

COMPANY PROFITS AUSTRALIA

EMBARGOED UNTIL 11:30AM THURS 16 NOVEMBER 1995

SEPTEMBER QTR KEY FIGURES

TREND ESTIMATES

	Sep 95 \$m	% change Jun 95 to Sep 95	% change Sep 94 to Sep 95
Company Profits before			
Income Tax	6 113	-0.6	-5.4
Income Tax & Net Interest	7 240	-0.7	-4.3
Income Tax, Net Interest & Depreciation	10 724	0.3	0.9

SEASONALLY ADJUSTED

	Sep 95 \$m	% change Jun 95 to Sep 95	% change Sep 94 to Sep 95
Company Profits before			
Income Tax	6 204	-0.1	-5.9
Income Tax & Net Interest	7 330	-0.1	-5.7
Income Tax, Net Interest & Depreciation	10 769	-0.3	-1.3

ORIGINAL ESTIMATES

	Sep 95 \$m	% change Jun 95 to Sep 95	% change Sep 94 to Sep 95
Company Profits before			
Income Tax	6 727	26.5	-5.5
Income Tax & Net Interest	7 931	19.7	-4.3
Income Tax, Net Interest & Depreciation	11 358	14.5	-0.5

SEPTEMBER QTR KEY POINTS

TREND ESTIMATES

- After falls of 1.3% and 2.4% in the two previous quarters, the provisional trend estimate for company profits before income tax, for companies with more than 30 employees, has decreased by 0.6% from the revised June quarter 1995 estimate.

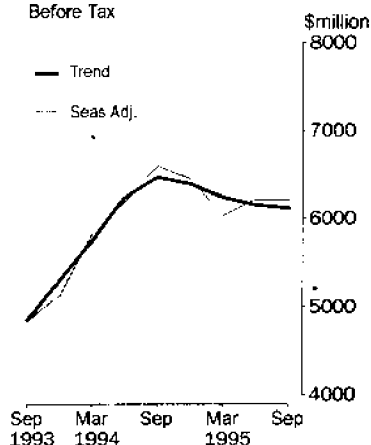
SEASONALLY ADJUSTED

- Estimated movements in seasonally adjusted measures of company profits were slightly down, but were not statistically significant. The estimate for company profits before income tax fell by 0.1% in the September 1995 quarter, after a 3.1% increase in the June 1995 quarter.

ORIGINAL ESTIMATES

- The original estimate for company profits before income tax as reported for the September 1995 quarter was \$6 727m, up 26.5% from the revised June 1995 quarter estimate and down 5.5% from the September 1994 estimate.

Company Profits Before Tax



INQUIRIES

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

FORTHCOMING ISSUES

ISSUE (Quarter)

RELEASE DATE

December 1995

22 February 1996

March 1996

16 May 1996

June 1996

15 August 1996

.....

CHANGES IN THIS ISSUE

The annual sample revision occurs in the September quarter. Data from the revised sample are included for the first time in this publication. Refer to paragraph 6 of the explanatory notes for more information. In addition, the sample includes some recently privatised business units, formerly in the public sector and out of scope for this survey.

This issue also incorporates new seasonal adjustment factors which have been revised to take into account the latest year's data. As a result, seasonally adjusted and trend estimates have been revised. Refer to paragraph 18-24 of the explanatory notes for more information.

.....

SAMPLING ERRORS

Standard errors for estimates contained in this publication are shown on pages 15-16.

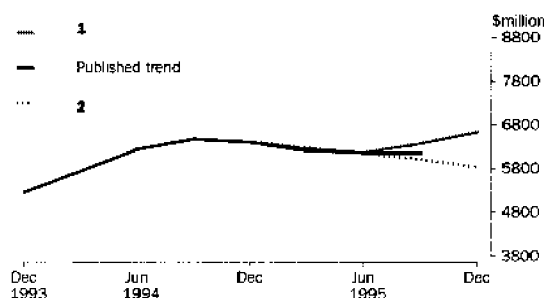
.....

