

Ministerial Statement

Connecting Victoria

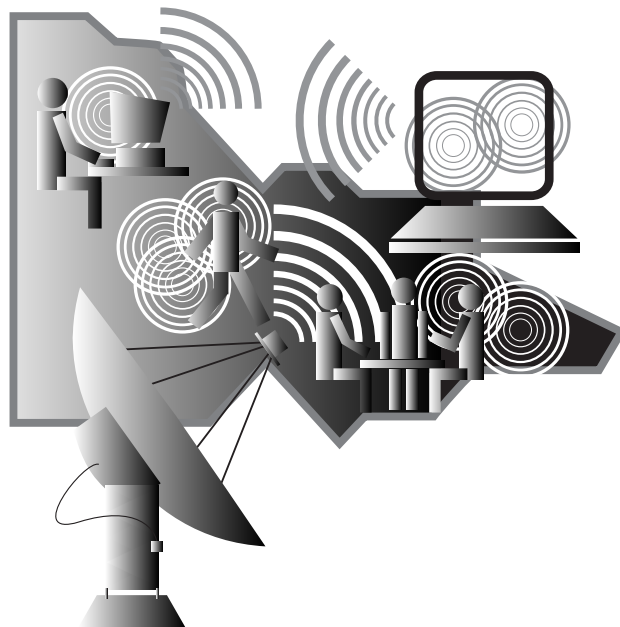
The Victorian Government's Strategy for
Information and Communications Technologies

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Department of
State and Regional Development



Introduction

*This is an historic day for the Victorian Parliament. First, because this is the first major Ministerial Statement of Government policy made in the Victorian Parliament for six and a half years. And second, because the Bracks Government is today committing to a major information society strategy, **Connecting Victoria**.*



Connecting Victoria is our strategy for growing the information and communications technologies – ICT – industry and for sharing the benefits of these technologies across the entire Victorian community.

Today, Victoria faces a challenge of great magnitude.

In moving to a knowledge-based society, we – the Government, the Parliament, and the Victorian community – have a choice. We can let new technologies further divide our society into winners and losers – the information rich and the information poor. Or we can harness the potential of the technology to develop the whole State and maximise opportunities for all our citizens.

This Ministerial Statement is about a strategy for connecting all Victorians.

It is about positioning Victoria as the nation's ICT leader. It is about building Victoria as a knowledge economy.

We recognise the previous Government for its work on information and communications technologies. We are well placed today as a high-tech centre of excellence. But the previous Government's efforts focussed too heavily on international firms at the

expense of local industry. They did too little for small businesses and home businesses. They forgot country Victoria.

The Bracks Government will use these technologies to build a prosperous and fair society for all Victorians.

As Minister for State and Regional Development, Victoria's most senior economic development Minister, I will make it my personal responsibility to maintain Victoria's national leadership.

The information society agenda is no longer separate from the main economic and social agenda – it is mainstream.

Today I shall outline six major strategy elements that support the Government's goal to grow the ICT industry and to share the benefits of these technologies across the whole of the Victorian community:

1. **Building a learning society**
2. **Growing the industries of the future**
3. **Boosting e-commerce**
4. **Connecting communities**
5. **Improving infrastructure and access**
6. **Promoting a new politics.**

These are just the start. More will follow over the coming months, as the Government further develops specific initiatives to be implemented over the life of the Parliament.

1. Building a learning society

We will create Victoria as Australia's leading learning society through increased attention to lifelong learning for all Victorians.

Successful economies are built on the abilities of their people. Bill Gates agrees. Chapter 8 of *The Road Ahead* is titled "Education: The Best Investment".

Last century the visionary *Education Act* of 1872 put literacy and numeracy within the reach of all Victorians through free and compulsory schooling, opening up educational and job opportunities to all. Today ICT policy and access are just as crucial to Victoria's future.

Information technology literacy is a fundamental skill for the knowledge economy. The challenge is to build a ballast of people in Victoria who are IT savvy.

The Government's education policy will ensure a long needed and substantive increase in resources across all levels of the education system, as outlined in Labor's policy prior to the recent election.

