Industry Action Plan

NSW Digital Economy

Industry Action Plan

Issues Paper

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Digital Economy Action Plan

Issues Paper

1 Industry Vision and Targets

A dynamic and strong digital economy is essential to drive economic growth in NSW and Australia. The development of an innovation-driven digital economy has the potential to transform existing industries, drive efficiency and productivity, and create new opportunities for Australian businesses to export innovation overseas.

Sydney and NSW, with leading strengths in Creative industries and Information and Communications Technologies (ICT), are primed for growth in the expanding global digital economy. The convergence of these two sectors in the digital economy is bringing together our leading strengths in ICT and creative capabilities.

Key future mega trends such as an ageing population and the transition to a low carbon economy will also increase reliance on the Digital industry to deliver solutions.

Proposed Vision:
By 2020, NSW is recognised globally for leading innovation and driving productivity gains in key sectors of the economy, enabled by strong, vibrant and connected ICT and Creative Industries.

2 Industry Action Plan Scope

The scope of this IAP may include:

1. Digital Content and Applications - the impact of digital production technology and convergence on the creation, distribution and consumption of content.
2. Information Services & Analytics - managing software architectures and data to extract commercial value.
3. Smart Networks & Intelligent Technologies - smart systems for community needs such as transport, electricity, water are likely to be deployed in the next decade, driving efficiency gains and better services.
4. Autonomous systems/robotics - systems/robots that may be stationary or mobile, with sophisticated programming, perhaps artificial intelligence to perform tasks in unstructured environments.
5. e-research - particularly high performance computing, data management and access, collaboration, networking and security, the necessary infrastructure for managing research across big data sets.
6. ICT for services innovation
7. ICT for biomedical
8. ICT for safety and security
9. Locally developed technologies and applications to drive growth, jobs and productivity in sectors critical to the NSW economy.

<u>Suggested areas of focus</u>

Industry Development & Investment: increase the entry and activity of high value ICT, creative and digital industry companies in NSW; and the development of local ICT creative and digital enterprises.

Skills and Research: contribute to the development of a skilled, highly technologically competent workforce with internationally recognised centres of industry partnered education, research, technology development and entrepreneurship; increase collaboration between universities and other training institutions and industry to ensure that training is focussed on meeting the needs of industry.

Global Reputation: the Digital industry of NSW and Sydney recognised globally as being skilled, creative and technologically advanced, with intelligent infrastructure;

Collaboration and Networks: ability to access new business knowledge, technologies and partnerships – locally and internationally;

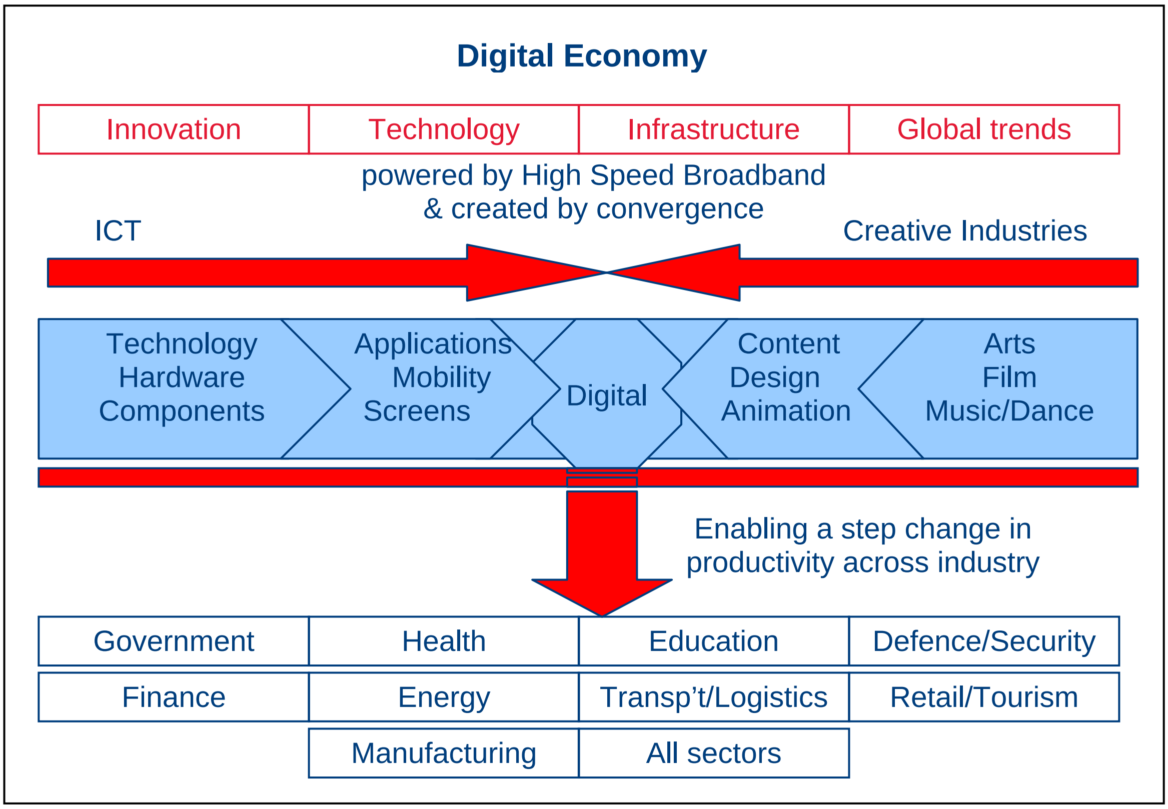
Innovation: Facilitation and uptake by the NSW business community of digitally enabled business models, with a focus on increasing productivity and growth across the continuum of company sizes in both metropolitan and regional settings. Support for the development of home-grown ICT innovation, to develop high value jobs and export revenues.

