

## Australia and New Zealand Short Term Rental Association

### **ASTRA Submission** **Short Stay Levy Bill 2025 - Tasmania** **Response to the Department of Treasury and Finance**

#### **Who is ASTRA**

The Australian and New Zealand Short Term Rental Association (ASTRA) is the peak, member based body representing the short term rental accommodation (STRA) industry across Australia and New Zealand. ASTRA's mission is to lift professionalism and engagement across the STRA industry through advocacy, education, information, networking and research.

ASTRA's members reflect the full breadth of the STRA ecosystem, including hosted and non-hosted residential property owners, professional property managers, operators, agents, local hosts, and the technology and service providers that support the sector.

The majority of ASTRA's membership comprises small to medium sized operators managing residential properties, many of whom rely on STRA income to support local businesses, regional economies and flexible accommodation needs.

ASTRA is distinct from online booking platforms and commercial accommodation providers, representing the residential STRA sector and its participants operating within local communities.

#### **STRA Fast Facts**

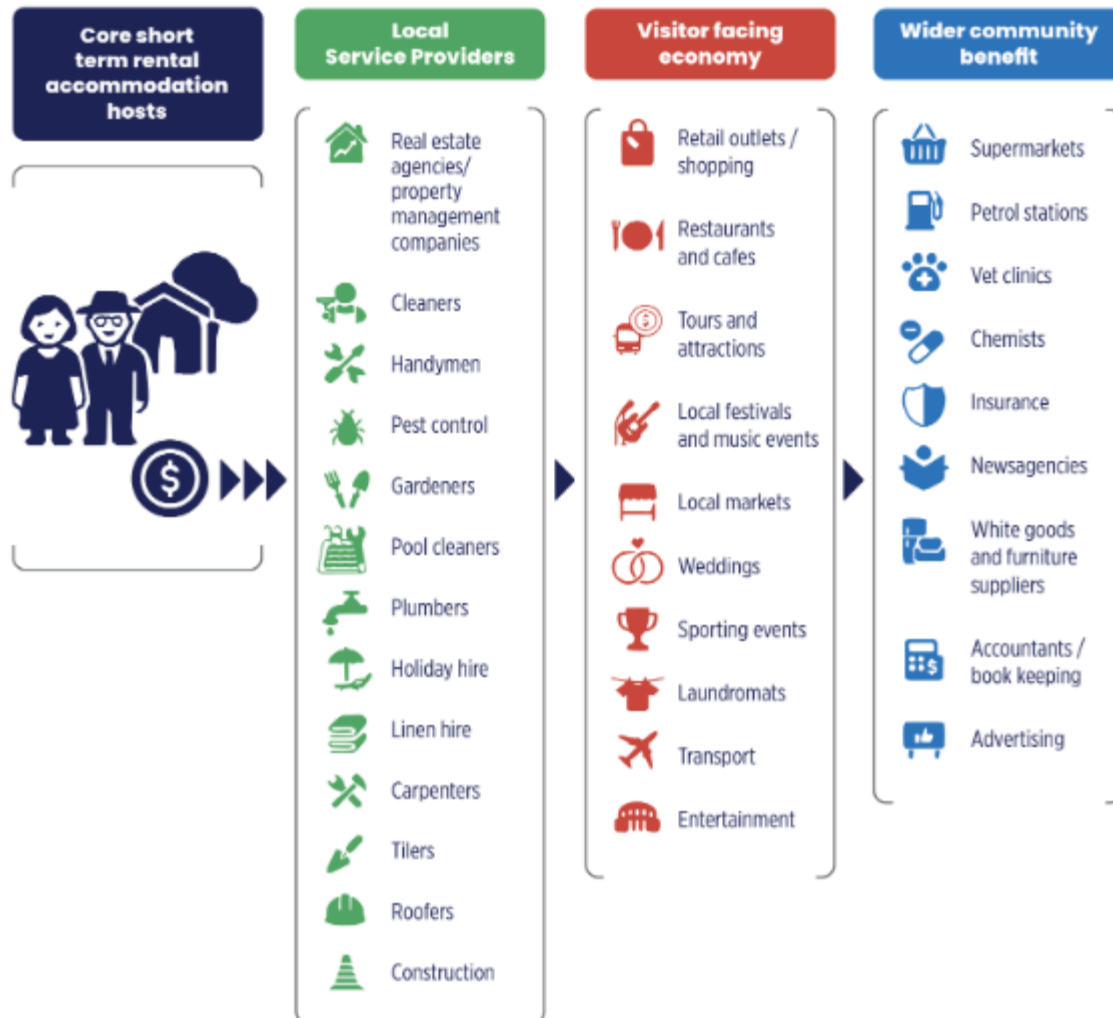
The STRA industry generates significant economic benefits beyond accommodation bookings. The sector supports local economies by directing visitor spending to neighbourhood cafes, restaurants, retail shops, tours, and services across metropolitan, regional, and rural communities. It creates employment for cleaners, property managers, and tradespeople, many operating local small businesses that circulate tourism dollars within communities.

Beyond leisure tourism, STRA properties provide essential housing for mobile workforces, emergency accommodation, healthcare accessibility for medical travellers, housing for insurance and corporate relocations, and support during major festivals and events.

The following breakdown illustrates how each STRA dollar flows through the economy, demonstrating the STRA industry's vital role in Australia's economy and local communities.



