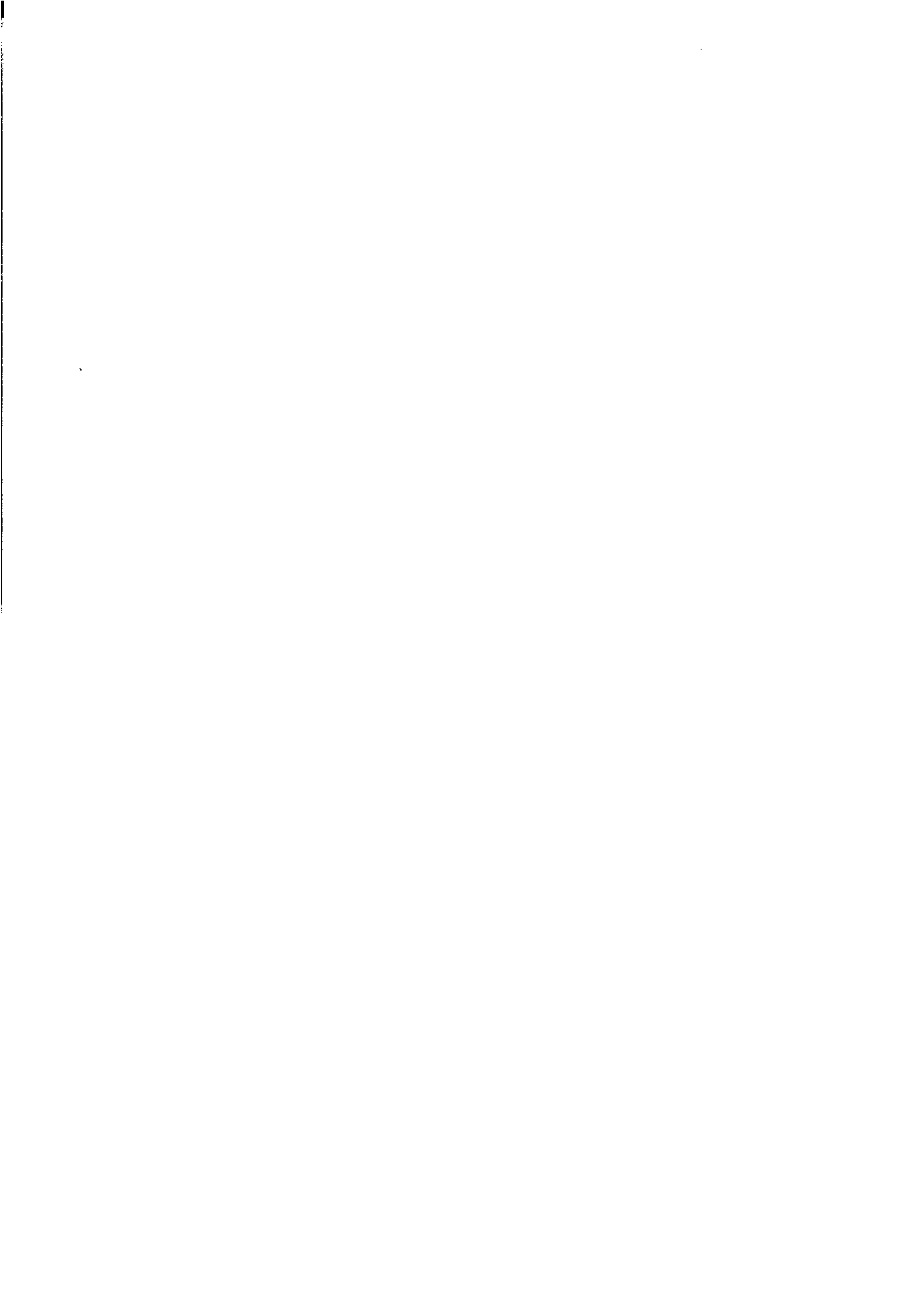




1993-94

Business Operations and Industry Performance Australia





EMBARGOED UNTIL 11.30 A.M. 6 SEPTEMBER 1995

**BUSINESS OPERATIONS
AND
INDUSTRY PERFORMANCE
AUSTRALIA
1993-94**

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Australian Statistician**

AUSTRALIAN BUREAU OF STATISTICS

CATALOGUE NO. 8140.0

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INQUIRIES	<ul style="list-style-type: none"> • <i>for further information about statistics in this publication and the availability of related unpublished statistics, contact Bernard Williams on Canberra (06) 252 5288 or any ABS State office.</i> • <i>for information about other ABS statistics and services, please refer to the back page of this publication.</i>
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Preface

This is the fourth annual publication in this series. In the period 1990-91 to 1993-94, Australian businesses were affected by recession, recovery and restructuring. These influences, and others, are discernible in the business operations and industry performance statistics presented in this publication. The analysis also reflects the differences in the timing and degree of impact these influences had on different sizes of business and different industries.

Survey results are presented in two parts in this publication. Part 1 deals with business operations and performance for all industries, while Part 2, commencing on page 17, summarises key performance data for each industry division.

This edition introduces some important changes to the classifications of the data by industry and size, which have been applied to all four years. Previous editions classified businesses according to the 1983 edition of the Australian Standard Industrial Classification (ASIC). In 1994, this was replaced by the Australian and New Zealand Standard Industrial Classification (ANZSIC). This classification made many changes to classifications of 'service' industries. These were much more extensive than the changes made to traditional 'goods-producing' industries. While the divisional structure for goods-producing industries remained largely unchanged, five new divisions were introduced for the service industries sector. The subdivisions which comprise each division are described in Part 2.

For tables showing businesses according to size, a dissection, based primarily on reported employment, of 'large' and 'small/medium' is used. Definitions are shown on page 82. Previous issues of this publication presented data on size of business differently to this issue. Finer dissections of the data by size of business are still available at the all industries level (see Table 5, for example), on request.

Apart from the changes in classifications referred to above, previously published estimates for 1990-91 to 1992-93 have been revised upwards to take account of subsequently identified deficiencies in the ABS Business Register caused by delays in processing updating information. The effect of this adjustment has been marginal, increasing the level of industry gross product for 1990-91 by 0.8 per cent, for 1991-92 by 1.0 per cent and for 1992-93 by 1.4 per cent. An adjustment of similar magnitude (1.3% in industry gross product terms) has been made to the estimates for 1993-94.

Comments on the statistics and analyses presented and suggestions for future improvements are always welcome. These should be forwarded to:

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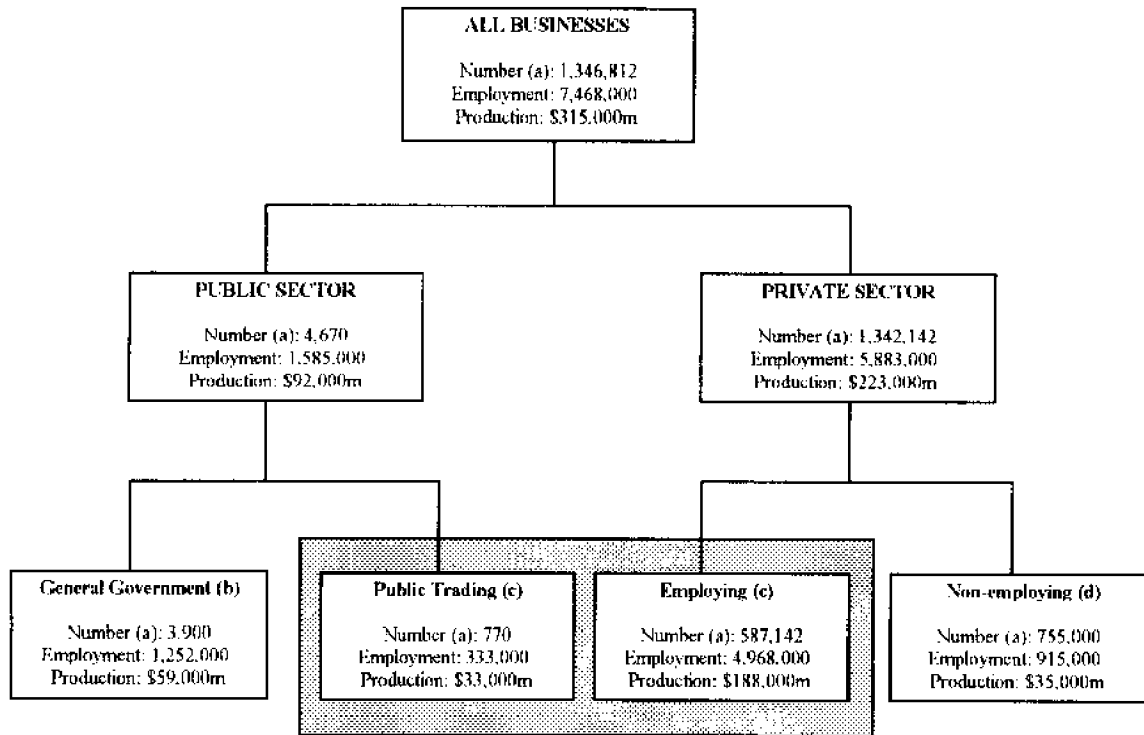
W. McLennan
Australian Statistician

PART 1
BUSINESS OPERATIONS

Introduction

In 1993-94, there were 1,346,812 businesses operating in Australia, employing 7,468,000 persons and producing \$315,000 million worth of goods and services.

DIAGRAM 1 DISSECTION OF BUSINESSES BY BROAD SECTOR, AUSTRALIA, 1993-94



(a) Number of businesses is expressed in 'management unit' terms. For definition, see Explanatory Notes. (b) Source: ABS Public Finance Statistics and Survey of Employment and Earnings (c) Source: ABS Economic Activity Survey (d) Source: ATO income tax statistics.

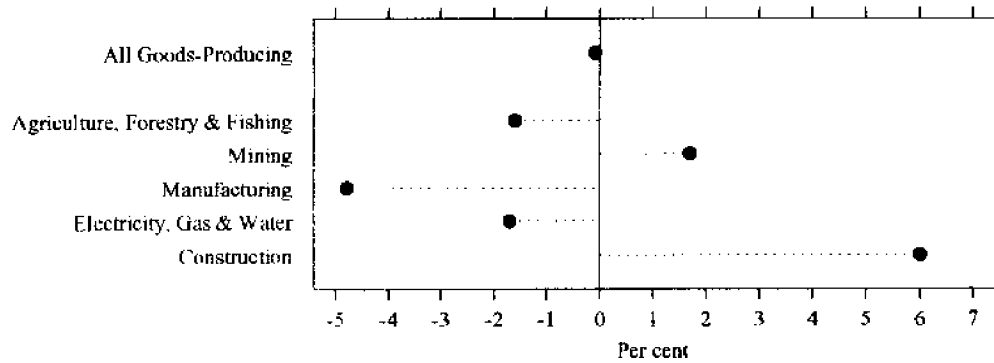
The statistics in this publication relate to businesses in the public trading and private employing sectors only (i.e. the shaded area in Diagram 1). Reliable and comparable data for general government and non-employing businesses are not currently available, mainly because of variations in the financial record keeping practices of these businesses.

The statistics presented in this publication, nevertheless, cover a substantial proportion of the economic activity of businesses operating in Australia. For example, in terms of production, they cover around 70 per cent of total business activity and around 86 per cent of trading business activity.

Operating businesses

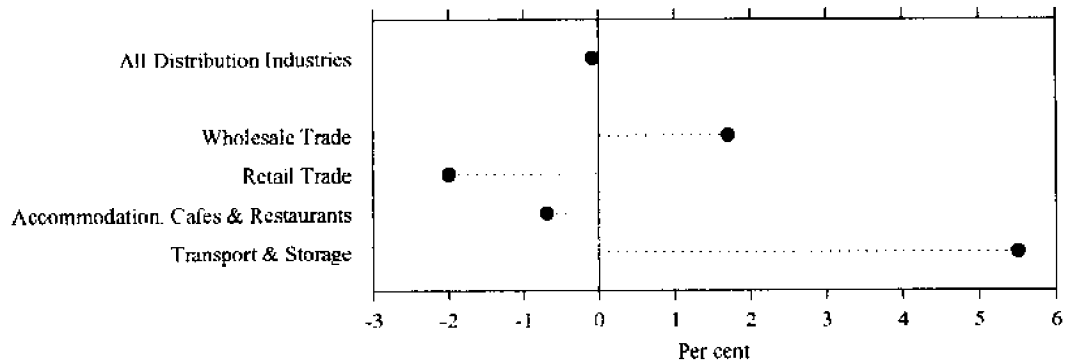
During 1993-94, the number of businesses operating in the public trading and private employing sectors of the Australian economy increased by 1.2 per cent, taking the total to 587,912 businesses. Most of this net growth (6,944) was due to the increase in the number of *operating businesses* in Other Service industries (7,162). The number of *operating businesses* in Goods-producing industries fell by 305. Distribution industries fell by 237 and Finance and Insurance rose by 325. However, there were significant differences in the net growth in the number of *operating businesses* within these industry sectors.

**CHART 1 NET GROWTH IN NUMBER OF OPERATING BUSINESSES, 1993-94
GOODS-PRODUCING INDUSTRIES**



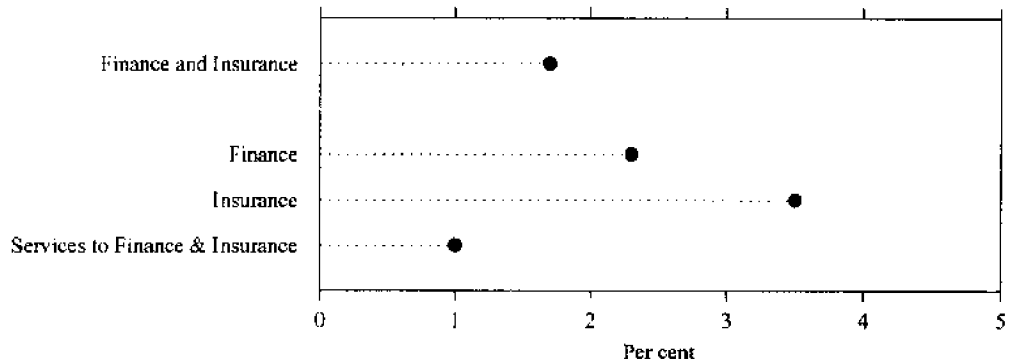
For Goods-producing industries, there was significant growth in the number of Construction businesses (a net increase of 3,438 businesses), while there were decreases in Agriculture, Forestry and Fishing (1,871 businesses) and Manufacturing (1,894 businesses).

**CHART 2 NET GROWTH IN NUMBER OF OPERATING BUSINESSES, 1993-94
DISTRIBUTION INDUSTRIES**



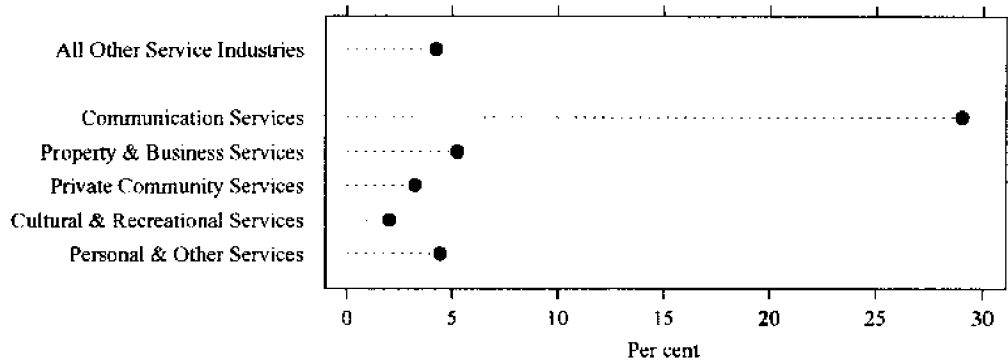
For Distribution industries, there was significant growth in Transport and Storage (a net increase of 1,125 businesses) and Wholesale Trade (642) while there was a decrease in Retail Trade (1,816 businesses).

**CHART 3 NET GROWTH IN NUMBER OF OPERATING BUSINESSES, 1993-94
FINANCE AND INSURANCE**



For Finance and Insurance, the most significant increase was in Finance (a net increase of 148 businesses) and Insurance (52).

**CHART 4 NET GROWTH IN NUMBER OF OPERATING BUSINESSES, 1993-94
OTHER SERVICE INDUSTRIES**



All Other Service industries recorded growth in the number of *operating businesses* between 1992-93 and 1993-94. Most significant was the growth in Property and Business Services (4,652), Private Community Services¹ (1,426) and Personal and Other Services (783).

Large businesses

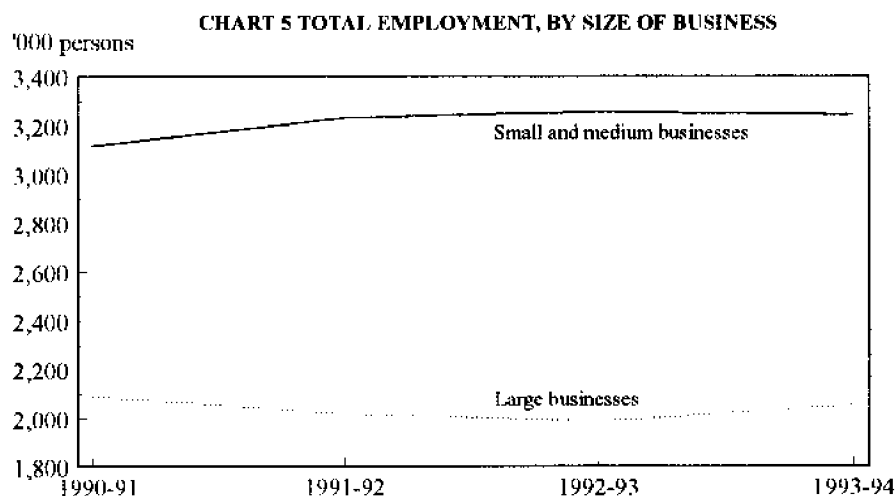
There were 2,428 *operating businesses* which employed 200 or more persons or had assets in excess of \$200 million as at June 1994; an increase of 55 on the number of large businesses as at June 1993. However, this increase was the net result of the growth, restructuring and downsizing which took place during this period. For example, there were 159 businesses which had employed 200 or more persons in June 1993 which employed less than 200 persons in June 1994. Conversely, 218 businesses which had employed less than 200 persons in June 1993 employed 200 or more persons in June 1994. The proportion of large businesses has been consistent at 0.4 per cent for the past four years. However, as the following pages show, the contribution of large businesses to overall economic activity is much more significant than this proportion would indicate, and has been variable in recent years.

¹ This non-standard industry label has been adopted to emphasise the fact that general government units have been excluded from Education, Health and Community Services.

Employment

The total number of working proprietors, partners and employees on the payrolls of public trading and private employing businesses at the end of June 1994 was 5,301,000, a 1.1 per cent increase on *employment* as at June 1993.

Employment by large businesses rose by 3.5 per cent (69,000 persons) to reach a total of 2,057,000 persons during 1993-94. This was a reversal of the downward trend over the previous two years. This increase was the combined result of an increase in the number of large businesses (55 more large businesses) and an increase in their average *employment* (up by 9.4 persons per large business). However, *employment* by large businesses has been consistently proportionately lower than the percentage recorded in 1990-91, when they accounted for 40 per cent of *employment*. In 1993-94, large businesses accounted for 39 per cent of *employment*.



Total *employment* of small and medium businesses, as a group, fell by 0.3 per cent (10,000 persons) to 3,244,000 persons during 1993-94. That is, while the *employment* of smaller businesses (*employment* of less than 20 persons) grew at the fastest rate of any group (3.6%), increasing the *employment* of smaller businesses by just over 60,000 persons, the *employment* of medium businesses (20 to 199 persons) fell by 6.1 per cent or just over 70,000 persons.

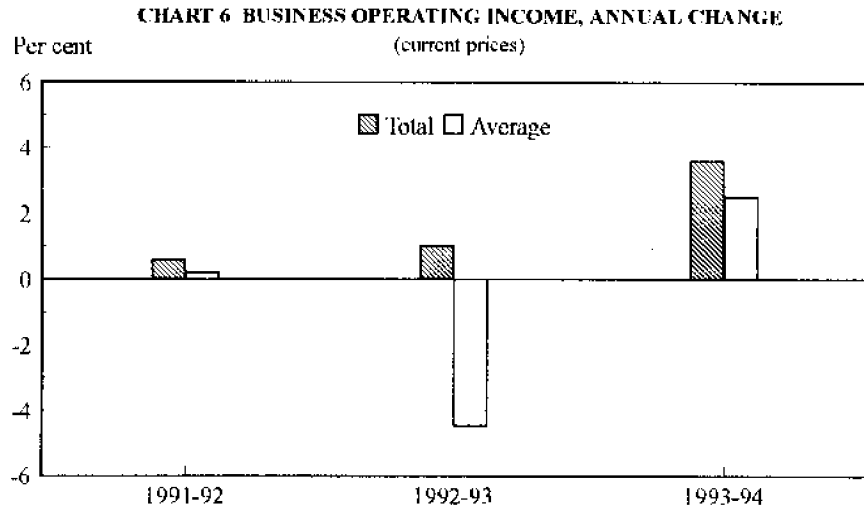
Unfortunately, analysis of the overall performance of smaller, as against medium businesses, is not possible for all industries, given the size of the sample used to generate these statistics. However, some further details in this respect can be provided on request.

It should also be remembered that the *employment* of small and medium businesses excludes self-employed persons working in non-employing businesses, which are out of scope of these statistics. There is evidence, based on the ATO's income tax data, to suggest that *employment* in these businesses grew by over 50,000 persons during 1993-94.

It should be noted, however, that the *employment* levels used in this analysis are those as at the end of June each year. Therefore, they do not take account of seasonal and other variations which affect the total level of *employment* during a given year. Nor do they take account of the distribution of full-time, part-time and casual employees. For more details on *employment* patterns and trends see *The Labour Force, Australia* (6203.0) and *Employed Wage and Salary Earners, Australia* (6248.0).

Income

Total *operating income* of public trading and employing private businesses rose by 3.6 per cent during 1993-94 to reach \$854,049 million. After taking account of the increase in the number of *operating businesses*, average *operating income* rose by 2.5 per cent during 1993-94 to reach \$1,453,000. This was the largest annual increase in total and average *operating income* in any of the past three years.



The increases in total and average *operating income* were mainly the result of substantial increases in total (30%) and average (29%) income from the provision of services. These increases were offset to a significant extent by decreases in total (1%) and average (3%) *sales of goods*. Income from the provision of services rose to represent 21 per cent of total *operating income* during 1993-94, while *sales of goods* fell to 68 per cent.

Interest income declined during 1993-94 (down by 10%), reflecting the continuing impact of interest rate reductions (interest rates did not begin their recent rise until late in 1993-94) and lower levels of commercial lending. Business income from *dividends received* rose by 16 per cent while *other operating income* fell by one per cent.

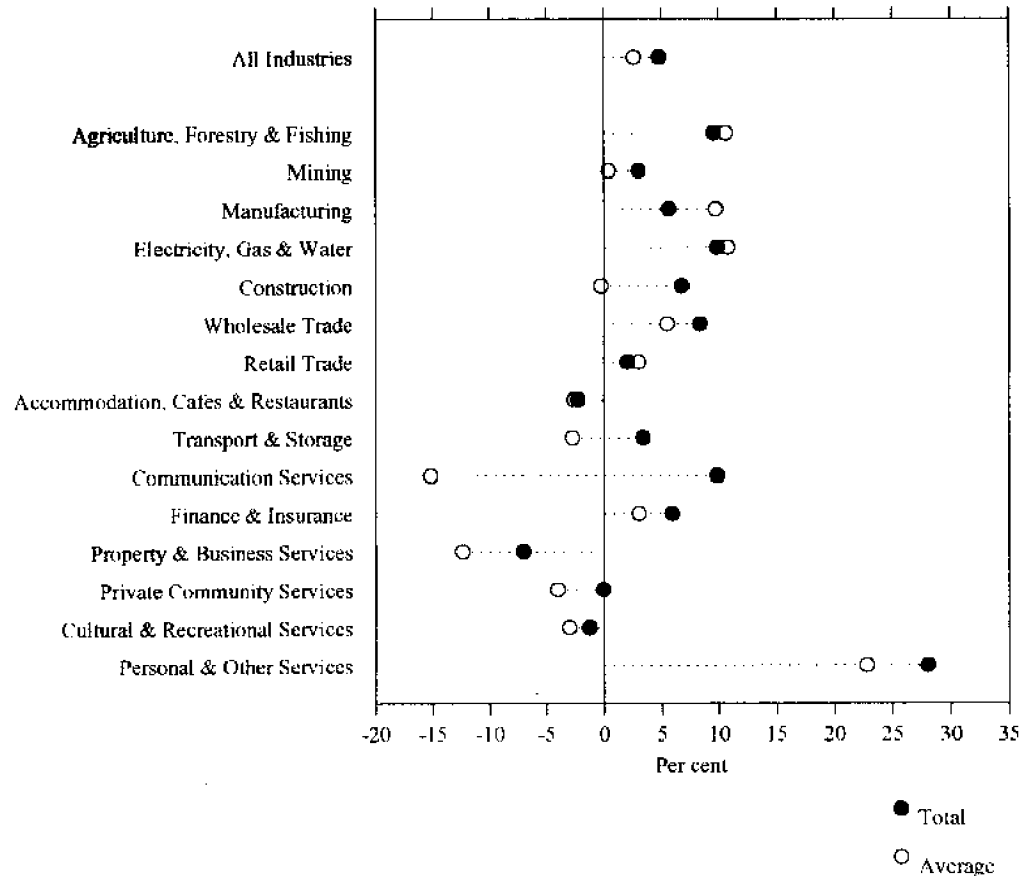
During 1993-94, large businesses increased their total *operating income* by 5 per cent while small and medium businesses only increased their total *operating income* by 2 per cent. While both size categories experienced declines in their total income from the *sale of goods*, large businesses increased their total income from the provision of services at a much higher rate (56%) than did small and medium businesses (24%). The *operating income* of small and medium businesses was largely unaffected by the decline in interest income, which accounted for a \$5,010 million fall in *operating income* for large businesses.

All industries except Accommodation, Cafes and Restaurants, Property and Business Services, Private Community Services and Cultural and Recreational Services recorded increases in their total *sales of goods and services* during 1993-94. Decreases in average *sales of goods and services* were also recorded by these industries, as well as Construction, Transport and Storage, and Communication Services.

TABLE 1 BUSINESS OPERATING INCOME BY PRINCIPAL COMPONENTS
(current prices)

	1990-91	1991-92	1992-93	1993-94
TOTAL				
	\$m	\$m	\$m	\$m
Sales of goods	n.a.	n.a.	586 009	578 376
Rent, leasing and hiring income	8 773	8 512	11 265	14 981
Income for other services	n.a.	n.a.	129 628	168 309
Sales of goods and services	691 347	710 504	726 902	761 666
Interest income	80 218	68 236	56 769	51 228
Dividends received	8 424	7 146	7 660	8 862
Other operating income	31 093	30 168	32 718	32 293
Operating income	811 082	816 054	824 049	854 049
AVERAGE				
	\$'000	\$'000	\$'000	\$'000
Sales of goods	n.a.	n.a.	1 009	984
Rent, leasing and hiring income	16	15	19	25
Income for other services	n.a.	n.a.	223	286
Sales of goods and services	1 263	1 293	1 251	1 296
Interest income	147	124	98	87
Dividends received	15	13	13	15
Other operating income	57	55	56	55
Operating income	1 482	1 485	1 418	1 453

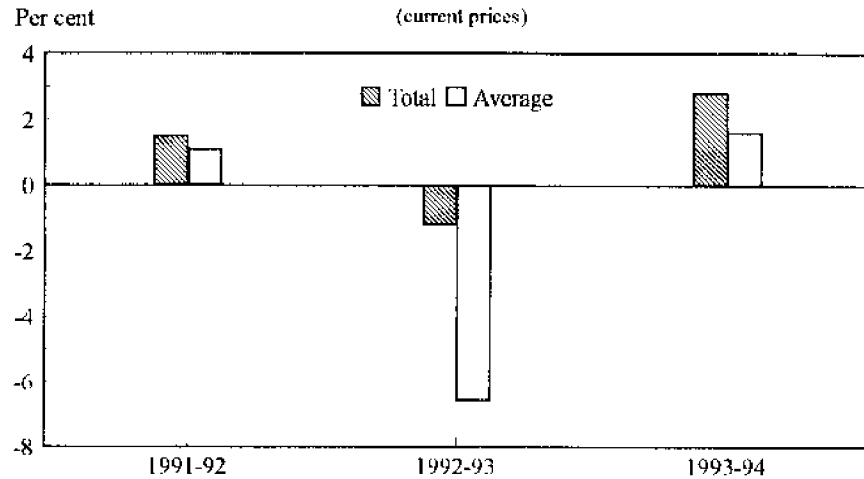
CHART 7 GROWTH IN SALES OF GOODS AND SERVICES, BY INDUSTRY
1992-93 TO 1993-94



Expenses

Total *operating expenses* of employing and trading businesses rose by 2.8 per cent during 1993-94 to reach \$777.634 million. After taking account of the increase in the number of *operating businesses*, average *operating expenses* rose by 1.6 per cent to reach \$1.323,000 per business. This was the largest annual increase in total and average *operating expenses* in any of the past three years.

CHART 8 BUSINESS OPERATING EXPENSES, ANNUAL CHANGE
(current prices)



Most of the increase in total *operating expenses* was due to the increase in *cost of sales*. Total *labour costs* rose by 3.2 per cent during 1993-94, while *interest expenses* and *bad debts* fell by 16.8 per cent and 27.7 per cent, respectively.

TABLE 2 BUSINESS OPERATING EXPENSES, BY PRINCIPAL COMPONENTS
(current prices)

	1990-91	1991-92	1992-93	1993-94
TOTAL				
	\$m	\$m	\$m	\$m
Cost of sales	506 802	524 339	530 911	554 020
Labour costs	131 102	136 631	136 565	140 880
Interest expenses	81 026	67 755	52 736	43 897
Depreciation	22 308	23 802	25 145	27 377
Bad debts	6 211	6 252	4 060	2 936
Insurance premiums	3 368	3 282	3 577	3 881
Royalty expenses	4 084	3 952	3 699	4 643
Operating expenses	754 901	766 013	756 693	777 634
AVERAGE				
	\$'000	\$'000	\$'000	\$'000
Cost of sales	926	954	914	942
Labour costs	240	249	235	240
interest expenses	148	123	91	75
Depreciation	41	43	43	47
Bad debts	11	11	7	5
Insurance premiums	6	6	6	7
Royalty expenses	7	7	6	8
Operating expenses	1 379	1 394	1 302	1 323

Profits

The overall level of *trading profit* has been increasing for each of the past 3 years (0.9% in 1991-92, 5.3% in 1992-93 and 5.9% in 1993-94), indicating that *sales of goods and services* has been consistently growing at a faster rate than *cost of sales* for this period.

Total *earnings before interest and tax* (EBIT) rose by 0.2 per cent in 1993-94 after falling by 14 per cent in 1991-92 and increasing by 2 per cent in 1992-93. The continuing decline in *interest income* (\$5,541 million), and increases in *labour costs* (\$4,315 million) and *depreciation* (\$2,232 million) were among the main reasons for slowing of the growth rate in EBIT.

Total *operating profit before tax* grew by 13.4 per cent in 1993-94, after falling by 11 per cent in 1991-92 and increasing by 35 per cent in 1992-93, reflecting the dramatic impact falls in *interest expenses* have had on business profits.

