



WHOLESALE INDUSTRY

AUSTRALIA

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CONTENTS

	<i>page</i>
Notes	2
List of Tables	3

CHAPTER

1 Summary of findings	4
2 Sources of income	8
3 Expenses	17
4 Employment	23
5 State and Territory	26
6 Business size	28
7 Performance measures	31

ADDITIONAL INFORMATION

Explanatory notes	34
Appendix—Factors affecting industry classification and data reporting	38
Glossary	47

- For further information about these and related statistics, contact the National Information Service on 1300 135 070 or Ross Upson on Canberra 02 6252 5644.

NOTES

ABOUT THIS PUBLICATION This publication presents results in respect of 1998–99 from an Australian Bureau of Statistics survey of employing businesses in the wholesale trade industry. Structural data, such as income and expenses and selected commodity sales, including gross margin information, were collected as part of the survey. Previous surveys of the wholesale trade industry survey were carried out in respect of 1991–92 and 1981–82.

The ABS defines a wholesale business as any business which is primarily engaged in the resale (as an agent or principal) of goods to other businesses or to institutional users, including Government. Businesses mainly engaged in wholesale trade are wholesale merchants who take title to the goods they sell; separate sales branches (not being retail stores) operated by manufacturing enterprises; commission agents; import and export agents and purchasing agents; petroleum products distributors; and cooperatives and marketing boards engaged in marketing farm products.

To better understand the data and the concepts within this publication, more detailed information about wholesale industry classifications and data reporting for this survey, is provided in the Appendix to this publication (see page 38).

COMMENTS ON THIS PUBLICATION The ABS welcomes comments and suggestions from users recommending industries and data items for inclusion in future surveys. These comments should be addressed to the Director, Service Industries Surveys, Australian Bureau of Statistics, PO Box 10, Belconnen ACT 2616.

RELATED PUBLICATIONS Other publications which may be of interest are:

Business Operations and Industry Performance, Australia (Cat. no. 8140.0) - annual

Retail Trade, Australia (Cat. no. 8501.0) - monthly

Retail Industry, Australia: 1998–99 (Cat. no. 8622.0)

Retail Industry, Australia: Commodity Sales, 1998–99 (Cat. no. 8624.0)

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ABBREVIATIONS

- ABS Australian Bureau of Statistics
- ANZSIC Australian and New Zealand Standard Industrial Classification
- billion thousand million
- ISIC International Standard Industrial Classification
- n.e.c. not elsewhere classified
- OPBT Operating Profit Before Tax
- RSE Relative standard error
- SE Standard error

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LIST OF TABLES

page

SUMMARY OF FINDINGS

1.1 Key financial aggregates by industry 6

SOURCES OF INCOME

2.1 Selected income items by industry 10

2.2 Income and sales margins by commodity item 12

EXPENSE ITEMS

3.1 Selected expense items by industry 19

3.2 Labour costs by industry 21

EMPLOYMENT

4.1 Employment by industry 24

STATE AND TERRITORY

5.1 Key aggregates by State and Territory 27

BUSINESS SIZE

6.1 Business size by industry 29

PERFORMANCE MEASURES

7.1 Performance measures by industry 32

CHAPTER 1

SUMMARY OF FINDINGS

INTRODUCTION

This publication presents results, in respect of the 1998–99 financial year, from an ABS survey of businesses (management units) in the wholesale trade industry. Businesses in this industry are classified to Division F of the *Australian and New Zealand Standard Industrial Classification* (ANZSIC) which includes businesses whose main activity is the resale (as agents or principals) of new or used goods to businesses or to institutional (including Government) users. Division F (Wholesale Trade) of the ANZSIC is structured into 9 industry groups, which in turn are divided into 41 industry classes. The tables in this publication generally provide information at each of the levels, although the commentary, in the main, refers to the industry group level.

SIZE OF INDUSTRY

At the end of June 1999 there were 38,568 businesses operating in the wholesale trade industry. These businesses employed 429,386 persons and generated total income of \$210,583 million.

Machinery and equipment wholesaling was the largest industry group accounting for 31% of all businesses, 33% of total employment, and 26% of total income for the wholesale trade industry.

HISTORICAL COMPARISON

Since 1991–92 the number of businesses primarily engaged in the wholesale trade industry has increased by 29% and employment has grown by 23%. Total income over the period increased by 48% which represented an annual growth rate of 6%. The Operating Profit Before Tax has increased by 138% during the period, an annual growth rate of 13%, resulting in a significant increase in the operating profit margin of the industry from 2.0% to 3.2%.

KEY FIGURES 1991–92 TO 1998–99

	1991–92	1998–99	% increase
No. of management units	29 967	38 568	28.7
Employment	350 400	429 386	22.5
Total income (\$m)	141 950.7	210 583.4	48.3
Operating Profit Before Tax (\$m)	2 824.8	6 728.4	138.2
Operating Profit Margin (%)	2.0	3.2	..

.. not applicable

PROFITABILITY

In 1998–99 the total profit generated by wholesalers was \$6,728 million, an average of \$174,500 per business. The Machinery and equipment wholesaling industry group contributed most to this total, recording a profit of \$2,565 million or 38%. The only industry class to record an overall loss was Wool wholesaling which incurred a loss of \$123 million, however the industry group to which it contributed, Farm produce wholesaling, reported a profit of \$210 million.

PROFITABILITY *continued*

Operating profit margin, which is the ratio of operating profit to operating income, was 3.2% for the industry as a whole. At the industry group level, operating profit margin ranged from 1.3% for Farm produce wholesaling to 4.7% for Machinery and equipment wholesaling.

1.1

KEY FINANCIAL AGGREGATES BY INDUSTRY, Australia

INDUSTRY CLASS		Management units	Employment	Total income	OPBT	Operating profit margin	Opening inventories	Closing inventories
ANZSIC Code	Description	no.	no.	\$m	\$m	%	\$m	\$m
451	Farm Produce Wholesaling							
4511	Wool Wholesaling	266	1 590	3 329.7	*-123.0	-3.7	1 281.9	1 046.7
4512	Cereal Grain Wholesaling	*63	1 015	3 230.4	*19.2	0.6	596.4	238.0
4519	Farm Produce and Supplies Wholesaling n.e.c.	1 916	19 866	10 231.4	313.9	3.1	922.7	1 008.2
	<i>Total</i>	2 245	22 472	16 791.5	*210.1	1.3	2 801.1	2 292.9
452	Mineral, Metal and Chemical Wholesaling							
4521	Petroleum Product Wholesaling	*465	9 197	13 282.7	426.1	3.2	891.6	739.6
4522	Metal and Mineral Wholesaling	763	10 964	12 417.7	264.9	2.1	1 033.6	992.8
4523	Chemical Wholesaling	764	4 305	1 997.8	*71.5	3.6	277.4	270.4
	<i>Total</i>	1 991	24 466	27 698.3	762.4	2.8	2 202.6	2 002.9
453	Builders Supplies Wholesaling							
4531	Timber Wholesaling	417	6 256	2 181.1	*79.1	3.7	278.4	295.8
4539	Building Supplies Wholesaling n.e.c.	3 676	44 742	10 861.7	340.9	3.2	1 654.4	1 772.9
	<i>Total</i>	4 093	50 998	13 042.8	420.0	3.2	1 932.8	2 068.6
461	Machinery and Equipment Wholesaling							
4611	Farm and Construction Machinery Wholesaling	2 143	21 847	8 849.3	**474.2	5.3	2 149.9	2 281.1
4612	Professional Equipment Wholesaling	*895	10 073	2 892.4	**33.7	1.2	528.8	577.3
4613	Computer Wholesaling	1 454	25 908	14 976.1	*656.9	4.4	1 055.8	1 054.7
4614	Business Machine Wholesaling n.e.c.	748	7 670	1 627.1	66.5	4.2	232.9	257.8
4615	Electrical and Electronic Equipment Wholesaling n.e.c.	3 375	39 697	13 970.1	561.2	4.0	1 648.9	1 756.0
4619	Machinery and Equipment Wholesaling n.e.c.	3 409	35 793	12 180.1	*772.8	6.4	2 219.5	2 316.6
	<i>Total</i>	12 024	140 989	54 495.1	2 565.4	4.7	7 835.9	8 243.6
462	Motor Vehicle Wholesaling							
4621	Car Wholesaling	*538	10 493	16 527.9	273.8	1.7	2 218.8	2 708.4
4622	Commercial Vehicle Wholesaling	*430	9 210	10 870.9	183.3	1.7	1 072.1	1 299.3
4623	Motor Vehicle New Part Dealing	2 436	32 889	8 412.9	*350.7	4.2	1 743.3	1 845.9
4624	Motor Vehicle Dismantling and Used Part Dealing	853	4 496	460.0	*23.4	5.1	66.4	69.6
	<i>Total</i>	4 258	57 088	36 271.7	831.1	2.3	5 100.7	5 923.1
471	Food, Drink and Tobacco Wholesaling							
4711	Meat Wholesaling	463	4 971	3 905.6	**7.1	0.2	*46.7	53.8
4712	Poultry and Smallgood Wholesaling	215	1 217	373.5	9.6	2.6	*13.1	*12.3
4713	Dairy Produce Wholesaling	476	2 627	1 354.0	40.3	3.0	*54.5	*56.2
4714	Fish Wholesaling	430	3 641	1 687.0	35.2	2.1	102.9	103.8
4715	Fruit and Vegetable Wholesaling	960	13 827	6 513.8	207.6	3.2	64.3	65.7
4716	Confectionery and Soft Drink Wholesaling	336	2 919	1 089.4	*14.4	1.3	105.5	103.9
4717	Liquor Wholesaling	313	3 772	2 839.2	*133.2	4.7	248.2	308.2
4718	Tobacco Product Wholesaling	*76	*2 570	1 243.2	110.7	9.0	153.7	200.5
4719	Grocery Wholesaling n.e.c.	**1 376	*18 685	11 858.4	*322.1	2.7	*805.9	*913.4
	<i>Total</i>	4 645	54 229	30 864.1	880.2	2.9	1 594.8	1 817.7
472	Textile, Clothing and Footwear Wholesaling							
4721	Textile Product Wholesaling	1 033	8 010	2 723.2	144.1	5.5	354.0	396.1
4722	Clothing Wholesaling	1 708	11 887	3 713.0	*163.0	4.4	521.3	600.3
4723	Footwear Wholesaling	175	1 542	1 057.8	**10.5	1.0	153.2	145.8
	<i>Total</i>	2 916	21 439	7 493.9	317.6	4.3	1 028.5	1 142.1
473	Household Good Wholesaling							
4731	Household Appliance Wholesaling	**446	4 404	3 152.2	*95.0	3.0	543.9	596.5
4732	Furniture Wholesaling	*292	*1 289	223.7	*22.2	10.4	*41.5	40.2
4733	Floor Covering Wholesaling	139	1 057	428.3	29.8	7.0	61.2	65.1
4739	Household Good Wholesaling n.e.c.	666	4 775	1 384.6	*41.6	3.0	298.7	306.1
	<i>Total</i>	1 542	11 525	5 188.8	188.6	3.7	945.3	1 007.9

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

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

1.1**KEY FINANCIAL AGGREGATES BY INDUSTRY, Australia *continued***

INDUSTRY CLASS		Manage- ment units	Employ- ment	Total income	OPBT	Oper- ating profit margin	Opening invent- ories	Closing invent- ories
ANZSIC Code	Description	no.	no.	\$m	\$m	%	\$m	\$m
479	Other Wholesaling							
4791	Photographic Equipment Wholesaling	*58	1 470	581.0	28.3	4.9	103.5	120.4
4792	Jewellery and Watch Wholesaling	488	2 558	1 047.0	35.1	3.4	207.2	210.7
4793	Toy and Sporting Good Wholesaling	825	4 173	1 339.1	**33.4	2.5	324.5	317.8
4794	Book and Magazine Wholesaling	269	3 495	1 114.9	*24.3	2.2	194.2	217.8
4795	Paper Product Wholesaling	1 045	12 295	4 096.0	**8.5	0.2	605.2	624.1
4796	Pharmaceutical and Toiletry Wholesaling	1 068	16 196	8 925.6	325.4	3.7	1 018.7	1 115.1
4799	Wholesaling n.e.c.	1 103	5 993	1 633.8	98.0	6.1	193.8	198.2
	<i>Total</i>	4 856	46 181	18 737.3	552.9	3.0	2 647.0	2 804.1
	Total Wholesale Trade	38 568	429 386	210 583.4	6 728.4	3.2	26 088.6	27 302.9

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

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SOURCES OF INCOME

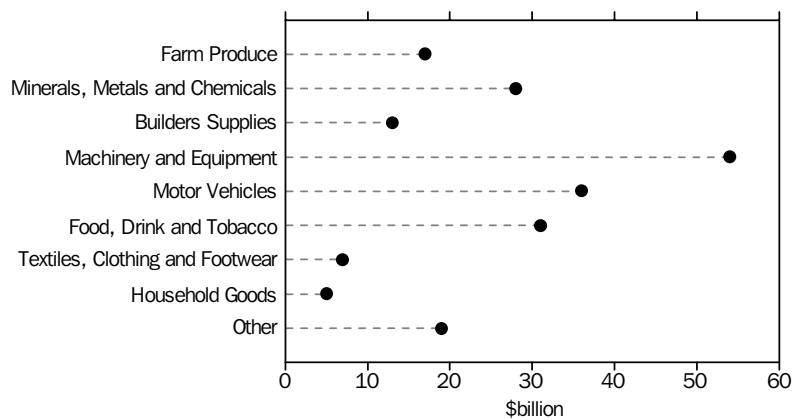
Total income in 1998–99 of the wholesale trade industry was \$210,583 million. Wholesale sales of \$191,887 million accounted for 91% of total income, while retail sales and other service income were next highest accounting for 4% and 3% respectively. Other service income includes income generated from repair and maintenance activity, which is an integral part of the operations of some wholesalers. Commission income, (i.e. selling goods as an agent on behalf of other parties), made up only 1% (\$2,321 million) of total income.

