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# **BOOK RETAILERS** AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) TUES 14 OCT 2003

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## INQUIRIES

- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Helen Shannon on Adelaide (08) 82377420.

# NOTES

## ABOUT THIS PUBLICATION

This publication presents the results from the 2001–02 Book Retailers Survey which collected information from businesses in four retail industries: *Newspaper, book and stationery retailing*, where all employing businesses were in scope; and *Department stores; Supermarket and grocery stores*, and *Retailing n.e.c.*, where only businesses employing 200 or more people were in scope. Sales of books by these businesses is estimated to cover 97% of book sales by employing businesses to final consumers in Australia.

The publication provides details on the number and value of books purchased and sold, as well as information on the book related operations of the four industries named above. In addition, information is provided on the detailed operations of bookshops, including their employment, expenses and income.

The survey was conducted by the Australian Bureau of Statistics (ABS) with funding provided by the Department of Communications, Information Technology and the Arts as part of the Book Industry Assistance Plan.

## ROUNDING

Where figures have been rounded, minor discrepancies may occur between the sums of the component items and the totals. Published percentages are calculated prior to rounding of the figures and therefore some discrepancy may occur between these percentages and those which could be calculated from the rounded figures.

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## ABBREVIATIONS

|        |   |
|--------|---|
| \$m    | million dollars   |
| ABN    | Australian Business Number                                    |
| ABS    | Australian Bureau of Statistics                               |
| ANZSIC | Australian and New Zealand Standard Industrial Classification |
| ATO    | Australian Taxation Office                                    |
| EFTPOS | electronic funds transfer at point of sale                    |
| n.e.c. | not elsewhere classified                                      |
| RSE    | relative standard error                                       |
| SE     | standard error  |
| TAU    | type of activity unit   |

Dennis Trewin  
Australian Statistician

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## SCOPE

This publication presents data in respect of the 2001–02 financial year from an Australian Bureau of Statistics survey of employing businesses involved in the retail sales of books. The survey is based on data collected from businesses classified to the following industries in the Australian and New Zealand Standard Industrial Classification (ANZSIC) (see paragraph 2 of the Explanatory Notes):

- *Supermarket and grocery stores* (ANZSIC 5110)
- *Department stores* (ANZSIC 5210)
- *Newspaper, book and stationery retailing* (ANZSIC 5243)
- *Retailing n.e.c.* (ANZSIC 5259).

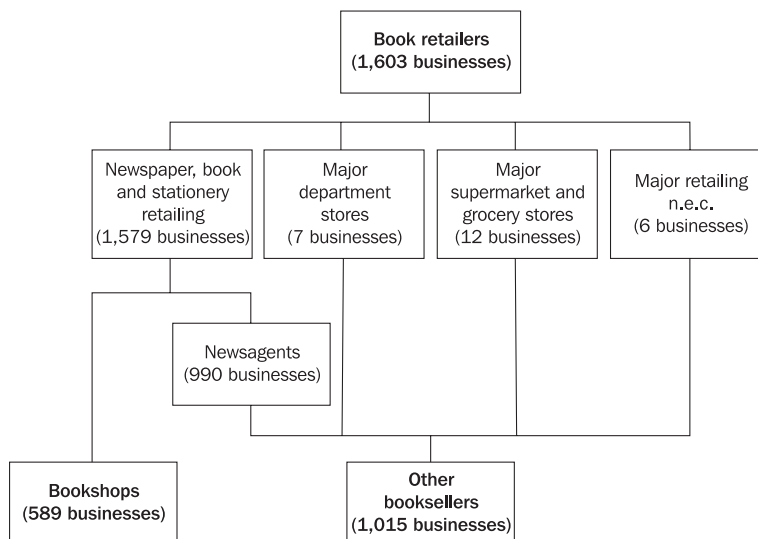
Only the larger retailing businesses (those with 200 or more employees) classified as *Supermarkets and grocery stores*; *Department stores*; and *Retailers n.e.c.* have been included as the book retailing activity of smaller businesses in these industries is negligible.

Businesses classed as *Newspaper, book and stationery retailing* (5243) have been further categorised as either 'Bookshops' or 'Newsagents' based on their level of bookselling activity. In this ANZSIC class, those businesses with new book sales comprising at least 50% of their total retail sales have been categorised as 'Bookshops' while those with less than 50% have been categorised as 'Newsagents' (see paragraph 8 of the Explanatory Notes).

Many businesses operate from more than one location; however, only the activity of locations in Australia have been included in the collection. All book sales by overseas businesses selling directly to final consumers through the Internet or mail order have been excluded from the collection.

SCOPE *continued*

OVERVIEW OF BUSINESSES IN SCOPE OF THE BOOK RETAILING SURVEY



CONTENT

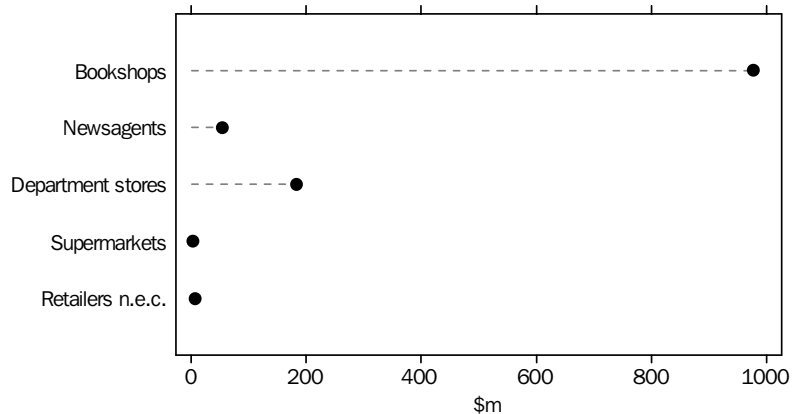
Chapter 2 of this publication summarises the book retailing activities of all book retailers indicated above. Apart from providing data on the number and value of books sold, the Chapter gives selected financial information on the book related operations of retailers. Information is also provided on the adoption of technology by these booksellers.

Many of the book retailers included in the survey sell a variety of other goods often making it difficult to separate the costs involved and levels of employment associated with just the sale of books. Detailed information is presented on the business operations of retailers with a predominant activity of selling books. Chapter 3 focuses on these bookshops which were responsible for the majority (80%) of the value of book sales in 2001–02.

OVERVIEW

Sales of books valued at \$1,226.2m were reported by the 1,603 employing businesses identified as having retail bookselling activity in 2001–02. The majority of these businesses were newsagents (990 businesses) responsible for 5% (\$55.3m) of the value of book sales. Most of the income from book sales (80% or \$975.8m) was generated by the 589 businesses classified as bookshops. Major department stores (7 businesses), supermarkets (12) and retailing businesses n.e.c. (6), representing less than 2% of the businesses involved in book sales, were responsible for the remaining 16% of the value of books sold (tables 2.1 and 2.2). Smaller department stores, supermarkets and retailing businesses n.e.c. were previously found to have negligible book sales and were therefore excluded from the survey (see paragraph 4 of the Explanatory Notes).

VALUE OF NEW BOOK SALES BY TYPE OF RETAILER



While there were increases in most of the major data items between the years 2000–01 and 2001–02, few of these were statistically significant and thus may not represent real changes over time (see paragraph 25 in the Explanatory Notes). One of those items which did exhibit significant movement, the total number of businesses reporting book sales, increased by 25% (318) in 2001–02. Booksellers other than bookshops (particularly newsagents) were largely responsible for this increase with an additional 274 businesses reporting book sales. The addition of these businesses did not result in comparable increases in other data items such as income and expenditure, as a large proportion reported minimal sales of books. As an example, of the 274 additional businesses, 196 classified as newsagents reported selling less than \$10,000 worth of books each or less than \$2m of the total value of book sales (table 2.1).

While the overall retail sales by book retailers remained stable between 2000–01 and 2000–02, the income they derived from activities such as wholesale sales and income from services fell significantly, by 45% from \$4,725.0m to \$2,608.1m. Booksellers other than bookshops were largely responsible for the decrease (table 2.1).

