

# YEAR 2000 PROBLEM

AUSTRALIA  
PRELIMINARY

EMBARGO: 11:30AM (CANBERRA TIME) TUES 31 AUG 1999

## MAIN FEATURES

Considerable progress in addressing the Year 2000 problem has been made by Australian business since October 1998. At the end of June 1999 over one third of all businesses reported they had completed their Year 2000 work; more than three times the number of businesses which had reached this stage by the end of October 1998.

The proportion of businesses not intending to undertake any Year 2000 work has remained constant at around 40%. Typically these are small businesses with less than five employees and low levels of technology dependence. Almost two thirds of the businesses not intending to undertake any Year 2000 work reported that their only technology was communications equipment or a stand-alone computer. The majority of businesses that do not intend to undertake any Year 2000 work reported that they either don't have any technology that will be affected or they don't believe their business will be affected.

Of the businesses intending to undertake Year 2000 work nearly all had started work by the end of June 1999. Virtually all businesses who haven't already completed their Year 2000 work expect to be completed by December 1999.

Australian business expects to spend approximately \$10 billion addressing the Year 2000 problem. This estimate has been revised since the October 1998 survey. There are difficulties in producing accurate estimates of Year 2000 expenditure. It is not always possible to separate expenses related specifically to the Year 2000 problem and there is considerable variability in what businesses include as Year 2000 expenditure. For example some businesses only include direct costs, others make allowances for the wages component of staff undertaking Year 2000 work, while others include associated upgrades of technology as part of their Year 2000 work.

## NOTES

### ABOUT THIS PUBLICATION

This publication presents preliminary results from the second ABS survey of Australian businesses regarding their progress in addressing the Year 2000 problem. The results represent the Year 2000 status of businesses at the end of June 1999 and update statistics from the October 1998 survey. The scope and methodologies used in both surveys were comparable, except that in the second survey agricultural businesses were excluded. The estimates in this publication are based on 74% response and are subject to sampling variability. This is a lower response rate than for most ABS surveys. Estimates have been compiled on a regular basis and have stabilised since a 50% response rate was achieved indicating that any non-response bias is likely to be small. Standard error estimates are available from the ABS, on request.

### FINAL RESULTS

Final results will be available in October 1999 and will be published in *Year 2000 Problem, Australia* (Cat. No. 8152.0).

W. McLennan  
Australian Statistician

- For further information about these and related statistics, contact John Ovington on Canberra 02 6252 5189, or any ABS office shown on the back cover of this publication.

	<i>Do not intend to undertake any work on the Year 2000 problem</i>		<i>Currently undertaking or planning to undertake Year 2000 work</i>		<i>Completed all Year 2000 work and testing</i>	
	<i>October 1998(r)</i>	<i>June 1999</i>	<i>October 1998(r)</i>	<i>June 1999</i>	<i>October 1998(r)</i>	<i>June 1999</i>
	%	%	%	%	%	%
INDUSTRY(a)						
Mining	29	33	63	*19	8	48
Manufacturing	38	41	52	18	9	41
Electricity, gas and water supply	4	7	89	52	7	41
Construction	55	58	39	14	*6	28
Wholesale trade	24	32	56	28	20	40
Retail trade	48	57	39	20	13	23
Accommodation, cafes and restaurants	48	55	43	16	8	29
Transport and storage	55	59	35	*17	*11	24
Communication services	37	43	47	19	*15	38
Finance and insurance	29	*28	57	*10	*14	62
Property and business services	35	27	56	27	*9	46
Education	35	33	55	25	10	41
Health and community services	32	30	61	34	*7	36
Cultural and recreational services	42	51	43	15	14	34
Personal and other services	46	56	52	*11	*2	33
STATE AND TERRITORY						
New South Wales	44	40	45	21	10	39
Victoria	50	56	41	14	9	30
Queensland	36	42	55	26	9	32
South Australia	36	39	56	23	*9	38
Western Australia	31	38	59	24	*10	37
Tasmania	47	43	29	14	*23	43
Northern Territory	*43	45	*38	20	**19	35
Australian Capital Territory	*26	35	69	27	**5	38
BUSINESS SIZE						
1 to 4 employees	49	50	42	19	10	31
5 to 19 employees	27	28	62	24	11	48
20 to 199 employees	8	9	84	40	8	51
200 or more employees	1	1	95	61	4	38
<b>All businesses</b>	<b>42</b>	<b>44</b>	<b>48</b>	<b>21</b>	<b>10</b>	<b>35</b>

(a) See Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993 (Cat. no. 1292.0).

\* indicates estimate has a relative standard error between 25% and 50%.