Machinery and equipment wholesaling, contributed the most to total income, accounting for \$54,495 million or 26% of the industry total. The largest industry class was Car wholesaling (\$16,528 million), which along with Computer wholesaling (\$14,976 million), Electrical and electronic equipment wholesaling n.e.c. (\$13,970 million) and Petroleum product wholesaling (\$13,283 million) collectively represented 28% of total wholesale income.

Whilst the components of income, other than wholesale sales, are not significant at the total level, some industry classes generated a large proportion of income from other activities. Business machine wholesalers received 26% of their total income from the provision of services, while 16% of the total income of Petroleum product wholesalers was sourced from retail sales. Similarly, Car wholesalers and Commercial vehicle wholesalers generated 13% and 12% respectively from retail sales.

The profit or loss on foreign exchange transactions is reported as other income. In particular this affected the Farm and construction machinery wholesaling industry class accounting for a loss of \$41 million in other income.

TOTAL INCOME BY INDUSTRY GROUP



COMMODITY SALES AND MARGINS

The 1998–99 Wholesale Industry Survey collected information about wholesale sales (i.e. goods sold to other businesses or institutional users, including government) and the margins (calculated on selling price) associated with those sales for a wide range of

COMMODITY SALES AND
MARGINS *continued*

commodities. These wholesale sales in total (\$191,887 million) made up 91% of total income for the wholesale trade industry, however wholesalers also received \$7,931 million income from retail sales (i.e. goods sold to final consumers for personal or household consumption).

In terms of broad commodity groupings, Machinery and equipment was the largest with a total value of \$31,917 million and accounted for 17% of wholesale sales. The largest individual commodity in this grouping was Other industrial machinery and parts (\$7,450 million). The Motor vehicles and associated goods commodity grouping was the next largest (16% of wholesale sales) followed by Food and groceries (15%). Of the individual commodities collected, the highest contributors were New car and passenger van sales to dealers of \$9,282 million, and Computer hardware sales of \$8,709 million, both contributing 5% to total wholesale sales.

The sales margins for the commodity items presented in Table 2.2 are calculated at gross value (as a percentage of selling price). The overall margin achieved by wholesalers in 1998–99 was \$37,341 million or 19.5% of wholesale sales, however, margins vary significantly across individual commodities and commodity groups. Of the broad commodity groupings the highest margin of 30% was recorded for Clothing and footwear, followed by 27% for Builders' hardware and supplies and 26% for Furniture and floor coverings. The lowest margins recorded were 11% for Farm produce and supplies and 14% for Food and groceries.

For the individual commodities collected the highest margins were recorded for Pre-recorded audio media and video cassettes (53%) and Used motor vehicle parts and accessories (44%).

2.1 SELECTED INCOME ITEMS BY INDUSTRY, Australia

INDUSTRY CLASS ANZSIC Code	Description	Wholesale sales \$m	Retail sales \$m	Commis- sion income \$m	Rent, leasing and hiring income \$m	Other service income \$m	Other income \$m	Total income \$m
451	Farm Produce Wholesaling							
4511	Wool Wholesaling	3 241.2	—	*41.1	2.7	11.7	*33.0	3 329.7
4512	Cereal Grain Wholesaling	2 882.6	**1.7	154.7	**7.7	69.2	114.6	3 230.4
4519	Farm Produce and Supplies Wholesaling n.e.c.	9 545.0	*92.5	213.1	14.8	208.8	157.2	10 231.4
	<i>Total</i>	15 668.8	*94.2	408.8	*25.2	289.7	304.8	16 791.5
452	Mineral, Metal and Chemical Wholesaling							
4521	Petroleum Product Wholesaling	10 771.2	2 099.5	57.7	174.3	65.7	114.4	13 282.7
4522	Metal and Mineral Wholesaling	12 103.1	**161.8	55.2	**10.0	26.3	61.3	12 417.7
4523	Chemical Wholesaling	1 973.3	**4.5	**8.0	*1.0	*4.6	*6.4	1 997.8
	<i>Total</i>	24 847.6	2 265.8	120.9	185.2	96.6	182.1	27 698.3
453	Builders Supplies Wholesaling							
4531	Timber Wholesaling	2 117.5	26.8	*4.6	*2.6	15.6	*13.9	2 181.1
4539	Building Supplies Wholesaling n.e.c.	9 691.2	690.1	*54.0	*17.1	**338.6	70.7	10 861.7
	<i>Total</i>	11 808.8	716.9	*58.6	*19.7	**354.2	84.7	13 042.8
461	Machinery and Equipment Wholesaling							
4611	Farm and Construction Machinery Wholesaling	8 113.8	*51.9	**113.1	48.5	562.7	-40.6	8 849.3
4612	Professional Equipment Wholesaling	2 673.5	**36.0	**20.2	*15.7	117.1	29.9	2 892.4
4613	Computer Wholesaling	12 534.6	36.6	*587.3	23.4	1 630.4	163.8	14 976.1
4614	Business Machine Wholesaling n.e.c.	1 156.1	**16.0	*37.4	31.4	351.5	34.7	1 627.1
4615	Electrical and Electronic Equipment Wholesaling n.e.c.	12 864.8	292.1	**38.2	*48.7	624.8	*101.4	13 970.1
4619	Machinery and Equipment Wholesaling n.e.c.	11 408.5	38.9	*57.0	96.6	428.0	*151.1	12 180.1
	<i>Total</i>	48 751.3	471.5	*853.3	264.3	3 714.4	440.3	54 495.1
462	Motor Vehicle Wholesaling							
4621	Car Wholesaling	13 966.4	2 133.5	63.3	9.1	311.1	44.6	16 527.9
4622	Commercial Vehicle Wholesaling	9 084.1	1 322.0	47.4	27.9	339.9	49.6	10 870.9
4623	Motor Vehicle New Part Dealing	7 880.8	188.0	93.6	*4.1	195.7	*50.7	8 412.9
4624	Motor Vehicle Dismantling and Used Part Dealing	428.9	12.4	**0.8	*1.4	*12.4	*4.1	460.0
	<i>Total</i>	31 360.2	3 656.0	205.0	42.5	859.1	148.9	36 271.7
471	Food, Drink and Tobacco Wholesaling							
4711	Meat Wholesaling	3 835.7	24.5	**10.7	*1.3	*24.4	*9.1	3 905.6
4712	Poultry and Smallgood Wholesaling	364.3	*0.6	3.6	0.4	*4.1	*0.5	373.5
4713	Dairy Produce Wholesaling	1 301.8	*13.3	*11.3	**3.6	*14.6	*9.4	1 354.0
4714	Fish Wholesaling	1 609.2	*28.3	19.8	8.8	12.0	8.9	1 687.0
4715	Fruit and Vegetable Wholesaling	6 244.6	*46.4	*17.2	**7.6	163.8	*34.2	6 513.8
4716	Confectionery and Soft Drink Wholesaling	1 062.2	**8.3	*4.4	*1.1	*6.1	7.3	1 089.4
4717	Liquor Wholesaling	2 747.7	9.0	**24.7	2.9	38.5	16.5	2 839.2
4718	Tobacco Product Wholesaling	1 190.6	**2.7	**11.7	0.9	*24.2	13.1	1 243.2
4719	Grocery Wholesaling n.e.c.	11 320.4	182.8	**104.0	*13.8	130.2	107.2	11 858.4
	<i>Total</i>	29 676.6	315.8	*207.3	40.3	417.8	206.2	30 864.1
472	Textile, Clothing and Footwear Wholesaling							
4721	Textile Product Wholesaling	2 444.6	**19.6	*135.6	1.8	*9.6	**112.0	2 723.2
4722	Clothing Wholesaling	3 499.3	100.1	*70.3	*5.0	*10.1	28.2	3 713.0
4723	Footwear Wholesaling	1 007.6	26.5	*20.9	**0.3	**1.3	**1.2	1 057.8
	<i>Total</i>	6 951.5	146.2	*226.9	*7.0	*21.0	**141.4	7 493.9

— nil or rounded to zero (including null cells)

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

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

2.1

SELECTED INCOME ITEMS BY INDUSTRY, Australia *continued*

INDUSTRY CLASS		Wholesale	Retail	Commis- sion	Rent, leasing and hiring	Other service	Other	Total
ANZSIC		sales	sales	income	income	income	income	income
Code	Description	\$m	\$m	\$m	\$m	\$m	\$m	\$m
473	Household Good Wholesaling							
4731	Household Appliance Wholesaling	3 070.7	13.9	10.9	9.2	12.3	35.2	3 152.2
4732	Furniture Wholesaling	*200.5	—	*12.1	—	2.0	*9.1	223.7
4733	Floor Covering Wholesaling	408.1	*0.8	*4.8	0.9	*12.2	1.4	428.3
4739	Household Good Wholesaling n.e.c.	1 314.2	*17.4	*41.2	**2.0	*3.9	*5.8	1 384.6
	<i>Total</i>	4 993.6	32.2	*69.0	12.1	30.4	51.5	5 188.8
479	Other Wholesaling							
4791	Photographic Equipment Wholesaling	541.5	**8.3	—	**9.7	18.1	3.3	581.0
4792	Jewellery and Watch Wholesaling	1 002.1	35.6	**0.3	—	**5.5	*3.5	1 047.0
4793	Toy and Sporting Good Wholesaling	1 282.2	**15.9	*11.5	*1.5	*16.3	*11.8	1 339.1
4794	Book and Magazine Wholesaling	1 075.2	1.5	25.5	0.5	5.5	6.8	1 114.9
4795	Paper Product Wholesaling	3 882.2	**69.1	12.9	4.6	111.9	15.3	4 096.0
4796	Pharmaceutical and Toiletry Wholesaling	8 575.4	90.9	**52.4	*4.8	74.4	127.7	8 925.6
4799	Wholesaling n.e.c.	1 470.0	11.5	**68.2	*7.4	14.9	61.8	1 633.8
	<i>Total</i>	17 828.5	232.8	*170.8	*28.6	246.5	230.1	18 737.3
	Total Wholesale Trade	191 886.9	7 931.3	2 320.6	624.8	6 029.7	1 790.1	210 583.4

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

— nil or rounded to zero (including null cells)

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

2.2

INCOME AND SALES MARGINS BY COMMODITY ITEM, Australia

Commodity	Income	Sales margin	Percent margin
	\$m	\$m	%
Wholesale Sales			
Farm produce and supplies			
Cattle	np	np	np
Sheep	np	np	np
Poultry	1.1	*0.2	20.1
Other livestock	14.1	*1.7	12.4
Wool	3 122.6	137.8	4.4
Hides, skins and fur, raw	118.4	*32.0	27.0
Leather	**23.1	**5.3	22.8
Inedible tallow and other unrefined animal oils and fats	np	np	np
Wheat and other cereal grains	2 854.2	328.9	11.5
Other farm produce	np	np	np
Stock feed	*463.4	*112.9	24.4
Animal feed supplements	**471.5	**49.6	10.5
Other veterinary supplies	*723.6	*149.1	20.6
Seed	241.2	49.0	20.3
Pesticides, insecticides, fungicides and herbicides	2 462.1	247.5	10.1
Fertiliser	1 548.2	236.0	15.2
Total	14 263.4	..	..
Minerals, metals and chemicals			
Crude oil	np	np	np
Petrol, diesel and distillate	7 515.7	960.3	12.8
Kerosene	1 329.4	240.9	18.1
Oils and lubricants	615.3	128.3	20.9
LPG	1 027.3	278.7	27.1
Other refinery products	473.4	115.3	24.4
Coal, coke, briquettes and charcoal	1 407.7	15.2	1.1
Iron ore	np	np	np
Other ores and minerals	np	np	np
Iron and steel, basic and semi fabricated	3 331.3	591.2	17.7
Other metals, basic and semi fabricated	2 640.2	232.7	8.8
Metal scrap	721.7	310.6	43.0
Industrial chemicals	2 030.2	305.5	15.0
Industrial gases	*4.8	*1.6	34.3
Total	21 624.4	..	..
Builders' hardware and supplies			
Paint	*383.0	*114.9	30.0
Hand tools—not power operated	*530.8	*174.2	32.8
Hand tools—power operated	1 425.5	*450.2	31.6
Plumbing supplies	1 864.7	467.3	25.1
Metal fasteners	*818.2	**327.3	40.0
Other metal products	603.6	136.9	22.7
Doors and security screens	719.6	155.6	21.6
Other wooden builders' joinery and carpentry	*327.3	*71.0	21.7
Plywood and veneers	168.6	*35.4	21.0
Hardboard and particle board	260.7	52.9	20.3
Other timber	2 160.2	*471.9	21.8
Sand, gravel and other construction materials	*213.1	**92.5	43.4
Clay products	81.6	30.3	37.1
Cement	*235.0	*49.4	21.0
Concrete products	*111.8	*24.4	21.8
Plaster products	62.2	15.9	25.6
Other builders' hardware and supplies	*1 100.5	*272.2	24.7
Total	11 066.3

