



aiia

australian information
industry association

AIIA SURVEY

DIGITAL STATE OF THE NATION 2021

APRIL 2021

The AIIA is focussed on maintaining an awareness around industry trends and key insights. One approach has been to survey the industry, seeking responses from both members and non-members, on a nationwide basis. We first surveyed respondents in February 2020, in an economic climate still operating in a pre-COVID setting.

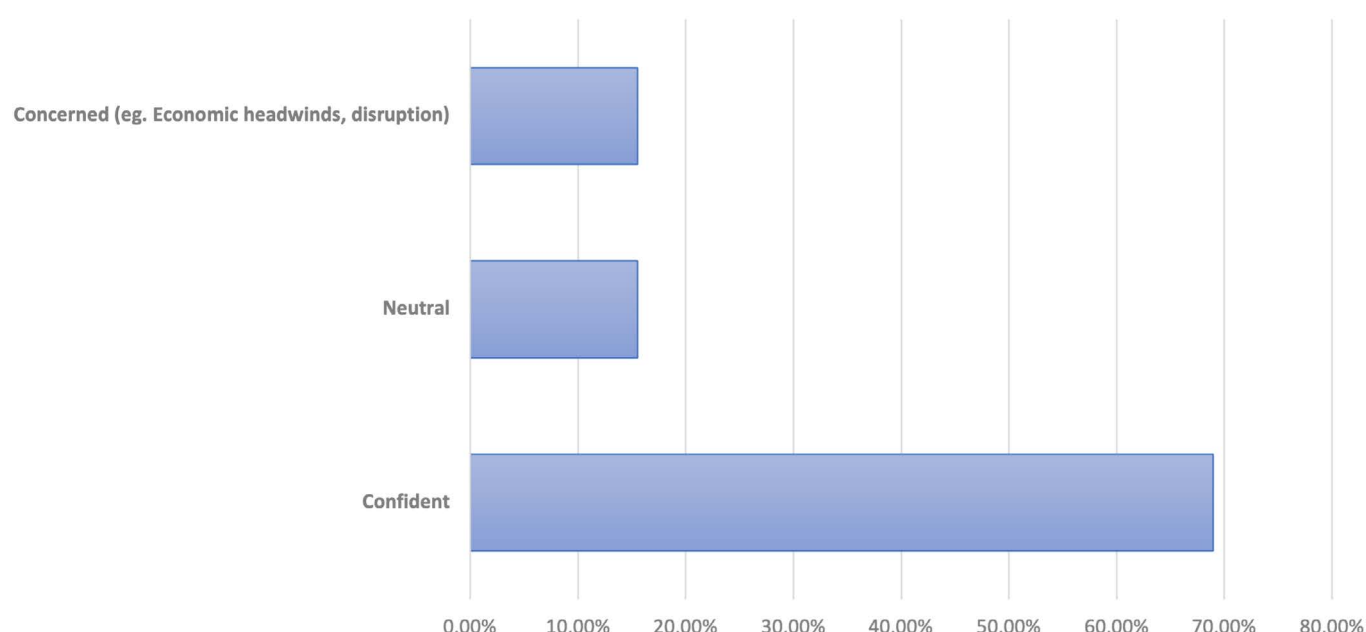
In March 2021, a follow-up survey was conducted, and the results are presented in this paper.

Results reflect both the historical impact of the pandemic, as well as the transition throughout Australia towards recovery, both economic and social. Both surveys were nationwide, and both covered the full scope and breadth of the Australian technology sector.

BUSINESS AND ECONOMIC CONFIDENCE

Business confidence and confidence in the Australian economy were relatively high amongst the digital industries sector with nearly 70% of respondents saying they were confident in the economic future and a similar number indicated they were likely to be actively hiring FTE staff in 2021. This confidence mirrors official Australian economic indicators that show GDP growth in the economy of 3.5% by the RBA¹ while the IMF suggests projected real GDP growth at 4.5%² in 2021.

In terms of the future of the Australian economy, are you:



¹ [Reserve Bank of Australia](#)
² [International Monetary Fund](#)

The policy approach adopted by the Federal Government (and State Governments) to run deficits to support business through both targeted stimulus (Jobkeeper) and social welfare payments (Jobseeker) has proven both popular and economically sound, 12 months on from the last survey.

