



# Australia

## OZ ICT Bulletin

Duncan Archibald  
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## Welcome To the Australian ICT Bulletin June 2006

This monthly publication contains useful business intelligence on the Australian Information and Communications Technology market.

In this issue, you'll find information on:

- IT Healthcare Procurement
- AusCERT ICT Security Report
- ICT Import Statistics
- And much, much more!

For further information on the articles in this publication or on any aspect of the Australian ICT market, please contact:

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The data provided in this bulletin is given solely as an information resource and does not imply endorsement by the U.S. Department of Commerce.

## Western Australian Government To Reveal IT Healthcare Requirements

The Western Australian government is set to meet with IT providers and give them a detailed briefing on its plans to upgrade its hospitals', pharmacy and clinicians' IT systems. The State's IT upgrade, known as HealthTec will cost approximately US\$200 million and is projected to be rolled out progressively over a ten-year period. The two main streams to the HealthTec project are clinical informatics and infrastructure.

Clinical Informatics includes the provision of Patient Administration Solutions (PAS), Clinical Information Systems (CIS), clinical support including pharmacy management, and ambulatory systems.

The Infrastructure component includes communication networks and equipment, data centers and security products.

Telemedicine also sits high on the State's list of objectives for the HealthTec project. As a key platform the State would like clinicians in remote areas to take advantage of broadband connections to provide consultation and monitor patients' health.

The two largest software pieces are for the provision of PAS and CIS solutions.

Most states in Australia have issued tender guidelines for the provision of PAS and CIS systems. In some cases, most notably with New South Wales and Queensland, the tender process has stalled as stake holders have opted to reassess what they want the software to achieve. There is a massive concern given the size and cost of these projects, that the job be done right the first time.

Good opportunities exist for U.S. vendors of software for the provision of e-healthcare solutions, telemedicine systems, and videoconferencing applications with all the state government health departments.

### Quick Facts – Ozzie Healthcare Market

- **The Australian healthcare market is worth over US\$50 billion.**
- **Ten Percent of GDP is spent on healthcare.**
- **In 2002, spending on IT in the healthcare market was US\$1.5 Billion or about four percent of the total healthcare spend.**
- **Spending on IT for the healthcare market is growing at about 15 percent annually.**

**Source: Australian Information Industry Association – [www.aiia.com.au](http://www.aiia.com.au)**

### Facts About Spam

- A survey of local companies suggest that Spam is their #1 security concern ahead of viruses, worms and spyware.
- IDC estimates that local sales of anti-spam products and services will tip US\$75 million by 2009.
- Sales of anti-spam software alone were estimated to be US\$15 million in 2004, and will grow to US\$45 million in 2009.

**Broadband Update**

- As of December 2005, 13.8 percent of the Australian population had broadband access – equating to 2.9 million subscribers.
- This is an increase of 7.7 percent from 2004.
- It is predicted there will be 5.9 million subscribers by 2010

total, audiovisual services for 23 percent, communications services for 22 %, and software royalties and licenses for 21 %. ICT services accounted for 8 % of all imported services in 2005.

- Ten years ago, the United States and Japan were the biggest sources of ICT equipment into Australia. In 2005, the breakdown is as follows:

**Imports of ICT Equipment to Australia  
By Country of Origin**

China	29%
USA	13%
Malaysia	9%
Japan	8%
Korea	7%
Singapore	6%
Taiwan	5%
Germany	3%
UK	3%
Thailand	2%
Other	15%

**Fresh Analysis on the Australian  
ICT Market**

The Australian Computer Society has recently released the Australian ICT Trade Update 2006 which provides a statistical analysis of the local ICT market and the international trade in its goods and services.

The key findings of the report are:

- In 2005 ICT imports of goods and services was AU\$25 billion, up from AU\$15 billion 10 years ago. Australia’s ICT trade deficit is AU\$19.7 billion.
- ICT equipment imports in 2005 were valued at AU\$22 Billion. Computer equipment accounted for 34 % of the total, audiovisual equipment 21 %, and communications equipment 21 %. ICT equipment accounted for 14 % of all goods imported into Australia in 2005. The market that appears to show the most robust growth is the audiovisual market.
- ICT service imports cost AU\$3 billion in 2005. Computer and Information Services accounted for 34 % of the
- Analysis on the ICT service market is less detailed. Of the countries that report such movements, the U.S. was the largest source of ICT services in 2004, valued at AU\$475 million. The United Kingdom’s ICT service imports were valued at AU\$113 million, and France AU\$6 million.
- Australian exports of ICT equipment were valued at AU\$3.2 billion in 2005, or 3 % of total goods exported.
- Re-exports (goods brought into Australia and then re-exported with little or no value added) account for 40% of Australia’s ICT exports.

