



## Government sector IT spending in Australia to grow 6.2% in 2021: Gartner forecast

Australian government sector IT spending is forecast to exceed A\$13 billion in 2021, an increase of 6.2% from 2020, according to Gartner.

All segments are on pace to grow in 2021, after declines in data centre and telecoms spending in 2020. The software segment, which includes application, infrastructure and vertical-specific software, will experience the strongest growth in 2021 at 10.5%.

As government organisations continue to embrace remote work and connected public services, spending on devices including PCs and smartphones is expected to grow again in 2021, following strong growth of 7.4% in 2020 (see Table 1).

“Public health and safety measures, including vaccinating citizens, are the top concern for public sector organisations in Australia, pushing them to continue to accelerate their digital transformation,” said Brian Ferreira, vice president, executive programs at Gartner. “Most technology spend is now linked to digital programs, for example, cybersecurity and digital identity programs.”

“We’re seeing the public sector changing IT operating models and innovating at a quicker pace by adopting commercially available technology solutions and software – particularly software as a service. Government budgets will continue to address recovery and growth needs of communities and businesses in 2021. In addition, investments to address digital equity and access to remote government services will be prioritised.”

This week, Gartner also published a report on the ‘Top Business Trends in Government for 2021’ (list in graphic below), which are a response to key megatrends that are influencing public policy in many regions of the world, such as social instability (and rising populism), perpetual austerity, an aging population and the need for sustainable systems.

Gartner clients can get more information in “Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2018-2024, 4Q20 Update.” and ‘Top Business Trends in Government for 2021’.

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