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.. not applicable

2.2INCOME AND SALES MARGINS BY COMMODITY ITEM, Australia *continued*

<i>Commodity</i>	<i>Income</i>	<i>Sales margin</i>	<i>Percent margin</i>
	\$m	\$m	%
Wholesale Sales cont.			
Information and communication technology			
Facsimile machines	205.8	56.0	27.2
Mobile phones	*617.3	118.7	19.2
Other telephone handsets, answering machines and modems sold separately	np	np	np
Other communication hardware	1 396.1	402.3	28.8
Communication parts and components	*364.8	*85.0	23.3
Computer hardware	8 708.9	1 301.3	14.9
Computer parts and components	670.0	167.8	25.0
Computer and communications consumables	985.5	278.0	28.2
Sale and licensing of packaged computer software	1 653.4	491.3	29.7
Computer game machines	np	np	np
Blank videos, CDs and other magnetic tapes	np	np	np
<i>Total</i>	15 617.4	..	..
Machinery and equipment wholesaling			
Agriculture, construction and earthmoving equipment and parts	7 419.3	1 764.0	23.8
Surgical and optical equipment and parts	*532.9	*174.1	32.7
Other medical, professional and scientific equipment and parts	2 098.1	685.8	32.7
Lifting and material handling equipment and parts	*2 939.1	**775.8	26.4
Food processing equipment and parts	*406.3	*121.4	29.9
Industrial metal and wood working machinery and parts	321.4	78.6	24.4
Industrial textile, clothing and footwear machinery and parts	45.5	11.6	25.5
Printing machinery and parts	342.5	100.2	29.3
Other industrial machinery and parts	7 450.5	1 780.9	23.9
Office furniture	459.0	120.9	26.3
Photocopiers	768.5	226.9	29.5
Other office machines	302.4	117.4	38.8
Other electronic equipment	*2 522.1	**804.4	31.9
Lighting	1 658.1	417.5	25.2
Other electrical equipment	4 650.7	945.7	20.3
<i>Total</i>	31 916.6	..	..
Motor vehicles and associated goods			
Sales of motor vehicles to fleet operators, government, rental companies or other businesses			
New cars and passenger vans	2 439.6	138.5	5.7
Used cars and passenger vans	150.0	7.9	5.3
New and used commercial vehicles	1 863.3	98.5	5.3
Sales of motor vehicles to motor vehicle dealers			
New cars and passenger vans	9 281.7	1 002.5	10.8
Used cars and passenger vans	1 474.0	64.9	4.4
New and used commercial vehicles	3 790.1	321.8	8.5
Sales of motor vehicles to the general public			
New commercial vehicles	1 258.6	83.0	6.6
Used commercial vehicles	*793.5	*101.8	12.8
New and used tyres and tubes for motor vehicles - sold to businesses	785.7	106.9	13.6
New and used tyres and tubes for other vehicles and equipment	274.9	29.7	10.8
New wet cell batteries for motor vehicles and motor cycles - sold to businesses	8.1	2.2	27.2
Sales of other parts and accessories for motor vehicles (excluding motor cycles)			
Car radios, cassettes and CD players	184.9	51.7	28.0
Other new parts and accessories	8 033.6	2 691.4	33.5
Used parts and accessories	450.7	199.4	44.2
<i>Total</i>	30 788.6

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2.2INCOME AND SALES MARGINS BY COMMODITY ITEM, Australia *continued*

Commodity	Income	Sales margin	Percent margin
	\$m	\$m	%
Wholesale Sales cont.			
Food and groceries			
Fresh meat	2 919.7	340.9	11.7
Fresh poultry	246.6	23.5	9.5
Fresh seafood	573.7	80.9	14.1
Fresh fruit and vegetables	6 608.1	983.7	14.9
Bread, cakes, pastries and biscuits	573.2	*74.2	12.9
Frozen meat	1 741.7	95.1	5.5
Frozen seafood	1 165.4	135.6	11.6
Frozen poultry	253.8	21.1	8.3
Frozen fruit and vegetables	219.0	27.5	12.6
Frozen cakes, pastries and biscuits	220.1	25.9	11.7
Ice creams and frozen confections	339.3	42.7	12.6
Milk and cream	697.8	88.0	12.6
Cheese	681.8	114.8	16.8
Other dairy products	*630.4	69.2	11.0
Bacon, ham and smallgoods	417.9	50.2	12.0
Margarine, oils and fats	*492.6	*62.5	12.7
Eggs and egg pulp	245.1	36.9	15.1
Flour	109.6	14.4	13.1
Cereal foods and baking mixes	415.6	*49.0	11.8
Canned foods	*1 166.7	*173.3	14.9
Sugar	*104.8	*13.9	13.2
Coffee	316.5	84.4	26.6
Tea	149.5	38.6	25.8
Fruit juices	274.7	*35.0	12.7
Confectionery, chocolate and cocoa products	1 334.4	183.2	13.7
Soft drinks, cordials and syrups	454.1	55.5	12.2
Other food products	2 263.0	340.8	15.1
Beer	214.0	33.0	15.4
Wine	1 023.2	*205.5	20.1
Spirits and other alcoholic beverages	1 150.5	222.9	19.4
Cigarettes, cigars and other tobacco products	1 686.1	361.8	21.5
Total	28 688.8	..	..
Clothing and footwear			
Men's and boys' clothing	*1 186.5	*328.6	27.7
Women's and girls' clothing	*938.5	*272.2	29.0
Sleepwear, underwear and infant's clothing	164.6	58.7	35.7
Swimwear, tracksuits and other sportswear	*526.4	*206.0	39.1
Other clothing and clothing accessories	*665.3	*195.3	29.4
Footwear	1 038.1	312.6	30.1
Total	4 519.5	..	..
Fabrics and soft furnishings			
Yarn and fabrics	*1 015.7	**88.4	8.7
Textile products and haberdashery	1 512.9	358.2	23.7
Total	2 528.6	..	..
Furniture and floor coverings			
Furniture and mattresses	*182.3	*53.6	29.4
Awnings and blinds	**27.6	**10.2	36.9
Floor coverings	400.4	94.3	23.5
Total	610.3

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.. not applicable

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2.2**INCOME AND SALES MARGINS BY COMMODITY ITEM, Australia *continued***

<i>Commodity</i>	<i>Income</i>	<i>Sales margin</i>	<i>Percent margin</i>
	\$m	\$m	%
Wholesale Sales <i>cont.</i>			
Household goods			
Television sets	293.0	46.1	15.7
Video cassette recorders and players	130.4	27.0	20.7
Audio equipment	547.1	110.5	20.2
Domestic stoves, refrigerators, freezers, washing machines, wall and microwave ovens, dryers, dishwashers, air conditioners, evaporative coolers and heaters	1 004.2	202.5	20.2
Other household appliances and parts	758.7	237.1	31.3
China, glassware, cutlery and other kitchenware	1 033.1	310.8	30.1
Lawn mowers	29.5	5.5	18.6
Other lawn and garden machinery and equipment	194.2	53.4	27.5
<i>Total</i>	3 990.2	..	..
Personal, recreational and other goods			
Musical instruments	*131.4	*45.6	34.7
Watches and clocks	*283.0	*92.3	32.6
Jewellery	631.8	112.7	17.8
Silverware	6.1	1.9	31.7
Fishing tackle and bait supplies	*101.7	*33.6	33.0
Other sporting goods	*462.4	*154.6	33.4
Camping equipment	53.7	14.7	27.3
Bicycles and ride-on toys	*209.7	*64.1	30.6
Other toys and games	519.1	158.2	30.5
Handbags, suitcases and travel sets	107.0	33.6	31.4
Greeting cards	np	np	np
Stationery	1 606.5	421.8	26.3
Books	742.4	256.9	34.6
Newspapers, periodicals and maps	np	np	np
Other paper and paper products	2 003.1	390.4	19.5
Writing and marking equipment	222.4	73.7	33.1
Medical and pharmaceutical products	6 983.5	1 315.4	18.8
Cameras and lenses	239.8	61.6	25.7
Other photographic equipment and supplies	452.0	120.5	26.7
Antiques and second hand goods	**11.2	**4.2	37.5
Pre-recorded audio media and video cassettes	583.3	311.8	53.4
Cleaning preparations	577.3	*109.5	19.0
Prepared animal and bird food	342.3	*27.4	8.0
Cosmetics, perfumes and toiletries	1 501.5	599.3	39.9
Other goods	8 026.0	1 894.6	23.6
<i>Total</i>	26 272.8	..	..
<i>Total wholesale sales</i>	191 886.9	..	..
Retail sales			
Sales of motor vehicles to the general public			
New cars and passenger vans	2 060.0	123.2	6.0
Used cars and passenger vans	1 319.4	127.8	9.7
Other retail sales	4 551.9	..	..
<i>Total retail Sales</i>	7 931.3	..	..
Commission income			
Sales commission	1 828.4	..	..
Other commission income	492.2
<i>Total commission income</i>	2 320.6

.. not applicable

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2.2 INCOME AND SALES MARGINS BY COMMODITY ITEM, Australia *continued*

<i>Commodity</i>	<i>Income</i>	<i>Sales margin</i>	<i>Percent margin</i>
	\$m	\$m	%
Total rent, leasing and hiring income	624.8	..	..
Other service income			
For motor vehicle repairs and services	590.7	..	..
For other repair and maintenance services	2 238.7	..	..
From provision of computer services	1 396.3	..	..
From provision of telecommunications services	12.9	..	..
Other service income—other	1 791.1	..	..
<i>Total other service income</i>	6 029.7	..	..
Total other income	1 790.1	..	..
Total income	210 583.4	..	..

.. not applicable

EXPENSES

Total expenses in 1998–99 for the wholesale trade industry were \$205,069 million. The largest single item of expenditure was purchases, which accounted for 79% (\$162,689 million) of total expenses. Other major expenses included labour costs (\$17,847 million) and other expenses (\$15,725 million) which represented 9% and 8% of total expenses respectively.

The proportion of purchases in relation to total expenses was highest for Mineral, metal and chemical wholesaling at 86%. In contrast, purchases made up 71% of total expenses for the Textile, clothing and footwear group which is reflected in the high margins associated with the commodities sold by this industry group.

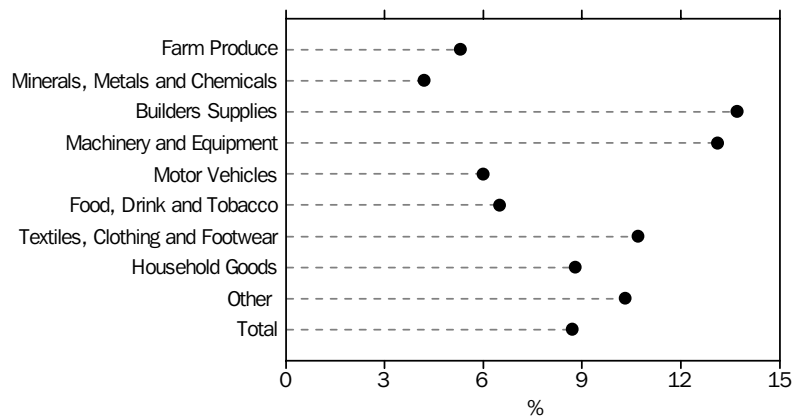
The three industry groups, Machinery and equipment wholesaling, Motor vehicle wholesaling, and Food, drink and tobacco wholesaling collectively accounted for 58% of the goods purchased and 62% of the labour cost expenses for the wholesale trade industry.

LABOUR COSTS

Builders supplies wholesaling had the highest contribution of labour costs to total expenses of all the industry groups at 14%, reflecting the shopfront activities of many of these businesses. In contrast, labour costs accounted for only 4% of total expenses in the Mineral, metal and chemical wholesaling group.

For the wholesale trade industry, wages and salaries at \$15,238 million comprised the largest component of labour costs (85%). Employer superannuation contributions (i.e. the amounts paid by employers into superannuation funds on behalf of their employees), was the next highest component at \$1,325 million or 7% of total labour costs. The remaining components of labour costs were payroll tax (\$616 million), fringe benefits tax (\$371 million) and workers' compensation costs (\$297 million).

LABOUR COSTS AS A PERCENTAGE OF TOTAL EXPENSES



OTHER EXPENSES

Depreciation, rent, leasing and hiring, advertising and interest expenses combined accounted for \$8,808 million which represented some 4% of total expenses. The industry classes reporting the highest advertising expenses were Car wholesaling (\$515 million), Commercial vehicle wholesaling (\$275 million) and Pharmaceutical and toiletry wholesaling (\$229 million). Together these industries accounted for \$1,020 million (40%) of total advertising expenses for the wholesale trade industry.

Other operating expenses, which are not separately itemised, include expenses such as insurance premiums, repair and maintenance, motor vehicle running expenses and bad and doubtful debts.