3 Industry Profile

The digital economy is defined as "the global network of economic and social activities that are enabled by information and communications technologies, such as the internet, mobile and sensor networks."

National Digital Economy Strategy

While the enabling industries of ICT and Creative are strong stand-alone industries in NSW, they are also critical in improving productivity and increasing competitiveness of other industries including Finance, Health, Education, and Energy.



ICT

NSW has the largest ICT industry in Australia, accounting for 39% of ICT businesses at June 2009 and 40% of industry value added output in Australia. The majority of Australia's ICT regional headquarters and operations centres are based in Sydney.

The NSW Information and Communication Technology (ICT) sector is expected to account for around 4.9% of industry value added to the NSW economy by 2020.

The ICT sector comprises;

- 43.3% Information Media and Telecoms
- 32.5% Other Communications
- 20.9% Wholesale Trade
- 3.3% Manufacturing

In 2010, approximately 161,000 people were employed in the ICT industry, representing 4.6% of total employment in NSW. Key areas include computer system design and related services, wholesale trade, information media and telecommunications. By 2020, it is expected that the NSW ICT sector will employ 183,000 people.

Creative Industries

NSW has the largest creative industries economy in Australia, accounting for over 37% of all creative industry employment in Australia and NSW dominates most sub–sectors. For example, in the PDV (Post/Digital/Visual Effects) sub-sector, NSW companies accounted for 70% of national output in the three years from 2007/08 to 2009/10.

Creative industries incorporates a wide range of sub–sectors such as design, music, advertising, architecture, publishing, visual and performing arts, IT software and digital and screen content (film and television). The creative industries are expected to represent around 4% of the NSW economy in 2020. Sub-sectors with high and average growth rates include interactive games (9.5%), internet (7.4%) and filmed entertainment (4%).

The creative industries have a high percentage of sole traders and micro enterprises. However, Sydney is also home to many of the larger and better resourced media and publishing companies, providing NSW with a unique advantage.

4 Trends and Outlook

1. Increased uptake by all industries
Pressures for efficiency and productivity improvements will drive increased adoption of applications and technologies (e.g. 'Smart systems' for transport, electricity and water) as well as digitally-enabled processes (e.g. tele-working and cross-firm collaboration).

2. NSW economy mega-trends
The mega trends identified by Access Economics in their foresighting study of the NSW economy were Climate Change, growth of Emerging Economies, increased adoption of ICT and Population growth and ageing. All of these mega trends individually and collectively will have an impact on the Digital industry in the next ten years.

3. Digital Terms of Trade Imbalance
According to the Australian Computer Society, the ICT trade deficit at the close of 2009 was in excess of $22 billion.

4. Impact of high growth SMEs on jobs and productivity
Internationally, high growth SMEs are now recognised as providing a significant source of innovation, jobs and productivity. This trend can provide both increased competition and opportunities for local industry development.

