

Public Sector Research



Information Technology Public Sector Marketplace

October 6th, 2009

Agenda

- ◆ About PSR
- ◆ How Big is the Public Sector IT Market?
- ◆ Stimulus Spending
 - a status report

PSR



About Public Sector Research

Public Sector Research Inc.

- **Focuses on IT Market Research in the Canadian Federal and Provincial Government Sector**
- **Two in-depth market studies annually**
 - Federal government for 20 years
 - Ontario government for 15 years
- **Custom market research in public sector**

Project Scope and Methodology

- Determine detailed information at the Cluster/Department/Project level
 - All clusters and ministries covered
 - Federal Departments and Agencies
 - Based on Cluster/Ministry IM/IT plans submitted to Management Board
 - Discussions with CIOs and other key Heads/Managers
- Supplementary interviews
 - Corporate CIO, Chiefs and Key Heads/ Managers
 - Key Project Directors
- Material reviewed before publishing

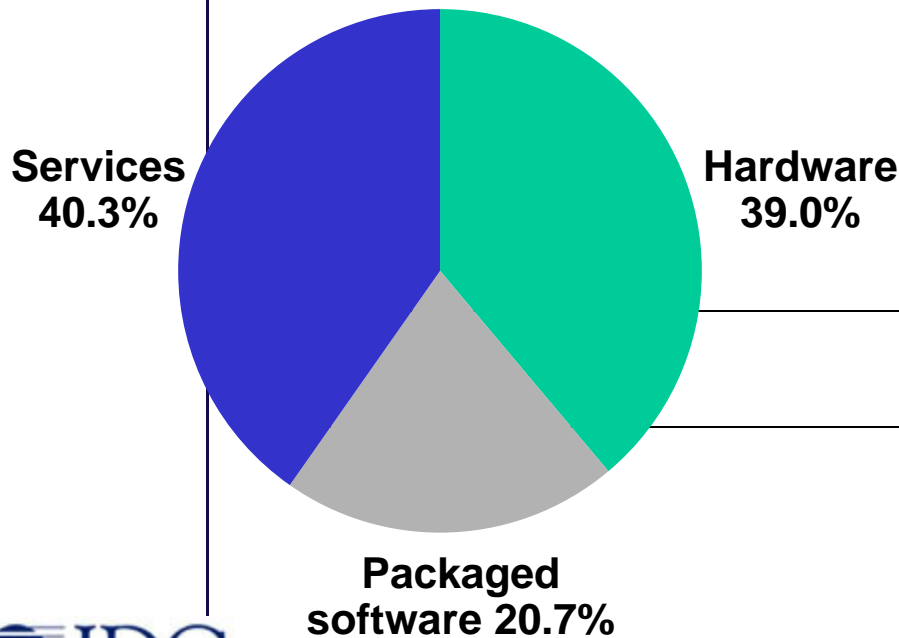
Public Sector IT Market Size

How big is the Public Sector
IT Market ?

