



Short Stay Levy Bill 2025

SUBMISSION

prepared by the...

Tasmanian Chamber of Commerce and Industry

Contents

Who we are	1
Our Position	2
1. Long-term Economic Strategy	4
2. Local Wealth Retention & Investment	5
3. Tourism and Major Events	6
4. Population Growth	7
5. Regional Employment	8

Who is TCCI?



The Tasmanian Chamber of Commerce and Industry (TCCI) is the peak body for business in Tasmania. As a member-driven, non-for-profit organisation, we represent the interests of businesses of all sizes and across all industries throughout the state.

Our mission is to foster a vibrant and competitive business environment that enables Tasmania to prosper. We provide advocacy, networking, and support services to ensure the voice of Tasmanian business is heard at all levels of government.



Michael Bailey

Chief Executive Officer

Michael leads the TCCI's advocacy efforts, working closely with government and industry stakeholders to drive economic growth and support the Tasmanian business community.



Becher Townshend

Chairperson of the Board

The Chairperson provides strategic leadership to the Board, ensuring the TCCI remains focused on its long-term objectives and represents its members effectively.

The Tasmanian Chamber of Commerce and Industry (TCCI) does NOT support the proposed *Short Stay Levy Bill 2025* (the Bill).

As a general rule, the TCCI are opposed to increased or additional taxes or levies within Tasmania.

The proposed Short Stay Levy is a new tax, and we therefore oppose this new levy.

Additionally, we oppose the new levy for the following reasons:

Breach of Election Commitment

- This new levy is a clear breach of the commitment given by Premier Rockliff in the [2024 State election campaign](#), repeated in the [2025 state election campaign](#), of “no new taxes”.
- On this basis alone, the *Short Stay Levy Bill 2025* should be abandoned.

Double and Potentially Triple Taxation

- As drafted, the new Short Stay Levy will be subjected to the Federal GST.
- This “tax on a tax” is double taxation.
- It also makes the effective rate of the levy 5.5 per cent (not 5 per cent as claimed).
- Some local councils in Tasmania (namely Hobart and Clarence, with others reportedly considering it) are now applying double rates to properties with short-stay permits.
- The imposition of this new levy on properties in those local government areas will be the third time that short-stay accommodation properties will have been taxed.

Likely Dampening Effect upon Tasmanian Visitor Economy

- Tasmania’s visitor economy is worth \$3.6 billion per year, supporting around 50,000 jobs or over 15 per cent of total employment in the State, the highest in the country.
- Short stay accommodation makes up a significant portion of this; Airbnb alone contributed \$500 million to Tasmania’s GSP and supported 3,300 jobs according to a recent Oxford Economics study they commissioned.
- Our visitor economy is still recovering from the crushing effects of COVID.
- Currently, only two other mainland jurisdictions (the ACT and Victoria) have short stay levies.
- It is a basic law of economics that if something costs more, it will put downward pressure on the number of people purchasing it.
- The imposition of a short-stay levy will increase the price of short stay accommodation in Tasmania and inevitably make the state a less attractive destination for visitors compared to jurisdictions without a visitor levy.

In principle...

The Bill is a fiscal lever seeking to shift the funding burden of would-be expired housing assistance commitments onto a marginally related sector integral to the State's long-term economic trajectory rather than establishing expenditure discipline within the State's budget.

In Tasmania's current economic and political environment, this approach risks a self-defeating precedent where limited productive and growing areas of the economy are taxed to offset government spending, or worse, avoid necessary spending cuts.

In practice...

The revenue generated by the Bill will not expand housing supply, reform planning settings, or increase development capacity. It will not release land, reduce construction costs, or accelerate approvals. Its only tangible function is to create a dedicated revenue stream for an unrelated policy commitment, while the structural constraints that drive housing pressure remain intact.

Further, the Bill will not materially contribute to stabilising the budget. Revenue extracted from a growing sector comes at the cost of reduced reinvestment, increased compliance friction, and diminished market confidence. The economic base from which the revenue is drawn is the same base required to strengthen fiscal performance. Taxing that base weakens the capacity it will rely upon in the future.

The proposed Bill is misaligned with Tasmania's economic needs. It neither resolves structural housing constraints nor materially strengthens the budget. Instead, it introduces cost and uncertainty into a sector essential to tourism growth, private investment, regional employment, population attraction, and local wealth retention.

Tasmania's economic recovery depends on strengthening its growth engines, not taxing them to manage fiscal exposure caused by chronic over-spending.

Tasmania's long-term economic recovery demands private-sector growth and reduced public expenditure. In a small, open economy with limited fiscal capacity, sustainable growth must be built on sectors that attract external demand, convert that demand into local income, and compound private capital over time.

Tourism is one of the State's primary growth engines within that framework. It imports spending into Tasmania, supports regional enterprise formation, encourages population inflow, and stimulates reinvestment in productive assets. These effects are interlinked: visitation supports business viability; business viability supports employment; employment and amenity support population growth; population growth deepens the workforce and investment base.

