

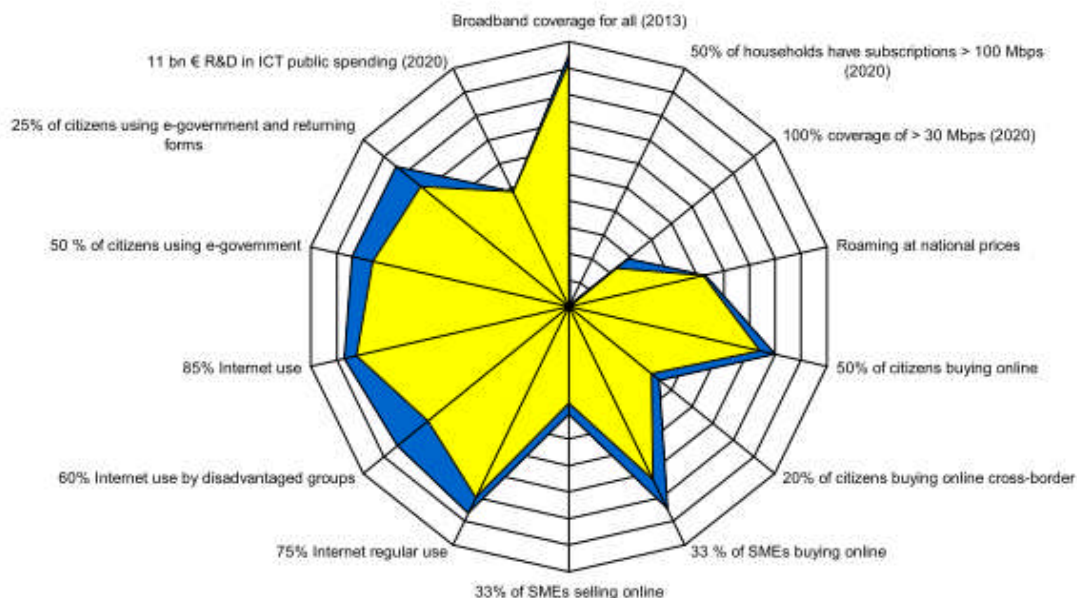
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<http://www.budde.com.au/News/#Digital-Target-Benchmarking:-Australia-and-Europe>

Digital Target Benchmarking: Australia and Europe

Australia's Digital Economic Strategy [1] should be aiming to kick more goals and needs more current data than it get by relying on the ABS.

The fact that the European Community published its own performance measures for achieving a digital economy in the same month as our government launched its own strategy seems to have passed without notice. In May 2011, the European Commission published [2] the following scorecard across 13 indicators measuring its progress towards targets set in the Digital Agenda for Europe a year earlier.

Chart 1: How the EU scores on the Digital Agenda targets



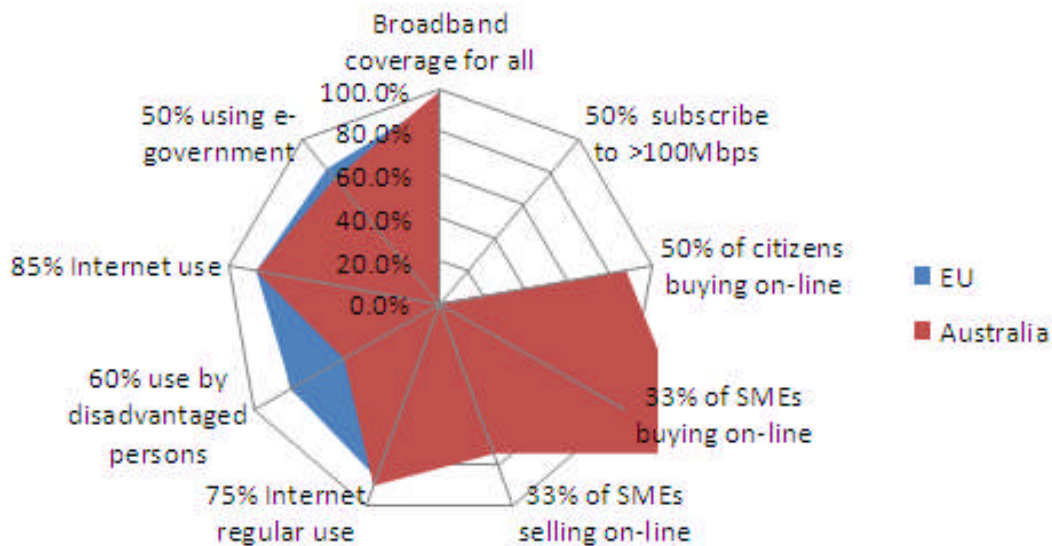
Yellow = 2010, blue = 2011. Labels refer to targets; outer line is 100% achievement; targets refer to 2015 unless otherwise stated; 20% reduction in energy use not included²