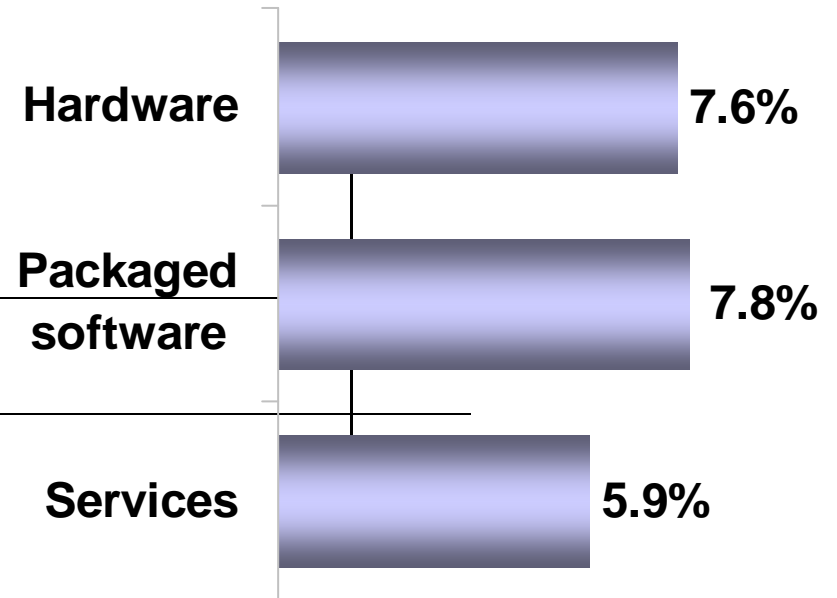


Worldwide spending by Market Segment

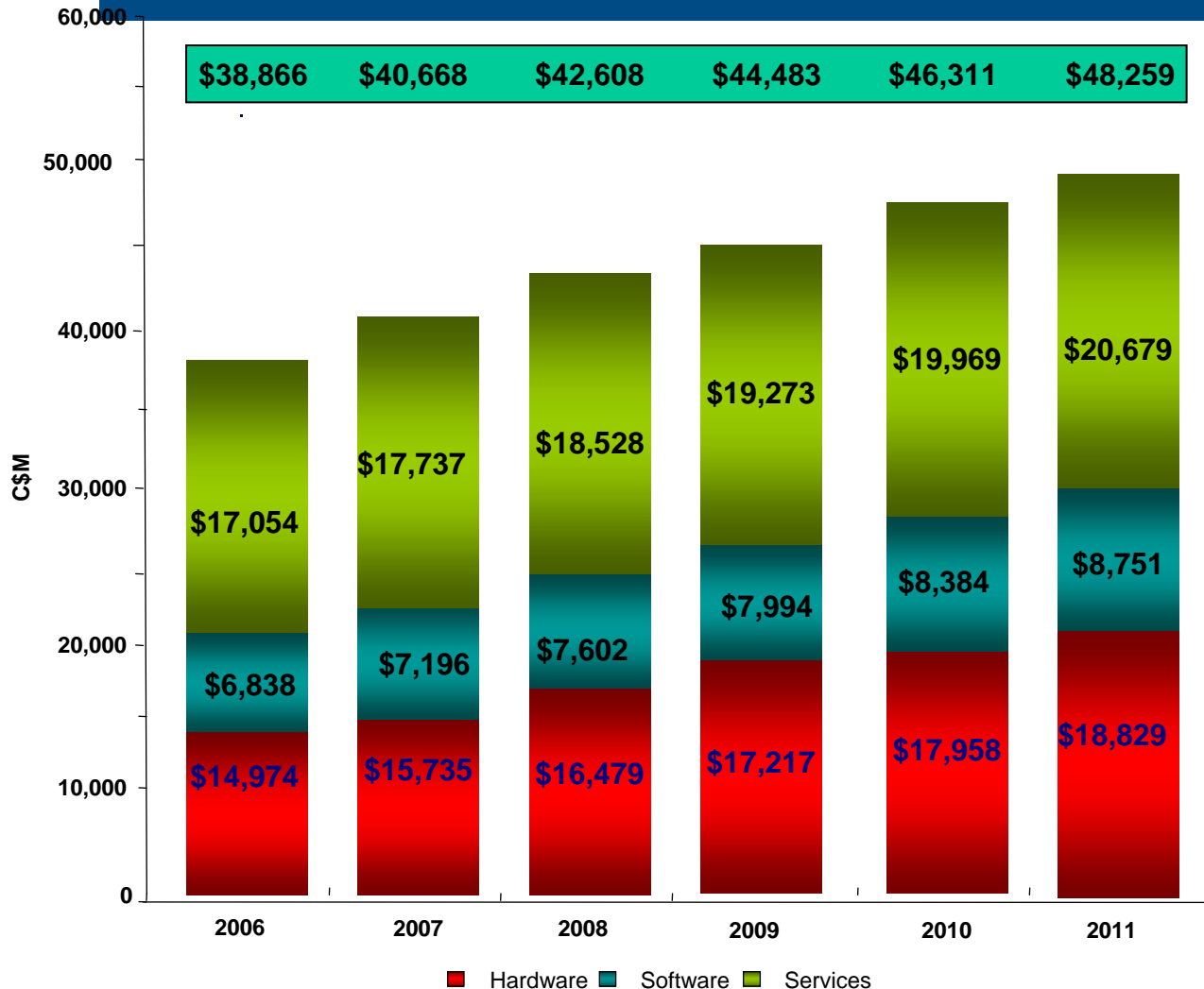
Market Share



Typical Growth



Canadian IT Market

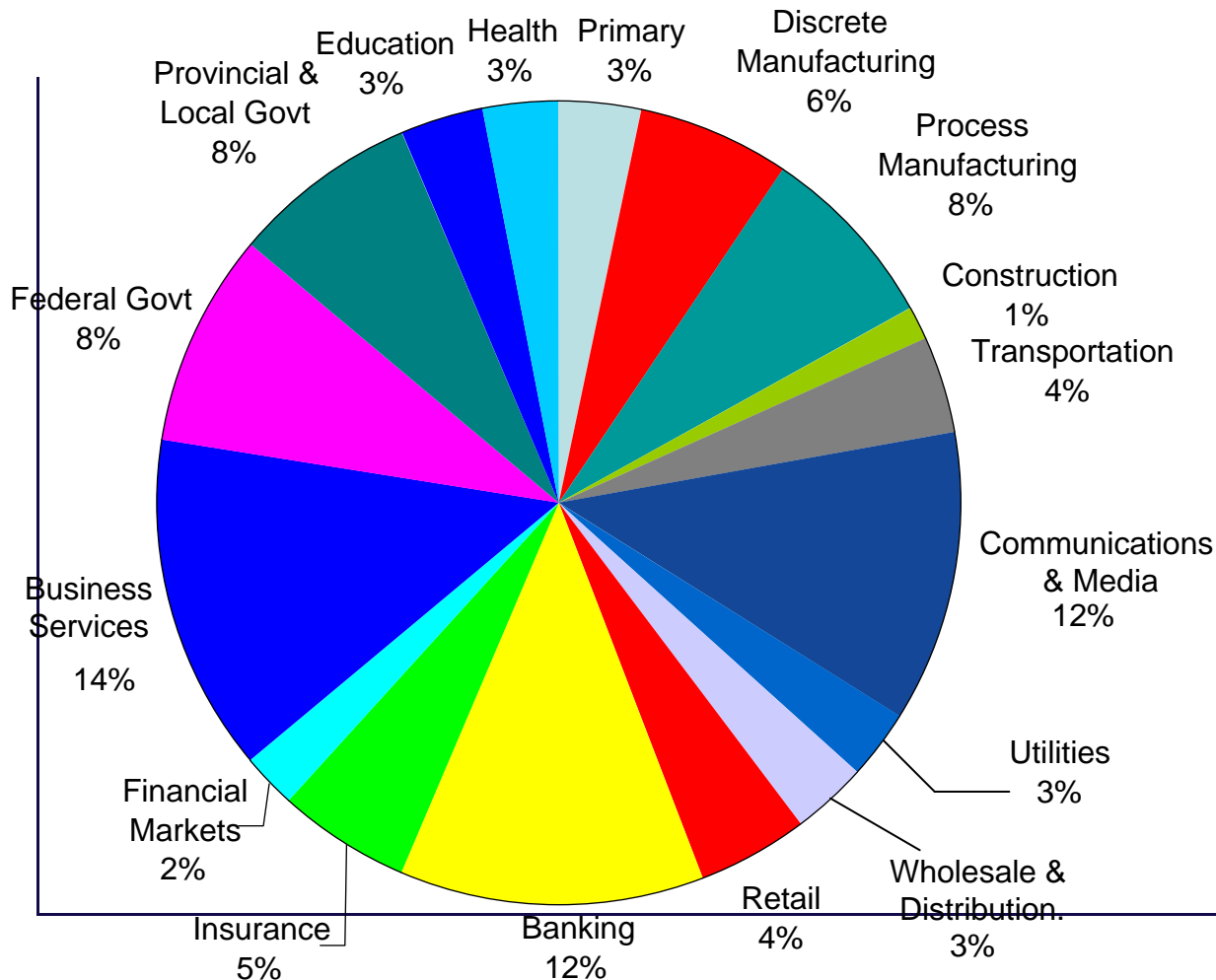


2008
\$42.6 billion
Across the board
Growth 4.4%
through 2011

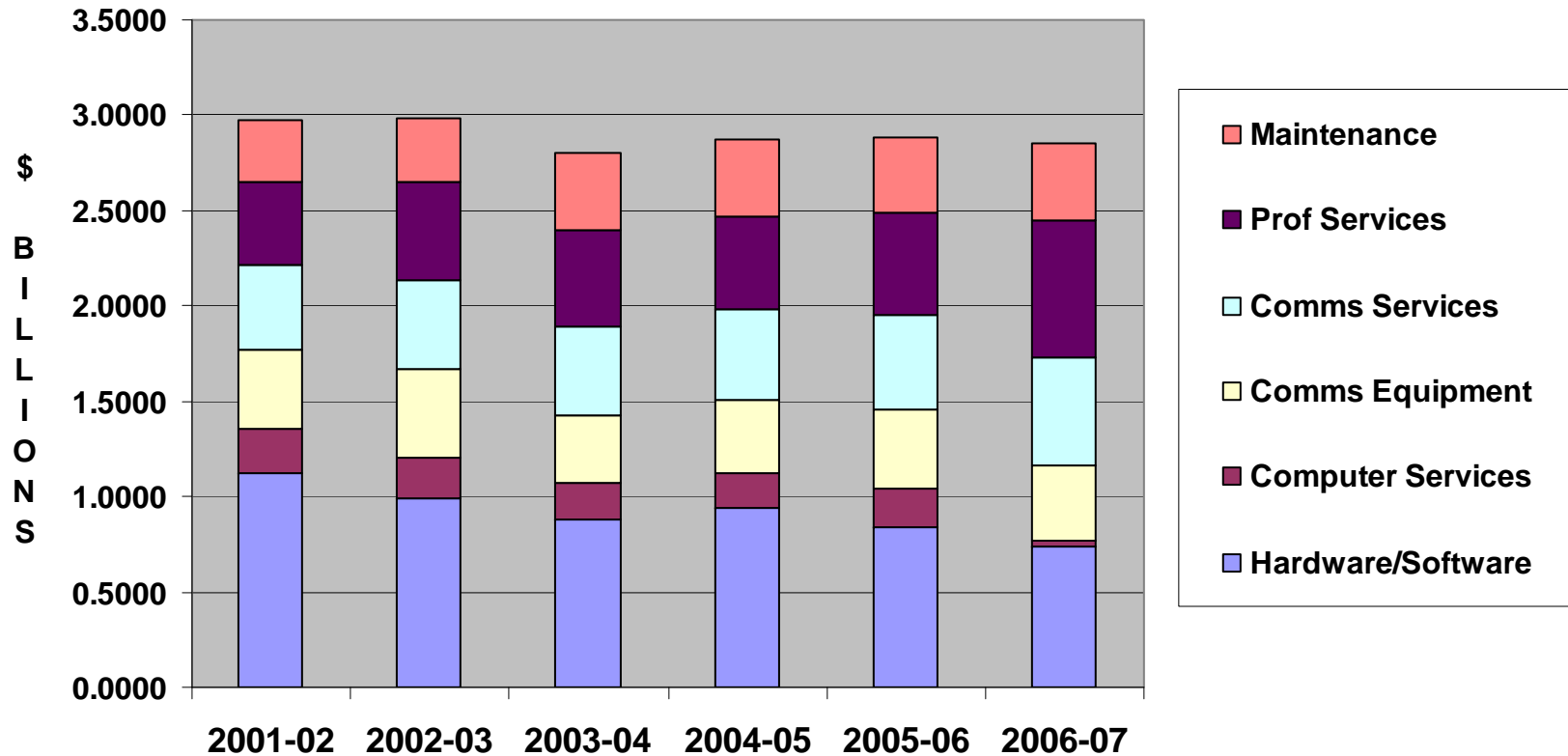


(Billions of Canadian Dollars)

Canadian IT Market



Federal IT Spending



Provincial Expenditures

	Provincial Information Technology Spending				
	for the year ending March 31, 2008				
	Computing	Prof &	Comm Equip	Internal	TOTAL
	H/W S/W	Com Services	& Services	Staffing	
	- \$ thousands -				
Newfoundland	18,935	28,355	2,102	14,127	63,519
PEI	6,700	9,400	2,000	11,300	29,400
Nova Scotia	14,000	34,100	8,700	24,000	80,800
New Brunswick	23,000	25,000	7,500	21,000	76,500
Quebec	150,000	550,000	0	415,000	1,148,000
Ontario	207,700	130,000	229,500	365,446	932,646
Manitoba	71,675	20,010	17,650	23,907	133,242
Saskatchewan	15,269	12,619	3,766	24,010	55,664
Alberta	200,000	300,000		100,000	600,000
British Columbia	370,000	79,000	46,000	57,000	552,000
Territories					35,000
TOTAL	1,077,279	1,188,484	317,218	1,055,790	3,706,771

