

23/02/2026

Department of Treasury and Finance

Mr Garry Swain

Secretary:

secretary@treasury.tas.gov.au

Dear Mr Swain,

Response to the 5% Govt Levy

I have read the press release regarding the 5% levy on Short-Term Holiday Accommodation, and I am trying to understand the true motivation to take such action.

As it reads, any profit from this 'tax' would only benefit first home buyers. There is no direct advantage to our tourism industry here on the East Coast. It is well documented that any gift to first home buyers will ultimately drive-up retail prices on property.

The economic foundation of Break O'Day Municipality is totally dependent on our tourism industry.

Historically we had a dependence on fishing and forestry for our economic stability. Our fishing industry: scallops, crayfish, abalone etc, are all in dramatic decline and our former timber industry has all but disappeared. The only other growth industry is our aged care sector.

As a long time member of our local Chamber of Commerce (over 30 years) and serving as president on several occasions and former Chairman of the Tourism East Tasmania, I am acutely aware of the significant struggle we have endured to gain any recognition of the tourism value of St Helens and the Bay of Fires. We had serious battles with the Hobart-centric state tourism organization with their refusal to recognize our potential as a contributor to the visitor economy of Tasmania.

As I see it, we are again being driven by a Hobart centric issue of housing shortage in the Capital that has morphed into a policy to punish short term property owners across the State.

It is important to understand the culture and evolution of short stay's here on the East Coast over the past 30 years. Typically, the property owners we work with (15 in total) rent their property to help augment their rates, keep their houses in prime condition and assist with any maintenance problems which allows them the opportunity to use their holiday home for family and friends as they see fit.

Adding a 5% levy to this fragile trade (effectively a tax on tourism) will do nothing of value to our community, create unnecessary amounts of red tape and add pressure to property owners, create a level of buyer resistance, which is the slow beginning of a downward spiral. Rarely, if even, would any of these properties shift to long-term rentals.

I would urge you to reconsider this simplistic levy as a revenue raising exercise, release the handbrake and allow the East Coast Tourism sector to reach its full potential and move to encourage greater investment our region.

Yours sincerely,

Peter and Gail Paulsen

PH Paulsen

Bay of Fires Holiday Homes

