

Nathan Calman
Chief Executive Officer
ceo@tasfarmers.com.au
41-43 Wellington Street
Longford, TAS, 7301

To the Mayors and Councilors of Tasmania
By Email

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Subject: Proposed rates increase for Tasmanian Municipalities

Dear Mayors of Tasmania

I write to you and your Councillors to express TasFarmers strong concern at the possibility of increases in rates for the 2025/26 financial year beyond that of the consumer price index (CPI).

Councils cannot continue to increase rates simply because of a desire to increase spending or to bring mismanaged budgets back into balance. All sectors in the economy face increasing costs, few have the luxury of simply hiking their prices. Revenue into many councils has increased in recent years courtesy of increased property valuations, but increased valuations do not mean increased income for primary producers – in fact as looming rate rises shows, it just means increased costs to farmers that can't be recovered.

The Tasmanian farming sector is under increased global market pressures due to swelling competition from agricultural exporting nations such as China, India, Spain and Belgium. Additionally, the USA government recent and unpredictable tariff regime on Australian beef and dairy products will have serious implications for Tasmanian farmers, including many in your municipality.

The cost of doing business in agriculture is reaching crisis levels – all inputs are increasing in price due to conflicts in Europe and the Middle East including the Red Sea - the Australian supermarket duopoly is placing unprecedented pressure on Tasmanian producers to supply better produce at greater volumes, but at lower prices.

Tasmanian farmers are some of the most innovative in the country, but it is fast reaching the point that rising costs, including local government rates, will push some farmers past the tipping point. Add to this, successive very dry seasons with increasing wages and insurances combine to threaten the core economic driver of our regional communities – which are our farmers.

It is disappointing to read some of the justifications for already announced increases, which are well ahead of inflation. These real and potential rate rises will have a serious financial impact on the primary producers in all municipalities, and we urge all Councils to review the need for this rise.

Farmers have no means of recovering this added cost – they are price takers not price setters – the price of milk, beef and vegetables will not increase to compensate farmers – that cost is either recovered by less money available for the family or cutting back on farm operations including employment – a spiral that all businesses would want to avoid.

We urge councils to focus on efficiency with a view to stabilising or reducing rates. Councils have a clear responsibility to do the right thing – any rate rise in the current economic climate is the wrong thing to do to farmers and the communities, your communities, that depend upon them.

Yours Sincerely



Nathan Calman

CEO, TasFarmers