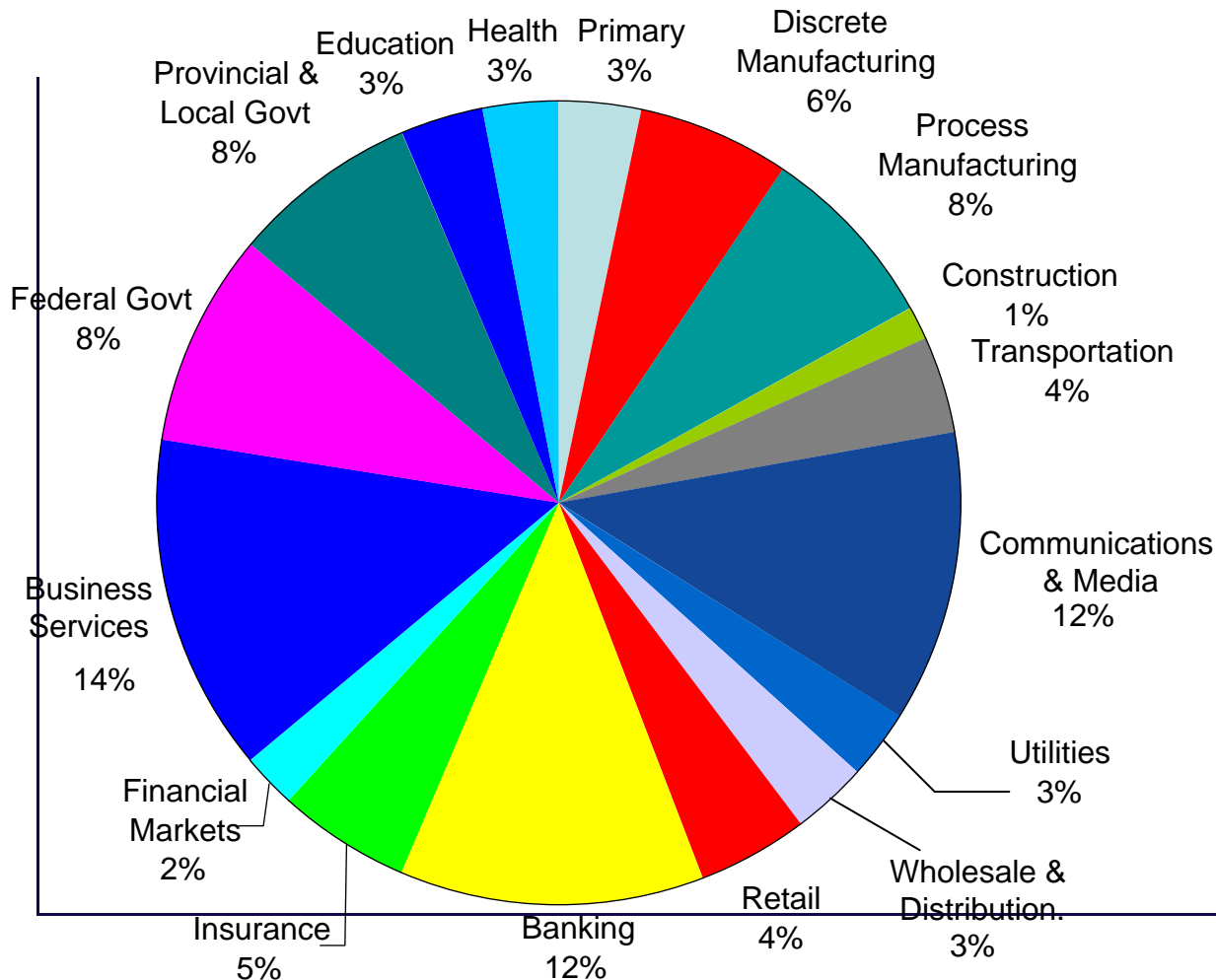
Those numbers that are **BOLD** are as received from the Province, others are estimates provided by PSR

Federal, Provincial & Municipal

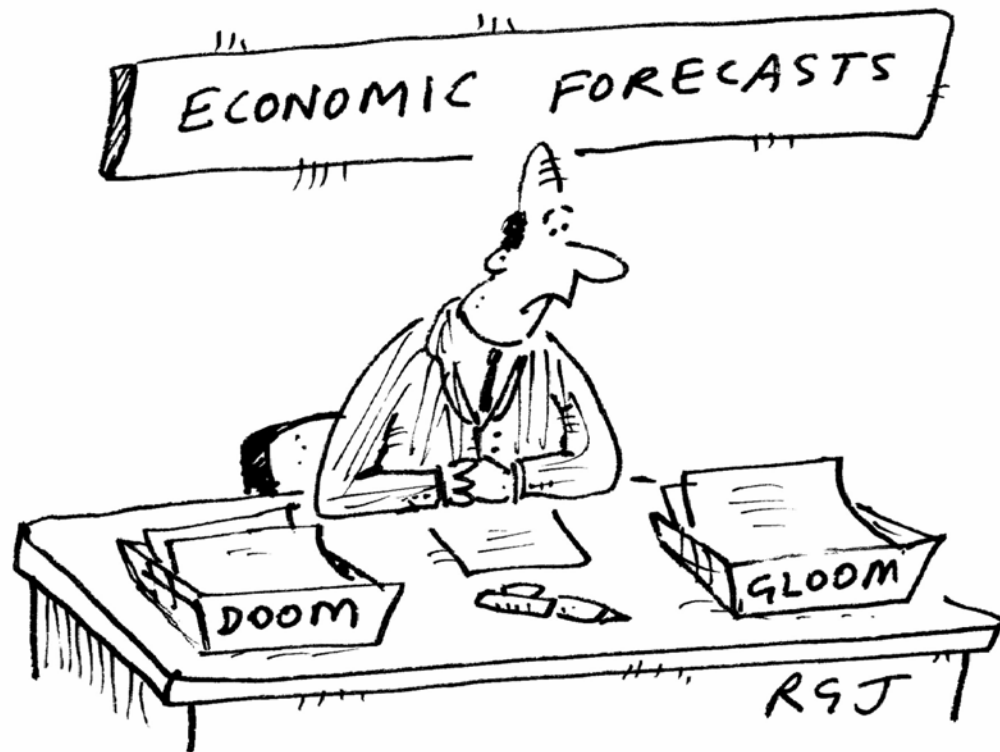
	\$ Millions
Provincial and Territories	\$3,706
Federal Government	\$4,500
Municipal Government	<u>\$ 675</u>
Overall Total	\$9,061

(Products and services and includes staff and benefits.)

