

# COMPANY PROFITS AUSTRALIA

EMBARGOED UNTIL 11:30AM THURS 16 MAY 1996

## MARCH QTR KEY FIGURES

### TREND ESTIMATES

|   | Mar 96<br>\$m | % change<br>Dec 95 to<br>Mar 96 | % change<br>Mar 95 to<br>Mar 96 |
|---|---------------|---------------------------------|---------------------------------|
| Company Profits before                  |               |                                 |                                 |
| Income Tax                              | 6 274         | -0.7                            | 0.0                             |
| Income Tax & Net Interest               | 7 732         | 1.1                             | 4.1                             |
| Income Tax, Net Interest & Depreciation | 11 168        | 1.3                             | 4.2                             |

### SEASONALLY ADJUSTED

|   | Mar 96<br>\$m | % change<br>Dec 95 to<br>Mar 96 | % change<br>Mar 95 to<br>Mar 96 |
|---|---------------|---------------------------------|---------------------------------|
| Company Profits before                  |               |                                 |                                 |
| Income Tax                              | 6 456         | 7.7                             | 8.3                             |
| Income Tax & Net Interest               | 7 942         | 8.2                             | 11.6                            |
| Income Tax, Net Interest & Depreciation | 11 457        | 8.0                             | 10.0                            |

### ORIGINAL ESTIMATES

|   | Mar 96<br>\$m | % change<br>Dec 95 to<br>Mar 96 | % change<br>Mar 95 to<br>Mar 96 |
|---|---------------|---------------------------------|---------------------------------|
| Company Profits before                  |               |                                 |                                 |
| Income Tax                              | 5 515         | -22.0                           | 10.0                            |
| Income Tax & Net Interest               | 6 846         | -18.0                           | 9.1                             |
| Income Tax, Net Interest & Depreciation | 10 342        | -11.8                           | 9.1                             |

## MARCH QTR KEY POINTS

### TREND ESTIMATES

- The provisional trend estimate of company profits before income tax, for companies with more than 30 employees, has decreased by 0.7%. This is a continuation of the relatively flat trend in profits which commenced in the December 1994 quarter.

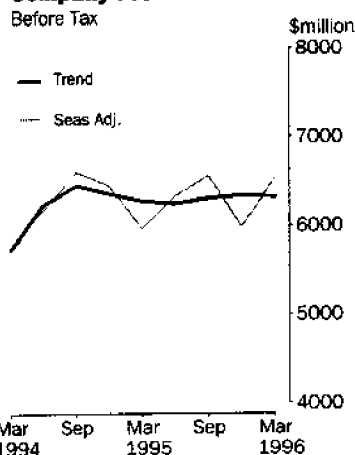
### SEASONALLY ADJUSTED

- The seasonally adjusted estimate of company profits before income tax increased by 7.7% after a fall of 8.6% in the December 1995 quarter. The increase in the seasonally adjusted estimate reflects the strong growth reported in the Transport and Storage, and Property and Business Services industries.

### ORIGINAL ESTIMATES

- The original estimate of company profits before income tax as reported for the March 1996 quarter is \$5.515m, a decrease of 22.0% from the revised December 1995 quarter estimate. The original estimate has increased by 10.0% from the March 1995 quarter estimate.

### Company Profits



## INQUIRIES

- For further information about these and related statistics, contact Sue Phillips on 02 268 4357, or any ABS office.

# C O M P A N Y P R O F I T S N O T E S

**FORTHCOMING ISSUES**

| <i>ISSUE (Quarter)</i> | <i>RELEASE DATE</i> |
|------------------------|---------------------|
| June 1996              | 16 August 1996      |
| September 1996         | 19 November 1996    |
| December 1996          | 20 February 1997    |

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**CHANGES IN THIS ISSUE**

This issue contains minor revisions to the data in the June and September 1995 quarters. The December 1995 quarter has been more significantly revised as a result of late responses. The revisions affect all industries in original, seasonally adjusted and trend terms.

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**SAMPLING ERRORS**

Standard errors for estimates contained in this publication are shown on pages 14-15.

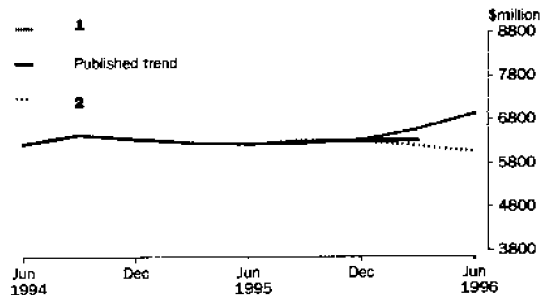
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**TREND REVISIONS**

The most recent trend estimates are likely to be revised when seasonally adjusted estimates for subsequent quarters become available. The graph below presents the effect of two possible scenarios on the previous trend estimates:

- 1** The June 1996 seasonally adjusted estimate for company profits before income tax is higher than the March 1996 seasonally adjusted estimate by 10.0%.
- 2** The June 1996 seasonally adjusted estimate for company profits before income tax is lower than the March 1996 seasonally adjusted estimate by 10.0%.

The percentage change of 10.0% was chosen because the average absolute percentage change, based on the last decade, has been 10.0%.

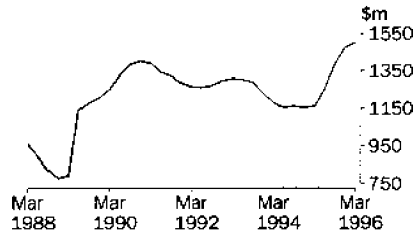


An increase of 10.0% in seasonally adjusted company profits before income tax in June 1996 quarter would result in a rise in the trend from December 1995 quarter. A fall of the same magnitude would continue the relatively flat trend series.

**W. McLennan**  
Australian Statistician

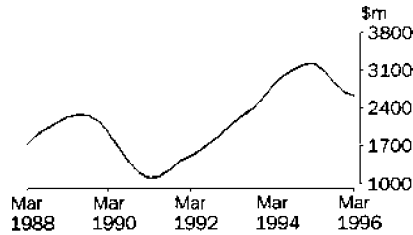
# COMPANY PROFITS BEFORE INCOME TAX BY INDUSTRY: Trend

## MINING



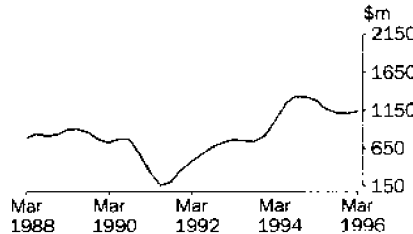
The trend estimate for the Mining industry shows a modest rise (2.0%) following strong increases over the last year. The estimate is now 29.4% higher than the March 1995 quarter estimate.

## MANUFACTURING



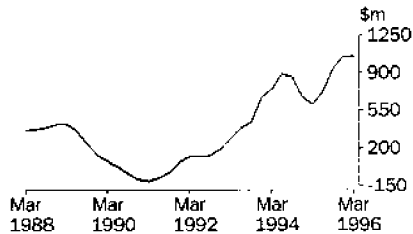
The Manufacturing industry estimate of company profits before tax fell by 3.2% in the latest quarter. The estimate has fallen by 18.2% from its peak of \$3,231m in the March 1995 quarter.

