



ELECTRICITY, GAS, WATER AND SEWERAGE INDUSTRIES AUSTRALIA

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- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Jeff Bulger on Adelaide 08 8237 7621.

NOTES

ABOUT THIS PUBLICATION

This publication presents 1999–2000 national and State statistics for the electricity industry and national statistics for the gas supply and water and sewerage industries as well as estimates for some earlier periods for the electricity and gas supply industries. Estimates for both management units and establishments are presented. Information about the boundaries of the collections which gathered the 1999–2000 data for the estimates is presented in paragraphs 5–9 of the Explanatory notes. Information about the business units included, and how their operations are treated, is presented in paragraphs 10–15 of the Explanatory notes.

This publication also previously presented data from sources external to the ABS. This data will soon be available on the ABS web site. It can also be obtained directly from the respective industry organisations.

DATA COMPARISONS

Comparison of 1999–2000 data with data for earlier periods has been affected by substantial restructuring within the electricity, gas, and water and sewerage industries in recent years. Care should be exercised when comparing data across States and over time due to differences in accounting methods and due to industry restructuring which has been occurring at different times in each State.

REVISIONS

Some of the 1998–99 data has been revised to take account of changes to data which was previously published in the 1998–99 issue of *Electricity, Gas, Water and Sewerage Operations, Australia* (Cat. no. 8226.0) which has been released in alternate years to this publication (Cat. no. 8208.0).

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ABBREVIATIONS

\$b	billion dollars (thousand million)
\$m	million dollars
ABS	Australian Bureau of Statistics
AGA	Australian Gas Association
ANZSIC	Australian and New Zealand Standard Industrial Classification
COAG	Council of Australian Governments
e.g.	for example
EBIT	Earnings before interest and tax
ESAA	Electricity Supply Association of Australia
GDP	Gross domestic product
i.e.	that is
IGP	Industry gross product
IVA	Industry value added
NEM	National Electricity Market
OPBT	Operating profit before tax
SE	Standard error
WSAA	Water Services Association of Australia

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CHAPTER 1

ELECTRICITY INDUSTRY

INTRODUCTION

This section of the publication presents statistics about the electricity industry. Micro-economic reform measures have led to restructuring of this industry over recent years and this has affected the comparability of electricity industry statistics over time. In general, gross performance measures such as sales, turnover and total expenses have been affected much more than net performance measures such as value added or profits. Further information on the effects of restructuring follows.

INDUSTRY RESTRUCTURING AND THE EFFECTS ON THE STATISTICS

The Australian electricity industry has been undergoing structural change over the past decade. The 1991 decision by the Council of Australian Governments (COAG) to introduce a National Electricity Market (NEM) had a dramatic impact upon the industry. The effects of that decision and the subsequent shift to market competition are still continuing. The shift resulted in the replacement of the traditional State-owned vertically integrated monopolies that previously were completely responsible for generation, transmission, distribution and retailing activities with business units that compete within the same marketplace.

The effects of this industry restructuring have been well documented. The 1997–98 issue of *Electricity, Gas, Water and Sewerage Industries, Australia* (Cat. no. 8208.0) contained a special article that outlined the background to the reforms that have occurred within the industry.

Since that 1991 COAG decision, the Commonwealth and various State Governments have been working cooperatively to introduce structural reforms resulting in the disaggregation of these monopolies into separate businesses. Horizontal disaggregation within the industry has also occurred and market forces are now playing a significant part in determining the face of the electricity industry today.

In 1994 the introduction of competitive wholesale and retail electricity markets through the National Electricity Market resulted in trading across State borders. This began with trading between New South Wales and Victoria but is now more widespread. Western Australia has also experienced the effects of privatisation but is not part of the National Electricity Market for reasons of geography. The concept of consumers being able to choose their electricity supplier, though restricted to businesses at this stage, is becoming more widespread.

The concept of State bounded entities also continues to lose relevance. Another continuing trend has been the diversification of energy businesses with the aim of providing their customers with a wider range of energy services. This has seen electricity businesses enter the gas supply market and conversely, gas businesses enter the electricity market as opportunities arise within these markets. The effects of this diversification have been greater for management unit statistics than for establishment statistics. Deregulation has also allowed new entities to come into the market and

INDUSTRY
RESTRUCTURING AND THE
EFFECTS ON THE
STATISTICS *continued*

compete for customers. It has also resulted in a number of entities being dismantled or sold off. This has been reflected in the variation of the number of management units over the past few years.

The process of structural reform has generally seen the number of management units increase. During the late 1990s much of this occurred in Victoria, New South Wales and Queensland. Continued restructuring has since resulted in a decrease in the number of management units in Queensland as several business units have merged their activities and integrated with other operations.

Disaggregation has tended to involve the creation of new entities specialising in electricity generation, transmission, distribution wholesaling or retailing to replace single entities which previously undertook all or most of these functions. The effect on industry structure has been to change single entities wholly classified to the electricity industry into a number of smaller entities, most of which are classified to the electricity supply industry but some of which are classified to other industries. Those classified to other industries do not contribute to the statistics for the electricity industry. Examples of activities which were formerly carried out by businesses classified to the electricity industry but now largely carried out by specialist businesses which are classified to other industries are network construction, repair and maintenance of electricity transmission towers and power pole inspection.

Changes to business structures have a direct impact on the data presented in this publication and not all impacts are in the same direction. In some cases, creation of several smaller specialist businesses wholly classified to the electricity industry from one vertically integrated business means that after restructuring, transactions between businesses are recorded in the statistics (such as sales from the generating business to the distributing business) when previously, such transactions were internal to a single business and generally were not recorded in the statistics. This situation tends to increase sales and purchases values for the industry, has little direct effect on statistics for value added, operating profits or capital expenditure and has mixed effects on the statistics for employment and wages and salaries.

On the other hand, the values for several variables (employment, wages and salaries and capital expenditure in particular) will be less as a result of activities such as those mentioned in the previous paragraph being carried out by businesses which are classified to other industries and therefore being recorded in the statistics for those other industries.

INDUSTRY
RESTRUCTURING AND THE
EFFECTS ON THE
STATISTICS *continued*

SELECTED INDICATORS



Restructuring of the electricity industry has been proceeding for some time with varied effects on the statistics as illustrated by the graph of selected indicators. Most notably, turnover has increased significantly over the past year as restructuring continues. Turnover in Queensland has dropped slightly due to the merging of several business units. This represents a reversal of the trend mentioned previously with transactions between these units now being considered internal to a single business and hence not being recorded or contributing to turnover. This is highlighted by a decrease in the value of both sales of goods and services and purchases for Queensland.

The variables relating to profit remain relatively unaffected however, as an increase in income through the growth in sales of electricity, transmission or distribution income, is offset by increases in expense items such as purchases of electricity, transmission and distribution expenses, and payments for contract, subcontract and commission work.

MANAGEMENT UNIT
PERFORMANCE
MEASURES

Nationally, the number of management units classified to the electricity industry grew from 86 in 1998-99 to 88 in 1999-2000. Small increases in numbers in most States were partly offset by a fall in Queensland from 29 management units to 24.

SUMMARY DETAILS

	1997-98	1998-99	1999-00
Management units at 30 June (no.)	67	86	88
Employment at 30 June (no.)	34 747	33 022	33 086
Wages and salaries (\$m)	2 080.30	2 025.90	2 071.90
Turnover (\$m)	21 793.0	24 426.9	26 122.3
Industry value added (\$m)	9 356.8	9 764.6	10 119.9
Net capital expenditure (\$m)	2 176.0	2 508.1	3 389.2

*Employment, wages and
salaries*

Employment and wages and salaries continue to be affected by the changes caused by industry restructuring. Employment increased slightly by 64 persons (less than 1%) to 33,086 persons in 1999-2000. Wages and salaries paid increased by \$46m (2%) to \$2.1b in 1999-2000.

*Employment, wages and
salaries continued*

Only Queensland and South Australia experienced employment growth between 30 June 1999 and 30 June 2000. Queensland reported the largest rise, up 805 persons (11%) to 8,205 persons. This was partly attributable to company restructuring which resulted in a significant number of employees (who were previously outside the scope of the collection) being included. The remaining States reported a decrease in employment. Restructuring continues to be the main factor affecting employment. This was the case in Western Australia where privatisation has resulted in greater levels of technological change and increased use of automation. This has contributed to a decrease in employment of 604 persons (18%), down to 2,742 persons.

