

Digital solutions & e-government opportunities

1. Investor proposition

Canberra provides a wide range of private sector investment opportunities including the provision of:

- Enabling infrastructure for secure information management, online identity, digital mail and payment systems.
- Government systems for online interaction with citizens, businesses and service delivery organisations, including e-health services.

These opportunities are specifically identified in the Australian Government’s policy for e-government and the digital economy (2013).

Providers of digital solutions and e-government services have a natural home in Canberra.

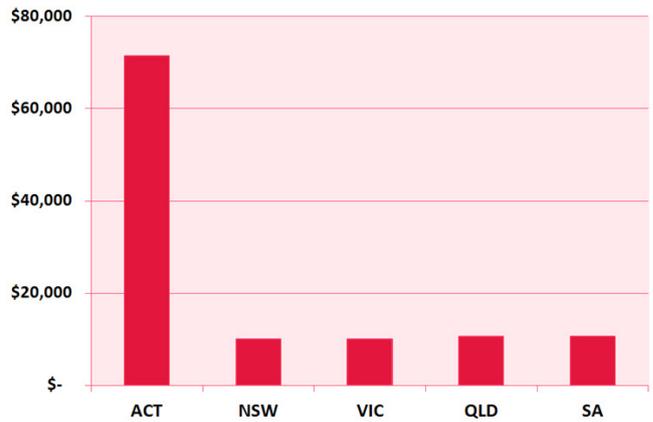
- The Australian Government is the largest consumer of digital solutions and e-government in Australia, spending about \$5 billion p.a. (or approx. 5% of the Australian market).¹
- About 25% of the Government’s expenditure on research and development in this arena is in the ACT Canberra.
- An even larger portion of expenditure decisions are made by Government decision makers residing in Canberra.
- From a per capita perspective government spending in the ACT completely outstrips other Australian investment locations (see **Figure 1**).

Figure 2 shows that the ACT’s 13,500 private digital solutions and e-government jobs are concentrated in:

- Computer systems design & related services.
- Public administration (private jobs only).
- Engineering design and consulting services.

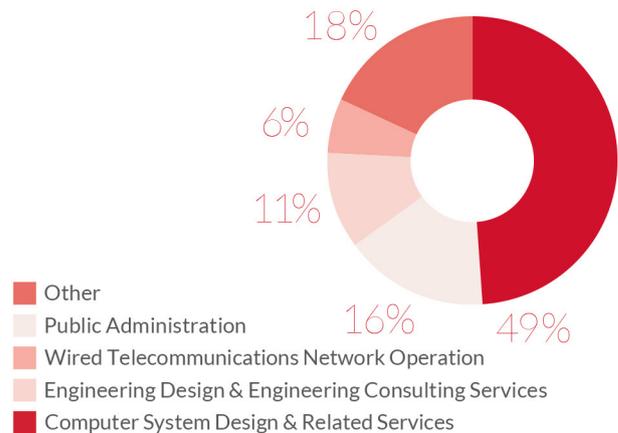
Figure 3 shows the significant concentration and growth of Computer systems design and related services in Canberra. The size of the bubbles reflects employment numbers, and the relative concentration of employment in the ACT compared to Australia as a whole is shown by the locational quotient.³

FIGURE 1: Government spending per capita



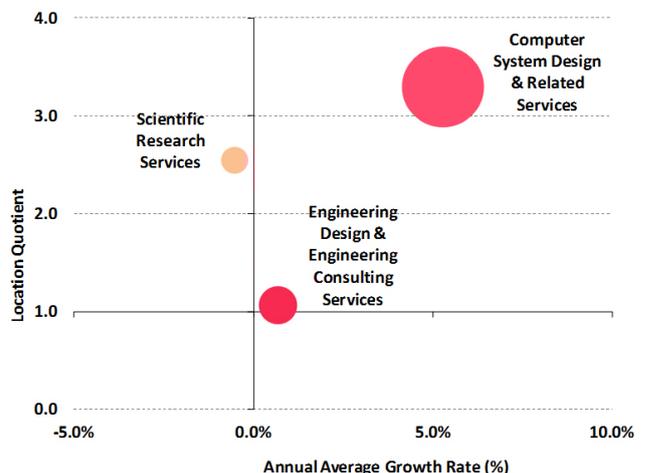
Source: ABS, 2012

FIGURE 2: Private sector employment composition of digital solutions & e-govt in the ACT



Source: ABS, 2011

FIGURE 3: Private sector digital solutions & e-govt employment size, growth & concentration



1. Australian Government Information Management Office
 2. Economic White Paper for the ACT, page 56.
 3. A Locational Quotient >1 reflects strength as the industry is over-represented.
 Source: ABS Census 2011, Australian Government Information Management Office

2. Investment opportunities

The Australian Government's policy in relation to the digital economy & e-government includes:

- Virtually all Government **services and public interactions** to be available digitally by 2017.
- At least three Government agencies to trial next generation **tele-presence systems** from 2014.
- Trial an opt-in '**digital inbox**' from 2014 – i.e. a free, secure digital inbox for communication by individuals and organisations with all levels of Government.
- Provision of leadership by encouraging standards in areas such as **online identity verification** and **mobile payments** vital to the growth of the digital economy.
- Encouragement for Government agencies to use **cloud services** and operate their IT functions more efficiently.

3. Profile of digital solutions & e-government sector

Major activities

Digital economy and e-government services currently being developed and delivered in the ACT region include:

- Public administration and general enterprise applications.
- E-security services including cyber security products, services and technologies.
- Software development and publishing.
- Digital media, content and equipment.
- Telecommunications.

Major players

Key players in the sector in Canberra include:

- The **Australian Government**, including:
 - The Australian Government Information Management Office provides advice on ICT policy, investment and implementation.
 - Departments and agencies, such as the Australian Taxation Office, the Department

of Defence and the Department of Human Services require large and secure ICT systems to support their operations.

- **Private sector companies**, including:
 - Australian offices of large multinational companies, such as IBM and Hewlett Packard that are generally located in the ACT for reasons associated with Australian Government contracts.
 - Small to medium-sized businesses that obtain at some of their work by sub-contracting to larger companies.
 - Micro and start-up businesses, which generally market a single highly specified product.
- **Research and Education Institutions** in the ACT include:
 - The **Australian National University (ANU)**, the University of Canberra and the Australian Defence Force Academy (part of the University of New South Wales).

The ANU is home to Australia's most powerful computer, which was jointly funded by the ANU, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Australian Government.

- **National ICT Australia (NICTA)** builds capacity and strengthens investment in strategic ICT research. Since its foundation, NICTA has created numerous new companies; collaborated on joint projects with a range of end users and established industry players; developed a substantial technology and intellectual property portfolio; and supplied an ongoing stream of new talent to industry through its PhD program .⁴

Examples of successful companies that originated in Canberra and which exemplify investment opportunities include:

- Tower Software that has now been taken over by Hewlett Packard.
- Mediaware that has been taken over by General Dynamics.

Invest Canberra is the Australian Capital Territory Government's official investment promotion agency. Invest Canberra coordinates investor facilitation across Government to provide a case-managed service for major investors.

4. <http://www.nicta.com.au/about>