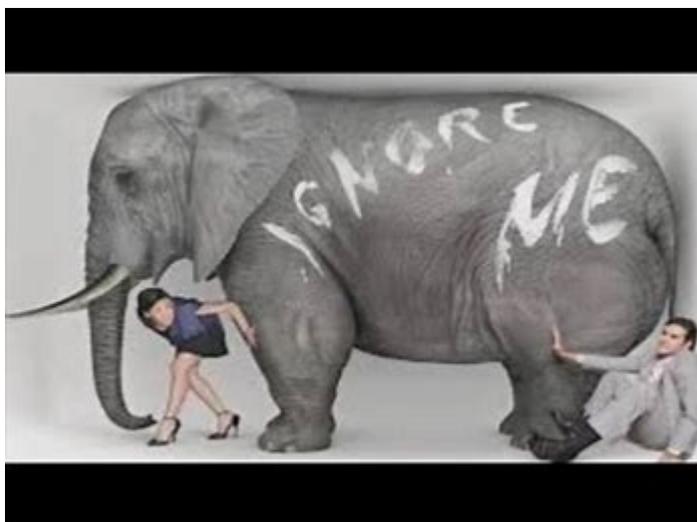


ICT and its part of the Australian economy –

The Invisible Elephant in the room.



Five years ago, the Australian Bureau of Statistics invited submissions to a *Review of Information & Communications Technology (ICT) Statistics*.

The ACS submission, which was favourably received by ABS staff, stated:

“The Australian economy is undergoing a radical shift away from 19th and 20th century industries to a digital economy. Without appropriate focus on and access to the relevant statistics, Governments and the private sector are restricted in their ability to make informed decisions on issues related to ICT employment, education and skills, and the general health of the ICT ecosystem in the Australian economy. This could place Australia at a significant competitive disadvantage.”

We went on to state:

“ICT is evident in every industry sector, (hence the “digital economy”), but ICT is not yet always recognised statistically as an industry sector in its own right. We contend that this gap will continue until the current industry statistical metrics used in Australia are updated to reflect the pervasiveness and reality of ICT in the 21st century. “

General economists, and other commentators, frequently presume that “information media and telecommunications” in ABS data and government publications, IS the ICT industry, and make comment without realising that in employment terms, it is actually less than 40% of the employment the “real” ICT industry.¹

¹ ANZSIC (Australia, New Zealand Standard Industry Classification) is a multi-level nomenclature for industry sectors, and whilst it has an upper level ICT grouping (Information Media and Telecommunications) which includes some small non-ICT elements, this group unfortunately does not include the numerically larger Software and Services ICT industry sector, which is included as a misnamed sub-set (Computer Systems Design) within the upper level grouping “Professional, Scientific and Technical services”. “Information Media and Telecommunications” also leaves out ICT hardware manufacture, ICT wholesale and retail trade, and ICT consulting sectors, which are scattered across other ANZSIC classifications.

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Most importantly, this same analysis impacts upon calculations of ICT revenue and exports and , ICT contribution to GDP/GVA, which regularly becomes a synonym for economic importance, is frequently understated for ICT but overstated for the ANZSIC industry classifications in which the missing ICT industry sectors are hidden.²

This difficulty is magnified when trying to dimension the “digital economy”, requiring analysis of economic “inputs”, much of which is from the ICT industry.

The failure to give appropriate statistical recognition to the ICT industry is easily demonstrated, simply by comparing the employment significance of some of the industries that DO receive direct recognition in Australia’s national accounts.

For example :

This ‘invisible’ ICT industry directly employs at least 360,000 people directly, around 3.2% of Australia’s total workforce. Another nearly 360,000 ICT managerial, technical and professional people work across all other industries.

Just looking at the specific ICT Industry employment shows that:

even prior to the effects of Covid19,:

Agriculture; Mining; Electricity, Gas, Water; Media(TV, Radio, newspapers); Rental and Real estate, Arts; Admin and Support, are all Industries separately acknowledged in Australia’s national Accounts, that have significantly less people working in them than the ICT industry does.

Wholesale Trade, and Finance and insurance, are both approximately the same size as ICT, but they are also separately acknowledged in the National Accounts.

Professional, Scientific, and Technical services is the third largest Industry Division in the national accounts , around 9% of employment, however the Software and Services part of the ICT industry (250,000 people in a sector called *Computer Systems design* by ABS) is over 20% of this group on its own.

In the popular and political, mind, jobs means votes, and the number of people employed becomes a key measure of political significance.

Being invisible means it is very difficult to have political significance.

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May 2020

² The ABS measured the ICT industry intermittently as a specific exercise from 1996, with its last report representing the period 2006-7 (cat 8126.0) and published in October 2008.