



# **BUSINESS OPERATIONS AND INDUSTRY PERFORMANCE AUSTRALIA**

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- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Ross Upson on Canberra 02 6252 5288.

## NOTES

### ABOUT THIS ISSUE

This is the eleventh annual publication in this series. It has been preceded by the preliminary 2000–01 publication *Business Operations and Industry Performance* (cat. no. 8142.0). Estimates from the 1995–96 to the 2000–01

Economic Activity Surveys (EAS) are presented in this publication. The estimates contain revisions to previously published estimates that have resulted from further analysis of the data and additional data supplied by providers.

### CHANGES IN THIS ISSUE

The 2000–01 EAS excluded data from the AGRICULTURE, FORESTRY AND FISHING industry. This exclusion is temporary; it is planned to reintroduce this industry in 2002–03. For the purposes of this publication gross fixed capital formation (GFCF) has replaced total capital expenditure as the measure of industry investment. Refer to the glossary for further detail.

### FUTURE CHANGES

In 2001–02 the *Business Operations and Industry Performance* (cat. no. 8140.0), and *Australian Industry* (cat. no. 8155.0), will be replaced by a new publication. The details of this publication are still being considered and details will be announced in the final issue of *Australian Industry* (cat. no. 8155.0) which is due for release in February 2003.

### USER NOTE

Refer to table 20 for the relative standard errors (RSE), as the RSEs for some industries are high. Any analysis should take the RSE into account as it can be used to calculate the level of confidence attached to the estimate.

### COMMENTS

The Australian Bureau of Statistics (ABS) welcomes feedback from users regarding the usefulness, range and quality of the data presented and explanations provided. Please send any comments to: The Assistant Director, Economy Wide Statistics Section, Locked Bag 10, Belconnen ACT 2616. Alternatively, email <ross.upson@abs.gov.au>.

Dennis Trewin  
Australian Statistician

## SUMMARY OF FINDINGS

### NOTE

For the purpose of the summary of findings, ALL INDUSTRIES excludes businesses in the AGRICULTURE, FORESTRY AND FISHING industry.

### OPERATING BUSINESSES AND EMPLOYMENT

The total number of employing businesses operating in the PUBLIC TRADING and PRIVATE SECTORS of the Australian economy increased by 2% between 1999–2000 and 2000–01. In 2000–01, there were 610,893 operating businesses, 13,719 greater than in 1999–2000. Refer to paragraphs 6, 7, 8 and 24 of the Explanatory Notes for a detailed description of the business unit.

The number of operating large businesses rose by 21 (1%) to 3,229 continuing the steady increase over the past six years.

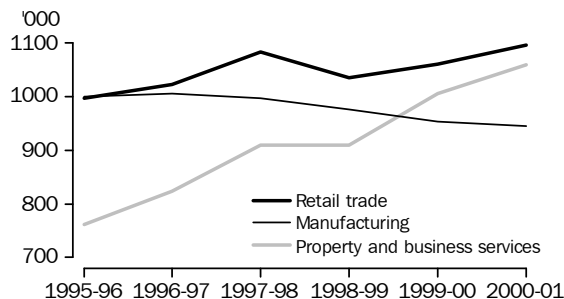
Employment across ALL INDUSTRIES increased by 3% or 175,000 people between 1999–2000 and 2000–01.

Of those employed at 30 June 2001, 2,436,000 (38%) were employed by large businesses and 3,944,000 (62%) were employed by other businesses. These proportions have remained almost the same between 1999–2000 and 2000–01 despite changes in the number of operating businesses and employment.

A number of industries experienced an increase in employment from 1999–2000 to 2000–01. The ACCOMMODATION, CAFES AND RESTAURANTS industry recorded the largest increase in percentage terms (11%) with the PROPERTY AND BUSINESS SERVICES industry registering the highest increase in the actual number of persons employed, 53,000 (5%). Decreases in employment were recorded in PERSONAL AND OTHER SERVICES, CONSTRUCTION, ELECTRICITY, GAS AND WATER SUPPLY and TRANSPORT AND STORAGE industries, with the PERSONAL AND OTHER SERVICES industry recording the largest decrease in percentage terms (8%) and the largest decrease in terms of the actual number of persons employed (15,000).

The PROPERTY AND BUSINESS SERVICES industry continued its steady growth (5%) (employing 1,059,000) after it overtook the MANUFACTURING industry in terms of the number of people employed in 1999–2000, MANUFACTURING now employs 946,000. However, the RETAIL TRADE industry remains the largest employer among all the industries in Australia (employing 1,096,000).

EMPLOYMENT FOR SELECTED INDUSTRIES



## SUMMARY OF FINDINGS *continued*

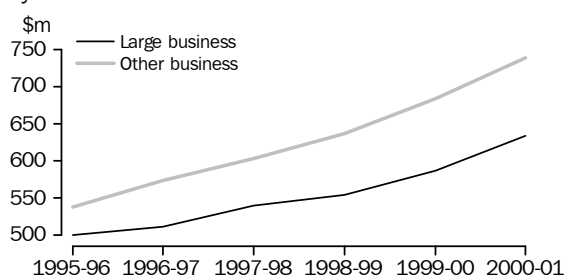
### OPERATING INCOME AND EXPENSES

Total operating income increased by \$101,508m (8%) between 1999–2000 and 2000–01 to \$1,373,130m. The operating income of large businesses increased by \$54,874m (8%) while for other businesses it increased by \$46,633m (8%). Apart from the CONSTRUCTION industry which registered a decrease of \$10,767m (12%), all the other industries recorded an increase in operating income, with the largest percentage increase occurring in the MINING industry (30%).

Total operating expenses increased by \$88,063m (8%) between 1999–2000 and 2000–01 to \$1,252,284m. Among large businesses, operating expenses increased by \$40,297m (7%), while for other businesses operating expenses increased by \$47,768m (9%). Most industries recorded an increase in operating expenses, with the largest percentage increase occurring in the PROPERTY AND BUSINESS SERVICES and the CULTURAL AND RECREATIONAL SERVICES industries, both 20%. Decreases in operating expenses were recorded in the CONSTRUCTION and FINANCE AND INSURANCE industries (12% and 2% respectively).

In 1995–96, large businesses accounted for 52% of total operating income. In 2000–01 the percentage contribution of large businesses to total operating income was 54%. Similarly, the percentage contribution of large businesses to total operating expenses was 52% in 2000–01.

TOTAL OPERATING INCOME FOR ALL INDUSTRIES, by business size



### OPERATING PROFIT BEFORE TAX

Operating profit before tax (OPBT) in 2000–01 was \$126,802m, an increase of \$14,887m (13%) between 1999–2000 and 2000–01, the highest percentage increase in the last five years.

OPBT for large businesses increased to \$87,739m, an increase of \$15,976m (22%) between 1999–2000 and 2000–01. For Other businesses, OPBT fell by 3% from \$40,152m in 1999–2000 to \$39,063m in 2000–01, a fall of \$1,089m.

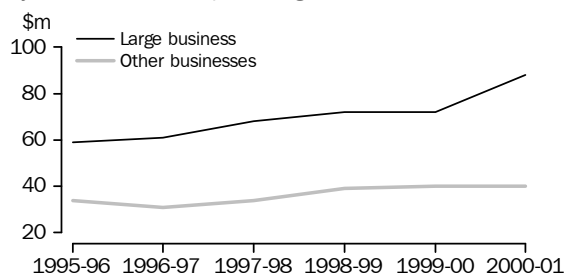
In percentage terms, the largest increase in OPBT (95%) occurred in the MINING industry, followed by the PRIVATE COMMUNITY SERVICES (33%) and FINANCE AND INSURANCE industries (32%), while the largest decrease (24%) occurred in the TRANSPORT AND STORAGE industry. The large increase in OPBT in the MINING industry followed an increase of 11% in 1999–2000 and a decrease of 10% in 1997–98.

In 2000–01 the percentage contribution of large businesses to OPBT increased to 69% from 64% in 1999–2000. The contribution by other businesses fell from 36% in 1999–2000 to 31% in 2000–01. The FINANCE AND INSURANCE industry was the largest contributor, accounting for 35% of OPBT in 2000–01.

## SUMMARY OF FINDINGS *continued*

### OPERATING PROFIT BEFORE TAX *continued*

### OPERATING PROFIT BEFORE TAX FOR ALL INDUSTRIES, by business size as a percentage of the total



### TOTAL ASSETS AND LIABILITIES

In 2000–01, total assets at the ALL INDUSTRIES level increased by 7%, while total liabilities increased by 5%. For large businesses, total assets increased by 5% and total liabilities increased by 4%, while for other businesses, total assets increased by 14% and total liabilities increased by 13%.

Most industries recorded an increase in total assets and total liabilities. The COMMUNICATION industry experienced the greatest percentage increase in both total assets (22%) and total liabilities (32%). The ACCOMMODATION, CAFES AND RESTAURANTS industry was the only industry to experience a decrease in both total assets (9%) and total liabilities (11%) in 2000–01. The ELECTRICITY, GAS AND WATER SUPPLY industry also experienced a decrease in total assets (1%) in 2000–01. The FINANCE AND INSURANCE industry contributed 62% of the value of total assets and 69% of the value of total liabilities.

### GROSS FIXED CAPITAL FORMATION

Gross fixed capital formation (GFCF) fell by 1%, falling by \$454m to \$50,043m in 2000–01. GFCF for large businesses fell by 2%, while for other businesses GFCF increased by 3%.

At the industry level, the largest percentage increase (33%) was recorded in the COMMUNICATION industry, where GFCF rose from \$6,267m to \$8,314m in 2000–01. Substantial increases in GFCF were also recorded in the CONSTRUCTION (30%) and PROPERTY AND BUSINESS SERVICES (29%) industries. The largest percentage decrease (62%) was recorded by the FINANCE AND INSURANCE industry.

### BUSINESS AVERAGES

Average employment at the ALL INDUSTRIES level have remained the same over the last three years at 10.1 persons. However, other businesses show a marginal increase in their average employment, up from 6.2 persons to 6.3 persons. Average profit at the ALL INDUSTRIES level increased by 10%, due to a 21% increase in the average profit of large businesses and a decrease in the average profit for other businesses of 6%.

### BUSINESS PROFITABILITY

The proportion of all businesses making a profit fell by 3 percentage points in 2000–01 from 75.7% to 72.6%. The proportion of large businesses making a profit fell from 79.7% in 1998–99 to 74.1% in 2000–01 and the proportion of other businesses making a profit also fell from 75% in 1998–99 to 72.6% in 2000–01.

The industries which had the highest proportion of businesses making a profit in 2000–01 were RETAIL TRADE (79.7%), PERSONAL AND OTHER SERVICES (77.4%), COMMUNICATION SERVICES (75.8%) and FINANCE AND INSURANCE (75.4%).

## SUMMARY OF FINDINGS *continued*

**BUSINESS PROFITABILITY** *continued* The industries which had the highest proportion of businesses making a loss in 2000–01 were MINING (41.0%), ACCOMMODATION, CAFES AND RESTAURANTS (37.2%), CULTURAL AND RECREATIONAL SERVICES (31.0%), WHOLESALE TRADE (29.7%) AND MANUFACTURING (29.0%).

**BUSINESS COMPARISONS** Looking at the quartile estimate of a particular performance indicator gives an indication of the distribution or variation in business performance for the indicator in a particular industry or in the economy as a whole.

In 2000–01, the industry with the largest profit margin at the highest quartile was the FINANCE AND INSURANCE industry (45.3%), followed by the PRIVATE COMMUNITY SERVICES industry (26.8%).

The MINING (–14.5%), ACCOMMODATION, CAFES AND RESTAURANTS (–2.3%), and CULTURAL AND RECREATIONAL SERVICES (–1.8%) industries demonstrated lower returns at the lowest quartile.

The industry with the largest return on assets at the highest quartile was the PRIVATE COMMUNITY SERVICES industry (124%), followed by the PERSONAL AND OTHER SERVICES industry (100%), ACCOMMODATION, CAFES AND RESTAURANTS industry (66.3%) and the CONSTRUCTION industry (61.4%).

The industry with the largest return on net worth at the highest quartile was the PRIVATE COMMUNITY SERVICES industry (151.9%), followed by the PERSONAL AND OTHER SERVICES industry (125.5%). Despite these two industries having such large percentage returns at the highest quartile, their returns on net worth were only 20.2% and 12.2% respectively.

**MINING** The number of operating businesses in the MINING industry fell by 11% in 2000–01, continuing the steady decline over the past five years. The number of operating businesses in the industry is now 38% lower than the level recorded in 1995–96. However, employment in the industry recorded an increase of 6% to 69,000 reversing the decline which occurred in the industry over the previous four years (1995–96 to 1999–2000).

Total operating income increased substantially by 30% in 2000–2001, following a decrease of 0.4% in 1999–2000. Similarly, total expenses registered an increase of 13% in 2000–01, following decreases of 1% and 2% in 1999–2000 and 1998–99 respectively. OPBT rose by 95% whilst GFCF fell by 9%.

The proportion of businesses in the industry making a profit fell to 55.4% in 2000–2001, with an accompanying increase in the proportion of businesses making a loss to 41.0%.

