



Knowledge Influence Support

CHAMBER OF COMMERCE AND INDUSTRY  
WESTERN AUSTRALIA

11 February 2009

Attention: DE Future Directions Secretariat  
Email: [DEFutureDirections@dbcede.gov.au](mailto:DEFutureDirections@dbcede.gov.au)

Dear DE Future Directions Secretariat

**SUBMISSION – DIGITAL ECONOMY FUTURE DIRECTIONS CONSULTATION  
PAPER**

Thank you for providing the Chamber of Commerce and Industry of Western Australia (CCI) with the opportunity to comment on the Digital Economy Future Directions Consultation Paper. CCI's submission has been attached.

CCI's Ms Sharon Dignard, Senior Adviser Industry Policy would be pleased to provide further detail on this submission. Ms Dignard can be contacted on (08) 9365 7531 or email: [Sharon.Dignard@cciwa.com](mailto:Sharon.Dignard@cciwa.com).

Yours sincerely

Trevor Lovelle  
Executive Director Industry Policy



# Digital Economy

## Future Directions Consultation Paper - Submission

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Produced by the Chamber of Commerce and Industry of Western Australia



CHAMBER OF COMMERCE  
AND INDUSTRY  
WESTERN AUSTRALIA

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## 1. About CCI

CCI is the leading business association in Western Australia. It is the second largest organisation of its kind in Australia, with a membership of approximately 5,000 organisations in all sectors, including information and communications technology, food and beverage, resource, agriculture, tourism, retail, transport, building, and construction, community services, finance and education and training among others.

Most members are private businesses, but CCI also has representation in the not-for-profit and government sectors. Approximately 90 per cent of members are small businesses, and members are located in all regions of the State.

## 2. Comments

CCI welcomes the Federal Government's proposed strategy for the development of the digital economy. This submission discusses open access to public sector information, digital confidence, the environment, the need for industry research and the role of regulation. The submission also notes that infrastructure has not been included in the consultation paper.

CCI believes that State and Territory Governments should fully understand the digital economy since many of the issues raised in the discussion paper are influenced and controlled by State Governments.

### 3.1 Open access to public sector information

CCI maintains that public sector information is valuable to the private sector, including spatial information and public sector research. CCI urges the Government to make available public sector information in a timely manner to facilitate economic development in Australia.

We contend that spatial information should be released in a format that enables industry to interrogate and analyse. Ideally this should reflect industry standards and include services that allow spatial referencing (for example a service that can produce the coordinate for a specific location).

CCI endorses the United States' full open access model, which requires public sector information to be widely released at a price no greater than the cost of dissemination. We understand this has resulted in the rapid growth of information intensive industries in the United States including those that use geographic information and environmental services.

In Western Australia, CCI understands the former Department of Industry and Resources provided data free to mining exploration companies to better enable these companies to do business in WA. We further understand this policy was based on the principle that the net return to the State, in the form of mining royalties, would outweigh any revenue that might be gained from selling the data, and reiterates the value of widely and inexpensively releasing public sector information.

CCI understands that a considerable amount of the Public Sector's geospatial information is available, although at a higher value than the private sector is prepared to pay, which can result in lost opportunities. CCI urges the Government to negotiate appropriate prices with interested parties for public sector information.





CCI does not support public sector information being used by Government as commodity to create short-term revenue for the following reasons:

- this method impedes other government department's access to the information;
- it can be a significant input cost for businesses that rely on the use of public sector information;
- the business and community has already paid for public sector information through their taxes;
- it limits the private sector's ability to address the gaps in government data sets and make it fit for purpose; and
- it inhibits the development of national data sets.

CCI is concerned that some State and Federal government agencies may be developing a competitive advantage over the private sector, particularly in the provision of spatial information. An example of this, in our view, in Western Australia is Landgate. Governments, at all levels, have agreed to apply competitive neutrality principles to the business activities of significant publicly owned entities through their endorsement of the National Competition Policy. CCI urges the Government to review the competitive neutrality of State and Federal Government departments that charge for public sector information.

CCI believes full open access to public sector information will minimise government bureaucracy including the time and cost associated with administering and tendering licenses. CCI recommends the Australian Government facilitate the introduction of a consistent access and pricing policy for public sector information across all government jurisdictions.

CCI understands that where a public private partnership (PPP) is created, for such things as research, normal intellectual property rights are maintained by the partnership's agreement, this should sufficiently protect private sector interests. CCI believes the Government should include a principle to encourage, not mandate, open access to information from PPPs. This could include the release of information after a certain period and should be fairly negotiated. CCI maintains that the only reason to exclude public sector information from a national policy should be for national security reasons.

