

## Submission to the Short Stay Levy Discussion Paper

**Subject:** SSL - Adding disproportionate impact and complexity for agritourism operators

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**Date:** 24 February 2026

### 1. Introduction

[Agritourism Tasmania](#) advocates for Tasmania’s agritourism sector by connecting and collaborating with primary producers and rural landholders who diversify their farm businesses through the visitor economy.

Agritourism Tasmania does not operate as a formal membership organisation and does not charge membership fees. Instead, it is a network of more than 250 stakeholders with an interest in agritourism and a shared commitment to ensuring that agritourism is recognised as a distinct and valuable component of Tasmania’s agriculture and visitor economy.

Agritourism Tasmania currently delivers Tasmania’s Agritourism Accelerator, funded by the Tasmanian Government through the Department of State Growth. The Accelerator promotes knowledge sharing, builds sector capability and connectivity, and supports farmers to understand and navigate the requirements of the Tasmanian Planning Scheme.

Agritourism operators contacted Agritourism Tasmania and raised concerns regarding the proposed Short Stay Levy (SSL). This submission is made on behalf of agritourism operators who currently provide on-farm accommodation, as well as those intending to do so in the future.

### 2. Agritourism Accommodation – Scope of Operations

Agritourism accommodation is short-stay visitor accommodation provided on working farms or rural properties, operated by primary producers or landholders as part of farm diversification. It includes (but is not limited to):

- Hosted farm stays (within or adjacent to the farmhouse)
- Farm cottages and converted heritage buildings
- Self-contained cabins
- Glamping structures (safari tents, domes, eco-pods, tiny homes)
- Shearers’ quarters or converted farm infrastructure
- On-farm camping experiences

Agritourism accommodation is distinct from:

- Hotels, pubs and clubs
- Regional tourism caravan parks
- Large-scale commercial accommodation operations

### 3. Overview of the Proposed Short Stay Levy

Agritourism accommodation plays a critical role in strengthening farm viability, supporting regional employment, and sustaining rural communities across Tasmania.

The Tasmanian proposal introduces:

- A 5% levy on total booking fees for stays under 28 consecutive nights
- Liability on both booking platforms and direct booking operators
- Registration, reporting and remittance obligations
- Exemptions including caravan parks, camping grounds and certain commercial accommodation categories.

The Government's expectation is that the levy is passed through to guests. However, administrative responsibility remains with the booking recipient where bookings are taken directly.

### 4. Impact on Agritourism Operators

#### *4.1 Direct Booking Liability and Administrative Burden*

Agritourism businesses frequently:

- Take bookings through their own websites
- Accept repeat and referral bookings
- Operate mixed booking models (platform + direct)
- Have seasonal and/or low-volume booking cycles

Under the proposed model, agritourism operators can become levy remitters where direct bookings occur. This introduces:

- Mandatory registration requirements
- Ongoing reporting obligations
- Record keeping systems capable of distinguishing in-scope and exempt stays
- Additional reconciliation and compliance processes

For agritourism operators who operate their farms as their primary activity (with agritourism ancillary to this), this represents a disproportionate administrative burden.

#### *4.2 Mixed Accommodation Models and Classification Complexity*

Agritourism can combine multiple accommodation formats on a single property<sup>1</sup>. This can include:

- A cabin and a glamping tent
- Caravan paddock stays alongside fixed structures

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<sup>1</sup> Tasmanian Planning Scheme, zone, and use class permitting

- Camping experiences with minimal infrastructure.

Within the Discussion Paper, exemption references ‘Camping ground or similar premises’, and ‘Mobile accommodation such as caravans and campervans’. This creates potential uncertainty for the above mixed accommodation models.

Classification ambiguity may result in:

- Inconsistent treatment across short stay accommodation businesses
- Compliance risk due to definitional uncertainty
- Audit exposure where accommodation types overlap categories.

Clear guidance is required to avoid unintended consequences for agritourism operators who provide mixed accommodation models or style of accommodation that are difficult to classify.

#### *4.3 Regional Competitive Effects*

Agritourism operates almost exclusively in regional and rural Tasmania.

The exemption structure may create a disproportionate competitive impact where:

- traditional caravan parks are exempt,
- camping grounds are exempt,
- certain commercial accommodation categories are exempt,

but agritourism accommodation is liable for the levy.

In regional markets with seasonal demand and price sensitivity, a 5% differential can:

- shift visitor choice away from agritourism operators
- reduce booking conversion rates, and
- disadvantage diversified farming enterprises relative to established tourism operators.

