



## INFORMATION TECHNOLOGY SERVICES (CSV)

INTERNATIONAL COPYRIGHT - U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2012.  
ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

### Overview

Unit: USD thousands

	2010	2011 (estimated)	2012 (estimated)	2013 (estimated)
Total Market Size	10750000	10950000	11350000	11410000
Total Local Production	7250000	7300000	7500000	7530000
Total Exports	1500000	1450000	1550000	1540000
Total Imports	5000000	5100000	5400000	5420000
Imports from the U.S.	1200000	1190000	1350000	1400000
Exchange Rate: 1 A\$	1.00	1.00	1.00	1.00

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

#### Data Sources:

- Total Local Production: Industry estimates
- Total Exports: industry estimates
- Total Imports: Industry estimates
- Imports from U.S: Industry estimates

In Australia, the information technology (IT) services industry accounts for approximately 35 percent of the total IT market and is valued at nearly US\$11 billion. Growth in the IT service market slowed through 2010-2011 but is showing signs of picking up pace. The Australian Federal Government is the largest public sector client of the IT services industry. Key clients include: Department of Defense, Australian Taxation Office, Centrelink, Veterans Affairs, Australian Customs, Medicare, and Department of Human Services. Federal Government spending on IT services has been steady this year, and will drive the sector for the next 18 months.

The major users of IT services in the private sector include: finance, insurance, retail, transport, mining, telecommunications, and media sectors. Local companies without technology expertise typically form strategic partnerships with IT service providers.

In Australia, the largest IT service companies include: HP/EDS (combined revenue of approximately US\$4 billion), IBM (US\$3.9 billion), CSC (US\$1.5 billion), Unisys (US\$1 billion), and Fujitsu (US\$1 billion). Major local service players include Dimension Data and AlphaWest (Singtel Optus-owned), each with revenues approaching US\$700 million.

Indian integration and service companies, relatively new to Australia, have increased their shares in the local market. These companies include: Tata, Infosys, Satyam, and HCL. These firms have positioned themselves well by buying smaller, local IT services companies. Offshoring is also widely adopted by local corporations who are striving to cut operational costs. Many Australian companies have outsourced large sections of their IT and contact centre requirements to companies in India and the Philippines.

### Sub-Sector Best Prospects

Large Australian companies have already implemented VoIP solutions. Small and medium enterprises will drive VoIP sales into the foreseeable future. Sub-sectors in the IT service industry that will experience growth include: IT infrastructure library (ITIL), corporate governance and compliance, storage over IP, and developing enterprise applications and infrastructure for 3G mobile networks. The market for cloud platforms and services is growing well, albeit from a small base, with global ICT vendors investing heavily in marketing and promotional activities to secure clients.

### Opportunities

The Federal Government is spending approximately US\$36 billion rolling out a high-speed, fibre-to-the-home network across Australia. The NBN is the largest infrastructure project undertaken by the Australian government. Major suppliers to the NBN include Alcatel, Corning Fibre. Space Systems/Loral which has recently been awarded the contract to build two KA-band satellites to service the remote areas of Australia that will not receive FttH services. Good opportunities exist supplying services to the NBN rollout.

### Web Resources

Australian Information Industry Association: <http://www.aiia.com.au>

Australian Reseller News: <http://www.Arnet.com.au>

CIO: <http://www.cio.com.au>

Internet Industry Association of Australia: <http://www.ii.net.au>

National Broadband Network (NBN Co): <http://www.nbnco.com.au>

U.S. Commercial Service  
Level 59, MLC Centre, Martin Place, Sydney NSW 2000  
Tel: 02-9373-9202 | Fax: 02-9221-0573 | E: [office.australia@trade.gov](mailto:office.australia@trade.gov) | [www.export.gov/australia](http://www.export.gov/australia)