



MINUTES
Open Portion
Monday, 25 May 2026
At 4.00pm
Council Chamber, Town Hall



ORDER OF BUSINESS

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PRESENT:

Lord Mayor Councillor A M Reynolds, Deputy Lord Mayor Councillor Dr Z E Sherlock, Alderman M Zucco, Councillor W F Harvey, Councillor M S C Dutta, Councillor J L Kelly, Alderman L A Bloomfield, Councillor R J Posselt, Councillor B Lohberger and Councillor W N S Coats.

APOLOGIES:

Councillor G H Kitsos.

LEAVE OF ABSENCE:

Nil.

Councillor Coats arrived at the meeting at 4.01pm.

Alderman Zucco arrived at the meeting at 4.01pm.

Councillor Kelly left the meeting at 6.25pm, returning at 6.27pm and was not present for items 19 and 20.

1. ACKNOWLEDGEMENT OF COUNTRY

The Chairperson opened the meeting and provided an acknowledgement of country.

2. CONFIRMATION OF MINUTES

SHERLOCK
BLOOMFIELD

The Chairperson reports that she has perused the minutes of the meeting of the Open Portion of the Council meeting held on [Monday, 27 April 2026](#), finds them to be a true record and recommends that they be taken as read and signed as a correct record.

MOTION CARRIED

VOTING RECORD

AYES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

NOES

COUNCIL RESOLUTION:

The minutes were signed.

3. TRANSFER OF AGENDA ITEMS

Are there any items, which the meeting believes, should be transferred from this agenda to the closed agenda or from the closed agenda to the open agenda, in accordance with the procedures allowed under Section 17 of the *Local Government (Meeting Procedures) Regulations 2025*?

No items were transferred.

LOHBERGER
DUTTA

That item 16 of the Open Council Agenda of 25 May 2026 be taken after item 9.

MOTION LOST

VOTING RECORD

AYES

Deputy Lord Mayor Sherlock
Dutta
Bloomfield
Lohberger
Coats

NOES

Lord Mayor Reynolds
Zucco
Harvey
Kelly
Posselt

4. COMMUNICATION FROM THE CHAIRPERSON

4.1 Gift from SARNAT

The Lord Mayor advised that on 19 May 2026, Alderman Zucco kindly hosted a flag-raising ceremony and Lord Mayoral Reception for the South African Rainbow Nation Association of Tasmania (SARNAT), together with members of Tasmania's South African community, to mark South African Freedom Day.

This day commemorates the first time South Africans of all races were able to vote freely, bringing an end to apartheid and ushering in a new democratic era.

It is a deeply significant occasion, celebrating freedom, equality, and the election of Nelson Mandela as President.

On behalf of the City of Hobart, Alderman Zucco accepted a gift of a glass plaque from Mala Crew, President of SARNAT, presented in appreciation of the City's support and recognition of this important milestone.

5. NOTIFICATION OF COUNCIL WORKSHOPS

In accordance with the requirements of the Local Government (Meeting Procedures) Regulations 2025, the Chief Executive Officer reports that the following workshops have been conducted since the last ordinary meeting of the Council.

Date: 11 May 2026
Purpose: Presentation – Wildfire House Loss Hazard Mapping | RACT Community Bushfire Resilience Project | Mid-term Review of the City of Hobart Rating and Valuation Strategy 2024-28

Attendance:

Lord Mayor Councillor A M Reynolds, Deputy Lord Mayor Councillor Dr Z E Sherlock, Alderman M Zucco, Councillor's W F Harvey, M S C Dutta, J F Kelly, Alderman L A Bloomfield, Councillor's R J Posselt, B Lohberger and G H Kitsos

Apologies:

Nil.

Leave of Absence:

Nil.

Date: 18 May 2026
Purpose: New Town Area Briefing | Transforming Collins Street Trial: Consideration of a Deferred Council Meeting Agenda Item | Project Update – Multi Sport Hub Expansion | Heritage Account Special Committee | Sandy Bay Bathing Pavilion – Future Development and Use | State and Federal Government Funding Analysis – Final Insights Report

Attendance:

Lord Mayor Councillor A M Reynolds, Deputy Lord Mayor Councillor Dr Z E Sherlock, Alderman M Zucco, Councillor's W F Harvey, M S C Dutta, J F Kelly, Alderman L A Bloomfield, Councillor's B Lohberger and G H Kitsos

Apologies:

Councillor R J Posselt

Leave of Absence:

Nil.

6. PUBLIC QUESTION TIME

6.1 Public Questions

6.1.1 Short Stay - Publish where the Extra Funding is Used

Merrydith Callegari put the following questions:

QUESTION 1

During the consultation process is Council prepared to sit down with hosts and listen to why they host STR rather than LTR?

QUESTION 2

If this motion is passed, is Council prepared to fight in court, because I believe this to be a punitive action and I believe that it will go to court?

QUESTION 3

Why was my formal question was refused and then I was offered to ask my question again?

