

From: [REDACTED]
To: [Representation](#)
Subject: A submission by the Hobart Chamber of Commerce on the Draft Local Provisions Schedule Amendment PSA-25-3 Visitor Accommodation Specific Area Plan
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Attachments: [Submission to Hobart City Council Draft Local Provisions Scedule Amendment PSA-25-3.pdf](#)



To Whom It May Concern

Attached is a submission by the Hobart Chamber of Commerce and supported by the Tasmanian Small Business Council on the Draft Local Provisions Schedule Amendment PSA-25-3 Visitor Accommodation Specific Area Plan

We look forward to contributing further if required.

Regards

Robert

Robert Mallett

Executive Director

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Submission to Hobart City Council

Draft Local Provisions Schedule Amendment PSA-
25-3 Visitor Accommodation Specific Area Plan

Submitted by the Hobart Chamber of Commerce
Supported by the Tasmanian Small Business
Council

April 2026

Background Hobart Chamber of Commerce

The Hobart Chamber of Commerce is the leading voice for business within Tasmania's capital city. It represents businesses across a broad range of industries, including retail, hospitality, professional services, tourism, construction, manufacturing, property, education and emerging industries.

The Chamber advocates for policies that foster a strong, competitive and sustainable local economy. It works collaboratively with all levels of government to promote investment, support entrepreneurship, reduce unnecessary regulatory burdens and create an environment in which businesses of all sizes can prosper.

As Hobart's principal business representative organisation, the Chamber has a direct interest in planning policies that influence business investment, tourism, employment, housing availability and economic development.

Background - Tasmanian Small Business Council

The Tasmanian Small Business Council (TSBC) is Tasmania's peak body representing industry and business organisations whose combined membership comprises thousands of small businesses operating throughout the State.

For more than two decades, the TSBC has advocated for practical, evidence-based public policy that improves the operating environment for Tasmania's small business community. The Council regularly works with governments, regulators and industry stakeholders on matters affecting planning, taxation, employment, regulation, economic development, tourism, infrastructure and regional growth.

The TSBC has consistently promoted balanced policy solutions that support both economic development and community wellbeing, recognising that small businesses are fundamental to Tasmania's prosperity, employment and social fabric.

Executive Summary

The Hobart Chamber of Commerce, supported by the Tasmanian Small Business Council (TSBC), strongly opposes Draft Local Provisions Schedule Amendment PSA-25-3.

While recognising that Hobart faces genuine housing affordability challenges, we do not believe the proposed amendment will materially improve housing availability or

affordability. Instead, it will reduce business confidence, diminish tourism capacity, disadvantage hundreds of small business operators and reduce economic activity throughout the municipality.

Central to Council's proposal is the Cost Benefit Analysis prepared by SGS Economics and Planning. We acknowledge the professional standing of the consultant and the recognised methodology used. However, a cost-benefit analysis is only as reliable as the assumptions upon which it is built.

Our principal concern is that the consultant's conclusions rely upon a series of optimistic assumptions that have not been demonstrated by evidence. These assumptions substantially overstate the benefits of the proposal while understating the economic costs.

The Hobart Chamber therefore submits that PSA-25-3 has not been supported by sufficient economic or planning evidence to justify such a significant intervention into the operation of legitimate small businesses.

Summary of Key Recommendations

The Hobart Chamber of Commerce, supported by the Tasmanian Small Business Council, respectfully recommends that Hobart City Council:

Recommendation 1

Reject Draft Local Provisions Schedule Amendment PSA-25-3 in its current form.

The supporting evidence does not demonstrate that the proposed planning controls will materially improve housing affordability or significantly increase long-term housing supply.

Recommendation 2

Undertake an independent review of the economic assumptions contained within the SGS Economics & Planning Cost Benefit Analysis.

The proposed amendment relies upon a series of assumptions regarding housing supply, market behaviour and tourism accommodation that require further testing before being relied upon as the basis for permanent planning controls.

Recommendation 3

Develop housing policy that addresses the underlying causes of Hobart's housing shortage.

