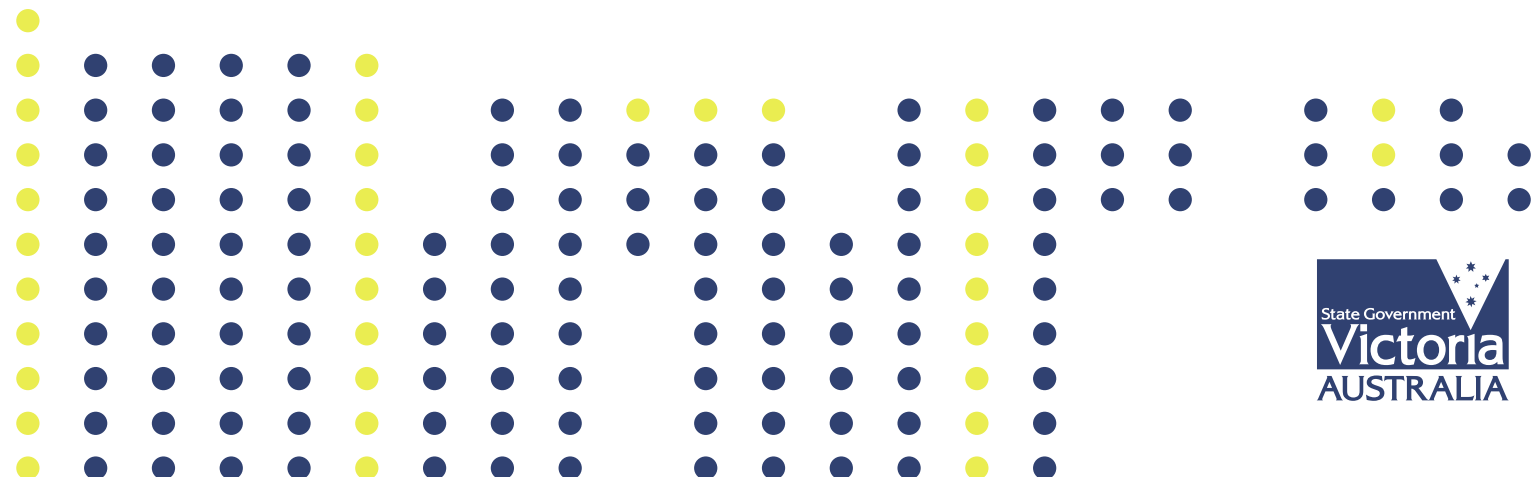


Think Melbourne, Australia for ICT





Minister's Message

I am delighted to be visiting the USA and to have the opportunity to highlight the tremendous strengths of Victoria as an investment location and an internationally competitive source for innovative ICT products and services.

The State of Victoria's AAA rated economy is larger than that of Singapore, Malaysia and New Zealand. It constitutes almost 25% of the national economy, with Victoria contributing almost US\$160 billion dollars to Australia's annual GDP. Over the past ten years, Victoria's compound economic growth per annum over was 3.7% and forecasts see a continuing growth trend with business investment at an all time high.

Victoria has a dynamic, globally-focused ICT industry that accounts for one third of the Australian ICT workforce. The state's ICT sector attracts US\$16 billion in annual revenue and exports more than US\$726 million annually.

The ICT sector in Victoria is embedded in a strong culture of innovation and collaboration, with world-class research institutions and leading universities. Victoria has almost half Australia's private sector investment in R&D, with US\$193 million spent on ICT research and development in Victoria each year.

Our highly skilled and innovative workforce is a major driver of ICT industry growth and a key attraction for international business investment. With 21 primary languages spoken in Melbourne homes, from almost every continent – as compared to 13 in London or four in Singapore – Victorians are truly some of the most culturally diverse people on the planet, able to service the globe.

And they are also some of the most highly educated in ICT. Victoria produces the largest number of science, engineering, electronics and computer graduates in Australia and produces more new graduates per capita in biotechnology and IT than Canada, the US or Japan.

Victoria is globally competitive in several specialist international ICT markets. Over the years, our local ICT companies have worked hard to develop a reputation for quality, cost-effectiveness and commitment, building on local collaboration on significant global contracts.

It is indicative of the strength of the relationship between the US and Australia that the American Chamber of Commerce in Australia (AmCham) is Australia's largest international Chamber of Commerce. The US has a consulate in Melbourne and there is a significant Australian expatriate community living in the US. Invest Victoria has offices in San Francisco, Chicago and New York.

The Victorian Government recognises the importance of a strong strategic relationship between the United States and Victoria. There are around 400 US parented subsidiaries in Melbourne and the US is currently Victoria's biggest business partner, our second largest export destination and Australia's major source of foreign direct investment.

I believe Australia-USA bilateral trade and investment is set to flourish in light of the recently signed Free Trade Agreement between our two countries, providing even more opportunities for partnership and collaboration.

Victoria's strategic location, world-class capabilities and competitive investment advantages ideally position us to serve as a major base of operations for US companies looking to the world's fastest growing economies in the Asia-Pacific region.

Marsha Thomson MP

Victorian Minister for Information and Communication Technology

Victoria's Information and Communication Technology (ICT) Industry

Victoria's homegrown ICT companies have developed a global reputation for quality, cost-effectiveness and commitment. This reputation has been built over many years and is based on the track record of local companies that have collaborated on significant global contracts.

Profile of the Victorian ICT industry

- Employs approximately 30 per cent of Australia's ICT workforce
- US\$15.7 billion annual revenue
- Exports more than US\$700 million annually
- Around US\$189 million annual expenditure on ICT R&D

Victorian ICT capabilities

The Victorian ICT industry is an important contributor to the economic performance and wealth of the State and is embedded in a strong innovation culture with world-class research institutions and leading universities.

