



Senator the Hon Stephen Conroy

**MINISTER FOR BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY**  
DEPUTY LEADER OF THE GOVERNMENT IN THE SENATE

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## Australian Information Industry Association

Thank you.

It is great to be here among so many people so passionate about the digital economy.

Thank you very much to the Australian Information Industry Association for the invitation to be here.

It is always a pleasure to work with the AIIA.

I spoke earlier this week at another AIIA event in Melbourne where the discussion highlighted the great possibilities we all have to help Australia thrive in the digital economy.

It is great to be here in Sydney today.

The AIIA plays an important role in the Australian economy.

It is a key body helping to establish the strategic direction of the ICT industry.

It is also a champion for the adoption of digital technologies by organisations – large and small – across the spectrum of society.

The AIIA plays an important leadership role, promoting achievement through programs such as the recent iAwards.

By highlighting technology innovation in this way, the AIIA is helping to demonstrate the pervasive influence of digital technologies.

The winners of iAwards in May this year are active in sectors as diverse as education, logistics, health, energy, finance, infrastructure, entertainment, sustainability and community services.

It is important that we continue to recognise and champion innovation leadership and to encourage excellence in our ICT sector.

Equally, it is important that we demonstrate the great career opportunities available for people with ICT skills.

Here again, the AIIA plays a leading role, driving programs such as ICT Careers Week, which will take place again later this month.

The messages that are promoted through this event are important to help us establish and expand the ICT skills base throughout the economy.

It is worth noting that AIIA member companies already employ some 100,000 Australians, a further sign of the growing importance of ICT.

Of course, the AIIA also plays an important role helping develop public policy in the area of ICT and digital technology.

To that end, I am pleased to recognise the input of the AIIA into the policies of the Rudd Government.

In the past year, this has included participation in a major consultation on the future of our digital economy.

Our efforts in this area recognise that for Australia to truly thrive and grow as a digital economy leader, industry, Government and the wider community needs to collaborate.

We need to jointly establish our roles and priorities for development.

I am pleased to note the enthusiasm for collaboration demonstrated by the AIIA, and its members.

Through consultations and discussions that have taken place, we have pin-pointed key themes and priorities for our future and identified the key elements of a successful digital economy.

We are now in the very final stages of preparation for the release of Australia's Digital Economy Future Directions Paper, which has been developed through these consultations.

The paper will attempt to describe what a successful digital economy might look like.

Of course trying to describe an end point is an impossible task because the technological drivers mean the goalposts constantly change.

But it is possible to identify the elements that will tell us we have a successful digital economy in the future.

Industry told us that what it wanted from Government was leadership and vision.

Through our extensive consultations with industry and within the whole of Government, we have tried to encapsulate that vision.

But this is just the starting point.

As is always the case with technology, things move quickly so we expect things will change.

As that occurs, our vision will also need to be adapted for the evolving environment.

Significantly, the paper will recognise that digital economies are primarily market-led with Government in the role of key enabler.

Indeed, the Rudd government has determined already its position as an enabler in this market through investments such as the National Broadband Network.

I am pleased to say that industry has demonstrated a strong willingness to participate in the process to map our digital future and will continue to be a vital player.

Many sectors of our economy already have a strong understanding of the digital opportunity but, as you all will recognise, there is a need to promote adoption further across society and the economy.

From retail to transport, and from tourism to agribusiness, the potential benefits are many and varied, and offer significant opportunities for the ICT sector itself.

With your help we can ensure Australia is ready to capitalise on the economic and social benefits made possible by high-speed broadband.

Together, we can ensure we are best-positioned to drive the significant productivity, employment, social and environmental benefits gains on offer in this environment.

We can collaboratively ensure that Australia does not fall behind the world and we realise our potential as a digital economy leader.

These opportunities, benefits and challenges are ours to share.

I'm sure you are all aware of the scale and scope of the National Broadband Network announcement we made in April.

The Rudd Government is strongly committed to preparing the foundations for Australia's digital economy.

We acknowledge that broadband infrastructure is a vital component of this platform, however we also understand that the digital economy requires action today to ensure all Australians reap the full rewards.

Connected digital technologies are a key factor in the stability and growth of our nation.

They will increasingly drive business productivity, support new jobs growth and provide opportunities for innovation and trade.

This is relevant in the current economic environment but also vital for our future prosperity.

The National Broadband Network will be the single largest nation-building infrastructure project in Australian history.

It will drive competition by providing Australia's first truly national wholesale-only network.

It will employ an average 25,000 workers each year over the eight year rollout, peaking at 37,000.

In the short-term it will create opportunities for local civil works contractors, for network engineers and designers, for technicians, and for suppliers of technology and hardware.

Already, some home-grown technology businesses are building their resources to meet demand as the National Broadband Network is rolled out.

In addition to short-term stimulus, the National Broadband Network will provide a vital platform to support growth, productivity, innovation and trade for Australian businesses in the future.

It will create opportunities for regional economies to tap distant resources and new markets.

It will provide new ways for old industries to become better and more efficient at what they do.

Small businesses will be able to compete on a global scale.

The National Broadband Network will allow companies to become more efficient, to develop new products and services and to deliver them in new ways.

There is substantial potential for high-speed broadband to support smart grids to improve energy efficiency and support carbon emission reductions.

We have the potential to improve health and aged care with telemedicine and by managing patients in their homes rather than hospital beds.

These innovations offer clear benefits for quality of life and the economics of care provision.

We have the ability to revolutionise education by providing access to world-class teaching and resources, wherever students happen to live.

We also have the potential to secure our long-term investments with smart infrastructure that helps owners to manage and maintain their assets.

