



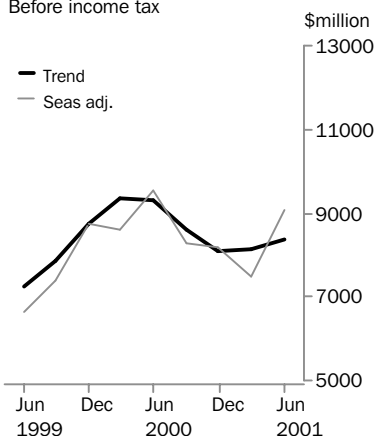
COMPANY PROFITS

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 7 SEP 2001

Company profits

Before income tax



JUNE QTR KEY FIGURES

TREND ESTIMATES

	Jun 2001 \$m	% change Mar 2001 to Jun 2000 to Jun 2001	% change Jun 2000 to Jun 2001
Company profits before			
Income tax	8 353	2.5	-10.3
Income tax & net interest	10 546	1.1	-7.7
Income tax, net interest & depreciation	16 746	1.4	-2.8

SEASONALLY ADJUSTED

	Jun 2001 \$m	% change Mar 2001 to Jun 2000 to Jun 2001	% change Jun 2000 to Jun 2001
Company profits before			
Income tax	9 060	21.2	-5.0
Income tax & net interest	11 190	15.3	-3.8
Income tax, net interest & depreciation	17 451	10.7	1.0

JUNE QTR KEY POINTS

TREND ESTIMATES

- The provisional trend estimate for company profits before income tax for companies with more than 30 employees is \$8,353m, an increase of 2.5% from the March quarter 2001 but 10.3% lower than the June quarter 2000.
- The trend estimate has increased in the past two quarters following decreases in the previous three quarters. These increases have been largely driven by Mining, and Property and business services.

SEASONALLY ADJUSTED

- The seasonally adjusted estimate for company profits before income tax increased by 21.2% in the June quarter 2001 after decreasing in the previous three quarters. A significant part of the increase in the current quarter was due to foreign exchange gains, particularly in Mining and Property and business services. The estimate for Retail trade fell significantly, due to tighter margins.
- The experimental estimate for company profits before income tax, net interest paid, depreciation and selected items, in seasonally adjusted terms, decreased by 0.9% in the June quarter 2001, after increasing by 3.3% in the previous quarter.

2000-01 ORIGINAL

- The estimate for company profits before income tax for 2000-01 was \$32,807m, down 3.7% on the result for 1999-2000.

- For further information about these and related statistics, contact Debbie Graf on Sydney 02 9268 4176, or the National Information and Referral Service on 1300 135 070.

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)
September 2001

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29 November 2001



CHANGES IN THIS ISSUE

The ABS has implemented some major changes to selected ABS quarterly business indicators. These involve the integration of samples, questionnaires, data collection, data processing and data dissemination for three existing surveys (including the Survey of Company Profits) into a single Quarterly Economic Activity Survey, which is now the source for the statistics in this publication. These changes will improve the consistency and coherence of these statistics particularly for the purposes of compiling the quarterly Australian National Accounts. For more details, see the *Information Paper: Improvements to ABS Quarterly Business Indicators* (Cat. no. 5677.0).

In the March quarter 2001, the ABS conducted the Quarterly Economic Activity Survey and the Survey of Company Profits in parallel, and has used this to link the estimates from the previous survey to the new survey. There are differences in the estimates which are mostly due to the different samples. For the March quarter 2001, the revised level estimates for total company profits before income tax are 9.2% lower in original terms and 5.4% lower in seasonally adjusted terms. However the linking process has ensured that the movement estimates for earlier periods are largely unchanged.

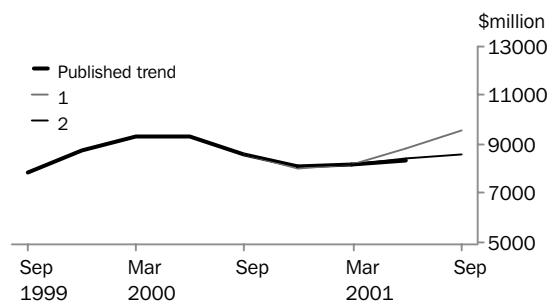


TREND REVISIONS

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

- 1** The September 2001 seasonally adjusted estimate for company profits before income tax is higher than the June 2001 seasonally adjusted estimate by 10.0%.
- 2** The September 2001 seasonally adjusted estimate for company profits before income tax is lower than the June 2001 seasonally adjusted estimate by 10.0%.

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

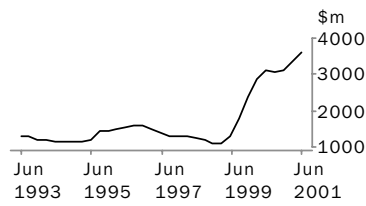


An increase of 10% in seasonally adjusted company profits before income tax in September 2001 quarter would show a 5.8% increase in the trend estimate for June 2001 quarter. A fall of 10% would result in the trend estimate for June 2001 quarter remaining relatively unchanged.

R.W. Edwards
Acting Australian Statistician

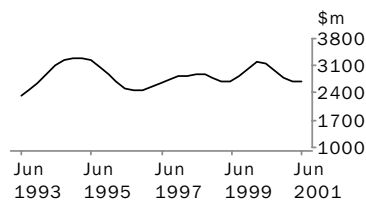
COMPANY PROFITS BEFORE INCOME TAX BY INDUSTRY: Trend

MINING



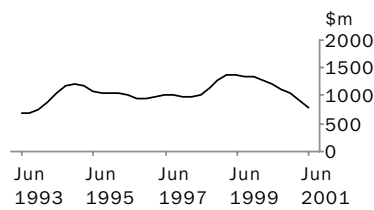
The trend estimate for Mining has increased in each quarter since March quarter 1999, with the exception of a small decrease in the September quarter 2000 estimate.

