



## Sophisticated ICT Market

In 2008, total ICT spending in Australia was forecast at just over US\$60 billion, making it the fourteenth largest market in the world, and the fifth largest market in the Asia-Pacific.<sup>1</sup> Increasingly, Australian businesses are looking for new generation IT solutions to maximise productivity and generate revenue – which translates into solutions development and global deployment opportunities for ICT companies.

### Proximity to Asia

A strategic geographical position, with close proximity to Asia and an English-language base as well as multi-lingual capability means Australia can cater for multinationals connecting business activities across the globe. Global brands such as Microsoft use Australia as a regional hub to service the Asia-Pacific.

### Cultural Affinity

Leading software and technology development companies use Australia's time zone to pursue round-the-sun applications development. Oracle and others have set up facilities in Australia for the productivity benefits offered by the country's cultural and business affinity to Asia, Europe and the US.

### Innovative and Sophisticated

The capacity to innovate and adapt is one of the Australia's strongest qualities and has made it an internationally recognised place to invest.

Australia is a nation of sophisticated ICT users who eagerly embrace new technology. The Australian market is used extensively by leading international companies to develop and trial new applications.

The Australian Government has acted to ensure that ICT systems are interoperable, secure, broadly available and contribute to productivity gains. From policies to encourage uptake of new technological solutions, to legislation to protect privacy and prevent spam, Australia is a location where companies can successfully develop solutions with global applicability.

Many international companies deliver solutions from Australia to both the region and the world.

**Canon** maintains its largest R&D Centre outside Japan in Sydney, employing 330 staff and accounting for more than 30 per cent of Canon's overseas development operations. Known as Canon Information Systems Research Australia (CiSRA), it develops cutting-edge digital imaging and integration technologies and products for Canon's customers worldwide.

**EMC**, the US information storage and management company, is represented in over 50 countries. Australia hosts one of their four global support centres, offering 24/7 support to EMC customers worldwide and catering to out-of-hours requests from the US and Europe.

**Konica Minolta** is developing multilingual training and documentation materials at its Asia-Pacific Regional Headquarters in Sydney for distribution to its network of employees, partners and vendors in over a hundred countries.

**IBM's** Brisbane-based Business Transformation Outsourcing and Asia Pacific Technical Support centres are providing services and support to IBM's customers in the region, including Japan, Korea and China.

**Red Hat** continues to expand its Regional Engineering and Support Headquarters in Brisbane. As well as core graphics engineering, the centre also hosts Red Hat's main

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<sup>1</sup> WITSA, *Digital Planet 2008: The Global Information Economy*, (Report Tables), May 2008



translation team (responsible for making Red Hat products available in 13 languages, including German, French, Italian, Korean, Japanese, Mandarin, Cantonese and Indonesian) and provides services and support to customers around the globe.

## Market size

While Australia is ranked 54th<sup>2</sup> in the world by population – it is the fourteenth largest ICT market in the world and the fifth largest ICT market in the Asia-Pacific region, after Japan, China, India and Korea.<sup>3</sup> Indeed, the industry in Australia continued to enjoy a strong compound annual growth rate of 12.8 per cent between 2003 and 2008 – faster than Japan, Hong Kong, Singapore, South Korea and Taiwan.<sup>4</sup> The 30,300 ICT businesses in Australia generate revenues in excess of A\$120 billion.<sup>5</sup>

As a market, Australia has attributes in common with many other countries around the world. With business and government organisations that span across all sectors and range from very large organisations to small and medium-sized businesses, companies can experiment in Australia then use new approaches elsewhere.

There are opportunities from strong demanding vertical markets including transport and communications (23.5 per cent), finance and business services (17.1 per cent), retail and wholesale (4.7 per cent) and the Australian Government (4.6 per cent).<sup>6</sup>

The EIU's 2008 *E-Readiness Report* benchmarked Australia fourth for eReadiness globally. The EIU's 2008 *IT Industry Competitiveness Report* also highlighted Australia's high IT intensity, noting Australia had the 9th highest IT spend per population (i.e. high density of market), and a very respectable Broadband penetration of population at 33 per cent (compared to Singapore at 20 per cent, the US at 23 per cent and the UK at 26 per cent).

## Innovative culture

Australians have been quick to realise that ICT can substantially increase productivity. In fact, Australia led all other OECD countries with the contribution of ICT capital to GDP averaging 0.68 per cent per annum between 2001 and 2006.<sup>7</sup>

A dynamic research and development network of government, industry, universities, specialist institutions and private organisations is continuing to drive research into new products and processes.

For the knowledge economy a strong intellectual property framework is critical to business success. In terms of protection of intellectual property rights, Australia's patent and copyright enforcement regime is ranked second best in Asia Pacific and among the best eight in the world – above the UK, Japan and Hong Kong.<sup>8</sup> To assist with intellectual property matters, Australia is home to over 1,100 registered patent and trademark attorneys.<sup>9</sup>

### Disclaimer

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<sup>2</sup> US Census Bureau, [www.census.gov/cgi-bin/ipc/idbrank.pl](http://www.census.gov/cgi-bin/ipc/idbrank.pl), 2008 data

<sup>3</sup> WITSA, *Digital Planet 2008: The Global Information Economy*, Report Tables, May 2008

<sup>4</sup> WITSA, *Digital Planet 2008: The Global Information Economy*, Report Tables, May 2008

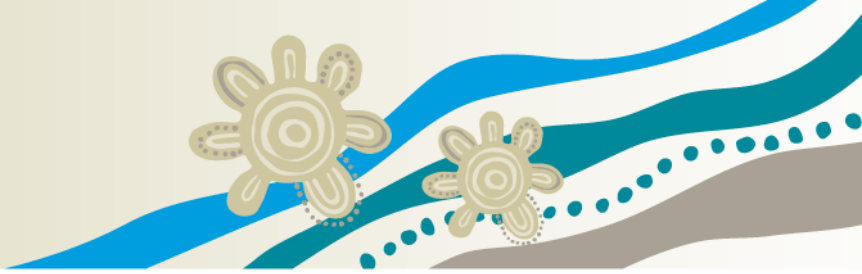
<sup>5</sup> ABS, Cat No 8126.0: Information and Communication Technology Australia 2006-07, October 2008

<sup>6</sup> WITSA, *Digital Planet 2008: The Global Information Economy*, Report Tables, May 2008. Percentages refer to vertical segment as proportion of total ICT market. Note: the Government figure refers only to the Australian Government, and does not include state, territory or local government expenditure.

<sup>7</sup> OECD, *Compendium of Productivity Indicators*, 2008, Table A6

<sup>8</sup> IMD, *World Competitiveness Yearbook 2008*

<sup>9</sup> [www.psb.gov.au/registered.htm#dir](http://www.psb.gov.au/registered.htm#dir)



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