- Exports of locally produced audio visual products, and “other ICT-related products” have increased over the years at the expense of exports of computer equipment (from a high of AU\$920 million in 1995, to AU\$300 million in 2005).
- Australian exports of ICT-related services was valued at AU\$2.2 billion in 2005, and account for 6 % of total service export market.

## Summary

Australia’s ICT trade deficit is steadily growing – around AU\$20 billion.

Over the last 10 years there has been a drastic shift of the country of origin of predominately ICT equipment imports. About a decade ago, the largest proportion of the ICT equipment import market was dominated by the United States and Japan. In 2005, China has taken over as the principal source of imported equipment.

Audio visual and “other ICT –related equipment” imports have steadily grown over the last 10 years, at the expense of computer and communications equipment.

The U.S. is the principal supplier of ICT services to the Australian market and in 2005 was valued at AU\$475 million.

### Digital Camera Sales

- It is predicted that over two million digital cameras will be sold in Australia this year.
- Over 5.5 million mobile phones with built in digital cameras will also be sold this year.

Source: Photo Imaging Council of Australia

## More on VoIP in Australia

According to research group Market Clarity, more than 600,000 Australians will be using internet-based phone services by the middle of this year. This is up from the 400,000 VoIP users recorded in December 2005. These figures include products such as Skype and paid offerings. In December 2005, there were approximately 97,000 paid service subscribers. It is predicted that this will jump to 195,000 by the end of June.

Local Internet-based phone service provider Engin recently revealed that it has 31,000 paying subscribers; a 51 percent jump on the preceding quarters figure of 27,400 subscribers. Approximately 45 percent of total subscribers are businesses. Research conducted by the company revealed that 29 percent of its household customers had done away with their fixed line phones.

Now, if we could just find a way to reduce the line rental costs .....

### **SatNav Enjoys Stellar Ride**

The Australian SatNav market is only in its infancy, but there are already of 100,000 Australians who have purchased systems. According to Quantum Market research, 1.3 millions have a SatNav system on their shopping list. Sensis (division of Telstra), the leading supplier of mapping data to in car and portable navigation systems is talking the market up big time, suggesting that by the end of next year 200,000 units will be in circulation. We expect that the Christmas period of 2006 will drive sales strongly, just as it has driven the market for digital cameras in the past. SatNav vendors active in the local market include Navman, Tom Tom, Magellan, and Garmin. Mapping software developers include Australian companies Sensis, and MapData, as well as US-based Mapinfo, and NavTeq and UK-based

### **IBM Lands Big Immigration Deal**

IBM has been appointed lead in an U\$495 million deal to provide identification solutions to the Federal Department of Immigration. The consortium, which also includes global vendors Microsoft, Oracle, Tibco and Siebel, and Australian companies Ruleburst, and Apis is tasked with providing the entire of the agency's staff with one single view of all its clients. The project is known as Systems for People. IBM will lead to project which is due to be completed by 2010.

### **Department of Immigration Systems For People – Funding**

2006-2007	<b>AU\$146 Million</b>
2007-2008	<b>91 Million</b>
2008-2009	<b>73 Million</b>
2009-2010	<b>65 Million</b>

### **Commercial Service Looks into the Crystal Ball**

At the Commercial Service in Australia we believe that good opportunities exist for U.S. software vendors at present in the local market.

We have noticed a marked increase in interest for products out of the U.S. over the last 18 months. Given that most Australian resellers are reactive in terms of looking at new technologies, we can only surmise that the interest is being generated by end-users who are looking for particular solutions and who in turn are driving their service/integration partners to source solutions for particular project-orientated problems.

So the good news is that it seems that end-users have budgets allocated for IT spending which will drive the market forward.

Below are the areas of the ICT market that we see strong growth prospects for U.S. vendors.

- VoIP solutions. We have said it time and again, but we only on the crest of a wave of big growth in this sector. Early(ish) entrants will be justly rewarded – although the competition from US companies already in the market will be strong.

