

**OPENING OF THE ROYAL LAUNCESTON SHOW**

**BY**

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**GOVERNOR OF TASMANIA**

**LAUNCESTON – THURSDAY 10<sup>TH</sup> OCTOBER 2013**

This is the fifth year that I have had the privilege of opening the Royal Launceston Show and I thought that I would look back to see what I said on the first occasion in 2008. It had not been a good year for farmers. I said this in 2008:

“As those in this room are very well aware the farmers and the farm dependent community have been doing it really tough for the past few years due to the drought conditions in many parts of the State. As the Secretary of the Department of Primary Industries and Water 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.’”

Six years ago I also referred to the impact that the drought had had on the psychological health and well-being of the farming families. When I wrote that in 2008, I well recall thinking that the really tough thing about the primary industry is that it is very largely dependent on factors that are beyond its control; the weather, international currency fluctuations and the markets. In an attempt to lift spirits I said:

“It is estimated that by 2015 Tasmania will need an additional 250,000 megalitres of irrigation water per year to underpin projected growth in agriculture and to improve

the resilience of the industry in the face of drought and climate change. This represents around a 50% increase on existing irrigation supplies. To those affected by the drought I urge you to take heart and hang on.”

Well, it is all happening isn't it? Two weeks ago 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. 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 last issue of the Tasmanian Country newspaper as saying:<sup>1</sup>

“This investment in new irrigation infrastructure will underpin continued expansion and growth of

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<sup>1</sup> Page 8.

Tasmania's agricultural sector and deliver resilient rural communities and job growth for decades."

According to a Press release issued by Rabobank on 9<sup>th</sup> September this year, 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 Science<sup>2</sup> (that goes under the delightful acronym, ABARE). The report forecast is that nationally, farm production will reach \$50 billion and as Economist Bruce Felmingham notes:<sup>3</sup>

"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

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<sup>2</sup>[http://www.daff.gov.au/abares/publications\\_remote\\_content/recent-20?sq\\_content\\_src=%2BdXjsPWh0dHAlM0ElMkYIMkYxNDMuMTg4LjE3LjIwJTJGYW5yZGwIMkZEQUZGU2VydmljZSUyRmRpc3BsYXkucGhwJTNGZmlkJTNEcGJfYWdjb21kOWFiY2MwMDQyMDEzMDIlfMTJhLnhtbCZhbGw9MQ%3D%3D](http://www.daff.gov.au/abares/publications_remote_content/recent-20?sq_content_src=%2BdXjsPWh0dHAlM0ElMkYIMkYxNDMuMTg4LjE3LjIwJTJGYW5yZGwIMkZEQUZGU2VydmljZSUyRmRpc3BsYXkucGhwJTNGZmlkJTNEcGJfYWdjb21kOWFiY2MwMDQyMDEzMDIlfMTJhLnhtbCZhbGw9MQ%3D%3D).

<sup>3</sup> Sunday Tasmanian 22<sup>nd</sup> September 2013

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 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 released<sup>4</sup> describes business confidence for tourism operators as 83 out of 100, as opposed to 28 out of 100 in March 2011.

So, 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.”

I offer my congratulations to the CEO of the Royal National Agricultural and Pastoral Society of Tasmania, Brian Bennett, the Board of Directors, the all-important members of the Committees that form the Show Council, the judges and, of course, all the wonderful volunteers without whom there would be no Royal Launceston Show. You have

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

together done a great job to continue a tradition that began way back in 1834 with the first ever Launceston Show -----

AND I now formally open - on an optimistic note - the 2013 Royal Launceston Show.