

Victorian ICT Industry Survey Fact Sheet

DEPARTMENT OF BUSINESS AND INNOVATION



The Department of Business and Innovation's latest information and communication technology (ICT) industry survey indicates that the Victorian ICT industry continues to grow, despite uncertain global economic conditions.

The Victorian ICT industry employs around 87,400 people – approximately 29 per cent of total Australian ICT industry employment.

ICT companies operating in Victoria generate gross annual revenues of \$29 billion.

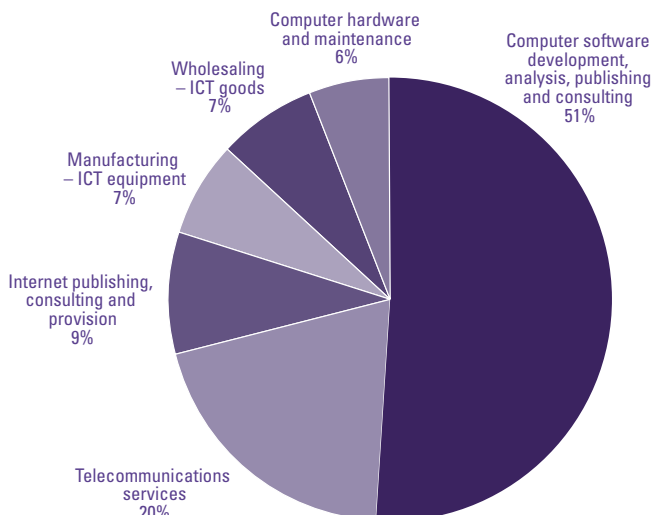
Victorian-headquartered ICT companies have annual revenues of \$2.45 billion from overseas operations and exports of ICT equipment and services.

Employment

The Victorian ICT industry employs 87,400 people in approximately 7,900 employing companies.

- 80 per cent or 69,700 people are employed by Victorian-headquartered ICT companies
- 12 per cent or 10,900 people are employed by Australian ICT companies headquartered interstate
- 8 per cent or 6,800 people are employed by ICT companies headquartered overseas (including large multinationals operating in Victoria).

Share of employment by ICT sub-sector



Fifty-one per cent of employees in the Victorian ICT industry work in the computer software development, analysis, publishing and consulting sectors.

Ninety-three per cent of employing Victorian ICT companies have less than 20 employees. These companies employ 47 per cent of total industry employees. Large ICT companies with 100 or more employees account for 40 per cent of ICT industry employment.

ICT industry revenues

The Victorian ICT industry generates annual revenues of around \$29 billion.

- \$22.9 billion is from Victorian-headquartered ICT companies
- \$3.4 billion is from ICT companies headquartered interstate
- \$2.7 billion is from ICT companies headquartered overseas (including large multinationals operating in Victoria).

More than half of these revenues come from the telecommunications sector.

INDUSTRY	REVENUES	
	\$million	%
Telecommunications services	15,290	53
Computer software development, analysis, publishing and consulting	7,780	27
Wholesaling – ICT goods	2,820	10
Computer hardware and maintenance	1,350	4
Manufacturing – ICT equipment	900	3
Internet publishing, consulting and provision	850	3
Total	28,990	100

Large ICT companies account for \$18.7 billion (64 per cent) of total revenues. Medium-sized companies (with 20-99 employees) account for \$4.3 billion (15 per cent) of annual revenues with small ICT companies contributing \$6 billion (21 per cent).



Overseas revenues and exports

Victorian-headquartered ICT companies have annual revenues of \$2.45 billion from overseas operations and exports of ICT equipment and services. This represents 11 per cent of the total industry revenues of Victorian-headquartered ICT companies. Of this, 51 per cent comes from computer software development, analysis, publishing and consulting companies, with 34 per cent from the telecommunications sector.

It is estimated that more than one-third (35 per cent) of ICT companies in Victoria export ICT products and services regularly and 30 per cent export irregularly.

Of Victoria's ICT exporting companies:

- 34 per cent list the United States as one of their top export destinations
- 21 per cent export to New Zealand and 19 per cent to the United Kingdom
- 12 per cent nominate Europe as an export destination.

Company profitability

Sixty-one per cent of surveyed Victorian ICT companies reported profits in 2010. Of all companies surveyed, 59 per cent met their profit expectations.

Victorian ICT companies are optimistic about the future prospects for the industry as a whole, with 61 per cent expecting the industry to improve its profitability over the next two years.

Industry capabilities

ICT companies with a general market focus account for 28 per cent of the industry. Twenty-three per cent of companies target government, police and emergency services, and 17 per cent target financial and insurance services.

Looking to the future

ICT companies report a range of factors as barriers to company growth, the major one being the cost of doing business (identified by 59 per cent of respondents). While 45 per cent of ICT companies report the global economic environment as a barrier to growth, views on the effect of the domestic environment are split. Thirty-two per cent of ICT companies rate domestic economic conditions as a barrier and 33 per cent rate them as an enabler of growth.

Forty-four per cent of companies named access to skilled employees as a barrier (up from 33 per cent in March 2010) and 43 per cent named access to finance as a barrier (up from 33 per cent in March 2010).

Nearly half of the respondent companies see the National Broadband Network as an enabler of growth and 43 per cent view access to infrastructure as an enabler of growth (up from 37 per cent in March 2010).

ICT industry research

The Department of Business and Innovation commissions annual ICT industry surveys to monitor the state of the Victorian ICT industry and to assist in the development of new policy and programs.

Industry research conducted in March 2011 captured information from approximately 300 Victorian ICT companies about their employment profile, revenues, products and services, operations, export activity and innovation. The results are supplemented with data from the Australian Bureau of Statistics and other industry sources to ensure they are reliable and current.

More information

To find out more about the Victorian ICT Industry Survey contact the Department of Business and Innovation by email at queries@mmv.vic.gov.au