\*\* indicates estimate has a relative standard error greater than 50%.

r indicates estimate has been revised since previous issue.

As expected, there has been a shift in the stage businesses have reached in addressing the Year 2000 problem since October 1998. Between October 1998 and June 1999, an additional 25% of businesses completed their Year 2000 work and testing. Generally the industries closest to completion in October 1998 were still displaying the higher levels of progress at June 1999. Electricity, gas and water supply continued to be the industry where the highest proportion of businesses (93%) were undertaking or had completed Year 2000 work, while Transport and storage remained the industry where the lowest proportion of businesses (41%) were undertaking or had completed Year 2000 work. Finance and insurance had the highest rate of completion of Year 2000 work and testing (62%).

## 2

### YEAR 2000 ASSURANCES AND CONTINGENCY PLANS

	<i>Have finalised or intend to have contingency plans against potential Year 2000 problems</i>		<i>Sought assurances of Year 2000 readiness from suppliers, service providers, customers or clients</i>	
	<i>October 1998(r)</i>	<i>June 1999</i>	<i>October 1998(r)</i>	<i>June 1999</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
INDUSTRY(a)				
Mining	23	30	32	42
Manufacturing	14	29	17	40
Electricity, gas and water supply	42	81	71	75
Construction	*6	*14	*13	22
Wholesale trade	20	41	29	43
Retail trade	11	20	16	29
Accommodation, cafes and restaurants	11	15	15	22
Transport and storage	12	17	19	33
Communication services	15	32	23	33
Finance and insurance	20	*27	34	*37
Property and business services	16	32	25	29
Education	12	26	27	30
Health and community services	23	28	24	25
Cultural and recreational services	*9	20	14	23
Personal and other services	14	*15	15	*15
STATE AND TERRITORY				
New South Wales	13	22	18	28
Victoria	13	22	19	29
Queensland	15	24	23	27
South Australia	*15	33	26	36
Western Australia	18	30	20	33
Tasmania	**5	22	*21	27
Northern Territory	**15	29	*35	31
Australian Capital Territory	*14	29	*19	28
BUSINESS SIZE				
1 to 4 employees	11	19	16	23
5 to 19 employees	18	36	26	42
20 to 199 employees	30	59	53	63
200 or more employees	57	89	83	91
<b>All businesses</b>	<b>14</b>	<b>24</b>	<b>20</b>	<b>29</b>

(a) See Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993 (Cat. no. 1292.0).

\* indicates estimate has a relative standard error between 25% and 50%.

\*\* indicates estimate has a relative standard error greater than 50%.

r indicates estimate has been revised since previous issue.

There has been a considerable rise in the number of businesses developing contingency plans and seeking some form of assurance from suppliers, service providers, clients or customers about their state of Year 2000 readiness. At October 1998 only 14% of businesses had or were developing contingency plans to address possible Year 2000 disruptions. By June 1999 this figure had increased to 24%. The proportion of businesses seeking some form of assurances from suppliers, service providers, customers or clients about their state of Year 2000 readiness increased from 20% in October 1998 to 29% in June 1999.

## SELF-HELP ACCESS TO STATISTICS

- CPI INFOLINE* For current and historical Consumer Price Index data, call 1902 981 074 (call cost 75c per minute).
- DIAL-A-STATISTIC* For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 75c per minute).
- INTERNET* [www.abs.gov.au](http://www.abs.gov.au)
- LIBRARY* A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require.

## WHY NOT SUBSCRIBE?

- PHONE* +61 1300 366 323
- FAX* +61 03 9615 7848

## CONSULTANCY SERVICES

ABS offers consultancy services on a user pays basis to help you access published and unpublished data. Data that is already published and can be provided within 5 minutes is free of charge. Statistical methodological services are also available. Please contact:

<i>INQUIRIES</i>	<i>City</i>	<i>By phone</i>	<i>By fax</i>
	Canberra	02 6252 6627	02 6207 0282
	Sydney	02 9268 4611	02 9268 4668
	Melbourne	03 9615 7755	03 9615 7798
	Brisbane	07 3222 6351	07 3222 6283
	Perth	08 9360 5140	08 9360 5955
	Adelaide	08 8237 7400	08 8237 7566
	Hobart	03 6222 5800	03 6222 5995
	Darwin	08 8943 2111	08 8981 1218

*POST* Client Services, ABS, PO Box 10, Belconnen ACT 2616

*EMAIL* [client.services@abs.gov.au](mailto:client.services@abs.gov.au)



2815100006993  
ISBN 0 642 27491 6

RRP \$15.00