At 30 June 2000, New South Wales employed the largest share of the electricity industry's workforce accounting for 11,359 persons (34%). Queensland had the second largest number of persons employed accounting for 25% of the national total.

Income and expenditure

Sales of goods and services increased nationally by 7% rising from \$23.0b to \$24.6b in 1999–2000, although much of the increase was due to the statistical effects of restructuring rather than being due to real growth. Victoria accounted for more than half of the national increase, recording a rise in the value of sales of goods and services of \$921m (18%) to \$5.9b in 1999–2000. Much of this increase is attributable to restructuring and the inclusion of units that have only reported for the first time in 1999–2000 due to the timing of their creation and entry into the electricity market.

In New South Wales the value of sales of goods and services increased by \$512m (8%) to \$7.1b in 1999–2000. This was mainly due to an increase in the value of sales of electricity. Queensland recorded a decrease of \$305m (5%) to \$5.8b mainly due to restructuring and the previously mentioned business unit mergers. In 1999–2000 South Australia recorded an increase in the value of sales of goods and services of \$301m (14%), rising to \$2.5b.

Purchases and selected expenses increased nationally by \$1.4b (9%) to \$16.3b in 1999–2000. The major contributors to this increase were rises in the value of purchases of goods and materials, up \$1.1b (12%) to \$10.4b, and payment for contract, subcontract and commission work, up \$216m (6%) to \$4.0b. The latter item includes transmission and distribution expenses. The increases in both of these items is partially attributable to industry restructuring and the recording of transactions that were previously internal to companies.

Both purchases and contract expenses increased in Victoria due to the inclusion of business units that had not previously been included in the electricity industry. In addition data that was previously included in the gas industry is now appearing in electricity because of merger activity that has seen electricity business units takeover the operations of gas business units and subsume the operations into the reporting arrangements of the electricity business unit.

In 1999–2000 trading profit increased by \$510m (6%) to \$9.3b. However, operating profit before tax (OPBT) increased by \$82m (3%) to \$3.1b, with the level of OPBT affected by increases in depreciation costs and interest expenses.

Income and expenditure continued

Turnover in the electricity supply industry increased nationally by \$1.7b (7%) to \$26.1b. The majority of this increase was accounted for by a growth in the value of sales of goods and services of \$1.5b (7%) to \$24.6b.

Industry value added increased by \$355m (4%) to \$10.1b.

Assets and liabilities

Restructuring continues to affect the level of industry assets and liabilities at both State and national levels. Over the past several years there have been variations in the way assets have been valued, changes to the level of business liability, company takeovers and restructuring, and the sales of a number of electricity assets. Furthermore, businesses who have recently entered the electricity supply industry have brought in their own assets and liabilities, contributing to an additional increase in both items. There has also been a movement of assets between the electricity and gas industries, as businesses diversify their energy interests through the acquisition of assets in both industries.

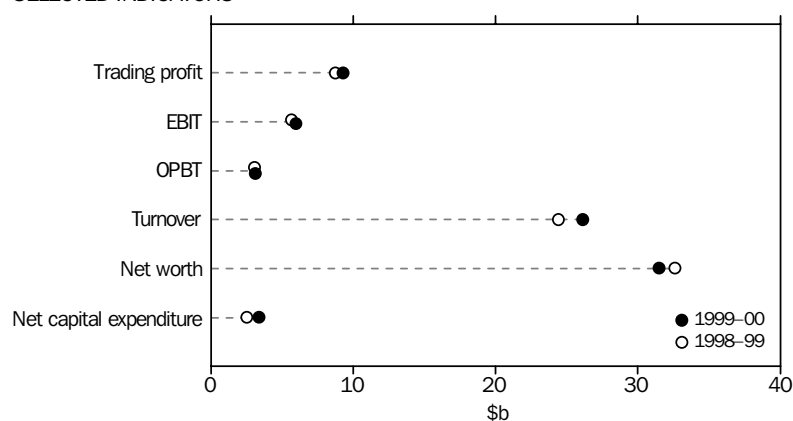
In 1999–2000 the total value of assets nationally increased by \$8.0b (10%) to \$84.9b, with non-current assets accounting for \$7.2b of this increase. Some of the variation between current and non-current assets is attributable to industry restructuring, with a resultant reclassification of assets from current to non-current. Victoria recorded the largest increase in non-current assets, rising \$3.4b (13%) to \$30.0b in 1999–2000.

Total liabilities increased by \$9.8b (22%) to \$54.1b with current liabilities increasing by \$1.8b (21%) to \$10.2b and non-current liabilities rising by \$8.1b (22%) to \$43.9b. These changes have resulted in a decrease in net worth, which fell \$1.8b (6%) to \$30.8b.

Net capital expenditure

In 1999–2000, net capital expenditure for the electricity industry increased by \$881m (35%) to \$3.4b. Capital expenditure on plant, machinery and equipment increased by \$673m (43%) to \$2.2b. The majority of this increase was attributable to the construction of additional generating capacity in Queensland. Capital expenditure on dwellings, buildings and other structures also increased by \$249m (20%) to \$1.5b in 1999–2000.

SELECTED INDICATORS



Performance measures

A range of performance measures can be produced from the data available from profit and loss statements and balance sheets of businesses. This publication presents only a selection of these for the electricity industry. While these are a very useful way of presenting summaries of performance, users of these statistics should note the limitations referred to in paragraphs 18–23 of the Explanatory notes before making any judgements based on these results. In addition, the restructuring of the industry affects some comparisons.

Some of the main features for performance measures in the electricity industry in 1999–2000 were:

- trading profit margin decreased from 38.0% to 37.7%;
- return on funds decreased from 8.3% to 7.9%;
- the liquidity ratio decreased from 0.8 times to 0.7 times;
- debts to assets increased from 57.6% to 63.7%; and
- acquisitions to disposals ratio remained steady at 9.6 times.

ESTABLISHMENT PERFORMANCE MEASURES

The changes in data discussed at the management unit level are generally mirrored in the data at establishment level. The number of units has increased from 95 to 108. This increase has been brought about by industry restructuring, particularly in New South Wales and Victoria, where the number of establishments rose from 18 to 22 and from 20 to 24 respectively. Mergers in Queensland resulted in the number of establishments in that State decreasing from 32 to 29.

SUMMARY DETAILS

	1997–98	1998–99	1999–00
Establishments at 30 June (no.)	77	95	108
Employment at 30 June (no.)	33 038	31 166	31 252
Wages and salaries (\$m)	1 962.2	1 898.2	1 951.6
Turnover (\$m)	21 728.0	24 180.5	25 777.0
Value added (\$m)	9 881.1	10 391.5	10 725.9

Employment, wages and salaries

In 1999–2000 national employment increased by 86 persons (less than 1%) to 31,252 persons. Employment increased in Queensland, by 922 persons (13%) as restructuring and the development of new generating capacity occurred. Western Australia reported the largest decrease in employment, falling 599 persons (18%) to 2,747 persons mainly from the introduction of new technologies and greater automation in a privatised environment.

Employment on new construction increased by 867 persons (22%) primarily in Queensland where new power stations are being developed. Wages and salaries increased nationally by \$53m (3%) to \$2.0b, while wages and salaries for employees engaged on new construction rose by \$38m (18%) to \$246m. It should be noted that the payments to contractors increased during the reference period.

New South Wales employs 38% of all employees involved in the electricity industry at establishment level. Queensland is the second largest employer with 25% of all employees.

Income and expenditure

Turnover in the electricity industry increased by \$1.7b (7%) from \$24.4b to \$26.1b. Most of this increase was attributable to an increase in the sales of electricity which rose \$941m (5%) to \$18.9b. Service income also rose, increasing by \$524m (11%) to \$5.3b.

Value added increased nationally by \$355m (4%) to \$10.1b in 1999–2000. Purchases of electricity increased, rising \$475m (8%) to \$6.5b. Payments for contract, subcontract and commission work increased by \$247m (7%) to \$3.9b with payments to contractors rising in New South Wales as increases in production output were sought. In Victoria much of the increase is attributable to restructuring and the inclusion of units not previously within the population.

