

# Overview of the ABS Business Longitudinal Database

Presentation to AGSF – 23 April 2008

Helen Harkin

Economic Analysis & Reporting Section

## Content

- Background
- Issues in development of a longitudinal series
- Consultation process
- Structure
- Expected outputs

## Purpose of the Business Longitudinal Database

- enable analysis of a group of small/medium businesses over time
- to enable measurement of firm-level performance and an understanding of the drivers of this performance
- improved understanding of business dynamics, including identification of characteristics of business exits
- key information source for micro economic policy development

## Background

- follows the Business Longitudinal Survey (1994/95 – 1997/98) which was produced from the Growth and Performance Survey
- development of the BLD commenced in July 2003
- key enablers:
  - development of Australian Business Register (ABR) and Australian Business Number (ABN)
  - increased availability of/use of administrative by-product data
  - development of ABS Input Data Warehouse (IDW)

## Key User Requirements of a BLD

- minimum of 5 years for business to be included in panel
- content which enables analysis of performance and growth – business characteristics key data requirement
- consistency of core data content over time
- ability to identify business exits
- capacity to focus on specific industries and/or sectors
- ability to analyse data longitudinally and cross-sectionally

## Key Hurdles

- managing tension between flexibility/responsiveness and data continuity in an environment of managed provider load
- management of user data requirements in an environment of managed provider load
- development of robust proxy measure of firm-level productivity (given data limitations)
- development of appropriate analytical techniques
- issues with use of administrative data

## Consultation Process

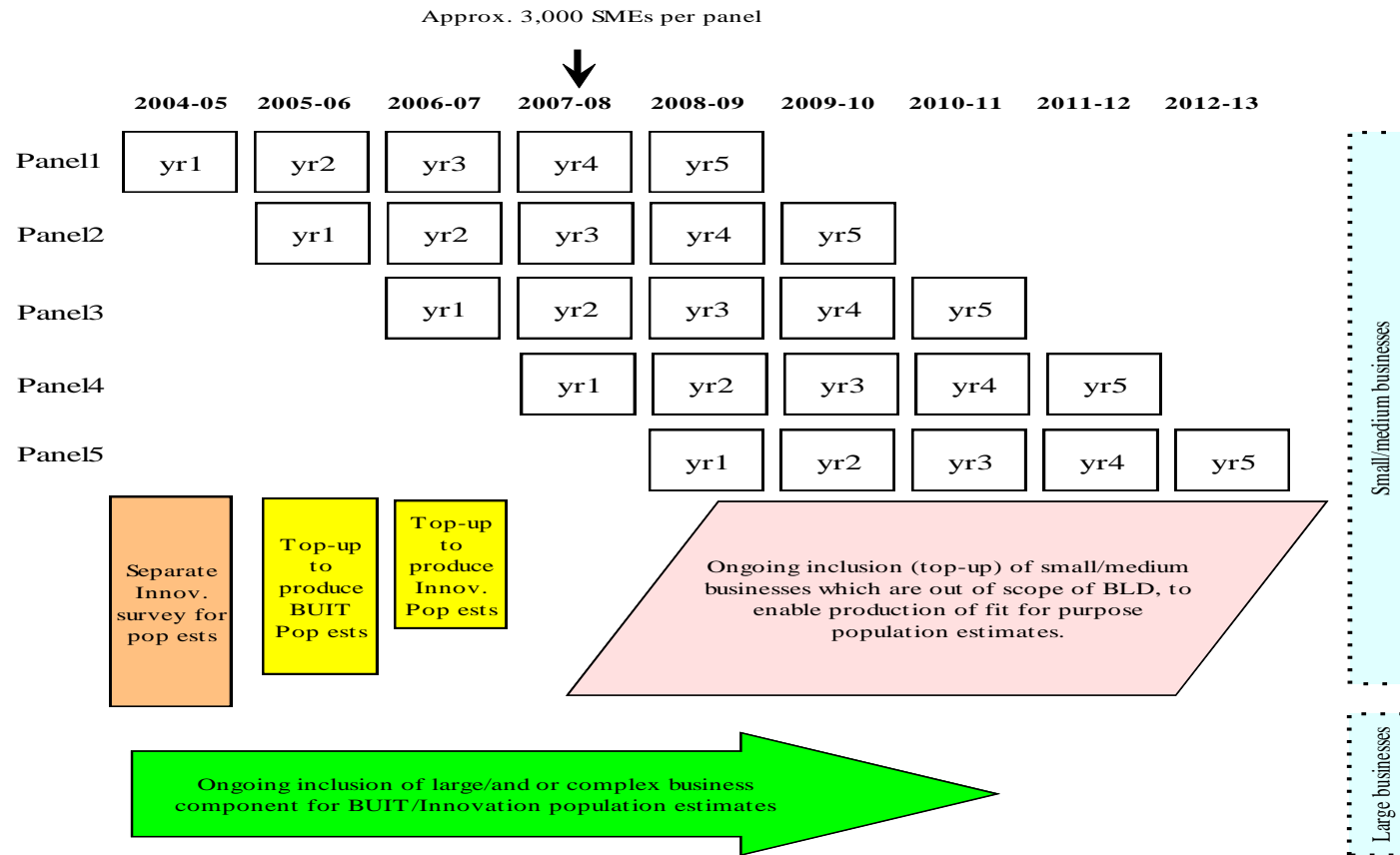
- Discussion Forums
  - BLD External Advisory Group (2004 to 2005) – representatives from Govt., academia
  - discussions in each State capital (May – June 2007) – representatives from State & Federal Govt., academia
  - Innovation/Information & Communication Technology Technical Reference Group (2003 – ongoing) – representatives from State & Federal Govt., academia
  - one-on-one discussions
  - Analytical Community Reference Group – April 2008 – representatives from Federal govt.
- Information Outputs
  - Discussion paper: The first iteration of the Business Longitudinal Database (ABS cat. no. 8164.0) – May 2007

## BLD Structure

- BLD is Panel-based:
  - 3,000 small/medium businesses per panel
  - includes most industries
  - each panel lasts 5 years
  - new panel commences each year



# Production of longitudinal and cross-sectional estimates from the Business Characteristics Survey



## Data Sources

- Business characteristics information
  - ABS – Business Characteristics Survey
    - demographic, workforce composition, business operations, markets/competition, innovation, use of IT
- Financial information
  - Australian Taxation Office
    - Business Activity Statement (BAS)
      - turnover, wages & salaries, capital purchases, non-capital purchases
    - Business Income Tax (BIT)
      - balance sheet information
- Trade information
  - Australian Customs Service
    - volume, value, destination/source of exports/imports by type of product
- potential for inclusion of other non-ABS data sources

## ABS Micro Data Outputs

- ABS data analyses
  - point-in-time
  - longitudinal
- Confidentialised Unit Record File
  - unit record files from which all identifiers (name, address, identification numbers) have been removed
  - some variables may also be perturbed or deleted. Some records may need to be totally removed.