The Chamber encourages Council to focus on increasing the overall supply of housing through:

- faster planning approvals;
- increased residential construction;
- urban infill;
- higher-density development where appropriate;
- partnerships with the State Government and the private sector.

Recommendation 4

Recognise short-stay accommodation as a legitimate home-based small business.

Many operators are ordinary Tasmanians who rely upon visitor accommodation income to meet rising household costs, support retirement incomes and maintain financial security.

Planning policy should recognise these businesses as part of Hobart's local economy.

Recommendation 5

Retain consistency with Tasmania's existing statewide regulatory framework.

Council should avoid introducing additional municipal planning restrictions that duplicate or conflict with established State Government regulation governing short-stay accommodation.

Recommendation 6

Undertake a comprehensive Small Business Impact Assessment before introducing additional planning restrictions.

Such an assessment should quantify the likely impacts on:

- home-based businesses;
- tourism operators;
- cleaners;
- tradespeople;
- property managers;
- hospitality businesses;
- retailers;
- transport providers;
- professional services.

Recommendation 7

Undertake a comprehensive Tourism Impact Assessment.

Council should assess the likely consequences of reduced visitor accommodation on:

- major events;
- conferences;
- interstate visitation;
- cruise tourism;
- regional tourism dispersal;
- visitor expenditure;
- Hobart's long-term competitiveness as a tourism destination.

Recommendation 8

Monitor the effectiveness of the existing State regulatory framework before introducing additional planning restrictions

Tasmania has recently implemented significant reforms governing visitor accommodation.

Council should evaluate the effectiveness of these measures before imposing further regulation.

Recommendation 9

Consult more broadly with the business community before finalising any amendment.

Future consultation should include:

- tourism operators;
- accommodation providers;
- hospitality businesses;
- retailers;
- business organisations;
- home-based business operators;
- major event organisers.

Planning decisions should reflect the views of all sectors likely to be affected.

Recommendation 10

Adopt a balanced planning approach that supports both housing affordability and economic development.

The Chamber believes these objectives are complementary rather than competing.

A successful planning framework should:

- increase housing supply;
- support tourism;
- encourage investment;
- foster entrepreneurship;
- strengthen small business;
- maintain Hobart's reputation as Tasmania's premier visitor destination.

Conclusion

The Hobart Chamber of Commerce and the Tasmanian Small Business Council support practical and evidence-based measures to improve housing affordability.

However, the organisations remain unconvinced that PSA-25-3 will achieve its stated objectives.

We respectfully submit that increasing housing supply, improving planning efficiency and supporting responsible economic development will deliver better long-term outcomes than imposing additional restrictions on legitimate small businesses operating within Tasmania's established regulatory framework.

Accordingly, we recommend that Council not proceed with PSA-25-3 in its current form and instead undertake further consultation, economic analysis and policy development before considering any amendment to the Hobart Local Provisions Schedule.

1. Introduction

The Hobart Chamber of Commerce represents businesses throughout the Hobart municipality. The Tasmanian Small Business Council represents industry organisations whose memberships comprise thousands of Tasmania's small businesses.

Both organisations have extensive experience representing home-based businesses, tourism operators, accommodation providers and small enterprises throughout Tasmania.

We believe Hobart requires more housing.

However, housing policy must address the causes of the shortage rather than simply identify a politically convenient target.

The evidence overwhelmingly indicates that Hobart's housing shortage is the consequence of insufficient dwelling construction, planning delays, labour shortages, escalating construction costs and sustained population growth.

Restricting short-stay accommodation does not create additional housing supply.

2. The Consultant's Conclusions Depend on Assumptions Rather Than Evidence

The Chamber does not question the qualifications or integrity of the consultant.

However, we strongly dispute the assumptions underpinning the Cost Benefit Analysis.

The report assumes that if residential short-stay accommodation is restricted:

- every dwelling prevented from entering the short-stay market automatically becomes available for permanent occupation;
- the tourism market immediately replaces lost accommodation through new hotel or serviced apartment developments;
- housing markets adjust without significant economic disruption;
- visitor demand continues unaffected.