1.1**EMPLOYMENT AND LABOUR RATIOS, Management Units(a)—At 30 June**

	NSW		VIC.		QLD	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Management units (<i>no.</i>)	16	19	17	18	29	24
Employment (<i>no.</i>)	11 429	11 359	5 470	5 426	7 400	8 205
Person employed per management unit (<i>no.</i>)	714.3	597.8	321.8	301.4	255.2	341.9
Labour ratios						
Profit to employment (\$'000/employee)	78.3	114.0	83.4	61.2	119.8	86.1
Industry value added						
To employment (\$'000/employee)	253.5	273.0	438.8	444.0	278.7	246.1
To selected labour costs (<i>times</i>)	3.6	3.7	6.6	6.1	4.6	4.3
Selected labour costs						
To employment (\$'000/employee)	71.2	74.7	66.0	73.1	61.2	56.9

(a) See Explanatory notes, 'Statistical units', paragraphs 10–15.

1.1**EMPLOYMENT AND LABOUR RATIOS, Management Units(a)—At 30 June** *continued*

	SA		WA		TAS.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Management units (<i>no.</i>)	9	10	10	10	3	3
Employment (<i>no.</i>)	2 164	2 225	3 346	2 742	1 567	1 559
Person employed per management unit (<i>no.</i>)	240.4	222.5	334.6	274.2	522.3	519.7
Labour ratios						
Profit to employment (\$'000/employee)	125.9	92.2	107.9	150.8	58.9	54.7
Industry value added						
To employment (\$'000/employee)	306.2	334.4	284.1	385.0	318.0	318.9
To selected labour costs (<i>times</i>)	4.2	6.0	4.0	4.9	4.6	4.3
Selected labour costs						
To employment (\$'000/employee)	73.4	55.4	70.2	78.1	69.0	73.4

(a) See Explanatory notes, 'Statistical units', paragraphs 10–15.

1.1**EMPLOYMENT AND LABOUR RATIOS, Management Units(a)—At 30 June** *continued* ..

	NT		ACT		AUST.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Management units (<i>no.</i>)	1	3	1	1	86	88
Employment (<i>no.</i>)	731	689	915	881	33 022	33 086
Person employed per management unit (<i>no.</i>)	731.0	229.7	915.0	881.0	384.0	376.0
Labour ratios						
Profit to employment (\$'000/employee)	35.4	45.4	71.1	77.5	92.5	94.5
Industry value added						
To employment (\$'000/employee)	172.4	164.2	182.8	204.7	295.7	305.9
To selected labour costs (<i>times</i>)	2.9	2.5	2.6	3.3	4.4	4.5
Selected labour costs						
To employment (\$'000/employee)	60.2	64.5	71.5	62.9	67.8	68.4

(a) See Explanatory notes, 'Statistical units', paragraphs 10–15.

1.2**INCOME AND EXPENDITURE, Management Units(a)**

	NSW		VIC.		QLD	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Sales of goods and services(b)	6 575.8	7 087.7	4 991.3	5 911.8	6 075.3	5 770.0
Less						
Purchases of goods and materials(c)	2 690.7	2 863.0	1 505.8	1 958.6	3 163.9	3 349.2
Rent, leasing and hiring expenses	40.3	41.4	21.1	17.4	10.6	14.9
Freight and cartage	1.0	0.9	0.6	0.6	1.7	1.2
Motor vehicle expenses	26.2	24.9	11.7	10.7	12.5	5.4
Repair and maintenance expenses	112.6	128.3	92.3	127.1	73.5	71.5
Payment for contract, subcontract and commission work	773.8	886.9	763.8	1 238.5	1 332.7	989.7
Other selected expenses	369.7	391.7	384.3	399.5	251.4	196.0
<i>Purchases and selected expenses</i>	<i>4 014.2</i>	<i>4 337.2</i>	<i>2 779.5</i>	<i>3 752.4</i>	<i>4 846.4</i>	<i>4 627.9</i>
Plus						
Opening inventories	286.1	266.4	67.0	89.2	90.0	114.5
Less						
Closing inventories	266.8	262.5	69.8	118.9	129.6	137.5
<i>Cost of sales</i>	<i>4 033.5</i>	<i>4 341.1</i>	<i>2 776.7</i>	<i>3 722.6</i>	<i>4 806.8</i>	<i>4 604.9</i>
Plus						
Capitalised purchases	108.4	102.3	114.2	145.9	296.1	522.0
Trading profit	2 650.6	2 849.0	2 328.8	2 335.1	1 564.6	1 687.1
Plus						
Government subsidies	73.4	61.6	0.2	0.1	414.6	268.5
Interest income	42.7	32.2	185.8	221.7	56.7	56.5
Other income	162.4	400.3	195.2	275.6	120.1	98.3
Less						
Wages and salaries(d)	745.8	796.2	341.7	373.7	411.8	424.3
Superannuation	51.4	41.4	14.9	18.5	34.6	33.9
Workers compensation	16.5	10.4	4.5	4.2	6.6	8.3
<i>Selected labour costs</i>	<i>813.7</i>	<i>848.0</i>	<i>361.1</i>	<i>396.4</i>	<i>453.0</i>	<i>466.5</i>
Less						
Depreciation	697.5	726.2	630.4	681.4	526.4	595.4
Insurance premiums	22.7	31.5	20.1	16.6	5.6	7.1
Royalties expenses	6.1	5.9	13.2	13.8	7.2	7.3
Bad debts	19.6	34.6	10.2	11.4	6.5	2.4
Plus						
Capitalised wages and salaries	64.5	88.9	35.6	23.4	47.3	27.4
Earnings before interest and tax	1 434.0	1 785.7	1 710.4	1 736.3	1 204.5	1 059.3
Less						
Interest expenses	539.3	490.7	1 254.5	1 404.4	317.7	353.1
Operating profit before tax	894.6	1 295.0	456.0	331.8	886.8	706.2

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) Includes rent, leasing and hiring income.

(c) Includes capitalised materials.

(d) Includes capitalised wages.

1.2**INCOME AND EXPENDITURE, Management Units(a) *continued***

	SA		WA		TAS.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Sales of goods and services(b)	2 164.7	2 465.8	1 677.9	1 717.8	926.7	936.5
Less						
Purchases of goods and materials(c)	798.9	1 079.8	581.4	569.1	355.0	353.5
Rent, leasing and hiring expenses	11.7	9.5	13.7	2.4	np	np
Freight and cartage	13.1	9.8	55.8	72.3	np	np
Motor vehicle expenses	1.0	1.9	6.2	8.7	np	np
Repair and maintenance expenses	20.6	22.2	8.0	1.2	np	np
Payment for contract, subcontract and commission work	678.6	675.4	61.5	22.9	np	np
Other selected expenses	68.8	73.1	59.5	56.2	np	np
<i>Purchases and selected expenses</i>	<i>1 592.7</i>	<i>1 871.7</i>	<i>786.2</i>	<i>732.9</i>	<i>np</i>	<i>np</i>
Plus						
Opening inventories	38.5	58.8	61.5	76.7	16.3	10.0
Less						
Closing inventories	36.9	46.4	77.0	92.2	9.2	10.6
<i>Cost of sales</i>	<i>1 594.3</i>	<i>1 884.1</i>	<i>770.7</i>	<i>717.3</i>	<i>np</i>	<i>np</i>
Plus						
Capitalised purchases	46.9	139.4	8.8	9.4	np	np
Trading profit	617.3	721.1	916.0	1 010.0	439.5	436.4
Plus						
Government subsidies	6.2	4.0	9.7	27.4	np	np
Interest income	19.6	22.5	4.7	4.1	1.5	1.8
Other income	49.6	3.1	67.5	5.4	6.8	5.4
Less						
Wages and salaries(d)	139.1	108.2	208.2	188.3	83.7	95.0
Superannuation	18.2	14.5	24.8	23.6	23.9	19.1
Workers compensation	1.5	0.6	1.9	2.3	0.5	0.4
<i>Selected labour costs</i>	<i>158.9</i>	<i>123.3</i>	<i>234.9</i>	<i>214.2</i>	<i>108.1</i>	<i>114.5</i>
Less						
Depreciation	159.0	177.2	177.9	219.6	126.2	131.1
Insurance premiums	8.8	9.6	6.9	6.5	np	np
Royalties expenses	1.5	1.1	0.1	0.1	—	—
Bad debts	3.0	4.7	3.1	3.1	2.0	1.5
Plus						
Capitalised wages and salaries	24.5	3.4	0.1	0.1	np	np
Earnings before interest and tax	386.0	438.2	575.1	603.5	235.9	220.7
Less						
Interest expenses	113.6	233.1	213.9	190.0	143.7	135.5
Operating profit before tax	272.3	205.0	361.2	413.6	92.3	85.2

np not available for publication but included in totals where applicable, unless otherwise indicated

— nil or rounded to zero (including null cells)

(a) See Explanatory notes, 'Statistical units', paragraphs 10–15.

