

the Australian telecommunications environment. For example, initiatives might include Canadian attempts to get on the main stream of TELECOM Australia and on Australian purchasing strategies, including the acquisition of superior technology, assembly in Australia, and development in Australia of products for international markets. Also, the new interconnect policy of TELECOM may provide opportunities for various network attachments. In the final analysis, the Canadian commercial presence needs to be more consistent and sustained in order to increase order volumes.

Market Impediments

To date, TELECOM Australia has been the biggest impediment to possible sales of Canadian communications equipment in Australia.

Cable television equipment suppliers and operators who had hoped to obtain a share of a new market potential in Australia have had their prospects curtailed by the Australian Government's decision not to proceed with the introduction of a system in the foreseeable future.

The decision by TELECOM Australia to set up a national videotex system operating on Prestel-compatible equipment will have detrimental short-term effects on business opportunities for Telidon/NAPLPS technology in some specific areas. For example, for their AFTEL videotex service, the Australian Federation of Travel Agents had originally courted the French system, changed to NAPLPS, but finally came down in favour of a Prestel system. Their ultimate choice was made after approval had been given to TELECOM to establish their network. Nevertheless, opportunities are opening up in other areas such as weather information.

Overriding all aspects in introducing Canadian technology to the Australian market is the emphasis given in Australian government contracts to local content and to offsets.

The Competition

Multinational companies such as Philips, STC (an ITT subsidiary), Plessey, Siemens and L.M. Ericson dominate the telecommunications industry in Australia along with the locally based AWA and the Japanese NEC. These companies get most of what is offered from TELECOM Australia, which purchases some 90 per cent of its requirements from local firms or local subsidiaries of the multinational groups.

For Canadian consultants or equipment suppliers to enter the Australian market it is vital to establish an agent or joint venture partner in Australia who will provide the much-needed "local content" when dealing with government departments or with other authorities, including TELECOM Australia.

Information Processing

The Opportunity

The Australian market for information processing products and services presents a number of excellent opportunities for Canadian firms that have

specialized, state-of-the-art capabilities and are prepared to market aggressively in a highly competitive environment. For several years Australia has lagged behind the rest of the industrialized world in the application of computer technology to business and manufacturing processes and, even in 1984, exhibited one of the lowest levels of computerization of all the OECD countries both in terms of the number of computer installations per capita and in expenditure on computer hardware, software and services as a percentage of the gross national product. Nevertheless, during the past two to three years, Australians have become increasingly fascinated with new technologies (for example, Australia has the highest home market penetration of video cassette recorders). Business and the general public have become conscious of the rapid evolution of the microelectronics industry. The present government has enunciated policies and programs designed to encourage greater participation of Australian firms in this rapidly growing domestic market.

The Australian information processing market for 1984 was estimated to be some A\$4.2 billion (in terms of total industry revenues), of which 43 per cent represented sales of computer hardware (including processors, peripherals and application unique terminals); 20 per cent represented sales of telecommunications-related and office products (including PABXs, electronic typewriters, copiers, word processors, facsimile machines); and 37 per cent represented software and services. A very small proportion of this market is served by local production as can be seen in the following import percentages:

Product	Imported (by value)
Computer hardware	95%
Peripherals	100%
Word processors	100%
Software packages	80%

Most custom software, services and consulting is undertaken by local firms that in many cases are subsidiaries of overseas firms. The lack of a significant indigenous hardware industry and the demand for a variety of special software application packages provides opportunities for Canadian firms to market a number of products, particularly in areas where export success has already been achieved in other mature markets.

Estimated 1984-85 growth rates for various segments of the information processing market were as follows:

	Annual Growth Rate (%)
1. Personal computers (PCs)	50
2. Packaged software	30
3. Office automation products	30
4. Terminals	29
5. Desktop computers	28
6. Small business computers	22
7. Minicomputers	22
8. General purpose computers	6