3.1 SELECTED EXPENSE ITEMS BY INDUSTRY, Australia

INDUSTRY CLASS ANZSIC Code	Description	Labour costs \$m	Purchases \$m	Depreci- ation and amort- isation \$m	Rent, leasing and hiring expenses \$m	Advert- ising expenses \$m	Interest expenses \$m	Other expenses \$m	Total expenses \$m
451	Farm Produce Wholesaling								
4511	Wool Wholesaling	66.5	2 944.2	6.9	23.9	0.8	49.6	125.6	3 217.5
4512	Cereal Grain Wholesaling	77.0	2 155.9	4.1	6.9	5.0	149.6	454.3	2 852.8
4519	Farm Produce and Supplies Wholesaling n.e.c.	714.4	8 272.6	86.8	91.8	65.2	71.8	700.4	10 002.9
	<i>Total</i>	857.9	13 372.7	97.9	122.6	70.9	270.9	1 280.3	16 073.2
452	Mineral, Metal and Chemical Wholesaling								
4521	Petroleum Product Wholesaling	427.7	10 640.6	235.9	157.6	17.1	122.6	1 103.3	12 704.7
4522	Metal and Mineral Wholesaling	528.2	10 927.2	53.9	98.5	17.3	64.3	422.8	12 112.1
4523	Chemical Wholesaling	172.7	*1 527.0	13.4	32.9	*6.8	15.0	151.5	1 919.4
	<i>Total</i>	1 128.6	23 094.7	303.2	288.9	41.2	201.9	1 677.6	26 736.1
453	Builders Supplies Wholesaling								
4531	Timber Wholesaling	227.0	1 687.0	16.3	29.6	10.3	12.5	136.8	2 119.4
4539	Building Supplies Wholesaling n.e.c.	1 525.9	7 728.2	140.9	225.3	127.6	116.3	775.0	10 639.2
	<i>Total</i>	1 752.9	9 415.2	157.2	254.8	137.9	128.8	911.8	12 758.6
461	Machinery and Equipment Wholesaling								
4611	Farm and Construction Machinery Wholesaling	878.0	6 645.8	79.5	104.9	45.7	100.1	652.4	8 506.3
4612	Professional Equipment Wholesaling	478.2	1 904.2	46.4	62.0	20.3	32.5	363.7	2 907.2
4613	Computer Wholesaling	1 600.2	11 054.3	127.0	187.5	153.4	41.4	1 154.3	14 318.1
4614	Business Machine Wholesaling n.e.c.	337.7	886.1	30.9	66.5	32.0	14.6	217.7	1 585.4
4615	Electrical and Electronic Equipment Wholesaling n.e.c.	1 942.7	9 713.2	194.7	297.0	138.2	75.4	1 154.8	13 516.0
4619	Machinery and Equipment Wholesaling n.e.c.	1 627.3	8 309.1	140.0	203.8	62.6	81.9	1 079.7	11 504.4
	<i>Total</i>	6 864.1	38 512.6	618.5	921.7	452.2	345.9	4 622.5	52 337.5
462	Motor Vehicle Wholesaling								
4621	Car Wholesaling	511.0	14 879.2	38.2	60.1	515.4	116.5	623.3	16 743.7
4622	Commercial Vehicle Wholesaling	369.9	9 728.6	*43.0	54.0	275.1	55.6	388.7	10 914.7
4623	Motor Vehicle New Part Dealing	1 185.3	5 493.4	129.3	*208.2	94.3	*112.1	942.3	8 164.7
4624	Motor Vehicle Dismantling and Used Part Dealing	110.4	214.2	5.0	23.4	*15.8	*13.3	57.6	439.8
	<i>Total</i>	2 176.6	30 315.4	215.5	345.7	900.5	297.5	2 011.9	36 263.0
471	Food, Drink and Tobacco Wholesaling								
4711	Meat Wholesaling	205.6	3 417.1	*18.8	22.3	1.8	*14.5	225.6	3 905.7
4712	Poultry and Smallgood Wholesaling	33.0	303.0	2.0	4.5	0.4	1.5	18.7	363.0
4713	Dairy Produce Wholesaling	74.0	1 098.1	8.0	8.9	21.1	6.4	98.8	1 315.4
4714	Fish Wholesaling	105.4	1 423.9	12.3	17.0	2.4	10.4	81.3	1 652.8
4715	Fruit and Vegetable Wholesaling	429.5	5 250.1	44.1	57.3	12.3	26.5	487.7	6 307.6
4716	Confectionery and Soft Drink Wholesaling	92.6	865.6	6.7	15.3	*28.8	5.0	59.2	1 073.3
4717	Liquor Wholesaling	165.8	2 288.3	19.0	24.0	*91.2	18.9	158.7	2 765.9
4718	Tobacco Product Wholesaling	149.1	888.7	**19.1	**5.0	37.0	8.5	72.0	1 179.3
4719	Grocery Wholesaling n.e.c.	*692.7	10 148.7	*64.1	*128.0	84.7	*31.5	*494.1	11 643.8
	<i>Total</i>	1 947.7	25 683.7	194.1	282.5	279.6	123.2	1 696.0	30 206.7
472	Textile, Clothing and Footwear Wholesaling								
4721	Textile Product Wholesaling	284.1	*1 995.4	21.6	46.8	9.1	*23.5	240.6	2 621.1
4722	Clothing Wholesaling	430.7	2 485.5	25.3	63.7	50.8	29.4	543.5	3 628.9
4723	Footwear Wholesaling	71.7	717.4	7.4	11.7	32.7	7.6	191.5	1 039.9
	<i>Total</i>	786.4	5 198.2	54.3	122.2	92.7	60.5	975.6	7 289.9

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3.1 SELECTED EXPENSE ITEMS BY INDUSTRY, Australia *continued*

INDUSTRY CLASS ANZSIC		Labour costs	Purchases	Depreci- ation and amort- isation	Rent, leasing and hiring expenses	Advert- ising expenses	Interest expenses	Other expenses	Total expenses
Code	Description	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
473	Household Good Wholesaling								
4731	Household Appliance Wholesaling	205.4	2 423.6	20.7	39.3	114.0	21.2	285.6	3 109.7
4732	Furniture Wholesaling	37.9	*127.3	*2.7	4.7	2.7	*2.3	22.6	200.2
4733	Floor Covering Wholesaling	37.5	*307.6	2.2	7.6	*5.8	3.0	38.7	402.5
4739	Household Good Wholesaling n.e.c.	166.6	882.6	*16.0	33.6	25.3	14.7	*211.5	1 350.4
	<i>Total</i>	447.4	3 741.1	41.7	85.2	147.9	41.1	558.4	5 062.8
479	Other Wholesaling								
4791	Photographic Equipment Wholesaling	75.8	406.0	4.8	8.0	14.5	7.9	52.7	569.6
4792	Jewellery and Watch Wholesaling	78.6	804.3	5.4	12.6	*21.4	*7.5	85.8	1 015.4
4793	Toy and Sporting Good Wholesaling	155.7	851.0	10.5	30.5	*53.0	18.9	179.6	1 299.1
4794	Book and Magazine Wholesaling	135.1	764.7	8.9	19.1	15.6	12.0	158.9	1 114.2
4795	Paper Product Wholesaling	447.4	3 092.9	93.9	78.5	47.1	44.4	302.2	4 106.4
4796	Pharmaceutical and Toiletry Wholesaling	755.7	6 682.5	81.0	94.4	229.2	38.3	815.5	8 696.6
4799	Wholesaling n.e.c.	237.4	754.4	19.7	33.3	77.3	*21.9	396.4	1 540.2
	<i>Total</i>	1 885.6	13 355.7	224.0	276.2	458.1	150.8	1 991.0	18 341.6
Total Wholesale Trade		17 847.2	162 689.4	1 906.3	2 699.7	2 581.0	1 620.6	15 725.2	205 069.4

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3.2 LABOUR COSTS BY INDUSTRY, Australia

INDUSTRY CLASS ANZSIC Code	Description	Wages and salaries \$m	Employer super- annuation contri- butions \$m	Workers' compensa- tion \$m	Fringe benefits tax \$m	Payroll tax \$m	Total labour costs \$m
451	Farm Produce Wholesaling						
4511	Wool Wholesaling	55.6	5.0	1.0	3.2	1.7	66.5
4512	Cereal Grain Wholesaling	66.7	*5.1	0.3	2.5	2.4	77.0
4519	Farm Produce and Supplies Wholesaling n.e.c.	617.6	48.0	12.8	12.6	23.3	714.4
	<i>Total</i>	739.9	58.2	14.1	18.3	27.4	857.9
452	Mineral, Metal and Chemical Wholesaling						
4521	Petroleum Product Wholesaling	362.7	32.5	5.4	7.4	19.7	427.7
4522	Metal and Mineral Wholesaling	442.3	36.8	13.6	12.7	22.9	528.2
4523	Chemical Wholesaling	145.9	15.0	3.3	4.0	4.5	172.7
	<i>Total</i>	950.8	84.2	22.4	24.2	47.0	1 128.6
453	Builders Supplies Wholesaling						
4531	Timber Wholesaling	190.6	19.1	7.5	2.9	6.9	227.0
4539	Building Supplies Wholesaling n.e.c.	1 330.0	95.7	29.0	*22.8	*48.3	1 525.9
	<i>Total</i>	1 520.6	114.8	36.6	25.7	55.2	1 752.9
461	Machinery and Equipment Wholesaling						
4611	Farm and Construction Machinery Wholesaling	737.2	87.1	14.2	9.2	30.3	878.0
4612	Professional Equipment Wholesaling	406.8	37.2	5.2	14.1	14.8	478.2
4613	Computer Wholesaling	1 381.0	109.7	9.4	30.6	69.5	1 600.2
4614	Business Machine Wholesaling n.e.c.	295.6	17.8	5.8	6.0	12.5	337.7
4615	Electrical and Electronic Equipment Wholesaling n.e.c.	1 638.9	174.1	18.9	40.9	70.0	1 942.7
4619	Machinery and Equipment Wholesaling n.e.c.	1 394.6	102.7	37.4	38.5	54.1	1 627.3
	<i>Total</i>	5 854.1	528.6	90.8	139.3	251.3	6 864.1
462	Motor Vehicle Wholesaling						
4621	Car Wholesaling	423.7	31.3	6.7	21.5	27.9	511.0
4622	Commercial Vehicle Wholesaling	313.3	24.5	5.7	8.2	18.2	369.9
4623	Motor Vehicle New Part Dealing	1 033.4	78.8	19.8	*23.2	30.0	1 185.3
4624	Motor Vehicle Dismantling and Used Part Dealing	95.9	11.3	2.4	*0.1	*0.7	110.4
	<i>Total</i>	1 866.3	145.9	34.6	53.0	76.7	2 176.6
471	Food, Drink and Tobacco Wholesaling						
4711	Meat Wholesaling	175.2	13.6	8.8	2.1	*5.9	205.6
4712	Poultry and Smallgood Wholesaling	28.3	3.0	1.2	*0.3	*0.2	33.0
4713	Dairy Produce Wholesaling	64.2	7.0	1.8	0.5	0.5	74.0
4714	Fish Wholesaling	90.5	8.1	3.5	0.9	2.4	105.4
4715	Fruit and Vegetable Wholesaling	369.1	35.2	10.9	4.6	9.7	429.5
4716	Confectionery and Soft Drink Wholesaling	79.3	7.7	2.5	1.4	1.7	92.6
4717	Liquor Wholesaling	140.5	11.0	2.6	5.4	6.3	165.8
4718	Tobacco Product Wholesaling	130.3	10.4	1.9	4.3	*2.2	149.1
4719	Grocery Wholesaling n.e.c.	*585.1	*51.5	*18.7	*12.2	25.2	*692.7
	<i>Total</i>	1 662.5	147.6	52.0	31.5	54.1	1 947.7
472	Textile, Clothing and Footwear Wholesaling						
4721	Textile Product Wholesaling	237.1	28.7	*6.0	6.2	6.1	284.1
4722	Clothing Wholesaling	359.8	45.2	6.5	8.0	11.3	430.7
4723	Footwear Wholesaling	59.1	6.4	1.1	2.7	2.4	71.7
	<i>Total</i>	656.0	80.3	13.5	16.9	19.8	786.4
473	Household Good Wholesaling						
4731	Household Appliance Wholesaling	173.6	12.5	2.9	7.2	9.3	205.4
4732	Furniture Wholesaling	33.0	*3.0	0.7	0.8	0.4	37.9
4733	Floor Covering Wholesaling	32.2	3.2	0.6	0.8	0.7	37.5
4739	Household Good Wholesaling n.e.c.	139.4	17.2	2.3	4.3	3.4	166.6
	<i>Total</i>	378.2	35.9	6.5	12.9	13.8	447.4

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

3.2 LABOUR COSTS BY INDUSTRY, Australia *continued*

INDUSTRY CLASS		Wages and salaries	Employer super- annuation contri- butions	Workers' compensa- tion	Fringe benefits tax	Payroll tax	Total labour costs
ANZSIC Code	Description	\$m	\$m	\$m	\$m	\$m	\$m
479	Other Wholesaling						
4791	Photographic Equipment Wholesaling	64.5	4.5	*0.9	2.2	3.7	75.8
4792	Jewellery and Watch Wholesaling	66.9	*7.7	0.9	1.4	1.6	78.6
4793	Toy and Sporting Good Wholesaling	132.7	14.3	2.3	3.5	2.7	155.7
4794	Book and Magazine Wholesaling	115.9	8.9	1.6	3.0	5.7	135.1
4795	Paper Product Wholesaling	386.6	27.7	6.8	8.4	18.0	447.4
4796	Pharmaceutical and Toiletry Wholesaling	637.1	49.6	10.5	25.5	33.1	755.7
4799	Wholesaling n.e.c.	206.3	16.6	3.3	5.4	5.7	237.4
	<i>Total</i>	<i>1 610.1</i>	<i>129.4</i>	<i>26.3</i>	<i>49.4</i>	<i>70.5</i>	<i>1 885.6</i>
	Total Wholesale Trade	15 238.4	1 324.9	296.7	371.3	615.9	17 847.2

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

EMPLOYMENT

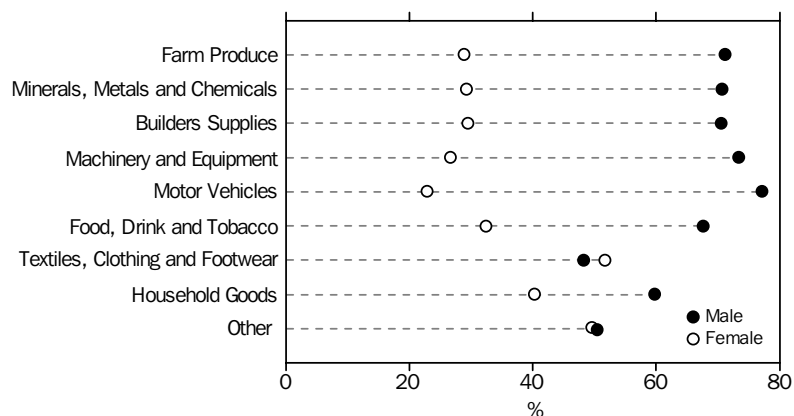
Total employment in the wholesale trade industry at the end of June 1999 was 429,386 persons. Over two thirds (68%) of the industry employment were males.

