

SMALL AND MEDIUM ENTERPRISES

BUSINESS GROWTH AND PERFORMANCE SURVEY

AUSTRALIA

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- For further information about these and related statistics, contact Christine Price on Canberra 02 6252 5746 or refer to the back cover of this publication.

NOTES

This publication presents the results of the 1996–97 Business Growth and Performance Survey. It is the third year of a longitudinal study planned to be collected over five years. The results from these surveys will form a research database of firm level longitudinal data relating mainly to small and medium sized firms. Funds for the 1996–97 survey were provided by the Office of Small Business within the Department of Workplace Relations and Small Business. The Australian Bureau of Statistics (ABS) is undertaking the collection of the data as well as the development of the database.

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

T.J. Skinner
Acting Australian Statistician

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 three 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; and
- (iii) change in employment between June 1995 and June 1997.

Table 1 shows an analysis using all three groupings while tables 3–7 analyse more detailed characteristics of businesses based on the most recent 12 months (group (ii) 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; and
- (iii) change in income between 1994–95 and 1996–97.

Table 2 shows an analysis of businesses with changing income using all three groupings while tables 8–12 analyse more detailed characteristics of businesses based on the most recent 12 months (group (ii) above).

The publication also provides an analysis of job generation over the two individual years, 1995–96 and 1996–97 in tables 13 and 14. Tables 15–17 provide a snapshot of business use of computers and the Internet which was collected for the first time in the 1996–97 survey.

CHANGE CATEGORIES USED IN THIS PUBLICATION

For tables examining employment change (table 1 and tables 3–7) in this publication, three employment change categories have been used. Each business has been classified into the following categories based either on their change in employment over two years between 30 June 1995 and 30 June 1997 (table 1) or on their change in employment between 30 June 1996 and 30 June 1997 (tables 3–7).

- (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%.

CHANGE CATEGORIES USED IN THIS PUBLICATION

continued

For table 2 and tables 8–12, three income change categories have been formed using the same boundaries as used in the employment analysis (i.e. $\pm 10\%$). A business with decreasing 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 2 is based on change in income over the two year period between 1994–95 and 1996–97 while tables 8–12 are based on change in income recorded between 1995–96 and 1996–97.

DEFINING BUSINESSES BY SIZE

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

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

- (i) micro business — which is defined as those businesses employing less than 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.

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 significantly vary the conclusions one could draw about the small business sector.

Where results are presented by business size group, businesses have been classified using employment at the beginning of the reference period. That is, for tables analysing the period June 1996 to June 1997, size is based on employment at 30 June 1996, while for tables analysing the period June 1995 to June 1997, 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 13–14, 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% 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.

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SECTION 1

EMPLOYMENT AND INCOME CHANGE 1994–95 TO 1996–97

BUSINESSES WITH CHANGING EMPLOYMENT

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 first presents an analysis of the proportion of businesses changing employment over the period June 1995 to June 1996 and compares that to the most recent 12 months available (June 1996 to June 1997). Change in employment is then analysed over the two year period June 1995 to June 1997.

Summary There were 22% of businesses which recorded increased employment over the period June 1996 to June 1997 which is a little lower than that recorded in the previous year (24%). Similarly, the proportion showing decreasing employment between June 1996 and June 1997 (18%) is less than that recorded between June 1995 and June 1996 (22%).

When examined by business size, it can be seen that micro businesses (those employing less than five people) appear to be more static than other businesses. This was consistent across both years.

The survey showed that 27% of businesses recorded decreasing employment between June 1995 and June 1997. This was a much greater proportion than that for businesses which declined in either of the two individual 12 month periods June 1995 to June 1996 (22%) and June 1996 to June 1997 (18%). A similar situation occurred for businesses which increased employment over the same periods; 31% of businesses increased employment over the two year period, while the results for the individual years were 24% and 22% respectively.

As a consequence of these findings, the proportion of businesses which recorded static employment over the two year period was 43%, much lower than each of the two individual component years (53% and 59%).

COMPONENT ANALYSIS

Businesses with decreasing employment

Of the 27% of businesses which showed a decline in employment over the two year period June 1995 to June 1997, most (12 percentage points) recorded a decline in year one (June 1995 to June 1996) and then recorded no change the following year. About one-fifth (6 percentage points) declined in each of the years, with a further one-fifth declining in year 2 after recording no change in year 1.

Businesses with increasing employment	Of the 31% of businesses which increased employment over the two year period, about one-sixth (5 percentage points) increased employment in each of the years. In total, two-thirds of businesses with increased employment over the two years, increased in one of the years and recorded no change in the other.
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Size of business	In each analysis the proportion of businesses which were categorised as static was much greater for micro businesses than for other sized businesses. Over the two year period June 1995 to June 1997 there were 51% of micro businesses which remained static over the period, compared with 27% for other small businesses and 35% and 36% for medium and large businesses respectively. This was due to the smaller proportion of micro businesses which decreased over the two year period (20%) than for other sized businesses where about one-third of businesses declined.
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The component analysis shows that the proportions for micro businesses were often significantly different to those for other small businesses, which in general tended to be similar to medium sized businesses. The analysis also shows that 15% of large businesses decreased their employment in each of the two years but only 3% increased their employment in both years.

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.
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Table 2 presents an analysis of the proportion of businesses changing income between 1994–95 and 1995–96 and compares that to the change between 1995–96 and 1996–97. Change in income is then analysed between the two periods two years apart, 1994–95 and 1996–97.

For all businesses	There were 27% of businesses which had a decline in income between 1994–95 and 1996–97. This was larger than the proportion which showed a decline between 1994–95 and 1995–96 (24%) and between 1995–96 and 1996–97 (21%). For businesses which increased their income, the proportion over the two years is even more marked, with 40% showing an increase between 1994–95 and 1996–97, while the proportion increasing income in each of the individual years was 34% and 31% respectively. As a consequence, the proportion which remained static was much less over the two years (33%) than for each of the individual years (42% and 48% respectively).
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COMPONENT ANALYSIS

Businesses with decreasing income	Only about one-seventh (4 percentage points) of the 27% of businesses which recorded decreasing income over the two year period decreased in each of the individual years.
Businesses with static income	The proportion of businesses with static income over the two year period was fairly consistent across size of business. However there was a smaller proportion of medium and large businesses which had no change in either year than for micro and other small businesses.
Businesses with increasing income	Of the 40% of businesses which increased their income between 1994–95 and 1996–97, about two-fifths (or 16 percentage points) increased their income in each of the years. This was a much larger proportion to that derived when analysing the proportion of businesses which increased their employment in each of the individual years.
Size of business	Medium and large businesses tended to have higher proportions increasing their income over the longer period than smaller businesses. They also tended to have greater proportions which increased in each of the two years of the period. Smaller businesses had greater proportions which declined in income over the longer period than for medium and large businesses.