MANUFACTURING



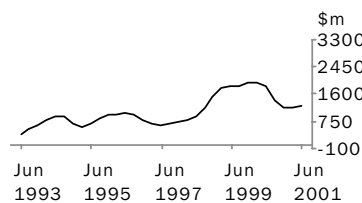
The trend estimate for Manufacturing has fallen in the last five quarters since the most recent peak in the March quarter 2000.

WHOLESALE/RETAIL



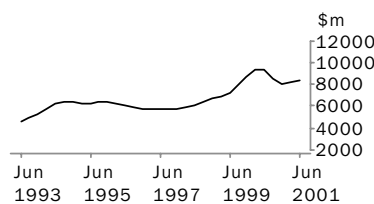
The trend estimate for Wholesale trade has decreased in the past six quarters. The trend estimate for Retail trade has been falling since June quarter 1999, with the rate of decline increasing in the past five quarters.

OTHER SELECTED INDUSTRIES(a)



The trend estimate for Other selected industries has increased slightly in the past two quarters after falling in the previous three quarters.

TOTAL ALL INDUSTRIES



The trend estimate for all industries has increased in the past two quarters after falling from a peak in March quarter 2000.

(a) This includes Construction, Transport & storage, Services to finance & insurance, Property & business services, and Other services.

COMPANY PROFITS BEFORE INCOME TAX : All series

Quarter	<i>Company profits before income tax, net interest paid and depreciation</i>	<i>Company profits before income tax and net interest paid</i>	<i>Company profits before income tax</i>
	\$m	\$m	\$m
ORIGINAL			
1997-1998			
June	11 471	6 869	5 002
1998-1999			
September	13 192	8 602	6 963
December	14 524	9 965	8 155
March	12 218	7 547	6 012
June	12 406	7 411	5 843
1999-2000			
September	14 957	9 766	7 865
December	16 923	11 461	10 073
March	15 059	9 481	7 708
June	16 285	10 383	8 436
2000-2001			
September	17 568	11 646	8 962
December	17 506	11 506	9 291
March	14 740	8 806	6 519
June	16 602	10 217	8 036
SEASONALLY ADJUSTED			
1997-1998			
June	12 332	7 792	5 938
1998-1999			
September	12 639	8 020	6 547
December	13 124	8 556	6 758
March	13 314	8 562	6 859
June	13 231	8 344	6 644
1999-2000			
September	14 319	9 129	7 406
December	15 599	10 213	8 741
March	16 105	10 372	8 584
June	17 283	11 635	9 539
2000-2001			
September	16 709	10 675	8 271
December	16 522	10 596	8 164
March	15 768	9 707	7 474
June	17 451	11 190	9 060
TREND ESTIMATES			
1997-1998			
June	12 281	7 764	6 076
1998-1999			
September	12 645	8 073	6 386
December	13 030	8 399	6 705
March	13 433	8 706	6 975
June	13 856	8 945	7 232
1999-2000			
September	14 637	9 459	7 832
December	15 792	10 365	8 731
March	16 807	11 164	9 356
June	17 220	11 421	9 311
2000-2001			
September	16 832	10 932	8 583
December	16 463	10 474	8 110
March	16 522	10 428	8 149
June	16 746	10 546	8 353

COMPANY PROFITS BEFORE INCOME TAX, Depreciation and Interest: **Original**

Period	<i>Company profits before income tax, net interest paid and depreciation</i>	<i>Depreciation</i>	<i>Company profits before income tax and net interest paid</i>	<i>Interest paid</i>	<i>Interest received</i>	<i>Net interest paid</i>	<i>Company profits before income tax</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1998-1999	52 340	18 817	33 524	15 953	9 404	6 549	26 974
1999-2000	63 224	22 140	41 091	17 536	10 543	7 003	34 082
2000-2001	66 417	24 242	42 175	26 046	16 695	9 354	32 807
1997-1998							
June	11 471	4 601	6 869	3 953	2 090	1 863	5 002
1998-1999							
September	13 192	4 590	8 602	4 091	2 453	1 639	6 963
December	14 524	4 558	9 965	4 042	2 236	1 807	8 155
March	12 218	4 670	7 547	3 665	2 128	1 539	6 012
June	12 406	4 998	7 411	4 154	2 588	1 565	5 843
1999-2000							
September	14 957	5 190	9 766	4 237	2 338	1 899	7 865
December	16 923	5 466	11 461	3 898	2 513	1 388	10 073
March	15 059	5 580	9 481	4 134	2 364	1 772	7 708
June	16 285	5 904	10 383	5 267	3 328	1 944	8 436
2000-2001							
September	17 568	5 920	11 646	6 795	4 115	2 683	8 962
December	17 506	6 001	11 506	6 800	4 590	2 210	9 291
March	14 740	5 935	8 806	6 158	3 874	2 284	6 519
June	16 602	6 386	10 217	6 294	4 116	2 178	8 036

