



2007-08

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AUSTRALIAN INDUSTRY

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For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Phillip Lui on Sydney (02) 9268 4269.

NOTES

- ABOUT THIS PUBLICATION** This publication presents estimates of the economic and financial performance of Australian industry for 2007–08. These data are compiled from the ABS Economic Activity Survey (EAS) and from Business Activity Statement (BAS) data reported to the Australian Taxation Office.
- The estimates in this publication are based on the *Australian and New Zealand Standard Industrial Classification (ANZSIC)*, 2006 edition.
- CHANGES TO THIS PUBLICATION** This edition includes employment data for all selected industries for both 2006–07 and 2007–08. This data item has enabled the calculation of additional business ratios which have been compiled. In addition data for the private sector of Division O, PUBLIC ADMINISTRATION AND SAFETY, is included for the first time.
- This release also includes detailed data spreadsheets relating to the Energy Supply industry for both financial and quantity data. For more details see Explanatory Notes paragraph 37.
- Detailed data spreadsheets for subdivision level data will be released at a later date for both the 2006–07 and 2007–08 reference period.
- REVISIONS** Estimates for the 2006–07 reference year have been revised since the previous issue of this publication. The revisions are incorporated in this publication and in the extended data spreadsheets available free on-line.
- The effect of these revisions on the 2006–07 national estimates of indicative key variables at the TOTAL SELECTED INDUSTRIES level has been an increase of 0.1% (or \$1.4b) in sales and service income, a decrease of 0.1% in total expenses (or \$1.6b) and an increase of 0.5% (\$3.7b) in industry value added. The extent of revisions may be greater for individual industries and/or for other variables.
- INFORMATION AVAILABLE ON-LINE** The text components of this publication are available free on-line. A PDF publication and extended data spreadsheets are also available free on-line. Further information on the ABS and its products and services is available on the ABS website.

Brian Pink
Australian Statistician

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ABBREVIATIONS

\$'000	thousand dollars
\$b	billion (thousand million) dollars
\$m	million dollars
ABN	Australian Business Number
ABR	Australian Business Register
ABS	Australian Bureau of Statistics
ABSBR	Australian Bureau of Statistics Business Register
ABSMP	Australian Bureau of Statistics maintained population
ACT	Australian Capital Territory
ANZSIC	Australian and New Zealand Standard Industrial Classification
ATO	Australian Taxation Office
ATOMP	Australian Taxation Office maintained population
Aust.	Australia
BAS	Business Activity Statement
EAS	Economic Activity Survey
EBITDA	earnings before interest, tax, depreciation and amortisation
GFCF	gross fixed capital formation
GST	goods and services tax
IVA	industry value added
m	million
n.e.c.	not elsewhere classified
no.	number
NSW	New South Wales
NT	Northern Territory
OPBT	operating profit before tax
PAYGW	pay-as-you-go withholding
Qld	Queensland
RSE	relative standard error
SA	South Australia
SISCA	Standard Institutional Sector Classification of Australia
Tas.	Tasmania
TAU	type of activity unit
TNTS	The New Tax System
Vic.	Victoria
WA	Western Australia

CHAPTER 1

OVERVIEW

INTRODUCTION

This publication presents estimates of the economic and financial performance of Australian industry. The estimates are based on data collected in the ABS Economic Activity Survey for 2007–08, and Business Activity Statement data reported to the Australian Taxation Office. All value data in this publication are shown at current prices.

KEY DATA

Table 1.1 contains a time series of key data items from 2004–05 to 2007–08, except for employment which is presented for 2006–07 and 2007–08 only.

For TOTAL SELECTED INDUSTRIES, the aggregates of income, expenses and industry value added increased by 8.6%, 9.4% and 7.7% respectively between 2006–07 and 2007–08. Operating profit before tax (OPBT) increased by 6.4%, and earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 7.5% over the same period.

All industries recorded increases in total income. The largest percentage increase (16.4%) was recorded by ADMINISTRATIVE AND SUPPORT SERVICES.

All industries recorded increases in total expenses, except INFORMATION MEDIA AND TELECOMMUNICATIONS which was relatively flat. The largest percentage increase (20.8%) occurred in ADMINISTRATIVE AND SUPPORT SERVICES, and the largest absolute increase (\$44.0b) was in WHOLESALE TRADE.

EBITDA increased by \$26.1b from 2006–07. MINING was the largest contributor (\$48.8b, or 15.7%) to the estimate of EBITDA for 2007–08 for TOTAL SELECTED INDUSTRIES.

OPBT for TOTAL SELECTED INDUSTRIES increased by \$17.3b. PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES recorded the largest absolute increase in OPBT (\$5.6b), followed by MINING (\$4.6b). The largest contributor to OPBT in 2007–08 was MINING (\$45.8b or 15.9%).

Employment increased for all industries except PUBLIC ADMINISTRATION AND SAFETY (-0.8%). The largest contributor to employment was RETAIL TRADE (1.3m).

To assist in the interpretation of these results, information about collection methodology is contained in Technical Note 1.

The Glossary provides definitions for terms used.

LABOUR COSTS

Table 1.2 presents the components of total labour costs by industry.

The industries with the largest total labour costs are MANUFACTURING (\$61.5b) and PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES (\$59.8b).

In 2007–08, wages and salaries totalled \$380.0b, 86.5% of total labour costs for TOTAL SELECTED INDUSTRIES.

INDUSTRY VALUE ADDED

Table 1.3 presents the components of industry value added (IVA) by industry.

IVA for TOTAL SELECTED INDUSTRIES increased by 7.7%, or \$55.4b, between 2006–07 and 2007–08.

The largest contributing industry in 2007–08 was MANUFACTURING, contributing 13.6% of the estimate for TOTAL SELECTED INDUSTRIES, followed by PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES (10.3%).

FURTHER COMMENTARY

Please see:

- Industry performance: Chapter 2, page 14
- States, territories and Australia: Chapter 3, page 32

1.1

KEY DATA(a), 2004–05 to 2007–08

	Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Total income	Total expenses	Operating profit before tax(e)	Earnings before interest, tax, depreciation and amortisation(e)	Industry value added(e)
	'000	\$m	\$m	\$m	\$m	\$m	\$m	\$m
AGRICULTURE, FORESTRY AND FISHING								
2004–05	np	5 099	^ 52 582	54 061	48 625	^ 5 220	10 802	^ 17 200
2005–06	np	5 325	^ 55 239	57 121	51 321	** 5 410	10 757	^ 17 591
2006–07	503	5 843	54 660	57 827	52 046	* 5 711	* 8 634	^ 16 625
2007–08	510	6 117	61 331	65 663	59 433	^ 7 035	^ 10 903	18 932
MINING								
2004–05	np	7 826	74 849	81 855	61 031	21 499	26 590	41 746
2005–06	np	9 835	99 497	105 361	74 206	32 060	39 847	59 323
2006–07	113	11 540	112 941	120 434	80 173	41 203	48 943	70 405
2007–08	128	12 864	120 881	136 310	92 216	45 794	48 809	71 484
MANUFACTURING								
2004–05	np	44 889	321 044	326 948	304 878	25 061	33 712	87 898
2005–06	np	46 973	338 783	344 371	320 524	25 892	35 068	91 179
2006–07	1 014	50 191	377 618	384 193	354 917	30 696	39 616	98 932
2007–08	1 039	52 627	395 818	403 495	373 721	34 181	42 765	104 963
ELECTRICITY, GAS, WATER AND WASTE SERVICES								
2004–05	np	5 763	55 726	59 331	52 195	7 351	15 639	22 608
2005–06	np	6 759	58 708	64 926	56 051	8 989	15 563	23 728
2006–07	99	7 432	61 057	68 246	58 532	10 038	15 895	24 700
2007–08	100	7 656	70 028	76 786	67 282	9 693	17 377	26 418
CONSTRUCTION								
2004–05	np	24 124	^ 166 090	169 331	152 017	* 16 289	17 984	47 165
2005–06	np	28 816	190 177	195 174	173 230	^ 21 443	23 852	59 312
2006–07	985	33 498	231 848	237 306	204 922	^ 29 209	^ 29 822	73 150
2007–08	1 031	37 527	256 025	259 737	231 002	^ 30 019	^ 33 716	78 581
WHOLESALE TRADE								
2004–05	np	22 304	311 581	315 162	305 754	12 809	14 666	41 272
2005–06	np	24 523	334 688	338 667	325 993	14 925	17 420	47 239
2006–07	540	26 700	351 852	356 417	343 087	16 327	18 278	49 884
2007–08	560	29 179	398 070	403 244	387 074	* 19 033	^ 20 391	54 996
RETAIL TRADE								
2004–05	np	24 430	246 701	248 430	239 266	^ 10 901	13 319	41 691
2005–06	np	25 365	262 744	265 686	256 177	^ 10 270	13 061	43 807
2006–07	1 184	28 705	293 797	296 680	284 958	^ 12 761	^ 14 117	47 854
2007–08	1 263	31 995	308 344	311 273	300 658	^ 12 843	^ 15 060	52 314

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Includes working proprietors.

(c) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring income.

(e) See Technical Note 2 paragraph 5.

1.1KEY DATA(a), 2004–05 to 2007–08 *continued*

	Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Total income	Total expenses	Operating profit before tax(e)	Earnings before interest, tax, depreciation and amortisation(e)	Industry value added(e)
	'000	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ACCOMMODATION AND FOOD SERVICES								
2004–05	np	13 077	^ 53 827	54 464	50 403	* 4 143	6 173	^ 21 147
2005–06	np	13 849	58 242	59 211	54 655	* 4 588	6 990	23 098
2006–07	711	14 422	62 401	63 674	58 126	^ 6 001	^ 7 696	24 452
2007–08	732	15 716	69 101	69 910	65 289	^ 4 706	^ 8 377	26 647
TRANSPORT, POSTAL AND WAREHOUSING								
2004–05	np	18 216	^ 93 188	99 445	89 277	10 163	16 442	38 477
2005–06	np	20 360	^ 99 280	107 967	98 045	** 9 829	18 608	^ 43 042
2006–07	553	23 416	112 615	122 678	108 121	14 687	21 763	49 639
2007–08	570	26 080	123 153	134 601	119 045	^ 15 746	23 015	53 561
INFORMATION MEDIA AND TELECOMMUNICATIONS								
2004–05	np	9 713	59 583	61 132	50 907	^ 10 388	17 735	29 216
2005–06	np	11 064	61 874	63 667	54 679	^ 8 972	16 910	^ 29 547
2006–07	171	10 793	67 023	68 890	59 054	9 927	18 267	30 924
2007–08	172	11 635	67 817	69 507	59 009	^ 10 643	18 937	32 660
RENTAL, HIRING AND REAL ESTATE SERVICES								
2004–05	np	8 174	62 000	69 848	50 954	^ 18 963	22 380	32 795
2005–06	np	9 278	^ 70 401	82 933	60 723	* 22 799	25 677	^ 37 835
2006–07	350	10 498	76 457	101 967	64 094	^ 37 780	26 805	41 320
2007–08	363	11 042	83 142	106 036	68 960	^ 36 659	^ 28 810	44 835
PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES								
2004–05	np	34 861	90 908	104 252	89 804	^ 14 310	8 804	^ 48 373
2005–06	np	39 959	^ 115 951	133 294	111 726	* 22 201	14 303	^ 59 926
2006–07	875	44 695	133 043	150 468	125 025	^ 25 703	^ 17 524	70 356
2007–08	954	51 822	143 519	166 890	135 697	31 322	^ 18 603	79 538
ADMINISTRATIVE AND SUPPORT SERVICES								
2004–05	np	20 505	44 302	45 677	41 466	^ 4 204	4 254	27 072
2005–06	np	23 194	* 50 275	52 498	47 996	** 4 484	4 416	* 30 685
2006–07	733	25 103	51 249	55 836	48 846	^ 6 964	* 6 531	^ 35 362
2007–08	796	28 309	60 019	64 995	58 992	^ 6 134	^ 6 208	38 593
PUBLIC ADMINISTRATION AND SAFETY (PRIVATE)								
2004–05	np	1 950	^ 3 857	4 165	4 314	** -143	-74	^ 2 156
2005–06	np	2 218	4 727	5 038	4 912	^ 126	123	^ 2 715
2006–07	^ 79	2 537	5 435	5 931	5 299	^ 640	^ 565	3 493
2007–08	^ 78	2 524	^ 5 720	6 063	5 541	* 525	* 543	3 497

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(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Includes working proprietors.

(c) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring income.

(e) See Technical Note 2 paragraph 5.

1.1KEY DATA(a), 2004–05 to 2007–08 *continued*

	Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Total income	Total expenses	Operating profit before tax(e)	Earnings before interest, tax, depreciation and amortisation(e)	Industry value added(e)
	'000	\$m	\$m	\$m	\$m	\$m	\$m	\$m
EDUCATION AND TRAINING (PRIVATE)								
2004–05	np	8 150	9 492	17 025	15 359	*1 688	1 584	10 522
2005–06	np	8 765	10 203	18 620	16 903	^ 1 691	1 274	11 130
2006–07	274	9 077	11 531	19 732	17 568	^ 2 177	^ 1 285	11 660
2007–08	292	10 096	12 059	21 492	18 564	*2 949	*1 496	12 841
HEALTH CARE AND SOCIAL ASSISTANCE (PRIVATE)								
2004–05	np	19 838	39 287	50 654	44 688	5 982	6 002	29 478
2005–06	np	21 797	44 024	56 472	49 457	7 240	7 658	33 668
2006–07	776	25 130	49 875	68 412	57 295	^ 11 148	^ 9 630	40 250
2007–08	814	27 998	53 981	73 454	63 228	^ 10 190	*9 233	42 657
ARTS AND RECREATION SERVICES								
2004–05	np	3 408	^ 19 594	20 846	18 121	2 716	3 028	7 059
2005–06	np	3 880	21 200	22 962	20 299	^ 2 751	2 650	^ 7 383
2006–07	167	4 069	22 518	25 548	22 156	3 395	^ 2 314	8 292
2007–08	171	4 229	23 616	26 189	22 677	^ 3 528	^ 2 601	8 509
OTHER SERVICES								
2004–05	np	9 270	33 957	38 277	34 704	*3 657	1 830	13 554
2005–06	np	10 327	^ 35 801	40 190	37 070	*3 001	1 335	^ 14 886
2006–07	419	11 647	37 902	46 246	40 196	*6 054	**1 562	18 416
2007–08	423	12 502	42 162	48 711	42 112	*6 693	**4 017	20 043
TOTAL SELECTED INDUSTRIES (f)								
2004–05	np	281 597	1 738 567	1 820 903	1 653 761	175 201	220 869	559 428
2005–06	np	312 288	1 911 814	2 014 159	1 813 968	206 672	255 512	636 094
2006–07	9 546	345 296	2 113 823	2 250 485	1 984 414	270 423	289 248	715 712
2007–08	9 996	379 916	2 294 786	2 444 357	2 170 498	287 692	310 861	771 071

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* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

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(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Includes working proprietors.

(c) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring income.

(e) See Technical Note 2 paragraph 5.

(f) Excludes Division K FINANCIAL AND INSURANCE SERVICES. Total Selected Industries in the 2006–07 release of this publication excluded Division K and Division O PUBLIC ADMINISTRATION AND SAFETY.

1.2 LABOUR COSTS(a), 2006–07 and 2007–08

	Wages and salaries(b)	Employer contributions into superannuation	Workers' compensation premiums/costs	Selected labour costs	Fringe benefits tax	Payroll tax	Total labour costs
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
AGRICULTURE, FORESTRY AND FISHING							
2006–07	5 843	648	240	6 731	20	81	6 833
2007–08	6 117	695	242	7 053	17	107	7 178
MINING							
2006–07	11 540	877	217	12 635	135	509	13 278
2007–08	12 864	913	205	13 981	146	543	14 670
MANUFACTURING							
2006–07	50 191	4 269	1 517	55 977	512	2 106	58 595
2007–08	52 627	4 681	1 468	58 777	506	2 240	61 523
ELECTRICITY, GAS, WATER AND WASTE SERVICES							
2006–07	7 432	516	97	8 045	65	325	8 435
2007–08	7 656	679	112	8 447	54	338	8 839
CONSTRUCTION							
2006–07	33 498	3 074	1 091	37 662	164	919	38 745
2007–08	37 527	3 740	1 087	42 354	420	1 221	43 995
WHOLESALE TRADE							
2006–07	26 700	2 544	558	29 802	426	1 154	31 381
2007–08	29 179	2 817	531	32 527	496	1 223	34 247
RETAIL TRADE							
2006–07	28 705	3 201	529	32 435	198	956	33 589
2007–08	31 995	3 219	642	35 856	180	1 143	37 179
ACCOMMODATION AND FOOD SERVICES							
2006–07	14 422	1 138	353	15 913	45	384	16 342
2007–08	15 716	1 259	365	17 339	42	501	17 883
TRANSPORT, POSTAL AND WAREHOUSING							
2006–07	23 416	1 912	672	26 001	167	1 049	27 217
2007–08	26 080	1 987	756	28 824	128	1 181	30 133
INFORMATION MEDIA AND TELECOMMUNICATIONS							
2006–07	10 793	863	88	11 744	140	519	12 403
2007–08	11 635	838	158	12 631	144	570	13 345
RENTAL, HIRING AND REAL ESTATE SERVICES							
2006–07	10 498	1 015	140	11 653	59	286	11 998
2007–08	11 042	914	214	12 170	88	352	12 610

(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

1.2LABOUR COSTS(a), 2006–07 and 2007–08 *continued*

	Wages and salaries(b)	Employer contributions into superannuation	Workers' compensation premiums/costs	Selected labour costs	Fringe benefits tax	Payroll tax	Total labour costs
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES							
2006–07	44 695	4 480	575	49 751	337	1 497	51 585
2007–08	51 822	5 492	445	57 759	372	1 717	59 848
ADMINISTRATIVE AND SUPPORT SERVICES							
2006–07	25 103	2 404	653	28 160	93	992	29 245
2007–08	28 309	2 526	636	31 470	122	1 115	32 706
PUBLIC ADMINISTRATION AND SAFETY (PRIVATE)							
2006–07	2 537	208	106	2 851	8	103	2 962
2007–08	2 524	210	94	2 828	8	93	2 929
EDUCATION AND TRAINING (PRIVATE)							
2006–07	9 077	813	119	10 009	39	57	10 106
2007–08	10 096	997	102	11 195	38	109	11 342
HEALTH CARE AND SOCIAL ASSISTANCE (PRIVATE)							
2006–07	25 130	2 759	705	28 594	75	326	28 995
2007–08	27 998	2 812	544	31 354	86	448	31 888
ARTS AND RECREATION SERVICES							
2006–07	4 069	404	61	4 534	28	131	4 694
2007–08	4 229	416	72	4 716	29	140	4 884
OTHER SERVICES							
2006–07	11 647	1 050	236	12 933	75	204	13 212
2007–08	12 502	1 043	247	13 793	51	247	14 091
TOTAL SELECTED INDUSTRIES (c)							
2006–07	345 296	32 175	7 958	385 429	2 587	11 599	399 615
2007–08	379 916	35 239	7 920	423 075	2 927	13 288	439 289

(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(c) Excludes Division K FINANCIAL AND INSURANCE SERVICES. Total Selected Industries in the 2006–07 release of this publication excluded Division K and Division O PUBLIC ADMINISTRATION AND SAFETY.