In the 2020 AIIA survey, 72% of respondents stated that a federal budget surplus was less important than supporting economic growth. Whilst the question was not put this year, there seems little doubt the sentiment would remain the same.

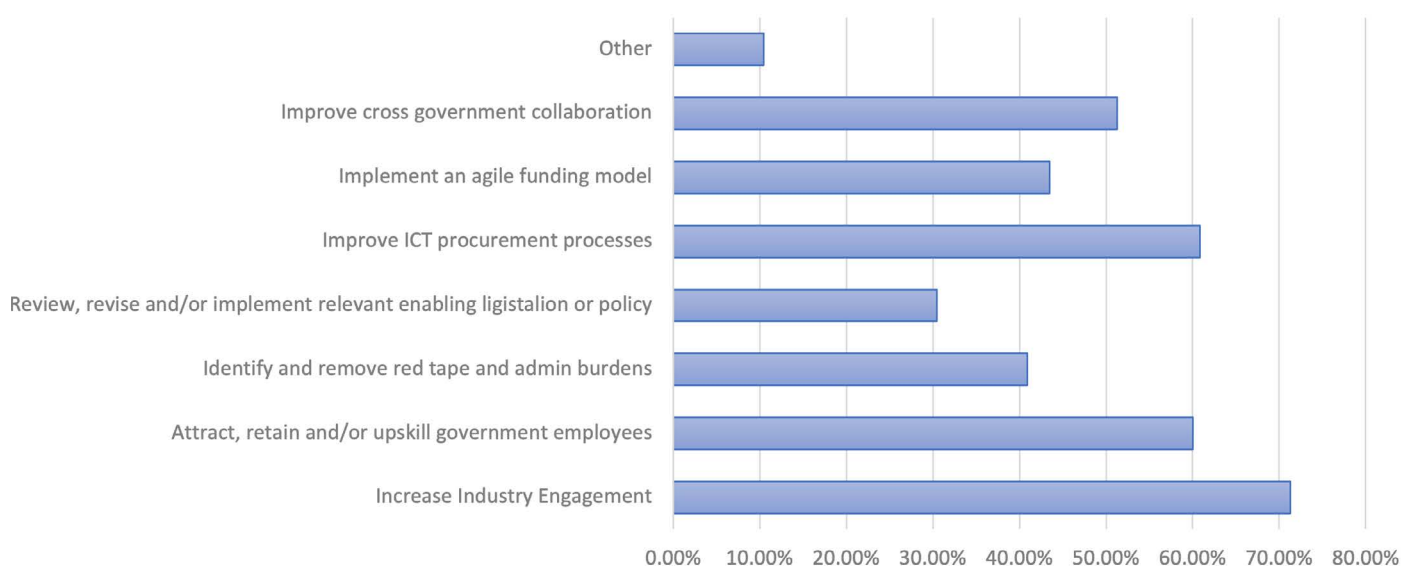
CONFIDENCE IN GOVERNMENT'S UNDERSTANDING OF ICT REMAINS LOW

Despite the widespread application and adoption of digital technologies within the Australian economy, including across core parts of government, it remains concerning that only 35% of respondents said they believe that governments understood the importance of the ICT sector to the Australian economy. The result is a small increase on numbers last year despite COVID changes in tech use but remains indicative of the challenge faced by the sector to communicate outcomes, invest appropriately, and build awareness of impact.

Respondents to the survey indicated that the three biggest improvements governments could undertake to improve their understanding and approach to ICT are:

1. Increase industry engagement (71%)
2. Improve ICT procurement processes (60.9%)
3. Attract, retain and or upskill government employees (60%)

