

TMT Predictions 2024

Australia

Generative AI

Generative AI and enterprise software: What's the revenue uplift?

In 2024

5hrs
saved per week

by employees using Gen AI tools daily through increased productivity³

80%

of any productivity efficiencies resulting from Gen AI in 2024 will likely be reinvested into L&D³



In 2024

More than **25%**

of Australian businesses are likely to purchase software embedded with Gen AI functionality^{1,2}

By 2030

7x
growth



in the annual investment by Australian businesses in AI capabilities is set to reach \$27.5B⁴

Gen AI chip demand fans a semi tailwind... for now

In 2024

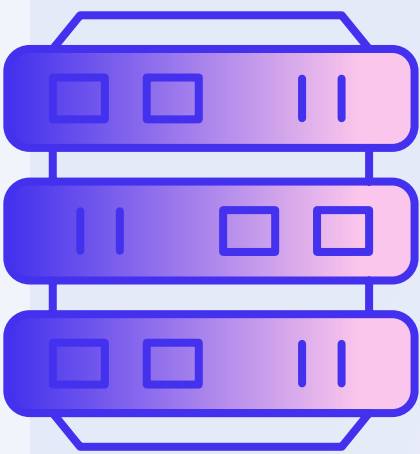
The Australian data centre market size is expected to reach

\$9B

driven by increased requirements of localised data warehousing for AI solutions, sovereign AI LLMs and workloads which lead to growth of hyperscale demand filling data centres⁵

By 2027

Almost **\$1B**
expected Australian market size for Gen AI chips



Generative AI

(continued)

DELOITTE TMT PREDICTIONS 2024 AUSTRALIA

Taking control:

Generative AI trains on private, enterprise data

In 2024

Cost of training models to
halve

in Australia given efficiencies driven by specialised hardware such as chips, software solutions and talent upskilling^{6,7}

In 2024



Australian enterprises who look to train Gen AI on private data are more likely to focus on 'prompt-tuning' existing Large Language models (LLM)⁸

In 2024

We expect to see greater Federal Government regulation around high-risk applications of AI



Walking the tightrope:

As Generative AI meets EU regulation, pragmatism is likely

In 2024

30%

of Australian organisations are expected to develop their own AI usage frameworks^{9,10}

In 2024



Greater emphasis on driving voluntary compliance through AI safety standards and holding organisations accountable for safe and responsible AI¹¹

Deloitte.

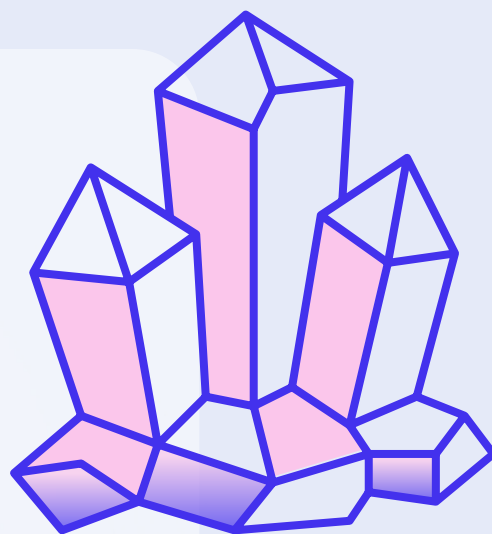
A raw deal: Will materials shortages and supply chain challenges threaten tech's future?

In the next
3 years

as many as a third of the ~30 current rare earth element mining projects across Australia could start actively producing raw materials^{12,13,14,15}

In 2024

An increase in Australian ecosystem partnerships and joint ventures are predicted across the rare earth elements value chain¹⁶



Dialling down the carbon:
Telco sustainability surges on the back of three new trends