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 December 1995 seasonally adjusted estimate for company profits before tax is higher than the September 1995 seasonally adjusted estimate by 10.0%.
- 2** The December 1995 seasonally adjusted estimate for company profits before tax is lower than the September 1995 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%.

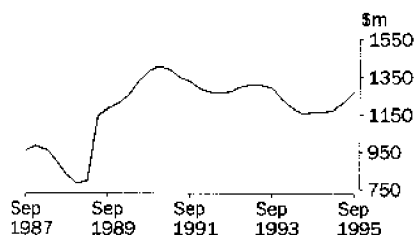


An increase of 10.0% in seasonally adjusted company profits before income tax, in December quarter 1995, would show a rise in the trend from September quarter 1995. A fall of the same magnitude would result in a flattening in the trend from September quarter 1995.

RICHARD MADDEN
ACTING AUSTRALIAN STATISTICIAN

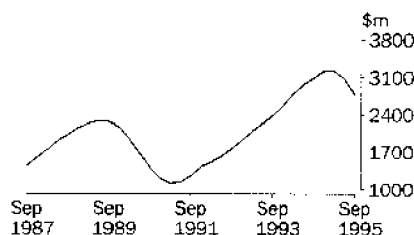
COMPANY PROFITS BEFORE INCOME TAX BY INDUSTRY:Trend

MINING



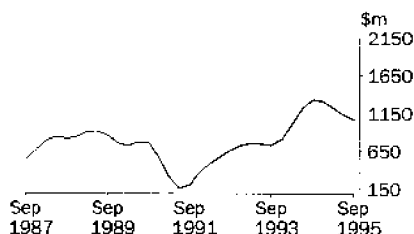
After relatively flat results in the three quarters to March 1995, there has been a growth of 3.6% and 4.8% in the last two quarters respectively.

MANUFACTURING



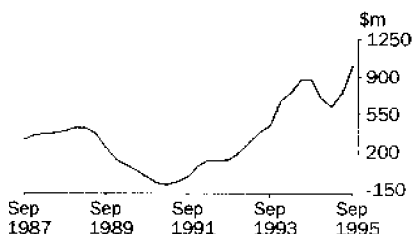
After four years of steady growth, peaking in the March quarter 1995, there have been consecutive falls of 5.0% and 9.3% in the last two quarters.

WHOLESALE/RETAIL



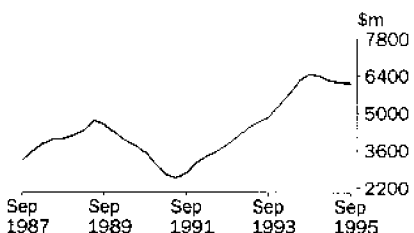
The trend estimate for the combined Wholesale and Retail industries has declined in the last three quarters, after peaking in the December 1994 quarter.

OTHER SELECTED INDUSTRIES



This includes Construction, Transport, Services to Finance and Insurance, Property & Business Services and Other Services. The September quarter trend estimate has increased by 33.4%.

TOTAL ALL INDUSTRIES



The All Industries trend estimate reached a turning point in September 1994 after over three years of steady growth.

COMPANY PROFITS BEFORE INCOME TAX: All Series

Quarter	Company profits before income tax, net interest paid and depreciation		Company profits before income tax and net interest paid		Company profits before income tax	
	\$m		\$m		\$m	
ORIGINAL						
1992-93						
September	8 461		5 703		4 186	
December	9 496		6 593		5 043	
March	7 996		5 197		3 691	
June	8 670		5 743		4 063	
1993-94						
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	
1994-95						
September	11 417		8 287		7 121	
December	11 905		8 723		7 653	
March	9 566		6 351		5 082	
June	9 918		6 625		5 316	
1995-96						
September	11 358		7 931		6 727	
SEASONALLY ADJUSTED						
1992-93						
September	8 177		5 356		3 816	
December	8 536		5 740		4 128	
March	8 687		5 861		4 422	
June	9 344		6 342		4 763	
1993-94						
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	
1994-95						
September	10 907		7 769		6 590	
December	10 702		7 639		6 448	
March	10 495		7 186		6 023	
June	10 807		7 338		6 212	
1995-96						
September	10 769		7 330		6 204	
TREND ESTIMATES						
1992-93						
September	8 270		5 483		3 818	
December	8 486		5 677		4 124	
March	8 836		5 954		4 446	
June	9 082		6 141		4 659	
1993-94						
September	9 184		6 232		4 840	
December	9 488		6 553		5 289	
March	9 780		6 847		5 736	
June	10 283		7 297		6 230	
1994-95						
September	10 627		7 567		6 459	
December	10 718		7 557		6 386	
March	10 690		7 401		6 231	
June	10 694		7 290		6 151	
1995-96						
September	10 724		7 240		6 113	