This will include:

- » building a culture of lifelong learning so skills are continually upgraded
- » assisting schools to properly resource the IT needs of all their students and local communities
- » expanding IT training opportunities in Victoria's TAFE system and through vocational education and training in secondary schools
- » helping everyone who wants one to obtain an email address.

In 1989, as Chairman of the Federal Parliament's Employment, Education and Training Committee, I was responsible for the landmark report on technology in schools entitled, *An Apple for the Teacher? Choice and Technology in Learning*. Today I am delighted to see that many schools

throughout Victoria are shining lights in their use of technology to improve learning outcomes.

Apollo Parkways Primary School is one of the few "Apple Classrooms of Tomorrow" in the world that Apple Computers is funding in order to research the effects of learning technologies in the classroom. Ararat Community College has set up a cyber Internet café so that the local community can access the Internet. Lowanna College in Moe recently held the first Australian School Technology Conference. Glen Waverley and Ballarat Secondary Colleges are also making great gains through introducing learning technologies into their schools. Bendigo Secondary College has a multimedia centre and library as focal point of activity, and provides industry-based training, through programs with Cisco and Microsoft, in addition to industry and community outreach programs.

I want to see more schools like these. We need to go a lot further.

Australia's growing ICT skill shortage is the most critical issue impeding the competitiveness of Australia's ICT industry.

The 1999 survey by the industry-led IT&T Skills Taskforce revealed that there is already a demand in Australia for over 180,000 people with ICT skills over the next five years. In the next 12 months, Australia will need over 31,000 people with ICT skills. It is anticipated that there will be an unprecedented demand for ICT skills during 2000 with the introduction of the GST.

And yet, while skilling our workforce is becoming more important every year, Victoria has invested less. Under the Kennett Government Victorian TAFE institutes have consistently been the worst funded in the country and were provided the lowest level

of TAFE funding, per head of population, of any State in Australia.

Labor will underpin Victoria's future industry development with a fundamental commitment to skills development.

We will direct more resources into Victorian TAFE institutes so they can better meet the training needs of Victorians; we will work with industry to ensure that it is geared towards minimising skills shortages and providing a skills base for Victorian industry. Already the Minister for Post Compulsory Education, Training and Employment has announced an additional \$14.7 million over four years to restore a regional funding differential for TAFEs which will enable regional and rural TAFEs to better address training needs.

We will direct a major effort into enhancing the availability of structured education and training arrangements for ICT. Real training for real jobs.

This means matching training programs with employment vacancies in a systematic manner — from integrated off and on the job traineeships at entry level for young people right through to intensive, tailored cross-training programs for adults who wish to transfer from other employment into ICT positions in high demand.

Employers, both ICT companies and the vast majority of others needing people with ICT skills, have a major responsibility to work with the Government to ensure that Victoria's education and training programs are vocationally relevant. Wherever practical, programs should incorporate transition to work arrangements — so that graduates secure jobs quickly. We can only start to close the skills gaps when government, education and training providers, and industry work together effectively.

Accordingly this Government will establish an **ICT Skills Taskforce** of expert representatives from industry, education and training providers, community and government.

Over the next six months, the Taskforce will consult widely and work closely with me in developing practical initiatives for joint implementation with the ICT industry. Specifically it will examine accelerated training programs, TAFE places, skilled migration, and promotion of technology-related business and career opportunities.

We aim to achieve results quickly and we will.

2. Growing the industries of the future

This Government will take a strategic approach to developing growing and emerging industries in Victoria.

The information sector is growing 300 per cent faster than the Australian economy as a whole, and globally its share of world GDP has trebled from 4 per cent to 12 per cent since 1983.

Victoria has advantages that let us compete with the best. We have a skilled, multilingual workforce and some of Australia's leading educational institutions. We are among the earliest adopters of new technology. Victoria has nurtured world class ICT companies.

Looksmart, for example, was formed in Melbourne by a husband and wife team just four years ago. Its Web search engine is now turning over \$20 million a quarter and is reaching 14.6 per cent of the US Internet population.

This Government sees itself as a catalyst to build Victoria as a centre of excellence for emerging growth industries. We have made a strong commitment to boosting research and development and promoting innovation, science and engineering.

We will work in partnership with industry. Together we can create a culture that motivates local firms to take their business to the world. We will bring new international business to Melbourne to help grow our local companies.

