

Business Use of Information Technology, Australia, 2004-05

Source: ABS 8129.0

INTRODUCTION

This chapter presents a summary of outputs from the 2004-05 Business Use of Information Technology (BUIIT) survey and focuses on key indicators of computer use, Internet access, web presence and Internet commerce.

ADOPTION OF INFORMATION TECHNOLOGY

After little change for four years, the proportion of businesses using a computer increased by 4 percentage points during the year ended June 2005. The proportion of businesses with Internet use and web presence has continued to grow steadily.

BUSINESS USE OF SELECTED TECHNOLOGIES (a)

	2000-01	2001-02	2002-03(b)	2003-04	2004-05
	%	%	%	%	%
Businesses with computer use	84	84	83	85	89
Businesses with Internet use	69	71	71	74	77
Businesses with web presence	22	24	23	25	27

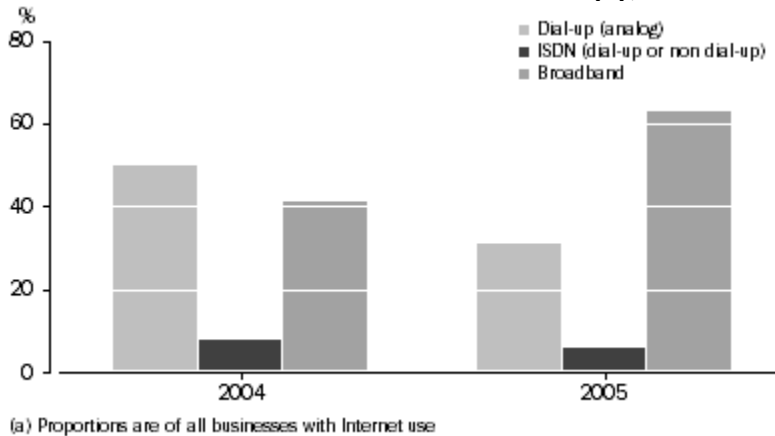
(a) Proportions are of all businesses.

(b) Affected by The New Tax System (TNTS) - see Explanatory Note 10.

INTERNET ACCESS

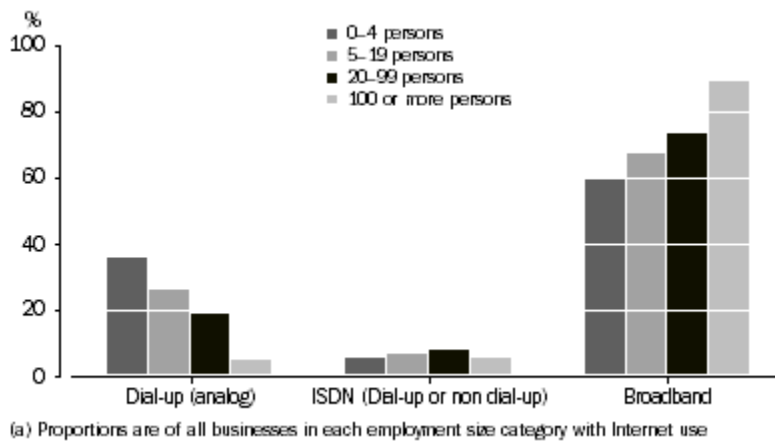
While the proportion of businesses with Internet access increased by 3 percentage points overall, there were more significant changes in the main type of Internet connection. The proportion of businesses which had broadband as their main Internet connection type grew strongly from 41% at the end of June 2004 to 63% at the end of June 2005. Broadband is defined by the ABS as an 'always on' Internet connection with an access speed equal to or greater than 256kbps.

MAIN TYPE OF INTERNET CONNECTION (a), as at 30 June



For the first time since the survey started, broadband was the most prevalent type of Internet connection for businesses across all employment sizes. 89% of businesses which employed 100 or more persons had broadband as their main connection type.

MAIN TYPE OF INTERNET CONNECTION BY EMPLOYMENT SIZE (a), as at 30 June 2005



Businesses using broadband as the main type of Internet connection were also asked to identify the main type of broadband connection used as at the end of June 2005. The most common broadband connection used was DSL (Digital Subscriber Line) with 68% of broadband users identifying this as the main type of broadband connection. The next most common main type of broadband connection was cable (26%) which includes Fibre Optic, Coaxial and Hybrid Fibre (Coaxial) cable.

The 2004-05 survey collected the perceived reasons why businesses with non-broadband Internet access did not use a broadband connection as the main type of connection. Businesses could identify more than one reason. Perceived **unavailability in business location** and **lack of perceived benefit** (32% each) were the most common reasons reported by businesses for not using broadband, followed by **ongoing connection and usage costs too high** (21%) and **start up connection costs too high** (18%). Broadband had not been considered by 15% of businesses with non-broadband Internet access.