COMPANY PROFITS BEFORE INCOME TAX, Depreciation and Interest: Original

Period	<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>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1992-93	34 623	11 387	23 236	9 719	3 467	6 252	16 983
1993-94	38 354	11 790	26 564	8 764	3 890	4 874	21 689
1994-95	42 806	12 821	29 986	11 227	6 415	4 812	25 173
1992-93							
September	8 461	2 758	5 703	2 342	826	1 516	4 186
December	9 496	2 902	6 593	2 513	963	1 550	5 043
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
1993-94							
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
1994-95							
September	11 417	3 130	8 287	2 576	1 410	1 165	7 121
December	11 905	3 181	8 723	2 687	1 617	1 070	7 653
March	9 566	3 216	6 351	2 731	1 463	1 268	5 082
June	9 918	3 293	6 625	3 233	1 924	1 309	5 316
1995-96							
September	11 358	3 427	7 931	2 453	1 248	1 205	6 727

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

	Mining	Manu- facturing	Construction	Wholesale trade	Retail trade	Transport and storage	Services to finance and insurance	Property and business services	Other services	Total
Period	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL										
1992-93	5 268	7 983	324	1 463	1 359	394	356	-452	289	16 983
1993-94	4 827	10 655	368	1 965	1 626	774	837	-75	713	21 689
1994-95	4 665	12 609	534	3 190	1 842	641	608	-27	1 113	25 173
1992-93										
June	1 270	1 983	42	439	269	78	151	-199	31	4 063
1993-94										
September	1 364	2 733	91	439	198	209	29	23	258	5 345
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
1994-95										
September	1 297	3 398	139	899	379	213	237	93	466	7 121
December	1 066	3 594	138	898	916	197	393	63	387	7 653
March	1 254	2 878	106	666	241	83	-144	-91	89	5 082
June	1 047	2 739	151	727	305	148	121	-93	171	5 316
1995-96										
September	1 491	2 882	56	684	308	221	224	138	723	6 727
SEASONALLY ADJUSTED										
1992-93	5 262	8 057	316	1 458	1 439	401	352	-450	294	17 129
1993-94	4 825	10 806	374	1 959	1 713	802	834	-73	716	21 957
1994-95	4 657	12 666	567	3 189	1 863	639	606	-27	1 114	25 274
1992-93										
June	1 325	2 282	60	447	357	100	123	-45	115	4 763
1993-94										
September	1 261	2 425	83	376	293	175	59	-19	174	4 828
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
1994-95										
September	1 197	3 006	127	839	545	177	272	50	378	6 590
December	1 127	3 122	104	880	452	145	357	-62	324	6 448
March	1 232	3 376	122	744	456	124	-108	-79	156	6 023
June	1 102	3 163	214	725	410	193	86	64	256	6 212
1995-96										
September	1 373	2 546	51	627	437	183	261	94	633	6 204
TREND ESTIMATES										
1992-93	5 175	8 010	339	1 507	1 379	424	326	-435	322	17 048
1993-94	4 858	10 738	369	2 032	1 739	781	901	-62	737	22 094
1994-95	4 709	12 583	515	3 134	1 879	642	627	-42	1 181	25 228
1992-93										
June	1 302	2 232	78	409	339	123	94	-41	122	4 659
1993-94										
September	1 288	2 378	78	396	337	156	101	-35	139	4 840
December	1 229	2 580	85	425	385	196	269	-27	146	5 289
March	1 184	2 802	98	527	479	219	253	-10	184	5 736
June	1 156	2 978	108	684	538	210	277	10	268	6 230
1994-95										
September	1 161	3 099	110	803	528	177	264	-4	321	6 459
December	1 162	3 213	127	837	481	147	180	-35	275	6 386
March	1 172	3 216	141	787	443	150	97	-26	253	6 231
June	1 214	3 056	138	707	427	168	86	24	332	6 151
1995-96										
September	1 273	2 771	119	644	426	186	147	76	470	6 113