Faster growth in the operating profits of small and medium business over the past few years meant that their contribution to overall profit levels increased from 34 per cent in 1990-91 to 39 per cent in 1993-94. This trend is also reflected in the changing contribution to overall profit levels over the past four years by Distribution industries and Other Service industries where small/medium businesses predominate (see under 'percentage' in Table 3).

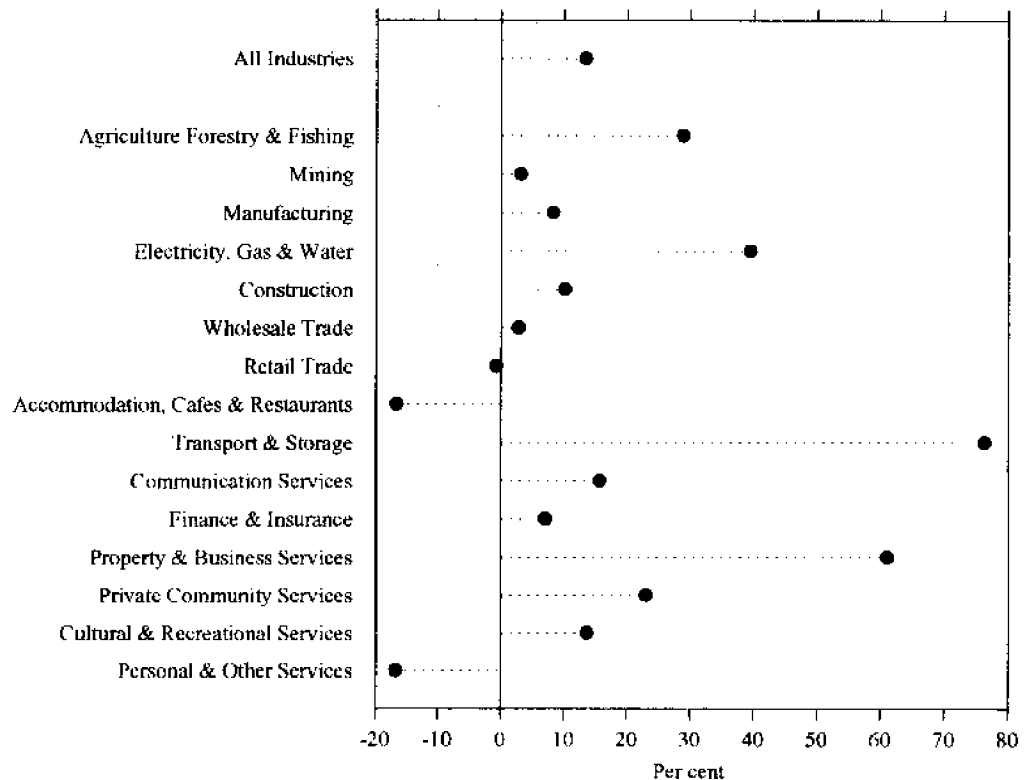
TABLE 3 OPERATING PROFIT BEFORE TAX, BY BROAD INDUSTRY GROUP
(current prices)

	1990-91	1991-92	1992-93	1993-94
TOTAL				
	\$m	\$m	\$m	\$m
Goods-producing industries	22 068	19 555	26 600	30 110
Distribution industries	7 201	5 676	9 985	11 030
Finance and insurance	19 185	16 667	20 616	22 089
Other service industries	7 727	8 143	10 155	13 186
All industries	56 181	50 041	67 356	76 415
PERCENTAGE				
	%	%	%	%
Goods-producing industries	39.3	39.1	39.5	39.4
Distribution industries	12.8	11.3	14.8	14.4
Finance and insurance	34.1	33.3	30.6	28.9
Other service industries	13.8	16.3	15.1	17.3
All industries	100.0	100.0	100.0	100.0
AVERAGE				
	\$'000	\$'000	\$'000	\$'000
Goods-producing industries	104	93	124	140
Distribution industries	43	34	57	63
Finance and insurance	1 020	877	1 076	1 134
Other service industries	52	53	60	74
All industries	103	91	116	130

Average operating profit before tax rose by 12.1 per cent during 1993-94 to reach \$130,000 per business. The highest average operating profit before tax (\$1,134,000) continued to be recorded by businesses classified to Finance and Insurance. The lowest average operating profit before tax (\$63,000) continued to be recorded by businesses in Distribution industries, notwithstanding the fact that these businesses experienced an 11 per cent increase in this average.

There continued to be significant variation in operating profit growth rates by different industries.

CHART 9 GROWTH IN OPERATING PROFIT BEFORE TAX, BY INDUSTRY
1992-93 TO 1993-94



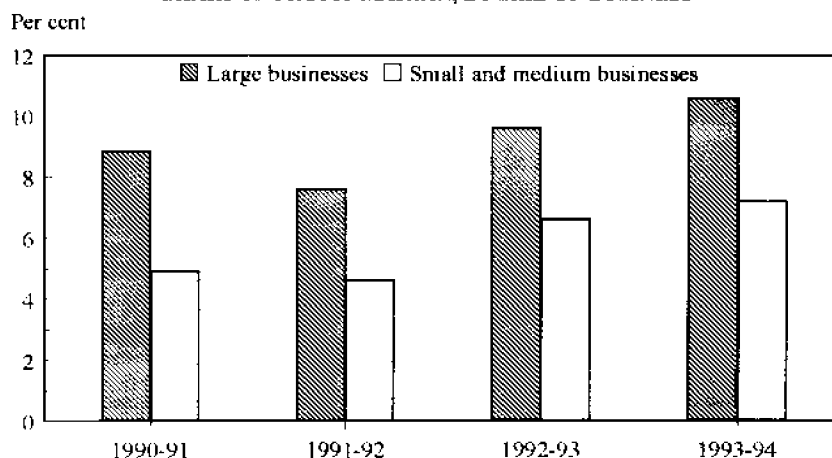
Profitability

It is possible to generate a wide range of business profitability indicators from the business financial information available to the ABS. The following presents a selection of these indicators. Others can be produced upon request.

The *profit margin* of a business represents that percentage of its operating income which becomes operating profit after all operating expenses have been deducted. In 1993-94, the average *profit margin* across all industries was 8.9 per cent, or 0.7 percentage points higher than in 1992-93. This means that for every dollar of operating income, businesses were able to convert an additional 0.7 cents into operating profit in 1993-94 when compared to 1992-93. Put another way, businesses were generally able to improve their profitability, in *profit margin* terms, by an average of 8.5 per cent in 1993-94.

However, there were significant differences in *profit margin* levels and movements between large and smaller businesses.

CHART 10 PROFIT MARGIN, BY SIZE OF BUSINESS

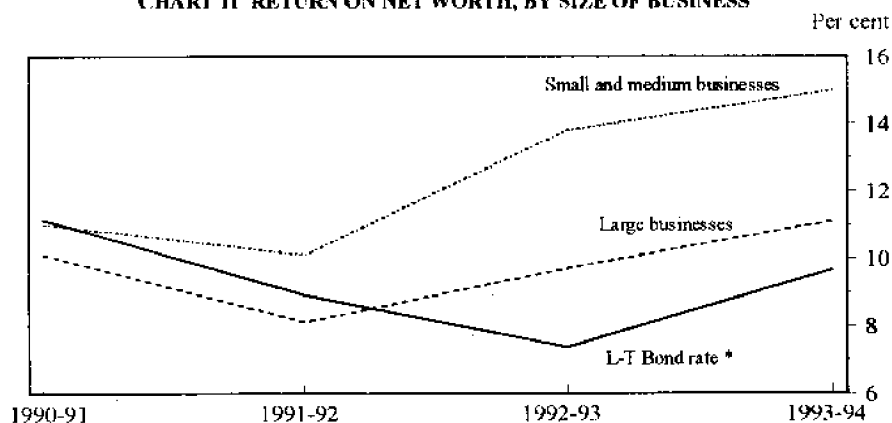


During 1993-94, large businesses improved their profitability by 10.4 per cent, whereas smaller businesses improved their profitability by 9.1 per cent, in *profit margin* terms. The average *profit margin* of small and medium businesses (7.2) was 3.4 percentage points (or cents in the dollar) below that of large businesses (10.6).

The *return on assets* ratio of a business indicates how effectively the business has utilised its assets to generate profit. During 1993-94, the average *return on assets* across all industries was 4.5 per cent, 0.5 percentage points higher than it was in 1992-93. The *return on assets* ratio for small and medium businesses has been consistently higher than it has been for large businesses. In 1993-94, the *return on assets* for large businesses was 3.6 per cent, whereas the *return on assets* for smaller businesses was 7.7 per cent.

The *return on net worth* of a business is similar to concepts such as return on capital, return on equity and return to shareholders' funds. In essence, it is the amount nominally available to owners of the business in return for their continuing investment in the business. In theory, at least, owners have the option of cashing in or selling their equity and investing the proceeds elsewhere if returns are not maintained at acceptable levels. For this reason, the *return on net worth* ratio is sometimes compared with interest rates for Commonwealth Government 10 year Treasury bonds.

CHART 11 RETURN ON NET WORTH, BY SIZE OF BUSINESS



* Source: RBA, Reserve Bank of Australia Bulletin

Financial position

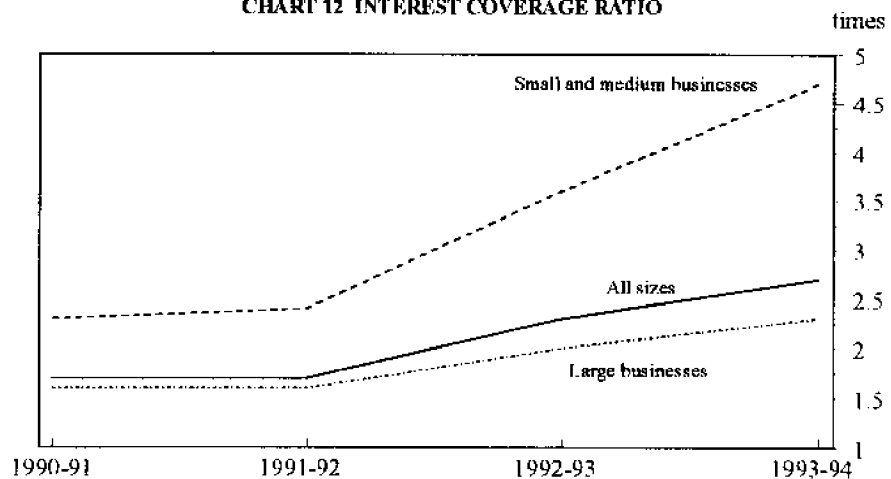
The wealth of a business is usually reflected in the *net worth* shown in its balance sheet. During 1993-94, the total *net worth* of all employing and trading businesses grew by 1.4 per cent, compared to 7 per cent in 1992-93 and 5 per cent in 1991-92. This growth in 1993-94 was due to a slight (0.1%) increase in the total value of assets, while the total value of liabilities fell by 0.5 per cent. The average *net worth* of businesses rose by only 0.1 per cent during 1993-94 to reach \$1,053,000.

In 1993-94, large businesses were responsible for just over two-thirds of the total *net worth* of these businesses. By far the most significant group of businesses in wealth terms was large businesses in Finance and Insurance, accounting for just under one-third of total *net worth*.

It is possible to generate a number of indebtedness and liquidity ratios from the balance sheet information provided to the ABS. Two of these ratios, *long term debt to equity* and *current* ratios, are reliant on an accurate dissection being reported of current and non-current assets and liabilities. Such a dissection is not available for all businesses in Finance and Insurance, and therefore it has not been possible to estimate these ratios at the All Industries level. They are available for each of the other industries, and indicate some of the significant changes taking place in the balance sheets of businesses. For example, over the past three years, businesses in Manufacturing, Electricity, Gas and Water, Transport and Storage, and Communication have, on average, reduced their *long term debt to equity* ratios. At the same time, most non-finance industries have improved their liquidity situation, as evidenced by increases in their *current ratio*.

The link between profits and costs of servicing debt is provided by the *interest coverage* ratio. This is effectively the number of times *interest expenses* can be paid from *earnings before interest and tax*. Despite rising interest rates during 1993-94, increases in profits and only small changes in debt levels continued to lead to a further improvement in this performance measure for most industries.

CHART 12 INTEREST COVERAGE RATIO



Production

Industry gross product rose by 6.4 per cent between 1992-93 and 1993-94 to a total of \$220.820 million, in current price terms. Goods-producing industries have accounted for around 49 per cent of the level of industry gross product for the past three years, down from 51 per cent in 1990-91. While over the period 1990-91 to 1992-93, there was a steady decline in the contribution Manufacturing made to overall industry gross product, this trend was reversed in 1993-94 with Manufacturing contributing 1.5 percentage points to the overall growth rate of 6.4 per cent. Other industries which contributed significantly to overall growth in industry gross product during 1993-94 were Agriculture, Forestry and Fishing (0.7 percentage points), Construction (0.5 percentage points), and Wholesale Trade (0.9 percentage points).

TABLE 4 INDUSTRY GROSS PRODUCT
(current prices)

	Contribution to total		Contribution to overall	
	Level	level	Growth rate	growth rate
	\$m	%	%	% points
Agriculture, Forestry and Fishing	10 117	4.6	16.5	0.7
Mining	16 914	7.7	1.3	0.1
Manufacturing	55 078	24.9	6.2	1.5
Electricity, Gas and Water	14 472	6.6	0.9	0.1
Construction	11 325	5.1	10.5	0.5
Goods-producing industries	107 906	48.9	5.9	2.9
Wholesale Trade	20 599	9.3	9.7	0.9
Retail Trade	19 602	8.9	2.2	0.2
Accommodation, Cafes and Restaurants	7 756	3.5	7.3	0.3
Transport and Storage	15 971	7.2	1.7	0.1
Distribution industries	63 928	29.0	5.0	1.5
Finance and Insurance (a)	-926	-0.4	..	0.5
Communication Services	11 092	5.0	8.2	0.4
Property and Business Services	18 914	8.6	2.5	0.2
Private Community Services	12 220	5.5	7.2	0.4
Cultural and Recreational Services	4 650	2.1	17.6	0.3
Personal and Other Services	3 036	1.4	12.3	0.2
Other Service industries	49 912	22.6	6.7	1.5
All industries	220 820	100.0	6.4	6.4

(a) Gross product for Finance and Insurance is negative because *industry gross product* does not take account of implicit charges for financial services included in interest. Estimates for *gross domestic product* included in the *Australian National Accounts* include imputed values for these services. See Appendix 1 on page 88 for further details.

In 1993-94, large businesses accounted for nearly 51 per cent of *industry gross product*, compared to 49 per cent in 1992-93. Nearly 42 per cent of the *industry gross product* of non-farm businesses in 1993-94 was produced by very large businesses, i.e. those businesses employing 500 or more persons. At the other end of the scale, very small businesses, i.e. businesses employing less than 5 persons, accounted for nearly 13 per cent of non-farm *industry gross product*.

TABLE 5 INDUSTRY GROSS PRODUCT BY EMPLOYMENT SIZE
(current prices)

	1990-91	1991-92	1992-93	1993-94
	\$m	\$m	\$m	\$m
Less than 5 persons	21 072	22 262	23 178	27 304
5 to 19 persons	29 293	31 047	30 458	32 389
20 to 49 persons	16 488	15 712	17 879	17 255
50 to 199 persons	25 454	27 950	29 262	25 851
200 to 499 persons	16 351	15 763	17 525	20 867
500 or more persons	81 080	77 147	81 611	88 170
All non-farm industries	189 738	189 881	199 913	211 836
	%	%	%	%
Less than 5 persons	11.1	11.7	11.6	12.9
5 to 19 persons	15.4	16.4	15.2	15.3
20 to 49 persons	8.7	8.3	8.9	8.1
50 to 199 persons	13.4	14.7	14.6	12.2
200 to 499 persons	8.6	8.3	8.8	9.9
500 or more persons	42.7	40.6	40.8	41.6
All non-farm industries	100.0	100.0	100.0	100.0

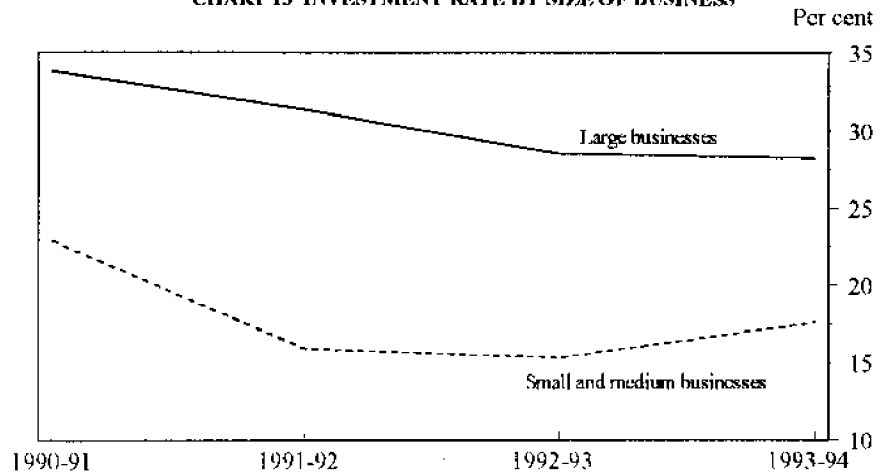
Some users of these statistics on production might be inclined to generate simple measures of productivity by relating *industry gross product* to *employment* or *labour costs*. The ABS advises against the use of these measures because they do not take account of complicating factors which vary considerably across industries, if not time. These factors include differences in mix of capital and labour inputs (i.e. capital/labour intensity) and differences in hours worked and average wages paid. These data are not presently available to the ABS for all the industries covered by this bulletin. However, productivity measures for selected industries are presented in *Productivity, Prices, Profits and Pay 1964-65 to 1989-90* (5239.0) and *Australian National Accounts: Multifactor Productivity* (5234.0).

Capital Expenditure

In 1993-94, total *capital expenditure* grew by 12.1 per cent to reach a total of \$50,789 million. After taking account of the increase in the number of *operating businesses*, average *capital expenditure* rose by 10 per cent to reach \$86,000 per business. This was the first year in the past three years that either total or average *capital expenditure* has risen. Just on 54 per cent of this increase in total *capital expenditure* was attributable to small and medium businesses which accounted for 38 per cent of the level of *capital expenditure* in 1993-94.

The *investment rate* of businesses, i.e. that proportion of production which is used to acquire capital, also rose for the first time in three years to reach 23.0 per cent. This was still lower than the investment rate during 1990-91 (28.3%).

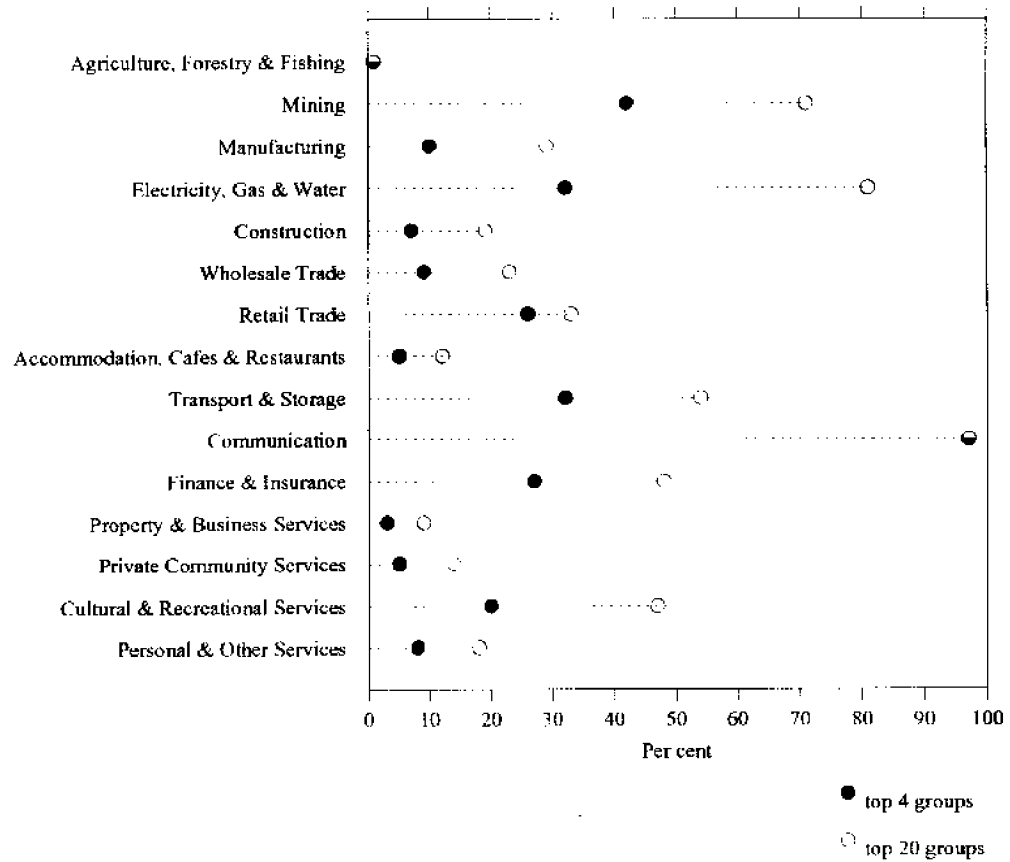
CHART 13 INVESTMENT RATE BY SIZE OF BUSINESS



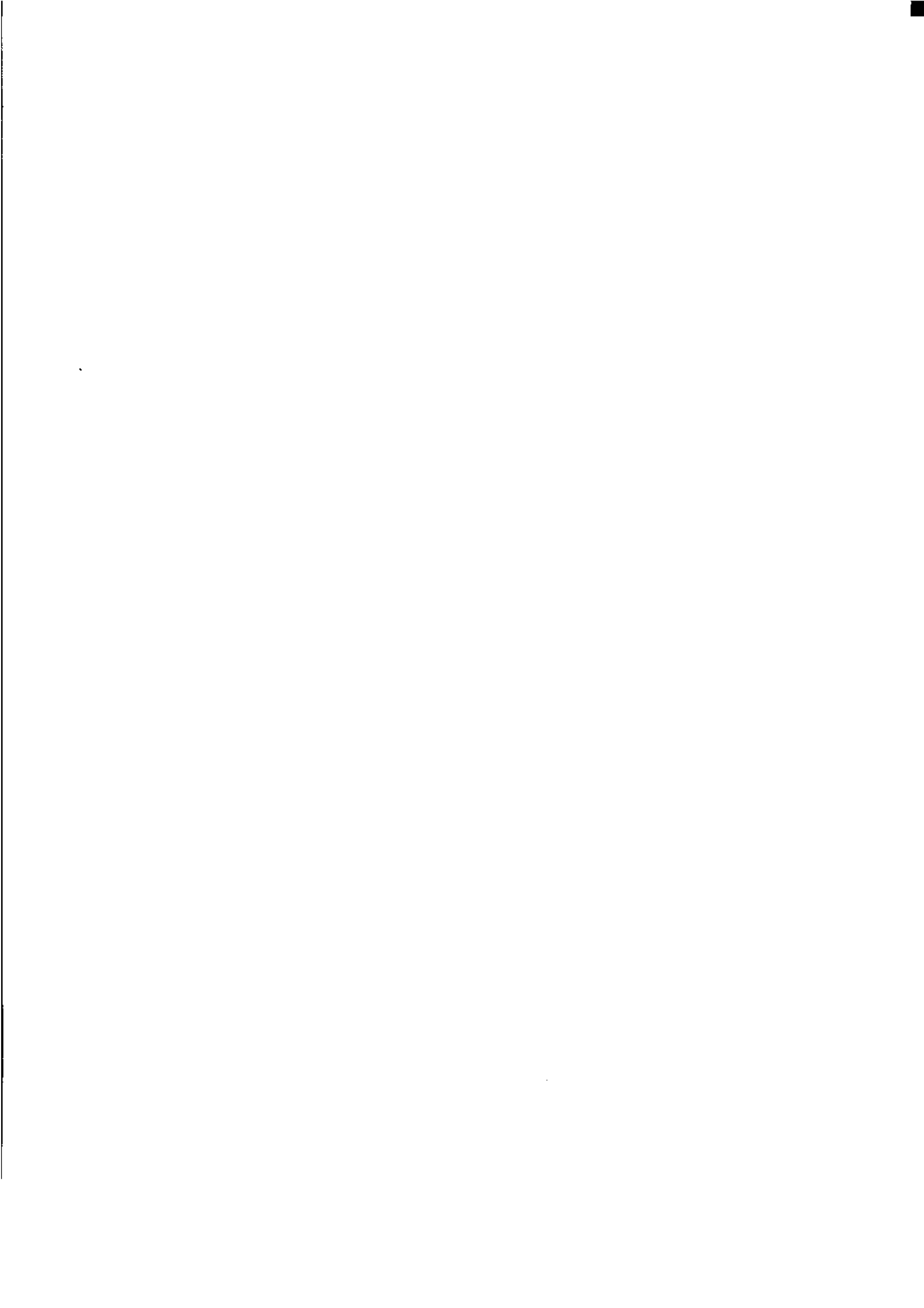
Competition

Industry Concentration ratios show the proportion of economic activity concentrated among the largest enterprise groups operating in each industry. For example, the following chart shows the percentage market share, in terms of *sales of goods and services*, attributable to the top 4 and top 20 enterprise groups operating in each industry.

CHART 14 INDUSTRY CONCENTRATION - SALES OF GOODS AND SERVICES, 1993-94



These percentages have not changed significantly over the last four years. Industries which have become slightly more concentrated, include Mining, Transport and Storage, and Personal and Other Services. Industries which have become slightly less concentrated, include Construction and Communication.



PART 2
INDUSTRY PERFORMANCE

Introduction

The following pages contain tables of summary statistics for each major industry and size grouping of businesses. Each of these one-page summaries, called a *Summary of Industry Performance*, is presented in a standardised format so as to better facilitate comparative analysis across industry and size categories. For readers unfamiliar with this format, a brief description follows which should be read in conjunction with Table 6 (opposite).

The first column of these tables contains an abbreviated description of the data item about which statistics are presented in each row of the table. Full descriptions and definitions of these items are provided in the Glossary of Terms beginning on page 85. These items have been grouped under the following sub-headings.

<i>Industry Structure</i>	This section contains basic information about the number of operating businesses and total employment of each industry/size category.
<i>Income Statement</i>	This section includes a dissection of total operating income and expenses presented in an order similar to that found in the income statements of most businesses. The derivation of three different measures of profit is highlighted in this section.
<i>Balance Sheet</i>	This section includes a dissection of the total value of assets and liabilities of businesses and shows the net worth of each industry/size category.
<i>Economic Values</i>	This section contains a selection of items used to assess the overall economic performance of each category.
<i>Business Averages</i>	This section includes a selection of variables expressed as simple average per operating business.
<i>Industry Ratios</i>	This section includes a selection of ratios commonly used by financial analysts and economists when assessing business and industry performance.

Many of the data items and derived indicators included in a *Summary of Industry Performance* are highly inter-related. Users are strongly advised to take note of these relationships when using these statistics in their analyses. For example, any analysis of profit or profitability should take account of the variety of measures available and their relationships to component variables (see discussion under Profit and Profitability in Part 1 for an illustration of how this analysis can be performed).

Users of these statistics should also note the differing units of measurement applicable to each item and shown in the second column of each *Summary of Industry Performance*. In each case, the unit specified is applicable to all the statistics appearing in that row of the table, except for the last column (the relative change in the latest year) which is always expressed as a percentage.

