



Measuring Digital Inclusion in North-East Victorian SMEs

Summary Findings
May 2022

Ilena Young,
Managing Director
ilena@startupshakeup.org



Australian Digital Inclusion Index



What we do and don't know and why it matters

“We have vaulted 5 years forward in consumer and business digital adoption in a matter of around 8 weeks” McKinsey Digital 2021

Digital transformation accelerating pressure to compete in new domains / new ways
Digital literacy thus becomes a key to economic and social development
ADII 2014 – 2021 - Northern Vic persistently low geographic /demographic digital index
Not known - how this applies to workforce in 13,256 SMEs in NEVic

Collaboration – SUSU, ADII (RMIT, Swinburne and Telstra), DJPR - Regional Digital Fund
Standard ADII National Survey, plus targeted questions on
Turnover / Staff Size / Industry Sector / LGA / Areas of Need

Methodology Convenience sampling of those working in SMEs
2,470 surveys sent out 1,780 follow up phone calls
528 surveys received 401 valid after cleaning

What is Digital Inclusion?

Access

Affordability

Ability

Digital Ability = 6 factors

Basic operational: Downloading, opening files, connecting to internet, and passwords

Advanced operational: Saving to the cloud, safe downloads, customising what you have, privacy.

Information navigation: Searching, navigating, verifying trustworthy info, 3rd party data collection.

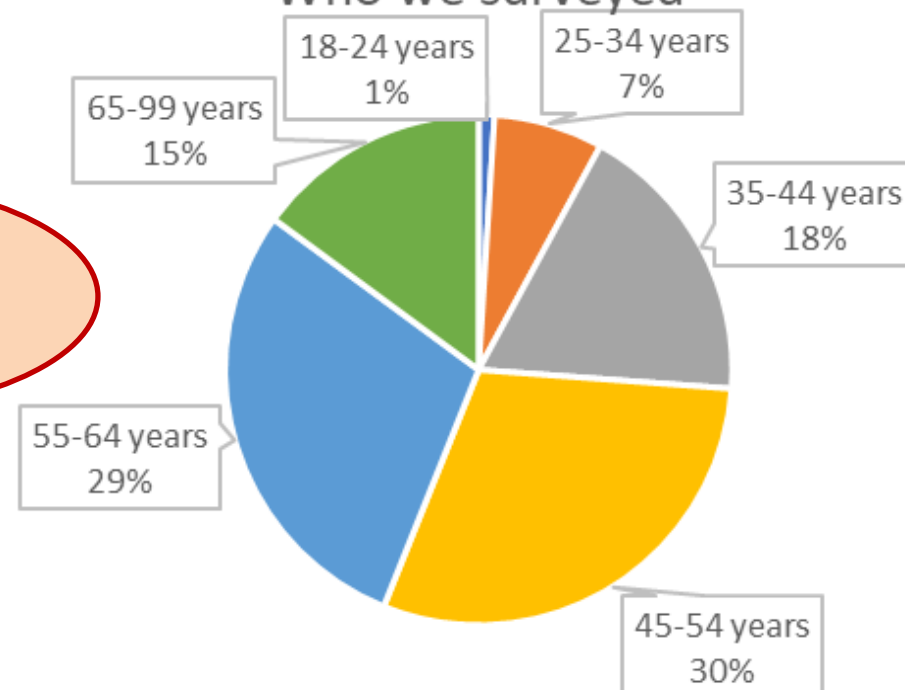
Social: What to share, how, who with, manage contacts, communicate with others.

Creative: Editing, producing, posting content, broad understanding of rules that apply.

Automation: Connecting, operating, and managing smart devices and IoT technologies.