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### Key STRA Industry Data

According to unpublished data directly from Tourism Research Australia, the STRA industry contributed \$8.5 billion to the Australian economy in the first three quarters of 2025, with calendar year figures projected to reach \$12 billion (2025 calendar year data will be released March 2026).

### Additional industry insights:

- Non leisure accommodation:** 40% of STRA stays are non-leisure and include essential workers, those travelling seeking medical treatment, healthcare workers, essential workers, construction workers, women and children escaping domestic violence, emergency accommodation for flood and fire victims plus families moving home or separating. Then there are academics, politicians and entertainers plus families traveling for sporting or school events. (Source: ASTRA data 2025)



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- 2. **Management structure:** 61% of properties are managed by individual hosts, while 39% operate under professional management. (Source: ASTRA data 2025)
- 3. **Demographic diversity:** Short term rental properties are mostly owned by Australian families, the vast majority of whom own only one property. Almost a quarter (23%) of STRA properties are owned by women over 60 years of age, who often have little to no superannuation. Many say they use the income to help make ends meet such as mortgage and cost of living expenses. (Source: ASTRA data 2025)
- 4. **Long term rental conversion:** Independent research by JWS Research and Frontier Economics indicates that 88 - 96% of property owners would not convert their properties to long term rental accommodation with the introduction of restrictions, as these properties are primarily used for personal purposes or not configured or appropriate for the long term rental market.

## STRA data

The unpublished data below has been provided directly from Tourism Research Australia and shows STRA figures from January to September 2025 (2025 calendar year data will be released March 2026).

Category	Total (January to September 2025)
Total STRA visitor expenditure (Australia, domestic only - no international spend recorded)	\$8.5 billion recorded (12 billion estimated for calendar year)
TAS STRA visitor nights ( <i>domestic</i> )	817,000
TAS STRA trips ( <i>domestic</i> )	233,895
TAS STRA visitor expenditure ( <i>domestic</i> )	\$326m

The data demonstrates the following:

**Seasonal Patterns:** The data reveals strong seasonality with peak occupancy periods during summer months (December to February) reaching above 60%, while off season periods (May to August) drop to 30 - 40% occupancy.

**Pricing Trends:** Daily rates fluctuate significantly with seasonal demand, ranging from approximately \$150 in low season to over \$330 during peak periods (December to January).

**Diverse accommodation options:** The geographic spread and variety of property types (evidenced by the range from individual properties to multi bedroom units) shows STRAs fill accommodation gaps across Tasmania, serving families, groups, business travellers, and tourists with different needs than traditional hotels.



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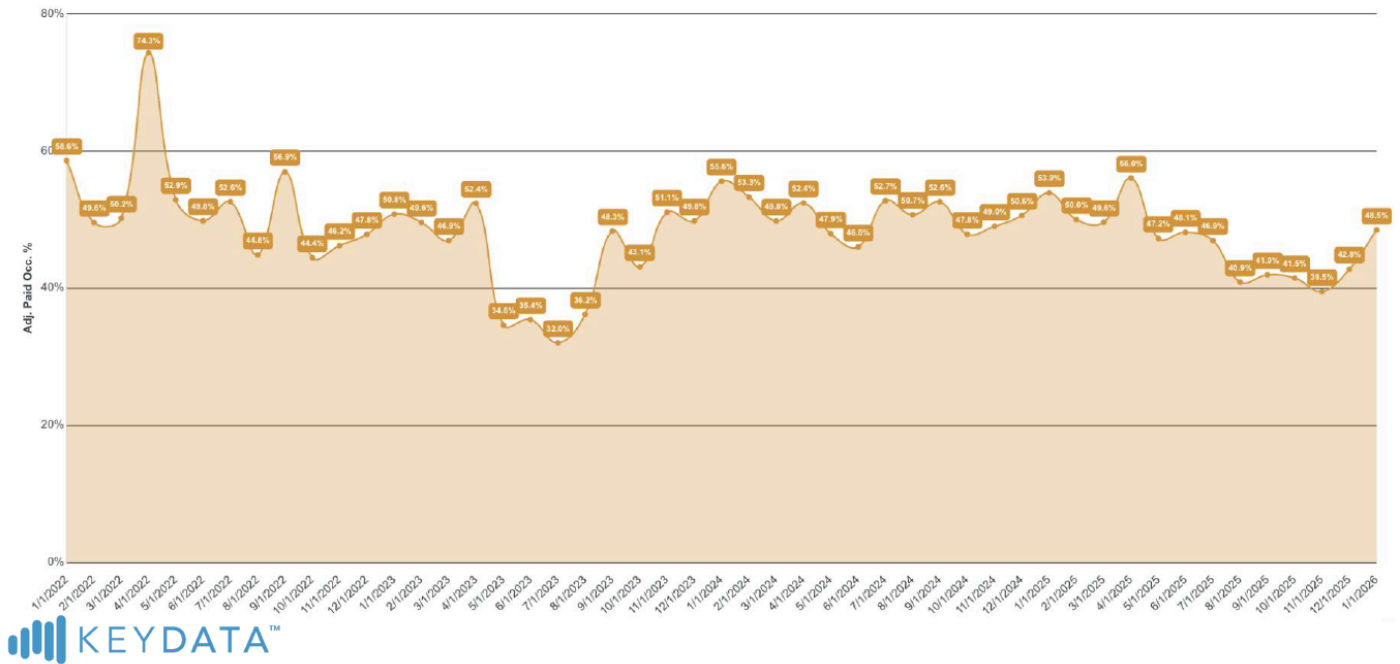
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**Visitor Experience:** The average 3.5 night stay duration, indicates STRAs are supporting meaningful visits to Tasmania, whether for family occasions, sporting events, business travel, or tourism, rather than just transient overnight stays. STRA is critical to Tasmania's visitor economy growth.