	Business size group					
	Micro business	Other small business	Total small business	Medium business	Large business	Total all business
	%	%	%	%	%	%
Employment change(a) — 30 June 95 to 30 June 96 (period 1)						
Decreasing employment	15	35	22	32	22	22
Static employment	62	37	54	45	60	53
Increasing employment	23	28	25	24	18	24
Employment change(a) — 30 June 96 to 30 June 97 (period 2)						
Decreasing employment	14	27	18	25	26	18
Static employment	65	48	60	53	51	59
Increasing employment	21	26	22	22	23	22
Employment change(a) — 30 June 95 to 30 June 97						
Decreasing employment	20	37	26	34	34	27
Static employment	51	27	43	35	36	43
Increasing employment	29	36	31	31	30	31
Component analysis						
Businesses with decreasing employment						
Decreased in period 1 / decreased in period 2	6	6	6	8	15	6
Decreased in period 1 / static in period 2	10	15	12	15	8	12
Static in period 1 / decreased in period 2	1	7	3	5	6	3
Other	3	9	5	6	5	5
<i>Total businesses with decreasing employment</i>	20	37	26	34	34	27
Businesses with static employment						
Static in period 1 / static in period 2	45	18	36	23	24	34
Other	7	9	8	12	12	8
<i>Total businesses with static employment</i>	51	27	43	35	36	43
Businesses with increasing employment						
Increased in period 1 / increased in period 2	3	8	5	7	3	5
Increased in period 1 / static in period 2	12	12	12	10	10	12
Static in period 1 / increased in period 2	10	10	10	7	11	9
Other	3	6	4	6	6	4
<i>Total businesses with increasing employment</i>	29	36	31	31	30	31

(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.

	<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(a) — 1994-95 to 1995-96 (period 1)						
Decreasing income	26	22	25	17	13	24
Static income	40	46	42	49	46	42
Increasing Income	34	32	34	34	41	34
Income change(a) — 1995-96 to 1996-97 (period 2)						
Decreasing income	23	17	21	12	20	21
Static income	46	53	48	48	45	48
Increasing Income	31	30	31	40	35	31
Income change(a) — 1994-95 to 1996-97						
Decreasing income	29	26	28	18	17	27
Static income	33	33	33	33	31	33
Increasing Income	38	40	39	48	52	40
Component analysis						
Businesses with decreasing income						
Decreased in period 1 / decreased in period 2	5	3	4	2	1	4
Decreased in period 1 / static in period 2	8	6	7	3	1	7
Static in period 1 / decreased in period 2	7	10	8	7	11	8
Other	9	8	8	6	5	8
<i>Total businesses with decreasing income</i>	29	26	28	18	17	27
Businesses with static income						
Static in period 1 / static period 2	18	10	15	7	2	15
Other	15	23	17	26	29	18
<i>Total businesses with static income</i>	33	33	33	33	31	33
Businesses with increasing income						
Increased in period 1 / increased in period 2	13	20	15	27	35	16
Increased in period 1 / static in period 2	9	7	8	4	4	8
Static in period 1 / increased in period 2	7	4	6	5	2	6
Other	11	9	10	12	11	10
<i>Total businesses with increasing income</i>	38	40	39	48	52	40

(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 1995–96 TO 1996–97

CHARACTERISTICS OF BUSINESSES WITH CHANGING EMPLOYMENT

In this analysis, businesses are categorised in terms of changing employment between June 1996 and June 1997. Reference to businesses increasing employment relates to those increasing employment by more than 10%. Similarly, businesses with employment decreasing by more than 10% are referred to as businesses decreasing employment. Also, this analysis only relates to continuing businesses, i.e. those which were operating at both June 1996 and June 1997.

For all businesses

The survey shows that between June 1996 and June 1997, 22% of all continuing businesses had increased their employment and 18% had shown a decrease. The remaining businesses (59%) had only minor changes to employment and are classified as static.

Size of business

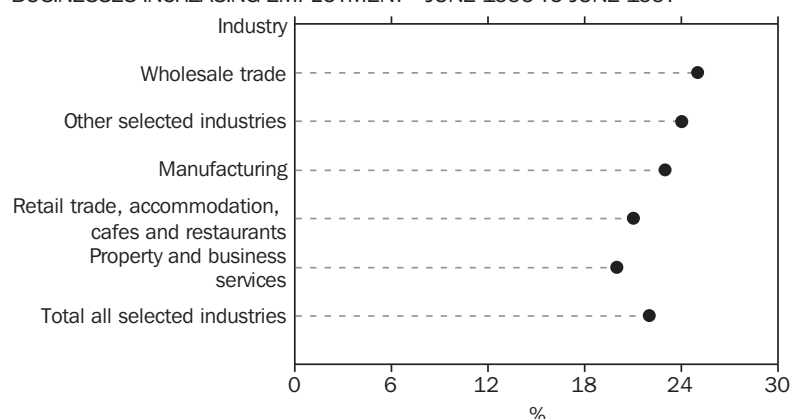
When examined by business size, it can be seen that micro businesses (those employing less than five people) appear to be more static than other businesses. This is consistent with the 1994–95 and 1995–96 findings. Between June 1996 and June 1997, 65% of micro businesses were classified as static in terms of their employment. This compares with 48% for other small businesses and 53% and 51% for medium and large businesses respectively. Less micro businesses decreased in employment than any other size category (14% compared to 27%, 25% and 26% for other small, medium and large categories respectively). The proportion of firms which grew was largest in the other small business category where the proportion was 26%.

Industry

Across the selected industries the Wholesale trade industry had the highest proportion of businesses increasing employment over the period (25%). This is consistent with the 1995–96 survey results. The Property and business services industry had the smallest proportion of businesses increasing their employment with 20% of firms increasing. Over the period June 1995 to June 1996 the same industry also had the smallest proportion of firms in this category (21%).

The Manufacturing industry recorded the highest proportion of businesses with decreasing employment (22%) while the Wholesale trade industry and Other selected industries (which includes, Construction, Transport and storage, Finance and insurance and Personal services) recorded the lowest proportion (17%). These results were fairly similar to the 1995–96 survey in which the Manufacturing industry had the largest proportion of businesses decreasing their employment (25%) and the Wholesale industry had the smallest proportion (18%).

