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PC software piracy decreases in Australia amidst global recession

The Business Software Alliance and IDC release annual software piracy study

Australia, 11 May, 2010 – Today, the [Business Software Alliance](#) (BSA), an international association representing the global software industry, in partnership with market research firm IDC, announced its seventh annual global software piracy study, tracking PC software piracy rates in more than 100 economies. From 2008 to 2009, installations of unlicensed software on personal computers (PC) in Australia fell by one per cent to 25 per cent. The commercial value of this illegal software amounted to US\$550 million in 2009.

This result continues the trend of falling piracy rates in Australia as recorded by IDC's annual study in a straight line at the rate of one percentage point per year from 29 percent in 2005 to 25 per cent in 2009.

Despite the global economic recession, piracy of software on PCs declined in many markets, dropping in 54 economies and increasing in only 19, according to the 2009 BSA/IDC Global PC Software Piracy Study. However, the study found that due to fast growing, higher piracy markets such as China, India, and Brazil increasing their share of the overall software market, the global software piracy rate increased from 41 to 43 per cent.

"This study underscores the importance of the BSA's efforts to reduce unlicensed software use in Australia. A piracy rate of 25 per cent is an improvement, but is still far from acceptable," said Clayton Noble. "As we emerge from the most severe global economic recession in twenty years, the BSA will continue to engage with government and businesses about the risks of stealing software and the harm that software piracy causes to Australia's economy."

IDC finds that for every 3 copies of legitimate software sold in Australia in 2009, 1 additional copy was pirated. But this is an issue that affects more than software industry revenues. Lowering PC software piracy can have significant economic benefits. A 2008 BSA/IDC study looking at the economic impacts of reducing software piracy¹ found that lowering the software piracy rate in Australia by ten points over four years would create an additional 3,900 new Australian jobs, US\$400 million in tax revenues to Australian governments, and US\$1.9 billion in economic growth in Australia. In fact, IDC estimates that for every dollar of legitimate software sold in a country, there are another \$3-\$4 of revenue for local service and distribution firms. Piracy also puts organisations at risk by compromising their computer

¹The Economic Benefits of Reducing PC Software Piracy, January 2008, www.bsa.org/idcstudy

security, since pirated software often contains malware or does not receive vital security updates.

In Australia, the BSA have run a number of local campaigns to raise the awareness of software piracy. The BSA Software Piracy Sentiment Monitor 2009, commissioned by the BSA and conducted by marketing company Outsource, surveyed nearly 300 corporate IT decision-makers, ranging from IT managers to CIOs, across various industries in Australia to gauge perceptions and attitudes of Australian businesses towards software piracy, in order to benchmark its efforts in raising awareness about the risks of organisational software piracy.

Furthermore, the BSA continues to run online and print advertising campaigns to raise the awareness of the risks of using illegal software, including counterfeit and under-licensed software, targeted at both corporate software users and their directors. These campaigns also aim to foster the implementation of good software asset management (SAM) practices, which assist organisations to maintain legal and compliant software licences, as well as avoid paying for software licences they do not require.

"Now, more than ever, our global economy depends on a robust IT sector. Policies that promote innovation today – including robust protection for intellectual property such as software – will drive economic growth and prosperity in the future," said Robert Holleyman, BSA president and CEO. "While we are pleased BSA's efforts to combat software theft are paying off, the study results reinforce the need for strong and continued action moving forward."

Additional key findings from the study include:

- PC software piracy dropped in 54 of the 111 countries studied; however the worldwide piracy rate rose from 41 per cent in 2008 to 43% in 2009, due to exponential growth in PC software deployments in emerging economies.
- The commercial value of pirated software reached US\$51.4 billion, a three per cent decrease over 2008.
- Australia recorded the fifth lowest national software piracy rate in the world, after the United States (20 per cent), Japan (21per cent), Luxembourg (21per cent) and New Zealand (22per cent).
- Countries with the highest piracy rates include Georgia, Bangladesh, Zimbabwe and Moldova (all higher than 90 per cent)
- Forces driving piracy down included vendor legalisation programs, government and industry education campaigns, enforcement actions, and technology shifts, such as the increased deployment of digital rights management (DRM) and greater use of software asset management (SAM).
- Factors driving piracy rates up included rapid growth of the consumer PC market, and greater activity in the installed base of older computers where unlicensed software is more prevalent, and the increasing sophistication of software pirates and cyber criminals.

The 2009 BSA/IDC Global PC Software Piracy Study covers piracy of all software that runs on PCs, including desktops, laptops, and ultra-portables, including netbooks. This includes operating systems, systems software, such as databases and security packages, and applications software, with legitimate free software and open source software covered by the scope of the study. It does not include software that runs on servers or mainframes. IDC used proprietary statistics for software and hardware shipments and enlisted IDC analysts in more than 60 countries to review local market conditions and estimate the rate of PC software piracy around the world.

For more details on the methodology and a copy of the complete study, visit www.bsa.org/globalstudy.

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About BSA

The Business Software Alliance (www.bsa.org) is the foremost organisation dedicated to promoting a safe and legal digital world. BSA is the voice of the world's commercial software industry and its hardware partners before governments and in the international marketplace. Its members represent one of the fastest growing industries in the world. BSA programs foster technology innovation through education and policy initiatives that promote copyright protection, cyber security, trade and e-commerce. BSA members include Adobe, Agilent Technologies, Altium, Apple, Aquafold, ARM, Arphic Technology, Autodesk, Autoform, AVEVA, Bentley Systems, CNC/Mastercam, Corel, DassaultSystèmesSolidWorks Corporation, Embarcadero, Frontline PCB Solutions - An Orbotech Valor Company, Layton Technology, Microsoft, Minitab, NedGraphics, Parametric Technology Corporation, Progress, Quest Software, Scalable Software, Siemens, Sybase, Symantec, Tekla, and The MathWorks.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1000 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For more than 46 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting www.idc.com.