## 3.2 Digital confidence and knowledge development

### Basic digital literacy skills

The Chamber believes the Federal Government's Digital Education Revolution and the proposed National Curriculum will enhance the development of basic digital literacy skills in Australian schools. However, CCI believes the definition of digital literacy needs to be further considered especially since computer operation and application skills as well as effective internet usage and safety are essential prerequisites for employment in today's job market

CCI supports the integration of ICT skills within the proposed National Curriculum, however the skills required for effective participation and connectivity to the digital economy may require ICT to be recognised as an independent discipline within the curriculum.

CCI notes the Digital Education Revolution has funded almost 260,000 new computers for Australian schools. CCI understands that all Australian schools have now been given the opportunity to obtain funds through this initiative. We further understand that the Australia Government will make



further funding available over the next three years to ensure every Australian school has one computer for every student.

CCI has identified a number of barriers that may prevent some WA schools from applying for this funding, including schools' other infrastructure priorities, computer storage issues, teacher shortages and changing demographics that have resulted in reduced class numbers in some areas. These issues inhibit schools' ability to extend their curriculum to cater for the effective inclusion of information and communications technologies. CCI urges the WA Government to address these concerns.

### **ICT professionals**

CCI recommends the Commonwealth prepare a dynamic workforce plan for the ICT sector to better understand and forecast the sector's workforce needs. CCI believes this plan should help government and industry evaluate constant industry changes and help inform the direction of government policy about ICT education, training and migration.

We understand that Australian university enrolments for ICT degrees have been declining since 2000<sup>1</sup>, however industry continues to demand qualified ICT staff. CCI further understands this decline may partly be because young people undervalue ICT careers. The Victorian and WA Governments are attempting to address this issue by marketing ICT careers with the brand 'ICT: start here go any where'. CCI believes that the Commonwealth should coordinate a national branding campaign for ICT careers to address the declining number of qualified ICT professionals to support the growth of the digital economy.

### **Industry support**

The discussion paper identifies that almost 50 percent of small and medium enterprises are concerned about people hacking into their computer. CCI understands the Commonwealth has developed a Stay Smart Online website to promote secure online practices for small business. CCI recommends the Commonwealth evaluate the penetration and marketing of this website to better engage industry groups for the purpose of effective communication.

The paper also identifies that small and medium enterprises lack an understanding of computers, which can prevent them from engaging in e-commerce. CCI contends, therefore that there is a need for Government education centres such as the Small Business Advice Centres and industry groups to provide computer and e-commerce training for small and medium enterprises.

### **3.3 Regulation**

CCI recommends the Government endorse the following seven regulatory principles to guide the development of regulation that imposes on the digital economy. These principles are articulated in CCI's paper *Regulation and Compliance: A Discussion Paper*, which has been attached. They include:

1. government intervention should be the least preferred option for achieving policy outcomes;
2. national consistent regulatory frameworks should be adopted;
3. mutual recognition should be achieved across jurisdictions;
4. regulation should be outcomes based rather than process;
5. regulation should be prescription limited in terms of minimum requirements;



6. regulation should be created with sound social and economic purpose demonstrated by a regulatory impact statement; and
7. there should be mechanisms to regularly review and repeal redundant regulation.

CCI urges government to ensure regulation is technology neutral wherever possible, as regulations that prescribe a technology platform may become inflexible to market changes and may poorly achieve its desired outcome in the long term.

CCI believes that successful competition policy is critical for a well functioning digital economy due to the changing market structure of the ICT sector. CCI has articulated seven competition principles for Government in the paper titled *Competition Policy in Western Australia: A Discussion Paper*. Four key principles relevant to the digital economy include:

1. competitive neutrality (such as the provision of spatial software and services);
2. structural separation of functions (particularly of public monopolies);
3. access to nationally significant infrastructure on commercial terms; and
4. maintenance of competition in an international context.

CCI welcomes the Commonwealth's endorsement of the *Seoul Declaration for the Future of the Internet Economy 2008* to provide uniformity and consistency between Australia's digital economy and the rest of the world, and address issues that Australia can't address locally, including Internet security and global trade.

CCI is concerned about the potential Pluri-Lateral Anti-Counterfeiting Trade Agreement being considered by the Department of Foreign Affairs and Trade, specifically the lack of information about the civil and criminal enforcement measures being considered, which will impact Internet Service Providers and other industries.

CCI urges the Commonwealth to release the Agreement's draft text to allow industry to provide considered comments.

### 3.4 Measurement of the digital economy

CCI believes the digital economy must be measured in terms of its direct and indirect economic contribution to the nation and individual states, to better inform State and Federal Government decision makers about its significance to the broader economy.

Since the ICT sector represents the group of industries associated with the digital economy, CCI recommends that an ICT satellite account be developed and maintained to provide economic data about the sector, similar to the Australian Bureau of Statistic's Tourism Satellite Account.