BUSINESSES INCREASING EMPLOYMENT—JUNE 1996 TO JUNE 1997



Small business by industry	In the small business sector, the Wholesale trade industry had the largest proportion of firms increasing their employment (24%), while the Manufacturing industry recorded the largest proportion of businesses with declining employment (21%).
Medium business by industry	For medium sized businesses, the Wholesale trade industry had the highest proportion of businesses with increased employment (30%), while the Property and business services industry recorded the largest proportion with decreasing employment (37%).
Age of business	Across the age categories the youngest businesses (less than five years old) and the oldest (20 years or more) recorded the largest proportion of businesses with increasing employment (27%), considerably larger than for businesses of other ages. Similar proportions were recorded for the micro and total small business categories.
Export status	For businesses which were exporting, 22% showed an increase in employment and 30% showed a decrease. For non-exporting businesses 22% recorded increasing employment but 18% recorded decreasing employment. For total small business there were similar proportions; but for micro businesses the proportion of exporting businesses with decreasing employment was substantially lower (10%) than the proportion with increasing employment (20%).
Innovation	For those businesses which were innovative, a higher proportion (33%) showed an increase in employment than showed a decrease (18%). For non-innovative firms, the proportion reporting increasing employment was about the same as the proportion showing decreasing employment. The same trend can be seen for the small business category; for medium sized businesses, on the other hand, there was a significantly larger proportion of non-innovative businesses showing declining employment (34%) than there was showing increasing employment (18%).

Unionisation	All categories of degree of unionisation were showing a larger proportion of businesses with increasing employment than with decreasing employment. Businesses with union membership greater than 50% showed the largest proportion of businesses with increasing employment (29%) and the lowest proportion with decreasing employment (16%).
Family business	There was only a slight difference in the proportion of businesses increasing employment between family and non-family businesses (21% and 23%). However, 20% of family businesses recorded decreasing employment compared to only 17% for non-family businesses.
Gender of business managers	The gender of business managers did not appear to have a significant impact on changes in employment. There were only slight differences in the proportion of businesses increasing and decreasing their employment.
Use of computers	For businesses that use computers a greater proportion had increasing employment (24%) than decreasing employment (18%). Businesses not using computers had similar proportions of decreasing and increasing employment.
Access to the Internet	Of businesses with access to the Internet, 26% had increasing employment while only 21% 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 provide, 51% also decreased employment and only 5% increased. Of those businesses which increased the range of goods and services they provided, 44% also increased employment and only 15% decreased.
CHARACTERISTICS OF BUSINESSES WITH CHANGING INCOME	<p>In this analysis businesses are categorised in terms of changing income between 1995–96 and 1996–97. 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.</p> <p>Businesses which were not in operation for both 1995–96 and 1996–97 are excluded from the following analysis.</p>
For all businesses	The survey shows that 31% of businesses recorded an increase in their income between 1995–96 and 1996–97. This compared to 21% which showed a decrease in their income. The remaining 48% have been classified as having static income. There was a significantly larger number of businesses in the group recording an increase in income than those which recorded a similar increase in employment (22%).
Size of business	The proportions increasing and decreasing income across the different size categories in 1996–97 were a little smaller overall than in 1995–96. For 1996–97 the proportion of businesses showing increasing income was similar for the micro and small business groups whereas the proportions for the medium and large business categories were a little higher.

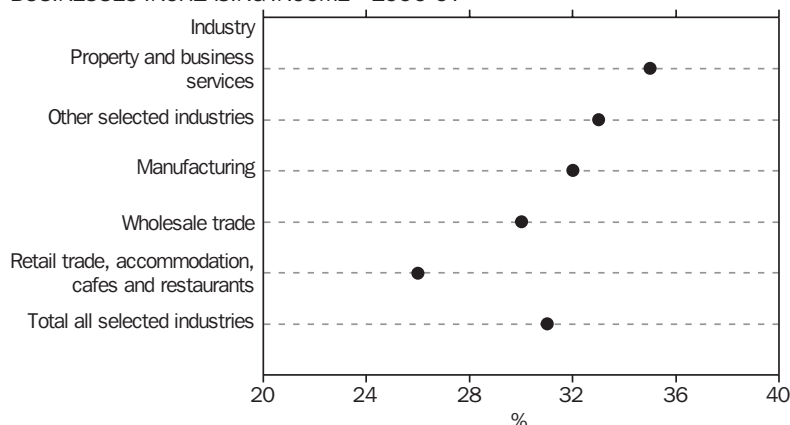
Size of business *continued*

The micro business category recorded the largest proportion of businesses showing decreasing income (23%). The medium business category recorded the smallest proportion of businesses showing declining income (12%).

Industry

Property and business services industry had the largest proportion of businesses showing an increase in income (35%).

BUSINESSES INCREASING INCOME—1996-97



The Retail trade and Accommodation, cafes and restaurants industries had the smallest proportion of businesses showing a decrease in income (17%).

Age of business

All age groups recorded had a greater proportion of businesses showing increasing income than decreasing income. Businesses aged less than five years old had the largest proportion increasing income (40%).

Export status

A greater proportion of exporting businesses (39%) reported a decrease in their income than did non-exporters (20%). At the same time a smaller proportion of exporters (27%) reported an increase in their income than did non-exporters (31%).

Innovation

A larger proportion of businesses undertaking innovative activity reported increasing income than non-innovators (37% compared to 29%). These proportions are much larger than the proportion of innovating and non-innovating businesses which showed a decline in income (19% and 21% respectively). The same trend can be seen for each of the business size categories.

Unionisation

Businesses with more than half their employees union members recorded the highest proportion with increasing income (38%), 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 (32% compared to 30%). The same situation occurred with the proportion showing decreasing income—23% for family businesses and 18% for non-family businesses.
Gender of business managers	Businesses which had business managers which are equally spread between males and females had a higher proportion of businesses increasing income (35%) than those with predominantly female managers (28%) or predominantly male managers (27%). All three categories showed the same proportion of businesses with decreasing income (21%).
Use of computers	For businesses using computers, a greater proportion had increasing income (33%) than decreasing income (19%).
Access to the Internet	Of businesses with access to the Internet, 39% had increasing income and 24% had decreasing income, while 29% of businesses without Internet access recorded increasing income and 20% recorded decreasing income.
Changes in goods and services provided	Of those businesses which decreased the range of goods and services they provided, 64% also decreased income. Of those businesses which increased the range of goods and services they provided, 45% also increased income.

