

In January 1999, after extensive public consultation, the Commonwealth Government released *A Strategic Framework for the Information Economy*. This document sets out:

- a mission for Australia in the information economy;
- the values (or guiding principles) behind the strategic approach;
- a vision for Australia in the information economy;
- the strategic priorities to bring about that vision; and
- key action areas to achieve the mission.

Copies of *A Strategic Framework for the Information Economy* are currently available from the NOIE website at www.noie.gov.au or by contacting Sarah Walker on 02 6271 1161.

Key Commonwealth portfolios worked together to articulate ten priority areas for action. The priority areas are as follows.

1. Maximise opportunities for all Australians to benefit from the information economy.
2. Deliver the education and skills Australians need to participate in the information economy.
3. Advance the growth of a world class infrastructure for the information economy.
4. Increase significantly the use of electronic commerce by Australian business.
5. Develop a legal and regulatory framework to facilitate electronic commerce.
6. Promote the integrity and growth of Australian content and culture in the information economy.
7. Develop the Australian information industries.
8. Unlock the potential of the health sector.
9. Influence the emerging international rules and conventions for electronic commerce.
10. Implement a world class model for delivery of all appropriate government services online.

In July 1999 the Commonwealth Government also released an overview of the its ongoing response to the priorities listed above. The overview - also available from the NOIE website - provides an overview of the Government's action in response to the full range of challenges facing business, industry, governments and the general community. It identifies objectives and key priorities for action, and highlights the uniquely regional issues to be faced within each priority area. The overview also lists a number of performance indicators to help measure progress.

This presentation will focus largely on the first priority area, which is to “maximise opportunities for all Australians to benefit from the information economy”. In broad terms, I will explain what we know about those Australians who are currently benefiting from participation in the information economy. But, importantly, I would

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like to focus on what we know (and do not know) about those people who are *not* using the Internet. I will conclude by providing a brief overview of the activities being undertaken within the Communications, Information Technology and the Arts portfolio to progress the Commonwealth Government's stated aim of "maximising opportunities for all Australians to benefit from the information economy".

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According to the Australian Bureau of Statistics (ABS), in the 12 months to May 1999 around 5.5 million adults accessed the Internet. This is an increase of around 2 million over the previous year. Almost half the households in Australia have a computer, and almost half of those also have Internet access. Couples with children are the most likely to have Internet access home.

E-mail is the most commonly reported reason for using the Internet. General browsing for information also rated highly as a reason for use, as did searching for specific information on products and services. Indeed, as a reason for *not* having internet access, respondents 'lack of interest' in the information available has declined substantially over the past two years, perhaps indicating an increased awareness of the material available online as well as about the Internet generally.

Professional individuals on high incomes, or with a high household income, are much more likely to access the Internet than people on low incomes or working in a trade. The cost of access and associated hardware has consistently remained a barrier to those without the internet at home over the past few years.

Unemployed people are only slightly less likely to use the internet than those employed full time, but people completely outside the labour force - such as retirees or women caring for children at home - are unlikely to use the Internet much at all. Indeed, although internet usage figures for men and women are similar overall, far more men than women access the internet from home. It would therefore seem that women in the workforce may be accessing the internet via work *more* than men do, and subsequently women who are not in the labour force may be missing out on internet access opportunities. In most cases, though, the impact of occupation, employment status and income affects internet access and usage more than gender.

People who live in urban areas are more likely to access the internet than those living in country Australia. Nationally, most people access the internet at home or at work with tertiary institutions, friends' houses and libraries also being useful sources of access. In fact, during the past year, the number of people using libraries for internet access has increased substantially and anecdotal evidence suggests that many library internet facilities are booked days in advance.

In the broader context, around 60% of Australians did not access the Internet in the past 12 months. The great bulk (78%) of Australians do not have household Internet access. Internet penetration by households does not yet match that of mobile phones, where penetration has increased from 29.7% in 1996 to 44.7% in 1998.

It is also clear that ongoing increases in internet usage over the last few years have not occurred uniformly across all socio-economic groups.

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The statistical profile of typical non-internet users is the reverse of that provided for typical internet users. That is, people on low incomes, individuals without a tertiary education, those without internet access at home or work, rural residents, or older people are statistically least likely to be participants in the information economy. Internet access of individuals reduces proportionately to their income, age and labour force status. Similarly, people living in urban centres are much more likely to use the internet than their regional and rural counterparts.

ABS data provides a useful starting point in regard to individuals' internet access. Of households with computers, 68% did not access the internet. The main reasons were:

- 'costs are too high' at 31%, compared with 29% in 1996;
- 'lack of interest in Internet' at 27%, down from 41% in 1996;
- 'other' (23%), which included 'lack of access to Internet service provider' and 'inadequate telecommunications infrastructure';
- the need to upgrade current PC (10.2%); and
- having adequate internet access elsewhere (7%).