**MANUFACTURING** In 2000–01 the number of operating businesses in the MANUFACTURING industry increased by 2% to 47,454 businesses. The increase reversed the decline which has been observed between 1996–97 and 1999–2000. Employment in the MANUFACTURING industry on the other hand continued to decline. It fell by 1% in 2000–01, registering a fall of 6% between 1996–97 and 2000–2001.

Total operating income increased by 5% in 2000–01, while total operating expenses increased by 6%. The increase in both indicators was consistent with that shown by both series over recent years. OPBT fell by 3% whilst GFCF increased by 2%.

## SUMMARY OF FINDINGS *continued*

### MANUFACTURING *continued*

The MANUFACTURING industry accounted for 19% of total operating income across all industries in 2000–01, the largest contributor of any industry.

The average employment and average profit for businesses in the MANUFACTURING industry fell in 2000–01, the first drop since 1996–97. Average employment fell from 20.5 persons in 1999–2000 to 19.9 persons in 2000–01. Average profit also fell by 5% in 2000–01 following an increase of 26% in 1999–2000.

### ELECTRICITY, GAS AND WATER SUPPLY

The ELECTRICITY, GAS AND WATER SUPPLY industry experienced an increase of 3% in the number of operating businesses in 2000–01, but employment in the industry fell by 2%. The increase in the number of operating businesses continued the pattern of recent years, whilst employment has continued to decrease since 1996–97. The increase in the number of operating businesses and decrease in employment reduced the average employment in the industry by 4% to 176.7 persons in 2000–01 compared to 183.9 persons in 1999–2000, below the level recorded in 1995–96 of 266.6 persons.

Total operating income in the ELECTRICITY, GAS AND WATER SUPPLY industry increased by 4% in 2000–01 and total operating expenses increased by 6%. OPBT fell by 11% and GFCF also fell by 16%.

### CONSTRUCTION

The number of operating businesses in the CONSTRUCTION industry increased by 3% in 2000–01. Employment however, fell by 2% in 2000–01, following an increase of 3% registered in 1999–2000.

Both total operating income and total operating expenses in the CONSTRUCTION industry fell by 12% and OPBT by 13%. GFCF increased by 30% and total assets by 1%

### WHOLESALE TRADE

The economic indicators of number of operating businesses and employment experienced an increase of 2% and 1% respectively in the WHOLESALE TRADE industry in 2000–01. The upward movement in these indicators became evident in 1997–98. Since 1997–98, the number of operating businesses in the industry has increased by 9% and employment by 8%.

Total operating income in the WHOLESALE TRADE industry increased by 8% in 2000–01 and total operating expenses increased by 9%. The WHOLESALE TRADE industry contributed 17% of the overall estimate for total operating income (second only to the MANUFACTURING industry).

OPBT fell by 23% in the WHOLESALE TRADE industry in 2000–01, following increases of 37% and 7% in 1998–99 and 1999–2000 respectively. The proportion of businesses making a profit fell by 9%, the third consecutive decrease and is now at 68.7%, down from 75.4% in 1999–2000. Similarly, the proportion of businesses making a loss increased from 21.4% in 1999–2000 to 29.7% in 2000–01.

### RETAIL TRADE

The number of operating businesses in the RETAIL TRADE industry remained relatively constant in 2000–01, while employment rose by 5%. This had the effect of raising average employment in the industry from 9.7 persons to 10.1 persons. The industry remains the largest employer in the Australian economy, employing 1,096,000 people, or 17% of the total employment across all industries.

## SUMMARY OF FINDINGS *continued*

### RETAIL TRADE *continued*

Total operating income and total operating expenses increased in the industry in 2000–01, by 11% and 12% respectively. However, OPBT and average profit fell by 11% and 12% respectively.

The RETAIL TRADE industry recorded the highest proportion of businesses making a profit (79.7%) in 2000–2001 across all industries. This compares to 77.8% in 1999–2000, 81.0% in 1998–99 and a high of 86.1% in 1997–98.

### ACCOMMODATION, CAFES AND RESTAURANTS

The number of businesses operating in the ACCOMMODATION, CAFES AND RESTAURANTS industry increased by 3% in 2000–01. Employment in the industry also increased by 11% following decreases of 4% and 7% registered in 1998–99 and 1999–2000 respectively. The average employment in the industry increased from 13.1 persons to 14.0 persons in 2000–01.

Decreases were recorded in OPBT (19%) and average profit (23%). Total assets and total liabilities also fell by 9% and 11% respectively in 2000–01. Similarly, GFCF in the industry fell by 35% in 2000–01, this followed an increase of 36% in 1999–2000.

The proportion of businesses making a profit fell by 24% in 2000–01, following an increase of 11% in 1999–2000. Similarly, the proportion of businesses making a loss increased substantially from 15.5% to 37.2% in 2000–01.

### TRANSPORT AND STORAGE

Employment in the TRANSPORT AND STORAGE industry remained relatively static, with average employment in the industry also falling from 11.0 persons to 10.6 persons in 2000–01.

However, total operating income and total operating expenses rose by 7% and 9% respectively in 2000–01. OPBT fell by 23% and GFCF increased by 6%. The proportion of businesses making a loss in the industry increased marginally to 23.2% in 2000–01, up from 22.5% in 1999–2000.

Total assets and total liabilities rose by 7% and 6% respectively in 2000–01, compared to increases of 10% and 19% in both indicators in 1999–2000.

Care should be taken when comparing data for this industry over time as the estimates for this industry have been influenced by the privatisation of public transport services, mergers, takeovers and major restructuring. These influences have resulted in more units coming into scope of the EAS. Refer to paragraph 4 of the Explanatory notes for details of EAS scope and coverage. The ROAD TRANSPORT industry includes businesses such as road freight transport operators, charter bus services, tramway passenger transport operators, hire car services, taxi cabs, school bus services and taxi truck hire.

### COMMUNICATION SERVICES

In 2000–01, the COMMUNICATION SERVICES industry experienced a 5% increase in the number of operating businesses and a marginal increase in employment.

Total operating income and total operating expenses in the industry in 2000–01, both increased by 5%. The industry also experienced substantial increases in total assets (22%) and total liabilities (32%). GFCF in the industry also increased by 33%, in 2000–01.

The proportion of business making a profit in the COMMUNICATION SERVICES industry decreased from 84.7% in 1999–2000 to 75.8% in 2000–01. Similarly, the proportion of businesses making a loss increased in 2000–01, from 15.3% in 1999–2000 to 22.2% in 2000–01.



## SUMMARY OF FINDINGS *continued*

FINANCE AND INSURANCE	<p>The FINANCE AND INSURANCE industry registered an increase of 7% in the number of operating businesses in 2000–01. The industry also registered a decrease of 62% in GFCF, in 2000–01.</p> <p>An increase of 6% was registered in total operating income, however, total operating expenses registered a decrease of 2% resulting in a 32% increase in OPBT. Both total assets and total liabilities increased by 6% and 3% respectively.</p>
PROPERTY AND BUSINESS SERVICES	<p>The PROPERTY AND BUSINESS SERVICES industry recorded an increase of 3% in the number of operating businesses and an increase of 5% in employment in 2000–01. Total operating income increased by 18% and total operating expenses increased by 20%. OPBT increased by 7%. Refer to explanatory note 18 for further information.</p> <p>The increases in total operating income and total operating expenses followed similar patterns from 1995–96 to 2000–01. Since 1995–96, total operating income in the industry has increased by 65%, total operating expenses by 72% and OPBT by 24%.</p>
PRIVATE COMMUNITY SERVICES	<p>The number of operating businesses in the PRIVATE COMMUNITY SERVICES industry increased by 2% in 2000–01. Employment in the industry also increased by 7% in 2000–01. Both total operating income and total operating expense increased by 17% and 15% leading to a 33% increase in OPBT.</p> <p>Total assets and total liabilities in the industry increased by 9% and 11% respectively, but GFCF fell by 3%.</p>
CULTURAL AND RECREATIONAL SERVICES	<p>The number of operating businesses in the CULTURAL AND RECREATIONAL SERVICES industry rose by 3% in 2000–01. Employment also increased marginally. The increase in the number of operating businesses combined with the small increase in employment led to a fall in the average employment in the industry from 11.0 to 10.7 persons.</p> <p>In 2000–01, total operating income and total operating expenses increased by 14% and 20% respectively. OPBT fell by 19% in the CULTURAL AND RECREATIONAL SERVICES industry in 2000–01, following substantial increases of 99%, 42% and 20% increases in 1997–98, 1998–99 and 1999–2000 respectively. Average profit in the industry fell by 21% in 2000–01 from \$188,000 to \$148,000.</p> <p>The proportion of businesses making a profit in the CULTURAL AND RECREATIONAL SERVICES industry is now 65.4%, compared to 61.4% and 60.2% in 1998–99 and 1999–2000 respectively.</p>
PERSONAL AND OTHER SERVICES	<p>The number of operating businesses in the PERSONAL AND OTHER SERVICES industry registered a third consecutive decline in 2000–01. Employment in the industry also fell by 7% (15,000 persons). Average employment in the industry fell from 6.0 persons to 5.5 persons in 2000–01.</p> <p>Total operating income in the industry increased by 6% (\$823m) and total operating expenses increased by 7% (\$954m). Total assets increased by 14% (\$1,899m) in 2000–01, following a fall of 21% (\$3,577m) in 1999–2000, while total liabilities rose by 13% (\$706m) in 2000–01.</p>

**SUMMARY OF FINDINGS** *continued*

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PERSONAL AND OTHER  
SERVICES *continued*

The proportion of businesses in the industry that made a profit in 2000–01 was 77.4%, an increase on the proportion of 73.5% recorded in 1999–2000. Similarly, the proportion of businesses that made a loss was 21.0%.

# 1

## SUMMARY OF INDUSTRY PERFORMANCE, All industries excluding Agriculture, forestry and fishing: all sizes

1995-96 1996-97 1997-98 1998-99 1999-2000 2000-01

### Selected indicators

Operating businesses	no.	575 936	580 766	588 089	586 034	597 174	610 893
Employment	'000	5 766	5 911	6 194	6 051	6 204	6 379
Total operating income	\$m	1 037 879	1 086 038	1 144 305	1 191 971	1 271 622	1 373 130
Total operating expenses	\$m	947 791	996 566	1 047 525	1 083 726	1 164 219	1 252 284
Operating profit before tax	\$m	92 289	91 689	101 693	110 609	111 915	126 802
Total assets	\$m	2 040 081	2 224 233	2 396 848	2 519 784	2 809 474	2 992 033
Total liabilities	\$m	1 370 186	1 600 552	1 712 462	1 759 084	2 039 564	2 133 221
Gross fixed capital formation	\$m	39 288	34 880	45 804	49 765	50 497	50 043
Industry Gross Product(a)(b)	\$m	265 527	265 942	288 096	na	na	na
Industry value added(a)(b)	\$m	na	na	314 825	326 168	346 332	375 363

### Business averages

Average employment	no.	9.8	9.9	10.3	10.1	10.1	10.1
Average income	\$'000	1 762	1 811	1 896	1 982	2 064	2 170
Average expenses	\$'000	1 609	1 662	1 736	1 802	1 889	1 979
Average profit	\$'000	157	153	169	184	182	200
Average assets	\$'000	3 463	3 709	3 972	4 190	4 559	4 728
Average net worth	\$'000	1 137	1 040	1 134	1 265	1 249	1 357
Average IGP	\$'000	457	449	483	na	na	na
Average IVA	\$'000	na	na	528	549	569	600

### Industry ratios

Profit margin	%	8.9	8.4	8.9	9.3	8.8	9.2
Return on assets	%	4.5	4.1	4.2	4.4	4.0	4.2
Return on net worth	%	13.8	14.7	14.9	14.5	14.5	14.8
Interest coverage	times	2.3	2.4	2.5	2.8	2.5	2.5
Investment rate (IGP)	%	20.9	21.1	22.3	na	na	na
Investment rate (IVA)	%	na	na	20.4	20.5	19.8	19.3

### Business profitability

Made a profit	%	72.8	74.8	75.3	75.0	75.7	72.6
Broke even	%	3.9	3.4	5.2	4.1	4.2	3.8
Made a loss	%	23.2	21.8	19.5	20.9	20.1	23.5

### Business comparisons

Profit margin							
Highest quartile	%	16.9	18.2	18.1	16.7	17.6	17.9
Median quartile	%	5.9	6.6	5.9	5.6	6.7	6.2
Lowest quartile	%	—	—	0.1	0.1	0.5	—
Return on assets							
Highest quartile	%	37.4	39.8	40.7	38.2	51.3	46.9
Median quartile	%	11.4	12.6	12.7	10.6	14.8	11.9
Lowest quartile	%	—	—	0.8	0.5	1.4	—
Return on net worth							
Highest quartile	%	88.9	98.4	95.5	88.2	100.0	92.9
Median quartile	%	25.8	26.0	31.7	27.5	33.0	24.4
Lowest quartile	%	—	—	—	—	—	-3.2

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

(b) Excludes the Finance and Insurance industries.

