

\*\*\*\*\*CHECK AGAINST DELIVERY\*\*\*\*\*

**Address to the National Press Club**

**Hon. David Bartlett MP**

**Premier of Tasmania**

**21 October 2009**

So often during the last half century, when Tasmania has intruded into the national consciousness, it has been because of debates over conservation.

It's been about trees and pulp mills, rivers and dams.

And I can understand why.

Tasmania's natural environment will always be a great part of our appeal.

Ours is a beautiful State.

But there is more to this island, these over 250 islands – the second most protected landmass on the planet behind Antarctica – than meets the eye.

Today, I want to tell a different story.

I want to explain why it is my firm belief that in the coming decade, Tasmania will strut the national stage because of a very different set of achievements, and make a contribution to Australia that will be the envy of other jurisdictions.

On the first day that I became Premier, I said that I wanted Tasmania to be a clever, kind and connected place.

We are working to make that a reality.

Right now, we are embracing challenges in a way that will make us not just an Australian leader in key areas – but a global one.

It's happened quietly and perhaps unspectacularly – but as I stand here today, Tasmania has become the Tiger economy of Australia.

As the Australian economy has grown over the past decade, Tasmania has steadily improved our position relative to every other State in the nation.

Last week, CommSec released its October economic ratings.

Its first line is one that any Premier would be happy to read again and again.

It says, and I quote, “Across all the states and territories, Tasmania currently has the best performing economy in Australia”.

Two days ago, Access Economics in its September Outlook also confirmed that Tasmania is continuing to out-perform other States.

It's good news on many levels – but it is also a spur – a reminder that we need to set ourselves to maintain the economic transformation of Tasmania.

I believe that Tasmania is now ten years into a twenty year transformation.

That transformation is economic, cultural and social.

We have already come a long way in the last decade, where the benefits of majority government have provided stability and certainty.

Since January 1999, over 40,000 new jobs have been created.

Our unemployment rate in January 1999 was 10.2 per cent, the worst in the nation.

Today its 5% – the lowest of all the States.

In 1998, the Tasmanian economy was in recession, and it contracted by around 2 per cent, while the rest of Australia grew.

Today, most commentators rate the Tasmanian economy as the strongest in the nation.

In the late 90s, our population was going backwards.

We had a net loss of 3 200 people in the four years to 2000.

Since then, our population has grown by a net 29 000 people to 500 000.

Our tourism numbers have also grown exponentially, and we now welcome over twice our population – over one million people – to Tasmania each year.

And in the face of downturns across the nation in tourism, Tasmania's visitor numbers continue to grow.

We've established a state-wide biennial arts festival of international significance in the form of Ten Days on the Island, and other festivals that are receiving accolades, such as MONA FOMA.

David Walsh will complete next year the development of the most significant private cultural investment in Australia today.

The Museum of Old and New Art – MONA – will simply mesmerize the national and international art world with one of the most significant private art collections on the planet.

In the last decade, Tasmania has also cemented itself as a social policy leader.

We are the first and only State to have provided compensation to the Stolen Generations.

We've challenged domestic violence through our *Safe at Home* initiative, and we have the most progressive same-sex relationship laws in the country.

We are ten years into not only changing Tasmania – but changing perceptions of Tasmania.

That CommSec report that I referred to earlier had another quote I think worth noting here.

It said, "Tasmania probably wouldn't be the state that most people think of when it comes to nominating the best performing economy in Australia."

That is the perception that we are changing. It is changing already, but I want to effectively turn it on its head.

When a CommSec report comes out in 2020, I want that line to read:

"Not surprisingly, Tasmania continues to perform as the leading economy in the nation as it grasps innovation and transforms it into economic opportunity."

Achieving that outcome is what I am focussed on as Premier.

My focus is on the next decade of economic prosperity, and getting the settings right to embrace that future.

And that future will be a significant one not only for Tasmania, but for Australia as a whole.

To make that happen, we need to use innovation to seize on global trends and turn them to our advantage.

