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“ There has been a good strategic approach in Australia to date towards ICTs in education, access and business support, though we’re just starting to get going.”

—*Australian IT consultant*

“ Our small, geographically dispersed market has been an obstacle in the private-side growth of the Internet.”

—*Australian IT lawyer*

The Australian national ICT strategy, under the stewardship of the National Office for the Information Economy (NOIE), is designed to introduce Australia as a competitive, Networked Economy. In its implementation, the NOIE is taking a multi-pronged approach, mixing government-led projects, industry initiatives, and funding and support for private projects with policy recommendations to the central government. Australia ranks fourteenth overall in Readiness for the Networked World.

Equal access was the number one priority in the 1998 NOIE ICT Strategy document. Gaps in Australian Internet access exist along both economic and geographical lines. Australians earning more than US\$25,000 annually were more than twice as likely to have Internet access in November 2000 as those under that income level. Similarly, metropolitan citizens were one-third more likely to have access than their rural counterparts.¹

NOIE has directed a broad set of initiatives ranging from funding infrastructure to policy review. One aspect of the program has been to provide funding for projects to increase community access. Some examples include Internet cafés, telecenters, and public venue kiosks. In addition to funding, the Digital Data Service Obligation legally guarantees digital services on an equal and reasonable basis in all supported geographies, helping Internet services reach all Australians (Ranking in Public Access to the Internet: 11).

At the elementary and secondary school levels, Australia ranks among the highest in use of Internet in schools. Nearly 100 percent of schools are connected to the Internet (Ranking in Internet Access in Schools: 8). The advanced ICT workforce is a product of high-quality, globally competitive training facilities found nationwide (Ranking in Quality of IT Education: 18). To

date, lack of access to high-speed Internet and cutting-edge content has limited university-level innovation and ICT research capabilities.

Privatization of Telstra, the nation’s largest telecommunications operator, began in 1997. Some political forces have pushed for complete privatization of the company, but critics feel more comfortable with government control because of the company’s soaring profits, lack of competition, and continued monopoly power in most markets. A Universal Service Obligation (USO), in effect since 1999, mandates that Telstra or any terrestrial provider must provide standard telephone service and payphone facilities in all geographic areas on a reasonable and equitable basis (Ranking in Effect of Telecommunications Competition: 21).

Another aspect of the NOIE strategy has been the movement of government services online, primarily through outsourcing projects to Australian ICT businesses (Ranking in Online Government Services: 14). Although there have been some complaints that the bidding process is too costly to allow smaller companies to compete for the jobs, the initiative has received accolades for using government purchasing power to fuel industry growth.

In spite of global slowing of growth in ICT investment, Australia appears poised to begin its B2B e-commerce revolution. The market for B2B e-commerce transactions is expected to grow from US\$3 billion in 2000 to US\$39 billion in 2004² (Ranking in e-Commerce micro-index: 18). Small and medium enterprises are also becoming more sophisticated online and Networked Ready, and they are expected to outsource many ICT services and applications. Thirty percent are expected to outsource at least one-fourth of their operations by 2005.³

Key Facts

Population	19,200,000
Rural population (% of total population) 1999	15.30 %
GDP per capita (PPP)	US\$25,758
Global Competitiveness Index Ranking, 2001–2002	5
UNDP Human Development Index Ranking, 2001 (adjusted to GITR sample)	2
Main telephone lines per 100 inhabitants	52.40
Telephone faults per 100 main telephone lines	NA
Internet hosts per 10,000 inhabitants	843.52
Personal computers per 100 inhabitants	46.46
Piracy rate	33.00 %
Percent of PCs connected to Internet	18.16 %
Internet users per host	5.21
Internet users per 100 inhabitants	43.95
Cell phone subscribers per 100 inhabitants	44.63
Average monthly cost for 20 hours of Internet access	US\$18.85

RANK

Networked Readiness Index **14**

Network Use component index **13**

Enabling Factors component index **16**

■ Network Access **14**

Information Infrastructure 20

Hardware, Software, and Support 8

■ Network Policy **13**

Business and Economic Environment 13

ICT Policy 13

■ Networked Society **20**

Networked Learning 11

ICT Opportunities 32

Social Capital 18

■ Networked Economy **17**

e-Commerce 18

e-Government 15

General Infrastructure 19