1.3 INDUSTRY VALUE ADDED(a), 2006–07 and 2007–08

	PLUS				LESS		Industry value added(c)
	Sales and service income(b)	Funding from government for operational costs	Capital work done for own use	Change in inventories	Purchases of goods and materials	Other intermediate input expenses	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
AGRICULTURE, FORESTRY AND FISHING							
2006–07	54 660	581	130	-70	26 612	12 064	^ 16 625
2007–08	61 331	1 116	233	**805	29 292	15 259	18 932
MINING							
2006–07	112 941	940	1 200	942	13 183	32 436	70 405
2007–08	120 881	980	991	^ 1 700	17 497	35 570	71 484
MANUFACTURING							
2006–07	377 618	699	825	1 420	216 491	65 139	98 932
2007–08	395 818	953	1 220	4 406	231 870	65 565	104 963
ELECTRICITY, GAS, WATER AND WASTE SERVICES							
2006–07	61 057	1 480	5 442	324	27 111	16 492	24 700
2007–08	70 028	1 865	5 644	^ 189	33 788	17 520	26 418
CONSTRUCTION							
2006–07	231 848	379	638	-3 176	102 864	53 675	73 150
2007–08	256 025	303	969	**1 283	115 877	64 123	78 581
WHOLESALE TRADE							
2006–07	351 852	116	210	2 998	267 310	37 983	49 884
2007–08	398 070	230	142	*2 863	303 931	42 378	54 996
RETAIL TRADE							
2006–07	293 797	262	247	1 039	211 376	36 115	47 854
2007–08	308 344	258	399	^ 2 228	223 497	35 417	52 314
ACCOMMODATION AND FOOD SERVICES							
2006–07	62 401	106	68	453	22 523	16 052	24 452
2007–08	69 101	35	87	**85	23 199	19 462	26 647
TRANSPORT, POSTAL AND WAREHOUSING							
2006–07	112 615	4 386	943	130	22 285	46 150	49 639
2007–08	123 153	5 734	2 181	190	25 146	52 550	53 561
INFORMATION MEDIA AND TELECOMMUNICATIONS							
2006–07	67 023	183	3 131	90	9 985	29 518	30 924
2007–08	67 817	186	2 670	^ 144	10 684	27 473	32 660

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) This table presents the derivation of industry value added (IVA) using the definition that applies to businesses classified as market producers. The components of IVA will not equate to the IVA estimate for those industries to which non-market producers contribute. For further details see Explanatory Notes paragraphs 28–29 and the Glossary.

(b) Includes rent, leasing and hiring income.

(c) See Technical Note 2 paragraph 5.

1.3**INDUSTRY VALUE ADDED(a), 2006–07 and 2007–08** *continued*

	PLUS				LESS		Industry value added(c)
	Sales and service income(b)	Funding from government for operational costs	Capital work done for own use	Change in inventories	Purchases of goods and materials	Other intermediate input expenses	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
RENTAL, HIRING AND REAL ESTATE SERVICES							
2006–07	76 457	576	184	–93	14 198	21 605	41 320
2007–08	83 142	869	828	–417	14 829	24 758	44 835
PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES							
2006–07	133 043	2 260	258	260	23 145	42 320	70 356
2007–08	143 519	2 092	371	*129	24 193	42 379	79 538
ADMINISTRATIVE AND SUPPORT SERVICES							
2006–07	51 249	1 565	138	–25	5 766	11 799	^ 35 362
2007–08	60 019	1 691	70	*131	7 856	15 461	38 593
PUBLIC ADMINISTRATION AND SAFETY (PRIVATE)							
2006–07	5 435	150	6	8	579	1 527	3 493
2007–08	^ 5 720	113	4	**3	881	1 461	3 497
EDUCATION AND TRAINING (PRIVATE)							
2006–07	11 531	6 608	24	14	2 289	4 228	11 660
2007–08	12 059	7 244	79	^ 20	1 925	4 636	12 841
HEALTH CARE AND SOCIAL ASSISTANCE (PRIVATE)							
2006–07	49 875	14 237	348	30	8 921	15 319	40 250
2007–08	53 981	15 181	267	–36	8 034	18 702	42 657
ARTS AND RECREATION SERVICES							
2006–07	22 518	608	41	4	2 209	12 670	8 292
2007–08	23 616	522	144	**16	2 766	13 023	8 509
OTHER SERVICES							
2006–07	37 902	2 329	118	4	13 043	8 894	18 416
2007–08	42 162	2 120	214	*93	13 293	11 253	20 043
TOTAL SELECTED INDUSTRIES (d)							
2006–07	2 113 823	37 463	13 952	4 352	989 891	463 986	715 712
2007–08	2 294 786	41 490	16 512	13 833	1 088 561	506 989	771 071

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) This table presents the derivation of industry value added (IVA) using the definition that applies to businesses classified as market producers. The components of IVA will not equate to the IVA estimate for those industries to which non-market producers contribute. For further details see Explanatory Notes paragraphs 28–29 and the Glossary.

(b) Includes rent, leasing and hiring income.

(c) See Technical Note 2 paragraph 5.

(d) Excludes Division K FINANCIAL AND INSURANCE SERVICES. Total Selected Industries in the 2006–07 release of this publication excluded Division K and Division O PUBLIC ADMINISTRATION AND SAFETY.

INTRODUCTION

Statistics in this chapter relate to the performance of Australian industry at the industry division level, as defined by the *Australian and New Zealand Standard Industrial Classification (ANZSIC)*, 2006 edition. ANZSIC Division K FINANCIAL AND INSURANCE SERVICES is excluded from the scope of the statistics. Aggregates excluding this industry are presented at the TOTAL SELECTED INDUSTRIES level. Please note that PUBLIC ADMINISTRATIVE AND SAFETY, EDUCATION AND TRAINING, and HEALTH CARE AND SOCIAL ASSISTANCE, where shown (or included in totals) in this publication, exclude any public sector components.

The data presented include all activities of businesses classified to each industry, some of which may be activities other than those normally associated with that industry. Explanatory Notes paragraphs 9-11 provide further details.

Definitions of terms used are shown in the Glossary.

INCOME AND EXPENDITURE

For TOTAL SELECTED INDUSTRIES, total income was \$2,444.4b. The percentage contribution by small businesses was 36.2%, medium businesses 23.3% and large businesses 40.5%.

Total expenses of TOTAL SELECTED INDUSTRIES was \$2,170.5b. The percentage contribution by small businesses was 34.8%, medium businesses 24.3% and large businesses 40.9%.

In 2007–08, the industries with the largest share of total income for TOTAL SELECTED INDUSTRIES were MANUFACTURING (16.5%) and WHOLESALE TRADE (16.5%), followed by RETAIL TRADE (12.7%) and CONSTRUCTION (10.6%).

For total expenses, the same industries predominate: WHOLESALE TRADE (17.8%), MANUFACTURING (17.2%), RETAIL TRADE (13.9%) and CONSTRUCTION (10.6%).

PROFITABILITY AND EARNINGS

Operating profit before tax (OPBT) for TOTAL SELECTED INDUSTRIES in 2007–08 was \$287.7b. The percentage contribution by small businesses was 46.1%, medium businesses 15.7% and large businesses 38.2%. Small businesses include many non-employed businesses which make a higher contribution to OPBT than to most of the other variables presented, as the drawings and/or labour costs of working proprietors and partners are not reflected in estimates of business expenses.

For TOTAL SELECTED INDUSTRIES, the estimated earnings before interest, tax, depreciation and amortisation (EBITDA) was \$310.9b in 2007–08.

MINING was the largest contributor to EBITDA for TOTAL SELECTED INDUSTRIES in 2007–08, accounting for 15.7%. This was followed by MANUFACTURING (13.8%).

GROSS FIXED CAPITAL FORMATION AND CAPITAL EXPENDITURE

Gross fixed capital formation (GFCF) by TOTAL SELECTED INDUSTRIES was \$159.2b in 2007–08, an increase of 1.2% on the previous year.

Over half of GFCF in 2007–08 occurred in five industries: MINING (16.3% of the estimate for TOTAL SELECTED INDUSTRIES), TRANSPORT, POSTAL AND WAREHOUSING (13.3%), RENTAL, HIRING AND REAL ESTATE SERVICES (10.9%), ELECTRICITY, GAS, WATER AND WASTE SERVICES (9.3%) and MANUFACTURING (9.2%).

INDUSTRY RATIOS

A range of performance measures, expressed as ratios or percentages, can be produced from the data available from businesses' financial statements. These measures are presented in table 2.2 for each industry. Definitions are provided in the Glossary. Information about the uses and limitations of these measures can be found in Explanatory Notes paragraphs 24–27.

The largest profit margins were returned in RENTAL, HIRING AND REAL ESTATE SERVICES (44.1%), MINING (37.9%) EDUCATION AND TRAINING (24.5%). The smallest profit margins were returned in RETAIL TRADE and WHOLESALE TRADE (4.2% and 4.8% respectively).

IVA per person employed was substantially higher in MINING (\$557,000) than in the next highest industry ELECTRICITY, GAS, WATER AND WASTE SERVICES (\$265,000).

INDUSTRY ANALYSIS

An analysis of performance by industry follows.

AGRICULTURE, FORESTRY AND FISHING

In 2007–08, AGRICULTURE, FORESTRY AND FISHING contributed 2.7% to total income, 2.7% to total expenses and 2.5% to industry value added for TOTAL SELECTED INDUSTRIES.

AGRICULTURE, FORESTRY AND FISHING is the industry where large businesses make the least contribution to wages and salaries (7.7%) and to total income (5.1%) in 2007–08. By contrast, the contributions of small businesses to these two aggregates were, respectively, 66.8% and 79.2%, the highest for each variable for any of the industries shown.

MINING

Depreciation and amortisation is a significant element of the cost structure of MINING, representing 13.3% of its total expenses in 2007–08, the highest proportion (together with INFORMATION MEDIA AND TELECOMMUNICATIONS) of any selected industry.

In 2007–08, MINING had the second highest capital expenditure (\$30.1b), after RENTAL, HIRING AND REAL ESTATE SERVICES (\$34.7b), of all the selected industries.

MANUFACTURING

MANUFACTURING accounted for 16.5% of total income, 17.2% of sales and service income, 13.9% of wages and salaries and 13.6% of IVA for TOTAL SELECTED INDUSTRIES in 2007–08. It was the largest contributor to total income, wages and salaries and to IVA.

ELECTRICITY, GAS, WATER AND WASTE SERVICES

Large businesses in ELECTRICITY, GAS, WATER AND WASTE SERVICES dominate IVA, total income, OPBT and wages and salaries, contributing over 70% in all cases in 2007–08.

Capital work done by businesses for their own use accounted for 34.5% of this industry's capital expenditure, the highest proportion of any selected industry (the proportion is 7.4% overall).

WHOLESALE TRADE	<p>WHOLESALE TRADE accounted for 16.5% of total income for TOTAL SELECTED INDUSTRIES in 2007–08, the second largest contributor after MANUFACTURING.</p> <p>At 8.4%, the proportion of selected labour costs to total expenses in WHOLESALE TRADE in 2007–08 was the lowest of all industries shown. The proportion for TOTAL SELECTED INDUSTRIES was 19.5%.</p>
RETAIL TRADE	<p>With \$311.2b of total income, RETAIL TRADE recorded the third largest total income of TOTAL SELECTED INDUSTRIES, after MANUFACTURING and WHOLESALE TRADE. RETAIL TRADE was the largest employing industry (1.3m).</p>
TRANSPORT, POSTAL AND WAREHOUSING	<p>TRANSPORT, POSTAL AND WAREHOUSING accounted for 13.3% of GFCF for TOTAL SELECTED INDUSTRIES in 2007–08, and was the second largest contributor after MINING.</p> <p>Funding from government for operational costs represented 4.3% of total income for TRANSPORT, POSTAL AND WAREHOUSING, reflecting payments to passenger transport operators.</p>
INFORMATION MEDIA AND TELECOMMUNICATIONS	<p>Around a third (28.9%) of the value of capital expenditure in INFORMATION MEDIA AND TELECOMMUNICATIONS consisted of capital work done for own use, the second highest proportion of any industry shown.</p> <p>Depreciation and amortisation is a significant element of the cost structure of INFORMATION MEDIA AND TELECOMMUNICATIONS, representing 13.2% of its total expenses in 2007–08, the second highest proportion, after MINING, of TOTAL SELECTED INDUSTRIES.</p> <p>Large businesses in INFORMATION MEDIA AND TELECOMMUNICATIONS dominate IVA, total income, OPBT and wages and salaries, contributing over 70% in all cases in 2007–08. In terms of OPBT and IVA this industry is the most heavily dominated by large businesses (89.5% and 82.3% respectively).</p>
RENTAL, HIRING AND REAL ESTATE SERVICES	<p>RENTAL, HIRING AND REAL ESTATE SERVICES has the highest capital expenditure of any industry at \$34.7b, which is 15.6% of TOTAL SELECTED INDUSTRIES. At 44.1%, it also has the highest profit margin of any industry.</p> <p>RENTAL, HIRING AND REAL ESTATE SERVICES has 14.6% of its total expenses represented by interest expenses, which is the highest proportion of any of the industries shown (the proportion is 2.7% overall).</p>
PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	<p>PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES was the fifth largest industry when measured by total income, after MANUFACTURING, WHOLESALE TRADE, RETAIL TRADE and CONSTRUCTION.</p> <p>It is the second largest contributor to IVA after MANUFACTURING.</p> <p>PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES has 13.7% of selected labour costs for TOTAL SELECTED INDUSTRIES, the second highest proportion after MANUFACTURING (13.9%).</p>
EDUCATION AND TRAINING (PRIVATE)	<p>Selected labour costs represented 60.3% of total expenses for the EDUCATION AND TRAINING (PRIVATE) in 2007–08. As well, the \$7.2b received as funding from government for operational costs amounted to 33.7% of this industry's total income. Both proportions are the highest of any industry shown.</p>

HEALTH CARE AND SOCIAL
ASSISTANCE (PRIVATE)

The cost structure of HEALTH CARE AND SOCIAL ASSISTANCE (PRIVATE) is distinctive in that selected labour costs and cost of sales are quite similar, constituting respectively 49.6% and 44.0% of total expenses for 2007–08.

Of the industries included in these statistics, HEALTH CARE AND SOCIAL ASSISTANCE (PRIVATE) is by far the largest recipient of funding from government for operational costs. In 2007–08 it received \$15.2b, or 36.6% of all such funding paid to TOTAL SELECTED INDUSTRIES. This funding represented 20.7% of the total income of the industry.

ARTS AND RECREATIONAL SERVICES

ARTS AND RECREATIONAL SERVICES is the third smallest industry, measured by total income, of the selected industries. Its total income of \$26.2b is 1.1% of TOTAL SELECTED INDUSTRIES.

2.1 BUSINESS SIZE(a), 2006–07 and 2007–08

	Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Total income	Total expenses	Operating profit before tax(e)	Industry value added(e)
	'000	\$m	\$m	\$m	\$m	\$m	\$m
AGRICULTURE, FORESTRY AND FISHING							
Small							
2006–07	429	^ 4 009	41 974	44 439	^ 40 282	** 4 060	^ 12 342
2007–08	430	4 088	48 825	52 032	46 731	^ 6 070	15 079
Medium							
2006–07	^ 62	^ 1 485	^ 10 500	^ 10 982	^ 9 231	** 1 658	^ 3 915
2007–08	^ 69	^ 1 561	^ 9 600	^ 10 287	^ 9 619	* 715	^ 3 131
Large							
2006–07	* 12	349	2 187	2 406	2 533	** -6	* 368
2007–08	11	469	2 906	3 344	3 082	250	722
Total							
2006–07	503	5 843	54 660	57 827	52 046	* 5 711	^ 16 625
2007–08	510	6 117	61 331	65 663	59 433	^ 7 035	18 932
MINING							
Small							
2006–07	27	^ 2 469	21 592	24 168	17 112	6 984	11 142
2007–08	^ 22	^ 1 316	23 510	27 214	18 847	^ 8 562	^ 10 322
Medium							
2006–07	19	1 805	16 235	17 740	12 723	5 192	9 798
2007–08	^ 24	^ 2 349	17 996	19 540	14 592	5 631	11 174
Large							
2006–07	68	7 266	75 114	78 526	50 337	29 028	49 464
2007–08	82	9 199	79 375	89 556	58 777	31 601	49 988
Total							
2006–07	113	11 540	112 941	120 434	80 173	41 203	70 405
2007–08	128	12 864	120 881	136 310	92 216	45 794	71 484
MANUFACTURING							
Small							
2006–07	369	11 783	68 072	69 033	61 804	7 806	23 234
2007–08	376	11 649	70 267	71 246	62 618	^ 9 167	24 673
Medium							
2006–07	267	13 506	81 008	82 350	77 504	5 402	23 223
2007–08	296	15 182	87 157	89 019	84 327	5 686	25 088
Large							
2006–07	378	24 902	228 538	232 810	215 610	17 488	52 475
2007–08	367	25 797	238 394	243 231	226 775	19 328	55 202
Total							
2006–07	1 014	50 191	377 618	384 193	354 917	30 696	98 932
2007–08	1 039	52 627	395 818	403 495	373 721	34 181	104 963

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** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) See Glossary for details.