QUESTION 4 (Formal question put in writing):

I urge Council not to strike at one section of our community but rather understand how we got here by listening to hosts, and guests too, because guests love the short-term rental model of accommodation.

If you follow through with your plans for double / double rates, which anecdotally will not fix the issues you cite, do you plan to publish where the money will be used, because we still don't know what has been done with the extra rates from the previous increase. In other words, will you spend this money on the housing problems you say are the reason for the increase?

RESPONSE

The Lord Mayor advised that as there is an item on the Council Agenda tonight (25 May 2026) relating to this same topic, the Council is unable to accept these questions during public question time. As such, the questions will be treated as general correspondence and responses will be provided in writing in due course.

6.1.2 Short Stay Extra Modelling Income

Roberto Callegari put the following questions:

QUESTION 1:

Has any modelling be done on how much additional income will be raised, how many additional houses will be added to the social housing pool and the financial impact on affected hosts and their families?

QUESTION 2:

Why does the motion include 'investigate incentives for commercial hotel construction' but no mention of incentivising social housing construction? What is the point of increasing the rates?

RESPONSE:

The Lord Mayor advised that as there is an item on the Council Agenda tonight (25 May 2026), relating to this same topic, the Council is unable to accept these questions during public question time. As such, the questions will be treated as general correspondence and responses will be provided in writing in due course.

6.1.3 Remove Bike Lanes in Collins Street

Maria Riedl put the following question which was taken on notice by the Chief Executive Officer.

Disabled people are struggling because there is one car parking space on one part of the street and they have to go down to the lights or further up the road to get across the street to Minimax or the other shops. No-one I speak to like the mess Council has created in Collins Street. The bus stop holds up traffic, I have sent photos of this, cars are lined up and also a near miss between a cyclist and a person getting off the bus. There are rules and cyclists don't always follow the rules, there are a number of them who don't wear helmets. I am stressed about it and shop keepers are stressed about it.

QUESTION:

Can the City of Hobart have another City Hall [*sic* public] meeting, about the mess in Collins Street [caused by the installation of bike lanes] and properly include shop keepers not just passing through cyclists please?

6.1.4 Council's Actions to Reduce Rates

Jason Dale put the following questions which were taken on notice by the Chief Executive Officer.

Hobart has the highest rates of any municipality in the State. Meanwhile, potholes as well as road and footpath damage remains widespread and unattended to, as does general infrastructure maintenance.

QUESTION 1

Given how high Hobart's rates are, what specific, measurable improvements in service delivery can council point to that justify the additional burden on households and small businesses?

QUESTION 2

Can council justify why ratepayer funds are being allocated to discretionary projects while core service delivery continues to face pressure or delays?

QUESTION 3

What projects has council actively deferred or cut in the past 12 months to ensure spending discipline, or is everything effectively being accommodated through higher rates?

QUESTION 4

Has council seriously investigated any other means to generate revenue without increasing tax upon ratepayers and businesses? Noting that s73 of the *Local Government Act 1993* permits investing and commercial activities for revenue generation?

6.1.5 Air BNB and Parking Revenue

Chris Merridew put the following questions which were taken on notice by the Chief Executive Officer.

QUESTION 1

There are figures quoted in the press in regards to the number of Air BNBs in Tasmania and the number of Air BNBs in Hobart. There is confusion as no-one is able to say how many actual Air BNBs there are in active use.

It would be handy to know that number [of Air BNBs in Hobart] this evening?

QUESTION 2

When this city council, in 1966 approved parking meters, Hobart was the first capital city in Australia to have parking meters. It was approved

by government legislation that the revenues from the parking meters were to be used to do something practical in the town e.g. to build high rise car parks. That revenue built the Centrepoint car park, the first part of the Argyle Street car park and the Bathurst Street car park. Currently the revenue to this Council (according to the annual report) from car parking (fines and parking revenue) is in the order of \$20 million to \$25 million.

Are there some plans for husbanding the income that may come from this dramatic increase and levy on rates? Is it going to provide shower blocks and toilets for people who choose to sleep rough? Is it going to provide a benefit for people who are wanting to provide houses for rental? What is the Council's plan for husbanding those funds? Secure, put in a trust the monies that come from these proposed increases?

7. PETITIONS

No petitions were received.

8. CONSIDERATION OF SUPPLEMENTARY ITEMS

Ref: Part 2, Regulation 10(7) of the *Local Government (Meeting Procedures) Regulations 2025*.

RECOMMENDATION

That the Council resolve to deal with any supplementary items not appearing on the agenda, as reported by the Chief Executive Officer in accordance with the provisions of the *Local Government (Meeting Procedures) Regulations 2025*.

No supplementary items were received.

9. INDICATIONS CONFLICTS OF INTEREST

Ref: Part 2, Regulation 10(8) of the *Local Government (Meeting Procedures) Regulations 2025*.

Elected Members are requested to indicate where they may have, or are likely to have, an interest in the agenda.

No interest was indicated.

