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Service on 1300135070.


## MARCH QTR KEY FIGURES

| TREND ESTIMATES |  | \% change | \% change |
| :---: | :---: | :---: | :---: |
|  | Mar 2001 | Dec 2000 | to Mar 2000 to |
|  | \$m | Mar 2001 | Mar 2001 |
| Company profits before |  |  |  |
| Income tax | 8049 | -6.5 | -19.6 |
| Income tax \& net interest | 10883 | -4.2 | -10.2 |
| Income tax, net interest \& depreciation | 16945 | -2.4 | -4.2 |
| . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . |  |  |  |
| SEASONALLY ADJUSTED |  | \% change | \% change |
|  | Mar 2001 | Dec 2000 | to Mar 2000 to |
|  | \$m | Mar 2001 | Mar 2001 |
| Company profits before |  |  |  |
| Income tax | 7903 | -11.7 | -11.2 |
| Income tax \& net interest | 10779 | -6.6 | -3.0 |
| Income tax, net interest \& depreciation | 16897 | -3.3 | 0.8 |

## MARCH QTR KEY POINTS

## TREND ESTIMATES

- The provisional trend estimate for company profits before income tax for companies with more than 30 employees is $\$ 8,049 \mathrm{~m}$, a fall of $6.5 \%$ from December quarter 2000, and $19.6 \%$ lower than the March quarter 2000 estimate. The trend estimate has been falling for the past three quarters from the peak in June quarter 2000, and this has been largely driven by falls in Other services and Manufacturing.


## SEASONALLY ADJUSTED

- The seasonally adjusted estimate for company profits before income tax decreased by $11.7 \%$ to $\$ 7,903 \mathrm{~m}$, following a small increase in the revised December quarter 2000 estimate.
- Both Wholesale trade and Mining decreased in the current quarter by $39.8 \%$ and $10.1 \%$ respectively, after recording strong increases in the previous quarter. Other Services decreased by $43.2 \%$ in the March quarter 2001 after also decreasing in the previous quarter, and Construction decreased by $73.1 \%$ following an increase in the previous quarter.
- Retail trade has increased by $17.6 \%$ in the current quarter but the estimate is $15.1 \%$ lower than the estimate for March quarter 2000.
- The experimental estimate for company profits before income tax, net interest paid, depreciation and selected items, in seasonally adjusted terms, increased by $5.6 \%$ in the March quarter 2001, following a decrease of $9.1 \%$ in the previous quarter.

ISSUE (Quarter)
June 2001

RELEASE DATE
7 September 2001

Major changes are being implemented to selected ABS quarterly business indicators, which will impact on the statistics presented in this publication from next quarter. These changes will improve the consistency and coherence of these statistics. Details will be provided in the information paper Improvements to $A B S$ Quarterly Business Indicators (ABS Cat. no. 5677.0) which will be released shortly.

Revisions have been made to the December quarter 2000 estimates due to responses received or revised after publication of the previous issue. Seasonally adjusted and trend estimates are also revised each quarter as a result of seasonal factors being revised concurrently to take account of the latest original data. The net effect of these revisions has been to decrease the original estimate of company profits before income tax by $4.5 \%$, and decrease the seasonally adjusted estimate of company profits before income tax by $3.5 \%$. Revisions are applied to all series in this publication and the impact can vary at the industry level.

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

1 The June 2001 seasonally adjusted estimate for company profits before income tax is higher than the March 2001 seasonally adjusted estimate by $10.0 \%$.
2 The June 2001 seasonally adjusted estimate for company profits before income tax is lower than the March 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 the June 2001 quarter would show a $3.3 \%$ increase in the trend estimate for March 2001 quarter. A fall of $10 \%$ would result in the trend estimate for March 2001 quarter falling by $1.4 \%$

Dennis Trewin
Australian Statistician

## COMPANY PROFITS BEFORE INCOME TAX BY INDUSTRY: Trend

## MINING

## MANUFACTURING

## WHOLESALE/RETAIL

OTHER SELECTED INDUSTRIES(a)

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


The trend estimate for Mining has been decreasing for the past three quarters, following strong growth in the previous six quarters.

The trend estimate for Manufacturing has been falling in the last four quarters since the most recent peak in March quarter 2000.

The trend estimate for Wholesale trade has been decreasing since March quarter 2000. The trend estimate for Retail trade has increased slightly in the March quarter 2001, after decreasing in the previous seven quarters.

The trend estimate for Other selected industries has been falling for the past four quarters. Prior to this, the trend estimate increased in each quarter from September quarter 1997 to March quarter 2000.