## WHOLESALE/RETAIL



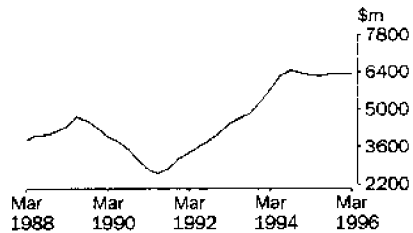
For the combined Wholesale and Retail trade industries, the trend estimate rose by 2.8% due to increased Wholesale industry profits. This is the first increase since December 1994 quarter.

## OTHER SELECTED INDUSTRIES



This includes Construction, Transport & Storage, Services to Finance & Insurance, Property & Business Services and Other Services. The March 1996 quarter trend estimate fell by 1.6%.

## TOTAL ALL INDUSTRIES



The All Industries trend estimate remains relatively flat (0.7% decrease).



# COMPANY PROFITS BEFORE INCOME TAX: All Series

| Quarter             | <i>Company profits<br/>before income tax,<br/>net interest paid and<br/>depreciation</i> | <i>Company profits<br/>before income tax<br/>and net interest paid</i> | <i>Company profits<br/>before<br/>income tax</i> |
|---------------------|--|--|--|
|                     | \$m  | \$m  | \$m  |
| ORIGINAL            |  |  |  |
| <b>1992-93</b>      |  |  |  |
| March               | 7 996  | 5 197  | 3 691  |
| June                | 8 670  | 5 743  | 4 063  |
| <b>1993-94</b>      |  |  |  |
| September           | 9 552  | 6 635  | 5 345  |
| December            | 10 349   | 7 362  | 6 164  |
| March               | 9 008  | 6 123  | 4 891  |
| June                | 9 444  | 6 444  | 5 290  |
| <b>1994-95</b>      |  |  |  |
| September           | 11 440   | 8 297  | 7 135  |
| December            | 11 908   | 8 728  | 7 660  |
| March               | 9 479  | 6 276  | 5 013  |
| June                | 10 004   | 6 713  | 5 408  |
| <b>1995-96</b>      |  |  |  |
| September           | 11 690   | 8 372  | 7 122  |
| December            | 11 726   | 8 348  | 7 071  |
| March               | 10 342   | 6 846  | 5 515  |
| SEASONALLY ADJUSTED |  |  |  |
| <b>1992-93</b>      |  |  |  |
| March               | 8 687  | 5 861  | 4 422  |
| June                | 9 344  | 6 342  | 4 763  |
| <b>1993-94</b>      |  |  |  |
| September           | 9 144  | 6 163  | 4 828  |
| December            | 9 324  | 6 436  | 5 119  |
| March               | 9 865  | 6 936  | 5 827  |
| June                | 10 115   | 7 142  | 6 182  |
| <b>1994-95</b>      |  |  |  |
| September           | 10 926   | 7 784  | 6 608  |
| December            | 10 704   | 7 643  | 6 454  |
| March               | 10 418   | 7 115  | 5 963  |
| June                | 10 904   | 7 446  | 6 333  |
| <b>1995-96</b>      |  |  |  |
| September           | 11 086   | 7 748  | 6 563  |
| December            | 10 611   | 7 339  | 5 996  |
| March               | 11 457   | 7 942  | 6 456  |
| TREND ESTIMATES     |  |  |  |
| <b>1992-93</b>      |  |  |  |
| March               | 8 836  | 5 954  | 4 446  |
| June                | 9 082  | 6 141  | 4 659  |
| <b>1993-94</b>      |  |  |  |
| September           | 9 184  | 6 232  | 4 840  |
| December            | 9 486  | 6 552  | 5 288  |
| March               | 9 780  | 6 848  | 5 736  |
| June                | 10 294   | 7 305  | 6 239  |
| <b>1994-95</b>      |  |  |  |
| September           | 10 626   | 7 564  | 6 458  |
| December            | 10 689   | 7 524  | 6 363  |
| March               | 10 720   | 7 429  | 6 274  |
| June                | 10 752   | 7 394  | 6 256  |
| <b>1995-96</b>      |  |  |  |
| September           | 10 888   | 7 521  | 6 311  |
| December            | 11 020   | 7 650  | 6 319  |
| March               | 11 168   | 7 732  | 6 274  |

**COMPANY PROFITS BEFORE INCOME TAX, DEPRECIATION AND INTEREST: Original**

| <i>Period</i>  | <i>Company profits before income tax, net interest paid and depreciation</i> | <i>Depreciation</i> | <i>Company profits before income tax and net interest paid</i> | <i>Interest paid</i> | <i>Interest received</i> | <i>Net interest paid</i> | <i>Company profits before income tax</i> |
|----------------|--|---------------------|--|----------------------|--------------------------|--------------------------|--|
| <i>\$m</i>     | <i>\$m</i>   | <i>\$m</i>          | <i>\$m</i>   | <i>\$m</i>           | <i>\$m</i>               | <i>\$m</i>               | <i>\$m</i>                               |
| <b>1992-93</b> | 34 623   | 11 387              | 23 236   | 9 719                | 3 467                    | 6 252                    | 16 983                                   |
| <b>1993-94</b> | 38 354   | 11 790              | 26 564   | 8 764                | 3 890                    | 4 874                    | 21 689                                   |
| <b>1994-95</b> | 42 831   | 12 817              | 30 014   | 11 233               | 6 435                    | 4 799                    | 25 216                                   |
| <b>1992-93</b> |  |                     |  |                      |                          |                          |  |
| March          | 7 996  | 2 800               | 5 197  | 2 297                | 791                      | 1 506                    | 3 691                                    |
| June           | 8 670  | 2 928               | 5 743  | 2 566                | 887                      | 1 680                    | 4 063                                    |
| <b>1993-94</b> |  |                     |  |                      |                          |                          |  |
| September      | 9 552  | 2 917               | 6 635  | 2 123                | 833                      | 1 290                    | 5 345                                    |
| December       | 10 349   | 2 987               | 7 362  | 2 234                | 1 035                    | 1 199                    | 6 164                                    |
| March          | 9 008  | 2 885               | 6 123  | 2 104                | 873                      | 1 231                    | 4 891                                    |
| June           | 9 444  | 3 000               | 6 444  | 2 304                | 1 150                    | 1 154                    | 5 290                                    |
| <b>1994-95</b> |  |                     |  |                      |                          |                          |  |
| September      | 11 440   | 3 143               | 8 297  | 2 549                | 1 386                    | 1 163                    | 7 135                                    |
| December       | 11 908   | 3 179               | 8 728  | 2 697                | 1 629                    | 1 068                    | 7 660                                    |
| March          | 9 479  | 3 204               | 6 276  | 2 740                | 1 477                    | 1 263                    | 5 013                                    |
| June           | 10 004   | 3 291               | 6 713  | 3 247                | 1 942                    | 1 305                    | 5 408                                    |
| <b>1995-96</b> |  |                     |  |                      |                          |                          |  |
| September      | 11 690   | 3 318               | 8 372  | 2 495                | 1 244                    | 1 250                    | 7 122                                    |
| December       | 11 726   | 3 378               | 8 348  | 2 559                | 1 282                    | 1 277                    | 7 071                                    |
| March          | 10 342   | 3 496               | 6 846  | 2 537                | 1 207                    | 1 331                    | 5 515                                    |