OFFICER REPORTS

10. Hobart Bike Plan 2026
File Ref: F26/7550

POSSELT
SHERLOCK

That the recommendation contained within the officer report, marked as item 10 of the Open Council Agenda of 25 May 2026, be adopted.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Lord Mayor Reynolds	Zucco
Deputy Lord Mayor Sherlock	Kelly
Harvey	Bloomfield
Dutta	Coats
Posselt	
Lohberger	

COUNCIL RESOLUTION:

That:

1. The Council endorse the Hobart Bike Plan 2026, marked at Attachment A to item 10 of the Open Council Agenda of 25 May 2026, as the City's approach to creating a safe, connected and comfortable network of routes for cycling in Hobart.
2. The Council notes that individual projects identified in the Hobart Bike Plan will be subject to further consideration and approval through the usual annual budgeting processes.

11. RACT Community Bushfire Resilience Project
File Ref: F26/25899

SHERLOCK
LOHBERGER

That the recommendation contained within the officer report, marked as item 11 of the Open Council Agenda of 25 May 2026, be adopted.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

COUNCIL RESOLUTION:

That the Council endorse entering into a partnership with the Royal Automobile Club of Tasmania (RACT) and the Kingborough Council to deliver a Community Bushfire Resilience Project over the 2026/27 and 2027/28 financial years.

12. Heritage Account Special Committee
File Ref: F26/22797

BLOOMFIELD
SHERLOCK

That the recommendation contained within the officer report, marked as item 12 of the Open Council Agenda of 25 May 2026, be adopted.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

COUNCIL RESOLUTION:

That:

1. The Terms of Reference for the Heritage Account Special Committee are updated to reflect the changes shown in Attachment A to item 12 of the Open Council Agenda of 25 May 2026.
2. The Guidelines for payments from the Heritage Account are updated and endorsed as shown in Attachment B to item 12 of the Open Council Agenda of 25 May 2026.
3. It is noted that these changes to the Terms of Reference will allow a total amount of \$221,083 to be available for the 2026 grant round.

**13. Quarterly Financial Report - 31 March 2026
File Ref: F26/24565**

POSSELT
SHERLOCK

That the recommendation contained within the officer report, marked as item 13 of the Open Council Agenda of 25 May 2026, be adopted.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

COUNCIL RESOLUTION:

That:

1. The Quarterly Financial Report for the period ending 31 March 2026 be noted; and
2. The proposed operational and capital variation requests to the 2025-26 Budget Estimates be approved:

(i) Operational Variations:

Entry No.	Category	Net Amount	Transfer From	Transfer To	Reason
1	Operational Expenditure Increase	\$21,000	Materials and Services	Labour	Budget transfer to reflect permanent positional changes in accordance with the Enterprise Agreement

(ii) Capital Variations:

Entry No.	Category	Net Amount	Transfer From	Transfer To	Reason
1	Capital Transfer	\$0	Domain Athletic Centre Track Replacement - (\$50,000)	Program Contingency FY25/26 - \$50,000	This variation covers the project expected to be under budget.
2	Capital Transfer	\$0	Program Contingency FY25/26 - (\$60,000)	Brooker Highway Stormwater Main - DP24202 - \$60,000	This variation covers the additional budget required to proceed with the contract awarded for the new preferred tenderer after a retender process.
3	Capital Transfer	\$0	Program Contingency FY25/26 - (\$115,000)	Stormwater Relining Program - \$115,000	This variation covers the additional budget required to proceed with the contract awarded for the preferred tenderer for both Elizabeth and Murray Street locations.

4	Capital Transfer	\$0	Elizabeth St - Macquarie to Davey – Overlay – (\$77,838)	Program Contingency FY25/26 - \$77,838	This variation covers a reduction to the budget following a competitive tender process.
5	Capital Transfer	\$0	Program Contingency FY25/26 – (\$39,628)	DKHAC - Ceiling Insulation and Moisture Barrier - \$39,628	This variation covers additional funding required due to project timeline surpassing the original expected duration.
6	Capital Transfer	\$0	Program Contingency FY25/26 – (\$180,000)	Wellesley Park Fencing Project - \$180,000	This variation covers the Council approval to fund Stage 1 of the new fully fenced off-lead dog park at Lower Wellesley Park in 2025-26, moved forward from the 2026-27 Priority 1 list.
7	Capital Transfer	\$0	Program Contingency FY25/26 – (\$102,347)	DKHAC Tile 50m concourse - \$102,347	The variation covers the additional cost to allow the remainder of stages 8 and 9 to be completed and therefore completing the entire project.
8	Capital Transfer	\$0	DKHAC - Rectification Critical Roofing Works & Design – (\$244,903)	Program Contingency FY25/26 - \$244,903	This variation request the remaining budget being returned to the contingency fund as this project is completed.
9	Capital Transfer	\$0	Program Contingency FY25/26 – (\$82,098)	Parks Playground Equipment Renewal FY25-26 - \$82,098	This variation requests additional funding required to provide accessible play equipment, accessible rubber soft fall and minor landscaping to an

