

FOR RELEASE
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AIIA's 2024 Digital State of the Nation Survey Reveals Declining Outlook for Revenue and Jobs

The Australian Information Industry Association (AIIA) today unveiled its 2024 Digital State of the Nation survey, revealing a significant decline in revenue growth expectations across the technology sector and lower job growth which serves as a warning about the health of the Australian economy.

The once-optimistic forecasts of robust expansion have given way to more modest predictions, with many companies now planning for flat or small growth (low growth expectations grew from 7% to 26%). This shift reflects broader concerns within the industry, including increased regulatory uncertainty and a perceived lack of government leadership in harnessing the current technology boom to drive economic growth over the past three years.

A striking 72% of respondents believe that Australian governments fail to understand the critical role of Information and Communications Technology (ICT) in Australia's economy.

The survey also shows significant slowing of the tech sector's hiring intentions with FTE growth above 10% declining from 56% to 26% and flat to small FTE growth growing from 7% to 38%. The tech sector remains concerned about the lack of job-ready talents to support business operations or expansion. An overwhelming 99% of respondents felt that graduates from Vocational Education and Training (VET) and Higher Education institutions are not adequately prepared for the workforce.

In response, 65% of industry players have taken matters into their own hands, actively reskilling their workforce to bridge the critical skills gap. However, persistent talent shortages in certain areas, the lack of job-ready graduates, and rising labour costs are driving some companies to look offshore for talent.

The survey, now in its fifth year, has been tracking AIIA members' and their investing and hiring intentions. It talks about which sectors of the economy the tech sector is looking to grow and what technologies are being adopted (for example AI) and supporting the decarbonising of the Australian economy.

"The tech sector is facing multiple concurrent challenges: a lack of government leadership and vision in fostering technology innovation and commercialisation, a shortage of job-ready talent and an uncertain economic outlook. Together, these challenges are hitting the tech sector with the survey telling us that fewer Australian tech companies are looking to expand in overseas markets," said Mr Simon Bush, CEO of AIIA.

Mr Bush added, "Whilst the tech sector is still growing, it is clear that government inaction and increasing regulation with the corresponding economic storm clouds developing, combined is dampening growth and serves as warning to the broader Australian economy. Technology is an enabler across every sector of the Australian economy that will drive productivity growth at a time when economic growth in Australia is flat to negative."

To access the 2024 Digital State of the Nation report, visit the AIIA website [here](#).

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