OVERVIEW *continued*

Although more businesses were involved in book retailing in 2001–02, there was no corresponding increase in the overall level of expenditure or income. Consequently, average expenses for total businesses fell from \$39.4m in 2000–01 to \$31.1m in 2001–02. The average sales of new books by newsagents, department stores, supermarkets and retailers n.e.c. also fell, by 50% to \$0.2m in 2001–02 (table 2.1).

## NUMBER OF BOOKS SOLD

In total, book retailers sold over 69 million new books to final consumers. Over 61% (42.7 million) of these books were sold by bookshops. In comparison, department stores were responsible for 29% (20.4 million) of the books sold; newsagents, 5% (3.5 million); and businesses classified as supermarkets and retailing n.e.c., a total of 4% (2.9 million) (tables 2.1 and 2.2).

The average sale price of books varied across the different types of retailers. The price of a new book from a bookshop was \$23 compared with \$16 from a newsagent, \$9 from a department store and \$4 from the remaining booksellers. The difference in the average price tends to reflect the types of books being sold by the different retailers (tables 2.1 and 2.2).

## INCOME

While book retailers reported a total income of \$52,018.6m, the majority of that amount (\$50,792.4m or 98%) was not from the sale of books. The importance of book sales to the overall operations of businesses varied substantially for the different types of book retailers. Bookshops generated 87% of their income from the sale of new books. In contrast, newsagents relied on new book sales for 5% of their income while for department stores, supermarkets and retailing businesses n.e.c., new book sales were around 1% or less (tables 2.1 and 2.2).

On average, individual bookshops had income of \$1.7m from the sale of new books and another \$0.2m from other sales and services. In comparison, each newsagent earned on average \$0.1m from book sales and \$1.0m from other activities. While the seven larger department stores reported an average value of new book sales of \$26.3m, this was relatively small when compared to their overall average income of \$1,943.4m. The larger supermarkets reported an average value of new book sales of \$0.3m and the larger retailing businesses n.e.c. an average of \$1.2m—both also relatively small figures compared to their overall incomes of \$2,951.8m and \$137.0m respectively (tables 2.1 and 2.2).

Almost all (98%) new book sales were printed books, although \$21.4m of electronic and audio books were also sold. As the survey only covers Australian businesses (i.e. businesses operating within Australia), it is not possible to determine the overall level of consumption of electronic or audio books as these items are sometimes purchased using the Internet directly from overseas businesses (table 2.3).

In 2000–01, the Educational Textbook Subsidy Scheme was introduced to assist students at Australian educational institutions. Under the Scheme, book retailers gave discounts to students for textbooks on prescribed lists and then claimed back the value of the discount from the Commonwealth Government. Book retailers claimed \$7.2m in return for discounts provided to students. Bookshops claimed \$7.1m of this amount compared to \$0.1m by other booksellers (table 2.3).

EXPENSES

For most book retailers, it is not possible to separate expenditure on bookselling from expenditure on the sales of other products. This is particularly true for department stores and supermarkets which sell a wide range of products and for which new book sales are generally only a very small part of their total sales. Therefore the total expenditure by book retailers (\$49,937.1m) is not solely related to the selling of new books. One distinguishable book related expense for book retailers is the purchase of books. In 2001–02, book retailers spent \$817.1m or 2% of their total expenditure on purchasing new books. Over 75% of this amount was spent by bookshops, 19% by department stores, 5% by newsagents and a total of 1% by the businesses classified as supermarkets and retailing businesses n.e.c.. On average, bookshops spent \$1.0m each, or a total of \$613.8m, on the purchase of new books, while the other book retailers spent an average of \$0.2m each or a total of \$203.2m (tables 2.1 and 2.2).

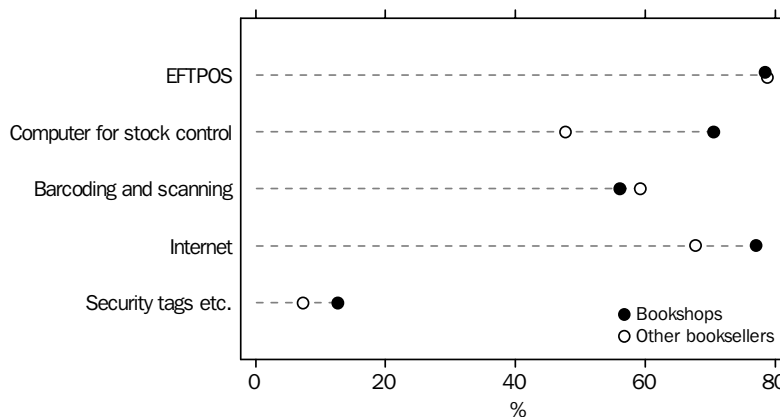
Book retailers purchased most (95% or \$774.3m) of their new books from Australian suppliers. Bookshops purchased a total of 39.9 million new books at an average price of \$15. By comparison, other book retailers purchased 28.2 million books at an average price of \$7. This difference in price between the cost of new books purchased by bookshops and by other booksellers highlights the likely difference in the types of books being sold (table 2.4).

USE OF TECHNOLOGY

In 2001–02, 90% of book retailers used computers and a range of selected other technologies, including EFTPOS (Electronic funds transfer at point of sale), barcode scanning systems and electronic security systems, in the operation of their business. Over 92% of the bookshops reported using at least one of the technologies compared with 89% for the other booksellers (table 2.5).

Over three-quarters (79%) of the book retailers had EFTPOS devices allowing consumers to purchase books using their credit cards. Barcoding and scanning systems, used to record revenue and also for stock control, were used by 58% of businesses while electronic article surveillance or security tag systems were used by 9% of businesses (table 2.5).

USE OF TECHNOLOGY BY TYPE OF RETAILER





## 2.1 KEY AGGREGATES, By type of book retailer—2000–01 to 2001–02

|   |         | BOOKSHOPS (a) |         | OTHER BOOKSELLERS (b) |          | TOTAL BUSINESSES |          |
|---|---------|---------------|---------|-----------------------|----------|------------------|----------|
|   |         | 2000–01       | 2001–02 | 2000–01               | 2001–02  | 2000–01          | 2001–02  |
| Number of businesses                        | no.     | 544           | 589     | 741                   | 1 015    | 1 285            | 1 603    |
| Number of new books sold                    | million | 41.8          | 42.7    | 28.4                  | 26.8     | 70.3             | 69.4     |
| <b>Income</b>                               |         |               |         |                       |          |                  |          |
| Retail sales of new books(c)                | \$m     | 933.6         | 975.8   | 287.4                 | 250.4    | 1 221.0          | 1 226.2  |
| Other retail sales                          | \$m     | 66.5          | 112.4   | 45 300.2              | 48 071.9 | 45 366.7         | 48 184.3 |
| Other income                                | \$m     | 24.7          | 30.9    | 4 701.2               | 2 577.2  | 4 725.9          | 2 608.1  |
| <i>Total</i>                                | \$m     | 1 024.8       | 1 119.0 | 50 288.8              | 50 899.6 | 51 313.6         | 52 018.6 |
| Average income per business                 | \$m     | 1.9           | 1.9     | 67.9                  | 50.2     | 39.9             | 32.4     |
| Average sales of new books per business     | \$m     | 1.7           | 1.7     | 0.4                   | 0.2      | 1.0              | 0.8      |
| <b>Expenses</b>                             |         |               |         |                       |          |                  |          |
| Purchases of new books                      | \$m     | 602.1         | 613.8   | 184.0                 | 203.2    | 786.1            | 817.1    |
| Other expenses                              | \$m     | 415.4         | 485.6   | 49 482.0              | 48 634.5 | 49 897.3         | 49 120.1 |
| <i>Total</i>                                | \$m     | 1 017.5       | 1 099.4 | 49 665.9              | 48 837.7 | 50 683.4         | 49 937.1 |
| Average expenses per business               | \$m     | 1.9           | 1.9     | 67.1                  | 48.1     | 39.4             | 31.1     |
| Average purchases of new books per business | \$m     | 1.1           | 1.0     | 0.2                   | 0.2      | 0.6              | 0.5      |

(a) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.

(b) Includes those businesses which are classified according to the ANZSIC as Supermarket and grocery stores;

Department stores; Retailing n.e.c.; or Newspaper, book and stationery retailing and for which the value of new book sales comprises less than 50 % of all retail sales.

(c) Includes electronic and audio books.