TABLE 6 SUMMARY OF INDUSTRY PERFORMANCE

ALL INDUSTRIES

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	547 229	549 547	580 968	587 912	6 944	1.2
Employment	'000	5 208	5 251	5 242	5 301	59	1.1
Income statement							
Sales of goods and services	\$m	691 347	710 504	726 902	761 666	34 764	4.8
less Cost of sales	\$m	506 802	524 339	530 911	554 020	23 109	4.4
Trading profit	\$m	184 545	186 165	195 991	207 646	11 655	5.9
plus Interest income	\$m	80 218	68 236	56 769	51 228	-5 541	-9.8
plus Other operating income	\$m	39 517	37 314	40 378	41 155	777	1.9
less Labour costs	\$m	131 102	136 631	136 565	140 880	4 315	3.2
less Depreciation	\$m	22 308	23 802	25 145	27 377	2 232	8.9
less Other operating expenses	\$m	13 663	13 486	11 336	11 460	124	1.1
Earnings before interest & tax	\$m	137 207	117 796	120 092	120 312	220	0.2
less Interest expenses	\$m	81 026	67 755	52 736	43 897	-8 839	-16.8
Operating profit before tax	\$m	56 181	50 041	67 356	76 415	9 059	13.4
Balance sheet							
Current assets	\$m	..	..	..	..	..	..
Non-current assets	\$m	..	..	..	..	..	..
Total assets	\$m	1 576 715	1 607 586	1 677 076	1 679 516	2 440	0.1
Current liabilities	\$m	..	..	..	..	..	..
Non-current liabilities	\$m	..	..	..	..	..	..
Total liabilities	\$m	1 036 678	1 037 924	1 065 989	1 060 159	-5 830	-0.5
Net worth	\$m	540 037	569 662	611 087	619 357	8 270	1.4
Economic values							
Capital expenditure	\$m	55 566	46 009	45 287	50 789	5 502	12.1
Gross operating surplus	\$m	65 131	60 991	70 968	79 940	8 972	12.6
Industry gross product	\$m	196 233	197 622	207 533	220 820	13 287	6.4
Business averages							
Average employment	No.	9.5	9.6	9.0	9.0	0.0	0.0
Average sales	\$'000	1 263	1 293	1 251	1 296	45	3.6
Average income	\$'000	1 482	1 485	1 418	1 453	35	2.5
Average expenses	\$'000	1 379	1 394	1 302	1 323	21	1.6
Average profit	\$'000	103	91	116	130	14	12.1
Average assets	\$'000	2 881	2 925	2 887	2 857	-30	-1.0
Average net worth	\$'000	987	1 037	1 052	1 053	1	0.1
Average gross product	\$'000	359	360	357	376	18	5.1
Industry ratios							
Profit margin	%	6.9	6.1	8.2	8.9	0.7	8.5
Return on assets	%	3.6	3.1	4.0	4.5	0.5	12.5
Return on net worth	%	10.4	8.8	11.0	12.3	1.3	11.8
Long term debt to equity	times	..	..	..	..	..	..
Current ratio	times	..	..	..	..	..	..
Interest coverage	times	1.7	1.7	2.3	2.7	0.4	17.4
Investment rate	%	28.3	23.3	21.8	23.0	1.2	5.5

TABLE 7 SUMMARY OF INDUSTRY PERFORMANCE

ALL INDUSTRIES

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	2 291	2 296	2 373	2 428	55	2.3
Employment	'000	2 090	2 019	1 988	2 057	69	3.5
Income statement							
Sales of goods and services	\$m	318 261	320 319	338 841	365 788	26 947	8.0
less Cost of sales	\$m	228 756	232 776	244 365	262 126	17 761	7.3
Trading profit	\$m	89 505	87 543	94 476	103 662	9 186	9.7
plus Interest income	\$m	72 707	62 822	52 370	47 360	-5 010	-9.6
plus Other operating income	\$m	29 426	27 785	28 496	28 381	-115	-0.4
less Labour costs	\$m	65 192	66 966	68 060	70 874	2 814	4.1
less Depreciation	\$m	14 368	15 885	17 111	18 146	1 035	6.0
less Other operating expenses	\$m	9 104	9 268	7 321	7 604	283	3.9
Earnings before interest & tax	\$m	102 974	86 031	82 850	82 779	-71	-0.1
less Interest expenses	\$m	65 834	54 763	42 366	35 954	-6 412	-15.1
Operating profit before tax	\$m	37 140	31 268	40 484	46 825	6 341	15.7
Balance sheet							
Current assets	\$m	..	..	..	..	..	..
Non-current assets	\$m	..	..	..	..	..	..
Total assets	\$m	1 203 972	1 226 755	1 291 716	1 296 386	4 670	0.4
Current liabilities	\$m	..	..	..	..	..	..
Non-current liabilities	\$m	..	..	..	..	..	..
Total liabilities	\$m	837 227	842 856	875 502	874 225	-1 277	-0.1
Net worth	\$m	366 745	383 899	416 214	422 161	5 947	1.4
Economic values							
Capital expenditure	\$m	32 792	29 692	29 137	31 699	2 562	8.8
Gross operating surplus	\$m	31 729	28 001	34 132	41 426	7 294	21.4
Industry gross product	\$m	96 921	94 967	102 192	112 300	10 108	9.9
Business averages							
Average employment	No.	912.3	879.4	837.8	847.2	9.4	1.1
Average sales	\$'000	138 918	139 512	142 790	150 654	7 864	5.5
Average income	\$'000	183 498	178 975	176 868	181 849	4 981	2.8
Average expenses	\$'000	167 287	165 356	159 807	162 563	2 756	1.7
Average profit	\$'000	16 211	13 618	17 060	19 285	2 225	13.0
Average assets	\$'000	525 522	534 301	544 339	533 932	-10 407	-1.9
Average net worth	\$'000	160 081	167 203	175 396	173 872	-1 524	-0.9
Average gross product	\$'000	42 305	41 362	43 064	46 252	3 188	7.4
Industry ratios							
Profit margin	%	8.8	7.6	9.6	10.6	1.0	10.4
Return on assets	%	3.1	2.5	3.1	3.6	0.5	16.1
Return on net worth	%	10.1	8.1	9.7	11.1	1.4	14.4
Long term debt to equity	times	..	..	..	..	..	..
Current ratio	times	..	..	..	..	..	..
Interest coverage	times	1.6	1.6	2.0	2.3	0.3	15.0
Investment rate	%	33.8	31.3	28.5	28.2	-0.3	-1.1

TABLE 8 SUMMARY OF INDUSTRY PERFORMANCE

ALL INDUSTRIES

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	544 942	547 249	578 596	585 487	6 891	1.2
Employment	'000	3 118	3 232	3 254	3 244	-10	-0.3
Income statement							
Sales of goods and services	\$m	373 086	390 185	388 061	395 878	7 817	2.0
less Cost of sales	\$m	278 046	291 563	286 546	291 894	5 348	1.9
Trading profit	\$m	95 040	98 622	101 515	103 984	2 469	2.4
plus Interest income	\$m	7 511	5 414	4 399	3 868	-531	-12.1
plus Other operating income	\$m	10 091	9 529	11 882	12 774	892	7.5
less Labour costs	\$m	65 910	69 665	68 505	70 006	1 501	2.2
less Depreciation	\$m	7 940	7 917	8 034	9 231	1 197	14.9
less Other operating expenses	\$m	4 559	4 218	4 015	3 856	-159	-4.0
Earnings before interest & tax	\$m	34 233	31 765	37 242	37 533	291	0.8
less Interest expenses	\$m	15 192	12 992	10 370	7 943	-2 427	-23.4
Operating profit before tax	\$m	19 041	18 773	26 872	29 590	2 718	10.1
Balance sheet							
Current assets	\$m	..	..	..	..	..	..
Non-current assets	\$m	..	..	..	..	..	..
Total assets	\$m	372 743	380 831	385 360	383 130	-2 230	-0.6
Current liabilities	\$m	..	..	..	..	..	..
Non-current liabilities	\$m	..	..	..	..	..	..
Total liabilities	\$m	199 451	195 068	190 487	185 934	-4 553	-2.4
Net worth	\$m	173 292	185 763	194 873	197 196	2 323	1.2
Economic values							
Capital expenditure	\$m	22 774	16 317	16 150	19 090	2 940	18.2
Gross operating surplus	\$m	33 402	32 990	36 836	38 514	1 678	4.6
Industry gross product	\$m	99 312	102 655	105 341	108 520	3 179	3.0
Business averages							
Average employment	No.	5.7	5.9	5.6	5.5	-0.1	-1.8
Average sales	\$'000	685	713	671	676	5	0.7
Average income	\$'000	717	740	699	705	6	0.9
Average expenses	\$'000	682	706	652	654	2	0.3
Average profit	\$'000	35	34	46	51	5	10.9
Average assets	\$'000	684	696	666	654	-12	-1.8
Average net worth	\$'000	318	339	337	337	0	0.0
Average gross product	\$'000	182	188	182	185	3	1.8
Industry ratios							
Profit margin	%	4.9	4.6	6.6	7.2	0.6	9.1
Return on assets	%	5.1	4.9	7.0	7.7	0.7	10.0
Return on net worth	%	11.0	10.1	13.8	15.0	1.2	8.7
Long term debt to equity	times	..	..	..	..	..	..
Current ratio	times	..	..	..	..	..	..
Interest coverage	times	2.3	2.4	3.6	4.7	1.1	30.6
Investment rate	%	22.9	15.9	15.3	17.6	2.3	15.0

ANZSIC DIVISION A: AGRICULTURE, FORESTRY AND FISHING

Overview

In 1993-94, this division accounted for 4.6 per cent of business economic activity, in *industry gross product* terms.

TABLE 9 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Agriculture, Forestry and Fishing</i>	<i>Goods- producing industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	3.0	7.8	9.0
Average income	\$000	219	1 459	1 453
Average expenses	\$000	178	1 319	1 323
Average profit	\$000	41	140	130
Average assets	\$000	1 052	2 101	2 857
Average net worth	\$000	894	1 184	1 053
Average gross product	\$000	89	502	376
INDUSTRY RATIOS				
Profit margin	%	18.7	9.6	8.9
Return on assets	%	3.9	6.7	4.5
Return on net worth	%	4.6	11.8	12.3
Interest coverage	times	4.4	4.4	2.7
Investment rate	%	38.0	23.8	23.0

This division has consistently had the lowest proportion of large businesses. In 1993-94, there were 27 businesses which employed 200 or more persons, of a total 113,874 businesses in this industry. (Separate details are not available for large businesses in this industry. All data for this division have therefore been classified as small and medium businesses at the All industries level, so as to avoid disclosing details.)

This division is comprised of the following subdivisions:

- 01 Agriculture
- 02 Services to Agriculture: Hunting and Trapping
- 03 Forestry and Logging
- 04 Commercial Fishing

In 1993-94, subdivision 01, Agriculture, accounted for over 95 per cent of the economic activity of this division, in *industry gross product* terms. Separate details for this subdivision are available on request.

TABLE 10 SUMMARY OF INDUSTRY PERFORMANCE

AGRICULTURE, FORESTRY AND FISHING

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	117 614	116 174	115 745	113 874	-1 871	-1.6
Employment	'000	330	328	347	347	0	0.0
Income statement							
Sales of goods and services	\$m	20 863	21 055	21 805	23 884	2 079	9.5
less Cost of sales	\$m	14 435	13 412	13 569	14 271	702	5.2
Trading profit	\$m	6 428	7 643	8 236	9 613	1 377	16.7
plus Interest income	\$m	536	363	295	239	-56	-19.0
plus Other operating income	\$m	874	665	825	775	-50	-6.1
less Labour costs	\$m	2 476	2 592	2 549	2 714	165	6.5
less Depreciation	\$m	1 429	1 353	1 277	1 532	255	20.0
less Other operating expenses	\$m	297	329	329	349	20	6.1
Earnings before interest & tax	\$m	3 636	4 397	5 201	6 032	831	16.0
less Interest expenses	\$m	2 233	2 022	1 584	1 372	-212	-13.4
Operating profit before tax	\$m	1 403	2 375	3 617	4 660	1 043	28.8
Balance sheet							
Current assets	\$m	19 283	17 922	17 890	21 353	3 463	19.4
Non-current assets	\$m	92 764	96 082	96 651	98 448	1 797	1.9
Total assets	\$m	112 047	114 004	114 541	119 801	5 260	4.6
Current liabilities	\$m	3 193	3 680	7 784	7 917	133	1.7
Non-current liabilities	\$m	13 182	13 691	9 265	10 060	795	8.6
Total liabilities	\$m	16 375	17 371	17 049	17 977	928	5.4
Net worth	\$m	95 672	96 633	97 492	101 824	4 332	4.4
Economic values							
Capital expenditure	\$m	1 484	2 620	3 182	3 844	662	20.8
Gross operating surplus	\$m	4 219	5 349	6 136	7 403	1 267	20.6
Industry gross product	\$m	6 695	7 941	8 685	10 117	1 432	16.5
Business averages							
Average employment	No.	2.8	2.8	3.0	3.0	0.0	0.0
Average sales	\$'000	177	181	188	210	22	11.7
Average income	\$'000	189	190	198	219	21	10.6
Average expenses	\$'000	177	170	167	178	11	6.6
Average profit	\$'000	12	20	31	41	10	32.3
Average assets	\$'000	953	981	990	1 052	62	6.3
Average net worth	\$'000	813	832	842	894	52	6.2
Average gross product	\$'000	57	68	75	89	14	18.4
Industry ratios							
Profit margin	%	6.3	10.8	15.8	18.7	2.9	18.4
Return on assets	%	1.3	2.1	3.2	3.9	0.7	21.9
Return on net worth	%	1.5	2.5	3.7	4.6	0.9	24.3
Long term debt to equity	times	0.1	0.1	0.1	0.1	0.0	0.0
Current ratio	times	6.0	4.9	2.3	2.7	0.4	17.4
Interest coverage	times	1.6	2.2	3.3	4.4	1.1	33.3
Investment rate	%	22.2	33.0	36.6	38.0	1.4	3.8

ANZSIC DIVISION B : MINING

Overview

In 1993-94, this division accounted for 7.7 per cent of business economic activity, in industry gross product terms.

TABLE 11 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Mining</i>	<i>Goods-producing industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	38.6	7.8	9.0
Average income	\$'000	17 510	1 459	1 453
Average expenses	\$'000	14 667	1 319	1 323
Average profit	\$'000	2 843	140	130
Average assets	\$'000	33 692	2 101	2 857
Average net worth	\$'000	17 002	1 184	1 053
Average gross product	\$'000	8 701	502	376
INDUSTRY RATIOS				
Profit margin	%	16.2	9.6	8.9
Return on assets	%	8.4	6.7	4.5
Return on net worth	%	16.7	11.8	12.3
Interest coverage	times	5.3	4.4	2.7
Investment rate	%	31.5	23.8	23.0

This division is comprised of the following subdivisions:

- 11 Coal Mining
- 12 Oil and Gas Extraction
- 13 Metal Ore Mining
- 14 Other Mining
- 15 Services to Mining.

In 1993-94, subdivisions 11 to 13 accounted for over 95 per cent of the economic activity of this division, in industry gross product terms. Separate details for these subdivisions are available on request.

TABLE 12 SUMMARY OF INDUSTRY PERFORMANCE

MINING

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	1 957	1 817	1 911	1 944	33	1.7
Employment	'000	91	90	81	75	-6	-7.4
Income statement							
Sales of goods and services	\$m	32 198	31 516	31 805	32 770	965	3.0
less Cost of sales	\$m	14 632	15 347	15 227	16 466	1 239	8.1
Trading profit	\$m	17 566	16 169	16 578	16 304	-274	-1.7
plus Interest income	\$m	515	436	345	439	94	27.2
plus Other operating income	\$m	575	277	275	830	555	201.8
less Labour costs	\$m	4 649	4 935	4 677	4 738	61	1.3
less Depreciation	\$m	3 115	3 329	3 390	3 753	363	10.7
less Other operating expenses	\$m	2 735	2 485	2 619	2 282	-337	-12.9
Earnings before interest & tax	\$m	8 157	6 133	6 512	6 800	288	4.4
less Interest expenses	\$m	1 606	1 390	1 149	1 273	124	10.8
Operating profit before tax	\$m	6 551	4 743	5 363	5 527	164	3.1
Balance sheet							
Current assets	\$m	11 404	13 195	12 141	13 814	1 673	13.8
Non-current assets	\$m	46 819	49 341	49 272	51 683	2 411	4.9
Total assets	\$m	58 223	62 536	61 413	65 497	4 084	6.7
Current liabilities	\$m	11 839	12 174	12 353	12 379	26	0.2
Non-current liabilities	\$m	20 193	19 197	21 423	20 066	-1 357	-6.3
Total liabilities	\$m	32 032	31 371	33 776	32 445	-1 331	-3.9
Net worth	\$m	26 191	31 165	27 637	33 052	5 415	19.6
Economic values							
Capital expenditure	\$m	5 341	4 467	5 361	5 334	-27	-0.5
Gross operating surplus	\$m	13 427	11 612	12 022	12 176	154	1.3
Industry gross product	\$m	18 076	16 547	16 699	16 914	215	1.3
Business averages							
Average employment	No.	46.5	49.5	42.4	38.6	-3.8	-9.0
Average sales	\$'000	16 453	17 345	16 643	16 857	214	1.3
Average income	\$'000	17 010	17 737	16 968	17 510	542	3.2
Average expenses	\$'000	13 662	15 127	14 161	14 667	506	3.6
Average profit	\$'000	3 347	2 610	2 806	2 843	37	1.3
Average assets	\$'000	29 751	34 417	32 137	33 692	1 555	4.8
Average net worth	\$'000	13 383	17 152	14 462	17 002	2 540	17.6
Average gross product	\$'000	9 237	9 107	8 738	8 701	-38	-0.4
Industry ratios							
Profit margin	%	19.7	14.7	16.5	16.2	-0.3	-1.8
Return on assets	%	11.3	7.6	8.7	8.4	-0.3	-3.4
Return on net worth	%	25.0	15.2	19.4	16.7	-2.7	-13.9
Long term debt to equity	times	0.8	0.6	0.8	0.6	-0.2	-25.0
Current ratio	times	1.0	1.1	1.0	1.1	0.1	10.0
Interest coverage	times	5.1	4.4	5.7	5.3	-0.4	-7.0
Investment rate	%	29.5	27.0	32.1	31.5	-0.6	-1.9

TABLE 13 SUMMARY OF INDUSTRY PERFORMANCE

MINING

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	112	108	102	99	-3	-2.9
Employment	'000	74	69	63	59	-4	-6.3
Income statement							
Sales of goods and services	\$m	24 792	24 932	25 645	26 302	657	2.6
less Cost of sales	\$m	11 241	11 877	11 597	12 562	965	8.3
Trading profit	\$m	13 551	13 055	14 048	13 740	-308	-2.2
plus Interest income	\$m	459	369	287	368	81	28.2
plus Other operating income	\$m	548	205	95	331	236	248.4
less Labour costs	\$m	3 934	4 059	3 908	3 960	52	1.3
less Depreciation	\$m	2 453	2 706	2 798	2 837	39	1.4
less Other operating expenses	\$m	2 528	2 311	2 366	2 113	-253	-10.7
Earnings before Interest & tax	\$m	5 643	4 553	5 358	5 529	171	3.2
less Interest expenses	\$m	1 413	1 201	945	1 089	144	15.2
Operating profit before tax	\$m	4 230	3 352	4 413	4 440	27	0.6
Balance sheet							
Current assets	\$m	9 627	11 026	9 707	11 173	1 466	15.1
Non-current assets	\$m	42 575	43 105	42 966	43 508	542	1.3
Total assets	\$m	52 202	54 131	52 673	54 681	2 008	3.8
Current liabilities	\$m	9 852	9 838	9 912	9 997	85	0.9
Non-current liabilities	\$m	17 615	16 496	17 321	16 798	-523	-3.0
Total liabilities	\$m	27 467	26 334	27 233	26 795	-438	-1.6
Net worth	\$m	24 735	27 797	25 440	27 886	2 446	9.6
Economic values							
Capital expenditure	\$m	4 320	3 753	4 362	4 066	-296	-6.8
Gross operating surplus	\$m	9 980	9 298	10 228	10 011	-217	-2.1
Industry gross product	\$m	13 914	13 357	14 136	13 971	-165	-1.2
Business averages							
Average employment	No.	660.7	638.9	617.6	596.0	-21.6	-3.5
Average sales	\$'000	221 357	230 852	251 422	265 677	14 255	5.7
Average income	\$'000	230 348	236 167	255 167	272 737	17 570	6.9
Average expenses	\$'000	192 580	205 130	211 902	227 889	15 987	7.5
Average profit	\$'000	37 768	31 037	43 265	44 848	1 583	3.7
Average assets	\$'000	466 089	501 213	516 402	552 333	35 931	7.0
Average net worth	\$'000	220 848	257 380	249 412	281 677	32 265	12.9
Average gross product	\$'000	124 232	123 676	138 588	141 121	2 533	1.8
Industry ratios							
Profit margin	%	16.4	13.1	17.0	16.4	-0.6	-3.5
Return on assets	%	8.1	6.2	8.4	8.1	-0.3	-3.6
Return on net worth	%	17.1	12.1	17.3	15.9	-1.4	-8.1
Long term debt to equity	times	0.7	0.6	0.7	0.6	-0.1	-14.3
Current ratio	times	1.0	1.1	1.0	1.1	0.1	10.0
Interest coverage	times	4.0	3.8	5.7	5.1	-0.6	-10.5
Investment rate	%	31.0	28.1	30.9	29.1	-1.8	-5.8

TABLE 14 SUMMARY OF INDUSTRY PERFORMANCE

MINING

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	1 845	1 708	1 809	1 845	36	2.0
Employment	'000	17	21	18	16	-2	-11.1
Income statement							
Sales of goods and services	\$m	7 406	6 584	6 160	6 468	308	5.0
less Cost of sales	\$m	3 391	3 470	3 630	3 904	274	7.5
Trading profit	\$m	4 015	3 114	2 530	2 564	34	1.3
plus Interest income	\$m	56	67	58	71	13	22.4
plus Other operating income	\$m	27	72	180	499	319	177.2
less Labour costs	\$m	715	876	769	778	9	1.2
less Depreciation	\$m	662	623	592	916	324	54.7
less Other operating expenses	\$m	207	174	253	169	-84	-33.2
Earnings before interest & tax	\$m	2 514	1 580	1 154	1 271	117	10.1
less Interest expenses	\$m	193	189	204	184	-20	-9.8
Operating profit before tax	\$m	2 321	1 391	950	1 087	137	14.4
Balance sheet							
Current assets	\$m	1 777	2 169	2 434	2 641	207	8.5
Non-current assets	\$m	4 244	6 236	6 306	8 175	1 869	29.6
Total assets	\$m	6 021	8 405	8 740	10 816	2 076	23.8
Current liabilities	\$m	1 987	2 336	2 441	2 382	-59	-2.4
Non-current liabilities	\$m	2 578	2 701	4 102	3 268	-834	-20.3
Total liabilities	\$m	4 565	5 037	6 543	5 650	-893	-13.6
Net worth	\$m	1 456	3 368	2 197	5 166	2 969	135.1
Economic values							
Capital expenditure	\$m	1 021	714	999	1 268	269	26.9
Gross operating surplus	\$m	3 447	2 314	1 794	2 165	371	20.7
Industry gross product	\$m	4 162	3 190	2 563	2 943	380	14.8
Business averages							
Average employment	No.	9.2	12.3	10.0	8.7	-1.3	-13.0
Average sales	\$'000	4 014	3 855	3 405	3 506	101	3.0
Average income	\$'000	4 059	3 936	3 537	3 815	278	7.9
Average expenses	\$'000	2 801	3 122	3 012	3 225	213	7.1
Average profit	\$'000	1 258	814	525	589	64	12.2
Average assets	\$'000	3 263	4 921	4 831	5 862	1 031	21.3
Average net worth	\$'000	789	1 972	1 214	2 800	1 586	130.6
Average gross product	\$'000	2 256	1 868	1 417	1 595	178	12.6
Industry ratios							
Profit margin	%	31.0	20.7	14.8	15.4	0.6	4.1
Return on assets	%	38.5	16.5	10.9	10.0	-0.9	-8.3
Return on net worth	%	159.4	41.3	43.2	21.0	-22.2	-51.4
Long term debt to equity	times	1.8	0.8	1.9	0.6	-1.3	-68.4
Current ratio	times	0.9	0.9	1.0	1.1	0.1	10.0
Interest coverage	times	13.0	8.4	5.7	6.9	1.2	21.1
Investment rate	%	24.5	22.4	39.0	43.1	4.1	10.5

ANZSIC DIVISION C: MANUFACTURING

Overview

In 1993-94, this division accounted for 24.9 per cent of business economic activity, in *industry gross product* terms.

TABLE 15 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Manufacturing</i>	<i>Goods-producing industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	24.3	7.8	9.0
Average income	\$'000	4 733	1 459	1 453
Average expenses	\$'000	4 363	1 319	1 323
Average profit	\$'000	370	140	130
Average assets	\$'000	3 893	2 101	2 857
Average net worth	\$'000	1 628	1 184	1 053
Average gross product	\$'000	1 455	502	376
INDUSTRY RATIOS				
Profit margin	%	7.8	9.6	8.9
Return on assets	%	9.5	6.7	4.5
Return on net worth	%	22.7	11.8	12.3
Interest coverage	times	7.0	4.4	2.7
Investment rate	%	20.2	23.8	23.0

This division is comprised of the following subdivisions:

- 21 Food, Beverage and Tobacco Manufacturing
- 22 Textile, Clothing, Footwear and Leather Manufacturing
- 23 Wood and Paper Product Manufacturing
- 24 Printing, Publishing and Recorded Media
- 25 Petroleum, Coal, Chemical and Associated Product Manufacturing
- 26 Non-metallic Mineral Product Manufacturing
- 27 Metal Product Manufacturing
- 28 Machinery and Equipment Manufacturing
- 29 Other Manufacturing

Separate details for all these subdivisions are available on request.

TABLE 16 SUMMARY OF INDUSTRY PERFORMANCE

MANUFACTURING

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	43 200	41 735	39 755	37 861	-1 894	-4.8
Employment	'000	1 007	953	916	920	4	0.4
Income statement							
Sales of goods and services	\$m	166 082	166 081	167 331	176 669	9 338	5.6
less Cost of sales	\$m	115 789	118 206	116 580	122 786	6 206	5.3
Trading profit	\$m	50 293	47 875	50 751	53 883	3 132	6.2
plus Interest income	\$m	1 120	1 045	626	563	-63	-10.1
plus Other operating income	\$m	1 761	2 019	1 872	1 961	89	4.8
less Labour costs	\$m	31 109	31 193	31 032	32 133	1 101	3.5
less Depreciation	\$m	4 419	4 702	4 730	5 264	534	11.3
less Other operating expenses	\$m	2 051	2 181	1 779	2 647	868	48.8
Earnings before interest & tax	\$m	15 595	12 863	15 708	16 363	655	4.2
less Interest expenses	\$m	4 980	4 067	2 762	2 349	-413	-15.0
Operating profit before tax	\$m	10 615	8 796	12 946	14 014	1 068	8.2
Balance sheet							
Current assets	\$m	60 984	57 646	59 570	59 376	-194	-0.3
Non-current assets	\$m	76 170	78 599	82 988	88 031	5 043	6.1
Total assets	\$m	137 154	136 245	142 558	147 407	4 849	3.4
Current liabilities	\$m	53 451	49 744	49 839	51 831	1 992	4.0
Non-current liabilities	\$m	30 892	28 196	31 841	33 937	2 096	6.6
Total liabilities	\$m	84 343	77 940	81 680	85 768	4 088	5.0
Net worth	\$m	52 811	58 305	60 878	61 639	761	1.3
Economic values							
Capital expenditure	\$m	9 706	10 455	8 371	11 118	2 747	32.8
Gross operating surplus	\$m	20 235	17 834	20 837	22 945	2 108	10.1
Industry gross product	\$m	51 344	49 027	51 869	55 078	3 209	6.2
Business averages							
Average employment	No.	23.3	22.8	23.0	24.3	1.3	5.7
Average sales	\$'000	3 844	3 979	4 209	4 666	457	10.9
Average income	\$'000	3 911	4 053	4 272	4 733	461	10.8
Average expenses	\$'000	3 665	3 842	3 946	4 363	417	10.6
Average profit	\$'000	246	211	326	370	44	13.5
Average assets	\$'000	3 175	3 265	3 586	3 893	307	8.6
Average net worth	\$'000	1 222	1 397	1 531	1 628	97	6.3
Average gross product	\$'000	1 189	1 175	1 305	1 455	150	11.5
Industry ratios							
Profit margin	%	6.3	5.2	7.6	7.8	0.2	2.6
Return on assets	%	7.7	6.5	9.1	9.5	0.4	4.4
Return on net worth	%	20.1	15.1	21.3	22.7	1.4	6.6
Long term debt to equity	times	0.6	0.5	0.5	0.6	0.1	20.0
Current ratio	times	1.1	1.2	1.2	1.1	-0.1	-8.3
Interest coverage	times	3.1	3.2	5.7	7.0	1.3	22.8
Investment rate	%	18.9	21.3	16.1	20.2	4.1	25.5

TABLE 17 SUMMARY OF INDUSTRY PERFORMANCE

MANUFACTURING

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	707	701	686	686	0	0.0
Employment	'000	519	484	476	484	8	1.7
Income statement							
Sales of goods and services	\$m	104 639	104 702	108 653	117 523	8 870	8.2
less Cost of sales	\$m	74 534	76 063	78 102	83 489	5 387	6.9
Trading profit	\$m	30 105	28 639	30 551	34 034	3 483	11.4
plus Interest income	\$m	721	738	453	387	-66	-14.6
plus Other operating income	\$m	1 297	1 633	1 352	1 486	134	9.9
less Labour costs	\$m	18 060	18 139	18 545	19 268	723	3.9
less Depreciation	\$m	3 096	3 342	3 463	3 879	416	12.0
less Other operating expenses	\$m	1 118	1 099	1 122	2 009	887	79.1
Earnings before interest & tax	\$m	9 849	8 430	9 226	10 751	1 525	16.5
less Interest expenses	\$m	3 216	2 705	1 801	1 560	-241	-13.4
Operating profit before tax	\$m	6 633	5 725	7 425	9 191	1 766	23.8
Balance sheet							
Current assets	\$m	39 724	36 646	39 589	41 409	1 820	4.6
Non-current assets	\$m	58 675	61 536	66 040	70 504	4 464	6.8
Total assets	\$m	98 399	98 182	105 629	111 913	6 284	5.9
Current liabilities	\$m	36 076	33 024	35 262	37 530	2 268	6.4
Non-current liabilities	\$m	21 551	20 000	23 692	24 500	808	3.4
Total liabilities	\$m	57 627	53 024	58 954	62 030	3 076	5.2
Net worth	\$m	40 772	45 158	46 675	49 883	3 208	6.9
Economic values							
Capital expenditure	\$m	6 885	7 321	5 148	8 839	3 691	71.7
Gross operating surplus	\$m	12 637	11 426	12 791	15 655	2 864	22.4
Industry gross product	\$m	30 697	29 565	31 336	34 923	3 587	11.4
Business averages							
Average employment	No.	734.1	690.4	693.9	705.5	11.6	1.7
Average sales	'000	148 004	149 361	158 386	171 316	12 930	8.2
Average income	'000	150 859	152 743	161 017	174 047	13 030	8.1
Average expenses	'000	141 477	144 576	150 194	160 649	10 455	7.0
Average profit	'000	9 382	8 167	10 824	13 398	2 574	23.8
Average assets	'000	139 178	140 060	153 978	163 138	9 160	5.9
Average net worth	'000	57 669	64 419	68 039	72 716	4 677	6.9
Average gross product	'000	43 419	42 175	45 679	50 908	5 229	11.4
Industry ratios							
Profit margin	%	6.2	5.3	6.7	7.7	1.0	14.9
Return on assets	%	6.7	5.8	7.0	8.2	1.2	17.1
Return on net worth	%	16.3	12.7	15.9	18.4	2.5	15.7
Long term debt to equity	times	0.5	0.4	0.5	0.5	0.0	0.0
Current ratio	times	1.1	1.1	1.1	1.1	0.0	0.0
Interest coverage	times	3.1	3.1	5.1	6.9	1.8	35.3
Investment rate	%	22.4	24.8	16.4	25.3	8.9	54.3

TABLE 18 SUMMARY OF INDUSTRY PERFORMANCE

MANUFACTURING

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	42 493	41 035	39 069	37 175	-1 894	-4.8
Employment	'000	488	469	440	436	-4	-0.9
Income statement							
Sales of goods and services	\$m	61 443	61 379	58 678	59 146	468	0.8
less Cost of sales	\$m	41 255	42 143	38 478	39 297	819	2.1
Trading profit	\$m	20 188	19 236	20 200	19 849	-351	-1.7
plus Interest income	\$m	399	307	173	176	3	1.7
plus Other operating income	\$m	464	386	520	475	-45	-8.7
less Labour costs	\$m	13 049	13 054	12 487	12 865	378	3.0
less Depreciation	\$m	1 323	1 360	1 267	1 385	118	9.3
less Other operating expenses	\$m	933	1 082	657	638	-19	-2.9
Earnings before interest & tax	\$m	5 746	4 433	6 482	5 612	-870	-13.4
less Interest expenses	\$m	1 764	1 362	961	789	-172	-17.9
Operating profit before tax	\$m	3 982	3 071	5 521	4 823	-698	-12.6
Balance sheet							
Current assets	\$m	21 260	21 000	19 981	17 967	-2 014	-10.1
Non-current assets	\$m	17 495	17 063	16 948	17 527	579	3.4
Total assets	\$m	38 755	38 063	36 929	35 494	-1 435	-3.9
Current liabilities	\$m	17 375	16 720	14 577	14 301	-276	-1.9
Non-current liabilities	\$m	9 341	8 196	8 149	9 437	1 288	15.8
Total liabilities	\$m	26 716	24 916	22 726	23 738	1 012	4.5
Net worth	\$m	12 039	13 147	14 203	11 756	-2 447	-17.2
Economic values							
Capital expenditure	\$m	2 821	3 134	3 223	2 279	-944	-29.3
Gross operating surplus	\$m	7 598	6 408	8 046	7 290	-756	-9.4
Industry gross product	\$m	20 647	19 462	20 533	20 155	-378	-1.8
Business averages							
Average employment	No.	11.5	11.4	11.3	11.7	0.4	3.5
Average sales	\$'000	1 446	1 496	1 502	1 591	89	5.9
Average income	\$'000	1 466	1 513	1 520	1 609	89	5.9
Average expenses	\$'000	1 373	1 438	1 378	1 479	101	7.3
Average profit	\$'000	94	75	141	130	-11	-7.8
Average assets	\$'000	912	928	945	955	10	1.1
Average net worth	\$'000	283	320	364	316	-48	-13.2
Average gross product	\$'000	486	474	526	542	17	3.2
Industry ratios							
Profit margin	%	6.4	4.9	9.3	8.1	-1.2	-12.9
Return on assets	%	10.3	8.1	15.0	13.6	-1.4	-9.3
Return on net worth	%	33.1	23.4	38.9	41.0	2.1	5.4
Long term debt to equity	times	0.8	0.6	0.6	0.8	0.2	33.3
Current ratio	times	1.2	1.3	1.4	1.3	-0.1	-7.1
Interest coverage	times	3.3	3.3	6.7	7.1	0.4	6.0
Investment rate	%	13.7	16.1	15.7	11.3	-4.4	-28.0

ANZSIC DIVISION D: ELECTRICITY, GAS AND WATER SUPPLY

Overview

In 1993-94, this division accounted for 6.6 per cent of business economic activity, in *industry gross product* terms.