Given Europe's over-arching goal to create a single market across its member states, it should be no surprise that some targets are not relevant to us in Australia. In particular, the Europeans are keen to see international mobile roaming prices reach parity with domestic roaming prices and more than 20 percent of its citizens buying across borders.

What is surprising, because these are areas which are generally believed to be important for leveraging broadband, is that health, education and teleworking are not included above; but are key targets in our own Digital Economic Strategy.

Chart 2 takes the indicators common to both strategies to show the current status relative to EU targets. The comparisons are tentative because measurements may not be quite the same. The Australian household and business data come from ABS data for FY2009 and FY2010 respectively [3] except for e-government, as noted below.

Chat 2: How Australia compares with the EU



- Starting at the top, the EU claims that it is already 95% of the way towards getting 100% broadband coverage by 2013. While only 62% of Australian households actually have broadband, coverage is much higher with broadband enabled exchanges and mobile broadband.
- Moving right, there is a long way to go before 50% of households have more than 100Mbps; currently, 0.2% of Australians do. Of course, successful completion of the NBN would make the EU target achievable here. But, whether households will be willing to pay for more than 100Mbps by 2020 is still an open question.
- 40% of the EU's citizens currently buy on-line (the point of the star shows this is 80% of the target). The corresponding figure for Australia is 44% (64% of those on-line who buy times the 68.5% who are on-line at home).
- In the EU only 28% of SMEs buy on-line (85% of the target 33%). Australia's 46% (SMEs have up to 200 employees) is ahead of the EU target and so pushes outside the EU cobweb.
- Confirming the maturity of SMEs in Australia, 24.6% of our SMEs sell on-line compared with 12.9% in the EU.
- It is not clear what the EU's 65% "regular internet use" means. In Australia, 67.9% of households use the internet at least once a month and 58% use it daily.
- By "disadvantaged", the EU's 48% (80% of target) refers to the elderly and disabled. In Australia, 31% of those aged over 65 years use the Internet. In Australia we have other measures of disadvantage which are also important; such as geography.
- In the EU 74% of people use the Internet compared with a target of 85%. In Australia, 68.5% use it at home and 74% use it in various places.

- Like the EU, Australia sees e-Government as important with our government's goal to have 80% of citizens operating this way compared with a target of only 50% in the EU. Today, the EU is at 41% (82% of target) compared with 38% (75% and 47.5% of the EU and Australian targets respectively) in Australia [4].

On this quick comparison Australia seems to be doing well – although our aim is not to beat the EU average but to be among the top OECD countries. To that, we need better and more current information than we have now.

Notes:

[1] <http://www.nbn.gov.au/the-vision/digitaleconomystategy/>

[2] http://ec.europa.eu/information_society/digital-agenda/scoreboard/index_en.htm

[3] ABS Cat No 8146.0 *Household Use of Information Technology* and ABS Cat 8129.0 *Business Use of Information Technology* www.abs.gov.au

[4] <http://www.finance.gov.au/publications/interacting-with-government-2009/docs/interacting-with-government-2009.pdf>

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