Multinational Acclaim Entertainment has created opportunities for Melbourne-based computer game developers. Tantalus Interactive, for example, has produced a South Park computer game under licence for Acclaim. Worldwide distribution would not have happened for Tantalus without Acclaim choosing Melbourne, out of 89 international locations, for its regional head office.

This contract is a major coup for Victoria and reinforces Melbourne's position as the computer game capital of Australia.

This Labor Government is unashamedly pro-business. We will actively seek and welcome international investment in this State in recognition of the spin-off benefits this provides to our local industry. For example, I recently announced that eSign Australia will establish in Melbourne the most advanced encryption data centre outside North America.

We are committed to preparing sectoral plans to boost the growth of key Victorian industries. Our first priority is the information and communications technologies sector.

Over the next few weeks, I shall announce the Chair for a new **Information Industry Advisory Group** to oversee development of the ICT Sector Plan. The Advisory Group will help us identify priority areas for Victoria within the information and communications technologies sector.

The Group will ensure we take a strategic rather than ad hoc approach to developing information industries.

Over the next four years we will also:

- » promote the growth of high-tech clusters of firms and research institutions and encourage them to locate in rural and regional Victoria
- » identify ways to expand the availability and uptake of venture capital
- » take a balanced approach to outsourcing of Government IT operations, ensuring that Victorian ICT companies have the opportunity to compete.

3. Boosting e-commerce

The Government will promote expansion of existing businesses, particularly in regional and rural Victoria, by promoting technology-enabled export capabilities and e-commerce.

McMahon Global Food has increased revenues by 30 percent since adopting e-commerce two years ago. This dairy food distributor – based in Gordon, near Ballarat – now exports its products to every continent, except Antarctica. The company has contracts with companies in Algeria, Argentina, South Africa, Russia and Brazil which generate valuable export dollars for Victoria.

McMahon is not atypical – innovative and progressive regional enterprises are plugging in to the Internet and getting acquainted with the benefits of e-commerce. This Government plans to assist more to do the same.

The same opportunities are available to Victoria's national and international competitors. We must move quickly to build our own globally competitive businesses throughout regional Victoria.

Manufacturing businesses in the USA are already taking advantage of major productivity gains from the use of technology, a national competitive advantage highlighted by Alan Greenspan, Chairman of the US Federal Reserve Board.

Victoria produces more than a third of Australia's manufactured goods. New technologies are crucial to the future of manufacturing – in boosting efficiencies, developing new products and new processes and growing markets.

Our leading manufacturers are using the new technology to:

- » design smarter and more efficient supply chain management systems
- » gain access to new suppliers and export markets
- » keep in close touch with clients.

Through the Internet, Lovitools, a Melbourne-based precision engineering and manufacturing company saved over \$120,000 in purchasing material supplies for just one contract and vastly improved customer communications.

Electronic commerce, combined with lower rental costs and a more stable workforce, gives regional Victoria advantages over metropolitan Melbourne in attracting web-enabled call centres.

The Bracks Government's **Regional Call Centre Attraction Program**, announced in our election platform, will market Victoria as an ideal location for call centres and back office business functions. Our goal is clear: to win major gains in employment across the whole of regional Victoria.

Related to the call centre program is our pilot **High-Tech Towns** project. Beginning with Ballarat and Portland, the Government will work with industry to establish regional televillages to support teleworking and telecommuting.

Larger firms are already taking advantage of the opportunities presented by new technology. So are some smaller firms.

New technologies offer unprecedented opportunities for small business.

Aussie Greengrocer is a small but growing company based in Werribee. It allows people to order and pay for fresh fruit and vegetables using the Internet. Aussie Greengrocer, only online for six months, has already recouped its e-commerce investment. The company is now distributing to towns all over Victoria, not just in the Western District where it all started.

But not enough small and medium enterprises are using the new technology to build business and enhance competitiveness. The Government's message to these firms throughout Victoria is: you are fundamental to Victoria's status as the Smart State, and to our future prosperity – but even more so if you are connected.

To grow more smart, connected SMEs we will:

- » provide export development services through an online **Electronic Export Assistance Centre**
- » encourage teleworking and telecommuting
- » identify more ways in which ICT can modernise and improve traditional manufacturing and agricultural industries
- » vigorously promote the use of e-commerce.