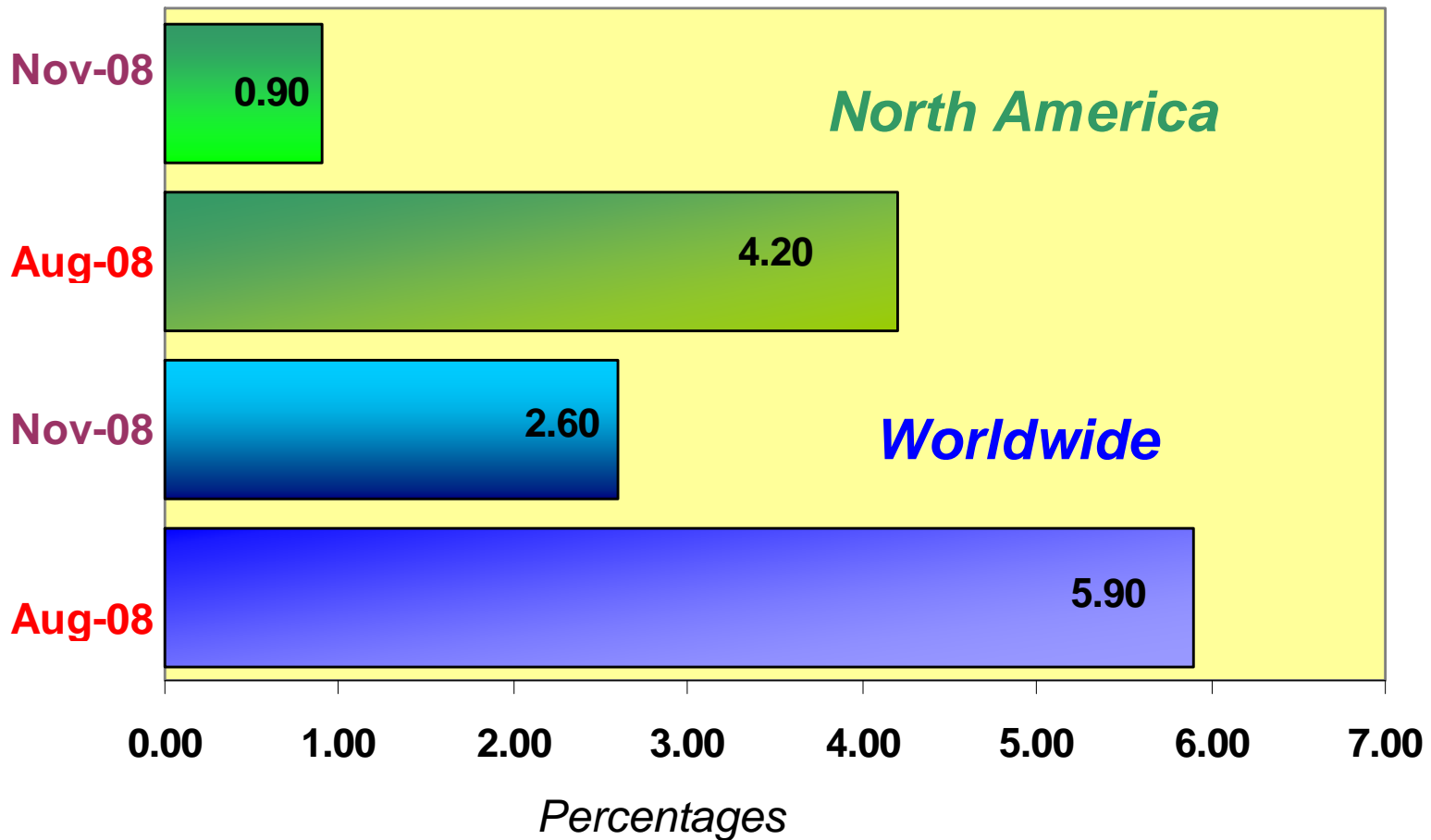
Canadian IT Market



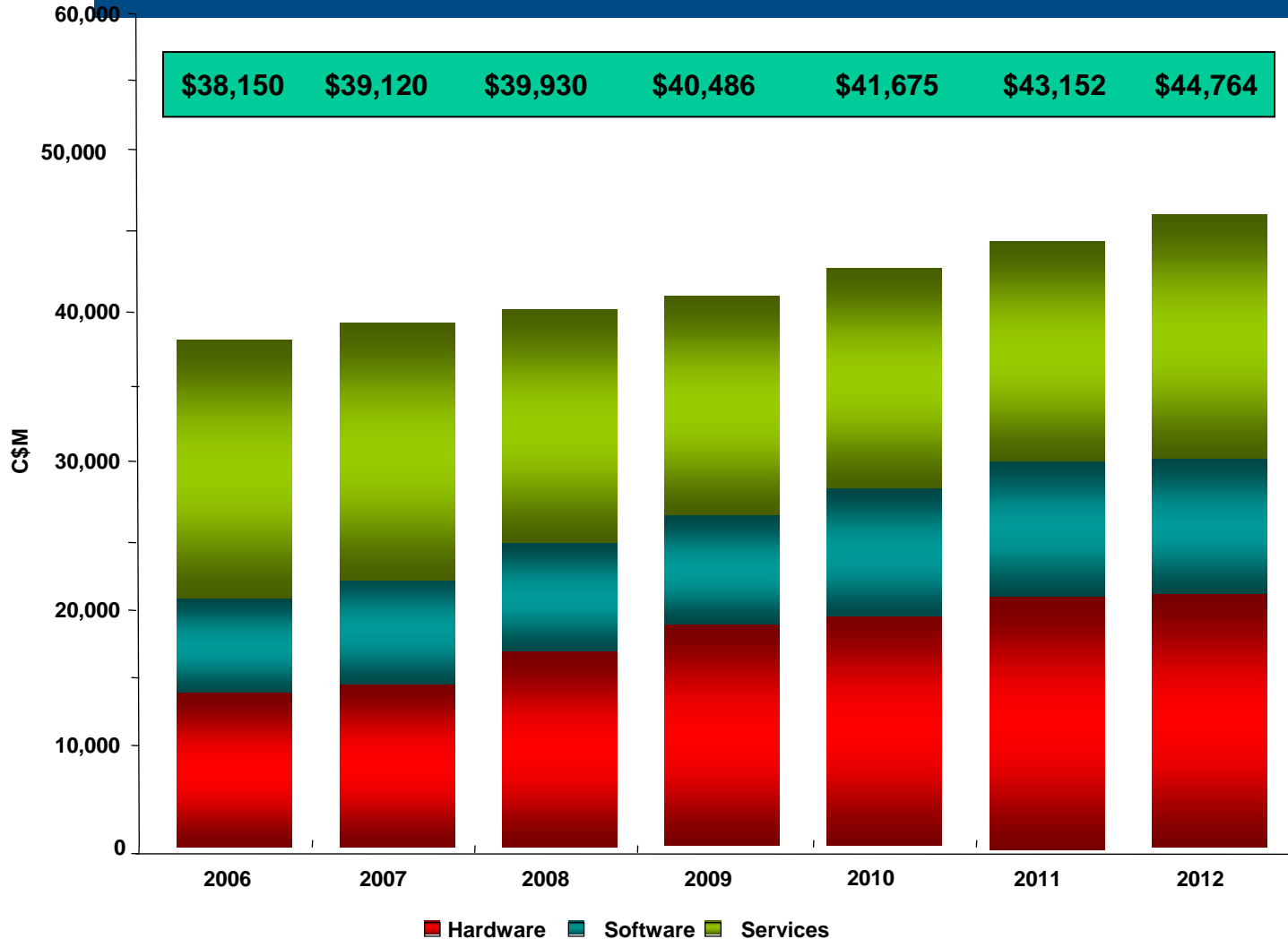
Forecasting



IDC Revised Forecast for 2009



