

Draft Second Reading Speech

Short Stay Levy Bill 2026

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Madame Speaker,

Today, this Government is delivering on its 2024 election promise to introduce a 5 per cent levy on short stay rental accommodation in Tasmania.

In the lead-up to the 2024 election, Tasmanians told us clearly that first home ownership was becoming out of reach. Supporting Tasmanians to buy their first home remains a core priority of this Government.

Our statewide short stay accommodation policy has supported a strong visitor economy, while respecting the right of Tasmanians to earn income from their properties. This Government does not support arbitrary caps on short stay accommodation.

Instead, we are introducing the Short Stay Levy to strike a fair balance—supporting our visitor economy, respecting property rights and funding first home buyer programs.

Madame Speaker,

A draft of this Bill was released for public consultation from 17 December 2025 to 25 February 2026, with the Bill before us finalised following consideration of that feedback.

The Bill introduces a 5 per cent levy on the total booking fee for short stay accommodation in Tasmania booked through a booking platform provider, where the stay is for less than 28 consecutive days, exclusive of the day that the person vacates the property.

Consistent with certainty and fairness for consumers and operators, the levy will apply only to bookings made on or after the date of proclamation. Bookings made before that date will not attract the levy, even where the stay occurs after that date.

This approach aligns with the introduction of similar levies in Victoria and the Australian Capital Territory and provides clarity during the transition period.

Madame Speaker,

The Government aims to strike an appropriate balance in defining the accommodation types subject to the levy.

Excluded accommodation includes hotels, motels and inns, caravan parks, hostels and similar premises, bed and breakfasts, and specialist accommodation such as hospitals, aged care, student housing, emergency accommodation and employee accommodation.

The Treasurer is also empowered to declare additional classes of accommodation exempt where appropriate.

In recognition of feedback received through consultation, this Bill excludes accommodation in a dwelling that is also usually occupied by the owner of the dwelling, from the levy. This means, for example, that if a homeowner rents out a spare bedroom for short stays in their home, those bookings will not be subject to the levy if the home is also usually occupied by the homeowner.

Madame Speaker,

Following feedback, the Government has also determined that the levy will apply only to bookings made through a booking platform provider that facilitates or arranges short stay bookings by or on behalf of accommodation providers. To be clear, direct bookings made with accommodation providers will not be subject to the levy.

Liability to pay the levy will therefore rest entirely with booking platform providers that take bookings for short stay accommodation in Tasmania.

Liability arises on completion of the stay. If a booking is cancelled and fully refunded, no levy is payable.

Booking platform providers will be required to register with the State Revenue Office and lodge returns on either an annual or quarterly basis, depending on their total booking fees in the preceding year. Smaller booking platform providers with booking fees under \$75 000 will benefit from a reduced administrative burden through annual reporting.

The Bill includes standard registration, reporting, record keeping and compliance provisions, aligned with Tasmania's existing taxation framework and similar levies in Victoria and the Australian Capital Territory.

Importantly, for the first financial year of operation of the levy all levy payers will lodge an annual return allowing time to familiarise themselves with the new arrangements. In following years the frequency of returns will be based on total booking fees in the preceding year.

Madame Speaker,

The levy payable is 5 per cent of the total booking fee for each completed short stay.

The total booking fee is the total amount payable for the booking and includes accommodation charges, GST and any additional fees such as cleaning or booking fees, but it excludes payment method charges, refunded or waived amounts, the levy itself and any GST payable in respect of the levy amount.

Importantly, the policy intent is that the levy is ultimately paid by the guest. Accommodation providers may pass on the full cost of the levy to customers, ensuring that the levy does not impact the bottom line of Tasmanian property owners.

Madame Speaker,

If short stay accommodation is provided and the owner believes that the accommodation is excluded, or later becomes excluded, from the levy they are required to provide a declaration of this to the booking platform provider.

If this declaration is later found to be incorrect, both the owner and booking platform provider will be jointly and severally liable for any shortfall in levy payments. The booking platform provider will have the right to recover any levy amounts paid by them, from the property owner.

Madame Speaker,

The Bill amends the *Taxation Administration Act 1997* to make the Short Stay Levy Act a taxation law under the Taxation Administration Act.

This means the Commissioner of State Revenue and the State Revenue Office will be able to collect the levy, issue assessments and refunds, and enforce compliance using well-established processes. Those assessed for the levy will have the same rights as other taxpayers, including the ability to object and seek review or appeal.

Madame Speaker,

The primary purpose of the Short Stay Levy is to raise revenue to support first home buyers. However, the levy may also result in making more housing available for long term rental.

The Short Stay Levy is a measured, fair and transparent reform that ensures the benefits of short stay accommodation are shared more broadly across the community.

Madame Speaker,

I commend this Bill to the House.