The majority (84%) of employment was on a full-time basis with only 70,217 persons being employed on a part-time basis. The level of part-time employment varied considerably at the industry group level, ranging from just 9% for Machinery and equipment wholesaling and Motor vehicle wholesaling to 28% for Farm produce wholesaling.

The Machinery and equipment wholesaling group recorded the highest employment with 140,989 persons or 33% of the total wholesale industry employment. The industry group with the least employment was Household good wholesaling which had employment of 11,525 persons, which represented only 3% of total industry employment. Building supplies wholesaling n.e.c., with employment of 44,742 persons, representing 10% of total wholesale employment, was the largest individual industry class. This was closely followed by Electrical and electronic equipment wholesaling n.e.c. with employment of 39,697 persons (9%).

Male employment predominated in all industry groups except the Textile, clothing and footwear wholesaling industry (which reported 52% female employment). The industry groups with the highest proportion of male employment were Motor vehicle wholesaling at 77%, Machinery and equipment wholesaling at 73%, and Farm produce wholesaling and Mineral, metal and chemical wholesaling both at 71%.

EMPLOYMENT BY INDUSTRY GROUP AND SEX



4.1

EMPLOYMENT BY INDUSTRY, Australia

INDUSTRY CLASS ANZSIC Code	Description	Full-time			Males	Females
		(a)	Part-time	Total		
		no.	no.	no.	no.	no.
451	Farm Produce Wholesaling					
4511	Wool Wholesaling	1 239	*351	1 590	1 163	427
4512	Cereal Grain Wholesaling	906	109	1 015	687	328
4519	Farm Produce and Supplies Wholesaling n.e.c.	14 088	*5 779	19 866	14 129	5 737
	<i>Total</i>	16 232	*6 240	22 472	15 980	6 492
452	Mineral, Metal and Chemical Wholesaling					
4521	Petroleum Product Wholesaling	6 369	2 828	9 197	5 897	3 300
4522	Metal and Mineral Wholesaling	10 190	*774	10 964	8 983	1 982
4523	Chemical Wholesaling	3 362	*942	4 305	2 410	1 895
	<i>Total</i>	19 921	4 545	24 466	17 290	7 176
453	Builders Supplies Wholesaling					
4531	Timber Wholesaling	5 461	795	6 256	4 894	1 362
4539	Building Supplies Wholesaling n.e.c.	33 759	*10 984	44 742	31 039	*13 703
	<i>Total</i>	39 219	*11 779	50 998	35 932	*15 065
461	Machinery and Equipment Wholesaling					
4611	Farm and Construction Machinery Wholesaling	19 845	*2 002	21 847	17 623	4 225
4612	Professional Equipment Wholesaling	9 081	*993	10 073	*6 360	3 713
4613	Computer Wholesaling	23 928	1 981	25 908	16 717	9 191
4614	Business Machine Wholesaling n.e.c.	7 233	*438	7 670	5 386	2 284
4615	Electrical and Electronic Equipment Wholesaling n.e.c.	36 280	3 417	39 697	28 488	11 209
4619	Machinery and Equipment Wholesaling n.e.c.	32 142	*3 651	35 793	28 700	7 093
	<i>Total</i>	128 508	12 481	140 989	103 275	37 714
462	Motor Vehicle Wholesaling					
4621	Car Wholesaling	9 937	*556	10 493	8 137	2 356
4622	Commercial Vehicle Wholesaling	8 818	*391	9 210	7 579	1 630
4623	Motor Vehicle New Part Dealing	29 354	3 535	32 889	24 491	8 398
4624	Motor Vehicle Dismantling and Used Part Dealing	3 881	615	4 496	3 805	691
	<i>Total</i>	51 990	5 098	57 088	44 012	13 076
471	Food, Drink and Tobacco Wholesaling					
4711	Meat Wholesaling	4 303	*668	4 971	4 220	751
4712	Poultry and Smallgood Wholesaling	916	302	1 217	837	380
4713	Dairy Produce Wholesaling	1 910	717	2 627	1 760	866
4714	Fish Wholesaling	2 481	1 160	3 641	2 347	1 294
4715	Fruit and Vegetable Wholesaling	8 928	4 900	13 827	8 976	4 852
4716	Confectionery and Soft Drink Wholesaling	2 241	678	2 919	1 862	1 057
4717	Liquor Wholesaling	2 990	781	3 772	2 346	1 426
4718	Tobacco Product Wholesaling	2 380	**190	*2 570	*1 962	*608
4719	Grocery Wholesaling n.e.c.	14 820	*3 865	*18 685	*12 369	*6 317
	<i>Total</i>	40 968	13 261	54 229	36 678	17 551
472	Textile, Clothing and Footwear Wholesaling					
4721	Textile Product Wholesaling	6 014	1 996	8 010	3 674	4 336
4722	Clothing Wholesaling	8 576	3 311	11 887	5 819	6 068
4723	Footwear Wholesaling	1 298	243	1 542	856	686
	<i>Total</i>	15 888	5 551	21 439	10 349	11 090

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

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

(a) Includes working proprietors and partners.

4.1EMPLOYMENT BY INDUSTRY, Australia *continued*

INDUSTRY CLASS		Full-time	Part-time	Total	Males	Females
ANZSIC		(a)				
Code	Description	no.	no.	no.	no.	no.
473	Household Good Wholesaling					
4731	Household Appliance Wholesaling	3 727	677	4 404	2 628	1 776
4732	Furniture Wholesaling	883	**406	*1 289	*732	*556
4733	Floor Covering Wholesaling	967	91	1 057	728	330
4739	Household Good Wholesaling n.e.c.	4 010	764	4 775	2 794	1 981
	<i>Total</i>	9 587	1 938	11 525	6 882	4 643
479	Other Wholesaling					
4791	Photographic Equipment Wholesaling	1 382	88	1 470	956	*514
4792	Jewellery and Watch Wholesaling	1 685	*873	2 558	958	1 599
4793	Toy and Sporting Good Wholesaling	3 455	718	4 173	2 483	1 690
4794	Book and Magazine Wholesaling	2 579	915	3 495	1 181	2 314
4795	Paper Product Wholesaling	9 791	2 505	12 295	7 252	5 044
4796	Pharmaceutical and Toiletry Wholesaling	12 886	3 311	16 196	7 267	8 929
4799	Wholesaling n.e.c.	5 078	915	5 993	3 198	2 795
	<i>Total</i>	36 856	9 325	46 181	23 295	22 886
Total Wholesale Trade		359 170	70 217	429 386	293 693	135 693

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

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

(a) Includes working proprietors and partners.

STATE AND TERRITORY
DIMENSION

Employment, wages and salaries, and total income were the only data items collected at State level in the 1998–99 Wholesale Industry Survey.

Data providers were asked to report employment and wages and salaries according to where employees were normally based. In reporting total income, businesses were asked to report sales of goods on the basis of the State or Territory from which the goods were despatched.

New South Wales and Victoria combined accounted for 63% of total employment (271,238 persons) and 65% of total income (\$137,450 million). New South Wales was the largest contributor to the Australian totals, being responsible for 35% of employment and 36% of total income which was marginally higher than the New South Wales proportion (34%) of the Australian population. Victoria was the second largest contributor with 29% of both employment and total income, again in line with its share of the Australian population.

In terms of employment, the contributions of the remaining States/Territories were Queensland (15%), Western Australia (10%), South Australia (7%), Tasmania (2%), Northern Territory (1%) and the Australian Capital Territory (1%).

The Australian wages and salaries total was \$15,238 million, an average of \$35,500 for each person employed. New South Wales recorded the highest average of \$38,000 and Tasmania the lowest with \$27,800.

5.1 KEY AGGREGATES BY STATE AND TERRITORY

<i>State or Territory</i>	<i>Employment</i> no.	<i>Wages and salaries</i> \$m	<i>Income</i> \$m
New South Wales	148 665	5 656.3	76 543.3
Victoria	122 573	4 518.3	60 906.2
Queensland	66 198	2 092.1	32 159.1
South Australia	29 724	935.4	12 893.2
Western Australia	43 039	1 444.9	21 500.5
Tasmania	9 415	261.4	3 196.8
Northern Territory	4 656	143.2	1 506.9
Australian Capital Territory	5 115	186.7	1 877.5
Total	429 386	15 238.4	210 583.4

BUSINESS SIZE

In terms of the number of businesses the wholesale trade industry was dominated by small businesses during 1998–99, with 92% (35,404 businesses) having fewer than 20 persons employed. These small businesses accounted for 40% of industry employment but only 27% (\$55,975 million) of total income.

At 30 June 1999 there were only 189 businesses (less than 1% of all businesses) which employed 200 persons or more. However, these large businesses accounted for 26% of industry employment and 32% of industry income. The Machinery and equipment industry group dominated large businesses, accounting for 34% of businesses, 36% of employment and 30% of income.

Small businesses in the wholesale trade industry employed an average of 5 persons and generated \$325,400 income per person employed. Medium businesses (i.e. employing between 20 and 199 persons) employed an average of 49 persons and generated an average income per person employed of \$593,100. The 189 large businesses employed an average of 585 persons with an average income per person employed of \$610,700.

6.1 BUSINESS SIZE BY INDUSTRY, Australia

	<i>Management units</i>	<i>Employment</i>	<i>Total income</i>
	no.	no.	\$m
451 FARM PRODUCE WHOLESALING			
Employment 0–19	2 144	10 996	5 089.3
Employment 20–199	87	3 973	5 523.2
Employment 200 and over	13	7 502	6 178.9
<i>Total</i>	2 245	22 472	16 791.5
452 MINERAL, METAL AND CHEMICAL WHOLESALING			
Employment 0–19	1 842	7 555	2 911.3
Employment 20–199	133	7 579	13 088.5
Employment 200 and over	16	9 332	11 698.4
<i>Total</i>	1 991	24 466	27 698.3
453 BUILDERS SUPPLIES WHOLESALING			
Employment 0–19	3 777	*19 154	*4 608.0
Employment 20–199	*302	**18 086	*4 654.6
Employment 200 and over	14	13 758	3 780.1
<i>Total</i>	4 093	50 998	13 042.8
461 MACHINERY AND EQUIPMENT WHOLESALING			
Employment 0–19	10 933	55 130	16 198.7
Employment 20–199	1 026	46 278	18 158.2
Employment 200 and over	65	39 580	20 138.2
<i>Total</i>	12 024	140 989	54 495.1
462 MOTOR VEHICLE WHOLESALING			
Employment 0–19	3 841	22 829	*6 681.8
Employment 20–199	399	22 118	22 558.3
Employment 200 and over	17	12 141	7 031.6
<i>Total</i>	4 258	57 088	36 271.7
471 FOOD, DRINK AND TOBACCO WHOLESALING			
Employment 0–19	4 091	21 492	10 708.1
Employment 20–199	535	23 062	11 018.5
Employment 200 and over	18	9 675	9 137.5
<i>Total</i>	4 645	54 229	30 864.1
472 TEXTILE, CLOTHING AND FOOTWEAR WHOLESALING			
Employment 0–19	2 770	12 493	4 052.3
Employment 20–199	*137	6 428	2 633.2
Employment 200 and over	9	2 518	808.4
<i>Total</i>	2 916	21 439	7 493.9

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

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

6.1BUSINESS SIZE BY INDUSTRY, Australia *continued*

	<i>Management units</i>	<i>Employment</i>	<i>Total income</i>
	no.	no.	\$m
.....			
473 HOUSEHOLD GOOD WHOLESALING			
Employment 0–19	1 432	5 411	1 326.4
Employment 20–199	*106	4 842	2 382.4
Employment 200 and over	4	1 272	1 480.1
<i>Total</i>	1 542	11 525	5 188.8
.....			
479 OTHER WHOLESALING			
Employment 0–19	4 574	16 935	4 398.9
Employment 20–199	250	14 521	7 101.9
Employment 200 and over	32	14 725	7 236.5
<i>Total</i>	4 856	46 181	18 737.3
.....			
TOTAL WHOLESALE TRADE			
Employment 0–19	35 404	171 994	55 974.9
Employment 20–199	2 975	146 888	87 118.9
Employment 200 and over	189	110 504	67 489.6
<i>Total</i>	38 568	429 386	210 583.4
.....			

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

PERFORMANCE
MEASURES

This section presents a selection of performance measures by industry class for the wholesale trade industry.

While the operating profit margin for the industry as a whole was 3.2% there was considerable variation at the industry group level. At this level the operating profit margin ranged from 1.3% for Farm produce wholesaling to 4.7% for Machinery and equipment wholesaling. At the industry class level the variations were even more marked. Wool wholesaling was the only industry to record a negative operating profit margin (-3.7%), while the highest operating margin was recorded in Furniture wholesaling with 10.4%.

Operating profit before tax (OPBT) per person employed in the wholesale trade industry was \$15,700. Again there was considerable variation at industry group level, with Mineral, metal and chemical wholesaling recording the highest OPBT per person employed (\$31,200) and Builders supplies wholesaling the lowest (\$8,200).

In 1998–99 labour costs amounted to \$17,847 million which represented an average labour cost per employee of \$42,300. Machinery and equipment wholesaling recorded the highest labour cost per employee (\$49,300) while Builders supplies wholesaling recorded the lowest (\$35,200).

