

WHOLE-OF-STATE IMPACT ASSESSMENT OF THE PROPOSED SHORT STAY LEVY

Submission to Tasmanian Treasury
Proposed 5% Short Stay Accommodation Levy

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Submitted by
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Independent Submission

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1. PURPOSE OF THIS SUBMISSION

This submission assesses the proposed 5% short stay accommodation levy through a whole-of-state lens. It considers the potential fiscal, housing, health, regional, small business and market structure impacts on Tasmanians.

The purpose is not to oppose revenue measures in principle, but to ensure that the levy is evaluated as a systems intervention rather than a standalone funding mechanism. Where cross-portfolio interactions exist, they should be transparently modelled and subject to review.

2. ABOUT THE AUTHOR

Fiona Britten is a Tasmanian resident and property professional working within the visitor accommodation and real estate sector. She holds a Master of Tourism, Environment and Cultural Heritage and has undertaken independent analysis in response to the proposed short stay levy, drawing on publicly available housing, tourism and regulatory data. This submission is made in her personal capacity as a Tasmanian resident with professional and academic insight into housing and accommodation market dynamics.

3. EXECUTIVE SUMMARY

The proposed levy is projected to raise approximately \$11 million per annum. Revenue, however, must be assessed alongside behavioural responses and cross-portfolio impacts.

The levy interacts with household travel decisions, professional workforce mobility, regional economic activity, housing segmentation realities and digital platform market structures. Its economic incidence and downstream impacts may not align with the way the levy has been presented as a housing relief measure.

This submission identifies potential impacts in five key areas:

1. Tasmanian households travelling within the state.
2. Health system accommodation costs for professional placements.
3. Regional discretionary spending and small business exposure.
4. Housing supply segmentation and realistic convertibility.
5. Platform commission amplification and potential offshore revenue leakage.

To ensure alignment with Tasmania's broader economic and social objectives, this submission recommends governance safeguards including modelling transparency, statutory review mechanisms, improved housing segmentation reporting and formal cross-portfolio consultation.

4. POLICY CONTEXT

The levy has been framed as a revenue measure to support first home buyer stamp duty exemptions. It therefore sits within a broader housing policy framework focused on supply acceleration, planning reform and key worker accommodation initiatives.

Any measure affecting accommodation supply or pricing must be assessed for alignment with these broader objectives. A policy that influences behaviour may produce secondary impacts beyond its stated revenue purpose.

Where a revenue measure is publicly framed as addressing housing affordability, clear articulation of the causal pathway between the levy and measurable housing supply outcomes is essential.

5. ECONOMIC INCIDENCE AND DISTRIBUTIONAL IMPACT

Public commentary has suggested that the majority of short stay users are interstate or overseas visitors. However, it has been publicly stated that approximately 17% of short stay

users are Tasmanians travelling within their own state, representing a significant cohort directly affected by the measure.

The ultimate burden of a levy depends on price sensitivity, market competition and behavioural adjustment. Costs may fall on Tasmanian households, public sector agencies, accommodation providers or regional businesses.

Explicit modelling of behavioural elasticity across user segments is required to understand where costs are likely to be absorbed.

6. IMPACT ON TASMANIANS TRAVELLING WITHIN TASMANIA

Short stay accommodation is used by Tasmanians for medical support stays, family visits during treatment, holidays, school sport and education travel, regional events, temporary relocations and short term professional placements.

For many of these uses, accommodation is not discretionary tourism but a practical necessity. Increased costs may disproportionately affect households already managing financial pressure.

Separate modelling of intra-state usage is therefore essential to understand household impact.

7. HEALTH AND PROFESSIONAL PLACEMENT IMPLICATIONS

Short and medium-term professional placements, including medical locums and specialist contractors, rely on self-contained accommodation for periods under the 90 day Visitor Accommodation threshold.

If accommodation costs increase or supply contracts, public sector agencies may face higher recruitment and placement costs. These may offset a portion of projected levy revenue.

Cross-portfolio modelling between Treasury and Health is required to determine net fiscal impact.

8. DISCRETIONARY SPEND, REGIONAL ECONOMIES AND LOCAL SUPPLY CHAINS

Accommodation represents a fixed cost in most travel budgets. Hospitality, tours, retail and experiences are discretionary.

