



1995-96

EMBARGO: 11:30 AM (CANBERRA TIME) MON 22 SEPT 1997

Small and Medium Enterprises

Business Growth and Performance Survey

Australia

**SMALL AND MEDIUM ENTERPRISES
BUSINESS GROWTH AND PERFORMANCE SURVEY
AUSTRALIA
1995-96**

**W. McLennan
Australian Statistician**

© Commonwealth of Australia 1997

CONTENTS

Page

| | |
|---------------------|-----|
| Preface | v |
| Introduction | vii |
| Summary of findings | 1 |

TABLES

| | | | |
|--|----|---|----|
| CHARACTERISTICS OF BUSINESSES WITH CHANGING EMPLOYMENT | 1 | All business, industry and business size group by employment change category | 9 |
| | 2 | All business, selected characteristics by employment change category | 10 |
| | 3 | Micro business, selected characteristics by employment change category | 11 |
| | 4 | Small business, selected characteristics by employment change category | 12 |
| | 5 | Medium business, selected characteristics by employment change category | 13 |
| CHARACTERISTICS OF BUSINESSES WITH CHANGING INCOME | 6 | All business, industry and business size group by income change category | 14 |
| | 7 | All business, selected characteristics by income change category | 15 |
| | 8 | Micro business, selected characteristics by income change category | 16 |
| | 9 | Small business, selected characteristics by income change category | 17 |
| | 10 | Medium business, selected characteristics by income change category | 18 |
| EMPLOYMENT GENERATION AND DESTRUCTION | 11 | Employment generation and destruction by business size group | 19 |
| BUSINESS INTENTIONS | 12 | Business intentions by business size group | 19 |
| | | Explanatory notes | 20 |
| | | Appendix — Survey data items | 24 |
| | | Glossary | 33 |

| | |
|-----------|---|
| INQUIRIES | <ul style="list-style-type: none"> ■ <i>for further information about the statistics in this publication and the availability of unpublished statistics, contact John Purcell by phone on (02) 6252 6634, or by fax on (02) 6252 7004.</i> ■ <i>for information about other statistics and services, please refer to the back page of this publication.</i> |
|-----------|---|

PREFACE

This publication presents the results of the 1995-96 Business Growth and Performance Survey. It is the second year of a longitudinal study planned to be collected over 5 years. The results from these surveys will form a research database of firm level longitudinal data relating mainly to small and medium sized firms. The ABS will undertake the collection of the data as well as the development of the database.

The responses by firms to this survey, when aligned with similar data from the 1994-95 survey, allow detailed analyses of firm growth and performance over the two years. While this publication only contains broad summary data, more detailed analyses of groups of firms with similar characteristics are possible by contacting the ABS. The full range of data items available for these analyses is provided in the Appendix.

Funds for the survey are provided by the Office of Small Business within the Department of Workplace Relations and Small Business.

W. McLennan
Australian Statistician

Australian Bureau of Statistics
September 1997

INTRODUCTION

The statistics presented in this publication aim to assist users analyse the performance of Australian business, particularly small and medium sized businesses. To do this, businesses are grouped on the basis of the change in their employment and income over the previous year. The characteristics of these groups are then compared by industry and business size.

CHANGE CATEGORIES USED IN THIS PUBLICATION

For Tables 1–5 of this publication, three employment change categories have been used. Each business has been classified into one of the following categories based on their change in employment between 30 June 1995 and 30 June 1996:

- (i) **Businesses with declining employment** — those businesses where employment decreased by more than 10%;
- (ii) **Businesses with static employment** — those businesses where change in employment ranged from -10% to +10%;
- (iii) **Businesses with increasing employment** — those businesses where change in employment was more than 10%.

For Tables 6–10, three income change categories have been formed using the same boundaries as used in the employment analysis (i.e. $\pm 10\%$). A business with declining income is one where income has decreased by more than 10%; a business with increasing income is one where income has increased by more than 10%.

DEFINING BUSINESSES BY SIZE

There has been a continuing and growing interest in the role small business has in the modern economy. Moreover, in recent years the small business policy interest has extended to encompass a broader sector of the business community to now cover a wider group known as Small and Medium Enterprises (SME's). However, while these businesses have been the subject of widespread attention for a long period of time, no universally accepted definition has been adopted. For statistical purposes, ABS has up until now adopted employment as the basis for classifying non-agricultural businesses by size.

In this publication data are presented using five business size categories:

- (i) **micro business** — which is defined as those businesses employing less than 5 people;
- (ii) **other small business** — which is defined as those businesses employing 5 or more, but less than 20 people;
- (iii) **small business** — which is defined as those businesses employing less than 20 people;
- (iv) **medium business** — which is defined as those businesses employing 20 or more people, but less than 200; and
- (v) **large business** — which is defined as those businesses employing 200 or more people.

Other publications, including *Small Business in Australia* (1321.0), define a small business as all manufacturing businesses with less than 100 employees and all other non-agricultural businesses with less than

20 employees. The slight change in the definition of small business used in this publication has been made to simplify the analysis and make it easier for comparisons to be made with data classified into employment size ranges in other ABS publications. It is not expected to significantly vary the conclusions one could draw about the small business sector.

Where results are presented by business size group, businesses have been classified using employment at 30 June 1995.

COMPARISONS WITH OTHER ABS DATA

Estimates relating to businesses classified by size are available from a number of different sources across the ABS. However, these estimates will not always be comparable as they may relate to different points in time. Also, results across different surveys may not be comparable because of differing scope and coverage definitions. There may also be variations due to sampling and non-sampling error. These terms, as they relate to this survey, are described in the Explanatory Notes.

THE USE OF PROPORTIONS

With the exception of the employment generation and destruction estimates shown in Table 11, the results in this publication are presented in the form of proportions.

When examining the results for all businesses it is important to realise that the large number of small businesses in the economy will greatly influence the overall proportions. With 94% of all businesses classified as small (including 62% micro businesses), 5% as medium sized and 1% large, the results for all businesses will be similar to the results for small business. However, the contribution to the level of economic activity of the medium and large business sectors is much more pronounced.

As there is only a small number of large businesses in the sample for this survey, the sampling error associated with estimates for this category is likely to be high and care should be taken when interpreting the results. For these reasons the selected characteristics have not been presented separately for large business.

SUMMARY OF FINDINGS

CHARACTERISTICS OF BUSINESSES WITH CHANGING EMPLOYMENT

Note: In this analysis, reference to businesses increasing employment relates to those increasing employment by more than 10%. Similarly, businesses with employment decreasing by more than 10% are referred to as businesses decreasing employment. Also, this analysis only relates to continuing businesses, i.e. those which were operating at both June 1995 and June 1996.

For all businesses

The survey shows that between June 1995 and June 1996, 25.9% of all continuing businesses had increased their employment and that 22.7% had shown a decrease. The remaining businesses (51.4%) had only minor changes to employment and are classified as static.

The estimates of the proportions of businesses either increasing or decreasing their employment during 1995-96 are a little higher than the estimates published last year for 1994-95. These increases are thought to be at least partially due to the fact that the 1994-95 survey collected data for the previous year at the same time as for the current year rather than comparing employment in June across two separate surveys.

Size of business

When examined by business size, it can be seen that micro businesses (those employing less than 5 people) appear to be more static than other businesses. Between June 1995 and June 1996, 60.3% of micro businesses were classified as static in terms of their employment. This compares with 35.3% for other small businesses and 43.7% and 56.6% for medium and large businesses respectively. Less micro businesses decreased in employment than any other size category (15.6% compared to 35.2%, 31.4% and 22.8% for other small, medium and large categories respectively). The proportion of firms which grew was largest in the other small category where the proportion was 29.6%.

Industry

The Wholesale trade and the Retail trade, accommodation, cafes and restaurants industries had the highest proportion of businesses increasing employment over the period (both just greater than 30%). The Property and business services industry had the smallest proportion of businesses increasing their employment (20.5%).

The proportion of businesses with decreasing employment were similar across the different industries except for the Wholesale trade industry which was lower than the others at 17.5%.