COMPANY PROFITS BEFORE INCOME TAX, By Broad Industry: All Series

| Period              | Mining<br>\$m | Manu-<br>facturing<br>\$m | Construction<br>\$m | Wholesale<br>trade<br>\$m | Retail<br>trade<br>\$m | Transport<br>and<br>storage<br>\$m | Services to<br>finance<br>and<br>insurance<br>\$m | Property<br>and<br>business<br>services<br>\$m | Other<br>services<br>\$m | Total<br>\$m |
|---------------------|---------------|---------------------------|---------------------|---------------------------|------------------------|------------------------------------|---|--|--------------------------|--------------|
| ORIGINAL            |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| <b>1992-93</b>      | 5 268         | 7 983                     | 324                 | 1 463                     | 1 359                  | 394                                | 356   | -452   | 289                      | 16 983       |
| <b>1993-94</b>      | 4 827         | 10 655                    | 368                 | 1 965                     | 1 626                  | 774                                | 837   | -75  | 713                      | 21 689       |
| <b>1994-95</b>      | 4 668         | 12 611                    | 500                 | 3 180                     | 1 933                  | 648                                | 612   | -49  | 1 113                    | 25 216       |
| <b>1993-94</b>      |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| December            | 1 206         | 2 830                     | 122                 | 399                       | 760                    | 243                                | 320   | 87   | 197                      | 6 164        |
| March               | 1 169         | 2 421                     | 77                  | 493                       | 262                    | 159                                | 255   | -31  | 87                       | 4 891        |
| June                | 1 089         | 2 671                     | 78                  | 633                       | 406                    | 162                                | 232   | -154   | 171                      | 5 290        |
| <b>1994-95</b>      |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| September           | 1 297         | 3 403                     | 101                 | 895                       | 384                    | 214                                | 237   | 143  | 461                      | 7 135        |
| December            | 1 066         | 3 598                     | 138                 | 898                       | 916                    | 197                                | 396   | 63   | 388                      | 7 660        |
| March               | 1 256         | 2 869                     | 106                 | 663                       | 254                    | 83                                 | -142  | -166   | 89                       | 5 013        |
| June                | 1 049         | 2 741                     | 156                 | 724                       | 379                    | 153                                | 121   | -89  | 175                      | 5 408        |
| <b>1995-96</b>      |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| September           | 1 598         | 3 106                     | 49                  | 674                       | 324                    | 272                                | 227   | 168  | 704                      | 7 122        |
| December            | 1 458         | 3 158                     | 105                 | 628                       | 767                    | 366                                | 109   | -47  | 527                      | 7 071        |
| March               | 1 450         | 2 304                     | 89                  | 686                       | 246                    | 315                                | 29  | -46  | 443                      | 5 515        |
| SEASONALLY ADJUSTED |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| <b>1992-93</b>      | 5 262         | 8 057                     | 316                 | 1 458                     | 1 439                  | 401                                | 352   | -450   | 294                      | 17 129       |
| <b>1993-94</b>      | 4 825         | 10 806                    | 374                 | 1 959                     | 1 713                  | 802                                | 834   | -73  | 716                      | 21 957       |
| <b>1994-95</b>      | 4 660         | 12 666                    | 538                 | 3 179                     | 1 993                  | 646                                | 610   | -49  | 1 114                    | 25 359       |
| <b>1993-94</b>      |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| December            | 1 268         | 2 450                     | 91                  | 376                       | 369                    | 179                                | 287   | -36  | 135                      | 5 119        |
| March               | 1 154         | 2 846                     | 88                  | 576                       | 507                    | 237                                | 288   | -21  | 151                      | 5 827        |
| June                | 1 142         | 3 085                     | 110                 | 632                       | 543                    | 210                                | 200   | 3  | 255                      | 6 182        |
| <b>1994-95</b>      |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| September           | 1 196         | 3 010                     | 92                  | 836                       | 552                    | 179                                | 272   | 100  | 373                      | 6 608        |
| December            | 1 127         | 3 125                     | 103                 | 880                       | 452                    | 145                                | 360   | -62  | 324                      | 6 454        |
| March               | 1 235         | 3 366                     | 122                 | 741                       | 480                    | 124                                | -107  | -155   | 156                      | 5 963        |
| June                | 1 103         | 3 166                     | 221                 | 722                       | 509                    | 199                                | 86  | 68   | 260                      | 6 333        |
| <b>1995-96</b>      |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| September           | 1 472         | 2 744                     | 44                  | 617                       | 460                    | 225                                | 264   | 123  | 615                      | 6 563        |
| December            | 1 545         | 2 747                     | 79                  | 613                       | 381                    | 270                                | 71  | -172   | 462                      | 5 996        |
| March               | 1 422         | 2 700                     | 103                 | 761                       | 459                    | 467                                | 65  | -33  | 512                      | 6 456        |
| TREND ESTIMATES     |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| <b>1992-93</b>      | 5 175         | 8 010                     | 339                 | 1 507                     | 1 379                  | 424                                | 326   | -435   | 322                      | 17 048       |
| <b>1993-94</b>      | 4 858         | 10 740                    | 359                 | 2 031                     | 1 740                  | 782                                | 901   | -42  | 736                      | 22 103       |
| <b>1994-95</b>      | 4 734         | 12 643                    | 494                 | 3 117                     | 1 982                  | 642                                | 636   | -69  | 1 174                    | 25 351       |
| <b>1993-94</b>      |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| December            | 1 230         | 2 579                     | 87                  | 425                       | 384                    | 196                                | 269   | -30  | 147                      | 5 288        |
| March               | 1 184         | 2 802                     | 96                  | 527                       | 480                    | 219                                | 253   | -7   | 183                      | 5 736        |
| June                | 1 155         | 2 980                     | 98                  | 683                       | 538                    | 210                                | 277   | 29   | 267                      | 6 239        |
| <b>1994-95</b>      |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| September           | 1 161         | 3 101                     | 95                  | 802                       | 526                    | 177                                | 265   | 12   | 319                      | 6 458        |
| December            | 1 156         | 3 201                     | 117                 | 836                       | 495                    | 146                                | 181   | -43  | 275                      | 6 363        |
| March               | 1 163         | 3 231                     | 143                 | 789                       | 485                    | 148                                | 102   | -39  | 252                      | 6 274        |
| June                | 1 253         | 3 110                     | 139                 | 691                       | 476                    | 171                                | 87  | 1  | 328                      | 6 256        |
| <b>1995-96</b>      |               |                           |                     |                           |                        |                                    |   |  |                          |              |
| September           | 1 384         | 2 892                     | 108                 | 646                       | 454                    | 232                                | 127   | 15   | 452                      | 6 311        |
| December            | 1 476         | 2 730                     | 82                  | 657                       | 429                    | 316                                | 136   | -32  | 524                      | 6 319        |
| March               | 1 505         | 2 644                     | 79                  | 693                       | 423                    | 394                                | 88  | -80  | 529                      | 6 274        |