Canadian IT Market

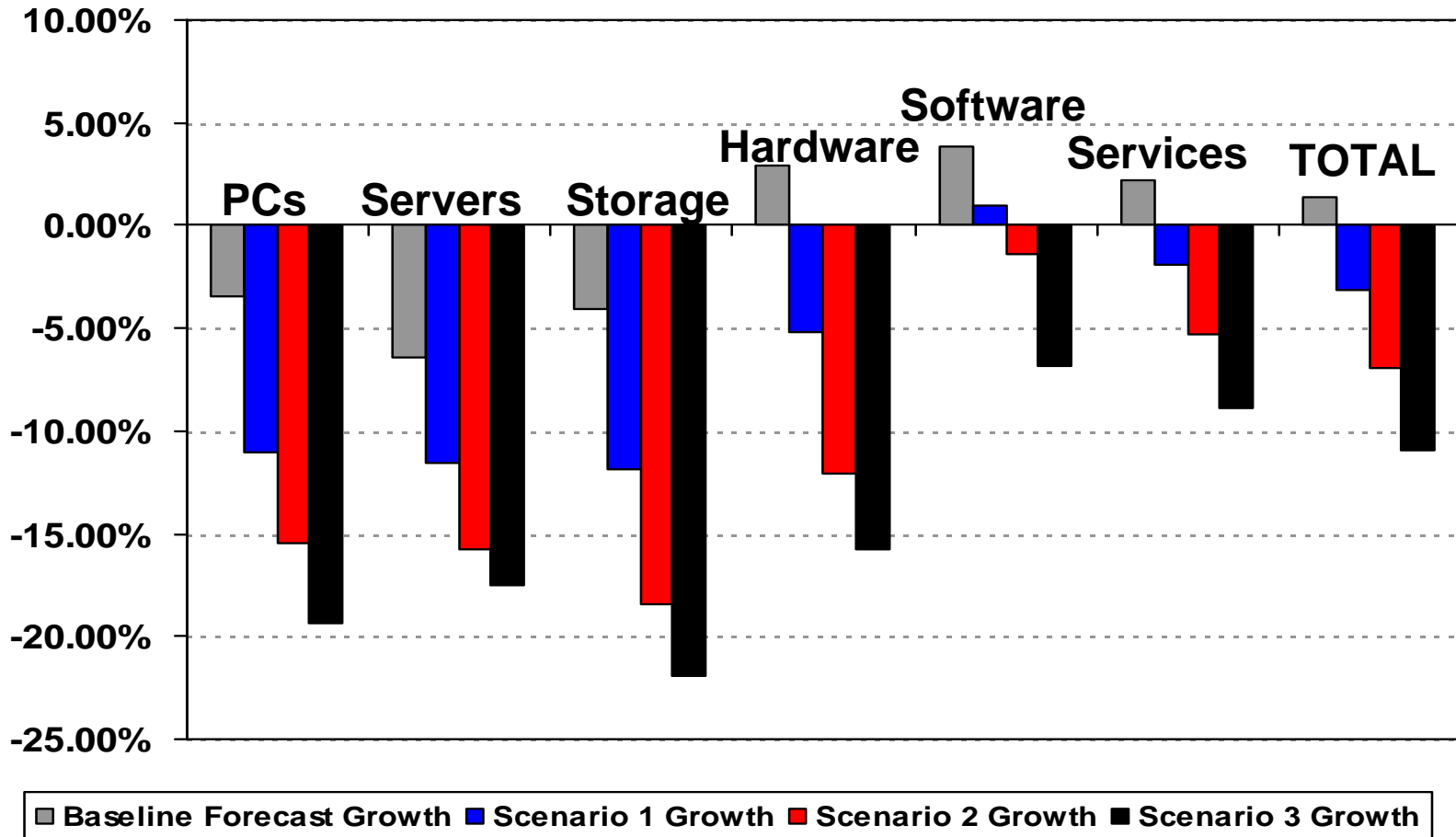


2009
\$41.6 billion
Across the
board Growth
3.5% through
2012



(Billions of
Canadian Dollars)

