



SMALL AND MEDIUM ENTERPRISES

BUSINESS GROWTH AND PERFORMANCE SURVEY AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 10 SEPT 1999

C O N T E N T S

	<i>page</i>
Notes	2
Introduction	3
List of tables.	6
SECTIONS	
1 Employment and income change 1994–95 to 1997–98	8
2 Employment and income change 1996–97 to 1997–98	13
3 Employment generation and destruction	29
4 Use of computers and the Internet 1997–98	33
5 Training 1997–98	35
ADDITIONAL INFORMATION	
Explanatory notes	38
Appendix—Business Longitudinal Survey data items	42
Glossary	53

- For more information about these and related statistics, contact John Purcell on Canberra 02 6252 6634, or Client Services in any ABS office as shown on the back cover of this publication.

NOTES

ABOUT THIS PUBLICATION

This publication presents the results of the 1997–98 Business Growth and Performance Survey. It is the fourth and final year of a longitudinal study which commenced in 1994–95. The results from these surveys form a research database of firm level longitudinal data relating mainly to small and medium sized firms. Together the four annual surveys form the Australian Business Longitudinal Survey (BLS).

Funds for the 1997–98 survey were again provided by the Office of Small Business within the Department of Workplace Relations and Small Business. The Australian Bureau of Statistics (ABS) undertook the collection of the data and developed the database.

The responses by firms to this survey, together with similar data from the 1994–95, 1995–96 and 1996–97 surveys, allow detailed analyses of firm growth and performance over the four 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.

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

SYMBOLS AND OTHER USAGES

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Industrial Classification
BLS	Business Longitudinal Survey
NIES	National Industry Extension Service
R&D	Research and Development
RSE	Relative Standard Error
SE	Standard Error
SME	Small and Medium Enterprise
—	Nil or rounded to zero
✓	data available

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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 in four ways for each of the variables employment and total business income.

Businesses are grouped on the basis of change in their employment as follows:

- (i) change in employment between June 1995 and June 1996;
- (ii) change in employment between June 1996 and June 1997;
- (iii) change in employment between June 1997 and June 1998; and
- (iv) change in employment between June 1995 and June 1998.

Table 1.1 shows an analysis using all four groupings while tables 2.1 to 2.5 analyse more detailed characteristics of businesses based on the most recent 12 months (group (iii) above).

Businesses are also grouped on the basis of change in their income. This has been done as follows:

- (i) change in income between 1994–95 and 1995–96;
- (ii) change in income between 1995–96 and 1996–97;
- (iii) change in income between 1996–97 and 1997–98; and
- (iv) change in income between 1994–95 and 1997–98.

Table 1.2 shows an analysis of businesses with changing income using all four groupings while tables 2.6–2.10 analyse more detailed characteristics of businesses based on the most recent 12 months (group (iii) above).

Section 3 of the publication provides an analysis of job generation over the three individual years, 1995 to 1996, 1996 to 1997 and 1997 to 1998. Tables 4.1 and 4.2 provide a snapshot of business use of computers and the Internet, while tables 5.1–5.4 give an overview of business training, collected for the first time in the 1997–98 survey.

CHANGE CATEGORIES USED IN THIS PUBLICATION

For tables examining employment change (table 1.1 and tables 2.1–2.5) in this publication, four employment change categories have been used. Each business has been classified into one of the following categories, based either on their change in employment over three years between 30 June 1995 and 30 June 1998 (table 1.1) or on their change in employment between 30 June 1997 and 30 June 1998 (tables 2.1–2.5).

CHANGE CATEGORIES USED
IN THIS PUBLICATION
continued

- (i) **Businesses with decreasing 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 employment increased by more than 10%.

For table 1.2 and tables 2.6–2.10, four 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%. Table 1.2 is based on change in income over the three-year period between 1994–95 and 1997–98 while tables 2.6–2.10 are based on change in income recorded between 1996–97 and 1997–98.

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 (SMEs). 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 five people;
- (ii) **other small business**—which is defined as those businesses employing five 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.

DEFINING BUSINESSES BY
SIZE *continued*

Other publications, including *Small Business in Australia* (Cat. no. 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 vary significantly 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 the beginning of the reference period. That is, for tables analysing the period June 1997 to June 1998 size is based on employment at 30 June 1997, while for tables analysing the period June 1995 to June 1998 size is based on 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 tables 3.1–3.3, 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 almost 94% of all businesses classified as small (including 64% of micro businesses), 6% as medium sized and less than 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.

LIST OF TABLES	Page
SECTION 1	EMPLOYMENT AND INCOME CHANGE 1994–95 TO 1997–98
	1.1 All business, business size group by employment change category 11
	1.2 Proportion of businesses, by business size group and income change category 12
SECTION 2	EMPLOYMENT AND INCOME CHANGE 1995–96 TO 1997–98
	2.1 All business, industry and business size group, by employment change category 19
	2.2 All business, selected characteristics, by employment change category 20
	2.3 Micro business, selected characteristics, by employment change category 21
	2.4 Small business, selected characteristics, by employment change category 22
	2.5 Medium business, selected characteristics, by employment change category 23
	2.6 All business, industry and business size group, by income change category 24
	2.7 All business, selected characteristics, by income change category 25
	2.8 Micro business, selected characteristics, by income change category 26
	2.9 Small business, selected characteristics, by income change category 27
	2.10 Medium business, selected characteristics, by income change category 28
SECTION 3	EMPLOYMENT GENERATION AND DESTRUCTION
	3.1 Employment generation and destruction, by business size group, June 1995 to June 1996 31
	3.2 Employment generation and destruction, by business size group, June 1996 to June 1997 31
	3.3 Employment generation and destruction, by business size group, June 1997 to June 1998 32
SECTION 4	USE OF COMPUTERS AND THE INTERNET 1997–98
	4.1 Proportion of businesses using computers and the Internet, by business size group 34
	4.2 Major uses of the Internet, by business size group 34

SECTION 5

TRAINING 1997-98

5.1	Change in training levels, by business size group	36
5.2	Training methods used for those businesses offering training, by size group	36
5.3	Proportion of businesses offering particular fields of training, by business size group	36
5.4	Proportion of businesses using particular training providers, by business size group	37

SECTION 1

BUSINESSES WITH CHANGING EMPLOYMENT

EMPLOYMENT AND INCOME CHANGE 1994–95 TO 1997–98

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, the analysis relates to continuing businesses only. That is, to be included, businesses must have been operating at the beginning of the analysis period through to the end.

Table 1.1 first presents an analysis of the proportion of businesses changing employment over the periods June 1995 to June 1996 and June 1996 to June 1997 and compares them to the most recent 12 months available (June 1997 to June 1998). Change in employment is then analysed over the three-year period June 1995 to June 1998.

Summary of findings

Between June 1997 and June 1998 there were more businesses with static employment change than in previous years. There were 21% of businesses which recorded increased employment over the period June 1997 to June 1998, lower than that recorded in the previous year (24%). Similarly, the proportion showing decreasing employment between June 1997 and June 1998 (18%) is less than that recorded between June 1996 and June 1997 (21%). When examined by business size, it can be seen that micro businesses (those employing less than five people) were more static than other businesses. This was consistent across the years.

The survey showed that 29% of businesses declined in employment between June 1995 and June 1998. Not unexpectedly, this was a much greater proportion than that of businesses which declined in any of the three 12-month periods June 1995 to June 1996 (22%), June 1996 and June 1997 (21%) and June 1997 to June 1998 (18%). There was a similar pattern for businesses which increased in employment over the same periods, with 34% of businesses increasing in employment over the three-year period, while the results for the individual years were 25%, 24% and 21% respectively.

As a result, the proportion of businesses which remained static in employment over the three-year period was 37%, much lower than each of the three individual component years (53%, 55% and 62%). This difference can be explained in two ways. Firstly, as shown below in the component analysis, there were very few businesses declining or increasing in all three years; that is, there was very little overlap from one year to the next. Secondly, there would have been some businesses that recorded small declines of less than 10% (or increases) over two or more of the three periods which, over the three-year period, added to more than 10% and consequently placing them in one of the changing categories.

COMPONENT ANALYSIS

Businesses with decreasing employment Of the 29% of businesses which showed a decline in employment over the three-year period June 1995 to June 1998, most (20 percentage points) recorded a decline in only one year. A further 8 percentage points of businesses recorded decline in employment in two of the three years and only 1 percentage point of businesses declined in each of the three years.

Businesses with increasing employment A similar scenario was evident for businesses with increasing employment. Of the 34% of businesses which increased employment over the three-year period, only a few (2 percentage points) increased employment in each of the years. A little over a third (12 percentage points) increased employment in two of the three years, while most (20 percentage points) increased employment in only one year.

This analysis indicates that businesses did not tend to continue changing employment levels. Rather, they tended to implement a change, then remain at that level for some time.

Size of business In each analysis, the proportion of micro businesses which remained static over the three-year period was greater than for other sized businesses. There were 47% of micro businesses that remained static over the period, compared with 21% for other small businesses and 27% and 31% for medium and large businesses respectively. This was due primarily to the smaller proportion of micro businesses which decreased over the three-year period (21%) than for other sized businesses where about one third of businesses declined.

The higher proportions of micro businesses in the static category emphasises the stability in employment levels in individual very small businesses in that any change in employment would be a change of more than 10% which would place them in either the increasing or the decreasing employment category.

BUSINESSES WITH CHANGING INCOME

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. As with the employment analysis, this analysis relates to continuing businesses only.

Table 1.2 presents an analysis of income change between the three periods 1994–95, 1995–96 and 1996–97 and compares that to the change over the period 1996–97 to 1997–98. Change in income is then analysed over two periods, three years apart, 1994–95 and 1997–98.

For all businesses There were 29% of businesses which recorded a decline in income between 1994–95 and 1997–98. This was larger than the proportion which showed a decline between 1994–95 and 1995–96 (24%), between 1995–96 and 1996–97 (21%) and between 1996–97 and 1997–98 (20%).