TABLE 19 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Electricity, Gas and Water Supply</i>	<i>Goods- producing industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	129.8	7.8	9.0
Average income	\$'000	44 963	1 459	1 453
Average expenses	\$'000	39 184	1 319	1 323
Average profit	\$'000	5 779	140	130
Average assets	\$'000	151 963	2 101	2 857
Average net worth	\$'000	85 162	1 184	1 053
Average gross product	\$'000	23 192	502	376
INDUSTRY RATIOS				
Profit margin	%	12.9	9.6	8.9
Return on assets	%	3.8	6.7	4.5
Return on net worth	%	6.8	11.8	12.3
Interest coverage	times	2.1	4.4	2.7
Investment rate	%	25.6	23.8	23.0

This division is comprised of the following subdivisions:

36 Electricity and Gas Supply

37 Water Supply, Sewerage and Drainage

Separate details for both these subdivisions are available on request.

TABLE 20 SUMMARY OF INDUSTRY PERFORMANCE

ELECTRICITY, GAS AND WATER SUPPLY

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	679	667	635	624	-11	-1.7
Employment	'000	110	99	91	81	-10	-11.0
Income statement							
Sales of goods and services	\$m	22 866	23 838	24 732	27 155	2 423	9.8
less Cost of sales	\$m	11 615	11 657	12 189	14 214	2 025	16.6
Trading profit	\$m	11 251	12 181	12 543	12 941	398	3.2
plus Interest income	\$m	575	474	319	176	-143	-44.8
plus Other operating income	\$m	870	695	896	726	-170	-19.0
less Labour costs	\$m	4 098	3 992	3 999	3 785	-214	-5.4
less Depreciation	\$m	2 146	2 643	3 174	3 042	-132	-4.2
less Other operating expenses	\$m	129	137	147	197	50	34.0
Earnings before interest & tax	\$m	6 323	6 578	6 438	6 819	381	5.9
less Interest expenses	\$m	4 522	4 265	3 853	3 213	-640	-16.6
Operating profit before tax	\$m	1 801	2 313	2 585	3 606	1 021	39.5
Balance sheet							
Current assets	\$m	6 431	6 631	6 510	6 751	241	3.7
Non-current assets	\$m	76 844	79 503	85 181	88 074	2 893	3.4
Total assets	\$m	83 275	86 134	91 691	94 825	3 134	3.4
Current liabilities	\$m	7 636	8 658	9 208	10 236	1 028	11.2
Non-current liabilities	\$m	35 606	33 882	33 090	31 448	-1 642	-5.0
Total liabilities	\$m	43 242	42 540	42 298	41 684	-614	-1.5
Net worth	\$m	40 033	43 594	49 393	53 141	3 748	7.6
Economic values							
Capital expenditure	\$m	4 966	4 953	5 083	3 700	-1 383	-27.2
Gross operating surplus	\$m	8 802	9 964	10 349	10 687	338	3.3
Industry gross product	\$m	12 900	13 956	14 348	14 472	124	0.9
Business averages							
Average employment	No.	162.0	148.4	143.3	129.8	-13.5	-9.4
Average sales	\$'000	33 676	35 739	38 948	43 518	4 570	11.7
Average income	\$'000	35 804	37 492	40 861	44 963	4 102	10.0
Average expenses	\$'000	33 152	34 024	36 791	39 184	2 393	6.5
Average profit	\$'000	2 652	3 468	4 071	5 779	1 708	42.0
Average assets	\$'000	122 644	129 136	144 395	151 963	7 568	5.2
Average net worth	\$'000	58 959	65 358	77 784	85 162	7 378	9.5
Average gross product	\$'000	18 999	20 924	22 595	23 192	597	2.6
Industry ratios							
Profit margin	%	7.4	9.2	10.0	12.9	2.9	29.0
Return on assets	%	2.2	2.7	2.8	3.8	1.0	35.7
Return on net worth	%	4.5	5.3	5.2	6.8	1.6	30.8
Long term debt to equity	times	0.9	0.8	0.7	0.6	-0.1	-14.3
Current ratio	times	0.8	0.8	0.7	0.7	0.0	0.0
Interest coverage	times	1.4	1.5	1.7	2.1	0.4	23.5
Investment rate	%	38.5	35.5	35.4	25.6	-9.8	-27.7

TABLE 21 SUMMARY OF INDUSTRY PERFORMANCE

ELECTRICITY, GAS AND WATER SUPPLY

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	46	46	46	46	0	0.0
Employment	'000	97	90	82	70	-12	-14.6
Income statement							
Sales of goods and services	\$m	20 871	21 523	22 511	24 641	2 130	9.5
less Cost of sales	\$m	10 255	10 197	10 771	12 663	1 892	17.6
Trading profit	\$m	10 616	11 326	11 740	11 978	238	2.0
plus Interest income	\$m	514	416	277	152	-125	-45.1
plus Other operating income	\$m	528	595	763	630	-133	-17.4
less Labour costs	\$m	3 803	3 705	3 720	3 524	-196	-5.3
less Depreciation	\$m	1 949	2 460	2 962	2 853	-109	-3.7
less Other operating expenses	\$m	122	128	135	184	49	36.3
Earnings before interest & tax	\$m	5 784	6 044	5 963	6 199	236	4.0
less Interest expenses	\$m	4 189	4 000	3 662	3 042	-620	-16.9
Operating profit before tax	\$m	1 595	2 044	2 301	3 157	856	37.2
Balance sheet							
Current assets	\$m	5 747	5 901	5 704	5 894	190	3.3
Non-current assets	\$m	72 247	75 175	81 039	82 362	1 323	1.6
Total assets	\$m	77 994	81 076	86 743	88 256	1 513	1.7
Current liabilities	\$m	7 127	8 156	8 813	9 875	1 062	12.1
Non-current liabilities	\$m	33 039	32 002	31 479	29 359	-2 120	-6.7
Total liabilities	\$m	40 166	40 158	40 292	39 234	-1 058	-2.6
Net worth	\$m	37 828	40 918	46 451	49 022	2 571	5.5
Economic values							
Capital expenditure	\$m	4 514	4 199	4 768	3 367	-1 401	-29.4
Gross operating surplus	\$m	8 154	9 245	9 640	9 837	197	2.0
Industry gross product	\$m	11 957	12 950	13 360	13 361	1	0.0
Business averages							
Average employment	No.	2 108.7	1 956.5	1 782.6	1 521.7	-260.9	-14.6
Average sales	\$'000	453 717	467 891	489 370	535 674	46 304	9.5
Average income	\$'000	476 370	489 870	511 978	552 674	40 696	7.9
Average expenses	\$'000	441 696	445 435	461 957	484 043	22 086	4.8
Average profit	\$'000	34 674	44 435	50 022	68 630	18 608	37.2
Average assets	\$'000	1 695 522	1 762 522	1 885 717	1 918 609	32 892	1.7
Average net worth	\$'000	822 348	889 522	1 009 804	1 065 696	55 892	5.5
Average gross product	\$'000	259 935	281 522	290 435	290 457	22	0.0
Industry ratios							
Profit margin	%	7.3	9.1	9.8	12.4	2.6	26.5
Return on assets	%	2.0	2.5	2.7	3.6	0.9	33.3
Return on net worth	%	4.2	5.0	5.0	6.4	1.4	28.0
Long term debt to equity	times	0.9	0.8	0.7	0.6	-0.1	-14.3
Current ratio	times	0.8	0.7	0.6	0.6	0.0	0.0
Interest coverage	times	1.4	1.5	1.6	2.0	0.4	25.0
Investment rate	%	37.8	32.4	35.7	25.2	-10.5	-29.4

TABLE 22 SUMMARY OF INDUSTRY PERFORMANCE

ELECTRICITY, GAS AND WATER SUPPLY

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	634	621	589	579	-10	-1.7
Employment	'000	13	9	9	11	2	22.2
Income statement							
Sales of goods and services	\$m	1 995	2 315	2 221	2 514	293	13.2
less Cost of sales	\$m	1 360	1 460	1 418	1 551	133	9.4
Trading profit	\$m	635	855	803	963	160	19.9
plus Interest income	\$m	61	58	42	24	-18	-42.9
plus Other operating income	\$m	342	100	133	96	-37	-27.8
less Labour costs	\$m	295	287	279	261	-18	-6.5
less Depreciation	\$m	197	183	212	189	-23	-10.8
less Other operating expenses	\$m	7	9	12	13	1	8.3
Earnings before interest & tax	\$m	539	534	475	620	145	30.5
less Interest expenses	\$m	333	265	191	171	-20	-10.5
Operating profit before tax	\$m	206	269	284	449	165	58.1
Balance sheet							
Current assets	\$m	684	730	806	857	51	6.3
Non-current assets	\$m	4 597	4 328	4 142	5 712	1 570	37.9
Total assets	\$m	5 281	5 058	4 948	6 569	1 621	32.8
Current liabilities	\$m	509	502	395	361	-34	-8.6
Non-current liabilities	\$m	2 567	1 880	1 611	2 089	478	29.7
Total liabilities	\$m	3 076	2 382	2 006	2 450	444	22.1
Net worth	\$m	2 205	2 676	2 942	4 119	1 177	40.0
Economic values							
Capital expenditure	\$m	452	754	315	333	18	5.7
Gross operating surplus	\$m	648	719	709	850	141	19.9
Industry gross product	\$m	943	1 006	988	1 111	123	12.4
Business averages							
Average employment	No.	20.5	14.5	15.3	19.0	3.7	24.2
Average sales	\$'000	3 147	3 728	3 771	4 342	571	15.1
Average income	\$'000	3 782	3 982	4 068	4 549	481	11.8
Average expenses	\$'000	3 457	3 549	3 586	3 774	188	5.2
Average profit	\$'000	325	433	482	775	293	60.8
Average assets	\$'000	8 330	8 145	8 401	11 345	2 944	35.0
Average net worth	\$'000	3 478	4 309	4 995	7 114	2 119	42.4
Average gross product	\$'000	1 487	1 620	1 677	1 919	241	14.4
Industry ratios							
Profit margin	%	8.6	10.9	11.9	17.0	5.1	42.9
Return on assets	%	3.9	5.3	5.7	6.8	1.1	19.3
Return on net worth	%	9.3	10.1	9.7	10.9	1.2	12.4
Long term debt to equity	times	1.2	0.7	0.5	0.5	0.0	0.0
Current ratio	times	1.3	1.5	2.0	2.4	0.4	20.0
Interest coverage	times	1.6	2.0	2.5	3.6	1.1	44.0
Investment rate	%	47.9	75.0	31.9	30.0	-1.9	-6.0

ANZSIC DIVISION E: CONSTRUCTION

Overview

In 1993-94, this division accounted for 5.1 per cent of business economic activity, in *industry gross product* terms.

TABLE 23 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Construction</i>	<i>Goods-producing industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	4.3	7.8	9.0
Average income	\$'000	780	1 459	1 453
Average expenses	\$'000	742	1 319	1 323
Average profit	\$'000	38	140	130
Average assets	\$'000	394	2 101	2 857
Average net worth	\$'000	78	1 184	1 053
Average gross product	\$'000	187	502	376
INDUSTRY RATIOS				
Profit margin	%	4.9	9.6	8.9
Return on assets	%	9.7	6.7	4.5
Return on net worth	%	48.7	11.8	12.3
Interest coverage	times	5.0	4.4	2.7
Investment rate	%	14.7	23.8	23.0

A significant proportion of businesses classified to this industry are non-employers and therefore have not been included in these statistics. Based on income tax data available from the ATO, it is estimated that non-employing businesses were responsible for 41 per cent of this industry's gross product in 1993-94.

This division is comprised of the following subdivisions:

- 41 General Construction
- 42 Construction Trade Services

Separate details for both these subdivisions are available on request.

TABLE 24 SUMMARY OF INDUSTRY PERFORMANCE

CONSTRUCTION

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	48 441	50 063	57 042	60 480	3 438	6.0
Employment	'000	258	242	251	262	11	4.4
Income statement							
Sales of goods and services	\$m	38 365	37 086	43 206	46 095	2 889	6.7
less Cost of sales	\$m	28 925	28 101	33 856	35 498	1 642	4.8
Trading profit	\$m	9 440	8 985	9 350	10 597	1 247	13.3
plus Interest income	\$m	220	273	321	153	-168	-52.3
plus Other operating income	\$m	885	816	1 067	910	-157	-14.7
less Labour costs	\$m	7 283	7 190	6 851	7 679	828	12.1
less Depreciation	\$m	546	594	581	787	206	35.5
less Other operating expenses	\$m	301	315	384	319	-65	-16.9
Earnings before interest & tax	\$m	2 415	1 975	2 922	2 875	-47	-1.6
less Interest expenses	\$m	717	647	833	572	-261	-31.3
Operating profit before tax	\$m	1 698	1 328	2 089	2 303	214	10.2
Balance sheet							
Current assets	\$m	10 224	10 755	12 149	12 565	416	3.4
Non-current assets	\$m	7 820	8 844	11 848	11 260	-588	-5.0
Total assets	\$m	18 044	19 599	23 997	23 825	-172	-0.7
Current liabilities	\$m	9 107	9 304	10 390	12 834	2 444	23.5
Non-current liabilities	\$m	4 282	5 516	9 148	6 261	-2 887	-31.6
Total liabilities	\$m	13 389	14 820	19 538	19 095	-443	-2.3
Net worth	\$m	4 655	4 779	4 459	4 730	271	6.1
Economic values							
Capital expenditure	\$m	2 066	1 316	1 554	1 663	109	7.0
Gross operating surplus	\$m	3 223	2 619	3 396	3 646	250	7.4
Industry gross product	\$m	10 506	9 809	10 247	11 325	1 078	10.5
Business averages							
Average employment	No.	5.3	4.8	4.4	4.3	-0.1	-2.3
Average sales	\$'000	792	741	757	762	5	0.7
Average income	\$'000	815	763	782	780	-2	-0.3
Average expenses	\$'000	780	736	745	742	-3	-0.4
Average profit	\$'000	35	27	37	38	1	2.7
Average assets	\$'000	372	391	421	394	-27	-6.4
Average net worth	\$'000	96	95	78	78	0	0.0
Average gross product	\$'000	217	196	180	187	8	4.2
Industry ratios							
Profit margin	%	4.3	3.5	4.7	4.9	0.2	4.3
Return on assets	%	9.4	6.8	8.7	9.7	1.0	11.5
Return on net worth	%	36.5	27.8	46.8	48.7	1.9	4.1
Long term debt to equity	times	0.9	1.2	2.1	1.3	-0.8	-38.1
Current ratio	times	1.1	1.2	1.2	1.0	-0.2	-16.7
Interest coverage	times	3.4	3.1	3.5	5.0	1.5	42.9
Investment rate	%	19.7	13.4	15.2	14.7	-0.5	-3.3

TABLE 25 SUMMARY OF INDUSTRY PERFORMANCE

CONSTRUCTION

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	64	62	64	66	2	3.1
Employment	'000	50	42	42	42	0	0.0
Income statement							
Sales of goods and services	\$m	10 895	9 533	9 752	11 506	1 754	18.0
less Cost of sales	\$m	8 661	7 809	8 131	9 206	1 075	13.2
Trading profit	\$m	2 234	1 724	1 621	2 300	679	41.9
plus Interest income	\$m	60	79	56	41	-15	-26.8
plus Other operating income	\$m	686	650	809	660	-149	-18.4
less Labour costs	\$m	2 009	1 925	1 894	1 931	37	2.0
less Depreciation	\$m	171	190	207	263	56	27.1
less Other operating expenses	\$m	50	45	39	58	19	48.7
Earnings before interest & tax	\$m	750	293	346	749	403	116.5
less Interest expenses	\$m	123	111	121	148	27	22.3
Operating profit before tax	\$m	627	182	225	601	376	167.1
Balance sheet							
Current assets	\$m	3 302	2 888	3 140	3 133	-7	-0.2
Non-current assets	\$m	2 953	2 977	3 994	4 125	131	3.3
Total assets	\$m	6 255	5 865	7 134	7 258	124	1.7
Current liabilities	\$m	2 668	2 511	2 691	2 972	281	10.4
Non-current liabilities	\$m	1 787	1 850	2 944	2 563	-381	-12.9
Total liabilities	\$m	4 455	4 361	5 635	5 535	-100	-1.8
Net worth	\$m	1 800	1 504	1 499	1 723	224	14.9
Economic values							
Capital expenditure	\$m	325	385	349	583	234	67.0
Gross operating surplus	\$m	892	379	478	974	496	103.8
Industry gross product	\$m	2 901	2 304	2 372	2 905	533	22.5
Business averages							
Average employment	No.	781.3	677.4	656.3	636.4	-19.9	-3.0
Average sales	\$'000	170 234	153 758	152 375	174 333	21 958	14.4
Average income	\$'000	181 891	165 516	165 891	184 955	19 064	11.5
Average expenses	\$'000	172 094	162 581	162 375	175 848	13 473	8.3
Average profit	\$'000	9 797	2 935	3 516	9 106	5 590	159.0
Average assets	\$'000	97 734	94 597	111 469	109 970	-1 499	-1.3
Average net worth	\$'000	28 125	24 258	23 422	26 106	2 684	11.5
Average gross product	\$'000	45 328	37 161	37 063	44 015	6 953	18.8
Industry ratios							
Profit margin	%	5.4	1.8	2.1	4.9	2.8	133.3
Return on assets	%	10.0	3.1	3.2	8.3	5.1	159.4
Return on net worth	%	34.8	12.1	15.0	34.9	19.9	132.7
Long term debt to equity	times	1.0	1.2	2.0	1.5	-0.5	-25.0
Current ratio	times	1.2	1.2	1.2	1.1	-0.1	-8.3
Interest coverage	times	6.1	2.6	2.9	5.1	2.2	75.9
Investment rate	%	11.2	16.7	14.7	20.1	5.4	36.7

TABLE 26 SUMMARY OF INDUSTRY PERFORMANCE

CONSTRUCTION

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	48 377	50 000	56 978	60 414	3 436	6.0
Employment	'000	208	200	209	220	11	5.3
Income statement							
Sales of goods and services	\$m	27 470	27 553	33 454	34 589	1 135	3.4
less Cost of sales	\$m	20 264	20 292	25 725	26 292	567	2.2
Trading profit	\$m	7 206	7 261	7 729	8 297	568	7.3
plus Interest income	\$m	160	194	265	112	-153	-57.7
plus Other operating income	\$m	199	166	258	250	-8	-3.1
less Labour costs	\$m	5 274	5 265	4 957	5 748	791	16.0
less Depreciation	\$m	375	404	374	524	150	40.1
less Other operating expenses	\$m	251	270	345	261	-84	-24.3
Earnings before interest & tax	\$m	1 665	1 682	2 576	2 126	-450	-17.5
less Interest expenses	\$m	594	536	712	424	-288	-40.4
Operating profit before tax	\$m	1 071	1 146	1 864	1 702	-162	-8.7
Balance sheet							
Current assets	\$m	6 922	7 867	9 009	9 432	423	4.7
Non-current assets	\$m	4 867	5 867	7 854	7 135	-719	-9.2
Total assets	\$m	11 789	13 734	16 863	16 567	-296	-1.8
Current liabilities	\$m	6 439	6 793	7 699	9 862	2 163	28.1
Non-current liabilities	\$m	2 495	3 666	6 204	3 698	-2 506	-40.4
Total liabilities	\$m	8 934	10 459	13 903	13 560	-343	-2.5
Net worth	\$m	2 855	3 275	2 960	3 007	47	1.6
Economic values							
Capital expenditure	\$m	1 741	931	1 205	1 080	-125	-10.4
Gross operating surplus	\$m	2 331	2 240	2 918	2 672	-246	-8.4
Industry gross product	\$m	7 605	7 505	7 875	8 420	545	6.9
Business averages							
Average employment	No.	4.3	4.0	3.7	3.6	-0.1	-2.7
Average sales	\$'000	568	551	587	573	-14	-2.4
Average income	\$'000	575	558	596	579	-17	-2.9
Average expenses	\$'000	553	535	564	550	-14	-2.5
Average profit	\$'000	22	23	33	28	-5	-15.2
Average assets	\$'000	244	275	296	274	-22	-7.4
Average net worth	\$'000	59	66	52	50	-2	-3.8
Average gross product	\$'000	157	150	138	139	1	0.8
Industry ratios							
Profit margin	%	3.8	4.1	5.5	4.9	-0.6	-10.9
Return on assets	%	9.1	8.3	11.1	10.3	-0.8	-7.2
Return on net worth	%	37.5	35.0	63.0	56.6	-6.4	-10.2
Long term debt to equity	times	0.9	1.1	2.1	1.2	-0.9	-42.9
Current ratio	times	1.1	1.2	1.2	1.0	-0.2	-16.7
Interest coverage	times	2.8	3.1	3.6	5.0	1.4	38.9
Investment rate	%	22.9	12.4	15.3	12.8	-2.5	-16.3

ANZSIC DIVISION F: WHOLESALE TRADE

Overview

In 1993-94, this division accounted for 9.3 per cent of business economic activity, in *industry gross product* terms.

TABLE 27 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Wholesale Trade</i>	<i>Distribution industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	10.9	10.8	9.0
Average income	\$'000	4 358	2 020	1 453
Average expenses	\$'000	4 247	1 958	1 323
Average profit	\$'000	111	63	130
Average assets	\$'000	2 164	1 121	2 857
Average net worth	\$'000	637	386	1 053
Average gross product	\$'000	543	363	376
INDUSTRY RATIOS				
Profit margin	%	2.5	3.1	8.9
Return on assets	%	5.1	5.6	4.5
Return on net worth	%	17.4	16.2	12.3
Interest coverage	times	3.2	3.0	2.7
Investment rate	%	19.7	19.2	23.0

This division is comprised of the following subdivisions:

- 45 Basic Material Wholesaling
- 46 Machinery and Motor Vehicle Wholesaling
- 47 Personal and Household Good Wholesaling

Separate details for all these subdivisions are available on request.

TABLE 28 SUMMARY OF INDUSTRY PERFORMANCE

WHOLESALE TRADE

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	35 711	35 402	37 267	37 909	642	1.7
Employment	'000	384	395	394	413	19	4.8
Income statement							
Sales of goods and services	\$m	142 765	148 042	150 822	163 394	12 572	8.3
less Cost of sales	\$m	123 498	130 630	132 314	143 018	10 704	8.1
Trading profit	\$m	19 267	17 412	18 508	20 376	1 868	10.1
plus Interest income	\$m	953	938	534	609	75	14.0
plus Other operating income	\$m	1 294	1 171	1 669	1 202	-467	-28.0
less Labour costs	\$m	11 815	12 082	11 762	13 384	1 622	13.8
less Depreciation	\$m	1 421	1 445	1 520	1 799	279	18.4
less Other operating expenses	\$m	1 205	974	862	859	-3	-0.3
Earnings before interest & tax	\$m	7 073	5 020	6 567	6 145	-422	-6.4
less Interest expenses	\$m	2 950	2 904	2 483	1 945	-538	-21.7
Operating profit before tax	\$m	4 123	2 116	4 084	4 200	116	2.8
Balance sheet							
Current assets	\$m	52 839	52 858	48 113	55 287	7 174	14.9
Non-current assets	\$m	26 117	24 001	35 500	26 741	-8 759	-24.7
Total assets	\$m	78 956	76 859	83 613	82 028	-1 585	-1.9
Current liabilities	\$m	43 509	41 119	37 222	44 152	6 930	18.6
Non-current liabilities	\$m	12 519	14 664	18 550	13 728	-4 822	-26.0
Total liabilities	\$m	56 028	55 783	55 772	57 880	2 108	3.8
Net worth	\$m	22 928	21 076	27 841	24 148	-3 693	-13.3
Economic values							
Capital expenditure	\$m	5 556	4 083	2 344	4 052	1 708	72.9
Gross operating surplus	\$m	8 021	5 852	7 020	7 215	195	2.8
Industry gross product	\$m	19 836	17 934	18 782	20 599	1 817	9.7
Business averages							
Average employment	No.	10.8	11.2	10.6	10.9	0.3	2.8
Average sales	\$'000	3 998	4 182	4 047	4 310	263	6.5
Average income	\$'000	4 061	4 241	4 106	4 358	252	6.1
Average expenses	\$'000	3 945	4 182	3 997	4 247	250	6.3
Average profit	\$'000	115	60	110	111	1	0.9
Average assets	\$'000	2 211	2 171	2 244	2 164	-80	-3.6
Average net worth	\$'000	642	595	747	637	-110	-14.7
Average gross product	\$'000	555	507	504	543	39	7.8
Industry ratios							
Profit margin	%	2.8	1.4	2.7	2.5	-0.2	-7.4
Return on assets	%	5.2	2.8	4.9	5.1	0.2	4.1
Return on net worth	%	18.0	10.0	14.7	17.4	2.7	18.4
Long term debt to equity	times	0.5	0.7	0.7	0.6	-0.1	-14.3
Current ratio	times	1.2	1.3	1.3	1.3	0.0	0.0
Interest coverage	times	2.4	1.7	2.6	3.2	0.6	23.1
Investment rate	%	28.0	22.8	12.5	19.7	7.2	57.6

TABLE 29 SUMMARY OF INDUSTRY PERFORMANCE

WHOLESALE TRADE

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	173	175	173	173	0	0.0
Employment	'000	109	101	100	106	6	6.0
Income statement							
Sales of goods and services	\$m	55 874	53 912	58 199	60 579	2 380	4.1
less Cost of sales	\$m	48 466	48 683	51 769	53 882	2 113	4.1
Trading profit	\$m	7 408	5 229	6 430	6 697	267	4.2
plus Interest income	\$m	536	596	332	321	-11	-3.3
plus Other operating income	\$m	802	716	1 212	626	-586	-48.3
less Labour costs	\$m	4 002	3 713	3 818	3 983	165	4.3
less Depreciation	\$m	687	762	774	815	41	5.3
less Other operating expenses	\$m	400	419	368	331	-37	-10.1
Earnings before interest & tax	\$m	3 657	1 647	3 014	2 515	-499	-16.6
less Interest expenses	\$m	1 342	1 376	1 517	1 022	-495	-32.6
Operating profit before tax	\$m	2 315	271	1 497	1 493	-4	-0.3
Balance sheet							
Current assets	\$m	23 858	22 948	20 020	23 238	3 218	16.1
Non-current assets	\$m	13 078	13 271	23 460	13 329	-10 131	-43.2
Total assets	\$m	36 936	36 219	43 480	36 567	-6 913	-15.9
Current liabilities	\$m	18 876	18 350	15 666	19 038	3 372	21.5
Non-current liabilities	\$m	5 559	6 277	11 056	5 623	-5 433	-49.1
Total liabilities	\$m	24 435	24 627	26 722	24 661	-2 061	-7.7
Net worth	\$m	12 501	11 592	16 758	11 906	-4 852	-29.0
Economic values							
Capital expenditure	\$m	2 889	2 523	1 404	1 751	347	24.7
Gross operating surplus	\$m	3 875	1 816	2 856	2 864	8	0.3
Industry gross product	\$m	7 877	5 529	6 674	6 847	173	2.6
Business averages							
Average employment	No.	630.1	577.1	578.0	612.7	34.7	6.0
Average sales	\$'000	322 971	308 069	336 410	350 168	13 758	4.1
Average income	\$'000	330 705	315 566	345 335	355 642	10 307	3.0
Average expenses	\$'000	317 324	314 017	336 682	347 012	10 330	3.1
Average profit	\$'000	13 382	1 549	8 653	8 630	-23	-0.3
Average assets	\$'000	213 503	206 966	251 329	211 370	-39 959	-15.9
Average net worth	\$'000	72 260	66 240	96 867	68 821	-28 046	-29.0
Average gross product	\$'000	45 532	31 594	38 578	39 578	1 000	2.6
Industry ratios							
Profit margin	%	4.0	0.5	2.5	2.4	-0.1	-4.0
Return on assets	%	6.3	0.7	3.4	4.1	0.7	20.6
Return on net worth	%	18.5	2.3	8.9	12.5	3.6	40.4
Long term debt to equity	times	0.4	0.5	0.7	0.5	-0.2	-28.6
Current ratio	times	1.3	1.3	1.3	1.2	-0.1	-7.7
Interest coverage	times	2.7	1.2	2.0	2.5	0.5	25.0
Investment rate	%	36.7	45.6	21.0	25.6	4.6	21.9

TABLE 30 SUMMARY OF INDUSTRY PERFORMANCE

WHOLESALE TRADE

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	35 539	35 227	37 095	37 736	641	1.7
Employment	'000	275	294	294	307	13	4.4
Income statement							
Sales of goods and services	\$m	86 891	94 130	92 623	102 815	10 192	11.0
less Cost of sales	\$m	75 032	81 947	80 545	89 136	8 591	10.7
Trading profit	\$m	11 859	12 183	12 078	13 679	1 601	13.3
plus Interest income	\$m	417	342	202	288	86	42.6
plus Other operating income	\$m	492	455	457	576	119	26.0
less Labour costs	\$m	7 813	8 369	7 944	9 401	1 457	18.3
less Depreciation	\$m	734	683	746	984	238	31.9
less Other operating expenses	\$m	805	555	494	528	34	6.9
Earnings before interest & tax	\$m	3 416	3 373	3 553	3 630	77	2.2
less Interest expenses	\$m	1 608	1 528	966	923	-43	-4.5
Operating profit before tax	\$m	1 808	1 845	2 587	2 707	120	4.6
Balance sheet							
Current assets	\$m	28 981	29 910	28 093	32 049	3 956	14.1
Non-current assets	\$m	13 039	10 730	12 040	13 412	1 372	11.4
Total assets	\$m	42 020	40 640	40 133	45 461	5 328	13.3
Current liabilities	\$m	24 633	22 769	21 556	25 114	3 558	16.5
Non-current liabilities	\$m	6 960	8 387	7 494	8 105	611	8.2
Total liabilities	\$m	31 593	31 156	29 050	33 219	4 169	14.4
Net worth	\$m	10 427	9 484	11 083	12 242	1 159	10.5
Economic values							
Capital expenditure	\$m	2 667	1 560	940	2 301	1 361	144.8
Gross operating surplus	\$m	4 146	4 036	4 164	4 351	187	4.5
Industry gross product	\$m	11 959	12 405	12 108	13 752	1 644	13.6
Business averages							
Average employment	No.	7.7	8.3	7.9	8.1	0.2	2.5
Average sales	\$'000	2 445	2 672	2 497	2 725	228	9.1
Average income	\$'000	2 471	2 695	2 515	2 747	232	9.2
Average expenses	\$'000	2 420	2 642	2 445	2 676	231	9.4
Average profit	\$'000	51	52	70	72	2	2.9
Average assets	\$'000	1 182	1 154	1 082	1 205	123	11.4
Average net worth	\$'000	293	269	299	324	25	8.4
Average gross product	\$'000	337	352	326	364	38	11.6
Industry ratios							
Profit margin	%	2.1	1.9	2.8	2.6	-0.2	-7.1
Return on assets	%	4.3	4.5	6.4	6.0	-0.4	-6.3
Return on net worth	%	17.3	19.5	23.3	22.1	-1.2	-5.2
Long term debt to equity	times	0.7	0.9	0.7	0.7	0.0	0.0
Current ratio	times	1.2	1.3	1.3	1.3	0.0	0.0
Interest coverage	times	2.1	2.2	3.7	3.9	0.2	5.4
Investment rate	%	22.3	12.6	7.8	16.7	8.9	114.1

ANZSIC DIVISION G: RETAIL TRADE

Overview

In 1993-94, this division accounted for 8.9 per cent of business economic activity, in *industry gross product* terms.