### PAID OCCUPANCY

Adj. Paid Occ. % | 1/1/2022 - 1/23/2026 as of 1/23/2026 | 48.1%





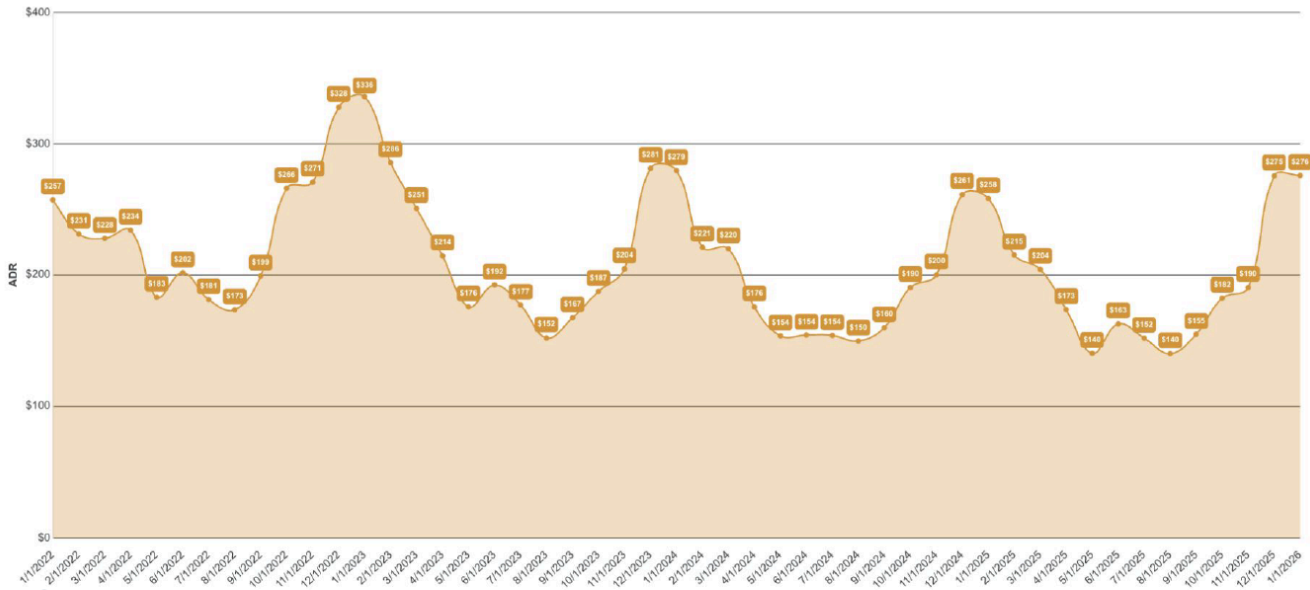
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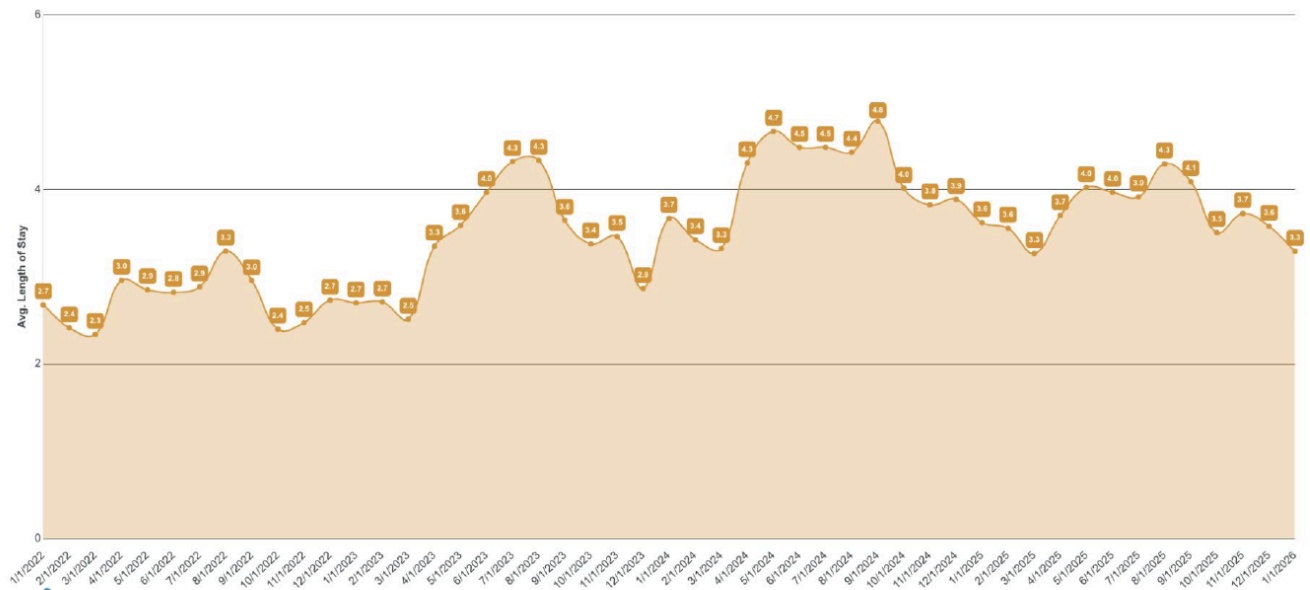
## Avg. Daily Rate

