

Frequently Asked Questions

Category 2T | Transitory accommodation

Differential Rating - Short Stay Accommodation

On Wednesday 18 June 2025, Townsville City Council adopted its 2025/26 Budget & Operational Plan. This budget includes changes to Council's rating categories, including introducing a new category for residential transitory accommodation. This applies to properties used for short-stay accommodation like those advertised on Airbnb, Stayz or through property managers.

Question	Response
Why is Council creating a new a category of ratepayer?	Properties used for short-stay accommodation - like those advertised on Airbnb, Stayz or through other property managers - are commercial in nature. The new category aligns rates paid with commercial operators like traditional motels and hotels.
How many properties does this affect?	Less than 1% of properties in Townsville operate in the short-stay accommodation category. This new category will not affect owner-occupiers, owner-occupiers who live onsite and are renting a room or granny flat, or investors who have properties available for long-term rentals in any way.
How does short-stay accommodation impact the Townsville community?	Properties available for short-term accommodation can have a big impact on neighbours. There is an increase in complaints and significant impacts on Council services.
Will this initiative provide a long-term housing solution?	The short-stay accommodation market is an important part of the local accommodation market. Properties that are frequently booked will likely remain part of that. Those who only occasionally advertise for short-term accommodation may wish to release that property onto the long-term market instead. Any properties released back into the long-term rental market will support the current housing crisis, with rental vacancies less than 1% across the region.

Question	Response
Why are short-stay accommodation properties singled out?	Properties advertised as short-stay accommodation are essentially privately-owned hotel operations. They are commercial in nature, require commercial insurance and this is just Council recognising that these properties are being used for a commercial purpose. Short-stay properties in Townsville and Magnetic Island are earning the equivalent revenue as their commercial competitors but are rated significantly less. The average daily rate for a commercial operator across Townsville and Magnetic Island is \$183.14 vs short stay market at \$288.
What have Townsville's hotel and motel operators been telling Council?	Townsville's hotel and motel operators pay commercial rates, alongside pedestal charges. They are paying their fair share for their use of the city's services and infrastructure. This change aligns the short stay accommodation market with their hotel and motel counterparts.
What will the increased revenue be used for?	The additional revenue raised by the increase in rates to short-stay accommodation properties will be reinvested in marketing Townsville as a tourism destination. Investing \$1 million in destination marketing will result in an additional \$32.4 million of visitor expenditure per year. 40% of visitor spend is invested in accommodation and food services. This benefits all accommodation providers, including short stay accommodation owners. The funding will be used to increase awareness of Townsville and Magnetic Island as a holiday location through targeted marketing, to attract new aviation routes and increase capacity and to support increased cruise visitation as well.
How does this compare to other markets?	Some other local councils have increased rates far more than Townsville City Council for short-stay accommodation providers. Some councils have capping for the rental nights available per year. Townsville City Council has capped entire properties offered, available, or used for temporary accommodation at a total of less than 30 days in the financial year. Our approach is measured, realistic and aligns these properties with the impact they have on the community.

Question	Response
How is it fair to apply an increase across the board when not all short-stay properties generate the same income or impact on neighbourhoods?	We acknowledge that short-stay operations vary. However, the differential rate is designed to reflect the broader commercial nature of short-stay accommodation and the disproportionate impact these properties can have on infrastructure, amenity, and housing availability. Importantly this increase will not affect owner-occupiers, owner-occupiers who live onsite and are renting a room or granny flat, or investors who have properties available for long-term rentals in any way. It will also not affect those who do not have their entire property offered, available, or used for temporary accommodation for a total of less than 30 days in the financial year Owners wishing to revert their properties to the long-term rental market can and will be rated accordingly in the following rating period.
Has Council modelled the economic fallout this increase might have on local tourism operators, cleaners, and support services who rely on short-stay accommodation for their livelihoods?	We have taken into account the economic importance of the short-stay sector, and we remain committed to supporting the broader tourism ecosystem. The rating is intended to ensure that all sectors contributing to tourism also contribute fairly to the infrastructure and services they benefit from.
What impact will this have on regional affordability, especially if operators pass on these costs to tourists and drive them to cheaper destinations?	While some cost pass-through may occur, Townsville and Magnetic Island's accommodation affordability remains strong compared to competing destinations. Our goal is to protect long-term housing stock and local amenity, which also supports the liveability and sustainability that attracts visitors.
What data or impact assessment has Council used to justify such a significant increase?	The decision is underpinned by analysis of the growth in short-stay listings, their impact on residential availability, and benchmarking with other councils that have introduced similar rates. It's a response to community concern about housing availability and ensuring that Council can reinvest into growing the visitor economy.

Question	Response
What can I do if I don't agree with my property being rated as transitory accommodation?	• You can follow the usual general rate objection process. To learn more, visit the General Rate Objections web page. • If you object your rating category: • You must submit your objection within 30 days of the issue date on your rate and utilities notice. • You must include details of your current and proposed rating category with a reason for objection, explaining why you believe the land/property should have been included in the proposed rating category. • You should provide any relevant supporting documentation to show your property should be categorised differently. The documentation would be tailored to your specific circumstance, examples may be: ○ A long-term lease agreement to show your property is not a short-stay rental. ○ Photos and/or floorplan to indicate that only part of your property is listed for short-stay letting, not the full property. ○ Report from short-stay accommodation provider (stayz, Airbnb, etc) to show your property is not listed/available for more than 30 days of a financial year. ○ Other relevant evidence to support your objection. • The web page includes an online form or a PDF you can print and fill out manually. • You are still required to pay your rates by the due date. • If your objection is allowed, Council will adjust your rate account. If you have paid your rate notice and the change in category results in a lesser amount of rates being payable, Council will refund the difference upon request. • If your objection is not allowed, no adjustment will be made. Note that if you haven't paid your rates, any loss of discount and accrual of interest (30 days after the due date) will continue to apply.