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

<i>Period</i>	<i>Mining</i>	<i>Manu- facturing</i>	<i>Cons- truction</i>	<i>Wholesale trade</i>	<i>Retail trade</i>	<i>Transport and storage</i>	<i>Services to finance and insurance</i>	<i>Property and business services</i>	<i>Other services</i>	<i>Total</i>
<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
ORIGINAL										
1998-1999	4 875	10 303	930	2 637	2 575	1 530	1 025	577	2 522	26 974
1999-2000	10 082	11 258	1 066	3 013	2 265	1 898	-38	854	3 685	34 082
2000-2001	12 905	11 104	901	2 703	1 005	1 493	-908	369	3 236	32 807
1998-1999										
March	990	2 434	170	577	470	380	216	5	769	6 012
June	1 210	1 589	265	791	553	328	461	136	510	5 843
1999-2000										
September	2 038	2 884	244	809	471	426	168	136	689	7 865
December	2 289	3 739	280	595	1 078	718	96	301	977	10 073
March	2 732	1 835	234	741	325	455	31	263	1 092	7 708
June	3 023	2 799	308	869	391	298	-333	154	927	8 436
2000-2001										
September	3 409	3 281	213	506	252	526	-170	-352	1 298	8 962
December	3 045	2 864	343	979	701	565	-373	183	984	9 291
March	2 897	2 478	46	461	194	199	-369	31	583	6 519
June	3 554	2 481	299	757	-140	203	4	508	371	8 036
SEASONALLY ADJUSTED										
1998-1999	4 837	10 194	921	2 632	2 576	1 530	1 025	568	2 523	26 808
1999-2000	10 378	11 145	1 083	3 011	2 267	1 897	-42	848	3 684	34 270
2000-2001	13 039	11 199	847	2 702	1 006	1 490	-913	363	3 237	32 969
1998-1999										
March	1 016	2 803	215	677	669	376	228	103	772	6 859
June	1 392	1 775	260	731	666	542	439	141	698	6 644
1999-2000										
September	1 667	2 772	272	761	629	417	172	147	569	7 406
December	2 443	3 163	217	610	601	510	99	190	908	8 741
March	2 859	2 081	302	836	530	466	52	372	1 086	8 584
June	3 409	3 129	292	805	507	504	-366	138	1 121	9 539
2000-2001										
September	2 769	3 198	243	455	412	515	-160	-342	1 181	8 271
December	3 281	2 421	266	1 003	217	355	-376	82	915	8 164
March	3 068	2 803	60	550	401	218	-340	141	573	7 474
June	3 920	2 777	279	693	-24	403	-37	481	568	9 060
TREND ESTIMATES										
1998-1999	4 696	11 100	927	2 625	2 546	1 494	955	492	2 459	27 298
1999-2000	10 181	12 235	1 070	2 916	2 252	1 962	101	726	3 788	35 230
2000-2001	13 145	11 109	1 020	2 831	1 058	1 444	-1 050	450	3 185	33 195
1998-1999										
March	1 100	2 711	232	685	685	406	356	114	686	6 975
June	1 314	2 711	245	711	668	463	329	110	681	7 232
1999-2000										
September	1 782	2 839	253	713	632	482	243	174	714	7 832
December	2 397	3 031	264	744	594	479	107	262	853	8 731
March	2 884	3 207	273	730	553	492	-60	225	1 052	9 356
June	3 117	3 158	280	729	473	510	-189	65	1 168	9 311
2000-2001										
September	3 082	2 951	266	724	403	451	-304	-86	1 096	8 583
December	3 121	2 773	248	711	324	370	-314	-23	900	8 110
March	3 339	2 694	249	705	222	315	-251	191	685	8 149
June	3 604	2 692	258	691	109	307	-180	368	504	8 353

COMPANY PROFITS BEFORE INCOME TAX, By Broad Industry–Percentage Changes: All series(a)

Period	Mining	Manu- facturing	Construction	Wholesale trade	Retail trade	Transport and storage	Services to finance and insurance	Property and business services	Other services	Total
ORIGINAL										
1998-1999	-6.3	-9.5	13.0	-6.4	63.7	61.3	376.6	296.4	104.8	13.6
1999-2000	106.8	9.3	14.7	14.3	-12.0	24.0	-103.7	48.0	46.1	26.4
2000-2001	28.0	-1.4	-15.5	-10.3	-55.6	-21.3	n.p.	-56.8	-12.2	-3.7
1998-1999										
March	3.9	-27.2	-40.5	-5.6	-59.3	-29.2	-46.6	-97.4	14.4	-26.3
June	22.2	-34.7	55.6	37.1	17.6	-13.8	112.8	n.p.	-33.8	-2.8
1999-2000										
September	68.4	81.5	-8.2	2.3	-14.8	30.2	-63.5	-0.2	35.2	34.6
December	12.3	29.6	15.1	-26.5	129.0	68.3	-42.6	121.5	41.7	28.1
March	19.4	-50.9	-16.5	24.5	-69.8	-36.6	-67.8	-12.5	11.8	-23.5
June	10.7	52.5	31.7	17.3	20.3	-34.5	n.p.	-41.7	-15.0	9.4
2000-2001										
September	12.8	17.2	-30.8	-41.8	-35.7	76.4	48.9	-329.3	40.0	6.2
December	-10.7	-12.7	60.7	93.6	178.6	7.4	-119.3	152.0	-24.2	3.7
March	-4.9	-13.5	-86.6	-52.9	-72.4	-64.8	1.2	-83.2	-40.7	-29.8
June	22.7	0.1	548.0	64.3	-172.6	2.3	101.0	n.p.	-36.4	23.3
SEASONALLY ADJUSTED										
1998-1999	-5.8	-10.5	8.5	-6.3	63.6	61.2	375.3	332.5	104.7	13.1
1999-2000	114.6	9.3	17.5	14.4	-12.0	24.0	-104.1	49.4	46.1	27.8
2000-2001	25.6	0.5	-21.8	-10.3	-55.6	-21.4	n.p.	-57.2	-12.2	-3.8
1998-1999										
March	0.6	0.1	-3.3	10.1	-3.4	13.1	-44.6	48.4	28.1	1.5
June	37.1	-36.7	21.2	8.0	-0.5	44.2	92.8	37.5	-9.7	-3.1
1999-2000										
September	19.7	56.2	4.7	4.0	-5.6	-23.0	-60.9	4.6	-18.4	11.5
December	46.6	14.1	-20.4	-19.8	-4.3	22.2	-42.6	28.9	59.4	18.0
March	17.0	-34.2	39.6	37.1	-11.9	-8.6	-46.9	96.0	19.7	-1.8
June	19.3	50.4	-3.5	-3.7	-4.3	8.2	n.p.	-63.0	3.2	11.1
2000-2001										
September	-18.8	2.2	-16.7	-43.5	-18.7	2.3	56.2	-347.8	5.3	-13.3
December	18.5	-24.3	9.3	120.5	-47.4	-31.2	-135.2	124.1	-22.5	-1.3
March	-6.5	15.8	-77.4	-45.1	85.2	-38.6	9.6	71.7	-37.4	-8.5
June	27.8	-0.9	365.1	25.9	-105.9	85.0	89.3	240.7	-0.9	21.2
TREND ESTIMATES										
1998-1999	-9.1	-1.5	0.0	9.9	56.6	35.4	342.3	149.3	101.9	16.1
1999-2000	116.8	10.2	15.4	11.1	-11.5	31.3	-89.4	47.4	54.0	29.1
2000-2001	29.1	-9.2	-4.7	-2.9	-53.0	-26.4	n.p.	-37.9	-15.9	-5.8
1998-1999										
March	0.9	-3.5	6.0	8.4	6.2	21.1	57.5	-12.7	11.2	4.0
June	19.4	0.0	5.7	3.8	-2.5	13.8	-7.7	-3.7	-0.8	3.7
1999-2000										
September	35.7	4.7	3.0	0.3	-5.5	4.1	-26.2	58.1	5.0	8.3
December	34.5	6.8	4.4	4.4	-6.0	-0.6	-55.9	50.5	19.4	11.5
March	20.3	5.8	3.7	-1.9	-6.8	2.8	-155.8	-13.8	23.3	7.2
June	8.1	-1.5	2.3	-0.1	-14.5	3.6	-216.3	-71.2	11.0	-0.5
2000-2001										
September	-1.2	-6.6	-5.1	-0.7	-14.8	-11.4	-61.2	-231.6	-6.2	-7.8
December	1.3	-6.0	-6.8	-1.8	-19.7	-17.9	-3.2	72.8	-17.9	-5.5
March	7.0	-2.8	0.5	-0.7	-31.3	-14.9	20.0	n.p.	-23.9	0.5
June	8.0	-0.1	3.7	-2.1	-51.1	-2.6	28.3	92.4	-26.3	2.5

