

Industry and the Tasmanian Government: Working in partnership

As the oyster industry is highly reliant on mainland tourism and hospitality sectors, sales dropped initially by about 90% and remain about 50 - 60% of normal sales volume. Our recovery is going to be impeded by the slow recovery of these sectors, and the increasing amount of available mature stock, here in Tasmania and in South Australia and NSW.

The Tasmanian Government has provided significant and direct assistance to the Tasmanian oyster industry following COVID-19, including \$1.2 million of relief granted just weeks after the pandemic impacted our sector. This was especially vital for sustaining the industry, before other relief such as Tasmanian Government hardship grants and JobKeeper and other Australian government initiatives kicked in.

Despite cash-flow dropping precipitously the operational costs in farms, nurseries and hatcheries have increased due to a backlog of product. This stock requires continual handling and grading by our skilled workers, so ongoing support is required to keep oysters alive.

The established partnership between the Tasmanian oyster industry and the Tasmanian Government will be vital to assisting our continuing recovery.

GUIDING PRINCIPLES FOR RECOVERY

augmenting efforts and plans of others
ideally, beneficial to all, detrimental to none
maximise opportunity for change
remaining competitive in markets

What does our Recovery Plan look like?

The industry acknowledges that a Recovery Plan will have to remain an evolving document as the future remains uncertain, and what the market looks like is impossible to forecast or plan for. The plan is based on the following broad approach:

- how do we keep our workers employed and oysters alive?
- how do we accelerate the re-entry of oysters to Australian consumers?
- do we need to change our supply chain?
- is export an option?

The role of Oysters Tasmania will include a focus on:

- resuming strategic planning - many initiatives will align with our Recovery Plan
- promoting our recovery plan to industry and beyond
- advocating for our industry as required eg JobKeeper continuation

How can we work with the Tasmanian Government?

There are a number of initiatives industry has identified through its recovery planning and strategic planning, that are within the influence of the Tasmanian Government but do not require a direct financial commitment. These will contribute to the short-term sustainability and long-term development of the state's oyster industry.

1. Increased Industry Development

Enable access to undeveloped water in the short-term and innovative solutions for development in the future:

- fast-tracking of approval processes for currently undeveloped leases, including classification process
- assisting industry with lease sharing arrangements if required
- creation of "Community Leases" to allow development (eg as in South Australia)

2. Access to Finance

Enable industry to access a variety of financing options for recovery and future development:

- lending against assets including leases
- access to low interest loans (eg NSW seafood innovation fund)

"We can sit on stock for six months but only if we can keep staff on"
"The next issue for a lot of the industry is what do we do with our mature stock, with no one to buy it?"

VIEWS FROM OUR GROWERS

3. Continuation of Levy Waivers

As industry recovery will be impeded, Tasmanian Government fees including the ShellMAP levy will be waived for a further 12 months.

4. Improved Regulatory and Market Access Programs

Support and prioritise initiatives to ensure the oyster industry is harvesting every day it's safe to do so:

- establish a "reward" approach to regulation eg food safety audit frequency
- top down encouragement to instigate a culture shift from compliance to industry support in ShellMAP

5. Reducing Operating Costs of Oyster Farming

Contribute to initiatives and processes to reduce operational costs:

- automating government reporting and processes eg production figures
- signing of data agreement for ownership/subsidisation of biotoxin testing

EXTENSION OF THE JOBKEEPER SCHEME

FOR THE TASMANIAN
OYSTER INDUSTRY

Seeking extension of assistance

Oysters Tasmania is advocating for the Australian Government to extend the JobKeeper initiative, or equivalent, to the nation's oyster industry. With about 85% of Tasmanian oysters sold in the Australian market (ie off-island) the recovery of our industry is closely aligned with that of the tourism and hospitality sectors. This campaign complements that of Oysters Australia, our peak national body.

INDUSTRY SUMMARY (2019)

100 oyster farms

280 direct jobs

450* total jobs

\$35million from farm value

\$140million* farm and flow-on value

Why we are a special case

The impact of COVID-19 has been exacerbated in the oyster industry due to:

- reliance on national tourism and hospitality sector
- our ongoing recovery from Pacific Oyster Mortality Syndrome (POMS)
- increasing work for our skilled workers managing stock that would have been sold

The impact of COVID-19, and bushfires on the national hospitality and tourism sectors is well documented, with flow on effects on the Tasmanian oyster industry. There is anecdotal evidence that oysters are not making it back to venues with limited menus.

The industry is still in recovery following POMS, which struck Tasmania in 2016. It killed stock ready for sale and 80% of juvenile and nursery stock, significantly disrupting the production cycle. As oysters take about two years to mature, this has had persistent impacts similar to an extreme drought on a terrestrial farm (see Figure 1 below).

An increased workload for our people

While cashflow has been significantly reduced by less sales, operational costs have increased due to the numbers of mature oysters in the water and with no room for new stock, resulting in a halt of sales for juvenile and seed suppliers. Access to capital will be vital to ensure the industry can increase holding capacity until markets improve significantly. Extra oysters require increased handling and grading, and the JobKeeper payment has enabled the industry to sustain its valuable and trained staff, as well as keeping oysters alive. Continued financial support for our workers will enable the Tasmanian oyster industry to:

- keep their skilled workers employed
- keep oysters alive and
- be ready for a future recovery with a national and Brand Tasmania approach

This will have significant benefits in the regional and remote communities in the north-west, east coast and southern regions of the state where industry is based.

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Figure 1. Annual Oyster Production by quarter 2015 - 2019