If total trip costs increase, visitors may shorten stays, reduce regional travel or limit discretionary purchases. This directly affects locally owned small businesses and regional communities.

Short stay activity also supports local supply chains, including cleaning services, linen providers, trades, maintenance contractors and local suppliers. Any reduction in booking activity may create downstream economic effects.

Assessment of regional multiplier sensitivity and small business exposure is warranted.

9. REGIONAL DISPERSION AND SPATIAL IMPACT

Short stay accommodation contributes to visitor dispersion beyond metropolitan centres and supports regions without significant hotel infrastructure.

Cost pressures that alter travel patterns may increase capital city concentration and reduce visitation to smaller communities. Spatial impacts should therefore be considered in modelling.

10. HOUSING SUPPLY SEGMENTATION AND CONVERTIBILITY

Short stay stock is not homogenous. It includes dedicated investment properties, established holiday homes not suitable for long-term tenancy, hosted primary-residence accommodation, and professionally managed portfolios.

Hosted primary-residence accommodation, where an owner remains resident and lets part of their home, does not represent transferable housing supply and is structurally different from investment properties.

Not all properties are realistically convertible to long-term rental supply. Assumptions treating the sector as a single pool of interchangeable housing risk overstating potential supply gains.

Clarification is sought regarding segmentation analysis and behavioural assumptions underpinning projected housing responses, including differentiation between hosted and non-hosted properties.

11. PLATFORM COMMISSION AMPLIFICATION AND REVENUE LEAKAGE

Online booking platforms operate on percentage-based commission models calculated on total booking value. Where a levy increases gross transaction amounts, percentage-based commission structures will increase platform revenue.

This structural interaction raises questions regarding whether levy-related price increases may amplify offshore commission extraction and whether this effect has been incorporated into net fiscal benefit calculations.

12. DATA INTEGRITY AND MODELLING TRANSPARENCY

Transparent articulation of modelling assumptions strengthens public confidence and policy integrity. Greater clarity is requested regarding behavioural elasticity, intra-state usage, health system cost sensitivity, regional multiplier effects and platform commission interactions.

Assessment should also disclose projected administrative, compliance and enforcement costs. Collection infrastructure, reporting systems and cross-agency coordination may reduce net revenue. Clear presentation of projected gross revenue alongside estimated net revenue would provide a more complete fiscal picture.

Administrative complexity may create uneven operational impacts, particularly for small-scale and hosted providers managing direct bookings or stays that move beyond the 28-day levy threshold.

The levy applies to stays under 28 days, while the Short Stay Accommodation Act 2019 defines visitor accommodation using a 90-day threshold. Agreements exceeding 90 days are required to fall within real estate licensing frameworks. This layered structure may create confusion and inconsistencies in compliance and reporting. Clear articulation of how these thresholds align across agencies would strengthen policy coherence and data integrity.

13. RECOMMENDED GOVERNANCE SAFEGUARDS

To ensure alignment with Tasmania's broader economic and social objectives, the following safeguards are recommended.

- Publication of key modelling assumptions and sensitivity ranges.
- Inclusion of a statutory review within 12 to 18 months of commencement examining revenue outcomes, behavioural changes, regional visitation patterns, health system cost interactions, housing responses and platform market effects.
- Improved segmentation reporting distinguishing between investment properties, non-convertible holiday homes, hosted properties, and professionally managed accommodation.
- Formal cross-portfolio consultation to confirm assessment of health and essential service cost implications.
- Clarification and publication of definitional alignment across levy thresholds, visitor accommodation classification and licensing frameworks to ensure regulatory coherence and consistent reporting.

These mechanisms provide an evidence-based feedback loop and protect the integrity of the policy process.

14. CONCLUSION

The proposed levy should be assessed as a systems intervention rather than a discrete funding measure. Projected returns must be considered alongside potential impacts on Tasmanian households, public sector budgets, regional small businesses, housing segmentation realities and digital platform market structure.

At its core, this submission seeks to ensure that revenue raised to support Tasmanians does not create unintended costs for the same community it is intended to assist.

Yours sincerely,



Fiona Britten