SUMMARY OF INDUSTRY PERFORMANCE, All industries excluding Agriculture, forestry and fishing: large (a)

		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	2 911	2 953	3 033	3 097	3 208	3 229
Employment	'000	2 233	2 308	2 259	2 368	2 419	2 436
Total operating income	\$m	537 708	574 139	604 220	636 901	684 268	739 142
Total operating expenses	\$m	480 975	514 645	538 729	566 366	614 696	654 993
Operating profit before tax	\$m	58 774	61 112	67 645	71 993	71 763	87 739
Total assets	\$m	1 699 100	1 875 297	2 029 979	2 134 228	2 426 044	2 553 803
Total liabilities	\$m	1 164 742	1 375 701	1 488 890	1 528 010	1 806 745	1 869 285
Gross fixed capital formation	\$m	29 775	27 772	32 038	35 255	37 467	36 566
Industry Gross Product(b)(c)	\$m	132 703	130 624	141 021	na	na	na
Industry value added(b)(c)	\$m	na	na	na	165 668	174 099	189 892
<b>Business averages</b>							
Average employment	no.	766.8	780.6	744.2	763.9	753.7	753.8
Average income	\$'000	184 607	194 194	199 034	205 482	213 234	228 769
Average expenses	\$'000	165 130	174 071	177 461	182 725	191 553	202 724
Average profit	\$'000	20 179	20 670	22 283	23 227	22 363	27 156
Average assets	\$'000	583 339	634 293	668 689	688 560	756 011	790 416
Average net worth	\$'000	183 457	168 981	178 238	195 583	192 988	211 862
Average IGP(c)	\$'000	50 953	49 792	52 909	na	na	na
Average IVA(c)	\$'000	na	na	na	60 873	61 708	66 402
<b>Industry ratios</b>							
Profit margin	%	10.9	10.6	11.2	11.3	10.5	11.9
Return on assets	%	3.5	3.3	3.3	3.4	3.0	3.4
Return on net worth	%	11.0	12.2	12.5	11.9	11.6	12.8
Interest coverage	times	2.0	2.1	2.2	2.3	2.1	2.2
Investment rate (IGP)(c)	%	29.2	28.4	30.1	na	na	na
Investment rate (IVA)(c)	%	na	na	na	27.9	27.5	26.7
<b>Business profitability</b>							
Made a profit	%	77.5	78.2	78.0	79.7	75.3	74.1
Broke even	%	0.5	0.9	0.7	0.4	0.5	0.5
Made a loss	%	22.0	21.0	21.3	19.9	24.2	25.3
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	13.1	13.7	13.2	14.8	13.2	12.1
Median quartile	%	4.8	5.4	4.6	4.8	4.9	4.4
Lowest quartile	%	0.3	0.6	0.5	0.6	0.1	—
Return on assets							
Highest quartile	%	12.6	13.8	12.4	12.1	13.3	12.9
Median quartile	%	5.1	5.2	4.8	5.2	4.4	4.3
Lowest quartile	%	0.4	0.5	0.4	0.6	0.1	—
Return on net worth							
Highest quartile	%	37.8	40.2	37.8	38.8	44.5	38.6
Median quartile	%	13.2	13.6	12.2	13.1	14.4	11.9
Lowest quartile	%	1.3	2.3	1.2	2.4	1.3	-0.1

na not available

— nil or rounded to zero (including null cells)

(a) Large businesses includes all management units which employ 200 or more persons or have assets worth more than \$200m.

(b) IVA replaces IGP from 1997-98 onwards.

(c) Excludes the Finance and Insurance industries.

SUMMARY OF INDUSTRY PERFORMANCE, All industries excluding Agriculture, forestry and fishing: **other**(a)

		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	573 025	577 814	585 055	582 937	593 966	607 663
Employment	'000	3 532	3 603	3 935	3 683	3 785	3 944
Total operating income	\$m	500 171	511 900	540 085	555 069	587 354	633 987
Total operating expenses	\$m	466 816	481 921	508 796	517 360	549 523	597 291
Operating profit before tax	\$m	33 515	30 577	34 048	38 616	40 152	39 063
Total assets	\$m	340 981	348 935	366 869	385 555	383 429	438 231
Total liabilities	\$m	205 443	224 850	223 572	231 075	232 818	263 935
Gross fixed capital formation	\$m	9 513	7 109	13 767	14 510	13 031	13 477
Industry Gross Product(b)(c)	\$m	132 824	135 318	147 075	na	na	na
Industry value added(b)(c)	\$m	na	na	na	160 500	172 233	185 471
<b>Business averages</b>							
Average employment	no.	6.0	6.0	6.6	6.2	6.2	6.3
Average income	\$'000	853	858	900	928	958	1 007
Average expenses	\$'000	796	808	847	865	896	949
Average profit	\$'000	57	51	57	65	66	62
Average assets	\$'000	582	585	611	644	625	696
Average net worth	\$'000	231	208	239	258	246	277
Average IGP(c)	\$'000	229	229	248	na	na	na
Average IVA(c)	\$'000	na	na	na	271	284	298
<b>Industry ratios</b>							
Profit margin	%	6.7	6.0	6.3	7.0	6.8	6.2
Return on assets	%	9.8	8.8	9.3	10.0	10.5	8.9
Return on net worth	%	24.7	24.6	23.8	25.0	26.7	22.4
Interest coverage	times	4.5	4.0	5.2	5.2	6.1	5.2
Investment rate (IGP)(c)	%	12.6	14.1	14.8	na	na	na
Investment rate (IVA)(c)	%	na	na	na	13.0	12.0	11.7
<b>Business profitability</b>							
Made a profit	%	72.8	74.8	75.3	75.0	75.7	72.6
Broke even	%	3.9	3.4	5.2	4.1	4.2	3.8
Made a loss	%	23.3	21.8	19.5	20.9	20.1	23.5
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	16.9	18.2	18.1	16.7	17.6	18.0
Median quartile	%	5.9	6.6	5.9	5.6	6.7	6.2
Lowest quartile	%	—	—	0.1	0.1	0.5	—
Return on assets							
Highest quartile	%	37.5	40.0	40.7	38.7	52.2	47.0
Median quartile	%	11.7	12.7	12.9	10.6	14.9	12.0
Lowest quartile	%	—	—	0.8	0.4	1.4	—
Return on net worth							
Highest quartile	%	89.0	98.6	96.0	88.9	100.0	93.3
Median quartile	%	25.9	26.2	31.8	27.8	33.3	25.0
Lowest quartile	%	—	—	—	—	—	-3.3

na not available

— nil or rounded to zero (including null cells)

(a) Other businesses are those management units which employ less than 200 persons and do not have assets worth more than \$200m.

(b) IVA replaces IGP from 1997-98 onwards.

(c) Excludes the Finance and Insurance industries.

		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	118 483	117 501	115 224	112 385	112 067	na
Employment	'000	341	349	346	347	351	na
Total operating income	\$m	30 541	31 939	32 286	31 918	34 561	na
Total operating expenses	\$m	25 566	27 577	27 935	28 373	30 702	na
Operating profit before tax	\$m	4 397	3 754	4 561	4 239	5 627	na
Total assets	\$m	138 500	145 235	146 663	147 449	158 717	na
Total liabilities	\$m	21 893	23 595	24 979	27 479	30 479	na
Gross fixed capital formation	\$m	234	1 726	746	294	-2 059	na
Industry Gross Product(b)	\$m	10 929	10 881	11 939	na	na	na
Industry value added(b)	\$m	na	na	12 403	12 494	13 740	na
<b>Business averages</b>							
Average employment	no.	2.9	3.0	3.0	3.1	4.7	na
Average income	\$'000	257	271	279	283	462	na
Average expenses	\$'000	216	234	242	252	410	na
Average profit	\$'000	37	32	40	38	75	na
Average assets	\$'000	1 167	1 233	1 269	1 309	2 121	na
Average net worth	\$'000	983	1 033	1 053	1 065	1 714	na
Average IGP	\$'000	92	92	103	na	na	na
Average IVA	\$'000	na	na	107	111	184	na
<b>Industry ratios</b>							
Profit margin	%	14.4	11.8	14.1	13.3	16.3	na
Return on assets	%	3.2	2.6	3.1	2.9	3.5	na
Return on net worth	%	3.8	3.1	3.7	3.5	4.4	na
Interest coverage	times	3.5	3.0	3.7	3.4	3.8	na
Investment rate (IGP)	%	47.0	44.5	46.1	na	na	na
Investment rate (IVA)	%	na	na	44.4	41.3	38.8	na
<b>Business profitability</b>							
Made a profit	%	98.1	65.5	70.4	72.5	74.3	na
Broke even	%	0.2	5.4	1.9	0.2	0.9	na
Made a loss	%	1.7	29.0	27.7	27.3	24.8	na
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	27.9	31.6	31.8	32.5	38.9	na
Median value	%	13.5	15.2	15.3	15.9	19.3	na
Lowest quartile	%	0.3	-8.4	-2.8	-3.0	—	na
Return on assets							
Highest quartile	%	35.4	7.1	6.8	6.4	7.6	na
Median value	%	15.2	2.4	2.5	2.6	3.2	na
Lowest quartile	%	0.3	-1.1	-0.4	-0.4	—	na
Return on net worth							
Highest quartile	%	60.0	8.2	8.2	7.7	9.2	na
Median value	%	29.0	2.7	2.8	2.9	3.5	na
Lowest quartile	%	-6.3	-1.3	-0.5	-0.5	-0.2	na

na not available

— nil or rounded to zero (including null cells)

(a) The Agriculture, forestry and fishing industry was excluded from the other series in this publication. This industry will be reintroduced in 2002-03.

(b) IVA replaces IGP from 1997-98 onwards.

		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	2 228	1 994	1 832	1 704	1 537	1 372
Employment	'000	86	86	78	72	65	69
Total operating income	\$m	39 229	42 307	44 329	44 628	44 428	57 623
Total operating expenses	\$m	32 712	35 308	37 732	37 019	36 492	41 118
Operating profit before tax	\$m	6 803	7 563	6 784	7 380	8 191	15 998
Total assets	\$m	76 057	85 292	91 012	93 883	96 368	103 577
Total liabilities	\$m	45 487	49 192	55 794	58 375	57 301	58 938
Gross fixed capital formation	\$m	5 674	5 907	10 274	10 618	8 432	7 694
Industry Gross Product(a)	\$m	19 912	20 842	22 774	na	na	na
Industry value added(a)	\$m	na	na	23 773	23 336	24 451	34 079
<b>Business averages</b>							
Average employment	no.	37.9	42.0	42.4	42.1	42.6	50.5
Average income	\$'000	17 258	20 747	23 989	26 171	28 894	42 005
Average expenses	\$'000	14 391	17 315	20 419	21 709	23 733	29 974
Average profit	\$'000	2 993	3 709	3 671	4 328	5 327	11 662
Average assets	\$'000	33 459	41 827	49 253	55 055	62 673	75 504
Average net worth	\$'000	13 448	17 703	19 059	20 823	25 407	32 540
Average IGP	\$'000	8 760	10 221	12 324	na	na	na
Average IVA	\$'000	na	na	12 865	13 685	15 902	24 843
<b>Industry ratios</b>							
Profit margin	%	17.3	17.9	15.3	16.5	18.4	27.8
Return on assets	%	8.9	8.9	7.5	7.9	8.5	15.4
Return on net worth	%	22.3	20.9	19.3	20.8	21.0	35.8
Interest coverage	times	5.3	5.2	4.9	4.8	5.4	8.8
Investment rate (IGP)	%	34.1	37.5	48.9	na	na	na
Investment rate (IVA)	%	na	na	46.8	50.1	39.4	27.3
<b>Business profitability</b>							
Made a profit	%	62.5	56.7	53.5	49.0	58.6	55.4
Broke even	%	2.9	6.9	2.0	1.8	3.7	3.5
Made a loss	%	34.6	36.4	44.5	49.2	37.7	41.0
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	18.6	28.0	26.1	14.3	35.5	25.2
Median value	%	3.2	8.7	4.0	0.5	9.0	6.8
Lowest quartile	%	0.9	-20.5	-27.1	-48.7	-11.3	-14.5
Return on assets							
Highest quartile	%	17.0	38.7	20.2	13.0	27.2	17.7
Median value	%	17.0	5.2	2.2	—	6.2	1.5
Lowest quartile	%	-21.5	-9.7	-14.3	-22.6	-9.5	-14.9
Return on net worth							
Highest quartile	%	18.7	73.4	63.5	68.0	57.1	47.9
Median value	%	-53.3	10.6	7.3	12.4	11.8	6.9
Lowest quartile	%	-77.9	-16.5	-23.7	-16.5	-16.1	-25.6