Right now, Tasmania is embracing the three great global challenges that will dominate the 21<sup>st</sup> Century.

They are:

- The management of increasingly scarce water resources;
- The imperative for creating sustainable and renewable energy; and
- The rapid pace of the telecommunications revolution.

These are the issues being faced by every State in the nation, and by every nation on the planet.

And in each one, Tasmania has natural advantages that we must and will seize for the future.

These are global imperatives and Tasmania stands uniquely at the point of their intersection.

Let's pause for a moment to think about the importance of water.

Water is already the most important resource of the 21<sup>st</sup> Century on this planet.

The UK Department of International Development says that by 2025, two-thirds of the earth's population will suffer water shortages.

The findings of the Stern Review and the UN's Inter-Governmental Panel on Climate Change paint a similar picture.

Water is a global obsession.

Here in Australia, one State in particular is positioned to turn that water challenge to advantage.

Tasmania constitutes only about one and a half percent of the Australian landmass, and yet we receive 12% of this continent's rainfall.

We will harness that natural water advantage to the full.

We now have under way or soon to commence \$400 million worth of irrigation projects that will transform Tasmania into the foodbowl of Australia.

As Premier, I have seen a fair bit of this nation.

In the past couple of years, I have looked out of countless car and plane windows at the Australian landscape whenever I've been on the mainland.

It is a landscape which is literally drying up.

We all know this.

For decades now, the Murray Darling Basin has been Australia's most abundant source of food.

It has been the food security backbone for a nation.

I don't need to tell the people in this room about the challenges that are now facing that river system – and the implications that has for Australia's food security.

The Australian Government's Whitepaper on the Carbon Pollution Reduction Scheme indicates, and I quote, that:

“A 3°C temperature increase may reduce production from the Murray–Darling Basin by roughly 50 per cent.”

That is the impact that climate change could have on Australia's food security.

Tasmania has the water advantage needed to fill that gap.

We are doing the heavy lifting to ensure that Australia can have food security for the next century on the back of Tasmanian water.

By 2014, we will have added nearly 250,000 mega litres of irrigation water supplies.

That's the equivalent of nearly 250,000 Olympic swimming pools.

It will add \$220 million a year of new production at the farm gate before any value adding.

It will add 160,000 hectares of new land that will have access to reliable irrigation for the first time.

Its part of the continuum of food excellence we are developing in Tasmania – running all the way from the seedling in the paddock to the plates of Australia's finest restaurants.

A good example is Ashgrove Farm near Deloraine – a producer of fine Tasmanian dairy products.

The Rubicon irrigation pipeline we are building right now from the Meander Dam will provide sufficient water to Ashgrove Farm to lift milk production by 20%.

That milk will then be channelled into some of the finest cheese products in the nation, which will find their way into stores and restaurants around Australia.

Tasmania has a unique story to tell.

We are the only place on earth that exports Fuji apples to Japan and tulips to Amsterdam.

We are the southern hemisphere's greatest producer of saffron, a substance literally worth its weight in gold.

And at Woolnorth on our north-western tip, you can breathe what has been scientifically proven to be the cleanest and freshest air on earth.

There are many strings to our bow – and likewise our foodbowl strategy is not just about irrigation.

It's about our skills sector, science, and innovative agribusiness,

It's about transforming our logistics into smart, low emission transport systems, and drawing more people to visit our State through our growing food and wine tourism sector.

That is a clever Tasmania in action.

And water is not the only natural advantage we enjoy.

Let me turn now to the second of our great global imperatives – the need for renewable energy.

This century will be defined by the ability to produce renewable energy in a carbon constrained world.

From Kyoto to Copenhagen, the world has been talking about carbon and its impacts at an ever growing rate.

Climate change has created a renewable energy imperative that cannot be denied.

Tasmania is already a renewable energy leader in Australia.

The larger economies of our country have been dependent on carbon-intensive energy ever since Europeans set foot on this continent.

The coal-pits of NSW have driven a century or more of mainland industrial growth.

That has not been the case in Tasmania.

