



**Australia & New Zealand  
Tech Industry Snapshot 2020**

**COVID-19 Impacts On  
IT Spending, Jobs &  
Growth**

FINITE



While worldwide IT spending is projected to total \$3.4 trillion in 2020, this actually represents a significant decline from last year. According to the [latest research from Gartner](#), the coronavirus pandemic and associated global slowdown mean that IT spending is set to drop by 8 percent from the levels seen in 2019.

While some segments of the industry are expected to face large levels of decline in expenditure, these will be unevenly distributed, with some sectors continuing to see strong growth. Data centre and devices systems will experience the largest drop in expenditure while public cloud services and cloud-based telephony, messaging, and conferencing are on track for boosts in spending.

The pandemic and uncertainties surrounding how long it will last is leading CIOs to refocus spending on services that are considered essential to the core of their organisations. It is also affecting decisions on hiring or holding on to talent that will shake up the industry in 2020 and coming years.

# The Evolving Tech Landscape

This is all playing out against a background of continued rapid evolution of technology trends, some of which are being accelerated in response to the pandemic. The [Deloitte Tech Trends 2020](#) report revealed that the impacts of remote working and shift to cloud hosted services is also being supported by other macro trends including analytics, blockchain technologies, and the digital experience.

Each of these technologies is contributing to laying the foundations upon which organisations will emerge from the pandemic and set the platform for the next decade of innovation and transformation. 2020 is experiencing two conflicting forces shaping the IT sector. Unprecedented challenges and uncertainty paired with new demands on the technologies that are allowing companies to continue and thrive even as large numbers of staff for the first time are working away from the office and their colleagues.

How will this total global spending reduction and the impacts of the COVID-19 pandemic affect the decision making of CIOs, especially here in Australia?

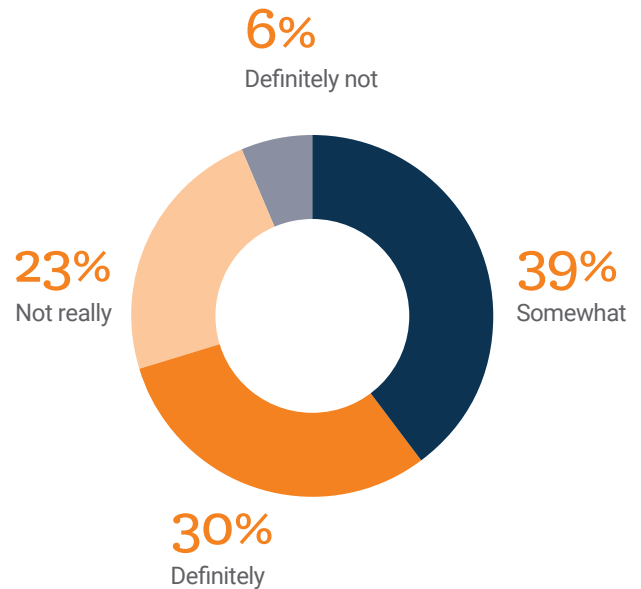
To try and better understand these factors we conducted a survey of Australian & New Zealand IT business leaders to determine their likely operational and planning decisions in the near term. The survey asked business leaders to report on their attitudes towards business performance, hiring intentions, and the skills they see as offering the highest value.



## Do You Feel The Demand For IT And Digital Talent Has Increased Since Last Year?

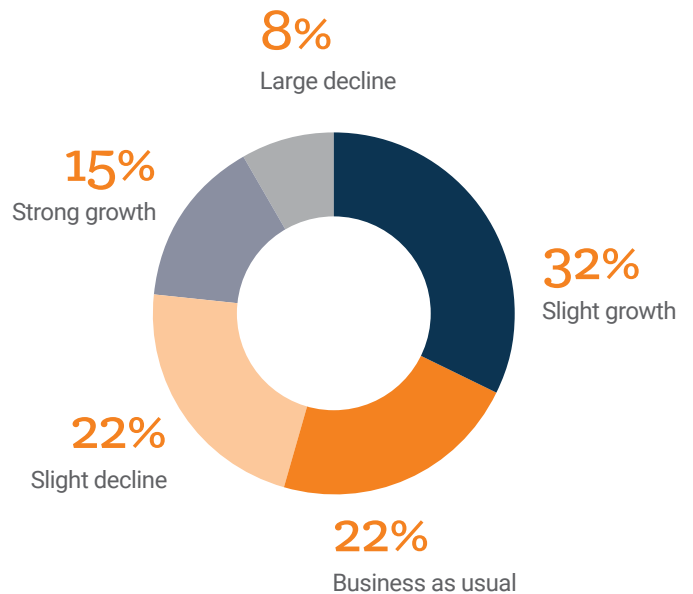
The survey found that despite the pandemic induced downturn, there is still high demand for IT and digital talent in the industry. This is indicative of the extreme talent supply and demand imbalance that was in effect prior to 2020 and recognition among business leaders that the downturn has not yet significantly affected this imbalance.