	<i>Proportion of businesses with</i>			
	<i>Decreasing employment</i>	<i>Static employment</i>	<i>Increasing employment</i>	<i>All businesses</i>
	%	%	%	%
Manufacturing				
Micro business	17	62	21	100
Other small business	26	49	26	100
Total small business	21	56	23	100
Medium business	27	50	23	100
Large business	22	60	18	100
Total all business	22	56	23	100
Wholesale trade				
Micro business	11	68	21	100
Other small business	25	46	29	100
Total small business	17	58	24	100
Medium business	18	52	30	100
Large business	13	79	7	100
Total all business	17	58	25	100
Retail trade, accommodation, cafes and restaurants				
Micro business	15	63	21	100
Other small business	21	57	22	100
Total small business	18	61	22	100
Medium business	25	63	13	100
Large business	10	47	43	100
Total all business	18	61	21	100
Property and business services				
Micro business	16	66	18	100
Other small business	32	41	27	100
Total small business	20	60	20	100
Medium business	37	41	22	100
Large business	48	36	16	100
Total all business	20	59	20	100
Other selected industries				
Micro business	11	67	22	100
Other small business	32	39	28	100
Total small business	16	60	23	100
Medium business	21	50	29	100
Large business	31	42	27	100
Total all business	17	60	24	100
Total all selected industries				
Micro business	14	65	21	100
Other small business	27	48	26	100
Total small business	18	60	22	100
Medium business	25	53	22	100
Large business	26	51	23	100
Total all business	18	59	22	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.

	<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	59	22	100
Age of business				
Less than 5 years	18	54	27	100
5 years to less than 10 years	19	63	18	100
10 years to less than 20 years	19	63	19	100
20 years or more	18	55	27	100
Export status				
Non-exporter	18	60	22	100
Exporter	30	48	22	100
Innovative status				
Non-innovator	19	63	19	100
Innovator	18	49	33	100
Unionisation				
No union members	18	60	22	100
Up to 50%	22	52	26	100
51% to 100%	16	55	29	100
Family business				
Non family business	17	60	23	100
Family business	20	59	21	100
Gender of business managers				
Predominantly females	21	58	21	100
Predominantly males	18	61	21	100
No predominance	18	58	23	100
Use of computers				
No computers used in the business	20	61	19	100
Computers used in the business	18	59	24	100
Use of the Internet				
Businesses without access to the Internet	18	61	21	100
Businesses with access to the Internet	20	54	26	100
Range of goods and services				
Increased during 1996–97	15	42	44	100
Not changed during 1996–97	18	62	20	100
Decreased during 1996–97	51	44	5	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.

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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>
	%	%	%	%
Total micro business	14	65	21	100
Age of business				
Less than 5 years	15	58	27	100
5 years to less than 10 years	14	68	17	100
10 years to less than 20 years	13	71	15	100
20 years or more	12	62	26	100
Export status				
Non-exporter	14	65	21	100
Exporter	10	69	20	100
Innovative status				
Non-innovator	14	69	18	100
Innovator	15	52	33	100
Unionisation				
No union members	14	65	21	100
Up to 50%	17	66	17	100
51% to 100%	6	85	9	100
Family business				
Non family business	14	63	23	100
Family business	14	67	19	100
Gender of business managers				
Predominantly females	17	63	20	100
Predominantly males	14	68	18	100
No predominance	13	64	23	100
Use of computers				
No computers used in the business	16	65	19	100
Computers used in the business	13	66	21	100
Use of the Internet				
Businesses without access to the Internet	14	66	20	100
Businesses with access to the Internet	15	61	25	100
Range of goods and services				
Increased during 1996–97	5	42	53	100
Not changed during 1996–97	14	67	18	100
Decreased during 1996–97	32	62	6	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.

6

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	18	60	22	100
Age of business				
Less than 5 years	17	55	28	100
5 years to less than 10 years	19	63	18	100
10 years to less than 20 years	18	63	18	100
20 years or more	17	56	27	100
Export status				
Non-exporter	17	60	22	100
Exporter	32	47	21	100
Innovative status				
Non-innovator	18	63	19	100
Innovator	18	48	34	100
Unionisation				
No union members	18	60	22	100
Up to 50%	22	52	26	100
51% to 100%	14	57	29	100
Family business				
Non family business	16	60	24	100
Family business	19	60	21	100
Gender of business managers				
Predominantly females	21	58	21	100
Predominantly males	18	62	21	100
No predominance	18	59	23	100
Use of computers				
No computers used in the business	20	61	19	100
Computers used in the business	17	59	24	100
Use of the Internet				
Businesses without access to the Internet	17	61	21	100
Businesses with access to the Internet	20	53	26	100
Range of goods and services				
Increased during 1996–97	15	39	46	100
Not changed during 1996–97	18	62	20	100
Decreased during 1996–97	50	45	5	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.

	<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	54	17	100
5 years to less than 10 years	17	63	20	100
10 years to less than 20 years	25	48	27	100
20 years or more	30	46	24	100
Export status				
Non-exporter	26	53	21	100
Exporter	23	52	25	100
Innovative status				
Non-innovator	34	48	18	100
Innovator	16	58	26	100
Unionisation				
No union members	26	54	20	100
Up to 50%	22	53	25	100
51% to 100%	28	44	29	100
Family business				
Non family business	23	58	19	100
Family business	28	45	27	100
Gender of business managers				
Predominantly females	48	37	15	100
Predominantly males	21	57	22	100
No predominance	29	50	22	100
Use of computers				
No computers used in the business	29	62	9	100
Computers used in the business	25	52	23	100
Use of the Internet				
Businesses without access to the Internet	31	52	18	100
Businesses with access to the Internet	19	54	27	100
Range of goods and services				
Increased during 1996–97	11	64	25	100
Not changed during 1996–97	28	51	21	100
Decreased during 1996–97	72	24	5	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.