For all businesses <i>continued</i>	For businesses which increased their income, the proportion over the three years is even more marked, with 50% showing an increase between 1994–95 and 1997–98, while the proportion increasing income in each of the three years was 34%, 33% and 35% respectively. As a consequence, the proportion which remained static was much less over the three years (21%) than for each of the individual years (42%, 46% and 45% respectively).
Businesses with declining income	Very few (1 percentage point) of the 29% of business that declined over the three-year period declined in each of the three years. A little over half (15 percentage points) declined in only one of the three periods, and a little under half (13 percentage points) declined in two of the three.
Businesses with increasing income	Of the 50% of businesses which increased their income between 1994–95 and 1997–98, about one-tenth (5 percentage points) increased their income in each of the years.
Size of business	Medium and large businesses tended to have higher proportions increasing their income over the longer period than smaller businesses. Smaller businesses had greater proportions that declined in income over the longer period than did medium and large businesses.

1.1

ALL BUSINESS, BUSINESS SIZE GROUP BY EMPLOYMENT CHANGE CATEGORY(a)

	<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>Total all business</i>
	%	%	%	%	%	%
EMPLOYMENT CHANGE						
30 June 1995 to 30 June 1996 (period 1)						
Decreasing employment	15	34	22	32	21	22
Static employment	62	38	54	44	62	53
Increasing employment	23	28	25	24	17	25
30 June 1996 to 30 June 1997 (period 2)						
Decreasing employment	16	32	21	26	20	21
Static employment	61	41	55	51	57	55
Increasing employment	23	27	24	22	23	24
30 June 1997 to 30 June 1998 (period 3)						
Decreasing employment	12	27	17	25	23	18
Static employment	71	46	62	53	57	62
Increasing employment	17	27	20	22	20	21
30 June 1995 to 30 June 1998 (period 1 to 3)						
Decreasing employment	21	41	28	39	36	29
Static employment	47	21	38	27	31	37
Increasing employment	32	38	34	34	34	34
COMPONENT ANALYSIS						
Businesses with decreasing employment						
Decreased in one period only	17	25	20	25	21	20
Decreased in any two periods	4	14	7	12	9	8
Decreased in all three periods	—	1	1	1	2	1
Did not decrease in any one period	—	1	—	1	3	—
<i>Total businesses with decreasing employment</i>	21	41	28	39	36	29
Businesses with static employment						
Static in one period only	11	9	10	10	9	10
Static in any two periods	—	1	—	5	2	1
Static in all three periods	34	9	25	11	20	25
Static for no one particular period	2	3	2	1	—	2
<i>Total businesses with static employment</i>	47	21	38	27	31	37
Businesses with increasing employment						
Increased in one period only	21	18	20	19	19	20
Increased in any two periods	9	18	12	11	11	12
Increased in all three periods	2	1	2	2	—	2
Did not increase in any one period	—	—	—	2	4	—
<i>Total businesses with increasing employment</i>	32	38	34	34	34	34

(a) Employment change category relates to changes in the level of employment in the business between each of the periods referenced, as outlined in the Introduction.

1.2

PROPORTION OF BUSINESSES, BY BUSINESS SIZE GROUP AND INCOME CHANGE CATEGORY(a)

	<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>Total all business</i>
	%	%	%	%	%	%
INCOME CHANGE						
1994-95 to 1995-96 (period 1)						
Decreasing income	26	22	25	16	11	24
Static income	40	47	42	50	49	42
Increasing Income	34	32	33	34	39	34
1995-96 to 1996-97 (period 2)						
Decreasing income	24	18	22	13	15	21
Static income	43	52	46	48	52	46
Increasing Income	33	30	32	39	33	33
1996-97 to 1997-98 (period 3)						
Decreasing income	23	16	21	14	11	20
Static income	42	51	45	43	60	45
Increasing Income	35	34	34	43	28	35
1994-95 to 1997-98 (period 1 to 3)						
Decreasing income	32	27	30	20	23	29
Static income	18	24	20	25	23	21
Increasing Income	50	49	50	55	54	50
COMPONENT ANALYSIS						
Businesses with decreasing income						
Decreased in one period only	15	15	15	14	13	15
Decreased in any two periods	15	10	13	4	7	13
Decreased in all three periods	—	1	1	1	—	1
Did not decrease in any one period	1	1	1	1	3	1
<i>Total businesses with decreasing income</i>	32	27	30	20	23	29
Businesses with static income						
Static in one period only	5	5	5	5	3	5
Static in any two periods	3	4	3	4	3	3
Static in all three periods	8	13	10	15	17	10
Static for no one particular period	2	2	2	1	1	2
<i>Total businesses with static income</i>	18	24	20	25	23	21
Businesses with increasing income						
Increased in one period only	23	25	24	22	29	24
Increased in any two periods	20	19	19	23	17	20
Increased in all three periods	5	4	4	6	4	5
Did not increase in any one period	2	2	2	4	3	2
<i>Total businesses with increasing income</i>	50	49	50	55	54	50

(a) Income change category relates to changes in the level of annual income in the business between each of the periods referenced, as outlined in the Introduction.

SECTION 2

EMPLOYMENT AND INCOME CHANGE 1996–97 TO 1997–98

CHARACTERISTICS OF BUSINESSES WITH CHANGING EMPLOYMENT

In this analysis businesses are categorised in terms of changing employment between June 1997 and June 1998. 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. The analysis relates to continuing businesses, i.e. those which were operating at both June 1997 and June 1998.

For all businesses

The survey shows that between June 1997 and June 1998, 21% of all continuing businesses had increased their employment and 18% had shown a decrease. The remaining businesses (62%) had only minor changes to employment and were classified as static.

Size of business

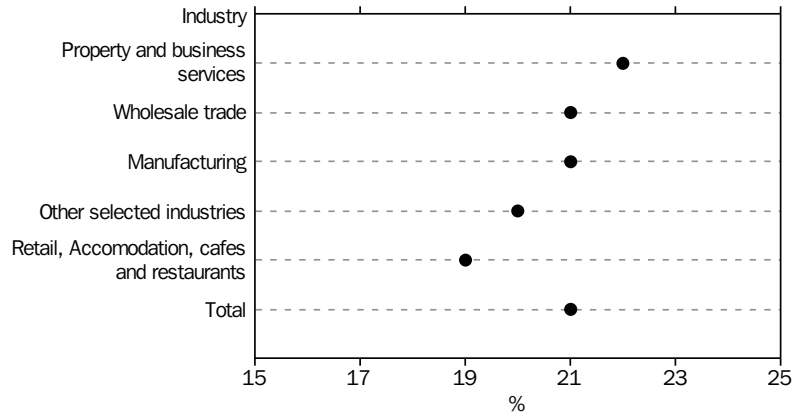
When examined by business size, it can be seen that micro businesses (those employing less than five people) appeared to be more static than other businesses. This is consistent with the previous years' findings. Between June 1997 and June 1998, 71% of micro businesses were classified as static in terms of their employment. This compares with 46% for other small businesses and 53% and 57% for medium and large businesses respectively. Less micro businesses decreased in employment than any other size category (12% compared to 27%, 25% and 23% for other small, medium and large categories respectively). A larger proportion of firms grew in the other small business category (27%) than any other size group.

Industry

Across the selected industries, the Property and business services industry had the highest proportion of businesses increasing employment over the period (22%), up from 20% in the 1996–97 survey where they had the lowest proportion of firms in this category. The Retail trade and Accommodation, cafes and restaurants industries had the smallest proportion of businesses increasing their employment with 19% of firms increasing.

The Other selected industries category (which includes, Construction, Transport and storage, Finance and insurance and Personal services) recorded the highest proportion of businesses with decreasing employment (21%) while the Property and business services industry recorded the lowest proportion (14%). These results were rather different to the 1996–97 survey in which the Other selected industries group (along with Wholesale trade) had the lowest proportion of businesses decreasing their employment (17%) and the Manufacturing industry had the highest proportion (22%).

BUSINESSES INCREASING EMPLOYMENT—1997–98



Small business by industry In the small business sector, the Property and business services industry had the largest proportion of firms increasing their employment (22%), while the Other selected industries category recorded the largest proportion of businesses with declining employment (20%).

Medium business by industry For medium sized businesses, Property and business services again had the highest proportion of businesses with increased employment (28%), while Other selected industries again recorded the largest proportion with decreasing employment (30%).

Age of business Across the age categories, (businesses aged between 5 and 10 years old) recorded the largest proportion of businesses with increasing employment (28%), considerably larger than for businesses of other ages. Similar proportions were recorded for the micro and total small business categories, but amongst medium businesses the largest proportion recording growth was in the 10–20 years old range (27%).

Across all business sizes, businesses in the age groups 5 years to less than 10 years old and 10 years to less than 20 years old recorded the lowest proportion with decreasing employment (16% in each group).

Export status For businesses which were exporting, 36% showed an increase in employment and 16% showed a decrease. For non-exporting businesses only 20% recorded increasing employment while 18% recorded decreasing employment.

Innovation For those businesses that were innovative, a higher proportion (31%) showed an increase in employment than showed a decrease (17%). For non-innovative firms, the proportions reporting increasing and decreasing employment were about the same (both 18%).

Unionisation	<p>For all businesses, each category of degree of unionisation showed a larger proportion of businesses with increasing employment than with decreasing employment. Businesses with union membership greater than 50% showed the largest proportion with increasing employment (28%), although businesses with union membership between 1% and 50% had the lowest proportion with decreasing employment (16%).</p> <p>Looking at individual size categories, the differences were more marked for the micro business category, with 49% of businesses with union membership greater than 50% having employment growth and only 3% showing decreasing employment. However, amongst medium businesses the pattern was reversed, with only 22% of the most heavily unionised businesses having increasing employment and 34% seeing a decline.</p>
Family business	<p>Family businesses were less likely to record increasing employment than non-family businesses (19% and 23%). Also, family businesses were more likely to record decreasing employment with 19% in this category compared to only 16% for non-family businesses. A similar pattern can be seen amongst all sizes of business, with differences more marked in the larger size groups.</p>
Gender of business managers	<p>Businesses with equal numbers of male and female operators were more likely to have increasing employment (23%) than those where one sex was in predominant control (17% for predominantly male control, 18% for female). Predominantly female-run businesses were less likely to see their employment decrease (13%) than male-run (20%) or equal male and female operated businesses (17%). Similar patterns are evident across all sizes.</p>
Increased training	<p>Businesses that increased the amount of staff they trained during 1997–98 over previous years had a far higher proportion which recorded increased employment (52%) to firms that did not increase training over the same period (17%). It is likely that in many cases the reason businesses increased their training was because their employment levels increased. This may explain in part the high proportion of businesses that increased training during the year that also recorded increasing employment.</p>
Use of computers	<p>For businesses that increased their use of computers during 1997–98, a greater proportion had increasing employment (38%) than decreasing employment (19%). Differences were less marked amongst medium sized businesses, although here the level of computer use was typically high anyway. Similar proportions of businesses not increasing their use of computers had decreasing and increasing employment.</p>

Access to the Internet Of businesses with access to the Internet, 29% had increasing employment. Only 17% of business without Internet access recorded increasing employment.