Inventory turnover indicates the number of times that inventory were turned over by sales during the year. Inventory turnover was highest at 15 times in the Food, drink and tobacco wholesaling group where the inventory is often perishable, and lowest in Household good wholesaling at 4 times.

7.1

PERFORMANCE MEASURES BY INDUSTRY, Australia

INDUSTRY CLASS		Operating profit margin	OPBT per person employed	Total income per person employed	Labour costs per employee	Labour costs to total expenses	Inventory turnover
ANZSIC Code	Description	%	\$'000	\$'000	\$'000	%	times
451	Farm Produce Wholesaling						
4511	Wool Wholesaling	-3.7	-77.3	2 093.9	44.8	2.1	3
4512	Cereal Grain Wholesaling	0.6	18.9	3 182.9	76.3	2.7	6
4519	Farm Produce and Supplies Wholesaling n.e.c.	3.1	15.8	515.0	37.7	7.1	8
	<i>Total</i>	1.3	9.3	747.2	40.0	5.3	5
452	Mineral, Metal and Chemical Wholesaling						
4521	Petroleum Product Wholesaling	3.2	46.3	1 444.3	46.5	3.4	13
4522	Metal and Mineral Wholesaling	2.1	24.2	1 132.6	48.5	4.4	11
4523	Chemical Wholesaling	3.6	16.6	464.1	40.8	9.0	6
	<i>Total</i>	2.8	31.2	1 132.1	46.4	4.2	11
453	Builders Supplies Wholesaling						
4531	Timber Wholesaling	3.7	12.7	348.7	36.7	10.7	6
4539	Building Supplies Wholesaling n.e.c.	3.2	7.6	242.8	35.0	14.3	4
	<i>Total</i>	3.2	8.2	255.8	35.2	13.7	5
461	Machinery and Equipment Wholesaling						
4611	Farm and Construction Machinery Wholesaling	5.3	21.7	405.1	41.1	10.3	3
4612	Professional Equipment Wholesaling	1.2	3.3	287.1	48.7	16.4	3
4613	Computer Wholesaling	4.4	25.4	578.0	62.5	11.2	10
4614	Business Machine Wholesaling n.e.c.	4.2	8.7	212.1	45.3	21.3	4
4615	Electrical and Electronic Equipment Wholesaling n.e.c.	4.0	14.1	351.9	49.0	14.4	6
4619	Machinery and Equipment Wholesaling n.e.c.	6.4	21.6	340.3	46.1	14.1	4
	<i>Total</i>	4.7	18.2	386.5	49.3	13.1	5
462	Motor Vehicle Wholesaling						
4621	Car Wholesaling	1.7	26.1	1 575.1	48.7	3.1	6
4622	Commercial Vehicle Wholesaling	1.7	19.9	1 180.4	41.4	3.4	8
4623	Motor Vehicle New Part Dealing	4.2	10.7	255.8	36.4	14.5	3
4624	Motor Vehicle Dismantling and Used Part Dealing	5.1	5.2	102.3	27.4	25.1	3
	<i>Total</i>	2.3	14.6	635.4	38.8	6.0	5
471	Food, Drink and Tobacco Wholesaling						
4711	Meat Wholesaling	0.2	1.4	785.7	41.5	5.3	68
4712	Poultry and Smallgood Wholesaling	2.6	7.9	306.8	28.0	9.1	24
4713	Dairy Produce Wholesaling	3.0	15.3	515.5	31.5	5.6	20
4714	Fish Wholesaling	2.1	9.7	463.4	29.5	6.4	14
4715	Fruit and Vegetable Wholesaling	3.2	15.0	471.1	31.6	6.8	81
4716	Confectionery and Soft Drink Wholesaling	1.3	4.9	373.2	33.1	8.6	8
4717	Liquor Wholesaling	4.7	35.3	752.7	44.8	6.0	8
4718	Tobacco Product Wholesaling	9.0	43.1	483.8	58.5	12.6	5
4719	Grocery Wholesaling n.e.c.	2.7	17.2	634.6	37.4	5.9	12
	<i>Total</i>	2.9	16.2	569.1	36.6	6.4	15
472	Textile, Clothing and Footwear Wholesaling						
4721	Textile Product Wholesaling	5.5	18.0	340.0	35.7	10.8	5
4722	Clothing Wholesaling	4.4	13.7	312.4	36.8	11.9	4
4723	Footwear Wholesaling	1.0	6.8	685.9	47.6	6.9	5
	<i>Total</i>	4.3	14.8	349.5	37.2	10.8	5
473	Household Good Wholesaling						
4731	Household Appliance Wholesaling	3.0	21.6	715.7	46.6	6.6	4
4732	Furniture Wholesaling	10.4	17.2	173.6	29.4	18.9	3
4733	Floor Covering Wholesaling	7.0	28.2	405.1	35.9	9.3	5
4739	Household Good Wholesaling n.e.c.	3.0	8.7	290.0	34.9	12.3	3
	<i>Total</i>	3.7	16.4	450.2	38.9	8.8	4

7.1PERFORMANCE MEASURES BY INDUSTRY, Australia *continued*

INDUSTRY CLASS		Operating profit margin	OPBT per person employed	Total income per person employed	Labour costs per employee	Labour costs to total expenses	Inventory turnover
ANZSIC Code	Description	%	\$'000	\$'000	\$'000	%	times
479	Other Wholesaling						
4791	Photographic Equipment Wholesaling	4.9	19.2	395.3	52.1	13.3	3
4792	Jewellery and Watch Wholesaling	3.4	13.7	409.3	31.9	7.7	4
4793	Toy and Sporting Good Wholesaling	2.5	8.0	320.9	38.6	12.0	3
4794	Book and Magazine Wholesaling	2.2	7.0	319.0	38.7	12.1	4
4795	Paper Product Wholesaling	0.2	0.7	333.1	36.9	10.9	5
4796	Pharmaceutical and Toiletry Wholesaling	3.7	20.1	551.1	46.7	8.7	6
4799	Wholesaling n.e.c.	6.1	16.4	272.6	39.7	15.4	4
	<i>Total</i>	3.0	12.0	405.7	41.2	10.3	5
	Total Wholesale Trade	3.2	15.7	490.4	42.3	8.7	6

EXPLANATORY NOTES

SCOPE AND COVERAGE

1 The scope of the Wholesale Industry Survey was all public and private employing businesses in Australia, recorded on the ABS Business Register with a predominant activity of wholesaling i.e ANZSIC Division F. The ABS defines a wholesale business as a business which is primarily engaged in the resale (as an agent or principal) of goods to other businesses or to institutional users, including Government. Businesses mainly engaged in wholesale trade are wholesale merchants who take title to the goods they sell; separate sales branches (not being retail stores) operated by manufacturing enterprises; commission agents; import and export agents and purchasing agents; petroleum products distributors; and cooperatives and marketing boards engaged in marketing farm products.

2 Approximately 4,600 businesses were selected using stratified random sampling techniques. All businesses with 50 or more employees and/or multi-State wholesaling businesses were selected in the sample.

3 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. For more information, please refer to ABS *Information Paper: Improvements to ABS Economic Statistics, 1997* (Cat. no. 1357.0).

REFERENCE PERIOD

4 The statistical results in this publication are based on the financial year ending 30 June 1999. In a minority of cases, where businesses did not account on a June-year basis, details were reported in respect of the accounting year that ended between 1 October 1998 and 30 September 1999.

STATISTICAL UNIT

5 The unit about which information was collected in the Wholesale Industry Survey is termed the management unit. The management unit is the highest-level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc.). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.

CLASSIFICATION BY INDUSTRY

6 This publication presents statistics classified according to the *Australian and New Zealand Standard Industry Classification, 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 wholesaling activities would have all of its operations included in the aggregates for wholesaling, even if significant secondary activities (e.g. retailing) were undertaken.

CLASSIFICATION OF COMMODITIES

7 The product classification used in the 1998–99 Wholesale Industry Survey was formed by aggregating the 1,100 or so products in the Input/Output Product

CLASSIFICATION OF
COMMODITIES *continued*

Classification taking into account how products sold by wholesale businesses are grouped in records and the need to comply with international standards.

8 The classification was produced in conjunction with that for the Retail Industry Survey to enable comparison of product information between the two surveys where appropriate.

SALES MARGIN

9 This is the difference between the purchase price and the selling price of the commodity sold by the business and is generally expressed as a percentage of the selling price. The purchase price includes the wholesale price, sales tax and inward freight charges.

10 Information on the sales margin for each of the commodities published was collected in the form of a percentage value.

RELIABILITY OF THE DATA

11 The estimates in this publication are subject to sampling and non-sampling error.

STANDARD ERROR

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

13 There are two chances in three that a sample estimate will differ by less than one SE from the figure that would have been obtained if a census had been conducted, and approximately 19 chances in 20 that the difference will be less than 2 SEs.

RELATIVE STANDARD ERROR

14 Sampling variability can be measured by the relative standard error (RSE) which is obtained by expressing the SE as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and thus avoids the need to refer also to the size of the estimate.

15 For example, the estimate of total income for Household appliance wholesaling is \$3,152 million and the RSE is 6%, giving a SE of \$189 million. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure in the range of \$2,963 million to \$3,341 million would have been obtained, and 19 chances in 20 that the figure would have been between \$2,774 million and \$3,530 million.

16 Information about the relative standard errors relating to key aggregates in this publication can be found in the table at the end of these Explanatory Notes.

NON-SAMPLING ERROR

17 Errors other than those due to sampling may occur because of deficiencies in the register of units from which the sample was selected, non-response, and imperfections in reporting by respondents. Inaccuracies of this kind are referred to as non-sampling errors and they may occur in any collection, whether it be a census or a sample.

18 While it is not possible to quantify non-sampling error, every effort has been made to reduce non-sampling error to a minimum by careful design and testing of questionnaires, efficient operating procedures and systems, and appropriate methodology.

GENERAL ACKNOWLEDGMENT **19** 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*.

RELATIVE STANDARD ERRORS OF SELECTED ESTIMATES, Australia

INDUSTRY CLASS		Management units	Employ- ment	Total income	OPBT	Opening inven- tories	Closing inven- tories
ANZSIC Code	Description	%	%	%	%	%	%
451	Farm Produce Wholesaling						
4511	Wool Wholesaling	15	12	17	27	7	5
4512	Cereal Grain Wholesaling	27	10	13	48	7	19
4519	Farm Produce and Supplies Wholesaling n.e.c.	20	12	7	16	9	11
	<i>Total</i>	17	11	6	29	5	6
452	Mineral, Metal and Chemical Wholesaling						
4521	Petroleum Product Wholesaling	25	4	2	2	1	2
4522	Metal and Mineral Wholesaling	21	10	3	6	5	8
4523	Chemical Wholesaling	19	16	22	38	17	16
	<i>Total</i>	12	6	2	4	3	4
453	Builders Supplies Wholesaling						
4531	Timber Wholesaling	17	7	10	30	11	12
4539	Building Supplies Wholesaling n.e.c.	21	25	20	14	19	19
	<i>Total</i>	19	22	17	13	16	16
461	Machinery and Equipment Wholesaling						
4611	Farm and Construction Machinery Wholesaling	21	13	11	65	9	9
4612	Professional Equipment Wholesaling	35	24	20	82	21	20
4613	Computer Wholesaling	20	11	10	36	11	11
4614	Business Machine Wholesaling n.e.c.	17	13	11	16	6	6
4615	Electrical and Electronic Equipment Wholesaling n.e.c.	13	13	10	18	12	12
4619	Machinery and Equipment Wholesaling n.e.c.	18	13	15	42	17	16
	<i>Total</i>	7	6	5	20	6	6
462	Motor Vehicle Wholesaling						
4621	Car Wholesaling	45	5	11	20	4	3
4622	Commercial Vehicle Wholesaling	32	7	3	12	4	4
4623	Motor Vehicle New Part Dealing	21	16	15	38	18	21
4624	Motor Vehicle Dismantling and Used Part Dealing	12	12	12	28	13	13
	<i>Total</i>	12	9	6	18	7	7
471	Food, Drink and Tobacco Wholesaling						
4711	Meat Wholesaling	12	18	17	135	28	24
4712	Poultry and Smallgood Wholesaling	16	10	14	22	29	27
4713	Dairy Produce Wholesaling	5	7	13	15	38	29
4714	Fish Wholesaling	9	7	10	17	14	10
4715	Fruit and Vegetable Wholesaling	6	11	8	19	13	15
4716	Confectionery and Soft Drink Wholesaling	20	10	10	35	17	17
4717	Liquor Wholesaling	10	9	9	31	9	10
4718	Tobacco Product Wholesaling	49	28	18	10	8	8
4719	Grocery Wholesaling n.e.c.	51	31	20	32	27	30
	<i>Total</i>	6	5	5	10	7	9

RELATIVE STANDARD ERRORS OF SELECTED ESTIMATES, Australia *continued*

INDUSTRY CLASS		Manage- ment units	Employ- ment	Total income	OPBT	Opening invent- ories	Closing invent- ories
ANZSIC Code	Description	%	%	%	%	%	%
472	Textile, Clothing and Footwear Wholesaling						
4721	Textile Product Wholesaling	16	13	22	25	14	17
4722	Clothing Wholesaling	10	10	14	26	11	13
4723	Footwear Wholesaling	9	8	13	208	12	13
	<i>Total</i>	7	7	11	19	8	9
473	Household Good Wholesaling						
4731	Household Appliance Wholesaling	65	14	6	27	10	11
4732	Furniture Wholesaling	26	33	23	31	25	24
4733	Floor Covering Wholesaling	9	10	20	15	14	15
4739	Household Good Wholesaling n.e.c.	14	16	17	34	19	20
	<i>Total</i>	20	9	6	16	9	9
479	Other Wholesaling						
4791	Photographic Equipment Wholesaling	42	25	11	16	7	9
4792	Jewellery and Watch Wholesaling	17	15	17	21	22	21
4793	Toy and Sporting Good Wholesaling	15	12	14	62	17	17
4794	Book and Magazine Wholesaling	16	7	7	33	16	23
4795	Paper Product Wholesaling	21	9	6	144	7	6
4796	Pharmaceutical and Toiletry Wholesaling	15	5	5	10	5	10
4799	Wholesaling n.e.c.	14	17	12	15	19	20
	<i>Total</i>	7	4	3	8	4	5
	Total Wholesale Trade	3	3	2	8	3	3

APPENDIX

FACTORS AFFECTING INDUSTRY CLASSIFICATION AND DATA REPORTING

OVERVIEW OF CLASSIFICATIONS AND STANDARDS ISSUES

To make the best use of the data in this publication, an awareness of the statistical classifications and standards used in collecting and processing the information is required. General information about these is provided below, followed by some examples of their application. For completeness, some of the information provided in the Explanatory notes has also been included in this Appendix.