The trend estimate for all industries has been falling for the past three quarters since peaking in June quarter 2000.

|  | Company profits before income tax, net interest paid and depreciation | Company profits before income tax and net interest paid | Company profits before income tax |
| :---: | :---: | :---: | :---: |
| Quarter | \$m | \$m | \$m |
| ORIGINAL |  |  |  |
| 1997-1998 |  |  |  |
| March | 11310 | 7039 | 5464 |
| June | 11717 | 7132 | 5154 |
| 1998-1999 |  |  |  |
| September | 13501 | 8931 | 7148 |
| December | 14894 | 10360 | 8381 |
| March | 12651 | 8010 | 6273 |
| June | 12903 | 7938 | 6142 |
| 1999-2000 |  |  |  |
| September | 15792 | 10645 | 8490 |
| December | 17752 | 12335 | 10662 |
| March | 15802 | 10273 | 8188 |
| June | 17272 | 11423 | 9234 |
| 2000-2001 |  |  |  |
| September | 18392 | 12522 | 9464 |
| December | 18616 | 12625 | 9970 |
| March | 15934 | 9905 | 7178 |
| SEASONALLY ADJUSTED |  |  |  |
| 1997-1998 |  |  |  |
| March | 12292 | 7949 | 6211 |
| June | 12646 | 8104 | 6135 |
| 1998-1999 |  |  |  |
| September | 12915 | 8312 | 6682 |
| December | 13399 | 8908 | 6897 |
| March | 13769 | 9033 | 7162 |
| June | 13847 | 8956 | 7126 |
| 1999-2000 |  |  |  |
| September | 15075 | 9938 | 7967 |
| December | 16382 | 11004 | 9296 |
| March | 16771 | 11115 | 8904 |
| June | 18534 | 12910 | 10649 |
| 2000-2001 |  |  |  |
| September | 17501 | 11513 | 8617 |
| December | 17477 | 11544 | 8955 |
| March | 16897 | 10779 | 7903 |
| TREND ESTIMATES |  |  |  |
| 1997-1998 |  |  |  |
| March | 12153 | 7703 | 5978 |
| June | 12540 | 8033 | 6206 |
| 1998-1999 |  |  |  |
| September | 12929 | 8378 | 6518 |
| December | 13358 | 8767 | 6904 |
| March | 13892 | 9204 | 7314 |
| June | 14485 | 9603 | 7733 |
| 1999-2000 |  |  |  |
| September | 15347 | 10208 | 8370 |
| December | 16587 | 11220 | 9325 |
| March | 17697 | 12123 | 10016 |
| June | 18178 | 12445 | 10043 |
| 2000-2001 |  |  |  |
| September | 17860 | 11986 | 9348 |
| December | 17363 | 11365 | 8607 |
| March | 16945 | 10883 | 8049 |


|  | Company profits before income tax, net interest paid and depreciation | Depreciation | Company profits before income tax and net interest paid | Interest paid | Interest received | Net interest paid | Company profits before income tax |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Period | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| 1997-1998 | 48225 | 17602 | 30622 | 14346 | 7851 | 6495 | 24127 |
| 1998-1999 | 53949 | 18711 | 35238 | 16275 | 8981 | 7293 | 27945 |
| 1999-2000 | 66618 | 21942 | 44677 | 18048 | 9946 | 8102 | 36575 |
| 1997-1998 |  |  |  |  |  |  |  |
| March | 11310 | 4271 | 7039 | 3445 | 1870 | 1575 | 5464 |
| June | 11717 | 4585 | 7132 | 4003 | 2024 | 1978 | 5154 |
| 1998-1999 |  |  |  |  |  |  |  |
| September | 13501 | 4570 | 8931 | 4154 | 2372 | 1783 | 7148 |
| December | 14894 | 4534 | 10360 | 4115 | 2137 | 1979 | 8381 |
| March | 12651 | 4641 | 8010 | 3752 | 2015 | 1737 | 6273 |
| June | 12903 | 4965 | 7938 | 4253 | 2458 | 1795 | 6142 |
| 1999-2000 |  |  |  |  |  |  |  |
| September | 15792 | 5147 | 10645 | 4347 | 2192 | 2155 | 8490 |
| December | 17752 | 5417 | 12335 | 4020 | 2347 | 1673 | 10662 |
| March | 15802 | 5529 | 10273 | 4267 | 2182 | 2085 | 8188 |
| June | 17272 | 5849 | 11423 | 5414 | 3225 | 2189 | 9234 |
| 2000-2001 |  |  |  |  |  |  |  |
| September | 18392 | 5870 | 12522 | 6959 | 3900 | 3059 | 9464 |
| December | 18616 | 5991 | 12625 | 7018 | 4363 | 2655 | 9970 |
| March | 15934 | 6029 | 9905 | 6564 | 3836 | 2727 | 7178 |


|  | Mining | Manufacturing | Construction | Wholesale trade | Retail trade | Transport and storage | Services to finance and insurance | Property <br> and <br> business <br> senvices | Other senvices | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Period | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |


