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Digital Skills Crisis Threatens 150,000 Australian Firms

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The Australian Computer Society warns that a digital skills shortage affecting 150,000 businesses could cost the economy AUD \$134 billion, urging swift adoption of a national tech skills framework.

A critical shortage of digital skills is undermining approximately 150,000 Australian businesses, according to the Australian Computer Society (ACS), which estimates a potential AUD \$134 billion economic loss by 2035 if unaddressed, as reported by IT Brief Australia. The ACS's 2025 Digital Pulse report, based on a survey of 300 C-level executives and 1,200 workers, reveals that digital tasks now consume 39% of the average worker's day, yet 15% of businesses face significant skills gaps, hampering competitiveness. The report highlights a particular shortfall in cybersecurity, with a

projected need for 54,000 professionals by 2030 to combat annual cyberattack costs of AUD \$63 billion. ACS CEO Josh Griggs emphasized the urgency, stating to Startup Daily that closing these gaps could position Australia as a global tech leader while boosting productivity.

The ACS proposes a ten-point plan to address the crisis, including fast-tracking a national skills taxonomy aligned with the Skills Framework for the Information Age, as noted in ChannelLife Australia. This framework would standardize skill requirements, enabling businesses to identify and address deficiencies. The report also critiques over-reliance on university degrees, advocating for industry certifications and vocational training, which 68% of executives trust, per the ACS survey. Critics argue the Australian Labor Party government's education and workforce policies have failed to keep pace with technological demands, exacerbating the shortage. The Department of Employment and Workplace Relations reported in 2024 that only 12% of vocational training programs focus on digital skills, despite rising demand for roles like AI specialists, which the World Economic Forum identifies as the fastest-growing globally.

Businesses face mounting challenges, with 89% of large firms undergoing digital transformation, according to Faethm.ai, yet struggling to find qualified talent. The ACS calls for AI-driven talent management and digital credential platforms like Credly to enhance workforce development. Without action, the skills gap risks stifling innovation and economic growth, particularly in small to medium enterprises, which comprise 97% of affected businesses, per the Australian Bureau of Statistics. The ACS urges immediate investment in training to safeguard Australia's economic future.