(b) Includes working proprietors.

(c) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring.

(e) See Technical Note 2 paragraph 5.

2.1**BUSINESS SIZE(a), 2006–07 and 2007–08** *continued*

	Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Total income	Total expenses	Operating profit before tax(e)	Industry value added(e)
	'000	\$m	\$m	\$m	\$m	\$m	\$m
ELECTRICITY, GAS, WATER AND WASTE SERVICES							
Small							
2006–07	17	^ 639	7 919	8 902	7 535	1 365	3 054
2007–08	^ 17	^ 589	^ 8 178	9 653	7 873	^ 1 843	^ 3 117
Medium							
2006–07	15	924	8 111	9 279	8 721	^ 594	2 484
2007–08	^ 13	^ 798	^ 9 118	^ 9 996	^ 9 545	*465	*2 939
Large							
2006–07	66	5 869	45 027	50 065	42 276	8 080	19 162
2007–08	70	6 269	52 732	57 137	49 865	7 385	20 363
Total							
2006–07	99	7 432	61 057	68 246	58 532	10 038	24 700
2007–08	100	7 656	70 028	76 786	67 282	9 693	26 418
CONSTRUCTION							
Small							
2006–07	785	^ 19 147	136 129	138 753	113 812	*21 181	^ 49 021
2007–08	800	20 314	151 376	152 640	130 174	^ 22 092	^ 50 674
Medium							
2006–07	^ 97	^ 6 229	^ 50 415	^ 51 691	^ 47 738	**4 593	^ 11 866
2007–08	^ 122	^ 8 236	^ 54 198	^ 55 357	^ 51 425	*5 040	^ 14 767
Large							
2006–07	^ 103	^ 8 122	^ 45 304	^ 46 862	^ 43 372	3 435	^ 12 263
2007–08	109	8 977	50 451	51 740	49 403	2 887	13 139
Total							
2006–07	985	33 498	231 848	237 306	204 922	^ 29 209	73 150
2007–08	1 031	37 527	256 025	259 737	231 002	^ 30 019	78 581
WHOLESALE TRADE							
Small							
2006–07	^ 255	^ 9 096	120 821	^ 121 469	^ 115 629	*5 825	^ 17 780
2007–08	240	^ 7 978	^ 113 430	^ 114 185	^ 108 702	*6 493	^ 16 875
Medium							
2006–07	^ 122	^ 6 768	^ 90 616	^ 91 811	^ 88 978	^ 4 459	^ 12 774
2007–08	^ 159	^ 9 640	^ 130 723	^ 132 274	^ 127 453	**5 237	*17 514
Large							
2006–07	162	10 837	140 414	143 137	138 481	6 044	19 330
2007–08	161	11 561	153 917	156 785	150 919	7 304	20 606
Total							
2006–07	540	26 700	351 852	356 417	343 087	16 327	49 884
2007–08	560	29 179	398 070	403 244	387 074	*19 033	54 996

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* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) See Glossary for details.

(b) Includes working proprietors.

(c) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring.

(e) See Technical Note 2 paragraph 5.

2.1 BUSINESS SIZE(a), 2006–07 and 2007–08 *continued*

	Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Total income	Total expenses	Operating profit before tax(e)	Industry value added(e)
	'000	\$m	\$m	\$m	\$m	\$m	\$m
RETAIL TRADE							
Small							
2006–07	^ 488	^ 10 229	101 553	^ 102 069	^ 96 682	^ 5 298	^ 18 846
2007–08	531	^ 11 661	^ 112 802	^ 113 639	^ 108 975	** 4 546	* 19 707
Medium							
2006–07	^ 170	^ 5 652	^ 74 352	^ 75 011	^ 73 312	* 2 093	^ 8 934
2007–08	^ 189	^ 6 604	^ 63 313	^ 64 052	^ 63 310	^ 1 826	^ 9 859
Large							
2006–07	525	12 824	117 892	119 600	114 964	5 370	20 074
2007–08	542	13 730	132 229	133 582	128 372	6 471	22 748
Total							
2006–07	1 184	28 705	293 797	296 680	284 958	^ 12 761	47 854
2007–08	1 263	31 995	308 344	311 273	300 658	^ 12 843	52 314
ACCOMMODATION AND FOOD SERVICES							
Small							
2006–07	^ 398	^ 6 503	33 259	* 33 681	* 29 852	* 4 024	^ 12 348
2007–08	405	^ 7 154	^ 36 657	^ 36 657	^ 34 529	* 2 172	^ 12 238
Medium							
2006–07	^ 153	^ 4 508	^ 17 487	^ 17 943	^ 17 193	^ 1 002	^ 6 567
2007–08	^ 172	^ 4 934	^ 19 851	^ 20 287	^ 18 846	* 1 485	^ 8 441
Large							
2006–07	160	3 411	11 654	12 050	11 081	^ 976	5 537
2007–08	155	3 628	12 593	12 965	11 914	* 1 048	5 967
Total							
2006–07	711	14 422	62 401	63 674	58 126	^ 6 001	24 452
2007–08	732	15 716	69 101	69 910	65 289	^ 4 706	26 647
TRANSPORT, POSTAL AND WAREHOUSING							
Small							
2006–07	299	^ 7 322	44 369	^ 46 838	^ 39 371	^ 7 613	^ 19 817
2007–08	283	^ 7 758	44 380	46 332	38 563	^ 7 794	19 898
Medium							
2006–07	^ 59	^ 3 267	^ 21 049	^ 22 385	^ 18 895	^ 3 473	^ 9 136
2007–08	^ 82	^ 4 396	^ 24 309	^ 26 104	^ 23 633	** 2 518	^ 9 169
Large							
2006–07	195	12 827	47 197	53 456	49 855	^ 3 601	20 686
2007–08	205	13 926	54 464	62 165	56 849	5 435	24 495
Total							
2006–07	553	23 416	112 615	122 678	108 121	14 687	49 639
2007–08	570	26 080	123 153	134 601	119 045	^ 15 746	53 561

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* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) See Glossary for details.

(b) Includes working proprietors.

(c) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring.

(e) See Technical Note 2 paragraph 5.

2.1**BUSINESS SIZE(a), 2006–07 and 2007–08** *continued*

	Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Total income	Total expenses	Operating profit before tax(e)	Industry value added(e)
	'000	\$m	\$m	\$m	\$m	\$m	\$m
.....							
INFORMATION MEDIA AND TELECOMMUNICATIONS							
Small							
2006–07	40	^ 1 456	7 491	^ 7 898	^ 7 111	*761	^ 2 578
2007–08	39	^ 1 689	^ 6 899	^ 7 074	^ 6 707	**385	^ 2 839
Medium							
2006–07	*29	^ 1 651	^ 8 764	^ 9 527	^ 8 389	^ 1 154	^ 3 135
2007–08	^ 27	^ 1 591	*7 369	*7 621	^ 6 909	**731	*2 934
Large							
2006–07	103	7 686	50 768	51 466	43 554	8 012	25 211
2007–08	105	8 355	53 549	54 813	45 392	9 527	26 887
Total							
2006–07	171	10 793	67 023	68 890	59 054	9 927	30 924
2007–08	172	11 635	67 817	69 507	59 009	^ 10 643	32 660

RENTAL, HIRING AND REAL ESTATE SERVICES

Small							
2006–07	285	^ 6 295	59 235	77 050	46 591	^ 30 261	32 134
2007–08	291	^ 6 118	61 662	79 679	47 950	^ 31 200	33 360
Medium							
2006–07	^ 40	^ 2 544	^ 8 740	^ 10 291	^ 8 191	*2 220	*4 961
2007–08	^ 39	^ 2 663	^ 9 970	^ 10 677	^ 8 488	^ 2 246	^ 5 738
Large							
2006–07	^ 25	^ 1 659	^ 8 482	14 626	9 312	5 299	^ 4 224
2007–08	^ 33	^ 2 261	11 510	15 680	12 522	*3 213	5 737
Total							
2006–07	350	10 498	76 457	101 967	64 094	^ 37 780	41 320
2007–08	363	11 042	83 142	106 036	68 960	^ 36 659	44 835

PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES

Small							
2006–07	512	^ 18 375	63 393	^ 66 048	^ 54 188	*11 940	^ 34 705
2007–08	543	21 392	66 337	68 623	57 576	^ 11 112	37 889
Medium							
2006–07	^ 204	^ 12 124	^ 37 719	^ 45 950	^ 37 026	^ 9 031	^ 17 931
2007–08	247	^ 16 395	^ 44 262	^ 54 449	^ 44 817	^ 9 694	^ 22 694
Large							
2006–07	^ 159	14 196	31 930	38 470	33 811	^ 4 733	17 720
2007–08	164	14 035	32 920	43 819	33 304	10 517	18 955
Total							
2006–07	875	44 695	133 043	150 468	125 025	^ 25 703	70 356
2007–08	954	51 822	143 519	166 890	135 697	31 322	79 538

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) See Glossary for details.

(b) Includes working proprietors.

(c) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring.

(e) See Technical Note 2 paragraph 5.

2.1 BUSINESS SIZE(a), 2006–07 and 2007–08 *continued*

	Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Total income	Total expenses	Operating profit before tax(e)	Industry value added(e)
	'000	\$m	\$m	\$m	\$m	\$m	\$m
ADMINISTRATIVE AND SUPPORT SERVICES							
Small							
2006–07	324	^ 9 393	21 486	23 159	19 683	**3 473	^ 13 901
2007–08	242	6 353	22 578	23 388	19 020	*4 463	12 180
Medium							
2006–07	^ 194	^ 6 342	^ 14 226	^ 15 225	^ 13 432	*1 774	^ 9 949
2007–08	^ 310	^ 10 456	^ 18 684	^ 20 628	^ 20 788	*-137	^ 12 471
Large							
2006–07	^ 215	^ 9 367	^ 15 537	^ 17 452	^ 15 732	*1 718	^ 11 512
2007–08	244	11 499	18 757	20 979	19 184	^ 1 808	13 943
Total							
2006–07	733	25 103	51 249	55 836	48 846	^ 6 964	^ 35 362
2007–08	796	28 309	60 019	64 995	58 992	^ 6 134	38 593
PUBLIC ADMINISTRATION AND SAFETY (PRIVATE)							
Small							
2006–07	*38	*909	2 196	^ 2 474	^ 2 086	*390	*1 359
2007–08	*40	*922	^ 2 728	^ 2 921	^ 2 583	*342	*1 440
Medium							
2006–07	*20	^ 657	^ 1 341	^ 1 538	^ 1 388	*150	^ 876
2007–08	*15	*544	*969	*1 115	*1 045	*72	*680
Large							
2006–07	*21	971	1 897	1 919	1 825	100	1 258
2007–08	^ 23	1 058	2 023	2 027	1 912	111	1 378
Total							
2006–07	^ 79	2 537	5 435	5 931	5 299	^ 640	3 493
2007–08	^ 78	2 524	^ 5 720	6 063	5 541	*525	3 497
EDUCATION AND TRAINING (PRIVATE)							
Small							
2006–07	^ 96	^ 1 752	4 718	^ 6 378	^ 5 230	*1 145	^ 2 549
2007–08	^ 102	^ 2 049	^ 4 187	^ 6 395	^ 4 485	*1 910	^ 3 043
Medium							
2006–07	^ 120	^ 4 753	^ 5 064	^ 9 193	^ 8 386	^ 814	^ 6 031
2007–08	^ 137	^ 5 168	^ 5 926	^ 10 406	^ 9 704	**710	^ 6 346
Large							
2006–07	59	2 572	1 750	4 160	3 952	218	3 080
2007–08	^ 54	2 879	^ 1 946	4 691	4 375	^ 329	3 452
Total							
2006–07	274	9 077	11 531	19 732	17 568	^ 2 177	11 660
2007–08	292	10 096	12 059	21 492	18 564	*2 949	12 841

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) See Glossary for details.

(b) Includes working proprietors.

(c) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring.

(e) See Technical Note 2 paragraph 5.

2.1**BUSINESS SIZE(a), 2006–07 and 2007–08** *continued*

	Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Total income	Total expenses	Operating profit before tax(e)	Industry value added(e)
	'000	\$m	\$m	\$m	\$m	\$m	\$m
HEALTH CARE AND SOCIAL ASSISTANCE (PRIVATE)							
Small							
2006–07	312	9 664	30 433	33 968	25 593	^ 8 383	20 376
2007–08	347	10 382	31 927	36 008	27 548	**8 431	^ 20 893
Medium							
2006–07	^ 181	^ 5 506	^ 4 989	^ 12 272	^ 11 350	^ 919	^ 6 732
2007–08	^ 198	^ 6 648	^ 7 298	^ 14 192	^ 13 215	*987	^ 8 127
Large							
2006–07	283	9 960	14 452	22 172	20 352	1 845	13 142
2007–08	269	10 968	14 756	23 253	22 464	*772	13 637
Total							
2006–07	776	25 130	49 875	68 412	57 295	^ 11 148	40 250
2007–08	814	27 998	53 981	73 454	63 228	^ 10 190	42 657
ARTS AND RECREATION SERVICES							
Small							
2006–07	91	1 388	6 703	7 479	6 318	^ 1 161	2 943
2007–08	^ 85	^ 1 592	6 645	7 546	^ 6 659	*880	^ 2 871
Medium							
2006–07	^ 32	1 175	^ 5 940	^ 7 399	^ 6 624	^ 777	^ 1 918
2007–08	^ 39	^ 1 335	8 313	9 297	8 246	^ 1 067	2 514
Large							
2006–07	45	1 506	9 875	10 669	9 214	1 457	3 430
2007–08	47	1 302	8 659	9 346	7 773	1 580	3 124
Total							
2006–07	167	4 069	22 518	25 548	22 156	3 395	8 292
2007–08	171	4 229	23 616	26 189	22 677	^ 3 528	8 509
OTHER SERVICES							
Small							
2006–07	295	6 270	25 005	28 348	23 826	*4 514	11 512
2007–08	303	^ 6 863	^ 27 962	^ 30 688	25 664	*5 096	^ 12 949
Medium							
2006–07	^ 94	^ 3 996	^ 8 956	^ 13 227	^ 12 254	^ 982	^ 5 034
2007–08	^ 85	^ 4 099	^ 10 010	^ 13 046	^ 11 786	*1 254	^ 5 169
Large							
2006–07	^ 30	^ 1 381	^ 3 942	^ 4 671	^ 4 116	^ 559	^ 1 869
2007–08	^ 35	^ 1 540	4 190	4 977	4 662	^ 343	^ 1 926
Total							
2006–07	419	11 647	37 902	46 246	40 196	*6 054	18 416
2007–08	423	12 502	42 162	48 711	42 112	*6 693	20 043

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* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) See Glossary for details.

(b) Includes working proprietors.

(c) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring.

(e) See Technical Note 2 paragraph 5.

2.1 BUSINESS SIZE(a), 2006–07 and 2007–08 *continued*

	<i>Employment at end of June(b)</i>	<i>Wages and salaries(c)</i>	<i>Sales and service income(d)</i>	<i>Total income</i>	<i>Total expenses</i>	<i>Operating profit before tax(e)</i>	<i>Industry value added(e)</i>
	'000	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL SELECTED INDUSTRIES (f)							
Small							
2006–07	5 061	126 698	796 350	842 155	712 703	126 182	289 642
2007–08	5 095	129 867	840 349	885 921	755 205	132 558	300 048
Medium							
2006–07	1 877	82 892	465 512	503 812	461 334	46 286	145 265
2007–08	2 223	102 597	529 067	568 346	527 749	45 225	168 755
Large							
2006–07	2 608	135 706	851 960	904 518	810 377	97 956	280 805
2007–08	2 678	147 452	925 370	990 091	887 543	109 909	302 268
Total							
2006–07	9 546	345 296	2 113 823	2 250 485	1 984 414	270 423	715 712
2007–08	9 996	379 916	2 294 786	2 444 357	2 170 498	287 692	771 071

(a) See Glossary for details.

(b) Includes working proprietors.

(c) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring.

(e) See Technical Note 2 paragraph 5.

(f) Excludes Division K FINANCIAL AND INSURANCE SERVICES.

Total Selected Industries in the 2006–07 release of this publication excluded Division K and Division O PUBLIC ADMINISTRATION AND SAFETY.