| ORIGINAL |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1997-1998 | 5207 | 11627 | 819 | 2889 | 1577 | 923 | - 177 | -40 | 1303 | 24127 |
| 1998-1999 | 4882 | 10943 | 918 | 2825 | 2587 | 1464 | 1101 | 516 | 2710 | 27945 |
| 1999-2000 | 10093 | 12575 | 1065 | 3404 | 2285 | 1792 | 690 | 654 | 4017 | 36575 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | 955 | 3494 | 283 | 654 | 1158 | 522 | 386 | 213 | 716 | 8381 |
| March | 992 | 2606 | 167 | 628 | 473 | 362 | 194 | 31 | 819 | 6273 |
| June | 1212 | 1786 | 261 | 849 | 557 | 308 | 424 | 177 | 569 | 6142 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 2040 | 3381 | 240 | 887 | 475 | 403 | 218 | 91 | 756 | 8490 |
| December | 2292 | 3985 | 276 | 710 | 1083 | 693 | 317 | 257 | 1049 | 10662 |
| March | 2735 | 2112 | 246 | 852 | 330 | 427 | 107 | 193 | 1186 | 8188 |
| June | 3026 | 3096 | 303 | 956 | 397 | 268 | 48 | 113 | 1027 | 9234 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | 3412 | 3604 | 207 | 599 | 258 | 493 | 1 | - 515 | 1406 | 9464 |
| December | 3049 | 3208 | 337 | 1077 | 708 | 522 | - 239 | 57 | 1252 | 9970 |
| March | 2864 | 2717 | 60 | 589 | 285 | 167 | -64 | - 123 | 684 | 7178 |

## SEASONALLY ADJUSTED

| 1997-1998 | 5140 | 11651 | 841 | 2883 | 1488 | 925 | - 176 | -53 | 1305 | 24001 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1998-1999 | 4857 | 10850 | 907 | 2821 | 2645 | 1466 | 1103 | 510 | 2711 | 27867 |
| 1999-2000 | 10442 | 12478 | 1077 | 3402 | 2265 | 1794 | 690 | 653 | 4017 | 36816 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | 1010 | 2970 | 227 | 665 | 618 | 317 | 365 | 79 | 646 | 6897 |
| March | 1000 | 2989 | 204 | 720 | 776 | 354 | 226 | 75 | 818 | 7162 |
| June | 1422 | 2006 | 257 | 793 | 710 | 531 | 417 | 229 | 761 | 7126 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 1676 | 3179 | 260 | 834 | 646 | 391 | 214 | 130 | 637 | 7967 |
| December | 2434 | 3435 | 223 | 733 | 583 | 484 | 297 | 129 | 978 | 9296 |
| March | 2775 | 2385 | 302 | 938 | 530 | 431 | 135 | 230 | 1178 | 8904 |
| June | 3556 | 3479 | 291 | 896 | 507 | 488 | 44 | 164 | 1224 | 10649 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | 2777 | 3429 | 228 | 544 | 350 | 477 | 0 | - 477 | 1289 | 8617 |
| December | 3257 | 2769 | 274 | 1109 | 383 | 311 | - 265 | -65 | 1182 | 8955 |
| March | 2929 | 3058 | 74 | 668 | 450 | 179 | -32 | -94 | 671 | 7903 |

TREND ESTIMATES

| 1997-1998 | 5168 | 11521 | 920 | 2460 | 1550 | 1078 | - 192 | 3 | 1288 | 23796 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1998-1999 | 4716 | 11889 | 910 | 2815 | 2600 | 1429 | 1045 | 418 | 2647 | 28469 |
| 1999-2000 | 10213 | 13689 | 1070 | 3306 | 2240 | 1856 | 743 | 515 | 4122 | 37754 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | 1090 | 2952 | 217 | 675 | 647 | 319 | 251 | 93 | 660 | 6904 |
| March | 1104 | 2941 | 227 | 733 | 724 | 389 | 326 | 133 | 737 | 7314 |
| June | 1329 | 3019 | 238 | 773 | 718 | 444 | 327 | 146 | 739 | 7733 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 1778 | 3194 | 248 | 798 | 656 | 458 | 295 | 162 | 781 | 8370 |
| December | 2382 | 3414 | 264 | 848 | 591 | 452 | 239 | 206 | 929 | 9325 |
| March | 2891 | 3577 | 273 | 835 | 533 | 465 | 159 | 151 | 1132 | 10016 |
| June | 3162 | 3504 | 285 | 825 | 460 | 481 | 49 | -3 | 1280 | 10043 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | 3151 | 3272 | 259 | 818 | 408 | 426 | -65 | - 155 | 1234 | 9348 |
| December | 3065 | 3050 | 203 | 813 | 393 | 328 | - 122 | - 195 | 1072 | 8607 |
| March | 2996 | 2889 | 149 | 811 | 405 | 219 | - 130 | - 141 | 851 | 8049 |


