

25 February 2026

Gillie Stock  
Director  
Intergovernment and Financial Policy Branch  
Department of Treasury and Finance  
Sent via email: [taxpolicy.advice@treasury.tas.gov.au](mailto:taxpolicy.advice@treasury.tas.gov.au);

Dear Ms Stock,

### **Short Stay Levy Bill 2025 – LGAT Submission**

Thank you for the opportunity to provide a submission on the Short Stay Levy Bill 2025 (the Bill). This submission has been prepared by the Local Government Association of Tasmania (LGAT) on behalf of all 29 Tasmanian councils.

LGAT is incorporated under the *Local Government Act 1993* and is the representative body and advocate for local government in Tasmania. Where individual councils make their own submissions, any omission from this submission should not be interpreted as a lack of support by LGAT for that council's position.

Our submission is informed by the [local government sector's position on housing](#) that identifies opportunities for State and local government to work together to address our significant housing challenges.

Local government cannot support a levy proposed to fund further housing market distortion caused by first home owner grants. The moderate revenue stream generated by a levy will not incentivise a return of whole houses to the residential market and must be dedicated to social housing supply to positively affect housing availability and affordability. The preference of our sector is for measures that can be applied to the specific areas where intervention is required to address impacts of housing availability in residential zones.

### **Local government's role in housing and visitor accommodation**

Local government welcomes the Tasmanian Government's intention to improve transparency of the short stay accommodation sector and acknowledges the limited role proposed for councils within the Bill. It is appropriate that the Bill places levy administration responsibilities with booking platform providers and direct-booking operators, as outlined in the draft legislation and Discussion Paper.

## **Protecting local government's role in managing land use impacts**

There can be significant impacts on housing where a larger proportion of whole homes or entire dwellings are converted from normal residential use to year-round short-stay accommodation. These include reduced housing availability, reduced residential amenity, and distortions in the local housing market. Councils currently have limited tools to manage these impacts within the Tasmanian Planning Scheme. As described in the Bill and Discussion Paper, the levy does not alter planning assessment pathways nor provide additional regulatory levers to councils.

It is critical that councils' have an enhanced ability to regulate short stay accommodation through planning provisions that reflect local conditions. A one-size-fits-all approach under Statewide Planning Provisions has not been effective in areas experiencing intense tourism pressure or limited housing supply. Councils understand that the impacts of short stay on housing availability varies, some areas experience minimal impact, while others – particularly high-tourism coastal and urban areas – face significant pressure.

We urge the State Government to ensure that councils can:

- Develop local planning provisions to manage short stay, tailored to their specific circumstances.
- Restrict or condition the growth of whole-home visitor accommodation in residential zones where housing shortages are pronounced.
- Approve or limit short stay accommodation based on strategic planning considerations.
- Monitor and manage neighbourhood amenity impacts.

It is important that any future regulatory frameworks arising from the levy do not diminish local government's crucial land-use planning functions.

## **Ensuring clarity in planning definitions**

Consistency in planning definitions is essential for effective regulation. The Bill defines short stay accommodation for levy purposes, focusing on stays of fewer than 28 consecutive nights and excluding types like hotels, caravan parks, genuine B&Bs, crisis accommodation, and health-related accommodation. These definitions are appropriate for taxation purposes, but do not address inconsistencies in the planning system.

We encourage the State Government to continue work to ensure that planning definitions sufficiently distinguish between:

- genuine home-sharing arrangements
- commercially let visitor accommodation where entire dwellings are removed from the housing market.

### **Council authority to apply differential rates must be retained**

We support the continued ability for councils to use differential rating to address inequities between commercially let visitor accommodation and traditional residential housing. The *Local Government Act 1993* (Section 107), supported by the Valuer-General's Property Classification Code for Short Stay Visitor Accommodation, allows councils to apply differential rates to short stay. The proposed Short Stay Levy is complimentary to, and does not replace the need to allow for, differential rating.

Differential rating for Short Stay Visitor Accommodation:

- Supports fairness by ensuring commercial operations do not benefit from residentially-priced rates.
- Can contribute to a suite of incentives that support returning properties to long-term residential use.

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

We understand that the proposed five percent levy revenue stream is intended to be used to support first home buyers. We support the goal of "helping Tasmanians into home ownership." However, this revenue stream could achieve a bigger impact if it were also used to support the most acute areas of housing insecurity; the social and affordable sectors. This would better contribute to the Tasmanian Housing Strategy's vision of ending homelessness.

### **Improve enforcement of the *Short Stay Accommodation Act 2019***

Councils report that the current data-sharing and enforcement framework under the *Short Stay Accommodation Act 2019* is not functioning effectively. Significant gaps in the data and limited State enforcement result in an incomplete and unreliable dataset for assessing the impact of short stay accommodation on housing supply.

We strongly support improved State Government enforcement of data reporting requirements, expanded datasets that link to housing supply, greater compliance oversight, and regular engagement with councils.

## **Conclusion**

LGAT appreciates the opportunity to provide input on the Short Stay Levy Bill 2025 and acknowledges the limited role the Bill assigns to local government. However, councils remain deeply concerned about the broader impact of short stay accommodation on housing availability and local amenity in some specific areas of Tasmania.

Local government stands ready to collaborate with the Government on a balanced and effective framework that supports Tasmania's visitor economy while protecting the housing needs of local communities.

Please contact Jon Stanger, [jon.stanger@lgat.tas.gov.au](mailto:jon.stanger@lgat.tas.gov.au), 0437 374125 if you require additional information or wish to discuss any aspect of this submission.

Yours sincerely

Dion Lester  
**CHIEF EXECUTIVE OFFICER**