2.2 INDUSTRY PERFORMANCE (a), 2006–07 and 2007–08

		AGRICULTURE, FORESTRY AND FISHING		MINING		MANUFACTURING	
		2006–07	2007–08	2006–07	2007–08	2006–07	2007–08
Employment at end of June(b)	'000	503	510	113	128	1 014	1 039
Income							
Sales and service income(c)	\$m	54 660	61 331	112 941	120 881	377 618	395 818
Funding from government for operational costs	\$m	581	1 116	940	980	699	953
Interest income	\$m	580	585	2 322	3 601	1 648	2 292
Other income	\$m	2 006	^ 2 632	4 231	10 849	4 228	4 432
<i>Total income</i>	\$m	57 827	65 663	120 434	136 310	384 193	403 495
Expenses							
Selected labour costs(d)	\$m	6 731	7 053	12 635	13 981	55 977	58 777
Cost of sales	\$m	38 784	43 662	45 586	52 728	280 649	293 297
Interest expenses	\$m	3 135	4 082	3 489	5 234	5 217	5 294
Depreciation and amortisation	\$m	2 374	3 003	10 803	12 231	9 580	10 014
Other operating expenses	\$m	1 140	889	7 191	6 818	2 402	2 432
Less							
Capitalised wages and salaries	\$m	49	61	473	476	327	499
<i>Total expenses</i>	\$m	52 046	59 433	80 173	92 216	354 917	373 721
Change in inventories	\$m	-70	**805	942	^ 1 700	1 420	4 406
Earnings before interest, tax, depreciation and amortisation(e)	\$m	*8 634	^ 10 903	48 943	48 809	39 616	42 765
Operating profit before tax(e)	\$m	*5 711	^ 7 035	41 203	45 794	30 696	34 181
Economic values							
Gross fixed capital formation	\$m	6 206	^ 5 755	24 233	25 908	13 735	14 701
Capital expenditure(f)	\$m	^ 15 502	^ 12 874	28 928	30 060	16 773	18 257
Disposal of assets	\$m	3 677	3 176	1 318	2 404	2 441	2 248
Net capital expenditure	\$m	11 826	9 698	27 610	27 656	14 332	16 010
Industry value added(e)	\$m	^ 16 625	18 932	70 405	71 484	98 932	104 963
Industry ratios							
Profit margin	%	10.4	11.5	36.5	37.9	8.1	8.6
Interest coverage	times	2.8	2.7	14.0	9.3	7.6	8.1
Investment rate (value added)	%	93.2	68.0	41.1	42.1	17.0	17.4
Wages and salaries to sales and service income	no.	0.11	0.10	0.10	0.11	0.13	0.13
Wages and salaries per employee(g)	\$'000	26.0	24.3	104.4	101.6	52.2	53.3
Sales and service income per person employed(h)	\$'000	108.7	120.4	998.4	942.2	372.5	381.0
Industry value added per person employed(h)	\$'000	33.1	37.2	622.4	557.2	97.6	101.0
Percentage of businesses that							
Made a profit	%	56.0	58.7	56.9	54.2	76.1	75.7
Broke even	%	1.5	1.1	1.7	4.3	1.1	0.8
Made a loss	%	42.5	40.3	41.4	41.5	22.8	23.4

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** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Includes working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Excludes the drawings of working proprietors.

(e) See Technical Note 2 paragraph 5.

(f) Includes capital work done for own use.

(g) Employee estimates used in this ratio exclude working proprietors and partners; drawings are excluded from wages and salaries.

(h) Calculated using estimates of employment which include working proprietors and partners.

2.2 INDUSTRY PERFORMANCE (a), 2006–07 and 2007–08 *continued*

		ELECTRICITY, GAS, WATER AND WASTE SERVICES		CONSTRUCTION		WHOLESALE TRADE	
		2006–07	2007–08	2006–07	2007–08	2006–07	2007–08
Employment at end of June(b)	'000	99	100	985	1 031	540	560
Income							
Sales and service income(c)	\$m	61 057	70 028	231 848	256 025	351 852	398 070
Funding from government for operational costs	\$m	1 480	1 865	379	303	116	230
Interest income	\$m	993	959	877	1 053	2 115	2 042
Other income	\$m	4 717	3 934	4 203	^ 2 356	2 333	^ 2 902
<i>Total income</i>	\$m	68 246	76 786	237 306	259 737	356 417	403 244
Expenses							
Selected labour costs(d)	\$m	8 045	8 447	37 662	42 354	29 802	32 527
Cost of sales	\$m	39 690	47 093	160 819	178 804	302 948	344 215
Interest expenses	\$m	5 435	5 758	3 153	3 726	3 484	3 306
Depreciation and amortisation	\$m	6 131	6 819	2 540	3 380	2 915	2 997
Other operating expenses	\$m	480	463	5 280	1 844	1 065	1 271
Less							
Capitalised wages and salaries	\$m	1 573	1 488	357	389	124	105
<i>Total expenses</i>	\$m	58 532	67 282	204 922	231 002	343 087	387 074
Change in inventories	\$m	324	^ 189	-3 176	**1 283	2 998	*2 863
Earnings before interest, tax, depreciation and amortisation(e)	\$m	15 895	17 377	^ 29 822	^ 33 716	18 278	^ 20 391
Operating profit before tax(e)	\$m	10 038	9 693	^ 29 209	^ 30 019	16 327	*19 033
Economic values							
Gross fixed capital formation	\$m	13 658	14 864	10 540	^ 12 984	5 106	^ 4 492
Capital expenditure(f)	\$m	15 113	16 336	^ 16 221	^ 18 813	*9 880	^ 5 933
Disposal of assets	\$m	749	697	4 424	2 707	607	843
Net capital expenditure	\$m	14 364	15 639	11 796	16 106	9 273	5 090
Industry value added(e)	\$m	24 700	26 418	73 150	78 581	49 884	54 996
Industry ratios							
Profit margin	%	16.4	13.8	12.6	11.7	4.6	4.8
Interest coverage	times	2.9	3.0	9.5	9.0	5.2	6.2
Investment rate (value added)	%	61.2	61.8	22.2	23.9	19.8	10.8
Wages and salaries to sales and service income	no.	0.12	0.11	0.14	0.15	0.08	0.07
Wages and salaries per employee(g)	\$'000	77.5	78.5	47.2	50.1	52.1	54.9
Sales and service income per person employed(h)	\$'000	619.0	703.6	235.4	248.4	652.1	710.6
Industry value added per person employed(h)	\$'000	250.4	265.4	74.3	76.2	92.5	98.2
Percentage of businesses that							
Made a profit	%	76.2	77.5	75.8	81.8	67.6	70.4
Broke even	%	0.4	1.9	2.9	0.3	1.0	3.0
Made a loss	%	23.5	20.6	21.3	17.9	31.5	26.6

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(c) Includes rent, leasing and hiring income.

(d) Excludes the drawings of working proprietors.

(e) See Technical Note 2 paragraph 5.

(f) Includes capital work done for own use.

(g) Employee estimates used in this ratio exclude working proprietors and partners; drawings are excluded from wages and salaries.

(h) Calculated using estimates of employment which include working proprietors and partners.

2.2INDUSTRY PERFORMANCE (a), 2006–07 and 2007–08 *continued*

		RETAIL TRADE		ACCOMMODATION AND FOOD SERVICES		TRANSPORT, POSTAL AND WAREHOUSING	
		2006–07	2007–08	2006–07	2007–08	2006–07	2007–08
Employment at end of June(b)	'000	1 184	1 263	711	732	553	570
Income							
Sales and service income(c)	\$m	293 797	308 344	62 401	69 101	112 615	123 153
Funding from government for operational costs	\$m	262	258	106	35	4 386	5 734
Interest income	\$m	444	529	234	241	1 074	1 206
Other income	\$m	2 178	^ 2 142	934	**534	4 603	^ 4 509
<i>Total income</i>	\$m	296 680	311 273	63 674	69 910	122 678	134 601
Expenses							
Selected labour costs(d)	\$m	32 435	35 856	15 913	17 339	26 001	28 824
Cost of sales	\$m	246 768	256 895	38 261	42 674	68 190	76 167
Interest expenses	\$m	1 615	1 838	1 265	2 280	4 746	4 587
Depreciation and amortisation	\$m	2 363	3 049	1 597	2 166	8 006	8 396
Other operating expenses	\$m	875	985	662	786	1 368	1 207
Less							
Capitalised wages and salaries	\$m	137	194	24	42	320	326
<i>Total expenses</i>	\$m	284 958	300 658	58 126	65 289	108 121	119 045
Change in inventories	\$m	1 039	^ 2 228	453	**85	130	190
Earnings before interest, tax, depreciation and amortisation(e)	\$m	^ 14 117	^ 15 060	^ 7 696	^ 8 377	21 763	23 015
Operating profit before tax(e)	\$m	^ 12 761	^ 12 843	^ 6 001	^ 4 706	14 687	^ 15 746
Economic values							
Gross fixed capital formation	\$m	6 368	^ 5 890	4 087	^ 6 373	14 876	^ 21 225
Capital expenditure(f)	\$m	^ 9 648	* 7 664	^ 6 215	^ 9 971	17 992	^ 24 468
Disposal of assets	\$m	2 842	1 566	765	820	2 111	1 541
Net capital expenditure	\$m	6 805	6 098	5 450	9 150	15 881	22 927
Industry value added(e)	\$m	47 854	52 314	24 452	26 647	49 639	53 561
Industry ratios							
Profit margin	%	4.3	4.2	9.6	6.8	13.0	12.8
Interest coverage	times	8.7	8.2	6.1	3.7	4.6	5.0
Investment rate (value added)	%	20.2	14.7	25.4	37.4	36.2	45.7
Wages and salaries to sales and service income	no.	0.10	0.10	0.23	0.23	0.21	0.21
Wages and salaries per employee(g)	\$'000	26.5	27.5	22.0	23.1	50.8	54.9
Sales and service income per person employed(h)	\$'000	248.2	244.1	87.8	94.4	203.7	216.1
Industry value added per person employed(h)	\$'000	40.4	41.4	34.4	36.4	89.8	94.0
Percentage of businesses that							
Made a profit	%	75.2	73.4	76.6	67.9	80.0	83.9
Broke even	%	4.0	1.2	0.2	0.1	1.8	2.1
Made a loss	%	20.7	25.4	23.2	32.0	18.3	14.0

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(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Includes working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Excludes the drawings of working proprietors.

(e) See Technical Note 2 paragraph 5.

(f) Includes capital work done for own use.

(g) Employee estimates used in this ratio exclude working proprietors and partners; drawings are excluded from wages and salaries.

(h) Calculated using estimates of employment which include working proprietors and partners.

2.2 INDUSTRY PERFORMANCE (a), 2006–07 and 2007–08 *continued*

		INFORMATION MEDIA AND TELECOMMUNICATIONS		RENTAL, HIRING AND REAL ESTATE SERVICES	
		2006–07	2007–08	2006–07	2007–08
Employment at end of June(b)	'000	171	172	350	363
Income					
Sales and service income(c)	\$m	67 023	67 817	76 457	83 142
Funding from government for operational costs	\$m	183	186	576	869
Interest income	\$m	433	380	6 122	4 686
Other income	\$m	1 251	1 124	18 813	*17 339
<i>Total income</i>	\$m	68 890	69 507	101 967	106 036
Expenses					
Selected labour costs(d)	\$m	11 744	12 631	11 653	12 170
Cost of sales	\$m	37 463	36 534	35 997	39 472
Interest expenses	\$m	2 266	2 018	9 543	10 056
Depreciation and amortisation	\$m	7 759	7 781	4 416	4 120
Other operating expenses	\$m	501	654	2 653	3 643
Less					
Capitalised wages and salaries	\$m	769	753	75	85
<i>Total expenses</i>	\$m	59 054	59 009	64 094	68 960
Change in inventories	\$m	90	^144	-93	-417
Earnings before interest, tax, depreciation and amortisation(e)	\$m	18 267	18 937	26 805	^28 810
Operating profit before tax(e)	\$m	9 927	^10 643	^37 780	^36 659
Economic values					
Gross fixed capital formation	\$m	8 580	7 210	31 973	^17 348
Capital expenditure(f)	\$m	9 057	9 249	^48 772	^34 737
Disposal of assets	\$m	376	658	29 191	13 406
Net capital expenditure	\$m	8 681	8 591	19 581	21 331
Industry value added(e)	\$m	30 924	32 660	41 320	44 835
Industry ratios					
Profit margin	%	14.8	15.7	49.4	44.1
Interest coverage	times	8.1	9.4	2.8	2.9
Investment rate (value added)	%	29.3	28.3	118.0	77.5
Wages and salaries to sales and service income	no.	0.16	0.17	0.14	0.13
Wages and salaries per employee(g)	\$'000	66.0	70.3	47.8	50.2
Sales and service income per person employed(h)	\$'000	391.9	394.3	218.5	229.1
Industry value added per person employed(h)	\$'000	180.8	189.9	118.1	123.5
Percentage of businesses that					
Made a profit	%	68.9	70.7	76.9	75.5
Broke even	%	0.6	1.7	2.0	1.0
Made a loss	%	30.5	27.6	21.1	23.5

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(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Includes working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Excludes the drawings of working proprietors.

(e) See Technical Note 2 paragraph 5.

(f) Includes capital work done for own use.

(g) Employee estimates used in this ratio exclude working proprietors and partners; drawings are excluded from wages and salaries.

(h) Calculated using estimates of employment which include working proprietors and partners.

2.2

INDUSTRY PERFORMANCE (a), 2006–07 and 2007–08 *continued*

		PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES		ADMINISTRATIVE AND SUPPORT SERVICES		PUBLIC ADMINISTRATION AND SAFETY (PRIVATE)	
		2006–07	2007–08	2006–07	2007–08	2006–07	2007–08
Employment at end of June(b)	'000	875	954	733	796	^ 79	^ 78
Income							
Sales and service income(c)	\$m	133 043	143 519	51 249	60 019	5 435	^ 5 720
Funding from government for operational costs	\$m	2 260	2 092	1 565	1 691	150	113
Interest income	\$m	3 415	5 690	492	917	230	130
Other income	\$m	11 749	15 589	2 530	** 2 369	117	^ 99
<i>Total income</i>	\$m	150 468	166 890	55 836	64 995	5 931	6 063
Expenses							
Selected labour costs(d)	\$m	49 751	57 759	28 160	31 470	2 851	2 828
Cost of sales	\$m	66 352	67 787	17 828	23 561	2 122	2 364
Interest expenses	\$m	4 096	5 501	939	2 291	163	132
Depreciation and amortisation	\$m	2 890	3 059	1 650	1 069	109	116
Other operating expenses	\$m	1 807	1 720	405	508	52	102
Less							
Capitalised wages and salaries	\$m	131	259	110	38	6	4
<i>Total expenses</i>	\$m	125 025	135 697	48 846	58 992	5 299	5 541
Change in inventories	\$m	260	* 129	–25	* 131	8	** 3
Earnings before interest, tax, depreciation and amortisation(e)	\$m	^ 17 524	^ 18 603	* 6 531	^ 6 208	^ 565	* 543
Operating profit before tax(e)	\$m	^ 25 703	31 322	^ 6 964	^ 6 134	^ 640	* 525
Economic values							
Gross fixed capital formation	\$m	6 095	^ 8 365	1 570	^ 2 176	231	* 251
Capital expenditure(f)	\$m	^ 10 076	^ 13 150	^ 2 364	3 736	^ 310	^ 332
Disposal of assets	\$m	2 566	923	550	379	16	11
Net capital expenditure	\$m	7 510	12 228	1 814	3 357	294	321
Industry value added(e)	\$m	70 356	79 538	^ 35 362	38 593	3 493	3 497
Industry ratios							
Profit margin	%	19.3	21.8	13.6	10.2	11.8	9.2
Interest coverage	times	4.3	3.4	7.0	2.7	3.5	4.1
Investment rate (value added)	%	14.3	16.5	6.7	9.7	8.9	9.5
Wages and salaries to sales and service income	no.	0.34	0.36	0.49	0.47	0.47	0.44
Wages and salaries per employee(g)	\$'000	57.3	60.8	36.5	37.9	33.8	34.0
Sales and service income per person employed(h)	\$'000	152.0	150.4	69.9	75.4	68.8	73.0
Industry value added per person employed(h)	\$'000	80.4	83.4	48.2	48.5	44.2	44.7
Percentage of businesses that							
Made a profit	%	75.1	76.1	81.5	81.2	69.1	68.0
Broke even	%	4.2	3.4	0.4	2.2	6.5	0.4
Made a loss	%	20.7	20.5	18.1	16.6	24.4	31.6

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Includes working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Excludes the drawings of working proprietors.

(e) See Technical Note 2 paragraph 5.

(f) Includes capital work done for own use.

(g) Employee estimates used in this ratio exclude working proprietors and partners; drawings are excluded from wages and salaries.

(h) Calculated using estimates of employment which include working proprietors and partners.

2.2 INDUSTRY PERFORMANCE (a), 2006–07 and 2007–08 *continued*

		EDUCATION AND TRAINING (PRIVATE)		HEALTH CARE AND SOCIAL ASSISTANCE (PRIVATE)	
		2006–07	2007–08	2006–07	2007–08
Employment at end of June(b)	'000	274	292	776	814
Income					
Sales and service income(c)	\$m	11 531	12 059	49 875	53 981
Funding from government for operational costs	\$m	6 608	7 244	14 237	15 181
Interest income	\$m	231	517	728	865
Other income	\$m	1 361	*1 673	3 572	^ 3 427
<i>Total income</i>	\$m	19 732	21 492	68 412	73 454
Expenses					
Selected labour costs(d)	\$m	10 009	11 195	28 594	31 354
Cost of sales	\$m	6 617	6 487	25 215	27 840
Interest expenses	\$m	180	190	1 173	1 578
Depreciation and amortisation	\$m	520	547	1 609	1 756
Other operating expenses	\$m	236	199	794	792
Less					
Capitalised wages and salaries	\$m	8	73	121	57
<i>Total expenses</i>	\$m	17 568	18 564	57 295	63 228
Change in inventories	\$m	14	^ 20	30	–36
Earnings before interest, tax, depreciation and amortisation(e)	\$m	^ 1 285	*1 496	^ 9 630	*9 233
Operating profit before tax(e)	\$m	^ 2 177	*2 949	^ 11 148	^ 10 190
Economic values					
Gross fixed capital formation	\$m	1 376	^ 2 228	3 912	4 672
Capital expenditure(f)	\$m	*1 695	^ 2 415	6 891	7 738
Disposal of assets	\$m	263	190	1 772	523
Net capital expenditure	\$m	1 431	2 226	5 119	7 215
Industry value added(e)	\$m	11 660	12 841	40 250	42 657
Industry ratios					
Profit margin	%	18.9	24.5	22.4	18.9
Interest coverage	times	7.1	7.9	8.2	5.9
Investment rate (value added)	%	14.5	18.8	17.1	18.1
Wages and salaries to sales and service income	no.	0.79	0.84	0.50	0.52
Wages and salaries per employee(g)	\$'000	35.1	36.3	34.7	37.0
Sales and service income per person employed(h)	\$'000	42.0	41.2	64.2	66.3
Industry value added per person employed(h)	\$'000	42.5	43.9	51.8	52.4
Percentage of businesses that					
Made a profit	%	73.6	80.3	81.4	75.9
Broke even	%	4.8	1.2	4.2	4.2
Made a loss	%	21.5	18.5	14.4	19.9

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Includes working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Excludes the drawings of working proprietors.