| Period | Mining | Manufacturing | Construction | Wholesale trade | Retail trade | Transport and storage | Services to finance and insurance | Property and business services | Other services | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| ORIGINAL |  |  |  |  |  |  |  |  |  |  |
| 1997-1998 | -11.2 | 14.8 | 12.5 | 23.6 | -2.9 | 0.5 | - 170.0 | 75.3 | -4.9 | 4.7 |
| 1998-1999 | -6.2 | -5.9 | 12.0 | -2.2 | 64.0 | 58.7 | n.p. | n.p. | 107.9 | 15.8 |
| 1999-2000 | 106.8 | 14.9 | 16.0 | 20.5 | -11.6 | 22.4 | -37.3 | 26.7 | 48.2 | 30.9 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | -44.5 | 14.3 | 37.6 | -5.7 | 189.7 | 92.0 | 298.7 | 124.1 | 18.3 | 17.3 |
| March | 3.9 | -25.4 | -40.9 | -4.0 | -59.1 | -30.7 | -49.6 | -85.5 | 14.4 | -25.1 |
| June | 22.2 | -31.5 | 56.0 | 35.2 | 17.7 | -15.0 | 117.9 | 472.9 | -30.6 | -2.1 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 68.3 | 89.2 | -8.3 | 4.4 | -14.7 | 31.2 | -48.5 | -48.7 | 33.0 | 38.2 |
| December | 12.3 | 17.9 | 15.3 | -19.9 | 128.2 | 71.7 | 45.6 | 182.7 | 38.7 | 25.6 |
| March | 19.4 | -47.0 | -11.0 | 20.0 | -69.5 | -38.4 | -66.3 | -24.8 | 13.1 | -23.2 |
| June | 10.6 | 46.6 | 23.3 | 12.2 | 20.3 | -37.2 | -55.3 | -41.8 | -13.4 | 12.8 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | 12.7 | 16.4 | -31.6 | -37.3 | -35.2 | 83.7 | -98.4 | - 557.5 | 36.9 | 2.5 |
| December | -10.6 | -11.0 | 62.4 | 79.6 | 174.8 | 5.9 | n.p. | n.p. | -10.9 | 5.4 |
| March | -6.1 | -15.3 | -82.1 | -45.3 | -59.8 | -67.9 | 73.1 | - 315.6 | -45.4 | -28.0 |

## SEASONALLY ADJUSTED

| 1997-1998 | -12.6 | 16.1 | 14.8 | 23.7 | -7.4 | 0.7 | - 169.4 | 69.2 | -5.0 | 4.5 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1998-1999 | -5.5 | -6.9 | 7.8 | -2.1 | 77.7 | 58.5 | n.p. | n.p. | 107.7 | 16.1 |
| 1999-2000 | 115.0 | 15.0 | 18.8 | 20.6 | -14.4 | 22.3 | -37.4 | 28.0 | 48.2 | 32.1 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | -29.1 | 3.0 | 4.3 | 3.5 | 14.3 | 19.9 | 287.2 | -38.1 | 33.3 | 3.2 |
| March | -1.0 | 0.7 | -10.3 | 8.3 | 25.5 | 11.6 | -38.0 | -5.5 | 26.6 | 3.8 |
| June | 42.2 | -32.9 | 26.0 | 10.0 | -8.5 | 50.1 | 84.3 | 206.6 | -6.9 | -0.5 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 17.8 | 58.5 | 1.2 | 5.2 | -9.0 | -26.3 | -48.7 | -43.1 | -16.3 | 11.8 |
| December | 45.3 | 8.0 | -14.1 | -12.1 | -9.8 | 23.7 | 39.0 | -1.1 | 53.5 | 16.7 |
| March | 14.0 | -30.6 | 35.0 | 28.0 | -9.1 | -11.0 | -54.6 | 78.5 | 20.4 | -4.2 |
| June | 28.2 | 45.9 | -3.5 | -4.4 | -4.3 | 13.4 | -67.6 | -28.5 | 4.0 | 19.6 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | -21.9 | -1.4 | -21.8 | -39.3 | -31.0 | -2.2 | n.p. | - 390.2 | 5.3 | -19.1 |
| December | 17.3 | -19.2 | 20.2 | 103.9 | 9.4 | -34.9 | n.p. | 86.3 | -8.3 | 3.9 |
| March | -10.1 | 10.4 | -73.1 | -39.8 | 17.6 | -42.4 | 87.8 | -43.6 | -43.2 | -11.7 |

## TREND ESTIMATES

| 1997-1998 | -14.8 | 14.0 | 53.8 | 4.5 | -1.2 | 15.4 | - 163.3 | 102.4 | -6.9 | 2.6 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1998-1999 | -8.7 | 3.2 | -1.0 | 14.4 | 67.7 | 32.5 | n.p. | n.p. | 105.5 | 19.6 |
| 1999-2000 | 116.6 | 15.1 | 17.6 | 17.5 | -13.9 | 29.9 | -28.9 | 23.3 | 55.7 | 32.6 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | -8.8 | -0.8 | -5.3 | 6.4 | 26.4 | 15.5 | 78.6 | 101.9 | 28.9 | 5.9 |
| March | 1.3 | -0.4 | 4.8 | 8.6 | 11.9 | 21.7 | 30.1 | 41.9 | 11.7 | 5.9 |
| June | 20.4 | 2.7 | 5.0 | 5.5 | -0.8 | 14.2 | 0.2 | 9.9 | 0.4 | 5.7 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 33.8 | 5.8 | 3.9 | 3.2 | -8.6 | 3.2 | -9.7 | 11.3 | 5.6 | 8.2 |
| December | 34.0 | 6.9 | 6.6 | 6.3 | -10.0 | -1.4 | -19.1 | 26.6 | 19.0 | 11.4 |
| March | 21.4 | 4.8 | 3.4 | -1.5 | -9.8 | 2.8 | -33.2 | -26.6 | 21.8 | 7.4 |
| June | 9.4 | -2.0 | 4.4 | -1.2 | -13.7 | 3.6 | -69.3 | - 102.1 | 13.1 | 0.3 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | -0.3 | -6.6 | -9.1 | -0.9 | -11.2 | -11.5 | - 232.1 | n.p. | -3.6 | -6.9 |
| December | -2.7 | -6.8 | -21.8 | -0.6 | -3.8 | -23.1 | -88.0 | -26.2 | -13.2 | -7.9 |
| March | -2.3 | -5.3 | -26.4 | -0.2 | 3.1 | -33.3 | -6.8 | 27.7 | -20.6 | -6.5 |