5. International Growth
In selected countries, significant growth in Digital expenditure is projected. For example, Entertainment & Media spending in BRIC (Brazil, Russia, India & China) countries is predicted to grow at 14.7% compounded annually during the next five years - nearly three times the projected 5.5% compound annual increase for the rest of the world.

6. Convergence
The convergence of four industries (Information Technologies, Telecommunications, Consumer Electronics, and Entertainment) is impacting on devices, applications and content. New technologies are growing in influence, providing audiences with more choice than ever before and challenging the existing regulatory paradigm.

7. Digitisation
Digitisation is transforming the way premium content is produced, distributed and consumed. Content for traditional media is repurposed for other platforms, or, increasingly developed for a range of platforms at the outset (transmedia). In a number of sub-sectors (e.g. Games), digitisation has enabled self publishing opportunities, reduced barriers to entry and led to a rapid growth in independent developers and start ups.

8. Government
There are many State and Federal Government policies, initiatives etc to support the development of the Digital Economy – some examples include;

- The development of ubiquitous high speed broadband - will facilitate a growth in demand for creative content to be delivered via digital platforms, and will also enable additional technologies.
- Development of a National Cultural Policy by the Commonwealth Government. The discussion paper indicates that the policy will position the arts in driving innovation and productivity.

- Recently released Commonwealth paper, *Creative Industries, a Strategy for the 21st Century* sets out strategies to develop a competitive creative sector
- NSW Government has committed to the development of an Arts and Cultural Policy (NSW2021) - it is likely that this policy work will consider the implications of new technologies for the arts and cultural sector.
- Current Commonwealth Convergence Review - examining the policy and regulatory frameworks that apply to the converged media and communications landscape in Australia,

5 Industry Issues

1. Strengths & Opportunities

A world-class industry
NSW has significant competitive advantage in services, skills and digital, creative and ICT Industries. In 2008–09, NSW exports of telecommunication, computer and information services were valued at $1.1 billion, representing over 51 per cent of the national total.

Sydney is a major digital hub
Sydney is the leading centre for new media and creative digital content developments. It is the base for native digital companies such as Google and Yahoo7!, as well as traditional media companies such as Fairfax, PBL, the ABC, SBS, Foxtel, commercial television and radio networks – all of which are rapidly moving into the digital realm.

Sydney has been granted *City of Film* status under UNESCO's Creative Cities Networks. World class globally connected NSW companies include Animal Logic, Kennedy Miller Mitchell/Dr D, Fuel vfx, Trackdown, Deluxe and Digital Domain (soon to be established). In the area of digital interactive, leading companies include the Project Factory and the Emmy award winning Firelight Productions.

Globally Connected
NSW is one of the most culturally-diverse locations in the world with more than one million residents speaking a language other than English. This multicultural strength inspired the World Economic Forum's 2009 *Building and Innovation Nation Survey* to recognise Sydney as an innovation hot spring that "charted off the map".

Australia's physical infrastructure for ICT is concentrated in Sydney and includes competitive telecommunications service provision. Nine of the ten landings of international high capacity optic fibre cables in Australia are in Sydney, providing access to the US, Europe and Asia.

Data Centres
Australia's data centre industry is going through a development boom, with $2.1 billion in investments announced between January 1 and June 30 (2011), according to IDC Australia. Reliable and secure data centres are sought by many industries including banks, financial institutions and other professional services to provide co-location services that support their business requirements. In addition to the direct investment and jobs created by a new data centre, availability of these facilities is often a determining factor in attracting investment by major companies to NSW, and is essential in supporting the business requirements of NSW industry.

The *OzHub* alliance seeks to establish a regulation framework to promote business practices to consumers about issues such as where their personal data are held. Founder members are Macquarie Telecom, Fujitsu, InfoPlex and VMware.

Education and Research
The presence in Sydney of the *National Information and Communications Technology Research Centre of Excellence* as well as five national centres of excellence and two cooperative research centres in ICT–related research fields, forms an essential element of

the diversity of the ICT sector. Private R&D also flourishes in NSW, with foreign multi–nationals locating their research facilities here.

Our higher education system and strong vocational training institutions have supported the development of a highly skilled ICT workforce. In 2008, for example, there were over 13,000 students studying Information Technology at the 11 universities in NSW, and a further 14,400 students were studying information technology at NSW TAFE Colleges and through other vocational education and training providers in 2009.

Collaboration & Growth

Through the growth of new communication devices, broadband and social media, Digital industries are better equipped to collaborate, develop content and distribute their services both domestically and internationally.