## 2.2 KEY AGGREGATES, By type of other bookseller

|   |         | Newsagents(a) | Department stores | Supermarkets | Retailing n.e.c. | Total    |
|---|---------|---------------|-------------------|--------------|------------------|----------|
| Number of businesses                        | no.     | 990           | 7                 | 12           | 6                | 1 015    |
| Number of books sold                        | million | 3.5           | 20.4              | 1.0          | 1.9              | 26.8     |
| <b>Income</b>                               |         |               |                   |              |                  |          |
| Retail sales of new books                   | \$m     | 55.3          | 183.8             | 4.1          | 7.3              | 250.4    |
| Other retail sales                          | \$m     | 910.7         | 12 021.2          | np           | np               | 48 071.9 |
| Other income                                | \$m     | 86.4          | 1 398.8           | np           | np               | 2 577.2  |
| <i>Total</i>                                | \$m     | 1 052.5       | 13 603.8          | 35 421.2     | 822.0            | 50 899.6 |
| Average income per business                 | \$m     | 1.1           | 1 943.4           | 2 951.8      | 137.0            | 50.2     |
| Average sales of new books per business     | \$m     | 0.1           | 26.3              | 0.3          | 1.2              | 0.2      |
| <b>Expenses</b>                             |         |               |                   |              |                  |          |
| Purchases of new books                      | \$m     | *42.0         | 153.1             | 3.0          | 5.2              | 203.2    |
| Other expenses                              | \$m     | 818.8         | 12 746.9          | 34 251.3     | 817.6            | 48 634.5 |
| <i>Total</i>                                | \$m     | 860.7         | 12 900.0          | 34 254.3     | 822.8            | 48 837.7 |
| Average expenses per business               | \$m     | 0.9           | 1 842.9           | 2 854.5      | 137.1            | 48.1     |
| Average purchases of new books per business | \$m     | *—            | 21.9              | 0.2          | 0.9              | 0.2      |

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

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

— nil or rounded to zero (including null cells)

(a) Includes those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises less than 50% of all retail sales.

**2.3**

## COMPONENTS OF INCOME, By type of book retailer

|                                     | <i>Bookshops(a)</i> | <i>Other<br/>booksellers(b)</i> | <i>Total<br/>businesses</i> |
|-------------------------------------|---------------------|---------------------------------|-----------------------------|
|                                     | \$m                 | \$m                             | \$m                         |
| Retail sales                        |                     |                                 |                             |
| New books(c)                        | 975.8               | 250.4                           | 1 226.2                     |
| Second-hand books                   | *4.5                | *10.7                           | *15.2                       |
| Other goods                         | 107.9               | 48 061.2                        | 48 169.1                    |
| <i>Total</i>                        | <i>1 088.1</i>      | <i>48 322.4</i>                 | <i>49 410.5</i>             |
| Educational Textbook Subsidy Scheme | 7.1                 | *0.1                            | 7.2                         |
| Other income                        | 23.8                | 2 577.1                         | 2 600.8                     |
| <b>Total income</b>                 | <b>1 119.0</b>      | <b>50 899.6</b>                 | <b>52 018.6</b>             |

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

- (a) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.
- (b) Includes those businesses which are classified according to the ANZSIC as Supermarket and grocery stores; Department stores; Retailing n.e.c.; or Newspaper, book and stationery retailing and for which the value of new book sales comprises less than 50% of all retail sales.
- (c) Includes \$21.4m for electronic and audio books.

**2.4**

## LOCATION OF SUPPLIER, By type of book retailer

|                        |         | <i>Bookshops(a)</i> | <i>Other<br/>booksellers(b)</i> | <i>Total<br/>businesses</i> |
|------------------------|---------|---------------------|---------------------------------|-----------------------------|
| Books purchased        | million | 39.9                | 28.2                            | 68.0                        |
| Cost of purchases from |         |                     |                                 |                             |
| Australian suppliers   | \$m     | 585.9               | 188.3                           | 774.3                       |
| Overseas suppliers     | \$m     | 27.9                | 14.9                            | 42.8                        |
| <i>Total</i>           | \$m     | <i>613.8</i>        | <i>203.2</i>                    | <i>817.1</i>                |

- (a) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.
- (b) Includes those businesses which are classified according to the ANZSIC as Supermarket and grocery stores; Department stores; Retailing n.e.c.; or Newspaper, book and stationery retailing and for which the value of new book sales comprises less than 50% of all retail sales.

**2.5**

## USE OF TECHNOLOGY, By type of book retailer

|   | <i>Bookshops(a)</i> | <i>Other<br/>booksellers(b)</i> | <i>Total<br/>businesses</i> |
|---|---------------------|---------------------------------|-----------------------------|
|   | %                   | %                               | %                           |
| Businesses using a computer for stock control   | 70.5                | 47.7                            | 56.0                        |
| Businesses using the Internet for   |                     |                                 |                             |
| Selling goods and services  |                     |                                 |                             |
| Receiving orders for goods and services   | 44.5                | 12.7                            | 24.4                        |
| Sending invoices to customers   | *11.0               | *5.6                            | 7.6                         |
| Receiving payments and/or authorisations  | 24.6                | 20.7                            | 22.1                        |
| Delivering products electronically  | **3.6               | **0.4                           | *1.6                        |
| Providing after sales service   | 18.4                | *3.9                            | 9.2                         |
| Purchasing goods and services   |                     |                                 |                             |
| Researching the availability or cost of goods or services   | 60.0                | 28.5                            | 40.1                        |
| Ordering goods or services  | 50.0                | 29.6                            | 37.1                        |
| Receiving invoices  | 18.1                | 34.7                            | 28.6                        |
| Making payments and/or authorisations   | 35.3                | 25.9                            | 29.4                        |
| Receiving products electronically   | *5.4                | *4.1                            | *4.6                        |
| Seeking after sales service   | 18.0                | 12.3                            | 14.4                        |
| General   |                     |                                 |                             |
| Email   | 75.1                | 61.2                            | 66.3                        |
| Bibliographic and other information   | 54.2                | 15.2                            | 29.5                        |
| Advertising or promotion  | 28.3                | 9.5                             | 16.4                        |
| Banking and financial services  | 45.5                | 43.6                            | 44.3                        |
| Other   | **1.5               | **1.6                           | *1.5                        |
| None of the above   | 22.9                | 32.2                            | 28.8                        |
| Businesses having a web site, home page or other web presence (including a presence on another entity's web site) | 48.5                | 17.0                            | 28.5                        |
| Businesses using the following technologies   |                     |                                 |                             |
| Barcoding and scanning systems  | 56.1                | 59.3                            | 58.1                        |
| EFTPOS  | 78.5                | 78.8                            | 78.7                        |
| Electronic article surveillance or security tags  | 12.7                | *7.3                            | 9.3                         |
| None of the above   | 19.0                | 18.3                            | 18.6                        |
| Businesses not counted in at least one of the above technologies  | *7.8                | 10.8                            | 9.7                         |
| Businesses using one or more of the above technologies  | 92.2                | 89.2                            | 90.3                        |

\* estimate has a relative standard error of between 25% and 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) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and which the value of new book sales comprises at least 50% of all retail sales.

(b) Includes those businesses which are classified according to the ANZSIC as Supermarket and grocery stores; Department stores; Retailing n.e.c.; or Newspaper, book and stationery retailing and for which the value of new book sales comprises less than 50% of all sales.

## INTRODUCTION

This Chapter provides detailed information on the operation of bookshops including their income, expenditure, profitability and employment.

## OVERVIEW

In 2001–02, there were 589 employing businesses classified as bookshops because they reported that their new book sales were at least 50% of their total retail sales. These businesses operated from 895 retail locations around Australia (table 3.8). The larger businesses (those with 20 or more people in employment), while representing only 7% (41 businesses) of the total number of bookshops, had 57% (\$557.7m) of the total income from new book sales and sold 49% (21.0 million) of the books. They also incurred 61% (\$675.7m) of the expenses (table 3.2).

For 2001–02, bookshops recorded an operating profit before tax of \$32.8m and a profit margin of 2.9%. Despite their higher proportion of total income, larger businesses did not generate a higher profit margin than the smaller businesses (those with 0–19 persons employed). The profit margin for smaller businesses (4.2%) was double that of the larger businesses (2.1%) (table 3.2).