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	52 103	54 016	51 786	47 906	46 642	47 454
Employment	'000	1 000	1 006	998	977	954	946
Total operating income	\$m	210 343	216 080	223 696	233 004	243 933	256 022
Total operating expenses	\$m	197 888	203 419	211 637	220 405	229 267	243 479
Operating profit before tax	\$m	13 693	13 072	13 601	13 146	16 042	15 509
Total assets	\$m	178 842	183 948	192 180	204 703	216 007	236 761
Total liabilities	\$m	93 086	101 238	108 757	125 508	132 038	145 421
Gross fixed capital formation	\$m	8 952	7 974	10 233	9 655	8 178	8 298
Industry Gross Product(a)	\$m	62 960	62 754	65 766	na	na	na
Industry value added(a)	\$m	na	na	67 655	68 694	71 614	71 945
<b>Business averages</b>							
Average employment	no.	19.2	18.6	19.3	20.4	20.5	19.9
Average income	\$'000	4 037	4 000	4 320	4 864	5 230	5 395
Average expenses	\$'000	3 798	3 766	4 087	4 601	4 916	5 131
Average profit	\$'000	263	242	263	274	344	327
Average assets	\$'000	3 433	3 406	3 711	4 273	4 631	4 989
Average net worth	\$'000	1 646	1 531	1 611	1 653	1 800	1 925
Average IGP	\$'000	1 208	1 162	1 270	na	na	na
Average IVA	\$'000	na	na	1 306	1 434	1 535	1 516
<b>Industry ratios</b>							
Profit margin	%	6.5	6.0	6.1	5.6	6.6	6.1
Return on assets	%	7.7	7.1	7.1	6.4	7.4	6.6
Return on net worth	%	16.0	15.8	16.3	16.6	19.1	17.0
Interest coverage	times	5.1	4.9	4.6	4.3	4.6	4.4
Investment rate (IGP)	%	18.5	16.8	19.8	na	na	na
Investment rate (IVA)	%	na	na	19.2	18.1	14.5	15.3
<b>Business profitability</b>							
Made a profit	%	75.6	79.4	78.4	76.4	77.6	70.9
Broke even	%	0.5	0.2	0.2	0.8	0.1	0.1
Made a loss	%	23.8	20.4	21.5	22.9	22.2	29.0
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	13.2	14.6	13.8	12.3	14.1	13.3
Median value	%	4.0	5.3	4.9	4.1	5.7	4.5
Lowest quartile	%	—	—	0.3	—	0.1	-0.9
Return on assets							
Highest quartile	%	38.1	43.3	40.0	31.0	46.7	37.9
Median value	%	11.0	12.5	12.5	10.0	16.0	10.0
Lowest quartile	%	—	0.5	1.0	0.1	0.6	-1.6
Return on net worth							
Highest quartile	%	94.3	104.5	105.6	100.0	104.4	94.8
Median value	%	26.3	33.3	31.6	30.0	38.2	26.7
Lowest quartile	%	—	2.6	2.4	1.7	—	-1.6

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.



1995-96 1996-97 1997-98 1998-99 1999-2000 2000-01

**Selected indicators**

Operating businesses	no.	224	232	245	259	264	271
Employment	'000	60	55	50	50	49	48
Total operating income	\$m	29 720	30 250	31 879	35 770	37 063	38 407
Total operating expenses	\$m	26 165	25 894	27 069	30 778	31 971	33 742
Operating profit before tax	\$m	3 465	4 212	4 800	5 058	5 150	4 599
Total assets	\$m	111 613	115 576	122 371	135 405	141 748	139 759
Total liabilities	\$m	47 254	47 655	54 516	58 652	72 383	73 903
Gross fixed capital formation	\$m	2 146	2 916	4 930	3 864	5 225	4 409
Industry Gross Product(a)	\$m	12 431	13 269	14 493	na	na	na
Industry value added(a)	\$m	na	na	14 130	14 150	14 235	14 871

**Business averages**

Average employment	no.	266.6	233.8	201.4	192.7	183.9	176.7
Average income	\$'000	132 101	129 473	128 547	137 210	139 668	141 509
Average expenses	\$'000	116 298	110 830	109 155	118 061	120 481	124 321
Average profit	\$'000	15 399	18 027	19 354	19 403	19 407	16 944
Average assets	\$'000	496 101	494 676	493 451	519 396	534 166	514 943
Average net worth	\$'000	286 064	290 707	273 621	294 416	261 397	242 648
Average IGP	\$'000	55 254	56 793	58 440	na	na	na
Average IVA	\$'000	na	na	56 977	54 276	53 643	54 793

**Industry ratios**

Profit margin	%	11.7	13.9	15.1	14.1	13.9	12.0
Return on assets	%	3.1	3.6	3.9	3.7	3.6	3.3
Return on net worth	%	5.4	6.2	7.1	6.6	7.4	7.0
Interest coverage	times	2.0	2.2	2.4	2.5	2.4	2.1
Investment rate (IGP)	%	42.7	26.9	34.2	na	na	na
Investment rate (IVA)	%	na	na	35.0	36.3	51.2	32.3

**Business profitability**

Made a profit	%	51.6	74.0	78.2	73.8	79.7	70.7
Broke even	%	14.4	1.3	0.4	12.0	6.2	3.7
Made a loss	%	34.0	24.8	21.4	14.1	14.1	25.6

**Business comparisons**

Profit margin							
Highest quartile	%	17.7	20.8	35.2	30.7	24.1	24.0
Median value	%	2.4	11.9	19.0	10.5	13.1	10.1
Lowest quartile	%	-2.4	—	2.9	2.2	4.0	0.1
Return on assets							
Highest quartile	%	4.3	6.2	10.6	10.9	7.5	7.8
Median value	%	0.3	2.3	4.4	4.1	2.4	2.7
Lowest quartile	%	-0.3	-0.5	1.6	0.4	0.4	0.1
Return on net worth							
Highest quartile	%	6.4	11.3	31.3	28.3	22.3	43.0
Median value	%	—	3.0	9.6	7.7	6.3	6.4
Lowest quartile	%	-1.3	-0.8	2.3	0.2	1.3	1.2

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	79 501	79 036	78 315	76 635	79 697	82 061
Employment	'000	326	356	393	354	365	358
Total operating income	\$m	55 331	61 597	70 454	74 463	86 950	76 183
Total operating expenses	\$m	53 060	58 552	66 887	70 023	83 161	73 067
Operating profit before tax	\$m	2 316	3 152	3 144	4 174	4 195	3 669
Total assets	\$m	24 846	28 138	32 189	34 426	42 057	42 594
Total liabilities	\$m	17 803	19 725	22 166	23 878	27 569	27 593
Gross fixed capital formation	\$m	926	707	1 514	1 703	983	1 278
Industry Gross Product(a)	\$m	14 224	15 586	17 922	na	na	na
Industry value added(a)	\$m	na	na	19 225	19 877	22 085	21 422
<b>Business averages</b>							
Average employment	no.	4.0	4.3	4.9	4.4	4.4	4.2
Average income	\$'000	675	748	870	935	1 043	886
Average expenses	\$'000	647	711	826	879	997	850
Average profit	\$'000	28	38	39	52	50	43
Average assets	\$'000	303	342	397	432	504	496
Average net worth	\$'000	86	102	124	133	174	175
Average IGP	\$'000	174	189	221	na	na	na
Average IVA	\$'000	na	na	237	250	265	249
<b>Industry ratios</b>							
Profit margin	%	4.2	5.1	4.5	5.6	4.8	4.8
Return on assets	%	9.3	11.2	9.8	12.1	10.0	8.6
Return on net worth	%	32.9	37.5	31.4	39.6	29.0	24.5
Interest coverage	times	4.1	5.4	6.4	9.0	7.7	6.5
Investment rate (IGP)	%	12.3	11.7	14.6	na	na	na
Investment rate (IVA)	%	na	na	13.7	11.6	10.2	8.8
<b>Business profitability</b>							
Made a profit	%	73.2	72.2	70.2	82.3	76.0	74.1
Broke even	%	4.2	3.5	5.1	3.7	4.5	5.6
Made a loss	%	22.6	24.3	24.6	14.0	19.5	20.2
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	17.9	20.3	16.6	19.3	19.2	20.5
Median value	%	6.1	5.8	5.3	6.7	6.6	6.7
Lowest quartile	%	—	—	—	2.1	0.8	—
Return on assets							
Highest quartile	%	39.2	59.6	54.7	55.8	54.4	61.4
Median value	%	15.8	16.7	16.1	16.1	16.4	16.7
Lowest quartile	%	—	—	—	5.3	2.5	—
Return on net worth							
Highest quartile	%	100.0	128.3	150.0	100.0	115.4	108.9
Median value	%	42.8	30.9	41.1	38.5	35.3	33.0
Lowest quartile	%	—	-5.3	—	—	-0.8	-9.1

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	41 947	39 725	40 439	42 036	43 366	44 275
Employment	'000	410	389	431	451	459	465
Total operating income	\$m	184 707	183 544	190 477	204 731	213 726	230 077
Total operating expenses	\$m	178 434	178 131	185 948	197 528	207 109	225 091
Operating profit before tax	\$m	6 826	5 889	5 513	7 566	8 097	6 237
Total assets	\$m	76 561	75 500	85 036	90 579	97 179	102 624
Total liabilities	\$m	52 032	50 897	59 408	61 792	64 896	69 798
Gross fixed capital formation	\$m	1 594	1 281	1 493	2 654	2 193	2 143
Industry Gross Product(a)	\$m	23 750	22 517	24 492	na	na	na
Industry value added(a)	\$m	na	na	26 226	29 560	30 235	30 436
<b>Business averages</b>							
Average employment	no.	9.4	9.2	10.2	10.4	10.3	10.2
Average income	\$'000	4 226	4 365	4 515	4 706	4 800	5 074
Average expenses	\$'000	4 082	4 236	4 408	4 540	4 652	4 964
Average profit	\$'000	156	140	131	174	182	138
Average assets	\$'000	1 752	1 796	2 016	2 082	2 183	2 263
Average net worth	\$'000	561	585	608	662	725	724
Average IGP	\$'000	543	536	581	na	na	na
Average IVA	\$'000	na	na	622	679	679	671
<b>Industry ratios</b>							
Profit margin	%	3.7	3.2	2.9	3.7	3.8	2.7
Return on assets	%	8.9	7.8	6.5	8.4	8.3	6.1
Return on net worth	%	27.8	23.9	21.5	26.3	25.1	19.0
Interest coverage	times	4.5	4.2	4.5	6.1	5.9	4.3
Investment rate (IGP)	%	11.4	10.5	11.4	na	na	na
Investment rate (IVA)	%	na	na	10.6	13.3	12.6	10.8
<b>Business profitability</b>							
Made a profit	%	70.1	73.6	76.0	75.8	75.4	68.7
Broke even	%	1.7	2.1	2.1	2.3	3.1	1.6
Made a loss	%	28.2	24.3	21.9	21.9	21.4	29.7
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	9.3	10.0	10.5	8.3	10.0	8.5
Median value	%	3.8	2.4	2.8	2.8	4.2	3.5
Lowest quartile	%	-0.4	—	0.2	0.1	0.4	-0.9
Return on assets							
Highest quartile	%	21.9	19.9	23.6	18.0	21.8	17.2
Median value	%	7.3	6.0	8.2	7.1	9.9	8.9
Lowest quartile	%	-1.5	—	1.2	0.6	0.6	-3.6
Return on net worth							
Highest quartile	%	86.6	67.3	100.0	78.0	82.5	68.1
Median value	%	29.5	24.1	33.3	30.5	41.4	24.1
Lowest quartile	%	—	1.5	9.3	5.1	5.3	-1.9

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	108 737	105 879	106 299	104 187	103 774	103 994
Employment	'000	998	1 023	1 083	1 035	1 046	1 096
Total operating income	\$m	164 459	176 762	185 424	181 108	184 262	204 473
Total operating expenses	\$m	160 759	172 168	181 092	175 655	178 517	200 055
Operating profit before tax	\$m	4 133	5 185	5 881	6 100	6 193	5 511
Total assets	\$m	46 485	47 763	53 285	54 240	53 528	57 287
Total liabilities	\$m	32 836	35 216	37 428	36 124	32 561	37 616
Gross fixed capital formation	\$m	2 257	1 919	2 163	2 126	2 257	2 055
Industry Gross Product(a)	\$m	25 246	27 484	29 650	na	na	na
Industry value added(a)	\$m	na	na	31 501	30 253	31 402	34 949
<b>Business averages</b>							
Average employment	no.	9.1	9.4	9.9	9.7	9.7	10.1
Average income	\$'000	1 493	1 623	1 701	1 697	1 715	1 883
Average expenses	\$'000	1 459	1 581	1 661	1 646	1 662	1 842
Average profit	\$'000	38	48	54	57	58	51
Average assets	\$'000	422	439	489	508	498	528
Average net worth	\$'000	124	115	146	170	195	181
Average IGP	\$'000	229	252	272	na	na	na
Average IVA	\$'000	na	na	289	283	292	322
<b>Industry ratios</b>							
Profit margin	%	2.5	2.9	3.2	3.4	3.4	2.7
Return on assets	%	8.9	10.9	11.0	11.2	11.6	9.6
Return on net worth	%	30.3	41.3	37.1	33.7	29.5	28.0
Interest coverage	times	3.1	4.1	3.6	3.6	3.2	2.1
Investment rate (IGP)	%	13.7	12.0	11.3	na	na	na
Investment rate (IVA)	%	na	na	10.7	10.9	10.9	10.1
<b>Business profitability</b>							
Made a profit	%	75.7	76.5	86.1	81.0	77.8	79.7
Broke even	%	0.3	1.5	2.3	1.8	2.3	1.8
Made a loss	%	23.9	22.0	11.6	17.2	19.9	18.5
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	10.0	11.1	10.0	11.7	12.9	11.8
Median value	%	4.3	4.0	4.9	5.3	4.9	4.4
Lowest quartile	%	—	0.3	1.1	1.1	0.5	0.3
Return on assets							
Highest quartile	%	37.6	40.8	44.7	35.1	40.9	40.0
Median value	%	13.3	14.5	18.1	12.6	13.6	13.3
Lowest quartile	%	0.3	2.0	3.5	3.0	1.5	1.6
Return on net worth							
Highest quartile	%	100.0	128.1	93.7	83.3	85.1	98.6
Median value	%	35.1	35.6	43.2	34.6	30.5	27.1
Lowest quartile	%	-4.3	-2.9	-0.7	3.0	-2.4	-3.1