These assumptions are fundamental to the report's conclusion that the proposal produces a Benefit-Cost Ratio of 1:2.11.

Yet none of these assumptions are demonstrated by evidence specific to Hobart.

3. The Proposal Does Not Increase Housing Supply

The consultant correctly identifies that Hobart has experienced increasing visitor accommodation over recent years.

However, the report fails to establish a causal relationship between short-stay accommodation and Hobart's housing shortage.

Housing shortages arise because insufficient new dwellings are being constructed.

Restricting the future use of existing dwellings does not increase the total housing stock.

Indeed, the report itself assumes the overall quantity of housing will eventually remain the same under both scenarios.

If housing numbers ultimately remain unchanged, it follows that the proposal cannot meaningfully solve Hobart's housing shortage.

4. The Assumption That Every STRA Property Becomes Housing Is Unsupported

The Cost Benefit Analysis assumes that every dwelling prevented from becoming visitor accommodation instead becomes available for permanent occupation.

This assumption ignores real-world behaviour.

Property owners may instead:

- retain the property for personal use;
- use it as a holiday residence;
- leave it vacant;
- sell the property;
- lease it intermittently;
- undertake redevelopment.

The report provides no evidence demonstrating that restricting visitor accommodation produces a one-for-one increase in long-term housing.

Without that evidence, the projected housing benefits remain speculative.

5. The Largest Claimed Benefit Is Based on an Unsupported Assumption

The report attributes an average benefit of approximately \$453,000 per dwelling by assuming that preventing one short-stay conversion avoids the need to construct one additional dwelling on Hobart's urban fringe.

This single assumption accounts for the overwhelming majority of the reported economic benefit.

Yet the report does not demonstrate why preventing one STRA conversion eliminates demand for one entirely new dwelling.

The relationship is assumed rather than proven.

If this assumption is incorrect, the entire economic justification for PSA-25-3 is significantly weakened..

6. Tourism Impacts Have Been Significantly Understated

The report acknowledges that restricting visitor accommodation may temporarily reduce tourism activity before markets adjust.

However, these impacts are not comprehensively quantified.

Missing from the analysis are impacts on:

- cafés;
- restaurants;
- retailers;
- tour operators;
- transport providers;
- event organisers;
- cleaners;
- gardeners;
- maintenance contractors;
- property managers;
- tradespeople.

These businesses are overwhelmingly small businesses.

A reduction in visitor accommodation inevitably reduces visitor expenditure across Hobart's economy.

These economic costs deserve the same analytical rigour as the projected housing benefits.

7. Short-Stay Accommodation Is a Small Business

The consultant largely treats STRA owners as property investors.

This does not reflect reality.

Many operators are ordinary Tasmanians running genuine home-based businesses.

Over 80% of Hobart Airbnb hosts operate only a single property.

More than half rely on the income to remain in their homes.

Two-thirds are women.

Almost one-third are over sixty years of age.

For these households, short-stay accommodation is not speculative investment.

It is an essential source of income.

Many have chosen short-stay accommodation because of repeated negative experiences within the long-term rental market, including low returns, property damage, increasing regulation, lengthy disputes and uncertainty surrounding tenancy arrangements.

These realities are absent from the consultant's analysis.

8. Existing Regulation Is Already Extensive

Tasmania already regulates visitor accommodation through:

- mandatory registration;
- data reporting requirements;
- planning controls;
- higher municipal rates;
- proposed State taxation measures.

The State Government has consistently supported a statewide framework that balances housing objectives with the needs of Tasmania's visitor economy.

The Chamber questions the need for Hobart City Council to introduce an additional layer of local regulation that risks creating inconsistency across Tasmania.

9. The Report Underestimates Future Tourism Demand

The report relies largely upon historic visitor trends.

It gives insufficient consideration to future demand arising from:

- Macquarie Point Stadium;
- expanding conference markets;
- Dark Mofo;
- Taste of Summer;
- MONA FOMA;
- increased cruise visitation;
- major sporting events.