Bookshops recorded increases for most items between 2000–01 and 2001–02, however only four of those increases were statistically significant (see paragraph 25 of the Explanatory Notes). Other retail sales increased by 69% to \$112.4m with an associated increase in other purchases of 84% to \$77.6m in 2001–02. Industry value added, which is a measure of the value an industry adds to the overall economy, rose by 30% to \$219.9m. Floor space also rose, by 35% to 261,200 square metres, partly due to the increased number of businesses (table 3.1).

## INCOME

Bookshops reported a total income of \$1,119.0m of which 87% (\$975.8m) was from retail sales of new books. New book sales were supplemented by retail sales of other goods (including second-hand books) (\$112.4m); the Educational Textbook Subsidy Scheme (\$7.1m); the sale of services (\$5.0m); and other sources such as wholesale sales and income from royalties (\$18.8m) (table 3.3).

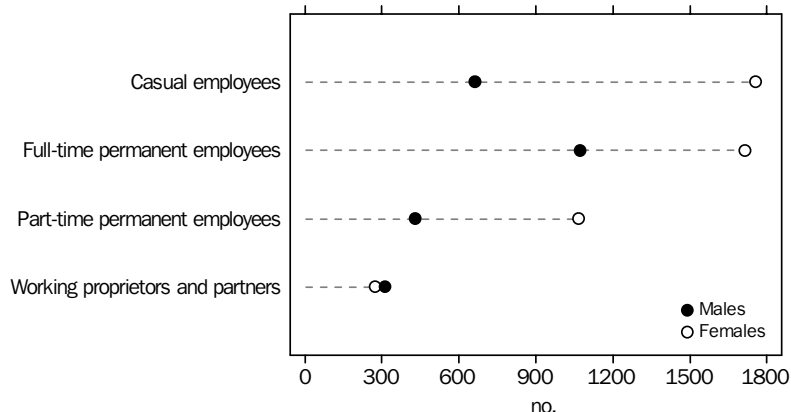
## EXPENSES

The total expenses for bookshops were \$1,099.4m in 2001–02. The purchase of goods for resale represented 63% (\$690.0m) of total expenses which included \$613.8m for the purchase of new books. Wages and salaries were 14% (\$152.1m) of total expenses. A further 2% (\$22.5m) was spent on other labour costs. There was a range of items covering the remaining 21% of costs including \$69.0m for rent, leasing and hiring; \$15.6m for advertising and \$14.3m for depreciation and amortisation (table 3.4).

EMPLOYMENT

At the last pay period ending June 2002, bookshops had a total employment of 7,286 people. This comprised 585 working proprietors and partners and 6,701 employees. Of the employees, the highest proportion were permanent full-time (42% or 2,788 employees) followed by those employed casually (36% or 2,417 employees) and those employed as part-time permanent employees (22% or 1,495 employees). Of the total employed, almost two-thirds (4,812) were female with 36% of those being casually employed (table 3.7).

PERSONS EMPLOYED, by sex



STATE AND TERRITORY DATA

Data were collected for the Australia-wide operations of each business. Businesses operating in more than one state or territory were asked to provide a state and territory breakdown for several key data items. Victoria reported the highest number of businesses (211). New South Wales reported the largest employment figures (2,512 people) although their costs for wages and salaries were similar to those of Victoria. The 895 bookshop locations each covered an average of 292 square metres of floor space or 261,200 square metres in total (table 3.8).

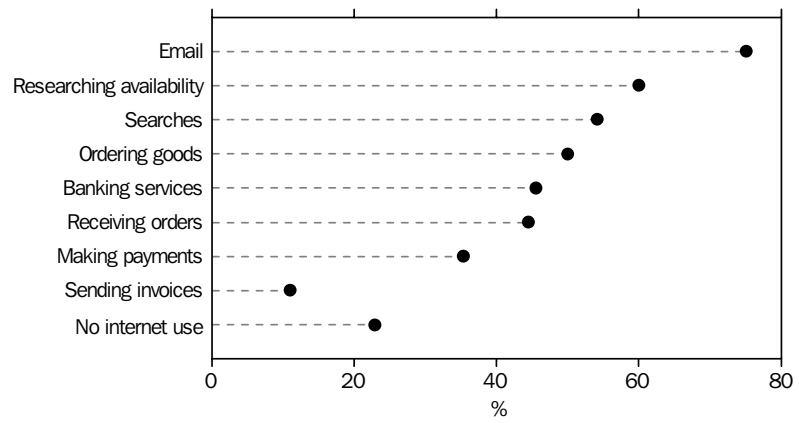
USE OF TECHNOLOGY

Bookshops reported using the Internet for a variety of activities, with the most common being emailing (75% of bookshops); for researching the availability and cost of goods and services (60%); for bibliographic and other information searches (54%); and for ordering goods and services (50%). Over 3% of bookshops reported taking advantage of the Internet's ability to deliver products such as electronic and audio books electronically. Over 48% of bookshops indicated that they had either their own web site, home page or some other type of presence on the Internet (table 3.9).

## USE OF TECHNOLOGY

*continued*

## INTERNET USE FOR SELECTED PURPOSES



### 3.1 SUMMARY OF OPERATIONS (a)—2000–01 to 2001–02

|   |                     | 2000–01 | 2001–02 |
|---|---------------------|---------|---------|
| Number of businesses                            | no.                 | 544     | 589     |
| Number of books sold                            | million             | 41.8    | 42.7    |
| <b>Income</b>                                   |                     |         |         |
| Retail sales of new books                       | \$m                 | 933.6   | 975.8   |
| Other retail sales                              | \$m                 | 66.5    | 112.4   |
| Other income                                    | \$m                 | 24.7    | 30.9    |
| <i>Total</i>                                    | \$m                 | 1 024.8 | 1 119.0 |
| Average income per business                     | \$m                 | 1.9     | 1.9     |
| Average sales of new books per business         | \$m                 | 1.7     | 1.7     |
| <b>Expenses</b>                                 |                     |         |         |
| Wages and salaries                              | \$m                 | 140.8   | 152.1   |
| Purchases of new books                          | \$m                 | 602.1   | 613.8   |
| Other purchases                                 | \$m                 | 42.2    | 77.6    |
| Royalties and fees                              | \$m                 | 6.3     | 6.1     |
| Other expenses                                  | \$m                 | 226.0   | 249.7   |
| <i>Total</i>                                    | \$m                 | 1 017.5 | 1 099.4 |
| Average expenses per business                   | \$m                 | 1.9     | 1.9     |
| Average purchases of new books per business     | \$m                 | 1.1     | 1.0     |
| <b>Inventories</b>                              |                     |         |         |
| Change in inventory                             | \$m                 | 15.4    | *13.2   |
| Ratio of inventory to sales of new books        | %                   | 17.4    | 18.2    |
| <b>Employment</b>                               |                     |         |         |
| Males   | no.                 | 2 222   | 2 473   |
| Females   | no.                 | 4 342   | 4 812   |
| Persons   | no.                 | 6 564   | 7 286   |
| Average employment per business                 | no.                 | 12.1    | 12.4    |
| <b>Other key aggregates</b>                     |                     |         |         |
| Operating profit before tax                     | \$m                 | 22.8    | 32.8    |
| Profit margin                                   | %                   | 2.2     | 2.9     |
| Industry value added                            | \$m                 | 168.9   | 219.9   |
| Wages and salaries per employee                 | \$'000              | 24.1    | 22.7    |
| Floor space                                     | '000 m <sup>2</sup> | 193.6   | 261.2   |
| Retail sales per square metre                   | \$'000              | 5.2     | 4.2     |
| Average number of retail locations per business | no.                 | 1.6     | 1.5     |

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

(a) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.