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

1995-96 1996-97 1997-98 1998-99 1999-2000 2000-01

**Selected indicators**

Operating businesses	no.	31 055	31 010	31 422	30 781	32 009	33 090
Employment	'000	394	426	474	456	425	470
Total operating income	\$m	26 431	27 643	31 938	31 969	31 169	33 684
Total operating expenses	\$m	24 884	25 796	29 820	30 438	29 542	32 393
Operating profit before tax	\$m	1 582	1 880	2 158	1 612	1 671	1 353
Total assets	\$m	27 318	31 674	32 416	32 517	31 242	28 494
Total liabilities	\$m	13 598	16 229	17 618	18 171	17 465	15 519
Gross fixed capital formation	\$m	1 738	827	2 183	1 818	2 480	1 625
Industry Gross Product(a)	\$m	9 918	10 680	12 016	na	na	na
Industry value added(a)	\$m	na	na	12 888	13 053	13 654	14 368

**Business averages**

Average employment	no.	12.4	13.4	15.0	14.6	13.1	14.0
Average income	\$'000	833	867	1 008	1 022	963	1 003
Average expenses	\$'000	784	809	942	973	913	965
Average profit	\$'000	50	59	68	52	52	40
Average assets	\$'000	860	993	1 024	1 040	966	849
Average net worth	\$'000	432	484	467	459	426	386
Average IGP	\$'000	312	335	379	na	na	na
Average IVA	\$'000	na	na	407	417	422	428

**Industry ratios**

Profit margin	%	6.0	6.8	6.8	5.0	5.4	4.0
Return on assets	%	5.8	5.9	6.7	5.0	5.3	4.8
Return on net worth	%	11.5	12.2	14.6	11.2	12.1	10.4
Interest coverage	times	2.8	3.3	3.5	3.0	3.3	2.5
Investment rate (IGP)	%	24.1	28.7	23.7	na	na	na
Investment rate (IVA)	%	na	na	22.1	16.5	21.7	20.1

**Business profitability**

Made a profit	%	74.1	65.1	73.3	74.3	82.2	62.8
Broke even	%	2.6	0.8	5.3	4.8	2.3	—
Made a loss	%	23.3	34.1	21.4	21.0	15.5	37.2

**Business comparisons**

Profit margin							
Highest quartile	%	12.2	16.7	14.9	14.8	18.5	11.4
Median value	%	5.5	5.7	7.0	8.1	6.6	5.5
Lowest quartile	%	0.1	-2.5	—	—	1.8	-2.3
Return on assets							
Highest quartile	%	22.2	19.0	22.9	20.5	21.9	66.3
Median value	%	7.7	6.4	6.1	5.8	8.8	8.4
Lowest quartile	%	0.2	-2.0	—	0.9	2.6	-4.0
Return on net worth							
Highest quartile	%	41.7	34.4	47.1	44.2	41.0	102.9
Median value	%	16.4	12.7	8.7	17.3	13.8	10.3
Lowest quartile	%	—	-3.1	—	—	—	-24.5

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

1995-96 1996-97 1997-98 1998-99 1999-2000 2000-01

**Selected indicators**

Operating businesses	no.	27 280	26 541	26 843	27 633	28 682	29 526
Employment	'000	302	320	319	310	327	326
Total operating income	\$m	48 110	54 128	55 890	54 404	60 557	64 892
Total operating expenses	\$m	45 198	50 585	52 337	50 624	57 421	62 590
Operating profit before tax	\$m	2 905	3 564	3 671	3 855	3 096	2 369
Total assets	\$m	63 385	63 392	70 685	66 232	72 839	77 661
Total liabilities	\$m	33 995	36 010	44 158	40 712	48 258	50 975
Gross fixed capital formation	\$m	3 917	3 418	1 800	4 334	4 380	4 623
Industry Gross Product(a)	\$m	19 837	20 045	20 422	na	na	na
Industry value added(a)	\$m	na	na	21 549	22 168	23 531	23 967

**Business averages**

Average employment	no.	10.9	11.7	11.5	10.9	11.0	10.6
Average income	\$'000	1 729	1 972	2 018	1 909	2 046	2 117
Average expenses	\$'000	1 624	1 843	1 890	1 776	1 940	2 042
Average profit	\$'000	104	130	133	135	105	77
Average assets	\$'000	2 277	2 309	2 552	2 324	2 461	2 533
Average net worth	\$'000	1 056	997	958	895	831	871
Average IGP	\$'000	713	730	737	na	na	na
Average IVA	\$'000	na	na	778	778	795	782

**Industry ratios**

Profit margin	%	6.0	6.6	6.6	7.1	5.1	3.7
Return on assets	%	4.6	5.6	5.2	5.8	4.3	3.1
Return on net worth	%	9.9	13.0	13.8	15.1	12.6	8.9
Interest coverage	times	2.9	3.3	2.9	3.1	2.6	2.1
Investment rate (IGP)	%	25.5	25.0	25.7	na	na	na
Investment rate (IVA)	%	na	na	24.3	25.7	24.1	24.0

**Business profitability**

Made a profit	%	67.2	72.0	74.5	65.6	71.4	71.0
Broke even	%	5.4	5.7	4.0	3.6	6.1	5.8
Made a loss	%	27.5	22.3	21.5	30.8	22.5	23.2

**Business comparisons**

Profit margin							
Highest quartile	%	16.7	16.1	16.9	15.9	12.8	14.7
Median value	%	5.2	7.6	5.2	3.0	3.4	3.7
Lowest quartile	%	-0.2	—	—	-1.3	—	—
Return on assets							
Highest quartile	%	23.6	23.7	21.5	23.4	23.5	22.0
Median value	%	6.4	9.0	8.8	7.8	9.3	6.9
Lowest quartile	%	-1.8	—	0.7	-1.7	—	—
Return on net worth							
Highest quartile	%	62.5	54.5	65.9	66.7	72.7	63.5
Median value	%	15.8	23.6	23.4	25.8	27.2	20.8
Lowest quartile	%	-11.1	-1.4	1.1	—	0.8	—

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	2 363	3 049	3 540	3 899	4 172	4 389
Employment	'000	137	125	118	119	119	120
Total operating income	\$m	22 434	23 940	24 855	29 839	33 719	35 489
Total operating expenses	\$m	19 191	21 952	20 486	23 711	27 832	29 254
Operating profit before tax	\$m	3 234	1 989	4 603	6 153	6 105	6 406
Total assets	\$m	34 373	37 964	36 358	40 608	45 798	55 909
Total liabilities	\$m	17 729	23 713	21 196	22 530	25 882	34 050
Gross fixed capital formation	\$m	5 635	4 607	4 617	5 719	6 267	8 314
Industry Gross Product(a)	\$m	12 888	14 956	15 648	na	na	na
Industry value added(a)	\$m	na	na	16 205	17 107	17 025	18 057
<b>Business averages</b>							
Average employment	no.	54.5	38.8	32.0	30.2	27.9	26.4
Average income	\$'000	8 925	7 433	6 770	7 567	7 883	7 806
Average expenses	\$'000	7 635	6 816	5 580	6 013	6 507	6 434
Average profit	\$'000	1 287	618	1 254	1 560	1 427	1 409
Average assets	\$'000	13 675	11 787	9 903	10 299	10 708	12 297
Average net worth	\$'000	6 621	4 425	4 129	4 585	4 656	4 808
Average IGP	\$'000	5 127	4 644	4 262	na	na	na
Average IVA	\$'000	na	na	4 414	4 338	3 980	3 972
<b>Industry ratios</b>							
Profit margin	%	14.4	8.3	18.5	20.6	18.1	18.0
Return on assets	%	9.4	5.2	12.7	15.2	13.3	11.5
Return on net worth	%	19.4	14.0	30.4	34.0	30.7	29.3
Interest coverage	times	5.5	3.7	6.0	8.4	8.6	8.5
Investment rate (IGP)	%	48.2	35.9	33.9	na	na	na
Investment rate (IVA)	%	na	na	32.7	36.1	47.0	79.6
<b>Business profitability</b>							
Made a profit	%	70.5	70.6	49.3	71.8	84.7	75.8
Broke even	%	5.0	4.7	4.7	3.7	—	2.0
Made a loss	%	24.5	24.7	45.9	24.5	15.3	22.2
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	32.6	30.4	15.7	29.3	12.2	24.1
Median value	%	3.2	5.4	—	10.0	5.6	6.3
Lowest quartile	%	-1.0	-3.3	-8.6	—	1.5	2.6
Return on assets							
Highest quartile	%	79.2	76.0	24.6	72.6	37.5	44.4
Median value	%	18.2	28.8	—	39.7	9.4	21.4
Lowest quartile	%	6.0	-2.2	-22.7	-23.0	3.7	5.5
Return on net worth							
Highest quartile	%	82.6	169.1	130.0	96.9	140.0	100.0
Median value	%	14.5	54.8	78.0	47.3	7.6	50.0
Lowest quartile	%	-18.2	6.4	24.6	23.1	3.9	23.1

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

1995-96 1996-97 1997-98 1998-99 1999-2000 2000-01

**Selected indicators**

Operating businesses	no.	18 946	18 494	18 801	18 654	20 353	21 684
Employment	'000	309	299	301	303	306	307
Total operating income	\$m	120 647	124 757	130 446	137 148	147 164	156 237
Total operating expenses	\$m	87 581	94 530	96 023	99 243	113 628	111 881
Operating profit before tax	\$m	32 842	30 199	34 275	37 930	33 544	44 344
Total assets	\$m	1 141 564	1 304 806	1 412 443	1 490 920	1 742 029	1 841 419
Total liabilities	\$m	885 407	1 089 964	1 159 537	1 175 190	1 437 425	1 474 484
Gross fixed capital formation	\$m	1 251	-242	1 410	-303	2 216	834
Industry Gross Product	\$m	..	..	..	..	..	..
Industry value added	\$m	..	..	..	..	..	..

**Business averages**

Average employment	no.	15.7	15.2	15.0	15.1	14.0	13.3
Average income	\$'000	6 121	6 350	6 484	6 829	6 706	6 751
Average expenses	\$'000	4 443	4 812	4 773	4 942	5 178	4 834
Average profit	\$'000	1 666	1 537	1 704	1 889	1 529	1 916
Average assets	\$'000	57 918	66 414	70 209	74 241	79 379	79 565
Average net worth	\$'000	12 996	10 935	12 571	15 722	13 880	15 855
Average IGP	\$'000	..	..	..	..	..	..
Average IVA	\$'000	..	..	..	..	..	..

**Industry ratios**

Profit margin	%	27.2	24.2	26.3	27.7	22.8	28.4
Return on assets	%	2.9	2.3	2.4	2.5	1.9	2.4
Return on net worth	%	12.8	14.1	13.6	12.0	11.0	12.1
Interest coverage	times	1.7	1.7	1.8	1.9	1.7	1.9
Investment rate (IGP)	%	..	..	..	..	..	..
Investment rate (IVA)	%	..	..	..	..	..	..

