
Press Release

Statement by the Assistant Treasurer, The Hon. George Gear MP

Industry Commission Inquiry into Computer Hardware, Software and Related Services Industries

29 September 1994

I have sent a reference to the Industry Commission requesting it to inquire into the computer hardware, software and related service industries in Australia.

Information technology is one of the fastest growing sectors of the Australian economy and was valued at over \$11 billion last year. The industries in this sector are not only important in their own right but also as inputs for achieving a world competitive industrial base. Information technology is a vital part of management, administration, financial, production, distribution and communications systems.

Rapid technological change is a feature of both the information technology and telecommunications (IT&T) industries. While this reference is on information technology, I have asked the Commission to report on trends in technology convergence. Currently, combined IT&T exports are around \$1.7 billion a year. The telecommunications industry itself is to be reviewed by the Commission in 1995.

The reference essentially asks the Commission to report on emerging trends in local and global markets for the computer hardware, software

and related service industries. The IC will look at the structure and competitiveness of the industries, their strengths and weaknesses, and the international marketing environment in which they operate. It will examine impediments to the industries' efficiency and growth prospects and the scope for further development in terms of value adding, investment, exports and import replacement.

Other matters the Commission is to report on include taxation treatment, protection of intellectual property rights, Australian production standards, and access to finance.

I have asked the Commission to evaluate Government programs aimed at improving industry performance. These programs include government purchasing policies and the computer bounty paid to domestic producers of certain computer-related hardware. The computer bounty was worth some \$78 million in 1993-94.

I have asked the Commission to report by 30 June 1995. As the current computer bounty expires on 31 December 1995, receipt of the Commission's report by mid 1995 will enable the Government to consider

the Commission's recommendations and announce its decision on the bounty in the third quarter of 1995.

The Commission will shortly be releasing an Issues Paper. Notices will be placed in newspapers in each capital city, inviting expressions of interest from parties intending to participate in the inquiry.

The involvement of organisations and individuals will be important to the success of this inquiry. I encourage parties to make submissions and to discuss them at public hearings.

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