Small business by industry

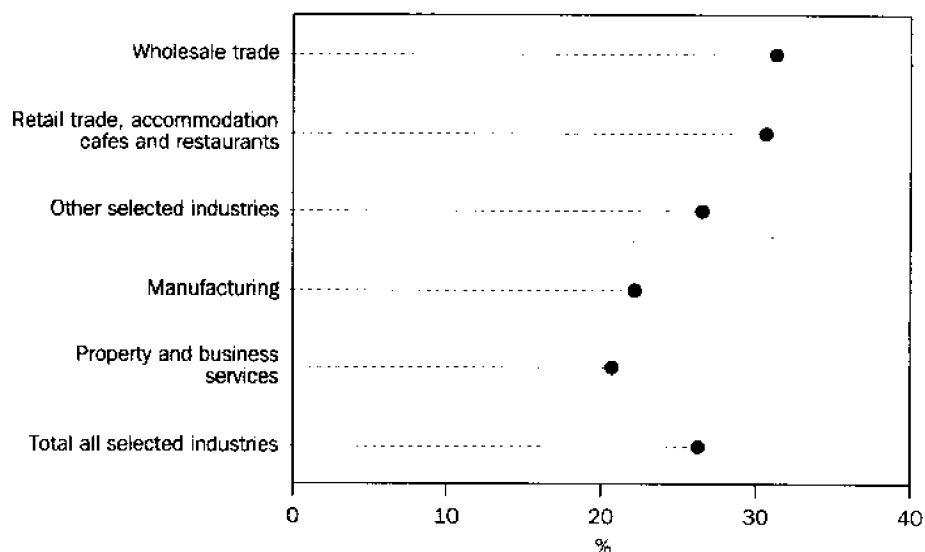
In the small business sector, the same picture as above was recorded — the Wholesale trade and Retail trade, accommodation, cafes and restaurants industries had the largest proportion of firms increasing their employment and the Wholesale trade industry recorded the smallest proportion of businesses declining in employment.

Medium business by industry

For medium sized businesses, the Wholesale trade industry had the highest proportion of businesses with increased employment (33.3%), much larger than for the other industries.

1

BUSINESSES INCREASING EMPLOYMENT



Age of business For each of the age categories for businesses less than 20 years old a greater proportion showed an increase in employment than showed a decrease. For businesses less than 2 years old, 27.0% showed an increase in employment and 20.3% showed a decrease. This difference between the proportions showing increasing and decreasing employment was fairly consistent across the other business age categories up to 20 years old. However, for businesses aged 20 years or more, only 18.3% showed an increase while 26.0% showed a decrease.

For the micro and small business categories, the proportion of firms increasing in employment is generally larger than the proportion decreasing in employment irrespective of age of the firm. The only exception to this is for small businesses which are 20 or more years old, where the proportion increasing employment (17.8%) is lower than the proportion decreasing employment (25.4%). For micro businesses which are 20 years or more old, the proportions of increasing and decreasing firms are fairly similar. The proportion of businesses 20 years or more old increasing in employment is generally smaller than for younger businesses and the proportion decreasing employment is greater than for younger businesses.

Export status For businesses which export, 29.4% showed an increase in employment and 25.2% showed a decrease. For non-exporting businesses 25.7% recorded increasing employment and 22.7% recorded decreasing employment. For small businesses there are similar proportions; but for micro businesses the proportion of exporting businesses with decreasing employment is substantially greater (29.1%) than the proportion with increasing employment (19.6%). For medium businesses, the proportion of non-exporters which showed declining employment was much larger (33.5%) than the proportion increasing employment (24.2%).

| | |
|-----------------------------|---|
| Innovation | For those businesses which are innovative, a higher proportion (33.3%) showed an increase in employment than showed a decrease (22.0%). For non-innovative firms, the proportions reporting increasing employment is about the same as the proportion showing decreasing employment. The same trend can be seen for the small business category; for medium sized businesses, on the other hand, there is a significantly larger proportion of non-innovative businesses showing declining employment than there is showing increasing employment, while for innovative firms the proportions are fairly similar. |
| Unionisation | There is no great difference in the proportion of firms showing increasing employment and decreasing employment for the various levels of unionisation except for firms which have 1-25% unionisation. For this group of firms, there is a substantially larger proportion showing increasing employment (32.1%) than showing decreasing employment (21.9%). |
| Workplace arrangements | There is considerable variability in the proportions of businesses showing increasing employment across the different type of arrangements. About 30% of businesses with predominantly awards or predominantly enterprise agreements showed increasing employment, while less than 20% showed increasing employment for the category predominantly contracts and for businesses where no particular type of arrangement predominated. |
| Family business | There is no difference in the proportion of businesses increasing employment between family and non-family businesses (both approximately 26%). However, the proportion of businesses showing decreasing employment was 25.3% for family businesses and 19.2% for non-family businesses. |
| Gender of business managers | Businesses which have business managers which are equally spread between males and females have a higher proportion of businesses increasing employment (27.5%) than those with predominantly male managers (25.0%) or predominantly female managers (19.3%). The proportion of businesses with female business managers which showed a decline in employment was smaller than for the other groups. |
| Business networks | Businesses which were involved in business networks had a far greater proportion showing increasing employment (34.4%) than did businesses not involved in business networks (25.1%). A smaller proportion of businesses involved in business networks than those not involved in business networks showed declining employment (19.5% compared to 23.0%). |

CHARACTERISTICS OF
BUSINESSES WITH
CHANGING INCOME

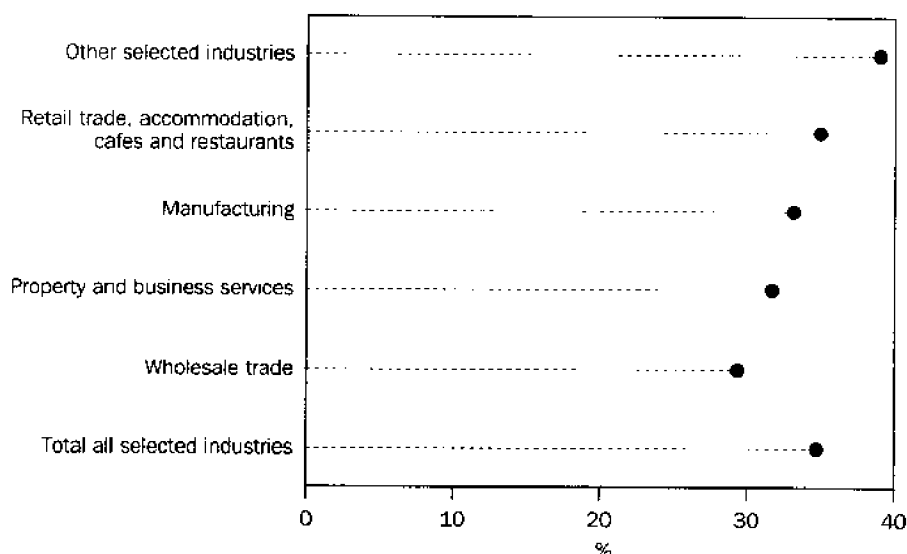
Note: In this analysis, reference to businesses increasing income relates to those increasing income by more than 10%. Similarly, businesses with income decreasing by more than 10% are referred to as businesses decreasing income.

Businesses which were not in operation for all of both 1994-95 and 1995-96 are excluded from the following analysis.

- For all businesses The survey shows that 34.0% of businesses recorded an increase in their income between 1994-95 and 1995-96. This compared to 25.5% which showed a decrease in their income. The remaining 40.5% have been classified as having static income. There were a significantly larger number of businesses in the group recording an increase in income than those which recorded a similar increase in employment (25.9%).
- Size of business The proportion of businesses showing increasing income was similar for the micro, small and medium sized business groups whereas the large business category was a little higher and the other small business category was a little lower.
- The smaller business categories recorded larger proportions of businesses showing declining income, with 27.4% of micro businesses and 23.6% of other small businesses showing an income decline. Smaller proportions were recorded for the medium and large sized business categories (16.8% and 12.8% respectively).
- Industry Other selected industries (which includes, Construction, Transport and storage, Finance and insurance and Personal services) had the largest proportion of businesses showing an increase in income (38.1%). The Retail trade, accommodation, cafes and restaurants industry had the smallest proportion of businesses showing a decline in income (19.4%).

2

BUSINESSES INCREASING INCOME



Age of business Businesses aged 20 years or more had the largest proportion (28.8%) showing declining income; this was just a little lower than the proportion showing an increase in income (31.1%). For the younger age groups, there were much larger differences between the proportions decreasing income (ranging from 24.0% to 26.2%) and the proportions increasing income (ranging from 30.8% to 36.5%).