(e) See Technical Note 2 paragraph 5.

(f) Includes capital work done for own use.

(g) Employee estimates used in this ratio exclude working proprietors and partners; drawings are excluded from wages and salaries.

(h) Calculated using estimates of employment which include working proprietors and partners.

2.2 INDUSTRY PERFORMANCE(a), 2006–07 and 2007–08 *continued*

		ARTS AND RECREATION SERVICES		OTHER SERVICES		TOTAL SELECTED INDUSTRIES(b)	
		2006–07	2007–08	2006–07	2007–08	2006–07	2007–08
Employment at end of June(c)	'000	167	171	419	423	9 546	9 996
Income							
Sales and service income(d)	\$m	22 518	23 616	37 902	42 162	2 113 823	2 294 786
Funding from government for operational costs	\$m	608	522	2 329	2 120	37 463	41 490
Interest income	\$m	253	275	847	598	23 037	26 562
Other income	\$m	2 169	^ 1 776	5 168	* 3 832	76 162	81 518
<i>Total income</i>	\$m	25 548	26 189	46 246	48 711	2 250 485	2 444 357
Expenses							
Selected labour costs(e)	\$m	4 534	4 716	12 933	13 793	385 429	423 075
Cost of sales	\$m	15 970	16 596	25 281	25 960	1 454 541	1 582 137
Interest expenses	\$m	418	162	491	594	50 808	58 626
Depreciation and amortisation	\$m	923	963	1 032	1 160	67 216	72 624
Other operating expenses	\$m	331	256	553	600	27 793	25 169
Less							
Capitalised wages and salaries	\$m	24	31	98	89	4 725	4 966
<i>Total expenses</i>	\$m	22 156	22 677	40 196	42 112	1 984 414	2 170 498
Change in inventories	\$m	4	**16	4	*93	4 352	^ 13 833
Earnings before interest, tax, depreciation and amortisation(f)	\$m	^ 2 314	^ 2 601	**1 562	**4 017	289 248	310 861
Operating profit before tax(f)	\$m	3 395	^ 3 528	*6 054	*6 693	270 423	287 692
Economic values							
Gross fixed capital formation	\$m	2 037	2 042	2 802	* 2 746	157 385	159 229
Capital expenditure(g)	\$m	^ 2 434	2 928	^ 3 643	^ 3 728	221 514	222 389
Disposal of assets	\$m	112	45	643	605	54 423	32 741
Net capital expenditure	\$m	2 323	2 883	3 000	3 123	167 091	189 647
Industry value added(f)	\$m	8 292	8 509	18 416	20 043	715 712	771 071
Industry ratios							
Profit margin	%	15.1	14.9	16.0	15.9	12.8	12.5
Interest coverage	times	5.5	16.1	3.2	6.8	5.7	5.3
Investment rate (value added)	%	29.4	34.4	19.8	18.6	31.0	28.8
Wages and salaries to sales and service income	no.	0.18	0.18	0.31	0.30	0.16	0.17
Wages and salaries per employee(h)	\$'000	27.8	27.7	34.1	36.5	42.1	43.9
Sales and service income per person employed(i)	\$'000	134.8	137.9	90.4	99.6	221.4	229.6
Industry value added per person employed(i)	\$'000	49.6	49.7	43.9	47.4	75.0	77.1
Percentage of businesses that							
Made a profit	%	68.3	71.1	80.3	72.7	74.1	74.8
Broke even	%	1.8	1.3	1.4	2.4	2.4	1.6
Made a loss	%	29.9	27.6	18.3	24.8	23.5	23.6

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) For scope details, see Explanatory Notes paragraphs 6–13.

(b) Excludes Division K FINANCIAL AND INSURANCE SERVICES. *Australian Industry* 2006–07 also excluded Division O PUBLIC ADMINISTRATION AND SAFETY.

(c) Includes working proprietors.

(d) Includes rent, leasing and hiring income.

(e) Excludes the drawings of working proprietors.

(f) See Technical Note 2 paragraph 5.

(g) Includes capital work done for own use.

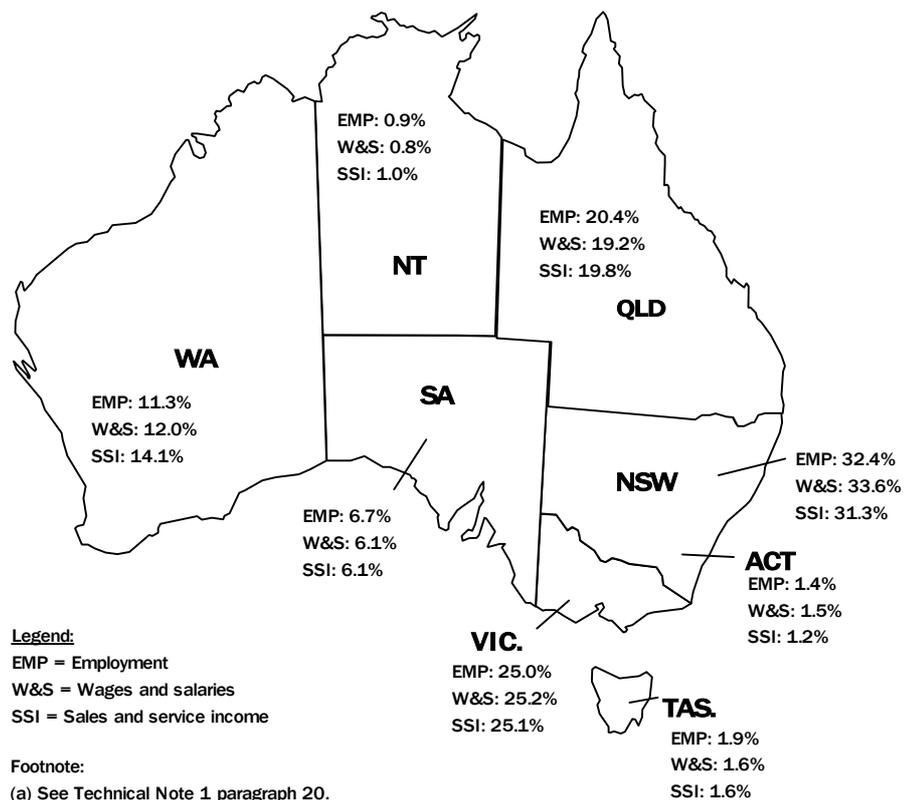
(h) Employee estimates used in this ratio exclude working proprietors and partners; drawings are excluded from wages and salaries.

(i) Calculated using estimates of employment which include working proprietors and partners.

STATE AND TERRITORY ESTIMATES

Table 3.1 presents estimates of employment, wages and salaries and sales and services income by industry, and by state and territory. The graph below illustrates each state or territory's share of employment, wages and salaries and sales and services income, relative to TOTAL SELECTED INDUSTRIES in 2007–08. The distribution of employment, wages and salaries and sales and service income are similar across states and territories. The exceptions are Western Australia which contributes relatively more to sales and service income than wages and salaries, whereas the reverse situation applies in New South Wales.

STATE / TERRITORY CONTRIBUTION TO TOTAL SELECTED INDUSTRIES(a), 2007–08



When measured by share of employment RETAIL TRADE was the predominant industry in all the states and territories, apart from South Australia and the Australian Capital Territory where it was second to MANUFACTURING and PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES, respectively.

As measured by share of sales and services income, four different industries predominated in the various jurisdictions.

STATE AND TERRITORY
ESTIMATES *continued*

In 2007–08 sales and services income for WHOLESALE TRADE was the largest in New South Wales and Victoria. In Queensland, South Australia, Tasmania and Northern Territory, MANUFACTURING was the largest industry. In Western Australia, MINING was the largest, followed by MANUFACTURING. RETAIL TRADE had the largest sales and service income in the Australian Capital Territory.

In terms of wages and salaries the distribution is quite different. PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES was the largest industry in New South Wales, Western Australia and the Australian Capital Territory. MANUFACTURING was the largest of the selected industries in 2007–08 in Victoria, South Australia and Tasmania. In Queensland and Northern Territory, the predominant industry was CONSTRUCTION.

3.1 STATES, TERRITORIES AND AUSTRALIA, 2006–07 and 2007–08

Division	EMPLOYMENT AT END OF JUNE(a)		WAGES AND SALARIES(b)		SALES AND SERVICE INCOME(c)	
	2006–07	2007–08	2006–07	2007–08	2006–07	2007–08
	'000	'000	\$m	\$m	\$m	\$m
NEW SOUTH WALES						
Agriculture, forestry and fishing	133	135	1 389	1 485	14 460	15 330
Mining	20	22	1 841	2 040	15 657	15 382
Manufacturing	292	307	14 723	15 879	110 024	114 618
Electricity, gas, water and waste services	33	33	2 480	2 616	17 135	20 030
Construction	np	302	10 214	10 567	68 066	71 027
Wholesale trade	201	206	10 647	11 609	122 291	131 950
Retail trade	379	401	9 097	10 532	93 569	97 862
Accommodation and food services	247	254	5 217	5 599	23 140	25 644
Transport, postal and warehousing	201	201	8 802	9 604	41 644	43 422
Information media and telecommunications	73	77	4 809	5 307	28 280	29 837
Rental, hiring and real estate services	119	124	3 780	3 806	28 727	31 828
Professional, scientific and technical services	324	345	17 874	19 857	51 030	53 611
Administrative and support services	248	270	8 618	9 899	19 466	22 807
Public administration and safety (private)	np	25	934	810	2 018	1 962
Education and training (private)	103	104	3 553	3 903	4 493	4 665
Health care and social assistance (private)	240	252	8 040	8 665	16 950	17 953
Arts and recreation services	49	50	1 238	1 249	5 256	5 765
Other services	135	134	3 897	4 049	12 774	13 529
<i>Total selected industries(d)</i>	<i>3 132</i>	<i>3 241</i>	<i>117 153</i>	<i>127 477</i>	<i>674 979</i>	<i>717 223</i>

VICTORIA

Agriculture, forestry and fishing	110	109	1 219	1 226	11 072	12 786
Mining	6	7	543	690	5 667	6 676
Manufacturing	294	308	15 438	16 192	100 002	107 873
Electricity, gas, water and waste services	20	20	1 286	1 380	14 392	19 943
Construction	230	240	7 503	8 486	53 635	58 658
Wholesale trade	153	164	7 579	8 595	105 991	119 849
Retail trade	302	317	7 657	8 099	72 430	75 927
Accommodation and food services	155	158	2 958	3 212	^ 12 806	13 315
Transport, postal and warehousing	133	138	5 530	6 249	28 342	32 417
Information media and telecommunications	46	45	2 845	3 199	19 107	18 877
Rental, hiring and real estate services	75	79	2 249	2 549	18 522	18 749
Professional, scientific and technical services	238	250	12 264	13 503	34 843	37 187
Administrative and support services	193	210	6 709	7 557	13 110	15 477
Public administration and safety (private)	^ 21	25	714	858	1 570	1 891
Education and training (private)	66	71	^ 2 136	2 286	2 767	2 818
Health care and social assistance (private)	189	203	6 224	7 155	11 767	13 578
Arts and recreation services	49	52	1 156	1 240	9 111	9 741
Other services	100	101	2 861	3 162	9 543	10 252
<i>Total selected industries(d)</i>	<i>2 380</i>	<i>2 497</i>	<i>86 870</i>	<i>95 640</i>	<i>524 677</i>	<i>576 015</i>

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Includes working proprietors.

(b) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Excludes Division K FINANCIAL AND INSURANCE SERVICES. Total Selected Industries in the 2006–07 release of this publication excluded Division K and Division O PUBLIC ADMINISTRATION AND SAFETY.

3.1 STATES, TERRITORIES AND AUSTRALIA, 2006–07 and 2007–08 *continued*

Division	EMPLOYMENT AT END OF JUNE(a)		WAGES AND SALARIES(b)		SALES AND SERVICE INCOME(c)	
	2006–07	2007–08	2006–07	2007–08	2006–07	2007–08
	'000	'000	\$m	\$m	\$m	\$m
QUEENSLAND						
Agriculture, forestry and fishing	115	119	1 384	1 449	13 297	14 431
Mining	30	34	3 218	3 416	28 114	27 633
Manufacturing	199	199	9 147	9 266	72 322	74 890
Electricity, gas, water and waste services	22	23	1 945	2 016	12 974	13 112
Construction	239	256	7 962	9 365	55 105	64 755
Wholesale trade	91	92	4 248	4 435	62 900	69 919
Retail trade	243	259	5 756	6 365	60 506	64 123
Accommodation and food services	148	152	2 961	3 184	13 022	14 977
Transport, postal and warehousing	112	118	4 700	5 346	22 175	24 981
Information media and telecommunications	23	23	1 337	1 391	7 949	7 746
Rental, hiring and real estate services	82	86	2 309	2 509	15 665	18 252
Professional, scientific and technical services	142	160	6 433	7 911	21 087	22 818
Administrative and support services	134	147	4 407	4 766	^ 8 661	9 772
Public administration and safety (private)	^ 13	14	393	410	835	911
Education and training (private)	48	56	1 445	1 828	1 756	2 033
Health care and social assistance (private)	171	176	5 260	5 982	9 869	10 764
Arts and recreation services	37	37	872	854	4 632	3 832
Other services	88	89	2 267	2 346	7 499	8 772
<i>Total selected industries(d)</i>	<i>1 937</i>	<i>2 039</i>	<i>66 045</i>	<i>72 839</i>	<i>418 368</i>	<i>453 720</i>
SOUTH AUSTRALIA						
Agriculture, forestry and fishing	55	53	668	660	5 708	6 539
Mining	7	7	681	657	4 964	4 944
Manufacturing	99	92	4 586	4 630	29 350	30 490
Electricity, gas, water and waste services	7	7	450	475	6 123	5 607
Construction	52	56	1 726	1 916	10 969	12 466
Wholesale trade	31	31	1 362	1 376	19 791	22 938
Retail trade	87	89	2 124	2 156	20 837	20 686
Accommodation and food services	45	48	903	1 051	^ 3 832	4 491
Transport, postal and warehousing	35	36	1 437	1 479	6 365	6 795
Information media and telecommunications	9	9	578	640	3 850	3 964
Rental, hiring and real estate services	19	20	493	539	3 301	3 477
Professional, scientific and technical services	43	45	1 787	2 112	6 008	6 109
Administrative and support services	47	56	^ 1 624	1 785	3 374	3 722
Public administration and safety (private)	^ 5	5	157	142	316	300
Education and training (private)	^ 17	19	^ 565	604	700	695
Health care and social assistance (private)	60	60	1 855	2 002	3 857	3 858
Arts and recreation services	9	9	222	244	875	939
Other services	29	28	750	799	2 229	2 624
<i>Total selected industries(d)</i>	<i>657</i>	<i>668</i>	<i>21 968</i>	<i>23 266</i>	<i>132 448</i>	<i>140 643</i>

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

(a) Includes working proprietors.

(b) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Excludes Division K FINANCIAL AND INSURANCE SERVICES. Total Selected Industries in the 2006–07 release of this publication excluded Division K and Division O PUBLIC ADMINISTRATION AND SAFETY.

3.1 STATES, TERRITORIES AND AUSTRALIA, 2006–07 and 2007–08 *continued*

Division	EMPLOYMENT AT END OF JUNE(a)		WAGES AND SALARIES(b)		SALES AND SERVICE INCOME(c)	
	2006–07	2007–08	2006–07	2007–08	2006–07	2007–08
	'000	'000	\$m	\$m	\$m	\$m
WESTERN AUSTRALIA						
Agriculture, forestry and fishing	61	63	728	802	7 358	8 944
Mining	47	55	5 020	5 711	54 339	61 875
Manufacturing	97	100	4 815	5 106	53 764	55 080
Electricity, gas, water and waste services	10	11	804	741	6 402	7 554
Construction	np	137	4 937	5 921	34 249	39 671
Wholesale trade	49	54	2 239	2 469	32 783	43 857
Retail trade	120	141	2 814	3 483	33 608	35 935
Accommodation and food services	78	82	1 571	1 785	^ 6 256	7 092
Transport, postal and warehousing	54	58	2 192	2 481	10 442	11 503
Information media and telecommunications	12	11	745	695	4 490	4 100
Rental, hiring and real estate services	42	42	1 292	1 252	7 763	8 509
Professional, scientific and technical services	94	115	4 552	6 250	^ 14 936	18 125
Administrative and support services	82	84	2 836	3 302	4 914	6 282
Public administration and safety (private)	np	6	^ 203	179	429	420
Education and training (private)	27	30	^ 880	959	1 290	1 146
Health care and social assistance (private)	73	77	2 403	2 696	5 239	5 386
Arts and recreation services	14	15	355	407	1 751	2 323
Other services	45	48	1 230	1 386	3 965	4 769
<i>Total selected industries(d)</i>	<i>1 034</i>	<i>1 129</i>	<i>39 615</i>	<i>45 626</i>	<i>283 979</i>	<i>322 570</i>

TASMANIA

Agriculture, forestry and fishing	22	23	353	399	2 146	2 651
Mining	1	2	97	np	1 101	np
Manufacturing	24	23	997	1 020	7 193	7 513
Electricity, gas, water and waste services	3	3	221	218	np	1 702
Construction	16	16	464	506	2 537	2 744
Wholesale trade	^ 8	8	^ 323	355	4 343	4 931
Retail trade	24	25	567	597	5 634	6 079
Accommodation and food services	16	15	^ 302	315	^ 1 366	1 340
Transport, postal and warehousing	9	10	353	390	1 707	1 848
Information media and telecommunications	3	3	177	162	1 710	1 677
Rental, hiring and real estate services	6	6	145	147	708	682
Professional, scientific and technical services	10	10	374	432	1 149	1 118
Administrative and support services	10	10	334	345	^ 559	613
Public administration and safety (private)	*1	1	^ 30	np	^ 64	np
Education and training (private)	4	4	151	156	np	129
Health care and social assistance (private)	20	21	627	669	1 020	1 048
Arts and recreation services	3	3	96	99	*460	502
Other services	8	8	187	205	593	662
<i>Total selected industries(d)</i>	<i>188</i>	<i>193</i>	<i>5 798</i>	<i>6 162</i>	<i>34 055</i>	<i>36 200</i>

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Includes working proprietors.