The information in this Appendix relates specifically to the classifications and standards applying at the time of the 1998–99 Wholesale Industry Survey. Both the Australian and New Zealand Standard Industrial Classification and the ABS statistical units model are currently under review.

For more information about these matters, please refer to the following publications:

A Guide to ABS Major Classifications (Cat. no. 1291.0)

Australian and New Zealand Standard Industrial Classification (ANZSIC) (Cat. no. 1292.0)

ABS Statistics and The New Tax System (Cat. no. 1358.0).

THE ABS BUSINESS REGISTER

The estimates in this publication were compiled from the 1998–99 Wholesale Industry Survey which used a sample of wholesale businesses taken from the ABS Business Register. The ABS Business Register is a comprehensive source of business names and addresses from which employing businesses can be selected for inclusion in ABS economic censuses and surveys.

Besides names and addresses, the ABS Business Register includes information about the main economic activity of the business (i.e. the industry) as well as employment size.

Businesses in the economy have legal and operational structures which are converted into ABS statistical entities for the purpose of collecting data. The statistical unit from which data was collected in the Wholesale Industry Survey was the management unit.

MANAGEMENT UNITS

The Wholesale Industry Survey collected information from a sample of management units recorded on the ABS Business Register as being primarily engaged in wholesaling.

The management unit is the highest level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained. It generally 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 may be more than one management unit, each coinciding with a 'division' or 'line of business'. Each division or line of business is recognised as a management unit where separate and comprehensive accounts are compiled and maintained.

Each management unit on the ABS Business Register is assigned an industry code on the basis of its predominant activity. The management unit is uniquely

OVERVIEW OF
CLASSIFICATIONS AND
STANDARDS ISSUES *continued*

THE AUSTRALIAN AND NEW
ZEALAND STANDARD
INDUSTRIAL CLASSIFICATION
(ANZSIC)

classified to an industry, and that industry only, whether or not it engages in other activities.

ANZSIC is the standard industrial classification used by the Australian and New Zealand statistical agencies to classify statistical units in official statistics. Wherever possible, ANZSIC aligns with the International Standard Industrial Classification (ISIC) produced by the United Nations Statistical Commission to facilitate comparability of Australian statistics with international data.

An industrial classification aims to group businesses which carry out similar economic activities. Its purpose is to facilitate the collection, analysis, dissemination, and production of industry data and reflect the structure of the economy.

ANZSIC has a structure comprising categories at four levels, namely Divisions (the broadest level), Subdivisions, Groups and Classes (the finest level). There are 17 divisions in ANZSIC. Together the divisions give a broad picture of the economy. The subdivision, group and class levels provide increasingly detailed dissections of the broad categories. Examples of the divisions in ANZSIC are Manufacturing, Wholesale Trade and Retail Trade. Within the Wholesale Trade division there are 3 subdivisions, 9 groups, and 41 classes.

An industry is defined in ANZSIC in terms of a specified range of economic activities which is designated as primary to it. An industry is composed of the business or statistical units which have been classified to it. The essential point to understand is that industry data relate to units whose main activity is producing the type of goods or services designated as primary to that class. Other units will also produce the same goods and services, but as secondary activities, and they will be included in other classes on the basis of their principal activity.

BUSINESSES WITH MIXED
ACTIVITIES

A management unit is considered to have mixed activities where it undertakes two or more activities, which are primary to more than one ANZSIC class. The general rule in ANZSIC is that mixed activity units should be classified to the ANZSIC class that covers the predominant activity of the unit. Where there is data available for the secondary or other activity, and the turnover of this activity is significant, the mixed activity unit may be split by the ABS into separate management units which are then coded individually.

In practice, it is difficult to determine whether most units are involved in mixed activities. The boundaries are less clear where the unit carries out a mix of manufacturing, wholesale or retail activities. The general principle in both ISIC and ANZSIC, is to classify units that undertake both the manufacture and sale of their product within the one structure to manufacturing, that is, the retail or wholesale trade of goods produced in the same unit is not considered to be a separate activity. The reason behind this is that the goods do not change ownership. Retail and wholesale activity is only recognised once the product changes ownership (i.e. the product is 'on-sold' to an external or internal unit).

While users of this publication may know of businesses that they would consider to be engaged in wholesale activities, for the reasons given above, they should not assume all such businesses will have had a management unit created on the ABS Business Register with a wholesaling ANZSIC, especially where these businesses engage in mixed activities.

WHOLESALE TRADE

ANZSIC defines the term 'Wholesale Trade' to include the resale, as agents or principals, of new or used goods to businesses or to institutional (including Government) users.

OVERVIEW OF
CLASSIFICATIONS AND
STANDARDS ISSUES *continued*

Businesses mainly engaged in wholesale trade are wholesale merchants who take title to the goods they sell; separate sales branches (not being retail stores) operated by manufacturing enterprises; commission agents; import and export agents and purchasing agents; petroleum products distributors; and cooperatives and marketing boards engaged in marketing farm products.

Wholesale activities can generally be distinguished from retail activities by identifying the market to which the goods are sold. Wholesalers usually sell to businesses or organisations, whereas retailers mainly sell goods to final consumers for personal or household consumption.

CLASSIFICATION OF
PARTICULAR ACTIVITIES

Certain categories of activities are not necessarily classifiable to specific ANZSIC classes. Conceptual guidelines have been developed to indicate how units whose primary activities include repair and maintenance, installation, and packing should be treated. An outline of their treatment is given here since they are relevant to understanding how Wholesale Trade is defined in ANZSIC.

REPAIR AND MAINTENANCE ACTIVITIES

Separate industry classes have been created in ANZSIC for those types of repair or maintenance activity significant enough to warrant an individual industry class. In other cases the repair activity has been assigned to the industry with which the activity is most strongly associated. There are no separate industry classes relating to repair and maintenance activity within Division F Wholesale Trade, however the following repair or maintenance activities have been assigned to Wholesale Trade based on the industry with which the repair activity is associated:

- Business machine or equipment n.e.c. repair or maintenance—primary to Class 4614 BUSINESS MACHINE WHOLESALING N.E.C.;
- Commercial refrigeration equipment repair or maintenance—primary to Class 4615 ELECTRICAL AND ELECTRONIC EQUIPMENT WHOLESALING N.E.C.; and
- Agricultural or construction machinery repair or maintenance—primary to Class 4611 FARM AND CONSTRUCTION MACHINERY WHOLESALING.

INSTALLATION ACTIVITIES

The treatment of specific types of installation activity in ANZSIC depends not only on the nature of the activity itself but, more importantly, on the types of units which commonly engage in it. There is a tendency for the type of unit carrying out installation work to vary according to the type of equipment, plant, appliances and products being installed. The approach to coding installation activities is similar to repairs in that, if an installation activity is found to be strongly associated with another activity, the installation activity would normally be assigned to the industry class which includes that other activity as its primary activity.

The following installation activities are part of Wholesale Trade:

- Motor vehicle air conditioners—primary to Class 4623 MOTOR VEHICLE NEW PART DEALING; and
- Business machines n.e.c.—primary to Class 4614 BUSINESS MACHINE WHOLESALING N.E.C.

PACKING ACTIVITIES

Activities which involve the physical transformation of materials or goods, including blending and assembly, are generally regarded as manufacturing activities. On the other hand, the mere breaking down of bulk quantities and consequent packing or bottling are generally regarded as service type activities.

OVERVIEW OF
CLASSIFICATIONS AND
STANDARDS ISSUES *continued*

Packing activities undertaken by a unit as part of its normal process of producing or distributing goods are not direct revenue earning activities and are not taken into account when classifying a unit. In cases where the main activity of the unit involves the purchase of goods that are then repacked and sold, these units are classified based on the product sold. Examples of how such units are classified include:

The buying of fresh fruit, vegetable or other agricultural produce (excluding sun dried fruit) for resale after washing, grading or repacking is an activity considered primary to Class 4715 FRUIT AND VEGETABLE WHOLESALING. Where units purchase produce for resale to final consumers for personal consumption, the activity is considered primary to Class 5122 FRUIT AND VEGETABLE RETAILING.

Buying in seafood for resale to other units, and then repacking it without further processing is primary to Class 4714 FISH WHOLESALING. Where the resale will be to final consumers for personal or household consumption, the activity is primary to Class 5121 FRESH MEAT, FISH AND POULTRY RETAILING. Units mainly engaged in processing seafood, whether or not packing is involved, are classified to Class 2173 SEAFOOD PROCESSING (part of Division C, Manufacturing).

Manufactured foods, beverages and tobacco are classified to the appropriate classes in Subdivision 21, Food, Beverage and Tobacco Manufacturing.

Wine or spirits bottling or other packing (without any further processing) are classified to Class 4717 LIQUOR WHOLESALING.

Chemicals (except petroleum products) are classified to the appropriate classes in Subdivision 25 Petroleum, Coal, Chemical and Associated Product Manufacturing.

Other goods for sale to other businesses without any further processing are all classified to the appropriate classes in Subdivision 47 Wholesale Trade.

Packing services may also be provided by businesses on a contract or fee basis for other businesses. ANZSIC provides a specialist class for most contract packing services.

The contract packing of all goods (except agricultural produce, or food, beverages and tobacco, or goods packed for transport) is considered primary to Class 7867 CONTRACT PACKING SERVICES N.E.C. (part of Subdivision 78 Business Services).

Contract packing activities primary to Wholesale Trade are:

Fresh fruit and vegetables—Class 4715 FRUIT AND VEGETABLE WHOLESALING;

Sun dried fruit—Class 4719 GROCERY WHOLESALING N.E.C.;

CLASSIFICATION OF
COMMODITIES

The product classification used in the 1998–99 Wholesale collection was formed by aggregating the 1,100 or so products in the Input/Output Product Classification, taking into account how products sold by wholesale businesses are grouped in records and the need to comply with international standards.

APPLICATION OF
CLASSIFICATIONS AND
STANDARDS IN THE
WHOLESALE INDUSTRY
SURVEY

UPDATING THE ABS BUSINESS
REGISTER

While the quality and currency of information loaded to the ABS Business Register for new businesses is good, until recently there was no comprehensive source of information for keeping all businesses on the Register up-to-date. The

APPLICATION OF CLASSIFICATIONS AND STANDARDS IN THE WHOLESALE INDUSTRY SURVEY *continued*

ABS has a program of annual updates to cover changes in the structure and operations of large businesses, however, over time units may change in size and engage in different economic activity and it was only in certain circumstances that the ABS became aware of such changes in medium and small sized businesses.

This inability to comprehensively monitor changes in the small business population can have a major effect on surveys which are only carried out occasionally, such as the Wholesale Industry Survey. After the despatch of the survey forms, feedback from businesses revealed 1,181 (26%) of the 4,582 management units selected were either out of scope (i.e. not primarily wholesalers) or were no longer operating.

The impact of this on the estimates in this publication has been to increase the sampling variability. For more information about the impact of the sampling variability on the estimates, please refer to paragraphs 12–16 of the Explanatory Notes.

DETERMINING THE INDUSTRY OF A UNIT

The classification of units to the Wholesale and Retail Trade industries (ANZSIC divisions F and G) by the ABS is generally determined by the market to which they sell (i.e. whether commodities are sold predominantly to other businesses, or the general public).

In general it is easy to distinguish between the two sorts of activities, however detailed procedures were developed in the Wholesale Industry Survey to ensure that businesses with mixed activities were correctly classified on the basis of their predominant activity.

WHOLESALE WITH MIXED ACTIVITIES

The 1998-99 Wholesale Industry Survey collected information about sales and margins for a selected range of commodities sold by wholesalers to other businesses or institutional users. These sales made up 91% of total income for the wholesaling industry, however, management units classified as wholesalers also received income from retail sales to the value of \$7,931 million. Whilst the components of income, other than wholesale sales, are not significant at the total level, some types of wholesalers earned a large proportion of income from other activities.

All businesses (except those classified to Builders supplies wholesaling and in Motor vehicle wholesaling which are discussed below) were asked to report their wholesale and retail sales information separately. The businesses provided detailed information about their wholesale sales recording them against predefined commodities listed on the survey forms.

A separate question asked for the total value of retail sales (i.e. goods sold to the public) as a check to ensure that the predominant activity was in fact wholesaling and not retailing. Businesses selected in the Wholesale Industry Survey that reported the greater part of their income against retail sales were contacted to ensure that they had reported correctly before being assigned a retail industry code. The businesses identified as retailers have not contributed to the estimates in this publication.

