



## SOFTWARE (SFW)

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### Overview

Unit: USD thousands

	2010	2011 (estimated)	2012 (estimated)	2013 (estimated)
Total Market Size	6210000	6400000	6580000	6936000
Total Local Production	2070000	2270000	2489000	2501000
Total Exports	850000	1020000	1224000	1125000
Total Imports	4990000	5150000	5315000	5560000
Imports from the U.S.	1896200	1957000	2072850	2168400
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

The local IT market is mature and sophisticated. End-users, whether corporate, public, or retail, are early adopters of cutting-edge technology products. U.S. developers dominate the local market. In 2010, U.S. software accounted for 39 percent of software imports.

The standout in the software market is the provision of IT security solutions, which has sustained double-digit growth for several years. Local integrators, resellers, and distributors are experienced in partnering with U.S. software companies.

### Sub-Sector Best Prospects

Developers of Software As a Service (SaaS) solutions have been active in the local market for more than five years, and have gained good traction with local Small and Medium Enterprises (SMEs). A recent survey by Frost and Sullivan revealed that 70 percent of companies sampled were renting software through the cloud. Opportunities exist for Platform As a Service (PaaS) and Infrastructure As a Service (IaaS) providers with larger corporations. Commonwealth and state governments have been slow implementing cloud solutions, but opportunities exist for vendors who can position themselves at the right time for the government market. With the stellar growth in 3G smartphones in the local market (especially Apple's iPhone), the mobile applications market offers good growth potential.

Other solutions in demand include: voice messaging (including VoIP applications), security, workflow document management, asset management, corporate governance compliance (Basel and ITIL), data cleansing, and quality tools.

## Opportunities

In Australia, Federal and state governments purchase approximately 50 percent of all software. To sell to government agencies, it is important for U.S. firms to partner with a local firm certified to sell to the government and familiar with Australia's federal and state tendering processes.

Local ISPs now offer viable, robust VoIP solutions to consumers. With more than nine million broadband subscribers, U.S. developers of VoIP solutions will find opportunities in the local market.

IT security solutions are also in demand. Governments and companies are allocating more of their IT budgets to ensure their digital assets are secure due to the dynamic nature of attacks to networks, email systems, and websites. Data sensitive government agencies, like the Department of Defense and Centrelink (welfare agency), mandate high levels of digital security.

## 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.iaa.net.au>

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