Changes in goods and services provided Of those businesses which decreased the range of goods and services they provided, 37% also decreased employment and only 18% increased. Of those businesses which increased the range of goods and services they provided, 38% also increased employment and only 19% decreased.

CHARACTERISTICS OF BUSINESSES WITH CHANGING INCOME

In this analysis businesses are categorised in terms of changing income between 1996–97 and 1997–98. 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 both 1996–97 and 1997–98 are excluded from the following analysis.

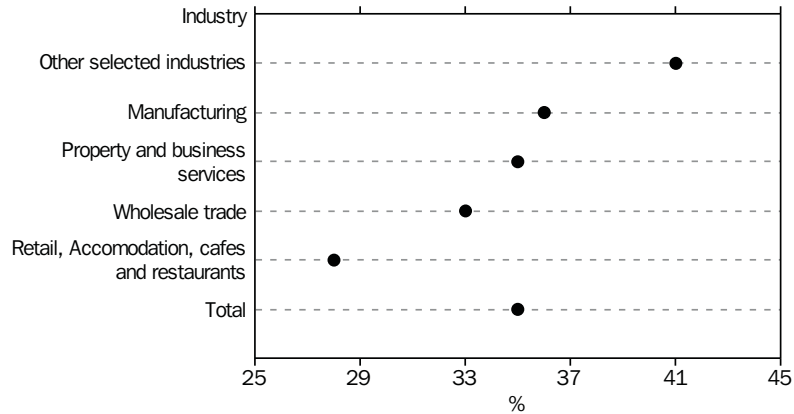
For all businesses The survey shows that 35% of businesses recorded an increase in their income between 1996–97 and 1997–98. This compared to 20% which showed a decrease in their income. The remaining 45% were classified as having static income. There were a significantly larger number of businesses in the group recording an increase in income than those which recorded an increase in employment (21%).

Size of business The proportions increasing and decreasing income across the different size categories in 1997–98 were a little better than in 1996–97, with a larger proportion of businesses increasing their income and a slightly lower proportion seeing a decrease. The proportion of businesses showing increasing income was similar for the micro and small business groups. Proportions for the medium businesses were higher but for large businesses they were lower.

The micro business category recorded the largest proportion of businesses showing decreasing income (23%). The large business category recorded the smallest proportion of businesses showing declining income (11%).

Industry The Other selected industry category had the largest proportion of businesses showing an increase in income (41%). The next highest proportion was in the Manufacturing industry (36%) while the Retail trade and Accommodation cafes and restaurants industries (28%) recorded the lowest proportion of businesses increasing income.

BUSINESSES INCREASING INCOME—1997–98



The Retail trade and Accommodation, cafes and restaurants industries also had the smallest proportion of businesses showing a decline in income (17%) while the largest proportion was in Wholesale trade (25%).

- Age of business All age groups recorded a greater proportion of businesses showing increasing income than decreasing income. Businesses aged less than five years old had the largest proportion increasing income (38%) and the lowest proportion showing decreasing income (17%).
- Export status Across all business sizes a greater proportion of exporting businesses (30%) reported a decrease in their income than did non-exporters (20%), while the same proportion of exporters and non-exporters reported an increase in their income (35%). Looking at the particular size categories, the micro and medium businesses recorded a higher proportion of non-exporters reporting an increase in income than the exporting businesses.
- Innovation A larger proportion of businesses undertaking innovative activity reported increasing income than non-innovators (44% compared to 32%). These proportions are much larger than the proportion of innovating and non-innovating businesses which showed a decline in income (17% and 21% respectively). The same trend can be seen for each of the business size categories.
- Unionisation Businesses with union membership of 1% to 50% recorded the highest proportion with increasing income (40%), while businesses with no union members recorded the highest proportion showing decreasing income (21%).
- Family business A slightly greater proportion of family businesses showed increasing income than for non-family businesses (35% compared to 34%), while 21% of family businesses and 20% of non-family businesses reported decreasing income.

Gender of business managers	<p>A higher proportion of businesses with managers equally spread between the sexes had increasing income (37%) than those with predominantly female managers (30%) or predominantly male managers (33%).</p> <p>Predominantly female-controlled businesses had the lowest proportion with decreasing income (19%) compared to 20% for predominantly male-operated businesses and 21% for those with equal numbers of male and female managers.</p>
Increased training	<p>A far higher proportion of business that increased their training recorded a growth in income (60%) than recorded a drop (11%). For businesses that didn't increase their training, 32% recorded a rise in income and 21% recorded a decrease. Similar patterns were observed across the different size groups.</p>
Use of computers	<p>For businesses increasing their use of computers, a much greater proportion had increasing income (50%) than decreasing income (20%). Amongst businesses not increasing computer use, 31% reported increasing and 20% decreasing income.</p>
Access to the Internet	<p>Of businesses with access to the Internet, 39% had increasing income and 23% had decreasing income, while 33% of businesses without Internet access recorded increasing income and 19% recorded decreasing income.</p>
Changes in goods and services provided	<p>Of those businesses which decreased the range of goods and services they provided, 46% also decreased income. Of those businesses which increased the range of goods and services they provided, 59% also increased income.</p>

2.1

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	12	71	18	100
Other small business	25	51	23	100
Total small business	17	63	20	100
Medium business	26	48	26	100
Large business	27	62	11	100
Total all business	19	61	21	100
Wholesale trade				
Micro business	14	67	20	100
Other small business	26	51	24	100
Total small business	19	60	21	100
Medium business	24	59	18	100
Large business	26	49	25	100
Total all business	19	59	21	100
Retail trade, accommodation, cafes and restaurants				
Micro business	7	80	12	100
Other small business	26	47	27	100
Total small business	16	64	19	100
Medium business	21	59	20	100
Large business	15	59	26	100
Total all business	17	64	19	100
Property and business services				
Micro business	11	71	18	100
Other small business	22	43	35	100
Total small business	13	65	22	100
Medium business	28	44	28	100
Large business	19	52	29	100
Total all business	14	64	22	100
Other selected industries				
Micro business	16	65	19	100
Other small business	34	42	24	100
Total small business	20	60	20	100
Medium business	30	54	16	100
Large business	28	52	20	100
Total all business	21	60	20	100
Total all selected industries				
Micro business	12	71	17	100
Other small business	27	46	27	100
Total small business	17	62	20	100
Medium business	25	53	22	100
Large business	23	57	20	100
Total all business	18	62	21	100

(a) Employment change category relates to changes in the level of employment in the business between 1996–97 and 1997–98, as outlined in the Introduction.

2.2

ALL BUSINESS, SELECTED CHARACTERISTICS—BY EMPLOYMENT CHANGE CATEGORY(a)

	<i>Proportion of businesses with</i>			
	<i>Decreasing employment</i>	<i>Static employment</i>	<i>Increasing employment</i>	<i>All businesses</i>
	%	%	%	%
Total all business	18	62	21	100
Age of business				
Less than 5 years	20	61	19	100
5 years to less than 10 years	16	56	28	100
10 years to less than 20 years	16	67	17	100
20 years or more	19	65	16	100
Export status				
Non-exporter	18	63	20	100
Exporter	16	48	36	100
Innovative status				
Non-innovator	18	64	18	100
Innovator	17	52	31	100
Unionisation				
No union members	18	62	20	100
Up to 50%	16	61	23	100
50% to 100%	18	54	28	100
Family business				
Non-family business	16	61	23	100
Family business	19	62	19	100
Gender of business managers				
Predominantly females	13	69	18	100
Predominantly males	20	63	17	100
No predominance	17	60	23	100
Training				
Did not increase training	18	65	17	100
Increased training	13	35	52	100
Use of computers				
No computers used in the business	17	67	16	100
Computers used in the business	19	44	38	100
Use of the Internet				
Businesses without access to the Internet	17	66	17	100
Businesses with access to the Internet	19	51	29	100
Range of goods and services				
Increased during 1997–98	19	44	38	100
Not changed during 1997–98	17	64	19	100
Decreased during 1997–98	37	44	18	100

(a) Employment change category relates to changes in the level of employment in the business between 30 June 1997 and 30 June 1998, as outlined in the Introduction.

2.3

MICRO BUSINESS, SELECTED CHARACTERISTICS—BY EMPLOYMENT CHANGE CATEGORY(a)

	<i>Proportion of businesses with</i>			
	<i>Decreasing employment</i>	<i>Static employment</i>	<i>Increasing employment</i>	<i>All businesses</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Total micro business	12	71	17	100
Age of business				
Less than 5 years	14	71	15	100
5 years to less than 10 years	10	64	25	100
10 years to less than 20 years	11	76	14	100
20 years or more	14	73	13	100
Export status				
Non-exporter	12	71	17	100
Exporter	11	52	36	100
Innovative status				
Non-innovator	12	72	16	100
Innovator	10	65	25	100
Unionisation				
No union members	12	70	17	100
Up to 50%	8	79	12	100
50% to 100%	3	48	49	100
Family business				
Non-family business	9	73	18	100
Family business	13	69	17	100
Gender of business managers				
Predominantly females	7	74	19	100
Predominantly males	17	70	13	100
No predominance	9	70	21	100
Training				
Did not increase training	13	73	15	100
Increased training	2	34	64	100
Use of computers				
No computers used in the business	13	73	15	100
Computers used in the business	9	55	36	100
Use of the Internet				
Businesses without access to the Internet	12	74	15	100
Businesses with access to the Internet	14	60	26	100
Range of goods and services				
Increased during 1997–98	19	53	29	100
Not changed during 1997–98	11	72	17	100
Decreased during 1997–98	25	57	18	100

(a) Employment change category relates to changes in the level of employment in the business between 30 June 1996 and 30 June 1997, as outlined in the Introduction.