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

COMPANY PROFITS, By Broad Industry: Original

<i>Period</i>	<i>Mining</i>	<i>Manu- facturing</i>	<i>Construction</i>	<i>Wholesale trade</i>	<i>Retail trade</i>	<i>Transport and storage</i>	<i>Services to finance and insurance</i>	<i>Property and business services</i>	<i>Other services</i>	<i>Total</i>
<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
PROFITS BEFORE INCOME TAX										
1998-1999	4 875	10 303	930	2 637	2 575	1 530	1 025	577	2 522	26 974
1999-2000	10 082	11 258	1 066	3 013	2 265	1 898	-38	854	3 685	34 082
2000-2001	12 905	11 104	901	2 703	1 005	1 493	-908	369	3 236	32 807
1998-1999										
March	990	2 434	170	577	470	380	216	5	769	6 012
June	1 210	1 589	265	791	553	328	461	136	510	5 843
1999-2000										
September	2 038	2 884	244	809	471	426	168	136	689	7 865
December	2 289	3 739	280	595	1 078	718	96	301	977	10 073
March	2 732	1 835	234	741	325	455	31	263	1 092	7 708
June	3 023	2 799	308	869	391	298	-333	154	927	8 436
2000-2001										
September	3 409	3 281	213	506	252	526	-170	-352	1 298	8 962
December	3 045	2 864	343	979	701	565	-373	183	984	9 291
March	2 897	2 478	46	461	194	199	-369	31	583	6 519
June	3 554	2 481	299	757	-140	203	4	508	371	8 036
PROFITS BEFORE INCOME TAX & NET INTEREST PAID										
1998-1999	5 887	12 377	980	3 068	3 130	2 058	711	1 024	4 287	33 524
1999-2000	10 895	13 815	1 066	3 317	2 743	2 388	-320	1 766	5 421	41 091
2000-2001	13 926	13 783	991	3 184	1 530	2 405	-752	1 686	5 421	42 175
1998-1999										
March	1 222	2 915	173	674	608	508	116	167	1 163	7 547
June	1 473	2 227	291	900	668	415	360	161	915	7 411
1999-2000										
September	2 278	3 567	246	896	588	606	4	491	1 090	9 766
December	2 518	4 312	274	619	1 193	813	-126	481	1 377	11 461
March	3 008	2 390	231	831	419	585	26	483	1 508	9 481
June	3 090	3 546	314	971	543	384	-224	311	1 447	10 383
2000-2001										
September	3 738	4 020	234	622	370	763	-54	254	1 700	11 646
December	3 145	3 577	371	1 093	833	768	-435	689	1 465	11 506
March	3 126	3 115	68	576	320	440	-245	186	1 220	8 806
June	3 917	3 071	317	893	8	435	-17	556	1 036	10 217
PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION										
1998-1999	10 072	18 895	1 411	4 090	4 327	3 506	1 153	2 068	6 818	52 340
1999-2000	16 215	20 876	1 519	4 360	4 094	4 073	298	3 124	8 664	63 224
2000-2001	19 929	20 783	1 486	4 425	2 891	4 308	-287	3 447	9 436	66 417
1998-1999										
March	2 254	4 518	276	926	890	885	255	424	1 791	12 218
June	2 584	3 860	390	1 174	995	819	487	468	1 631	12 406
1999-2000										
September	3 460	5 263	333	1 162	902	1 001	186	827	1 822	14 957
December	3 824	6 131	373	872	1 520	1 201	10	791	2 201	16 923
March	4 380	4 089	347	1 092	758	1 023	168	847	2 357	15 059
June	4 551	5 393	465	1 235	914	848	-66	660	2 284	16 285
2000-2001										
September	5 350	5 783	370	897	699	1 203	33	612	2 620	17 568
December	4 550	5 384	498	1 402	1 192	1 230	-305	1 140	2 415	17 506
March	4 547	4 810	181	902	662	911	-125	647	2 207	14 740
June	5 482	4 806	437	1 225	337	964	110	1 048	2 193	16 602

