

TELECOMMUNICATIONS, STEP PROGRAM

421. Mr BROWN to the Minister for Local Government; Disability Services; Forest Products:
- (1) Is the Minister aware of the media statement issued by the Deputy Premier and the Minister for Works concerning the Government's State-wide Telecommunications Enhancement Program (STEP)?
 - (2) What savings does each Department/Agency under the Minister's control expect to make in telecommunications costs as a result of the STEP program in the 2000-01 financial year?
 - (3) What is the basis of the calculated savings?

Mr OMODEI replied:

- (1) Yes. I am aware of the media statement issued by the Deputy Premier on 27 June 2000.
- (2-3) A major benefit of the Statewide Telecommunications Enhancement Program (STEP) is not cost reductions per se but rather the opportunity for agencies to deliver their predicted large increases in data volume without commensurate increase in cost. Early indications are that this aim is being achieved. As agencies increasingly adopt electronic service delivery and electronic commerce, the ability to deliver much higher data volumes at higher speeds will increase efficiency.

STEP also seeks to enable agencies to deliver high data rates to sites previously lacking adequate infrastructure. This aim has been achieved. For example, ninety one country Police sites now have high speed data in locations which previously could obtain only unsatisfactory slow speed data transmission.

The strategy of achieving the above aims through using the aggregated buying power of government to attract carrier competition has also succeeded. Cable & Wireless Optus now provides high performance at a fixed cost independent of distance, to those agencies which choose Optus. Each agency can choose Optus, Telstra, or a combination of both to obtain the best service and cost match for its needs.

Although initially targeted at country data services, these initial STEP contracts have stimulated use of additional services such as distance learning and access to broadcasting services in isolated sites. Other benefits include improving local capacity to provide manageable services, promoting further competition, and increasing awareness of the greater array of services available.

As a consequence of winning a STEP contract, Optus will introduce products suited to the remote area small business and home market.