Victoria is globally competitive in a number of areas including:

- **Telecommunications** - This is a key strength for Victoria, taking in the provision of telephony and data services. It encompasses the operations of Telstra, Optus, Primus and other carriers and represents a large proportion of the ICT employment and revenue for the State.
- **Niche software and services** - This subsector includes the provision of ICT consultancy services and the installation, integration and maintenance of business ICT systems as well as the development of software servicing specialised industry sectors such as financial services, health and transport. It encompasses companies currently operating in Victoria including IBM, EDS, Infosys and Oakton Ltd. It also includes companies such as Retail Directions Pty Ltd, Ocean Software Pty Ltd and Aconex Pty Ltd that have successfully developed vertical applications for specialised markets.
- **Web applications software** - Victoria's strength in web applications is enhanced through expertise in two of the major development platforms – the Java-based J2EE and Microsoft's .NET as well as more general capabilities in open source

software. Victoria has a substantial base of development capability in these platforms, including three industry clusters with a combined membership of around 300.

- **Electronic games** - Victoria is home to most of the Australian games industry with production companies such as IR Gurus Interactive, Torus Games and Tantalus Interactive, the national headquarters of the Game Developers' Association of Australia and the annual Game Developers' Conference.

The Victorian ICT industry has particular strengths in ICT skills and R&D. Victoria is the leading producer of ICT skills with the highest proportion of university enrolments across Australia and strong overseas enrolments. Recent research suggests Victorian private sector ICT R&D accounts for more than 40 per cent of the national total. The strength of the local higher education sector and the graduates that it produces remain key reasons for international companies to locate in Victoria, as well as high levels of experienced local and migrant ICT workers.

Reflecting this, today Victoria is home to significant local and international businesses. These include the establishment of the Global Headquarters and Operations Centre of Computershare — a leading provider of registry services and solutions — in Abbotsford in 2003, which brought more than 1,250 new jobs to the State. Significant other investments have included Hewlett-Packard, IBM, SingTel Optus, Foxtel, TCS, Birlasoft, Pacific Internet, Bosch, Hitachi and Fujitsu (Atos) and significant R&D investments by NEC, Computer Associates, Satyam, Infosys and Daintree Networks.

For further information on ICT clusters and networks go to:

Games

www.mmv.vic.gov.au/games

eLearning

www.mmv.vic.gov.au/eLearning

Victorian Microelectronics Designer Network

www.mmv.vic.gov.au/microelectronics

Victorian Photonics Network

<http://www.vpn.net.au>

Intelligent Transport Systems (ITSVic)

<http://www.mmv.vic.gov.au/IntelligentTransportSystems>

Victoria.NET

www.victoriadotnet.com.au

Open Source Victoria

www.osv.org.au

RFID Association of Australia

<http://www.rfidaa.org/>

Victorian Women in ICT Network

<http://www.vicictforwomen.com.au/>



Victoria and USA – ICT Links

With a diverse range of local and overseas companies, world-class infrastructure, a highly skilled and motivated workforce and status as the centre of Australia's innovation system, Victoria is in an excellent position to partner the USA across a varied range of industry sectors.

Victoria is a niche player in several key international ICT markets. Many of which are of interest to the USA market and include:

- banking products (including smart cards and eftpos);
- broadband equipment and software;
- computer games;
- intelligent transport systems;
- eLearning (systems and contents);
- photonics;
- e-governance projects; and
- long distance inter-active technologies for education and medicine.

At the heart of government relations between Australia and the United States is the ANZUS Treaty signed in 1951. This Treaty binds our two countries in mutual cooperation on military and security issues and contains a commitment that both Australia and the United States will act to meet common dangers.

Our strengths in strategic industries such as advanced manufacturing, biotechnology, information and communications technology (ICT) and food processing are also attracting significant investment from the US.

The USA is Victoria's largest source of foreign investment and accounts for over 30 per cent of our total foreign direct investment (FDI). Regional headquarters (RHQs) of ICT companies from the USA include IBM, Hewlett-Packard, Ascend Communications and Motorola.

Melbourne and Victoria have one of Australia's highest concentrations of ICT businesses. In addition to one of the most sought after lifestyle cultures in the world, Victoria also offers investors a dynamic and thriving business environment. There are around 400 US parented subsidiaries in Melbourne, of which 58 form part of Invest Victoria's Investor Development Program. Recent ICT investments from the US include Miracle Software who onsell IBM products to small business, employing 50 people and Neurogenix Mantas, who are in bio-informatics. IBM recently announced a

300 person software development centre in Ballarat. Monash University has completed its first student secondments to the ICT industry in Silicon Valley.

It is indicative of the strength of the relationship between the US and Australia that the American Chamber of Commerce in Australia (AmCham) is Australia's largest international Chamber of Commerce.

The US has a consulate in Melbourne and there is a significant Australian expatriate community living in the US.

Invest Victoria has offices in San Francisco, Chicago and New York. The New York office commenced in March 2005.

Notable Victorian ICT investment and trade activities in the USA include the Victorian company Invertch who have been using the new transit desk facility in San Francisco and have so far secured \$8 million in export orders for its hi-tech R&D services; Spangaro Systems have been using the transit desk in San Francisco and have secured contracts for their chip design services from Silicon Valley companies.

The United States is currently Victoria's biggest business partner with two way trade worth more than US\$6 billion in 2003/04, our second largest export destination and Australia's major source of foreign direct investment.

The recently signed Free Trade Agreement between Australia and the United States provides a unique opportunity to revitalise our bilateral trade and investment. Victoria's strategic location, world-class capabilities, and competitive investment advantages ideally position us to serve as a major base of operations for US companies looking to the world's fastest growing economies in the Asia-Pacific region.