**3.2**

## SUMMARY OF OPERATIONS(a), By employment size

|   |                     | 0-19<br>persons | 20 or more<br>persons | Total   |
|---|---------------------|-----------------|-----------------------|---------|
| Number of businesses                            | no.                 | 548             | 41                    | 589     |
| Number of books sold                            | million             | 21.6            | 21.0                  | 42.7    |
| <b>Income</b>                                   |                     |                 |                       |         |
| Retail sales of new books                       | \$m                 | 418.1           | 557.7                 | 975.8   |
| Other retail sales                              | \$m                 | 19.2            | 93.1                  | 112.4   |
| Other income                                    | \$m                 | 10.2            | 20.7                  | 30.9    |
| <i>Total</i>                                    | \$m                 | 447.5           | 671.5                 | 1 119.0 |
| Average income per business                     | \$m                 | 0.8             | 16.5                  | 1.9     |
| Average sales of new books per business         | \$m                 | 0.8             | 13.7                  | 1.7     |
| <b>Expenses</b>                                 |                     |                 |                       |         |
| Wages and salaries                              | \$m                 | 56.2            | 95.9                  | 152.1   |
| Purchases of new books                          | \$m                 | 253.2           | 360.6                 | 613.8   |
| Other purchases                                 | \$m                 | 13.1            | 64.5                  | 77.6    |
| Royalties and fees                              | \$m                 | 4.3             | 1.8                   | 6.1     |
| Other expenses                                  | \$m                 | 96.9            | 152.8                 | 249.7   |
| <i>Total</i>                                    | \$m                 | 423.7           | 675.7                 | 1 099.4 |
| Average expenses per business                   | \$m                 | 0.8             | 16.6                  | 1.9     |
| Average purchases of new books per business     | \$m                 | 0.5             | 8.9                   | 1.0     |
| <b>Inventories</b>                              |                     |                 |                       |         |
| Change in inventory                             | \$m                 | *-5.2           | 18.3                  | *13.2   |
| Ratio of inventory to sales of all books        | %                   | 18.6            | 17.9                  | 18.2    |
| <b>Employment</b>                               |                     |                 |                       |         |
| Males   | no.                 | 976             | 1 497                 | 2 473   |
| Females   | no.                 | 1 981           | 2 831                 | 4 812   |
| Persons   | no.                 | 2 957           | 4 328                 | 7 286   |
| Average employment per business                 | no.                 | 5.4             | 106.3                 | 12.4    |
| <b>Other key aggregates</b>                     |                     |                 |                       |         |
| Operating profit before tax                     | \$m                 | *18.6           | *14.2                 | 32.8    |
| Profit margin                                   | %                   | 4.2             | 2.1                   | 2.9     |
| Industry value added                            | \$m                 | 91.3            | 128.6                 | 219.9   |
| Wages and salaries per employee                 | \$'000              | 23.4            | 22.3                  | 22.7    |
| Floor space                                     | '000 m <sup>2</sup> | 110.8           | 150.4                 | 261.2   |
| Retail sales per square metre                   | \$'000              | 3.9             | 4.3                   | 4.2     |
| Average number of retail locations per business | no.                 | 1.1             | 7.4                   | 1.5     |

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

(a) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.

**3.3**

## COMPONENTS OF INCOME(a), By employment size .....

|                                     | 0-19<br>persons | 20 or more<br>persons | Total          |
|-------------------------------------|-----------------|-----------------------|----------------|
|                                     | \$m             | \$m                   | \$m            |
| .....                               |                 |                       |                |
| Retail sales                        |                 |                       |                |
| New books                           | *418.1          | 557.7                 | 975.8          |
| Second-hand books                   | **2.7           | *1.8                  | *4.5           |
| Other goods                         | 16.5            | 91.4                  | 107.9          |
| <i>Total</i>                        | 437.3           | 650.8                 | 1 088.1        |
| Other sources of income             |                 |                       |                |
| Wholesale sales                     | *np             | np                    | *4.6           |
| Income from services                | *np             | *np                   | 5.0            |
| Educational Textbook Subsidy Scheme | *2.8            | *4.3                  | 7.1            |
| Other income(b)                     | *2.4            | 11.9                  | 14.2           |
| <i>Total</i>                        | 10.2            | 20.7                  | 30.9           |
| <b>Total income</b>                 | <b>447.5</b>    | <b>671.5</b>          | <b>1 119.0</b> |

\* estimate has a relative standard error of between 25% and 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) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.

(b) Includes funding from federal, state and territory and/or local government.

### 3.4 OPERATING EXPENSES (a), By employment size

|                                    | 0-19<br>persons | 20 or more<br>persons | Total          |
|------------------------------------|-----------------|-----------------------|----------------|
|                                    | \$m             | \$m                   | \$m            |
| Purchases                          |                 |                       |                |
| Finished goods for resale          | 265.2           | 424.8                 | 690.0          |
| Materials, components etc.         | 0.6             | *0.3                  | 0.9            |
| Fuels                              | *0.4            | *0.1                  | *0.5           |
| <i>Total</i>                       | 266.3           | 425.1                 | 691.4          |
| Labour costs                       |                 |                       |                |
| Wages and salaries                 | 56.2            | 95.9                  | 152.1          |
| Other labour costs                 | 7.4             | 15.1                  | 22.5           |
| <i>Total</i>                       | 63.7            | 110.9                 | 174.6          |
| Advertising expenses               | 5.9             | 9.7                   | 15.6           |
| Electricity, gas and water charges | 1.6             | 2.2                   | 3.8            |
| Freight and cartage expenses       | 3.6             | 6.2                   | 9.7            |
| Rent, leasing and hiring expenses  | 32.0            | 37.0                  | 69.0           |
| Insurance premiums                 | 1.9             | 1.5                   | 3.4            |
| Interest expenses                  | 4.4             | 3.3                   | 7.7            |
| Depreciation and amortisation      | 4.3             | 10.0                  | 14.3           |
| Telecommunication services         | 3.2             | 4.1                   | 7.4            |
| Computer software expensed         | 0.9             | 1.2                   | 2.0            |
| Royalties expenses                 | 4.3             | 1.8                   | 6.1            |
| Land taxes and land rates          | 0.5             | 1.2                   | 1.6            |
| Bad and doubtful debts             | **0.9           | 0.3                   | **1.2          |
| Other operating expenses           | 30.4            | 61.1                  | 91.5           |
| <b>Total</b>                       | <b>423.7</b>    | <b>675.7</b>          | <b>1 099.4</b> |

\* estimate has a relative standard error of between 25% and 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) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.

### 3.5 VALUE OF INVENTORIES (a), By employment size .....

|                    | 0-19<br>persons | 20 or more<br>persons | Total |
|--------------------|-----------------|-----------------------|-------|
| <i>Inventories</i> | \$m             | \$m                   | \$m   |
| Opening            | 77.6            | 99.7                  | 177.3 |
| Closing            | 72.5            | 118.0                 | 190.5 |

- (a) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.

### 3.6 CAPITAL EXPENDITURE (a), By employment size .....

|                                 | 0-19<br>persons | 20 or more<br>persons | Total       |
|---------------------------------|-----------------|-----------------------|-------------|
| <i>Capital expenditure</i>      | \$m             | \$m                   | \$m         |
| Computer equipment and software | 1.2             | 2.6                   | 3.8         |
| Other assets                    | *4.6            | 19.3                  | 23.9        |
| <b>Total</b>                    | <b>*5.8</b>     | <b>21.9</b>           | <b>27.7</b> |

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

- (a) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.

### 3.7 EMPLOYMENT(a)—At end of June 2002

|                                  | Males        | Females      | Persons      |
|----------------------------------|--------------|--------------|--------------|
|                                  | no.          | no.          | no.          |
| Working proprietors and partners | 311          | 274          | 585          |
| Employees                        |              |              |              |
| Permanent                        |              |              |              |
| Full-time                        | 1 073        | 1 715        | 2 788        |
| Part-time                        | 429          | 1 067        | 1 495        |
| Casual                           | 661          | 1 756        | 2 417        |
| <i>Total</i>                     | 2 163        | 4 538        | 6 701        |
| <b>Total employment</b>          | <b>2 473</b> | <b>4 812</b> | <b>7 286</b> |

(a) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.

