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25 February 2026

Short Stay Levy Bill 2025 – Consultation - Feedback

Overview:

The Short Stay Levy Bill, 2025 is a response to the rapidly increasing number of residential properties that are being converted to short stay accommodation. It is my submission that this 5% levy be refined and placed within a scaffold, a structure that will provide certainty for the short stay industry and the residential amenity of the Tasmanian community.

There are currently 8,138 (Sept 2025) listings in Tasmania. Hobart has the highest concentration of short stay accommodation in Australia.

The 5% levy would be replaced by a range of levies that would provide structure and certainty for residents and the owners and operators of short stay business.

The consideration of this Bill indicates that the State Government has arrived at a moral compass moment by considering what would be a satisfactory balance between providing for the residential amenity of the community and the business interests of short stay providers. A failure to act will drive the Tasmanian community into uncharted territory of dislocation and social discord.

I suggest that the 5% Levy be replaced by three Levies operating in a structure that will close any further harvesting of residential property for the purpose of conversion into micro-hotels. "Residential property" will need to be defined in law, something along the lines of, "long term residence."

0% Levy

Some investors plan and build dwellings specifically for short stay accommodation. This adds to the total stock of housing. Several examples are: one family in the north of Hobart constructed 3 dwellings on a semi-rural property specifically for short stay accommodation; close to my home, approval has been given for the construction of 38 or so dwellings specifically for short stay accommodation. Investors who plan and invest capital in the construction of short stay dwellings should be able to apply for, and receive, a Short Stay Levy Capital Investment Exemption.

5% Levy

Residential dwellings converted to short stay accommodation would pay the 5% Levy. Short Stay platform spokesmen have indicated that an appropriate percentage of short stay accommodation as a percentage of residential housing in any location should be about 1% of the residential housing stock. Each local government area should calibrate 1% of dwellings as a base number for short stay operators paying the 5% Levy. In Hobart there are about 23,000 dwellings, meaning that there would be 230, 5% Levy licences available. Investors should be able to tender for and purchase a Short Stay 5% Licence. These licences would appreciate in value and could be transferred, much like an abalone licence. This would need to be done over a number of years.

7.5 % Levy

Investors would also be able to apply for a 7.5% Levy Short Stay License, for an additional 1% of residential stock. This would take the total available to 460 dwellings. No other residential dwellings would be transitioned into micro-hotels. A significant number of residential dwellings in Hobart would transition back into the long term rental market over a 3 to 5 year period if the owners choose not to tender for a Short Stay Licence.

Operation:

The HCC will develop a short stay rate for the commercial operation on the 460 dwellings allocated to visitor accommodation in Hobart. This will pay for ensuring that short stay commercial operations are compliant with OH&S and Insurance. The State Government will develop the administration framework that provides stability for short stay industry and residential dwellings. The Federal government supports the commercial operation of micro-hotels through the Taxation Department.

Rationale:

Investment in short stay accommodation should be encouraged. The Short Stay Levy should not be applied to investors who design and build accommodation specifically for short stay accommodation. A 0% Levy will provide this encouragement.

Continued harvesting of the residential amenity of Tasmania in order to convert homes into micro-hotels will cease. Over a period of twenty years the soft underbelly of communities across the globe has been harvested by investors who purchase residential property and transition that property into micro-hotels. This only happens because there is no clear definition of the word "residential." This omission has meant that less expensive residential housing has been harvested and transitioned into a micro-hotel to gain a high commercial return. A \$30,000 annual home rental is replaced by \$70,000 short stay fees. This conversion of property is a zero sum game, the profits gained by the home harvester is offset by the loss of residential amenity.

This is a business model of opportunism, residential homes are harvested for large short stay profits. The victims of this home harvesting, homeless older men and women and young families living in cars, do not have a desk to sit at and write a submission for your consideration. There is a silent distress. Housing shortage and homelessness are just two outcomes of the unrestrained harvesting of residential homes for easy profit. There are others. Dreaming and aspiring to home ownership for the young requires a healthy residential amenity. Badly organised and incompetent micro-hotel managers who ignore OH&S and insurance will in time create litigation problems for local councils and their communities. Every complaint your office receives about the difficulty of collecting a 5% levy should be interpreted as noise from those who lack the competence to understand their own accounting software. Such people should not try to operate a business.

The Coat of Arms of the Hobart City Council carries a subtle message. The shield is held by a kangaroo and an emu. Both animals are extinct in Tasmania. Along with the populations of seals and migrating whales, kangaroos and emus were harvested to the point of extinction. Unrestrained harvesting of residential property will end just as badly, unless the three levels of government can structure an environment where short stay accommodation and the residential amenity of the Tasmanian community can co-exist. This is a moral compass moment.

Rex Beamish