	Proportion of businesses with			
	Decreasing income	Static income	Increasing income	All businesses
	%	%	%	%
Manufacturing				
Micro business	25	45	30	100
Other small business	18	48	34	100
Total small business	22	46	32	100
Medium business	20	48	32	100
Large business	17	65	18	100
Total all business	22	47	32	100
Wholesale trade				
Micro business	29	47	24	100
Other small business	14	49	37	100
Total small business	23	48	29	100
Medium business	17	52	32	100
Large business	19	68	13	100
Total all business	22	48	30	100
Retail trade, accommodation, cafes and restaurants				
Micro business	21	55	24	100
Other small business	13	61	25	100
Total small business	18	58	25	100
Medium business	9	42	49	100
Large business	10	37	54	100
Total all business	17	57	26	100
Property and business services				
Micro business	21	43	36	100
Other small business	24	46	30	100
Total small business	21	44	35	100
Medium business	6	53	40	100
Large business	31	21	48	100
Total all business	21	44	35	100
Other selected industries				
Micro business	26	41	33	100
Other small business	17	52	31	100
Total small business	24	44	33	100
Medium business	10	51	38	100
Large business	22	37	41	100
Total all business	23	44	33	100
Total all selected industries				
Micro business	23	46	31	100
Other small business	17	53	30	100
Total small business	21	48	31	100
Medium business	12	48	40	100
Large business	20	45	35	100
Total all business	21	48	31	100

(a) Income change category relates to changes in the level of annual income in the business between 1995–96 and 1996–97, as outlined in the Introduction.

	Proportion of businesses with			
	Decreasing income	Static income	Increasing income	All businesses
	%	%	%	%
Total all business	21	48	31	100
Age of business				
Less than 5 years	21	39	40	100
5 years to less than 10 years	18	56	27	100
10 years to less than 20 years	24	48	29	100
20 years or more	22	48	29	100
Export status				
Non-exporter	20	48	31	100
Exporter	39	34	27	100
Innovative status				
Non-innovator	21	49	29	100
Innovator	19	44	37	100
Unionisation				
No union members	21	48	31	100
Up to 50%	14	53	32	100
51% to 100%	12	50	38	100
Family business				
Non family business	18	52	30	100
Family business	23	45	32	100
Gender of business managers				
Predominantly females	21	51	28	100
Predominantly males	21	51	27	100
No predominance	21	45	35	100
Use of computers				
No computers used in the business	24	48	28	100
Computers used in the business	19	48	33	100
Use of the Internet				
Businesses without access to the Internet	20	51	29	100
Businesses with access to the Internet	24	37	39	100
Range of goods and services				
Increased during 1996–97	23	32	45	100
Not changed during 1996–97	20	50	30	100
Decreased during 1996–97	64	16	20	100

(a) Income change category relates to changes in the level of annual income in the business between 1995–96 and 1996–97, as outlined in the Introduction.

	<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	46	31	100
Age of business				
Less than 5 years	25	39	37	100
5 years to less than 10 years	18	53	29	100
10 years to less than 20 years	26	46	28	100
20 years or more	28	42	31	100
Export status				
Non-exporter	23	46	31	100
Exporter	42	30	28	100
Innovative status				
Non-innovator	24	46	30	100
Innovator	21	42	38	100
Unionisation				
No union members	24	45	31	100
Up to 50%	11	60	29	100
51% to 100%	11	53	36	100
Family business				
Non family business	21	51	28	100
Family business	25	42	33	100
Gender of business managers				
Predominantly females	23	50	27	100
Predominantly males	25	49	25	100
No predominance	22	42	36	100
Use of computers				
No computers used in the business	26	46	28	100
Computers used in the business	21	45	33	100
Use of the Internet				
Businesses without access to the Internet	22	48	29	100
Businesses with access to the Internet	28	30	42	100
Range of goods and services				
Increased during 1996–97	26	28	47	100
Not changed during 1996–97	22	48	30	100
Decreased during 1996–97	78	8	14	100

(a) Income change category relates to changes in the level of annual income in the business between 1995–96 and 1996–97, as outlined in the Introduction.

11

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	48	31	100
Age of business				
Less than 5 years	22	39	39	100
5 years to less than 10 years	18	56	26	100
10 years to less than 20 years	24	47	29	100
20 years or more	23	48	29	100
Export status				
Non-exporter	21	49	31	100
Exporter	46	29	25	100
Innovative status				
Non-innovator	22	49	29	100
Innovator	20	44	36	100
Unionisation				
No union members	22	48	31	100
Up to 50%	15	58	27	100
51% to 100%	10	51	39	100
Family business				
Non family business	19	53	28	100
Family business	23	44	32	100
Gender of business managers				
Predominantly females	21	51	28	100
Predominantly males	22	52	26	100
No predominance	21	45	35	100
Use of computers				
No computers used in the business	24	48	27	100
Computers used in the business	19	48	33	100
Use of the Internet				
Businesses without access to the Internet	20	51	29	100
Businesses with access to the Internet	26	36	38	100
Range of goods and services				
Increased during 1996–97	25	33	42	100
Not changed during 1996–97	20	50	30	100
Decreased during 1996–97	64	16	21	100

(a) Income change category relates to changes in the level of annual income in the business between 1995–96 and 1996–97, as outlined in the Introduction.

	<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	12	48	40	100
Age of business				
Less than 5 years	8	30	62	100
5 years to less than 10 years	11	59	30	100
10 years to less than 20 years	17	54	29	100
20 years or more	15	52	33	100
Export status				
Non-exporter	11	48	40	100
Exporter	18	47	34	100
Innovative status				
Non-innovator	14	55	32	100
Innovator	11	41	48	100
Unionisation				
No union members	11	50	39	100
Up to 50%	13	44	43	100
51% to 100%	25	41	34	100
Family business				
Non family business	12	40	48	100
Family business	12	61	27	100
Gender of business managers				
Predominantly females	14	66	21	100
Predominantly males	10	44	46	100
No predominance	15	51	34	100
Use of computers				
No computers used in the business	10	36	55	100
Computers used in the business	12	49	39	100
Use of the Internet				
Businesses without access to the Internet	14	54	33	100
Businesses with access to the Internet	11	42	47	100
Range of goods and services				
Increased during 1996–97	9	25	66	100
Not changed during 1996–97	12	54	34	100
Decreased during 1996–97	65	30	6	100

(a) Income change category relates to changes in the level of annual income in the business between 1995–96 and 1996–97, 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 and June 1996 to June 1997. The data for the former are revised estimates to those released previously. In the analysis, statistics for continuing businesses which have increased in employment during each year are combined with statistics on the employment of firms born 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 businesses with the employment of businesses which ceased during the year. Net employment generation is then defined as being the difference between employment generation and employment destruction.

For all businesses The survey showed that total employment generation during 1996–97 was 952,000 made up of 557,000 from new businesses and 396,000 from continuing businesses. The revised data for 1995–96 shows a similar picture, with 1,006,000 new jobs being generated, 563,000 from new business and 444,000 from continuing businesses.

Total employment destruction during 1996–97 was 527,000 made up of 208,000 from ceased businesses and 319,000 from continuing businesses. Employment destruction in 1995–96 was somewhat greater (696,000) with 335,000 from ceased businesses and 361,000 from continuing businesses.