Export status A greater proportion of exporting businesses (42.7%) reported an increase in their income than did non exporters (33.6%). A smaller proportion of exporters (21.8%) reported a decrease in their income than did non exporters (25.6%).

Innovation A larger proportion of businesses undertaking innovative activity reported increasing income than non-innovators (41.8% compared to 30.9%). Also a much smaller proportion of innovating businesses (20.2%) showed a decline in income than did non-innovators (27.6%). Similar results were recorded for micro and small businesses. For medium businesses there was no real difference in the proportion of firms decreasing income between innovative and non-innovative businesses, although there was a larger proportion of innovative businesses showing increasing income.

Unionisation Businesses with no union members and those with less than 25% of employees as union members recorded the smallest proportions (33.3%) showing an increase in income. Businesses with no union members had the largest proportion of businesses showing decreasing income.

Workplace arrangements A greater proportion of businesses which had enterprise agreements as their predominant workplace arrangement showed increasing income (45.0%) compared with businesses with different workplace arrangements. Only 20.6% of the same group recorded declining income.

Family Business A slightly greater proportion of family businesses showed increasing income than for non family businesses (35.7% compared to 31.5%). The same situation occurred with the proportion showing decreasing income — 27.2% for family businesses and 23.2% for non family businesses.

Gender of business managers Over half (53.3%) of businesses whose managers were predominantly female had static income, a proportion much larger than for predominantly male managed businesses (38.9%) or for businesses where there were equal proportions of male and female managers (40.0%). The larger proportion of static income businesses meant that female managed businesses had smaller proportions of both increasing income and decreasing income businesses.

Business networks Just under half (49.3%) of the businesses reporting that they were involved in business networks showed increasing income. Of the same group, only 14.8% reported decreasing income.

EMPLOYMENT GENERATION AND DESTRUCTION

Note: In this analysis, statistics for continuing firms which have increased in employment between June 1995 and June 1996 are combined with statistics on the employment of firms born during 1995–96 to form an overall estimate of employment generation. Employment destruction is analogously derived by combining estimates of the decrease in employment of continuing firms with the employment of firms which ceased during 1995–96. Net employment generation is then defined as being the difference between employment generation and employment destruction.

For all businesses The survey showed that total employment generation during 1995–96 was 1,053,000 made up of 537,000 from new businesses and 516,000 from continuing firms.

Total employment destruction was 842,000 made up of 454,000 from ceased businesses and 388,000 from continuing businesses.

By subtraction, net employment generation is therefore estimated to be 211,000, with 83,000 coming from changes in the population of businesses (new businesses and ceased businesses) and 128,000 coming from continuing businesses.

Employment generation by size of business

Total small business Small business contributed 605,000 persons (57%) to total job generation of which 276,000 came from continuing businesses which increased their employment and 329,000 from new businesses.

Medium business Medium business contributed 297,000 persons (28%) to total job generation of which 111,000 came from continuing businesses which increased their employment and 186,000 from new businesses.

| | |
|--|---|
| <i>Large business</i> | Large business contributed 151,000 persons (14%) to total job generation of which 129,000 came from continuing businesses which increased their employment and 22,000 from new businesses. |
| Employment destruction by size of business | |
| <i>Total small business</i> | Small business contributed 468,000 persons (56%) to total job destruction of which 193,000 came from continuing businesses which decreased their employment and 275,000 from ceased businesses. |
| <i>Medium business</i> | Medium business contributed 210,000 persons (25%) to total job destruction of which 106,000 came from continuing businesses which decreased their employment and 104,000 from ceased businesses. |
| <i>Large business</i> | Large business contributed 164,000 persons (19%) to total job destruction of which 89,000 came from continuing businesses which decreased their employment and 75,000 from ceased businesses. |
| Net employment change | Net employment generation during 1995-96 can then be seen to have come primarily from the small business sector. This sector contributed 137,000 or 65%, to net employment generation. Most of this increase came from micro businesses. Medium sized firms contributed 87,000 or 41%, and large firms showed a net decline in employment of 13,000 people. It should be noted that these contributions may vary significantly from one year to the next. |

BUSINESS INTENTIONS

The business intentions estimates, shown in Table 12, provide the proportion of businesses surveyed which indicated various business intentions over the three years following the survey period, that is, 1997 through 1999.

The intentions being measured are in respect of production, the number of locations operated by the business, selling, moving or closing the business, exporting and the introduction of new goods and services.

| | |
|---------------------------|---|
| Expansion and contraction | Of the businesses surveyed, 23.4% intend to significantly increase production levels over the next 3 years, with only 2.5% planning to significantly decrease production levels over the same period. |
|---------------------------|---|

Other intentions include:

- 18.8% of businesses intend to introduce new goods or services;
- 7.4% of businesses intend to open new locations, with only 2.7% intending to close locations;
- 12.0% of businesses intend to sell their business; and
- a further 7.4% intend to close their business.

| | |
|-----------------------------|--|
| Intentions by business size | The intention to significantly increase production levels was most prevalent in medium businesses (43.7%) with large businesses also recording a high level (42.0%). A larger proportion of large businesses |
|-----------------------------|--|

also intend to open new locations (32.9%) and 38.8% intend to introduce new goods or services.

More small businesses (12.6%) intend to sell the whole business than is the case with larger businesses. A further 7.8% of small businesses intend to close the business. Only 6.6% of large business intend to sell or close their business, although 17.2% of large businesses expressed an intention to close some locations.

ALL BUSINESS: INDUSTRY AND BUSINESS SIZE GROUP BY EMPLOYMENT CHANGE CATEGORY(a)

| | Proportion of businesses with | | | |
|---|-------------------------------|----------------------|--------------------------|-------------------|
| | Decreasing employment | Static employment | Increasing employment | All businesses |
| | % | % | % | % |
| Manufacturing | | | | |
| Micro business | 13.1 | 68.7 | 18.2 | 100.0 |
| Other small business | 35.6 | 39.7 | 24.6 | 100.0 |
| Total small business | 24.9 | 53.6 | 21.6 | 100.0 |
| Medium business | 26.5 | 48.0 | 25.5 | 100.0 |
| Large business | 23.2 | 64.4 | 12.4 | 100.0 |
| Total all business | 25.0 | 53.0 | 21.9 | 100.0 |
| Wholesale trade | | | | |
| Micro business | 15.2 | 59.8 | 25.0 | 100.0 |
| Other small business | 20.3 | 41.6 | 38.1 | 100.0 |
| Total small business | 17.4 | 52.0 | 30.6 | 100.0 |
| Medium business | 19.0 | 47.6 | 33.3 | 100.0 |
| Large business | 15.8 | 61.7 | 22.5 | 100.0 |
| Total all business | 17.5 | 51.6 | 30.9 | 100.0 |
| Retail trade, accommodation, cafes and restaurants | | | | |
| Micro business | 14.5 | 56.0 | 29.5 | 100.0 |
| Other small business | 33.5 | 33.7 | 32.7 | 100.0 |
| Total small business | 22.8 | 46.2 | 30.9 | 100.0 |
| Medium business | 26.0 | 54.5 | 19.5 | 100.0 |
| Large business | 32.5 | 41.5 | 26.0 | 100.0 |
| Total all business | 23.1 | 46.7 | 30.2 | 100.0 |
| Property and business services | | | | |
| Micro business | 15.7 | 68.6 | 15.7 | 100.0 |
| Other small business | 39.8 | 27.1 | 33.1 | 100.0 |
| Total small business | 22.1 | 57.7 | 20.3 | 100.0 |
| Medium business | 45.0 | 28.3 | 26.7 | 100.0 |
| Large business | 17.0 | 69.8 | 13.3 | 100.0 |
| Total all business | 22.9 | 56.6 | 20.5 | 100.0 |
| Other selected industries | | | | |
| Micro business | 16.7 | 55.0 | 28.2 | 100.0 |
| Other small business | 41.1 | 39.0 | 19.9 | 100.0 |
| Total small business | 22.2 | 51.4 | 26.3 | 100.0 |
| Medium business | 42.9 | 34.0 | 23.2 | 100.0 |
| Large business | 20.4 | 48.5 | 31.1 | 100.0 |
| Total all business | 23.1 | 50.7 | 26.2 | 100.0 |
| Total all selected industries | | | | |
| Micro business | 15.6 | 60.3 | 24.1 | 100.0 |
| Other small business | 35.2 | 35.3 | 29.6 | 100.0 |
| Total small business | 22.2 | 51.8 | 26.0 | 100.0 |
| Medium business | 31.4 | 43.7 | 24.9 | 100.0 |
| Large business | 22.8 | 56.6 | 20.6 | 100.0 |
| Total all business | 22.7 | 51.4 | 25.9 | 100.0 |

