

# Frost fans in demand after Derby Day disaster

**Mark Hamilton** looks into a recent South Australian court case in which Treasury Wine Estates appealed the decision of The Barossa Council to refuse its application to install frost fans on one of the wine company's vineyards.



Being painfully aware of the savage effect of the severe, late frost event in the south east of South Australia on Victoria Derby Day on 4 November 2017, I was interested to read the judgment of *Frost Protection Australia Pty Ltd v The Barossa Council* [2017] SAERDC 36 (7 September 2017) in the Environment, Resources and Development Court of South Australia.

Following a severe cold front which blew up from Tasmania, through Victoria and into the south east of South Australia overnight before the Derby, substantial frost damage and crop loss occurred in Padthaway, Wrattenbully and, to a lesser extent, Coonawarra. Temperatures plunged to and persisted at -1.5°C in Wrattenbully and lower in some parts of the Limestone Coast zone.

I travelled to the south east the next day to inspect our Limestone Quarry

Vineyard at Wrattenbully. The trip was not pretty, with blackened vineyards presenting widely through Padthaway and Wrattenbully. Our vineyard was not a pretty sight, and turned out to be even worse than I thought (or maybe hoped).

The annual crush report for Vintage 2018 shows, for example, that the crush was down by 52% in Wrattenbully over 2017, representing a loss of some 14,000 tonnes, having a value of around \$13 million.

Local growers, including long-term Wrattenbully vineyard manager and grapegrower Greg Koch, told me that this event precipitated a frost fan order "rush" by large wine companies and private growers alike.

Anecdotally, frost fans worked well during this frost event. Where frost fans were not installed, this was a severe enough event that a saving in crop value loss in a number of individual cases would literally have paid for the frost fans one or more times over. Whilst this would obviously vary from property to property, and area to area, many growers were left wishing they had frost fans,

and apparently convinced of the need to urgently acquire them.

In The Barossa Council matter, Frost Protection Australia was seeking development approval on behalf of Treasury Wine Estates to install six frost fans on that company's Flaxman Valley vineyard of about 40 hectares.

Uncontradicted evidence was given on behalf of Treasury by its vineyard manager that the "land has experienced many frosts, both mild and severe, throughout the life of the vineyards" including frosts in some years of a "catastrophic nature" in terms of the effect on the vines and crops. The evidence was that it was a rare year where no frost event and damage occurred. I found this evidence interesting as it begs the question of why, if that were the case, Treasury had not previously sought to install frost fans on the vineyard.

The council refused the application citing as its reasons for refusal the likely impact upon the character and amenity of the locality (visual and noise) and the site design being not sufficient to minimise the negative impacts of noise or visibility

Table 1. Frost effect on Limestone Coast V18\*.

Region	Vintage 2017		Vintage 2018		Lost			
	Tonnes	Value (\$)	Tonnes	Value (\$)	Tonnes reduced	% Tonnes lost	Value of tonnes lost (\$)	Change** in value (%)
Coonawarra	36,509	41,000,000	29,692	45,000,000	6,817	18.67	4,000,000	9.76
Wrattenbully	27,374	28,500,000	13,160	15,600,000	14,214	51.93	-12,900,000	-45.26
Padthaway	41,142	36,000,000	21,277	20,000,000	19,865	48.28	-16,000,000	-44.44
Limestone Coast (other)	22,154	17,000,000	16,478	15,500,000	5,676	25.62	-1,500,000	-8.82
Total	127,179	122,500,000	80,607	96,100,000	46,572	36.62	-26,400,000	-21.55

\*Data extracted and compiled by author from Vinehealth Australia Annual Crush Report 2018

\*\*Change in value data is distorted to some extent by increased pricing and/or a high percentage of private winery intake

to avoid unreasonable interference, and impact on the natural, rural and scenic value and character of the rural area. Anecdotally, I have heard reports of other applications for frost fans being refused by councils.

Ultimately, the court, having considered all those aspects, allowed the appeal and granted consent to the establishment of the frost fans.

My interest in the case was piqued as evidence that vineyard owners cannot take it as read that they will necessarily obtain development approval for the erection of frost fans for existing or planned vineyards in circumstances, in particular, where the land is in close proximity to people and buildings. It seems to me that the ability to obtain approval to erect frost fans is something which should get a mention on due diligence lists.

Having looked at the cost and efficiency of frost fans since the Derby Day event, I can see that frost fans are likely to become, to the extent they are not already, a standard, non-optional part of vineyard infrastructure where anything other than marginal frost risk exists. It is trite to say that frost fans are a form of crop insurance.

Having said that, it should be noted, as always, that there are some types of frost events which even frost fans will not answer.

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Vineyard owners should not assume that they will be given approval to install frost fans on existing or planned vineyards, especially where those vineyards are close to people and buildings.

## TWE expands warehouse and distribution operations in SA

**T**reasury Wine Estates (TWE) has officially opened an expanded warehouse and distribution facility at Penfield in the northern suburbs of Adelaide, South Australia.

The Federal Minister for Trade, Tourism and Investment Simon Birmingham officially opened the new facility and was joined by the South Australian Minister for Trade, Tourism and Investment David Ridgway, TWE's director of supply chain services David Alpen and other industry guests for a tour on 14 December.

TWE said the facility, which was fully operational from January, would deliver greater efficiency in the company's container packing operations and domestic distribution functions, and help accommodate the global demand for its wine exports to more than 70 countries. A company spokesperson said one of the key benefits of the location of the warehouse and distribution facility was its proximity to major road, rail and shipping routes.

According to TWE's deputy chief operating officer Tim Ford, the strategic relationships between TWE and its partners have played a critical role in the development of the expanded warehouse facility.

"The SCT Group, who own the land and invested in these buildings, and the TOLL



Pictured at the opening of TWE's expanded warehouse and distribution facility in Adelaide are (from left) David Alpen, TWE's director supply chain services, Federal Minister for Trade, Tourism and Investment Simon Birmingham, Ross Fallon, TWE's general manager of supply chain planning & logistics, and SA Minister for Trade, Tourism and Investment David Ridgway. Photo: Ben Searcy

Group, who designed the interior layout and undertake our domestic and export wine warehousing and distribution operations, understand our business and have worked closely with us to ensure this building was completed on time, within budget and to our specifications. It's been an outstanding commitment to the task by all involved," Ford said.

"This expansion of the Treasury Wine Estates Penfield operation underscores the recent strong growth of Australian wine exports, which last year saw 60 percent of exports originating from South Australia," said Minister Birmingham.

"This facility is a vote of confidence in the future of the Australia wine

industry and I congratulate TWE for demonstrating its commitment and investing in South Australia and the national wine industry."

SA Minister for Trade, Tourism and Investment David Ridgway welcomed TWE's expanded operations which will have significant positive flow-on effects for the wider industry.

"This major expansion represents a significant vote of confidence in the state's economy and has the capacity to bring considerable tangible benefits - and additional jobs - to a number of businesses in the supply chain," said Minister Ridgway.

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