By subtraction, net employment generation is therefore estimated to be 425,000 in 1996–97 and 310,000 in 1995–96.

By size of business In both 1995–96 and 1996–97, net employment generation can be mainly attributed to the small and medium sized business categories. In 1996–97, 57% came from the small business sector and 37% came from medium sized businesses. During 1995–96, 64% came from the small business sector and 29% from the medium sized business sector.

The contributions to total employment generation by size of business during 1996–97 were:

- Total small business — contributed 508,000 persons (53%) to total job generation of which 185,000 came from continuing businesses which increased their employment and 322,000 from new businesses;
- Medium business — contributed 320,000 persons (34%) to total job generation of which 103,000 came from continuing businesses which increased their employment and 217,000 from new businesses;
- Large business — contributed 124,000 persons (13%) to total job generation of which 107,000 came from continuing businesses which increased their employment and 17,000 from new businesses.

By size of business *continued* For employment destruction the contributions were:

- Total small business — contributed 265,000 persons (50%) to total job destruction of which 130,000 came from continuing businesses which decreased their employment and 135,000 from ceased businesses;
- Medium business — contributed 161,000 persons (31%) to total job destruction of which 100,000 came from continuing businesses which decreased their employment and 62,000 from ceased businesses;
- Large business — contributed 100,000 persons (19%) to total job destruction of which 88,000 came from continuing businesses which decreased their employment and 12,000 from ceased businesses.

13

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

	<i>Micro business</i>	<i>Other small business</i>	<i>Total small business</i>	<i>Medium business</i>	<i>Large business</i>	<i>All business</i>
'000						
Employment generation						
New businesses	170	173	343	195	24	563
Continuing businesses	109	122	230	95	118	444
Total	279	295	573	290	143	1006
Employment destruction						
Ceased businesses	78	116	194	101	40	335
Continuing businesses	50	132	181	101	79	361
Total	128	248	376	201	119	696
Net employment change	151	47	198	89	23	310
%						
Employment generation						
New businesses	30	31	61	35	4	100
Continuing businesses	25	27	52	21	27	100
Total	28	29	57	29	14	100
Employment destruction						
Ceased businesses	23	35	58	30	12	100
Continuing businesses	14	37	50	28	22	100
Total	18	36	54	29	17	100
Net employment change	49	15	64	29	7	100

14

EMPLOYMENT GENERATION AND 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	150	173	322	217	17	557
Continuing businesses	77	109	185	103	107	396
Total	227	281	508	320	124	952
Employment destruction						
Ceased businesses	56	79	135	62	12	208
Continuing businesses	46	84	130	100	88	319
Total	102	163	265	161	100	527
Net employment change	125	118	243	159	24	425
%						
Employment generation						
New businesses	27	31	58	39	3	100
Continuing businesses	19	28	47	26	27	100
Total	24	30	53	34	13	100
Employment destruction						
Ceased businesses	27	38	65	30	6	100
Continuing businesses	14	26	41	31	28	100
Total	19	31	50	31	19	100
Net employment change	29	28	57	37	6	100

SECTION 4

USE OF COMPUTERS AND THE INTERNET 1996–97

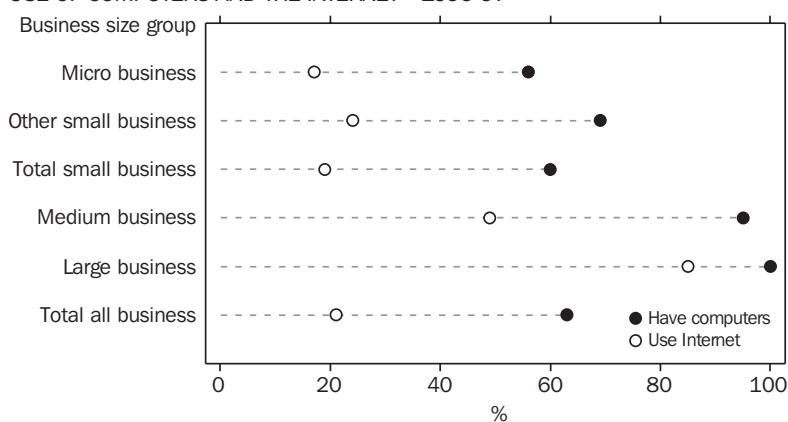
Tables 15–17 show details of the use of computers and the Internet in Australian business at 30 June 1997. Of those businesses surveyed, 38% were not using computers in their business operations. All large businesses were using computers and practically all medium sized businesses, but only 60% of small businesses were using computers. Only 56% of micro businesses used computers.

One in three businesses have been using computers for five years or more and only one in ten have been using them for less than two years.

The survey also examined the use of some of the more common electronic business processes, namely Electronic stock monitoring, Electronic ordering or purchasing using modem or dedicated links with another business and Electronic financial transactions e.g. banking, EFTPOS. It showed that 27% of businesses were using at least one of these three selected electronic processes, at June 1997. The most common of the electronic processes used by businesses was the use of Electronic financial transactions (24%) while only 5% of businesses were using Electronic stock monitoring. Large businesses were the biggest users of the selected electronic processes with 80% using Electronic financial transactions, 43% using Electronic stock monitoring and 37% using Electronic ordering or purchasing.

Use of the Internet Only 21% of businesses had access to the Internet at June 1997 with 5% having a web-site/home page. Large business had the highest proportion of businesses with access to the Internet (85%) and micro business had the lowest proportion (17%). The main use being made of the Internet was for Email (20%) and Gathering information (18%). Very few (approx. 1%) were using the Internet for Selling or Purchasing goods or services.