TABLE 31 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Retail Trade</i>	<i>Distribution industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	9.2	10.8	9.0
Average income	\$'000	1 394	2 020	1 453
Average expenses	\$'000	1 354	1 958	1 323
Average profit	\$'000	40	63	130
Average assets	\$'000	411	1 121	2 857
Average net worth	\$'000	125	386	1 053
Average gross product	\$'000	216	363	376
INDUSTRY RATIOS				
Profit margin	%	2.8	3.1	8.9
Return on assets	%	9.6	5.6	4.5
Return on net worth	%	31.7	16.2	12.3
Interest coverage	times	3.8	3.0	2.7
Investment rate	%	10.3	19.2	23.0

A significant proportion of businesses classified to this industry are non-employers and therefore have not been included in these statistics. Based on income tax data available from the ATO, it is estimated that non-employing businesses were responsible for 14 per cent of this industry's gross product in 1993-94.

This division is comprised of the following subdivisions:

- 51 Food Retailing
- 52 Personal and Household Good Retailing
- 53 Motor Vehicle Retailing and Services

Separate details for all these subdivisions are available on request.

TABLE 32 SUMMARY OF INDUSTRY PERFORMANCE

RETAIL TRADE

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	89 407	88 238	92 681	90 865	-1 816	-2.0
Employment	'000	812	834	840	835	-5	-0.6
Income statement							
Sales of goods and services	\$m	112 180	120 290	122 979	125 415	2 436	2.0
less Cost of sales	\$m	93 654	102 351	103 891	105 893	2 002	1.9
Trading profit	\$m	18 526	17 939	19 088	19 522	434	2.3
plus Interest income	\$m	911	929	432	307	-125	-28.9
plus Other operating income	\$m	968	967	956	924	-32	-3.3
less Labour costs	\$m	13 156	13 827	13 455	14 185	730	5.4
less Depreciation	\$m	1 123	1 180	1 115	1 202	87	7.8
less Other operating expenses	\$m	1 193	618	519	507	-12	-2.3
Earnings before interest & tax	\$m	4 933	4 210	5 387	4 859	-528	-9.8
less Interest expenses	\$m	2 616	2 562	1 768	1 265	-503	-28.5
Operating profit before tax	\$m	2 317	1 648	3 619	3 594	-25	-0.7
Balance sheet							
Current assets	\$m	20 491	19 995	20 173	19 456	-717	-3.6
Non-current assets	\$m	19 198	21 553	17 597	17 892	295	1.7
Total assets	\$m	39 689	41 548	37 770	37 348	-422	-1.1
Current liabilities	\$m	20 882	23 926	17 375	17 707	332	1.9
Non-current liabilities	\$m	7 812	9 153	9 494	8 321	-1 173	-12.4
Total liabilities	\$m	28 694	33 079	26 869	26 028	-841	-3.1
Net worth	\$m	10 995	8 469	10 901	11 320	419	3.8
Economic values							
Capital expenditure	\$m	2 778	1 555	1 850	2 013	163	8.8
Gross operating surplus	\$m	5 583	4 224	5 730	5 417	-313	-5.5
Industry gross product	\$m	18 739	18 051	19 185	19 602	417	2.2
Business averages							
Average employment	No.	9.1	9.5	9.1	9.2	0.1	1.1
Average sales	\$'000	1 255	1 363	1 327	1 380	53	4.0
Average income	\$'000	1 276	1 385	1 342	1 394	52	3.9
Average expenses	\$'000	1 250	1 366	1 303	1 354	51	3.9
Average profit	\$'000	26	19	39	40	1	2.6
Average assets	\$'000	444	471	408	411	3	0.7
Average net worth	\$'000	123	96	118	125	7	5.9
Average gross product	\$'000	210	205	207	216	9	4.2
Industry ratios							
Profit margin	%	2.0	1.3	2.9	2.8	-0.1	-3.4
Return on assets	%	5.8	4.0	9.6	9.6	0.0	0.0
Return on net worth	%	21.1	19.5	33.2	31.7	-1.5	-4.5
Long term debt to equity	times	0.7	1.1	0.9	0.7	-0.2	-22.2
Current ratio	times	1.0	0.8	1.2	1.1	-0.1	-8.3
Interest coverage	times	1.9	1.6	3.0	3.8	0.8	26.7
Investment rate	%	14.8	8.6	9.6	10.3	0.7	7.3

TABLE 33 SUMMARY OF INDUSTRY PERFORMANCE

RETAIL TRADE

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	131	140	165	185	20	12.1
Employment	'000	315	318	333	354	21	6.3
Income statement							
Sales of goods and services	\$m	36 836	38 312	42 979	47 998	5 019	11.7
less Cost of sales	\$m	30 406	32 496	36 252	40 631	4 379	12.1
Trading profit	\$m	6 430	5 816	6 727	7 367	640	9.5
plus Interest income	\$m	602	770	353	236	-117	-33.1
plus Other operating income	\$m	643	652	640	360	-280	-43.8
less Labour costs	\$m	4 770	4 744	5 298	5 880	582	11.0
less Depreciation	\$m	472	514	549	643	94	17.1
less Other operating expenses	\$m	806	102	134	160	26	19.4
Earnings before interest & tax	\$m	1 627	1 878	1 739	1 280	-459	-26.4
less Interest expenses	\$m	1 192	1 322	729	451	-278	-38.1
Operating profit before tax	\$m	435	556	1 010	829	-181	-17.9
Balance sheet							
Current assets	\$m	6 198	6 156	6 487	7 055	568	8.8
Non-current assets	\$m	9 067	9 726	6 362	6 544	182	2.9
Total assets	\$m	15 265	15 882	12 849	13 599	750	5.8
Current liabilities	\$m	9 485	10 822	6 724	7 017	293	4.4
Non-current liabilities	\$m	1 486	1 399	2 462	2 058	-404	-16.4
Total liabilities	\$m	10 971	12 221	9 186	9 075	-111	-1.2
Net worth	\$m	4 294	3 661	3 663	4 524	861	23.5
Economic values							
Capital expenditure	\$m	849	202	852	1 185	333	39.1
Gross operating surplus	\$m	1 822	1 079	1 495	1 493	-2	-0.1
Industry gross product	\$m	6 592	5 823	6 793	7 373	580	8.5
Business averages							
Average employment	No.	2 404.6	2 271.4	2 018.2	1 913.5	-104.7	-5.2
Average sales	\$'000	281 191	273 657	260 479	259 449	-1 030	-0.4
Average income	\$'000	290 695	283 814	266 497	262 670	-3 827	-1.4
Average expenses	\$'000	287 374	279 843	260 376	258 189	-2 187	-0.8
Average profit	\$'000	3 321	3 971	6 121	4 481	-1 640	-26.8
Average assets	\$'000	116 527	113 443	77 873	73 508	-4 365	-5.6
Average net worth	\$'000	32 779	26 150	22 200	24 454	2 254	10.2
Average gross product	\$'000	50 321	41 593	41 170	39 854	-1 316	-3.2
Industry ratios							
Profit margin	%	1.1	1.4	2.3	1.7	-0.6	-26.1
Return on assets	%	2.8	3.5	7.9	6.1	-1.8	-22.8
Return on net worth	%	10.1	15.2	27.6	18.3	-9.3	-33.7
Long term debt to equity	times	0.3	0.4	0.7	0.5	-0.2	-28.6
Current ratio	times	0.7	0.6	1.0	1.0	0.0	0.0
Interest coverage	times	1.4	1.4	2.4	2.8	0.4	16.7
Investment rate	%	12.9	3.5	12.5	16.1	3.6	28.8

TABLE 34 SUMMARY OF INDUSTRY PERFORMANCE

RETAIL TRADE

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	89 277	88 098	92 515	90 680	-1 835	-2.0
Employment	'000	497	516	507	481	-26	-5.1
Income statement							
Sales of goods and services	\$m	75 344	81 978	80 000	77 417	-2 583	-3.2
less Cost of sales	\$m	63 248	69 855	67 639	65 262	-2 377	-3.5
Trading profit	\$m	12 096	12 123	12 361	12 155	-206	-1.7
plus Interest income	\$m	309	159	79	71	-8	-10.1
plus Other operating income	\$m	325	315	316	564	248	78.5
less Labour costs	\$m	8 386	9 083	8 157	8 305	148	1.8
less Depreciation	\$m	651	666	566	559	-7	-1.2
less Other operating expenses	\$m	387	516	385	347	-38	-9.9
Earnings before interest & tax	\$m	3 306	2 332	3 648	3 579	-69	-1.9
less Interest expenses	\$m	1 424	1 240	1 039	814	-225	-21.7
Operating profit before tax	\$m	1 882	1 092	2 609	2 765	156	6.0
Balance sheet							
Current assets	\$m	14 293	13 839	13 686	12 401	-1 285	-9.4
Non-current assets	\$m	10 131	11 827	11 235	11 348	113	1.0
Total assets	\$m	24 424	25 666	24 921	23 749	-1 172	-4.7
Current liabilities	\$m	11 397	13 104	10 651	10 690	39	0.4
Non-current liabilities	\$m	6 326	7 754	7 032	6 263	-769	-10.9
Total liabilities	\$m	17 723	20 858	17 683	16 953	-730	-4.1
Net worth	\$m	6 701	4 808	7 238	6 796	-442	-6.1
Economic values							
Capital expenditure	\$m	1 929	1 353	998	828	-170	-17.0
Gross operating surplus	\$m	3 761	3 145	4 235	3 924	-311	-7.3
Industry gross product	\$m	12 147	12 228	12 392	12 229	-163	-1.3
Business averages							
Average employment	No.	5.6	5.9	5.5	5.3	-0.2	-3.6
Average sales	\$'000	844	931	865	854	-11	-1.3
Average income	\$'000	851	936	869	861	-8	-0.9
Average expenses	\$'000	830	924	841	830	-11	-1.3
Average profit	\$'000	21	12	28	30	2	7.1
Average assets	\$'000	274	291	269	262	-7	-2.6
Average net worth	\$'000	75	55	78	75	-3	-3.8
Average gross product	\$'000	136	139	134	135	1	0.7
Industry ratios							
Profit margin	%	2.5	1.3	3.2	3.5	0.3	9.4
Return on assets	%	7.7	4.3	10.5	11.6	1.1	10.5
Return on net worth	%	28.1	22.7	36.0	40.7	4.7	13.1
Long term debt to equity	times	0.9	1.6	1.0	0.9	-0.1	-10.0
Current ratio	times	1.3	1.1	1.3	1.2	-0.1	-7.7
Interest coverage	times	2.3	1.9	3.5	4.4	0.9	25.7
Investment rate	%	15.9	11.1	8.1	6.8	-1.3	-16.0

ANZSIC DIVISION H: ACCOMMODATION, CAFES AND RESTAURANTS

Overview

In 1993-94, this division accounted for 3.5 per cent of business economic activity, in industry gross product terms.

TABLE 35 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Accommodation, Cafes and Restaurants</i>	<i>Distribution industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	14.8	10.8	9.0
Average income	\$'000	882	2 020	1 453
Average expenses	\$'000	854	1 958	1 323
Average profit	\$'000	28	63	130
Average assets	\$'000	1 024	1 121	2 857
Average net worth	\$'000	420	386	1 053
Average gross product	\$'000	302	363	376
INDUSTRY RATIOS				
Profit margin	%	3.1	3.1	8.9
Return on assets	%	2.7	5.6	4.5
Return on net worth	%	6.6	16.2	12.3
Interest coverage	times	1.8	3.0	2.7
Investment rate	%	36.4	19.2	23.0

This division is comprised of a single subdivision:

57 Accommodation, Cafes and Restaurants

TABLE 36 SUMMARY OF INDUSTRY PERFORMANCE

ACCOMMODATION, CAFES AND RESTAURANTS

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	24 925	24 709	25 829	25 643	-186	-0.7
Employment	'000	306	340	336	379	43	12.8
Income statement							
Sales of goods and services	\$m	18 600	20 981	22 042	21 541	-501	-2.3
less Cost of sales	\$m	12 551	13 437	14 869	14 001	-868	-5.8
Trading profit	\$m	6 049	7 544	7 173	7 540	367	5.1
plus Interest income	\$m	224	203	174	219	45	25.9
plus Other operating income	\$m	237	278	284	849	565	198.9
less Labour costs	\$m	4 513	5 269	4 995	5 920	925	18.5
less Depreciation	\$m	527	685	676	817	141	20.9
less Other operating expenses	\$m	251	219	217	251	34	15.7
Earnings before interest & tax	\$m	1 219	1 852	1 743	1 620	-123	-7.1
less Interest expenses	\$m	1 066	1 047	895	913	18	2.0
Operating profit before tax	\$m	153	805	848	707	-141	-16.6
Balance sheet							
Current assets	\$m	4 947	4 441	4 914	5 352	438	8.9
Non-current assets	\$m	16 513	18 734	17 333	20 895	3 562	20.6
Total assets	\$m	21 460	23 175	22 247	26 247	4 000	18.0
Current liabilities	\$m	4 817	5 478	5 611	7 650	2 039	36.3
Non-current liabilities	\$m	7 343	10 237	8 781	7 828	-953	-10.9
Total liabilities	\$m	12 160	15 715	14 392	15 478	1 086	7.5
Net worth	\$m	9 300	7 460	7 855	10 769	2 914	37.1
Economic values							
Capital expenditure	\$m	2 891	1 007	959	2 826	1 867	194.7
Gross operating surplus	\$m	1 851	2 323	2 230	1 836	-394	-17.7
Industry gross product	\$m	6 364	7 592	7 225	7 756	531	7.3
Business averages							
Average employment	No.	12.3	13.8	13.0	14.8	1.8	13.8
Average sales	\$'000	746	849	853	840	-13	-1.5
Average income	\$'000	765	869	871	882	11	1.3
Average expenses	\$'000	759	836	838	854	16	1.9
Average profit	\$'000	6	33	33	28	-5	-15.2
Average assets	\$'000	861	938	861	1 024	163	18.9
Average net worth	\$'000	373	302	304	420	116	38.2
Average gross product	\$'000	255	307	280	302	23	8.1
Industry ratios							
Profit margin	%	0.8	3.8	3.8	3.1	-0.7	-18.4
Return on assets	%	0.7	3.5	3.8	2.7	-1.1	-28.9
Return on net worth	%	1.6	10.8	10.8	6.6	-4.2	-38.9
Long term debt to equity	times	0.8	1.4	1.1	0.7	-0.4	-36.4
Current ratio	times	1.0	0.8	0.9	0.7	-0.2	-22.2
Interest coverage	times	1.1	1.8	1.9	1.8	-0.1	-5.3
Investment rate	%	45.4	13.3	13.3	36.4	23.1	173.7

TABLE 37 SUMMARY OF INDUSTRY PERFORMANCE

ACCOMMODATION, CAFES AND RESTAURANTS

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	94	99	136	158	22	16.2
Employment	'000	63	64	71	104	33	46.5
Income statement							
Sales of goods and services	\$m	3 370	3 699	4 472	5 615	1 143	25.6
less Cost of sales	\$m	2 202	2 332	2 885	3 502	617	21.4
Trading profit	\$m	1 168	1 367	1 587	2 113	526	33.1
plus Interest income	\$m	49	92	104	94	-10	-9.6
plus Other operating income	\$m	41	70	58	115	57	98.3
less Labour costs	\$m	1 039	1 171	1 335	1 833	498	37.3
less Depreciation	\$m	140	170	200	214	14	7.0
less Other operating expenses	\$m	29	45	49	69	20	40.8
Earnings before interest & tax	\$m	50	143	165	206	41	24.8
less Interest expenses	\$m	184	285	310	303	-7	-2.3
Operating profit before tax	\$m	-134	-142	-145	-97	48	33.1
Balance sheet							
Current assets	\$m	1 030	845	1 478	1 633	155	10.5
Non-current assets	\$m	4 274	4 488	4 858	5 530	672	13.8
Total assets	\$m	5 304	5 333	6 336	7 163	827	13.1
Current liabilities	\$m	832	1 004	1 373	2 316	943	68.7
Non-current liabilities	\$m	1 999	2 506	3 199	3 282	83	2.6
Total liabilities	\$m	2 831	3 510	4 572	5 598	1 026	22.4
Net worth	\$m	2 473	1 823	1 764	1 565	-199	-11.3
Economic values							
Capital expenditure	\$m	715	231	324	295	-29	-9.0
Gross operating surplus	\$m	285	196	262	292	30	11.5
Industry gross product	\$m	1 324	1 367	1 597	2 125	528	33.1
Business averages							
Average employment	No.	670.2	646.5	522.1	658.2	136.1	26.1
Average sales	\$'000	35 851	37 364	32 882	35 538	2 656	8.1
Average income	\$'000	36 809	39 000	34 074	36 861	2 787	8.2
Average expenses	\$'000	38 234	40 434	35 140	37 475	2 335	6.6
Average profit	\$'000	-1 426	-1 434	-1 066	-614	452	42.4
Average assets	\$'000	56 426	53 869	46 588	45 335	-1 253	-2.7
Average net worth	\$'000	26 309	18 414	12 971	9 905	-3 066	-23.6
Average gross product	\$'000	14 085	13 808	11 743	13 449	1 707	14.5
Industry ratios							
Profit margin	%	-3.9	-3.7	-3.1	-1.7	1.4	45.2
Return on assets	%	-2.5	-2.7	-2.3	-1.4	0.9	39.1
Return on net worth	%	-5.4	-7.8	-8.2	-6.2	2.0	24.4
Long term debt to equity	times	0.8	1.4	1.8	2.1	0.3	16.7
Current ratio	times	1.2	0.8	1.1	0.7	-0.4	-36.4
Interest coverage	times	0.3	0.5	0.5	0.7	0.2	40.0
Investment rate	%	54.0	16.9	20.3	13.9	-6.4	-31.5

TABLE 38 SUMMARY OF INDUSTRY PERFORMANCE

ACCOMMODATION, CAFES AND RESTAURANTS

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	24 831	24 610	25 693	25 486	-207	-0.8
Employment	'000	243	276	265	275	10	3.8
Income statement							
Sales of goods and services	\$m	15 230	17 282	17 570	15 926	-1 644	-9.4
less Cost of sales	\$m	10 349	11 105	11 984	10 499	-1 485	-12.4
Trading profit	\$m	4 881	6 177	5 586	5 427	-159	-2.8
plus Interest income	\$m	175	111	70	125	55	78.6
plus Other operating income	\$m	196	208	226	734	508	224.8
less Labour costs	\$m	3 474	4 098	3 660	4 087	427	11.7
less Depreciation	\$m	387	515	476	603	127	26.7
less Other operating expenses	\$m	222	174	168	182	14	8.3
Earnings before interest & tax	\$m	1 169	1 709	1 578	1 414	-164	-10.4
less Interest expenses	\$m	882	762	585	610	25	4.3
Operating profit before tax	\$m	287	947	993	804	-189	-19.0
Balance sheet							
Current assets	\$m	3 917	3 596	3 436	3 719	283	8.2
Non-current assets	\$m	12 239	14 246	12 475	15 365	2 890	23.2
Total assets	\$m	16 156	17 842	15 911	19 084	3 173	19.9
Current liabilities	\$m	3 985	4 474	4 238	5 334	1 096	25.9
Non-current liabilities	\$m	5 344	7 731	5 582	4 546	-1 036	-18.6
Total liabilities	\$m	9 329	12 205	9 820	9 880	60	0.6
Net worth	\$m	6 827	5 637	6 091	9 204	3 113	51.1
Economic values							
Capital expenditure	\$m	2 176	776	635	2 531	1 896	298.6
Gross operating surplus	\$m	1 566	2 127	1 968	1 544	-424	-21.5
Industry gross product	\$m	5 040	6 225	5 628	5 631	3	0.1
Business averages							
Average employment	No.	9.8	11.2	10.3	10.8	0.5	4.9
Average sales	\$'000	613	702	684	625	-59	-8.6
Average income	\$'000	628	715	695	659	-36	-5.2
Average expenses	\$'000	617	677	657	627	-30	-4.6
Average profit	\$'000	12	38	39	32	-7	-17.9
Average assets	\$'000	651	725	619	749	130	21.0
Average net worth	\$'000	275	229	237	361	124	52.3
Average gross product	\$'000	203	253	219	221	2	0.9
Industry ratios							
Profit margin	%	1.8	5.4	5.6	4.8	-0.8	-14.3
Return on assets	%	1.8	5.3	6.2	4.2	-2.0	-32.3
Return on net worth	%	4.2	16.8	16.3	8.7	-7.6	-46.6
Long term debt to equity	times	0.8	1.4	0.9	0.5	-0.4	-44.4
Current ratio	times	1.0	0.8	0.8	0.7	-0.1	-12.5
Interest coverage	times	1.3	2.2	2.7	2.3	-0.4	-14.8
Investment rate	%	43.2	12.5	11.3	44.9	33.6	297.3

ANZSIC DIVISION I: TRANSPORT AND STORAGE

Overview

In 1993-94, this division accounted for 7.2 per cent of business economic activity, in *industry gross product* terms.

TABLE 39 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Transport and Storage</i>	<i>Distribution industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	13.0	10.8	9.0
Average income	\$'000	1 906	2 020	1 453
Average expenses	\$'000	1 790	1 958	1 323
Average profit	\$'000	116	63	130
Average assets	\$'000	2 387	1 121	2 857
Average net worth	\$'000	997	386	1 053
Average gross product	\$'000	734	363	376
INDUSTRY RATIOS				
Profit margin	%	6.1	3.1	8.9
Return on assets	%	4.9	5.6	4.5
Return on net worth	%	11.7	16.2	12.3
Interest coverage	times	2.9	3.0	2.7
Investment rate	%	21.1	19.2	23.0

A significant proportion of businesses classified to this industry are non-employers and therefore have not been included in these statistics. Based on income tax data available from the ATO, it is estimated that non-employing businesses were responsible for 14 per cent of this industry's gross product in 1993-94.

This division is comprised of the following subdivisions:

- 61 Road Transport
- 62 Rail Transport
- 63 Water Transport
- 64 Air and Space Transport
- 65 Other Transport
- 66 Services to Transport
- 67 Storage

In 1993-94, subdivisions 61, 62, 64 and 66 accounted for over 91 per cent of the economic activity of this division, in *industry gross product* terms. Separate details for these subdivisions are available on request.

TABLE 40 SUMMARY OF INDUSTRY PERFORMANCE

TRANSPORT AND STORAGE

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	18 057	18 802	20 622	21 747	1 125	5.5
Employment	'000	312	286	289	282	-7	-2.4
Income statement							
Sales of goods and services	\$m	32 476	33 205	37 171	38 421	1 250	3.4
less Cost of sales	\$m	20 201	20 941	24 051	25 268	1 217	5.1
Trading profit	\$m	12 275	12 264	13 120	13 153	33	0.3
plus Interest income	\$m	504	320	251	247	-4	-1.6
plus Other operating income	\$m	2 872	2 365	2 665	2 788	123	4.6
less Labour costs	\$m	10 959	10 284	10 385	9 494	-891	-8.6
less Depreciation	\$m	1 798	1 763	2 344	2 416	72	3.1
less Other operating expenses	\$m	306	288	354	437	83	23.4
Earnings before interest & tax	\$m	2 588	2 614	2 953	3 841	888	30.1
less Interest expenses	\$m	1 980	1 507	1 519	1 312	-207	-13.6
Operating profit before tax	\$m	608	1 107	1 434	2 529	1 095	76.4
Balance sheet							
Current assets	\$m	8 726	8 184	9 545	9 642	97	1.0
Non-current assets	\$m	37 161	37 592	42 620	42 259	-361	-0.8
Total assets	\$m	45 887	45 776	52 165	51 901	-264	-0.5
Current liabilities	\$m	12 043	10 316	12 488	11 763	-725	-5.8
Non-current liabilities	\$m	21 225	20 967	20 746	18 462	-2 284	-11.0
Total liabilities	\$m	33 268	31 283	33 234	30 225	-3 009	-9.1
Net worth	\$m	12 619	14 493	18 931	21 676	2 745	14.5
Economic values							
Capital expenditure	\$m	4 751	3 492	3 675	3 365	-310	-8.4
Gross operating surplus	\$m	3 290	4 187	5 320	6 477	1 157	21.7
Industry gross product	\$m	14 249	14 471	15 705	15 971	266	1.7
Business averages							
Average employment	No.	17.3	15.2	14.0	13.0	-1.0	-7.1
Average sales	\$'000	1 799	1 766	1 802	1 767	-35	-1.9
Average income	\$'000	1 985	1 909	1 944	1 906	-38	-2.0
Average expenses	\$'000	1 952	1 850	1 874	1 790	-84	-4.5
Average profit	\$'000	34	59	70	116	46	65.7
Average assets	\$'000	2 541	2 435	2 530	2 387	-143	-5.7
Average net worth	\$'000	699	771	918	997	79	8.6
Average gross product	\$'000	789	770	762	734	-27	-3.6
Industry ratios							
Profit margin	%	1.7	3.1	3.6	6.1	2.5	69.4
Return on assets	%	1.3	2.4	2.7	4.9	2.2	81.5
Return on net worth	%	4.8	7.6	7.6	11.7	4.1	53.9
Long term debt to equity	times	1.7	1.4	1.1	0.9	-0.2	-18.2
Current ratio	times	0.7	0.8	0.8	0.8	0.0	0.0
Interest coverage	times	1.3	1.7	1.9	2.9	1.0	52.6
Investment rate	%	33.3	24.1	23.4	21.1	-2.3	-9.8

TABLE 41 SUMMARY OF INDUSTRY PERFORMANCE

TRANSPORT AND STORAGE

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	90	97	103	110	7	6.8
Employment	'000	179	167	163	156	-7	-4.3
Income statement							
Sales of goods and services	\$m	17 800	19 377	21 630	23 280	1 650	7.6
less Cost of sales	\$m	10 516	11 965	14 197	15 275	1 078	7.6
Trading profit	\$m	7 284	7 412	7 433	8 005	572	7.7
plus Interest income	\$m	352	214	178	174	-4	-2.2
plus Other operating income	\$m	2 510	2 158	2 422	2 437	15	0.6
less Labour costs	\$m	7 230	7 160	7 100	6 100	-1 000	-14.1
less Depreciation	\$m	1 235	1 290	1 711	1 764	53	3.1
less Other operating expenses	\$m	83	103	130	158	28	21.5
Earnings before interest & tax	\$m	1 598	1 231	1 092	2 594	1 502	137.5
less Interest expenses	\$m	1 348	1 134	1 093	959	-134	-12.3
Operating profit before tax	\$m	250	97	-1	1 635	1 636	..
Balance sheet							
Current assets	\$m	4 673	4 637	6 017	6 491	474	7.9
Non-current assets	\$m	29 333	31 080	34 749	35 909	1 160	3.3
Total assets	\$m	34 006	35 717	40 766	42 400	1 634	4.0
Current liabilities	\$m	6 301	6 162	8 370	8 420	50	0.6
Non-current liabilities	\$m	16 962	18 017	16 849	15 404	-1 445	-8.6
Total liabilities	\$m	23 263	24 179	25 219	23 824	-1 395	-5.5
Net worth	\$m	10 743	11 538	15 547	18 576	3 029	19.5
Economic values							
Capital expenditure	\$m	3 882	2 511	2 695	2 424	-271	-10.1
Gross operating surplus	\$m	1 952	2 344	2 810	4 570	1 760	62.6
Industry gross product	\$m	9 182	9 504	9 910	10 670	760	7.7
Business averages							
Average employment	No.	1 988.9	1 721.6	1 582.5	1 418.2	-164.3	-10.4
Average sales	\$'000	197 778	199 763	210 000	211 636	1 636	0.8
Average income	\$'000	229 578	224 216	235 243	235 373	130	0.1
Average expenses	\$'000	226 800	223 216	235 252	220 509	-14 743	-6.3
Average profit	\$'000	2 778	1 000	-10	14 864	14 874	..
Average assets	\$'000	377 844	368 216	395 786	385 455	-10 331	-2.6
Average net worth	\$'000	119 367	118 948	150 942	168 873	17 931	11.9
Average gross product	\$'000	102 022	97 979	96 214	97 000	786	0.8
Industry ratios							
Profit margin	%	1.2	0.4	0.0	6.3	6.3	..
Return on assets	%	0.7	0.3	0.0	3.9	3.9	..
Return on net worth	%	2.3	0.8	0.0	8.8	8.8	..
Long term debt to equity	times	1.6	1.6	1.1	0.8	-0.3	-27.3
Current ratio	times	0.7	0.8	0.7	0.8	0.1	14.3
Interest coverage	times	1.2	1.1	1.0	2.7	1.7	170.0
Investment rate	%	42.3	26.4	27.2	22.7	-4.5	-16.5

TABLE 42 SUMMARY OF INDUSTRY PERFORMANCE

TRANSPORT AND STORAGE

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	17 967	18 706	20 519	21 637	1 118	5.4
Employment	'000	133	119	126	126	0	0.0
Income statement							
Sales of goods and services	\$m	14 676	13 828	15 541	15 141	-400	-2.6
less Cost of sales	\$m	9 685	8 976	9 854	9 993	139	1.4
Trading profit	\$m	4 991	4 852	5 687	5 148	-539	-9.5
plus Interest income	\$m	152	106	73	73	0	0.0
plus Other operating income	\$m	362	207	243	351	108	44.4
less Labour costs	\$m	3 729	3 124	3 285	3 394	109	3.3
less Depreciation	\$m	563	473	633	652	19	3.0
less Other operating expenses	\$m	223	185	224	279	55	24.6
Earnings before interest & tax	\$m	990	1 383	1 861	1 247	-614	-33.0
less Interest expenses	\$m	632	373	426	353	-73	-17.1
Operating profit before tax	\$m	358	1 010	1 435	894	-541	-37.7
Balance sheet							
Current assets	\$m	4 053	3 547	3 528	3 151	-377	-10.7
Non-current assets	\$m	7 828	6 512	7 871	6 350	-1 521	-19.3
Total assets	\$m	11 881	10 059	11 399	9 501	-1 898	-16.7
Current liabilities	\$m	5 742	4 154	4 118	3 343	-775	-18.8
Non-current liabilities	\$m	4 263	2 950	3 897	3 058	-839	-21.5
Total liabilities	\$m	10 005	7 104	8 015	6 401	-1 614	-20.1
Net worth	\$m	1 876	2 955	3 384	3 100	-284	-8.4
Economic values							
Capital expenditure	\$m	869	981	980	941	-39	-4.0
Gross operating surplus	\$m	1 338	1 843	2 510	1 907	-603	-24.0
Industry gross product	\$m	5 067	4 967	5 795	5 301	-494	-8.5
Business averages							
Average employment	No.	7.4	6.4	6.1	5.8	-0.3	-4.9
Average sales	\$'000	817	739	757	700	-57	-7.5
Average income	\$'000	845	756	773	719	-54	-7.0
Average expenses	\$'000	826	702	703	678	-25	-3.6
Average profit	\$'000	20	54	70	41	-29	-41.4
Average assets	\$'000	661	538	556	439	-117	-21.0
Average net worth	\$'000	104	158	165	143	-22	-13.3
Average gross product	\$'000	282	266	282	245	-37	-13.3
Industry ratios							
Profit margin	%	2.4	7.1	9.0	5.7	-3.3	-36.7
Return on assets	%	3.0	10.0	12.6	9.4	-3.2	-25.4
Return on net worth	%	19.1	34.2	42.4	28.8	-13.6	-32.1
Long term debt to equity	times	2.3	1.0	1.2	1.0	-0.2	-16.7
Current ratio	times	0.7	0.9	0.9	0.9	0.0	0.0
Interest coverage	times	1.6	3.7	4.4	3.5	-0.9	-20.5
Investment rate	%	17.2	19.8	16.9	17.8	0.9	5.3

ANZSIC DIVISION J: COMMUNICATION SERVICES

Overview

In 1993-94, this division accounted for 5.0 per cent of business economic activity, in *industry gross product* terms.