These events require accommodation flexibility.

Hotels alone cannot satisfy fluctuating peak demand.

Short-stay accommodation provides essential overflow capacity.

10. Limited Evidence of Community Harm

The report refers to overseas studies examining noise and neighbourhood impacts.

Importantly, however, the consultant concludes that these impacts cannot be reliably quantified and therefore assigns them no monetary value.

No Hobart-specific evidence has been presented demonstrating widespread neighbourhood impacts arising from existing visitor accommodation.

Policy should be based upon local evidence rather than overseas comparisons.

11. Better Alternatives Exist

If Council wishes to improve housing affordability, it should pursue policies that increase housing supply rather than reduce accommodation choice.

These include:

- accelerating residential planning approvals;
- encouraging urban infill;
- increasing residential densities where appropriate;
- reducing unnecessary planning delays;
- encouraging institutional investment in housing;
- partnering with the State Government to increase dwelling construction.

These measures address the underlying causes of housing shortages without damaging Hobart's tourism economy.

12. Conclusion

The Hobart Chamber of Commerce and the Tasmanian Small Business Council submit that PSA-25-3 should not proceed.

The proposal is founded upon an economic analysis that relies upon a chain of assumptions rather than demonstrated evidence.

The report assumes:

- replacement accommodation will automatically be constructed;
- every STRA property becomes permanent housing;
- tourism impacts will be temporary;
- the wider small business economy will remain largely unaffected.

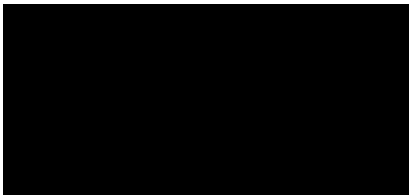
These assumptions have not been substantiated.

The likely consequence of PSA-25-3 is reduced tourism capacity, lower visitor expenditure, diminished income for hundreds of small businesses and little measurable improvement in housing affordability.

Hobart's housing challenge is fundamentally one of insufficient housing supply.

Restricting legitimate home-based businesses will not solve that problem.

The Hobart Chamber of Commerce and the Tasmanian Small Business Council therefore respectfully request that Hobart City Council reject PSA-25-3 and instead work collaboratively with industry, the State Government and the broader community to develop policies that increase housing supply while preserving the significant economic contribution made by Tasmania's visitor economy and small business sector.



ROBERT MALLETT
EXECUTIVE DIRECTOR
HOBART CHAMBER OF COMMERCE



Appendix A

Response to the SGS Economics & Planning Cost Benefit Analysis

Introduction

The Hobart Chamber of Commerce and the Tasmanian Small Business Council acknowledge the experience and qualifications of SGS Economics & Planning and the principal author of the Cost Benefit Analysis.

This Appendix does not question the integrity or competence of the consultant.

Rather, it examines whether the assumptions adopted within the Cost Benefit Analysis provide a sufficiently reliable evidentiary basis to justify a significant amendment to the Hobart Local Provisions Schedule.

The Chamber submits that while the report follows a recognised cost-benefit methodology, many of its conclusions rely upon assumptions that are either unsupported by Hobart-specific evidence or fail to adequately account for broader economic impacts.

Planning decisions should be based upon demonstrated evidence rather than theoretical market behaviour.

1. The Report Begins with a Predetermined Equilibrium Assumption

The Cost Benefit Analysis assumes that both the housing market and visitor accommodation market will eventually reach equilibrium regardless of the proposed restrictions.

Specifically, the report assumes that:

- housing displaced from Hobart's residential areas will simply be replaced through additional development elsewhere; and
- visitor accommodation removed from residential areas will be replaced by new hotels or serviced apartments.

These assumptions form the foundation of the entire economic analysis.

However, no evidence is presented demonstrating that either outcome will occur within Hobart.

In practice, hotel developments require:

- substantial private investment;
- planning approvals;
- commercial feasibility;
- financing;
- construction capacity; and
- several years before becoming operational.

No analysis is provided regarding Hobart's actual hotel development pipeline or investor appetite.