USE OF COMPUTERS AND THE INTERNET—1996-97



15

PROPORTION OF BUSINESSES USING COMPUTERS BY BUSINESS SIZE GROUP

	<i>Do not use computers</i>	<i>Using computers for</i>			
		<i>Less than 2 years</i>	<i>2 to less than 5 years</i>	<i>5 or more years</i>	<i>Total businesses</i>
	%	%	%	%	%
Micro business	44	9	21	26	100
Other small business	31	10	23	37	100
Total small business	40	9	22	30	100
Medium business	6	9	26	60	100
Large business	0	3	10	87	100
Total	38	9	22	32	100

16

PROPORTION OF BUSINESSES USING SELECTED ELECTRONIC PROCESSES BY BUSINESS SIZE GROUP

	<i>Using computers</i>	<i>Selected electronic process</i>			
		<i>Electronic stock monitoring</i>	<i>Electronic ordering or purchasing</i>	<i>Electronic financial transactions</i>	<i>Using at least one selected process</i>
	%	%	%	%	%
Micro business	56	2	8	18	19
Other small business	69	8	12	30	35
Total small business	60	4	9	21	24
Medium business	95	19	28	53	62
Large business	100	43	37	80	87
Total	63	5	10	24	27

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PROPORTION OF BUSINESSES USING THE INTERNET BY BUSINESS SIZE GROUP

	<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>
	%	%	%	%	%	%
Businesses with access to Internet	17	24	19	49	85	21
Businesses with web site/home page	2	7	3	18	50	5
Major uses of the Internet						
Email	15	23	18	48	79	20
Gathering information	14	20	16	43	79	18
Data transfer	8	9	8	17	44	9
Marketing	2	7	4	16	33	5
Selling	1	2	1	3	2	1
Purchasing	1	0	1	1	3	1

EXPLANATORY NOTES

INTRODUCTION

1 The information in this publication has been derived from the 1994–95, 1995–96 and 1996–97 Business Growth and Performance Surveys. The surveys were designed to provide estimates on the growth and performance of Australian employing businesses and to identify selected economic and structural characteristics of these businesses. The 1994–95 survey was the first of a planned five year annual series.

STATISTICAL UNIT

2 The business unit about which data has been collected and published is termed the management unit. The management unit is the highest level accounting unit within a business, having regard for industry homogeneity, for which detailed accounts are maintained; in nearly all cases it coincides with the legal entity owning the business (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 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 1996–97 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 1995–96 survey, while second part consists of a sample of new business units added to the ABS Business Register during 1996–97. In total, some 6,400 business units were included in the 1995–96 and 1996–97 surveys.

SCOPE	<p>4 All business units in the Australian economy were included in the scope of the survey except for:</p> <ul style="list-style-type: none"> ■ businesses which have not registered as group employers with the Australian Taxation Office, which generally equates to non-employing businesses ■ all Government enterprises ■ businesses classified to the following ANZSIC industries: <ul style="list-style-type: none"> ■ ANZSIC Divisions: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 96 — Other Services 97 — Private households employing staff ■ ANZSIC Groups: <ul style="list-style-type: none"> 921 — Libraries 922 — Museums 923 — Parks and gardens
CLASSIFICATION BY INDUSTRY	<p>5 The statistics in this publication are classified by industry in accordance with the 1993 edition of the <i>Australian and New Zealand Industrial Classification ANZSIC</i> (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.</p>
REFERENCE PERIOD	<p>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 and June 1997. In a minority of cases, where businesses do not account on a June-year basis, details were reported in respect of their accounting year.</p>

RELIABILITY OF ESTIMATES

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

Sampling error

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

9 One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if all units had been included in the survey, and about 19 chances in 20 that the difference will be less than two standard errors. Thus, for example, if the estimated value of a variable is 36% and its standard error is 2%, 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 19 chances in 20 that the true value lies within the range 32% to 40%.

10 The relative standard error, which is obtained by expressing the standard error as a percentage of the estimate to which it refers, is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling. This avoids the need to also refer to the size of the estimate.

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

RELATIVE STANDARD ERRORS, BUSINESSES CHANGING EMPLOYMENT

By business size group

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	11.1	4.7	9.1
Other small business	8.9	7.4	7.3
Total small business	7.1	3.7	6.3
Medium business	11.6	11.6	12.5
Large business	19.2	8.9	14.7
Total all business	6.5	3.5	5.9

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

- inability to obtain comprehensive data from all businesses included in the sample. These errors arise because of differences which exist between the characteristics of respondents and non-respondents;
- 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

13 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

14 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.

15 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.

APPENDIX 1

SURVEY DATA ITEMS

Listed below are the data items which have been collected in the 1994–95, 1995–96 and 1996–97 Business Growth and Performance Surveys. If sample sizes are adequate, these data are available, at a cost, from the ABS. See the inquires box at the front of the publication for contact details.

DATA ITEM

STANDARD RANGES AVAILABLE

EMPLOYMENT

Type of employment

Number of:

- Working proprietors, working partners or working directors
- Managerial employees
- Other employees
- Casuals

Hours worked

Number:

- Full-time
- Part-time

Gender

Number of:

- males
- females

Labour turnover

Number of: (available for 1995–96 and 1996–97)

- separations
- separations (excluding casuals)

Decrease in employment

Excluding casuals, did total employment in this business decrease:

- Yes
- No

Major reason(s) for decrease
in employment

What was the major reason(s) for the decrease:

- Decrease in demand for goods or services
- Contracted out tasks
- Improvements in business efficiency
- Replaced permanent employees with casuals
- Reduced range of activities
- Temporary decrease in employment levels
- Other

Out-sourcing Did this business contract out any activities that were previously performed by this business's employees?

- Yes
- No

Number of employees replaced by the contracting out (Available for 1996–97)

BUSINESS STRUCTURE

Industry Industry categories are:

- Mining
- Manufacturing
- Construction
- Wholesale trade
- Retail trade
- Accommodation, cafes and restaurants
- Transport and storage
- Finance and insurance
- Property and business services
- Other selected industries

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

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

Change in number of locations operated Number of:

- Locations opened
- Locations closed

Legal status	<ul style="list-style-type: none"> ■ Public company ■ Other incorporated company (e.g. Pty Ltd) ■ Sole proprietorship ■ Partnership ■ Trust ■ Cooperative ■ Incorporated association
Business age	<ul style="list-style-type: none"> ■ Less than 1 year ■ 1 to 2 years ■ 2 to 5 years ■ 5 to 10 years ■ 10 to 20 years ■ Greater than 20 years
Foreign ownership	<p>Estimated percentage of foreign ownership (of company equity):</p> <ul style="list-style-type: none"> ■ None ■ Up to 10% ■ 11% to 49% ■ 50% to 100%
Family business	<p>Businesses which either:</p> <ul style="list-style-type: none"> ■ have been in the family for more than one generation ■ have more than one working proprietor, working partner or working director from the same family.
Single decision making firms	<p>For firms with a single decision maker:</p> <ul style="list-style-type: none"> ■ Gender ■ Qualifications
Franchising	<p>Businesses which either:</p> <ul style="list-style-type: none"> ■ Operate as a franchisee ■ Control a franchise system

