

ABS - Strategic Shifts Toward Big Data & Digital Business Reporting

John Shepherd, General Manager Industry Statistics Division

Presentation to DSPANZ
12 October 2021

Australian Bureau of Statistics
Informing Australia's important decisions



What I will cover

Key shifts associated with our business statistics strategy:

- Reporting through accounting software
- Streamlining large business reporting
- Monthly business turnover indicator

Questions / comments ?

Gradual evolution towards (learn as we go):

- More timely data and indicators
- Make greater use of big data
- Reduce business burden and provide value back
- Provide more granular data including regional breakdowns

SME Reporting through Accounting Software



Australian Bureau of Statistics
Informing Australia's important decisions

Proof of Concept Challenge

- The project's aim was to demonstrate a pathway to significantly reducing the reporting burden caused by ABS surveys on small and medium business
 - without compromise to the integrity of official statistics
- Most SME's find ABS surveys, (like QBIS), a challenge to complete and therefore a regulatory burden
- The main factors contributing to this 'burden' are:
 - ***Time taken*** – while not always taking a long time to complete a survey, there are multiple touchpoints and assembling the right information can be a hidden cost
 - ***Language used*** - the language and concepts used are challenging for small and medium business owners – and sometimes even their advisers
 - ***Inconvenience*** – there's a 'surprise' factor when a business is selected in a survey and need to find time to complete the survey or seek external help.

Recommended solution

- Drawing summarised ledger data via an API from your accounting software*
- ABS developed application that supports initial mapping of data and then largely automated repeat submission
- Removing un-necessary or complex questions from the QBIS survey
- Collecting more relevant items like margins and working capital
- Making better use of data already collected via other means (e.g. substituting ‘wages’ using STP data)

SME's impacted

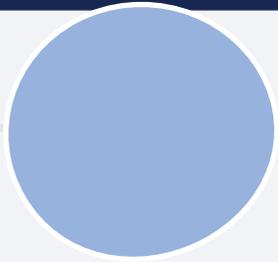
- Less than 100 employees:
22,675
- Between 100-199 employees:
2,991

SME's are rotated on 3-year cycle meaning that over **68,000** business are impacted over 2 of these cycles.

* Target solution is light-weight API and aimed at 'packaged software' users with little software customisation



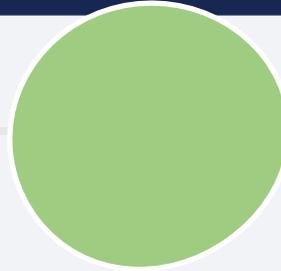
What's Different?



Today

- 8-page survey form
- Up to 25 questions
- Economic concepts
- Lengthy instructions
- Data difficult to find
- Manual keying required
- Calculations & estimates needed
- Mandated & sample based
- < 10,000 SME's
- Macroeconomic value only

40-80 minutes to complete



Future

- Tailored, online app
- Very few questions
- Business language
- Simple to follow
- Data pulled from accounts
- Automated pre-fill
- No calculations or estimations
- Mostly opt-in & big data
- 50-100,000 target of SME's
- Tells timely business stories

5-10 minutes to complete

Plus ABS will give 'data back' – **personalised benchmark report**



Indicative take-up rates

ABS commissioned an independent market by EY Sweeney to identify potential take-up rates by SMEs:

- Around 54% saying they would adopt a solution like this
- Nearly 75% support when bookkeepers and accountants were asked the same thing.

Interviewed 1,496
firms in May - June
2021



Implementation

- Currently working through the process of gaining approval for establishing a project
- Will establish a stakeholder reference group with DSP representation in early 2022
- Will also run an EOI process about the same time to establish direct communication about project with interested parties



Streamlining Large Business Reporting

Australian Bureau of Statistics
Informing Australia's important decisions

Large Business reporting to the ABS

- Large businesses form a significant component of Australia's key economic statistics
 - Groups can report upwards of 100 surveys per year across 30+ instruments
 - Many different topics and subjects reported with some overlap
 - Often managed by the business through excel workbooks and other bespoke solutions
 - Due dates don't align with business processes
 - Communication is un-coordinated and change is not well controlled
 - Misalignment of data requested to large business structures

Streamlining Large Business Reporting

- Working with 3 businesses to understand issues and co-design a proof of concept that would deliver benefits.
- Some early opportunities from working with these businesses include:
 - mapping businesses natural reporting systems to ABS data requirements
 - centralised contacts in both the ABS and the business to identify and address issues
 - Better use of infrastructure and technology to support collection and validation of data

Monthly Business Turnover Indicator

Australian Bureau of Statistics
Informing Australia's important decisions

Plan for new monthly indicators

- Develop new monthly economic indicators to inform economic policy:
- Key delivery features
 - more timely, more granular information
 - blending of big data sources with survey data
 - using new, cloud-based processing and analytical platform and moving away from legacy ABS IT systems
 - reduce reporting burden on business

Business Turnover

using
monthly Business Activity Statements data from ATO

Released
October
15th

Household Spending

using
bank debit, credit card payments and supermarket
scanner data

Employee Earnings

using
Single Touch Payroll (STP) data from the ATO

Timeliness – June quarter example

CURRENT
Business Turnover for April is published four months later in the ABS Quarterly Business Indicator June quarter release

Qtly Bus Indicator, June qtr release



FUTURE
New indicator will provide an earlier read – by up to 3 months

Turnover, April release

Show of hands on:

- interest in potential implementation of an accounting software reporting API link?
- interest in being able to take benchmark data back from ABS to display to clients?

What other big data collection opportunities do you see ABS could potentially tap into?