

**AUSTRALIAN BUREAU OF STATISTICS ACT 1975: sub-section 6(3)**

**PROPOSAL NO. 5 OF 2021**

**BY THE AUSTRALIAN BUREAU OF STATISTICS**

**BUSINESS CHARACTERISTICS SURVEY (BCS)**

The Australian Bureau of Statistics (ABS) proposes to collect information for the purpose of providing information on the characteristics of Australian businesses and key measures of innovation and information technology use within businesses.

The information will be collected:

- from October 2021 on an annual basis;
- from employing Australian businesses;
- as a sample of about 6,750 businesses;
- by self-enumeration using an electronic form;
- across Australia.

Information will be collected on a range of characteristics including:

- employment (every year);
- business performance (every year);
- business information, structure, and arrangements (every 2 years);
- finance (every 2 years);
- markets and competition (every 2 years);
- barriers to general business activities or performance (every 2 years);
- skills (every 2 years);
- innovation activity (every 2 years);
- digital activities (every 2 years); and
- respondent contact details, including provider name, telephone number and email address, in the event the ABS needs to contact the provider to resolve any queries (every year).

Although the BCS is an annual survey, there are two alternating modules: the Innovation Module and the Digital Activities Module. While a small number of business structure and performance questions are asked every year, the two modules contain different questions on the topic of interest; hence the detailed information for each topic is collected every two years. The table below demonstrates the alternating nature of the topics.

2020-21 Innovation Module	2021-22 Digital Activities Module
Employment	Employment
Business performance	Business performance
Entrepreneurial orientation	Business information, structure, and arrangements
Innovation activity	Finance
Collaboration for innovation	Markets and competition
Fee for service and innovation	Barriers to general business activities or performance
Innovation expenditure	Skills
Innovation finance	Internet connectivity
Innovation assessment	Web and social media
Most significant innovation	E-commerce
	Use of and barriers to use of technology
	Security and privacy
	Digital skills
	Innovation status

The information collected will be used by the ABS in the:

- analysis of changes to businesses over time and the impact these changes have on productivity and profitability;
- compilation of the publications *Innovation in Australian Business* and *Characteristics of Australian Business*;
- compilation of the Business Longitudinal Analysis Data Environment (BLADE) for the purpose of longitudinal microdata analysis; and
- fulfilment of international reporting obligations.

The ABS expects to make statistical and related information from the collection available approximately one year after the end of the survey reference period.

The principal users of the information the ABS produces will be:

- the Department of Industry, Science, Energy and Resources (DISER);
- the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC);
- the Productivity Commission (PC);
- various universities and academics; and
- various state/territory government departments and agencies.

The information will be used for:

- analysis (including longitudinal microdata analysis using BLADE);
- development and assessment of government policies and programs;
- compilation of publications (e.g. DISER's *Australian Innovation System Monitor*); and
- international benchmarking.

To assist in determining the feasibility of the collection and to understand and manage respondent burden consistent with the Government's Regulator Performance Framework, the ABS has:

- considered what existing information is available;
- conducted extensive stakeholder consultation with key stakeholders (DISER and DITRDC), other federal, state and territory government stakeholders, and tertiary and other stakeholders;
- conducted cognitive and observational forms testing with survey respondents; and
- redeveloped the survey to significantly reduce the sample size and number of questions, which will result in a reduction in respondent burden for all business sizes.

This collection was last conducted in October 2020 and was previously tabled in Parliament as Proposal No. 8 of 2017.

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