Such disparities in internet access and use may need in future to be specifically addressed. Current policies and practices regarding the enhancement of communications infrastructure, attainment of relevant skills and general awareness raising are - and will continue to be - useful. However, specifically targeted programs (such as the Commonwealth's AccessAbility program for people with disabilities) which address the unique barriers faced by those least likely to participate in the information economy may also be required. In order to develop and target such programs effectively, further information is required about the barriers faced by individuals which prevent them from participating in the information economy.

In the meantime, the Commonwealth Government - through the Communication, Information Technology and the Arts portfolio - is addressing the current disparities in Internet use in a number of ways.

The National Office for the Information Economy is promoting community uptake of online services via:

- Online Australia activities (for details see www.onlineaustralia.net.au);
- E-commerce fact sheets on topics such as online shopping, credit card use and banking (for details see www.noie.gov.au); and
- Awareness raising publications such as *Community Groups Online: practical examples of the non-profit sector using electronic networks* (contact me at michelle.scott@noie.gov.au for copies).

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The *Networking the Nation* program, recently expanded through the Telstra social bonus initiatives, is a Regional Telecommunications Infrastructure Fund which provides funding for regional, rural and remote communities to identify their communications needs, and develop and implement projects that meet those needs.

Other Telstra social bonus initiatives include the *Building IT Strengths* program, which will establish incubators in each State and Territory to provide services such as: mentoring; business management assistance; and improved links to research institutions and to seed capital to small and medium enterprises. Trials in Innovative Government Electronic Regional Services (TIGERS) will also be integrated with Tasmania's 'Intelligent Island' program.

The portfolio's Bandwidth Inquiry continues, with public comment to be sought in the very near future. The portfolio will also contribute to the recently announced inquiry by the Human Rights and Equal Opportunity Commission into the issues surrounding access by the aged and by people with a disability to electronic commerce and online government services.

Consultation with stakeholders by the portfolio is also ongoing, through mechanisms such as:

- the Online Australia Regional Forum (for details see www.dcita.gov.au/cgi-bin/graphics.pl?path=3917);
- the Online Council (for details see www.noie.gov.au/oc/); and
- interdepartmental activities and committees, particularly with Commonwealth agencies such as Family and Community Services, Centrelink, Health and Aged Care and Education, Training and Youth Affairs.

Your feedback about how the Commonwealth can further assist the non-profit sector to participate in the information economy is welcomed. Please forward your comments to me by email at michelle.scott@noie.gov.au or on 02 6271 1206.

Thank you

Michelle Scott
Community Access and Opportunity
National Office for the Information Economy
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STATISTICAL OVERVIEW

The ABS reports that an estimated 5.5 million adults accessed the internet at some time during the 12 months to May 1999. In comparison, just over 3.5 million adults accessed the internet during the 12 months to May 1998¹. Roy Morgan Research reports that there are 4.2 million Australians (or 28%) who are regular internet users, accessing it at least once per month.

Place of internet access. As could be expected, the most common places to access the internet are at home or at work. Other frequently reported sites of internet access include a friend or neighbour's house, TAFE or tertiary institutions and public libraries. In the 12 months to February 1999, use of internet access points in public libraries has increased dramatically. Around 700,000 adults reported using a library for internet access in the 12 months to February 1999, compared to 200,000 who reported so in February 1998.

During the 12 months to May 1999, places of access included:

- Work. 2.7 million adults (1.5 million in the 12 months to May 1998)
- Home. 2.3 million adults (1.0 million in the 12 months to May 1998)
- Friend or neighbour's home. 1.6 million adults (0.9 million in the 12 months to May 1998)
- Tertiary institution. 1.0 million adults (0.8 million in the 12 months to May 1998)
- Public libraries. 0.7 million adults (0.4 million in the 12 months to May 1998)
- Shops, stores or telecafes. 0.3 million adults (0.2 million in the 12 months to May 1998)
- Schools. 0.2 million adults (0.2 million in the 12 months to May 1998)
- Government agencies and shopfronts. 0.2 million adults (60,000 in the 12 months to May 1998).

It should be noted that some internet users are likely to gain access at more than one place.

Personal Income. Roy Morgan research indicates that 49% of people earning \$70,000 or more accessed the internet regularly. Only 11% of people earning less than \$20,000 also did so. ABS figures indicate that the likelihood of internet access declines sharply with income.

Age. The ABS data below only measures adult internet use.

¹ ABS 8147 February 1999, *Use of the Internet by Householders*, Australia.

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- Younger adults had proportionately the greatest internet use with over 74% of 18-24 year olds gaining access in the 12 months to May 1999 (an increase from 49% in the 12 months to May 1998).
- At May 1999, 53% of persons aged 25-39 years were estimated to have used the internet in the preceding 12 month period, compared to 34% at May 1998.
- For 40-54 year olds, the figure was 39%, compared to 28% in May 1998.
- Persons aged 55 and over used the internet least, with 10% in May 1999 compared to 5% in May 1998.