(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.

|  | Mining | Manufacturing | Construction | Wholesale trade | Retail trade | Transport and storage | Services to finance and insurance | Property <br> and <br> business <br> services | Other services | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Period | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |


| PROFITS BEFORE INCOME TAX |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1997-1998 | 5207 | 11627 | 819 | 2889 | 1577 | 923 | - 177 | -40 | 1303 | 24127 |
| 1998-1999 | 4882 | 10943 | 918 | 2825 | 2587 | 1464 | 1101 | 516 | 2710 | 27945 |
| 1999-2000 | 10093 | 12575 | 1065 | 3404 | 2285 | 1792 | 690 | 654 | 4017 | 36575 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | 955 | 3494 | 283 | 654 | 1158 | 522 | 386 | 213 | 716 | 8381 |
| March | 992 | 2606 | 167 | 628 | 473 | 362 | 194 | 31 | 819 | 6273 |
| June | 1212 | 1786 | 261 | 849 | 557 | 308 | 424 | 177 | 569 | 6142 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 2040 | 3381 | 240 | 887 | 475 | 403 | 218 | 91 | 756 | 8490 |
| December | 2292 | 3985 | 276 | 710 | 1083 | 693 | 317 | 257 | 1049 | 10662 |
| March | 2735 | 2112 | 246 | 852 | 330 | 427 | 107 | 193 | 1186 | 8188 |
| June | 3026 | 3096 | 303 | 956 | 397 | 268 | 48 | 113 | 1027 | 9234 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | 3412 | 3604 | 207 | 599 | 258 | 493 | 1 | - 515 | 1406 | 9464 |
| December | 3049 | 3208 | 337 | 1077 | 708 | 522 | - 239 | 57 | 1252 | 9970 |
| March | 2864 | 2717 | 60 | 589 | 285 | 167 | -64 | - 123 | 684 | 7178 |

PROFITS BEFORE INCOME TAX \& NET INTEREST PAID

| 1997-1998 | 5961 | 13670 | 876 | 3328 | 2239 | 1532 | - 388 | 137 | 3267 | 30622 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1998-1999 | 5882 | 12959 | 980 | 3306 | 3256 | 2318 | 990 | 1032 | 4514 | 35238 |
| 1999-2000 | 10887 | 15038 | 1084 | 3782 | 2945 | 2806 | 672 | 1646 | 5817 | 44677 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | 1203 | 4055 | 301 | 760 | 1346 | 768 | 307 | 371 | 1249 | 10360 |
| March | 1221 | 3072 | 173 | 738 | 642 | 578 | 154 | 206 | 1226 | 8010 |
| June | 1471 | 2406 | 291 | 973 | 707 | 495 | 394 | 216 | 984 | 7938 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 2276 | 4043 | 246 | 988 | 631 | 695 | 129 | 467 | 1169 | 10645 |
| December | 2516 | 4536 | 275 | 752 | 1241 | 912 | 177 | 461 | 1465 | 12335 |
| March | 3006 | 2642 | 247 | 961 | 472 | 694 | 200 | 431 | 1619 | 10273 |
| June | 3088 | 3817 | 315 | 1080 | 601 | 505 | 165 | 287 | 1564 | 11423 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | 3735 | 4314 | 235 | 741 | 433 | 893 | 228 | 116 | 1828 | 12522 |
| December | 3142 | 3889 | 372 | 1218 | 901 | 900 | - 186 | 595 | 1795 | 12625 |
| March | 3088 | 3334 | 91 | 727 | 470 | 605 | 225 | 66 | 1299 | 9905 |

PROFITS BEFORE INCOME TAX, NET INTEREST PAID \& DEPRECIATION

| 1997-1998 | 10032 | 19743 | 1308 | 4350 | 3301 | 2987 | -66 | 1057 | 5514 | 48225 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1998-1999 | 9998 | 19359 | 1397 | 4382 | 4425 | 3919 | 1412 | 2190 | 6867 | 53949 |
| 1999-2000 | 16093 | 21905 | 1511 | 4900 | 4252 | 4744 | 1254 | 3184 | 8776 | 66618 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | 2190 | 5631 | 410 | 1029 | 1649 | 1154 | 392 | 649 | 1790 | 14894 |
| March | 2234 | 4643 | 272 | 1005 | 916 | 996 | 288 | 493 | 1805 | 12651 |
| June | 2561 | 4003 | 386 | 1264 | 1025 | 946 | 513 | 560 | 1647 | 12903 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 3434 | 5699 | 328 | 1266 | 936 | 1144 | 304 | 841 | 1839 | 15792 |
| December | 3795 | 6309 | 368 | 1021 | 1558 | 1360 | 306 | 814 | 2220 | 17752 |
| March | 4348 | 4291 | 355 | 1242 | 799 | 1198 | 334 | 842 | 2395 | 15802 |
| June | 4516 | 5607 | 459 | 1370 | 959 | 1042 | 310 | 688 | 2322 | 17272 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | 5312 | 6018 | 363 | 1043 | 748 | 1413 | 306 | 530 | 2659 | 18392 |
| December | 4509 | 5632 | 491 | 1556 | 1245 | 1446 | -66 | 1107 | 2696 | 18616 |
| March | 4484 | 5019 | 201 | 1052 | 800 | 1174 | 377 | 639 | 2190 | 15934 |


|  | Food, beverages and tobacco | Textile, clothing, footwear and leather | Wood and paper products | Printing, <br> publishing <br> and recorded <br> media | Petroleum, coal, chemicals and assoc. products | Nonmetallic mineral products | Metal products | Machinery and equipment | Other manufacturing | Total manufacturing |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Period | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |

