



# HUON VALLEY COUNCIL

## HUON VALLEY COUNCIL SUBMISSION

### Tasmania Short Stay Levy, Discussion Paper, December 2025 and Draft Short Stay Levy Bill

Thank you for the opportunity to comment on the development of the Draft Short Stay Levy Bill.

The Council does not have any specific comment on the Bill itself but does have a concern regarding the imposition of the levy and its unintended consequences for certain land uses.

#### General Comments

##### Blanket Application of Levy to Non-Residential Zoned Properties

Council acknowledges the intent of the Short Stay Levy to address housing affordability and support first home buyers.

However, Council is concerned that the blanket approach to levy application may inadvertently capture and penalise properties where:

1. **Short-stay accommodation is secondary to a primary land use** (particularly agricultural operations);
2. **Multiple Residential use is not permissible** under the applicable zone; and
3. **The accommodation does not contribute to the housing supply issues** the levy is designed to address.

##### Practical Example

A specific example within the Huon Valley municipal area is the development of purpose-built visitor accommodation on agricultural properties where there is an existing residence. In such cases:

- Visitor accommodation has been established to **diversify and support the viability of the primary agricultural use**;
- **No planning pathway exists for multiple residential use** due to zoning restrictions (e.g., Rural Zone or Agricultural Zone);
- The property owner **cannot feasibly convert the accommodation to long-term residential use**, even if they wished to do so; and
- The accommodation serves a **legitimate tourism and agritourism function and seasonal worker accommodation**, supporting the rural economy.

Under the current drafting of the Bill (specifically the definition of *short stay accommodation* in section 5), these premises would be subject to the levy despite having no capacity to contribute to residential housing supply.

## **Suggested Approach**

Council suggests that **consideration be given to a threshold, exemption mechanism, or alternative criteria** that would exclude properties where:

- Short-stay use is genuinely **ancillary or secondary to a primary non-residential land use** (e.g., agricultural, horticultural, or commercial operations); and/or
- **Multiple Residential use is not a permitted or discretionary use** under the applicable zone in the relevant planning scheme.

This approach would ensure the levy appropriately targets properties that have the potential to be returned to the residential housing market, rather than penalising landowners who are using visitor accommodation as a legitimate means to support the economic viability of non-residential land uses.

## **Levy investment should support social and affordable housing**

The proposed five percent levy revenue stream is intended to be used to support first home buyers.

However, this revenue stream could achieve a bigger impact if it was used to support the most acute areas of housing insecurity; growing the social and affordable sectors. This would better contribute to the Tasmanian Housing Strategy's vision of ending homelessness.

## **Conclusion**

Council supports the Government's efforts to improve housing affordability.

However, we encourage the Government to refine the application of the levy to avoid unintended consequences for properties that are not contributing to housing supply constraints and where alternative residential use is not feasible due to planning controls.

We trust this feedback will be considered in the finalisation of the Bill.