2.4

SMALL BUSINESS, SELECTED CHARACTERISTICS—BY EMPLOYMENT CHANGE CATEGORY(a)

	<i>Proportion of businesses with</i>			
	<i>Decreasing employment</i>	<i>Static employment</i>	<i>Increasing employment</i>	<i>All businesses</i>
	%	%	%	%
Total small business	17	62	20	100
Age of business				
Less than 5 years	19	62	19	100
5 years to less than 10 years	15	57	28	100
10 years to less than 20 years	15	68	17	100
20 years or more	19	65	16	100
Export status				
Non-exporter	17	63	20	100
Exporter	15	47	38	100
Innovative status				
Non-innovator	17	65	18	100
Innovator	16	53	31	100
Unionisation				
No union members	17	63	20	100
Up to 50%	16	62	22	100
50% to 100%	9	59	32	100
Family business				
Non-family business	16	62	23	100
Family business	18	63	19	100
Gender of business managers				
Predominantly females	13	68	19	100
Predominantly males	20	64	17	100
No predominance	16	61	23	100
Training				
Did not increase training	18	65	17	100
Increased training	11	32	57	100
Use of computers				
No computers used in the business	17	67	16	100
Computers used in the business	17	43	40	100
Use of the Internet				
Businesses without access to the Internet	16	67	17	100
Businesses with access to the Internet	19	51	30	100
Range of goods and services				
Increased during 1997–98	19	43	38	100
Not changed during 1997–98	17	65	19	100
Decreased during 1997–98	34	47	19	100

(a) Employment change category relates to changes in the level of employment in the business between 30 June 1997 and 30 June 1998, as outlined in the Introduction.

2.5

MEDIUM BUSINESS, SELECTED CHARACTERISTICS—BY EMPLOYMENT CHANGE CATEGORY(a)

	<i>Proportion of businesses with</i>			
	<i>Decreasing employment</i>	<i>Static employment</i>	<i>Increasing employment</i>	<i>All businesses</i>
	%	%	%	%
Total medium business	25	53	22	100
Age of business				
Less than 5 years	29	49	22	100
5 years to less than 10 years	29	51	20	100
10 years to less than 20 years	23	51	27	100
20 years or more	19	63	18	100
Export status				
Non-exporter	26	54	20	100
Exporter	20	50	29	100
Innovative status				
Non-innovator	27	56	17	100
Innovator	22	49	28	100
Unionisation				
No union members	27	52	20	100
Up to 50%	17	58	25	100
50% to 100%	34	44	22	100
Family business				
Non-family business	17	57	26	100
Family business	38	48	14	100
Gender of business managers				
Predominantly females	9	80	10	100
Predominantly males	22	54	24	100
No predominance	30	48	22	100
Training				
Did not increase training	27	57	16	100
Increased training	22	44	34	100
Use of computers				
No computers used in the business	26	62	12	100
Computers used in the business	25	46	29	100
Use of the Internet				
Businesses without access to the Internet	32	50	19	100
Businesses with access to the Internet	21	56	24	100
Range of goods and services				
Increased during 1997–98	17	47	36	100
Not changed during 1997–98	26	55	18	100
Decreased during 1997–98	83	12	5	100

(a) Employment change category relates to changes in the level of employment in the business between 30 June 1997 and 30 June 1998, as outlined in the Introduction.

2.6

ALL BUSINESS, INDUSTRY AND BUSINESS SIZE GROUP—BY INCOME CHANGE CATEGORY(a)

	Proportion of businesses with			
	Decreasing income	Static income	Increasing income	All businesses
	%	%	%	%
Manufacturing				
Micro business	16	49	35	100
Other small business	22	42	37	100
Total small business	18	46	36	100
Medium business	19	46	35	100
Large business	11	58	32	100
Total all business	18	46	36	100
Wholesale trade				
Micro business	34	34	32	100
Other small business	14	52	35	100
Total small business	25	42	33	100
Medium business	21	49	30	100
Large business	12	62	25	100
Total all business	25	43	33	100
Retail trade, accommodation, cafes and restaurants				
Micro business	21	54	26	100
Other small business	14	58	28	100
Total small business	17	56	27	100
Medium business	12	45	42	100
Large business	9	70	21	100
Total all business	17	55	28	100
Property and business services				
Micro business	24	44	33	100
Other small business	14	48	39	100
Total small business	22	44	34	100
Medium business	9	35	56	100
Large business	14	54	32	100
Total all business	21	44	35	100
Other selected industries				
Micro business	25	34	42	100
Other small business	18	44	38	100
Total small business	23	36	41	100
Medium business	10	40	50	100
Large business	11	58	30	100
Total all business	23	36	41	100
Total all selected industries				
Micro business	23	42	35	100
Other small business	16	51	34	100
Total small business	21	45	34	100
Medium business	14	43	43	100
Large business	11	60	28	100
Total all business	20	45	35	100

(a) Income change category relates to changes in the level of annual income in the business between 1996–97 and 1997–98, as outlined in the Introduction.

2.7

ALL BUSINESS, SELECTED CHARACTERISTICS—BY INCOME CHANGE CATEGORY(a)

	<i>Proportion of businesses with</i>			
	<i>Decreasing income</i>	<i>Static income</i>	<i>Increasing income</i>	<i>All businesses</i>
	%	%	%	%
Total all business	20	45	35	100
Age of business				
Less than 5 years	17	45	38	100
5 years to less than 10 years	21	43	36	100
10 years to less than 20 years	21	46	33	100
20 years or more	23	45	31	100
Export status				
Non-exporter	20	45	35	100
Exporter	30	35	35	100
Innovative status				
Non-innovator	21	46	32	100
Innovator	17	39	44	100
Unionisation				
No union members	21	45	35	100
Up to 50%	17	43	40	100
50% to 100%	20	57	24	100
Family business				
Non-family business	20	46	34	100
Family business	21	44	35	100
Gender of business managers				
Predominantly females	19	50	30	100
Predominantly males	20	47	33	100
No predominance	21	42	37	100
Training				
Did not increase training	21	46	32	100
Increased training	11	28	60	100
Use of computers				
No computers used in the business	20	49	31	100
Computers used in the business	20	30	50	100
Use of the Internet				
Businesses without access to the Internet	19	47	33	100
Businesses with access to the Internet	23	38	39	100
Range of goods and services				
Increased during 1997–98	13	28	59	100
Not changed during 1997–98	21	46	33	100
Decreased during 1997–98	46	45	9	100

(a) Income change category relates to changes in the level of annual income in the business between 1996–97 and 1997–98, as outlined in the Introduction.

2.8

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

	<i>Proportion of businesses with</i>			
	<i>Decreasing income</i>	<i>Static income</i>	<i>Increasing income</i>	<i>All businesses</i>
	%	%	%	%
Total micro business	23	42	35	100
Age of business				
Less than 5 years	22	42	36	100
5 years to less than 10 years	24	39	37	100
10 years to less than 20 years	22	47	32	100
20 years or more	30	37	33	100
Export status				
Non-exporter	23	42	35	100
Exporter	48	29	23	100
Innovative status				
Non-innovator	24	43	33	100
Innovator	19	36	45	100
Unionisation				
No union members	24	42	35	100
Up to 50%	20	46	34	100
50% to 100%	—	76	24	100
Family business				
Non-family business	23	42	35	100
Family business	23	42	35	100
Gender of business managers				
Predominantly females	24	46	31	100
Predominantly males	22	47	31	100
No predominance	25	36	39	100
Training				
Did not increase training	24	43	33	100
Increased training	6	30	64	100
Use of computers				
No computers used in the business	23	44	32	100
Computers used in the business	26	23	51	100
Use of the Internet				
Businesses without access to the Internet	21	44	34	100
Businesses with access to the Internet	30	34	36	100
Range of goods and services				
Increased during 1997–98	9	22	69	100
Not changed during 1997–98	24	43	33	100
Decreased during 1997–98	44	51	4	100

(a) Income change category relates to changes in the level of annual income in the business between 1996–97 and 1997–98, as outlined in the Introduction.

2.9

SMALL BUSINESS, SELECTED CHARACTERISTICS—BY INCOME CHANGE CATEGORY(a)

	<i>Proportion of businesses with</i>			
	<i>Decreasing income</i>	<i>Static income</i>	<i>Increasing income</i>	<i>All businesses</i>
	%	%	%	%
Total small business	21	45	34	100
Age of business				
Less than 5 years	18	46	37	100
5 years to less than 10 years	22	43	35	100
10 years to less than 20 years	22	46	32	100
20 years or more	24	44	32	100
Export status				
Non-exporter	20	45	34	100
Exporter	33	31	35	100
Innovative status				
Non-innovator	22	46	32	100
Innovator	18	39	43	100
Unionisation				
No union members	21	45	34	100
Up to 50%	18	43	39	100
50% to 100%	24	58	18	100
Family business				
Non-family business	20	46	33	100
Family business	21	44	35	100
Gender of business managers				
Predominantly females	20	50	30	100
Predominantly males	21	47	32	100
No predominance	21	42	37	100
Training				
Did not increase training	22	46	32	100
Increased training	11	29	60	100
Use of computers				
No computers used in the business	21	48	31	100
Computers used in the business	22	30	49	100
Use of the Internet				
Businesses without access to the Internet	19	47	33	100
Businesses with access to the Internet	25	37	37	100
Range of goods and services				
Increased during 1997–98	14	29	57	100
Not changed during 1997–98	21	46	33	100
Decreased during 1997–98	48	46	7	100

(a) Income change category relates to changes in the level of annual income in the business between 1996–97 and 1997–98, as outlined in the Introduction.