Gender. Approximately 44% of adult males accessed the Internet in the 12 months to May 1999, compared with 37% of females. At May 1998 these figures were 29% of males and 24% of females. Data commissioned by the Office of Women's Policy in Queensland indicates that males show higher rates of internet usage across most reference groups². For example, men are slightly more likely have a computer in their home than women, are proportionately more likely to access the internet at work, and so forth. The impact of occupation, employment status and income affects internet access and usage more than gender. One exception to this rule occurs in ABS data (February 1998) which suggests that more men (41.5%) than women (24.8%) access computers at home.

Labour Force Status. In the 12 months to May 1999, use of the Internet ranged from:

- almost 55% of adults employed full-time,
- 49% of adults employed part-time,
- 39% of unemployed adults, to
- 12% of adults not in the labour force, including retirees.

Regional Access. Of the 5.5 million adults who accessed the internet during the 12 months to May 1999, nearly 72% lived in capital cities (compared to 74% in the 12 months to May 1998). Of all adults in Australia, 44% of those in capital cities accessed the internet compared to 33% in other areas. At May 1998 these figures were 30% and 20% respectively.

Education. Persons with a bachelor's degree used the internet more (59%) than those with a secondary school certificate (14%).

Place of Birth. Persons born outside Australia (26%) used the internet more than those born in Australia (22%).

² Office of Women's Policy, Qld, May 1999, *Information Technology*, Agenda Item 5.1, Commonwealth/State Ministers' Conference on the Status of Women.

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Occupation. Professionals (49%) used the internet more than labourers (24%), farmers (20%) and machinery operators (8%).

Usage frequency. Of the 1.7 million adults who accessed the internet from home during the 12 months to February 1999:

- 30% accessed it daily;
- 38% accessed it 2-6 times per week; and
- 18% once a week.

Therefore a total of 86% of these adults can be said to have frequently accessed the internet from home.

Of the 2.5 million adults who accessed the internet from work:

- 39% accessed it daily;
- 17% did so 2-6 times per week; and
- 12% once a week.

Therefore a total of 68% of these adults frequently accessed the internet from work.

Of the 2.8 million adults who accessed the internet from other sites:

- 2% accessed the internet daily;
- 14% accessed it 2-6 times per week; and
- 10% once a week.

Therefore a total of 26% of these adults frequently accessed the internet from other sites.

Activities. E-mail is the most commonly used feature of the internet (58.5%). General world wide web browsing also featured highly (54.5%) as did finding information on specific goods and services (39%).

HOUSEHOLD ACCESS TO THE INTERNET

Of the total 7.1 million households in Australia in February 1999, some 3.2 million (45%) owned a computer. Just under half of those also had access to the internet from home. The likelihood of a computer in the home, and of access to the internet, significantly increases with household income. Urban households are more likely to have internet access than rural ones (23% compared to 11%). Similarly, while 28% of the family type “couples with children” have household internet access, only 13% of “single parent” families also have it³.

³ ABS 8147, February 1999, *Use of the Internet by Householders*, Australia.

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Between 1996 and February 1999 there was a substantial increase in the number of homes with internet access. ABS data reports show⁴ that 18% of households - or 1.3 million - now have access to the Internet (up from 4% in 1996). The ACT proportionately has the most homes (28%) with internet access while Tasmania (10%) has the fewest.⁵

Household location. At February 1999, just under 23% of capital city households had home internet access compared to 11% in other areas of Australia. The comparable details for February 1998 were 16% and 7%.

Household income. Higher income households are most likely to have internet access. A total of 36% of households in the highest ABS income bracket (over \$66,000) have access but less than 4% of households in the lowest income bracket (below \$14,000) also have internet access.

Family type. At February 1999, 28% of households of the family type 'couple with children' had home internet access, compared with 19% at February 1998. Households of this family type accounted for some 53% of all internet households. Just over 16% of the family type 'couple with no children' had home internet access at February 1999, as did 13% of the family type 'single parent' (compared to 8% and 7% respectively in February 1998).

Access problems. At February 1999, 27% of internet households (347,000) reported experiencing problems when accessing the internet. Of the internet households in capital cities, 24% experienced access problems while 41% of rural internet households experienced such problems. Of the total internet households:

- 66% experienced line drop outs;
- 45% reported slow speeds; and
- 31% report other problems.

Future use. Based on reported intentions to acquire internet access in the next 12 months, it is estimated by the ABS that there should be around 2 million Australian households (approximately 27%) with internet access in February 2000.

International household use. The ABS reports that in 1997, 19% of households in the US had online access, as compared to 18% of Australian households in February 1999. It is difficult to reliably assess household Internet access against international benchmarks as comparable data from US, Canada and UK⁶ government sources is

⁴ ABS 8147 February 1999, *Use of the Internet by Householders*, Australia.

⁵ ABS 8417 November 1998 *Household Use of Information Technology* (quarterly survey)

⁶ Statistics Canada 1996, *Falling Through the Net II*,

National Telecommunications and Information Division, 1997 *IT for All*, UK, 1997

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now becoming dated. However, the ABS is continuing to work with an OECD Statistical Panel on developing internationally comparable data.

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