With the increasing emphasis being placed on technologies and tools to support cloud hosted functions and remote working, there will remain high demand for the tech roles that can implement these systems.



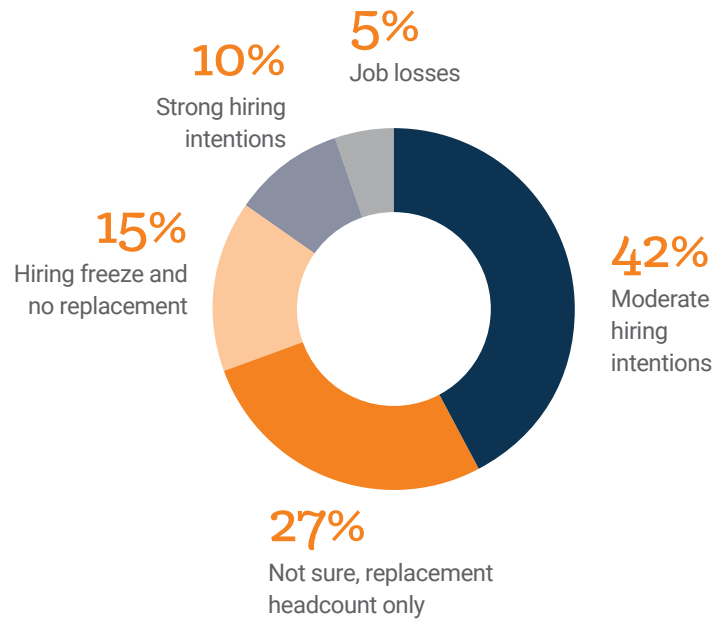
## How Do You Feel Your Business' Performance Will Change Over The Next Six Months?

Business leaders are naturally optimistic about the prospects of the upcoming performance of their companies. It is refreshing to see such favourable responses around business performance in the short term. This also reflects Australia & New Zealand having been impacted to a lesser extent by the pandemic than many other countries to this point, especially when compared to the United States and Europe. However, if case numbers do rise to meet those seen globally, and if additional restrictions need to be put in place, the outlook for business performance in Australia may shift to the downside.



## Over The Next Six Months, What Are Your Technology/Digital Related Hiring Intentions?

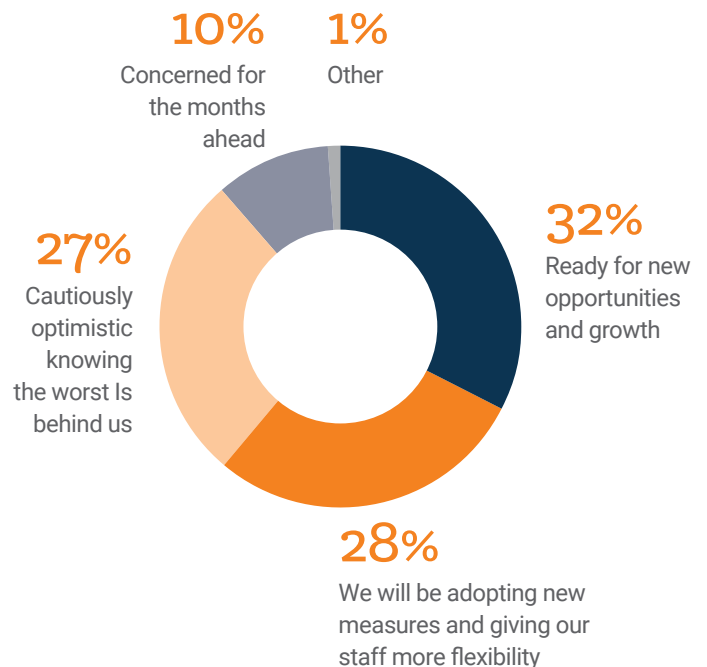
The positive responses given indicate the strong recognition of the importance of continuing to pursue digital transformation pathways and new tech rollouts during the pandemic. Businesses need to continue hiring and pursuing tech and digital talent to enable them to implement their digital strategies, which are proving to be more important than ever. This is primarily in light of the increase of remote working and transitioning a greater portion of business operations to the cloud as well as the greater focus on generating online sales.