					area of the Long Beach Reserve.
10	Grant Funding Increase	\$103,520		Marlyn Rd Bridge	Additional revenue from the Australian Government grant carried forward that was not included at the original Budget Estimates.
10	Capital Expenditure Increase	\$103,520		Marlyn Rd Bridge	In line with additional grant revenue increase from the Australian Government.
11	Capital Transfer	\$0	Program Contingency FY25/26 – (\$250,799)	Strickland Ave - Old Farm to Huon - Reseal Prep - \$250,799	This variation covers project cost increases due to changes in scope. Road pavement had deteriorated more significantly than anticipated at the time of project design.
12	Capital Transfer	\$0	Program Contingency FY25/26 – (\$249,000)	Elizabeth Street 325 stormwater relining - \$249,000	This variation covers the additional cost of the project, following a new open tender process and preferred provider selected.
13	Capital Transfer	\$0	Waterworks Rd 121 Retaining Wall – (\$320,000)	Program Contingency FY25/26 - \$320,000	This variation returns funds to contingency due to on-site works scheduled to commence in 2026-27.

14. Establishment of a City of Hobart Charitable Trust
File Ref: F26/26870

SHERLOCK
BLOOMFIELD

That the recommendation contained within the officer report, marked as item 14 of the Open Council Agenda of 25 May 2026, be adopted.

MOTION CARRIED

VOTING RECORD

AYES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

NOES

COUNCIL RESOLUTION:

That the Council:

1. Endorse the draft City of Hobart Charitable Trust Deed (marked as Attachment A of item 14 of the Open Council Agenda of 25 May 2026); and the Constitution (marked as Attachment B of item 14 of the Open Council Agenda of 25 May 2026).
2. Progress the company registration and nominate Michael Stretton, Chief Executive Officer and Michelle Wickham, Chief Financial Officer as the initial Directors, with Michael Stretton to also perform as the initial Company Secretary.
3. Undertake an application process to nominate a responsible person external to the Council as the Council's nominee, with a further report to be provided to the Council to decide upon the selected nominee; and
4. Request the Chief Executive Officer to undertake the process to wind-up the Trees for the Future Fund through consultation with the major contributors.

REPORT OF THE CHIEF EXECUTIVE OFFICER

15. Code of Conduct
File Ref: F26/26133

ZUCCO
HARVEY

That the recommendation contained within the officer report, marked as item 15 of the Open Council Agenda of 25 May 2026, be adopted.

HARVEY
COATS

That the Deputy Lord Mayor Councillor Sherlock be granted an additional three minutes to address the meeting.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

MOTION CARRIED

VOTING RECORD

AYES

NOES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

COUNCIL RESOLUTION:

That the Council receive and note the Code of Conduct Determination Report in respect to a complaint lodged by the Deputy Lord Mayor Councillor Dr Zelinda Sherlock against Councillor John Kelly, shown as Attachment A of item 15 of the Open Council Agenda of 25 May 2026.

MOTIONS OF WHICH NOTICE HAS BEEN GIVEN

**IN ACCORDANCE WITH REGULATION 16(5) OF THE LOCAL GOVERNMENT
(MEETING PROCEDURES) REGULATIONS 2015**

16. Short Stay Rates Increase
FILE REF: F26/26440

Councillor Ben Lohberger and Councillor Ryan Posselt

Motion

“That the Hobart City Council responds to the:

- ongoing housing and homelessness crisis in Hobart;
 - low rate of long-term rental vacancies in Hobart;
 - soaring cost of long-term residential rental prices in Hobart;
 - extra costs imposed on the community and the Council by whole home short-stay accommodation properties replacing long term residential use in Hobart;
 - over-saturation of whole home short stay accommodation properties in Hobart;
- by,
- Doubling the current property rate for whole home short stay visitor accommodation properties for implementation in the 2027-28 financial year after all legislated requirements, including consultation have been met; and,
 - Supporting the visitor accommodation sector and tourism industry, in anticipation of lower short stay accommodation availability, by preparing a report to investigate incentives for commercial hotel construction.”

Rationale:

This rate increase will affect whole home short stay accommodation only; it has no effect on in-home or ancillary dwelling short stay accommodation.

The 2026 Anglicare snapshot of rental availability in southern Tasmania showed a reduction of 18% this year, following a reduction of 32% last year. The snapshot revealed that no rental homes in southern Tasmania are affordable for people living on a disability pension or a single parent payment.

The Snapshot states that a rental vacancy rate below 3% means more people are looking for homes to rent than the number of homes available. Experts generally consider a rental vacancy rate of between 3% and 4% to be a sign of a healthy rental market. Southern Tasmania’s rental vacancy rate is currently <0.2%, which is driving up rental prices for the entire long term rental market. Rental properties advertised

during the weekend snapshot period have also plummeted from 2,667 in 2014 to just 770 in 2025.

These figures underscore the dire state of the rental market in Tasmania that has led to Hobart having the lowest rental vacancy rate in the country. By way of comparison other capital cities have the following rental vacancy rates:

Melbourne	1.4%
Canberra	1.1%
Sydney	1.1%
Brisbane	0.8%
Adelaide	<1%

Despite existing restrictions on whole home short stay accommodation restricting bed nights to 180 days/year, the City of Sydney is currently investigating a complete ban on whole home short stay in areas affected by a low rental vacancy rate of <3%. Hobart's rental vacancy rate is currently <0.2%.