The existing critical mass in ICT and Creative industries (e.g. film, digital media, music, writing, visual and performing arts etc) in NSW means that it is well positioned to capitalise on this growing demand for content for new digital platforms.

Innovative Applications

Considerable potential exists to accelerate the development of innovative applications centred on greater 'connectivity'. Modelling work in Access Economics' 2020 Foresighting Study shows that the transport, utilities, property and health care sectors in NSW will receive a very high productivity benefit from the NBN. Other sectors such as education, accommodation, finance and retail will also receive a high benefit. Through its capacity to develop and/or deploy technologies and to provide services, the State's Digital industry is well placed to help businesses in these other sectors as well as households make the most from the NBN.

Growing Demand for Content

The growth in the information economy; driven by roll–out of new communication devices, broadband and social media creates increased demand for content for these new digital platforms. NSW's existing strengths in film, digital media, music, and design means that it is well placed to capitalise on these opportunities.

In addition, the rollout of the NBN will provide a platform for exports and emerging technologies, by stimulating global attention and interest, and facilitating the distribution of the Digital industry's services and content.

Environmental Impacts of Digital Economy

The shift to a digital economy is expected to provide significant greenhouse pollution reduction in many industries through dematerialisation and substitution (such as teleconferencing).

The *Business Opportunities in a Low Carbon Economy Report* (Ernst & Young, 2010) details opportunities for NSW arising from the transition to a low carbon economy. For example, Smart Grids are identified as having enormous potential to improve the efficiency of the electricity sector and transform the way we use energy in our homes and businesses. The growth of smart grids will lead firms to integrate and it will spur the development of new business models.

The ICT industry has a leading role in both reducing the carbon footprint directly related to ICT (e.g. virtualisation), and in using ICT to enable less carbon-intensive work practices across organisations (e.g. telecommuting, automated workflows, energy management applications). Opportunities for services and software growth are expected in this area.

NSW has a strong IT presence, world class R&D facilities and is home to Australia's Smart Grid Smart City Pilot. It is therefore well placed to exploit developments in this area through domestic and international growth.

NSW Government ICT Strategy
The NSW Government has established a new ICT Governance framework to make NSW the leader in ICT innovation and delivery. An ICT Board has been established to develop the NSW Government ICT strategy to underpin the state's $2 billion annual technology and communications spend

The Board will be responsible for:
- setting NSW ICT priorities
- monitoring major NSW ICT Government projects
- providing high level visibility of agency compliance with agreed objectives and targets.

The Board will be supported by two groups - the ICT Advisory Panel and the ICT Leadership Group. The ICT Advisory Panel has been established.

Appropriate mechanisms linking the ICT Advisory Panel and the Digital Economy Industry Taskforce have been established to ensure co-ordinated consideration of industry issues and development of relevant initiatives.

Development and uptake of new business models
The NSW Digital sector will drive innovation and productivity improvements throughout the NSW economy by enabling it to take advantage of the acceleration of the transition to a Digital economy. Organisations across all sectors will be required to develop their business models to meet the needs of the emerging digital economy. For example, growth in social media facilitated by the NBN will challenge traditional business models with which many industries currently operate.

2. Challenges & Risks

Competition
While a broadband enabled and digitally serviced economy is perceived as advantageous to most sectors there will likely be some that experience negative effects. Technological developments will mean a greater openness of markets and reduced entry barriers for interstate and overseas businesses to provide services and products into the NSW economy. For example, the retail sector is likely to face increasing competition from off shore online vendors.

Investment
The risk averse nature of early-stage investors in NSW makes it difficult for small digital businesses to attract the capital needed to grow and develop. By comparison international firms have made significant investments in local companies such as Atlassian, Spreets etc.

Improved understanding and awareness between digital business and potential investors (Financial institutions, Venture Capitalists, Multinational Digital Companies etc) will contribute to a vibrant Digital ecosystem in NSW.

The investability of NSW SMEs may be improved by strengthening commercialisation skills and capabilities, and increasing access to government and corporate reference sites in order to validate technologies and business models.

Improved Collaboration
PwC's *Australian Entertainment & Media Outlook 2011-2015* states that "to stay relevant and lead, a company must collaborate continuously with – and be enabled by – its entire customer, employee, and supplier ecosystem".

In order to maximise its potential, NSW must nurture and strengthen collaboration in multiple ways – between the ICT and Creative industries, between Digital and other sectors, between Multinationals and SME's etc.