The key is empowering businesses by providing them with opportunities to reap the benefits of being online.

This Government will implement the **Victorian Tourism Online Project** begun by the previous government but we will increase the emphasis on regional operators, who have much to gain by being online. The new Tourism Victoria website will be rich in information about destinations, tourism product and operators in Melbourne and regional Victoria. It will be marketed to the world, as well as to Australians and to other Victorians. It will be linked to all regional tourism and key partner sites, as well as to individual sites. Ultimately it will allow visitors to book and pay for accommodation, tours, attractions, events and services online from anywhere on the globe.

The **Victorian Tourism Online Project** is enormously significant for regional tourism operators – particularly the smaller ones. It will enable them to maximise the reach and exposure of their products to new and existing markets in ways that were previously unattainable. The Victorian Tourism Online Project is a great example of the way in which the smart application of new technologies can enhance existing business, particularly in more remote locations.

Data and privacy protection are a vital part of promoting e-commerce. Victoria will continue to lead on developing a legislative environment to allow e-commerce to flourish. We will therefore strengthen the compliance provisions of the proposed Data Protection Bill, and pressure the Federal Government to install quickly a suitable legal framework to protect personal information in the private sector.

4. Connecting communities

The Government will strengthen Victorian communities by getting them connected: building online skills, and providing better infrastructure and access.

The key to making the most of today's opportunities is getting connected and skilled.

The Victorian Government intends to do all it can to help everybody plug in to the resources of the World Wide Web.

Many Victorian libraries are already online but this Government will do more. We will increase access for multilingual users and users with disabilities, and ensure that more useful and user-friendly online resources are available for everyone.

We will continue the **Skills.net** program for another three years and improve it to empower many more communities to create their own networks and content. **Skills.net for Community Groups** will accelerate online skills development and use by providing community leaders across Victoria with the necessary tools and skills.

This initiative – outlined in Labor's election platform – will see community outreach officers working across Victoria to identify and establish training and support arrangements for community groups of all kinds.

Over the next three years 40,000 more people will receive training through **Skills.net** projects targeted at technologically disadvantaged groups, including women, communities in isolated locations, and people from non-English-speaking backgrounds.

The social power of the technology to improve social outcomes is immense. Ben, an autistic child, was introduced to the local **Skills.net** project and became very excited about how the Internet was able to take him to places like Disneyland and Segaworld. He has become far more confident and skilled in asking for assistance at the Skills.net centre and has improved his reading, writing, computer and social skills. Through the help of Vicnet and a local computer distributor, he is also connected at his grandmother's house.

The Victorian Government wants **Skills.net for Community Groups** to help more people like Ben expand their horizons.

5. Improving infrastructure and access

The Government will adopt a high priority strategic approach to increasing availability and lowering the cost of access for regional and rural Victoria

Victoria must work with the other States and the Commonwealth to secure for all Australians a sophisticated and affordable national communications network.

Our immediate goal is to help deliver better Internet access at lower cost, especially for regional and rural Victoria. We will:

- » help Victorian businesses gain access to the world's best telecommunications infrastructure
- » work cooperatively with industry and local communities to guarantee high speed digital access to information and email
- » continue to support VicOne while investigating ways in which VicOne can be better leveraged to reduce access costs.

We will seek out opportunities to use this Government's new **Regional Infrastructure Development Fund** to upgrade access to ICT in rural and regional Victoria.

On 5 November at the Ministerial Online Council I met with my interstate and national counterparts to discuss how we might influence more equitable outcomes that will benefit community development and boost industry growth.

A number of my state counterparts share my concern that current directions in infrastructure provision will deliver high-tech solutions for the elite few who can afford to pay, when all Australians, especially in rural areas, need access to a reliable and affordable ICT network.

Ministers Yeadon, Mackenroth and myself intend to establish a **Tri-State Alliance on Regional Communications** to:

- » identify opportunities for joint telecommunications infrastructure initiatives
- » identify potential regional nodes for high performance computers to provide better IT and telecommunications infrastructure in regional Australia
- » better focus the Networking the Nation program to ensure better targeted outcomes for regional IT infrastructure.
- » stimulate informed debate on digital TV policy, which has major implications for all Victorians.