COMPANY PROFITS BEFORE INCOME TAX, By Broad Industry—Percentage Changes: All Series<sup>1</sup>

| Period   | Mining | Manu-<br>facturing | Construction | Wholesale<br>trade | Retail<br>trade | Transport<br>and<br>storage | Services to<br>finance<br>and<br>insurance | Property<br>and<br>business<br>services | Other<br>services | Total |
|--|--------|--------------------|--------------|--------------------|-----------------|-----------------------------|--|---|-------------------|-------|
| ORIGINAL (% change from preceding period)            |        |                    |              |                    |                 |                             |  |   |                   |       |
| <b>1992-93</b>                                       | 4.4    | 38.9               | -17.7        | 45.6               | 50.8            | 5.4                         | 39.1                                       | 57.1                                    | 40.6              | 31.9  |
| <b>1993-94</b>                                       | -8.4   | 33.5               | 13.5         | 34.3               | 19.6            | 96.4                        | 135.1                                      | 83.4                                    | 146.6             | 27.7  |
| <b>1994-95</b>                                       | -3.3   | 18.4               | 36.1         | 61.9               | 18.9            | -16.3                       | -26.9                                      | 34.9                                    | 56.1              | 16.3  |
| <b>1993-94</b>                                       |        |                    |              |                    |                 |                             |  |   |                   |       |
| December   | -11.6  | 3.5                | 33.3         | -9.0               | 283.1           | 16.4                        | 985.9                                      | 285.7                                   | -23.8             | 15.3  |
| March  | -3.0   | -14.4              | -37.1        | 23.5               | -65.6           | -34.9                       | -20.5                                      | -135.3                                  | -55.5             | -20.6 |
| June   | -6.8   | 10.3               | 1.5          | 28.4               | 55.1            | 2.4                         | -8.7                                       | -400.8                                  | 94.9              | 8.1   |
| <b>1994-95</b>                                       |        |                    |              |                    |                 |                             |  |   |                   |       |
| September  | 19.0   | 27.4               | 29.6         | 41.3               | -5.4            | 31.9                        | 2.0  | 193.2                                   | 170.2             | 34.9  |
| December   | -17.8  | 5.7                | 36.9         | 0.4                | 138.6           | -8.0                        | 67.1                                       | -56.0                                   | -15.8             | 7.4   |
| March  | 17.9   | -20.2              | -23.4        | -26.1              | -72.2           | -57.7                       | -135.9                                     | -363.9                                  | -77.1             | -34.6 |
| June   | -16.5  | -4.5               | 47.4         | 9.1                | 49.3            | 83.0                        | 185.0                                      | 46.7                                    | 96.7              | 7.9   |
| <b>1995-96</b>                                       |        |                    |              |                    |                 |                             |  |   |                   |       |
| September  | 52.4   | 13.3               | -68.7        | -6.8               | -14.6           | 77.8                        | 87.7                                       | 289.2                                   | 302.2             | 31.7  |
| December   | -8.8   | 1.7                | 115.5        | -6.9               | 136.6           | 34.6                        | -51.7                                      | -127.9                                  | -25.2             | -0.7  |
| March  | -0.6   | -27.1              | -15.6        | 9.2                | -67.9           | -13.8                       | -73.7                                      | 2.2                                     | -15.9             | -22.0 |
| SEASONALLY ADJUSTED (% change from preceding period) |        |                    |              |                    |                 |                             |  |   |                   |       |
| <b>1992-93</b>                                       | 4.4    | 38.8               | -22.6        | 45.7               | 78.6            | 9.9                         | 40.3                                       | 51.8                                    | 39.4              | 32.3  |
| <b>1993-94</b>                                       | -8.3   | 34.1               | 18.4         | 34.4               | 19.1            | 99.9                        | 136.7                                      | 83.8                                    | 143.4             | 28.2  |
| <b>1994-95</b>                                       | -3.4   | 17.2               | 44.1         | 62.2               | 16.3            | -19.4                       | -26.8                                      | 33.3                                    | 55.7              | 15.5  |
| <b>1993-94</b>                                       |        |                    |              |                    |                 |                             |  |   |                   |       |
| December   | 0.5    | 1.0                | 9.5          | -0.2               | 25.9            | 1.9                         | 388.5                                      | -83.5                                   | -22.4             | 6.0   |
| March  | -9.0   | 16.2               | -3.4         | 53.3               | 37.3            | 32.7                        | 0.4  | 41.1                                    | 11.7              | 13.8  |
| June   | -1.0   | 8.4                | 25.1         | 9.8                | 7.1             | -11.3                       | -30.7                                      | 115.9                                   | 69.3              | 6.1   |
| <b>1994-95</b>                                       |        |                    |              |                    |                 |                             |  |   |                   |       |
| September  | 4.7    | -2.5               | -16.8        | 32.2               | 1.6             | -15.2                       | 35.9                                       | n.p.                                    | 46.1              | 6.9   |
| December   | -5.8   | 3.8                | 12.7         | 5.3                | -18.2           | -18.6                       | 32.4                                       | -161.9                                  | -13.0             | -2.3  |
| March  | 9.6    | 7.7                | 18.2         | -15.8              | 6.3             | -14.6                       | -129.6                                     | -151.1                                  | -51.8             | -7.6  |
| June   | -10.7  | -6.0               | 80.3         | -2.6               | 6.1             | 60.0                        | 180.6                                      | 144.2                                   | 66.4              | 6.2   |
| <b>1995-96</b>                                       |        |                    |              |                    |                 |                             |  |   |                   |       |
| September  | 33.4   | -13.3              | -79.9        | -14.5              | -9.8            | 13.6                        | 207.1                                      | 80.3                                    | 136.3             | 3.6   |
| December   | 5.0    | 0.1                | 77.5         | -0.6               | -17.2           | 19.5                        | -73.0                                      | -239.8                                  | -24.8             | -8.6  |
| March  | -8.0   | -1.7               | 30.6         | 24.2               | 20.5            | 73.3                        | -8.3                                       | 80.7                                    | 10.8              | 7.7   |
| TREND ESTIMATES (% change from preceding period)     |        |                    |              |                    |                 |                             |  |   |                   |       |
| <b>1992-93</b>                                       | 0.7    | 37.8               | -8.9         | 90.8               | 63.2            | 25.1                        | 30.0                                       | 54.1                                    | 24.7              | 32.6  |
| <b>1993-94</b>                                       | -6.1   | 34.1               | 5.9          | 34.7               | 26.2            | 84.1                        | 176.7                                      | 90.3                                    | 128.2             | 29.7  |
| <b>1994-95</b>                                       | -2.6   | 17.7               | 37.5         | 53.5               | 13.9            | -17.9                       | -29.4                                      | -63.5                                   | 59.5              | 14.7  |
| <b>1993-94</b>                                       |        |                    |              |                    |                 |                             |  |   |                   |       |
| December   | -4.6   | 8.5                | 12.5         | 7.4                | 13.9            | 25.4                        | 166.0                                      | 13.9                                    | 5.6               | 9.3   |
| March  | -3.7   | 8.6                | 10.4         | 23.9               | 24.7            | 11.5                        | -6.0                                       | 75.9                                    | 25.0              | 8.5   |
| June   | -2.4   | 6.4                | 1.5          | 29.7               | 12.2            | -3.8                        | 9.6  | 505.4                                   | 45.6              | 8.8   |
| <b>1994-95</b>                                       |        |                    |              |                    |                 |                             |  |   |                   |       |
| September  | 0.5    | 4.0                | -3.1         | 17.3               | -2.2            | -15.8                       | -4.4                                       | -59.6                                   | 19.6              | 3.5   |
| December   | -0.4   | 3.2                | 23.7         | 4.2                | -6.1            | -17.8                       | -31.6                                      | 471.1                                   | 13.9              | -1.5  |
| March  | 0.6    | 1.0                | 21.6         | -5.6               | -1.8            | 1.4                         | -43.5                                      | 10.5                                    | -8.3              | -1.4  |
| June   | 7.7    | -3.8               | -2.3         | -12.4              | -2.0            | 15.8                        | -15.0                                      | 103.4                                   | 30.1              | -0.3  |
| <b>1995-96</b>                                       |        |                    |              |                    |                 |                             |  |   |                   |       |
| September  | 10.5   | -7.0               | -22.3        | -6.4               | -4.5            | 35.9                        | 45.8                                       | n.p.                                    | 37.9              | 0.9   |
| December   | 6.6    | -5.6               | -24.0        | 1.6                | -5.5            | 35.8                        | 7.4  | -317.3                                  | 15.8              | 0.1   |
| March  | 2.0    | -3.2               | -4.6         | 5.5                | -1.5            | 24.8                        | -35.2                                      | -154.4                                  | 1.0               | -0.7  |

<sup>1</sup> The percentages in this table have been calculated from a series defined to the nearest \$1000 and may vary slightly from calculations based on the published series in Table 3 which have been rounded to the nearest \$million.