Consequently, the report assumes rather than demonstrates that accommodation supply will recover.

2. The Report Assumes Every Prevented STRA Becomes Long-Term Housing

The analysis assumes each dwelling prevented from becoming short-stay accommodation immediately contributes to permanent housing supply.

This assumption is not supported by behavioural evidence.

Property owners have numerous alternatives available, including:

- owner occupation;
- use as a holiday residence;
- leaving the property vacant;
- intermittent occupation by family;
- future redevelopment;
- sale into the owner-occupier market.

None of these outcomes necessarily increase the long-term rental market.

The report therefore overstates the likely housing benefit.

3. The Largest Economic Benefit Is Derived from an Untested Assumption

The Cost Benefit Analysis attributes an avoided development cost of approximately \$453,000 for every dwelling prevented from entering the short-stay accommodation market.

This single assumption contributes the overwhelming majority of the calculated benefit.

However, no empirical evidence is provided demonstrating that preventing one short-stay conversion eliminates demand for one additional dwelling.

The report assumes a direct one-to-one relationship.

Housing markets are significantly more complex.

Demand for housing is influenced by:

- population growth;
- household formation;
- migration;
- interest rates;
- land availability;
- construction costs;
- planning approval timeframes.

Short-stay accommodation represents only one small component of that system.

4. Tourism Costs Are Materially Underestimated

The report recognises that visitor accommodation shortages may temporarily reduce tourism expenditure before replacement accommodation is constructed.

However, these impacts are not comprehensively measured.

No economic modelling is undertaken regarding reduced expenditure across Hobart's visitor economy.

Businesses omitted from the analysis include:

- restaurants;

- cafés;
- retail businesses;
- transport operators;
- tour providers;
- event organisers;
- cleaning businesses;
- gardeners;
- maintenance contractors;
- property managers;
- tradespeople.

Collectively these represent hundreds of small businesses whose income depends directly or indirectly upon visitor expenditure.

The omission of these impacts materially understates the true economic cost.

5. Small Business Impacts Are Almost Entirely Absent

The report primarily treats STRA operators as property investors.

This characterisation fails to reflect the reality of Tasmania's visitor accommodation sector.

Evidence provided by Airbnb indicates that:

- more than 80% of Hobart hosts operate only a single listing;
- over half rely upon hosting income to remain in their own home;
- two-thirds are women; and
- almost one-third are over sixty years of age.

Many hosts are operating genuine home-based businesses.

The report does not evaluate:

- loss of household income;
- reduced financial resilience;
- impacts on retirees;
- impacts on women-owned businesses;
- impacts on sole traders.

These omissions reduce the completeness of the analysis.

6. Existing State Regulation Receives Little Consideration

Tasmania already regulates short-stay accommodation through:

- mandatory registration;
- planning controls;
- data sharing;
- higher council rating classifications;
- proposed statewide taxation measures.

The report evaluates PSA-25-3 largely in isolation.

It does not consider whether the existing statewide framework is already capable of addressing identified concerns.

The Chamber submits that planning policy should complement statewide regulation rather than duplicate or conflict with it.

7. Future Tourism Demand Has Been Underestimated

The report largely relies upon historical visitation trends.

It gives limited consideration to anticipated future demand arising from:

- Macquarie Point Stadium;
- increased conference activity;
- expanding cruise visitation;
- major festivals;
- cultural events;
- interstate sporting events.

Accommodation demand during these periods cannot necessarily be met by existing hotels.

Short-stay accommodation provides flexibility that permanent hotel infrastructure cannot always deliver economically.

8. Community Amenity Evidence Is Limited

The report references studies from Byron Bay and Portugal concerning noise and neighbourhood impacts.

However, the consultant ultimately concludes that available evidence is insufficiently robust to assign any monetary value to these impacts.

No Hobart-specific research has been presented demonstrating that existing short-stay accommodation has produced widespread neighbourhood amenity impacts.

Planning policy should be informed primarily by local evidence.