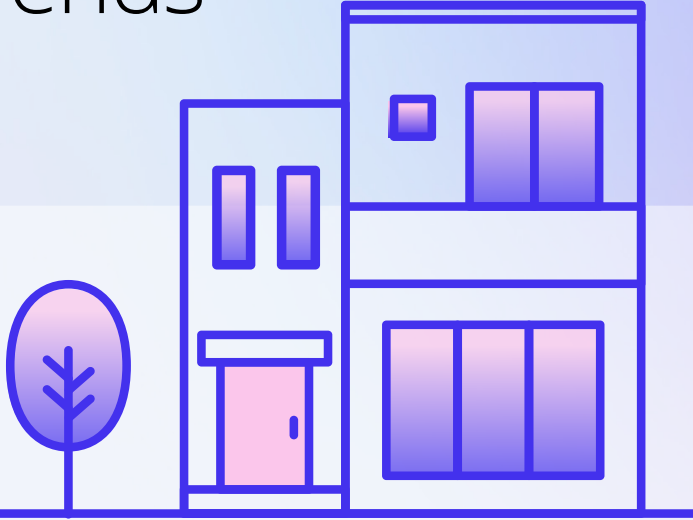
By 2025

All major Australian telco providers will be using energy efficient 5G features.¹⁷

With the implementation of these features and alongside the planned shutdown of 3G services, telcos could expect to achieve a reduction of

up to
25% 
of their operational emissions¹⁷

By 2025

7.5M+  **premises**

NBN will pass fibre-to-the-premises (FTTP) to over 7.5 million premises in Australia, replacing existing copper networks that are over four times less reliable, and use 80% higher energy than fibre^{18,19}

By 2030

Australian telco operators are predicted to reduce their carbon emissions by^{20,21,22,23}

more than
50%

Regulations take effect:

ESG reporting software sales are expected to soar in 2024

In 2024

The Australian ESG reporting software market will surpass

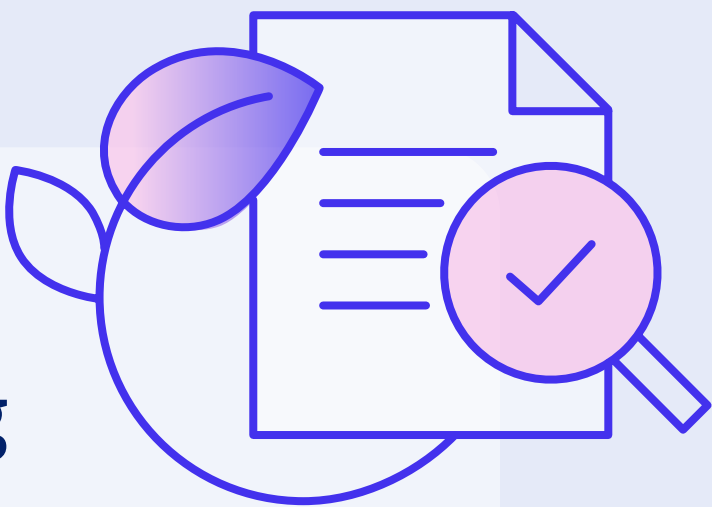
\$50M

(outpacing APAC's forecasted growth of 19% over the next 6 years)²⁴

By 2027

The ESG reporting software market is poised for rapid expansion

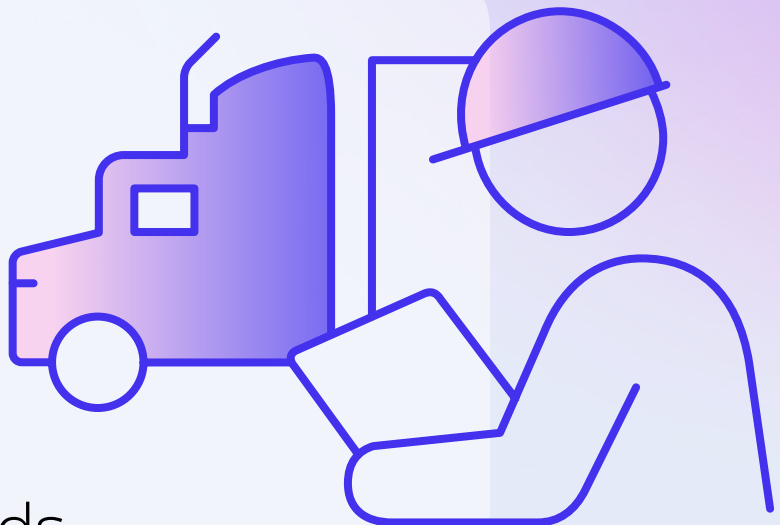
as mandatory reporting requirements come into effect^{25,26}



On solid ground: AgTech is driving sustainable farming and is expected to harvest US\$18 billion in 2024 revenues