**COMPANY PROFITS, by Broad Industry: Original**

| <i>Period</i>  | <i>Mining</i> | <i>Manu-<br/>facturing</i> | <i>Construction</i> | <i>Wholesale<br/>trade</i> | <i>Retail<br/>trade</i> | <i>Transport<br/>and<br/>storage</i> | <i>Services to<br/>finance<br/>and<br/>insurance</i> | <i>Property<br/>and<br/>business<br/>services</i> | <i>Other<br/>services</i> | <i>Total</i> |
|--|---------------|----------------------------|---------------------|----------------------------|-------------------------|--------------------------------------|--|---|---------------------------|--------------|
| <i>\$m</i>   | <i>\$m</i>    | <i>\$m</i>                 | <i>\$m</i>          | <i>\$m</i>                 | <i>\$m</i>              | <i>\$m</i>                           | <i>\$m</i>   | <i>\$m</i>  | <i>\$m</i>                | <i>\$m</i>   |
| <b>PROFITS BEFORE INCOME TAX</b>                                       |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| <b>1992-93</b>   | 5 268         | 7 983                      | 324                 | 1 463                      | 1 359                   | 394                                  | 356  | -452  | 289                       | 16 983       |
| <b>1993-94</b>   | 4 827         | 10 655                     | 368                 | 1 965                      | 1 626                   | 774                                  | 837  | -75   | 713                       | 21 689       |
| <b>1994-95</b>   | 4 668         | 12 611                     | 500                 | 3 180                      | 1 933                   | 648                                  | 612  | 111   | 1 113                     | 25 216       |
| <b>1993-94</b>   |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| December   | 1 206         | 2 830                      | 122                 | 399                        | 760                     | 243                                  | 320  | 87  | 197                       | 6 164        |
| March  | 1 169         | 2 421                      | 77                  | 493                        | 262                     | 159                                  | 255  | -31   | 87                        | 4 891        |
| June   | 1 089         | 2 671                      | 78                  | 633                        | 406                     | 162                                  | 232  | -154  | 171                       | 5 290        |
| <b>1994-95</b>   |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| September  | 1 297         | 3 403                      | 101                 | 895                        | 384                     | 214                                  | 237  | 143   | 461                       | 7 135        |
| December   | 1 066         | 3 598                      | 138                 | 898                        | 916                     | 197                                  | 396  | 63  | 388                       | 7 660        |
| March  | 1 256         | 2 869                      | 106                 | 663                        | 254                     | 83                                   | -142   | -166  | 89                        | 5 013        |
| June   | 1 049         | 2 741                      | 156                 | 724                        | 379                     | 153                                  | 121  | -89   | 175                       | 5 408        |
| <b>1995-96</b>   |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| September  | 1 598         | 3 106                      | 49                  | 674                        | 324                     | 272                                  | 227  | 168   | 704                       | 7 122        |
| December   | 1 458         | 3 158                      | 105                 | 628                        | 767                     | 366                                  | 109  | -47   | 527                       | 7 071        |
| March  | 1 450         | 2 304                      | 89                  | 686                        | 246                     | 315                                  | 29   | -46   | 443                       | 5 515        |
| <b>PROFITS BEFORE INCOME TAX &amp; NET INTEREST PAID</b>               |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| <b>1992-93</b>   | 5 862         | 10 419                     | 358                 | 2 130                      | 1 654                   | 755                                  | 471  | 876   | 711                       | 23 236       |
| <b>1993-94</b>   | 5 381         | 12 202                     | 460                 | 2 621                      | 1 939                   | 1 004                                | 1 079  | 851   | 1 026                     | 26 564       |
| <b>1994-95</b>   | 5 169         | 14 219                     | 607                 | 3 985                      | 2 186                   | 835                                  | 731  | 823   | 1 459                     | 30 014       |
| <b>1993-94</b>   |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| December   | 1 354         | 3 215                      | 143                 | 564                        | 843                     | 317                                  | 387  | 273   | 266                       | 7 362        |
| March  | 1 299         | 2 784                      | 100                 | 654                        | 334                     | 214                                  | 343  | 228   | 167                       | 6 123        |
| June   | 1 230         | 3 068                      | 103                 | 811                        | 483                     | 182                                  | 305  | -1  | 262                       | 6 444        |
| <b>1994-95</b>   |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| September  | 1 397         | 3 779                      | 127                 | 1 093                      | 444                     | 273                                  | 250  | 407   | 527                       | 8 297        |
| December   | 1 183         | 3 981                      | 164                 | 1 086                      | 982                     | 258                                  | 388  | 224   | 464                       | 8 728        |
| March  | 1 390         | 3 256                      | 132                 | 871                        | 317                     | 122                                  | -85  | 83  | 189                       | 6 276        |
| June   | 1 200         | 3 203                      | 184                 | 934                        | 443                     | 182                                  | 178  | 110   | 280                       | 6 713        |
| <b>1995-96</b>   |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| September  | 1 711         | 3 519                      | 71                  | 836                        | 383                     | 352                                  | 287  | 357   | 857                       | 8 372        |
| December   | 1 583         | 3 587                      | 130                 | 796                        | 820                     | 456                                  | 157  | 148   | 669                       | 8 348        |
| March  | 1 586         | 2 719                      | 113                 | 861                        | 299                     | 394                                  | 113  | 102   | 660                       | 6 846        |
| <b>PROFITS BEFORE INCOME TAX, NET INTEREST PAID &amp; DEPRECIATION</b> |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| <b>1992-93</b>   | 8 873         | 14 912                     | 590                 | 3 077                      | 2 344                   | 1 361                                | 551  | 1 654   | 1 262                     | 34 623       |
| <b>1993-94</b>   | 8 481         | 16 763                     | 681                 | 3 712                      | 2 806                   | 1 595                                | 1 172  | 1 518   | 1 625                     | 38 354       |
| <b>1994-95</b>   | 8 113         | 19 203                     | 957                 | 5 058                      | 2 936                   | 1 479                                | 835  | 1 969   | 2 281                     | 42 831       |
| <b>1993-94</b>   |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| December   | 2 129         | 4 361                      | 198                 | 852                        | 1 078                   | 467                                  | 410  | 442   | 411                       | 10 349       |
| March  | 2 062         | 3 900                      | 155                 | 924                        | 538                     | 356                                  | 367  | 391   | 317                       | 9 008        |
| June   | 2 030         | 4 241                      | 165                 | 1 080                      | 686                     | 334                                  | 327  | 175   | 407                       | 9 444        |
| <b>1994-95</b>   |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| September  | 2 145         | 4 995                      | 214                 | 1 358                      | 641                     | 430                                  | 274  | 683   | 702                       | 11 440       |
| December   | 1 883         | 5 248                      | 255                 | 1 366                      | 1 167                   | 416                                  | 413  | 498   | 661                       | 11 908       |
| March  | 2 121         | 4 506                      | 215                 | 1 131                      | 500                     | 276                                  | -59  | 380   | 408                       | 9 479        |
| June   | 1 965         | 4 454                      | 273                 | 1 203                      | 628                     | 357                                  | 208  | 407   | 510                       | 10 004       |
| <b>1995-96</b>   |               |                            |                     |                            |                         |                                      |  |   |                           |              |
| September  | 2 509         | 4 775                      | 132                 | 1 099                      | 560                     | 616                                  | 313  | 574   | 1 111                     | 11 690       |
| December   | 2 396         | 4 848                      | 202                 | 1 032                      | 1 012                   | 736                                  | 182  | 379   | 940                       | 11 726       |
| March  | 2 405         | 3 989                      | 189                 | 1 095                      | 495                     | 693                                  | 140  | 354   | 982                       | 10 342       |