(a) Employment change category relates to changes in the level of employment in the business between 30 June 1995 and 30 June 1996, as outlined in the Introduction.

| | Proportion of businesses with | | | |
|-------------------------------------|-------------------------------|----------------------|--------------------------|-------------------|
| | Decreasing employment | Static employment | Increasing employment | All businesses |
| | % | % | % | % |
| Total all business | 22.7 | 51.4 | 25.9 | 100.0 |
| Age of business | | | | |
| Less than 2 years | 20.3 | 52.7 | 27.0 | 100.0 |
| 2 years to less than 5 years | 22.7 | 50.0 | 27.3 | 100.0 |
| 5 years to less than 10 years | 23.0 | 49.3 | 27.7 | 100.0 |
| 10 years to less than 20 years | 21.1 | 53.4 | 25.5 | 100.0 |
| 20 years or more | 26.0 | 55.8 | 18.3 | 100.0 |
| Export status | | | | |
| Non-exporter | 22.7 | 51.6 | 25.7 | 100.0 |
| Exporter | 25.2 | 45.4 | 29.4 | 100.0 |
| Innovative status | | | | |
| Non-innovator | 23.0 | 54.0 | 22.9 | 100.0 |
| Innovator | 22.0 | 44.7 | 33.3 | 100.0 |
| Unionisation | | | | |
| No union members | 22.3 | 52.3 | 25.4 | 100.0 |
| Up to 25% | 21.9 | 46.0 | 32.1 | 100.0 |
| 26% to 50% | 18.2 | 61.3 | 20.6 | 100.0 |
| 51% to 75% | 37.1 | 27.9 | 35.0 | 100.0 |
| 76% to 100% | 34.5 | 31.9 | 33.6 | 100.0 |
| Workplace arrangements | | | | |
| Predominantly awards | 24.8 | 46.1 | 29.2 | 100.0 |
| Predominantly contracts | 21.7 | 58.7 | 19.6 | 100.0 |
| Predominantly enterprise agreements | 18.3 | 51.4 | 30.3 | 100.0 |
| No predominance | 21.2 | 60.1 | 18.7 | 100.0 |
| Family business | | | | |
| Non family business | 19.2 | 54.9 | 25.9 | 100.0 |
| Family business | 25.3 | 48.9 | 25.8 | 100.0 |
| Gender of business managers | | | | |
| Predominantly females | 17.3 | 63.4 | 19.3 | 100.0 |
| Predominantly males | 25.8 | 49.2 | 25.0 | 100.0 |
| No predominance | 21.2 | 51.3 | 27.5 | 100.0 |
| Business networks | | | | |
| Not involved in business networks | 23.0 | 51.9 | 25.1 | 100.0 |
| Involved in business networks | 19.5 | 46.1 | 34.4 | 100.0 |

(a) Employment change category relates to changes in the level of employment in the business between 30 June 1995 and 30 June 1996, as outlined in the Introduction.

MICRO BUSINESS: SELECTED CHARACTERISTICS BY EMPLOYMENT CHANGE CATEGORY(a)

| | Proportion of business with | | | |
|-------------------------------------|-----------------------------|----------------------|--------------------------|-------------------|
| | Decreasing employment | Static employment | Increasing employment | All businesses |
| | % | % | % | % |
| Total micro business | 15.6 | 60.3 | 24.1 | 100.0 |
| Age of business | | | | |
| Less than 2 years | 15.0 | 67.5 | 17.5 | 100.0 |
| 2 years to less than 5 years | 15.3 | 60.5 | 24.1 | 100.0 |
| 5 years to less than 10 years | 15.1 | 58.9 | 26.0 | 100.0 |
| 10 years to less than 20 years | 15.5 | 60.5 | 24.0 | 100.0 |
| 20 years or more | 19.1 | 60.1 | 20.9 | 100.0 |
| Export status | | | | |
| Non-exporter | 15.3 | 60.5 | 24.2 | 100.0 |
| Exporter | 29.1 | 51.3 | 19.6 | 100.0 |
| Innovative status | | | | |
| Non-innovator | 17.1 | 61.1 | 21.8 | 100.0 |
| Innovator | 9.9 | 57.1 | 33.0 | 100.0 |
| Unionisation | | | | |
| No union members | 15.6 | 60.6 | 23.8 | 100.0 |
| Up to 25% | 7.7 | 73.7 | 18.5 | 100.0 |
| 26% to 50% | 11.6 | 79.8 | 8.6 | 100.0 |
| 51% to 75% | 7.8 | 16.5 | 75.7 | 100.0 |
| 76% to 100% | 24.4 | 39.6 | 36.0 | 100.0 |
| Workplace arrangements | | | | |
| Predominantly awards | 16.6 | 54.8 | 28.7 | 100.0 |
| Predominantly contracts | 15.8 | 67.3 | 16.9 | 100.0 |
| Predominantly enterprise agreements | 9.3 | 61.0 | 29.7 | 100.0 |
| No predominance | 18.0 | 62.6 | 19.4 | 100.0 |
| Family business | | | | |
| Non family business | 10.9 | 66.8 | 22.3 | 100.0 |
| Family business | 18.5 | 56.2 | 25.3 | 100.0 |
| Gender of business managers | | | | |
| Predominantly females | 11.7 | 72.8 | 15.5 | 100.0 |
| Predominantly males | 19.7 | 57.8 | 22.5 | 100.0 |
| No predominance | 12.8 | 60.2 | 27.0 | 100.0 |
| Business networks | | | | |
| Not involved in business networks | 16.0 | 60.7 | 23.2 | 100.0 |
| Involved in business networks | 9.5 | 54.2 | 36.3 | 100.0 |

(a) Employment change category relates to changes in the level of employment in the business between 30 June 1995 and 30 June 1996, as outlined in the Introduction.

SMALL BUSINESS: SELECTED CHARACTERISTICS BY EMPLOYMENT CHANGE CATEGORY(a)

| | Proportion of businesses with | | | |
|-------------------------------------|-------------------------------|----------------------|--------------------------|-------------------|
| | Decreasing employment | Static employment | Increasing employment | All businesses |
| | % | % | % | % |
| Total small business | 22.2 | 51.8 | 26.0 | 100.0 |
| Age of business | | | | |
| Less than 2 years | 20.4 | 53.0 | 26.6 | 100.0 |
| 2 years to less than 5 years | 21.9 | 50.4 | 27.6 | 100.0 |
| 5 years to less than 10 years | 22.8 | 49.4 | 27.8 | 100.0 |
| 10 years to less than 20 years | 20.9 | 53.8 | 25.3 | 100.0 |
| 20 years or more | 25.4 | 56.8 | 17.8 | 100.0 |
| Export status | | | | |
| Non-exporter | 22.0 | 52.1 | 25.8 | 100.0 |
| Exporter | 27.4 | 42.2 | 30.4 | 100.0 |
| Innovative status | | | | |
| Non-innovator | 22.7 | 54.3 | 23.1 | 100.0 |
| Innovator | 20.8 | 45.2 | 33.9 | 100.0 |
| Unionisation | | | | |
| No union members | 21.9 | 52.6 | 25.5 | 100.0 |
| Up to 25% | 15.6 | 49.6 | 34.8 | 100.0 |
| 26% to 50% | 17.9 | 63.2 | 18.9 | 100.0 |
| 51% to 75% | 32.8 | 23.7 | 43.5 | 100.0 |
| 76% to 100% | 35.4 | 29.5 | 35.1 | 100.0 |
| Workplace arrangements | | | | |
| Predominantly awards | 24.2 | 46.3 | 29.6 | 100.0 |
| Predominantly contracts | 21.3 | 59.7 | 19.1 | 100.0 |
| Predominantly enterprise agreements | 17.4 | 51.8 | 30.8 | 100.0 |
| No predominance | 21.2 | 60.1 | 18.7 | 100.0 |
| Family business | | | | |
| Non family business | 18.4 | 55.8 | 25.8 | 100.0 |
| Family business | 24.8 | 49.2 | 26.0 | 100.0 |
| Gender of business managers | | | | |
| Predominantly females | 16.4 | 64.4 | 19.1 | 100.0 |
| Predominantly males | 25.5 | 49.6 | 24.9 | 100.0 |
| No predominance | 20.5 | 51.7 | 27.8 | 100.0 |
| Business networks | | | | |
| Not involved in business networks | 22.5 | 52.3 | 25.2 | 100.0 |
| Involved in business networks | 19.1 | 46.1 | 34.8 | 100.0 |

(a) Employment change category relates to changes in the level of employment in the business between 30 June 1995 and 30 June 1996, as outlined in the Introduction.