The digital economy presents the opportunity to bridge geographic and social divides, and to improve access to services and tools for people currently isolated by location or circumstance.

The *2008 OECD Information Technology Outlook* report highlights broadband as an enabler of structural change in our economy.

It notes that broadband supports the creation of new digital services and spurs ICT innovation.

It also motivates ICT-enabled innovation.

I know that members of the AIIA are well aware of these opportunities and are in many cases actively positioning to take advantage.

The National Broadband Network represents the enabling foundation for the future of your businesses.

It opens new markets for products, services and applications that improve the efficiency and productivity of the things we do today.

It also opens the potential to develop new products, services and applications not yet conceived to further improve business and life in the future.

Companies and other organisations across the economy will increasingly demand new connected digital technologies.

This means opportunities for innovators, opportunities for skilled ICT workers and opportunities for businesses that adopt emerging applications and services.

The Government has a strong resolve to implement this essential enabling platform – as has been demonstrated by the progress announcements to date.

As I have said before, I strongly urge industry to grasp this opportunity with both hands and I know that many here today are actively preparing to do just that.

Already today the ICT industry employs over 400,000 Australians and clearly the demand for new services delivered over the National Broadband Network will drive an increase.

A recent Access Economics and IBM makes strong predictions about the job creation potential of smart technologies enabled by broadband.

Access Economics says that adopting smart technologies in electricity, irrigation, health, transport and broadband could add more than 70,000 jobs to the economy in 2014 alone.

It also predicts an increase GDP by 1.5 per cent within ten years thanks to the same investments.

Significantly, Access Economics has based its research on a national Fibre-to-the-Node network and notes that the benefits would be even more pronounced under our Fibre-to-the-Premises plan.

Even based on that less ambitious agenda, Access Economics has predicted high-speed broadband itself to increase the net present value of GDP by \$8-23 billion over ten years; and create 33,000 jobs by 2011.

These are significant figures that demonstrate the significance of our efforts to deliver the National Broadband Network.

As was the case when electricity was made widely available a century ago, broadband will also support a whole range of applications we can barely imagine today.

The development activity required to generate these applications represents clear opportunities for innovators working in the ICT sector.

They also highlight the potential for flow-on benefits from ICT innovation across the economy.

The Rudd Government is a champion of innovation.

We understand that in addition to infrastructure and identifying our future directions, innovation will be key to our digital economy development.

Recently, the Innovation Minister Kim Carr announced the new IT Industry Innovation Council, which will be chaired by the AIIA's own John Grant.

The council will create links with stakeholders to identify opportunities for innovation, wealth creation, capability and business expansion across the sector.

It is designed to advise Government on innovation issues and, importantly, help the sector to champion IT innovation in the wider community.

The government responded to the Cutler review of the innovation system and the Bradley review of higher education in the 2009 Budget with a \$5.7 billion reform package.

The innovation reform agenda is outlined in Powering Ideas, the government's new ten-year strategy to grow new jobs and new industries by harnessing the creativity of researchers and business.

In March, Minister Carr also announced that the Government will provide up to \$83 million to support the Innovation Investment Follow-on Fund.

The fund supports early-stage, start-up companies to bring promising new technologies and services to market.

Of course, another important part of our innovation stimulus and digital economy policy agenda is NICTA.

For more than 10 years, NICTA has been addressing our strategic ICT innovation needs and capabilities through high-quality research, training and technology transfer.

I was very pleased at Budget in May to \$185.5 million in funding to ensure the long-term viability of this vital centre of research excellence.

With funding certainty to 2015, NICTA will continue to play its important role facilitating Australia's innovation and commercialisation capacity.

It will continue to provide us with opportunities and examples to champion to adoption of ICT for the wider economy.

NICTA will also continue to generate significant economic and social returns for the Australian community.

NICTA has become a national asset.

It is lifting Australia's ability to generate breakthrough technologies.

It is also growing ICT businesses and in less than seven years, has launched four spin-off companies.

Of course, another great contributor to our national innovation base is CSIRO.

For many years, CSIRO has been a leading player in fostering Australian science, research, development and technology and helping establish our strong global reputation.

I was pleased to note the recent settlement in the US, which means that CSIRO will receive recognition for a technology patent that underpins wireless systems now in use around the globe.

This settlement is a tribute to the influence CSIRO has on the world technology stage and commercial ICT market.

This and the many other examples of excellence emerging from CSIRO and NICTA are examples to Australian innovators of the great opportunities to take on the world.

They show Australia is and truly can continue to be a leader in connected digital technologies.

They provide more evidence to demonstrate the tangible benefits of these technologies to organisations across the economy.

These activities link clearly with the goals of the Rudd Government to ensure Australian businesses and citizens are enabled to benefit in the digital economy.

World-class broadband, supporting ICT innovation and fostering the influence of connected digital technologies, will help our businesses and citizens maximise their participation in the digital future.

It will ensure jobs growth, productivity and efficiency gains, and improved public services.

It is up to all of us, who recognise the benefits and the opportunities on offer, to ensure that these stories are spread throughout the economy.

As I have said, this the National Broadband Network is a massive enabling opportunity for industry.

With this project underway, the time is now right to ensure that every person in Australia understands that they too, have much to gain in the digital economy.

It is time for the ICT industry to demonstrate its unique ability to deliver on the powerful promises of broadband.

The Rudd Government is determined that Australia thrive in the emerging digital economy.

We are determined to be a successful enabler and to allow the market to maximise these investments to the full extent.

To achieve this we are investing in the vital foundations and helping to encourage innovation to spread the benefits across society.

I welcome the participation of the ICT industry and AIIA members to help demonstrate the transformative capacity of the digital economy for our nation.

Thank you.

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