2.10 MEDIUM BUSINESS, SELECTED CHARACTERISTICS—BY INCOME CHANGE CATEGORY(a)

	<i>Proportion of businesses with</i>			
	<i>Decreasing income</i>	<i>Static income</i>	<i>Increasing income</i>	<i>All businesses</i>
	%	%	%	%
Total medium business	14	43	43	100
Age of business				
Less than 5 years	14	32	54	100
5 years to less than 10 years	11	39	50	100
10 years to less than 20 years	14	47	39	100
20 years or more	15	59	26	100
Export status				
Non-exporter	12	43	45	100
Exporter	20	47	33	100
Innovative status				
Non-innovator	15	50	35	100
Innovator	12	33	55	100
Unionisation				
No union members	13	43	43	100
Up to 50%	14	42	44	100
50% to 100%	13	51	36	100
Family business				
Non-family business	16	41	44	100
Family business	10	47	42	100
Gender of business managers				
Predominantly females	3	52	44	100
Predominantly males	16	40	45	100
No predominance	13	45	42	100
Training				
Did not increase training	13	51	36	100
Increased training	14	25	60	100
Use of computers				
No computers used in the business	14	60	26	100
Computers used in the business	14	29	57	100
Use of the Internet				
Businesses without access to the Internet	20	51	30	100
Businesses with access to the Internet	10	38	52	100
Range of goods and services				
Increased during 1997–98	4	21	75	100
Not changed during 1997–98	16	49	35	100
Decreased during 1997–98	23	37	39	100

(a) Income change category relates to changes in the level of annual income in the business between 1996–97 and 1997–98, as outlined in the Introduction.

SECTION 3

EMPLOYMENT GENERATION AND DESTRUCTION

Statistics in this Section reveal the extent of job generation and destruction separately for the years June 1995 to June 1996, June 1996 to June 1997 and June 1997 to June 1998. The data for the first two years are revised estimates to those released previously. In the analysis, statistics for continuing firms which have increased employment during each year are combined with statistics on the employment of new firms which commenced during each year 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 the year. Net employment generation is then defined as being the difference between employment generation and employment destruction.

Because of difficulties identifying, in every case, whether 'new' larger businesses are actual new businesses or simply a continuing entity born as a result of a restructure, job generation and destruction figures for the large business sector are likely to be slightly overstated. This overstatement will be reflected in the generation reported from new businesses and in the destruction reported from ceased businesses. The net employment change data are accurate.

Also, in interpreting these statistics it is important to understand that, in any particular size category, net employment generation figures do not mirror changes in total employment numbers. Consider the example of a medium sized business that employed 190 staff at June 1997 and gained 15 staff in the course of 1997–98. The employment of this business at 30 June 1998 would therefore be 205, and in a snapshot estimate its employment would be allocated to that of a large company. However, in this analysis, which looks at growth, businesses are classified by size according to their size at the beginning of the period. As a result this business' employment growth would be allocated to the medium sized business classification (because the business was in the medium employment range at the start of the period). Hence, a snapshot estimate of the number of staff employed by large businesses may show an increase over the year, while the net employment change measured in an analysis such as this may be negative.

For all businesses

The survey showed that total employment generation during 1997–98 was about 1 million, slightly below the revised previous year levels of almost 1.1 million.

Total employment destruction during 1997–98 was 652,000, while in 1996–97 it was somewhat greater (750,000).

For all businesses *continued* By subtraction, estimated net employment generation can be calculated. Over the three years net employment generation showed a steady increase, rising from 205,000 in 1995–96 to 324,000 in 1996–97 and 361,000 in 1997–98. In both 1996–97 and 1997–98, net employment generation can be mainly attributed to the small and large sized business categories. In 1997–98, 50% came from the small business sector and 33% came from large sized businesses. During 1996–97, 57% came from the small business sector and 32% from the large business sector. By contrast, large businesses during 1995–96 recorded a negative net employment change with the vast majority of generation (74%) coming from small business.

By size of business The contribution to employment generation during 1997–98 by size of business was:

- Total small business—contributed 492,000 persons (49%) to total job generation of which 268,000 came from continuing businesses which increased their employment during the year and 224,000 from new businesses starting up;
- Medium business—contributed 256,000 persons (25%) to total job generation of which 159,000 came from continuing businesses which increased their employment during the year and 96,000 from new businesses starting up;
- Large business—contributed 265,000 persons (26%) to total job generation.

For employment destruction the contributions were:

- Total small business—contributed 311,000 persons (48%) to total job destruction of which 161,000 came from continuing businesses which decreased their employment during the year and 150,000 from ceased businesses;
- Medium business—contributed 193,000 persons (30%) to total job destruction of which 134,000 came from continuing businesses which decreased their employment during the year and 60,000 from ceased businesses;
- Large business—contributed 147,000 persons (23%) to total job destruction.

In terms of net employment change it was the small business sector which was the strongest, generating 50% of the total net employment growth during 1997–98.

3.1

EMPLOYMENT GENERATION & 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>
'000						
Employment generation						
New businesses	147	151	299	179	**27	505
Continuing businesses	118	125	242	102	101	445
Total	265	276	541	281	128	950
Employment destruction						
Ceased businesses	82	123	205	110	*62	377
Continuing businesses	51	135	185	103	80	368
Total	133	257	390	213	142	745
Net employment change	132	18	151	68	-14	205
%						
Employment generation						
New businesses	29	30	59	35	**5	100
Continuing businesses	26	28	54	23	23	100
Total	28	29	57	30	13	100
Employment destruction						
Ceased businesses	22	33	54	29	*16	100
Continuing businesses	14	37	50	28	22	100
Total	18	35	52	29	19	100
Net employment change	65	9	74	33	-7	100

3.2

EMPLOYMENT GENERATION & DESTRUCTION, BY BUSINESS SIZE GROUP—JUNE 1996 TO JUNE 1997

	<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>
'000						
Employment generation						
New businesses	122	144	265	126	*229	620
Continuing businesses	112	138	250	96	106	453
Total	234	282	516	222	336	1073
Employment destruction						
Ceased businesses	73	89	161	67	*141	370
Continuing businesses	61	109	171	119	89	379
Total	134	198	332	187	231	750
Net employment change	100	84	184	35	105	324
%						
Employment generation						
New businesses	20	23	43	20	*37	100
Continuing businesses	25	31	55	21	23	100
Total	22	26	48	21	31	100
Employment destruction						
Ceased businesses	20	24	44	18	*38	100
Continuing businesses	16	29	45	31	24	100
Total	18	26	44	25	31	100
Net employment change	31	26	57	11	32	100

3.3

EMPLOYMENT GENERATION & DESTRUCTION, BY BUSINESS SIZE GROUP—JUNE 1997 TO JUNE 1998

	<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>
'000						
Employment generation						
New businesses	100	123	224	96	*143	463
Continuing businesses	119	149	268	159	122	549
Total	220	272	492	256	265	1013
Employment destruction						
Ceased businesses	79	71	150	60	*35	245
Continuing businesses	44	117	161	134	112	407
Total	123	189	311	193	147	652
Net employment change	97	84	181	62	118	361
%						
Employment generation						
New businesses	22	27	48	21	*31	100
Continuing businesses	22	27	49	29	22	100
Total	22	27	49	25	26	100
Employment destruction						
Ceased businesses	32	29	61	24	*14	100
Continuing businesses	11	29	40	33	28	100
Total	19	29	48	30	23	100
Net employment change	27	23	50	17	33	100

SECTION 4

USE OF COMPUTERS AND THE INTERNET 1997–98

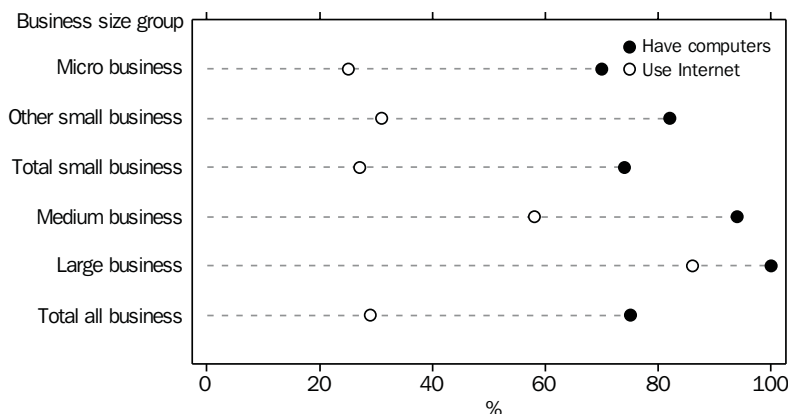
Tables 4.1 and 4.2 show details of the use of computers and the Internet in Australian business at 30 June 1997 and 30 June 1998. Of those businesses surveyed, 25% were not using computers in their business operations at June 1998, down from 30% in 1997. All large businesses, were using computers as were practically all medium sized businesses, but only 74% of small businesses, and 70% of micro businesses were using computers. As would be expected, the proportions of small and micro businesses with computers increased over 1997 levels with proportions of businesses using computers in the other small business group up 6% and micro businesses up 5%.

Use of the Internet

Some 29% of businesses had access to the Internet at June 1998. This was up from 24% in June 1997. Over 86% of large business had access to the Internet, while only a quarter of micro businesses were connected. The Internet was used most for Email (26%) and Gathering information (24%). Only 3% of firms were Selling goods or services over the Internet, while 6% of businesses used it for Purchasing. However, these levels were up significantly on those recorded in 1997 when only 1% of businesses were using the Internet for selling and purchasing.

The large and medium businesses showed particularly strong growth in using the Internet for selling and purchasing, with 12% of medium businesses and 13% of large businesses selling via the Internet, while 15% and 16% respectively were using it for purchasing. At 30 June 1997 these levels ranged between 1% and 4%.