PROFITS BEFORE INCOME TAX

| 1997-1998 | 2947 | 232 | 694 | 1185 | 2246 | 723 | 1989 | 1537 | 73 | 11627 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1998-1999 | 2966 | 190 | 882 | 1349 | 2290 | 837 | 934 | 1419 | 76 | 10943 |
| 1999-2000 | 2895 | 288 | 1018 | 1552 | 2326 | 1134 | 1827 | 1378 | 156 | 12575 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | 936 | 71 | 266 | 436 | 598 | 278 | 540 | 352 | 18 | 3494 |
| March | 689 | 41 | 209 | 281 | 531 | 189 | 378 | 281 | 6 | 2606 |
| June | 524 | 43 | 195 | 298 | 691 | 159 | - 558 | 411 | 24 | 1786 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 749 | 77 | 236 | 330 | 739 | 289 | 555 | 383 | 22 | 3381 |
| December | 1113 | 71 | 286 | 502 | 545 | 292 | 744 | 386 | 45 | 3985 |
| March | 616 | 51 | 237 | 348 | 529 | 271 | - 233 | 255 | 37 | 2112 |
| June | 417 | 89 | 258 | 372 | 513 | 282 | 760 | 354 | 51 | 3096 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | 737 | 75 | 292 | 347 | 602 | 187 | 827 | 522 | 14 | 3604 |
| December | 818 | 62 | 278 | 408 | 256 | 177 | 802 | 377 | 29 | 3208 |
| March | 750 | 49 | 157 | 301 | 271 | 90 | 809 | 282 | 7 | 2717 |

PROFITS BEFORE INCOME TAX \& NET INTEREST PAID

| 1997-1998 | 3454 | 327 | 959 | 1360 | 2537 | 880 | 2386 | 1676 | 92 | 13670 |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| 1998-1999 | 3492 | 283 | 1074 | 1571 | 2590 | 977 | 1266 | 1590 | 116 | 12959 |
| 1999-2000 | 3759 | 358 | 1256 | 1709 | 2643 | 1349 | 2141 | 1643 | 181 | 15038 |
|  |  |  |  |  |  |  |  |  |  |  |
| 1998-1999 | 1111 | 106 | 314 | 487 | 673 | 320 | 613 | 403 | 28 | 4055 |
| December | 106 | 619 | 255 | 329 | 604 | 215 | 439 | 333 | 17 | 3072 |
| March | 719 | 59 | 239 | 365 | 777 | 200 | -438 | 449 | 34 | 2406 |
| June |  |  |  |  |  |  |  |  |  |  |
| 1999-2000 | 1065 | 94 | 287 | 372 | 800 | 341 | 614 | 444 | 27 | 4043 |
| September | 1271 | 89 | 333 | 543 | 633 | 344 | 806 | 465 | 52 | 4536 |
| December | 788 | 68 | 297 | 383 | 594 | 324 | -178 | 323 | 44 | 2642 |
| March | 634 | 108 | 339 | 411 | 617 | 340 | 899 | 411 | 58 | 3817 |
| June |  |  |  |  |  |  |  |  |  |  |
| 2000-2001 | 983 | 95 | 362 | 384 | 718 | 255 | 904 | 594 | 19 | 4314 |
| September | 1059 | 76 | 344 | 453 | 367 | 246 | 869 | 439 | 37 | 3889 |
| December | 921 | 73 | 222 | 350 | 384 | 156 | 861 | 356 | 13 | 3334 |