COMPANY PROFITS BEFORE INCOME TAX, By Broad Industry—Percentage Changes: All Series¹

Period	Mining	Manu- facturing	Construction	Wholesale trade	Retail trade	Transport and storage	Services to finance and insurance	Property and business services	Other services	Total
ORIGINAL (% change from preceding period)										
1992-93	4.4	38.9	-17.7	45.6	50.8	5.4	39.1	57.1	40.6	31.9
1993-94	-8.4	33.5	13.5	34.3	19.6	96.4	135.1	83.4	146.6	27.7
1994-95	-3.4	18.3	45.2	62.4	13.3	-17.1	-27.4	63.6	56.2	16.1
1992-93										
June	-4.3	16.9	-48.4	37.1	33.7	3.1	119.4	-108.2	94.8	10.1
1993-94										
September	7.4	37.8	117.5	0.0	-26.4	167.7	-80.4	111.3	740.5	31.5
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
1994-95										
September	19.1	27.2	78.8	41.9	-6.6	30.9	2.1	160.7	173.0	34.6
December	-17.8	5.8	-0.6	0.0	141.5	-7.3	65.7	-32.8	-16.8	7.5
March	17.6	-19.9	-23.6	-25.9	-73.6	-57.7	-136.6	-244.5	-77.0	-33.6
June	-16.4	-4.8	43.3	9.1	26.5	77.4	184.0	-2.2	91.7	4.6
1995-96										
September	42.3	5.2	-63.2	-5.8	0.8	49.3	85.1	249.3	323.1	26.5
SEASONALLY ADJUSTED (% change from preceding period)										
1992-93	4.4	38.8	22.6	45.7	78.6	9.9	40.3	51.8	39.4	32.3
1993-94	-8.3	34.1	18.4	34.4	19.1	99.9	136.7	83.8	143.4	28.2
1994-95	-3.5	17.2	51.7	62.7	8.7	-20.3	-27.3	62.8	55.7	15.1
1992-93										
June	0.3	13.6	-34.9	10.8	-11.0	-11.7	27.7	48.5	55.8	7.7
1993-94										
September	-4.8	6.2	38.0	-15.8	-17.7	75.8	-52.2	57.3	51.9	1.4
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
1994-95										
September	4.8	-2.6	14.7	32.8	0.4	-15.8	36.1	np	48.0	6.6
December	-5.8	3.9	-18.2	4.9	-17.2	-18.1	31.2	-224.8	-14.3	-2.2
March	9.3	8.1	17.9	-15.5	0.9	-14.5	-130.4	-27.7	-51.7	-6.6
June	-10.6	-6.3	75.3	-2.6	-10.1	55.1	179.4	181.4	63.5	3.1
1995-96										
September	24.6	-19.5	-76.3	-13.5	6.5	-4.7	203.3	45.7	147.5	-0.1
TREND ESTIMATES (% change from preceding period)										
1992-93	0.7	37.8	-8.9	90.8	63.2	25.1	30.0	54.1	24.7	32.6
1993-94	-6.1	34.1	8.9	34.8	26.1	84.0	176.8	85.9	128.6	29.6
1994-95	-3.1	17.2	39.4	54.3	8.1	-17.9	-30.4	32.2	60.2	14.2
1992-93										
June	-0.4	6.6	-2.1	4.2	-6.9	18.4	6.7	40.8	42.1	4.8
1993-94										
September	-1.0	6.6	-1.0	-3.2	-0.6	26.8	7.1	15.0	14.0	3.9
December	-4.6	8.5	9.8	7.4	14.0	25.4	166.0	22.4	5.4	9.3
March	-3.7	8.6	15.4	24.0	24.5	11.4	-5.9	62.4	25.4	8.4
June	-2.4	6.3	9.9	29.9	12.2	-3.9	9.6	197.8	46.1	8.6
1994-95										
September	0.5	4.1	1.4	17.4	-1.8	-15.7	-4.7	-143.8	19.7	3.7
December	0.0	3.7	15.7	4.2	-8.9	-16.7	-32.0	-701.2	-14.5	-1.1
March	0.9	0.1	10.9	-6.1	-7.8	1.6	-46.0	23.4	-7.9	-2.4
June	3.6	-5.0	-1.9	-10.1	-3.8	12.0	-11.4	189.1	31.4	-1.3
1995-96										
September	4.8	-9.3	-13.8	8.8	-0.1	11.0	70.9	224.1	41.3	-0.6

