

Discussion Paper

Developing Global Markets for the Australian Spatial Information Industry: Gathering Intelligence and Registering Interest

First Draft prepared by Paul Kelly 22 April 2002

Second Draft prepared by David Hocking 11 June 2002

Third Draft editing text and adding recommendations by Paul Kelly 11 June 2002

Tabled at the ANZLIC meeting 24 July 2002

Background:

The vision for the Australian Spatial Information Industry was spelt out in the Action Agenda as:

Australia will be a global leader in the innovative provision and use of spatial information.

A major goal outlined by the Action Agenda is to create a highly profitable and competitive export industry in spatial information services. Key actions include:

- Development of a capability register for Australian businesses;
- Greater cooperation between business and government in bidding for overseas contracts;
- Identification and elimination of trade barriers; and
- Identification of target markets for industry expansion.

At the ANZLIC meeting held in Adelaide in February 2002, in discussion with the Chairman of ASIBA it was decided that:

ACTION 17: ANZLIC Executive Director and CEO ASIBA to prepare a proposal for a clearinghouse of overseas project proposals and a register of firms interested in undertaking overseas projects.

The two directors have met and have outlined possible activities to meet the request from ANZLIC and ASIBA.

At its meeting on 5 June 2002, the ASIBA Board reviewed the first draft Paper and their views have been included in the current draft.

Aims:

There need to be clear aims for any steps to be taken to coordinate activity in commercial exploitation of overseas projects. A valid initial aim may be to develop the capacity of the SII to be competitive overseas through coordination of effort. However, there must

be commercial imperatives underlying any subsequent bidding activity for overseas projects.

While identification of targets and projects is important, it is equally important to address some of the fundamental issues that are clearly impediments to growth of the industry. Foremost amongst these is the issue of multiple bids that invariably create confusion and a loss of focus for Australian business and government.

Implementation:

There is a hierarchy of potential activities in pursuing overseas market growth through coordinated means. These include:

1. Collecting and distributing market intelligence.
2. Seeking expression of interests from parties interested in overseas projects.
3. Coordinating formation of consortia of interested parties to bid for projects;
4. A Team Australia approach, where there is a single national bid made for significant projects.

Each requires an escalating intervention in the marketplace, and increasing resources needed from a coordinator. It can also be argued that each step forms the basis for the next. However, the only activity with a clearly enunciated aim and outcome is the fourth. The others are enabling steps, but experience has shown that they do not provide a concrete outcome in their own right.

Therefore, it is proposed that if steps 1 and 2 are to be taken, as requested by ANZLIC and ASIBA, it be in the form of a pilot or trial before significant resources are invested in a full intelligence and registration system. This may take the form of having an overseas projects page on a website.

To address this issue it is proposed that the industry support a single industry Web portal that will allow for the cost-effective development of a database that includes the following information:

- registration of projects (including some market intelligence)
- registration of trade missions (including cost, leader, dates, venues, etc)
- registration of interested parties
- registration of target sectors

This would allow for more effective management of missions and bids. It would also identify the need for negotiations to secure a Team Australia approach. It would be up to potential bidders to scan this information. A sponsor is needed to resource the development and maintenance of the page.

The value of trade missions should not be overlooked as a means of trialling a coordinated approach. These are, after all, the precursor to development of markets and

building of an Australian profile. The Team Australia approach must be evident in trade missions for there to be acceptance by all parties. AusTrade is currently organising and partly funding a trade mission to Central Europe. The mission is focussed on land administration reform and is planned for November 2002.

The School of Geomatics at Melbourne University, through Professor Williamson has received an AusIndustry grant to promote Australia's competitiveness in undertaking "land administration and marine cadastre" projects in the Asia/Pacific region. This was as a consequence of ANZLIC and others supporting Professor Williamson's new role as Chair, Working Group 3 (Cadastre) of the Permanent Committee on GIS Infrastructure for Asia and the Pacific (PCGIAP).

Discussion:

While these activities may raise interest in overseas projects, there is no certainty that the effort will produce any identifiable results.

It is recommended that more consideration be given to the aims and desirable outcomes of supporting overseas market development. There really needs to be debate on how far the SII is willing to go. Is the aim a Team Australia approach or is it something less?

Other questions that can be raised at the same time include:

- Should a single market segment be targeted first, such as cadastral development services?
- Should the SII promote itself as part of the "knowledge-based" export sector?
- If consortia are believed to be a reasonable model, should they be constructed for each individual project, or be "consortia in waiting"?
- Should bodies willing to put together consortia also be encouraged to register?
- Is there a body willing to facilitate a Team Australia approach?

If in deed the Team Australia approach is not supported the very least that should be achieved is an export code of conduct. Anecdotal evidence would suggest that 'bad mouthing' of the opposition is as much a problem as the competing bids themselves.

Recommendations:

1. ANZLIC and ASIBA give more consideration to the strategic aims of fostering the development of export markets, and decide if the "Team Australia" approach is an appropriate strategy.
2. ASIBA prepare an "industry export code of conduct".
3. ANZLIC and ASIBA support the trial of an industry portal as outlined in this brief. A sponsor will need to be identified.