(b) Includes rent, leasing and hiring income.

(c) Includes capitalised materials.

(d) Includes capitalised wages.

1.2**INCOME AND EXPENDITURE, Management Units(a) continued**

	NT		ACT		AUST.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Sales of goods and services(b)	309.0	323.0	308.9	341.7	23 029.6	24 554.3
Less						
Purchases of goods and materials(c)	np	np	np	np	9 321.2	10 430.3
Rent, leasing and hiring expenses	np	np	np	np	117.9	112.6
Freight and cartage	np	np	0.7	0.5	73.4	90.3
Motor vehicle expenses	np	np	1.3	—	62.4	59.1
Repair and maintenance expenses	np	np	2.2	2.7	344.2	401.3
Payment for contract, subcontract and commission work	np	np	30.4	39.0	3 769.7	3 985.2
Other selected expenses	np	np	np	np	1 261.7	1 239.4
Purchases and selected expenses	np	np	154.2	175.5	14 950.5	16 318.6
Plus						
Opening inventories	21.2	18.7	6.0	5.8	586.6	640.1
Less						
Closing inventories	18.7	15.7	5.8	7.3	613.8	691.1
Cost of sales	np	np	154.4	174.0	14 923.1	16 267.5
Plus						
Capitalised purchases	np	np	—	—	645.0	974.2
Trading profit	80.1	54.8	154.5	167.7	8 751.4	9 261.2
Plus						
Government subsidies	np	np	7.4	7.9	568.3	438.7
Interest income	2.1	6.7	2.7	3.7	315.8	349.2
Other income	28.1	40.2	24.6	10.5	654.3	838.8
Less						
Wages and salaries(d)	38.7	39.0	56.9	47.2	2 025.9	2 071.9
Superannuation	4.6	4.7	6.9	7.0	179.3	162.7
Workers compensation	0.7	0.7	1.6	1.3	33.8	28.2
Selected labour costs	44.0	44.4	65.4	55.5	2 239.1	2 262.8
Less						
Depreciation	55.7	49.6	47.5	47.3	2 420.6	2 627.8
Insurance premiums	np	np	1.9	2.1	70.2	77.2
Royalties expenses	—	0.1	—	—	28.1	28.3
Bad debts	1.3	-3.7	0.7	0.3	46.4	54.3
Plus						
Capitalised wages and salaries	np	np	—	—	184.2	154.9
Earnings before interest and tax	49.4	64.2	73.8	84.7	5 669.1	5 992.6
Less						
Interest expenses	23.6	33.0	8.7	16.4	2 615.0	2 856.2
Operating profit before tax	25.9	31.3	65.1	68.3	3 054.2	3 136.4

np not available for publication but included in totals where applicable, unless otherwise indicated

— nil or rounded to zero (including null cells)

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) Includes rent, leasing and hiring income.

(c) Includes capitalised materials.

(d) Includes capitalised wages.

1.3**INDUSTRY VALUE ADDED, Management Units(a)**

	NSW		VIC.		QLD	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Sales of goods and services(b)	6 575.8	7 087.7	4 991.3	5 911.8	6 075.3	5 770.0
Government subsidies	73.4	61.6	0.2	0.1	414.6	268.5
Capital work done for own use	172.8	191.2	149.8	169.3	343.4	549.4
Turnover	6 822.0	7 340.5	5 141.2	6 081.3	6 833.3	6 587.9
Plus						
Closing inventories	266.8	262.5	69.8	118.9	129.6	137.5
Less						
Opening inventories	286.1	266.4	67.0	89.2	90.0	114.5
Less						
Capitalised purchases	108.4	102.3	114.2	145.9	296.1	522.0
Less						
Intermediate input expenses	3 797.3	4 132.8	2 629.5	3 556.1	4 514.2	4 070.0
Industry value added	2 897.1	3 101.4	2 400.3	2 409.0	2 062.5	2 019.1

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) Includes rent, leasing and hiring income.

1.3**INDUSTRY VALUE ADDED, Management Units(a) *continued***

	SA		WA		TAS.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Sales of goods and services(b)	2 164.7	2 465.8	1 677.9	1 717.8	926.7	936.5
Government subsidies	6.2	4.0	9.7	27.4	np	np
Capital work done for own use	71.4	142.9	8.9	9.5	np	np
Turnover	2 242.3	2 612.6	1 696.5	1 754.8	1 023.7	1 017.7
Plus						
Closing inventories	36.9	46.4	77.0	92.2	9.2	10.6
Less						
Opening inventories	38.5	58.8	61.5	76.7	16.3	10.0
Less						
Capitalised purchases	46.9	139.4	8.8	9.4	np	np
Less						
Intermediate input expenses	1 531.2	1 716.8	752.6	705.1	np	np
Industry value added	662.6	744.0	950.6	1 055.8	498.3	497.2

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) Includes rent, leasing and hiring income.

1.3**INDUSTRY VALUE ADDED, Management Units(a) *continued***

	NT		ACT		AUST.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Sales of goods and services(b)	309.0	323.0	308.9	341.7	23 029.6	24 554.3
Government subsidies	np	np	7.4	7.9	568.3	438.7
Capital work done for own use	np	np	—	—	829.1	1 129.2
Turnover	351.6	377.9	316.3	349.6	24 426.9	26 122.3
Plus						
Closing inventories	18.7	15.7	5.8	7.3	613.8	691.1
Less						
Opening inventories	21.2	18.7	6.0	5.8	586.6	640.1
Less						
Capitalised purchases	np	np	—	—	645.0	974.2
Less						
Intermediate input expenses	np	np	148.9	170.7	14 044.5	15 079.1
Industry value added	126.0	113.1	167.2	180.3	9 764.6	10 119.9

np not available for publication but included in totals where applicable, unless otherwise indicated

— nil or rounded to zero (including null cells)

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) Includes rent, leasing and hiring income.

1.4**ASSETS AND LIABILITIES, Management Unit Level(a)**

	NSW		VIC.		QLD	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Current assets						
Closing inventories	266.8	262.5	69.8	118.9	129.6	137.5
Other current assets	1 995.3	2 327.7	1 842.8	2 263.5	1 543.5	1 664.2
Non-current assets	16 853.4	17 084.0	26 575.2	30 018.9	12 317.5	13 183.7
Total	19 115.5	19 674.3	28 487.8	32 401.3	13 990.6	14 985.3
Liabilities						
Current liabilities	2 703.3	2 916.7	1 889.4	3 829.7	1 423.6	1 517.7
Non-current liabilities	6 485.6	6 451.2	16 505.6	20 273.1	5 749.1	7 249.1
Total	9 188.9	9 367.9	18 395.0	24 102.8	7 172.7	8 766.8
Net worth	9 926.7	10 306.1	10 092.8	8 298.6	6 817.9	6 218.5