¹ 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 Industry: Original

	Mining	Manu- facturing	Construction	Wholesale trade	Retail trade	Transport and storage	Services to finance and insurance	Property and business services	Other services	Total
Period	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
PROFITS BEFORE INCOME TAX										
1992-93	5 268	7 983	324	1 463	1 359	394	356	-452	289	16 983
1993-94	4 827	10 655	368	1 965	1 626	774	837	75	713	21 689
1994-95	4 665	12 609	534	3 190	1 842	641	608	27	1 113	25 173
1992-93										
June	1 270	1 983	42	439	269	78	151	-199	31	4 063
1993-94										
September	1 364	2 733	91	439	198	209	29	23	258	5 345
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
1994-95										
September	1 297	3 398	139	899	379	213	237	93	466	7 121
December	1 066	3 594	138	898	916	197	393	63	387	7 653
March	1 254	2 878	106	666	241	83	-144	-91	89	5 082
June	1 047	2 739	151	727	305	148	121	-93	171	5 316
1995-96										
September	1 491	2 882	56	684	308	221	224	138	723	6 727
PROFITS BEFORE INCOME TAX & NET INTEREST PAID										
1992-93	5 862	10 419	358	2 130	1 654	755	471	876	711	23 236
1993-94	5 381	12 202	460	2 621	1 939	1 004	1 079	851	1 026	26 564
1994-95	5 166	14 216	642	3 991	2 097	828	729	860	1 456	29 986
1992-93										
June	1 454	2 685	61	590	318	172	191	97	176	5 743
1993-94										
September	1 498	3 135	113	592	279	291	43	351	332	6 635
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
1994-95										
September	1 398	3 774	165	1 096	438	271	261	366	527	8 287
December	1 183	3 977	164	1 086	982	258	387	224	463	8 723
March	1 387	3 266	134	873	307	122	86	159	189	6 351
June	1 198	3 199	179	936	370	177	178	111	276	6 625
1995-96										
September	1 601	3 292	80	849	364	293	283	285	884	7 931
PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION										
1992-93	8 873	14 912	590	3 077	2 344	1 361	551	1 654	1 262	34 623
1993-94	8 481	16 763	681	3 712	2 806	1 595	1 172	1 518	1 625	38 354
1994-95	8 112	19 198	992	5 068	2 853	1 472	833	2 000	2 279	42 806
1992-93										
June	2 234	3 858	122	838	485	325	211	285	312	8 670
1993-94										
September	2 261	4 261	164	856	504	438	68	510	489	9 552
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
1994-95										
September	2 147	4 988	251	1 361	635	428	274	629	703	11 417
December	1 883	5 243	255	1 367	1 167	416	412	500	661	11 905
March	2 118	4 519	217	1 134	491	276	61	462	410	9 566
June	1 963	4 447	268	1 205	560	352	208	410	505	9 918
1995-96										
September	2 404	4 568	150	1 115	551	561	310	549	1 150	11 358