There is a clear link between the conversion of long-term residential housing to tourism accommodation, and the housing crisis in Tasmania. The Housing Tasmania waiting list is 5400, and there are now 4700 whole home short stay accommodation properties across the state. 4700 whole homes lost for Tasmanians, with more than 600 of them in the Hobart municipality alone, the highest saturation of any capital city in Australia. Close to 20% of the statewide short stay sector is located in the Hobart municipality alone, and the city is also experiencing a growing homelessness crisis that seemed to come from nowhere less than 10 years ago, and to have no end.

Examples from around the world and around Australia

Cities all over the world have grappled with the effect of short stay accommodation on rental availability, homelessness, and communities. New York City in the USA effectively banned whole home short stays in 2023 and was sued by a short stay company as a result. The lawsuit was dismissed in August 2023. Councils in Budapest are implementing restrictions or bans in some areas, and they too have been challenged in their supreme court but ultimately upheld. In Australia various restrictions have also been successfully implemented including in coastal towns where tourism is vital to the economy. An example is Byron Bay, where a bed night restriction of just 60 nights has been applied to whole home short stay accommodation.

Closer to home, the Tasmanian Government is working towards a levy on whole home short stay accommodation, after finally acknowledging its impact during the 2024 election campaign:

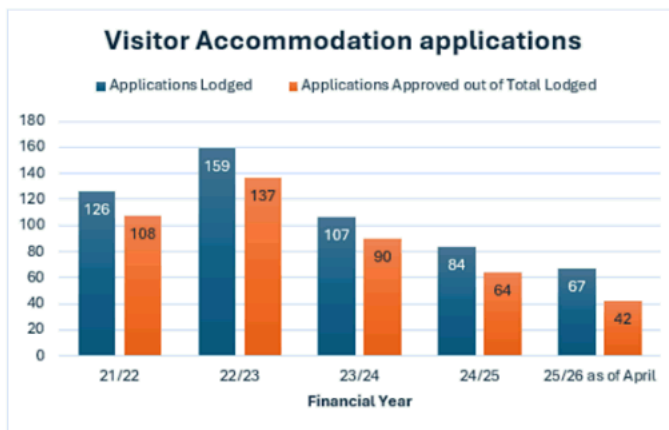
“there is no doubt that the increasing number of houses on the short stay market has reduced the availability of long stay rentals, and contributed to higher rents”

[\[Making it easier for Tasmanians to own their own home - 5% Short Stay Levy\]](#)

The Hobart City Council introduced a 200% rate differential for whole home short stay properties in 2024. If the property is returned to long-term residential use, the rates revert to the normal residential setting, and more than 100 properties have successfully applied for this rebate since 2024.

The City of Hobart decision to raise the whole home short stay rate has slowed the steady loss of long-term residential property in the municipality, but it has not stopped the losses, as shown below.

A snapshot of visitor accommodation use in Hobart is attached, refer Attachment 1. Since 2022/23 the number of short stay visitor accommodation permits approved by Council has been decreasing as outlined in the table below.



The Hobart City Council’s current policy position on whole home short stay accommodation begins with the most important point of all - the policy should “*ensure housing stock is retained...*”. Given the failure to stop the loss of whole homes to new short stay permits since the 2024 rate rise, this motion seeks to reinforce that policy stipulation.

Hotels in Hobart have been significantly disadvantaged by the widespread growth of whole home short stay accommodation across the city. Hotels must follow numerous regulations not faced by short stay, including building code, fire and food safety. Hotels provide significant economic uplift and social outcomes when compared to short stay accommodation, and they employ thousands of Tasmanians in the visitor economy.

Whole home short stay accommodation is also eroding crucial elements of community that are difficult to measure but have long reaching effects. Our suburbs are built around the people who actually live in them, and those residential numbers determine the distribution of essential community needs like schools, pharmacies, post offices, doctor’s surgeries, and childcare. The loss of long-term residents undermines the provision of community services, and the loss of long-term neighbours undermines community cohesion.

How this motion relates to the functions of a council under the Local Government Act

Section 20 of the Local Government Act says "... A council has the following functions:

- a) To provide for the health, safety and welfare of the community
- b) To represent and promote the interests of the community
- c) To provide for the peace, order and good government of the municipal area"

And

"3. A council may do anything necessary or convenient to perform its functions either within or outside the municipal area."

Allowing tourist accommodation to proliferate and replace large numbers of community members does not represent, nor promote the interests of our wider community. As outlined above, communities are designed around the people who live there. The viability of post offices, schools, day care, general practitioners, chemists and more are placed at direct risk when housing for tourists displaces a growing number of long-term residents. Failing to deter the further conversion of long-term residential homes into whole home short stay accommodation would be failing in our duty to represent the interests of our entire community.

