as providers and involved in payment processes will engender comfort and improve the likelihood of compliance.

4. With the introduction of the levy, there is an opportunity to ensure that:
- Impacts of the introduction of the levy (and any associated levers to regulate the STR market) are monitored and outcomes identified; and
 - Resultant revenue received is specifically accounted for and directed to its stated purpose.

Shelter Tas and the TUT recommend an additional clause to the Bill to provide for a review and release of the findings after a prescribed period. We suggest the following.

Example:

“The Minister is to ensure that the operation of this Bill during the three (3) years after the commencement of those provisions is reviewed and that a report on the outcome of the review is made publicly available within 12 months after the end of that three (3) year period.”

Recommendations

1. Redistribute revenue raised from the Short Term Levy to increasing the supply of new social and affordable rental dwellings with a guaranteed 25% commitment to regional areas.
and/or
2. Redistribute revenue raised from the Short Term Levy to bolster funding of Tasmania’s homelessness services.
3. Increase the Short Term Levy from 5% to 7.5% in line with the Victorian model.
4. Commit to a review of the broader regulation of STRs, so that the permit system delivers sufficient funds to ensure monitoring and compliance with permits and exemptions.
5. Empower local councils to manage and limit the use of entire homes for STRs where there is a shortfall of homes for residents and essential workers.
6. Create a data matching system monitoring the number of dwellings currently available as STR that were previously available in the long-term rental market (CBOS-led).
7. *MyBond* to report monthly on total bond lodgements by LGA and/or region, so that the size of the long-term rental market can be monitored.
8. Amend the definition of “short stay in relation to the premises” to capture the purpose of the stay rather than the duration and include stays in excess of 28 days.
9. Ensure that the examples referenced in relation to the **status** of individuals/organisations accessing short stay accommodation are provided for within the Bill.
10. Include an additional clause to the Bill to provide for a review and release of the findings after a prescribed period.

As always, we welcome the opportunity to participate in consultative opportunities related to our sector, to ensure that our members and the Tasmanian community to whom we are ultimately accountable are well represented. As experts in our respective fields, we can bring significant insights and pragmatic solutions in the development of policy positions and legislation that impact the lives of Tasmanians.

For more information about this submission, please contact:

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Shelter Tas is the peak body for housing and homelessness services in Tasmania. We represent the interests of low to moderate income housing consumers, Community Housing Providers and Specialist Homelessness Services (crisis and emergency shelters) across Tasmania. All Tasmania's funded homelessness services and community housing providers are members of Shelter Tas.

The Tenants' Union of Tasmania is a specialist Community Legal Centre for residential tenants. Our aim is to secure the rights of all tenants by providing free legal advice, representation and education, as well as advocating for the improvement of tenants' rights.