(b) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Excludes Division K FINANCIAL AND INSURANCE SERVICES. Total Selected Industries in the 2006–07 release of this publication excluded Division K and Division O PUBLIC ADMINISTRATION AND SAFETY.

3.1 STATES, TERRITORIES AND AUSTRALIA, 2006–07 and 2007–08 *continued*

Division	EMPLOYMENT AT END OF JUNE(a)		WAGES AND SALARIES(b)		SALES AND SERVICE INCOME(c)	
	2006–07	2007–08	2006–07	2007–08	2006–07	2007–08
	'000	'000	\$m	\$m	\$m	\$m
NORTHERN TERRITORY						
Agriculture, forestry and fishing	5	5	89	86	541	525
Mining	1	np	132	227	3 059	3 440
Manufacturing	5	6	283	345	3 545	4 017
Electricity, gas, water and waste services	^1	np	86	96	np	np
Construction	10	11	325	381	3 249	2 819
Wholesale trade	3	3	^128	146	1 692	2 255
Retail trade	11	12	270	300	2 768	2 901
Accommodation and food services	10	9	243	215	926	913
Transport, postal and warehousing	5	5	^205	277	1 118	1 209
Information media and telecommunications	1	1	60	58	327	316
Rental, hiring and real estate services	3	3	82	91	603	541
Professional, scientific and technical services	^4	4	^261	202	^834	555
Administrative and support services	4	4	146	152	^328	344
Public administration and safety (private)	^1	1	^34	30	65	np
Education and training (private)	3	3	^116	122	np	226
Health care and social assistance (private)	7	8	209	242	265	311
Arts and recreation services	3	2	62	64	226	288
Other services	5	5	129	182	376	526
<i>Total selected industries(d)</i>	83	87	2 860	3 216	20 704	22 020

AUSTRALIAN CAPITAL TERRITORY

Agriculture, forestry and fishing	1	1	^13	11	78	125
Mining	—	np	8	np	40	np
Manufacturing	5	5	202	189	1 418	1 338
Electricity, gas, water and waste services	2	np	161	113	^1 761	np
Construction	12	12	368	384	4 039	3 885
Wholesale trade	3	3	174	194	2 061	2 371
Retail trade	^18	19	421	463	^4 445	4 831
Accommodation and food services	12	14	266	355	^1 052	1 329
Transport, postal and warehousing	4	5	197	255	824	977
Information media and telecommunications	4	3	242	181	1 310	1 301
Rental, hiring and real estate services	4	4	148	149	1 167	1 103
Professional, scientific and technical services	21	24	1 151	1 555	3 157	3 995
Administrative and support services	13	13	429	502	836	1 003
Public administration and safety (private)	2	2	72	np	136	124
Education and training (private)	6	6	231	238	250	347
Health care and social assistance (private)	15	18	512	587	^906	1 083
Arts and recreation services	3	3	67	71	207	226
Other services	10	10	325	372	924	1 026
<i>Total selected industries(d)</i>	135	143	4 987	5 689	24 613	26 395

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

— nil or rounded to zero (including null cells)

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Includes working proprietors.

(b) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Excludes Division K FINANCIAL AND INSURANCE SERVICES. Total Selected Industries in the 2006–07 release of this publication excluded Division K and Division O PUBLIC ADMINISTRATION AND SAFETY.

3.1 STATES, TERRITORIES AND AUSTRALIA, 2006–07 and 2007–08 *continued*

Division	EMPLOYMENT AT END OF JUNE(a)		WAGES AND SALARIES(b)		SALES AND SERVICE INCOME(c)	
	2006–07	2007–08	2006–07	2007–08	2006–07	2007–08
	'000	'000	\$m	\$m	\$m	\$m
AUSTRALIA						
Agriculture, forestry and fishing	503	510	5 843	6 117	54 660	61 331
Mining	113	128	11 540	12 864	112 941	120 881
Manufacturing	1 014	1 039	50 191	52 627	377 618	395 818
Electricity, gas, water and waste services	99	100	7 432	7 656	61 057	70 028
Construction	985	1 031	33 498	37 527	231 848	256 025
Wholesale trade	540	560	26 700	29 179	351 852	398 070
Retail trade	1 184	1 263	28 705	31 995	293 797	308 344
Accommodation and food services	711	732	14 422	15 716	62 401	69 101
Transport, postal and warehousing	553	570	23 416	26 080	112 615	123 153
Information media and telecommunications	171	172	10 793	11 635	67 023	67 817
Rental, hiring and real estate services	350	363	10 498	11 042	76 457	83 142
Professional, scientific and technical services	875	954	44 695	51 822	133 043	143 519
Administrative and support services	733	796	25 103	28 309	51 249	60 019
Public administration and safety (private)	^ 79	78	2 537	2 524	5 435	5 720
Education and training (private)	274	292	9 077	10 096	11 531	12 059
Health care and social assistance (private)	776	814	25 130	27 998	49 875	53 981
Arts and recreation services	167	171	4 069	4 229	22 518	23 616
Other services	419	423	11 647	12 502	37 902	42 162
<i>Total selected industries(d)</i>	9 546	9 996	345 296	379 916	2 113 823	2 294 786

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

(a) Includes working proprietors.

(b) Includes capitalised wages and salaries; excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Excludes Division K FINANCIAL AND INSURANCE SERVICES. Total Selected Industries in the 2006–07 release of this publication excluded Division K and Division O PUBLIC ADMINISTRATION AND SAFETY.

EXPLANATORY NOTES

INTRODUCTION

1 This publication, *Australian Industry, 2007–08* (cat. no. 8155.0), presents estimates of the economic and financial performance of Australian industry in 2007–08. The estimates have been derived using a combination of directly collected data from the annual Economic Activity Survey (EAS), conducted by the Australian Bureau of Statistics (ABS), and Business Activity Statement (BAS) data provided by businesses to the Australian Taxation Office (ATO).

STATISTICAL UNITS USED

2 All businesses in the EAS are recorded on the ABS Business Register (ABSBR), the ABS uses an economic statistics units model on the ABSBR to describe the characteristics of businesses, and the structural relationships between related businesses. Within large and diverse business groups, the units model is used to define reporting units that can provide data to the ABS at suitable levels of detail.

3 This units model allocates businesses to one of two sub-populations:

- Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN). The vast majority of businesses are simple in structure and are allocated to the population which is maintained by the ATO. These are termed (by the ABS) ABN units.
- The remaining businesses are in the ABS maintained population, and are termed type of activity units, or TAUs.

4 Together these two sub-populations (of ABN units and TAUs) make up the ABSBR population, from which the EAS samples are taken.

5 For details about the ABSBR and how ABN units and TAUs contribute to the industry statistics in this publication, see Technical Note 1.

SCOPE

6 The businesses that contribute to the statistics in this publication are classified:

- by institutional sector, in accordance with the Standard Institutional Sector Classification of Australia (SISCA), which is detailed in *Standard Economic Sector Classifications of Australia (SESCA)* (cat. no. 1218.0).
- by industry, in accordance with the *Australian and New Zealand Standard Industrial Classification (ANZSIC)*, 2006 edition (cat. no. 1292.0).

7 The scope of the EAS estimates in this publication consists of all business entities in the Australian economy, except for:

- in most industries, entities classified to SISCA Sector 3 GENERAL GOVERNMENT. This exclusion particularly affects data presented for PUBLIC ADMINISTRATION AND SAFETY, EDUCATION AND TRAINING and HEALTH CARE AND SOCIAL ASSISTANCE (ANZSIC Divisions O, P and Q, respectively), in that the estimates relate only to private sector businesses. However, SISCA Sector 3 GENERAL GOVERNMENT businesses classified to WATER SUPPLY, SEWERAGE AND DRAINAGE SERVICES (ANZSIC Subdivision 28, within Division D) are included, so that the estimates include data for (for example) relevant local government TAUs;
- entities classified to ANZSIC Division K FINANCIAL AND INSURANCE SERVICES.

8 Note that government-owned or controlled Public Trading Enterprises are included.

COVERAGE

9 The ANZSIC-based industry statistics presented in this publication are compiled differently from activity statistics. Each ABN unit or TAU on the ABSBR has been classified (by the ATO and the ABS respectively) to its single predominant industry class irrespective of any diversity of activities undertaken.

10 Some businesses engage, to a significant extent, in activities which are normally carried out by different industries. For example, a predominantly mining business may also undertake significant amounts of manufacturing. Similarly, a mining business may produce significant volumes of goods which are normally produced in different mining industries. Where a business makes a significant economic contribution to industries classified to different ANZSIC subdivisions, the ABS includes the business in the ABS maintained population, and 'splits' the TAU's reported data between the industries involved. Significance is determined using total income.

11 A TAU's reported data will be split, if the inclusion of data relating to the secondary activity, in the statistics of the industry of the primary activity, distorts (by overstating or understating) either the primary or secondary industry statistics at the ANZSIC subdivision level by:

- 3% or more, where the industries of the primary and secondary activities are in the same ANZSIC division
- 2% or more, where the industries of the primary and secondary activities are in different ANZSIC divisions.

12 The ABS attempts to maintain a current understanding of the structure of the large, complex and diverse business groups that form the ABS maintained population on the ABSBR, through direct contact with those businesses. Resultant changes in their structures on the ABSBR can affect:

- the availability of such businesses (or units within them) for inclusion in the annual economic collections
- the delineation of the units, within those groups, for which data are to be reported.

13 The ABS attempts to obtain data for those businesses selected for direct collection and which ceased operation during the year, but it is not possible to obtain data for all of them.

IMPROVEMENTS TO
COVERAGE

14 Data in this publication have been adjusted to allow for lags in processing new businesses to the ABSBR. The effect of these adjustments is generally 4% or less for most ANZSIC industry divisions and for most states and territories.

HISTORICAL COMPARISONS

15 To provide comparability with the 2006–07 and 2007–08 estimates, the estimates for 2004–05 and 2005–06 presented in table 1.1 take into account the various changes in collection design, estimation methodology and scope, as well as the introduction of ANZSIC06. This table is the only occasion, in the 2007–08 publication, where a longer time series is presented. For further information on the process of producing these historical estimates please see Technical Note 1 paragraph 20.

SURVEY SAMPLE DESIGN

16 A sample of 15,687 businesses was selected for the directly collected part of the 2007–08 EAS collection. Each business was asked to provide data sourced primarily from financial statements, mainly by mail out questionnaires. Businesses were also asked to supply key details of their operations by state and territory, enabling production of the state/territory estimates contained in table 3.1.

17 Auxiliary information about wages and salaries and turnover for 1,935,786 businesses (including those sampled), sourced from Australian Tax Office (ATO) Business Activity Statement (BAS) data, were used to improve the estimates produced from the survey data. Section 16(4)(ga) of the *Income Tax Assessment Act 1936* provides for the ATO to pass information to the Australian Statistician for the purposes of the *Census and Statistics Act 1905*.

REFERENCE PERIOD

18 The period covered by each collection is, in general, the 12 months ended 30 June. Where businesses are unable to supply information on this basis, an accounting period for which data can be provided is used for data other than those relating to employment. Such businesses make a substantial contribution to some of the estimates presented in this publication. As a result, the estimates can reflect trading conditions that prevailed in periods outside the twelve months ended June in the relevant year.

19 Although financial data estimates relate to the full twelve months, employment estimates relate to the last pay period ending in June of the given year. As a result, estimates of wages and salaries per person employed may be affected by any fluctuations in employment during the reference period.

20 Financial data presented incorporate all units in scope of the EAS collections that were in operation at any time during the year. They also include any temporarily inactive units, i.e. those units which were in the development stage or which were not in operation, but which still existed and held assets and liabilities and/or incurred some non-operating expenses (e.g. depreciation, administration costs).

RELIABILITY OF ESTIMATES

21 In an estimate based on a sample survey there are two types of error possible: sampling error and non-sampling error. More detailed explanations of these terms are available in Technical Note 2.

QUALITY INDICATORS

22 In the 2007–08 survey of Australian industry, there was a 89.7% response rate from all businesses that were surveyed and found to be operating during the reference period. Data were imputed for the remaining 10.3% of operating businesses. This imputation contributed 9.1% to the estimate of sales and service income for TOTAL SELECTED INDUSTRIES.

INDUSTRY PERFORMANCE MEASURES

23 This publication presents a wide range of data that can be used to analyse business and industry performance.

24 Differences in accounting policy and practices across businesses and industries can lead to some inconsistencies in the data input to the statistics. Although much of the accounting process is subject to standards, there is still a great deal of flexibility left to individual managers and accountants through the accounting policies and practices they adopt. For example, the way profit is measured is affected by management policy about such issues as depreciation rates, bad debt provisions and write off, and goodwill write off. The varying degree to which businesses consolidate their accounts may also affect any industry performance measures calculated.

25 A range of performance measures, usually referred to as ratios, can be produced from the data available from businesses' financial statements. The performance measures presented in this publication comprise:

- profitability ratios, which measure rates of profit on sales
- debt ratios, which indicate the ability of businesses to meet the cost of debt financing
- investment ratios, which indicate the capacity of business to invest in capital assets.
- labour measures, which relate output, labour costs and employment.

26 A further explanation of each ratio can be found in the Glossary.

27 The above limitations are not meant to imply that analysis based on these data should be avoided, only that they should be borne in mind when interpreting the data presented in this publication.

INDUSTRY VALUE ADDED

28 Industry value added (IVA) is the measure of the contribution by businesses in each industry to gross domestic product. Table 1.3 presents estimates of the components of industry value added for all industries that are within the scope of the collection.

29 The presentation of industry value added in this table is relevant to those businesses that are classified as 'market' producers, that is, businesses which sell their output to achieve a profit. Industry value added is derived in a different way for non-market producers. The industries in which non-market producers make the most significant contribution to industry value added are HEALTH CARE AND SOCIAL ASSISTANCE (PRIVATE) and OTHER SERVICES. See the Glossary definition of IVA for further detail.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

30 The new Australian equivalents to International Financial Reporting Standards (AIFRS) began to be progressively implemented in Australia from 1 January 2005. As a result, a number of items in the financial accounts of Australian businesses have been affected by changed definitions, which have in turn affected both Income Statements and Balance Sheets. A range of ABS economic collections source data from financial accounts of businesses, and use those data to derive economic statistics. There have been no changes in the associated economic definitions.

31 After monitoring data items since March quarter 2005 it has been concluded that most affected published data series are due to data breaks, but that the magnitude of such breaks cannot be determined without imposing disproportionate load upon data providers to ABS surveys and other administratively collected data. ABS will continue to monitor developments and report any significant identified impacts or changes in methodology as a result of AIFRS.

ROUNDING

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

33 Proportions, ratios and other calculated figures shown in this publication have been calculated using unrounded estimates and may be different from, but are more accurate than, calculations based on the rounded estimates.

ACKNOWLEDGMENT

34 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated: without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

RELATED PUBLICATIONS

35 A range of publications presenting detailed results of surveys of selected service industries is also produced by the ABS. In general, these publications contain considerable detail about the employing sector of each industry.

Museums, Australia, 2007–08, cat. no. 8560.0, released on 27 March 2009

– Irregular publication

Legal Services, Australia, 2007–08, cat. no. 8667.0, due for release on 24 June 2009

– Irregular publication

36 Current publications and other products released by the ABS are available from the Statistics View on the ABS web site. The ABS also issues a daily Release Advice on the web site which details products to be released in the week ahead.

ADDITIONAL DATA

37 Further data about Australian industry, derived from the annual Economic Activity Survey, will be available in the spreadsheets released subsequent to this publication release. Financial and quantity data relating to the Energy Supply Survey industry for the 2007–08 reference year are available with the release of this publication. These were collected from all electricity and natural gas producers, transmitters and distributors. The financial data is very similar to that included in the now discontinued publication, *Electricity, Gas, Water, and Waste Services, Australia*, cat. no. 8226.0 (latest release 2006–07).

ABS DATA AVAILABLE ON REQUEST

38 As well as the statistics included in this and related publications, the ABS may have other relevant data available on request and for a charge. Inquiries should be made to the National Information and Referral Service on 1300 135 070.