Finally, the Act explicitly says that a council may do anything necessary or convenient to perform its functions either within or outside the municipal area. Councils are legally authorised to levy rates and this can include using a differential methodology specific to land use. Hobart City Council has tested its ability to restrict Short Stay Accommodation approval through planning mechanisms but at every attempt, efforts to have some control over short stay approvals has been rejected. Thus it is deemed necessary to implement a financial deterrent for anyone who seeks to convert a residential home into a short stay accommodation commercial operation to ensure council is meeting its duties under section 20 of the Local Government Act.

In the absence of legislative reform this is a necessary step for council to take. These measures represent the interests of our community to ensure the overall peace, order and good governance of our city and provide for the health, safety and welfare of the community which we serve.

Administration Response to Notice of Motion

Discussion

1. Council first introduced a differential rating approach for properties with a planning permit from Council to use their property for short stay visitor accommodation (SSVA) from 1 July 2023 as part of its interim rating strategy.
2. At the same time Council introduced a General Rate differential for vacant – residential land, which was double the General Rate differential of other

vacant land, to encourage development of vacant land for housing and other purposes, promote the development of all properties to their full potential thereby stimulating economic growth and development in all areas of the municipal area, to discourage the holding of land; and to ensure vacant landowners contribute an equitable share of the rate burden compared to other types of landowners.

3. Council introduced the differential rating approach for SSVA to encourage housing stock to be retained and/or returned in the Hobart municipal area and recognise that these properties, while residential in nature, are being used for a commercial purpose.
4. The objective of the differential is twofold:
 - a. firstly, to support the retention of housing stock for long-term residential use; and
 - b. secondly, to ensure owners of residential land used for the commercial purpose of short stay visitor accommodation contribute to the provision of Council services and facilities that are associated with that commercial use e.g. economic development, tourism, communications and marketing.
5. The SSVA differential rate is currently set at 200%, being double the General rate for Residential properties and is applied to all properties with a R7 (SSVA) land use code. At the time this resulted in rate levels that were consistent, on average, with those applied to properties used for comparable commercial purposes, such as owners of a holiday apartment.
6. It was noted at the time of introduction that it was difficult to determine what level of increased rates would achieve the objectives of the SSVA differential rate but that the level of the differential would need to be considered with regards to the principles of taxation. This is because under the *Local Government Act 1993 (Tas)* rates are prescribed as a form of taxation for the purposes of local government.
7. These taxation principles are set out in the City of Hobart Rates and Valuation Strategy 2024-28 and the City of Hobart Rates and Charges Policy, and are:
 - a. Equity – by taking into account the different levels of capacity to pay within the local community;
 - b. Wealth Tax – rates paid are dependent upon the value of the ratepayer's property.
 - c. Benefit – by recognising that Council services benefit the community as a whole;
 - d. Simplicity – by using a rating system that is simple and cost effective to administer as practicable;
 - e. Sustainability – the rating system supports the City's financial strategies for the delivery of infrastructure, programs and services in Council's Long-term Financial Management Plan and Strategic Asset Management Plan;
 - f. Efficiency – by supporting the financial, social, economic and environmental, and other strategic objectives outlined in Council's Capital City Strategic Plan 2023.
 - g. Transparency – by being open in the processes involved in the making of rates and charges.
 - h. Timeliness – by ensuring all ratepayers are given adequate notice of their liability to pay rates and charges.

- i. Flexibility – by responding where possible to unforeseen changes in the economy.
 - j. Compliance – by complying with the requirements and intent of relevant legislation.
 - k. Capacity to Pay – by including mechanisms to support those with least capacity to pay.
 - l. Diversity – by acknowledging that there is considerable diversity in the economic circumstances of households and businesses relative to their income.
8. When the SSVA differential was first introduced on 1 July 2023, there were only 14 properties classified with a land use code of R7 – short stay visitor accommodation from a rating perspective given the R7 code was newly adopted. Since that time, the Office of the Valuer-General has progressively amended land use classifications, applying the R7 code to properties with an approved planning permit for short stay visitor accommodation.
 9. As at 1 July 2025 there were 536 properties classified as R7 in the Hobart municipal area, of which 100 properties, approximately 19 per cent, had been returned to residential use and were not being used for short stay visitor accommodation and were either owner-occupied or utilised for long-term rental purposes. As at April 2026, there were 600 R7 properties, with 138 properties, approximately 23 per cent returned to residential use.
 10. The proportion of properties being returned to residential use has increased over this period, which suggests a growing number of properties with an approved short stay visitor accommodation use are not actively being used for that purpose. While this may indicate some response to the differential rate, it also highlights the complexity in assessing the effectiveness of the differential, given the influence of land use reclassification processes and broader housing market factors. Additional future data will be required to assess trends.
 11. Since 2022-23 the number of visitor accommodation permit applications to Council has been decreasing together with the percentage of applications approved by Council.
 12. The Notice of Motion seeks to further strengthen Council's response to housing supply pressures and the impacts of SSVA within the municipal area. In considering this proposal, it is important to assess how any change to the SSVA differential aligns with Council's existing policy framework and objectives.
 13. Council's current policy position for SSVA differentials as set out in the City of Hobart Rates and Charges Policy and the City of Hobart Rating and Valuation Strategy 2024-28 is to ensure housing stock is retained and to broadly align the level of rates applied to properties used for SSVA with those applied to properties used for comparable commercial purposes. This approach reflects both the commercial nature of the activity and the intention to ensure an appropriate contribution to Council services and infrastructure.
 14. Council's broader rating framework also relies on clearly articulated policy objectives and a demonstrable relationship between those objectives and the level at which any differential is set. Ensuring this alignment supports transparency, consistency, and the overall integrity of the rating system.
 15. In this context, one option available to Council, should it wish to adjust the current SSVA differential for the 2026-27 rating year, would be to benchmark the rate against the differential applied to commercial and industrial properties.