Who responded – Age, LGA and Industry Sector

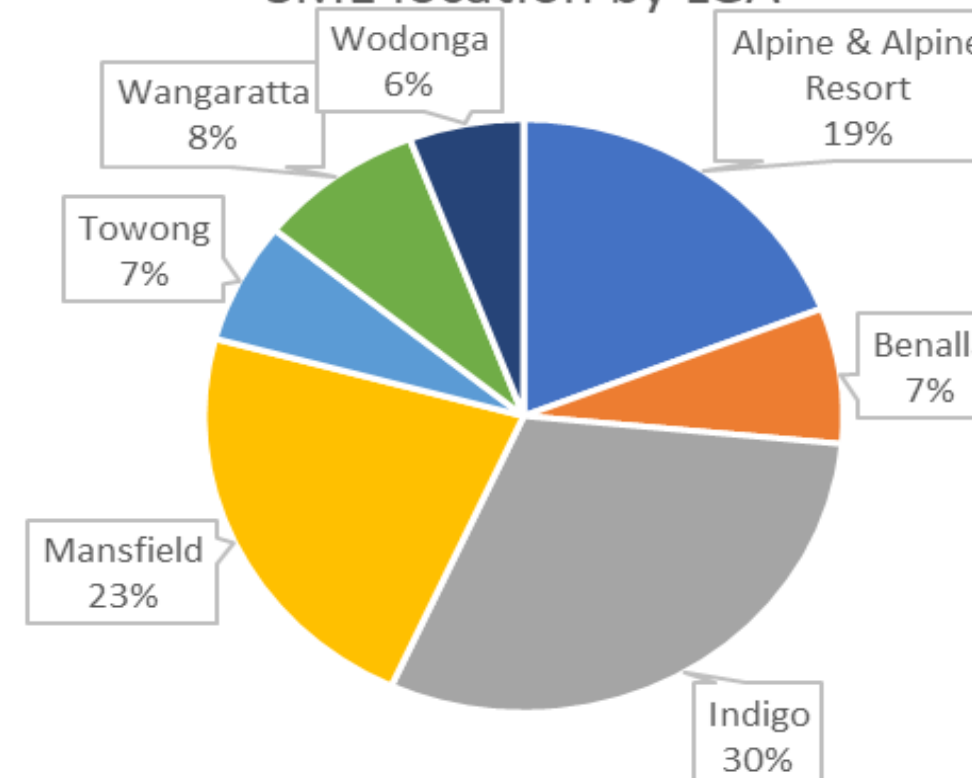
Who we surveyed



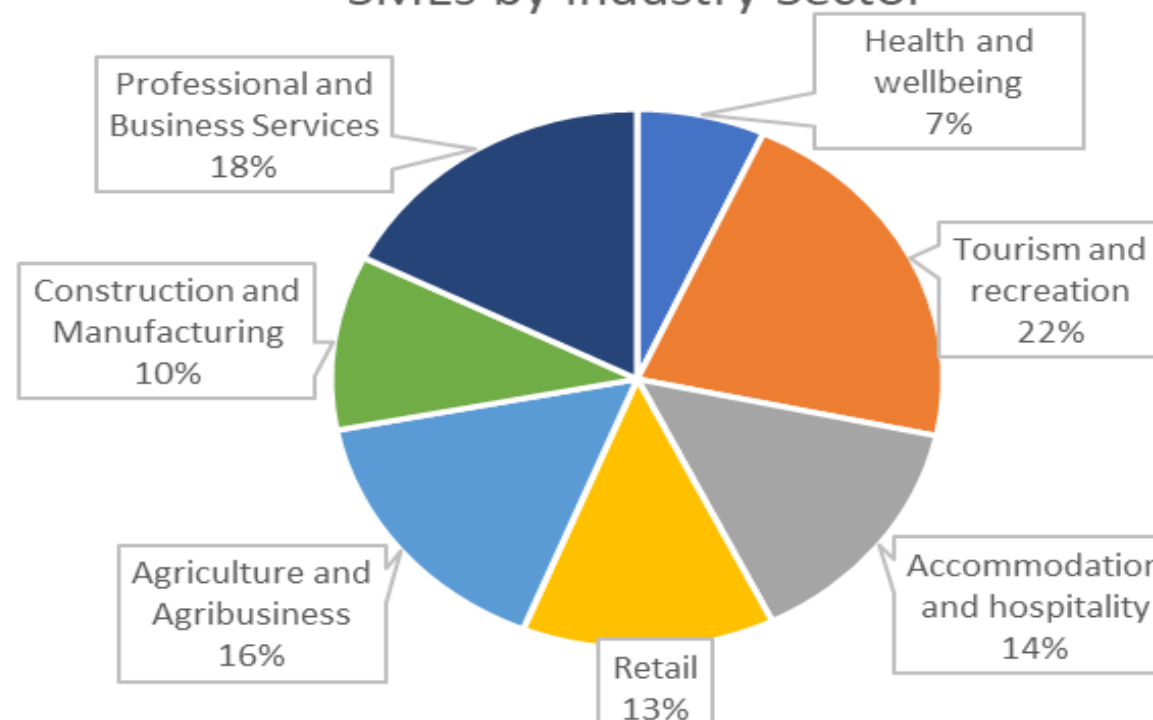
■ 18-24 years ■ 25-34 years ■ 35-44 years ■ 45-54 years ■ 55-64 years ■ 65-99 years

44% over 55
74% over 45
92% over 35

SME location by LGA



SMEs by Industry Sector



Overall – what did we find : Digital inclusion in SMEs in NEVic

Comparative Digital Inclusion		Comparative Digital Ability	
National 2021	71.1	National 2021	64.4
National 2020	67.5	National 2020	63.6
Victorian 2021	72.0	Victorian 2021	65.0
Victorian 2020	69.0	Victorian 2020	64.0
Metro Melbourne 2021	73.8	Metro Melbourne 2021	65.9
Regional SMEs 2021	63.9	Regional SMEs 2021	57.3

