

MEDIA RELEASE

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Australia's First Australian Tech Index Launched to Measure Buying Sentiment

The Australian Information Industry Association (AIIA) has partnered with Info-Tech Research Group (ITRG), an international information technology research and advisory firm, to develop Australia's first technology index that looks across the Australian economy to understand purchasing and investment intentions around technology.

The **AIIA Tech Index** measures the buying sentiment for Australia's IT sector, illuminating areas of opportunities for major procurement and tender opportunities across the whole of the economy, including government.

The Index will track a representative group of IT decision-makers from various industries, company sizes, and budget sizes to understand how they plan to build and improve upon IT capabilities that will support the business bi-annually. This first report sets the benchmark for future comparison, and future data will be incorporated into an index to track the progress of digital transformation and investment in Australia.

The AIIA Tech Index has four key insights.

Insight 1. Government-enacted regulatory and policy uncertainty cited by most CIOs as a top concern.

The first report has yielded interesting insights, starting with CIOs' concern over increasing regulation and policy uncertainties that could disrupt their businesses this year.

The AIIA recognises this as a fresh concern in the many years of tracking policy developments, noting that there has indeed been a marked increase in government wishing to regulate the technology sector and how it is to be used across the economy, including cyber security, e-safety, privacy and AI regulatory reforms over the past 12-24 months. CIOs from across the economy are seeing this as an uncertainty for their business.

Insight 2. IT budgets are set to increase with Government spending increasing the most and the Education sector struggling to keep up.

Overall, 81% of the respondents expect to increase their IT budgets in the next 1 to 3 years, with 90% of the Government IT leaders expecting to do so. Comparatively, 55% of the respondents expect at least a 10% increase, while 60% of the Government IT leaders expect the same.

In contrast, 40% of the IT leaders in the education sector expect no change. Another 40% in this sector expect a marginal increase of 1 to 9%, and only 20% expect a 10 to 29% increase in IT budget. This means the education sector is underinvesting against the rest of the economy when it also states cyber threats are a pressing issue.

Insight 3. Cyber security and cloud solutions to dominate buying and hiring decisions in 2024.

Australian IT leaders listed resilient transformation, data governance and modernisation as their top three priorities. Correspondingly, cyber security (56%) and cloud solutions (47%) will dominate buying decisions. In line with this, the top two skills in demand are cyber security (91%) and data analytics (63%).

Meanwhile, the top technology for net new spending is Artificial Intelligence (28.3%), and the top technology receiving additional spend is cybersecurity solutions (79%).

Insight 4. Job growth is expected, especially due to demand for skills in cybersecurity, data analytics as well as information management and governance.

Positively, despite the increasing investments in technologies, the industry continues to expect job growth. 42% of those who responded note that it will increase headcount by 1 to 9%, while 29% will increase headcount by 10 to 29%. Only 8% indicated that they will have a 1% to 9% decrease in headcount.

The increase is largely driven by companies with a budget of over \$50M. The top talents in demand are those with cyber security, data analytics, and information management and governance skills. A majority of IT leaders plan to build internal staff capabilities before seeking managed or professional services to fill skills gaps.

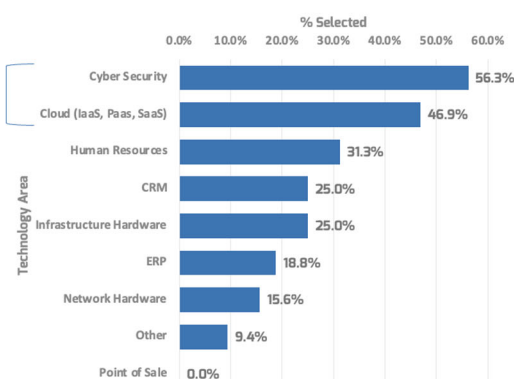
The AIIA CEO, Mr Simon Bush, commented, “The Tech Index has already proven to be a useful tool to uncover areas for improvement in the tech ecosystem. This first report makes it clear that while the government has an ambitious tech-focused agenda, the industry is also seeking policy and regulatory certainty and continuity while investing in their businesses. The AIIA has been vindicated by this report in its previously stated support for better policy and regulatory coordination by the government and the establishment of a new whole of government coordination body to achieve this.”

“The report is also encouraging because it shows the industry simultaneously investing in defending and modernising their business operations and in retraining in-house talents. We want to encourage greater innovation and the upskilling of the Australian workforce. The temperature check assuages fears of job disruptions and helps Governments and industry understand we should focus our efforts on cyber security and data analytics training and accreditation.”

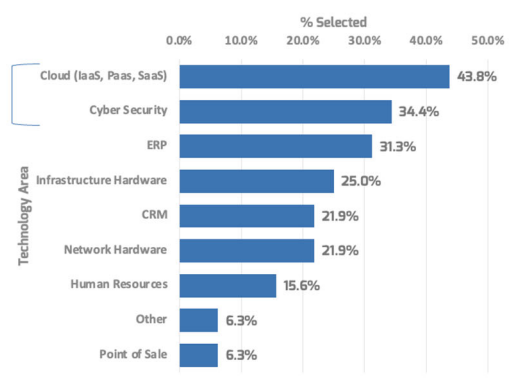
Cloud and cyber security solutions dominate buying decisions over next 2 years

IT leaders say they are most likely to make a key buying decision in these two areas both in the near-term and mid-term.

Buying decision in next 12 months:



Buying decision in next 24 months:



Most new spend planned for AI in 2024, cybersecurity and cloud investment grows

Top 5 technologies for net-new spending planned in 2024

1. Artificial Intelligence – 28.3%
2. No code / Low code platforms – 22.4%
3. Robotic Process Automation or Intelligent Process Automation – 20%
4. Private cellular – 14.75%
5. Data Management solutions – 13.1%

Top 5 technologies receiving additional spend in 2024

1. Cybersecurity solutions – 78.7%
2. APIs – 74.6%
3. Cloud computing – 70.5%
4. Data management solutions – 57.4%
5. Robotic Process Automation / Intelligent Process Automation – 41.7%

Media

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About AIIA

The Australian Information Industry Association (AIIA) is the peak ICT body, representing approximately 90 per cent of Australians employed in the tech industry across a diverse group of members. Since 1978, AIIA has pursued strategic policies and activities to stimulate and grow Australia's digital ecosystem to create a favourable business environment and contribute to Australia's economic prosperity. We do this by providing a strong voice for the industry; building a sense of community through events and education; enabling a network for collaboration and inspiration; and developing compelling content from the industry's expertise.

About Info-Tech Research Group

[Info-Tech Research Group](#) is the world's growing IT research and advisory company, proudly serving over 30,000 IT professionals. With a local team based in Sydney, Melbourne, Brisbane, Canberra, Adelaide and Perth who support our clients across Asia-Pacific.

We produce unbiased and highly relevant research to help CIOs and IT leaders make strategic, timely, and well-informed decisions. Our actionable research, tools and templates ensure you don't start from scratch, whilst our practical analyst advice focuses on the 'how'.