Without careful consideration, the proposed levy risks creating an uneven operating environment in regional Tasmania that may weaken farm diversification, reduce the resilience of rural businesses, and inadvertently undermine the sustainability of the agritourism sector and regional economies.

#### *4.4 Margin Sensitivity in Farm Diversification*

Agritourism is typically operated by farming families as a supplementary income stream integrated within a working agricultural enterprise. Unlike other short-stay accommodation investors, agritourism operators carry agricultural production risk, experience seasonal fluctuations, face higher logistical and servicing costs, and generally operate in lower occupancy regional markets.

Although the SSL rate is uniform across Tasmania, its practical impact is not uniform. Agritourism operators are more likely to:

- rely on direct bookings, thereby carrying compliance and reporting obligations;
- operate mixed accommodation models, increasing classification complexity;
- compete locally against exempt accommodation categories; and
- experience seasonal income volatility and demand sensitivity.

While the SSL may be passed through to guests, price elasticity in regional markets may limit the ability to do so without affecting occupancy.

#### *4.5 Bundled Accommodation and Experience Packages*

Agritourism operators commonly offer integrated packages that combine on farm accommodation with tours, tastings, workshops or seasonal farm experiences. These bundled products reflect the full agritourism offering, where accommodation is one component of a broader visitor experience.

Under the proposed SSL, which applies to the total booking fee for short stays, it is unclear how bundled products would be treated. If the levy applies to the full package price, this may effectively extend the levy beyond accommodation to experiential components. Alternatively, if apportionment is required, this would introduce additional administrative complexity for agritourism operators.

The potential consequences include:

- increased overall package pricing in price sensitive regional markets;
- additional compliance burden in separating accommodation from non-accommodation revenue; and
- disproportionate impact on integrated agritourism business models compared to standalone accommodation providers.

Clear guidance is required to ensure that the SSL does not unintentionally undermine integrated agritourism offerings.

Taken together, these factors illustrate that the regulatory and financial impact of the SSL may fall more heavily on agritourism operators than on other short stay accommodation providers, particularly those operating in metropolitan settings.

## **5. Financial Impact and Sector Modelling**

It is unclear whether detailed financial modelling has been undertaken to assess the differential impact of the SSL across business models, including agritourism.

As noted above, agritourism operators typically operate with:

- seasonal income volatility;
- mixed accommodation and experiential products;
- direct booking exposure; and
- higher servicing and compliance complexity.

Without transparent modelling that considers these factors, there is a risk that the cumulative regulatory and financial impact on agritourism businesses has not been fully understood.

## 6. Other Policy Considerations

Farm based accommodation is often integrated within working agricultural enterprises and operates alongside seasonal workforce housing and diversified farm income streams.

Tasmania’s farm worker accommodation policy acknowledges the importance of flexible, on farm accommodation solutions to support agricultural productivity and labour mobility. The proposed SSL should therefore be carefully aligned with these objectives to ensure it does not unintentionally discourage farm based accommodation investment, reduce diversification incentives, or create regulatory settings that undermine the sustainability of agricultural businesses.

## 7. Conclusion

Agritourism accommodation is a distinct regionally based sector embedded within Tasmania’s agricultural landscape.

While acknowledging the Government’s housing objectives, the proposed SSL risks creating:

- disproportionate compliance burdens on agritourism operators,
- classification uncertainty for mixed agritourism accommodation models,
- competitive imbalances in regional visitor economies, and
- greater relative impact on agritourism operators than on other short-stay providers.

Agritourism Tasmania submits that the following issues related to the SSL should be considered:

### *Recognition of Agritourism as Agricultural Diversification*

- Policy settings should reflect the role agritourism plays in farm viability, regional resilience and agricultural sustainability.

### *Clear Definitions*

- Explicit clarification of how farm based camping and caravan experiences are treated under the exemption framework.

### *Administrative Simplicity for Agritourism Operators*

- Consideration of simplified compliance pathways for direct booking agritourism businesses, including those with integrated agritourism offerings.

*Transparent modelling*

- Further financial modelling that includes agritourism impact analysis to ensure the levy is implemented in a manner that is proportionate and aligned with regional and agricultural policy objectives.

Agritourism Tasmania welcomes continued engagement to ensure that the SSL implementation recognises the unique characteristics and economic contribution of Tasmania's agritourism sector.

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