USE OF COMPUTERS AND THE INTERNET—1997–98



4.1

PROPORTION OF BUSINESSES USING COMPUTERS AND INTERNET, BY BUSINESS SIZE GROUP

	<i>Using computers in 1996-97</i>	<i>Using computers in 1997-98</i>	<i>Percentage change from 1996-97 to 1997-98</i>	<i>Using Internet in 1996-97</i>	<i>Using Internet in 1997-98</i>	<i>Percentage change from 1996-97 to 1997-98</i>
	%	%	%	%	%	%
Micro business	65	70	8	20	25	23
Other small business	76	82	8	27	31	14
Total small business	68	74	8	22	27	20
Medium business	95	95	—	50	58	16
Large business	100	100	—	85	86	2
Total	70	75	7	24	29	20

4.2

MAJOR USES OF THE INTERNET, BY BUSINESS SIZE GROUP

	<i>Email</i>	<i>Gathering information</i>	<i>Data transfer</i>	<i>Marketing(a)</i>	<i>Selling</i>	<i>Purchasing</i>
	%	%	%	%	%	%
Micro business						
1996-97	19	18	9	3	1	1
1997-98	22	21	9	5	1	5
Other small business						
1996-97	27	23	9	8	1	1
1997-98	27	26	12	13	6	7
Total small business						
1996-97	21	19	9	4	1	1
1997-98	24	22	10	8	3	6
Medium business						
1996-97	48	45	19	16	*4	1
1997-98	55	48	26	30	12	15
Large business						
1996-97	80	78	41	36	*2	*3
1997-98	83	77	50	54	13	16
Total						
1996-97	23	21	9	5	1	1
1997-98	26	24	11	9	3	6

(a) Includes businesses with a website or homepage

SECTION 5

TRAINING 1997–98

Tables 5.1–5.4 show details of training provided by Australian business during 1997–98. Across all businesses, 57% provided some staff training during the year. Virtually all large businesses trained their staff, while only 44% of micro businesses provided some form of training.

Change in training levels	The survey asked whether the number of staff trained by the business had changed compared to the previous year. Some 13% of businesses trained more staff in 1997–98 than they had trained in the previous year, with the highest proportions reported for large businesses (38%) and medium businesses (37%). In all size groups only a very small proportion of businesses reported a decrease in the training provided.
Training methods used	The statistics on training methods (shown in detail in table 5.2) relate only to those 57% of businesses which offered some form of training. On-the-job training was by far the most frequently used training method, with 77% of businesses who offered any training using this method. Seminars, workshops and conferences were used by 47% of businesses that trained staff, while structured training methods were used by 41% of training businesses. Only 30% of the micro businesses that trained staff used structured training methods, compared to 93% of large businesses. Job rotation and exchange was the least popular training method with only 21% of businesses that trained staff using this method.
Fields of training	Again, these statistics (shown in detail in table 5.3) relate only to those businesses who trained staff. A higher proportion of businesses offered training in the Other category than any of the specific fields listed in the survey. This was probably because most general training is recorded in this category. A greater proportion of businesses offered Management training (25%) than any other specified category, and once again larger businesses were more likely to use this training than smaller businesses. Professional training was the least popular, with only 19% of those businesses that trained staff offering such training.
Training providers	Once again, these statistics (shown in detail in table 5.4) relate only to those businesses who trained staff. Training was most often provided by employees or owners of the business; 74% of businesses that offered training provided some training in this way. Private training consultants were the least used providers. Less than 13% of businesses that offered training used Private consultants. However 65% of large businesses used Private training consultants.

5.1

CHANGE IN TRAINING LEVELS, BY BUSINESS SIZE GROUP

	<i>Increased</i>	<i>Decreased</i>	<i>Stayed the same</i>	<i>No training provided</i>
	%	%	%	%
Micro business	7	1	37	56
Other small business	20	2	53	24
Total small business	11	1	42	45
Medium business	37	2	50	11
Large business	38	4	58	—
Total	13	1	43	43

5.2

TRAINING METHODS USED FOR THOSE BUSINESSES OFFERING TRAINING, BY SIZE GROUP

	<i>Structured training courses</i>	<i>On-the-job training</i>	<i>Seminars, workshops, conferences etc.</i>	<i>Job rotation etc.</i>
	%	%	%	%
Micro business	30	65	41	7
Other small business	47	87	49	30
Total small business	38	75	44	17
Medium business	68	94	68	50
Large business	93	99	93	77
Total	41	77	47	21

5.3

PROPORTION OF BUSINESSES OFFERING PARTICULAR FIELDS OF TRAINING, BY BUSINESS SIZE GROUP

	<i>Management training</i>	<i>Professional training</i>	<i>Training for computer specialists</i>	<i>Trade and apprenticeship training</i>	<i>Health and safety training</i>	<i>Other training</i>
	%	%	%	%	%	%
Micro business	17	14	13	13	16	29
Other small business	28	20	23	23	24	43
Total small business	22	17	18	18	20	35
Medium business	48	35	46	39	47	60
Large business	83	77	72	63	87	82
Total	25	19	21	20	23	38

5.4

PROPORTION OF BUSINESSES USING PARTICULAR TRAINING PROVIDERS, BY BUSINESS SIZE GROUP

	<i>Employees or owners of the business</i>	<i>Professional associations</i>	<i>Industry associations</i>	<i>Equipment manufacturer supplier</i>	<i>Private training consultant</i>	<i>TAFE or university</i>
	%	%	%	%	%	%
Micro business	61	17	22	13	8	13
Other small business	86	21	26	33	12	27
Total small business	72	19	24	22	10	20
Medium business	90	46	48	43	33	45
Large business	94	78	71	62	65	67
Total	74	22	26	24	13	23

EXPLANATORY NOTES

INTRODUCTION

1 The information in this publication has been derived from the 1994–95, 1995–96, 1996–97 and 1997–98 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 the annual series. The 1997–98 survey was the last. Together, the surveys form a longitudinal panel of Australian business data and are generally referred to as the Business Longitudinal Survey (BLS).

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 (i.e. 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 Australian Bureau of Statistics (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 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. The sample for the 1997–98 survey can again be considered in two parts. The first part forms the longitudinal or continuing part of the sample and consists of all those remaining live businesses from the 1996–97 survey, while the second part consists of a sample of new business units added to the ABS Business Register during 1997–98. Each year the sample consists of about 5,600 businesses continuing from the previous year and an additional 800 new businesses giving a total sample of about 6,400 business units in each of the annual iterations of the survey since 1995–96.

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 Australian and New Zealand Industrial Classification (ANZSIC) industries:

SCOPE *continued*

■ 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 Australian and New Zealand Industrial Classification, 1993 (Cat. 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, June 1996, June 1997 and June 1998. 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 (SE), 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 (RSE) 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 SE 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% and its SE 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% to 38%, 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 SEs of all estimates in this publication. As a guide, the table below provides the RSEs for the estimates of numbers of businesses and employment 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	11.0	3.6	8.6
Other small business	8.0	5.1	7.1
Total small business	6.6	2.9	5.7
Medium business	9.1	6.9	10.3
Large business	14.6	8.4	15.2
Total all business	6.0	2.7	5.3

12 In the tables in this publication estimates with RSEs between 25% and 50% are indicated by an asterisk (e.g. *8.5), while those with RSEs of more than 50% are indicated by a double asterisk (e.g. **25.2). These estimates should be used with caution.

Non-sampling error **13** 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;
- 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; 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

14 The population for each survey in this series 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.

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 fax 02 6252 7004.

APPENDIX

BUSINESS LONGITUDINAL SURVEY DATA ITEMS

Below is a list of the topics included in the BLS and the years in which they appeared.

Topic	Page
State	43
Industry	43
Employment	43
Labour turnover	44
Contracting out	44
Locations operated, opened and closed	44
Legal status	44
Business age	44
Foreign ownership	44
Family businesses	44
Characteristics of decision maker in businesses	
with only one decision-maker	45
Franchising	45
Union membership	45
Employment conditions	45
Days and hours of operation	45
Use of business improvement programs	45
Performance comparisons	45
Business practices	46
Business links	46
Sources of business advice	46
Business change	46
Participation in government programs	47
Business intentions	47
Use of computers	47
Exports	48
Income	48
Expenses	49
Trading stocks	49
Profit or loss	49
Assets and liabilities	49
Equity	50
Capital expenditure and disposal of assets	50
Training	50
Innovation	51
Business disputes	52
Health and safety	52
Membership of industry associations	52

BUSINESS LONGITUDINAL SURVEY DATA ITEMS

	1994-95	1995-96	1996-97	1997-98
State(a)				
New South Wales	✓	✓	✓	✓
Victoria	✓	✓	✓	✓
Queensland	✓	✓	✓	✓
South Australia	✓	✓	✓	✓
Western Australia	✓	✓	✓	✓
Tasmania/Northern Territory/Australian Capital Territory	✓	✓	✓	✓
Industry				
Mining	✓	✓	✓	✓
Manufacturing				
Food, beverage and tobacco	✓	✓	✓	✓
Textiles, clothing, footwear and leather	✓	✓	✓	✓
Wood and paper products	✓	✓	✓	✓
Printing, publishing and recorded media	✓	✓	✓	✓
Petroleum, coal chemicals and assoc. prods	✓	✓	✓	✓
Non-metallic mineral products	✓	✓	✓	✓
Metal products	✓	✓	✓	✓
Machinery and equipment	✓	✓	✓	✓
Other manufacturing	✓	✓	✓	✓
Construction	✓	✓	✓	✓
Wholesale trade	✓	✓	✓	✓
Retail trade	✓	✓	✓	✓
Accommodation, cafes and restaurants	✓	✓	✓	✓
Transport and storage	✓	✓	✓	✓
Finance and insurance	✓	✓	✓	✓
Property and business services				
Property services	✓	✓	✓	✓
Business services	✓	✓	✓	✓
Cultural and recreational services	✓	✓	✓	✓
Personal and other services	✓	✓	✓	✓
Employment				
Working proprietors, partners or directors				
Total	✓	✓	✓	✓
Male/female split	—	✓	✓	✓
Full-time/part-time split	—	—	✓	✓
Other managerial employees				
Total	✓	✓	✓	✓
Male/female split	—	✓	✓	✓
Full-time/part-time split	—	—	✓	✓
Other employees				
Total	✓	✓	✓	✓
Male/female split	—	✓	✓	✓
Full-time/part-time split	—	—	✓	✓
Casuals				
Total	✓	✓	✓	✓
Male/female split	—	✓	✓	✓
Full-time/part-time split	—	—	✓	✓

For footnotes see end of table.