COMPANY PROFITS, By Detailed Manufacturing Industry: Original

| Period  | Food,<br>beverages<br>and tobacco<br>\$m | Textiles,<br>clothing,<br>footwear<br>and leather<br>\$m | Wood<br>and paper<br>products<br>\$m | Printing,<br>publishing,<br>and recorded<br>media<br>\$m | Petroleum,<br>coal,<br>chemical<br>and assoc.<br>products<br>\$m | Non-<br>metallic<br>mineral<br>products<br>\$m | Metal -<br>products<br>\$m | Machinery<br>and<br>equipment<br>\$m | Other<br>manu-<br>facturing<br>\$m | Total<br>manu-<br>facturing<br>\$m |
|---|--|--|--------------------------------------|--|--|--|----------------------------|--------------------------------------|------------------------------------|------------------------------------|
| PROFITS BEFORE INCOME TAX                                   |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| <b>1992-93</b>  | 2 144                                    | 219  | 643                                  | 666  | 1 350  | 816  | 847                        | 1 259                                | 40                                 | 7 983                              |
| <b>1993-94</b>  | 2 130                                    | 380  | 913                                  | 1 134  | 1 633  | 1 047  | 1 895                      | 1 402                                | 122                                | 10 655                             |
| <b>1994-95</b>  | 2 236                                    | 470  | 983                                  | 1 411  | 1 781  | 1 134  | 2 363                      | 2 169                                | 64                                 | 12 611                             |
| <b>1993-94</b>  |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| December  | 679                                      | 107  | 247                                  | 326  | 408  | 293  | 511                        | 217                                  | 41                                 | 2 830                              |
| March   | 504                                      | 77   | 222                                  | 230  | 407  | 232  | 412                        | 316                                  | 21                                 | 2 421                              |
| June  | 390                                      | 86   | 210                                  | 290  | 434  | 254  | 491                        | 484                                  | 31                                 | 2 671                              |
| <b>1994-95</b>  |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| September   | 576                                      | 146  | 279                                  | 364  | 503  | 333  | 583                        | 594                                  | 24                                 | 3 403                              |
| December  | 782                                      | 118  | 274                                  | 371  | 404  | 311  | 666                        | 655                                  | 16                                 | 3 598                              |
| March   | 489                                      | 109  | 195                                  | 343  | 444  | 269  | 586                        | 427                                  | 7                                  | 2 869                              |
| June  | 389                                      | 97   | 235                                  | 333  | 429  | 220  | 528                        | 494                                  | 17                                 | 2 741                              |
| <b>1995-96</b>  |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| September   | 590                                      | 84   | 260                                  | 332  | 389  | 239  | 670                        | 534                                  | 8                                  | 3 106                              |
| December  | 855                                      | 71   | 197                                  | 310  | 540  | 227  | 540                        | 406                                  | 12                                 | 3 158                              |
| March   | 514                                      | 50   | 155                                  | 213  | 386  | 198  | 438                        | 342                                  | 7                                  | 2 304                              |
| PROFITS BEFORE INCOME TAX & NET INTEREST PAID               |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| <b>1992-93</b>  | 2 659                                    | 338  | 814                                  | 878  | 1 640  | 984  | 1 509                      | 1 485                                | 110                                | 10 419                             |
| <b>1993-94</b>  | 2 560                                    | 512  | 1 071                                | 1 257  | 1 853  | 1 172  | 2 050                      | 1 594                                | 133                                | 12 202                             |
| <b>1994-95</b>  | 2 724                                    | 595  | 1 162                                | 1 535  | 2 042  | 1 228  | 2 508                      | 2 325                                | 101                                | 14 219                             |
| <b>1993-94</b>  |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| December  | 781                                      | 137  | 288                                  | 362  | 464  | 324  | 551                        | 266                                  | 43                                 | 3 215                              |
| March   | 602                                      | 111  | 258                                  | 259  | 458  | 263  | 449                        | 361                                  | 24                                 | 2 784                              |
| June  | 513                                      | 117  | 253                                  | 313  | 490  | 286  | 530                        | 533                                  | 34                                 | 3 068                              |
| <b>1994-95</b>  |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| September   | 685                                      | 175  | 330                                  | 390  | 566  | 356  | 615                        | 630                                  | 33                                 | 3 779                              |
| December  | 909                                      | 147  | 315                                  | 398  | 464  | 329  | 708                        | 685                                  | 25                                 | 3 981                              |
| March   | 600                                      | 141  | 239                                  | 375  | 508  | 291  | 617                        | 469                                  | 17                                 | 3 256                              |
| June  | 530                                      | 131  | 278                                  | 372  | 504  | 252  | 568                        | 542                                  | 26                                 | 3 203                              |
| <b>1995-96</b>  |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| September   | 710                                      | 109  | 320                                  | 378  | 457  | 261  | 711                        | 558                                  | 16                                 | 3 519                              |
| December  | 993                                      | 96   | 253                                  | 357  | 602  | 258  | 580                        | 429                                  | 19                                 | 3 587                              |
| March   | 623                                      | 76   | 215                                  | 266  | 443  | 226  | 487                        | 372                                  | 12                                 | 2 719                              |
| PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| <b>1992-93</b>  | 3 500                                    | 470  | 1 149                                | 1 089  | 2 409  | 1 344  | 2 444                      | 2 275                                | 232                                | 14 912                             |
| <b>1993-94</b>  | 3 453                                    | 673  | 1 522                                | 1 490  | 2 571  | 1 556  | 2 973                      | 2 364                                | 160                                | 16 763                             |
| <b>1994-95</b>  | 3 756                                    | 796  | 1 542                                | 1 805  | 2 833  | 1 668  | 3 466                      | 3 191                                | 146                                | 19 203                             |
| <b>1993-94</b>  |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| December  | 1 012                                    | 178  | 403                                  | 420  | 643  | 417  | 779                        | 460                                  | 50                                 | 4 361                              |
| March   | 817                                      | 147  | 373                                  | 318  | 638  | 358  | 676                        | 540                                  | 32                                 | 3 900                              |
| June  | 741                                      | 164  | 370                                  | 372  | 675  | 388  | 765                        | 724                                  | 40                                 | 4 241                              |
| <b>1994-95</b>  |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| September   | 934                                      | 226  | 424                                  | 456  | 760  | 460  | 844                        | 848                                  | 44                                 | 4 995                              |
| December  | 1 171                                    | 195  | 407                                  | 469  | 661  | 438  | 960                        | 911                                  | 35                                 | 5 248                              |
| March   | 854                                      | 192  | 335                                  | 448  | 708  | 403  | 863                        | 674                                  | 29                                 | 4 506                              |
| June  | 798                                      | 183  | 376                                  | 433  | 704  | 367  | 799                        | 758                                  | 38                                 | 4 454                              |
| <b>1995-96</b>  |  |  |                                      |  |  |  |                            |                                      |                                    |                                    |
| September   | 981                                      | 152  | 425                                  | 456  | 677  | 374  | 953                        | 730                                  | 27                                 | 4 775                              |
| December  | 1 255                                    | 137  | 360                                  | 428  | 805  | 375  | 829                        | 629                                  | 30                                 | 4 848                              |
| March   | 891                                      | 119  | 320                                  | 338  | 664  | 341  | 728                        | 564                                  | 23                                 | 3 989                              |

# EXPLANATORY NOTES

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## INTRODUCTION

**1** This publication presents preliminary estimates of company profits based on Management accounts for selected industries in Australia. The series have been compiled from data collected by the Australian Bureau of Statistics (ABS) in its quarterly Survey of Company Profits.