INDUSTRIAL RELATIONS

- | | |
|--|--|
| Union membership | <ul style="list-style-type: none">■ None■ Up to 10%■ 11% to 25%■ 26% to 50%■ 51% to 75%■ 76% to 100% |
| Number of unions represented | <ul style="list-style-type: none">■ One■ More than one |
| Employment conditions | Form of employment conditions operating in the business during the last pay periods in the year. <ul style="list-style-type: none">■ Registered enterprise agreement■ Unregistered enterprise agreement■ Individual contract or agreement of employment■ Covered by an award only |
| Number of people working under each employment condition | Available for June 1996 and June 1997 only |

BUSINESS OPERATIONS

- | | |
|---------------------------------|---|
| Days per week business operated | <ul style="list-style-type: none">■ 1 to 2■ 3 to 4■ 5■ 6■ 7 |
| Hours of operation per day | <ul style="list-style-type: none">■ 1 to 6■ 7 to 10■ Greater than 10 |

BUSINESS PRACTICES

Use of business improvement programs

Does the business have in place any of the following business improvement programs (Available for 1994-95 and 1995-96)

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

Use of business practices

Did this business use any of the following business practices:

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

BUSINESS LINKS

(Available for 1995–96 only)

Existence of links with other businesses

- Yes
- No

Results of link

Did this link result in:

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

Purpose of link

Was the purpose of the link to increase capabilities in:

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

BUSINESS INFORMATION OR
ADVICE

(Available for 1995–96)

How frequently did the business seek information or advice from:

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

BUSINESS CHANGE

Major business changes in
structure or operation

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

- Range of products or services
- Advertising
- Distribution
- Markets targeted
- Accounting software
- Other administrative computer systems
- Production technology
- Technical training
- Management training
- On the job training
- Other training
- Contracting out
- Business structure

GOVERNMENT PROGRAMS

Participation in government programs

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

- Research and development tax concession
- Grants for research and development
- AusIndustry concessional loans
- Enterprise improvement/development programs
- Export Finance and Insurance Corporation facilities
- Export access
- Export market development grants
- International Trade Enhancement Scheme
- Other Austrade services
- Commonwealth, State or Local Government employment programs
- Other Commonwealth and State Government industry programs

BUSINESS INTENTIONS

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

- Significantly increase production levels
- Maintain existing production levels
- Significantly decrease production levels
- Open new locations
- Close locations
- Maintain exporting
- Commence exporting
- Increase exporting
- Establish a partnership or office overseas
- 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

- Use computers in business operations
- Yes
 - No
- Length business has used computers
- Less than 2 years
 - 2 years to less than 5 years
 - 5 years or more
- Are most of the computers
- Networked within the business
 - Stand-alone
- Electronic links
- Does this business have any of the following electronic links with another business:
- Dial-up modem link other than via the Internet
 - Dedicated line
- Electronic facilities
- Are any of the following facilities used by this business:
- Electronic stock monitoring
 - Electronic ordering/purchasing using modem or dedicated links with another business
 - Electronic financial transactions e.g. banking, EFTPOS
- Employees use of computers
- Number of:
- Employees required to use the computer at least once a week
- Internet
- Does this business have access to the Internet:
- Yes
 - No
- Internet use
- What does this business use the Internet for:
- Purchasing
 - Selling
 - Marketing or advertising
 - Gathering information
 - Voice/video communication
 - Email
 - Data transfer

Web-site/home page Does this business have a web-site/home page:

- Yes
- No

FINANCIAL DETAILS

Business income Data available includes annual figures for:

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

Business expenses Data available includes annual figures for:

- Wages and salaries
- Employer contributions to super funds
- Workers' compensation costs
- Interest expenses
- Depreciation and amortisation
- Bad debts
- Purchases
- Rent, leasing and hiring expenses
- Other expenses

Trading stocks

- Opening trading stocks
- Closing trading stocks

Profit or loss Total income minus total expenses minus opening stocks plus closing stocks

Acquisition and disposal of assets Annual estimates of:

- capital expenditure by type
- total disposals

Assets and liabilities Annual estimates of the book value of:

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

Source of equity finance	<p>Did this business obtain finance from:</p> <ul style="list-style-type: none"> ■ Family ■ Acquaintances or business colleagues ■ People you did not previously know ■ Unrelated businesses ■ Parent company ■ Other related businesses ■ Employees ■ Banks ■ Other financial institutions ■ Venture or development capitalists ■ Existing shareholders
Value of equity investment	<p>The value of this investment in ranges:</p> <ul style="list-style-type: none"> ■ up to \$20,000 ■ \$20,001 to \$50,000 ■ \$50,001 to \$100,000 ■ \$100,001 to \$500,000 ■ \$500,001 to \$1,000,000 ■ Over \$1,000,000
Ownership of business	<p>The breakdown of business ownership by the following:</p> <ul style="list-style-type: none"> ■ Working owners ■ Non-working owners — family ■ Non-working owners — non-family ■ Parent company ■ Venture or development capitalists ■ Other unrelated businesses ■ Employees (excluding directors)

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

- Trade and other creditors
- Overdrafts
- Bank bills and other short term facilities
- Loans from banks and other financial institutions
- Loans from parent company
- Loans from individuals involved in the business or their families
- Loans from other individuals
- Loans from unrelated businesses
- Provisions

INNOVATION

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

- Yes
- No

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

- Yes
- No

Estimated expenditure on the development of the new products or process for: (Only available for Manufacturing industry)

- Research and development
- Acquisition of technology developed by others
- Training and further education expenditure related to the introduction of the new products or processes
- Expenditure for tool-up, industrial engineering and start-up
- Marketing of new or improved products

GLOSSARY

ABS	Australian Bureau of Statistics
Age of business	Number of years operation for public companies and trusts. For other incorporated companies (e.g. Pty Ltd companies), sole proprietorships, partnerships and other businesses, the number of years owned or controlled by the present owners.
ANZSIC	Australian and New Zealand Standard Industrial Classification
Business size group	<p>In this publication data are presented using five business size categories:</p> <ul style="list-style-type: none">(i) micro business — which is defined as those businesses employing less than 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	<p>In this publication family businesses are self defined. If the operators of the business consider the business to be a family business, it has been treated as one. The most common reasons for a business to be considered as a family business is because there a number of family members involved in the business, either as working directors or proprietors or employees or just in the decision making for the business. On other occasions the business will be considered to be a family business because it has been acquired from other members of the family.</p>
Industry	<p>Industry statistics in this publication are classified according to the <i>Australian and New Zealand Standard Industrial Classification (ANZSIC) 1993 edition</i> (Cat. no. 1292.0).</p>
Unionisation	<p>People working in the business that were union members as at 30 June 1997.</p>

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