# Victoria’s ICT/Digital Technology Sector Fact Sheet (August 2023)

Victoria has one of Australia’s leading digital economies in terms of number of businesses, size of the technology workforce and adoption of digital technologies across the broader economy. The ICT and Digital Technology[[1]](#footnote-2) sector is most important enabler of a thriving digital economy in Victoria and has been crucial in driving the state’s economic performance in recent years.

* 23,000 businesses – Victorian headquartered ICT businesses (FY22)[[2]](#footnote-3)
* 271,000 workers – Workers in the Victoria’s Tech workforce (2021)[[3]](#footnote-4)
* $116.7 billion – Revenue from Victorian headquartered ICT and Digital Technology businesses (FY22)
* $33.7 billion – Contribution of the ICT sector to Victoria's GSP (FY22)
* $40.2 billion to GSP 80,200 jobs Productivity uplift since 2000 from the increased use of digital technologies across the Victorian economy
* $749 million Invested into R&D by Victorian ICT businesses (2020)[[4]](#footnote-5)

## Key Facts

* Victoria's ICT and Digital Technology sector has grown strongly. The Victorian Technology workforce is large and growing, with an additional 90,000 people joining the workforce in the past seven years.
* Victoria is the national leader in creating IT talent. Victoria’s university sector is the most (IT) intensive in the country, with more than 10% of enrolments being in an IT-related field. Victoria also has the largest number of IT enrolments of any state, accounting for 40% of national IT enrolments.[[5]](#footnote-6)
* The Victorian is a key source of innovation investment. Innovation is a key feature of the ICT and Digital Technology sector with almost three-quarters of surveyed businesses having introduced some form of innovative practice in the past year.
* The Victorian ICT and Digital Technology businesses are increasing their presence in the international market. Nearly one-third of surveyed ICT and Digital Technology businesses are engaged in exporting their products or services. The international market holds significant importance for these businesses, as their exports contribute to approximately one-third of their total revenue.
* ICT workers are highly educated and relatively well-paid. On average, 70% of employees of surveyed businesses held a degree or qualification in IT. The median income for technology workers in Victoria ($2,118/week) is more than double the median income for all employees in Victoria ($1,025/week).

## Top export markets

1. United States of America
2. New Zealand
3. United Kingdom

## Sector Outlook

* The Victorian ICT and Digital Technology sector is resilient and grew strongly during the COVID-19 pandemic. Despite a challenging economic environment, Australian ICT and Digital Technology businesses are expecting growth in 2023.
* Common drivers of growth within the sector included increasing demand for existing products (68%), new products and services (55%) and an increased market share for existing products (40%).
* Over half of the surveyed businesses identified consulting and professional services as key products that will drive future growth.
* AI/ML is expected to be a growing market within the sector. Although only 13% of surveyed businesses currently use AI or ML, almost 30% of surveyed businesses plan to implement it in the future.
* Three-quarters of surveyed businesses identified skills and capability gaps in the workforce as an ongoing challenge that must be overcome to achieve sustained sector growth. Upskilling existing workers is the most common and successful method of addressing these skill and capability gaps used by surveyed businesses.

## Top products and services

1. Consulting and professional services (64%)

2. Computer software (51%)

3. Computer services (28%)

4. Data analytics, AI/ML (27%)

5. Hardware and software maintenance (25%)

6. ICT security services, cyber security (23%)

7. Internet service, web search portals/design (23%)

8. Computer hardware (17%)

9. Other ICT and telecommunications equipment (16%)

10. E-commerce (16%)

## Key Victorian Government Initiatives

* Digital Jobs: $64 million program to re-train 5,000 mid-career workers with job-ready digital skills.
* Digital Jobs for Manufacturing: $4.5 million to assist Victorian manufacturing businesses uplift their employees' digital skills.
* SummerTech LIVE: $2.5 million which provides up to 400 digital tech tertiary students with job ready skills and provide digital capabilities to Victorian SMEs.
* Cremorne Digital Hub: $10 million investment by Government to drive the growth of Victoria’s tech sector and position the Cremorne precinct as a top global destination for innovation and technology.
* Free TAFE: Investment in increasing students with qualifications such as Certificate IV in Cybersecurity and Certificate III in Information Technology.

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1. Information and Communications Technology (ICT) refers to businesses that provide technologies and services that enable information to be accessed, stored, processed, transformed, or disseminated. The Digital Technology sector refers to businesses that critically rely on digital technology (such as the internet, mobile and sensor networks) as a platform for production and/or delivery of their products and services. [↑](#footnote-ref-2)
2. ABS Business Count Data - 16 December 2022 [↑](#footnote-ref-3)
3. ACS Australia's Digital Pulse 2022 [↑](#footnote-ref-4)
4. ABS Research and Experimental Development, Businesses, Australia - 3 September 2021 [↑](#footnote-ref-5)
5. 5 Department of Education Selected Higher Education Statistics – 2021 Student Data [↑](#footnote-ref-6)