NEVic SME scores sit < 9.9 points lower than metro Melb
Most of this difference is due to low Digital Ability

By Age - All > 35 sit under Metro Melb Total DI score
Those groups in red also sit below the regional score

Digital Inclusion	Total	Access	Affordability	Ability
Total	<u>63.9</u>	<u>70.1</u>	<u>95.0</u>	<u>57.3</u>
18-34 years	74.5	73.7	92.3	76.5
35-44 years	68.8	69.9	96.5	67.0
45-54 years	65.6	71.8	96.2	58.8
55-64 years	62.5	69.8	94.9	54.8
65-74 years	52.2	65.2	92.0	39.3
75+ years	47.2	67.1	92.9	26.8

What we now know about SME digital inclusion scores in NE Vic

Turnover	Total DI Index	Access	Affordability	Ability
Total	<u>63.9</u>	<u>70.1</u>	<u>95.0</u>	<u>57.3</u>
Under \$75,000 pa	61.7	68.2	94.4	54.9
\$75-149,995 pa	64.6	68.8	95.6	59.9
\$150,000-\$1M pa	63.9	71.5	94.6	56.1
Over \$1M pa	69.4	75.5	97.0	62.5

Turnover - All NEVic SME groups below metro Melb
< \$75,000 and \$150,000-\$1M below Regional scores

Staff Size - All NEVic SME groups below metro Melb
Those with 2 – 4 staff below Regional scores

Staff	Total DI Index	Access	Affordability	Ability
Total	<u>63.9</u>	<u>70.1</u>	<u>95.0</u>	<u>57.3</u>
0-1 staff	65.0	68.5	95.3	61.1
2-4 staff	60.8	68.6	94.1	52.9
5-19 staff	66.2	73.2	95.7	58.7
20+ staff	69.4	76.2	94.6	62.8

What we now know about SME digital inclusion scores in NE Vic

By Industry Sector	Total DI Index	Access	Affordability	Ability
Total	<u>63.9</u>	<u>70.1</u>	<u>95.0</u>	<u>57.3</u>
Agriculture and Agribusiness	61.4	66.6	95.3	55.7
Accommodation and hospitality	61.9	70.2	94.2	53.4
Retail	64.3	70.2	94.6	58.3
Tourism and recreation	64.4	71.1	94.8	57.4
Construction & manufacturing	65.1	72.0	96.7	57.3
Professional & business services	66.1	72.0	94.0	60.4
Health and wellbeing	66.6	71.3	95.8	61.4