**Business profitability**

Made a profit	%	75.6	81.2	83.0	75.2	78.7	75.4
Broke even	%	8.3	5.2	4.0	7.1	6.8	8.1
Made a loss	%	16.1	13.6	13.1	17.7	14.5	16.4

**Business comparisons**

<b>Profit margin</b>							
Highest quartile	%	41.8	42.2	42.7	33.9	40.0	45.3
Median value	%	17.7	16.5	15.4	14.2	18.9	21.9
Lowest quartile	%	3.0	3.5	4.8	0.6	1.5	4.7
<b>Return on assets</b>							
Highest quartile	%	32.3	16.9	21.9	37.5	52.5	37.5
Median value	%	9.5	5.5	7.9	6.5	14.4	9.9
Lowest quartile	%	0.5	1.2	2.1	0.3	1.8	0.8
<b>Return on net worth</b>							
Highest quartile	%	82.9	52.5	67.7	67.8	147.9	60.0
Median value	%	23.0	13.6	17.2	16.2	36.4	20.9
Lowest quartile	%	—	—	2.6	—	3.4	4.0

.. not applicable

— nil or rounded to zero (including null cells)



		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	111 301	117 104	123 790	128 210	132 278	136 784
Employment	'000	762	823	909	909	1 006	1 059
Total operating income	\$m	80 757	81 943	87 859	96 109	112 704	133 400
Total operating expenses	\$m	70 604	72 509	78 637	86 840	101 120	121 108
Operating profit before tax	\$m	10 192	9 608	10 032	10 316	11 817	12 625
Total assets	\$m	192 581	178 997	186 381	189 899	187 616	214 753
Total liabilities	\$m	101 226	96 764	93 045	98 385	86 289	104 666
Gross fixed capital formation	\$m	1 969	850	549	3 424	3 161	4 088
Industry Gross Product(a)	\$m	32 582	37 098	38 027	na	na	na
Industry value added(a)	\$m	na	na	42 259	47 436	52 296	60 913
<b>Business averages</b>							
Average employment	no.	6.7	6.8	7.1	6.9	7.3	7.4
Average income	\$'000	705	673	689	727	819	929
Average expenses	\$'000	617	596	617	657	735	844
Average profit	\$'000	89	79	79	78	86	88
Average assets	\$'000	1 682	1 471	1 462	1 436	1 363	1 496
Average net worth	\$'000	798	676	732	692	736	767
Average IGP	\$'000	285	305	298	na	na	na
Average IVA	\$'000	na	na	331	359	380	424
<b>Industry ratios</b>							
Profit margin	%	12.6	11.7	11.4	10.7	10.5	9.5
Return on assets	%	5.3	5.4	5.4	5.4	6.3	5.9
Return on net worth	%	11.2	11.7	10.7	11.3	11.7	11.5
Interest coverage	times	2.8	3.1	3.7	3.5	2.7	2.2
Investment rate (IGP)	%	14.7	16.3	14.7	na	na	na
Investment rate (IVA)	%	na	na	13.2	13.7	13.4	13.5
<b>Business profitability</b>							
Made a profit	%	75.2	78.1	70.3	70.4	71.9	71.4
Broke even	%	7.0	5.4	9.6	6.4	8.4	4.4
Made a loss	%	17.8	16.5	20.1	23.1	19.7	24.2
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	21.4	20.8	24.5	20.5	21.5	22.1
Median value	%	8.0	8.4	7.4	6.8	9.2	9.9
Lowest quartile	%	0.5	1.2	—	—	—	—
Return on assets							
Highest quartile	%	45.9	36.0	42.9	44.5	55.6	46.9
Median value	%	14.3	16.7	18.7	10.6	14.9	12.5
Lowest quartile	%	1.6	1.4	—	—	—	—
Return on net worth							
Highest quartile	%	70.6	89.0	84.8	100.0	96.7	86.3
Median value	%	30.4	34.0	29.9	23.3	33.3	22.7
Lowest quartile	%	—	—	-2.0	-1.5	—	-12.5

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

1995-96 1996-97 1997-98 1998-99 1999-2000 2000-01

**Selected indicators**

Operating businesses	no.	50 012	53 883	54 579	54 614	54 715	55 965
Employment	'000	642	656	701	670	698	747
Total operating income	\$m	28 160	32 553	34 942	34 874	38 939	45 513
Total operating expenses	\$m	25 626	29 082	31 027	31 087	35 599	41 082
Operating profit before tax	\$m	2 440	3 486	3 924	3 787	3 355	4 455
Total assets	\$m	29 916	29 141	34 274	37 826	37 549	41 068
Total liabilities	\$m	13 276	13 784	17 558	17 858	17 142	19 042
Gross fixed capital formation	\$m	1 178	1 903	1 850	1 879	2 348	2 273
Industry Gross Product(a)	\$m	15 378	18 409	20 350	na	na	na
Industry value added(a)	\$m	na	na	20 949	19 893	22 232	25 202

**Business averages**

Average employment	no.	12.6	11.9	12.6	12.1	12.4	13.0
Average income	\$'000	554	593	629	628	693	792
Average expenses	\$'000	504	530	559	560	633	715
Average profit	\$'000	48	64	71	68	60	78
Average assets	\$'000	589	531	617	681	668	714
Average net worth	\$'000	328	280	301	360	363	383
Average IGP	\$'000	303	336	366	na	na	na
Average IVA	\$'000	na	na	377	358	396	438

**Industry ratios**

Profit margin	%	8.7	10.7	11.2	10.9	8.6	9.8
Return on assets	%	8.2	12.0	11.4	10.0	8.9	10.8
Return on net worth	%	14.7	22.7	23.5	19.0	16.4	20.2
Interest coverage	times	5.6	8.5	8.6	8.8	8.0	8.7
Investment rate (IGP)	%	11.4	14.6	12.8	na	na	na
Investment rate (IVA)	%	na	na	12.4	13.2	13.4	11.0

**Business profitability**

Made a profit	%	69.0	71.7	69.1	75.9	82.5	70.4
Broke even	%	6.8	6.8	9.0	5.4	2.3	9.3
Made a loss	%	24.2	21.6	21.9	18.6	15.2	20.3

**Business comparisons**

Profit margin							
Highest quartile	%	24.1	28.6	31.0	30.7	23.2	26.8
Median value	%	8.8	9.0	8.9	9.1	11.0	8.0
Lowest quartile	%	—	—	—	0.4	2.4	—
Return on assets							
Highest quartile	%	88.0	65.5	87.2	76.5	92.9	124.0
Median value	%	15.5	16.2	12.1	12.9	43.3	24.0
Lowest quartile	%	—	—	—	0.6	5.2	—
Return on net worth							
Highest quartile	%	120.0	124.9	146.3	108.9	153.8	151.9
Median value	%	14.3	18.2	29.1	25.0	92.9	25.0
Lowest quartile	%	-7.6	-1.4	—	-2.8	2.1	-4.2

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

1995-96 1996-97 1997-98 1998-99 1999-2000 2000-01

**Selected indicators**

Operating businesses	no.	15 847	15 574	15 700	15 564	16 288	16 756
Employment	'000	165	169	155	166	182	183
Total operating income	\$m	16 311	18 693	19 726	21 577	22 897	26 193
Total operating expenses	\$m	15 362	17 776	17 894	18 940	19 770	23 681
Operating profit before tax	\$m	948	927	1 843	2 609	3 121	2 536
Total assets	\$m	20 835	25 348	31 385	31 149	31 691	34 410
Total liabilities	\$m	11 705	15 441	16 661	16 741	15 082	15 238
Gross fixed capital formation	\$m	1 604	2 406	2 204	1 524	1 916	1 823
Industry Gross Product(a)	\$m	4 793	5 210	5 949	na	na	na
Industry value added(a)	\$m	na	na	8 904	9 671	10 423	10 986

**Business averages**

Average employment	no.	10.1	10.5	9.7	10.6	11.0	10.7
Average income	\$'000	998	1 162	1 238	1 374	1 382	1 530
Average expenses	\$'000	940	1 105	1 123	1 206	1 194	1 384
Average profit	\$'000	58	58	116	166	188	148
Average assets	\$'000	1 275	1 576	1 970	1 984	1 913	2 011
Average net worth	\$'000	559	616	924	918	1 003	1 120
Average IGP	\$'000	293	324	373	na	na	na
Average IVA	\$'000	na	na	559	616	629	642

**Industry ratios**

Profit margin	%	5.8	5.0	9.3	12.1	13.6	9.7
Return on assets	%	4.6	3.7	5.9	8.4	9.8	7.4
Return on net worth	%	10.4	9.4	12.5	18.1	18.8	13.2
Interest coverage	times	3.3	2.9	4.8	8.2	7.6	6.9
Investment rate (IGP)	%	41.8	61.0	51.8	na	na	na
Investment rate (IVA)	%	na	na	34.6	33.4	33.5	22.7

**Business profitability**

Made a profit	%	61.3	71.0	76.5	61.4	60.2	65.4
Broke even	%	5.6	3.2	3.6	7.1	3.4	3.6
Made a loss	%	33.0	25.8	19.9	31.6	36.4	31.0

**Business comparisons**

Profit margin							
Highest quartile	%	17.8	20.0	29.2	22.4	15.4	14.3
Median value	%	4.0	6.4	6.1	3.6	3.9	2.6
Lowest quartile	%	-1.9	—	1.5	-3.0	-4.3	-1.8
Return on assets							
Highest quartile	%	29.5	24.2	17.8	24.5	38.9	38.2
Median value	%	5.1	7.8	1.3	5.3	9.0	8.0
Lowest quartile	%	-3.1	-0.5	1.0	-6.9	-10.3	-1.6
Return on net worth							
Highest quartile	%	63.2	57.2	66.7	66.7	81.6	82.8
Median value	%	10.3	16.4	43.6	17.2	15.6	17.6
Lowest quartile	%	-2.0	-1.3	0.6	-8.3	4.5	0.2

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

		1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>Selected indicators</b>							
Operating businesses	no.	34 393	34 229	34 497	33 952	33 396	33 271
Employment	'000	175	179	184	176	202	187
Total operating income	\$m	11 240	11 842	12 389	12 347	14 112	14 935
Total operating expenses	\$m	10 327	10 863	10 935	11 434	12 789	13 743
Operating profit before tax	\$m	911	963	1 465	925	1 337	1 189
Total assets	\$m	15 705	16 692	16 833	17 397	13 820	15 719
Total liabilities	\$m	4 752	4 722	4 619	5 167	5 272	5 978
Gross fixed capital formation	\$m	447	406	583	750	462	584
Industry Gross Product(a)	\$m	3 891	4 031	4 302	na	na	na
Industry value added(a)	\$m	na	na	4 638	4 953	6 055	5 308
<b>Business averages</b>							
Average employment	no.	5.0	5.1	5.2	5.1	6.0	5.5
Average income	\$'000	320	336	351	359	417	442
Average expenses	\$'000	294	308	310	332	378	407
Average profit	\$'000	26	27	42	27	40	35
Average assets	\$'000	447	474	477	506	408	465
Average net worth	\$'000	312	340	346	356	252	288
Average IGP	\$'000	111	114	122	na	na	na
Average IVA	\$'000	na	na	132	144	179	157
<b>Industry ratios</b>							
Profit margin	%	8.1	8.1	11.8	7.5	9.5	8.0
Return on assets	%	5.8	5.8	8.7	5.3	9.7	7.6
Return on net worth	%	8.3	8.0	12.0	7.6	15.6	12.2
Interest coverage	times	5.8	5.5	7.6	6.3	7.8	6.6
Investment rate (IGP)	%	23.3	18.0	18.3	na	na	na
Investment rate (IVA)	%	na	na	16.9	18.5	14.2	15.9
<b>Business profitability</b>							
Made a profit	%	68.7	74.0	77.9	69.5	73.5	77.4
Broke even	%	5.0	3.0	5.3	4.6	2.3	1.6
Made a loss	%	26.3	23.0	16.8	25.8	24.2	21.0
<b>Business comparisons</b>							
Profit margin							
Highest quartile	%	21.1	21.5	21.6	20.0	21.2	23.9
Median value	%	6.0	9.1	8.8	7.0	10.0	10.7
Lowest quartile	%	—	0.4	1.7	-0.8	0.4	0.9
Return on assets							
Highest quartile	%	40.0	52.8	54.3	42.3	61.0	100.0
Median value	%	11.0	15.4	15.8	7.7	22.7	17.8
Lowest quartile	%	—	—	0.3	-2.9	0.5	1.9
Return on net worth							
Highest quartile	%	60.0	77.5	80.0	69.2	162.5	125.5
Median value	%	14.9	28.5	23.9	17.3	45.2	37.5
Lowest quartile	%	-2.7	-2.0	0.3	-5.2	-3.3	4.3

na not available

— nil or rounded to zero (including null cells)

(a) IVA replaces IGP from 1997-98 onwards.

	Employment	Total income	OPBT	Total assets	IVA
	'000	\$m	\$m	\$m	\$m
<b>ALL INDUSTRIES EXCLUDING AGRICULTURE, FORESTRY AND FISHING</b>	6 379	1 373 130	126 802	2 992 033	(a)375 363
<b>Mining</b>	69	57 623	15 998	103 577	34 079
Coal mining	17	12 260	1 828	17 864	5 615
Oil and gas extraction	7	20 021	10 705	41 067	16 848
Metal ore mining	24	20 080	3 908	35 109	9 646
Other mining and services to mining	21	5 263	-443	9 537	1 970
<b>Manufacturing</b>	946	256 022	15 509	236 761	71 945
Food, beverage and tobacco manufacturing	190	58 160	3 780	67 881	14 713
Textile, clothing, footwear and leather manufacturing	57	9 149	107	5 521	2 568
Wood and paper product manufacturing	64	15 084	1 031	13 829	4 891
Printing, publishing and recorded media	92	16 276	1 387	21 870	6 625
Petroleum, coal, chemical and associated product manufacturing	99	47 499	2 231	35 813	9 916
Non-metallic mineral product manufacturing	39	10 092	914	14 452	3 645
Metal product manufacturing	145	40 951	3 842	41 279	13 562
Machinery and equipment manufacturing	202	51 361	1 853	32 806	13 473
Other manufacturing	57	7 450	365	3 310	2 553
<b>Electricity, gas and water supply</b>	48	38 407	4 599	139 759	14 871
Electricity and gas supply	36	32 565	3 185	90 946	11 573
Water supply, sewerage and drainage services	12	5 842	1 414	48 813	3 299
<b>Construction</b>	358	76 183	3 669	42 594	21 422
General construction	128	45 293	1 563	28 957	9 189
Construction trade services	229	30 890	2 107	13 636	12 233
<b>Wholesale trade</b>	465	230 077	6 237	102 624	30 436
Basic material wholesaling	101	64 394	1 259	32 008	6 491
Machinery and motor vehicle wholesaling	189	83 964	2 241	37 454	13 478
Personal and household good wholesaling	175	81 719	2 737	33 161	10 466
<b>Retail trade</b>	1 096	204 473	5 511	57 287	34 949
Food retailing	431	66 214	2 248	14 235	10 973
Personal and household good retailing	471	72 456	1 765	25 897	15 192
Motor vehicle retailing and services	195	65 804	1 499	17 155	8 785
<b>Accommodation, cafes and restaurants</b>	470	33 684	1 353	28 494	14 368
<b>Transport and storage</b>	326	64 892	2 369	77 661	23 967
Road transport	144	21 537	761	11 465	8 103
Rail transport	31	6 557	483	17 596	3 162
Services to transport	77	14 330	628	19 370	5 706
Other transport and storage	74	22 468	498	29 230	6 997
<b>Communication services</b>	120	35 489	6 406	55 909	18 057
<b>Finance and insurance</b>	307	156 237	44 344	1 841 419	..
Finance	168	113 659	32 192	1 422 492	..
Insurance	40	23 146	10 139	364 981	..
Services to finance and insurance	99	19 432	2 013	53 945	8 859
<b>Property and business services</b>	1 059	133 400	12 625	214 753	60 913
Property services	128	23 518	3 165	85 021	11 150
Business services	931	109 882	9 460	129 731	49 763
<b>Private community services</b>	747	45 513	4 455	41 068	25 202
<b>Cultural and recreational services</b>	183	26 193	2 536	34 410	10 986
Motion picture, radio and television services	35	9 128	729	17 051	3 571
Libraries, museums and the arts	21	1 668	273	2 207	638
Sport and recreation	126	15 397	1 534	15 152	6 776
<b>Personal and other services</b>	187	14 935	1 189	15 719	5 308
Personal services	104	6 630	526	3 791	3 317
Other services	83	8 305	663	11 927	1 990

.. not applicable

(a) Excludes the Finance and Insurance industries.