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

1.4**ASSETS AND LIABILITIES, Management Unit Level(a) continued**

	SA		WA		TAS.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Current assets						
Closing inventories	36.9	46.4	77.0	92.2	9.2	10.6
Other current assets	431.7	544.6	451.5	253.0	180.8	150.6
Non-current assets	3 694.9	5 606.2	3 977.8	4 366.5	4 152.9	4 297.2
Total	4 163.4	6 197.2	4 506.3	4 711.7	4 343.0	4 458.5
Liabilities						
Current liabilities	542.3	521.8	1 128.4	787.2	625.2	404.0
Non-current liabilities	3 006.9	4 862.5	2 231.0	2 655.3	1 451.7	1 633.5
Total	3 549.2	5 384.2	3 359.4	3 442.5	2 076.9	2 037.5
Net worth	614.2	813.0	1 147.0	1 269.3	2 266.1	2 421.0

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

1.4**ASSETS AND LIABILITIES, Management Unit Level(a) continued**

	NT		ACT		AUST.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Current assets						
Closing inventories	18.7	15.7	5.8	7.3	613.8	691.1
Other current assets	98.9	90.1	100.4	98.4	6 644.9	7 392.1
Non-current assets	757.8	946.0	1 332.5	1 328.8	69 662.0	76 831.3
Total	875.5	1 051.8	1 438.8	1 434.5	76 920.9	84 914.6
Liabilities						
Current liabilities	80.8	129.6	60.3	101.2	8 453.3	10 207.9
Non-current liabilities	231.2	340.0	187.2	442.0	35 848.3	43 906.7
Total	312.0	469.5	247.5	543.2	44 301.6	54 114.4
Net worth	563.5	582.2	1 191.2	891.2	32 619.4	30 799.9

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

1.5**CAPITAL EXPENDITURE(a), Management Units(b)**

	NSW		VIC.		QLD	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Capital expenditure on						
Land	1.5	8.4	2.0	12.4	3.6	45.5
Dwellings, other buildings and structures	350.2	412.0	286.1	209.8	497.7	608.0
Plant, machinery and equipment	225.8	485.7	190.0	358.7	516.9	760.1
<i>Total acquisitions</i>	<i>577.5</i>	<i>906.0</i>	<i>478.0</i>	<i>580.9</i>	<i>1 018.2</i>	<i>1 413.6</i>
Disposal of assets	84.3	91.0	139.5	8.3	28.6	21.1
Net capital expenditure	493.2	815.0	338.5	572.6	989.6	1 392.6

(a) Includes capital work done for own use.

(b) See Explanatory notes, 'Statistical units', paragraphs 10-15.

1.5**CAPITAL EXPENDITURE(a), Management Units(b) *continued***

	SA		WA		TAS.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Capital expenditure on						
Land	0.8	0.5	0.9	4.6	—	—
Dwellings, other buildings and structures	35.1	133.2	11.2	42.4	37.6	49.8
Plant, machinery and equipment	129.7	196.1	357.8	283.2	81.4	67.8
<i>Total acquisitions</i>	<i>165.6</i>	<i>329.8</i>	<i>369.9</i>	<i>330.2</i>	<i>119.0</i>	<i>117.6</i>
Disposal of assets	2.1	2.9	16.8	262.3	4.7	7.4
Net capital expenditure	163.4	326.9	353.1	67.8	114.3	110.2

— nil or rounded to zero (including null cells)

(a) Includes capital work done for own use.

(b) See Explanatory notes, 'Statistical units', paragraphs 10-15.

1.5**CAPITAL EXPENDITURE(a), Management Units(b) continued**

	NT		ACT		AUST.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Capital expenditure on						
Land	—	0.2	—	—	8.8	71.6
Dwellings, other buildings and structures	—	—	17.7	28.9	1 235.6	1 484.1
Plant, machinery and equipment	36.6	62.9	15.8	12.4	1 554.0	2 226.9
<i>Total acquisitions</i>	36.6	63.0	33.5	41.3	2 798.3	3 782.4
Disposal of assets	—	0.2	14.1	0.1	290.1	393.3
Net capital expenditure	36.6	62.9	19.4	41.2	2 508.1	3 389.2

— nil or rounded to zero (including null cells)

(a) Includes capital work done for own use.

(b) See Explanatory notes, 'Statistical units', paragraphs 10–15.

1.6**SELECTED PERFORMANCE MEASURES, Management Units(a)(b)**

	NSW		VIC.		QLD	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Turnover						
Asset turnover (%)	0.3	0.4	0.2	0.2	0.4	0.4
Profitability						
Trading profit margin (%)	40.3	40.2	46.7	39.5	25.8	29.2
Return on funds (%)	8.7	10.5	6.4	6.1	9.6	7.8
Return on assets (%)	4.7	6.6	1.6	1.0	6.3	4.7
Liquidity						
Liquidity ratio (<i>times</i>)	0.7	0.8	1.0	0.6	1.1	1.1
Current ratio (<i>times</i>)	0.8	0.9	1.0	0.6	1.2	1.2
Debt						
Interest coverage ratio (<i>times</i>)	2.7	3.6	1.4	1.2	3.8	3.0
Debt to assets (%)	48.1	47.6	64.6	74.4	51.3	58.5
Capital expenditure						
Acquisitions to disposals ratio (<i>times</i>)	6.9	10.0	3.4	70.0	35.6	67.0
Net capital expenditure to assets (%)	2.6	4.1	1.2	1.8	7.1	9.3

(a) See Explanatory notes, 'Statistical units', paragraphs 10–15.

(b) For 'labour ratios' see table 1.1.

1.6SELECTED PERFORMANCE MEASURES, Management Units(a)(b) *continued*

	SA		WA		TAS.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Turnover						
Asset turnover (%)	0.5	0.4	0.4	0.4	0.2	0.2
Profitability						
Trading profit margin (%)	28.5	29.2	54.6	58.8	47.4	46.6
Return on funds (%)	10.7	7.7	17.0	15.0	6.3	5.4
Return on assets (%)	6.5	3.3	8.0	8.8	2.1	1.9
Liquidity						
Liquidity ratio (<i>times</i>)	0.8	1.0	0.4	0.3	0.3	0.4
Current ratio (<i>times</i>)	0.9	1.1	0.5	0.4	0.3	0.4
Debt						
Interest coverage ratio (<i>times</i>)	3.4	1.9	2.7	3.2	1.6	1.6
Debt to assets (%)	85.2	86.9	74.5	73.1	47.8	45.7
Capital expenditure						
Acquisitions to disposals ratio (<i>times</i>)	78.9	113.7	22.0	1.3	25.2	15.9
Net capital expenditure to assets (%)	3.9	5.3	7.8	1.4	2.6	2.5

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) For 'labour ratios' see table 1.1.

1.6SELECTED PERFORMANCE MEASURES, Management Units(a)(b) *continued*

	NT		ACT		AUST.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Turnover						
Asset turnover (%)	0.4	0.3	0.2	0.2	0.3	0.3
Profitability						
Trading profit margin (%)	25.9	17.0	50.0	49.1	38.0	37.7
Return on funds (%)	6.2	6.8	5.4	6.3	8.3	7.9
Return on assets (%)	3.0	3.0	4.5	4.8	4.0	3.7
Liquidity						
Liquidity ratio (<i>times</i>)	1.2	0.7	1.7	1.0	0.8	0.7
Current ratio (<i>times</i>)	1.5	0.8	1.8	1.0	0.9	0.8
Debt						
Interest coverage ratio (<i>times</i>)	2.1	1.9	8.5	5.2	2.2	2.1
Debt to assets (%)	35.6	44.6	17.2	37.9	57.6	63.7
Capital expenditure						
Acquisitions to disposals ratio (<i>times</i>)	—	315.0	2.4	413.0	9.6	9.6
Net capital expenditure to assets (%)	4.2	6.0	1.4	2.9	3.3	4.0

— nil or rounded to zero (including null cells)

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) For 'labour ratios' see table 1.1.