Mania: ADR | 1/1/2022 - 1/23/2026 as of 1/23/2026 | \$205



## Avg. LOS

Mania: Avg. Length of Stay | 1/1/2022 - 1/23/2026 as of 1/23/2026 | 3.5





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### **Short Stay Levy Bill 2025 - Tasmania Response to the Department of Treasury and Finance**

ASTRA commends the Tasmanian Government for its first 20-year whole-of-system housing strategy, which recognises that sustainable improvements in affordability depend on increasing supply across the housing continuum and delivering the types of homes Tasmanians need. A long-term, structural approach to housing reform is essential, and ASTRA supports measures that genuinely expand supply and improve access to home ownership.

ASTRA does not consider a levy on short stay accommodation to be the primary solution to housing affordability pressures. However, in light of the current proposal, we focus on ensuring any measure adopted is proportionate, economically calibrated and aligned with broader housing objectives. We submit that the proposed settings require refinement, including adoption of a moderate levy rate in the range of 2-3%, to support sustainable funding for housing initiatives while minimising cost impacts on travellers and preserving Tasmania's tourism competitiveness.

ASTRA provides recommendations for design and implementation of the proposed levy.

#### **Scope of the levy**

ASTRA recognises that the proposed model focuses on short stay accommodation as the revenue base for the levy. In many international jurisdictions, visitor-based levies apply across multiple accommodation types to promote competitive neutrality and revenue stability. However, in the context of the current Bill, ASTRA's primary focus is ensuring that the proposed levy is proportionate, economically calibrated and designed to operate effectively within the existing framework.

#### **Levy rate of 2-3%**

ASTRA recommends that the Tasmanian Government adopt a levy rate in the range of 2-3% rather than the proposed 5%.

While the headline rate is 5%, the effective burden on travellers is likely to exceed this figure. The levy is calculated on the total booking fee, which includes accommodation charges, cleaning fees and service fees. In addition, where booking platforms calculate commissions (typically 15-20%) on the gross amount charged to the guest, the pass-through of the levy may expand the commission base. When these structural interactions are considered alongside GST inclusion, the effective cost of a stay can exceed the nominal 5%.



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The Victorian levy framework provides a practical illustration of how structural design can amplify effective rates. Under that model, the 7.5% levy is calculated on the total booking fee, including GST, cleaning fees, platform charges and any levy-attributed amounts. This compounding structure demonstrates how a headline rate can translate into a higher effective market impact once applied within real-world booking systems. It underscores the importance of careful calibration at the outset to ensure the practical impact aligns with the stated policy intent.

A calibrated rate of 2-3% would better align the practical impact of the levy with its intended objectives.

### Why ASTRA advocates for a levy rate of 2-3%:

- **Provide sustainable revenue while minimising market distortion:** A moderate levy rate would generate meaningful revenue for housing initiatives without materially altering pricing behaviour or accommodation supply. Tourism demand is price sensitive, particularly for domestic families and discretionary travel segments. Higher effective levy rates increase the risk of shorter stays, reduced visitation, substitution to alternative destinations or accommodation options.

If visitor behaviour shifts, the revenue base narrows, potentially undermining the stability of funding for first home buyer support. A 2–3% rate reduces the likelihood of behavioural distortion while preserving the breadth of the levy base. A moderated rate also reduces the risk that projected revenue estimates are eroded by behavioural responses that narrow the levy base over time.

- **Position Tasmania competitively:** Tasmania competes directly with other Australian destinations for domestic tourism expenditure. With no equivalent visitor levy operating in New South Wales, South Australia and Western Australia, a moderate rate allows Tasmania to capture revenue from its visitor economy while maintaining its competitive position.

At 2-3%, the levy remains a relatively minor component of overall trip cost. At higher effective rates, particularly when combined with Tasmania's existing transport cost premium, price sensitivity may become more pronounced.

- **Reduce unintended consequences and support small operators:** Many STRA operators are small-scale providers, including families with holiday homes, in regional areas with limited capacity to absorb additional pricing and compliance pressures. A moderate levy preserves the economic viability of these small scale operations, which are often critical to regional tourism capacity. In areas where hotels and motels are limited or non-existent, STRA fills essential accommodation gaps. A higher effective levy increases the risk of market withdrawal, reduced regional accommodation capacity, or price escalation that diminishes competitiveness without delivering corresponding housing benefits.



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Evidence from jurisdictions with punitive tourism taxes shows that aggressive rates can trigger market exits, reduced investment, and decreased tourism capacity.

A moderate rate minimises these risks while still achieving the Government's revenue objective. It also supports voluntary compliance and provides flexibility to assess impacts through a structured post-implementation review, rather than implementing a rate that may prove difficult to recalibrate.