### 3.8 SELECTED KEY AGGREGATES(a), By state and territory

|                              | Business<br>head office | Employment(b) | Wages<br>and<br>salaries | Total<br>income | Retail<br>locations | Floor<br>space      |
|------------------------------|-------------------------|---------------|--------------------------|-----------------|---------------------|---------------------|
|                              | no.                     | no.           | \$m                      | \$m             | no.                 | '000 m <sup>2</sup> |
| New South Wales              | 163                     | 2 512         | 52.2                     | 368.6           | 275                 | 69.9                |
| Victoria                     | 211                     | 2 263         | 52.6                     | 391.3           | 285                 | 119.0               |
| Queensland                   | 70                      | 748           | 15.7                     | 124.1           | 123                 | 17.0                |
| South Australia              | *30                     | 402           | 6.7                      | 54.7            | *46                 | 12.6                |
| Western Australia            | *66                     | 657           | 12.6                     | 101.8           | *88                 | 26.0                |
| Australian Capital Territory | *29                     | *408          | *7.4                     | *49.8           | *44                 | *11.2               |
| Other states(c)              | **21                    | 295           | 4.8                      | *28.8           | *34                 | *5.4                |
| <b>Australia</b>             | <b>589</b>              | <b>7 286</b>  | <b>152.1</b>             | <b>1 119.0</b>  | <b>895</b>          | <b>261.2</b>        |

\* estimate has a relative standard error of between 25% and 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) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing

and for which the value of new book sales comprises at least 50% of all retail sales.

(b) At 30 June 2002.

(c) Includes Tasmania and Northern Territory.

**3.9**

## USE OF TECHNOLOGY(a), By employment size

|   | 0-19<br>persons | 20 or more<br>persons | Total |
|---|-----------------|-----------------------|-------|
|   | %               | %                     | %     |
| Businesses using a computer for stock control   | 69.5            | 83.1                  | 70.5  |
| Businesses using the Internet for   |                 |                       |       |
| Selling goods and services  |                 |                       |       |
| Receiving orders for goods and services   | 43.0            | 65.0                  | 44.5  |
| Sending invoices to customers   | *11.0           | 10.9                  | *11.0 |
| Receiving payments and/or authorisations  | 23.5            | 38.8                  | 24.6  |
| Delivering products electronically  | **np            | *np                   | **3.6 |
| Providing after sales service   | 18.0            | 23.9                  | 18.4  |
| Purchasing goods and services   |                 |                       |       |
| Researching the availability or cost of goods or services   | 58.9            | 74.4                  | 60.0  |
| Ordering goods or services  | 48.2            | 74.4                  | 50.0  |
| Receiving invoices  | 16.9            | 33.6                  | 18.1  |
| Making payments and/or authorisations   | 34.8            | 41.2                  | 35.3  |
| Receiving products electronically   | *5.8            | —                     | *5.4  |
| Seeking after sales service   | 16.5            | 38.1                  | 18.0  |
| General   |                 |                       |       |
| Email   | 73.3            | 99.5                  | 75.1  |
| Bibliographic and other information searches  | 54.0            | 57.0                  | 54.2  |
| Advertising or promotion  | 28.1            | 30.6                  | 28.3  |
| Banking and financial services  | 44.1            | 64.5                  | 45.5  |
| Other   | **1.6           | —                     | **1.5 |
| None of the above   | 24.6            | 0.5                   | 22.9  |
| Businesses having a web site, home page or other web presence (including a presence on another entity's web site) | 47.3            | 64.7                  | 48.5  |
| Businesses using the following technologies   |                 |                       |       |
| Barcoding and scanning systems  | 54.1            | 82.8                  | 56.1  |
| EFTPOS  | 77.4            | 92.8                  | 78.5  |
| Electronic article surveillance or security tags  | 9.4             | 56.9                  | 12.7  |
| None of the above   | 19.9            | **7.2                 | 19.0  |
| Businesses not counted in at least one of the above technologies  | *8.4            | —                     | *7.8  |
| Businesses using one or more of the above technologies  | 91.6            | 100.0                 | 92.2  |

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

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

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

— nil or rounded to zero (including null cells)

(a) Includes only those businesses which are classified according to the ANZSIC as Newspaper, book and stationery retailing and for which the value of new book sales comprises at least 50% of all retail sales.

## EXPLANATORY NOTES .....

### SCOPE AND COVERAGE

**1** This publication presents results, in respect of the 2001–02 financial year, from a survey conducted by the Australian Bureau of Statistics (ABS) of employing businesses with book retailing activity.

**2** Book retailing activity is not confined to any one industry. Information from the 1998–99 Retail Industry Survey estimated that businesses (as classified on the ABS Australian Business Register) in four retail industries were responsible for nearly all book sales by employing businesses to final consumers in Australia. Those industries, and their Australian and New Zealand Standard Industrial Classification (ANZSIC) classes, are as follows:

- *Supermarket and grocery stores* (ANZSIC 5110) which consists of businesses mainly engaged in retailing groceries or non-specialised food lines, whether or not the selling is organised on a self-service basis.
- *Department stores* (ANZSIC 5210) which consists of businesses mainly engaged in retailing a variety of goods (clothing; china, glassware and houseware; furniture; household appliances; etc.) normally sold by separate departments or sections within the store with accounting and other records maintained on a departmentalised basis.
- *Newspaper, book and stationery retailing* (ANZSIC 5243) which consists of businesses mainly engaged in retailing books, periodicals, newspapers, stationery and religious goods.
- *Retailing n.e.c.* (ANZSIC 5259) which consists of businesses mainly engaged in retailing goods not classified to the other retailing categories of ANZSIC.

**3** The Book Retailers Survey is based on businesses classified to these four industries.

**4** The 1998–99 Retail Industry Survey also found that in three of the four industries (namely, ANZSIC 5110, 5210 and 5259) businesses with less than 200 employees had negligible book sales (1% of total book sales). These businesses were excluded from the population frame for this survey.

**5** Thus the population frame for the Book Retailers Survey consists of businesses with ANZSIC classes of 5110, 5210 or 5259 with 200 or more employees, and all employing businesses with an ANZSIC class of 5243. These businesses cover an estimated 97% of book sales to final consumers.

**6** All businesses with an ANZSIC class of 5110, 5210 or 5259 and with 200 or more employees were contacted in relation to the survey. Similarly, all businesses with an ANZSIC class of 5243 and with 20 or more employees were contacted to determine their retail book sales. Data were obtained from a sample of businesses with an ANZSIC class of 5243 and less than 20 employees. Data from this sample were weighted to represent all businesses in Australia with an ANZSIC class of 5243 and less than 20 employees.

**7** Data for the entire operations of businesses with an ANZSIC class of 5243 and with book sales comprising at least 50% of all their retail sales were included in the survey results. For all other businesses, only data in respect of their book retailing activity were included.

## INTERPRETATION OF DATA

**8** Estimates in this publication are presented at a sub-industry level for businesses with an ANZSIC class of 5243. Businesses with an ANZSIC class of 5243 and with book sales comprising at least 50% of all their retail sales have been categorised as 'Bookshops'. Tables 3.1 to 3.9 in this publication relate only to the operations of these bookshops. Businesses with an ANZSIC class of 5243 and with book sales comprising less than 50% of their retail sales have been categorised as 'Newsagents'. Unless identified separately, newsagents are included with 'Other booksellers' for tables 2.1 to 2.5 presented in this publication.

STATISTICAL UNITS DEFINED  
ON THE ABS BUSINESS  
REGISTER

**9** The ABS uses an economic statistics units model on the ABS Business Register to describe the characteristics of businesses, and the structural relationships between related businesses. The units model is also used to break groups of related businesses into relatively homogeneous components that can provide data to the ABS.

**10** In mid-2002, to better use the information available as a result of The New Tax System, the ABS changed its economic statistics units model. The new units model allocates businesses to one of two sub-populations. The vast majority of businesses are in what is called the Australian Taxation Office (ATO) Maintained Population, while the remaining businesses are in the ABS Maintained Population. Together, these two sub-populations make up the ABS Business Register population.

*ATO Maintained Population*

**11** Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN), and are then included on the ATO Australian Business Register. Most of these businesses have simple structures; therefore the unit registered for an ABN will satisfy ABS statistical requirements. For these businesses, the ABS is aligning its statistical units structure with the ABN unit. The businesses with simple structures constitute the ATO Maintained Population, and the ABN unit will be used as the economic statistics unit for all economic collections.

*ABS Maintained Population*

**12** For the population of businesses where the ABN unit is not suitable for ABS statistical requirements, the ABS will maintain its own units structure through direct contact with the business. These businesses constitute the ABS Maintained Population. This population consists typically of large, complex and diverse businesses. The new statistical units model described below has been introduced to cover such businesses.