PROFITS BEFORE INCOME TAX, NET INTEREST PAID \& DEPRECIATION

| 1997-1998 | 4659 | 506 | 1437 | 1717 | 3735 | 1375 | 3591 | 2577 | 145 | 19743 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1998-1999 | 4853 | 447 | 1575 | 2008 | 3778 | 1418 | 2476 | 2623 | 181 | 19359 |
| 1999-2000 | 5379 | 518 | 1706 | 2199 | 3910 | 1819 | 3422 | 2697 | 255 | 21905 |
| 1998-1999 |  |  |  |  |  |  |  |  |  |  |
| December | 1441 | 146 | 417 | 597 | 975 | 436 | 911 | 664 | 44 | 5631 |
| March | 1162 | 101 | 355 | 440 | 899 | 324 | 738 | 591 | 35 | 4643 |
| June | 1075 | 100 | 344 | 475 | 1076 | 304 | - 124 | 702 | 50 | 4003 |
| 1999-2000 |  |  |  |  |  |  |  |  |  |  |
| September | 1437 | 133 | 392 | 485 | 1139 | 463 | 902 | 703 | 45 | 5699 |
| December | 1747 | 128 | 447 | 671 | 926 | 457 | 1131 | 735 | 66 | 6309 |
| March | 1143 | 108 | 410 | 501 | 910 | 441 | 124 | 592 | 60 | 4291 |
| June | 1052 | 149 | 457 | 541 | 934 | 457 | 1265 | 667 | 85 | 5607 |
| 2000-2001 |  |  |  |  |  |  |  |  |  |  |
| September | 1355 | 138 | 481 | 512 | 1022 | 377 | 1227 | 875 | 30 | 6018 |
| December | 1444 | 119 | 469 | 579 | 675 | 365 | 1214 | 717 | 51 | 5632 |
| March | 1270 | 110 | 353 | 496 | 682 | 282 | 1158 | 640 | 27 | 5019 |

## EXPLANATORYNOTES

INTRODUCTION

SCOPE AND COVERAGE

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 Survey of Company Profits.

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

3 The Survey of Company Profits includes the following industries classified according to the Australian and New Zealand Standard Industrial Classification, ANZSIC, 1993:

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

4 The Survey of Company Profits, 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 Group Employer Scheme. The frame is updated quarterly to take account of new businesses, cessations, changes in employment levels, changes in industry and other general business changes. Cessations include businesses which have cancelled their Group Employer registration or have not remitted to the Australian Taxation Office for five quarters or more.

5 The survey is conducted by mail on a quarterly basis. It is based on a random sample of approximately 4,800 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.

6 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 number raised estimation technique. Data are edited both at individual business unit level and at aggregate level.

7 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).

8 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.

9 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.

10 There are lags in the processing of new businesses to the ABS Business Register. For the Survey of Company Profits, which excludes businesses employing 30 or less people from published estimates, the effect of this is relatively minor as the majority of new businesses tend to be small in size and outside the scope of this survey. The incidence of new, larger businesses commencing operation is less common. Therefore, no specific adjustment for new businesses is made as the quarterly revisions to the survey frame and sample are considered sufficient to account for new businesses.

11 The survey uses the management unit as the statistical unit. The management unit is the highest-level accounting unit within a business, having regard to industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, etc). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for $i t$.

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

## EXPLANATORYNOTES

CLASSIFICATION BY INDUSTRY continued

13 For more information, users are referred to Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993 (ABS Cat. no. 1292.0).

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

RELIABILITY OF THE ESTIMATES

15 Estimates provided in this publication are subject to non-sampling and sampling errors. Details of sampling errors are on pages 15 and 16 of this publication.

16 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.

17 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.

18 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.

19 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.

20 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

21 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.

## EXPLANATORYNOTES

TREND ESTIMATES

DESCRIPTION OF TERMS

22 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 0262526345.

$$
\begin{array}{ll}
\text { A company } & \begin{array}{l}
\text { An incorporated private sector business enterprise. For the purpose of the survey, } \\
\text { branches of overseas companies operating in Australia are included but overseas } \\
\text { branches of Australian companies are excluded. }
\end{array} \\
\text { Company profits before } \\
\text { income tax } & \begin{array}{l}
\text { Net operating profit or loss before income tax and extraordinary items and is net } \\
\text { of capital profits or losses arising from the sale of businesses' own capital goods } \\
\text { and dividends received. }
\end{array} \\
\text { Net interest paid } & \begin{array}{l}
\text { Interest expense less any interest income. Interest received from or paid to } \\
\text { overseas sources is included. The interest component of finance lease payments is } \\
\text { also included. }
\end{array}
\end{array}
$$

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

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

Unrealised gains (or losses) Net unrealised gains or losses arising from the revaluation of current or from the revaluation non-current assets as included in management accounts. Includes diminution in of assets 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.

## EXPLANATORYNOTES

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

RELATED PUBLICATIONS

24 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.

25 More detailed industry data from this survey are available on request, the cost for such a service being dependent upon the amount of data requested.

26 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).

27 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.

## STANDARDERRORS

INTRODUCTION

LEVEL ESTIMATES

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.

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

For instance, the standard error of $\$ 140 \mathrm{~m}$ indicates that:

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

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

The following table shows the standard errors for national quarterly level estimates. These standard errors are based on a smoothed average of profits estimates.

|  | 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 | 4 | 4 | 6 |
| Manufacturing |  |  |  |
| Food, beverages and tobacco | 18 | 19 | 27 |
| Textiles, clothing, footwear and leather | 2 | 2 | 3 |
| Wood and paper products | 10 | 10 | 17 |
| Printing, publishing and recorded media | 16 | 16 | 19 |
| Petroleum, coal, chemical and assoc. products | 31 | 36 | 40 |
| Non-metallic mineral products | 6 | 6 | 8 |
| Metal products | 16 | 16 | 20 |
| Machinery and equipment | 24 | 23 | 25 |
| Other manufacturing | 6 | 8 | 9 |
| Total manufacturing | 50 | 54 | 64 |
| Construction | 18 | 18 | 26 |
| Wholesale trade | 52 | 59 | 78 |
| Retail trade | 30 | 32 | 38 |
| Transport and storage | 23 | 28 | 37 |
| Services to finance and insurance | 20 | 18 | 19 |
| Property and business services | 89 | 68 | 76 |
| Other services | 21 | 20 | 29 |
| Total | 126 | 118 | 144 |

## STANDARDERRORS

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 $\$ 8,900 \mathrm{~m}$, and the next quarter the published level estimate is $\$ 9,300 \mathrm{~m}$. In this example the calculated standard error for the movement estimate is $\$ 145 \mathrm{~m}$. The standard error is then used to interpret the published movement estimate of $+\$ 400 \mathrm{~m}$.