In 2024

Government support and venture capital investment in Australian AgTech is expected to shift towards a focus on robotics, automation, GHG emissions monitoring and abatement innovation, moving away from traditional emphasis predominantly on farm management software^{27,28,29}



Media, Entertainment, and Sports

Women in elite sports:

Breaking the billion-dollar barrier

In 2024

More than **50%**

of Australians will engage with women's sport, extending momentum in viewership from major events into regular, ongoing competitions

By 2025

More than **25%**

of total sports media coverage is expected to be women's sports, ahead of the global forecast of 20%³⁰

Driven to tiers: Streaming video services look to up their profitability game with viewers

In 2024

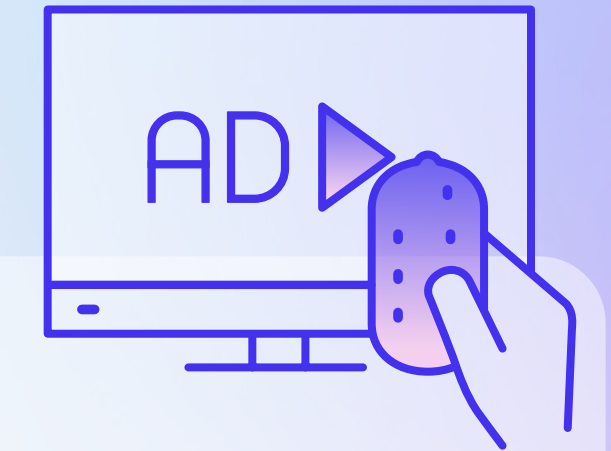
Consumers will cycle through streaming providers at a higher rate with **over 50% of subscribers making at least one change** to their subscription stack^{31,32,33,34}



2.5 average streaming video subscriptions per consumer

will remain, with a lower total spend as consumers take advantage of an increasing range of tier options^{31,32,33,34}

In 2024



AVOD offerings will grow in popularity amongst consumers and serve as the key retention strategy for VoD providers as consumers grow to be more price sensitive^{35,36}

In 2024

Over **20%** of consumers will favour a primary relationship with media aggregators as their strongest media brand relationship³⁷

Media, Entertainment, and Sports (continued)

Cinematic and interactive universes:
Games and studios partner to bring the biggest stories to life

In 2030

Cross-IP films from content franchises originating in gaming and TV will command a greater share of box office attention



10%
of the Top 100 Box Office films in Australia will be cross-IP

In 2024 and beyond

SVOD providers will increasingly look to leverage big budget, cross-IP programming as premium content drives subscription growth

Shuffle, subscribe, stream: Consumer audio market is expected to amass listeners in 2024, but revenues could remain modest

In 2024

Over **40%**
of Australians likely to consume at least one hour of podcasts and audiobooks per week,
with Australia leading the world in podcast listenership³⁸



By 2025

Podcast advertising revenue to double
(reaching \$200m) as digital audio audiences reach scale and commercial ad products continue to innovate³⁹

Telecom and Technology

DELOITTE TMT PREDICTIONS 2024 AUSTRALIA

Smartphone authentication: The killer app that augments the smartphone's utility

In 2024

Over **50%** of businesses are likely to have Multi-factor authentication (MFA) in place⁴⁰

In 2024

90% uptake

of MFA/ Two-factor authentication (2FA) within personal accounts, driven by increased awareness of cyber related incidents, greater number of platforms and applications, and businesses mandating its use⁴¹



In 2024

Over **30%**

of Australian businesses will aim to go password-less for workforce authentication driven by the increased adoption of passkeys⁴²

Signals from space: Direct-to-device satellite phone connectivity boosts coverage

In 2024

Australian telcos will increasingly look to leverage Low Earth Orbit Satellites (LEOs) for regional and rural fixed connectivity options⁴³



In 2024

Over **20%**

of smartphones in use in Australia will have the (limited) capability for direct-to-device satellite-based connectivity predominantly around emergency use cases⁴⁴



Deloitte.

Telecom and Technology^(continued)

DELOITTE TMT PREDICTIONS 2024 AUSTRALIA

No bump to bitrates for digital apps in the near-term: Is a period of enough fixed broadband connectivity approaching?