Skills Shortages
Research suggests that major Digital projects such as the proposed National Broadband Network, the increasing use of Web2.0, continuing implementation of Gershon recommendations, and other measures are likely to generate significant future demand and competition for Digital talent.

The workforce and environment of the Digital industry are dynamic. Issues such as changing technology, labour market variation, offshoring of ICT services and evolving business needs present ongoing human capital challenges.

Since 2004, enrolments in higher education ICT courses have declined by 6 per cent per year. Computer science courses have the highest proportion of ICT enrolments, although this has declined over time. Over the same period, enrolments in other courses have increased by 4 per cent per year. Conversely, enrolments in postgraduate ICT courses increased significantly.

Security & Privacy
Increased uptake of cloud computing and data centres has security implications for organisations – particularly where data is stored offshore. Mobile workforces and teleworking also pose security risks for organisations due to the difficulties in securing large numbers of mobile devices that are connected to a central network.

Achieving a strong Digital industry requires a comprehensive and trustworthy e-security framework that provides confidence to communities and businesses as they increasingly migrate to on-line business models.

Government Regulation and Policy
The Digital industry of NSW has benefited from government regulation and actions to stimulate industry development. This regulatory and policy certainty encourages local companies to invest in skills and talent development, product and process innovation, and market and audience development.

The multichannel and online environments pose challenges for effective Australian content regulation and it is likely that new forms of intervention will need to be found to sustain premium local content in the future. Recent research by Screen Australia reveals a significant dilution of Australian content in the media diet. It also notes that the traditional media sectors, dominated by commercial television and feature films, are still the only significant investors in Australian narrative content at this time. Subscription television is also emerging as a significant investor in Australian content.

Intellectual Property

The Digital economy will increase access to, and availability of data. The capacity of businesses and other organisations to protect their IP is likely to become harder to implement. Similarly, the number of industries needing to deal with piracy issues is likely to be exacerbated by increased participation in the Digital economy.

Protection of intellectual property is an issue, particularly for small business, that can find it difficult to capture the full value from their creative content and are also not in a financial position to protect or commercially exploit their intellectual property.

6 Industry Development Actions

The current initiatives being undertaken by NSW Trade & Investment to support the development of the Digital Economy of NSW are as follows;

1. Collaborative Solutions Program

The ICT Collaborative Solutions Program supports industry to develop innovative and compelling ICT-enabled solutions in key sectors that demonstrate the benefits of the digital economy. It will focus on opportunities, challenges and changing business models brought about by emerging technologies such as mobile computing, cloud computing, and ubiquitous high-speed broadband. It aims to do this by awarding incentive grants for the development and piloting of these new solutions.

A key outcome of the program will be the facilitation of businesses coming together to address specific opportunities and challenges brought about by emerging technologies.

The program adopts a contemporary approach to industry development through catalysing collaboration. This model has demonstrated successful outcomes in other ICT leading nations in delivering innovative world-class solutions in sectors such as Tourism, Finance, Education, Healthcare, and Media and Entertainment. This initiative is a proactive approach to developing our ICT industry to deliver world-class solutions and economic growth in our strategic sectors.

In May 2011, 11 consortiums were awarded funding under this Program. The consortiums included some of the biggest names in technology development – multinationals like Google, Microsoft, Nokia and Singtel Optus – who will team with technology start-ups and retail, tourism and cultural organisations in exciting cross-sector collaborations. It is predicted that these projects have the potential to collectively generate over 400 jobs, $170 million dollars in revenue, and over $90 million dollars in exports over the next three years.

Key Outcomes:

- Assist in the exchange of ideas and foster collaboration across industry segments, such as between solution developers, technology and infrastructure providers, content owners, and user organisations;
- Accelerate the development of innovative and new-to-market solutions that will deliver ICT growth in terms of investment attraction, sales and export, and high-value job creation; and
- Drive innovation, productivity improvements and transformation in the key user sectors through the adoption of these compelling ICT-enabled solutions.

More Info: www.business.nsw.gov.au/collaborativesolutions

2. Digital Sydney

Digital Sydney is about enabling, facilitating and supporting activities in the digital ecosystem that sustains skilled jobs and leads to higher degrees of innovation and productivity across all sectors.