**13** *Enterprise Group*: 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 *Corporations Legislation Amendment Act 1991*), including legal entities such as companies, trusts, and partnerships. Majority ownership is not required for control to be exercised.

**14** *Enterprise*: The enterprise is an institutional unit comprising (i) a single legal entity or business entity, or (ii) 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 sub-sector).

**15** *Type of Activity Unit (TAU)*: The TAU is comprised of 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 will be created which covers all the operations within an industry subdivision (and the TAU will be classified to the relevant subdivision of the Australian and New Zealand Standard Industrial Classification). Where a business cannot supply adequate data for each industry, a TAU will be formed which contains activity in more than one industry subdivision.



ABS Maintained Population  
continued

**16** For more information on the impacts of the introduction of the new economic statistics units model, refer to *Information Paper: Improvements in ABS Economic Statistics [Arising from the New Tax System]* (cat. no. 1372.0).

**17** Prior to 2001–02, the Book Retailers Survey used the management unit as the statistical unit. For issues of this publication relating to 2001–02 onwards, the statistical unit in the Book Retailers Survey is the ABN unit for businesses with simple structures, and the TAU for businesses with complex structures. In most cases, ABN/TAU units will concord with the management units used prior to 2001–02.

#### RELIABILITY OF DATA

**18** As mentioned above, some of the estimates in this publication are based on information obtained from a sample of businesses (those with an ANZSIC class of 5243 and less than 20 employees). The estimates based on these sampled businesses are subject to sampling variability. That is, they may differ from the figures that would have been obtained if the survey had included all in-scope businesses. One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because information was collected from only a sample of businesses.

**19** There are about 2 chances in 3 that a sample estimate will differ by less than one SE from the figure that would have been obtained if all businesses in the population had been included in the survey, and approximately 19 chances in 20 that the difference will be less than two SEs.

**20** Sampling variability can be measured by using the relative standard error (RSE) which is obtained by expressing the SE as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling and hence does not require reference to the size of the estimate.

**21** The following tables show the RSEs for a selection of the statistics presented in this publication.

#### RELATIVE STANDARD ERRORS, Table 2.1 Book retailers

|   | BOOKSHOPS |         | OTHER BOOKSELLERS |         | TOTAL BUSINESSES |         |
|---|-----------|---------|-------------------|---------|------------------|---------|
|   | 2000-01   | 2001-02 | 2000-01           | 2001-02 | 2000-01          | 2001-02 |
|   | %         | %       | %                 | %       | %                | %       |
| Number of businesses                        | 9.8       | 9.2     | 8.4               | 6.6     | 6.0              | 4.9     |
| Number of books sold                        | 7.4       | 7.6     | 12.2              | 1.6     | 6.6              | 4.7     |
| Income                                      |           |         |                   |         |                  |         |
| Retail sales of new books                   | 6.8       | 7.9     | 18.5              | 3.2     | 6.8              | 6.3     |
| Other retail sales                          | 9.6       | 11.7    | 2.6               | 0.1     | 2.6              | 0.1     |
| Other income                                | 10.3      | 12.4    | 5.7               | 0.6     | 5.6              | 0.6     |
| Total                                       | 6.6       | 6.8     | 2.8               | 0.1     | 2.7              | 0.2     |
| Average income per business                 | 9.9       | 9.7     | 13.5              | 7.0     | 9.6              | 5.1     |
| Average sales of new books per business     | 9.9       | 10.4    | 24.0              | 6.7     | 9.0              | 7.5     |
| Expenses                                    |           |         |                   |         |                  |         |
| Purchases of new books                      | 7.2       | 7.8     | 10.4              | 5.3     | 6.0              | 6.0     |
| Other expenses                              | 6.1       | 6.4     | 2.8               | 0.1     | 2.8              | 0.1     |
| Total                                       | 6.6       | 6.8     | 2.9               | 0.1     | 2.8              | 0.2     |
| Average expenses per business               | 10.1      | 9.8     | 13.5              | 7.1     | 9.6              | 5.1     |
| Average purchases of new books per business | 10.6      | 10.3    | 16.0              | 7.9     | 8.7              | 7.3     |

|   | 2000–01 | 2001–02 |
|---|---------|---------|
|   | %       | %       |
| Number of businesses                            | 9.8     | 9.2     |
| Number of books sold                            | 7.4     | 7.6     |
| Income  |         |         |
| Retail sales of new books                       | 6.8     | 7.9     |
| Other retail sales                              | 9.6     | 11.7    |
| Other income                                    | 10.3    | 12.4    |
| <i>Total</i>                                    | 6.6     | 6.8     |
| Average income per business                     | 9.9     | 9.7     |
| Average sales of new books per business         | 9.9     | 10.4    |
| Expenses  |         |         |
| Wages and salaries                              | 7.0     | 6.8     |
| Purchases of new books                          | 7.2     | 7.8     |
| Other purchases                                 | 10.6    | 12.6    |
| Royalties and fees                              | 27.0    | 17.4    |
| Other expenses                                  | 5.9     | 7.7     |
| <i>Total</i>                                    | 6.6     | 6.8     |
| Average expenses per business                   | 10.1    | 9.8     |
| Average purchases of new books per business     | 10.6    | 10.3    |
| Inventories                                     |         |         |
| Change in inventory                             | 11.4    | 34.1    |
| Ratio of inventories to sales of books          | 4.9     | 3.2     |
| Employment                                      |         |         |
| Males   | 7.0     | 7.1     |
| Females   | 7.2     | 7.9     |
| <i>Persons</i>                                  | 6.8     | 7.1     |
| Average per business                            | 9.1     | 9.1     |
| Other key aggregates                            |         |         |
| Operating profit before tax                     | 16.1    | 20.7    |
| Profit margin                                   | 16.3    | 17.0    |
| Industry value added                            | 8.3     | 7.3     |
| Wages and salaries per employee                 | 3.3     | 2.9     |
| Floor space                                     | 12.3    | 7.6     |
| Retail sales per square metre                   | 16.1    | 6.6     |
| Average number of retail locations per business | 6.4     | 5.6     |

**22** As an example, the estimate of total income for bookshops for 2001–02 is \$1,119.0m and the RSE is 6.8%, giving a SE of \$76.1m. Therefore, there are 2 chances in 3 that, if all businesses in the population had been included in the survey, a figure in the range of \$1,042.9m to \$1,195.1m would have been obtained, and 19 chances in 20 (i.e. a confidence interval of 95%) that the figure would have been within the range of \$966.8m to \$1,271.2m.

**23** Although the table above shows the RSEs for only a selection of the statistics presented in this publication, they have been calculated for all of the statistics which rely on data from a sample of businesses and are available on request. Estimates with high RSEs have been marked with asterisks in the tables in which they occur. If an estimate has an RSE between 25% and 50%, it is marked with one asterisk and should be used with caution. If it has an RSE greater than 50%, it is marked with two asterisks and is considered too unreliable for general use.

RELIABILITY OF DATA *continued*

**24** Errors other than those due to sampling may occur because of deficiencies in the coverage of the collection, imperfections in reporting by respondents or non-response. Inaccuracies of this kind are referred to as non-sampling errors and they may occur in any collection, whether it be a census or a sample survey. Every effort is made to reduce non-sampling error to a minimum by careful design and testing of questionnaires, efficient operating procedures and systems, and appropriate methodology.

## COMPARISON WITH PREVIOUS DATA

**25** Care should be taken when comparing figures as it is not correct to assume that a difference between figures is statistically significant. An approximate SE of the difference between two estimates (x-y) may be calculated by the following formula:

$$SE(x-y) = \sqrt{[SE(x)]^2 + [SE(y)]^2}$$

**26** In the previous issue of this publication it was foreshadowed that the changes in the statistical infrastructure supporting the compilation of ABS economic series (described in paragraphs 9–17) could have an impact on the comparability of data between 2001–02 and 2000–01. It has been determined that any differences in the estimates caused by these changes are not statistically significant. Consequently there has been no need to adjust the estimates for 2000–01 to enable comparison over time.

## REVISIONS TO 2000–01 DATA

**27** The data for 2000–01 have been revised to include corrections to figures previously reported by businesses to the ABS. These revisions are reflected in the 2000–01 data presented in tables 2.1, and 3.1.