### **Hosted accommodation and principal places of residence should be excluded from the SSL definition:**

ASTRA submits that hosted accommodation- including private room bookings, secondary dwellings such as granny flats where the host resides on site, and the temporary letting of a host's principal place of residence while they are absent (for example during holidays or work-related travel)- should be excluded from the definition of short stay accommodation for the purposes of the Short Stay Levy.

Where a dwelling remains a person's principal place of residence, its intermittent or partial use for short stay accommodation is mutually exclusive from the long-term rental market. This also applies to hosted accommodation where the primary resident remains in occupation of the dwelling during a guest's stay, making use of surplus space within an occupied home. Agritourism homestays provides a pertinent example in regional Tasmania, where long term stays are neither suitable nor intended and operators are delivering a unique location-specific guest experience.

Targeting these types of activities risks reducing supplementary income for Tasmanian households managing rising mortgage and cost-of-living pressures, disincentivising low-cost, community-based accommodation that supports regional tourism and intrastate travel, and creating administration complexity for low-impact, small scale hosts. If the Government's policy objective is to address housing pressures, the levy should be calibrated to target activity that materially interacts with dwelling supply. Owner-occupied and principal residences do not meet that threshold.

This distinction is recognised in other Australian jurisdictions. The Victorian levy provides an exclusion for hosted accommodation within an owner or renter's principal place of residence, and the ACT framework excludes hosted accommodation. These approaches reflect a policy distinction between owner-occupied, incidental use of residential premises and non-owner-occupied accommodation activity.

### **Stay purpose differentiation**

The proposed levy applies uniformly to all STRA accommodation uses, regardless of purpose. This fails to recognise material differences between:

- leisure stays by tourists and holidaymakers
- workforce and project accommodation (corporate, infrastructure)
- travellers with a disability, including those accompanied by family or carers
- medical and health related accommodation (patients, carers, families)

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- relocation and temporary housing (insurance claims, emergency accommodation)

These uses play critical roles in workforce mobility, healthcare access, and community resilience and are stays utilised largely by Tasmanians.

ASTRA recommends:

- exemptions or reduced rates for bookings under 28 days used for workforce, medical, or relocation purposes
- clear carve outs for insurance funded accommodation following natural disasters or emergencies
- recognition that not all STRA uses have the same relationship to housing supply

### Defining booking platforms

ASTRA supports the Government's proposed approach under which the Short Stay Levy is collected and remitted either by a booking platform or by an operator who accepts direct bookings, ensuring consistent treatment across distribution channels and avoiding duplicate liability.

The legislative definition of "booking platform" should be clearly articulated in legislation and supported by practical guidance to ensure consistent interpretation and clear allocation of levy responsibility. Given the diversity of online and offline distribution models through which short stay accommodation is arranged - and their varying capacity to calculate, collect and remit a levy - clear legislative drafting and supporting guidance will be important to ensure entities understand whether they fall within scope and to minimise uncertainty across the market.

The definition should not unintentionally capture non-commercial or publicly operated intermediaries whose involvement in bookings is incidental. Clear drafting and appropriate safe harbour provisions will help ensure that visitor information centres, council-run services and destination management organisations are not subject to compliance obligations disproportionate to their role.

A definition that is either too narrow or unevenly applied risks creating competitive distortions. Providers may shift to channels where levy collection is not required or technically feasible, resulting in inconsistent tax treatment for identical accommodation activity. A clear and competitively neutral framework will ensure the policy operates as intended without disadvantaging particular distribution models.

### Operational complexity of distribution models

Short stay accommodation operates within a multi-channel distribution environment. Many operators list properties across multiple online travel agencies (OTAs), accept direct bookings through their own websites,



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and utilise property management systems and channel managers to synchronise pricing and availability across platforms.

Each distribution channel may calculate commissions, fees and taxes differently. Some platforms calculate commission on the gross guest charge (inclusive of levies), while others do not. Direct bookings may rely on manual invoicing or legacy systems without automated levy functionality.

As a result, levy calculation and remittance cannot be assumed to operate within a single, uniform technological environment. Clear legislative drafting and technical guidance will be essential to ensure consistent treatment across platforms, direct bookings and hybrid distribution models, and to minimise compliance risk.

### **Application of the levy**

ASTRA notes concerns regarding the levy calculation methodology. The levy applies to the “total booking fee,” which includes accommodation charges, cleaning fees, booking fees, platform service charges and other ancillary amounts (excluding bonds and merchant fees), resulting in a broad cost base rather than the accommodation charge alone.

The Bill further provides that the total booking fee includes “any GST that is payable in respect of the booking”, meaning the 5% levy is calculated on a GST-inclusive amount. In practical terms, this increases the effective rate beyond the stated 5% when measured against the underlying pre-GST accommodation value. For example, where accommodation is subject to 10% GST, a 5% levy applied to the GST-inclusive amount equates to an effective rate of approximately 5.5% on the base accommodation charge. If the policy intention is to impose a 5% levy on the value of accommodation supplied, consideration could be given to excluding GST from the levy base to align the effective rate with the headline rate and maintain economic neutrality.