TECHNICAL NOTE 1 **METHODOLOGY**

INTRODUCTION	1 Explanatory Notes paragraphs 2-4 outline the sources of data (ABS directly collected data and Business Activity Statement (BAS) data from the Australian Taxation Office (ATO)), and the economic statistics units model used on the ABS Business Register (ABSBR).
STATISTICAL UNITS DEFINED ON THE ABS BUSINESS REGISTER	2 The current economic statistics units model was introduced in mid 2002, to better use the information available as a result of The New Tax System (TNTS). This units model allocates businesses to one of two sub-populations. The vast majority of businesses are in what is called the ATO maintained population (ATOMP), while the remaining businesses are in the ABS maintained population (ABSMP). Together, these two sub-populations make up the ABSBR population.
ATO MAINTAINED POPULATION	3 Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN). They are then included on the whole-of-government register of businesses, the Australian Business Register (ABR), which is maintained by the ATO. As most of these businesses have simple structures, a unit registered for an ABN will satisfy ABS statistical requirements. The businesses with simple structures constitute the ATOMP, and the ABN unit is used as the statistical unit for all ABS economic collections (in this case, the ABS has aligned its statistical units structure with the ABN unit).
ABS MAINTAINED POPULATION	4 For the population of businesses where the ABN unit is not suitable for ABS statistical requirements, the ABS maintains its own units structure through direct contact with the business, which constitutes the ABSMP. This population consists typically of large, complex and diverse businesses. The statistical units model described below caters for such businesses. <ul style="list-style-type: none">■ <i>Enterprise group</i>: This is a unit covering all the operations in Australia of one or more legal entities under common ownership and/or control. It covers all the operations in Australia of legal entities which are related in terms of the current Corporations Law (as amended by the <i>Corporations Legislation Amendment Act 1991</i>). These legal entities include companies, trusts and partnerships. Majority ownership is not required for control to be exercised.■ <i>Enterprise</i>: An institutional unit comprising:<ul style="list-style-type: none">■ a single legal entity or business entity, or■ more than one legal entity or business entity within the same enterprise group and in the same institutional sub-sector (i.e. they are all classified to a single Standard Institutional Sector Classification of Australia (SISCA) sub-sector).■ <i>Type of activity unit (TAU)</i>: The TAU comprises one or more business entities, sub-entities or branches of a business entity within an enterprise group that can report production and employment data for similar economic activities. When a minimum set of data items are available, a TAU is created which covers all the operations within an industry subdivision (and the TAU is classified to the relevant subdivision of the ANZSIC). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry subdivision.
CONTRIBUTION OF THE STATISTICAL UNITS TO THE ESTIMATES	5 The following paragraphs outline the way in which categories of statistical units contribute to the estimates of financial and economic variables presented in this publication.

TAUs

6 All units in the ABSMP (i.e. TAUs) were eligible to be selected for direct collection. Direct collection of data from these units is necessary because:

- many large and complex employing businesses have more than one legal entity, making it difficult to identify all legal entities for that business in the BAS data
- BAS data do not include all of the detailed information that the ABS requires from large and complex businesses.

ABN units

7 All units on the ABSBR not classified as TAUs were ABN units from the ATOMP.

8 An indication of the importance of these populations can be gained from their contribution to the national estimate of sales and service income for TOTAL SELECTED INDUSTRIES. The following table shows their proportional contributions to sales and service income.

CONTRIBUTION TO SALES AND SERVICE INCOME

	TAU	ABN unit	Total
	%	%	%
Agriculture, forestry and fishing	19	81	100
Mining	86	14	100
Manufacturing	69	31	100
Electricity, gas, water and waste services	91	9	100
Construction	23	77	100
Wholesale trade	53	47	100
Retail trade	47	53	100
Accommodation and food services	22	78	100
Transport, postal and warehousing	51	49	100
Information media and telecommunications	83	17	100
Rental, hiring and real estate services	18	82	100
Professional, scientific and technical services	31	69	100
Administrative and support services	35	65	100
Public administration and safety (private)	34	66	100
Education and training (private)	17	83	100
Health care and social assistance (private)	29	71	100
Arts and recreation services	57	43	100
Other services	15	85	100
Total selected industries	49	51	100

COLLECTION DESIGN

9 In order to decrease the statistical reporting load placed on providers while maintaining the range and quality of information available to users of statistical data, the strategy for this survey was to adopt the use of directly collected data from a smaller sample of businesses, in combination with information sourced from the ATO. The frame (from which the direct collect sample was selected) was stratified using information held on the ABSBR. Businesses eligible for selection in the direct collect sample were then selected from the frame using stratified random sampling techniques.

10 Businesses were selected to participate in the survey (the direct collect sample) only if their turnover exceeded a threshold level or the business was identified as being an employing business (based on ATO information) as at the end of the reference period. Turnover thresholds were set for each ANZSIC class so that the contribution of surveyed businesses accounted for 97.5% of total industry class turnover as determined by BAS data.

11 Businesses which met neither of these criteria are referred to as 'micro non-employing businesses'. These businesses were not eligible for selection in the sample. For these units, BAS data were obtained and annualised, then added to the directly collected estimates to produce the statistics in this publication. The total

COLLECTION DESIGN *continued*

estimated value of annual turnover of micro non-employed businesses in **TOTAL SELECTED INDUSTRIES** during the 2007–08 reference year, as determined by BAS data, was \$53.2b.

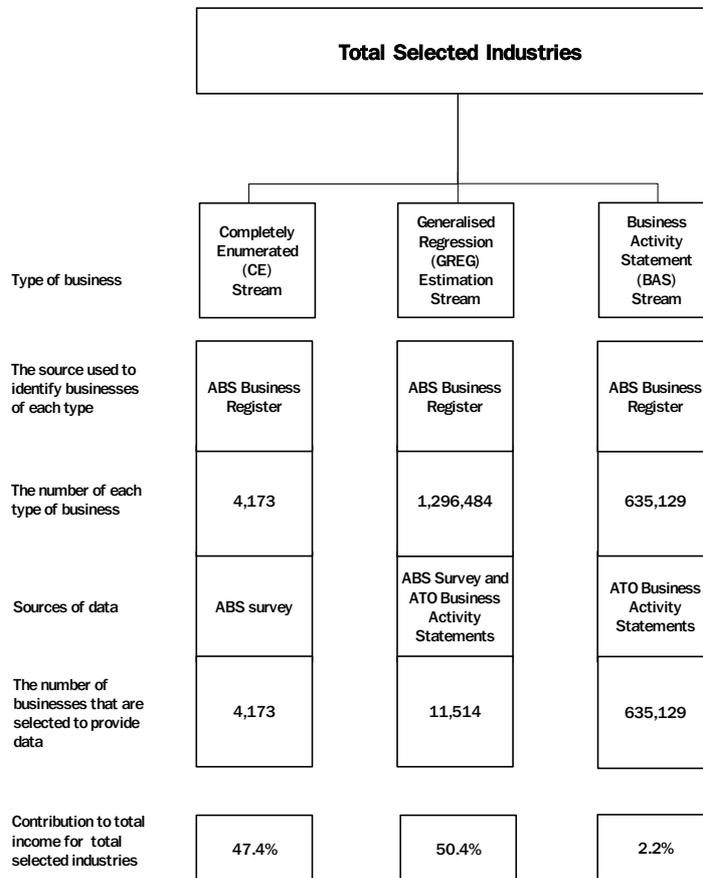
ESTIMATION METHODOLOGY

12 The 2007–08 survey continues to use generalised regression estimation, first introduced in the 2006–07 survey. This estimation method enables maximum use of observed linear relationships between data directly collected from businesses in the survey and auxiliary information. When the auxiliary information is strongly correlated with data items collected in a survey, the generalised regression estimation methodology will improve the accuracy of the estimates. The auxiliary variables used in this survey were turnover and wages sourced from BAS data.

PRODUCING ESTIMATES

13 The following diagram illustrates the ways in which Australian businesses contribute to the estimates in this publication.

Summary of Data Sources, 2007–08



DATA STREAMING

Completely enumerated (CE) stream:

14 For the purpose of compiling the estimates in this publication, data for businesses as recorded on the ABSBR contribute via one of three categories (or 'streams') in accordance with significance and collection-related characteristics.

Generalised regression (GREG) estimation stream:

15 The CE stream consists of directly collected survey data for those units recorded on the ABSBR as having employment greater than 300, plus additional 'significant' units in the ABSMP and units significant to small state estimates.

Business Activity Statement (BAS) stream:

16 The GREG stream comprises directly collected data for those sampled units which are not in the CE stream and have turnover, in aggregate, above the bottom 2.5 percentile of BAS sales for that industry. The accuracy of the estimates produced from this data is then improved by using wages and turnover data sourced from businesses' BAS data.

17 The BAS stream comprises data for those businesses in the ATOMP whose turnover, in aggregate, is below the bottom 2.5 percentile of BAS sales for that ANZSIC subdivision.

18 Estimates for each of the selected industries were produced by aggregating the contributing data streams.

STATE AND TERRITORY ESTIMATES

19 A small component of the sample survey was not specifically designed to produce state estimates. For these units state data was apportioned utilising BAS data obtained from the ATO. For the remainder of sampled units, a question on the survey form requesting state break ups of employment, wages and salaries, and sales and service income was used.

HISTORICAL ESTIMATES

20 Data collected for 2004–05 and 2005–06 (under ANZSIC93) were updated in the 2006–07 issue of this publication to take account of any revisions to the data since they were originally published in the 2005–06 issue. The data so revised were then mapped to ANZSIC06, and further adjusted to incorporate the scope and methodological changes discussed in the notes for the 2006–07 publication. This process is known as 'bridging' and was used to create the key data items presented in table 1.1 for 2004–05 and 2005–06.

TECHNICAL NOTE 2 DATA RELIABILITY

INTRODUCTION

1 The Economic Activity Survey is, in part, a sample survey designed primarily to deliver national estimates for all industry divisions within the scope of the collection. Estimates at the state and territory level for industry divisions are also produced, but the sample survey was not specifically designed for these purposes.

SAMPLING ERROR

2 The majority of data contained in this publication have been obtained from a sample of businesses. As such, these data are subject to sampling variability; that is, they may differ from the figures that would have been produced if the data had been obtained from all businesses in the population. The measure of the likely difference as used by the ABS is given by the standard error, which indicates the extent to which an estimate might have varied by chance because the data were obtained from only a sample of units. 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 collection, and about nineteen chances in twenty that the difference will be less than two standard errors.

3 The standard error can also be expressed as a percentage of the estimate, and this is known as the relative standard error (RSE). Selected data item RSEs at the industry division level for Australia are shown in the table below. Detailed relative standard errors can be made available on request.

RELATIVE STANDARD ERRORS

	<i>Total income</i>	<i>Total expenses</i>	<i>Industry value added</i>	<i>Sales and service income</i>	<i>Wages and salaries</i>
	%	%	%	%	%
Agriculture, forestry and fishing	4.5	4.2	8.6	4.7	4.0
Mining	1.2	1.4	1.8	1.3	1.5
Manufacturing	0.7	0.7	1.1	0.7	1.2
Electricity, gas, water and waste services	1.6	1.5	3.4	1.8	1.0
Construction	3.6	3.8	5.2	3.7	5.6
Wholesale trade	3.1	3.1	3.3	3.1	2.7
Retail trade	3.5	3.5	4.5	3.5	4.1
Accommodation and food services	4.5	4.4	3.7	4.4	3.0
Transport, postal and warehousing	2.7	2.7	3.2	2.7	2.9
Information Media and Telecommunications	1.0	1.0	1.3	1.1	1.6
Rental, hiring and real estate services	5.3	5.3	4.5	3.9	5.8
Professional, scientific and technical services	2.4	2.6	3.3	2.6	2.2
Administrative and support services	4.1	3.6	3.4	3.9	2.6
Public administration and safety (private)	7.2	7.2	9.0	7.3	9.6
Education and training (private)	5.9	4.9	5.0	7.2	6.7
Health care and social assistance (private)	3.1	3.2	3.5	4.0	2.8
Arts and recreation services	2.1	2.0	4.6	2.5	4.8
Other services	2.7	2.7	4.6	3.1	3.2
Total selected industries(a)	0.9	1.0	1.0	1.0	0.9

(a) Excludes Division K FINANCIAL AND INSURANCE SERVICES. See the Glossary for the full definition.

SAMPLING ERROR *continued*

4 To illustrate the above, the estimate of total income for TRANSPORT, POSTAL AND WAREHOUSING in 2007–08 was \$134,601m. The RSE of this estimate is shown as 2.7%, giving a standard error of approximately \$3,634m (rounded). This implies that there are two chances in three that, if all units had been included in the survey, an estimate in the range of \$130,967m to \$138,235m would have been obtained. Similarly, it implies that there are nineteen chances in twenty (i.e., a confidence interval of 95%) that the estimate would have been within the range of \$127,333m to \$141,869m.

5 The size of the RSE may be a misleading indicator of the reliability of some of the estimates for OPBT, EBITDA and IVA. It is possible for an estimate to legitimately include positive and negative values, reflecting the financial performance of individual businesses. In this case, the aggregated estimate can be small relative to the contribution of individual businesses, resulting in a standard error which is large relative to the estimate.

NON-SAMPLING ERROR

6 All data presented in this publication are subject to non-sampling error.

7 The imprecision due to sampling variability, is measured by the standard error and should not be confused with non-sampling error. Non-sampling error may be due to inadequacies in available sources from which the population frame was compiled, imperfections in reporting by providers, errors made in collection such as in recording and coding data, and errors made in processing data. Inaccuracies of this kind may occur in any enumeration, whether a full census or a sample.

8 Although it is not possible to quantify non-sampling error, every effort is made to reduce it to a minimum. Collection forms are designed to be easy to complete and assist businesses to report accurately. Efficient and effective operating procedures and systems are used to compile the statistics. The ABS compares data from different ABS (and non-ABS) sources relating to the one industry, to ensure consistency and coherence.

9 Differences in accounting policy and practices across businesses and industries can also lead to some inconsistencies in the data used to compile the estimates. Although much of the accounting process is subject to standards, there remains a great deal of flexibility available to individual businesses in the accounting policies and practices that they adopt.

10 The above limitations are not meant to imply that analysis based on these data should be avoided, only that the limitations should be borne in mind when interpreting the data presented in this publication. This publication presents a wide range of data that can be used to analyse business and industry performance. It is important that any analysis be based upon the range of data presented rather than focusing on one variable.

GLOSSARY

Data presented in this publication have been compiled from the standard financial accounts of businesses; therefore, the definition of each reported item aligns closely with that adopted in standard business accounting practice. Included in the glossary are published data items and components used to calculate derived items.

ABN unit	The statistical unit used by the ABS to represent businesses, and for which statistics are reported, in most cases. The ABN unit is the business unit which has registered for an ABN, and thus appears on the ATO administered Australian Business Register. In most cases, the ABN unit represents the legal entity. This unit is suitable for ABS statistical needs when the business is simple in structure. For more significant and diverse businesses where the ABN unit is not suitable for ABS statistical needs, the statistical unit used is the type of activity unit (TAU).
Bad and doubtful debts	Represents the amount of bad and doubtful debts written-off, net of bad and doubtful debts previously written-off but recovered.
Billion	One thousand million.
Business	<p>A business is generally considered to be a person, partnership, or corporation engaged in business or commerce.</p> <p>In this publication, the term represents the ABN unit or type of activity unit (TAU), which are the two standard statistical units for the 2007–08 EAS collections (these two units are explained under separate entries). For details, see Explanatory Notes paragraphs 2–5.</p>
Business Activity Statement (BAS) total sales	Represented by the form item G1 <i>Total sales</i> on businesses' Business Activity Statements, supplied by them to the ATO. This item comprises all payments and other consideration (including GST) received during the nominated tax period for supplies made in the course of business.
Business averages	The relevant item divided by the number of contributing businesses.
Business size	<p>For the purposes of table 2.1, businesses are categorised as:</p> <ul style="list-style-type: none">■ large businesses, with employment of 200 or more persons■ medium businesses, with employment of 20 to less than 200 persons■ small businesses, with employment of less than 20 persons (including non-employed businesses).
Capital expenditure	Total (gross) expenditure on acquiring fixed tangible and intangible assets, before deduction of trade-in allowances, and including expenses (except capitalised interest) incurred during the year in acquiring such assets. Fixed tangible assets include land, dwellings, other buildings and structures, plant, machinery and equipment (including motor vehicles). Intangible assets include capitalised exploration expenditure, patents, licences and goodwill.
Capital work done for own use	Capitalised work done by the employees or proprietors of a business in manufacturing, constructing, installing or repairing assets, in mineral and petroleum exploration activities, and the in-house development of computer software, for use by the business or for rental or lease. This work is valued at the capitalised costs of the materials and the wages and salaries involved.
Capitalised purchases	Goods drawn from inventories for use as fixed tangible assets in capital work done by the employees or proprietors of a business for use by the business or for rental or lease.

Capitalised wages and salaries	Capitalised payments for work done by own employees in manufacturing, constructing, installing or repairing assets, mineral and petroleum exploration activities or in developing computer software in-house for use by the business or for rental or lease.
Change in inventories	The value of total closing inventories less total opening inventories.
Closing inventories	The value of all inventories of finished goods (including inventories for resale), work-in-progress (less progress payments billed), raw materials, fuels and containers at the end of the reporting period.
Contract, subcontract and commission expenses	Payments to other businesses and self-employed persons for work done or sales made on a contract or commission basis. Payments to persons paid by commission without a retainer are also included. Excludes commissions paid to persons who receive a retainer and commissions paid to the business' own employees.
Cost of sales	The sum of purchases, selected expenses and opening inventories less closing inventories. Any capitalised purchases are excluded.
Depreciation and amortisation	Depreciation/amortisation allowed on tangible and intangible assets. Includes, for lessees only, depreciation/amortisation in respect of finance leases.
Disposal of assets	Proceeds from the sale of tangible assets (plant, machinery, equipment, land, dwellings, other buildings and structures), and intangible assets (such as patents, licences and goodwill).
Earnings before interest, tax, depreciation and amortisation (EBITDA)	Profit prior to the deduction of net interest (interest income minus interest expenses), income tax, depreciation and amortisation. Items classifiable to other income are also excluded.
Employer contributions into superannuation	Includes all employer contributions to superannuation funds (including the employer productivity contribution) and provisions for employer contributions to superannuation funds. Also includes expenses relating to employer funded defined benefit schemes. Employee contributions and salary sacrifice contributions are excluded.
Employment at end of June	Number of persons working for businesses during the last pay period ending in June of the given year. Includes working proprietors and partners, employees absent on paid or prepaid leave, employees on workers' compensation who continue to be paid through the payroll, and contract workers paid through the payroll. Excludes persons paid by commission only, non-salaried directors, volunteers and self-employed persons such as consultants and contractors.
Enterprise	See Explanatory Notes paragraph 5.
Enterprise group	See Explanatory Notes paragraph 5.
Freight and cartage expenses	Excludes the cost of delivery by own vehicles and employees, as well as overseas freight and cartage on goods exported, and payments to couriers.
Funding from government for operational costs	Funding from federal, state and/or local government for operational costs (e.g. wages and salaries, rent, food). Includes bounties, subsidies, export grants, apprenticeship and traineeship schemes, community service obligations, and amounts reimbursed under the Australian Government's Energy Grants (Credit) Scheme. Excludes funding from government for specific capital items.
Funding from government for specific capital items	Includes capital grants, and low interest or interest free loans made by government to businesses to encourage expenditure on specific equipment (e.g. environmental protection equipment).

