

Huon Valley Storm - December 2021

**Fruit Growers Tasmania briefing for Hon
Shane L Stone, Coordinator-General of
the National Recovery and Resilience
Agency (NRRRA)**



Background to Tasmanian Fruit Industry

- FGT represents Tasmanian fruit growers who produce some \$300 million of fruit each year.
- The industry directly employs some 1,500 people in ongoing roles, some 8,000 in peak harvest season and many more in associated supply chains.
- Tasmanian fruit production in 2019-20 was 47,000 tonnes with a farm gate value for 2018-19 of \$275 million.*
 - The fruit industry was the 4th largest Tasmanian agricultural sector behind Red Meat(\$780m), Dairy (\$470m) and Vegetables (\$305m).
 - Average year-on-year growth in farm gate value over preceding seven years is 17%. Much higher than Red Meat 10%, Dairy 6%, Vegetables 3% and Field Crops 4%.
 - Only the wine sector is similar (16%) albeit off a much lower value base (\$47m).



* Source - Tasmanian Government's June 2021 Agribusiness Insights report.

Impact of Huon Valley Storm - December 2021

- Crop losses are projected at over \$3 million at the farm-gate, predominantly in apples.
- Some estimates put the wider impact to the Tasmanian economy at over \$10 million, factoring in lost wages for staff, freight, packaging and returns to wholesale and retail outlets.
- Cherry crops in the area were mainly protected by nets and covers meaning the overall cherry crop impact was negligible.
- However repair and replacement costs for crop protection infrastructure is estimated at close to \$900,000.



Grower Testimonials

- Apple and cherry grower Howard Hansen said a third of his apple crop, worth \$1.2 million, was completely wiped out.
- "The hailstones completely split the apples in half, none of these will be saleable. We've been in the Huon Valley for over 75 years and the event we suffered last night is 10 times worse than we've ever seen before," - Howard Hansen.
- Andrew Griggs runs Lucaston Park Orchards and said it was estimated the storm destroyed 50-75 per cent of the orchard's apples.
- "I've never seen anything like it in the time I've been here growing," he said, describing 20mm-sized hailstones. In some consolation, Mr Griggs said the farm's cherries and raspberries were mostly protected with netting and were largely unscathed.



Building Back Better for Sustainability and Resilience - Requested election commitments.

Risk Mitigation - Horticultural Netting and Labour Mobility.

- \$10 million additional funding for Tasmanian growers under the Horticultural Netting Program Trial, to increase both the quantum of individual support (\$300,000 instead of \$150,000) and the number of growers supported.
- The provision of an Australian Tax Office ruling to clarify and ensure that capital expenditure on crop protection structures, netting and covers can be depreciated on the same schedule as agricultural fencing for livestock and wildlife exclusion.
- The re-introduction of support for business investment through temporary full expensing, increased instant asset write-off and accelerated depreciation for the agricultural sector given the higher risk profile businesses in this sector face.
- The introduction of more reasonable depreciation arrangements for business investment in worker accommodation both on farm and in regional and remote areas, and the inclusion of such investment in any initiatives to support business investment through temporary full expensing, increased instant asset write-off and accelerated depreciation.
- The introduction of an increased Income Bank for Jobseeker, Youth Allowance (as a job seeker) and Age Pension in the same way and under the same conditions as that which currently applies to Youth Allowance (as a student or apprentice), Austudy and ABSTUDY Living Allowance, potentially restricted to rural and remote locations and/or income earned under the Horticulture Award.

Building Back Better for Sustainability and Resilience - Requested election commitments.

Export Market Development

- Extension of the current Australian Government funding to Fruit Growers Tasmania of \$450,000 over 3 years from 1 January 2023 to allow us to support fruit producers and exporters to comply with international protocol market requirements, promote our produce and pursue further market access and technical market improvements
- \$300,000 in funding over 3 years to Fruit Growers Tasmania to establish an Australian Cherry Improvement Program to match the Australian Pome Fruit Improvement Program and boost varietal advancement and new plant availability.
- \$2 million in up front funding, with an additional \$600,000 over 3 years for Fruit Growers Tasmania to develop a Temperate Fruit Industry Improvement Centre at the dis-used Tasmanian Government owned Grove farm site in the Huon Valley – the most significant of Tasmania’s cherry and apple production regions.
- A \$60 million investment to complete Phase 2 and 3 of Hobart Airport’s runway and airfield upgrades, to provide the certainty for fruit producers from all parts of Tasmania to invest and pursue export markets. (A further \$20 million to be contributed by the Airport.) Direct flight capacity from Hobart airport to international markets is essential for growers to establish export markets . ***We did in fact receive a pre-election commitment for this from Julie Collins MP – Shadow Minister for Agriculture.***

Link to our newsletter article 20/11/22 detailing our requested election commitments and the responses from all 3 major political parties.
<https://newsletter.fruitgrowerstas.org.au/t/r-96E3C7407BD17A662540EF23F30FEDED>

Attendees

Confirmed

Scott Price (FGT President) and Andrew Smith	Orchardist	R&R Smith
Andrew and Matthew Griggs	Orchardist	Lucaston Park
Blake Reeve	Orchardist	Reeve Tasmania
Dane and/or Brett Griggs	Orchardist	Griggs Grower Direct Apples & Cherries
Jake Norris	CEO / Orchardist / APAL Board Member	Hansen Orchards

Apology

Grant Townsend	Orchardist	GA & BL Townsend
----------------	------------	------------------

Tentative

Scott Stevenson	Orchardist	SA & RJ Stevenson
-----------------	------------	-------------------