Digital Sydney's Plan of Action has 3 key areas of focus - work is currently underway on each of these as follows:

- **Investment** supports the development of an environment where big digital business is operating and mentoring smaller business, encouraging a greater desire for startups and investors to grow here, and building a more dynamic community,
- **Building Community** will maximise the reach and impact of Digital Sydney through a platform which will enable the Digital community to collaborate, share, educate and promote digital activities,
- **Marketing & Branding -** profiling Sydney as a world centre of the knowledge economy by showcasing our innovative, dynamic and successful Digital industry.

Key Outcomes:
- promoting collaborations between the ICT and Creative sectors, large corporations and SME's, digital enterprises and sources of funding etc,
- marketing and promoting Sydney as a hub for digital companies, and
- expanding the digital sector in NSW.

3. Interactive Media Fund

The development of creative digital content, particularly in the lucrative area of electronic games, involves intensive R&D and risk capital. Australia does not have a venture capital market catering to this need. State governments have filled the gap. In the past, NSW has not provided this type of support and as a result the games industry is concentrated in Victoria and Queensland.

The games industry globally generated in excess of US$50 billion in revenues in 2010 and is projected to continue growing at an expected compound annual growth rate of 9.5 per cent annually over the next five years, the highest CAGR of all media and entertainment markets (*PwC, 2011-15 Outlook: Media and Entertainment Report*).

The games industry is desirable for NSW not only because it is a high growth sector but because it is an excellent example of an innovative, smart industry as we move to a new industrial paradigm. Key characteristics are:
- high value creative and ICT jobs
- leading edge skills which are transferable to other sectors
- increasing involvement in serious games in collaboration with sectors such as e-health, education, defence, emergency management.
- leading edge technology
- a strong focus on the global marketplace, with 90% of earnings being export based.

NSW is the centre of Australia's film industry with half the nation's film workers and two thirds of the post production/digital and visual effects (PDV) workers. Professionals skilled in storytelling, cinematography, animation, character design, and motion capture can work across film and games. Leading NSW digital animation companies such as Dr D (*Happy Feet 2*) are moving into games.

In May 2011, the NSW Government announced funding for 20 Digital Media projects. The Chief Executive of the Games Developers Association of Australia, Antony Reed, said the Digital Media Initiative will position NSW as the country's leading supporter of digital media enterprises.

The Interactive Media Fund was announced on 12 October by the Deputy Premier and replaces the Digital Media Initiative. The previous initiative has been refined and clarifies the emphasis on interactive content. The aim of the Fund is to support a diverse range of creative digital content projects with an emphasis on technical, creative or design innovation. It covers the development and/or production of content-rich websites, interactive television (iTV), applications and interactive content for mobile and online platforms and console games. Projects could be stand-alone digital concepts, could exploit the digital potential of film and television concepts or could involve 'serious games' working through cross sectoral collaborations.

The Fund provides up to $250,000 for advanced development and up to $50,000 for early stage development. Up to $250,000 is now available for Enterprise Funding to better help expanding companies bring in specialist skills to work across a slate of projects. Support is also provided for attendance at international markets and conferences such as the Game Developers' Conference and MIPCOM.

Key Outcomes:

- New entrants to NSW of smaller games and other creative digital companies (information asymmetry, transaction costs)
- Relocation of international and interstate developers (information asymmetry, transaction costs)
- Retention of graduates who are currently moving interstate at the end of their courses (information asymmetry, transaction costs)
- Exploitation of the transferable skills in the film, digital animation and visual effects areas where NSW is already strong (public good),
- Development and production in NSW of compelling digital content.

More Info: http://www.business.nsw.gov.au/assistance-and-support/grants/business/interactive-media-fund

4. Australian Centre for Broadband Innovation

The Australian Centre for Broadband Innovation (ACBI) has been launched to help NSW capitalise on the National Broadband Network. ACBI is a joint initiative between the NSW Government and research organisations CSIRO and NICTA. The centre will work with industry to create and deliver breakthrough broadband applications and measureable improvements in four key areas:

- Digital media and interactive broadcasting - increasing possibilities for companies to collaborate on digital media projects, worldwide, in real time;
- Tele health and e-health technologies - providing increased access to different types of health services for people living in rural and remote areas;
- Infrastructure such as smart grid including in the area of transport - to deliver efficiency improvements, maximise business productivity and minimise pollution; and
- E-Government - working with Government to develop ICT platforms and deliver access to better education, health, and utility services.