<i>INDUSTRY</i>	<i>Total income</i>	<i>Total expense</i>	<i>Total assets</i>	<i>Total liabilities</i>
	%	%	%	%
<b>ALL INDUSTRIES EXCLUDING AGRICULTURE, FORESTRY AND FISHING</b>	1	1	1	1
<b>Mining</b>	—	—	—	—
Coal mining	..	..	..	..
Oil and gas extraction	..	..	..	..
Metal ore mining	..	..	..	..
Other mining and services to mining	2	2	3	4
<b>Manufacturing</b>	—	—	1	1
Food, beverage and tobacco manufacturing	1	1	2	3
Textile, clothing, footwear and leather manufacturing	1	1	1	2
Wood and paper product manufacturing	1	1	1	1
Printing, publishing and recorded media	1	1	1	1
Petroleum, coal, chemical and associated product manufacturing	—	1	3	1
Non-metallic mineral product manufacturing	1	1	—	1
Metal product manufacturing	1	1	1	1
Machinery and equipment manufacturing	1	1	1	1
Other manufacturing	2	2	3	2
<b>Electricity, gas and water supply</b>	1	—	1	2
Electricity and gas supply	..	..	..	..
Water supply, sewerage and drainage services	3	3	4	11
<b>Construction</b>	4	4	5	6
General construction	5	5	6	7
Construction trade services	7	7	8	9
<b>Wholesale trade</b>	4	4	4	4
Basic material wholesaling	6	6	6	8
Machinery and motor vehicle wholesaling	6	6	5	6
Personal and household good wholesaling	7	7	7	8
<b>Retail trade</b>	3	3	4	5
Food retailing	5	5	6	8
Personal and household good retailing	7	7	8	8
Motor vehicle retailing and services	5	5	6	7
<b>Accommodation, cafes and restaurants</b>	7	7	9	11
<b>Transport and storage</b>	4	4	3	3
Road transport	10	10	8	9
Rail transport	—	—	—	—
Services to transport	7	8	10	13
Other transport and storage	1	1	1	1
<b>Communication services</b>	1	1	—	—
<b>Finance and insurance</b>	2	2	2	2
Finance	2	2	2	2
Insurance	1	2	1	—
Services to finance and insurance	7	7	9	8
<b>Property and business services</b>	4	4	3	3
Property services	6	7	5	7
Business services	4	4	3	3
<b>Private community services</b>	4	3	3	4
<b>Cultural and recreational services</b>	4	4	7	7
Motion picture, radio and television services	5	5	4	5
Libraries, museums and the arts	5	5	6	8
Sport and recreation	6	5	6	6
<b>Personal and other services</b>	5	5	5	6
Personal services	9	9	13	15
Other services	4	4	9	5

— nil or rounded to zero (including null cells)

.. not applicable

# EXPLANATORY NOTES

## INTRODUCTION

**1** The statistical results presented in this publication have been derived from the annual Economic Activity Survey (EAS) for the financial year ending June 2001.

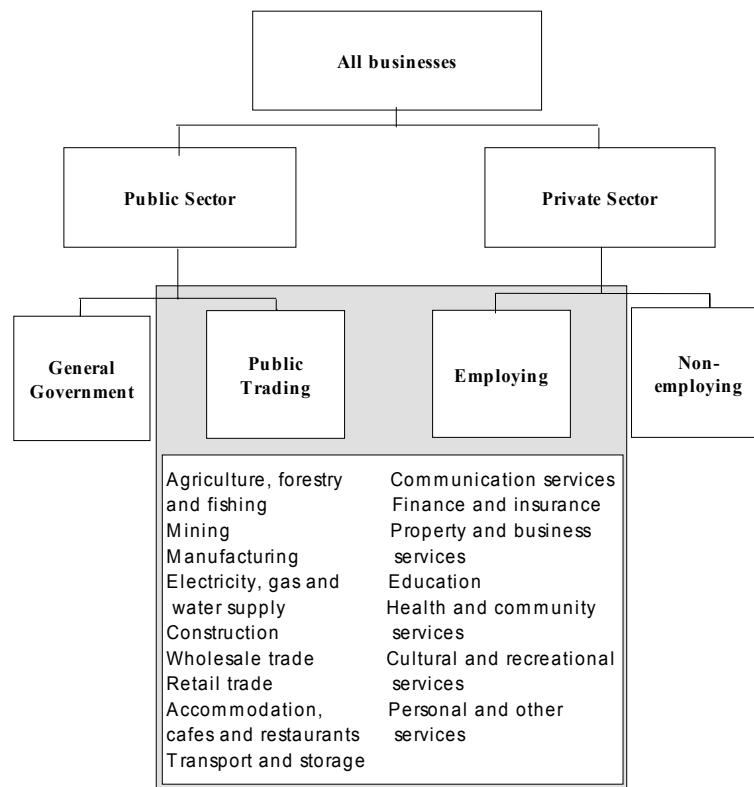
## REFERENCE PERIOD

**2** The EAS results are from details of statements of financial performance (profit and loss statements) and statement of financial position (balance sheets) collected from selected businesses, mainly by mail-out questionnaires. For 2000–01, businesses were asked to provide data in respect of the financial year ending June 2001. In a minority of cases, where businesses did not account on a June-year basis, details were reported in respect of the accounting year which ended between October 2000 and September 2001.

**3** The estimates relate to businesses in the public trading and private employing sectors of the economy only.

## SCOPE AND COVERAGE

**4** The diagram below illustrates the dissection of business in the Australian economy.



Note : Agriculture, forestry and fishing not included in 2000-01 coverage.

**5** The population for the 2001 EAS statistics consisted of all business units in the Australian economy except for:

- all businesses classified to the AGRICULTURAL, FORESTRY AND FISHING industry.
- non-employing businesses in all other industries i.e. businesses which have not registered as group employers with the ATO
- businesses classified to the GENERAL GOVERNMENT sector (note: government-owned PUBLIC TRADING ENTERPRISES were included).

## EXPLANATORY NOTES *continued*

### STATISTICAL UNIT

**6** The business unit about which information is collected and published for the EAS is termed the **MANAGEMENT UNIT**. This is the highest level unit within a business, for which a set of management accounts are maintained. In most cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc.). However, in the case of large diversified businesses there are often a number of **MANAGEMENT UNITS**, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.

**7** The ABS Business Register provided the population frame from which **MANAGEMENT UNITS** were selected for inclusion in the EAS.

**8** Approximately 20,000 **MANAGEMENT UNITS** were selected for the EAS-based collection using stratified random sampling techniques. All **MANAGEMENT UNITS** with employment of 200 or more persons were automatically selected in the sample.

**9** Data in this publication have been adjusted to allow for lags in processing new businesses to the ABS business register, and the omission of some businesses from the register.

**10** Since the beginning of the survey, 'surprise outliering' has been used as the methodology to identify and reduce the impact on the estimates of businesses whose response to the survey was significantly different to those of its peers. Where the extreme values have been confirmed as correct, the sample weight that had originally been applied to the business is reduced to 1. That is, the business represents itself and not others. In the vast majority of cases surprise outliering has the effect of reducing the estimates by more than they should. To compensate for this, the methodology has been changed since the 1999–2000 reference period by the introduction of 'winsorised outliering'. The introduction of winsorisation was not industry wide, with the **MINING**, and **ELECTRICITY, GAS AND WATER SUPPLY** industries expected to convert at a later date.

**11** Winsorising reduces the harsh impact of surprise outliering by moderating the impact of businesses who perform differently to their peers. The improved methodology, which does not rely on a subjective judgement, will provide for more stable time series estimates.

**12** An analysis of the 1998–99 estimate was undertaken to identify the impact on the estimates of the change in methodology. At the **ALL INDUSTRIES** level the impact of the change is minimal. However for some data items in some industries there is an impact on the estimates. The industries most affected by the implementation of winsorising were **RETAIL TRADE** and **PERSONAL AND OTHER SERVICES** with balance sheet data items demonstrating the greatest impact. A detailed table showing the impact of the changed methodology is available by contacting the inquiries officer listed on the front page of this publication.

### CLASSIFICATION BY SIZE

**13** This publication presents statistics broken into two categories, defined as follows:

- large businesses include all management units which employ 200 or more persons or have assets worth more than \$200m
- other businesses are those management units which employ less than 200 persons and do not have assets worth more than \$200m.

**14** Other size dissections can be made available on request, subject to the data passing confidentiality tests.



## EXPLANATORY NOTES *continued*

### CLASSIFICATION BY INDUSTRY

**15** This publication presents statistics classified according to the *Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993* (cat. no. 1292.0). Each business unit is classified to a single industry. The industry allocated is based on an estimate of the primary activity of the management unit irrespective of whether a range of activities or a single activity is undertaken by the unit. For example, a management unit which derives most of its income from construction activities would have all operations included in the aggregates and ratios for the Construction industry division, even if significant secondary activities (e.g. quarrying) were undertaken. This is different from the approach that might be taken to the collection of statistics on an activity basis.

### ROUNDING

**16** Where figures have been rounded, a discrepancy may occur between the sum of the component items and the total. Published percentages are calculated prior to rounding of figures and therefore a discrepancy may occur between the published percentages and percentages which could be calculated from the published estimates.

### DATA CONFRONTATION

**17** Care should be exercised when comparing results from different ABS surveys due to likely differences in scope, methodology, data item definition and reference period.

**18** Significant units came into scope of the estimates of the **PROPERTY AND BUSINESS SERVICES** industry during the 2000-01 reference period. Due to the introduction of these units, care should be taken when comparing the series overtime.

**19** Although data providers were requested to report all income and expense items exclusive of Goods and Services Tax (GST), there is some evidence that in a minority of cases data has been provided inclusive of GST. The impact of this misreporting is estimated to be minimal.

### LIMITATIONS OF FINANCIAL DATA ANALYSIS

**20** 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 a range of data presented rather than focusing on one variable.

**21** Differences in accounting policy and practices across businesses and industries also lead to some inconsistencies in the data input to the statistics. While much of the accounting process is subject to standards, there is still a great deal of flexibility left to managers and accountants in the accounting policy and practices they adopt. For example, acceptable methods of asset valuation include historical cost, replacement cost and current market value. The timing of asset revaluations also varies considerably across businesses. The way profit is measured is affected by management policy on such things 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 the ratios calculated.

**22** Those ratios compiled from a combination of flow and level items need to be treated with additional caution. The information contained in balance sheets indicates the level of assets and liabilities at a point in time. Information contained in profit and loss statements summarise the flows (or transactions) which have taken place during the past financial year. Ratios which include both level and flow items in their derivation may be volatile due to the timing differences involved.

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

## EXPLANATORY NOTES *continued*

### LIMITATIONS OF FINANCIAL DATA ANALYSIS *continued*

**24** The counts of operating businesses included in this publication should be used with some caution. Over and above the sampling error associated with these estimates, they are more affected than are other estimates presented by such things as internal restructuring of businesses (e.g. changes in divisional structure), mergers, takeovers and changes in the quality of the ABS Business Register. Because of these influences, estimates of the number of businesses have been smoothed, using a three-year moving average. This technique reduces the effect the above influences have on movements in the number of operating businesses across the years. Having applied this technique, the estimates are then considered suitable for use in analysing changes in the relative composition of industries and the generation of business averages (NB a two-year average is applied to the most recent year's estimate, incorporating the current year's estimate with that of the previous year). These management unit counts exclude management units which were part-year operators i.e. operating at the beginning of the reference period but not at the end.

**25** It is important to note that if an industry is dominated by a number of large businesses, it is possible for one or more of the significant businesses to affect the aggregates, business averages and industry ratios without having a similar effect on the business comparisons and business profitability measures. It is also possible for a business to rank highly in the business comparisons, while having little effect on the industry ratios and aggregates. For example, if a unit reported an operating profit of \$50,000 and total assets of \$10,000 it would have a return on assets of 500% and rank well above the 75th percentile for return on assets, while its contribution to the aggregates and industry ratios would be minimal.

