

OPENING OF THE ROYAL HOBART SHOW

BY

THE HONOURABLE PETER UNDERWOOD AC

GOVERNOR OF TASMANIA

HOBART – THURSDAY 24th OCTOBER 2013

This is the 6th time that I have had the privilege of opening the Royal Hobart Show and so I looked back to 2008 to find out what I said when I first opened the Hobart Show. That year I began by saying:

“I think that this Show - as well as celebrating rural achievements - celebrates the resilience and courage of the rural community. For the past few years the farmers and the farm dependent community have been doing it really tough due to the drought conditions in many parts of the State. The Secretary of the Department of Primary Industries and Water summed the situation up pretty well when he said, “Prolonged drought periods impact significantly on rural social capital through de-population, reduced economic status, decline in skill levels and loss of professional services.” ... Apart from a few areas of the State, prolonged drought has seriously affected most of Tasmania, particularly the Midlands and East Coast areas. Although the drop in the value of the Australian dollar is good news for exporters, the looming financial crisis is going to add to the woes of the rural economy as well as the State generally.

The plain fact to face at this year's Show is that most of the rural community is doing it tough. ... I'm not just talking about doing it tough financially although that is certainly the case. I am talking about doing it tough by having to watch the properties that have been the life-blood of farming communities for generations turn into dust bowls."

To lift spirits I also said:

"To those affected by the drought I urge you to take heart and hang on. The legislation is in place and the government has ready a total of \$220 million to bring water to drought affected areas. It may mean that farmers in this area will have to change, at least partly, from sheep and cattle farming to more intensive crop farming. I understand the dilemmas this will pose and they should not be underestimated, but I am confident that the rural community will be willing and able to adapt their methods to altered conditions, especially if they will give them security of tenure and livelihood."

As those who were at the opening of the Royal Launceston Show two weeks ago are aware, I began my opening address there in the same general terms as I have just used, but I make no apology for that, nor for now repeating parts of what I said in Launceston for what I had to say is just as relevant to the south as it is to the north.

Things have changed dramatically since this Show opened six years ago. At the beginning of this month the Lower South Esk irrigation scheme came on line. It is bringing reliable quantities of water to some 15,000 hectares of land in the Conara, Evandale, Perth and Longford area. It is the fifth project to be completed under a state-wide irrigation plan, with the big one to bring water to the Midlands currently under construction. And just last week, after a long wait we learnt the good news that the south east irrigation scheme stage 3 has at long last received the regulatory permissions. So, as forecast in 2008, the plan to increase irrigated farm land is close to implementation.

Therefore, my message at the opening of the 2013 Show is quite different from the message at the opening of the 2008 Show. Droughts won't go away but ingenuity, good management, planning and cooperation will minimise the impact of them on the farming - and consequently also the city - community. The annual Show is traditionally a place where the farming communities and the city communities come together, for each depends on the other and the Show is a good place to spread the good news as well as a place to share the bad news.

The CEO of the Tasmanian Farmers & Graziers Association, Ms Davis is upbeat about the future. She was quoted in the issue of the Tasmanian Country newspaper three weeks ago as saying:¹

¹ Tasmanian Country 4th - 10th October 2013, Page 8.

“This investment in new irrigation infrastructure will underpin continued expansion and growth of Tasmania’s agricultural sector and deliver resilient rural communities and job growth for decades.”

According to a Press release issued by Rabobank on 9th of last month, its latest quarterly survey of rural confidence showed that farmers are taking a much more optimistic view of the year ahead. The press release said that there had been a significant turnaround in rural sentiment with three quarters of the nation’s farmers now expecting the agricultural economy to improve or remain stable over the next 12 months. The optimistic outlook was principally put down to a lower Australian dollar and good seasonal conditions. It was reported that in Tasmania there had been a particularly marked lift in confidence in the dairy sector and it seems to me that, as the value of the irrigation schemes becomes more and more evident, that lift in confidence will be strong right across the rural sector.

I was interested to see that the findings of the latest Rabobank Rural Confidence Survey coincided with a report just issued by the Australian Bureau of Economics and Science² The report forecast is that nationally, farm production will reach \$50 billion and as Economist Bruce Felmingham notes:³

²http://www.daff.gov.au/abares/publications_remote_content/recent-20?sq_content_src=%2BdXJsPWh0dHAlM0ElMkYlMkYxNDMuMTg4LjE3LjIwJTJGYW5yZGwIMkZlZlZGU2VydmVjZSUyRmRpc3BsYXkucGhwJTNGZmlkJTNEcGJfYWdj21kOWFiY2MwMDQyMDEzMDI0fMTJhLnhtbCZhbGw9MQ%3D%3D.

³ Sunday Tasmanian 22nd September 2013

“These commodities, such as beef, lamb and dairy food, are all produced in Tasmania so as the economy recovers our farmers will be in the fast lane – not the slow lane as was the case for the duration of the mining boom.”

Felmingham estimates that Tasmanian agriculture’s share of the lucrative growth of the Australian agriculture sector will range in value from \$75 million to \$100 million. China is the principal market.

Now, I do know that very recently we have experienced unprecedented rainfall which has been a set-back for those planting cereals, poppies and like crops but overall, the rural communities have a lot to look forward to. I also know that Tasmania has an unacceptably high unemployment rate and an even more unacceptable functional illiteracy rate, but it is far from all doom and gloom. Tasmania’s credit rating, as determined by Standard and Poors, remains unaltered at AA+ and the Tasmanian Tourism Industry Business Sentiment Survey just released⁴ describes business confidence for tourism operators as 83 out of 100, as opposed to only 28 out of 100 in March 2011.

So, I urge those who are in the rural sector to look up and be positive. If you do, we will all look up and be positive. The week before last a family-run meat processing business won the Tasmanian exporter of the year award. Founded in 1997, the business, Tasmanian Quality Meats, had no export business at all until just 2011 – 2 years ago. This year it processed

⁴ <http://www.tict.com.au/tict-industry-reports/survey-september-2013-sentiment>

and exported Tasmanian quality lamb, mutton and veal to the United States, the United Arab Emirates, Qatar, Jordan, Bahrain and Vietnam, as well as continuing to supply the domestic market. In the last two years the business has expanded from 20 staff to 75. All of this was due to the owners' innovation, infrastructure investment, research and energy.

It can be done. Acknowledging that confidence begets confidence, Tasmanians in the rural sector might be able to say at this Show what they were not able to say at the 2008 Show, "the future looks good and now is the time to invest in developing rural businesses."

Congratulations go to the CEO of the Royal Hobart Show, Scott Gadd, President Paul Grubb, the Board members, the councillors, the more than 300 volunteers, the sponsors, judges and all the others who have helped produce yet another excellent Royal Hobart Show. As is rightly always the case, there are new things and old favourites. There are new entertainments, including a dinosaur petting area and there are two young lion cubs in the animal nursery. I am reliably informed that, while this is not the first time that there have been lions at the Show, it is definitely the first time that there have been dinosaurs!

So, it is with an air of optimism for the rural sector, and much pleasure, that I declare the 191st Royal Hobart Show open.