COMPANY PROFITS, By Detailed Manufacturing Industry: **Original**

Period	Food, beverages and tobacco	Textile, clothing, footwear and leather	Wood and paper products	Printing, publishing and recorded media	Petroleum, coal, chemicals and assoc. products	Non- metallic mineral products	Metal products	Machinery and equipment	Other manu- facturing	Total manu- facturing
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
PROFITS BEFORE INCOME TAX										
1998-1999	3 022	164	866	1 391	2 231	854	263	1 423	88	10 303
1999-2000	2 711	246	994	1 621	2 227	1 161	744	1 379	175	11 258
2000-2001	3 172	162	857	1 282	1 566	676	1 855	1 453	79	11 104
1998-1999										
March	704	34	205	292	515	194	197	282	9	2 434
June	541	35	190	311	673	164	- 764	412	28	1 589
1999-2000										
September	494	68	231	345	718	295	323	384	26	2 884
December	1 135	61	280	518	522	298	486	387	50	3 739
March	640	40	231	366	504	278	- 517	252	42	1 835
June	443	77	251	392	484	290	451	356	56	2 799
2000-2001										
September	765	62	284	368	572	195	492	520	22	3 281
December	848	47	270	434	224	186	441	379	35	2 864
March	859	25	127	301	269	n.p.	n.p.	359	9	2 478
June	700	28	176	179	502	157	530	196	13	2 481
PROFITS BEFORE INCOME TAX & NET INTEREST PAID										
1998-1999	3 528	261	1 070	1 607	2 538	975	677	1 597	128	12 377
1999-2000	3 541	322	1 248	1 767	2 555	1 345	1 188	1 648	199	13 815
2000-2001	3 901	253	1 135	1 470	2 023	889	2 285	1 728	100	13 783
1998-1999										
March	829	55	254	339	590	214	280	335	20	2 915
June	730	52	238	376	761	199	- 619	451	38	2 227
1999-2000										
September	802	86	285	384	782	340	410	446	31	3 567
December	1 285	80	331	557	613	343	579	468	56	4 312
March	803	59	295	398	571	323	- 428	320	49	2 390
June	650	98	337	428	590	339	627	414	63	3 546
2000-2001										
September	1 001	84	360	402	691	254	609	594	26	4 020
December	1 078	64	341	474	338	245	551	443	43	3 577
March	1 013	49	197	345	387	n.p.	n.p.	425	14	3 115
June	809	56	237	249	607	194	635	267	17	3 071
PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION										
1998-1999	4 911	426	1 572	2 024	3 706	1 421	1 980	2 666	188	18 895
1999-2000	5 198	484	1 702	2 225	3 794	1 823	2 620	2 763	266	20 876
2000-2001	5 408	417	1 639	1 945	3 224	1 367	3 799	2 838	146	20 783
1998-1999										
March	1 178	95	354	444	880	325	604	603	37	4 518
June	1 093	94	343	480	1 054	305	- 277	715	52	3 860
1999-2000										
September	1 183	126	391	491	1 114	464	730	718	47	5 263
December	1 769	120	446	677	898	458	940	752	69	6 131
March	1 168	99	409	508	880	442	- 86	606	63	4 089
June	1 079	139	456	548	901	458	1 036	687	88	5 393
2000-2001										
September	1 384	128	480	520	986	378	979	893	34	5 783
December	1 475	107	468	590	636	366	947	741	55	5 384
March	1 375	86	330	461	674	331	833	694	26	4 810
June	1 174	96	361	374	928	292	1 041	510	30	4 806

EXPLANATORY NOTES

INTRODUCTION

1 This publication contains estimates of company profits before income tax, and depreciation, net interest paid and other items for selected industries in Australia. The series have been compiled from data collected by the Australian Bureau of Statistics (ABS) in its Quarterly Economic Activity Survey. Prior to June quarter 2001, the data were collected in the Survey of Company Profits. For more information on the introduction of the Quarterly Economic Activity Survey see the *Information Paper: Improvements to Australian Bureau of Statistics Quarterly Business Indicators* (Cat. no. 5677.0).

SCOPE AND COVERAGE

2 The data in this publication relate to private incorporated businesses employing more than 30 people.

3 The industries, classified according to the Australian and New Zealand Standard Industrial Classification (ANZSIC) 1993, included in this publication are:

Mining (Division B)

Manufacturing (Division C)

Food, beverages and tobacco (21)

Textiles, clothing, footwear and leather (22)

Wood and paper products (23)

Printing, publishing and recorded media (24)

Petroleum, coal, chemical and associated products (25)

Non-metallic mineral products (26)

Metal products (27)

Machinery and equipment (28)

Other manufacturing (29)

Construction (Division E)

Wholesale trade (Division F)

Retail trade (Division G)

Transport and storage (Division I)

Services to finance and insurance including

Other financiers (733)

Financial asset investors (734)

Services to finance and insurance (75)

Property and business services (Division L)

Other services including

Electricity, gas and water supply (Division D)

Accommodation, cafes and restaurants (Division H)

Communication services (Division J)

Cultural and recreational services (Division P excluding 921, 922 and 923)

Personal services (95)

- excludes the following industries

Agriculture, forestry and fishing (Division A)

Central bank and Deposit taking financiers (731–732)

Insurance (74)

Government administration and defence (Division M)

Education (Division N)

Health and community services (Division O)

Other services (96)

Private households employing staff (97)

- the scope excludes public sector business units (i.e. all departments, authorities and other organisations owned and controlled by Commonwealth, State and Local Governments).