For Australia to be truly competitive in the digital economy, CCI believes the Commonwealth should set international benchmarks. This could include tracking the number of ICT businesses, ICT imports and exports, the provision and adoption of relevant infrastructure, industry usage of the Internet and the level of basic digital literacy in Australian schools, among others.

### 3.5 Environment

CCI notes that the Commonwealth is considering regulating e-waste, and looks forward to participating in the Government's future consultation.

CCI supports the Government's promotion of tools that can improve industry's environmental sustainability whilst also decrease costs, such as tele-working, video conferencing, remote training and smart meters. CCI believes the benefit of these technologies go beyond the private sector and



must be captured by the public sector, including the education and health care system.

### **Occupational Health and Safety Implications from Tele-Working**

CCI notes that the Occupational Health and Safety (OHS) implications of tele-working are poorly addressed in State and Federal OHS legislation. CCI contends that tele-working should be considered in the Australian Government's *National Review into Model Occupational Health and Safety Laws*. The Government must address the following OHS issues associated with promoting greater tele-working:

- the need for a clear definition of the work environment that extends beyond the traditional workplace;
- the duty of care of the employer, employee and third parties in the home;
- the control and enforcement of safety issues in a home environment; and
- the potential implication on workers compensation – including injury management, return to work policies and insurance implications.

The Chamber understands that some WA businesses already use tele-working practices for staff located in other States and overseas. CCI urges Government to create national uniformity and consistency of OHS legislation to reduce the administrative burden on employers that adopt tele-working practices. Any amendment to OHS legislation should consider the direct and indirect cost and obligation it may impose on the employers by:

- ensuring reasonable practicability is maintained in the proposed national legislation (consistent with *Occupational Safety and Health Act WA 1984*);
- not requiring employers to carry the full cost and responsibility for home based work without examining the circumstances of each individual case; and
- carefully examining any proposal to extend employer responsibility for occupational health and safety to areas not directly controlled by the employer, such as a home office.

CCI recommends Government develop practical guidance materials for employers considering or currently participating in tele-working practices.

### **3.6 Telecommunications infrastructure**

CCI contends that the inadequate provision of telecommunications infrastructure throughout Australia will hamper the development of the digital economy.

CCI urges Government address the provision of telecommunications services beyond the boundaries of the proposed National Broadband Network.

The Productivity Commission has estimated that, due to Australia's isolation and dispersed population it invests in physical infrastructure proportionally more than other OECD countries.<sup>2</sup> Despite this, Australia invests proportionately less in communications than other OECD countries.<sup>3</sup> To ensure that Australia has an internationally competitive digital economy will require significant investment in critical communications infrastructure, such as the National Broadband Network and other State and industry initiatives associated with telecommunications.

CCI believes Western Australia is unlikely to receive significant new coverage from the National Broadband Network since it is reasonable to anticipate that the network's coverage in WA will be population centric and primarily cover the Perth metropolitan area and major towns in the South West. This is supported by examining WA's large land mass, sparse





population and the footprint of the previous national broadband proposal from OPEL.

CCI considers that a population centric model fails to capture the significance of regional industries in Australia. For example economic expansion in Western Australia has largely been attributed to the dominance of key regional industries such as mining and resources in regions such as the Pilbara, Goldfields and Esperance, Peel and the South West. Regional industries are increasingly adopting digital strategies such as remote operations and training to improve business efficiency.

CCI supports the principle of the Universal Service Obligation and Australian Broadband Guarantee which aim to provide metro-comparable telecommunications services in areas where commercially viable services are not possible. CCI contends that these programs must be modified to reflect current market changes and technology convergence.

Part 9B of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* legislates that the Regional Telecommunications Independent Review Committee evaluates the provision of regional telecommunications every three years. CCI urges the Government to promptly evaluate and endorse the Committee's current report *Framework for the Future*, released in 2008, and continue to evaluate the provision of regional telecommunications.

State Governments manage a range of assets associated with the provision of telecommunications to government and community services. CCI strongly believes State Governments should investigate how it can leverage its telecommunications assets (such as data capacity, electricity poles, pits, pipes, road and rail easements) and other current and future infrastructure projects (such as the WA gas pipeline) to encourage greater competition in the telecommunications industry.

CCI's Ms Sharon Dignard, Senior Adviser Industry Policy would be pleased to provide further detail on this submission. Ms Dignard can be contacted on (08) 9365 7531 or email: [Sharon.Dignard@cciwa.com](mailto:Sharon.Dignard@cciwa.com).

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<sup>1</sup> Department of Education, Employment and Workplace Relations. 2008. *Undergraduate Applications, Offers and Acceptances 2008*.

<sup>2</sup> Productivity Commission. 2007. *Can Australia match US productivity performance?* Staff Working Paper. Page 39.

<sup>3</sup> Productivity Commission. 2007. *Can Australia match US productivity performance?* Staff Working Paper. Page 38.