TABLE 43 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Communication Services</i>	<i>Other service industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	153.6	8.0	9.0
Average income	\$'000	23 372	595	1 453
Average expenses	\$'000	20 034	520	1 323
Average profit	\$'000	3 338	74	130
Average assets	\$'000	35 389	1 071	2 857
Average net worth	\$'000	17 655	492	1 053
Average gross product	\$'000	14 949	281	376
INDUSTRY RATIOS				
Profit margin	%	14.3	12.5	8.9
Return on assets	%	9.4	6.9	4.5
Return on net worth	%	18.9	15.1	12.3
Interest coverage	times	4.3	3.4	2.7
Investment rate	%	29.2	20.0	23.0

This division is comprised of a single subdivision:

71 Communication Services

TABLE 44 SUMMARY OF INDUSTRY PERFORMANCE

COMMUNICATION SERVICES

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	193	251	575	742	167	29.0
Employment	'000	127	123	114	114	0	0.0
Income statement							
Sales of goods and services	\$m	13 563	15 088	15 557	17 083	1 526	9.8
less Cost of sales	\$m	4 236	4 685	5 588	6 180	592	10.6
Trading profit	\$m	9 327	10 403	9 969	10 903	934	9.4
plus Interest income	\$m	318	213	111	94	-17	-15.3
plus Other operating income	\$m	-20	84	370	165	-205	-55.4
less Labour costs	\$m	4 204	5 035	5 138	5 423	285	5.5
less Depreciation	\$m	1 886	2 189	2 181	2 334	153	7.0
less Other operating expenses	\$m	83	42	75	169	94	125.3
Earnings before interest & tax	\$m	3 452	3 434	3 056	3 236	180	5.9
less Interest expenses	\$m	1 313	1 262	916	759	-157	-17.1
Operating profit before tax	\$m	2 139	2 172	2 140	2 477	337	15.7
Balance sheet							
Current assets	\$m	4 490	4 863	5 991	5 263	-728	-12.2
Non-current assets	\$m	22 401	21 314	21 906	20 996	-910	-4.2
Total assets	\$m	26 891	26 177	27 897	26 259	-1 638	-5.9
Current liabilities	\$m	5 635	5 549	7 149	5 764	-1 385	-19.4
Non-current liabilities	\$m	9 270	9 873	7 545	7 395	-150	-2.0
Total liabilities	\$m	14 905	15 422	14 694	13 159	-1 535	-10.4
Net worth	\$m	11 986	10 755	13 203	13 100	-103	-0.8
Economic values							
Capital expenditure	\$m	3 313	4 159	3 820	3 234	-586	-15.3
Gross operating surplus	\$m	5 442	5 572	5 117	5 669	552	10.8
Industry gross product	\$m	9 646	10 607	10 255	11 092	837	8.2
Business averages							
Average employment	No.	658.0	490.0	198.3	153.6	-44.7	-22.5
Average sales	\$'000	70 275	60 112	27 056	23 023	-4 033	-14.9
Average income	\$'000	71 819	61 295	27 892	23 372	-4 520	-16.2
Average expenses	\$'000	60 736	52 641	24 170	20 034	-4 136	-17.1
Average profit	\$'000	11 083	8 653	3 722	3 338	-384	-10.3
Average assets	\$'000	139 332	104 291	48 517	35 389	-13 128	-27.1
Average net worth	\$'000	62 104	42 849	22 962	17 655	-5 307	-23.1
Average gross product	\$'000	49 979	42 259	17 835	14 949	-2 886	-16.2
Industry ratios							
Profit margin	%	15.4	14.1	13.3	14.3	1.0	7.5
Return on assets	%	8.0	8.3	7.7	9.4	1.7	22.1
Return on net worth	%	17.8	20.2	16.2	18.9	2.7	16.7
Long term debt to equity	times	0.8	0.9	0.6	0.6	0.0	0.0
Current ratio	times	0.8	0.9	0.8	0.9	0.1	12.5
Interest coverage	times	2.6	2.7	3.3	4.3	1.0	30.3
Investment rate	%	34.3	39.2	37.3	29.2	-8.1	-21.7

TABLE 45 SUMMARY OF INDUSTRY PERFORMANCE

COMMUNICATION SERVICES

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	5	4	4	5	1	25.0
Employment	'000	126	122	110	108	-2	-1.8
Income statement							
Sales of goods and services	\$m	13 472	14 701	15 129	16 399	1 270	8.4
less Cost of sales	\$m	4 172	4 397	5 316	5 823	507	9.5
Trading profit	\$m	9 300	10 304	9 813	10 576	763	7.8
plus Interest income	\$m	316	185	111	94	-17	-15.3
plus Other operating income	\$m	-23	81	369	162	-207	-56.1
less Labour costs	\$m	4 169	4 965	5 031	5 173	142	2.8
less Depreciation	\$m	1 876	2 148	2 173	2 305	132	6.1
less Other operating expenses	\$m	82	39	72	164	92	127.8
Earnings before interest & tax	\$m	3 466	3 418	3 017	3 190	173	5.7
less Interest expenses	\$m	1 310	1 208	913	754	-159	-17.4
Operating profit before tax	\$m	2 156	2 210	2 104	2 436	332	15.8
Balance sheet							
Current assets	\$m	4 460	4 831	5 918	5 183	-735	-12.4
Non-current assets	\$m	22 387	21 269	21 836	20 877	-959	-4.4
Total assets	\$m	26 847	26 100	27 754	26 060	-1 694	-6.1
Current liabilities	\$m	5 614	5 516	7 085	5 677	-1 408	-19.9
Non-current liabilities	\$m	9 265	9 862	7 517	7 305	-212	-2.8
Total liabilities	\$m	14 879	15 378	14 602	12 982	-1 620	-11.1
Net worth	\$m	11 968	10 722	13 152	13 078	-74	-0.6
Economic values							
Capital expenditure	\$m	3 311	4 137	3 820	3 195	-625	-16.4
Gross operating surplus	\$m	5 449	5 542	5 067	5 591	524	10.3
Industry gross product	\$m	9 618	10 507	10 098	10 764	666	6.6
Business averages							
Average employment	No.	25 200.0	30 500.0	27 500.0	21 600.0	-5 900.0	-21.5
Average sales	\$'000	2 694 400	3 675 250	3 782 250	3 279 800	-502 450	-13.3
Average income	\$'000	2 753 000	3 741 750	3 902 250	3 331 000	-571 250	-14.6
Average expenses	\$'000	2 321 800	3 189 250	3 376 250	2 843 800	-532 450	-15.8
Average profit	\$'000	431 200	552 500	526 000	487 200	-38 800	-7.4
Average assets	\$'000	5 369 400	6 525 000	6 938 500	5 212 000	-1 726 500	-24.9
Average net worth	\$'000	2 393 600	2 680 500	3 288 000	2 615 600	-672 400	-20.5
Average gross product	\$'000	1 923 600	2 626 750	2 524 500	2 152 800	-371 700	-14.7
Industry ratios							
Profit margin	%	15.7	14.8	13.5	14.6	1.1	8.1
Return on assets	%	8.0	8.5	7.6	9.3	1.7	22.4
Return on net worth	%	18.0	20.6	16.0	18.6	2.6	16.3
Long term debt to equity	times	0.8	0.9	0.6	0.6	0.0	0.0
Current ratio	times	0.8	0.9	0.8	0.9	0.1	12.5
Interest coverage	times	2.6	2.8	3.3	4.2	0.9	27.3
Investment rate	%	34.4	39.4	37.8	29.7	-8.1	-21.4

TABLE 46 SUMMARY OF INDUSTRY PERFORMANCE

COMMUNICATION SERVICES

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	188	246	571	737	166	29.1
Employment	'000	1	1	4	6	2	50.0
Income statement							
Sales of goods and services	\$m	91	387	428	684	256	59.8
less Cost of sales	\$m	64	288	272	357	85	31.3
Trading profit	\$m	27	99	156	327	171	109.6
plus Interest income	\$m	2	28	0	0	0	..
plus Other operating income	\$m	3	3	1	3	2	200.0
less Labour costs	\$m	35	70	107	250	143	133.6
less Depreciation	\$m	10	41	8	29	21	262.5
less Other operating expenses	\$m	1	3	3	5	2	66.7
Earnings before interest & tax	\$m	-14	16	39	46	7	17.9
less Interest expenses	\$m	3	54	3	5	2	66.7
Operating profit before tax	\$m	-17	-38	36	41	5	13.9
Balance sheet							
Current assets	\$m	30	32	73	80	7	9.6
Non-current assets	\$m	14	45	70	119	49	70.0
Total assets	\$m	44	77	143	199	56	39.2
Current liabilities	\$m	21	33	64	87	23	35.9
Non-current liabilities	\$m	5	11	28	90	62	221.4
Total liabilities	\$m	26	44	92	177	85	92.4
Net worth	\$m	18	33	51	22	-29	-56.9
Economic values							
Capital expenditure	\$m	2	22	0	39	39	..
Gross operating surplus	\$m	-7	30	50	78	28	56.0
Industry gross product	\$m	28	100	157	328	171	108.9
Business averages							
Average employment	No.	5.3	4.1	7.0	8.1	1.1	15.7
Average sales	\$'000	484	1 573	750	928	178	23.7
Average income	\$'000	511	1 699	751	932	181	24.1
Average expenses	\$'000	601	1 854	688	877	189	27.5
Average profit	\$'000	-90	-154	63	56	-7	-11.1
Average assets	\$'000	234	313	250	270	20	8.0
Average net worth	\$'000	96	134	89	30	-59	-66.3
Average gross product	\$'000	149	407	275	445	170	61.9
Industry ratios							
Profit margin	%	-17.7	-9.1	8.4	6.0	-2.4	-28.6
Return on assets	%	-38.6	-49.4	25.2	20.6	-4.6	-18.3
Return on net worth	%	-94.4	-115.2	70.6	186.4	115.8	164.0
Long term debt to equity	times	0.3	0.3	0.5	4.1	3.6	720.0
Current ratio	times	1.4	1.0	1.1	0.9	-0.2	-18.2
Interest coverage	times	-4.7	0.3	13.0	9.2	-3.8	-29.2
Investment rate	%	7.1	22.0	0.0	11.9	11.9	..

ANZSIC DIVISION K: FINANCE AND INSURANCE

Overview

In 1993-94, this division accounted for 29 per cent of the total *operating profit before tax* and 34 per cent of the total *net worth* of all public trading and private employing businesses.

TABLE 47 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Finance and Insurance</i>	<i>All industries</i>
BUSINESS AVERAGES			
Average employment	No.	15.0	9.0
Average income	\$'000	4 063	1 453
Average expenses	\$'000	2 929	1 323
Average profit	\$'000	1 134	130
Average assets	\$'000	43 128	2 857
Average net worth	\$'000	10 761	1 053
Average gross product	\$'000	..	376
INDUSTRY RATIOS			
Profit margin	%	27.9	8.9
Return on assets	%	2.6	4.5
Return on net worth	%	10.5	12.3
Interest coverage	times	1.9	2.7
Investment rate	%	..	23.0

Industry gross product is not an appropriate measure for gross product of finance and insurance activities because it does not take account of implicit charges for these services included in interest and premiums. Estimates for *gross domestic product* included in the *Australian National Accounts* include imputed values for these services. See Appendix 1 on page 88 for further details.

A significant proportion of businesses classified to this industry are non-employing businesses, for example superannuation funds, and therefore have not been included in these statistics. Based on income tax data available from the ATO, it is estimated that these non-employing businesses were responsible for 19 per cent of this industry's economic activity, in *operating profit before tax* terms.

This division is comprised of the following subdivisions:

- 73 Finance
- 74 Insurance
- 75 Services to Finance and Insurance

Separate details for these subdivisions are available on request.

TABLE 48 SUMMARY OF INDUSTRY PERFORMANCE

FINANCE AND INSURANCE

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	18 811	18 999	19 162	19 487	325	1.7
Employment	'000	323	310	293	293	0	0.0
Income statement							
Sales of goods and services	\$m	17 083	16 634	16 274	17 208	934	5.7
less Cost of sales	\$m	21 154	20 250	18 280	18 179	-101	-0.6
Trading profit	\$m	-4 071	-3 616	-2 006	-971	1 035	51.6
plus Interest income	\$m	69 187	58 509	48 998	44 984	-4 014	-8.2
plus Other operating income	\$m	17 577	16 599	16 441	16 980	539	3.3
less Labour costs	\$m	10 028	10 583	10 519	11 422	903	8.6
less Depreciation	\$m	1 537	1 474	1 428	1 414	-14	-1.0
less Other operating expenses	\$m	4 080	4 884	2 719	1 879	-840	-30.9
Earnings before interest & tax	\$m	67 048	54 551	48 767	46 278	-2 489	-5.1
less Interest expenses	\$m	47 863	37 884	28 151	24 189	-3 962	-14.1
Operating profit before tax	\$m	19 185	16 667	20 616	22 089	1 473	7.1
Balance sheet							
Current assets	\$m	..	..	..	..	..	..
Non-current assets	\$m	..	..	..	..	..	..
Total assets	\$m	782 522	804 242	844 027	840 438	-3 589	-0.4
Current liabilities	\$m	..	..	..	..	..	..
Non-current liabilities	\$m	..	..	..	..	..	..
Total liabilities	\$m	599 967	602 705	626 497	630 739	4 242	0.7
Net worth	\$m	182 555	201 537	217 530	209 699	-7 831	-3.6
Economic values							
Capital expenditure	\$m	2 919	2 662	3 575	2 894	-681	-19.0
Gross operating surplus	\$m	-13 997	-14 146	-12 494	-12 348	146	1.2
Industry gross product	\$m	-3 969	-3 563	-1 975	-926	1 049	53.1
Business averages							
Average employment	No.	17.2	16.3	15.3	15.0	-0.3	-2.0
Average sales	\$'000	908	876	849	883	34	4.0
Average income	\$'000	5 521	4 829	4 264	4 063	-201	-4.7
Average expenses	\$'000	4 501	3 952	3 188	2 929	-259	-8.1
Average profit	\$'000	1 020	877	1 076	1 134	58	5.4
Average assets	\$'000	41 599	42 331	44 047	43 128	-919	-2.1
Average net worth	\$'000	9 705	10 608	11 352	10 761	-591	-5.2
Average gross product	\$'000	..	..	..	..	..	..
Industry ratios							
Profit margin	%	18.5	18.2	25.2	27.9	2.7	10.7
Return on assets	%	2.5	2.1	2.4	2.6	0.2	8.3
Return on net worth	%	10.5	8.3	9.5	10.5	1.0	10.5
Long term debt to equity	times	..	..	..	..	..	..
Current ratio	times	..	..	..	..	..	..
Interest coverage	times	1.4	1.4	1.7	1.9	0.2	11.8
Investment rate	%	..	..	..	..	..	..

(a) Reasons for negative *industry gross product* are given on page 88.

TABLE 49 SUMMARY OF INDUSTRY PERFORMANCE

FINANCE AND INSURANCE

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	354	339	326	320	-6	-1.8
Employment	'000	259	239	221	217	-4	-1.8
Income statement							
Sales of goods and services	\$m	10 270	10 280	10 163	11 150	987	9.7
less Cost of sales	\$m	15 503	15 601	13 996	13 822	-174	-1.2
Trading profit	\$m	-5 233	-5 321	-3 833	-2 672	1 161	30.3
plus Interest income	\$m	65 409	55 846	46 815	42 861	-3 954	-8.4
plus Other operating income	\$m	16 296	15 313	15 134	14 812	-322	-2.1
less Labour costs	\$m	8 210	8 636	8 195	9 135	940	11.5
less Depreciation	\$m	1 318	1 282	1 231	1 199	-32	-2.6
less Other operating expenses	\$m	3 543	4 732	2 490	1 640	-850	-34.1
Earnings before interest & tax	\$m	63 401	51 188	46 200	43 027	-3 173	-6.9
less Interest expenses	\$m	45 638	36 082	26 906	23 147	-3 759	-14.0
Operating profit before tax	\$m	17 763	15 106	19 294	19 880	586	3.0
Balance sheet							
Current assets	\$m	..	..	..	..	..	..
Non-current assets	\$m	..	..	..	..	..	..
Total assets	\$m	746 694	765 570	803 169	804 879	1 710	0.2
Current liabilities	\$m	..	..	..	..	..	..
Non-current liabilities	\$m	..	..	..	..	..	..
Total liabilities	\$m	573 324	580 741	604 285	606 206	1 921	0.3
Net worth	\$m	173 370	184 829	198 884	198 673	-211	-0.1
Economic values							
Capital expenditure	\$m	2 207	2 110	2 551	2 528	-23	-0.9
Gross operating surplus	\$m	-13 389	-13 912	-12 006	-11 772	234	1.9
Industry gross product	\$m	-5 179	-5 276	-3 811	-2 637	1 174	30.8
Business averages							
Average employment	No.	731.6	705.0	677.9	678.1	0.2	0.0
Average sales	\$'000	29 011	30 324	31 175	34 844	3 669	11.8
Average income	\$'000	259 816	240 233	221 202	215 072	-6 130	-2.8
Average expenses	\$'000	209 638	195 673	162 018	152 947	-9 071	-5.6
Average profit	\$'000	50 178	44 560	59 184	62 125	2 941	5.0
Average assets	\$'000	2 109 305	2 258 319	2 463 709	2 515 247	51 538	2.1
Average net worth	\$'000	489 746	545 218	610 074	620 853	10 779	1.8
Average gross product	\$'000	..	..	..	..	..	..
Industry ratios							
Profit margin	%	19.3	18.5	26.8	28.9	2.1	7.8
Return on assets	%	2.4	2.0	2.4	2.5	0.1	4.2
Return on net worth	%	10.2	8.2	9.7	10.0	0.3	3.1
Long term debt to equity	times	..	..	..	..	..	..
Current ratio	times	..	..	..	..	..	..
Interest coverage	times	1.4	1.4	1.7	1.9	0.2	11.8
Investment rate	%	..	..	..	..	..	..

(a) Reasons for negative *industry gross product* are given on page 88.

TABLE 50 SUMMARY OF INDUSTRY PERFORMANCE

FINANCE AND INSURANCE

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	18 457	18 660	18 837	19 167	330	1.8
Employment	'000	64	71	72	76	4	5.6
Income statement							
Sales of goods and services	\$m	6 813	6 354	6 111	6 058	-53	-0.9
less Cost of sales	\$m	5 651	4 649	4 284	4 357	73	1.7
Trading profit	\$m	1 162	1 705	1 827	1 701	-126	-6.9
plus Interest income	\$m	3 778	2 663	2 183	2 123	-60	-2.7
plus Other operating income	\$m	1 281	1 286	1 307	2 168	861	65.9
less Labour costs	\$m	1 818	1 947	2 324	2 287	-37	-1.6
less Depreciation	\$m	219	192	197	215	18	9.1
less Other operating expenses	\$m	537	152	229	239	10	4.4
Earnings before interest & tax	\$m	3 647	3 363	2 567	3 251	684	26.6
less Interest expenses	\$m	2 225	1 802	1 245	1 042	-203	-16.3
Operating profit before tax	\$m	1 422	1 561	1 322	2 209	887	67.1
Balance sheet							
Current assets	\$m	..	..	..	..	..	..
Non-current assets	\$m	..	..	..	..	..	..
Total assets	\$m	35 828	38 672	40 858	35 559	-5 299	-13.0
Current liabilities	\$m	..	..	..	..	..	..
Non-current liabilities	\$m	..	..	..	..	..	..
Total liabilities	\$m	26 643	21 964	22 212	24 533	2 321	10.4
Net worth	\$m	9 185	16 708	18 646	11 026	-7 620	-40.9
Economic values							
Capital expenditure	\$m	712	552	1 024	366	-658	-64.3
Gross operating surplus	\$m	-608	-234	-488	-576	-88	-18.0
Industry gross product	\$m	1 210	1 713	1 836	1 711	-125	-6.8
Business averages							
Average employment	No.	3.5	3.8	3.8	4.0	0.2	5.3
Average sales	\$'000	369	341	324	316	-8	-2.5
Average income	\$'000	643	552	510	540	30	5.9
Average expenses	\$'000	566	468	440	425	-15	-3.4
Average profit	\$'000	77	84	70	115	45	64.3
Average assets	\$'000	1 941	2 072	2 169	1 855	-314	-14.5
Average net worth	\$'000	498	895	990	575	-415	-41.9
Average gross product	\$'000	66	92	97	89	-8	-8.4
Industry ratios							
Profit margin	%	12.0	15.2	13.8	21.3	7.5	54.3
Return on assets	%	4.0	4.0	3.2	6.2	3.0	93.8
Return on net worth	%	15.5	9.3	7.1	20.0	12.9	181.7
Long term debt to equity	times	..	..	..	..	..	..
Current ratio	times	..	..	..	..	..	..
Interest coverage	times	1.6	1.9	2.1	3.1	1.0	47.6
Investment rate	%	58.8	32.2	55.8	21.4	-34.4	-61.6

ANZSIC DIVISION L: PROPERTY AND BUSINESS SERVICES

Overview

In 1993-94, this division accounted for 8.6 per cent of business economic activity, in *industry gross product* terms.

TABLE 51 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Property and Business Services</i>	<i>Other service industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	5.7	8.0	9.0
Average income	\$'000	464	595	1 453
Average expenses	\$'000	406	520	1 323
Average profit	\$'000	58	74	130
Average assets	\$'000	1 189	1 071	2 857
Average net worth	\$'000	498	492	1 053
Average gross product	\$'000	201	281	376
INDUSTRY RATIOS				
Profit margin	%	12.5	12.5	8.9
Return on assets	%	4.9	6.9	4.5
Return on net worth	%	11.6	15.1	12.3
Interest coverage	times	2.4	3.4	2.7
Investment rate	%	13.0	20.0	23.0

A significant proportion of businesses classified to this industry are non-employers and therefore have not been included in these statistics. Based on income tax data available from the ATO, it is estimated that non-employing businesses were responsible for 9 per cent of this industry's gross product in 1993-94.

This division is comprised of the following subdivisions:

77 Property Services

78 Business Services

Separate details for both of these subdivisions are available on request.

TABLE 52 SUMMARY OF INDUSTRY PERFORMANCE

PROPERTY AND BUSINESS SERVICES

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	76 699	79 071	89 435	94 087	4 652	5.2
Employment	'000	471	535	534	536	2	0.4
Income statement							
Sales of goods and services	\$m	47 457	45 615	40 752	37 876	-2 876	-7.1
less Cost of sales	\$m	30 914	27 716	22 601	19 188	-3 413	-15.1
Trading profit	\$m	16 543	17 899	18 151	18 688	537	3.0
plus Interest income	\$m	4 484	3 773	3 439	2 737	-702	-20.4
plus Other operating income	\$m	4 683	3 510	4 251	3 041	-1 210	-28.5
less Labour costs	\$m	13 133	14 310	14 631	13 222	-1 409	-9.6
less Depreciation	\$m	1 347	1 237	1 340	1 281	-59	-4.4
less Other operating expenses	\$m	700	597	867	698	-169	-19.5
Earnings before interest & tax	\$m	10 530	9 038	9 003	9 265	262	2.9
less Interest expenses	\$m	8 018	6 982	5 623	3 819	-1 804	-32.1
Operating profit before tax	\$m	2 512	2 056	3 380	5 446	2 066	61.1
Balance sheet							
Current assets	\$m	46 399	44 353	40 962	39 852	-1 110	-2.7
Non-current assets	\$m	88 115	80 423	83 395	71 980	-11 415	-13.7
Total assets	\$m	134 514	124 776	124 357	111 832	-12 525	-10.1
Current liabilities	\$m	47 224	44 181	39 042	35 966	-3 076	-7.9
Non-current liabilities	\$m	35 356	34 632	37 685	29 029	-8 656	-23.0
Total liabilities	\$m	82 580	78 813	76 727	64 995	-11 732	-15.3
Net worth	\$m	51 934	45 963	47 630	46 837	-793	-1.7
Economic values							
Capital expenditure	\$m	6 528	2 509	2 506	2 462	-44	-1.8
Gross operating surplus	\$m	4 158	4 034	3 815	5 692	1 877	49.2
Industry gross product	\$m	17 291	18 344	18 446	18 914	468	2.5
Business averages							
Average employment	No.	6.1	6.8	6.0	5.7	-0.3	-5.0
Average sales	\$'000	619	577	456	403	-53	-11.6
Average income	\$'000	738	669	542	464	-78	-14.4
Average expenses	\$'000	706	643	504	406	-98	-19.4
Average profit	\$'000	33	26	38	58	20	52.6
Average assets	\$'000	1 754	1 578	1 390	1 189	-201	-14.5
Average net worth	\$'000	677	581	533	498	-35	-6.6
Average gross product	\$'000	225	232	206	201	-5	-2.5
Industry ratios							
Profit margin	%	4.4	3.9	7.0	12.5	5.5	78.6
Return on assets	%	1.9	1.6	2.7	4.9	2.2	81.5
Return on net worth	%	4.8	4.5	7.1	11.6	4.5	63.4
Long term debt to equity	times	0.7	0.8	0.8	0.6	-0.2	-25.0
Current ratio	times	1.0	1.0	1.0	1.1	0.1	10.0
Interest coverage	times	1.3	1.3	1.6	2.4	0.8	50.0
Investment rate	%	37.8	13.7	13.6	13.0	-0.6	-4.4

TABLE 53 SUMMARY OF INDUSTRY PERFORMANCE

PROPERTY AND BUSINESS SERVICES

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	217	219	216	210	-6	-2.8
Employment	'000	109	117	121	118	-3	-2.5
Income statement							
Sales of goods and services	\$m	12 274	10 472	9 886	10 160	274	2.8
less Cost of sales	\$m	8 647	6 387	5 880	5 240	-640	-10.9
Trading profit	\$m	3 627	4 085	4 006	4 920	914	22.8
plus Interest income	\$m	3 460	3 181	3 003	2 403	-600	-20.0
plus Other operating income	\$m	3 343	2 761	2 515	2 369	-146	-5.8
less Labour costs	\$m	3 568	3 671	3 828	4 104	276	7.2
less Depreciation	\$m	595	533	512	574	62	12.1
less Other operating expenses	\$m	271	152	267	333	66	24.7
Earnings before interest & tax	\$m	5 996	5 671	4 917	4 681	-236	-4.8
less Interest expenses	\$m	5 519	4 856	3 850	3 159	-691	-17.9
Operating profit before tax	\$m	477	815	1 067	1 522	455	42.6
Balance sheet							
Current assets	\$m	27 116	26 613	26 804	28 067	1 263	4.7
Non-current assets	\$m	63 798	58 053	59 476	53 964	-5 512	-9.3
Total assets	\$m	90 914	84 666	86 280	82 031	-4 249	-4.9
Current liabilities	\$m	28 088	27 443	23 579	24 978	1 399	5.9
Non-current liabilities	\$m	22 044	21 869	24 875	22 552	-2 323	-9.3
Total liabilities	\$m	50 132	49 312	48 454	47 530	-924	-1.9
Net worth	\$m	40 782	35 354	37 826	34 501	-3 325	-8.8
Economic values							
Capital expenditure	\$m	1 916	1 160	1 572	1 647	75	4.8
Gross operating surplus	\$m	435	723	295	955	660	223.7
Industry gross product	\$m	4 003	4 394	4 123	5 059	936	22.7
Business averages							
Average employment	No.	502.3	534.2	560.2	561.9	1.7	0.3
Average sales	\$'000	56 562	47 817	45 769	48 381	2 612	5.7
Average income	\$'000	87 912	74 950	71 315	71 105	-210	-0.3
Average expenses	\$'000	85 714	71 228	66 375	63 857	-2 518	-3.8
Average profit	\$'000	2 198	3 721	4 940	7 248	2 308	46.7
Average assets	\$'000	418 959	386 603	399 444	390 624	-8 820	-2.2
Average net worth	\$'000	187 935	161 434	175 120	164 290	-10 830	-6.2
Average gross product	\$'000	18 447	20 064	19 088	24 090	5 003	26.2
Industry ratios							
Profit margin	%	2.5	5.0	6.9	10.2	3.3	47.8
Return on assets	%	0.5	1.0	1.2	1.9	0.7	58.3
Return on net worth	%	1.2	2.3	2.8	4.4	1.6	57.1
Long term debt to equity	times	0.5	0.6	0.7	0.7	0.0	0.0
Current ratio	times	1.0	1.0	1.1	1.1	0.0	0.0
Interest coverage	times	1.1	1.2	1.3	1.5	0.2	15.4
Investment rate	%	47.9	26.4	38.1	32.6	-5.5	-14.4

TABLE 54 SUMMARY OF INDUSTRY PERFORMANCE

PROPERTY AND BUSINESS SERVICES

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	76 482	78 852	89 219	93 877	4 658	5.2
Employment	'000	362	418	413	418	5	1.2
Income statement							
Sales of goods and services	\$m	35 183	35 143	30 866	27 716	-3 150	-10.2
less Cost of sales	\$m	22 267	21 329	16 721	13 948	-2 773	-16.6
Trading profit	\$m	12 916	13 814	14 145	13 768	-377	-2.7
plus Interest income	\$m	1 024	592	436	334	-102	-23.4
plus Other operating income	\$m	1 340	749	1 736	672	-1 064	-61.3
less Labour costs	\$m	9 565	10 639	10 803	9 118	-1 685	-15.6
less Depreciation	\$m	752	704	828	707	-121	-14.6
less Other operating expenses	\$m	429	445	600	365	-235	-39.2
Earnings before interest & tax	\$m	4 534	3 367	4 086	4 584	498	12.2
less Interest expenses	\$m	2 499	2 126	1 773	660	-1 113	-62.8
Operating profit before tax	\$m	2 035	1 241	2 313	3 924	1 611	69.6
Balance sheet							
Current assets	\$m	19 283	17 740	14 158	11 785	-2 373	-16.8
Non-current assets	\$m	24 317	22 370	23 919	18 016	-5 903	-24.7
Total assets	\$m	43 600	40 110	38 077	29 801	-8 276	-21.7
Current liabilities	\$m	19 136	16 738	15 463	10 988	-4 475	-28.9
Non-current liabilities	\$m	13 312	12 763	12 810	6 477	-6 333	-49.4
Total liabilities	\$m	32 448	29 501	28 273	17 465	-10 808	-38.2
Net worth	\$m	11 152	10 609	9 804	12 336	2 532	25.8
Economic values							
Capital expenditure	\$m	4 612	1 349	934	815	-119	-12.7
Gross operating surplus	\$m	3 723	3 311	3 520	4 737	1 217	34.6
Industry gross product	\$m	13 288	13 950	14 323	13 855	-468	-3.3
Business averages							
Average employment	No.	4.7	5.3	4.6	4.5	-0.1	-2.2
Average sales	\$'000	460	446	346	295	-51	-14.7
Average income	\$'000	491	463	370	306	-64	-17.3
Average expenses	\$'000	464	447	344	264	-80	-23.3
Average profit	\$'000	27	16	26	42	16	61.5
Average assets	\$'000	570	509	427	317	-110	-25.8
Average net worth	\$'000	146	135	110	131	21	19.1
Average gross product	\$'000	174	177	161	148	-13	-8.1
Industry ratios							
Profit margin	%	5.4	3.4	7.0	13.7	6.7	95.7
Return on assets	%	4.7	3.1	6.1	13.2	7.1	116.4
Return on net worth	%	18.2	11.7	23.6	31.8	8.2	34.7
Long term debt to equity	times	1.2	1.2	1.3	0.5	-0.8	-61.5
Current ratio	times	1.0	1.1	0.9	1.1	0.2	22.2
Interest coverage	times	1.8	1.6	2.3	6.9	4.6	200.0
Investment rate	%	34.7	9.7	6.5	5.9	-0.6	-9.2

ANZSIC DIVISIONS N AND O: PRIVATE COMMUNITY SERVICES

Overview

In 1993-94, this division accounted for 5.5 per cent of business economic activity, in industry gross product terms.