2009 Growth Rate by Category

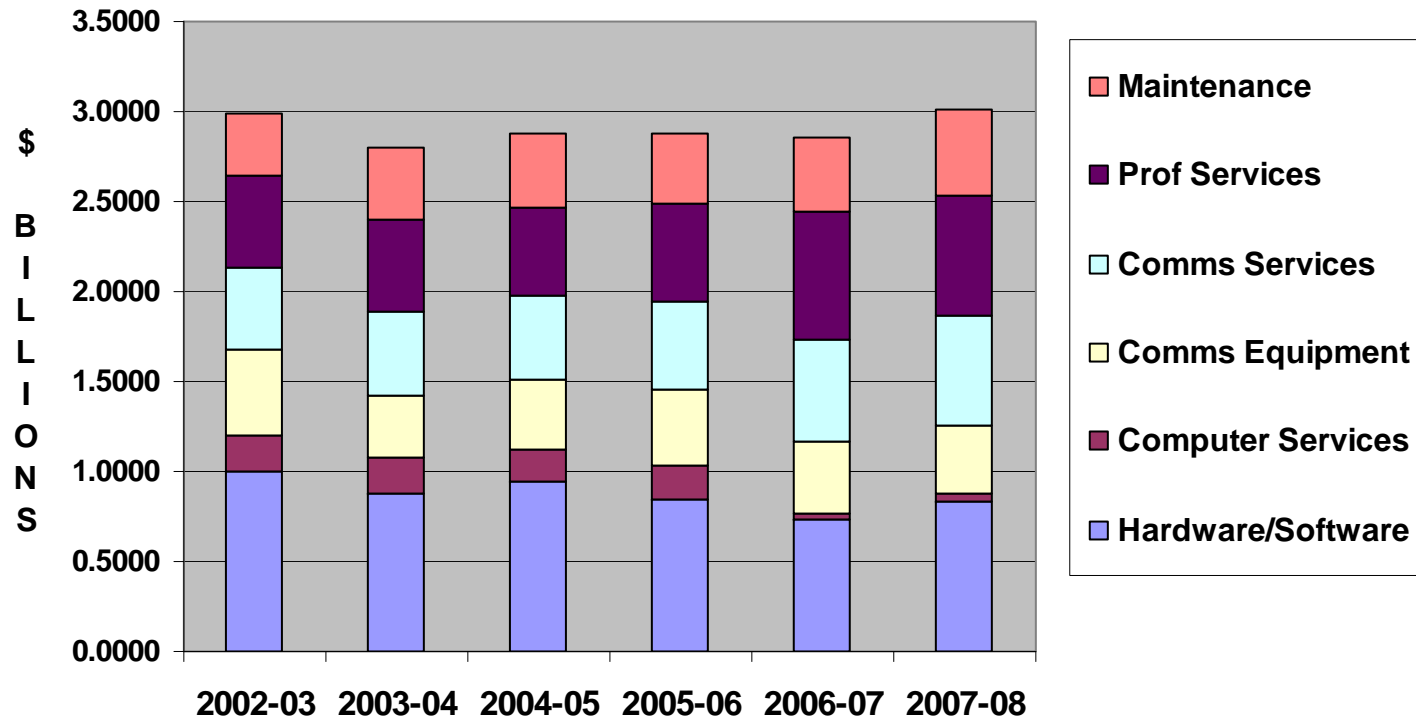


Federal Government



Departments and Vendors

Federal IT Spending

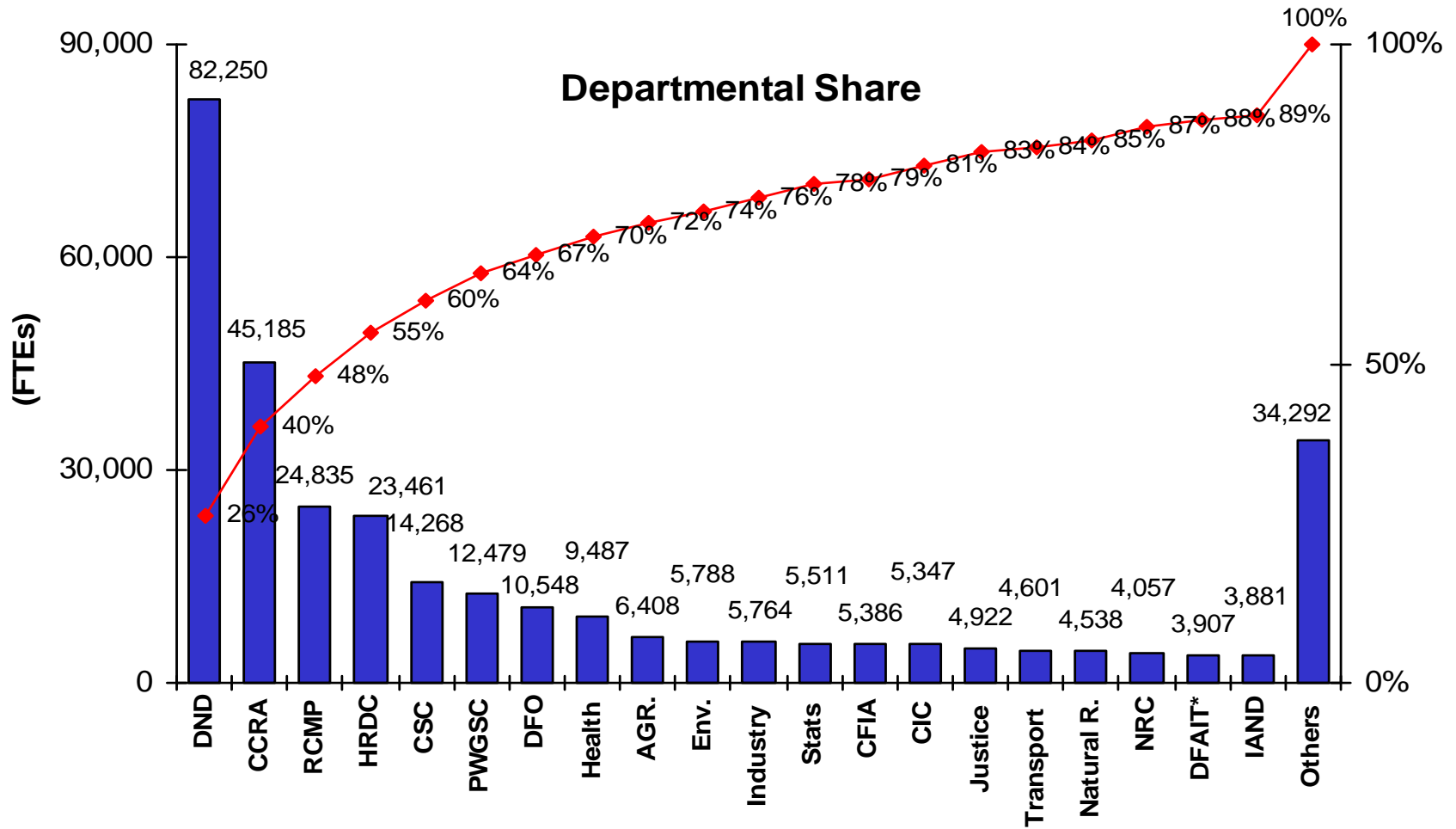


Departmental Informatics Spending

(\$ millions)	06-07	07-08		06-07	07-08
National Defence	877.2	973.8	Transport Canada	44.1	47.6
Public Works & Gov't Services Can	539.9	621.3	Statistics	40.5	39.0
Canada Revenue Agency	261.6	284.4	Indian Affairs & Northern Dvlpmt	35.2	37.0
Royal Canadian Mounted Police	206.9	221.8	Natural Resources	36.4	35.1
Canada Border Services Agency	146.8	184.7	Justice Canada	21.7	23.2
Human Resources Development	109.6	158.1	Canadian Food Inspection	29.5	22.4
Foreign Affairs & International Trade	101.3	107.0	Veterans Affairs	22.4	21.0
Health Canada	65.3	71.6	Parks Canada	19.0	18.7
Fisheries and Oceans	77.0	63.1	Pubic Health Agency of Canada	22.6	17.7
Correctional Service Canada	58.3	61.0	Library and Archives Canada	11.0	15.6
Agriculture and Agri Food	72.0	58.3	Public Safety and Emergency	20.6	16.3
Industry Canada	67.2	54.5	Canadain Heritage	17.0	15.0
Citizenship and Immigration	67.7	53.7	Public Service Commission	9.9	7.2
Environment Canada	62.6	47.6			

Other Departments, Agencies, etc.	284.0	269.2
Total External and Internal Spending	3,270.8	2,549.1
Less Internal Spending	-385.6	-534.8
Overall External Spending	\$ 2,885.2	\$ 3,014.3

Department Size – Top 20



- The first four departments contain half of all Government employees.
- Departmental size is based on FTE count (December 2003). *DFAIT has approximately 4,600 locally engaged staff.

Top Federal Vendors

Project Value in 2006 - 2007 (in \$ millions)

IBM Canada	188.4	Veritaaq Technology	20.4
Telus	82.5	Ajilon Canada	16.6
Bell Canada	77.5	Computer Sciences	15.5
TPG Technology Consulting	62.4	Hewlett Packard	14.5
Oracle Corporation	48.7	Nexinnovations	14.2
Brainhunter	45.4	Fujitsu Consulting	14.0
Microsoft Licensing	40.8	Nisha Technologies	13.9
CGI Information Systems	37.1	Spearhead Mgt.	12.9
Rogers Business Solutions	35.1	Lockheed Martin	12.3
Cisco Systems Canada	22.0	Ibiska Telecom	12.2

Top Federal Vendors

Project Value in 2007 - 2008

(in \$ millions)

Telus	221.6	Veritaaq Technology	31.9
IBM Canada	195.8	Cisco Systems Canada	26.0
Bell Canada	112.2	MTS Allstream	25.1
Microsoft Licensing	102.9	Fujitsu Consulting	23.7
Network Innovations	98.5	CGI	21.8