- Document/Content Management. I have seen these solutions come and go in terms of opportunities in the last ten years, but there is definitely a return of interest from companies to implement these solutions. The early adopters here were finance, and attorneys but many companies still have a mix of paper and digital data. The need for proper recording and storing of corporate information is now on executives list of action items.
- Storage and backup solutions. Although this is already a very crowded market we are still seeing a great deal of interest from end-users and distributors/partners for these solutions. The need for backup can only grow as more information is put in digital format.
- Any product that has its technology base closely aligned with Microsoft's technologies. It would come as no surprise to U.S. IT practitioners that there are a large number of local Microsoft technology partners who are all looking at providing value-added services to Microsoft's ever burgeoning range of technologies and enterprise applications. U.S. companies who leverage off their good relationship with Microsoft in America, will more than likely find good interest and a healthy list of local partners who can assist and support them with their local expansion.

### Australia's Largest IT Users By Number of Screens

Vic. Dept. of Education	192,440	Qantas	20,000
NSW Dept. of Education	175,020	University of Queensland	18,800
Qld Dept of Education	128,000	University of NSW	18,736
Department of Defence	126,300	Monash University	18,500
W.A. Department of Education	80,000	University of Melbourne	18,000
Telstra	48,000	SA Dept. of Health	16,237
Commonwealth Bank	43,500	WA Dept. of Health	15,500
SA Dept of Education	40,000	Tabcorp	14,587
Centrelink	38,900	Unitab	14,230
Australian Taxation Office	32,971	UnTACT	13,600
National Australia Bank	32,300	CSIRO	13,500
Woolworths	30,000	Optus	13,000
ANZ Bank	30,000	Macquarie Bank	12,678
Coles Myer	29,700	IAG	12,000
BHP Billiton	25,000	IBM Australia & NZ	11,500
Queenland Health	24,714	NSW Police	11,500
Westpac	24,000	Royal Melbourne Institute of Tech	11,015
Tas. Dept of Education	23,000	Sydney SW Area Health Service	10,861
Australia Post	21,078	Suncorp	10,700
		ACT Dept. of Education	10,600
		QLD University of Technology	10,459

*(continued next page)*

### Australia's Largest IT Users By Number of Screens (cont.)

Northern Territory Dept of CIS	10,428	Macquarie University	6,000
NSW Businesslink	10,400	Customs	6,000
Flight Centre	10,300	NSW Attorney General	5,852
Harvey Norman	10,280	Vic. Shared Corp. Services	5,800
Griffith University	10,170	SW Sydney Area Health Service	7,750
SE Sydney & Illawarra Area Health Service	10,000	John Fairfax	5,700
Rio Tinto	10,000	OneSteel	5,700
Vic. Dept of Human Services	10,000	Alcoa World Aluminium	5,650
Queensland Police	9,755	Hunter New England Area Health Service	5,650
St George Bank	9,520	Melbourne Health	5,500
Bunnings	9,500	QBE	5,500
News Corporation	9,500	Dept of Health & Aging	5,426
Curtin University	8,838	Medicare Australia	5,400
Victoria Police	8,533	Homesglen Institute of TAFE	5,325
Dept of Employment & Workplace Relations	8,500	Univerisity of SA	5,300
Australian Broadcast Corporation	7,900	Boral	5,220
Queensland Transport	7,670	Deakin University	5,050
Swinburne University of Tech.	7,600	Repcor	5,000
Australian Nat. University	7,500	KPMG Australia	5,000
La Trobe University	7,445	St John of God Health Care	5,000
NSW Roads and Traffic	7,347	HP Australia	4,830
Dept of Immigration	7,300	NSW Dept of Commerce	4,800
University of WA	7,000	University of New England	4,700
Luxottica	7,000	Thiess	4,500
Sonic Healthcare	7,000	CSC	4,000
Brisbane City Council	7,000	WA Dept of Attorney-General Corrective Services	4,000
Dept of Foreign Affairs	6,750		
Queensland Rail	6,630		
University of Adelaide	6,290		
EDS	6,176		
Railcorp	6,050		
Sydney Uni. Of Technology	6,000		

Source: MIS Australia – Australian Financial Review

## AusCERT Australian Computer Crime & Security Survey 2006

The Australian Computer Emergency Response Team (AusCERT) recently released the findings of this year's report into computer crime and network issues that are affecting Australian businesses and government agencies. AusCERT used a sample 380 Australian companies for the survey. For a copy of the report please go to:

<http://www.auscert.org.au/images/ACCSS2006.pdf>

Key findings of the report are:

- One in five respondents experienced electronic attacks that harmed the "confidentiality, integrity, or availability of network data or systems" in the last 12 months. Compared to past years this number is well down compare 22 % of all respondents in 2006, to 35 % in 2005 and 49 % in 2004.
- Most of the attacks are sourced externally (83 %) compared to 29 percent internally. Compared with past years we have noticed a small increase in external attacks, and a bigger reduction in internal attacks

### 2005

Internal Attacks	External Attacks
37 %	81 %

### 2004

Internal Attacks	External Attacks
36 %	88 %

- Infections from viruses and worms were the most common form of electronic attack reported by 45 % of respondents.
- The greatest source of financial loss in 2006 was from theft or breach of property or confidential information (AU\$2 million on average).
- Total average annual losses for electronic attack, computer crime and computer access misuse or abuse increased by 63 % to AU\$241,150 per company compared to 2005.
- More public sector organizations experienced computer attacks 59 % compared with private sector companies (41 %).
- Public sector organizations experienced more Trojan or rootkit infections (60 %) than private companies (40%).
- In 2006 less organizations increased spending on IT security in response to concerns about the adequacy of computer security within their companies (50 % in 2006) – compared to 68 % in 2005, and 70 % in 2004. However, 51 % of companies who spent up to five % of their IT budgets on security believed this level of spending was inadequate.

***In summary, most respondents had fewer attacks compared to past years, which lead to less financial losses. However, there are high levels of dissatisfaction within organizations about their ability to protect their information systems.***



## Top Projector Vendors, 2005

Acer	11.9 %
BenQ	11.7 %
NEC	11.3 %
Panasonic	9.7 %
Epson	9.7 %

Source:IDC

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## Upcoming Trade Shows

### HIC 2006 – Health Informatics Conference

Covering both exhibition and tutorials, HIC 2006 will concentrate on delivering information on products and trends in the e-Health market  
Date: August 20-22 2006

Location: Sydney Exhibition Centre

Organizers: HISA

Frequency: Annual

Tel: 61 3 9388 0555

Fax: 61 3 9388 2086

Email: [hisa@hisa.org.au](mailto:hisa@hisa.org.au)

Web site: [www.hic.org.au](http://www.hic.org.au)

## Bulletin Board

Australian Companies Looking for  
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### Executive Computing Group

Mr Andrea Fontana, BD Manager

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### Australian Semiconductor Technology Company Pty Ltd

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Adelaide, SA 5000

Web Site: [www.astc-design.com](http://www.astc-design.com)

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David Levi, Director  
Phone: 61 7 3230 0371  
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Wahroonga, NSW 2076

Peter Sullivan, Managing Director  
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Web Site: [www.integrated-imaging.com.au](http://www.integrated-imaging.com.au)

David Sentinella, Managing Director  
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Wahroonga, NSW 2076  
Web Site: [www.rbp.net.au](http://www.rbp.net.au)

Richard Pridgen, Director  
Phone: 61 2 9489 0917  
Cell Phone: 61 406 879 091  
Email: [rick@rbp.net.au](mailto:rick@rbp.net.au)

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### **Wave Business Solutions**

Bryana Nicholls, BD Manager  
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Melbourne, VIC 3000  
Web Site: [ww.wavebusiness.com](http://ww.wavebusiness.com)

Phone: 61 3 9225 5281  
Fax: 61 3 9225 5050  
Cell Phone: 0409 233 907  
Email: [bryana.nicholls@wavebusiness.com](mailto:bryana.nicholls@wavebusiness.com)

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**If you have products that may be of interest to these local companies, we would be pleased to introduce you. If you prefer to contact them directly, please include a cc. to [Duncan.Archibald@mail.doc.gov](mailto:Duncan.Archibald@mail.doc.gov).**

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Level 1, 6 Riverside Quay  
Southbank, VIC 3006

### **Volante Pty Ltd**

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Level 4, 80 Arthur Street  
North Sydney, NSW 2060  
Web Site: [www.volante.com.au](http://www.volante.com.au)

## Share Point Partner

### Macroview Business Technology Pty Ltd

Mr Noel Williams, Managing Director  
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## Open Text Partner

### Surity Pty. Ltd.

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North Sydney, NSW 2060  
sales@surity.net  
Web Site: www.surity.net

## Australian Integrators/Distributors of Security Products

### Alpha West Pty Ltd

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