The Victorian Government understands how important it is for the towns and communities of regional Victoria to regain a voice. Traditional media are experiencing a time of great flux, and the outcome of Federal deliberations on free to air television, pay television and datacasting will affect media content as well as carriage.

My counterparts in the other eastern States share a commitment to continue working for a strong national focus on promoting Australian content and identity.

We will work with the ABC and other broadcasters to "tune in the bush". This Government commends The Backyard – ABC Local Online, and will use the ABC-Cinemia Multimedia Accord and other initiatives to assist additional rural and regional programming projects throughout Victoria.

6. Promoting a new politics

This Government will use information and communications technologies to provide new and enhanced services to people throughout Victoria and help us build a new democratic government with consultation and openness as its hallmarks.

Just as we expect businesses and citizens to go online, citizens rightly expect Government to go online. We will continue the internationally recognised Government Online program so Victorian citizens can access the Government, seven days a week, 365 days a year, 24 hours a day regardless of where they are located, by phone, Internet or public kiosk – and in the future through television. Fifty-five services – from ordering a birth certificate to paying the car registration – are online now. We will ensure more information and services are made available in the main community languages.

But computers without people and “clicks” without “bricks” are not enough. This Government will provide physical infrastructure and community training as well as online applications.

The Government will immediately commence discussing with local governments to ensure the timely introduction of Labor’s plans to provide **Internet access in town halls** and council service centres as well as establishing **Net Access Centres** where Victorians can access information and conduct transactions with government agencies online.

Government is not just about services. It is about fair and transparent processes. This Government is a reforming government. We will embrace an open style of politics reasserting the values of representative democracy and promoting active citizenship.

That **Connecting Victoria** is being announced in this Chamber also underscores our intention to bring Parliament back to the heart of politics in this State. The people of Victoria expect their representative Parliament to be the centre of informed debate on key issues. We are treating Parliament with respect and restoring its role of deliberating on major Government policies.

Today I am delighted to announce our **Democracy Online** initiative.

We will refer to a Parliamentary Committee the issue of how best to use new technologies to open up the processes of Parliament and government to the people of Victoria. The committee will examine options including netcasting of Parliamentary proceedings, using the Internet as an interactive consultation mechanism for policy formulation, enabling wide sharing of policy ideas and encouraging public comment on important issues. **Parliament Live** will further strengthen the position of Parliament at the heart of Victorian politics.

Conclusion

This statement is about making ICT ubiquitous. It is about creating the skills that will enhance people's lives. It is about putting technology in the hands of the whole community.

We recognise the importance of the growing information sector. The growth of industries based on other kinds of new technology – such as biotechnology – have great potential, too, to create new wealth, new jobs and solid social benefits.

Through **Connecting Victoria**, we are proud to be creating a social, as well as educational and economic agenda for universal access to information and communications technologies. We are not content to leave this issue to the market and business alone. We believe that governments can promote positive social and economic change, and we are acting accordingly.

Our overall aim is to enhance Victoria's global competitiveness and enrich the quality of life of all Victorians.

Today I have announced a comprehensive information economy strategy. I have announced several new initiatives that will get this Government's commitment to all Victorians off to a flying start:

1. the **ICT Skills Taskforce**
2. the **ICT Sector Growth Plan** and **Information Industries Advisory Group**
3. the **Electronic Export Assistance Centre**
4. **Skills.net for Community Groups** to provide training and access to disadvantaged groups

5. the **Tri-State Alliance on Regional Communications** to improve regional telecommunications infrastructure in addition to Victoria's own dedicated funding for ICT infrastructure, and its **Internet access in town halls** and **Net Access Centres** initiatives

6. **Democracy Online.**

The Government will allocate funds to our information economy strategy as a matter of priority. In addition, we will be making funding available by reprioritising existing programs and better leveraging Commonwealth funding for infrastructure development.

Connecting Victoria is the first instalment in delivering on our agenda for Victoria's full participation in the knowledge economy. It will be followed by other major strategies. Our biotechnology strategy is in preparation, as is a comprehensive statement on how we will move forward in innovation, science and engineering.

The Bracks Government is committed to maintaining this State's reputation for innovation and transforming this into opportunities for all Victorian citizens.

For more details

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