Gross fixed capital formation (GFCF)	<p>Gross fixed capital formation is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the reference period, plus certain additions to the value of non-produced assets realised by the productive activity of institutional units.</p> <p>Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly or continuously in other processes of production for more than one year.</p> <p>The derivation of GFCF is as follows:</p> <p>Acquisition of</p> <p style="padding-left: 20px;">Road vehicles</p> <p><i>plus</i></p> <p style="padding-left: 20px;">Other transport equipment</p> <p style="padding-left: 20px;">Industrial machinery and equipment</p> <p style="padding-left: 20px;">Computer software capitalised</p> <p style="padding-left: 20px;">Computers and computer peripherals</p> <p style="padding-left: 20px;">Electronic equipment and electrical machinery</p> <p style="padding-left: 20px;">Communications equipment</p> <p style="padding-left: 20px;">Other plant and equipment</p> <p style="padding-left: 20px;">Dwellings, other buildings and structures</p> <p style="padding-left: 20px;">Computer software expensed</p> <p style="padding-left: 20px;">Mining exploration expenditure written off</p> <p><i>less</i></p> <p style="padding-left: 20px;">Disposal of plant, machinery and equipment (including motor vehicles)</p> <p style="padding-left: 20px;">Disposal of dwellings, other buildings and structures</p> <p><i>equals</i> GFCF</p>
Industry class	<p>The structure of ANZSIC comprises four levels, ranging from industry division (broadest level) to industry class (finest level). Activities are narrowly defined within the industry class level, which is identified by a four-digit code, e.g. Industry Class 1510 PULP, PAPER AND PAPERBOARD MANUFACTURING. Usually, an activity is primarily defined to one class. However, some activities may be primary to more than one class.</p>
Industry division	<p>The structure of ANZSIC comprises four levels, ranging from industry division (broadest level) to industry class (finest level). The main purpose of the industry division level is to provide a limited number of categories which give a broad overall picture of the economy. There are 19 divisions within ANZSIC, each identified by an alphabetical letter, that is, 'A' for AGRICULTURE, FORESTRY AND FISHING, 'B' for MINING, 'C' for MANUFACTURING, etc.</p>
Industry subdivision	<p>This is the broadest level category within each industry division of ANZSIC and is identified by a two-digit code, e.g. Industry Subdivision 14 for WOOD PRODUCT MANUFACTURING. Industry subdivisions are built up from industry groups which, in turn, are built up from industry classes.</p>
Industry value added (IVA)	<p>IVA represents the value added by an industry to the intermediate inputs used by the industry. IVA is the measure of the contribution by businesses, in the selected industry, to gross domestic product.</p> <p>The derivation of IVA for individual businesses depends on whether they are classified as market or non-market producers. Non-market producers are those institutions which provide goods or services either free or at prices that are not economically significant. In other words, their prices are not significantly influenced by the amounts that producers are willing to supply, nor the amounts that users are willing to pay to purchase the goods or services being provided. Conversely, market producers provide goods and services at prices that are economically significant.</p>

Industry value added (IVA)
continued

For market producers, the derivation of IVA is as follows:

	Sales and service income
<i>plus</i>	Funding from federal, state and/or local government for operational costs
<i>plus</i>	Capital work done for own use
<i>plus</i>	Closing inventories
<i>less</i>	Opening inventories
<i>less</i>	Purchases of goods and materials
<i>less</i>	Other intermediate input expenses (for details, see the entry for total expenses)
<i>equals</i>	IVA

However, it should be noted that IVA is a measure of economic activity and is not equivalent to operating profit before tax (OPBT). Wage and salary expenses and most other labour costs are not taken into account in its calculation for market producers, and nor are most insurance premiums, interest expenses or depreciation and a number of lesser expenses (see the entry for total expenses for further details). On the income side, OPBT includes total income, whereas IVA only includes sales and service income.

As a principle, the output of non-market production is valued at cost, including intermediate input expenses. As shown in the above derivation, purchases and other intermediate input expenses are deducted from output in order to arrive at IVA. Accordingly, the derivation of IVA for non-market producers can be described as follows:

	Selected labour costs
<i>plus</i>	Depreciation and amortisation
<i>equals</i>	IVA

Estimates of industry value added are obtained by summing the contributions of businesses classified to that industry, both market and (if any) non-market producers. Market producers predominate in most industries.

Industry value added is related to, but different from, the national accounting variable gross value added. For national accounts purposes, gross value added is calculated by adjusting industry value added to include GENERAL GOVERNMENT units and also to account for some other effects.

Industry value added per person employed

IVA of businesses which operated in a given industry during the given year ended 30 June, divided by the number of persons employed by businesses in that industry during the last pay period ending in June of that year. Persons employed include working proprietors and partners.

Insurance premiums

Premiums for fire, general, accident, public liability, optional third-party and comprehensive motor vehicle insurance, professional indemnity insurance, and common law liability. Excludes workers' compensation insurance premiums/costs (included in labour costs) and compulsory third party motor vehicle insurance premiums (included in motor vehicle running expenses).

Interest coverage

The number of times that businesses can meet their interest expenses from their earnings before net interest, tax, depreciation and amortisation (EBITDA), i.e. earnings before interest, tax, depreciation and amortisation / interest expenses.

Interest expenses

Includes interest paid on loans from banks, finance companies, partners, and related or unrelated businesses, and in respect of finance leases. Also includes interest equivalents such as hedging costs and expenses associated with discounted bills. Excludes bank charges other than interest, and capital repayments.

Interest income	Includes interest received from deposits in banks and non-bank financial institutions, loans, advances, finance leases and earnings on discounted bills. Excludes capital payments received.								
Intermediate input expenses	See the entry for total expenses.								
Intermediate inputs	Intermediate inputs consist of materials and certain services which are used up in the production process. The calculation is: <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">Intermediate input expenses (for details, see the entry for total expenses)</td> </tr> <tr> <td style="text-align: right;"><i>plus</i></td> <td style="text-align: right;">Opening inventories</td> </tr> <tr> <td style="text-align: right;"><i>less</i></td> <td style="text-align: right;">Closing inventories</td> </tr> <tr> <td style="text-align: right;"><i>equals</i></td> <td style="text-align: right;">Intermediate inputs</td> </tr> </table>		Intermediate input expenses (for details, see the entry for total expenses)	<i>plus</i>	Opening inventories	<i>less</i>	Closing inventories	<i>equals</i>	Intermediate inputs
	Intermediate input expenses (for details, see the entry for total expenses)								
<i>plus</i>	Opening inventories								
<i>less</i>	Closing inventories								
<i>equals</i>	Intermediate inputs								
Investment rate (value added)	The proportion of industry value added (IVA) used to acquire capital, i.e. (capital expenditure / IVA) x 100.								
Labour costs	For the purposes of table 1.2, comprises wages and salaries, employer contributions into superannuation, workers' compensation premiums/costs, fringe benefits tax and payroll tax.								
Large business	See the entry for business size.								
Medium business	See the entry for business size.								
Motor vehicle running expenses	Includes expenditure on registration fees, compulsory third-party insurance premiums, fuel, and repair and maintenance expenses. Excludes expenses for off-road motor vehicles (e.g. fork lifts, mobile plant), and lease payments, optional third party and comprehensive motor vehicle insurance premiums, and depreciation.								
Natural resource royalties expenses	Includes payments under mineral lease arrangements, and resource rent taxes and royalties. Excludes payments for royalties from intellectual property (e.g. patents and copyrights) and computer software licence fees (both of which are included under other operating expenses), and capitalised computer software licence fees (included under capital expenditure). Gold tax payments are also excluded. See the entry for total expenses for the definition of other operating expenses.								
Net capital expenditure	The value of total capital expenditure less proceeds received from the disposal of assets.								
Non-employing business	See the entry for business size.								
Opening inventories	The value of all inventories of finished goods (including inventories for resale), work-in-progress (less progress payments billed), raw materials, fuels and containers at the beginning of the reporting period.								
Operating profit before tax (OPBT)	Profit before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid), i.e. total income – total expenses + change in inventories.								
Other income	Includes dividend income and other income such as net profit (or loss) on the sale of fixed tangible assets, net profit (or loss) resulting from variations in foreign exchange rates/transactions, and funding from federal, state and/or local government for specific capital items. It excludes extraordinary profits or losses, i.e. those not associated with the normal operations of the business and of a non-recurring nature.								
Other intermediate input expenses	Comprises intermediate input expenses less current purchases of goods and materials used in production (i.e. excludes any capitalised purchases). Further detail is included in the entry for total expenses.								
Other operating expenses	See the entry for total expenses.								
Payroll tax	A tax levied by state and territory governments on the amount of wages and salaries paid by a business. Excludes pay-as-you-go withholding tax.								

Profit margin	The percentage of sales and service income available as operating profit before tax (OPBT), i.e. $(OPBT / \text{sales and service income}) \times 100$.
Purchases of goods and materials	Purchases of materials, components, containers, packaging materials, fuels, electricity and water, and purchases of finished goods for resale. Also includes capitalised purchases. Excludes purchases of parts and fuels for motor vehicles, but includes fuels for off-road vehicles, such as forklifts and mobile plant.
Reference period	For each collection year, businesses are asked to report data for the financial year ended 30 June. However, if a business has a different financial year, it is asked to report (apart from employment) for the 12 month period which ends between 1 October of the previous year and 30 September of the current year. This period is then used as a substitute for the financial year ended 30 June. For example, for the 2007–08 collection, a business may have reported data for the year ended 31 December 2007.
Rent, leasing and hiring expenses	Payments for the rent, leasing and hiring of land, dwellings, other buildings and structures, motor vehicles, plant, machinery and other equipment (including telecommunication equipment). Includes operating lease payments; excludes finance lease payments.
Rent, leasing and hiring income	See the entry for sales and service income.
Repair and maintenance expenses	Includes repair and maintenance of computer and communication software and hardware, and repair and maintenance of off-road motor vehicles. Excludes wages and salaries of own employees and the repair and maintenance costs of on-road motor vehicles.
Sales and service income	Includes: <p><i>Sales of goods</i></p> <ul style="list-style-type: none"> ■ whether or not produced by the business (including goods produced for the business on a commission basis). Includes export sales, sales or transfers to related businesses or to overseas branches of the business, progress payments relating to long term contracts if they are billed in the period, delivery charges not separately invoiced to customers, sales of goods produced by the business from crude materials purchased, and income from 'specific' rates (e.g. water, sewerage, irrigation and drainage rates). Excludes excise and duties received on behalf of the government (e.g. the petroleum production excise duty), sales of assets, natural resource royalties income, interest income, and delivery charges separately invoiced to customers. Exports are valued free on board (f.o.b.), i.e. export freight charges are excluded. <p><i>Income from services</i></p> <ul style="list-style-type: none"> ■ includes income from consulting services, repair, maintenance and service income and fees, contract, subcontract and commission income, management fees/charges from related and unrelated businesses, installation charges, delivery charges separately invoiced to customers and royalties from intellectual property (e.g. patents and copyrights) and natural resource royalties income. Excludes interest income, and delivery charges not separately invoiced to customers. <p><i>Rent, leasing and hiring income</i></p> <ul style="list-style-type: none"> ■ derived from the ownership of land, dwellings, buildings and other structures, motor vehicles, plant, machinery and other equipment. Excludes royalties from mineral leases, income from finance leases and payments received under hire purchase arrangements. <p>These are valued net of discounts given and exclusive of goods and services tax (GST). Extraordinary items are also excluded.</p>

Sales and service income per person employed	Sales and service income of businesses which operated in a given industry during the given year ended 30 June, divided by the number of persons employed by businesses in that industry during the last pay period ending in June of that year. Persons employed include working proprietors and partners.
Sales of goods	See the entry for sales and service income.
Selected labour costs	See the entry for total expenses.
Small business	See the entry for business size.
Standard Institutional Sector Classification of Australia (SISCA)	The SISCA is the central classification among ABS Standard Economic Sector Classifications. It is based on the System of National Accounts 1993 (SNA93) institutional sector classification, and comprises the sectors: NON-FINANCIAL CORPORATIONS, FINANCIAL CORPORATIONS, GENERAL GOVERNMENT, HOUSEHOLDS, NON-PROFIT INSTITUTIONS SERVING HOUSEHOLDS, and REST OF THE WORLD (which includes only non-resident units, these being excluded from all other sectors). For more information, please refer to the <i>Standard Economic Sector Classifications of Australia (SESCA)</i> (cat. no. 1218.0).
Superannuation	See the entry for employer contributions into superannuation.
Total expenses	<p>For the purposes of calculating economic and accounting variables, expenses incurred by businesses are divided into several categories. However, some expenses are excluded entirely from all such calculations: excluded are capital repayments, costs associated with the transfer of real estate, dividends, donations, export freight charges, extraordinary losses, foreign exchange losses, goods and services tax (GST), excise and duties payable to governments, income tax and other direct taxes, losses on asset sales, and unrealised gains/losses from revaluations of assets.</p> <p>Those expenses used for calculations are categorised as follows:</p> <p><i>Intermediate input expenses</i></p> <p>This category covers the major expenses incurred by businesses in producing and distributing goods and services (except labour costs), and comprises two sub-categories of operating expenses:</p> <p>Purchases of goods, materials and services used in production, which include:</p> <ul style="list-style-type: none"> ■ purchases of materials, components, containers and packaging materials, electricity, fuels and water ■ purchases of goods for resale (without any further processing or assembly) ■ freight and cartage expenses. <p><i>Other intermediate input expenses</i></p> <p>Expenses related to the sale of goods and administrative expenses, which include:</p> <ul style="list-style-type: none"> ■ management fees/charges paid to related and unrelated businesses ■ bank charges other than interest ■ audit and other accounting expenses ■ legal fees ■ advertising expenses ■ postal and telecommunication expenses ■ office supplies and printing expenses ■ travelling, accommodation and entertainment expenses ■ staff training ■ payments for royalties from intellectual property (e.g. patents and copyrights) ■ payments to employment agencies for staff. <p>Excluded from intermediate input expenses are selected labour costs and other operating expenses, as follows.</p>

Total expenses <i>continued</i>	<p><i>Selected labour costs</i></p> <ul style="list-style-type: none"> ■ wages and salaries (including provisions for employee entitlements, salary sacrificed earnings, share based payments and stock options) ■ employer contributions into superannuation ■ workers' compensation premiums/costs. <p><i>Other operating expenses</i></p> <p>Some expenses are excluded from the calculation of intermediate input expenses and selected labour costs, but are included in the calculation of the accounting variable operating profit before tax (OPBT).</p> <p>These expense items are included in table 2.2 as:</p> <ul style="list-style-type: none"> ■ individually listed items: <ul style="list-style-type: none"> ■ depreciation and amortisation ■ interest expenses ■ part of <i>cost of sales</i>: <ul style="list-style-type: none"> ■ computer software expenses not capitalised by businesses ■ land tax and land rates ■ mineral/petroleum exploration expenses not capitalised by businesses ■ other expenses not capitalised by businesses ■ payroll tax and fringe benefits tax ■ part of <i>other operating expenses</i>: <ul style="list-style-type: none"> ■ insurance premiums (except workers' compensation and compulsory third party motor vehicle insurance premiums) ■ natural resource royalties expenses ■ bad and doubtful debts.
Total income	Comprises sales and service income, interest income and other income (for details, see the entries for these items).
Total selected industries	Total selected industries comprises data for all ANZSIC divisions, excluding ANZSIC Division K FINANCIAL AND INSURANCE SERVICES. For a detailed discussion of the scope of the estimates, see Explanatory Notes paragraphs 6–13. Units classified to the GENERAL GOVERNMENT institutional sector are excluded from the scope of estimates for most industries that comprise TOTAL SELECTED INDUSTRIES. This limits coverage to private sector entities only in the PUBLIC ADMINISTRATION AND SAFETY, EDUCATION AND TRAINING, and HEALTH CARE AND SOCIAL ASSISTANCE divisions.
Type of activity unit (TAU)	The TAU is the statistical unit used by the ABS to represent businesses, and for which statistics are reported, in cases where the ABN unit is not suitable for ABS statistical needs. For further detail refer to Technical Note 1, paragraph 5.
Wages and salaries	<p>The gross wages and salaries (including capitalised wages and salaries) of all employees of the business. The item includes severance, termination and redundancy payments, salaries and fees of directors and executives, retainers and commissions of persons who received a retainer, bonuses, and annual and other types of leave. Provision expenses for employee entitlements (e.g. provisions for annual leave and leave bonus, long service leave, sick leave, and severance, termination and redundancy payments) are also included, as are salary sacrificed earnings and remuneration of employees in the form of share based payments and stock options. (Note that in issues of this publication prior to 2006–07, salary sacrificed earnings and remuneration of employees in the form of share based payments and stock options were reported under related expense items. For example, salary sacrificed for superannuation was included in employer contributions into superannuation.)</p> <p>Payments related to self-employed persons such as consultants, contractors and persons paid solely by commission without a retainer are excluded. The drawings of working proprietors and partners are also excluded.</p>

Wages and salaries per employee	The wages and salaries paid by businesses which operated in a given industry during the given year ended 30 June, divided by the number of employees in that industry during the last pay period ending in June of that year. Working proprietors and partners are not included in employee estimates. The drawings of working proprietors and partners are not included in estimates of wages and salaries.
Wages and salaries to sales and service income ratio	The wages and salaries paid by businesses which operated during the year ended 30 June as a proportion of the sales and service income of businesses which operated during the same year.
Workers' compensation premiums/costs	Workers' compensation is a compulsory insurance cover to be taken out by all employers, except for self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of or arising out of employment.

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PHONE 1300 135 070

EMAIL client.services@abs.gov.au

FAX 1300 135 211

POST Client Services, ABS, GPO Box 796, Sydney NSW 2001

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