MEDIUM BUSINESS: SELECTED CHARACTERISTICS BY EMPLOYMENT CHANGE CATEGORY(a)

| | Proportion of businesses with | | | |
|-------------------------------------|-------------------------------|----------------------|--------------------------|-------------------|
| | Decreasing employment | Static employment | Increasing employment | All businesses |
| | % | % | % | % |
| Total medium business | 31.4 | 43.7 | 24.9 | 100 |
| Age of business | | | | |
| Less than 2 years | 20.2 | 44.8 | 35.0 | 100.0 |
| 2 years to less than 5 years | 40.9 | 39.0 | 20.1 | 100.0 |
| 5 years to less than 10 years | 27.1 | 46.1 | 26.9 | 100.0 |
| 10 years to less than 20 years | 24.7 | 46.2 | 29.1 | 100.0 |
| 20 years or more | 30.4 | 47.2 | 22.4 | 100.0 |
| Export status | | | | |
| Non-exporter | 33.5 | 42.4 | 24.2 | 100.0 |
| Exporter | 20.9 | 50.4 | 28.7 | 100.0 |
| Innovative status | | | | |
| Non-innovator | 31.4 | 48.3 | 20.2 | 100.0 |
| Innovator | 31.4 | 39.1 | 29.4 | 100.0 |
| Unionisation | | | | |
| No union members | 30.2 | 45.8 | 24.0 | 100.0 |
| Up to 25% | 30.8 | 41.5 | 27.7 | 100.0 |
| 26% to 50% | 18.9 | 48.6 | 32.5 | 100.0 |
| 51% to 75% | 49.4 | 30.6 | 20.0 | 100.0 |
| 76% to 100% | 30.6 | 45.5 | 23.9 | 100.0 |
| Workplace arrangements | | | | |
| Predominantly awards | 31.4 | 44.2 | 24.3 | 100.0 |
| Predominantly contracts | 29.8 | 41.6 | 28.6 | 100.0 |
| Predominantly enterprise agreements | 36.0 | 40.2 | 23.8 | 100.0 |
| No predominance | 25.8 | 56.7 | 17.5 | 100.0 |
| Family business | | | | |
| Non family business | 27.9 | 45.3 | 26.8 | 100.0 |
| Family business | 37.1 | 41.0 | 21.8 | 100.0 |
| Gender of business managers | | | | |
| Predominantly females | 46.7 | 26.6 | 26.7 | 100.0 |
| Predominantly males | 30.3 | 42.6 | 27.1 | 100.0 |
| No predominance | 31.5 | 45.6 | 22.9 | 100.0 |
| Business networks | | | | |
| Not involved in business networks | 32.2 | 44.0 | 23.8 | 100.0 |
| Involved in business networks | 25.7 | 41.4 | 32.9 | 100.0 |

(a) Employment change category relates to changes in the level of employment in the business between 30 June 95 and 30 June 96, as outlined in the introduction.

MICRO BUSINESS — SELECTED CHARACTERISTICS BY INCOME CHANGE CATEGORY(a)

| | Proportion of businesses with | | | |
|-------------------------------------|-------------------------------|------------------|----------------------|-------------------|
| | Decreasing income | Static income | Increasing income | All Businesses |
| | % | % | % | % |
| Total micro business | 27.4 | 36.9 | 35.7 | 100.0 |
| Age of business | | | | |
| 2 years to less than 5 years | 26.2 | 37.6 | 36.2 | 100.0 |
| 5 years to less than 10 years | 26.4 | 42.6 | 31.0 | 100.0 |
| 10 years to less than 20 years | 26.4 | 35.2 | 38.4 | 100.0 |
| 20 years or more | 36.2 | 24.8 | 39.0 | 100.0 |
| Export status | | | | |
| Non-exporter | 27.5 | 37.4 | 35.2 | 100.0 |
| Exporter | 24.2 | 16.0 | 59.9 | 100.0 |
| Innovative status | | | | |
| Non-innovator | 29.5 | 38.1 | 32.4 | 100.0 |
| Innovator | 19.6 | 32.4 | 47.9 | 100.0 |
| Unionisation | | | | |
| No union members | 28.4 | 36.6 | 35.0 | 100.0 |
| Up to 25% | 10.1 | 49.2 | 40.7 | 100.0 |
| 26% to 50% | 17.4 | 21.3 | 61.3 | 100.0 |
| 51% to 75% | 2.2 | 35.8 | 62.0 | 100.0 |
| 76% to 100% | 14.5 | 54.5 | 31.0 | 100.0 |
| Workplace arrangements | | | | |
| Predominantly awards | 28.0 | 37.9 | 34.2 | 100.0 |
| Predominantly contracts | 29.9 | 34.9 | 35.2 | 100.0 |
| Predominantly enterprise agreements | 16.1 | 33.8 | 50.0 | 100.0 |
| No predominance | 31.7 | 39.9 | 28.4 | 100.0 |
| Family business | | | | |
| Non family business | 24.7 | 44.3 | 31.0 | 100.0 |
| Family business | 29.1 | 32.5 | 38.5 | 100.0 |
| Gender of business managers | | | | |
| Predominantly females | 21.5 | 49.8 | 28.6 | 100.0 |
| Predominantly males | 27.8 | 37.1 | 35.1 | 100.0 |
| No predominance | 28.1 | 34.6 | 37.3 | 100.0 |
| Business networks | | | | |
| Not involved in business networks | 28.4 | 37.3 | 34.3 | 100.0 |
| Involved in business networks | 13.8 | 31.6 | 54.6 | 100.0 |

(a) Income change category relates to the change in income of an individual business between 1994-95 and 1995-96, as outlined in the Introduction.

| | Proportion of businesses with | | | |
|-------------------------------------|-------------------------------|------------------|----------------------|-------------------|
| | Decreasing income | Static income | Increasing income | All businesses |
| | % | % | % | % |
| Total small business | 26.1 | 40.0 | 33.9 | 100.0 |
| Age of business | | | | |
| 2 years to less than 5 years | 25.3 | 38.6 | 36.1 | 100.0 |
| 5 years to less than 10 years | 24.2 | 45.1 | 30.7 | 100.0 |
| 10 years to less than 20 years | 26.9 | 37.6 | 35.4 | 100.0 |
| 20 years or more | 30.2 | 37.8 | 31.9 | 100.0 |
| Export status | | | | |
| Non-exporter | 26.2 | 40.2 | 33.6 | 100.0 |
| Exporter | 25.1 | 30.6 | 44.3 | 100.0 |
| Innovative status | | | | |
| Non-innovator | 28.1 | 41.0 | 30.9 | 100.0 |
| Innovator | 20.6 | 37.0 | 42.4 | 100.0 |
| Unionisation | | | | |
| No union members | 26.8 | 39.9 | 33.3 | 100.0 |
| Up to 25% | 12.8 | 60.2 | 27.0 | 100.0 |
| 26% to 50% | 27.1 | 23.2 | 49.7 | 100.0 |
| 51% to 75% | 7.3 | 28.7 | 64.0 | 100.0 |
| 76% to 100% | 19.6 | 43.5 | 36.9 | 100.0 |
| Workplace arrangements | | | | |
| Predominantly awards | 24.3 | 43.9 | 31.8 | 100.0 |
| Predominantly contracts | 29.3 | 35.5 | 35.2 | 100.0 |
| Predominantly enterprise agreements | 21.1 | 33.9 | 45.0 | 100.0 |
| No predominance | 33.0 | 38.9 | 28.2 | 100.0 |
| Family business | | | | |
| Non family business | 24.0 | 44.8 | 31.2 | 100.0 |
| Family business | 27.6 | 36.7 | 35.7 | 100.0 |
| Gender of business managers | | | | |
| Predominantly females | 20.0 | 53.3 | 26.8 | 100.0 |
| Predominantly males | 28.2 | 38.4 | 33.3 | 100.0 |
| No predominance | 25.4 | 39.2 | 35.4 | 100.0 |
| Business networks | | | | |
| Not involved in business networks | 27.1 | 40.4 | 32.5 | 100.0 |
| Involved in business networks | 15.0 | 34.8 | 50.3 | 100.0 |