9. Forecast Growth Is Speculative

The report forecasts between 603 and 1,130 additional short-stay properties over twenty years based upon assumed annual growth rates.

However, the report also acknowledges that permit growth has recently stabilised and may indicate market saturation.

These two propositions appear inconsistent.

Forecasting twenty years of continued compound growth from a market that may already be stabilising introduces considerable uncertainty into the analysis.

10. The Cost Benefit Analysis Omits Important Economic Risks

The report does not evaluate the potential consequences of:

- reduced investment confidence;
- declining property values for affected owners;
- reduced tourism competitiveness;
- reduced accommodation diversity;
- lower visitor satisfaction;
- reduced event attraction capacity;
- impacts on Hobart's reputation as a visitor destination.

Each represents a legitimate economic consideration that should be weighed against any projected housing benefits.

Conclusion

The Hobart Chamber of Commerce and the Tasmanian Small Business Council submit that the Cost Benefit Analysis provides a useful contribution to the debate but should not be regarded as definitive evidence supporting PSA-25-3.

The analysis is heavily dependent upon assumptions regarding market behaviour, replacement accommodation, housing supply responses and economic adjustment that have not been demonstrated through Hobart-specific evidence.

Furthermore, the report gives insufficient consideration to the broader contribution made by short-stay accommodation to Hobart's small business sector, visitor economy and community resilience.

For these reasons, the Chamber considers that the Cost Benefit Analysis does not provide an adequate evidentiary foundation for introducing significant additional planning restrictions on lawful visitor accommodation businesses.

We respectfully submit that Council should instead undertake a more comprehensive economic assessment incorporating tourism impacts, small business impacts, behavioural responses of property owners and the interaction between the existing State regulatory framework and any proposed local planning controls before proceeding with PSA-25-3.

Appendix B

The Economic Contribution of Short-Stay Accommodation to Hobart's Small Business Economy

Introduction

The public discussion surrounding PSA-25-3 has largely focused on housing affordability.

While housing is an important public policy issue, it is equally important that Council considers the broader economic consequences of restricting short-stay accommodation.

Short-stay accommodation is not an isolated industry.

It supports a wide network of local businesses, contractors, suppliers and service providers throughout the Hobart municipality.

For many participants, hosting is not simply an investment activity. It is a home-based small business that generates income, employment and expenditure across numerous sectors of the local economy.

The Hobart Chamber of Commerce and the Tasmanian Small Business Council believe these broader economic impacts have been substantially understated in the supporting documentation for PSA-25-3.

1. Short-Stay Accommodation Is Part of Hobart's Small Business Economy

Much of the public debate portrays short-stay accommodation as being dominated by commercial investors.

The available evidence suggests otherwise.

The majority of hosts operate only a single property.

Many are retirees supplementing fixed incomes.

Many are women operating flexible home-based businesses.

Many rely upon the additional income to meet increasing mortgage repayments, insurance premiums, maintenance costs and council rates.

For these households, visitor accommodation represents entrepreneurship rather than property speculation.

Restricting new participation in this market removes legitimate opportunities for Tasmanians to establish and operate small businesses from their own properties.

2. Visitor Expenditure Extends Far Beyond Accommodation

Accommodation represents only one component of visitor spending.

Visitors staying in short-stay accommodation purchase goods and services throughout Hobart including:

- cafés;
- restaurants;
- bars;
- supermarkets;
- delicatessens;
- retail stores;
- pharmacies;
- transport services;
- taxis;
- rideshare services;
- tourism attractions;
- museums;
- galleries;
- entertainment venues;
- local markets;
- outdoor activity providers.

Every overnight visitor contributes directly to the local economy.

Reducing accommodation capacity inevitably limits this expenditure.

3. Supporting Hundreds of Service Businesses

Each short-stay property generates demand for a wide range of local suppliers.

These include:

- professional cleaners;
- laundry services;
- gardeners;
- window cleaners;
- electricians;
- plumbers;
- carpenters;
- painters;
- appliance repair businesses;
- pest control operators;
- locksmiths;
- photographers;
- property managers;
- accountants;
- insurance brokers;
- IT service providers.