We have travelled a different road – and it's one that has now made us a vital knowledge-bank for the rest of Australia.

In Tasmania, at least 70% of our electricity comes from renewable sources right now – something that no other State in Australia can come close to matching.

We have the strongest knowledge bank in wind and water energy anywhere in South East Asia.

Australia has, under the national leadership of the Rudd Labor government, set a bold Mandatory Renewable Energy Target.

Tasmania is the key to unlocking that potential and meeting that target.

We contribute today about 50% of all the renewable energy created in this country.

If Australia as a whole is to meet its MRETS targets, it will be Tasmania that will need to do the heavy lifting.

And we are ready.

Based on all the developments occurring and projected in wind, wave, hydro and thermal electricity, we will dramatically increase our renewable energy output in the next decade.

This will include doubling the number of wind farms in Tasmania producing renewable energy for domestic use and sale to mainland consumers.

And our success will underpin the nation's success in becoming a world powerhouse in renewable energy.

To give you an example of what is possible in Tasmania:

Together, the current Woolnorth windfarm and the proposed Musselroe windfarm, will deliver enough sustainable energy to power the equivalent of nearly half the households in Tasmania.

Right now, national companies are exploring geothermal or hot rock energy sources in central Tasmania.

Right now companies are exploring options for tidal energy and wave energy off Tasmania's northern coastline and around King and Flinders Island.

Because of our years of hydro investment, and Tasmania's smaller size, we have a competitive advantage over other hot rock sites in Australia because of proximity to transmission.

That is why exploration companies are knocking on our door.

And there will be more to come.

In the last month, I announced the establishment of the Tasmanian Renewable Energy Industry Development Board.

This Board will be chaired by Peter Rae AO - Chairman of the International Renewable Energy Alliance.

It will provide the leadership and the expertise and the vision to stamp Tasmanian renewable energy into the global consciousness.

And so to the third great global challenge in which Tasmania is taking a leading role - the digital telecommunications revolution.

I want to start by putting that into some historical context.

In 1914, a Tasmanian Labor Government created the Hydro – the single greatest economic and social force in our State in the 20th Century.

Dams, poles and wires that brought electricity to our homes, and jobs to our families.

In 1916, the Governor-General of Australia, His Excellency Sir Ronald Munro-Ferguson, made his way by horse-drawn carriage to the tiny central Tasmanian settlement of Waddamana.

He would have breathed that beautiful fresh Tasmanian highland air.

No doubt he was reflecting in his mind, as the carriage swayed from side to side – on the bright future that awaited Tasmania.

He was there to officially open the first hydro power station at Waddamana.

His speech from the day included some words that I want to note here.

He said, and I quote:

“I trust that this undertaking will open up a new era, not only in Tasmania but for the whole Commonwealth from the harnessing of water power, and Tasmania will develop many flourishing industries, which will attract much additional skilled labour to this State, and provide much employment here, and add to your State’s population and prosperity.”

Ladies and gentlemen, I’m here to say that history is about to repeat those words.

Effective ultra fast broadband infrastructure will be the dams, poles and wires of this new century.

And again, not only will it benefit Australia as a whole – it will vault Tasmania to global prominence in the digital age.

The reason we are able to do that is because we took the strategic steps a decade ago to prepare for what was coming.

We anticipated that the telecommunications market – with its dominance by Telstra – would never service Tasmania’s needs.

I applaud the leadership that Senator Conroy and Prime Minister Rudd have shown in taking the decision to embrace the structural reform of telecommunications.

It will allow for a more competitive telecommunications market – one that is inherently more responsive to the needs of consumers in all States – big and small.

That is a very welcome development, which supports the action we have been taking over the last ten years to make sure Tasmania was not forever a prisoner of a Telstra monopoly.

Knowing that we needed something more than Telstra - we took action.

When we brought natural gas to Tasmania, we laid optic fibre cable inside the gas trench as we went.

An investment that now gives us an optic fibre backbone that runs the breadth and length of our island.