1.7**EMPLOYMENT, Establishments(a)—At 30 June**

	NSW & ACT ..		VIC.		QLD	
<i>Items</i>	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Establishments (no.)	19	23	20	24	32	29
Employment						
Males (no.)	10 137	9 964	4 093	3 889	5 803	6 425
Females (no.)	1 778	1 823	805	897	1 183	1 483
Persons (no.)	11 915	11 787	4 898	4 786	6 986	7 908
Persons employed per establishment (no.)	634.1	517.0	244.9	199.4	218.3	272.7
Employees engaged on new construction (no.)	1 911	2 393	776	643	825	1 219
Wages and salaries						
All employees (\$m)	777.8	826.2	290.7	315.7	383.5	405.4
Employees engaged on new construction (\$m)	97.2	119.2	26.4	28.2	50.4	60.7

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

1.7**EMPLOYMENT, Establishments(a)—At 30 June** *continued*

	SA		WA		TAS.	
<i>Items</i>	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Establishments (no.)	9	11	10	11	3	3
Employment						
Males (no.)	1 645	1 646	3 019	2 444	1 324	1 320
Females (no.)	258	333	327	303	243	239
Persons (no.)	1 903	1 979	3 346	2 747	1 567	1 559
Persons employed per establishment (no.)	211.4	179.9	334.6	249.7	522.3	519.7
Employees engaged on new construction (no.)	263	398	12	5	np	np
Wages and salaries						
All employees (\$m)	123.0	91.6	208.2	188.7	np	np
Employees engaged on new construction (\$m)	22.6	25.3	—	0.4	np	np

np not available for publication but included in totals where applicable, unless otherwise indicated

— nil or rounded to zero (including null cells)

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

1.7**EMPLOYMENT, Establishments(a)—At 30 June** *continued*

	NT		AUST.	
	1998-99	1999-00	1998-99	1999-00
<i>Items</i>				
Establishments (no.)	2	7	95	108
Employment				
Males (no.)	440	398	26 461	26 086
Females (no.)	111	88	4 705	5 166
Persons (no.)	551	486	31 166	31 252
Persons employed per establishment (no.)	275.5	69.4	328.1	289.4
Employees engaged on new construction (no.)	np	np	3 995	4 862
Wages and salaries				
All employees (\$m)	np	np	1 898.2	1 951.6
Employees engaged on new construction (\$m)	np	np	208.2	246.1

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

1.8**INCOME AND EXPENDITURE, Establishments(a)**

	NSW & ACT		VIC.		QLD	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Sales of electricity(b)	5 504.1	6 031.7	3 740.2	3 942.9	4 624.6	4 649.3
Sales of gas and gas by-products(b)	13.9	18.7	—	—	0.3	—
Sales of other goods	56.8	18.9	7.7	4.5	37.9	37.1
Service income	1 329.2	1 323.2	1 123.5	1 730.9	1 340.4	1 058.5
Government subsidies	76.0	64.3	0.5	1.6	421.3	274.7
Capital work done for own use	178.5	198.2	128.8	155.3	343.8	549.6
Turnover	7 158.5	7 654.9	5 000.6	5 835.2	6 768.3	6 569.1
Plus						
Closing inventories	268.8	264.2	55.8	107.1	129.4	135.4
Less						
Opening inventories	286.1	268.4	60.3	82.1	88.8	113.2
Less						
Materials, components, containers etc.(c)(d)	220.4	198.5	424.5	555.9	370.4	583.1
Fuels	808.6	807.7	39.3	39.6	512.2	560.0
Electricity	1 732.8	1 886.0	1 245.1	1 526.9	2 246.0	2 175.8
Gas (as a fuel)	10.0	55.0	8.0	7.9	19.5	20.5
Goods for resale(c)	54.2	46.6	0.2	—	—	21.4
Rent, leasing and hiring expenses	39.2	41.7	20.2	17.1	10.1	14.9
Freight and cartage expenses	1.0	1.0	0.6	2.2	1.5	1.1
Motor vehicle expenses	26.5	25.3	10.6	8.2	12.5	5.3
Repair and maintenance expenses	104.8	130.0	70.5	84.3	69.2	68.4
Payment for contract, subcontract and commission work	821.2	908.5	668.3	1 188.8	1 325.1	991.7
Subsidy expenses	18.2	27.8	—	—	0.2	—
Purchases and selected expenses	3 836.7	4 128.1	2 487.3	3 431.0	4 566.8	4 442.3
Value added	3 298.5	3 522.6	2 508.8	2 429.2	2 242.0	2 149.0

— nil or rounded to zero (including null cells)

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) Includes transfers out to other establishments of the same management unit where appropriate.

(c) Includes transfers in from other establishments of the same management unit where appropriate.

(d) Includes minerals for further processing.

1.8**INCOME AND EXPENDITURE, Establishments(a) *continued***

	SA		WA		TAS.	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m	\$m	\$m
Sales of electricity(b)	1 413.6	1 649.1	1 560.9	1 595.5	797.0	676.3
Sales of gas and gas by-products(b)	—	—	14.9	8.9	—	—
Sales of other goods	21.8	15.0	—	0.3	—	—
Service income	660.8	743.7	132.3	120.7	129.6	260.1
Government subsidies	0.7	0.7	9.7	27.4	np	np
Capital work done for own use	71.4	142.9	8.9	9.5	np	np
Turnover	2 168.3	2 551.4	1 726.8	1 762.4	1 023.7	1 017.7
Plus						
Closing inventories	24.9	33.1	77.9	92.2	9.2	10.6
Less						
Opening inventories	26.7	42.8	61.5	76.7	16.3	10.0
Less						
Materials, components, containers etc.(c)(d)	131.8	216.0	23.0	17.6	78.5	68.2
Fuels	4.7	5.6	269.6	268.5	2.7	3.7
Electricity	481.2	543.2	65.1	97.2	273.7	281.6
Gas (as a fuel)	143.1	162.9	230.9	185.8	—	—
Goods for resale(c)	—	36.7	—	—	—	—
Rent, leasing and hiring expenses	10.1	7.5	13.7	2.4	np	np
Freight and cartage expenses	0.1	0.5	55.8	72.3	np	np
Motor vehicle expenses	1.0	2.0	6.2	8.7	np	np
Repair and maintenance expenses	20.5	21.0	8.4	1.2	np	np
Payment for contract, subcontract and commission work	668.6	679.7	64.9	25.7	np	np
Subsidy expenses	—	—	—	—	np	np
Purchases and selected expenses	1 461.1	1 674.9	737.5	679.5	510.0	504.2
Value added	705.4	866.9	1 005.6	1 098.4	506.7	514.1

— nil or rounded to zero (including null cells)

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) Includes transfers out to other establishments of the same management unit where appropriate.

(c) Includes transfers in from other establishments of the same management unit where appropriate.

(d) Includes minerals for further processing.

1.8**INCOME AND EXPENDITURE, Establishments(a) *continued***

	NT		AUST.	
	1998-99	1999-00	1998-99	1999-00
	\$m	\$m	\$m	\$m
Sales of electricity(b)	290.1	327.4	17 930.5	18 872.2
Sales of gas and gas by-products(b)	—	0.2	29.1	27.8
Sales of other goods	—	—	124.2	75.8
Service income	14.8	17.6	4 730.6	5 254.7
Government subsidies	np	np	551.8	424.2
Capital work done for own use	np	np	814.2	1 122.4
Turnover	334.3	386.3	24 180.5	25 777.0
Plus				
Closing inventories	16.1	15.3	582.1	657.9
Less				
Opening inventories	15.7	16.1	555.4	609.3
Less				
Materials, components, containers etc.(c)(d)	3.6	12.3	1 252.2	1 651.6
Fuels	77.1	83.1	1 714.2	1 768.2
Electricity	18.2	26.8	6 062.1	6 537.5
Gas (as a fuel)	85.0	71.1	496.5	503.2
Goods for resale(c)	—	—	54.4	104.7
Rent, leasing and hiring expenses	np	np	99.3	91.7
Freight and cartage expenses	np	np	59.4	82.1
Motor vehicle expenses	np	np	59.8	53.4
Repair and maintenance expenses	np	np	306.8	339.2
Payment for contract, subcontract and commission work	np	np	3 668.6	3 916.0
Subsidy expenses	np	np	42.4	52.1
Purchases and selected expenses	216.3	239.8	13 815.7	15 099.8
Value added	118.4	145.7	10 391.5	10 725.9

— nil or rounded to zero (including null cells)

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) Includes transfers out to other establishments of the same management unit where appropriate.

(c) Includes transfers in from other establishments of the same management unit where appropriate.

(d) Includes minerals for further processing.