(a) Income change category relates to the changes in income of an individual business between 1994-95 and 1995-96, as outlined in the introduction.

| | Proportion of businesses with | | | |
|-------------------------------------|-------------------------------|------------------|----------------------|-------------------|
| | Decreasing income | Static income | Increasing income | All businesses |
| | % | % | % | % |
| Total medium business | 16.8 | 49.1 | 34.1 | 100.0 |
| Age of business | | | | |
| 2 years to less than 5 years | 16.9 | 39.0 | 44.1 | 100.0 |
| 5 years to less than 10 years | 21.1 | 46.0 | 32.9 | 100.0 |
| 10 years to less than 20 years | 13.1 | 51.0 | 35.9 | 100.0 |
| 20 years or more | 18.1 | 56.8 | 25.1 | 100.0 |
| Export status | | | | |
| Non-exporter | 17.2 | 49.7 | 33.1 | 100.0 |
| Exporter | 14.7 | 46.0 | 39.3 | 100.0 |
| Innovative status | | | | |
| Non-innovator | 16.0 | 52.5 | 31.4 | 100.0 |
| Innovator | 17.5 | 45.7 | 36.7 | 100.0 |
| Unionisation | | | | |
| No union members | 19.3 | 48.2 | 32.5 | 100.0 |
| Up to 25% | 11.9 | 46.7 | 41.3 | 100.0 |
| 26% to 50% | 12.1 | 45.2 | 42.8 | 100.0 |
| 51% to 75% | 14.0 | 66.0 | 20.1 | 100.0 |
| 76% to 100% | 19.4 | 41.6 | 38.9 | 100.0 |
| Workplace arrangements | | | | |
| Predominantly awards | 19.6 | 47.4 | 33.0 | 100.0 |
| Predominantly contracts | 8.9 | 57.0 | 34.1 | 100.0 |
| Predominantly enterprise agreements | 14.7 | 40.1 | 45.3 | 100.0 |
| No predominance | 13.2 | 68.9 | 17.9 | 100.0 |
| Family business | | | | |
| Non family business | 15.6 | 50.5 | 33.9 | 100.0 |
| Family business | 18.7 | 46.9 | 34.4 | 100.0 |
| Gender of business managers | | | | |
| Predominantly females | 3.8 | 55.7 | 40.5 | 100.0 |
| Predominantly males | 19.9 | 45.9 | 34.2 | 100.0 |
| No predominance | 15.1 | 51.3 | 33.6 | 100.0 |
| Business networks | | | | |
| Not involved in business networks | 17.1 | 49.2 | 33.6 | 100.0 |
| Involved in business networks | 14.2 | 48.1 | 37.7 | 100.0 |

(a) Income change category relates to the change in Income of an individual business between 1994-95 and 1995-96, as outlined in the Introduction.

11

EMPLOYMENT GENERATION AND DESTRUCTION BY BUSINESS SIZE GROUP, JUNE 1995 TO JUNE 1996

| | <i>Micro business</i> | <i>Other small business</i> | <i>Total small business</i> | <i>Medium business</i> | <i>Large business</i> | <i>All business</i> |
|-------------------------------|---------------------------|---------------------------------|---------------------------------|----------------------------|---------------------------|-------------------------|
| Employment ('000) | | | | | | |
| Employment generation | | | | | | |
| New businesses | 158 | 171 | 329 | 186 | 22 | 537 |
| Continuing businesses | 130 | 146 | 276 | 111 | 129 | 516 |
| Total | 288 | 317 | 605 | 297 | 151 | 1053 |
| Employment destruction | | | | | | |
| Ceased businesses | 115 | 160 | 275 | 104 | 75 | 454 |
| Continuing businesses | 53 | 140 | 193 | 106 | 89 | 388 |
| Total | 168 | 300 | 468 | 210 | 164 | 842 |
| Net employment change | 120 | 17 | 137 | 87 | -13 | 211 |
| Employment (%) | | | | | | |
| Employment generation | | | | | | |
| New businesses | 29 | 32 | 61 | 35 | 4 | 100 |
| Continuing businesses | 25 | 28 | 53 | 22 | 25 | 100 |
| Total | 27 | 30 | 57 | 28 | 14 | 100 |
| Employment destruction | | | | | | |
| Ceased businesses | 25 | 35 | 61 | 23 | 17 | 100 |
| Continuing businesses | 14 | 36 | 50 | 27 | 23 | 100 |
| Total | 20 | 36 | 56 | 25 | 19 | 100 |
| Net employment change | 57 | 8 | 65 | 41 | -6 | 100 |

12

BUSINESS INTENTIONS(a) BY BUSINESS SIZE GROUP

| | <i>Business size group</i> | | | | | |
|--|----------------------------|---------------------------------|---------------------------------|----------------------------|---------------------------|-----------------------|
| | <i>Micro business</i> | <i>Other small business</i> | <i>Total small business</i> | <i>Medium business</i> | <i>Large business</i> | <i>All businesses</i> |
| Production | | | | | | |
| Significantly increase production levels | 19.1 | 28.0 | 22.0 | 43.7 | 42.0 | 23.4 |
| Significantly decrease production levels | 3.1 | 1.7 | 2.6 | 1.4 | 1.9 | 2.5 |
| Business structure | | | | | | |
| Open new locations | 5.7 | 8.6 | 6.7 | 15.7 | 32.9 | 7.4 |
| Close locations | 2.6 | 2.6 | 2.6 | 3.2 | 17.2 | 2.7 |
| Sell whole business | 11.9 | 14.1 | 12.6 | 4.0 | 5.3 | 12.0 |
| Sell equity in the business | 0.7 | 4.3 | 1.9 | 9.3 | 7.3 | 2.4 |
| Close the business | 9.7 | 4.0 | 7.8 | 0.9 | 1.3 | 7.4 |
| Open the same business elsewhere | 3.6 | 4.3 | 3.8 | 3.0 | 9.4 | 3.8 |
| Other intentions | | | | | | |
| Maintain or commence exporting | 2.9 | 4.5 | 3.5 | 12.1 | 31.4 | 4.1 |
| Introduce new goods or services | 16.0 | 20.8 | 17.6 | 35.2 | 38.8 | 18.8 |

(a) Business intentions relate to the three year period 1997 to 1999.

EXPLANATORY NOTES

INTRODUCTION

1 The information in this publication has been derived from the 1994-95 and 1995-96 Business Growth and Performance Surveys. The surveys were designed to provide estimates on the growth and performance of Australian employing businesses and to identify selected economic and structural characteristics of these businesses. The 1994-95 survey was the first of a planned 5 year annual series.

STATISTICAL UNIT

2 The business unit about which data has been collected and published is termed the management unit. The management unit is the highest level accounting unit within a business, having regard for industry homogeneity, for which detailed accounts are maintained; in nearly all cases it coincides with the legal entity owning the business (ie. a company, partnership, trust, sole operator etc.). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it. For these larger businesses a management unit may coincide with one legal entity, any combination of legal entities (or parts thereof) under common ownership or control, or part of a legal entity.

SURVEY DESIGN

3 The ABS Business Register was used as the population frame for the survey with approximately 13,000 business units being selected for inclusion in the 1994-95 survey. For the 1995-96 survey, a sub sample of the original selections for the 1994-95 survey was selected and this was supplemented by a sample of new business units added to the ABS Business Register during 1995-96. In total, some 6,400 business units were included in the 1995-96 survey. Within industry and size of business strata (using employment as the size variable), equal probability sampling methods were used.