And we worked with corporate partners to extend that cable across Bass Strait.

Cheaper, faster, more competitive broadband is now flowing across that glass, and is drawing international companies to our shores to invest.

Already, before the NBN becomes a reality, we have seen the wholesale broadband price drop massively just by introducing wholesale competition on island and across Bass Strait.

At every step – we have put up our hand in Tasmania and said we are ready to be digital leaders.

We were the only State in the nation to commit to the \$5 million bond required by the Commonwealth to bid to be a part of the National Broadband Network process.

The result has been that the Rudd Government has decided to work with us – selecting Tasmania to be the first place that can demonstrate what this new infrastructure can deliver.

We have announced that Scottsdale, Smithton and Midway Point will be the first towns in Tasmania to benefit from an optic fibre roll-out that will ultimately extend to 200,000 homes, schools, hospitals and businesses across Tasmania.

That is innovation in action.

Today I am pleased to announce, together with the Prime Minister, Stage 2 of the rollout in Tasmania which will see optic fibre extended to seven more centres.

Our approach to this is that we are building this NBN in Tasmania from the outside in.

We are starting in regional and outer suburban communities – to provide support for those communities which currently have the least telecommunications infrastructure.

Places like St Helens and Triabunna – two towns on our east coast increasingly drawing tourists and sea-changers alike to relax on pristine beaches.

There are regional centres like Deloraine, Sorell and George Town – towns that provide a hub for wider farming and innovative agribusiness communities.

Kingston Beach is a growing outer suburban area south of Hobart, and the final site is South Hobart – a suburb which is only three minutes from the centre of Hobart but is unable to access a quality broadband service.

When this process is complete - by 2014 - Tasmania will literally be the most connected place on the planet.

And I'm not exaggerating.

To give you some context – the greatest level of direct optic-fibre-to-the-premise connection that currently exists is in Japan and South Korea – neither of whom has greater than a 40% connection.

Through the National Broadband Network, Tasmania in 2014 will have achieved more than double that level of optic fibre penetration.

That is the digital future.

A future in which Tasmania will be a global leader – a digital laboratory of 500,000 largely homogenous, English-speaking people ready and connected to try the most innovative products and services on earth.

Which is why the debate now has to move from the technology itself – to showing people what we can do with it.

The NBN has to move from the minds of technology boffins to the kitchen tables of working families.

When the Governor-General opened the Waddamana Power Station back in 1916, few people could have anticipated the massive ramifications that would follow.

This time, in 2009, we must anticipate what is possible, and we will seize those opportunities to the full for Tasmania.

We need, collectively across the country, to better articulate the case for why this will be the most revolutionary piece of infrastructure that we will see in Australia this century.

Each piece of optic-fibre is like an economic and social oxygen hose.

It's what flows through the hose – the information and services and connection with the world – that makes it revolutionary.

There are of course so many possible applications for this infrastructure that it's not even possible to foresee them all.

In Tasmania, nobody knew all the different industries and businesses that would be spawned through hydro-electricity – but spawn them it did.

It is no accident that Germany – with its unmatched network of autobahns – is where they build some of the best and well-known motor cars on earth.

The great German marques like Porche, Mercedes, BMW, Audi and VW have a symbiotic relationship with the roads on which they run.

In the same way, I have absolutely no doubt that ultra-high speed broadband connection direct to the home through optic fibre will transform Tasmanian business, the Tasmanian economy, and the everyday lives of Tasmanians.

And, a fully connected Tasmania will give every Australian business and company a test-bed of half a million people to demonstrate what they can do on a national scale.

On a practical level, the possibilities are immense.

We just have to look at the virtual reality world to see that businesses really are appearing literally out of thin air.

Look at something like *EverQuest* – an internet-based gaming world – where the sale of in-game objects has now translated into real world economics.

There are 14 million players worldwide, of whom 1400 make a living out of their play – and 14 of them are millionaires.

In 2002, the BBC calculated that *Everquest* was the 77th richest country in the world in terms of its GDP per head of population.