Most are locally owned small businesses.

Many have built sustainable enterprises servicing visitor accommodation.

Restrictions on accommodation therefore have flow-on effects well beyond property owners.

4. Economic Resilience During Peak Tourism Periods

Hotels provide an important component of Hobart's accommodation market.

However, they operate with fixed capacity.

Short-stay accommodation provides flexibility during periods of exceptionally high demand including:

- Dark Mofo;
- Taste of Summer;
- MONA FOMA;
- major conferences;
- interstate sporting fixtures;
- cruise ship arrivals;
- school holidays;
- future Macquarie Point Stadium events.

Without this additional capacity, Hobart risks:

- visitors staying elsewhere;
- shorter visitor stays;
- reduced event attendance;
- reduced visitor spending;
- lost economic opportunities.

Accommodation shortages ultimately affect every business that benefits from visitor expenditure.

5. Supporting Regional Tourism

Many visitors use Hobart as their gateway to Southern Tasmania.

During their stay they often visit:

- the Huon Valley;
- Bruny Island;
- Richmond;
- the Tasman Peninsula;

- the Coal River Valley;
- Mount Field National Park;
- Port Arthur;
- the Derwent Valley.

Consequently, accommodation capacity within Hobart supports tourism businesses well beyond the municipal boundary.

Planning decisions affecting accommodation therefore have broader regional economic implications.

6. Short-Stay Accommodation Supports Workforce Mobility

Visitor accommodation is frequently used by people who are not tourists.

Accommodation providers regularly host:

- visiting medical specialists;
- locum health professionals;
- university academics;
- interstate contractors;
- emergency service personnel;
- infrastructure workers;
- insurance clients displaced from damaged homes;
- families supporting relatives receiving hospital treatment.

These users require flexible accommodation that hotels cannot always provide economically or appropriately.

Maintaining a diverse accommodation market improves Hobart's economic resilience.

7. Maintaining Investment Confidence

Property owners make long-term investment decisions based upon reasonable expectations regarding planning policy.

Frequent regulatory changes create uncertainty.

Reduced investment confidence can discourage:

- property improvements;
- tourism investment;
- housing investment;
- adaptive reuse of heritage buildings;
- small business expansion.

Planning systems should encourage confidence through consistency, transparency and evidence-based decision making.

8. Housing and Tourism Should Not Be Viewed as Competing Objectives

The Chamber rejects the suggestion that Hobart must choose between housing affordability and tourism.

Both objectives are achievable.

Increasing housing supply requires:

- additional residential construction;
- improved planning efficiency;
- infrastructure investment;
- higher-density development where appropriate;
- partnerships between local and State government.

Restricting visitor accommodation addresses demand within one small segment of the housing market while doing little to increase the total supply of dwellings.

The Chamber considers housing supply reform and tourism development to be complementary, not competing, objectives.

9. The Importance of Policy Consistency

Tasmania has invested significantly in building a high-quality visitor economy.

Governments have encouraged tourism investment, promoted Tasmania nationally and internationally and supported growth in visitor numbers.

Introducing local planning restrictions that substantially reduce accommodation choice risks undermining these broader economic objectives.

Policy consistency between State and local government is essential to maintaining investor confidence and supporting sustainable economic growth.

Conclusion

Short-stay accommodation represents considerably more than visitor lodging.

It supports a network of home-based businesses, sole traders, contractors, tourism operators and local suppliers that collectively contribute millions of dollars to Hobart's economy each year.

The Hobart Chamber of Commerce and the Tasmanian Small Business Council submit that these broader economic contributions have not been adequately recognised within the supporting documentation for PSA-25-3.

Council should carefully weigh the cumulative impacts on small business, tourism and investment confidence before introducing planning restrictions that may produce only marginal improvements in housing availability while imposing substantial costs on Hobart's wider economy.

The Chamber respectfully submits that increasing housing supply, rather than restricting legitimate home-based enterprises, remains the most effective and sustainable solution to Hobart's housing challenges.