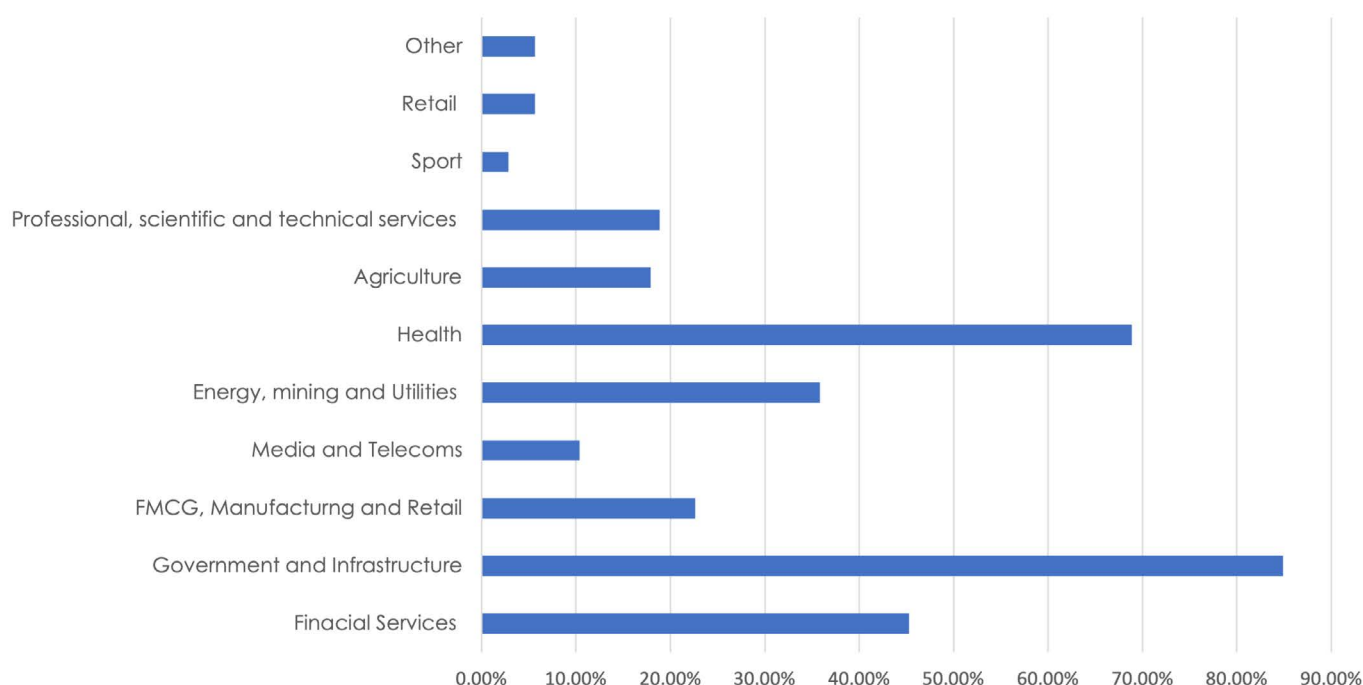
What do you think governments could do to improve their understanding of and approach to ICT related opportunities and challenges? Please select up to three.



A recent study found the technology sector contributed 805,525 workers to the Australian economy in 2020, a growth of 4.3% in the workforce from the previous year.³

The ICT sector's application and reach extend to all parts of the economy. When the AIIA asked specifically which industry sectors are expected to have the greatest level of adoption of ICT services *Government and Infrastructure* topped the list with nearly 85% of respondents nominating this sector. The spending capacity and strong focus many firms adopt in servicing the government sector is likely reflected in this response. Amongst other sectors to attract attention are *Health*, *Financial Services* and the *Mining and Energy* sector.