### **Interaction with platform commission structures**

In addition, many booking platforms calculate commissions on the gross amount charged to the guest. Where the levy is passed through and itemised, this may expand the commission base, indirectly increasing the effective cost of a stay beyond the nominal levy rate. When considered alongside the inclusion of GST in the levy base, this interaction can further elevate the effective burden on guests beyond the stated 5%. This compounding effect reinforces ASTRA’s recommendation that a lower levy rate in the range of 2-3% would more closely align with the stated policy intent while minimising cost impacts on travellers.

Clear alignment between the stated 5% rate and the effective transaction impact is important from both a transparency and behavioural perspective. Where levy design results in an effective burden that exceeds the headline rate, the real-world impact on pricing and booking behaviour may differ from policy assumptions. In a price-sensitive visitor market, even marginal increases in effective cost can influence



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length of stay, destination choice and discretionary spend, with flow-on implications for revenue stability and regional tourism activity.

### **Continuous occupancy, booking extensions and amendments**

ASTRA seeks clarification regarding the treatment of booking extensions and continuous occupancy under the levy framework. In practice, a common booking pattern involves an initial short stay booking of less than 28 nights, followed by an extension while the guest remains in occupation of the premises. This frequently arises in the context of medical placements, project-based employment, relocation periods, and other non-leisure uses where the duration of stay is uncertain at the outset.

Under many Property Management Systems and booking platforms, such extensions are recorded as separate bookings for administrative purposes, even though the guest does not vacate the premises and the occupation becomes continuous. This creates potential tension between system-based booking segmentation and the statutory definition of *short stay*, which refers to occupation of premises for a continuous period of less than 28 nights.

Without explicit guidance, uncertainty may arise as to whether levy liability should be determined based on the original booking terms, each segmented booking, or the total period of continuous occupation. If the levy is applied solely by reference to the original booking or individual booking records, there is a risk that levy may be imposed on stays which, in substance, exceed 28 nights.

This creates both financial and administrative risk. Operators may be required to retrospectively adjust charges following extensions, increasing reconciliation complexity and the likelihood of error. Guests may also face unexpected levy costs if extensions alter the treatment of the stay after arrival.

In addition to this, liability for the short stay levy arises on the day on which that short stay is completed, and levy is payable in respect of short stay bookings completed during the relevant return period. Where booking extensions, amendments or partial refunds occur shortly before or after completion of the stay, operators may be required to reconcile the final total booking fee against amounts already recorded or reported. In practice, refunds or adjustments may occur in a subsequent return period, creating uncertainty as to whether prior returns must be amended or whether adjustments can be accounted for prospectively. Without clear guidance on the treatment of post-completion amendments, there is a risk of inconsistent reporting, over- or under-remittance, and unnecessary administrative burden, particularly for smaller operators relying on semi-manual systems.

To support clarity and compliance, ASTRA recommends that the legislation or accompanying guidance address extensions, amendments, partial cancellations and back-to-back bookings for the same guest. This is important to reduce compliance risk, prevent unintended over- or under-collection, reduce administrative burden and promote a fair and transparent levy framework.



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### Lodgement and compliance

ASTRA recognises the Government's efforts to structure return periods proportionately, including annual returns for operators below the \$75,000 threshold and quarterly returns for those above that threshold, consistent with other taxation regimes in Australia.

To maximise compliance and minimise administrative burden - particularly for smaller operators - the levy framework should prioritise simplicity and digital efficiency. In particular:

- A streamlined, digitally driven registration process with minimal administrative friction;
- Clear and straightforward return forms that do not require the routine submission of underlying booking-level data unless requested;
- Electronic lodgement and payment processes that are intuitive and aligned with existing state tax systems; and
- A systematic and scalable process to manage overpayments, underpayments and adjustments across return periods.

### Transition and implementation considerations

ASTRA notes that several operational features of the levy will require careful transition management to support accurate compliance from commencement. These include the treatment of bookings made prior to commencement but completed after commencement, properties that accept both direct and platform bookings, and operators relying on semi-manual or legacy systems.

Not all Property Management Systems and booking platforms currently have native functionality to calculate, collect and remit the levy in the manner proposed. Clear technical guidance, system specifications and adequate lead time will be essential to minimise administrative burden and reduce the risk of unintended non-compliance. This is particularly relevant for smaller operators and regional property managers who may not have immediate access to system upgrades.

ASTRA therefore recommends:

- Extending the implementation date to 1 December 2026 to allow sufficient time for platforms and operators to update systems, test processes and educate staff, while minimising disruption during the peak winter and spring booking cycles;
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- Publishing clear, accessible technical guidance and worked examples well in advance of commencement; and
- Providing extended transition arrangements for registration and first returns to support orderly implementation.

### Key learnings from the Victorian Short Stay Levy

The introduction of the Short Stay Levy in Victoria represented a significant regulatory and fiscal change for the short term rental accommodation (STRA) sector. While the policy is intended to support housing affordability initiatives, its implementation and structure have generated important impacts and lessons for government and industry.

The Victorian Government did not undertake adequate formal consultation with industry stakeholders prior to passing the legislation introducing the levy. As a result, many operators, property owners, and managers were required to respond to substantial regulatory changes without prior engagement or transition planning. In this context, the opportunity to provide this submission and engage in further consultation with the Tasmanian Government is highly valued and represents a significant opportunity to learn from Victoria's experience.