SCOPE

4 All business units in the Australian economy were included in the scope of the survey except for:

- businesses which have not registered as group employers with the Australian Taxation Office, which generally equates to non-employing businesses
- all Government enterprises
- businesses classified to the following ANZSIC industries:

ANZSIC Divisions:

- A — Agriculture, forestry and fishing
- D — Electricity, gas and water supply
- J — Communication services
- M — Government administration and defence
- N — Education
- O — Health and community services

ANZSIC Subdivisions:

- 96 — Other Services
- 97 — Private households employing staff

ANZSIC Groups: 921 — Libraries
 922 — Museums
 923 — Parks and gardens

**CLASSIFICATION BY
 INDUSTRY**

5 The statistics in this publication are classified by industry in accordance with the 1993 edition of the Australian and New Zealand Industrial Classification (ANZSIC, Catalogue No. 1292.0). Each management unit is classified to a single industry, which is the one providing the major source of income irrespective of whether a range of activities or a single activity is undertaken by the unit. Please note that for the purposes of publication, some separate ANZSIC industries have been amalgamated.

REFERENCE PERIOD

6 The statistical results presented in this publication are based on data collected from selected businesses in respect of the years ending June 1995 and June 1996. In a minority of cases, where businesses do not account on a June-year basis, details were reported in respect of their accounting year.

RELIABILITY OF ESTIMATES

7 The estimates provided in this publication are subject to two types of error, sampling error and non-sampling error.

Sampling error

8 Since the estimates in this publication are based on information obtained from a sample drawn from units in the surveyed population, the estimates are subject to sampling variability; that is, they may differ from the figures that would have been produced if all units in the population had been included in the survey.

9 One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and thus avoids the need to also refer to the size of the estimate.

10 There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if all units had been included in the survey, and about nineteen chances in twenty that the difference will be less than two standard errors. Thus, for example, if the estimated value of a variable is 36 per cent and its standard error is 2 percentage points, its reliability in terms of sampling error can be interpreted as follows. There are about two chances in three that the true value of the variable lies within the range 34 per cent to 38 per cent, and nineteen chances in twenty that the true value lies within the range 32% to 40%.

11 Space does not allow for separate indication of the standard errors of all estimates in this publication. As a guide, the Table below provides the relative standard errors for the proportions of businesses by growth status and size.

RELATIVE STANDARD ERRORS, BUSINESSES CHANGING EMPLOYMENT BY BUSINESS SIZE GROUP

| | <i>Relative standard errors for businesses</i> | | |
|----------------------|--|--------------------------|------------------------------|
| | <i>Decreasing employment</i> | <i>Static employment</i> | <i>Increasing employment</i> |
| Micro business | 10.8 | 4.4 | 7.5 |
| Other small business | 7.3 | 6.7 | 8.2 |
| Total small business | 6.1 | 3.5 | 5.4 |
| Medium business | 13.3 | 7.6 | 7 |
| Large business | 14.8 | 10.2 | 16.8 |
| Total all business | 5.6 | 3.3 | 5.1 |

Non-sampling error

12 Other errors can occur whether the estimates are derived from a sample or from a complete enumeration and are generally referred to as non-sampling errors. Three major sources of non-sampling errors are:

- inability to obtain comprehensive data from all businesses included in the sample. These errors arise because of differences which exist between the characteristics of respondents and non-respondents. However, the high response rate achieved in the survey (94%) should minimise this effect;
- errors in reporting which may arise through inappropriate wording of questions, misunderstanding of what data are required, inability or unwillingness to provide accurate information and mistakes to answers in questions. this may lead to some overstatement of change from one year to the next; and
- errors arising during the processing of the survey data. These processing errors may arise through mistakes in coding and data recording.

IMPROVEMENTS TO COVERAGE

13 The population from which the 1995-96 sample was drawn has been adjusted in two ways. First, adjustments have been made to allow for new businesses which had commenced operations but for which details had not been processed to the ABS Business Register. The majority of businesses affected and to which adjustments have been made are small in size. Second, adjustments have been made for businesses which had been in existence for several years but, for various reasons, were not previously added to the ABS Business Register.

14 Similar adjustments have been applied to the results from the 1994-95 survey and ABS has compiled a revised set of tables from that survey, which are available on request. It should be noted that these revisions will not have any significant effect on longitudinal analysis based on the common sample of firms used in this survey. It will, however, have some effect on any estimate of the level of a particular data item.

UNPUBLISHED STATISTICS

15 Other statistical products can be tailored to satisfy the specific requirements of clients. For example, many other performance measures, ratios or cross-classifications of data apart from those included in this publication can be generated. More details of the unpublished data

which are available are given in the Survey data items part of this publication.

16 The generation of non-standard output usually requires some additional computer programming and clerical effort which increases its costs and time to deliver when compared to standard products.

17 For further information on unpublished statistics that can be made available, contact John Purcell or Christine Price by phone on (02) 6252 6634 or facsimile (02) 6252 7004.

SYMBOLS AND OTHER USAGES

18 Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

APPENDIX

SURVEY DATA ITEMS

Listed below are the data items which have been collected in the 1994-95 and 1995-96 Business Growth and Performance Surveys. If sample sizes are adequate, these data are available, at a cost, from the ABS. See the inquires box at the front of the publication for contact details.

DATA ITEM

STANDARD RANGES AVAILABLE

EMPLOYMENT

| | |
|--------------------|---|
| Type of employment | Number of: <ul style="list-style-type: none">■ Working proprietors, working partners or working directors■ Other full-time managerial employees■ Part-time employees (including managerial) |
| Gender | Number of: <ul style="list-style-type: none">■ males■ females |
| Casual employment | Number — available for June 1996 only |
| Labour turnover | Number of: (available for 1995-96 only) <ul style="list-style-type: none">■ newly employed persons (excluding casuals)■ separations (excluding casuals) |

BUSINESS STRUCTURE

| | |
|----------|---|
| Industry | Industry categories are: <ul style="list-style-type: none">■ Mining■ Manufacturing■ Construction■ Wholesale trade■ Retail trade■ Accommodation, cafes and restaurants■ Transport and storage■ Finance and insurance■ Property and business services■ Other selected industries |
|----------|---|

Number of locations Standard categories of numbers of locations operated are:

- 1 location
- 2 to 4 locations
- 5 to 9 locations
- 10 to 14 locations
- Greater than 15 locations

Change in number of
locations operated Number of:

- Locations opened
- Locations closed

Legal status ■ Public company

 ■ Other incorporated Company (e.g. Pty Ltd)

 ■ Sole proprietorship

 ■ Partnership

 ■ Trust

 ■ Other type of legal organisation, e.g. co-operative)

Business age ■ Less than 1 year

 ■ 1 to 2 years

 ■ 2 to 5 years

 ■ 5 to 10 years

 ■ 10 to 20 years

 ■ Greater than 20 years

Foreign ownership Estimated percentage of foreign ownership (of company equity):

- None
- Up to 10%
- 11% to 49%
- 50% to 100%

Family business Businesses which either:

- have been in the family for more than one generation
- have more than one working proprietor, working partner or working director from the same family.

Single decision making firms For firms with a single decision maker:

- Gender
- Qualifications

Franchising Businesses which either:

- Operate as a franchisee
- Control a franchise system

INDUSTRIAL RELATIONS

- Union membership
- None
 - Up to 10%
 - 11% to 25%
 - 26% to 50%
 - 51% to 75%
 - 76% to 100%

- Number of unions represented
- One
 - More than one

Employment conditions Form of employment conditions operating in the business during the last pay periods in the year.

- Registered enterprise agreement
- Unregistered enterprise agreement
- Individual contract or agreement of employment
- Award arrangements
- Other conditions

Number of people working under each employment condition Available for June 1996 only

BUSINESS OPERATIONS

Days per week business
operated

- 1 to 2
- 3 to 4
- 5
- 6
- 7

Hours of operation per day

- 1 to 6
- 7 to 10
- Greater than 10

Contracting out

Did the business contract out any activities previously done by the business' employees?