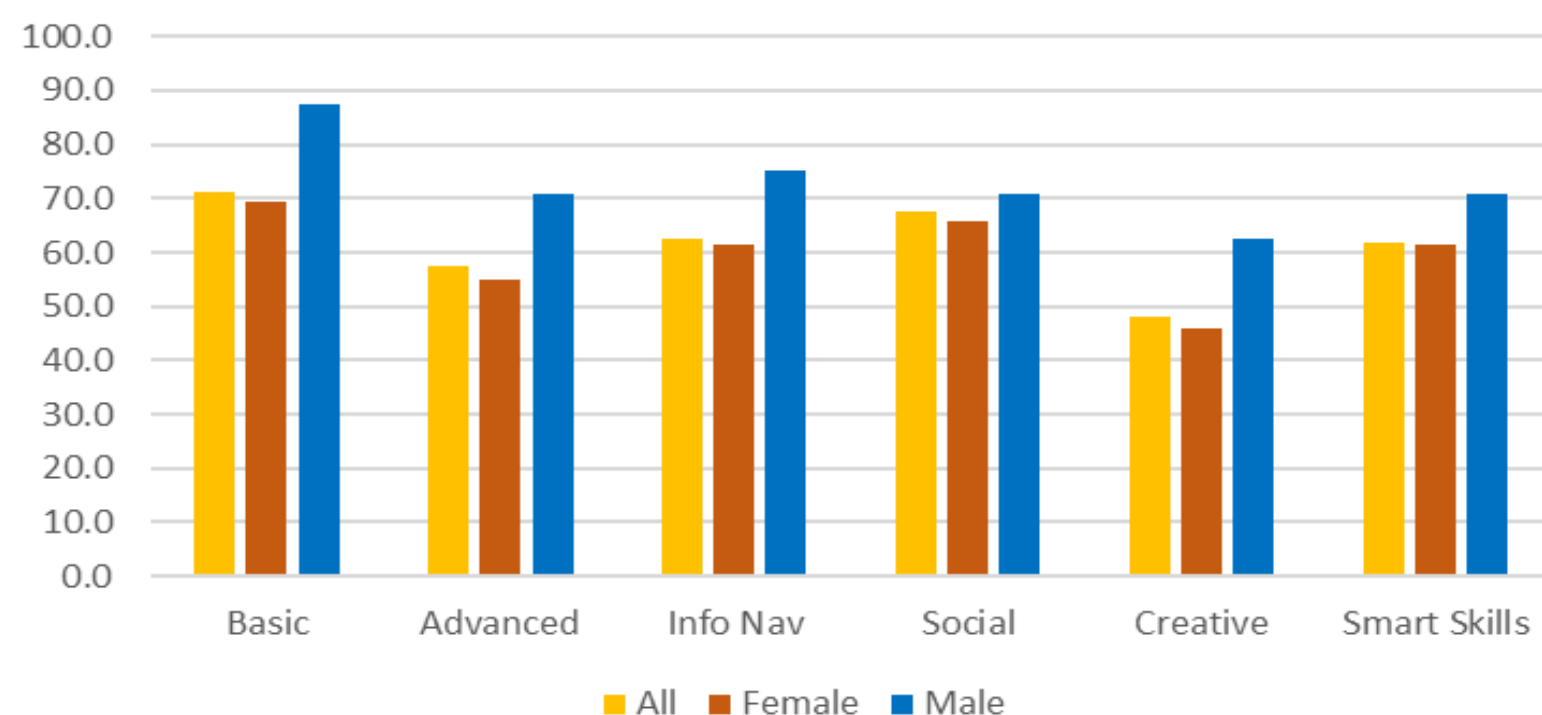
Sector
All below metro Melb

Those in red are
below Regional scores

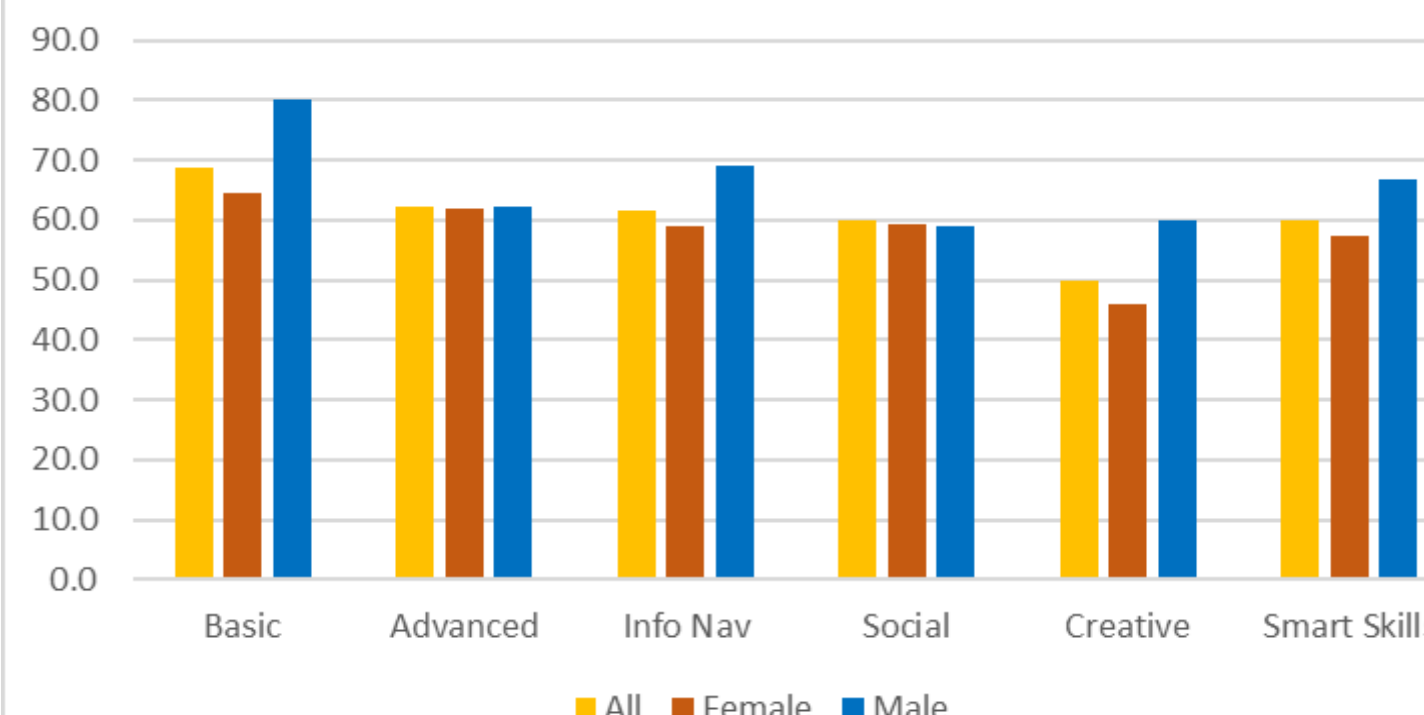
Responses to 'what does your business do?' were re-coded to reflect these seven final categories

