



## **KPMG / Communications Alliance 2<sup>nd</sup> ICT Industry Pulse Survey**

### **Finds Positive Outlook for 2008 and Mixed Messages for Web2.0**

**Sydney, 18 December 2007** – The latest KPMG and Communications Alliance six-monthly ICT Industry Pulse Survey indicates that the Australian ICT industry is confident of strong growth in sales, profits and recruitment in 2008. However the survey found an ambivalent attitude to the business benefits of Web2.0 applications.

The survey, administered for KPMG and Communications Alliance by independent research firm Telsyte in the week prior to last month's Federal Election, follows the inaugural ICT Industry Pulse Survey conducted in June.

Communications Alliance CEO Anne Hurley said that because these results were taken just before the Rudd Government was elected, it would be very interesting to see how sentiment changed in the next six months.

"For the first time in our history, ICT was a major issue in a federal election and the incoming government has unveiled an extensive program of initiatives that seem to have captured the attention of the Australian public," Ms Hurley said. "As those initiatives begin to roll out, we will be able to gauge their impact on our industry through successive Industry Pulse Surveys."

KPMG's Head of Communications sector Malcolm Alder said the latest Industry Pulse Survey found that senior ICT industry participants remained confident about prospects for both their organisation and the industry as a whole next year. In key areas such as expectations for sales, profit, recruitment and sector growth, all indicators were in positive territory.

"Senior people in the ICT sector remain confident and in growth mode as we look forward to 2008," Mr Alder said. "Although slightly down from six months ago, respondents' levels of optimism were all still ahead of their expectations 12 months ago. Perhaps not surprisingly immediately prior to an election, respondents from commercial organisations were more positive in their expectations than those respondents employed in government or regulatory areas."

On the specially surveyed area of Web2.0, there were some interesting findings. Whilst respondents expect use of Web2.0 applications to increase in the next 12-18 months, they remain to be strongly convinced about their benefits to business.

For a clear majority of ICT respondents' organisations, Web2.0 applications are not yet part of mainstream business operations, particularly if media and software companies and content providers are excluded.

"Bearing in mind our respondents are drawn from the ICT sector, Australian business more broadly probably still has a bit of an education and experimentation phase to go through before Web2.0 becomes truly mainstream across many industry sectors," Mr Alder commented.

"However, at a time when appropriate corporate policies and approaches on access to social networking sites such as Facebook from the workplace are being hotly debated, it was interesting to note that there was a clear view that such access does not adversely affect productivity. We believe this may reflect a general view that the great majority of staff will naturally adopt *sensible use* and that in some cases, access to Web2.0 tools does have discernible and positive business-specific outcomes."

### **Summary of Key Findings:**

#### **A. Overall Industry Sentiment** (based on a common set of questions from June 2007)

- The overall mood amongst respondents is positive and very similar to that found in the first survey of June 2007
- Compared with June, whilst still firmly positive, there is a slightly less optimistic expectation for sales growth in the next 12 months yet a view that even more staff will need to be recruited

**Note** - The survey responses were gathered in the week immediately preceding the election so cannot be taken as a commentary on the new Labor Government and its policies.

#### **B. Web 2.0** (based on questions asked in this survey only)

Respondents:

- Believe the use of Web2.0 applications is not yet a mainstream part of business as usual but will become more so in the next 12-18 months
- Are ambivalent on both their organisations' level of understanding of Web2.0 applications, and their own views as to whether Web2.0's purported benefits for business have been over-hyped
- Do not believe that allowing staff access to Web2.0 applications such as social networking sites reduces productivity

## **About the Survey**

This survey was commissioned by KPMG and Communications Alliance. It was administered 3<sup>rd</sup> week of November 2007 immediately prior to the Federal Election by independent market research firm Telsyte, who sent personalised invitations to pre-selected respondents, who could 'opt-in' to the online questionnaire.

The respondent profile is senior and experienced with two-thirds having more than 10 years' industry experience and 60% having senior management roles. Respondents fall evenly between organisations with less than and more than 500 employees

The *Industry Pulse* survey covered all states of Australia and will be conducted on a bi-annual basis by Communications Alliance and KPMG. The survey will be used as a benchmark for the ICT industry. Those interested in participating in the next survey should register their name by email to [info@commsalliance.com.au](mailto:info@commsalliance.com.au).

## **About Communications Alliance**

Communications Alliance was formed in 2006 to provide a unified voice for the Australian communications industry and to lead it into the next generation of converging networks, technologies and services.

The prime mission of Communications Alliance is to promote the growth of the Australian communications industry and the protection of consumer interests by fostering the highest standards of business ethics and behaviour through industry self-governance.

For further information see [www.commsalliance.com.au](http://www.commsalliance.com.au)

## **About KPMG**

KPMG is a leading audit, tax and advisory firm. For further information please see [www.kpmg.com.au](http://www.kpmg.com.au)

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