TABLE 55 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Private Community Services</i>	<i>Other service industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	11.1	8.0	9.0
Average income	\$'000	531	595	1 453
Average expenses	\$'000	462	520	1 323
Average profit	\$'000	69	74	130
Average assets	\$'000	588	1 071	2 857
Average net worth	\$'000	320	492	1 053
Average gross product	\$'000	264	281	376
INDUSTRY RATIOS				
Profit margin	%	12.9	12.5	8.9
Return on assets	%	11.7	6.9	4.5
Return on net worth	%	21.5	15.1	12.3
Interest coverage	times	8.4	3.4	2.7
Investment rate	%	20.5	20.0	23.0

A significant proportion of organisations classified to this industry belong to the general government sector and therefore have not been included in these statistics. Based on the Australian National Accounts, it is estimated that general government organisations were responsible for 62 per cent of this industry's gross product in 1993-94.

These divisions are comprised of the following subdivisions:

- 84 Education
- 86 Health Services
- 87 Community Services

TABLE 56 SUMMARY OF INDUSTRY PERFORMANCE

PRIVATE COMMUNITY SERVICES

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	39 932	41 260	44 806	46 232	1 426	3.2
Employment	'000	464	475	507	513	6	1.2
Income statement							
Sales of goods and services	\$m	13 701	14 944	16 302	16 288	-14	-0.1
less Cost of sales	\$m	6 842	7 314	8 025	8 318	293	3.7
Trading profit	\$m	6 859	7 630	8 277	7 970	-307	-3.7
plus Interest income	\$m	362	328	344	234	-110	-32.0
plus Other operating income	\$m	5 378	6 354	6 965	8 019	1 054	15.1
less Labour costs	\$m	9 774	10 718	11 677	11 612	-65	-0.6
less Depreciation	\$m	454	519	597	744	147	24.6
less Other operating expenses	\$m	187	199	196	261	65	33.2
Earnings before interest & tax	\$m	2 184	2 876	3 116	3 606	490	15.7
less Interest expenses	\$m	552	536	535	429	-106	-19.8
Operating profit before tax	\$m	1 632	2 340	2 581	3 177	596	23.1
Balance sheet							
Current assets	\$m	4 647	5 391	6 618	6 632	14	0.2
Non-current assets	\$m	13 667	16 093	18 106	20 559	2 453	13.5
Total assets	\$m	18 314	21 484	24 724	27 191	2 467	10.0
Current liabilities	\$m	4 265	4 642	4 728	6 273	1 545	32.7
Non-current liabilities	\$m	4 078	4 554	5 384	6 111	727	13.5
Total liabilities	\$m	8 343	9 196	10 112	12 384	2 272	22.5
Net worth	\$m	9 971	12 288	14 612	14 807	195	1.3
Economic values							
Capital expenditure	\$m	1 979	1 539	1 687	2 503	816	48.4
Gross operating surplus	\$m	-496	-90	-273	608	881	322.7
Industry gross product	\$m	9 278	10 628	11 404	12 220	816	7.2
Business averages							
Average employment	No.	11.6	11.5	11.3	11.1	-0.2	-1.8
Average sales	\$'000	343	362	364	352	-12	-3.3
Average income	\$'000	487	524	527	531	4	0.8
Average expenses	\$'000	446	467	469	462	-7	-1.5
Average profit	\$'000	41	57	58	69	11	19.0
Average assets	\$'000	459	521	552	588	36	6.5
Average net worth	\$'000	250	298	326	320	-6	-1.8
Average gross product	\$'000	232	258	255	264	10	3.9
Industry ratios							
Profit margin	%	8.4	10.8	10.9	12.9	2.0	18.3
Return on assets	%	8.9	10.9	10.4	11.7	1.3	12.5
Return on net worth	%	16.4	19.0	17.7	21.5	3.8	21.5
Long term debt to equity	times	0.4	0.4	0.4	0.4	0.0	0.0
Current ratio	times	1.1	1.2	1.4	1.1	-0.3	-21.4
Interest coverage	times	4.0	5.4	5.8	8.4	2.6	44.8
Investment rate	%	21.3	14.5	14.8	20.5	5.7	38.5

TABLE 57 SUMMARY OF INDUSTRY PERFORMANCE

PRIVATE COMMUNITY SERVICES

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	208	216	255	276	21	8.2
Employment	'000	137	148	151	179	28	18.5
Income statement							
Sales of goods and services	\$m	2 746	3 651	3 941	4 018	77	2.0
less Cost of sales	\$m	1 418	1 979	2 161	2 623	462	21.4
Trading profit	\$m	1 328	1 672	1 780	1 395	-385	-21.6
plus Interest income	\$m	121	113	93	107	14	15.1
plus Other operating income	\$m	2 348	2 600	2 757	3 986	1 229	44.6
less Labour costs	\$m	3 218	3 682	3 876	4 313	437	11.3
less Depreciation	\$m	160	211	224	273	49	21.9
less Other operating expenses	\$m	35	38	41	56	15	36.6
Earnings before interest & tax	\$m	384	454	489	846	357	73.0
less Interest expenses	\$m	140	159	135	101	-34	-25.2
Operating profit before tax	\$m	244	295	354	745	391	110.5
Balance sheet							
Current assets	\$m	1 228	1 816	1 829	2 452	623	34.1
Non-current assets	\$m	4 504	5 706	6 423	7 605	1 182	18.4
Total assets	\$m	5 732	7 522	8 252	10 057	1 805	21.9
Current liabilities	\$m	1 066	1 647	1 679	2 496	817	48.7
Non-current liabilities	\$m	1 332	1 665	1 918	2 366	448	23.4
Total liabilities	\$m	2 398	3 312	3 597	4 862	1 265	35.2
Net worth	\$m	3 334	4 210	4 655	5 195	540	11.6
Economic values							
Capital expenditure	\$m	548	760	763	1 032	269	35.3
Gross operating surplus	\$m	-977	-1 101	-924	-775	149	16.1
Industry gross product	\$m	2 241	2 581	2 952	3 538	586	19.9
Business averages							
Average employment	No.	658.7	685.2	592.2	648.6	56.4	9.5
Average sales	\$'000	13 202	16 903	15 455	14 558	-897	-5.8
Average income	\$'000	25 072	29 463	26 631	29 388	2 757	10.4
Average expenses	\$'000	23 899	28 097	25 243	26 688	1 445	5.7
Average profit	\$'000	1 173	1 366	1 388	2 699	1 311	94.5
Average assets	\$'000	27 558	34 824	32 361	36 438	4 077	12.6
Average net worth	\$'000	16 029	19 491	18 255	18 822	567	3.1
Average gross product	\$'000	10 774	11 949	11 576	12 819	1 242	10.7
Industry ratios							
Profit margin	%	4.7	4.6	5.2	9.2	4.0	76.9
Return on assets	%	4.3	3.9	4.3	7.4	3.1	72.1
Return on net worth	%	7.3	7.0	7.6	14.3	6.7	88.2
Long term debt to equity	times	0.4	0.4	0.4	0.5	0.1	25.0
Current ratio	times	1.2	1.1	1.1	1.0	-0.1	-9.1
Interest coverage	times	2.7	2.9	3.6	8.4	4.8	133.3
Investment rate	%	24.5	29.4	25.8	29.2	3.4	13.2

TABLE 58 SUMMARY OF INDUSTRY PERFORMANCE

PRIVATE COMMUNITY SERVICES

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	39 724	41 044	44 552	45 956	1 404	3.2
Employment	'000	327	327	356	334	-22	-6.2
Income statement							
Sales of goods and services	\$m	10 955	11 293	12 361	12 270	-91	-0.7
less Cost of sales	\$m	5 424	5 335	5 864	5 695	-169	-2.9
Trading profit	\$m	5 531	5 958	6 497	6 575	78	1.2
plus Interest income	\$m	241	215	251	127	-124	-49.4
plus Other operating income	\$m	3 030	3 754	4 208	4 033	-175	-4.2
less Labour costs	\$m	6 556	7 036	7 801	7 299	-502	-6.4
less Depreciation	\$m	294	308	373	471	98	26.3
less Other operating expenses	\$m	152	161	155	205	50	32.3
Earnings before interest & tax	\$m	1 800	2 422	2 627	2 760	133	5.1
less Interest expenses	\$m	412	377	400	328	-72	-18.0
Operating profit before tax	\$m	1 388	2 045	2 227	2 432	205	9.2
Balance sheet							
Current assets	\$m	3 419	3 575	4 789	4 180	-609	-12.7
Non-current assets	\$m	9 163	10 387	11 683	12 954	1 271	10.9
Total assets	\$m	12 582	13 962	16 472	17 134	662	4.0
Current liabilities	\$m	3 199	2 995	3 049	3 777	728	23.9
Non-current liabilities	\$m	2 746	2 889	3 466	3 745	279	8.0
Total liabilities	\$m	5 945	5 884	6 515	7 522	1 007	15.5
Net worth	\$m	6 637	8 078	9 957	9 612	-345	-3.5
Economic values							
Capital expenditure	\$m	1 431	779	924	1 471	547	59.2
Gross operating surplus	\$m	481	1 011	651	1 383	732	112.4
Industry gross product	\$m	7 037	8 047	8 452	8 682	230	2.7
Business averages							
Average employment	No.	8.2	8.0	8.0	7.3	-0.7	-8.7
Average sales	\$'000	276	275	277	267	-10	-3.6
Average income	\$'000	358	372	378	358	-20	-5.3
Average expenses	\$'000	323	322	328	305	-23	-7.0
Average profit	\$'000	35	50	50	53	3	6.0
Average assets	\$'000	317	340	370	373	3	0.8
Average net worth	\$'000	167	197	223	209	-14	-6.3
Average gross product	\$'000	177	196	190	189	-1	-0.4
Industry ratios							
Profit margin	%	9.8	13.4	13.2	14.8	1.6	12.1
Return on assets	%	11.0	14.6	13.5	14.2	0.7	5.2
Return on net worth	%	20.9	25.3	22.4	25.3	2.9	12.9
Long term debt to equity	times	0.4	0.4	0.3	0.4	0.1	33.3
Current ratio	times	1.1	1.2	1.6	1.1	-0.5	-31.3
Interest coverage	times	4.4	6.4	6.6	8.4	1.8	27.3
Investment rate	%	20.3	9.7	10.9	16.9	6.0	55.0

ANZSIC DIVISION P: CULTURAL AND RECREATIONAL SERVICES

Overview

In 1993-94, this division accounted for 2.1 per cent of business economic activity, in *industry gross product* terms.

TABLE 59 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Cultural and Recreational Services</i>	<i>Other service industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	8.7	8.0	9.0
Average income	\$'000	760	595	1 453
Average expenses	\$'000	653	520	1 323
Average profit	\$'000	107	74	130
Average assets	\$'000	1 018	1 071	2 857
Average net worth	\$'000	473	492	1 053
Average gross product	\$'000	353	281	376
INDUSTRY RATIOS				
Profit margin	%	14.0	12.5	8.9
Return on assets	%	10.5	6.9	4.5
Return on net worth	%	22.5	15.1	12.3
Interest coverage	times	5.7	3.4	2.7
Investment rate	%	22.2	20.0	23.0

A significant proportion of organisations classified to this industry belong to the general government sector and therefore have not been included in these statistics. Based on the Australian National Accounts, it is estimated that general government organisations were responsible for 17 per cent of this industry's gross product in 1993-94.

This division is comprised of the following subdivisions:

- 91 Motion Picture, Radio and Television Services
- 92 Libraries, Museums and the Arts
- 93 Sports and Recreation

TABLE 60 SUMMARY OF INDUSTRY PERFORMANCE

CULTURAL AND RECREATIONAL SERVICES

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	11 733	12 359	13 019	13 155	136	1.0
Employment	'000	97	108	117	115	-2	-1.7
Income statement							
Sales of goods and services	\$m	7 695	9 207	9 456	9 335	-121	-1.3
less Cost of sales	\$m	4 875	5 950	5 657	4 996	-661	-11.7
Trading profit	\$m	2 820	3 257	3 799	4 339	540	14.2
plus Interest income	\$m	159	103	197	66	-131	-66.5
plus Other operating income	\$m	477	356	512	598	86	16.8
less Labour costs	\$m	1 689	1 925	2 147	2 263	116	5.4
less Depreciation	\$m	277	314	452	557	105	23.2
less Other operating expenses	\$m	67	123	178	482	304	170.8
Earnings before interest & tax	\$m	1 423	1 354	1 731	1 701	-30	-1.7
less Interest expenses	\$m	449	434	496	297	-199	-40.1
Operating profit before tax	\$m	974	920	1 235	1 404	169	13.7
Balance sheet							
Current assets	\$m	3 307	2 555	2 954	2 962	8	0.3
Non-current assets	\$m	7 436	9 602	10 571	10 432	-139	-1.3
Total assets	\$m	10 743	12 157	13 525	13 394	-131	-1.0
Current liabilities	\$m	4 855	2 818	4 027	2 788	-1 239	-30.8
Non-current liabilities	\$m	3 194	4 420	5 001	4 378	-623	-12.5
Total liabilities	\$m	8 049	7 238	9 028	7 166	-1 862	-20.6
Net worth	\$m	2 694	4 919	4 497	6 228	1 731	38.5
Economic values							
Capital expenditure	\$m	633	479	688	1 033	345	50.1
Gross operating surplus	\$m	1 320	1 500	1 808	2 387	579	32.0
Industry gross product	\$m	3 009	3 425	3 955	4 650	695	17.6
Business averages							
Average employment	No.	8.3	8.7	9.0	8.7	-0.3	-3.3
Average sales	\$'000	656	745	726	710	-16	-2.2
Average income	\$'000	710	782	781	760	-21	-2.7
Average expenses	\$'000	627	708	686	653	-33	-4.8
Average profit	\$'000	83	74	95	107	12	12.6
Average assets	\$'000	916	984	1 039	1 018	-21	-2.0
Average net worth	\$'000	230	398	345	473	128	37.1
Average gross product	\$'000	256	277	304	353	50	16.4
Industry ratios							
Profit margin	%	11.7	9.5	12.1	14.0	1.9	15.7
Return on assets	%	9.1	7.6	9.1	10.5	1.4	15.4
Return on net worth	%	36.2	18.7	27.5	22.5	-5.0	-18.2
Long term debt to equity	times	1.2	0.9	1.1	0.7	-0.4	-36.4
Current ratio	times	0.7	0.9	0.7	1.1	0.4	57.1
Interest coverage	times	3.2	3.1	3.5	5.7	2.2	62.9
Investment rate	%	21.0	14.0	17.4	22.2	4.8	27.6

TABLE 61 SUMMARY OF INDUSTRY PERFORMANCE

CULTURAL AND RECREATIONAL SERVICES

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	49	50	57	59	2	3.5
Employment	'000	29	36	34	36	2	5.9
Income statement							
Sales of goods and services	\$m	2 975	3 507	4 168	4 645	477	11.4
less Cost of sales	\$m	1 921	1 938	2 299	2 300	1	0.0
Trading profit	\$m	1 054	1 569	1 869	2 345	476	25.5
plus Interest income	\$m	63	54	145	26	-119	-82.1
plus Other operating income	\$m	269	153	183	245	62	33.9
less Labour costs	\$m	656	797	888	954	66	7.4
less Depreciation	\$m	121	146	171	351	180	105.3
less Other operating expenses	\$m	24	37	91	311	220	241.8
Earnings before interest & tax	\$m	585	796	1 047	1 000	-47	-4.5
less Interest expenses	\$m	194	269	331	152	-179	-54.1
Operating profit before tax	\$m	391	527	716	848	132	18.4
Balance sheet							
Current assets	\$m	1 644	1 222	1 427	1 758	331	23.2
Non-current assets	\$m	3 550	5 937	6 086	6 514	428	7.0
Total assets	\$m	5 194	7 159	7 513	8 272	759	10.1
Current liabilities	\$m	2 184	1 183	2 027	1 501	-526	-25.9
Non-current liabilities	\$m	1 901	2 824	2 993	2 619	-374	-12.5
Total liabilities	\$m	4 085	4 007	5 020	4 120	-900	-17.9
Net worth	\$m	1 109	3 152	2 493	4 152	1 659	66.5
Economic values							
Capital expenditure	\$m	246	186	361	384	23	6.4
Gross operating surplus	\$m	502	881	1 060	1 548	488	46.0
Industry gross product	\$m	1 158	1 678	1 948	2 502	554	28.4
Business averages							
Average employment	No.	591.8	720.0	596.5	610.2	13.7	2.3
Average sales	\$'000	60 714	70 140	73 123	78 729	5 606	7.7
Average income	\$'000	67 490	74 280	78 877	83 322	4 445	5.6
Average expenses	\$'000	59 510	63 740	66 316	68 949	2 633	4.0
Average profit	\$'000	7 980	10 540	12 561	14 373	1 812	14.4
Average assets	\$'000	106 000	143 180	131 807	140 203	8 396	6.4
Average net worth	\$'000	22 633	63 040	43 737	70 373	26 636	60.9
Average gross product	\$'000	23 633	33 560	34 175	42 407	8 231	24.1
Industry ratios							
Profit margin	%	11.8	14.2	15.9	17.2	1.3	8.2
Return on assets	%	7.5	7.4	9.5	10.3	0.8	8.4
Return on net worth	%	35.3	16.7	28.7	20.4	-8.3	-28.9
Long term debt to equity	times	1.7	0.9	1.2	0.6	-0.6	-50.0
Current ratio	times	0.8	1.0	0.7	1.2	0.5	71.4
Interest coverage	times	3.0	3.0	3.2	6.6	3.4	106.3
Investment rate	%	21.2	11.1	18.5	15.3	-3.2	-17.3

TABLE 62 SUMMARY OF INDUSTRY PERFORMANCE

CULTURAL AND RECREATIONAL SERVICES

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	11 685	12 308	12 962	13 097	135	1.0
Employment	'000	68	72	83	79	-4	-4.8
Income statement							
Sales of goods and services	\$m	4 720	5 700	5 288	4 690	-598	-11.3
less Cost of sales	\$m	2 954	4 012	3 358	2 696	-662	-19.7
Trading profit	\$m	1 766	1 688	1 930	1 994	64	3.3
plus Interest income	\$m	96	49	52	40	-12	-23.1
plus Other operating income	\$m	208	203	329	353	24	7.3
less Labour costs	\$m	1 033	1 128	1 259	1 309	50	4.0
less Depreciation	\$m	156	168	281	206	-75	-26.7
less Other operating expenses	\$m	43	86	87	171	84	96.6
Earnings before interest & tax	\$m	838	558	684	701	17	2.5
less Interest expenses	\$m	255	165	165	145	-20	-12.1
Operating profit before tax	\$m	583	393	519	556	37	7.1
Balance sheet							
Current assets	\$m	1 663	1 333	1 527	1 204	-323	-21.2
Non-current assets	\$m	3 886	3 665	4 485	3 918	-567	-12.6
Total assets	\$m	5 549	4 998	6 012	5 122	-890	-14.8
Current liabilities	\$m	2 671	1 635	2 000	1 287	-713	-35.7
Non-current liabilities	\$m	1 293	1 596	2 008	1 759	-249	-12.4
Total liabilities	\$m	3 964	3 231	4 008	3 046	-962	-24.0
Net worth	\$m	1 585	1 767	2 004	2 076	72	3.6
Economic values							
Capital expenditure	\$m	387	293	327	649	322	98.5
Gross operating surplus	\$m	818	619	748	839	91	12.2
Industry gross product	\$m	1 851	1 747	2 007	2 148	141	7.0
Business averages							
Average employment	No.	5.8	5.8	6.4	6.0	-0.4	-6.3
Average sales	\$'000	404	463	408	358	-50	-12.3
Average income	\$'000	430	484	437	388	-49	-11.2
Average expenses	\$'000	380	452	397	346	-51	-12.8
Average profit	\$'000	50	32	40	42	2	5.0
Average assets	\$'000	475	406	464	391	-73	-15.7
Average net worth	\$'000	136	144	155	159	4	2.6
Average gross product	\$'000	158	142	155	164	9	5.9
Industry ratios							
Profit margin	%	11.6	6.6	9.2	10.9	1.7	18.5
Return on assets	%	10.5	7.9	8.6	10.9	2.3	26.7
Return on net worth	%	36.8	22.2	25.9	26.8	0.9	3.5
Long term debt to equity	times	0.8	0.9	1.0	0.8	-0.2	-20.0
Current ratio	times	0.6	0.8	0.8	0.9	0.1	12.5
Interest coverage	times	3.3	3.4	4.1	4.8	0.7	17.1
Investment rate	%	20.9	16.8	16.3	30.2	13.9	85.3

ANZSIC DIVISION Q: PERSONAL AND OTHER SERVICES

Overview

In 1993-94, this division accounted for 1.4 per cent of business economic activity, in *industry gross product* terms.

TABLE 63 COMPARISON WITH OTHER INDUSTRIES, 1993-94

<i>Item</i>	<i>Unit</i>	<i>Personal and Other Services</i>	<i>Other service industries</i>	<i>All industries</i>
BUSINESS AVERAGES				
Average employment	No.	5.8	8.0	9.0
Average income	\$'000	433	595	1 453
Average expenses	\$'000	404	520	1 323
Average profit	\$'000	29	74	130
Average assets	\$'000	495	1 071	2 857
Average net worth	\$'000	275	492	1 053
Average gross product	\$'000	130	281	376
INDUSTRY RATIOS				
Profit margin	%	6.8	12.5	8.9
Return on assets	%	5.9	6.9	4.5
Return on net worth	%	10.7	15.1	12.3
Interest coverage	times	4.6	3.4	2.7
Investment rate	%	24.6	20.0	23.0

A significant proportion of organisations classified to this industry belong to the general government sector and therefore have not been included in these statistics. Based on the Australian National Accounts, it is estimated that general government organisations were responsible for 43 per cent of this industry's gross product in 1993-94.

This division is comprised of the following subdivisions:

95 Personal Services

96 Other Services

TABLE 64 SUMMARY OF INDUSTRY PERFORMANCE

PERSONAL AND OTHER SERVICES

All Sizes

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	19 873	20 001	22 482	23 265	783	3.5
Employment	'000	116	133	132	136	4	3.0
Income statement							
Sales of goods and services	\$m	5 453	6 922	6 668	8 532	1 864	28.0
less Cost of sales	\$m	3 481	4 342	4 214	5 744	1 530	36.3
Trading profit	\$m	1 972	2 580	2 454	2 788	334	13.6
plus Interest income	\$m	150	329	383	161	-222	-58.0
plus Other operating income	\$m	1 086	1 158	1 330	1 387	57	4.3
less Labour costs	\$m	2 216	2 696	2 748	2 906	158	5.7
less Depreciation	\$m	283	375	340	435	95	27.9
less Other operating expenses	\$m	78	95	91	123	32	35.2
Earnings before interest & tax	\$m	631	901	988	872	-116	-11.7
less Interest expenses	\$m	161	246	169	190	21	12.4
Operating profit before tax	\$m	470	655	819	682	-137	-16.7
Balance sheet							
Current assets	\$m	2 346	3 427	3 706	3 274	-432	-11.7
Non-current assets	\$m	6 650	9 447	8 845	8 249	-596	-6.7
Total assets	\$m	8 996	12 874	12 551	11 523	-1 028	-8.2
Current liabilities	\$m	2 065	2 698	2 370	2 510	140	5.9
Non-current liabilities	\$m	1 238	1 950	1 953	2 626	673	34.5
Total liabilities	\$m	3 303	4 648	4 323	5 136	813	18.8
Net worth	\$m	5 693	8 226	8 228	6 387	-1 841	-22.4
Economic values							
Capital expenditure	\$m	655	713	632	748	116	18.4
Gross operating surplus	\$m	53	157	-45	130	175	388.9
Industry gross product	\$m	2 269	2 853	2 703	3 036	333	12.3
Business averages							
Average employment	No.	5.8	6.6	5.9	5.8	-0.1	-1.7
Average sales	\$'000	274	346	297	367	70	23.6
Average income	\$'000	337	420	373	433	60	16.1
Average expenses	\$'000	313	388	336	404	68	20.2
Average profit	\$'000	24	33	36	29	-7	-19.4
Average assets	\$'000	453	644	558	495	-63	-11.3
Average net worth	\$'000	286	411	366	275	-91	-24.9
Average gross product	\$'000	114	143	120	130	10	8.5
Industry ratios							
Profit margin	%	7.0	7.8	9.8	6.8	-3.0	-30.6
Return on assets	%	5.2	5.1	6.5	5.9	-0.6	-9.2
Return on net worth	%	8.3	8.0	10.0	10.7	0.7	7.0
Long term debt to equity	times	0.2	0.2	0.2	0.4	0.2	100.0
Current ratio	times	1.1	1.3	1.6	1.3	-0.3	-18.8
Interest coverage	times	3.9	3.7	5.8	4.6	-1.2	-20.7
Investment rate	%	28.9	25.0	23.4	24.6	1.2	5.1

TABLE 65 SUMMARY OF INDUSTRY PERFORMANCE

PERSONAL AND OTHER SERVICES

Large Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	44	41	39	39	0	0.0
Employment	'000	24	22	21	24	3	14.3
Income statement							
Sales of goods and services	\$m	1 447	1 718	1 713	1 972	259	15.1
less Cost of sales	\$m	814	1 052	1 009	1 108	99	9.8
Trading profit	\$m	633	666	704	864	160	22.7
plus Interest income	\$m	45	169	163	96	-67	-41.1
plus Other operating income	\$m	138	198	187	162	-25	-13.4
less Labour costs	\$m	524	599	624	716	92	14.7
less Depreciation	\$m	95	131	136	176	40	29.4
less Other operating expenses	\$m	13	18	17	18	1	5.9
Earnings before interest & tax	\$m	184	285	277	212	-65	-23.5
less Interest expenses	\$m	26	55	53	67	14	26.4
Operating profit before tax	\$m	158	230	224	145	-79	-35.3
Balance sheet							
Current assets	\$m	597	834	720	1 041	321	44.6
Non-current assets	\$m	1 633	2 499	2 418	2 209	-209	-8.6
Total assets	\$m	2 230	3 333	3 138	3 250	112	3.6
Current liabilities	\$m	784	1 034	1 090	1 018	-72	-6.6
Non-current liabilities	\$m	410	658	641	755	114	17.8
Total liabilities	\$m	1 194	1 692	1 731	1 773	42	2.4
Net worth	\$m	1 036	1 641	1 407	1 477	70	5.0
Economic values							
Capital expenditure	\$m	185	214	168	403	235	139.9
Gross operating surplus	\$m	112	85	80	183	103	128.8
Industry gross product	\$m	636	684	704	899	195	27.7
Business averages							
Average employment	No.	545.5	536.6	538.5	615.4	76.9	14.3
Average sales	\$'000	32 886	41 902	43 923	50 564	6 641	15.1
Average income	\$'000	37 045	50 854	52 897	57 179	4 282	8.1
Average expenses	\$'000	33 455	45 244	47 154	53 462	6 308	13.4
Average profit	\$'000	3 591	5 610	5 744	3 718	-2 026	-35.3
Average assets	\$'000	50 682	81 293	80 462	83 333	2 871	3.6
Average net worth	\$'000	23 545	40 024	36 077	37 872	1 795	5.0
Average gross product	\$'000	14 455	16 683	18 051	23 051	5 000	27.7
Industry ratios							
Profit margin	%	9.7	11.0	10.9	6.5	-4.4	-40.4
Return on assets	%	7.1	6.9	7.1	4.5	-2.6	-36.6
Return on net worth	%	15.3	14.0	15.9	9.8	-6.1	-38.4
Long term debt to equity	times	0.4	0.4	0.5	0.5	0.0	0.0
Current ratio	times	0.8	0.8	0.7	1.0	0.3	42.9
Interest coverage	times	7.1	5.2	5.2	3.2	-2.0	-38.5
Investment rate	%	29.1	31.3	23.9	44.8	20.9	87.4

TABLE 66 SUMMARY OF INDUSTRY PERFORMANCE

PERSONAL AND OTHER SERVICES

Small and Medium Businesses

	Unit	1990-91	1991-92	1992-93	1993-94	Change in latest year	
						Absolute	Relative (%)
Industry structure							
Operating businesses	No.	19 829	19 960	22 443	23 227	784	3.5
Employment	'000	92	111	111	112	1	0.9
Income statement							
Sales of goods and services	\$m	4 006	5 204	4 955	6 560	1 605	32.4
less Cost of sales	\$m	2 667	3 290	3 205	4 636	1 431	44.6
Trading profit	\$m	1 339	1 914	1 750	1 924	174	9.9
plus Interest income	\$m	105	160	220	65	-155	-70.5
plus Other operating income	\$m	948	960	1 143	1 225	82	7.2
less Labour costs	\$m	1 692	2 097	2 124	2 190	66	3.1
less Depreciation	\$m	188	244	204	259	55	27.0
less Other operating expenses	\$m	65	77	74	105	31	41.9
Earnings before interest & tax	\$m	447	616	711	660	-51	-7.2
less Interest expenses	\$m	135	191	116	123	7	6.0
Operating profit before tax	\$m	312	425	595	537	-58	-9.7
Balance sheet							
Current assets	\$m	1 749	2 593	2 986	2 233	-753	-25.2
Non-current assets	\$m	5 017	6 948	6 427	6 040	-387	-6.0
Total assets	\$m	6 766	9 541	9 413	8 273	-1 140	-12.1
Current liabilities	\$m	1 281	1 664	1 280	1 492	212	16.6
Non-current liabilities	\$m	828	1 292	1 312	1 871	559	42.6
Total liabilities	\$m	2 109	2 956	2 592	3 363	771	29.7
Net worth	\$m	4 657	6 585	6 821	4 910	-1 911	-28.0
Economic values							
Capital expenditure	\$m	470	499	464	345	-119	-25.6
Gross operating surplus	\$m	-59	72	-125	-53	72	57.6
Industry gross product	\$m	1 633	2 169	1 999	2 137	138	6.9
Business averages							
Average employment	No.	4.6	5.6	4.9	4.8	-0.1	-2.0
Average sales	\$'000	202	261	221	282	61	27.6
Average income	\$'000	255	317	282	338	56	19.9
Average expenses	\$'000	239	296	255	315	60	23.5
Average profit	\$'000	16	21	27	23	-4	-14.8
Average assets	\$'000	341	478	419	356	-63	-15.0
Average net worth	\$'000	235	330	304	211	-93	-30.6
Average gross product	\$'000	82	109	89	92	3	3.3
Industry ratios							
Profit margin	%	6.2	6.7	9.4	6.8	-2.6	-27.7
Return on assets	%	4.6	4.5	6.3	6.5	0.2	3.2
Return on net worth	%	6.7	6.5	8.7	10.9	2.2	25.3
Long term debt to equity	times	0.2	0.2	0.2	0.4	0.2	100.0
Current ratio	times	1.4	1.6	2.3	1.5	-0.8	-34.8
Interest coverage	times	3.3	3.2	6.1	5.4	-0.7	-11.5
Investment rate	%	28.8	23.0	23.2	16.1	-7.1	-30.6

SPECIAL DATA SERVICES

The Economic Activity Survey, allows for a wider range of data to be made available than is contained in this publication.