### Key Impacts on the STRA industry

#### 1. Effective levy impact and market dynamics

The Victorian levy is calculated at 7.5% of the total booking fee, which includes accommodation charges, service fees and GST. As a result, the effective burden on a booking is higher than the headline rate when measured against the underlying accommodation value. In addition, where booking structures include provider levy-attributed amounts, the statutory levy is calculated on a base that already incorporates those amounts, creating a structural compounding effect.

To illustrate how this operates in practice, the following simplified example reflects a typical itemised booking structure.

#### Illustrative Victorian example – structural compounding

Item	Scenario A: No Provider Levy Line	Scenario B: Provider Adds 7.5% "Levy Contribution"
Accommodation	\$1,000.00	\$1,000.00



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Guest service fee (15%)	\$150.00	\$150.00
GST (10% on service fee)	\$15.00	\$15.00
Levy contribution requested by provider	–	\$87.38
Subtotal before statutory levy	\$1,165.00	\$1,252.38
Statutory levy (7.5%)	\$87.38	\$93.93
<b>Total paid</b>	<b>\$1,252.38</b>	<b>\$1346.31</b>

This illustration demonstrates how applying a percentage levy to a broad booking base can increase the effective transaction value beyond the nominal headline rate. In practice, travellers respond to the total trip cost, meaning the behavioural and market impact may exceed the stated rate once embedded within real-world booking systems.

Industry feedback following implementation in Victoria indicates downward pressure on Average Daily Rates (ADR) and occupancy levels, reflecting price sensitivity and behavioural adjustment within the visitor market. At higher effective levels, the levy represents a material cost within an already competitive tourism environment. Many operators reported increasing advertised prices beyond the statutory rate in order to account for platform commissions calculated on gross amounts, GST interactions and to avoid inadvertently absorbing part of the levy within existing margins.

### **2. Investment behaviour and market response**

The levy has shifted economic signals within the STRA sector by increasing the effective cost base of short stay activity. In price-sensitive and seasonal markets, such changes can influence reinvestment decisions, maintenance expenditure and future supply planning. Where costs are passed through to travellers, there is potential for incremental price pressures within the visitor economy, particularly in regional markets with limited accommodation alternatives. These effects create uncertainty for regional visitor capacity without clear evidence of corresponding housing supply gains.

### **3. Administrative and compliance challenges**

Implementation created confusion across the sector, particularly around timing, application, and calculation of the levy. The State Revenue Office (SRO) conducted seminars; however, these occurred too late in the process, resulting in uncertainty regarding when and how the levy should be charged and remitted. This delay contributed to inconsistent messaging to guests and operational challenges for property managers.



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**Key learnings should a levy be introduced:**

### **1. Early and direct stakeholder engagement is critical**

Governments should engage directly with industry stakeholders well before legislation is passed or implemented. Early consultation ensures businesses understand how the levy will apply to their operations and allows time to prepare systems, pricing structures, and communications.

### **2. Clear implementation timelines and practical guidance are essential.**

Providing detailed, real-world examples of how the tax applies in different booking and management scenarios would significantly reduce confusion. This clarity enables industry partners, property owners, and managers to confidently communicate the impacts to their clients and manage administrative obligations effectively.

### **3. Implementation support must be timely and practical**

Education initiatives, such as seminars or guidance sessions, should occur well in advance of commencement. Proactive communication reduces uncertainty, limits compliance risks, and builds cooperative relationships between government and industry.

### **4. Levy design must consider industry sustainability**

Experience in Victoria demonstrates that the practical impact of a levy may exceed the nominal headline rate once embedded within real-world booking systems. Industry feedback following implementation indicated downward pressure on pricing and occupancy, reflecting behavioural adjustment within a price-sensitive visitor market. These dynamics highlight the importance of careful rate calibration at the outset.

For the reasons outlined in this submission, a more moderate levy in the range of 2-3% would better align effective market impact with policy intent, while still contributing to government revenue objectives.

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### 5. Balanced policy achieves better outcomes

A successful levy framework should balance housing policy objectives with the economic contribution of the tourism and the STRA industry. Excessive taxation risks unintended consequences, including reduced visitor accommodation supply, lower regional tourism activity, and diminished investor confidence.

The Victorian experience demonstrates that policy intent alone is insufficient; successful implementation depends on consultation, clarity, proportionality, and timing. Further consultation with the Tasmanian Government provides a valuable opportunity to apply these learnings and develop a more balanced, sustainable approach.

#### Impact on accommodation affordability

Higher levy rates directly affect accommodation affordability in a state where:

- commercial accommodation (hotels, motels) already operates at high utilisation rates (statewide occupancy reached 79% in October 2025)
- Tasmania is increasingly perceived as a high cost destination for accommodation, particularly during peak periods
- STRA provides essential elastic capacity that absorbs peak demand which cannot be met by commercial supply alone

Increased costs risk:

- pricing Tasmanian accommodation out of reach for middle income travellers and families
- reducing visitation, particularly from price sensitive domestic markets
- undermining the Government's own tourism growth objectives

#### Impact on small-scale and regional operators

The levy will disproportionately affect small-scale operators who rely on STRA income to manage rising living costs and mortgage repayments, operate intermittently or seasonally, and have less capacity to absorb additional pricing or compliance burdens than larger operators or booking platforms.

Higher levy rates reduce returns for these operators, increasing the likelihood of market withdrawal without delivering corresponding housing benefits, particularly for properties that operate seasonally or in locations with no housing supply constraints.