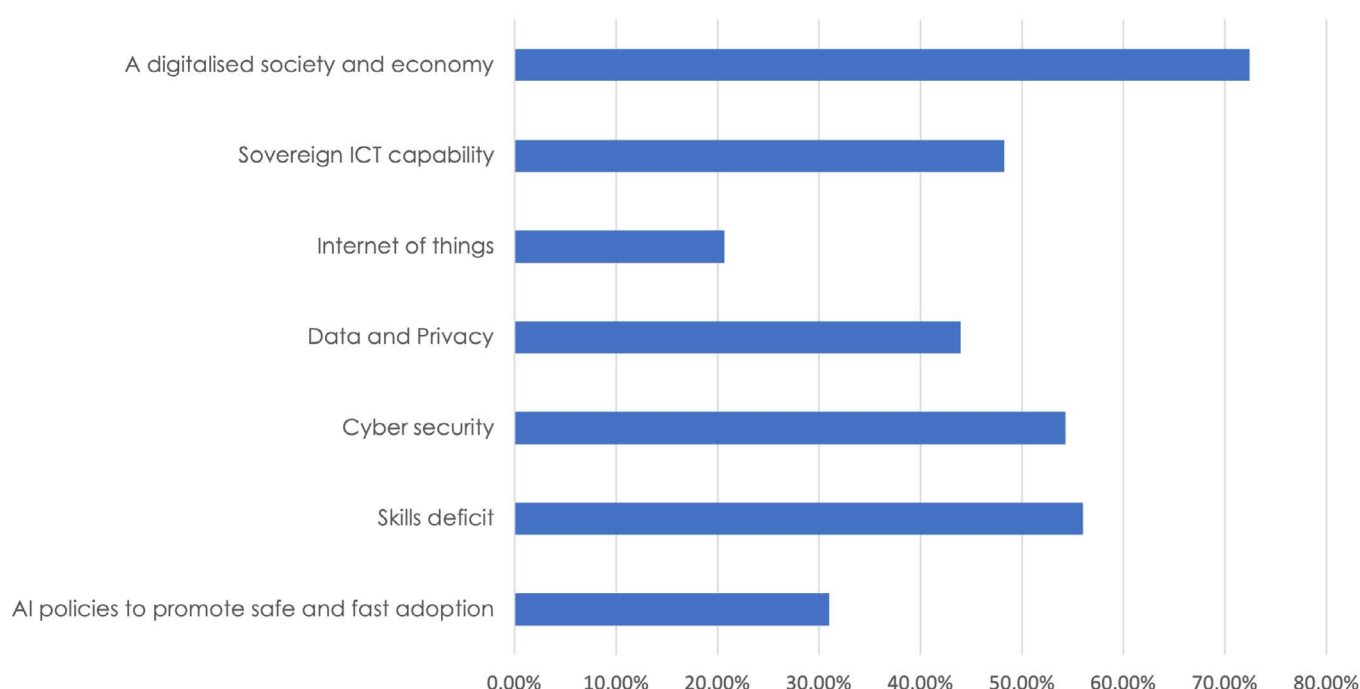
Which industry sectors do you expect will have the greatest adoption and growth (buyers) of ICT in 2021? Please choose up to four.



POLICY FOCUS

When asked about which areas of policy governments should focus on, there was not a marked change in views and opinions over the 12 months. There is though a growing awareness about the capacity for the digitalisation of more and more information, to enable data analysis and improved decision making. This is likely to be reflected in the 70% of respondents nominating a focus on “a digitalised society and economy”. This focus is also complemented by an awareness around the issues of integrity and security, eg *Cyber Security* and *Data Privacy*. The AIIA is also keenly aware of the interest and application of AI technology as an extension of the growing capability within a digital society.

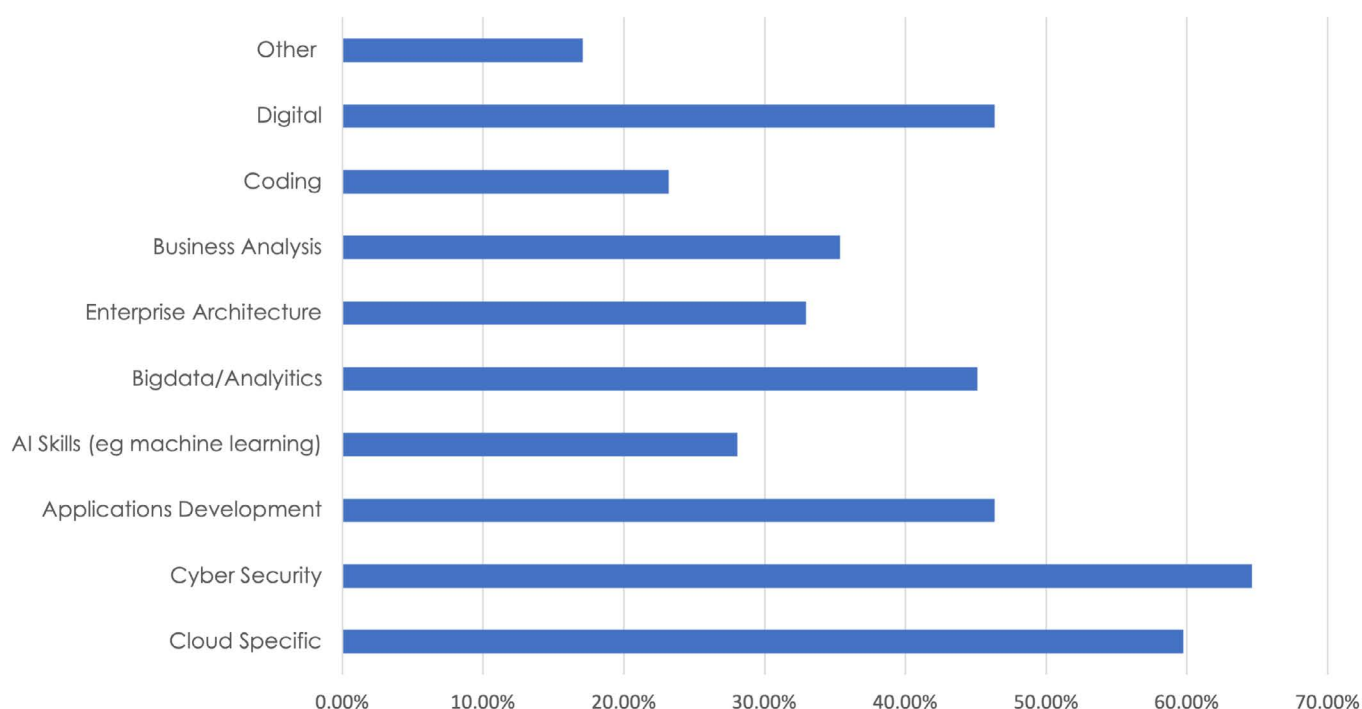
With respect to IT policy, where do you think the government (State or Federal) should focus (please choose all that apply).