5. Supporting centres of excellence

The NSW Government has increased its current support for NICTA and support through the NSW Government's Science Leveraging Fund for NSW based research and collaboration infrastructure including:

- Centre of Excellence for Quantum Computation and Communication Technology

- Centre of Excellence for Ultrahigh Bandwidth Devices for Optical Systems
- Centre of Excellence for Autonomous Systems
- Centre of Excellence for All–Sky Astrophysics
- Centre of Excellence for Climate System Science
- Smart Services Cooperative Research Centre
- Capital Markets Cooperative research Centre
- The NSW peak eResearch body, Intersect
- Australian National Fabrication Facility, which has three of the seven university–based nanotechnology research 'nodes' located in NSW and accessible by industry.

6. Innovation and High Growth SMEs

The OECD has identified that a limited number of highly innovative SMEs with high growth potential have a disproportionate effect on job creation and productivity, because the environment for innovation has changed.

"… the importance of new and small firms to the innovation process has increased. Increasing incomes, more niched market demand and changing technologies have reduced the structural disadvantages of small firm size stemming from their limited economies of scale. In addition, the knowledge economy, more open and distributed innovation, globalisation, a shift to non-technological innovation, the emergence of the "Silicon Valley Business Model"… have all given rise to a new "entrepreneurial economy" as opposed to the managed economy of the past."[1]

In the UK, recent research has identified that companies with high growth enterprises, accounting for 6% of UK businesses with more than 10 employees, generate more than 50% of new jobs.

The Obama government has recognised the importance of early stage innovative SMEs in driving the innovation and jobs growth needed for US economic recovery, with the release of the StartUp America initiative.

Like many large scale international cities, Sydney has seen significant activity amongst early stage innovative ICT companies. The Australian Technology Showcase program has been active in this space since 1998, supporting innovative, market ready SMEs with global market potential through seminars, networking, showcasing to local and international markets (including CeBIT and Tech23) and grant assistance through the ATS Export Support Grants.

More recently the ATS program has focussed on a series of initiatives to stimulate the start up space, through support for MEGA, Heads Over Heels, Sydney Angels, StartUp Weekend and most recently the Fishburner Co-Working space.

Key Outcomes:

- Improved skills and capabilities of early stage SMEs
- Increased profile of Sydney and NSW as a supportive environment for early stage ICT SMEs
- Increased export sales and jobs for NSW based SMEs

[1] SMEs Entrepreneurship and Innovation – OECD Studies on SMEs and Entrepreneurship.

7. CeBIT Australia

CeBIT Australia, the largest ICT trade show in Australasia, has been held in Sydney each May for the last 10 years, and is the key platform for the industry to demonstrate the latest innovation in information and communication technology.

The event has been secured in Sydney for the next two years with a focus on growing the international attention through developing a partner country program, with Germany the country partner in 2011.

Key Outcomes:
- Global recognition of Sydney and NSW as a leader in ICT
- Focal point for local industry to demonstrate technology to global market
- Building stronger trade relations with Partner Country

8. Digital screen production, games and PDV

The NSW Government has provided incentives to attract international scale digital film productions (e.g. Happy Feet 2, Walking with Dinosaurs 3D and Paradise Lost) as well as footloose PDV projects (e.g. 3D conversion for Harry Potter 7 part 2, digital services on Sucker Punch, Thor and Prometheus). The previous Government established a Film Fund with enhanced incentives to compensate for the high Australian dollar and increased international competition. Funding for future investment projects (including major film projects) will be sourced from the State Investment Attraction Scheme.

The Federal Government Film Tax Offsets provide a 40% rebate for Australian production, 30% for PDV (increased this year from 15%) and 20% for Australian television. An extension of the offset to games and digital media is under consideration in the context of the Convergence Review and other federal government deliberations.
Screen NSW development and production assistance supports local feature films, TV drama and factual programming for theatrical, broadcast and online distribution.

Screen NSW VFX placement scheme provides subsidies to leading NSW companies to employee digital artists for six-month placements providing on the job skills development opportunities in the visual effects industries.

Key outcomes
- Sydney’s profile and reputation as an international centre for digital film production is consolidated
- The NSW workforce continues to develop leading edge production skills and assist graduates to become job ready
- Increased investment in state of the art digital production technology such as motion and facial capture and other photo realist techniques
- Transferable skills and intellectual property are exploited as high end films and games converge
- Continuous production is maintained allowing talent to be retained in the State.
- Federal government offsets are leveraged to benefit the NSW digital economy