



Speech by

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MEMBER FOR MULGRAVE

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E-COMMERCE

Mr PITT (Mulgrave—ALP) (12.14 a.m.): I wish to address the issue of e-commerce and its importance to business in Queensland. E-commerce is a high priority for the Queensland Government and the Queensland Small Business Advisory Council. This is because e-commerce is able to generate vast opportunities for Queensland small business and, ultimately, the State's successful economic growth.

E-commerce is fuelling a new global information economy, and it is the most fundamental change to business since the inception of mass production. The information economy is evolving at a rapid rate, and this demands rapid change from business for competitive advantages. In fact, the World Trade Organisation estimates that global e-commerce will grow to US\$300 billion by the year 2001. Other studies estimate that global Internet use will increase by 35.2 million users this year to 130.6 million and that 350 million people will use the Internet by 2003—a 267% increase from 1998. How does Australia rate in relation to these statistics? Australia has the fourth largest Internet connection in the world, and 22% of the 3.2 million home computers have Internet access.

The National Office for Information Technology expects e-commerce to add 2.7% to Australia's GDP by 2007. This is equivalent to approximately one year's economic growth alone. This and other extensive research proves that e-commerce is developing into a highly powerful business enabler. It is vital for Queensland small business to adopt e-commerce practices as competitive business strategies for many reasons, namely, to significantly contribute to the economy; to increase international competitiveness, particularly throughout the Asia-Pacific region; and to benefit business development in regional and remote areas.

In terms of individual business operations and processes, e-commerce also has the potential to: lower operational costs by lower transaction costs and faster payments; reduce inventories and cycle times; enable greater efficiency and effectiveness for customer support; improve service quality and effectiveness; improve supply chain management; and increase speed to market.

It is also important to note that e-commerce can break down geographic barriers to create a truly global market. However, small business must make informed decisions before embracing e-commerce. The Queensland Government, in particular the Department of State Development, is taking a leading role in assisting small business with this transition. The department has set a vision to be a leading participant in the adoption of e-commerce by small business. To achieve this, the Small Business Council liaised with the department for the development of an e-commerce strategy. This strategy will pursue four key objectives. These are to facilitate, raise awareness and provide support to business for the adoption of e-commerce; facilitate the provision of necessary infrastructure and capabilities; provide leadership by influencing and liaising with other Government and industry stakeholders; and realise best practice by leading by example—adopt and utilise e-commerce to improve internal operations and client service delivery.

This Government has such a strong commitment to small business e-commerce strategies that it is currently undertaking around 60 individual projects based on these technologies. These projects include the Computer Application for Small Enterprises—CASE—program, providing specialist advisers to aid businesses in determining how best to meet the challenge of the e-commerce transition; QeNet, aiming to make Queensland's rural and regional small businesses more viable and profitable through

the application of e-commerce business strategies, and delivering workshops and establishing a network of e-commerce trainers to provide ongoing advice and support; DSD On-Line, the delivery of departmental programs and services in an on-line format; and SmartLicence On-line, a business licence processing service available online. These projects are effective in their ability to provide relevant e-commerce support to small business.

The Small Business Council will continue to play a proactive role in small business e-commerce issues and provide ongoing input into this e-commerce strategy. Queensland's small businesses need positive, relevant and effective initiatives. That is what the Queensland Government is delivering and will continue to deliver for small business in Queensland.