INTERNET COMMERCE

The 2004-05 survey measured the proportion of Australian businesses using the Internet or web to place and/or receive orders, with or without online payments, and the value of Internet or web orders received by businesses (Internet income). Caution should be used when interpreting values of Internet income, please refer to Explanatory Notes 12 to 16.

The proportion of businesses which reported placing orders via the Internet or web during 2004-05 was 33%, an increase of 2 percentage points from the previous year. This is a continuation of the growth observed over recent years for this business practice.

While the proportion of businesses reporting receipt of orders via the Internet or web has remained unchanged over the last few years, the income received from these orders has increased significantly over this time. Internet income grew by 19% from \$33.3 billion in 2003-04 to \$39.6 billion in 2004-05.

ORDERS FOR GOODS AND SERVICES VIA THE INTERNET OR WEB (a)

		2001-02	2002-03(b)	2003-04	2004-05
Businesses which					
Placed orders via the Internet or web	%	25	28	31	33
Received orders via the Internet or web	%	6	13	12	12
Internet Income	\$b	11	24	33	40

(a) Proportions are of all businesses.

(b) Affected by TNTS - see Explanatory Note 10.

BUSINESS USE OF SELECTED TECHNOLOGIES (a), by selected business characteristics

	Number of businesses(b)		Businesses with computer use		Businesses with Internet use		Businesses with web presence		Businesses which placed orders via the internet or web		Businesses which received orders via the internet or web	
	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05
	'000	'000	%	%	%	%	%	%	%	%	%	%
Employment size												
0-4 persons	451	455	80	85	67	71	16	17	27	28	9	10
5-19 persons	201	204	94	95	85	86	38	41	38	40	16	15
20-99 persons	39	39	98	97	94	92	58	59	43	47	23	^21
100 or more persons	7	7	100	100	99	99	83	91	69	74	^21	^25
Total income												
Less than \$100,000	162	154	74	80	62	62	^12	^10	23	21	^8	^6
\$100,000 to less than \$1m	405	409	86	89	73	77	22	24	30	33	10	12
\$1m to less than \$5m	101	111	97	97	91	90	46	49	43	43	21	^19
\$5m or more	31	30	99	100	98	99	68	70	58	59	^25	^22
Industry												
Mining	2	3	88	92	82	88	36	38	34	36	^6	^6
Manufacturing	57	58	88	88	76	75	36	38	33	35	^21	^18
Electricity, gas and water supply	1	1	95	97	84	90	39	43	42	51	^12	^14
Construction	108	110	78	84	63	66	11	11	18	20	^6	^7
Wholesale trade	44	44	91	95	86	87	40	44	40	45	^28	^24
Retail trade	119	118	81	84	69	73	23	^24	28	27	^11	^10
Accommodation, cafes and restaurants	36	37	72	77	58	62	29	31	^20	^23	^12	^16
Transport and storage	35	36	83	82	66	67	^17	16	^20	21	^13	^12
Communication services	8	8	74	84	55	62	^17	19	23	28	^11	^10
Finance and insurance	28	29	83	95	78	85	^27	28	^31	38	*7	^9
Property and business services	159	158	94	95	89	89	29	33	46	45	^13	^14
Health and community services	53	53	91	94	76	80	17	19	29	36	^4	^4
Cultural and	19	19	90	97	81	90	41	50	44	46	^17	^20

recreational services													
Personal and other services	31	32	76	82	60	66	28	25	23	24	^9	^11	
State													
New South Wales	250	248	84	87	74	75	24	23	31	31	12	^10	
Victoria	183	182	85	89	71	75	26	30	33	32	^12	^12	
Queensland	129	137	87	90	78	80	27	29	33	35	^13	^13	
South Australia	43	44	89	92	76	82	28	31	32	37	^14	^16	
Western Australia	65	67	83	90	72	76	23	26	25	29	^9	^12	
Tasmania	12	11	89	92	74	86	^26	^28	^29	^40	^17	^18	
Northern Territory	^5	^6	92	95	82	83	*21	^28	*43	^39	*14	*16	
Australian Capital Territory	^11	10	89	92	^78	84	^21	^28	^37	^44	*12	^20	
Region													
Capital cities	486	483	86	89	75	78	27	29	33	34	13	13	
Other areas	212	222	83	87	71	74	21	22	27	30	^10	^10	
Total	698	705	85	89	74	77	25	27	31	33	12	12	

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) Proportions are of all businesses in each category.

(b) See Explanatory Notes 17 to 18.