EXPLANATORY NOTES

SCOPE AND COVERAGE <i>continued</i>	<p>4 The Quarterly Economic Activity Survey, like most ABS economic collections, takes its frame from the ABS Business Register which is primarily based on registrations to the Australian Taxation Office's Pay As You Go Withholding (PAYGW) scheme (and prior to 1 July 2000 its Group Employer scheme). The frame is updated quarterly to take account of new businesses, businesses which have ceased employing, changes in employment levels, changes in industry and other general business changes.</p> <p>5 Businesses which have ceased employing are identified when the Australian Taxation Office cancels their PAYGW registration (or previously their GE registration). In addition, from September quarter 1999, businesses which did not remit under the GE scheme for the previous five quarters were removed from the frame. A similar process will be adopted to remove businesses who do not remit under the PAYGW scheme.</p>
CHANGES TO ABS BUSINESS REGISTER	<p>6 The introduction of The New Tax System has a number of significant implications for ABS business statistics, and these are discussed in the <i>Information Paper: ABS Statistics And The New Tax System</i> (Cat. no. 1358.0). The replacement of the GE registration process by PAYGW registration resulted in a number of changes to most business survey frames. However, an adjustment has been made to the Company Profits series so that these changes will not affect broader level estimates of level and movement.</p> <p>7 From the September quarter 2002, the ABS will make further changes including adopting a new units model and expanding its Register to include all units on the Australian Business Register, including non-employers. Further information on the impact of these changes will be provided before they are implemented.</p>
SURVEY METHODOLOGY	<p>8 The survey is conducted by mail on a quarterly basis. It is based on a random sample of approximately 16,000 units which is stratified by industry, state/territory and number of employees. All incorporated, private sector business units with over 250 employees and/or a known large profit/loss are included in the sample.</p> <p>9 Respondents are asked to provide data on the same basis as their own management accounts. Where a particular business unit does not respond in a given survey period, an estimate is substituted. Revisions may be made to these estimates if data are provided subsequently from those businesses. Aggregates are calculated from all data using the <i>number raised</i> estimation technique. Data are edited both at individual business unit level and at aggregate level.</p>
TIMING OF SURVEY CYCLE	<p>10 Surveys are conducted in respect of each quarter and returns are completed during the 8 or 9 week period after the end of the quarter to which survey data relate (e.g. March quarter survey returns are completed during April and May).</p>
SAMPLE REVISION	<p>11 The survey frames and samples are revised each quarter to ensure that they remain representative of the survey population. The timing for creating each quarter's survey frame is consistent with that of other ABS surveys. This provides for greater consistency when comparing data across surveys.</p> <p>12 Additionally, with these revisions to the sample, some of the units from the sampled sector are rotated out of the survey and are replaced by others, to spread the reporting workload equitably.</p>

EXPLANATORY NOTES

SAMPLE REVISION *continued*

13 There are lags in the processing of new businesses to the ABS Business Register and an adjustment is included in the estimates of company profits. However, as the estimates exclude businesses employing 30 or fewer people, the effect of this is relatively minor as the majority of new businesses tend to be small in size and outside the scope of these estimates. The incidence of new, larger businesses commencing operation is less common.

STATISTICAL UNIT

14 The survey uses the management unit as the statistical unit. The management unit is the highest-level accounting unit within a business, having regard to industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, etc). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.

CLASSIFICATION BY INDUSTRY

15 The Australian and New Zealand Standard Industrial Classification (ANZSIC) has been developed for use in both countries for the production and analysis of industry statistics. For more information, users are referred to Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993 (Cat. no. 1292.0).

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

RELIABILITY OF THE ESTIMATES

17 Estimates provided in this publication are subject to non-sampling and sampling errors. The most common way of quantifying sampling error is to calculate the standard error for the published estimate. In calculating the standard error, the common practice for the statistics in this publication has been to examine the most recent two years of the quarterly series, and to produce a smoothed standard error for that period for the major published aggregates. This approach takes account of the variability in standard error estimates for quarterly statistics. This estimated standard error is then used as an indication of the sampling error for the current published series. The data in the current publication have been sourced from the new Quarterly Economic Activity Survey, which has been conducted since March quarter 2001, and this does not allow for a smoothed estimate of the standard error to be calculated. Therefore standard errors are based upon the data in the currently published quarter. Details of sampling errors are on pages 16 and 17 of this publication.

18 Non-sampling errors may arise as a result of errors in the reporting, recording or processing of the data and can occur even if there is a complete enumeration of the population. These errors can be introduced through inadequacies in the questionnaire, treatment of non-response, inaccurate reporting by respondents, errors in the application of survey procedures, incorrect recording of answers, and errors in data entry and processing.

19 It is difficult to measure the size of non-sampling errors. However, every effort is made in the design of the survey and development of survey procedures to minimise their effects.

SEASONAL ADJUSTMENT

20 The quarterly series in this publication are affected to some extent by seasonal influences and it is useful to recognise and take account of this element of variation.

EXPLANATORY NOTES

SEASONAL ADJUSTMENT

continued

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

22 In the seasonal adjustment of the series, account has been taken of normal seasonal factors and, in some cases, also 'trading' day effects (arising from the varying lengths of the quarters and the varying numbers of Sundays, Mondays, Tuesdays etc. in each quarter). Seasonal adjustment does not remove from the series the effect of irregular or non-seasonal influences (e.g. change in interest rates). The seasonally adjusted figures also reflect the sampling and other errors to which the original figures are subject. Particular care should be taken in interpreting quarterly movements in the adjusted figures in this publication, especially for detailed industry estimates.

23 Seasonal factors are revised concurrently to take account of the latest original data. A more detailed review is conducted annually prior to the September quarter release. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from each adjustment may be quite significant, especially for data for more recent quarters.

TREND ESTIMATES

24 The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted series. The 7-term Henderson average (like all Henderson averages) is symmetric but, as the end of a time series is approached, asymmetric forms of the average are applied. Unlike the weights of the standard 7-term Henderson moving average, the weights employed here have been tailored to suit the particular characteristics of individual series. While the asymmetric weights enable trend estimates for recent quarters to be produced, it does result in revisions to the estimates for the most recent three quarters as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors. For further information, see *Information Paper: A Guide to Interpreting Time Series-Monitoring 'Trends': an Overview* (Cat. no. 1348.0) or contact the Assistant Director, Time Series Analysis on Canberra 02 6252 6345.

DESCRIPTION OF TERMS

25 A description of the terms used in this publication is given below:

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

Company profits before income tax *Net operating profit or loss before income tax and extraordinary items* and is net of capital profits or losses arising from the sale of businesses' own capital goods and dividends received.

Net interest paid Interest expense less any interest income. Interest received from or paid to overseas sources is included. The interest component of finance lease payments is also included.

Depreciation and amortisation This is as per management accounts and includes depreciation on equipment acquired under a finance lease.