CHAPTER 2

GAS INDUSTRY

INTRODUCTION

This section of the publication presents statistics about the gas industry. Micro-economic reform measures have led to restructuring of this industry over recent years and this has affected the comparability of gas industry statistics over time. In general, gross performance measures such as sales, turnover and total expenses have been affected much more than net performance measures such as value added or profits. Further information on the effects of restructuring follows.

INDUSTRY RESTRUCTURING AND THE EFFECT ON THE STATISTICS

The Australian gas supply industry continues to be transformed through processes of restructuring and privatisation. The industry is no longer the domain of State-based and State-regulated businesses, with the reform process resulting in the disaggregation of the majority of the State-owned utilities. This has provided opportunities for new gas suppliers to enter the market. In addition, the reforms have resulted in change in three key areas:

- the development of a national access regime;
- the removal of legislative and regulatory barriers to competition; and
- the structural reform of gas facilities and utilities.

These reforms are documented in the Special Article which appeared in the 1997–98 issue of *Electricity, Gas, Water and Sewerage Industries, Australia* (Cat. no. 8208.0).

An interesting trend that has emerged from the restructuring and reform process has been the diversification of energy businesses to enable them to provide customers with their complete energy needs. This has resulted in gas businesses expanding their operations through involvement into the electricity market, as well as electricity companies entering the gas market. The concept of State-based businesses has also changed with businesses now extending their customer bases across State borders as opportunities in national gas and electricity markets open up.

During the last few years as reforms were implemented, new units have been created as the vertically integrated units were broken down, and in many cases these have been sold off to private businesses. More recently this has resulted in several businesses widening their networks through corporate takeovers, while a number of individual companies have restructured their operations to the point where activities not previously undertaken by gas businesses are now being included, as well as activities previously undertaken by gas businesses now being undertaken by non-gas businesses.

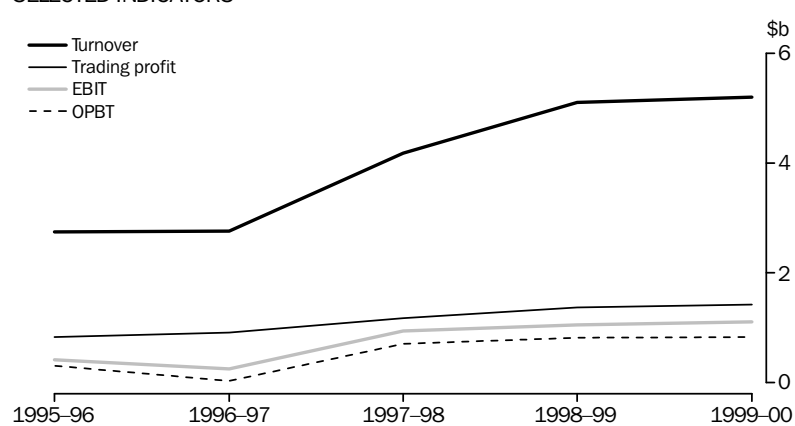
The current environment within the gas industry reflects the results of several years of restructuring beginning in the early 1990s. The formation of separate businesses to undertake transmission, distribution and other activities to replace vertically integrated businesses has resulted in the recording of transactions between transmitters, distributors and other specialist businesses. Such transactions were not recorded in the vertically integrated businesses. The effect on the statistics has been to substantially

INDUSTRY
RESTRUCTURING AND THE
EFFECT ON THE
STATISTICS *continued*

increase the value of 'gross' variables such as turnover and total expenses (and their component items) but to have a much lesser effect on 'net' variables such as industry value added (IVA) and operating profit before tax (OPBT). In general, changes to these net variables reflect improved efficiencies in the industry rather than changed industry structures. More recently, gas businesses have tended to widen their operations to include activities not generally undertaken by the industry prior to restructuring.

The following graph shows changes in selected variables over the period 1995–96 to 1999–2000 and in particular the substantial increases in turnover and to a lesser extent EBIT and OPBT.

SELECTED INDICATORS



Analysis of selected variables from 1995–96 to 1999–2000 highlights the effects of restructuring. Over the past few years as State-owned utilities have been sold off, and new gas suppliers have entered the market, the increased separation of distribution, transmission and retail sales activities has resulted in turnover increasing significantly. This is primarily because each of these units is now selling gas or earning service income or transmission income. Previously, the costs of transmission and distribution were internal costs borne by State-owned public utilities.

Profitability within the sector has risen slightly as the bottom line is still tempered by the offsetting effects of gas purchases or payments for transmission. The flattening out of the indicators in 1999–2000 is partially attributable to business units that were previously part of the gas industry now being included within the electricity industry as a result of company takeovers.

While the graph includes the effects of businesses incorporating non-gas activities into their operations, the primary changes are due to the disaggregation of functions across the industry. The dip in earnings before interest and tax and operating profit before tax in 1996–97 was because of a one-off payment by the then Gas and Fuel Corporation of Victoria, as a settlement of a dispute with Bass Strait producers Esso/BHPP over Petroleum Resource Rent Tax.

MANAGEMENT UNIT
PERFORMANCE
MEASURES

The number of management units in the gas supply industry and the activity levels exhibited by the industry were very similar in 1999–2000 to 1998–99.

SUMMARY DETAILS

	1997–98	1998–99	1999–00
Management units at 30 June (<i>no.</i>)	18	18	17
Employment at 30 June (<i>no.</i>)	2 738	3 073	2 887
Wages and salaries (\$m)	151.80	182.50	152.20
Turnover (\$m)	4 190.3	5 105.5	5 204.2
Industry value added (\$m)	1 209.1	1 404.1	1 449.7
Net capital expenditure (\$m)	253.7	159.7	173.2

Employment, wages and salaries

Employment and wages and salaries in the gas supply industry continue to be affected by the changes caused by industry reforms. Employment decreased by 6% to 2,887 persons in 1999–2000 (down 186 persons on the 1998–99 figure). This decrease was principally caused by a number of businesses being lost to the industry as a result of takeover activity but offset to some extent by industry restructuring bringing in activity which was not previously undertaken by businesses in the industry. Wages and salaries subsequently decreased by \$30m (17%) to \$152m in 1999–2000.

Income and expenditure

In 1999–2000 sales of goods and services in the gas supply industry rose by \$95m (2%) from \$5.0b to \$5.1b. The loss of some units to the electricity industry at the management unit level has resulted in a reduction in the level of many expense items including payment for contract, subcontract and commission expenses which decreased by \$87m (13%) to \$606m in 1999–2000. However, freight and cartage expenses increased by \$166m (18%) to \$1.1b while purchases rose slightly by \$28m (2%) to \$1.8b.

The effects of the structural changes, particularly as they relate to the movement of business units between sectors has had a dampening effect on several of the selected indicators. Trading profit rose by just \$48m (3%) to \$1.4b while earnings before interest and tax increased by \$61m (6%) to \$1.1b in 1999–2000. Operating profit before tax increased by just \$13m (2%) to \$832m.

Assets and liabilities

Restructuring continues to cause changes to the levels of industry assets and liabilities. Over the past two years there have been variations in the way assets have been valued, changes to the level of business liability and the sales of a number of assets. Furthermore, new businesses entering the Australian gas supply industry are including their own assets and liabilities which has contributed to fluctuations in both items. The inclusion of activity that was previously classified to wholesaling has also affected the level of assets and liabilities. In addition several business units have been taken over by businesses that are classified to other industries, notably electricity. This has resulted in the assets and liabilities for these gas businesses now being included within the management unit details for the electricity industry.