- Yes
- No

Use of business
improvement programs

Does the business have in place any of the following business improvement programs

- Total Quality Management
- Quality Assurance
- Just-In-Time Management
- Process engineering

Use of business practices

Did this business use any of the following business practices:

- A documented formal strategic plan
- A formal business plan
- Budget forecasting
- Regular income/expenditure reports
- Formal networking with other businesses
- Electronic commerce
- Performance comparisons with other businesses
- Export market planning

BUSINESS LINKS

Existence of links with
other businesses

- Yes
- No

Results of link

Did this link result in:

- the formation of a new business
- a formal agreement, but not a new business
- an informal understanding

Purpose of link

Was the purpose of the link to increase capabilities in:

- Production
- Purchasing
- Marketing
- Distribution
- Research and development
- Training
- Other

Business information or
advice

How frequently did the business seek information or advice from:

- External accountants
- Banks
- Solicitors
- Business consultants
- Family or friends
- Others in the industry
- Local businesses
- Industry associations/Chambers of Commerce
- Australian Taxation Office
- Government small business agencies

Major business changes in
structure or operation

Did the business make major changes in any of the following:

- Range of products or services
- Advertising
- Distribution
- Markets targeted
- Accounting software

- Other administrative computer systems
- Production technology
- Technical training
- Management training
- On the job training
- Other training
- Contracting out
- Business structure
- Other changes

Participation in government programs

Did the business participate in any of the following Government programs:

- AUSINDUSTRY/National Industry Extension Service (NIES)
- Research and development tax concession
- Grants for research and development
- New Enterprise Incentive Scheme
- Export access
- Export Finance and Insurance
- Corporation facilities
- Export market development grants
- International Trade
- Enhancement Scheme
- Austrade services
- Commonwealth, State or Local Government employment programs
- Other Commonwealth and State Government industry programs

BUSINESS INTENTIONS

Did the business intend to do any of the following in the next three years:

- Significantly increase production levels
- Maintain existing production levels
- Significantly decrease production levels
- Open new locations
- Close locations
- Maintain or commence exporting
- Introduce new goods or services
- Sell the whole business

- Open the same business elsewhere
- Sell equity in the business
- Close the business

FINANCIAL DETAILS

Business income Data available includes annual figures for:

- Income from sales of goods and services
- Export income
- Other income

Business expenses Data available includes annual figures for:

- Wages and salaries
- Employer contributions to super funds
- Workers' compensation costs
- Payroll tax
- Interest expenses
- Depreciation and amortisation
- Bad debts
- Purchases
- Rent, leasing and hiring expenses
- Other expenses
- Trading stocks
- Opening trading stocks
- Closing trading stocks
- Profit or loss
- Total income minus total expenses minus opening stocks plus closing stocks

Acquisition and disposal of assets Annual estimates of:

- capital expenditure by type
- total disposals

Assets and liabilities Annual estimates of the book value of

- Current assets including trading stocks
- Non-current assets — property
- Non-current assets — plant and machinery
- Non-current assets — other

- Current liabilities
- Non-current liabilities

Source of equity finance Did this business obtain finance from:

- Family
- Acquaintances or business colleagues
- People not known
- Unrelated businesses
- Related businesses
- Banks or other financial institutions
- Existing shareholders

Value of equity investment The value of this investment in ranges:

- up to \$20,000
- \$20,001 to \$50,000
- \$50,001 to \$100,000
- \$100,001 to \$500,000
- \$500,001 to \$1,000,000
- Over \$1,000,000

Ownership of business The breakdown of business ownership by the following:

- Working owners
- Non-working owners - family
- Non-working owners - non-family
- Parent company
- Other unrelated businesses
- Other

Liability distribution The distribution of the liabilities of the business into the following:

- Trade and other creditors
- Loans from banks and other financial institutions
- Loans from parent company
- Loans from individuals involved in the business or their families
- Loans from other individuals
- Loans from unrelated businesses
- Provisions
- Other

INNOVATION

Introduction of new goods Did this business introduce any new or substantially changed goods?

■ Yes

■ No

Introduction of new services Did this business introduce any new services or significantly changed ways of delivering existing services?

■ Yes

■ No

GLOSSARY

| | |
|-------------------------------|--|
| ABS | Australian Bureau of Statistics |
| Age of business | Number of years operation for public companies and trusts. For other incorporated companies (e.g. Pty Ltd companies), sole proprietorships, partnerships and other businesses, the number of years owned or controlled by the present owners. |
| ANZSIC | Australian and New Zealand Standard Industrial Classification |
| Business intentions | Intended changes to the operations of the business over the period 1997 to 1999. |
| Business networks | Business networks are special relationships formed between two or more parties with a view to increasing capabilities or performance. The business parties may be unrelated businesses, they may be general business partnership agreements or merely special arrangements aimed at achieving a joint tender. They exclude normal transactions with customers or other arms length dealings, franchise agreements and sub-contracting arrangements. |
| Business size group | <p>In this publication data are presented using five business size categories:</p> <ul style="list-style-type: none">(i) micro business — which is defined as those businesses employing less than 5 people;(ii) other small business — which is defined as those businesses employing 5 or more, but less than 20 people;(iii) small business — which is defined as those businesses employing less than 20 people;(iv) medium business — which is defined as those businesses employing 20 or more people, but less than 200; and(v) large business — which is defined as those businesses employing 200 or more people. |
| Employment destruction | This is the employment lost as a result of business closures and businesses reducing in size (of employment). |
| Employment generation | This is the employment generated as a result of new businesses starting up and businesses growing larger (in employment). |
| Family business | In this publication family businesses are self defined. If the operators of the business consider the business to be a family business, it has been treated as one. The most common reasons for a business to be considered as a family business is because there a number of family members involved in the business, either as working directors or proprietors or employees or just in the decision making for the business. On other occasions the business will be considered to be a family business because it has been acquired from other members of the family. |

| | |
|-------------------------------|--|
| Industry | Industry statistics in this publication are classified according to ANZSIC — the Australian and New Zealand Standard Industrial Classification, 1993 edition (1292.0). |
| Innovator | An innovating business is one which during 1995–96 undertook innovative activities by producing new or substantially changed goods or services or by implementing new processes for producing those goods or services. |
| Large business | For this publication, large businesses (excluding agriculture) are defined as employing 200 or more people. |
| Medium business | For this publication, medium businesses (excluding agriculture) are defined as employing 20 to 199 people. |
| Micro business | For this publication, micro businesses (excluding agriculture) are defined as employing less than 5 people. |
| Other small business | For this publication, other small businesses (excluding agriculture) are defined as employing 5 to 19 people. |
| Small business | For this publication, small businesses (excluding agriculture) are defined as employing less than 20 people. |
| Unionisation | People working in the business that were union members as at 30 June 1996. |
| Workplace arrangements | Refers to the employment conditions that apply to the greatest number of employees in a business at 30 June 1996. |

For more information . . .

The ABS publishes a wide range of statistics and other information on Australia's economic and social conditions. Details of what is available in various publications and other products can be found in the ABS Catalogue of Publications and Products available from all ABS Offices.

ABS Products and Services

Many standard products are available from ABS bookshops located in each State and Territory. In addition to these products, information tailored to the needs of clients can be obtained on a wide range of media by contacting your nearest ABS Office. The ABS also provides a Subscription Service for standard products and some tailored information services.

National Dial-a-Statistic Line

0055 86 400

Steadycom P/L: premium rate 25c/20 secs.

This number gives 24-hour access, 365 days a year, for a range of important economic statistics including the CPI.

Internet

<http://www.abs.gov.au>

A wide range of ABS information is available via the Internet, with basic statistics available for each State, Territory and Australia. We also have Key National Indicators, ABS product release details and other information of general interest.

Sales and Inquiries

client.services@abs.gov.au

National Mail Order Service
Subscription Service

(02) 6252 5249
1800 02 0608

Information Inquiries

| | |
|-----------|----------------|
| CANBERRA | (02) 6252 6627 |
| SYDNEY | (02) 9268 4611 |
| MELBOURNE | (03) 9615 7755 |
| BRISBANE | (07) 3222 6351 |
| PERTH | (09) 360 5140 |
| ADELAIDE | (08) 8237 7100 |
| HOBART | (03) 6222 5800 |
| DARWIN | (08) 8943 2111 |

Bookshop Sales

| |
|----------------|
| (02) 6252 0326 |
| (02) 9268 4620 |
| (03) 9615 7755 |
| (07) 3222 6350 |
| (09) 360 5307 |
| (08) 8237 7582 |
| (03) 6222 5800 |
| (08) 8943 2111 |



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

Produced by the Australian Bureau of Statistics
© Commonwealth of Australia 1997

Recommended retail price: \$19.00



2814100007955

ISSN 1327-0281