Unisys Canada	58.3	Ajilon Canada Inc.	21.7
Brainhunter Inc.	41.9	TPG Technology	19.9
EDS Canada	41.4	Nisha Technologies	19.2
Hewlett Packard	33.0	Open Text	18.9
Oracle Corporation Canada	32.3	Novell Canada	17.3

Top Federal Vendors

Project Value in 2008 - 2009

(in \$ millions)

Bell Canada	374.0	EDS Canada	34.5
Thales Canada	183.7	General Dynamics Canada	27.7
IBM Canada	172.6	Brainhunter Inc.	26.3
Microsoft Licensing, MSLI GP	99.8	Stratos Wireless Inc.	25.0
Telus	87.5	Hewlett-Packard (Canada)	24.7
Lockheed Martin	60.8	Veritaaq Technology House Inc.	23.3
Cisco Systems	60.6	Bragg Communications Inc.	18.5
Rogers Business Solutions	46.0	MTS Allstream Inc.	18.4
CGI Information Systems	38.0	Team CGI-IT/Net	16.4
Oracle Corporation Canada	37.0	Fujitsu Consulting Canada Inc.	16.0

Stimulus Spending on IT

What is happening to the Stimulus Spending Money ?



Stimulus Spending

- Size of Stimulus
- USA \$750 billion American Recovery & Reinvestment Act (ARRA)
 - Canada \$52 billion
 - Australia A\$42 billion
 - United Kingdom £45 billion
 - China \$4 trillion

How much for Technology?

- **USA of the \$750 bn** \$billion
 - Broadband 5.00
 - Veteran Administration .05
 - SSA Health IT Research .04
 - Dist. Learning, telemedicine 2.5
 - Indian Health .085
 - State Dept Security Upgrade .25
 - SSA data centre replacement .500
- Input estimates \$10 billion Federal and \$ 6 billion at State and Local
- Good source at propublica.org

Technology Spend in Canada

Canada \$52 bn

\$ billions

- Rural Broadband .10
- Bromont Fab Facility .218 (.08 Fed)
- Quantum computing .02 (50 total)
- 100% computer write-off .695
- Canada Health Infoway .500

- Provinces Ontario Rustout .600 over 3 years

- Municipalities 0

Focus on Efficiency

- Federal Departments are finding hard to get additional funding
- Increasing spending at provincial level
- No increase at Municipal level
- Focus on efficiency savings
- Some rust out funding
- Shared and clustering source of monies

Comments

- Note that broadband and Fab facility money doesn't look very new
- Almost all money is going to roads and bridges
- No general rust out money
- No funding except 100% write-off which may not be real in a profitless environment
- Note GOL was \$1.6 billion federally

Comments / Questions?



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