...continued

BUSINESS LONGITUDINAL SURVEY DATA ITEMS—*continued*

	1994-95	1995-96	1996-97	1997-98
Labour turnover				
Persons newly employed	—	✓	✓	✓
Persons ceasing to be employed	—	✓	✓	✓
Businesses with a decrease in employment	—	—	✓	—
Reasons for decrease in employment				
Decrease in demand	—	—	✓	—
Contracted out tasks	—	—	✓	—
Improvements in efficiency	—	—	✓	—
Replaced permanents with casuals	—	—	✓	—
Reduced range of activities	—	—	✓	—
Temporary decrease	—	—	✓	—
Other	—	—	✓	—
Contracting out				
Businesses contracting out activities	✓	—	✓	—
Employees replaced by contracting out	—	—	✓	—
Locations operated, opened and closed				
Number of locations operated(b)	✓	✓	✓	✓
Number of locations opened	✓	✓	✓	✓
Number of locations closed	✓	✓	✓	✓
Legal status(b)				
Public company	✓	✓	✓	✓
Other incorporated company	✓	✓	✓	✓
Sole proprietorship	✓	✓	✓	✓
Partnership	✓	✓	✓	✓
Trust	✓	✓	✓	✓
Un-incorporated co-operative	✓	✓	✓	✓
Incorporated association	✓	✓	✓	✓
Other	✓	✓	✓	✓
Business age(b)				
Less than 1 year	✓	✓	✓	✓
1 to less than 2 years	✓	✓	✓	✓
2 to less than 5 years	✓	✓	✓	✓
5 to less than 10 years	✓	✓	✓	✓
10 to less than 20 years	✓	✓	✓	✓
More than 20 years	✓	✓	✓	✓
Foreign ownership(b)				
None	✓	✓	✓	✓
Up to 10%	✓	✓	✓	✓
11-49%	✓	✓	✓	✓
50-100%	✓	✓	✓	✓
Family businesses(b)				
Whether business considered a family business	—	✓	✓	✓
Reasons considered a family business				
Members involved in business	—	✓	✓	✓
Business acquired from parents	—	✓	✓	✓
Close working relationship between management and staff	—	✓	✓	✓
Other	—	✓	✓	✓
Number of generations same family operated business	—	✓	✓	✓
Number of managers from same family	—	✓	✓	✓

For footnotes see end of table.

...continued

BUSINESS LONGITUDINAL SURVEY DATA ITEMS—*continued*

	1994-95	1995-96	1996-97	1997-98
Characteristics of decision maker in businesses with only one decision maker(b)				
Experience of decision maker as proprietor	✓	✓	✓	✓
Gender of decision maker	✓	✓	✓	✓
Education level of decision maker	✓	✓	✓	✓
Whether decision maker has tertiary qualifications in management	✓	✓	✓	✓
Franchising(b)				
Whether business operates as a franchisee	✓	✓	✓	✓
Whether business controls a franchise system	✓	✓	✓	✓
Union membership				
Up to 10%	✓	✓	✓	✓
11 to 25%	✓	✓	✓	✓
26 to 50%	✓	✓	✓	✓
51 to 75%	✓	✓	✓	✓
76 to 100%	✓	✓	✓	✓
Number of unions represented	—	✓	✓	✓
Employment conditions				
Form of employment conditions in business				
Registered enterprise agreement	✓	—	—	—
Unregistered enterprise agreement	✓	—	—	—
Individual contract or agreement of employment	✓	—	—	—
Award arrangements	✓	—	—	—
Number of employees working under different arrangements				
Conditions based on Federal/State awards	—	✓	—	—
Covered by an award only	—	—	✓	✓
Individual formal contract or agreement of employment	—	✓	✓	✓
Unregistered enterprise agreements	—	✓	✓	✓
Registered enterprise agreements	—	✓	✓	✓
Year registered enterprise agreement first introduced	—	✓	—	—
Days and hours of operation				
Days per week plant operated	✓	✓	✓	—
Hours of operation per day	✓	✓	✓	—
Use of business improvement programs				
Whether business introduced any business improvement programs	✓	—	—	—
Whether business has business improvement programs in place				
Total quality Management	—	✓	—	—
Quality assurance	—	✓	—	—
Just-in-time Management	—	✓	—	—
Process engineering	—	✓	—	—
Performance comparisons				
Whether performance comparisons made	✓	—	—	—
Type of comparisons made				
Prices	✓	—	—	—
Costs	✓	—	—	—
Quality of products or services	✓	—	—	—
Range of products or services	✓	—	—	—
Quality of client service	✓	—	—	—
Marketing or advertising	✓	—	—	—
Other	✓	—	—	—

For footnotes see end of table.

...continued

BUSINESS LONGITUDINAL SURVEY DATA ITEMS—*continued*

	1994-95	1995-96	1996-97	1997-98
Business practices				
Whether business has practice in place	—	—	—	—
Documented formal strategic plan	—	✓	✓	✓
Formal business plan	✓	✓	✓	—
Budget forecasting	—	✓	✓	✓
Regular income/expenditure reports	—	✓	✓	✓
Formal networking with other businesses	—	✓	✓	✓
Electronic commerce (excluding banking)	—	✓	✓	—
Comparison of performance	—	✓	✓	✓
Export market planning	—	✓	✓	✓
Business links				
Whether business has links with other businesses	—	✓	—	—
Result of link				
Formation of a new business	—	✓	—	—
Formal agreement without creating new business	—	✓	—	—
Informal understanding	—	✓	—	—
Other	—	✓	—	—
Purpose of link—to increase capability in				
Production	—	✓	—	—
Purchasing	—	✓	—	—
Marketing	—	✓	—	—
Distribution	—	✓	—	—
Research and development	—	✓	—	—
Training	—	✓	—	—
Other purposes	—	✓	—	—
Sources of business advice				
Number of times advice sought from				
External accountants	—	✓	—	—
Banks	—	✓	—	—
Solicitors	—	✓	—	—
Business consultants	—	✓	—	—
Family or friends	—	✓	—	—
Others in the industry	—	✓	—	—
Local business	—	✓	—	—
Industry associations/Chambers of commerce	—	✓	—	—
Australian Taxation Office	—	✓	—	—
Government small business agencies	—	✓	—	—
Business change				
Whether business made any major change in				
Range of products or services	✓	✓	✓	✓
Advertising	✓	✓	✓	✓
Distribution	✓	✓	✓	✓
Markets targeted	✓	—	—	—
Domestic markets targeted	—	✓	✓	✓
Export markets targeted	—	✓	✓	✓
Accounting software	—	✓	✓	✓
Other administrative computer systems	✓	✓	✓	✓
Production technology	✓	✓	✓	✓

For footnotes see end of table.

...continued

BUSINESS LONGITUDINAL SURVEY DATA ITEMS—*continued*

	1994-95	1995-96	1996-97	1997-98
Business change—<i>continued</i>				
Whether business made any major change in				
Technical training	✓	—	—	—
Management training	✓	✓	✓	—
On-the-job training	—	✓	✓	—
Other training	—	✓	✓	—
Contracting-out	—	✓	—	—
Business structure	—	✓	✓	✓
Number of personal computers	—	—	—	✓
Number of staff using computers	—	—	—	✓
Electronic stock monitoring	—	—	—	✓
Electronic ordering/purchasing	—	—	—	✓
Electronic banking or funds transfer	—	—	—	✓
Participation in government programs				
National industry extension service (NIES)	✓	—	—	—
AusIndustry/NIES	—	✓	—	—
R&D tax concession	✓	✓	—	—
Grants for research and development	✓	✓	—	—
Best Practice Demonstration Program	✓	—	—	—
New Enterprise Incentive Scheme	✓	✓	—	—
Export Access	✓	✓	✓	—
Export finance and Insurance Co. facilities	✓	✓	✓	—
AUSTRADE				
Export Market Development Grants	✓	✓	✓	—
International Trade Enhancement Scheme	✓	✓	✓	—
Other Austrade Services	✓	✓	✓	—
Commonwealth, State or Local Government Employment programs	—	✓	✓	—
Other commonwealth or State government industry programs	—	✓	✓	—
Business intentions				
Whether business intends to do any of the following				
Significantly increase production levels	✓	✓	✓	✓
Maintain existing production levels	✓	✓	✓	✓
Significantly decrease production levels	✓	✓	✓	✓
Open new locations	✓	✓	✓	✓
Close locations	✓	✓	✓	✓
Maintain or commence exporting	✓	✓	—	—
Maintain exporting	—	—	✓	✓
Commence exporting	—	—	✓	✓
Establish a partnership or office overseas	—	—	✓	✓
Increase exporting	—	—	✓	✓
Introduce new goods or services	✓	✓	✓	✓
Sell the whole business	✓	✓	✓	✓
Open the same business elsewhere	✓	✓	✓	✓
Sell equity in the business	✓	✓	✓	✓
Close the business	✓	✓	✓	✓
Use of computers				
Whether business used computers				
Whether business used computers	—	—	✓	—
How long the business used computers	—	—	✓	—
Whether most of the computers are				
Networked within business	—	—	✓	—
Stand-alone	—	—	✓	—
Whether business has electronic links with other business				
Dial-up modem link other than via the Internet	—	—	✓	—
Dedicated line	—	—	✓	—

For footnotes see end of table.

...continued

BUSINESS LONGITUDINAL SURVEY DATA ITEMS—*continued*

	1994-95	1995-96	1996-97	1997-98
Use of computers—<i>continued</i>				
Use of facilities				
Electronic stock monitoring	—	—	✓	—
Electronic ordering/purchasing using modem or dedicated links	—	—	✓	—
Electronic financial transactions	—	—	✓	—
Number of employees required to use computer at least once per week	—	—	✓	—
Whether business has access to Internet	—	—	✓	✓
Use of Internet				
Purchasing	—	—	✓	—
Selling	—	—	✓	—
Marketing or advertising	—	—	✓	—
Gathering information	—	—	✓	—
Video/voice communication	—	—	✓	—
Email	—	—	✓	✓
Data transfer	—	—	✓	—
Making payments	—	—	—	✓
Placing purchase orders	—	—	—	✓
Receiving invoices	—	—	—	✓
Other marketing and promotional activities	—	—	—	✓
Receiving payments	—	—	—	✓
Sending invoices	—	—	—	✓
Receiving sales orders	—	—	—	✓
Co-ordinating delivery arrangements	—	—	—	✓
Interactive lodging of forms/tenders	—	—	—	✓
Business to business data transfer	—	—	—	✓
Gathering of information	—	—	—	✓
Business networking	—	—	—	✓
Intranet	—	—	—	✓
Whether business has a web site/home page	—	—	✓	✓
Exports				
Whether business received income from export of goods	✓	✓	—	—
Whether business received income from export of services	✓	✓	—	—
Value of exports of goods and services	✓	✓	—	—
Value of goods exported	—	—	✓	✓
Value of services exported	—	—	✓	✓
Proportion of exports through different methods				
Directly to subsidiaries/affiliates	✓	—	—	—
Directly to parent company	✓	—	—	—
Directly to unrelated company	✓	—	—	—
Via agents in Australia	✓	—	—	—
Via agents overseas	✓	—	—	—
Three main countries to which business exported	✓	—	—	—
Income				
Income from sales of goods and services	✓	✓	✓	✓
Other income	✓	✓	✓	✓
Total income	✓	✓	✓	✓
Estimate of increase or decrease in income for next year	—	✓	✓	✓

For footnotes see end of table.

