

LegCo slams the door shut on Tassie holiday accommodation levy scheme

STAY OF EXECUTION



A plan to impose a five per cent levy on short-stay accommodation across Tasmania has been voted down by the Legislative Council, in a move the Liberals have branded “hypocrisy”. Labor MLCs and independents Rosemary Armitage, Bec Thomas, Mike Gaffney, Meg Webb and Ruth Forrest voted against the bill. “Political cynicism was on full display today for voting down a very important measure ... for budget repair and funding of homes in Tasmania,” Treasurer Eric Abetz said.

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NEWS 05

Short-stay tax voted down

Abetz calls out 'hypocrisy' after Legislative Council blocks 5pc levy

Bridget Clarke

A decision to impose a 5 per cent levy on short-stay accommodation has been voted down by the Legislative Council, in a move the Liberals have branded "hypocrisy".

The Liberals committed to introducing the levy on short-stay accommodation ahead of the 2024 state election.

Under the proposed laws, the levy would have applied only to bookings made through online platform providers.

It also excluded short-stay accommodation in homes that were usually occupied by the owner.



Treasurer
Eric Abetz

The bill was introduced by Treasurer Eric Abetz to the House of Assembly in April but was voted down in the Legislative Council on Wednesday.

Labor MLCs and independents Rosemary Armitage, Bec Thomas, Mike Gaffney, Meg Webb and Ruth Forrest voted against the bill.

Mr Abetz lambasted Labor and singled out Ms Forrest for

"hypocrisy". "Labor is full of criticism but devoid of solutions," he said. "Political cynicism was on full display today for voting down a very important measure ... for budget repair and funding of homes in Tasmania."

Despite their support for the bill in debate on Wednesday, independents Clare Glade-Wright and Greens MLC Cassy O'Connor each expressed concerns the levy lacked detail and would do little to improve housing supply.

Ms O'Connor said it at least constituted a "small nod to the industry's negative impact on rents and housing supply" and

that she would vote for it on the basis of revenue raising.

She said its failure sent a signal to the government to return to the "drawing board and present policies" to rein in short-stay accommodation.

Ms Webb did not support the bill, and voted against it last week and again in absentia on Wednesday.

She said the levy was merely a government effort to "win votes" and secure a good "media grab".

Shadow treasurer Dean Winter, meanwhile, hailed the collapse of what he labelled "Abetz's confused tourism tax".

"The government's unfair

tourism tax on regional Tasmanian small business ... (fell) apart because it was a confused, unworkable tax from day one," he said.

"When a Treasurer brings a tourism tax bill to parliament with no economic modelling, no clear operational logic, and no idea how it impacts the broader economy, this is the result."

Funds generated through the levy were intended to partially pay for the two-year stamp duty exemption offered to first-home buyers.

Independent David O'Byrne said while he did not agree with the allocation of money to first

homeowner grants, the levy would have at "least raised some revenue from an activity that is having a direct impact on housing affordability and availability".

Data shows over the last five years Tasmania has lost 1721 homes to short-stay accommodation. Over the same five years, average rents across Tasmania have increased by an extra \$7000 per annum.

"This legislation was far from perfect," Mr O'Byrne said. "But to throw it out completely is a wasted opportunity."

A short-stay levy of 7.5 per cent exists in Victoria.