EXPLANATORY NOTES

DESCRIPTION OF TERMS *continued*

Abnormal items Abnormal items are items of revenue or expense included in the profit and loss or other operating statement which although attributable to the reporting period are considered abnormal by reason of their size and effect on the results for the period (e.g. bad debts, inventory write-downs, write-offs of research and development expenditure, depreciation adjustments upon reassessment of the estimated useful lives of non-current assets, differences between carrying amounts and proceeds from the sale of investments or properties whether or not acquired for resale, and differences arising on movements in foreign currency exchange rates).

Foreign exchange gains (or losses) Net foreign exchange gains or losses as included in management accounts. Includes unrealised foreign exchange gains or losses where these are included in net operating profit for the reporting period.

Unrealised gains (or losses) from the revaluation of assets Net unrealised gains or losses arising from the revaluation of current or non-current assets as included in management accounts. Includes diminution in the value of investments, inventory write-off, stock revaluation adjustment, revaluation of fixed assets, write-off of future surplus, write off of investments and write back of doubtful debts, where these have been included in net operating profit for the reporting period. Revaluation increases which are credited only to a reserve account are not included.

Frame A list of all members of the target population for a survey. The frame for this survey is a list of all businesses in the ANZSIC divisions, subdivisions and groups listed in paragraph 3. This is extracted from the ABS Business Register, which is a list of all employing Australian businesses, as described in paragraph 4.

COMPARISON WITH OTHER ABS STATISTICS

26 From the September quarter 2000, experimental estimates for the series “Company Profits before income tax, net interest paid, depreciation and selected items” have been made available, in addition to the existing published series “Company Profits before income tax, net interest paid, depreciation”. The new experimental series is intended to align more closely with the series “Gross Operating Surplus of Private Non-financial Corporations” in the national accounts. However, the two series are not directly comparable for the following reasons:

- the national accounts’ estimates of gross operating surplus include the profits of all companies whereas results from the Survey of Company Profits relate only to those companies with employment of more than 30 persons
- the national accounts’ estimates of gross operating surplus include estimates for companies classified to the Agriculture, forestry, fishing and hunting, and Community services industries
- the national accounts’ estimates of gross operating surplus are after deduction of the inventory valuation adjustment which measures the portion of income attributable to holding gains or losses resulting from inventory valuation practices
- the national accounts’ estimates of gross operating surplus include details relating to net land rent and natural resource payments
- the national accounts’ estimates are benchmarked to annual supply and use tables which are based on annual Economic Activity Survey and taxation data.

EXPLANATORY NOTES

RELATED PUBLICATIONS

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

- *Australian National Accounts: National Income, Expenditure and Product* (Cat. no. 5206.0)
- *Australian National Accounts: Concepts, Sources and Methods* (Cat. no. 5216.0)
- *Private New Capital Expenditure and Expected Expenditure, Australia*, (Cat. no. 5625.0)
- *Private New Capital Expenditure, State Estimates* (Cat. no. 5646.0)
- *Inventories and Sales, Selected Industries, Australia* (Cat. no. 5629.0)
- *Australian Business Expectations* (Cat. no. 5250.0)
- *Business Operations and Industry Performance, Australia* (Cat. no. 8140.0).
- *Information Paper: Improvements to Australian Bureau of Statistics Quarterly Business Indicators* (Cat. no. 5677.0)
- *Experimental Estimates: Australian Industry, a State perspective, Australia 1998–99* (Cat. no. 8156.0).

28 Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (Cat. no. 1101.0). The ABS also issues, on Tuesdays and Fridays, a *Release Advice* (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and the Release Advice are available from any ABS office.

ABS DATA AVAILABLE ON REQUEST

29 As well as the statistics included in this and related publications, the ABS may have other relevant data available on request. Inquiries should be made to the National Information and Referral Service on 1300 135 070.

SYMBOLS AND OTHER USAGES

n.p. not available for publication

STANDARD ERRORS

INTRODUCTION

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

LEVEL ESTIMATES

To illustrate, let us say that the published level estimate for company profits before income tax is \$8,900m and the calculated standard error in this case is \$140m. The standard error is then used to interpret the level estimate of \$8,900m.

For instance, the standard error of \$140m indicates that:

- There are approximately two chances in three that the real value falls within the range \$8,760m to \$9,040m ($\$8,900\text{m} \pm \140m).
- There are approximately nineteen chances in twenty that the real value falls within the ranges \$8,620m and \$9,180m ($\$8,900\text{m} \pm \280m).

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

The following table shows the standard errors for national quarterly level estimates based upon the data in the current quarter.

	Company profits before income tax \$m	Company profits before income tax, net interest paid \$m	Company profits before income tax, net interest paid and depreciation \$m
Mining	21	35	20
Manufacturing			
Food, beverages and tobacco	49	44	51
Textiles, clothing, footwear and leather	7	7	7
Wood and paper products	5	6	5
Printing, publishing and recorded media	23	19	21
Petroleum, coal, chemical and assoc. products	16	26	17
Non-metallic mineral products	4	7	5
Metal products	23	28	24
Machinery and equipment	48	50	47
Other manufacturing	6	7	6
Total manufacturing	78	80	79
Construction	30	32	30
Wholesale trade	63	64	62
Retail trade	36	55	56
Transport and storage	22	27	24
Services to finance and insurance	40	58	55
Property and business services	82	81	81
Other services	50	50	50
Total	155	170	165

STANDARD ERRORS

MOVEMENT ESTIMATES

The following example illustrates how to use the standard error to interpret a movement estimate. Let us say that one quarter the published level estimate for company profits before income tax is \$8,900m, and the next quarter the published level estimate is \$9,300m. In this example the calculated standard error for the movement estimate is \$145m. The standard error is then used to interpret the published movement estimate of +\$400m.

For instance, the standard error of \$145m indicates that:

- There are approximately two chances in three that the real movement over the two quarter period falls within the range \$255m to \$545m ($\$400m \pm \$145m$)
- There are approximately nineteen chances in twenty that the real movement falls within the range \$110m to \$690m ($\$400m \pm \$290m$)

The following table shows the standard errors for national quarterly movement estimates based upon the data in the current quarter.