Digital ability skills by gender in higher performing sectors

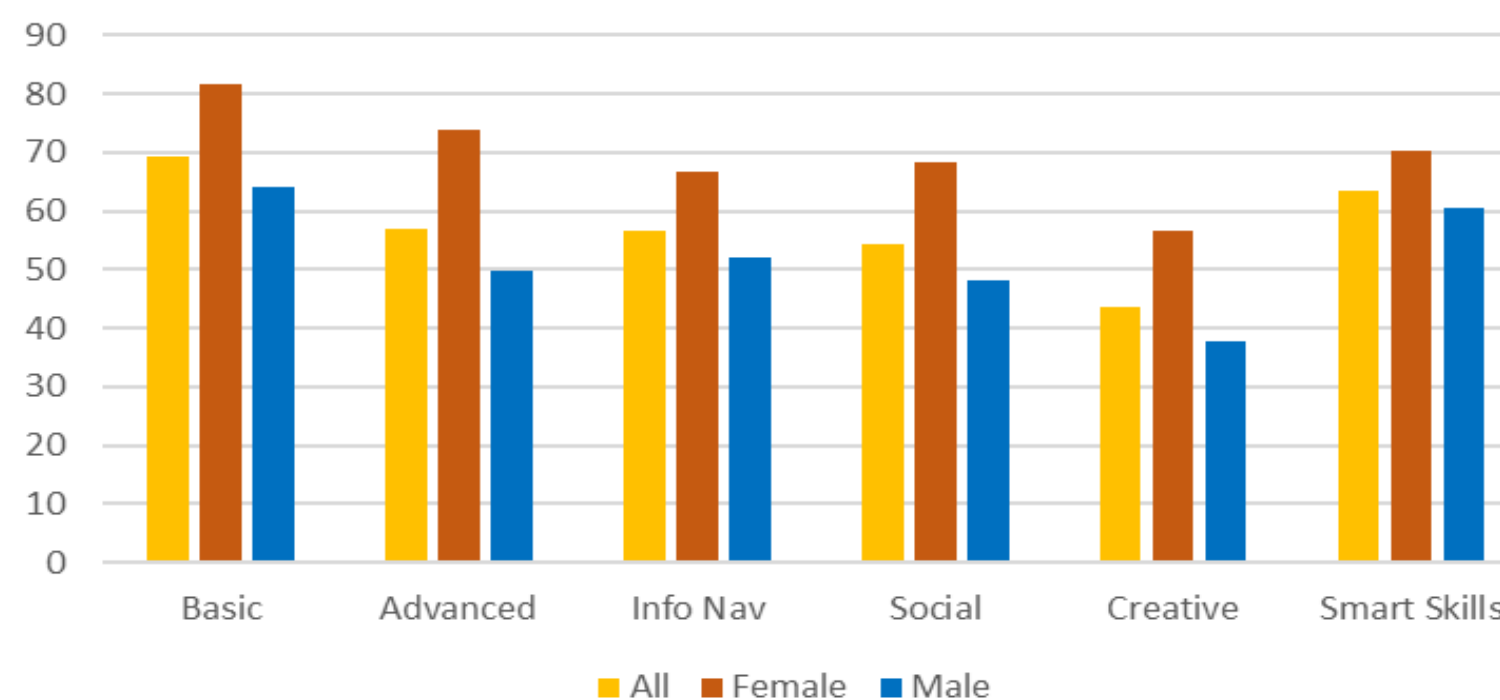
Health- Wellbeing Digital Ability Skills