Standard products

These include tables of unpublished data that can be delivered almost immediately upon request. Two examples of standard products are *Summaries of Industry Performance* and *Industry Concentration Statistics*.

Summaries of Industry Performance are one page summaries, similar in format to Table 6 of this publication, but at finer levels of industry classification. These summaries are available for the ANZSIC subdivisions described in Part 2.

Industry Concentration Statistics are tables showing the proportions of sales, employment, and wages and salaries that are concentrated among the 20 largest enterprise groups operating in each industry. The 'largest 20' are further subdivided by groups of four, viz first four groups, second four groups, and so on.

Non-standard products

Other statistical products can be tailored to satisfy the specific requirements of clients. For example, many other performance measures or ratios apart from those included in this publication can be generated. Some examples are liquidity, debt coverage, stocks turnover and assets turnover ratios.

Similarly, the data can be presented by size classifications, which have been tailored to a client's specific need. For example, size classifications based on client specified ranges in the value of sales, profits or assets can be generated.

The generation of non-standard output usually requires some additional computer programming and clerical effort which increases its costs and time to deliver when compared to standard products.

For further information on unpublished statistics that can be made available, contact Bernard Williams by phone (06) 252 5288 or fax (06) 253 1497

EXPLANATORY NOTES

Survey design and methodology

The estimates in this publication have been derived from the Economic Activity Survey (EAS). For industries covered by detailed industry specific collections, EAS questions were incorporated into existing questionnaires (see section below on Other Economic Collections).

The population frame for these statistics consisted of all business units in the Australian economy except for:

- Agricultural businesses with an estimated value of agricultural operations less than \$22,500;
- non-employing businesses in all other industries ie businesses which have not registered as groups employers with the ATO; and
- businesses classified to the General Government sector (note government-owned Public Trading Enterprises were included).

Statistical unit

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

The ABS Business Register provided the population frame from which *management units* were selected for inclusion in the EAS. For more information about the Business Register, refer to Information Paper, *ABS Business Register - Recent Developments, 1991* (8130.0).

Approximately 15,000 *management units* were selected using stratified random sampling techniques. All *management units* with employment of 200 or more persons were automatically selected in the sample.

The counts of *operating businesses* included in this publication should be used with some caution. Over and above the sampling error associated with these estimates, they are more affected than are other estimates presented by such things as internal restructuring of businesses (eg changes in divisionalised structure), mergers, takeovers and changes in the quality of ABS' Business Register. Because of these influences, estimates of the number of businesses have been smoothed, using a three-year moving average. This technique reduces the effect the above influences have on movements in the number of *operating businesses* across years. Having applied this technique, the estimates are then considered suitable for use in analysing changes in the relative composition of industries and generation of business averages.

Reference period

The statistical results presented in this bulletin are based on details of profit and loss statements and balance sheets collected from selected businesses mainly by mail out questionnaires. For 1993-94, businesses were asked to provide data in respect of the year ending June 1994. In a minority of cases, where businesses did not account on a June-year basis, details were reported in respect of the accounting year which ended between October 1993 and September 1994.

Other economic collections

Some of the industry-specific collections used to compile these statistics can provide fine level breakdowns of the data (eg by State). For example, the annual Mining Census was used to derive estimates for part of the Mining division and the annual Agricultural Finance Survey was used to derive estimates for part of the Agriculture division. Estimates for Manufacturing have been derived entirely from the annual Manufacturing collection. For more information on these surveys refer to the following ABS publications:

Agricultural Industries, Financial Statistics, Australia, 1993-94 (7507.0)

Australian Mining Industry, 1993-94 (8414.0)

Manufacturing Industry, Australia, 1993-94 (8221.0)

Electricity and Gas Operations, Australia, 1993-94 (8208.0)

Classification by industry This publication presents statistics classified by industry. Each business unit is classified to a single industry. The industry allocated is based on an estimate of the primary activity of the *management unit* irrespective of whether a range of activities or a single activity is undertaken by the unit. For example, a *management unit* which derives most of its income from construction activities would have all operations included in the aggregates and ratios for the Construction industry division, even if significant secondary activities (eg quarrying) were undertaken. This is different from the approach that might be taken to the collection of statistics on an activity basis.

The 1993 edition of the *Australian and New Zealand Standard Industrial Classification (ANZSIC) (1292.0)* has been used to classify *management units* included in the Economic Activity Survey. Statistics in this publication are presented at broad levels of classification, generally equating to division level.

Classification by size

This publication presents statistics broken down into two size categories, defined as follows:

- **Large businesses** include all *management units* which employ over 200 persons or have assets worth more than \$200 million.
- **Small and medium businesses** are those *management units* which employ less than 200 persons and do not have assets worth more than \$200 million.

Other dissections by size can be made available on request.

Reliability of estimates

Since the estimates in this publication are based on information obtained from a sample drawn from units in the surveyed population, the estimates are subject to sampling variability; that is, they may differ from the figures that would have been produced if all units had been included in the survey. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and thus avoids the need to refer also to the size of the estimate. Table 67 provides relative standard errors for a selection of estimates presented in this publication. It should be noted that estimates for large businesses are generally not subject to sampling error as every effort is made to completely enumerate these businesses.

TABLE 67 RELATIVE STANDARD ERRORS OF SELECTED ESTIMATES, 1993-94

	<i>Sales of goods and services</i>	<i>Operating profit before tax</i>	<i>Total assets</i>	<i>Net worth</i>	<i>Industry gross product</i>	<i>Capital expenditure</i>
SMALL AND MEDIUM BUSINESSES						
	%	%	%	%	%	%
Agriculture, Forestry and Fishing	2	4	0	1	1	1
Mining	14	21	16	18	10	17
Manufacturing	4	9	6	7	4	13
Electricity, Gas and Water	7	15	9	14	9	14
Construction	8	21	17	21	8	18
Wholesale Trade	6	31	8	15	8	18
Retail Trade	7	17	7	13	7	18
Accommodation, Cafes and Restaurants	6	21	10	19	7	48
Transport & Storage	8	30	9	13	9	13
Communication Services	36	60	30	69	50	38
Finance & Insurance	26	17	11	13	29	25
Property & Business Services	14	25	15	25	12	19
Private Community Services	10	21	15	25	9	30
Cultural and Recreational Services	13	34	14	28	12	53
Personal & Other Services	11	32	19	33	17	16
All industries	3	6	2	3	2	8
ALL SIZES						
	%	%	%	%	%	%
Agriculture, Forestry and Fishing	2	4	0	1	1	1
Mining	3	4	3	3	2	4
Manufacturing	1	3	2	2	2	2
Electricity, Gas and Water	1	2	1	1	1	1
Construction	7	18	12	13	6	12
Wholesale Trade	4	20	4	8	5	10
Retail Trade	4	15	5	9	5	8
Accommodation, Cafes and Restaurants	6	30	8	17	7	43
Transport & Storage	3	11	2	2	3	4
Communication Services	1	1	0	0	1	0
Finance & Insurance	10	2	1	1	68	8
Property & Business Services	10	18	4	7	9	6
Private Community Services	7	18	10	17	7	20
Cultural and Recreational Services	8	15	9	16	7	33
Personal & Other Services	9	25	14	25	13	11
All industries	1	2	1	1	1	3

There are about two chances in three that the difference between the estimate shown and the true value will be within one standard error, and about nineteen chances in twenty that the difference will be within two standard errors. Thus, for example, if the estimated value of a variable is \$12,000 million and its relative standard error is 5 per cent, its reliability in terms of sampling error can be interpreted as follows. There are about two chances in three that the true value of the variable lies within the range \$11,400 million to \$12,600 million, and nineteen chances in twenty that it lies within the range \$10,800 million and \$13,200 million.

The imprecision due to sampling, which is measured by the standard error, is not the only type of inaccuracy to which estimates are subject. Other inaccuracies, referred to collectively as non-sampling error, may occur because of, for example, inadequacies in available sources from which the coverage list was compiled and imperfections in reporting by providers. Every effort has been made to reduce non-sampling error to a minimum by the use of provider-friendly collection forms design, and efficient operating procedures and systems used to compile the statistics.

Limitations of ratio analysis

Over and above these considerations, one should be aware that the assessment of business or industry performance based on ratios may be misleading for other reasons.

There may be circumstances peculiar to the businesses in question which should be taken into account. For example, is it undertaking a program of expansion, contraction, diversification or amalgamation during the period under review? Analysis of movements in performance indicators of business and industry over a number of years would appear to be one way of addressing this problem.

Differences in accounting policy and practices across businesses and industries also lead to some inconsistencies in the data input to these statistics. While much of the accounting process is subject to standards, there is still a great deal of flexibility left to managers and accountants in the accounting policy and practices they adopt. For example, acceptable methods of asset valuation include historical cost, replacement cost and current market value. The timing of asset revaluations also varies considerably across businesses. The way profit is measured is affected by management policy on such things as depreciation rates, bad debt provisions and write off and goodwill write off. The varying degree to which businesses decide to consolidate their accounts may also affect the quality of the ratios calculated. In general, the effect of consolidation is to "net out" some of the transactions between related business units and this may distort some ratios.

Those ratios compiled from a combination of flow and level items need to be treated with additional caution. The information contained in balance sheets indicates the level of assets and liabilities at a point in time. Information contained in profit and loss statements only summarises some of the flows (or transactions) which have taken place during the past financial year. It is therefore quite feasible that ratios which include both level and flow items in their derivation may give a misleading indication of actual performance.

The above limitations are not meant to imply that analysis based on ratios should be avoided. It is important, however, that they be borne in mind when interpreting the ratio data presented in this bulletin.

Symbols and other usages The following symbols, where shown in columns of figures or elsewhere in tables, mean:

.. not applicable

n.a. not available

n.p. not available for separate publication due to unusually high sampling variability (ie greater than 50%) or confidentiality reasons, but included in totals where applicable.

Where figures have been rounded, discrepancies may occur between the sum of component items and the total.

GLOSSARY OF TERMS

<i>ABS</i>	Australian Bureau of Statistics
<i>ANZSIC</i>	Australian and New Zealand Standard Industrial Classification
<i>ATO</i>	Australian Taxation Office
<i>Bad debts</i>	The amount of accounts receivable by a business which are expected to be unrecoverable from debtors as at the end of the financial year.
<i>Capital expenditure</i>	Acquisition of fixed tangible assets (e.g. plant and machinery, property) and intangible assets (e.g. computer software, patents and licences) including those assets acquired under a finance lease. Also includes work done by own employees or proprietors of the business for its own use or for rental or lease purposes.
<i>Cost of sales</i>	The sum of <i>purchases, selected expenses</i> and opening stocks minus closing stocks.
<i>Current assets</i>	The book value of <i>current assets</i> as at the end of the financial year. This includes cash on hand, stocks, trade debtors and other accounts receivable.
<i>Current liabilities</i>	The book value of <i>current liabilities</i> as at the end of the financial year. This includes provisions for taxation, leave, claims, trade creditors and other accounts payable, and bank overdraft.
<i>Current ratio</i>	The number of times <i>current assets</i> exceed <i>current liabilities</i> , i.e. $\text{current assets}/\text{current liabilities}$. This liquidity measure indicates ability to meet immediate financial obligations from <i>current assets</i> .
<i>Depreciation</i>	Includes depreciation allowed on buildings and other fixed tangible assets.
<i>Dividends received</i>	Payments received from related and unrelated businesses.
<i>EAS</i>	<i>Economic Activity Survey</i> ; an annual business survey that is the main source of the statistics presented in this publication.
<i>EBIT</i>	<i>Earnings before interest and tax</i>
<i>Employment</i>	Includes working proprietors, working partners, permanent, part-time, temporary and casual employees, and managerial and executive employees working for a business during the last pay period in June each year. Employees absent on paid or prepaid leave are included.
<i>GDP</i>	<i>Gross Domestic Product</i> .
<i>GOS</i>	<i>Gross Operating Surplus</i> ; <i>industry gross product</i> less <i>labour costs</i> .
<i>Gross output</i>	<i>Sales of goods and services</i> plus government subsidies plus capital work done for own use plus closing stocks minus opening stocks.
<i>IGP</i>	<i>Industry Gross Product</i> ; a measure of the unduplicated gross product of a business defined as <i>gross output</i> minus <i>intermediate inputs</i> .

<i>Insurance premiums</i>	Payments in respect of different types of insurance, excluding workers' compensation costs (included in <i>labour costs</i>). Included in <i>other operating expenses</i> .
<i>Interest coverage</i>	The number of times over that businesses can meet their <i>interest expenses</i> from their earnings before interest. i.e. <i>EBIT/interest expenses</i> .
<i>Interest expenses</i>	Includes interest paid on loans from banks, finance companies, insurance companies and related companies.
<i>Interest income</i>	Includes interest received from bank accounts, loans and finance leases and earnings on discounted bills.
<i>Intermediate inputs</i>	<i>Purchases plus selected expenses</i> .
<i>Investment rate</i>	The proportion of <i>industry gross product</i> used to acquire capital. i.e. $Capital\ expenditure * 100/IGP$.
<i>Large businesses</i>	See under Classification by size in Explanatory Notes.
<i>Labour costs</i>	Wages and salaries plus superannuation contributed by the employer plus workers' compensation.
<i>Long term debt to equity</i>	<i>Non-current liabilities/net worth</i> .
<i>Net worth</i>	<i>Total assets minus total liabilities</i> and is equal to the interests of shareholders or other owners in the assets of the business.
<i>Non-current assets</i>	The book value of <i>non-current assets</i> as at the end of the financial year. Includes plant and machinery needed for normal operations, capitalised interest, property and goodwill.
<i>Non-current liabilities</i>	The book value of <i>non-current liabilities</i> as at the end of the financial year. Includes bank loans, debentures and unsecured notes.
<i>Management unit</i>	See under Statistical unit in Explanatory Notes.
<i>OPBT</i>	<i>Operating profit before tax</i> ; a measure of profit before extraordinary items are brought into account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid).
<i>Operating business</i>	See under Statistical unit in Explanatory Notes.
<i>Operating expenses</i>	The total expenses of a business, excluding extraordinary items.
<i>Operating income</i>	The total income of a business, excluding extraordinary items.
<i>Other operating expenses</i>	All operating expenses except for <i>purchases, selected expenses (included in cost of sales), labour costs, depreciation and interest expenses</i> . Includes <i>insurance premiums, royalty expenses and bad debts</i> written off.
<i>Other operating income</i>	Includes government subsidies, royalty income, <i>dividends received</i> , net profit (or loss) on the sale of fixed tangible assets and net profit (or loss) on foreign exchange transactions. It excludes extraordinary profits or losses such as those associated with the sale of a segment of the business or goodwill revaluations.

<i>Profit margin</i>	The percentage of <i>operating income</i> available as operating profit. i.e. $OPBT * 100 / \text{operating income}$.
<i>Purchases</i>	Includes purchases of materials, components, containers, packaging, fuels, electricity and water, and purchases of goods for resale.
<i>Return on assets</i>	<i>Operating profit before tax</i> as a percentage of the total book value of assets. i.e. $OPBT * 100 / \text{total assets}$.
<i>Return on net worth</i>	<i>Operating profit before tax</i> as a percentage of shareholders' funds. i.e. $OPBT * 100 / \text{net worth}$.
<i>Royalty expenses</i>	Payments made by a business for the use of rights owned by another business or person. Included in <i>other operating expenses</i> .
<i>Sales of goods and services</i>	Includes <i>sales of goods</i> whether or not manufactured by the business, sales or transfers to related businesses, all repair and service income and fees, income from rent, leasing and hiring, contract, subcontract and commission revenue and management fees.
<i>Selected expenses</i>	Includes payments made for services provided by other businesses (including self-employed persons) such as rent, leasing and hiring of plant, motor vehicles, land and buildings; freight and cartage expenses; office supplies and services; telephone and postage; advertising, accounting and legal services; repairs and maintenance; work performed on a contract, subcontract or commission basis; and charges by governments such as rates, motor vehicle registration, payroll tax and fringe benefits tax.
<i>Small and medium businesses</i>	See under Classification by size in Explanatory Notes.
<i>Stocks</i>	The value of all stocks of finished goods, work-in-progress, raw materials, fuels, containers, etc.
<i>Trading profit</i>	A measure of profit directly attributable to trading in goods and services. It is derived by deducting the <i>cost of sales</i> from <i>sales of goods and services</i> .

APPENDIX 1 – TECHNICAL NOTE

Relationship with National Accounts estimates

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

The prime purpose of the EAS is to derive a set of economic measures based on information available from the standard financial accounts of trading and employing businesses. The commentary included in this publication illustrates how this information can be used to derive a range of business and industry performance measures similar to those used by financial analysts. Ultimately, EAS data are expected to be used in the compilation of national accounts aggregates, especially those relating to measures of production. While this is an important objective of the EAS, it cannot be realised until EAS data have been compiled for a number of years.

In the past, the ABS economic censuses collected information to derive establishment value added and adjusted value added to approximate a measure of gross product for selected industries. The EAS allows the derivation of a measure similar to adjusted value added termed *industry gross product* (IGP). The main difference between this measure and adjusted value added is that insurance premiums (other than workers' compensation premiums) are deducted in arriving at adjusted value added; no such adjustment is made in calculating IGP.

Despite the close conceptual affinity between the EAS and national accounts definitions of *industry gross product*, there are substantial coverage, conceptual and methodological differences which make precise comparisons between the two series somewhat difficult. The more important of these are summarised in Table 68 and are described below.

Differences in coverage

This category contains by far the biggest reasons for differences between estimates of IGP and GDP. The EAS does not cover business units classified to the general government sector, non-farm businesses without employees and households contributing to GDP through their ownership of dwellings.

Differences in concept

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

In the case of financial intermediaries, GDP estimates include an imputed bank service charge based primarily on the difference between interest received and interest paid. A large proportion of this imputed service charge is attributable to businesses operating in other industries but in line with international recommendations in the 1968 System of National Accounts, it has not been allocated by industry in the Australian system of national accounts. Instead it has been charged to the 'nominal industry'.

For insurance and superannuation businesses, estimates of GDP include an imputed insurance service charge which has not been included in estimates of IGP.

In the Australian national accounts, the gross product of non-profit organisations is measured in the same way as for the general government sector, ie wages, salaries and supplements plus depreciation. The estimates given in Table 68 against this item are the differences resulting from application of this formula to non-profit organisations included in the EAS compared to the standard formula for IGP. Non-profit organisations are only statistically significant in Retail Trade, Health and Community Services, and Cultural and Recreational Services.

Differences in methodology

For Agriculture, the national accounts estimates use the value of agricultural commodities produced (obtained from the annual Census of Agricultural Commodities) to measure gross output. This measure of gross output is valued on an accruals basis as far as possible. Gross product is obtained by deducting an estimate of intermediate inputs used within Agriculture from this estimate of gross output. The IGP estimate for Agriculture is based on the results of the annual Agricultural Finance Survey, a source which is cash rather than accruals based. However, the units from which data are obtained for this survey are more consistent with those in other industries covered by the EAS than those used in the annual Census of Agricultural Commodities.

Other differences between the national accounts and the EAS estimates the due to the following adjustments being made in the national accounts but not in the IGP estimate:

- the stock valuation adjustment;
- workers' compensation claims;
- third party insurance transfers;
- owner builders' gross operating surplus; and
- prepaid insurance premiums.

Other differences

At present, the gross operating surplus component of industry estimates of GDP is derived mainly from data made available by the Australian Taxation Office (ATO). Adjustments are made for individual industries to take account of the estimated understatement of income by businesses. No such adjustments are made in deriving IGP using EAS data.

The statistical unit used to compile EAS statistics across all industries is the management unit. The gross operating surplus component of GDP is compiled from legal entity records (adjusted in some cases by available establishment level estimates), while the wages, salaries and supplements component is compiled from management unit/State records used in the Survey of Employment and Earnings. All three of these units can be quite different for many businesses. As a result, estimates classified by industry from EAS can be different from those in the national accounts, but there should be no impact at the total level from this source.

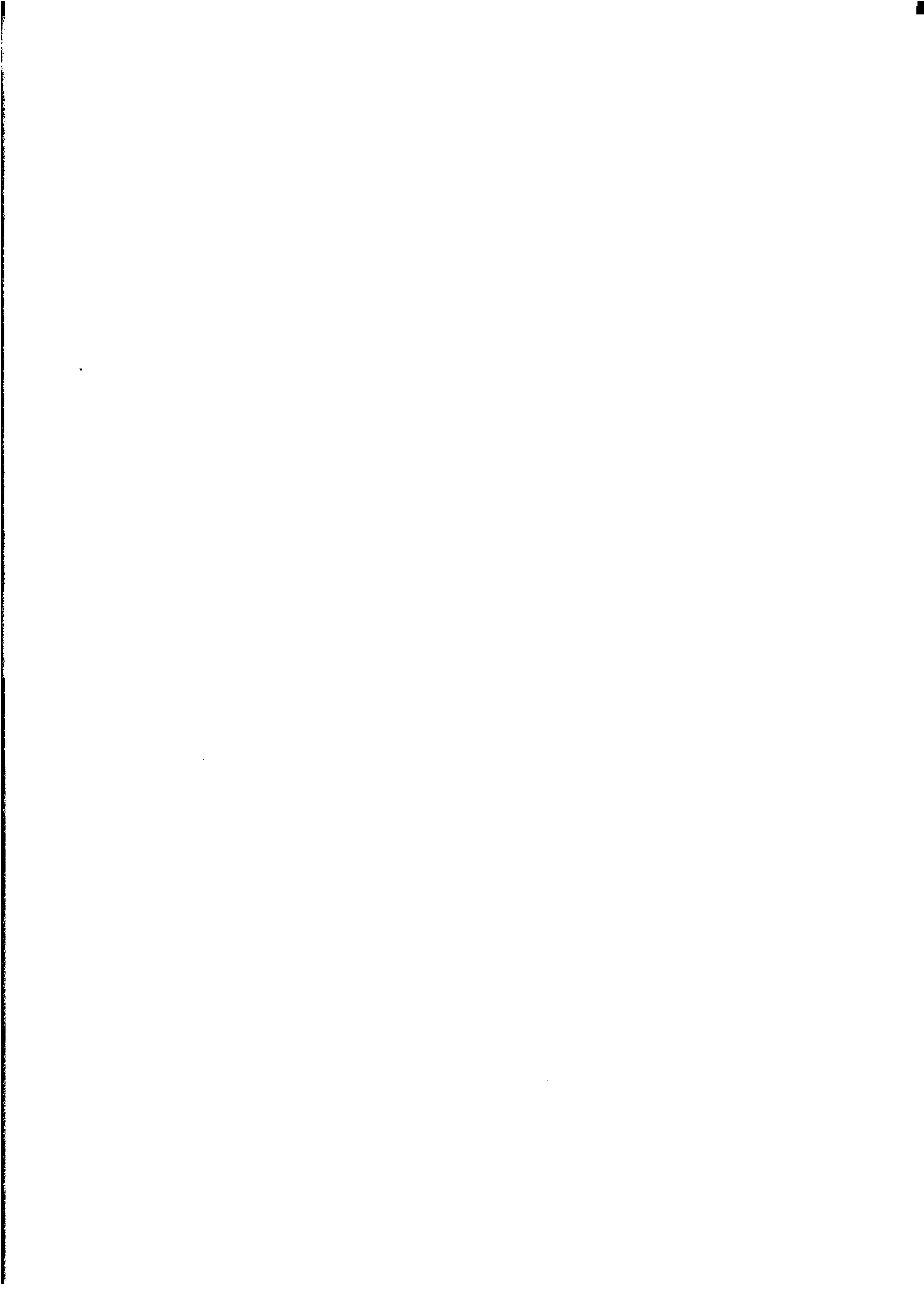
Apart from the effect that different levels of statistical unit can have on the industry classification of data, there are significant differences in the industry classifications and procedures used by the ATO and the ABS. The application by the ABS of the Australian and New Zealand Standard Industrial Classification to its business register, on an objective basis wherever possible, is considered to provide a better breakdown by industry than that used in classifying ATO data.

More information on how the national accounts are compiled is contained in the ABS publication, *Australian National Accounts: Concepts, Sources and Methods* (5216.0).

Table 68 COMPARISON OF INDUSTRY GROSS PRODUCT WITH GROSS DOMESTIC PRODUCT, BY INDUSTRY, 1993-94
\$million

	Agriculture, forestry and fishing	Mining	Manufacturing	Electricity, gas and water	Construction	Wholesale trade	Retail trade	Accommo- dation, cafes and restaurants and storage	Communi- cation services	Finance and insurance	Property and business services	Government administration and defence	Health and community services	Cultural and recreational services	Personal and other services of householdings	Nominal industry industries	
Industry Gross Product (IGP)	10 137	16 914	55 078	14 473	11 325	20 599	19 602	7 756	15 971	-926	18 914	2 945	9 275	4 650	3 036	220 820	
Differences in coverage																	
General government	336	0	255	811	3 080	23	0	25	3 378	4	77	16 730	11 767	1 055	3 445	76	58 918
Non-employers	580	70	722	0	10 140	2 220	4 199	0	3 105	0	2 997	0	0	890	1 044	35 123	
Ownership of dwellings	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	36 672	36 672
Total	916	70	977	811	13 220	2 253	4 199	25	6 483	4	4 724	16 730	12 890	1 945	4 489	36 748	130 713
Differences in concept																	
Imputed bank service charge	..	..	..	..	..	..	..	..	..	11 536	..	..	..	..	..	..	-1 979
Imputed insurance service charge	..	..	..	..	..	..	..	..	..	5 500	..	..	..	..	..	..	5 500
Non-profit institutions	..	..	..	..	..	..	724	..	..	..	..	..	..	..	..	..	6 881
Total	0	0	0	0	0	0	724	0	0	17 036	0	0	4 037	2 100	0	0	-13 515
Differences in methodology																	
Ag. Census/AES difference	2 600	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2 600
Stock valuation adjustment	1	-59	156	1	5	8	280	13	0	0	0	0	0	0	0	..	404
Workers' compensation claims	96	95	958	1	249	212	221	53	263	108	110	334	291	26	45	..	3 673
Third party insurance transfers	124	14	83	0	137	183	242	17	228	29	45	0	1	7	4	..	1 144
Owner-builders' gross operating surplus	..	..	..	..	300	..	..	..	..	..	..	..	..	..	..	..	300
Prepaid insurance premiums	10	7	64	0	12	14	23	2	54	3	4	0	0	2	3	..	202
Total	2 831	57	1 261	104	703	417	766	85	545	140	159	334	292	35	52	0	6 323
IGP adjusted for above differences	13 864	17 041	57 316	15 387	25 248	23 269	25 291	7 846	22 999	24 350	23 797	17 064	19 366	8 730	7 577	36 748	370 258
Other differences	-1 043	-656	-1 503	-1 923	399	295	4 942	320	-526	1 136	8 662	-334	1 672	-2 677	351	-76	7 289
Gross Domestic Product (GDP) at factor cost	12 821	16 385	55 813	13 464	25 647	23 567	30 233	8 186	22 473	25 486	32 459	16 730	21 038	6 053	7 928	36 672	377 527

(a) For an explanation of non-employing businesses in this industry see page 60.





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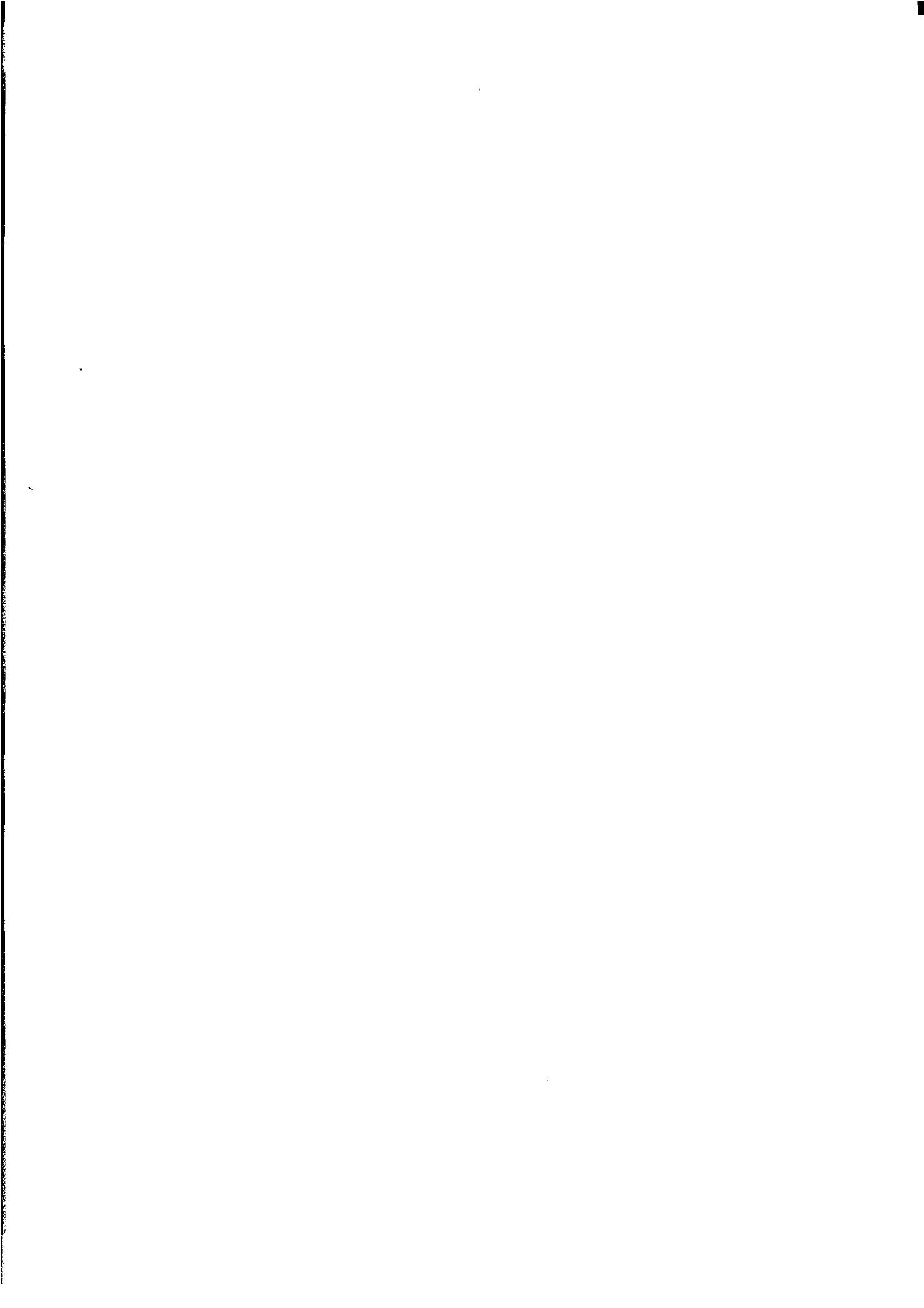
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ISSN 1036-272X