## SCOPE AND COVERAGE

**2** The survey is designed to measure profits, depreciation and net interest paid of companies (i.e. incorporated business enterprises) in the private sector in Australia.

**3** The data in this publication relate to companies employing more than 30 people.

**4** In order to classify profits by industry in these series, each statistical unit is classified to the Australian and New Zealand Standard Industrial Classification (ANZSIC) industry in which it mainly operates.

**5** The scope of the survey:

- includes the following Australian and New Zealand [ANZSIC] industries:

- Mining (11-15)

- Manufacturing (21-29)

- Food, beverages and tobacco (21)

- Textiles, clothing, footwear and leather (22)

- Wood and paper products (23)

- Printing, publishing and recorded media (24)

- Petroleum, coal, chemical and associated products (25)

- Non-metallic mineral products (26)

- Metal products (27)

- Machinery and equipment (28)

- Other manufacturing (29)

- Construction (41-42)

- Wholesale (45-47)

- Retail (51-53)

- Transport and storage (61-67)

- Services to finance and insurance (75)

- Property and business services (77-78)

- Other selected industries (including electricity, gas and water supply, accommodation, cafes and restaurants, communication, cultural and recreational services, and other services 36-37, 57, 71, 91-93, 95-96).

- excludes companies primarily engaged in:

- Agriculture

- Forestry

- Fishing

- Hunting

- Finance (73)

- Insurance (74)

- Government administration and defence (Division M)

- Education (Division N)

- Health and community services (Division O)

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SURVEY SAMPLE DESIGN

**6** September quarter data reflect changes in the sample of companies surveyed. A proportion of sampled companies are rotated out of the survey in the September quarter and replaced with companies of similar size and activity. The major effect of this rotation is that standard errors of movement for the September quarter tend to be larger than for other quarters. The movement in standard errors (see Standard Errors section) is based on data from a number of quarters and will therefore tend to understate the true standard errors for September quarter movement estimates. Estimates of September quarter movement standard errors are available on request.

**7** In the 12 month period between successive frames and survey samples there are many businesses which cease operating and many which are newly established. Such changes in the business population need to be reflected in the survey to ensure that the estimates produced are representative of the changing nature of the business population over the course of the year. This is particularly important for surveys which cover the small business sector because small businesses account for a very high proportion of the changes occurring to the size and structure of the business population over the course of the year.

**8** For the Survey of Company Profits, which excludes businesses employing 30 or less people, this requirement is confined to the larger businesses where quarterly changes to the business population are relatively small. An estimate of the contribution expected from the larger *new* businesses is produced by the ABS each quarter based on the number of businesses in the survey sample which cease trading each quarter. This contribution accumulates progressively from 0.25% to 1% of the total estimate of company profits before tax over the 4 quarters of the survey between successive survey frames and samples.

SURVEY METHODOLOGY

**9** The survey is conducted by mail on a quarterly basis. Forms are sent to a sample of approximately 3,800 business units employing more than 30 people. The sample is selected from the ABS central register of businesses and is stratified by industry and number of employees. All business units with over 250 employees and/or a known large profit/loss are included in the sample.

**10** Respondents are asked to provide data on the same basis as their own management accounts. Where a particular business unit does not respond in a given survey, an estimate is substituted. Revisions may be made to these estimates if data are provided subsequently from those businesses. Aggregates are calculated from all data using the *number raised* estimation technique. Data are edited both at individual business unit level and at aggregate level.

STATISTICAL UNIT

**11** The survey uses the management unit as the statistical unit. The management unit is the highest-level accounting unit within a business, having regard to industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, 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. Prior to 1989, the survey used a different statistical unit. Further details are available on request.

CLASSIFICATION BY INDUSTRY

**12** The Australian and New Zealand Standard Industrial Classification (ANZSIC) has been developed for use in both countries for the production and analysis of industry statistics. It replaces the Australian Standard Industrial Classification (ASIC) and the New Zealand Standard Industrial Classification (NZSIC) which have been in use for many years.

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CLASSIFICATION BY INDUSTRY  
*continued*

**13** For more information, users are referred to *Australian and New Zealand Standard Industrial Classification, 1993, ANZSIC*, ABS Cat. No. 1292.0 and New Zealand Cat. No. 19.005.0092.

**14** In order to classify company profits by industry, each statistical unit (as defined above) is classified to the Australian and New Zealand Standard Industrial Classification (ANZSIC) industry in which it *mainly* operates.

SEASONAL ADJUSTMENT

**15** Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences can be more clearly recognised.

**16** In the seasonal adjustment of the series, account has been taken of both normal seasonal factors and 'trading day' effects (arising from the varying length of each month and the varying numbers of Sundays, Mondays, Tuesdays, etc. in the month). Adjustment has also been made for the influence of Easter which may affect the March and June quarter estimates.

**17** Seasonal adjustment does not remove from the series the effect of irregular or non-seasonal influences (e.g. a change in interest rates). Particular care should be taken in interpreting quarterly movements in the adjusted figures in this publication, especially for detailed industry estimates.

**18** Irregular influences that are highly volatile can make it difficult to interpret the series even after the adjustment for seasonal variation.

**19** Seasonal factors are reviewed and revised annually to take account of each additional year's original data. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from the re-analysis may be quite significant, especially for data for more recent quarters. For this reason, additional care should be exercised when interpreting movements in seasonally adjusted data for recent quarters.

**20** The seasonally adjusted figures necessarily reflect the sampling and other errors to which the original figures are subject.

TREND ESTIMATES

**21** The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted series. The 7-term Henderson average (like all Henderson averages) is symmetric but, as the end of a time series is approached, asymmetric forms of the average are applied. Unlike the weights of the standard 7-term Henderson moving average, the weights employed here have been tailored to suit the particular characteristics of individual series. While the asymmetric weights enable trend estimates for recent quarters to be produced, it does result in revisions to the estimates for the most recent three quarters as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors. For further information, see *A Guide to Interpreting Time Series — Monitoring 'Trends': an Overview* (1348.0) or contact the Assistant Director, Time Series Analysis on (06) 252 6345.

DESCRIPTION OF TERMS

**22** A description of the terms used in this publication are given below:

**A company** An incorporated private sector business enterprise. For the purpose of the survey, branches of overseas companies operating in Australia are included but overseas branches of Australian companies are excluded.