A significant proportion of Tasmania's STRA stock operates intermittently, particularly in regional areas. These properties are often under-utilised residential assets rather than permanently commercialised accommodation. They provide critical peak capacity in regions with limited hotel supply and in most cases

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are not suitable or intended for long-term rental use. Higher effective levy rates therefore risk reducing regional visitor capacity without delivering corresponding housing supply gains.

Because intrastate travel represents a substantial share of overnight visitation in Tasmania, levy impacts may be felt first by Tasmanian residents travelling within their own state, particularly in regional and shoulder-season markets that rely heavily on local demand.

### **Economic flow on effects**

The levy will have broader flow on impacts across the Tasmanian economy:

- increased costs for workforce accommodation (corporate, project, medical, and relocation stays)
- higher expenses for major infrastructure projects, including accommodation for contractors and workers
- reduced spending capacity among visitors, affecting hospitality, retail, and tourism operators
- potential loss of regional visitor capacity, particularly in areas heavily reliant on tourism

### **Transparency, accountability and review**

The Government has committed that 100% of levy revenue will support first home buyers through stamp duty relief and grants. ASTRA strongly supports this commitment and further seeks:

- Reinforcement of the Government's commitment to a consistent statewide STRA framework, avoiding fragmented local restrictions
- Transparent public reporting linking levy revenue to clearly defined housing outcomes
- Annual publication of revenue collected, funds allocated and beneficiaries assisted
- Clear articulation of the levy's role as a supplementary revenue measure rather than a primary housing supply lever

As noted in the independent analysis, the levy is estimated to raise approximately \$11 million per annum. By comparison, publicly available data indicates that in prior years approximately 1,700 first home buyers received stamp duty relief in Tasmania, with an average benefit of around \$18,000 per transaction — representing an aggregate fiscal commitment of approximately \$30 million. On current estimates, levy revenue would support a materially smaller number of buyers at existing benefit levels, or alternatively require a reduction in the average level of assistance if applied across a similar cohort. This scale differential underscores the importance of framing the levy as a supplementary contribution within a broader housing strategy, and of incorporating this fiscal reality into both policy design and post-implementation evaluation.

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This structural constraint reinforces the importance of careful calibration and avoidance of unintended economic impacts that may outweigh the scale of housing benefit delivered.

### Post implementation review

ASTRA strongly advocates for embedding a formal post-implementation review within the legislation or accompanying policy framework. The review should occur within 18–24 months of commencement and assess impacts across:

- Housing supply and affordability
- Accommodation pricing and visitor demand
- Regional tourism and accommodation capacity
- Small operator viability
- Visitor behaviour, including length of stay and regional demand patterns
- Booking platform behaviour and market structure

The review should include defined success metrics and transparent evaluation criteria, and inform any necessary policy refinement.

Experience in other jurisdictions demonstrates that visitor levies can generate unintended consequences, including market withdrawal by small operators, reduced visitor capacity in high demand regions, minimal housing supply impact, and cost amplification beyond the intended rate. A structured review mechanism ensures policy responsiveness and accountability.

### Closing: Willingness to engage constructively

ASTRA shares the Tasmanian Government's commitment to improving housing affordability and supports the principle of a state-wide regulatory framework that provides clarity and consistency for the STRA sector.

However, we consider that aspects of the proposed levy require careful calibration to ensure the policy achieves its intended housing objectives without generating unintended consequences for Tasmania's visitor economy, regional tourism capacity, or small-scale operators.

#### Our key recommendations centre on:

- **Adopting a moderated levy rate of 2–3%**, in light of the effective rate interactions outlined above, to better align the practical market impact with the stated policy intent while preserving revenue stability and competitiveness.



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- **Excluding hosted accommodation and principal places of residence** recognising that such activity does not materially interact with long-term housing supply and provides important supplementary income during cost-of-living pressures for Tasmanians.
- **Introducing stay purpose differentiation** or targeted carve-outs where STRA use serves key workforce, medical, relocation or emergency functions.
- **Ensuring legislative clarity in the definition and operation of booking platforms**, supported by practical technical guidance to minimise compliance risk across varied distribution models.
- **Refining levy base mechanics**, including consideration of GST inclusion and structural compounding effects, to ensure alignment between the stated rate and the effective transaction impact.
- **Extending the implementation date to 1 December 2026**, accompanied by clear technical guidance and transitional arrangements, to allow sufficient time for system updates, testing, operator education and orderly compliance.
- **Transparency and accountability mechanisms**, including annual public reporting of levy revenue and housing outcomes, a formal post-implementation review within 18-24 months, and continued commitment to a consistent statewide STRA framework that avoids fragmented local restrictions.
- **Recognition of regional and seasonal impacts**, ensuring that policy settings do not inadvertently reduce visitor capacity in areas heavily reliant on tourism.

ASTRA remains committed to working constructively with the Tasmanian Government to refine the proposed settings and develop a framework that supports first home buyers while maintaining Tasmania's tourism competitiveness and the essential role of short stay accommodation across the state.

We welcome continued consultation as the legislation progresses.

If you have any questions or would like to discuss this further, please contact ASTRA's Chairperson, Yoav Tourel on [REDACTED].

Thank you for your time and consideration.

Yours sincerely

Yoav Goldberg (Tourel) Chairperson