Prof & Bus Services Digital Ability Skills

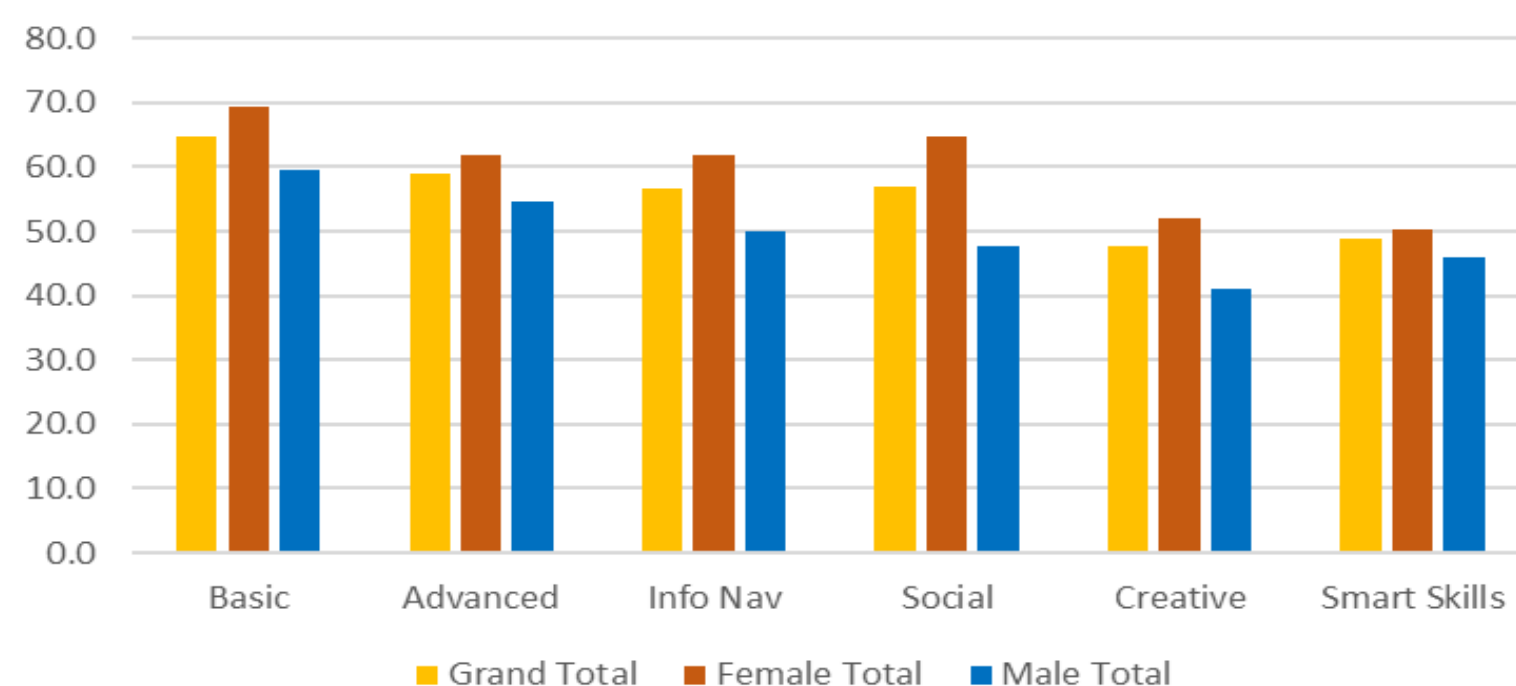


Constr & Manuf Digital Ability Skills

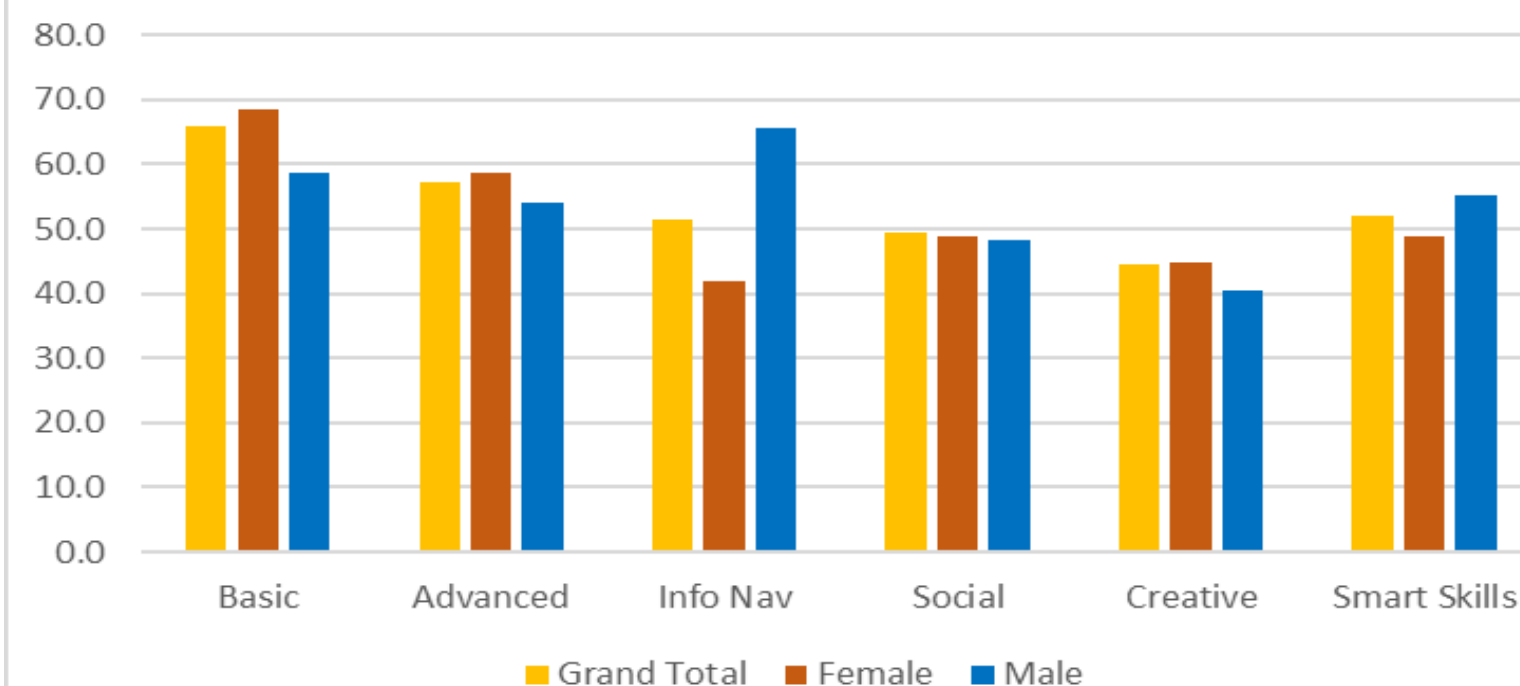


Digital ability skills by gender in the other sectors

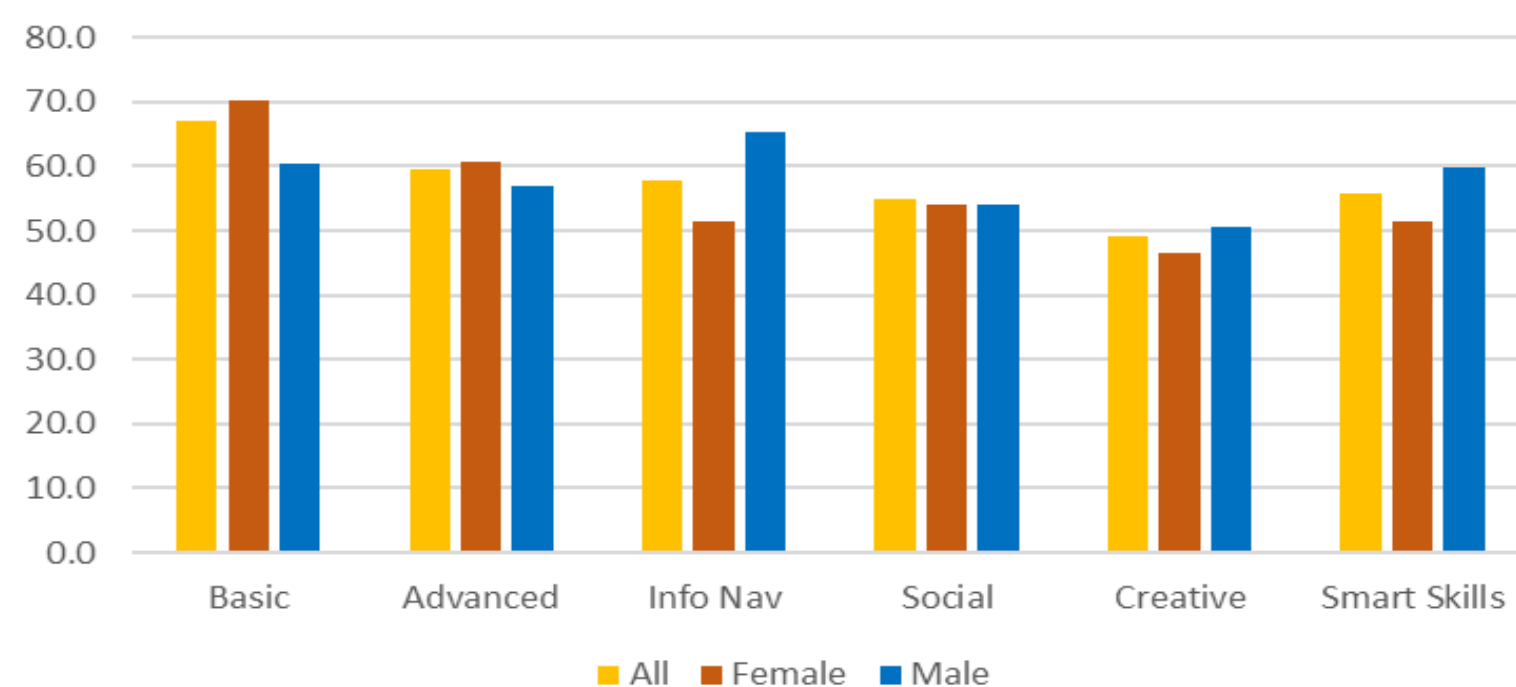
AG, F&F Digital Ability Skills



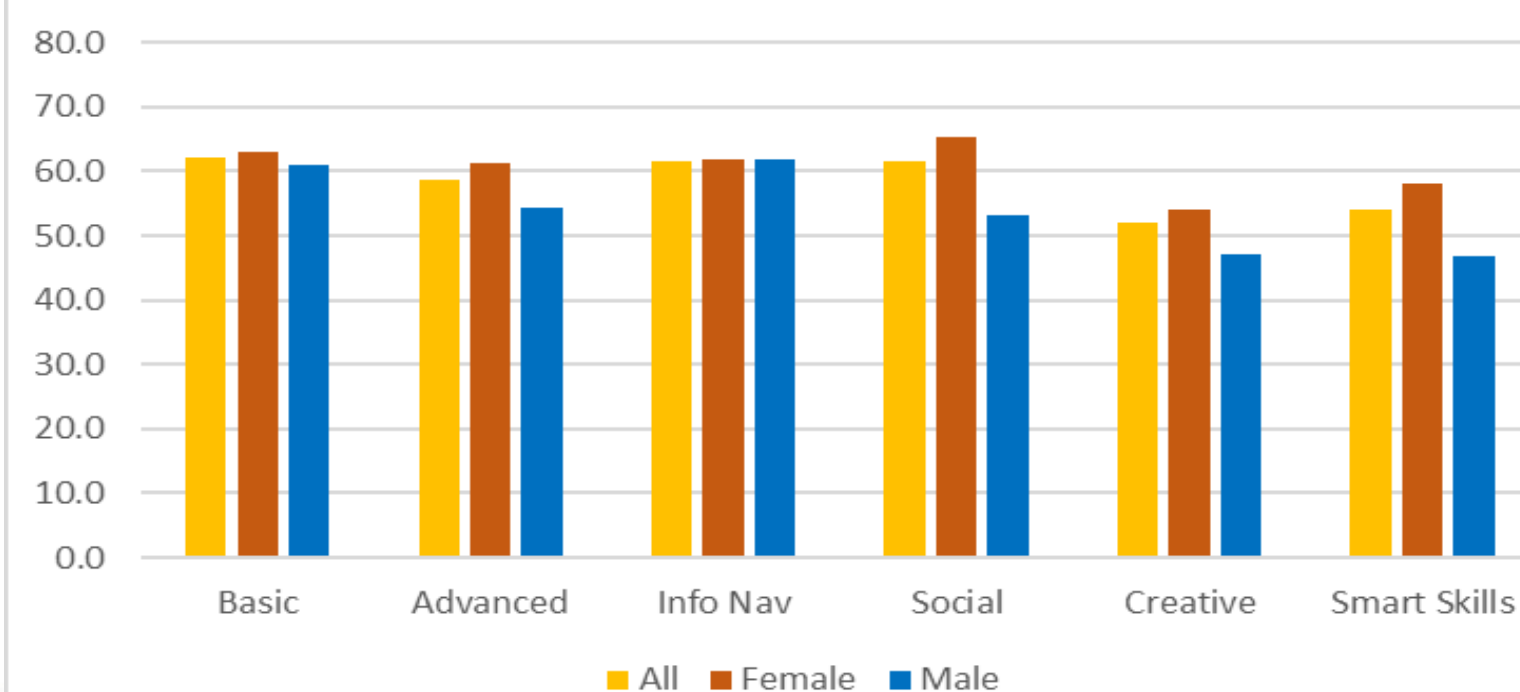
Accom-Hosp Digital Ability Skills



Tourism-Rec Digital Ability Skills



Retail Digital Ability Skills



What are these SMEs looking for?

Investment in digital activity	%
Time spent online has increased	66.5
Range of activities done online has increased	57.9
Investment in internet access has increased	26.1
Digital skills used to help work increased	33.8
What they are looking for	%
Marketing and website	64.0
Administration	36.0
Sales and e-commerce	35.5
Financial management	27.2
Operations	25.9
Data management and analysis	22.3
Production	11.7
Other (please describe)	10.4
No training required	3.8

Participants selected multiple responses.

So – in summary

*Innovation is the key to productivity and growth
(Deloitte 2020)*

Innovation today depends upon digital ability,
and businesses are being forced to transform

Digital Access + Affordability need Ability

NEVic SME workforce sits 10% behind metro Melb
95% of this due to low Digital Ability

We have digital ability weak spots in some sectors,
LGAs, age groups, turnover groups & staff size
groups