**Company profits before income tax** *Net operating profit or loss before income tax and extraordinary items* and is net of capital profits or losses and dividends received.

|                                      |   |
|--------------------------------------|---|
| .....                                |   |
| Net interest paid                    | Interest expense less any interest income. Interest received from or paid to overseas sources is included. The interest component of finance lease payments is also included.   |
| Depreciation of fixed assets         | This is as per management accounts and includes depreciation on equipment acquired under a finance lease.   |
| COMPARISON WITH OTHER ABS STATISTICS | <p><b>23</b> The series 'Company Profits Before Income Tax, Net Interest Paid and Depreciation' equates, broadly with the national accounting series of 'Gross Operating Surplus of Private Corporate Trading Enterprises'. However, the two series are not directly comparable for the following reasons:</p> <ul style="list-style-type: none"> <li>▪ the national accounts' estimates of gross operating surplus include the profits of all companies whereas results from the Survey of Company Profits relate only to those companies with employment of more than 30 persons</li> <li>▪ the national accounts' estimates of gross operating surplus include estimates for companies classified to the agriculture, forestry, fishing and hunting, and community services industries</li> <li>▪ the national accounts' estimates of gross operating surplus are after deduction of the stock valuation adjustment which measures the portion of income attributable to holding gains or losses resulting from stock valuation practices</li> <li>▪ the national accounts' estimates of gross operating surplus include details relating to net third party insurance transfers, royalty and land rent payments</li> <li>▪ the national accounts' estimates incorporate data from other sources such as taxation data as well as information from the Survey of Company Profits.</li> </ul> |
| UNPUBLISHED STATISTICS               | <p><b>24</b> More detailed industry data from this survey are available on request, the cost for such a service being dependent upon the amount of data requested.</p>  |
| RELATED PUBLICATIONS                 | <p><b>25</b> Users may also wish to refer to the following publications:</p> <ul style="list-style-type: none"> <li>▪ <i>Australian National Accounts, National Income Expenditure and Product</i> (5206.0)</li> <li>▪ <i>Private New Capital Expenditure, Australia, Actual and Expected Expenditure, Preliminary</i> (5625.0)</li> <li>▪ <i>State Estimates of Private New Capital Expenditure, Actual and Expected Expenditure</i> (5646.0)</li> <li>▪ <i>Stocks, Manufacturers' Sales and Expected Sales, Australia</i> (5629.0)</li> <li>▪ <i>Australian Business Expectations</i> (5250.0)</li> <li>▪ <i>Business Operations and Industry Performance, Australia</i> (8140.0)</li> </ul> <p><b>26</b> Current publications produced by the ABS are listed in the <i>Catalogue of Publications and Products, Australia</i> (1101.0). The ABS also issues, on Tuesdays and Fridays, a <i>Release Advice</i> (1105.0) which lists publications to be released in the next few days. The Catalogue and the Release Advice are available from any ABS office.</p>  |
| SYMBOLS AND OTHER USAGES             | n.p. Not available for publication.   |
| .....                                |   |

## STANDARD ERRORS

### INTRODUCTION

The estimates in this publication are based on a sample drawn from units in the surveyed population. Because the entire population is not surveyed, the published estimates are subject to sampling error. The most common way of quantifying such sampling error is to calculate the standard error for the published estimate or statistic.

### LEVEL ESTIMATES

To illustrate, let us say that the published level estimate for company profits before tax is \$5,500m. The calculated standard error in this case is \$80m. The standard error is then used to interpret the level estimate of \$5,500m. For instance, the standard error of \$80m indicates that:

- There are approximately two chances in three that the real value falls within the range \$5,420m to \$5,580m ( $\$5,500\text{m} \pm \$80\text{m}$ )
- There are approximately nineteen chances in twenty that the real value falls within the range \$5,340m and \$5,660m ( $\$5,500\text{m} \pm \$160\text{m}$ )

The real value in this case is the result we would obtain if we could enumerate the total population.

The following table shows the standard errors for quarterly level estimates.

|   | <i>Company profits<br/>before income tax</i> | <i>Company profits before<br/>income tax, net<br/>interest paid</i> | <i>Company profits before<br/>income tax, net interest<br/>paid and depreciation</i> |
|---|--|---|--|
|   | \$m  | \$m   | \$m  |
| Mining  | 9  | 9   | 15   |
| Manufacturing                                 |  |   |  |
| Food, beverages and tobacco                   | 17   | 17  | 19   |
| Textiles, clothing, footwear and leather      | 6  | 6   | 8  |
| Wood and paper products                       | 10   | 11  | 13   |
| Printing, publishing and recorded media       | 21   | 21  | 22   |
| Petroleum, coal, chemical and assoc. products | 13   | 14  | 18   |
| Non-metallic mineral products                 | 4  | 4   | 4  |
| Metal products                                | 9  | 9   | 14   |
| Machinery and equipment                       | 14   | 16  | 18   |
| Other manufacturing                           | 9  | 8   | 9  |
| Total manufacturing                           | 37   | 39  | 44   |
| Construction                                  | 32   | 34  | 37   |
| Wholesale trade                               | 36   | 37  | 41   |
| Retail trade                                  | 44   | 55  | 63   |
| Transport and storage                         | 31   | 31  | 47   |
| Services to finance and insurance             | 18   | 16  | 15   |
| Property and business services                | 68   | 58  | 66   |
| Other services                                | 48   | 49  | 17   |
| Total   | 118  | 119   | 138  |

## STANDARD ERRORS

### MOVEMENT ESTIMATES

The following example illustrates how to use the standard error to interpret a movement estimate. Let us say that one quarter the published level estimate for Company Profits before Tax is \$5,500m, the next quarter the published level estimate is \$6,000m. The calculated standard error for the movement estimate is \$75. The standard error is then used to interpret the published movement estimate of +\$500m. For instance, the standard error of \$75m indicates that:

- There are approximately two chances in three that the real movement over the two quarter period falls within the range \$425m to \$575m ( $\$500m \pm \$75m$ )
- There are approximately nineteen chances in twenty that the real movement falls within the range \$350m to \$650m ( $\$500m \pm \$150m$ )

The following table shows the standard errors for quarterly movement estimates.

|   | <i>Company profits<br/>before income tax</i> | <i>Company profits before<br/>income tax, net<br/>interest paid</i> | <i>Company profits before<br/>income tax, net interest<br/>paid and depreciation</i> |
|---|--|---|--|
|   | \$m  | \$m   | \$m  |
| Mining  | 8  | 8   | 11   |
| Manufacturing                                 |  |   |  |
| Food, beverages and tobacco                   | 12   | 12  | 12   |
| Textiles, clothing, footwear and leather      | 2  | 2   | 2  |
| Wood and paper products                       | 7  | 7   | 7  |
| Printing, publishing and recorded media       | 23   | 23  | 23   |
| Petroleum, coal, chemical and assoc. products | 13   | 13  | 13   |
| Non-metallic mineral products                 | 6  | 6   | 6  |
| Metal products                                | 18   | 24  | 22   |
| Machinery and equipment                       | 16   | 16  | 16   |
| Other manufacturing                           | 7  | 1   | 7  |
| Total manufacturing                           | 40   | 43  | 42   |
| Construction                                  | 37   | 39  | 39   |
| Wholesale trade                               | 39   | 37  | 37   |
| Retail trade                                  | 24   | 26  | 29   |
| Transport and storage                         | 25   | 26  | 31   |
| Services to finance and insurance             | 13   | 14  | 13   |
| Property and business services                | 65   | 60  | 59   |
| Other services                                | 22   | 25  | 15   |
| Total   | 103  | 103   | 104  |



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