In 2024

Australia continues to trail behind the global median for download speeds, leading to a continued demand for higher tier broadband speed packages and inline with global predictions – an increase in monthly volume downloaded⁴⁵



In 2024

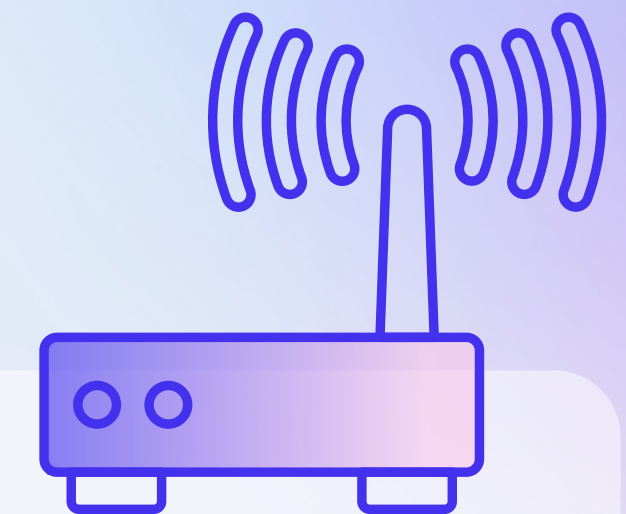
We expect continued growth in higher tier (100 Mbps) data speed broadband connections to account for more than

25% of all fixed broadband connections⁴⁶

In 2024

500GB

monthly data volume downloaded across fixed broadband connections⁴⁷



Telecom and Technology (continued)

DELOITTE TMT PREDICTIONS 2024 AUSTRALIA

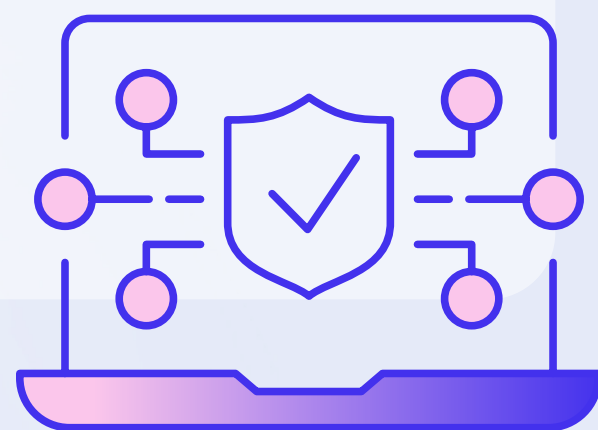
Keeping it local:

Cloud sovereignty a major focus of the future

In 2024

We predict technology companies and hyperscalers will rollout specialised offerings for government agencies,

aimed at tapping into public sector demand with higher data sovereignty and security requirements as part of a broader 'Industry Cloud' trend⁴⁸

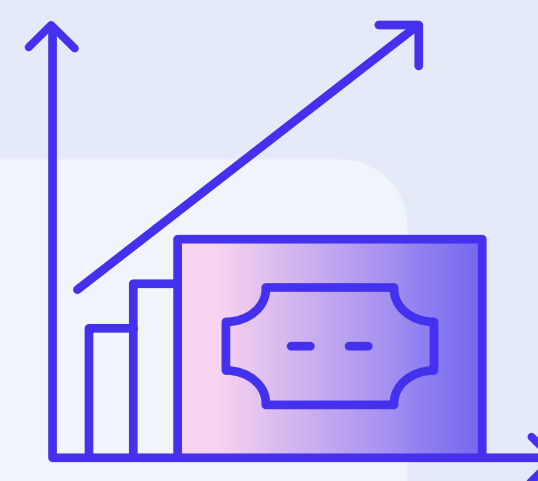


Raising the game: Venture funding for tech start-ups could stutter, whilst other liquidity options should be on the table for some

In 2024

A potentially record-breaking surge in private equity investment in profitable tech companies,

fuelled by the significant surplus of dry powder from the subdued private market investment in 2023, coupled with forecasts indicating more stable interest rates^{49,50}



In 2024

Capital raising hurdles encountered by tech startups in cash burn phase to persist,

indicating that M&A activity within the tech sector will primarily be propelled by cash-rich, big-tech firms seeking strategic capability-focused acquisitions⁵¹



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