## RELATED PUBLICATIONS

**28** ABS publications which may be of interest include:

*Book Retailers, Australia, 2000–01*, cat. no. 1371.0

*Book Publishers, Australia, 2001–02*, cat. no. 1363.0

*Retail Trade, Australia, July 2003*, cat. no. 8501.0

*Retail Industry, Australia, 1998–99*, cat. no. 8622.0

*Retail Industry, Australia: Commodity Sales, 1998–99*, cat. no. 8624.0.

**29** Current publications produced by the ABS are listed in the *Catalogue of Publications and Products* (cat. no. 1101.0). The catalogue is available from any ABS office or the ABS web site <<http://www.abs.gov.au>>. The ABS also issues a daily Release Advice on the web site which details products to be released in the week ahead.

## ABS DATA AVAILABLE ON REQUEST

**30** As well as the statistics included in this and related publications, the ABS may have other relevant data available. Inquiries about such data should be made to the contact person noted in the Inquiries box on the front cover.

## ACKNOWLEDGEMENT

**31** 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*.

## GLOSSARY .....

|   |   |
|---|---|
| <b>Advertising expenses</b>                             | Includes expenses associated with the promotion and publicity of the business and its products. It includes expenses paid to advertising agencies and direct payments to radio, television and print media businesses.  |
| <b>Audio book</b>                                       | A book which is made available in the form of a recording of someone reading the text.  |
| <b>Barcoding and scanning systems</b>                   | Devices designed to read a barcode (an identifier unique to a book or other product). The device is primarily used for revenue recording and stock control.   |
| <b>Book</b>   | A book can be printed on paper, be available in an electronic format such as on a computer file (an electronic book) or be a recording of someone reading text (an audio book). A book will usually have an International Standard Book Number.   |
| <b>Bookshops</b>  | Businesses categorised as being part of the 'Newspaper, book and stationery retailing' industry and with new book sales comprising at least 50% of all their retail sales.  |
| <b>Business</b>   | A management unit within scope of the collection. An individual business may operate at a number of physical sites from which goods and services are provided. Only the activity of locations in Australia has been included in the collection.   |
| <b>Capital expenditure</b>                              | Outlays on capital equipment and other capital assets, including all costs capitalised in the account books of a business, e.g. legal fees, real estate transfer costs and assets acquired under finance leases.  |
| <b>Casual employees</b>                                 | Employees who are not entitled to paid holidays or paid sick leave days.  |
| <b>Change in inventories</b>                            | Closing inventories minus opening inventories.  |
| <b>Closing inventories</b>                              | Inventories of materials, finished goods and work-in-progress held at the end of the reference period.  |
| <b>Department stores</b>                                | Businesses mainly engaged in retailing a variety of goods (clothing; china, glassware and houseware; furniture; household appliances; etc.) normally sold by separate departments or sections within the store with accounting and other records maintained on a departmentalised basis. Only the major department stores, those with 200 or more employees, were included in the survey.   |
| <b>Depreciation and amortisation</b>                    | The financial charges made to the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period. These items represent the accounting process of systematically allocating the cost of a non-current asset over its expected useful life.   |
| <b>Educational Textbook Subsidy Scheme</b>              | Payments made to booksellers from a Commonwealth Government program which assists students studying at Australian educational institutions by subsidising the cost of educational textbooks included on prescribed textbook lists or recommended reading lists at Australian educational institutions. Under the Scheme booksellers give the discount subsidy to the student (or their parents/guardians) at the point of sale and then claim the subsidy back from the Commonwealth. |
| <b>EFTPOS</b>   | Electronic fund transfer at point of sale.  |
| <b>Electronic article surveillance or security tags</b> | Devices designed to detect the illegal removal of products from retail premises.  |

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| <b>Electronic book</b>                   | A book which is made available in an electronic format. This may be in the form of a computer file delivered via the Internet or as a CD-ROM, floppy disk or other data media. The text of these books must be read from a computer screen or special hand-held electronic device.   |
| <b>Employment</b>                        | Includes working proprietors and working partners of unincorporated businesses, working directors of incorporated companies and trusts, and all employees working for businesses during the last pay period ending in June 2002.   |
| <b>Final consumer</b>                    | Individuals or organisations which are the end users of books. That is, they do not purchase books for the primary purpose of selling to other consumers.  |
| <b>Floorspace</b>                        | Includes selling space, office space, storage space, basements and non-residential upper floor areas.  |
| <b>Full-time employees</b>               | Employees who work 35 hours per week or more.  |
| <b>Industry value added</b>              | The value added to the economy by the industry. It is equal to the sales of goods and services plus government subsidies and changes in the levels of trading inventories, minus purchases and other selected expenses.  |
| <b>Interest expenses</b>                 | Includes interest on bank loans, on loans made from related and unrelated businesses or organisations, and interest in respect of finance leases, interest paid to loans from partners, interest equivalents (such as hedging costs) and expenses associated with discounted bills. It excludes bank charges and capital repayments. |
| <b>Internet</b>                          | A worldwide collection of computers which are linked together to form a repository of stored information and to provide a range of communication services. The services include, but are not limited to, the World Wide Web, File Transfer Protocol and Simple Mail Transport Protocol.  |
| <b>Newsagents</b>                        | Businesses categorised as being part of the 'Newspaper, book and stationery retailing' industry and with new book sales comprising less than 50% of all their retail sales.  |
| <b>Opening inventories</b>               | Inventories of materials, finished goods and work-in-progress held at the beginning of the reference period.   |
| <b>Operating profit before tax</b>       | A measure of profit (or loss) before extraordinary items are brought to account and prior to the deduction of income tax and appropriation to owners. It is derived as total income minus total expenses plus closing inventories minus opening inventories (see separate entries in the Glossary for these components).             |
| <b>Part-time employees</b>               | Employees who work less than 35 hours per week.  |
| <b>Permanent employees</b>               | Employees who are entitled to paid holidays and paid sick leave days.  |
| <b>Profit margin</b>                     | Operating profit before tax as a percentage of total income.   |
| <b>Purchases</b>                         | Consists mainly of goods purchased for resale. Also included are electricity, gas and water charges, petroleum products and other fuel purchases of container and packaging materials, materials and components used in repair and manufacturing activity.   |
| <b>Rent, leasing and hiring expenses</b> | Costs for renting, leasing (except finance leases) and hiring of land, buildings and other structures, hiring of vehicles, plant, machinery, equipment and other rent, leasing and hiring expenses from other businesses or individuals.   |
| <b>Retail locations</b>                  | The physical sites from which the business provides goods and services on a relatively regular basis.  |
| <b>Retail sales</b>                      | Sales of goods to final consumers, i.e. sales of goods to the public (including delivery charges not separately invoiced to customers), and export sales.  |

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|-------------------------|---|
| <b>Retailing n.e.c.</b> | Businesses mainly engaged in retailing goods not classified to any other retailing category of the Australian and New Zealand Standard Industrial Classification. Only the major businesses classified as Retailing n.e.c., those with 200 or more employees, were included in the survey.  |
| <b>Supermarkets</b>     | Businesses mainly engaged in retailing groceries or non specialised food lines, whether or not the selling is organised on a self service basis. Supermarkets includes grocery stores. Only the major supermarkets and grocery stores, those with 200 or more employees, were included in the survey.   |
| <b>Total expenses</b>   | Sum of expense items including wages and salaries, other labour costs, cost of purchased goods for resale, royalties, advertising expenses, telecommunication services, freight and cartage expenses, land taxes and land rates, insurance premiums, interest expenses, depreciation and amortisation, bad and doubtful debts, computer software expensed and all other expenses not excluded. Expenses excluded are extraordinary items, excise duty, dividends, income and other direct tax, costs associated with the transfer of real estate, unrealised gains/losses from revaluation of assets, change in inventories, donations, capital repayments and Goods and Services Tax where this is recoverable as an input tax credit. |
| <b>Total income</b>     | Sum of all income items, i.e. retail and wholesale sales of books and other products, income from services, funding from the Educational Textbook Subsidy Scheme, royalties income, and any other sources of income, with the exception of extraordinary items which are excluded.  |



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- LIBRARY* A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require, or visit our web site for a list of libraries.
- CPI INFOLINE* For current and historical Consumer Price Index data, call 1902 981 074 (call cost 77c per minute).
- DIAL-A-STATISTIC* For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 77c per minute).

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