### ACKNOWLEDGMENT

**26** 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

**27** Some of the industry-specific collections used to compile the statistics in this publication can provide fine level breakdowns of the data (e.g. by state). For more information on these surveys refer to the following ABS publications.

- *Agriculture, Australia, 1999–2000* (cat. no. 7113.0)
- *Electricity, Gas, Water and Sewerage Industries, Australia, 1999–2000* (cat. no. 8208.0)
- *Manufacturing Industry, Australia, 1999–2000* (cat. no. 8221.0)
- *Mining Operations, Australia, 2000–01* (cat. no. 8415.0).

### STATISTICS AVAILABLE ON REQUEST

**28** Finer industry dissections than those presented in this publication can be found in the ABS product *Summary of Industry Performance* (cat. no. 8140.0.55.002). This product provides a one page summary of each industry's structure, income statement, balance sheet, economic values, business averages and performance ratios to the ANZSIC subdivision (two digit) level. For most ANZSIC subdivisions, separate Summaries of Industry Performance are available for small and medium (combined) and for large sizes of businesses.

**29** Another source of more detailed data is the ABS product *Industry Concentration Statistics* (cat. no. 8140.0.55.001). This product shows the proportions of sales, persons employed and industry value added (IVA) that are concentrated among the 20 largest enterprise groups operating in each industry. The 'largest 20' are further subdivided by groups of four, viz. first four groups, second four groups, and so on.

## EXPLANATORY NOTES *continued*

### STATISTICS AVAILABLE ON REQUEST *continued*

**30** Both the *Summaries of Industry Performance* and *Industry Concentration Statistics* can either be purchased separately as a product, or accessed through the ABS web based information service, AusStats. AusStats is a subscription service, providing access to a comprehensive range of ABS material. It is available on-line, via the World Wide Web, and is a part of the ABS web site where both free and charged data are integrated.

**31** Additionally, a considerable amount of data from the EAS collection is available on request. In general, data requests entail a finer industry dissection and can be presented by size classifications tailored to a client's specific need. For example, size classifications based on specified ranges in the value of sales, profits or assets can be generated. Additionally, many other performance measures or ratios apart from those included in the publication can be generated. Some examples are liquidity, debt coverage, stocks turnover and assets turnover ratios. A charge is made for providing non standard data requests and information is only made available if it passes confidentiality testing.

### ABBREVIATIONS

\$m	million dollars
ABS	Australian Bureau of Statistics
ANA	Australian National Accounts
ANZSIC	Australian and New Zealand Standard Industrial Classification
EAS	Economic Activity Survey
EBIT	earnings before interest and tax
FISIM	financial intermediation services indirectly measured
GFCF	gross fixed capital formation
GVA	gross value added
IGP	industry gross product
IVA	industry value added
no.	number
OPBT	operating profit before tax
RSE	relative standard error
SE	standard error
SNA93	System of National Accounts 1993
TNTS	The New Tax System

## TECHNICAL NOTE 1 SAMPLING VARIABILITY

### RELATIVE STANDARD ERROR

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

**2** One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. The relative standard error (RSE) provides an immediate indication of the percentage errors likely to have occurred due to sampling, and thus avoids the need to refer to the size of the estimate. The RSE table on page 30, provides RSEs for a selection of estimates presented in this publication. It should be noted that estimates for large businesses are generally not subject to sampling error as every effort is made to completely enumerate these businesses.

**3** There are about 2 chances in 3 that the difference between the estimate shown and the true value will be within one SE, and about 19 chances in 20 that the difference will be within two SEs. Thus, for example, if the estimated value of a variable is \$12,000m and its RSE is 5%, its reliability in terms of sampling error can be interpreted as follows. There are about 2 chances in 3 that the true value of the variable lies within the range \$11,400m to \$12,600m, and 19 chances in 20 that it lies within the range \$10,800m and \$13,200m.

**4** The size of the RSE may be a misleading indicator of the reliability of some of the estimates for operating profit before tax and industry value added. This situation may occur where an estimate may legitimately include positive and negative values reflecting the financial positions of different businesses. In these cases the aggregate estimate can be small relative to the contribution of individual businesses resulting in an SE which is large relative to the estimate.

### NON-SAMPLING ERROR

**5** The imprecision due to sampling variability, which is measured by the SE, is not to be confused with inaccuracies that may occur because of 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 are collectively referred to as non-sampling error and they may occur in any enumeration, whether it be a full count or a sample.

**6** While 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.

## TECHNICAL NOTE 2 NATIONAL ACCOUNTS

### RELATIONSHIPS WITH NATIONAL ACCOUNTS ESTIMATES

**1** Both the Economic Activity Survey (EAS) and the National Accounts attempt to measure overall economic activity, although the EAS is substantially narrower in scope and coverage. Differences also occur in the industry dissection of the two sets of statistics because they rely on different units frameworks.

**2** The prime purpose of the EAS is to derive a set of economic measures based on information available from the standard financial accounts of trading and employing businesses. EAS data are also used in the compilation of National Accounts aggregates, especially those relating to measures of production.

**3** The main summary measure of industry production in the National Accounts is Gross Value Added (GVA) which is the value of output at basic prices minus the value of intermediate consumption at purchasers' prices. It has not been possible to exactly duplicate this concept in the output of the annual economic collections, but the major summary item, Industry Value Added (IVA), is conceptually a close approximation.

**4** Despite the close conceptual affinity between the definitions of IVA and GVA, there are substantial coverage, conceptual and methodological differences which make precise comparisons between the two series somewhat difficult. The more important of these are summarised below.

### DIFFERENCES IN COVERAGE

**5** These are the most significant differences between the IVA and GVA estimates. EAS does not cover business units classified to the general government sector, non-farm businesses without employees and households contributing to GVA through their ownership of dwellings, or an imputation for the services provided to owner occupiers, which are all included on the derivation of GVA in the National Accounts.

### DIFFERENCES IN CONCEPT

**6** The application of the standard formula for IVA is known to result in an understatement of the value added for businesses which do not charge directly or do not charge full commercial value for the services they provide to their clients. These include financial intermediaries, insurance and superannuation businesses and not for profit organisations.

**7** Banks and some other financial intermediaries provide some services for which they do not charge explicitly. They do this by paying a lower rate of interest on deposits and charging a higher rate to borrowers. In the National Accounts, an estimate is made for financial intermediation services indirectly measured (FISIM), to measure the value of these services. This is added to the output of financial intermediaries. An estimate is also made for the consumption of FISIM by other industries, which is added to the intermediate consumption of those industries in the National Accounts.

**8** Similarly, for general insurance business in the National Accounts, estimates of output include an imputed insurance service charge derived as premiums earned less claims due plus interest and other income earned on technical reserves. The National Accounts also makes an adjustment to GVA for other industries to account for their consumption of the insurance service charge.

**9** Due to difficulties in collecting data to measure the output of financial intermediaries and insurance enterprises IVA has not been estimated for the Finance and Insurance industry.

INPUT-OUTPUT STRATEGY

**10** The annual National Accounts estimates of GVA by industry and components are compiled using supply-use tables. These are a particular type of input-output table. Importantly, they enable data for the supply of products to be compared with data for the use of (demand for) commodities and for GVA to be compared with incomes. Because they are a balanced system, they enforce the conceptual equivalence between supply and demand for products and value added and incomes.

**11** The ABS program of industry surveys, including EAS are key sources of data for much of the supply-use tables. However, some major components of the demand side of the equation — household final consumption expenditure in particular — have to be taken from other sources. When these data are included, inconsistencies in supply and demand of varying order become apparent.

**12** Balance between the data are achieved by an iterative process of adjustment. In the process it is likely that EAS data will be adjusted in order to achieve balance in the whole system.

## GLOSSARY

<b>Business averages</b>	These are derived by dividing the estimate of the financial variable in question by the number of operating businesses for that year.
<b>Business comparisons</b>	<p>Compares the profit margin, return on assets and return on net worth for each industry across quartiles. The quartiles divide the units at the 75, 50 and 25 percentile point. For example, table 10 shows that in the RETAIL industry, those businesses in the highest quartile (75% mark or higher) had a profit margin of 11.8% or more in 2000–01. While those in the lowest quartile (25% mark or lower) had a profit margin of less than 0.3%. The median value was a profit margin of 4.4%.</p> <p>For conceptual reasons, the calculation of the quartiles do not include units which reported zero profit, zero assets or zero net worth. For example where net worth equals zero, it was not possible to calculate Return on net worth.</p>
<b>Business profitability</b>	Business profitability refers to the proportion of businesses that made a profit, loss or broke even. Broke even is defined as those businesses incurring a profit or loss of less than \$500.
<b>Economic Activity Survey (EAS)</b>	An annual business survey which is the main source of the statistics presented in this publication.
<b>Employment</b>	Includes working proprietors, working partners, permanent, part-time, temporary and casual employees, and managerial and executive employees working for a business during the last pay period in June each year. Employees absent on paid or prepaid leave are included.
<b>Gross fixed capital formation (GFCF)</b>	<p>Gross fixed capital formation is measured by the total value of a producers acquisitions, less disposals of fixed assets during the accounting period, plus certain additions to the value of non-produced assets realised by the productive activity of institutional units. 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>Road vehicles</p> <p><i>plus</i> Other transport equipment</p> <p><i>plus</i> Industrial machinery and equipment</p> <p><i>plus</i> Computer software capitalised</p> <p><i>plus</i> Computers and computer peripherals</p> <p><i>plus</i> Electronic and electrical machinery and communications equipment</p> <p><i>plus</i> Other plant and equipment</p> <p><i>plus</i> Dwellings, buildings and other structures</p> <p><i>plus</i> Computer software expensed</p> <p><i>plus</i> Mining exploration expenditure expensed</p> <p><i>plus</i> Mining exploration expenditure written-off</p> <p><i>less</i> Disposal of plant, machinery and equipment</p> <p><i>less</i> Disposal of dwellings and other structures.</p> <p><i>equals</i> GFCF</p>
<b>Industry value added (IVA)</b>	Represents the value added by an industry to the intermediate inputs used by that industry. From 1997–98, IVA has replaced IGP as the official measure of the contribution by industries to GDP. While IVA and IGP both represent gross output less intermediate inputs (or alternatively, the value added to intermediate inputs), introduction of new international standards for measuring economic

## GLOSSARY *continued*

<b>Industry value added (IVA)</b> <i>continued</i>	<p>variables has meant changes to the way in which gross output and intermediate inputs are defined, as follows.</p> <p>Trading profit</p> <p><i>plus</i> Operational funding from Government</p> <p><i>plus</i> Own account capital work</p> <p><i>equals</i> Capitalised wages and salaries</p> <p><i>plus</i> Capitalised purchases</p> <p><i>less</i> Capitalised purchases</p> <p><i>equals</i> Industry Gross Product (IGP)</p> <p><i>plus</i> Computer software (non capitalised) expense</p> <p><i>plus</i> Indirect taxes (fringe benefits tax, payroll tax, land rates and taxes)</p> <p><i>plus</i> Exploration expenditure written off</p> <p><i>less</i> Intellectual property royalty expense</p> <p><i>equals</i> IVA.</p>
<b>Interest coverage</b>	<p>The number of times over that businesses can meet their interest expenses from their earnings before interest and taxation, i.e.</p> $\frac{\text{EBIT}}{\text{interest expenses}}$
<b>Investment rate</b>	<p>The proportion of industry value added used to acquire capital, i.e.</p> $\frac{\text{capital expenditure} \times 100}{\text{IVA}}$
<b>Large businesses</b>	See under 'Classification by size' in paragraph 13 of the Explanatory Notes.
<b>Other businesses</b>	See under 'Classification by size' in paragraph 13 of the Explanatory Notes.
<b>Net worth</b>	Total assets minus total liabilities. This is equal to the interests of shareholders or other owners in the assets of the business.
<b>Management unit</b>	See under 'Statistical unit' in paragraph 6 of the Explanatory Notes.
<b>Operating business</b>	A management unit which is still in existence at the end of the financial reporting period. See 'Management unit' above.
<b>Operating profit before tax (OPBT)</b>	<p>A measure of profit (or loss) before extraordinary items are brought to account and prior to the deduction of income tax and apportions to owners</p> <p>It is derived as:</p> <p>Total income</p> <p><i>plus</i> Closing inventories</p> <p><i>less</i> Total expenses</p> <p><i>less</i> Opening inventories</p> <p><i>equals</i> OPBT</p>
<b>Profit margin</b>	<p>The percentage of operating income available as OPBT, i.e.</p> $\frac{\text{OPBT} \times 100}{\text{operating income}}$
<b>Return on assets</b>	OPBT as a percentage of the total book value of assets, i.e.



## GLOSSARY *continued*

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**Return on assets** *continued*

$$\frac{\text{OPBT} \times 100}{\text{total assets}}$$

**Return on net worth**

OPBT as a percentage of shareholders' funds, i.e.

$$\frac{\text{OPBT} \times 100}{\text{net worth}}$$

**Total operating expenses**

The total expenses of a business, excluding extraordinary items.

**Total operating income**

The total income of a business, excluding extraordinary items





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