

## **Speech by Premier Paul Lennon MHA delivered at the Intelligent Island Board Cocktail Function on 7 April 2004**

---

Tasmania's information and communications technology industry is vibrant and growing.

Recent survey results indicate an increase in employment, research and development expenditure and revenue.

During the survey period 2002-03, the Tasmanian industry generated more than \$1 billion in revenue.

It employed nearly 2,800 people and spent \$11 million on research and development.

These statistics indicate just how important the ICT industry is to this State's economy.

They also demonstrate the resilience and vitality of this sector, which is succeeding in the face of difficult international circumstances.

The survey, conducted on behalf of Intelligent Island by Melbourne-based Whitehorse Strategic Group Ltd, based on the 2002-03 year, found that relative to the other smaller states and territories, Tasmania has a high ratio of ICT industry employees per 1,000 employed people.

The ICT industry is important to total underlying employment in the state and as a driver to overall economic growth.

The Government's Industry Development Plan recognises the ICT industry as one of 13 key sectors in which growth and development should be fostered.

The establishment of Intelligent Island was recognition of the importance of ICT to future business growth.

It is testimony to the determination of the Australian Government, the Tasmanian Government and industry to work cooperatively to achieve a positive outcome.

The Intelligent Island program has been, and will continue to be, a success.

This is despite recent political machinations in this State, which have focused on portraying a negative perception of the Intelligent Island program.

I reject those claims and would like to formally express my gratitude today to the Intelligent Island Board in administering this program and, in particular, to the Chairman of the Intelligent Island Board, Mr Neville Roach.

I am pleased that the Intelligent Island Board took a strategic approach to the way it invested the \$40 million to stimulate higher, sustainable, long-term growth in the Tasmanian ICT industry.

Over the past three-and-a-half years, the board has spent about half of its resources on short to medium-term projects designed to support immediate - or near immediate - activity.

The remaining half has been allocated to medium to longer-term projects, the outcomes of which will grow and become apparent in the next three-to-five years.

By taking this flexible approach, the board has been able to cater for developments with the ICT industry and the positive changes to the Tasmanian economy.

### **Funding information**

Intelligent Island funds have been spent on projects that are assisting the growth and development of Tasmania's ICT industry. It is worth noting some of the projects here and now.

\$8 million has been invested to establish an incubator that to date has assisted 12 start-up firms to develop and sell their products.

Over \$7 million has been allocated to Enterprise Development that has resulted in:

- The development of an ICT directory
- Two surveys that have provided us with a better understanding of the industry (we have already talked about some of the survey findings).
  
- And the establishment of a \$3 million commercialisation fund.

A \$20 million Centre of Excellence will undertake world-class research and deliver an education program in the application of informatics knowledge.

\$2 million has been spent on ensuring that Tasmania has enough people with the right education, training and experience to meet the needs of this rapidly growing industry.

One skills project is increasing the skills base of small-to-medium enterprises across the whole state.

Fifty businesses and more than 250 students have taken part to date and as a result, 40 Tasmanians have gained new ICT apprenticeship opportunities.

Over \$2 million is being spent on investment attraction, resulting in the Melbourne-based eTech Group recently establishing a support and contact centre in Tasmania.

This company has the potential to provide 12 new jobs and \$1.5 million in new investments to the State over a two-year period.

Further initiatives in this area are currently being explored.

The Tasmanian Government has also taken steps to ensure that we capitalise on the opportunities presented by the domestic reticulation of gas and to the establishment of the Tasmanian Research and Education Network.

Marketing undertaken as part of the Intelligent Island program has demonstrated Tasmania's capabilities as a source of innovative products and services and this has helped Tasmanian firms to access external markets.

We are already seeing the benefits from the Australian Government's investment of \$40 million in the state's ICT industry.

More benefits will become apparent as the medium-to-longer-term projects begin to emerge.

We will also be able to better assess the contribution made by the Intelligent Island program towards the development of an internationally competitive ICT sector in Tasmania.

*Thank the members of the Intelligent Island Board for their work over the past four years.*