At the time the City of Hobart Rating and Valuation Strategy 2024-28 was introduced, this differential was approximately 2.21 times the general residential rate. Applying a similar differential to SSVA properties would maintain consistency with the existing policy intent while adjusting the level of contribution.

16. If Council were to determine that a differential above that applied to comparable commercial uses, further work and consultation would be required, including additional time to fully assess and clearly articulate the policy basis for this approach, including how the level of the differential supports the intended housing and community outcomes and remains proportionate to those objectives. Accordingly, given that rates will be set next month, it would not be possible to make this change for the 2026-27 financial year.
17. A mid-term review of the City's Rating and Valuation Strategy 2024-28 has recently been undertaken with the outcomes considered by the Hobart Workshop Committee at its 11 May 2026 meeting. It is therefore considered that the further review of the City's SSVA differential rate be considered during 2026-27, with any changes approved by Council to take effect from 1 July 2027 for the 2027-28 financial year.
18. In terms of the proposal to prepare a report to investigate incentives for commercial hotel construction, it is considered that this would need to be considered alongside the proposed increase in the SSVA differential rate and would consider the modelling of the impacts of the change as well as factors like the Council's proposed Planning Scheme amendment to control Short Stay accommodation in the City's residential zones. Such a report would be able to be prepared by Council Officers and presented to the Council for consideration during the 2026-27 financial year.

Strategic, Legislative and Policy Implications

Capital City Strategic Plan

- Pillar: 8 - Governance and Civic Involvement
- Outcome: 8.2 – Hobart is a city that delivers public value and excellence by being a financially responsible, high performing and accountable organisation that is responsive to the needs of the community.
- Strategy: 8.2.5 – Maintain a rating system that supports fairness, capacity to pay and effectiveness.

Legislation and Policy

Legislation: *Local Government Act 1993 (Tas)*

Policy:

This matter is also related to the City of Hobart Rating and Valuation Strategy 2024-28 and the City of Hobart Rates and Charges Policy.

Financial Implications

1. Applying a higher differential General Rate for short stay visitor accommodation (SSVA) will not affect the total amount of revenue Council collects in rates but will affect the rates distribution where properties used for SSVA will be paying higher rates and the rates paid by residential properties will decrease, albeit only marginally.
2. For 2026-27, due to changes in property values due to indexation and development activity in the City, a 200% differential rate for residential land applied to residential properties used for SSVA, would mean that an average SSVA ratepayer would pay slightly less than an average ratepayer who owns a holiday apartment in the municipal area (e.g. similar commercial use).
3. If Council increases the differential to 221% for SSVA, the average SSVA ratepayer would pay \$408 or 10 per cent more in General Rates for 2026-27.
4. If the differential was increased to 400% for SSVA, the average SSVA ratepayer would pay \$3,738.70 or 92% more in General Rates for 2026-27.
5. These figures are for the average SSVA property only and the impact on individual ratepayers will vary due to the value of individual SSVA properties and property valuation adjustment factors to be applied by the Valuer-General for 2026-27.

POSSELT
LOHBERGER

That the motion be adopted.

POSSELT
COATS

That Councillor Lohberger be granted an additional three minutes to address the meeting.

MOTION CARRIED

VOTING RECORD

AYES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

NOES

AMENDMENT

DUTTA
SHERLOCK

That the following additional dot point be added to the motion:

- the differential rate for land used for residential short stay visitor accommodation purposes for 2026-27 be increased to the same differential rate as for land used for Commercial and Industrial purposes.