## After We Emerge From COVID-19 To More Normal Conditions, My Business Will Be:

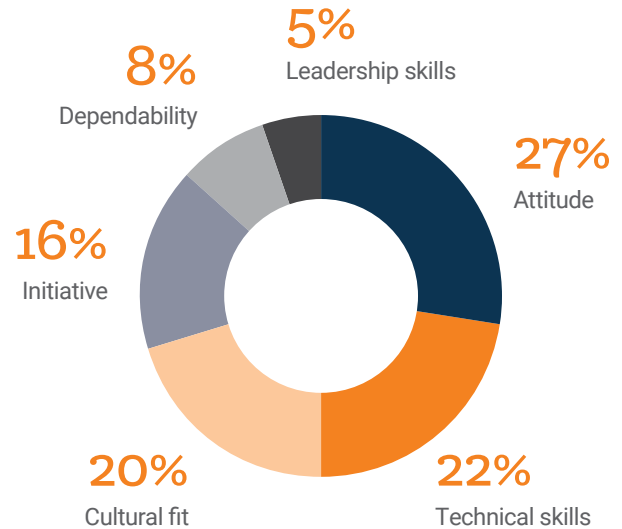
The respondents provided a generally positive outlook to business conditions following the COVID-19 pandemic. It is also interesting to note the relatively high degree of respondents (28 percent) recognising the importance of adopting new measures, including offering staff increased flexibility.

This has been one of the defining outcomes of the pandemic - the recognition by staff and business leaders that many roles within the organisation can successfully be done remotely at least part of the time. The shift to staff working from home at least a couple of days a week is undoubtedly going to be a lasting change brought on by the pandemic.



## Moving Forward, What Quality Do You Value Most In A Potential Technology/ Digital Related Hire?

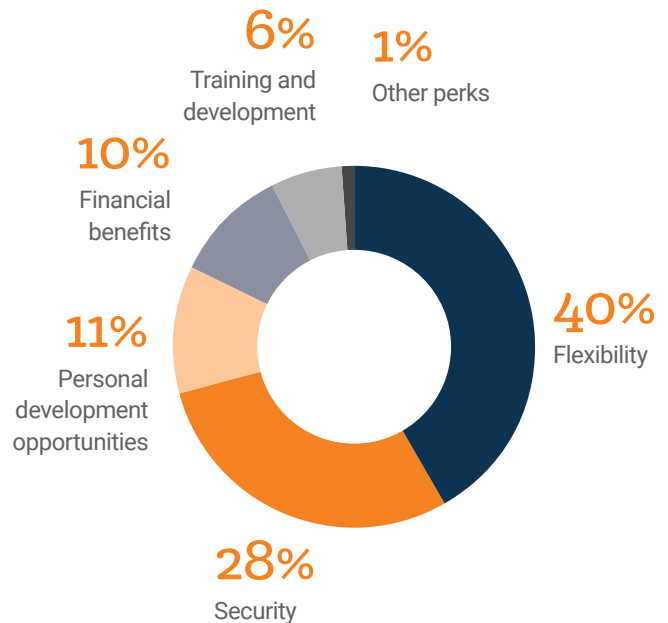
While technical skills will always be sought after in tech/digital roles, it is refreshing to see the level of importance placed on employee attitude and cultural fit by the respondents. These “soft skills” are increasingly being recognised as crucial even in technical roles due to their ability to enhance teamwork and maintain a high level of staff morale.



## At This Point In The World Of IT And Digital, What Do You Think Will Retain Staff The Most?

Flexibility featured as the clear top priority for staff retention. This only serves to reinforce the newfound emphasis being placed by staff on greater choice in their working location and hours. Almost all businesses were forced or chose to have their staff working from home for at least a portion of time, providing both staff and managers the opportunity to test out how effectively operations can continue despite staff not all being co-located. It essentially acted as one large experiment into remote working.

There was already a strong trend, especially in the tech industry, for more flexibility and versatility in roles and the pandemic has cemented this as not just a trend but a foundational shift in how enterprise will operate going forward from 2020.



## A Final Word...

2020 has been an incredibly challenging year for businesses and staff alike. However, despite Australia's first recession in three decades and high levels of uncertainty surrounding the pandemic, the Finite IT survey 2020 has revealed plenty of reasons to be optimistic.

There are still many businesses expecting moderate to strong growth in the near term, and while hiring plans have undoubtedly been altered, the high demand for tech talent continues relatively unscathed in certain sectors. The resilience and success of tech companies and the rapid uptake of new communications and collaboration technologies have been two of the standout features of the pandemic so far.

So while the business landscape has been dramatically altered, the technology landscape has evolved in surprising ways that suggest the IT sector may emerge most strongly from the pandemic and pave the way for other industries into the coming decade.

If you'd like more information on the current state of play in the IT sector including exactly how COVID-19 is impacting the tech talent pool, [talk to the tech experts](#) at Finite.



# Finite IT

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