Businesses that sell builders supplies/domestic hardware and motor cars/commercial vehicles, make sales that can be classified as either wholesaling or retailing depending on the type of purchaser i.e. whether the buyer is another business or a final consumer (the general public).

ABS awareness of these problem areas influenced the development of the forms used to collect data in the Wholesale and Retail Industry Surveys in 1998–99. One survey form was designed and used by both collections to collect information from businesses that were car and commercial vehicle dealers. Similarly a

APPLICATION OF
CLASSIFICATIONS AND
STANDARDS IN THE
WHOLESALE INDUSTRY
SURVEY *continued*

common form was used to approach businesses which sold builders supplies and domestic hardware. The fact that the businesses being approached were likely to carry out mixed activities meant that particular care had to be taken to collect data that would enable a clear decision to be made as to the correct industry of the unit.

MOTOR VEHICLE SALES

Of their total income, Car wholesalers generated 84% of their income from wholesale sales and 13% from retail sales. The comparable figures for Commercial vehicle wholesalers were 84% and 12%. Clearly businesses involved in car and commercial vehicle wholesaling are involved in mixed activities (i.e. they carry out two or more activities, which are primary to more than one ANZSIC class).

While at the total level wholesalers as a group earned most of their income from wholesale sales, the proportion of this in relation to total income varied significantly from business to business.

Dealers were asked to record sales information for:

- Motor vehicles sold to fleet operators, government, rental companies or other businesses;
- Motor vehicles sold to motor vehicle dealers; and
- Motor vehicles sold to the general public.

Each of these categories was further broken down by the type of goods being sold. Sales to the first two categories of buyer were then further subdivided into:

- New cars and passenger vans;
- Used cars and passenger vans; and
- New and used commercial vehicles.

Dealers were asked to provide separate sales figures for sales to the general public for :

- New cars and passenger vans;
- New commercial vehicles;
- Used cars and passenger vans; and
- Used commercial vehicles.

Any type of motor vehicle sold to a government, fleet operator or other business was considered a wholesale transaction. The treatment of sales of motor vehicles to the general public was not so straightforward. The sale of new and used cars and passenger vans to the general public was treated as a retail transaction. However, any sales of commercial vehicles to the general public recorded by dealers were treated as wholesale sales in the Wholesale Industry Survey.

The form sent to vehicle dealers also asked for information about sales for a range of other commodities including tyres, motor cycles, motor vehicle accessories and associated goods.

Whilst in general motor vehicle dealers were classified to Wholesale or Retail depending on whether the value of cars sold to business was greater than the value of those sold to the public (households) in the period, in some cases the classification was influenced by these other sales. For example, where car yards had a similar value for wholesale and retail sales, their classification depended on the type of other goods sold.

In some cases the determining factor was the value of motor vehicle parts. The sale of motor vehicle parts was considered to be a wholesale transaction, regardless of the type of purchaser (i.e. whether the sale was to another business such as an automotive repairer or a member of the public who services or repairs their own car).

APPLICATION OF
CLASSIFICATIONS AND
STANDARDS IN THE
WHOLESALE INDUSTRY
SURVEY *continued*

Table 2.2 includes information about both wholesale and retail sales of motor vehicles made by wholesalers to provide a more complete picture of motor vehicle sales made by wholesalers. Note: the table does not include the sales of motor vehicles made by motor vehicle retailers. Users particularly interested in motor vehicle sales should also refer to the ABS publications *Retail Industry, Australia* (Cat. no. 8622.0) and *Retail Industry, Commodity Sales, Australia* (Cat. no. 8624.0).

DEALERS IN BUILDING SUPPLIES AND DOMESTIC HARDWARE

ANZSIC makes a distinction between BUILDING SUPPLIES WHOLESALING N.E.C. (ANZSIC 4539) and DOMESTIC HARDWARE AND HOUSEWARE RETAILING (ANZSIC 5233). In Australia, many businesses which sell building supplies and domestic hardware carry out mixed activities, dealing with the building trade while having a retail shop front. Overall, the Wholesale Industry Survey found that the Building Supplies Wholesaling n.e.c. industry earned 89% of its income from wholesale sales and 6% from retail sales, although the percentages varied across individual businesses.

The form used to collect information from hardware dealers in both the Wholesale and Retail Industry Surveys asked for a breakdown of total sales by the type of purchaser (i.e. tradespeople, retail outlets/other businesses and the public). Details were also collected about the sales of various commodities.

For most businesses the industry classification for output purposes was determined by the commodities sold. Builders supplies wholesalers were treated differently. These businesses were classified primarily according to their response on the percentage of sales made to the different types of purchaser, however, for businesses that reported most sales (i.e. over 50%) were made to the public, sales by commodity were also incorporated into the classification process.

Sales of some commodities are considered by the ABS to be primary to ANZSIC 4539 only. These commodities are generally used in the construction process and include abrasives, bricks, doors and windows, galvanised iron products, and sand. Regardless of whether the purchaser is a builder or a person renovating their home, sales by businesses of these goods are treated by the ABS as wholesale sales.

The sale of other commodities are viewed as primary to BUILDING SUPPLIES WHOLESALING N.E.C. (ANZSIC 4539) where the sale is to a business, and as primary to DOMESTIC HARDWARE AND HOUSEWARE RETAILING (ANZSIC 5233), where the commodity is sold to a household. Goods that fall into this category include locks, mineral turpentine, paint, plaster, and woodworking tools.

In the Wholesale Industry Survey, if a business reported most of its income (i.e. over 50%) was generated from sales of goods to tradespeople, then it was classified as a wholesaler, and all of its sales of builders supplies were included in wholesale sales.

Businesses that reported most of their income had been generated from sales to the public were individually assessed. Examination of the data focussed on three main areas: the value of goods determined to be wholesale only; the value of hardware commodities whose wholesale or retail character is determined by the nature of the purchaser; and the split of sales reported by the business into tradespeople, retail outlets/other businesses and the public.

The relative value of sales to the different types of buyer was used to apportion the value of commodities that potentially could have been either wholesale or retail to the two sectors. The value of the resultant wholesale sales was then

APPLICATION OF CLASSIFICATIONS AND STANDARDS IN THE WHOLESALE INDUSTRY SURVEY *continued*

added to the value of the wholesale only goods and compared to total income. In cases where this apportioning did not provide a clear outcome, businesses were contacted and asked to provide an outline of the nature of their business and their clients.

Users with an interest in builders supplies and domestic hardware should also refer to ABS publications *Retail Industry, Australia* (Cat. no. 8622.0) and *Retail Industry, Commodity Sales, Australia* (Cat. no. 8624.0).

MARKETING AUTHORITIES

Marketing authorities or boards are generally confined to the farm produce and food areas of wholesaling. Any marketing authority with a wholesaling ANZSIC on the ABS Business Register was eligible for inclusion in the Wholesale Industry Survey sample.

The treatment of Marketing authorities in the survey varied according to how they operated (i.e. depending on whether they took ownership of the goods or sold on commission).

On the forms used to collect information, data providers were directed to only report sales for those goods for which the business had previously taken ownership. Marketing authorities that did not take ownership of the goods were asked to report commission income elsewhere on the form. No data on commodity sales and margins were collected from these organisations.

Most marketing authorities reported income from levies, fees, commissions or marketing fees. These are charges they make for the services provided which are usually borne by the producer of the goods.

Marketing authorities that did take ownership of the commodities sold reported information and margins on these sales, just like other wholesalers.

COMMISSION AGENTS

An agent is a person or business that acts on behalf of another business. The gains or benefits of the agent's activities go to the business which engages the agent and in return the agent is paid a fee.

Commission agents are defined in ANZSIC as wholesalers. A commission agent generally works as a sales representative for a manufacturer or another wholesaler. The purpose of the commission agent is to find buyers for their client. If successful in arranging a sale, the agent receives a commission from the client. In doing this, commission agents do not take ownership of the goods. Commission agents are classified to the wholesaling class in ANZSIC which is appropriate to the goods on which they earn commission.

Commission income (i.e. selling goods as an agent on behalf of other parties), made up only 1% (\$2,321 million) of total income reported by wholesalers. In this context, it is important to remember that the ABS Business Register only covers employing businesses.

Commission agents received the same type of form as other wholesalers, directing them to only report sales and margins for the goods for which the business had taken ownership.

ANZSIC makes a clear distinction between commission agents and brokers. A broker is an agent who looks for both buyers and sellers in order to make a sale. Depending on the nature of the arrangement struck with clients, the broker may earn a fee (or commission) from either or both the buyer and the seller when a successful deal has been arranged. Brokerage is an activity considered primary to ANZSIC Class 7869, BUSINESS SERVICES N.E.C., which is part of Division L, Property and Business Services.

AVAILABILITY OF COMMODITY
DATA

The use made of commodity data in processing the Wholesale Industry Survey illustrates the importance of accurate commodity data in assigning an industry to the businesses selected.

The ease with which businesses were able to provide data varied. A Post Enumeration Survey carried out shortly after the survey found that nearly all of the respondents interviewed (96%) maintained sales records for commodities. Approximately 70% of businesses were able to readily match their information to the ABS commodities. For those that could not, 47% provided subjective 'clerically estimated values', whilst 41% attempted clerical re-aggregation of data from monthly reports.

Businesses classified to the following industries reported some difficulty in classifying their products at the commodity level requested on the forms.

- FARM PRODUCE AND SUPPLIES WHOLESALING N.E.C. (ANZSIC 4519)
- CHEMICAL WHOLESALING (ANZSIC 4523)
- TIMBER WHOLESALING (ANZSIC 4531)
- BUILDING SUPPLIES WHOLESALING N.E.C. (ANZSIC 4539)
- COMPUTER WHOLESALING (ANZSIC 4613)
- FOOD, DRINK AND TOBACCO WHOLESALING (ANZSIC group 471)
- PHARMACEUTICAL AND TOILETRY WHOLESALING (ANZSIC 4796)

GLOSSARY

Advertising expenses	Includes expenses associated with the promotion and publicity of the business and/or its products. It includes expenses paid to advertising agencies, and direct payments to radio, television and print media businesses.
Commission income	Includes income received from work done on customers' materials and sales commission.
Depreciation and amortisation	Includes depreciation on buildings, other fixed tangible assets and lessees finance leases.
Employees	Includes working directors, and other permanent, temporary and casual employees, working for a business during the last pay period in June 1999. Employees absent on paid or prepaid leave are included. Working proprietors or partners of unincorporated businesses are excluded.
Employer superannuation contributions	Includes all employer provisions and contributions to superannuation schemes (including the employer productivity contribution).
Employment	Includes employees and working proprietors and partners working for a business during the last pay period in June 1999. Employees absent on paid or prepaid leave are included.
Fringe Benefits Tax	Tax amounts paid by employers on the value of non-cash remuneration provided to employees.
Full-time employees	Employees working 35 hours or more a week.
Interest expenses	Includes interest paid on finance leases, on loans from banks, related and unrelated businesses and partners. Also included are interest equivalents such as hedging costs, and discounted bill expenses.
Inventories	The reported total book value of inventories as at the beginning (for Opening inventories) and at the end (for Closing inventories) of the reporting period. The values reported are those as recorded on the businesses' balance sheets.
Inventory turnover	Is a ratio signalling the number of times that stock is turned over during the year. It is derived using an average level for inventories, i.e. cost of goods sold divided by average inventories (where average inventories is opening inventories plus closing inventories divided by two).
Labour costs	Includes wages and salaries, employer contributions to superannuation funds, —including salary sacrifice, workers' compensation costs, fringe benefits tax and payroll tax.
Labour costs per employee	Labour costs divided by number of employees, i.e. labour costs/employees.
Labour costs to total expenses	Labour costs divided by total expenses, i.e. labour costs/total expenses.
Management unit	See under statistical units in Explanatory Notes, page 34.
Operating Profit Before Tax (OPBT)	A measure of profit before extraordinary items are brought into account and prior to the deduction of income tax and appropriations to owners.
Operating profit margin	Ratio of operating profit to income from: sales, services, commissions, royalties, and rent, lease and hiring; expressed as a percentage.
Other expenses	Includes insurance, land tax, bank charges, bad and doubtful debts, royalties, motor vehicle running costs, freight and cartage and computer software.

Other income	Includes interest, government funding, royalties and dividends.
Other service income	Includes repair and maintenance, provision of computer services and telecommunication services, delivery charges not elsewhere included, Installation fees, management and administration service fees and other specified and unspecified service fees.
Part-time employees	Employees working less than 35 hours a week.
Payroll tax	A State and Territory tax levied on employers and based on the amount of wages and salaries paid.
Purchases	Includes purchases of materials, components, containers, packages, fuels, electricity and water, and goods for resale.
Rent, leasing and hiring expenses	Includes costs for the rent, leasing (excluding finance leases) and hiring of vehicles, land, buildings, machinery, equipment and any other property from other businesses or individuals.
Rent, leasing and hiring income	Includes income received from the renting, leasing or hiring of assets such as land, buildings, vehicles, machinery or equipment to other businesses or individuals.
Retail sales	Sales of goods to final consumers for personal or household consumption.
Sales margin	See under sales margin in Explanatory Notes, page 35.
Total expenses	The total operating expenses of a business, excluding extraordinary items.
Total income	The total operating income of a business, excluding extraordinary items.
Total income per person employed	Total income divided by number of persons employed, i.e. total income/employment.
Wages and salaries	Gross earnings of all employees before taxation and other deductions.
Wholesale sales	Sales of goods to businesses and institutional users.
Workers' compensation	Includes the costs of, and provisions for, insurance premiums and any other costs not reimbursed by insurers.

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