COMPANY PROFITS, By Detailed Manufacturing Industry: Original

Period	Food, beverages and tobacco	Textiles, clothing, footwear and leather	Wood and paper products	Printing, publishing, and recorded media	Petroleum, coal, chemical and assoc. products	Non- metallic mineral products	Metal products	Machinery and equipment	Other manu- facturing	Total manu- facturing
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
PROFITS BEFORE INCOME TAX										
1992-93	2 144	219	643	666	1 350	816	847	1 259	40	7 983
1993-94	2 130	380	913	1 134	1 633	1 047	1 895	1 402	122	10 655
1994-95	2 234	477	983	1 409	1 783	1 134	2 364	2 161	64	12 609
1992-93										
June	472	34	163	123	365	253	235	325	13	1 983
1993-94										
September	556	110	234	288	384	269	481	384	29	2 733
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
1994-95										
September	578	146	279	360	504	333	582	593	23	3 398
December	777	118	273	374	404	311	666	654	16	3 594
March	488	114	195	341	446	272	588	428	6	2 878
June	390	99	236	334	429	218	529	486	18	2 739
1995-96										
September	554	84	260	343	412	228	468	527	7	2 882
PROFITS BEFORE INCOME TAX & NET INTEREST PAID										
1992-93	2 659	338	814	878	1 640	984	1 509	1 485	110	10 419
1993-94	2 560	512	1 071	1 257	1 853	1 172	2 050	1 594	133	12 202
1994-95	2 720	603	1 162	1 533	2 045	1 229	2 508	2 316	101	14 216
1992-93										
June	596	61	207	237	458	286	406	405	30	2 685
1993-94										
September	665	147	273	323	442	299	521	435	31	3 135
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
1994-95										
September	685	176	329	386	567	356	614	629	31	3 774
December	905	147	314	400	464	329	707	685	25	3 977
March	600	146	239	374	510	293	619	468	17	3 266
June	530	133	280	374	504	250	568	534	27	3 199
1995-96										
September	679	107	315	391	476	243	514	552	14	3 292
PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION										
1992-93	3 500	470	1 149	1 089	2 409	1 344	2 444	2 275	232	14 912
1993-94	3 453	673	1 522	1 490	2 371	1 556	2 973	2 364	160	16 763
1994-95	3 747	805	1 541	1 804	2 839	1 669	3 466	3 181	146	19 198
1992-93										
June	796	93	292	291	676	376	658	617	58	3 858
1993-94										
September	883	185	376	379	615	393	753	641	38	4 261
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
1994-95										
September	933	228	424	451	761	460	841	848	43	4 988
December	1 166	196	406	471	661	438	960	911	35	5 243
March	853	197	335	448	712	406	865	674	29	4 519
June	796	185	377	435	704	364	800	748	39	4 447
1995-96										
September	975	149	424	470	700	355	746	723	26	4 568

EXPLANATORY NOTES

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 services, cultural and recreational services, and personal 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 (81 - 82)

Education (84)

Health and community services (86 - 87)

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.

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. Aggregates are calculated from reported 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. Both have been widely accepted as statistical standards in their own right.

CLASSIFICATION BY INDUSTRY

continued

13 There has been extensive consultation with external users to ensure that the ANZSIC reflects the structure of Australian and New Zealand industry and user requirements for statistics. The Australian Bureau of Statistics and the New Zealand Department of Statistics encourage other organisations to use the classification in their own work in order to improve the comparability and usefulness of the statistics.

14 In the development of the ANZSIC greater emphasis has been placed on alignment with the international standards than has been the case in the past. The International Standards Industrial Classification of All Economic Activities (ISIC), Revision 3, has been used as the international standard for reference purposes. This will lead to significant improvements in the comparability of industry statistics internationally.

15 Because of the introduction of ANZSIC and its use in this publication, changes occur in classification categories when compared to previous releases of this publication. As an example, categories listed in Table 1 and under "Manufacturing" differ from previously. The old (ASIC) classification: "Textiles, Clothing & Footwear" becomes (in part) the new ANZSIC classification: "Textiles, Clothing, Footwear & Leather". The correspondence between these categories is not strictly one-to-one. Accordingly, care should be taken when making comparisons between years where different classifications have been used.