SKILLS AND TRAINING

When asked about the focus on new hiring in 2021 and the skillsets required for the future, *Cyber Security* topped the list with 65% of respondents nominating the skillset, followed by *Cloud Specific* skills.

In terms of specific skills of the future, what skills will you look to be hiring in 2021? Please choose up to four:



The rise in interest in cyber security is particularly strong (up nearly 10 percentage points from last year) and reflects a growing interest in the segment throughout the public policy debate, the emerging interest in sovereign data capabilities and the continuing migration to Cloud based computing and data storage.

When asked about the barriers to expansion, *Skills* shortages were nominated as the major reason. This reinforces the decision by AIA in February of this year to roll out the [AIA Skills Hub](#) as part of an overarching plan to grow the local skills base and to improve employment opportunities for industry and workers.

Most firms are still focussed on hiring staff locally from within Australia, a trend that will only be further reinforced with the COVID restrictions, and some 73% of respondents said they expect to be actively growing and hiring in 2021. Education and training help build an agile and dynamic workforce, a quality in demand in all workplaces, but especially so within the rapidly changing ICT sectors. And the skills development needs to be an ongoing part of a continued professional development for workers of all ages and experience. This is evident in the growing stream of micro courses and micro credentialling, both online and face to face, that provide opportunities for continued learning in the workplace and after hours.

On the question of respondents' use of AI in their business, we continue to see significant adoption of AI technologies with 55% currently using this technology as either a core function or some use in their business with only 5.4% saying they have no interest in using AI within their businesses.

CONCLUSION

The 2021 AIA Digital State of the Nation survey points to an industry sector with a substantial capacity to generate employment opportunities and contribute to Australia's ongoing economic recovery and the need to grow the domestic digital skills base onshore. The challenge for the AIA will be to improve awareness throughout both Federal and State Government around the policy settings needed to best enable the jobs growth and investment potential of the sector in the coming twelve months and beyond.

About the AIIA

The Australian Information Industry Association (AIIA) is Australia's peak representative body and advocacy group for organisations in the digital ecosystem. Since 1978 AIIA has pursued activities to stimulate and grow the digital ecosystem, to create a favourable business environment for members and to contribute to Australia's economic prosperity.

We do this by delivering outstanding member value, by providing a strong voice of influence; building a sense of community through events and education; enabling a network for collaboration and inspiration; and developing compelling content and relevant and interesting information.

Our members are diverse and truly represent the diversity of the Australian tech ecosystem and include Australian SMEs and larger technology, telecommunications and infrastructure and cloud companies as well as hyper-scale cloud and multi-national software and SAS providers.

April 2021

Australian Information Industry Association

For further information please contact the Policy and Advocacy team at the AIIA at policy@aiaa.com.au.