My point is this: If that is what is happening in the virtual world, just imagine what will be possible in the real world.

We know some of what is possible as its already emerging.

Advances in health that are allowing clinicians in the City of Burnie to provide bedside advice to the High Dependency Unit in a hospital in Devonport via video link.

And digital medical imaging is allowing us to take x-rays in remote Tasmanian towns like Queenstown, Rosebery and Smithton with immediate online support from radiographers anywhere in Tasmania or across Australia.

In order to see the true benefits of growing online consultations we must see a change to the Medicare Benefit Schedule.

Until online video conferencing consultations attract a benefit we will not be able to deliver the full promise that optic fibre holds for the health services in our rural communities.

We would like to see this change considered as part of the national health reform agenda.

In Hobart, we are setting up a wireless waterfront, with all the opportunities that can bring for visitors in accessing internet information and booking systems on the spot from their laptop or PDA.

We're looking at digital systems that can integrate the responses of our Emergency Services – police, fire and ambulance – in critical situations.

In the future, we will see smart-grid technology support the most efficient possible use of electricity, 24 hours a day.

Advanced technology in metering and networking will allow smart-grids to deliver not just efficient use of electricity – but it will see families save money on their power bills.

And then there are the opportunities for Tasmania to become a global hub for server farms and data centres.

Major companies – from Google to BHP – need safe and stable places in which to store their digital data.

And Tasmania is ideal. It is a low terrorism risk, has an educated English-speaking population, has a safe and reliable supply of renewable electricity, and will soon – through the NBN – have the greatest connectivity on the planet.

This is just a small taste of the opportunities we now have before us.

New generation industries creating new generation jobs.

But traditional industries too will be able to utilise broadband technology to transform the way they do business.

Most of you in the room today will have on you a mobile phone.

For many of you, that phone will have been made by Nokia.

Many Australians don't know that Nokia in fact began life as a forestry company.

That's how it made its wealth before branching out into the technology field.

We have established industries in Tasmania – forestry, fish farming, mining – that will be transformed as they embrace the possibilities that optic fibre is bringing their way.

To give you just one example that I've recently seen in a mining community on our West Coast.

The company MMG is using Minegem technology to allow operators sitting on the surface in an air-conditioned office to drive machinery situated hundreds of metres underground.

And of course, we have the pulp mill to be built in northern Tasmania that has been such a feature in the national consciousness in recent times.

We are talking here about a very technologically advanced mill, meeting the strictest environmental standards anywhere in the world.

It too will provide opportunities for innovation and the effective use of new generation technologies.

And these advances in technology and the emergence of a stronger and more innovative Tasmanian economy, will allow us to fund the social half of Tasmania's transformation.

Just two days ago, I launched a comprehensive Social Inclusion Strategy for Tasmania, setting out the priority areas for how we can make sure that Tasmania is not only the leading economy in Australia, but also the leading community.

And, as the first Tasmanian Premier in 50 years to also be Minister for Education, I am equally committed to taking Tasmania's educational ratings from the bottom of the nation to the top.

And we are well on the way, as our NAPLAN test results are starting to show in the primary years in particular.

That is a clever and kind Tasmania in action.

For ten years, we have aggressively pursued the reforms to put Tasmania's house in order.

We've cut State taxes from 25 to 14 and are now the second lowest taxing State in Australia.

We've paid off over \$1.5 billion in net debt, and have received four credit upgrades and we now enjoy a credit rating of Aaa.

We have now lifted our eyes to a new horizon of economic possibility.

Tasmania can and will be a national leader and a global leader in key areas.

Our renewable energy sector will drive Australia's renewable energy sector to reach its 2020 targets.

Our harnessing of a natural water advantage will provide Australia's food security for future generations.

And our roll-out of the National Broadband Network will make us the most connected place on the planet within five years.

We stand ready to play a bigger and more central role in the nation's development than ever before.

We are confounding the old stereotypes.

We are a small island pursuing an agenda of global significance – one that will change traditional perceptions of Tasmania forever.