Short-stay accommodation now forms a functional component of Tasmania's tourism infrastructure. It is decentralised, locally financed capacity that increases elasticity in the visitor economy. It enables regional dispersal, absorbs demand spikes during major events, and converts private property into productive tourism infrastructure. It is flexible capital responding to market signals.

Tasmania's long-term economic recovery demands stronger private-sector growth and reduced public expenditure. A levy that draws revenue from a growth engine to sustain government spending is counter-productive to this objective at its core.

2. LOCAL WEALTH RETENTION

The state government has articulated a long-term economic strategy centred on tourism-led growth. Short-stay accommodation is one of the most accessible and locally financed components of that strategy. These are predominantly *Mum and Dad* or *Nan and Pop* investments; households deploying lifetime savings into land and property assets that generate visitor capacity.

They are typically less leveraged than institutional investments and are funded from locally created wealth. When deployed, that wealth remains in Tasmania. When sustainable, it can compound across generations. Critically, it is patient capital seeking to convert long-term land ownership into productive tourism class infrastructure aligned with the government's stated long-term economic and public policy objectives

Taken together, this constitutes an organic grassroots tourism infrastructure model, one built incrementally by Tasmanian households rather than centrally financed or publicly funded. It embeds ownership within communities, retains wealth within the State, and expands visitor capacity in alignment with demand. As a decentralised form of capital formation, it strengthens regional resilience and supports long-term economic recovery from the ground up.

The State's tourism strategies call for increased private investment, regional capacity, and confidence in the visitor economy. Introducing a levy on short-stay accommodation contradicts that strategic objective by discouraging grassroots tourism investment, particularly Mum and Dad household capital, and weakening investment certainty.

The proposed Bill introduces a registration and compliance framework that materially affects temporary short-stay participation. Administrative lodging requirements, ongoing reporting obligations, and exposure to penalties for inadvertent non-compliance increase the procedural burden associated with listing a property for a limited period.

For households considering hosting only during a major event, these fixed compliance obligations reduce viability. The effect is not necessarily widespread exit, but reduced marginal entry, precisely the supply that provides elasticity during demand spikes.

Major events produce sharp, time-bound increases in accommodation demand. Price elasticity during these periods depends on additional listings entering the market at the margin. When compliance frameworks deter temporary hosts, that incremental supply fails to materialise. Demand therefore adjusts through price rather than expanded capacity.

By imposing fixed administrative burdens such as registration, reporting and cancellation requirements, the Bill reduces marginal entry during demand spikes, constrains short-run supply elasticity, and shifts adjustment from expanded capacity to higher prices, potentially outpricing budget-constrained visitors and reducing overall participation in major events.

4. POPULATION GROWTH

Tourism and migration are structurally linked within Tasmania's economic model. A proportion of new residents first experience the State as visitors. The quality, accessibility, and geographic breadth of that experience materially influence perceptions of liveability, opportunity, and long-term relocation potential.

Short-stay accommodation plays a distinctive role in that process. Unlike fixed hotel precincts concentrated in central business districts, short-stay listings are embedded across suburbs, regional towns, and lifestyle locations. This dispersed exposure enables visitors to experience communities as residents might: engaging with local services, school areas, neighbourhoods, and regional employment centres. The visitor experience therefore becomes an informal entry point into migration consideration.

Though the Bill will not directly determine migration outcomes, it has the ability to influence one of the indirect channels through which population inflow occurs, particularly in regional areas. Where visitor capacity is constrained, geographic exposure narrows. Where compliance burdens reduce marginal participation, regional dispersal weakens. Over time, this can dampen the conversion of visitor interest into relocation decisions.

In economic terms, short-stay accommodation contributes to population attraction by broadening first-contact engagement with Tasmania. It expands the spatial and social interface between visitors and communities. Weakening that interface does not merely affect tourism metrics; it risks narrowing the funnel through which future residents enter the State.

Short-stay accommodation contributes meaningfully to decentralised employment across Tasmania, including cleaners, maintenance providers, property managers, tradespeople, and hospitality spillover. These roles are typically flexible, part-time or supplementary, and embedded within local communities rather than concentrated in metropolitan centres.

This employment model is dispersed rather than centralised. It spreads economic participation across regions where large-scale commercial investment is less frequent, converting private property into small-scale enterprise activity and circulating income through local service networks.

The proposed Bill would disrupt that model via increased regulatory friction, reduced margins and reinvestment capacity. When compliance costs rise and uncertainty increases, marginal operators reassess viability; some exit, others scale back. Regional economic resilience depends not only on major projects but on the cumulative contribution of distributed small enterprises.

Any reduction in regional short-stay accommodation capacity will disproportionately constrain visitation to Tasmania's more isolated and unique destinations, limiting growth potential linked to natural assets beyond major population centres and undermining a core premise of the State's interstate tourism marketing strategies (e.g. "Come down for air").



TCCI

Thank you for your consideration.

Tasmanian Chamber of Commerce and Industry