For instance, the standard error of $\$ 145 \mathrm{~m}$ indicates that:

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

The following table shows the standard errors for national quarterly movement estimates. These standard errors are based on a smoothed average of profits estimates.

|  | 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 | 5 | 5 | 6 |
| Manufacturing |  |  |  |
| Food, beverages and tobacco | 19 | 21 | 33 |
| Textiles, clothing, footwear and leather | 2 | 2 | 2 |
| Wood and paper products | 13 | 14 | 17 |
| Printing, publishing and recorded media | 15 | 15 | 14 |
| Petroleum, coal, chemical and assoc. products | 27 | 32 | 39 |
| Non-metallic mineral products | 8 | 8 | 11 |
| Metal products | 13 | 11 | 14 |
| Machinery and equipment | 24 | 23 | 23 |
| Other manufacturing | 6 | 11 | 12 |
| Total manufacturing | 50 | 53 | 65 |
| Construction | 21 | 22 | 31 |
| Wholesale trade | 62 | 74 | 100 |
| Retail trade | 17 | 19 | 20 |
| Transport and storage | 19 | 35 | 35 |
| Services to finance and insurance | 15 | 18 | 21 |
| Property and business services | 72 | 93 | 92 |
| Other senvices | 24 | 22 | 30 |
| Total | 116 | 141 | 163 |

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

INTRODUCTION

COMPARISON WITH GROSS OPERATING SURPLUS

Results from the Survey of Company Profits 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 in the Survey of Company Profits 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.

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

DESCRIPTION OF TERMS

EXPERIMENTAL ESTIMATES

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 24 of the Explanatory Notes on page 14 for further details.

See paragraph 23 of the Explanatory Notes on page 13 for a description of foreign exchange gains/losses, unrealised gains/losses and abnormal items.

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 Michael Sharpe on Sydney 0292684174.

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

ORIGINAL $\qquad$
\$m \%
11654.
10514.1
10622.0
11490.1

- 8.2
10246.4
$11116.9 \quad-18.6$
$12494.1 \quad 12.4 \quad 12106.1 \quad 3.2$

| 13380.0 | 7.1 | 12120.1 | 0.1 |
| :--- | :--- | :--- | :--- |

11258.6 -15.9 12281.4
$129061-14.6-13618.8$ 10.3

| 13768.1 | 6.7 | 13359.2 | -1.9 |
| :--- | :--- | :--- | :--- |


| 15103.0 | 9.7 | 13655.4 | -1.9 |
| ---: | ---: | ---: | ---: |
| 12 | 13.2 |  |  |

$12679.4 \quad-16.0 \quad 13851.6 \quad 1.4$
$13232.1 \quad-16.0$
15826.6
$17524.5-10.7$ -
17186.0 -1.9
18213.1 6.0
19601.9
19179.4 -2.
$16733.2-12.8$

SEASONALLY ADJUSTED
\$m \%
4.6
-13.7

| 11269.5 | 1.9 |
| :--- | ---: |
| 11033.4 | -2.1 |

$8.2 \quad 11114.1 \quad-0.9$
$11392.0 \quad 2.5$
6.0
$19189.4 \quad 2.2$
$\begin{array}{llrrr}\text { December } & 19179.4 & -2.2 & 17319.7 & -9.1 \\ \text { March } & 16733.2 & -12.8 & 18285.9 & 5.6\end{array}$
$\begin{array}{lll}19055.5 & -0.7\end{array}$
1995-1996
eptemb
December
March
1996-1997
September
December
June
1997-1998
September
December
March
June
1998-1999
September
December
March
June
1999-2000
September
December
March
2000-2001
September

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

|  | Mining | Manufacturing | Other selected industries(a) | Total |
| :---: | :---: | :---: | :---: | :---: |
| Quarter | \$m | \$m | \$m | \$m |
| 1999-2000 |  |  |  |  |
| September | 3528.8 | 5439.2 | 6858.6 | 15826.6 |
| December | 3765.7 | 6270.1 | 7488.7 | 17524.5 |
| March | 4488.1 | 5463.1 | 7234.8 | 17186.0 |
| June | 4745.7 | 5870.9 | 7596.5 | 18213.1 |
| 2000-2001 |  |  |  |  |
| September | 5786.5 | 6196.6 | 7621.8 | 19601.9 |
| December | 4523.6 | 5629.4 | 9026.4 | 19179.4 |
| March | 5007.5 | 5166.5 | 6559.2 | 16733.2 |
|  | (a) Includes Construction, Wholesale, Retail, Transport and storage, Services to finance and insurance, Property and business services and Other services. |  |  |  |

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