AMENDMENT LOST

VOTING RECORD

AYES	NOES
Lord Mayor Reynolds	Zucco
Deputy Lord Mayor Sherlock	Harvey
Dutta	Kelly
Posselt	Bloomfield
Lohberger	Coats

ZUCCO
DUTTA

That Councillor Posselt be granted an additional three minutes to address the meeting.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Lord Mayor Reynolds	
Deputy Lord Mayor Sherlock	
Zucco	
Harvey	
Dutta	
Kelly	
Bloomfield	
Posselt	
Lohberger	
Coats	

ZUCCO
SHERLOCK

That Alderman Bloomfield be granted an additional three minutes to address the meeting.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

DUTTA
POSSELT

That Alderman Zucco be granted an additional three minutes to address the meeting.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

COATS
LOHBERGER

That Councillor Dutta be granted an additional three minutes to address the meeting.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

POSSELT
ZUCCO

That Deputy Lord Mayor Councillor Sherlock be granted an additional three minutes to address the meeting.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

POSSELT
ZUCCO

That Lord Mayor Councillor Reynolds be granted an additional three minutes to address the meeting.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Lord Mayor Reynolds	
Deputy Lord Mayor Sherlock	
Zucco	
Harvey	
Dutta	
Kelly	
Bloomfield	
Posselt	
Lohberger	
Coats	

MOTION LOST

VOTING RECORD

AYES	NOES
Lord Mayor Reynolds	Zucco
Deputy Lord Mayor Sherlock	Harvey
Dutta	Kelly
Posselt	Bloomfield
Lohberger	Coats

Councillor Harvey abstained from voting on this motion.

In accordance with section 32(3) of the Local Government (Meeting Procedures) Regulations 2025, to abstain from voting at a meeting is to vote in the negative and has been recorded accordingly.

COUNCIL RESOLUTION:

The motion was lost.

17. RESPONSE TO QUESTIONS WITHOUT NOTICE

Regulation 29 of the *Local Government (Meeting Procedures) Regulations 2015*.
File Ref: 13-1-10

SHERLOCK
COATS

That the information contained within the responses to questions without notice, marked as items 17.1 to 17.3 of the Open Council Agenda of 25 May 2026, be received and noted.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Kelly
Bloomfield
Posselt
Lohberger
Coats

COUNCIL RESOLUTION:

That the information contained in the following responses to questions without notice, marked as item 17.1 to 17.3 of the Open Council Agenda of 25 May 2026, be received and noted.

17.1 Wellesley Fence Implications on Budget

Memorandum of the Director Infrastructure and Assets of 19 May 2026.

17.2 Snap / Send / Solve

Memorandum of the Acting Director Corporate Services of 14 May 2026.

17.3 Consultation on Wellesley Park

Memorandum of the Director Infrastructure and Assets of 19 May 2026.

18. QUESTIONS WITHOUT NOTICE

Regulations 33 and 34 of the *Local Government (Meeting Procedures) Regulations 2025*.
File Ref: 13-1-10

18.1 Councillor Coats - Discretionary Planning Applications relating to Visitor Accommodation

Question: Last meeting we approved the increase in fees. Can we understand the number of discretionary planning applications that related to visitor accommodation over the past twelve months?

Response: The Director Strategic and Regulatory Services took the question on notice.

BUSINESS ARISING

19. RESPONSES TO QUESTIONS TAKEN ON NOTICE DURING DEBATE File Ref: F26/26139

DUTTA
BLOOMFIELD

That the information contained within the register of questions arising during debate marked as item 19 of the Open Council Agenda of 25 May 2026, be received and noted.

MOTION CARRIED

VOTING RECORD

AYES

Lord Mayor Reynolds
Deputy Lord Mayor Sherlock
Zucco
Harvey
Dutta
Bloomfield
Posselt
Lohberger
Coats

NOES

COUNCIL RESOLUTION:

That the information contained in the register of questions arising during debate, marked as Attachment A of item 19 of the Open Council Agenda of 25 May 2026, be received and noted.

20. CLOSED PORTION OF THE MEETING

DUTTA
COATS

That the Council resolve by absolute majority that the meeting be closed to the public pursuant to regulation 17(1) of the *Local Government (Meeting Procedures) Regulations 2025* because the items included on the closed agenda contain the following matters:

- Minutes of a closed Council meeting
- Information of a personal and confidential nature
- Personal hardship
- Information relating to commercial arrangements
- Closed Questions taken without Notice

The following items were discussed:-

Item No. 1	Minutes of the last meeting of the Closed Portion of the Council Meeting
Item No. 2	Communication from the Chairperson
Item No. 3	Leave of Absence
Item No. 4	Consideration of supplementary Items to the agenda
Item No. 5	Indications of Conflicts of Interest
Item No. 6	Current Legal Proceedings LG(MP)R 17(2)(k)
Item No. 7	Outstanding Sundry Debts and Debt Write-Offs as at 31 December 2025 and 31 March 2026 LG(MP)R 17(2)(h)(i)
Item No. 8	Contract Extension - Pre-Employment Health Assessment Services LG(MP)R 17(2)(e)
Item No. 9	Questions without Notice

MOTION CARRIED
BY ABSOLUTE MAJORITY

VOTING RECORD

AYES	NOES
Lord Mayor Reynolds	
Deputy Lord Mayor Sherlock	
Zucco	
Harvey	
Dutta	
Bloomfield	
Posselt	
Lohberger	
Coats	

There being no further business the Open portion of the meeting closed at 6.27pm.

TAKEN AS READ AND SIGNED AS
A CORRECT RECORD THIS
29TH DAY OF JUNE 2026.

CHAIRPERSON