	Company profits before income tax \$m	Company profits before income tax, net interest paid \$m	Company profits before income tax, net interest paid and depreciation \$m
Mining	27	41	26
Manufacturing			
Food, beverages and tobacco	50	50	52
Textiles, clothing, footwear and leather	7	7	7
Wood and paper products	4	5	5
Printing, publishing and recorded media	30	29	28
Petroleum, coal, chemical and assoc. products	54	56	53
Non-metallic mineral products	6	8	6
Metal products	30	36	32
Machinery and equipment	49	50	49
Other manufacturing	8	8	8
Total manufacturing	99	102	99
Construction	35	36	35
Wholesale trade	79	81	80
Retail trade	38	58	59
Transport and storage	23	40	32
Services to finance and insurance	65	91	87
Property and business services	146	139	127
Other services	62	61	62
Total	222	237	224

APPENDIX

COMPANY PROFITS BEFORE INCOME TAX, NET INTEREST PAID DEPRECIATION AND SELECTED ITEMS – EXPERIMENTAL ESTIMATES

INTRODUCTION

Results from the Quarterly Economic Activity Survey are currently used to produce a number of measures of profit including 'Company profits before income tax, net interest paid and depreciation'. This measure equates very broadly with the national accounts series 'Gross Operating Surplus of Private Non-financial Corporations'. Recent changes to data collection and processing have enabled the ABS to produce an additional series that provides a measure of underlying company profits which aligns more closely with the national accounts series.

COMPARISON WITH GROSS OPERATING SURPLUS

This new series, called 'Company Profits before income tax, net interest paid, depreciation and selected items', is calculated by deducting estimates for some additional items from the series 'Company profits before income tax, net interest paid and depreciation'. The items involved result from activities that do not involve the production of goods and services such as net foreign exchange gains/losses, unrealised gains/losses on the revaluation of assets and some other items often defined in accounting terms as abnormal items. The item 'Company profits before income tax, net interest paid and depreciation' is already net of profits/losses arising from the sale of businesses' own capital goods and excludes dividends received.

COMPARISON WITH OTHER ABS STATISTICS

While the series 'Company Profits before income tax, net interest paid, depreciation and selected items' is intended to align more closely with the series 'Gross Operating Surplus of Private Non-financial Corporations' in the national accounts, the two series are not directly comparable. See paragraph 26 of the Explanatory Notes on page 14 for further details.

DESCRIPTION OF TERMS

See paragraph 25 of the Explanatory Notes on pages 13 and 14 for a description of foreign exchange gains/losses, unrealised gains/losses and abnormal items.

EXPERIMENTAL ESTIMATES

The changes to data collection and processing required to produce this new series were implemented from June quarter 1999. Industry level data are only available from this period onwards and at this stage will only be published for Mining, Manufacturing and for all other industries combined. To enable seasonally adjusted estimates to be produced at the total industries level, estimates for periods prior to June quarter 1999 were derived from information used in the compilation of the national accounts. This has enabled the publication of just over five years of data at the total industries level in original and seasonally adjusted terms.

Users should treat the following estimates with caution. The output should be considered as experimental at this stage and the ABS welcomes feedback from readers regarding the usefulness, range and quality of the data presented and explanations provided.

Please send any comments to Director, Quarterly Economy Wide Surveys Branch, GPO Box 796, Sydney NSW 1041 or by telephone to Eric Morris on Sydney 02 9268 4176.

A1 - COMPANY PROFITS BEFORE INCOME TAX, NET INTEREST PAID, DEPRECIATION AND SELECTED ITEMS

Quarter	ORIGINAL.....		SEASONALLY ADJUSTED	
	\$m	%	\$m	%
1995-1996				
September	11,654	11.2	11,254	2.2
December	12,195	4.6	11,078	-1.6
March	10,514	-13.8	11,532	4.1
June	10,622	1.0	11,157	-3.2
1996-1997				
September	11,490	8.2	11,087	-0.6
December	12,585	9.5	11,460	3.4
March	10,246	-18.6	11,216	-2.1
June	11,117	8.5	11,668	4.0
1997-1998				
September	12,453	12.0	12,006	2.9
December	13,297	6.8	12,153	1.2
March	11,135	-16.3	12,157	0.0
June	12,740	14.4	13,372	10.0
1998-1999				
September	13,561	6.4	13,038	-2.5
December	14,854	9.5	13,655	4.7
March	12,389	-16.6	13,474	-1.3
June	12,910	4.2	13,541	0.5
1999-2000				
September	15,464	19.8	14,848	9.6
December	17,121	10.7	15,810	6.5
March	16,727	-2.3	18,121	14.6
June	17,713	5.9	18,597	2.6
2000-2001				
September	19,063	7.6	18,279	-1.7
December	18,365	-3.7	17,012	-6.9
March	16,272	-11.4	17,570	3.3
June	16,554	1.7	17,408	-0.9

A2 - COMPANY PROFITS BEFORE INCOME TAX, NET INTEREST PAID, DEPRECIATION AND SELECTED ITEMS

Quarter	<i>Mining</i>	<i>Manufacturing</i>	<i>Other selected industries(a)</i>	<i>Total</i>
	\$m	\$m	\$m	\$m
1999-2000				
September	3,575	5,452	6,437	15,464
December	3,817	6,285	7,019	17,121
March	4,544	5,479	6,704	16,727
June	4,807	5,889	7,017	17,713
2000-2001				
September	5,853	6,213	6,997	19,063
December	4,595	5,653	8,117	18,365
March	5,097	5,286	5,889	16,272
June	5,536	4,770	6,248	16,554

(a) Includes Construction, Wholesale, Retail, Transport and storage, Services to finance and insurance, Property and business services and Other services.

FOR MORE INFORMATION...

- INTERNET* **www.abs.gov.au** the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
- LIBRARY* A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require, or visit our web site for a list of libraries.
- CPI INFOLINE* For current and historical Consumer Price Index data, call 1902 981 074 (call cost 77c per minute).
- DIAL-A-STATISTIC* For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 77c per minute).

INFORMATION SERVICE

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