16 Users are referred to a detailed analysis of ANZSIC/ASIC and ASIC/ANZSIC concordances contained in the joint ABS, New Zealand publication: *Australian & New Zealand Standard Industrial Classification, 1993, ANZSIC*, ABS Cat. No. 1292.0 and New Zealand Cat. No. 19.005.0092.

17 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

18 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.

19 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.

20 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.

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

22 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.

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

TREND ESTIMATES

24 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

25 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

26 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:

- 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
- the national accounts' estimates of gross operating surplus include estimates for companies classified to the agriculture, forestry, fishing and hunting, and community services industries
- 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
- the national accounts' estimates of gross operating surplus include details relating to net third party insurance transfers, royalty and land rent payments
- the national accounts' estimates incorporate data from other sources such as taxation data as well as information from the Survey of Company Profits.

UNPUBLISHED STATISTICS

27 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. Inquiries should be made to Sue Phillips on 02 268 4357 or to any ABS office.

RELATED PUBLICATIONS

28 Users may also wish to refer to the following publications:

- *Australian National Accounts, National Income Expenditure and Product* (5206.0)
- *Private New Capital Expenditure, Australia, Actual and Expected Expenditure, Preliminary* (5625.0)
- *State Estimates of Private New Capital Expenditure, Actual and Expected Expenditure* (5646.0)
- *Stocks, Selected Industry Sales and Expected Sales, Australia* (5629.0)
- *Australian Business Expectations* (5250.0)

29 Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Release Advice* (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.

SYMBOLS AND OTHER USAGES

- r data or series revised since previous issue
- 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 ($\$5,500\text{m} \pm \80m)
- There are approximately nineteen chances in twenty that the real value falls within the range \$5,340m and \$5,660m ($\$5,500\text{m} \pm \160m)

The real value in this case is the result we would obtain if the total population had been enumerated.

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

	<i>Company profits before income tax</i>	<i>Company profits before income tax, net interest paid</i>	<i>Company profits before income tax, net interest 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 for one quarter the published level estimate for Company Profits before Income Tax is \$5,500m, the next quarter the published level estimate is \$6,000m. The calculated standard error for the movement estimate is \$75m. 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 before income tax</i>	<i>Company profits before income tax, net interest paid</i>	<i>Company profits before income tax, net interest 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



FOR MORE INFORMATION

The ABS publishes a wide range of information on Australia's economic and social conditions. A catalogue of publications and products is available from any of our offices (see below).

INFORMATION CONSULTANCY SERVICES

Information tailored to special needs of clients can be obtained from the Information Consultancy Service available at ABS Offices (see below).

ABS PRODUCTS

A large number of ABS products is available from the ABS Bookshops (see below). The ABS also provides a subscription service – you can telephone the ABS Subscription Service Australia wide toll free on 1800 0206 08.

ELECTRONIC SERVICES

A large range of data is available via on-line services, diskette, magnetic tape, tape cartridge and CD ROM. For more details about our electronic data services, contact any ABS office (see below) or e-mail us at:

X.400 (C:Australia,PUB:Telememo,O:ABS,FN:STAT,SN:INFO)
Internet Stat.info@abs.telememo.au
Keylink STAT.INFO/ABS

You can visit us on the Internet at: <http://www.statistics.gov.au>

GENERAL SALES AND INQUIRIES

- | | |
|--------------------------|------------------------|
| ■ Sydney 02 268 4611 | ■ Adelaide 08 237 7100 |
| ■ Melbourne 03 9615 7755 | ■ Hobart 002 20 5800 |
| ■ Brisbane 07 3222 6351 | ■ Darwin 089 43 2111 |
| ■ Perth 09 360 5140 | ■ Canberra 06 252 6627 |
- Information Services, ABS
PO Box 10, Belconnen ACT 2616



2565100009950

ISSN 0818 9986

RRP \$11.50