...continued

BUSINESS LONGITUDINAL SURVEY DATA ITEMS—*continued*

	1994-95	1995-96	1996-97	1997-98
Expenses				
Wages and salaries	✓	✓	✓	✓
Employer contribution to superannuation	✓	✓	✓	✓
Workers' compensation costs	✓	✓	✓	✓
Payroll tax	✓	✓	✓	—
Fringe benefit tax	✓	—	—	—
Interest expenses	✓	✓	✓	✓
Depreciation and amortisation	✓	✓	✓	✓
Bad debts written off	✓	✓	✓	✓
Purchases	✓	✓	✓	✓
Motor vehicle running expenses	✓	—	—	—
Rent, leasing and hiring	✓	✓	✓	✓
All other operating expenses	✓	✓	✓	✓
Total expenses	✓	✓	✓	✓
Trading stocks				
Opening trading stocks	✓	✓	✓	✓
Closing trading stocks	✓	✓	✓	✓
Profit or loss				
Reported operating profit or loss before tax and extraordinary items	✓	✓	✓	✓
Assets and liabilities				
Current assets including trading stocks	✓	✓	✓	✓
Non-current assets—property	✓	✓	✓	—
Non-current assets—plant and machinery	✓	✓	✓	✓
Non-current assets—other (not including property)	✓	✓	—	—
Non-current assets—other (including property)	—	—	✓	✓
Total non-current assets	✓	✓	✓	✓
Current liabilities	✓	✓	✓	✓
Non-current liabilities	✓	✓	✓	✓
Percent breakdown of liabilities				
Trade and other creditors	✓	✓	✓	✓
Bank loans	✓	—	—	—
Loans from banks and other institutions	—	✓	✓	✓
Loans from parent company	—	✓	✓	✓
Loans from individuals involved in the business or their families	—	✓	✓	✓
Loans from other individuals	—	✓	✓	✓
Loans from unrelated businesses	—	✓	✓	✓
Other loans	✓	—	—	—
Bank overdrafts	✓	—	✓	✓
Bank bills and other short term facilities	—	—	✓	✓
Provisions	✓	✓	✓	✓
Other	✓	✓	✓	✓
Due to other banks (finance sector only)	✓	✓	✓	✓
Deposits and other borrowings (finance sector only)	✓	✓	✓	✓
Outstanding claims (finance sector only)	✓	✓	✓	✓
Unearned premiums (finance sector only)	✓	✓	✓	✓

For footnotes see end of table.

...continued

BUSINESS LONGITUDINAL SURVEY DATA ITEMS—*continued*

	1994-95	1995-96	1996-97	1997-98
Equity				
Value of owners' equity	✓	✓	✓	✓
Breakdown of equity holdings				
Owner and owner's family	✓	—	—	—
Director and director's family	✓	—	—	—
Parent company	✓	✓	✓	✓
Unrelated persons	✓	—	—	—
Unrelated businesses	✓	✓	—	—
Other	✓	—	—	—
Working owners	—	✓	✓	✓
Non-working owners—family	—	✓	✓	✓
Non-working owners—non-family	—	✓	✓	✓
Venture or development capitalists	—	—	✓	✓
Other unrelated businesses	—	—	✓	✓
Employees (excluding directors)	—	—	✓	✓
Other (including shareholders)	—	✓	✓	✓
Whether business obtained any equity finance during last year	—	✓	✓	✓
Source of equity finance				
Family	—	✓	✓	✓
Acquaintances or business colleagues	—	✓	✓	✓
People you did not previously know	—	✓	✓	✓
Unrelated business	—	✓	✓	✓
Related business	—	✓	—	—
Parent company/companies	—	—	✓	—
Parent company or related businesses	—	—	—	✓
Other related business	—	—	✓	—
Employees	—	—	✓	✓
Venture/development capitalists	—	—	✓	✓
Existing shareholders	—	✓	✓	✓
Total value of equity finance				
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	—	✓	✓	✓
Capital expenditure and disposal of assets				
Capital expenditure				
Plant, machinery and equipment	—	✓	✓	✓
Land	—	✓	✓	✓
Dwellings, other buildings and structures	—	✓	✓	✓
Intangible assets	—	✓	✓	✓
Disposal of assets	—	✓	✓	✓
Training				
Expenditure on formal training	✓	—	—	—
Number of managerial staff with tertiary qualifications in management, commerce or administration	✓	—	—	—
Number of managerial staff undertaking training in business management	✓	—	—	—

For footnotes see end of table.

...continued

BUSINESS LONGITUDINAL SURVEY DATA ITEMS—*continued*

	1994–95	1995–96	1996–97	1997–98
Training—<i>continued</i>				
Changes in the level of training				
Increased	—	—	—	✓
Decreased	—	—	—	✓
Stayed the same	—	—	—	✓
No training provided	—	—	—	✓
Reasons for increase or decrease in level of training	—	—	—	✓
Percent of persons undertaking different training				
Structured training courses	—	—	—	✓
On-the-job training	—	—	—	✓
Seminars, workshops, conferences, etc.	—	—	—	✓
Job rotation, exchanges, etc.	—	—	—	✓
Percent of persons trained in different fields				
Management training	—	—	—	✓
Professional training	—	—	—	✓
Training for computer specialists	—	—	—	✓
Trade and apprenticeship training and traineeships	—	—	—	✓
Health and safety training	—	—	—	✓
Other training	—	—	—	✓
Use of training providers				
Employees or owners for on-the-job training	—	—	—	✓
Employees or owners for structured training	—	—	—	✓
Professional associations	—	—	—	✓
Industry associations	—	—	—	✓
Equipment manufacturer/supplier	—	—	—	✓
Private training consultant	—	—	—	✓
TAFE	—	—	—	✓
University	—	—	—	✓
Other	—	—	—	✓
Innovation (manufacturing industries)				
Whether business developed any new or substantially changed products or processes	✓	✓	✓	✓
Expenditure on Innovation				
R&D	✓	—	✓	✓
Training costs	✓	—	✓	✓
Acquisition of patents, trademarks and licenses	✓	—	—	—
Acquisition of technology developed by others	—	—	✓	✓
Tooling-up, engineering and manufacturing start-up	✓	—	✓	✓
Marketing	✓	—	✓	✓
Total expenditure on innovation	✓	—	✓	✓
Whether business performed R&D	—	✓	—	—
Expenditure on R&D	—	✓	—	—
Innovation (non-manufacturing industries)				
If business introduced any new services or significantly changed ways of delivering its services	✓	✓	✓	✓
Whether business introduced any new or substantially changed goods (except finance sector)	—	—	—	—

For footnotes see end of table.

...continued

BUSINESS LONGITUDINAL SURVEY DATA ITEMS—*continued*

	1994-95	1995-96	1996-97	1997-98
Business disputes				
Whether business was in a dispute	—	—	—	✓
Whether business hired a lawyer	—	—	—	✓
Reasons for not hiring a lawyer				
Cost	—	—	—	✓
Concern about your time involved	—	—	—	✓
Concern about delay in resolution	—	—	—	✓
Dislike of lawyers	—	—	—	✓
Loss of control over resolution	—	—	—	✓
Third party hired legal services	—	—	—	✓
Not necessary	—	—	—	✓
Other	—	—	—	✓
Services used for dispute resolution				
Government agency	—	—	—	✓
Industry association	—	—	—	✓
Private adviser	—	—	—	✓
Small Claims Court	—	—	—	✓
Insurance company	—	—	—	✓
Other services	—	—	—	✓
Health and safety				
Whether business has processes to manage health and safety				
Written management statement	—	—	—	✓
Program of consultation	—	—	—	✓
Training program	—	—	—	✓
Provision of information	—	—	—	✓
Regular workplace inspections	—	—	—	✓
Guidelines for identifying and controlling hazards	—	—	—	✓
Membership of industry associations				
Whether business belongs to an industry association	—	—	—	✓
(a) This information is derived from the Business Register.				
(b) Only asked in the first year in which the business was included in the survey. Data are carried forward in the database for subsequent years. This implies an assumption that there was no change.				

GLOSSARY

- ABS** Australian Bureau of Statistics.
- Age of business** Number of years of 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 size group** In this publication data are presented using five business size categories:
- (i) micro business—which is defined as those businesses employing less than five people;
 - (ii) other small business—which is defined as those businesses employing five 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.
- 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 are 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.
- Fields of training** In the survey four fields of training were identified:
- (i) Health and safety training—includes legal/administrative training (OHS laws etc.), hazard related training, management or supervision responsibilities, first aid training and workers' compensation training.
 - (ii) Professional training—includes further training for those persons whose occupation require at least a three-year degree/diploma.
 - (iii) Training for computer specialists—includes only training for persons considered computer specialists. It does not include computer training for non-computer specialists e.g software package training. This is included in Other training.
 - (iv) Other training—includes all training not included separately in the items above.

Methods of training In the survey four methods of training were identified:

(i) Job rotation, exchanges etc.—these strategies were considered training methods when planned in advance to develop the knowledge and skills of workers concerned.

(ii) On-the-job training—is informal training usually given on a one-to-one basis at the workplace.

(iii) Seminars, workshops, conferences etc.—these were considered training methods only when the purpose of attending was to extend or update the knowledge of workers.

(iv) Structured training courses—these are planned periods of training conducted either internally or externally by a teacher, tutor or specialist for a time set in advance by those organising the course.

Unionisation People working in the business that were union members as at 30 June 1998.

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2814100007979
ISSN 1327-0281

RRP \$20.00

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Produced by the Australian Bureau of Statistics