Assets and liabilities *continued*

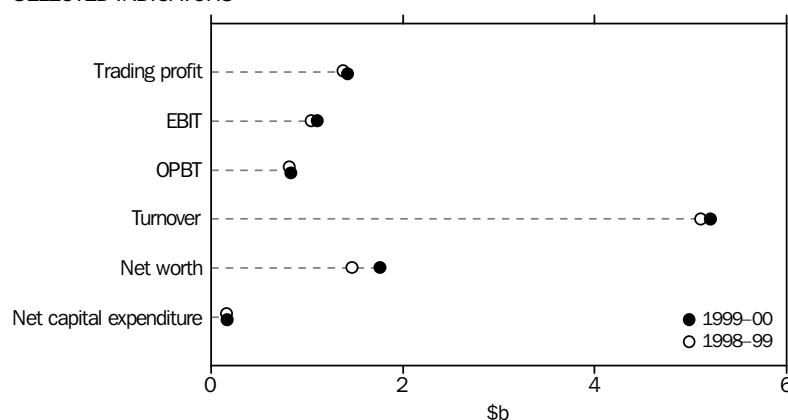
In 1999–2000 the value of current assets decreased by \$101m (7%) to \$1.3b and current liabilities increased by \$350m (26%) to \$1.7b, while non-current assets increased by just \$10m (less than 1%) remaining steady at \$7.0b. Non-current liabilities decreased by \$690m (13%) to \$4.8b in 1999–2000. Net worth increased by \$248m (17%) to \$1.7b during the reference period.

Net capital expenditure

In 1999–2000 net capital expenditure increased by \$14m (8%) to \$173m. The main reason for this was a decrease in the value of disposals of fixed tangible assets of \$22m.

Capital expenditure on plant, machinery and equipment increased by \$15m (23%) to \$83m. Capital expenditure on dwellings, buildings and other structures fell by \$24m (21%) to \$91m in 1999–2000.

SELECTED INDICATORS



Performance measures

Selected performance measures are presented below. However, readers should note that restructuring would have affected these measures and that some caution is required when using them (see paragraphs 18–23 of the Explanatory notes).

Some of the main features for performance measures in the gas industry in 1999–2000 were:

- trading profit margin increased only slightly from 27.4% to 27.8%;
- return on funds increased from 15% to 17%;
- liquidity ratio decreased from 1.0 to 0.7 times;
- debts to assets decreased from 82% to 79%; and
- acquisitions to disposals increased from 7.8 times to 124.7 times.

ESTABLISHMENT PERFORMANCE MEASURES

Many of the changes outlined for data at the management unit level are mirrored in the data at establishment level. The number of units has increased slightly from 25 to 28 mainly due to restructuring.

ESTABLISHMENT
PERFORMANCEMEASURES *continued*

SUMMARY DETAILS

	1997-98	1998-99	1999-00
Establishments at 30 June (no.)	23	25	28
Employment at 30 June (no.)	3 281	3 002	2 920
Wages and salaries (\$m)	171.0	175.4	161.9
Turnover (\$m)	4 206.3	4 914.1	5 363.8
Value added (\$m)	1 413.4	1 552.3	1 764.4

*Employment, wages and
salaries*

Employment in the gas supply industry at establishment level at 30 June 2000 was down 82 persons (3%) to 2,920 persons. Wages and salaries fell by \$14m (8%) to \$162m. The effects of inclusion of non-gas activities that was observed at management unit level (i.e. an increase in employment) did not occur at establishment level because these activities are generally carried out at other establishments (i.e. establishments which do not have gas transmission or distribution as their main activity and are therefore classified to other industries).

There were 75 employees engaged on new construction at the end of June 2000. Much of the activity associated with new construction remains classified to industries other than gas supply (e.g. construction industries) following industry restructuring over the past few years.

Income and expenditure

Turnover in the gas supply industry during 1999–2000 increased by \$450m (9%) from \$4.9b to \$5.4b at establishment level. The continuing restructuring has resulted in increases to both the value of sales of gas and purchases of gas as a direct consequence of an increased number of entities within the chain of transmission, distribution and retail sale of gas, each buying and/or selling gas, or involved in transmission or distribution functions. In addition, freight and cartage expenses rose by \$200m (22%) to \$1.1b.

The increase in turnover and the marginal increase in purchases and selected expenses has resulted in value added rising by \$212m (14%) from \$1.6b to \$1.8b during 1999–2000.

2.1**EMPLOYMENT AND LABOUR RATIOS, Management Units(a)—At 30 June**

	1998-99	1999-00
Management units (<i>no.</i>)	18	17
Employment (<i>no.</i>)	3 073	2 887
Person employed per management unit (<i>no.</i>)	170.7	169.8
Labour ratios		
Profit to employment (\$'000/employee)	266.5	288.2
Industry value added		
To employment (\$'000/employee)	456.9	502.1
To selected labour costs (<i>times</i>)	7.1	9.2
Selected labour costs		
To employment (\$'000/employee)	64.7	54.9

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

2.2**INCOME AND EXPENDITURE, Management Units(a)**

	1998-99	1999-00
	\$m	\$m
.....		
Sales of goods and services(b)	5 030.6	5 125.3
Less		
Purchases of goods and materials	1 756.2	1 783.8
Rent, leasing and hiring expenses	40.0	37.4
Freight and cartage expenses	936.0	1 102.2
Motor vehicle expenses	13.8	6.2
Repair and maintenance expenses	34.9	7.7
Payment for contract, subcontract and commission work	692.7	605.9
Other selected expenses	287.2	232.6
<i>Purchases and selected expenses</i>	<i>3 760.7</i>	<i>3 775.8</i>
Plus		
Opening inventories	21.4	41.4
Less		
Closing inventories	61.1	46.1
<i>Cost of sales</i>	<i>3 720.9</i>	<i>3 771.1</i>
Plus		
Capitalised purchases	66.5	69.7
Trading profit	1 376.2	1 423.9
Plus		
Government subsidies	4.8	4.9
Interest income	19.3	13.0
Other income	84.7	29.7
Less		
Wages and salaries	182.5	152.2
Superannuation	13.9	4.9
Workers compensation	2.5	1.3
<i>Selected labour costs</i>	<i>198.9</i>	<i>158.4</i>
Less		
Depreciation	222.2	189.2
Insurance premiums	6.8	5.2
Royalties expenses	—	—
Bad debts	12.8	14.0
Plus		
Capitalised wages and salaries	3.6	4.3
Earnings before interest and tax	1 047.9	1 108.9
Less		
Interest expenses	229.0	276.8
Operating profit before tax	818.9	832.1

— nil or rounded to zero (including null cells)

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) Includes rent, leasing and hiring income.

2.3**INDUSTRY VALUE ADDED, Management Units(a)**

	1998-99	1999-00
	\$m	\$m
Sales of goods and services(b)	5 030.6	5 125.3
Government subsidies	4.8	4.9
Capital work done for own use	70.1	74.0
Turnover	5 105.5	5 204.2
Plus		
Closing inventories	61.1	46.1
Less		
Opening inventories	21.4	41.4
Less		
Capitalised purchases	66.5	69.7
Less		
Intermediate input expenses	3 674.7	3 689.3
Industry value added	1 404.1	1 449.7

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) Includes rent, leasing and hiring income.

2.4**ASSETS AND LIABILITIES, Management Units(a)**

	1998-99	1999-00
	\$m	\$m
Assets		
Current assets		
Closing inventories	61.1	46.1
Other current assets	1 321.4	1 235.4
Non-current assets	6 951.5	6 961.1
Total	8 334.0	8 242.6
Liabilities		
Current liabilities	1 369.4	1 719.6
Non-current liabilities	5 495.5	4 806.0
Total	6 864.8	6 525.6
Net worth	1 469.2	1 717.0

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

2.5**CAPITAL EXPENDITURE(a), Management Units(b)**

	1998-99	1999-00
	\$m	\$m
Capital expenditure on		
Land	0.1	0.1
Dwellings, other buildings and structures	115.3	91.1
Plant, machinery and equipment	68.0	83.3
<i>Total acquisitions</i>	<i>183.3</i>	<i>174.6</i>
Disposal of assets	23.6	1.4
Net capital expenditure	159.7	173.2

(a) Includes capital work done for own use.

(b) See Explanatory notes, 'Statistical units', paragraphs 10-15.

2.6**SELECTED PERFORMANCE MEASURES, Management Units(a)(b)**

	1998-99	1999-00
Turnover		
Asset turnover (%)	0.6	0.6
Profitability		
Trading profit margin (%)	27.4	27.8
Return on funds (%)	15.0	16.9
Return on assets (%)	9.8	10.1
Liquidity		
Liquidity ratio (<i>times</i>)	1.0	0.7
Current ratio (<i>times</i>)	1.0	0.7
Debt		
Interest coverage ratio (<i>times</i>)	4.6	4.0
Debt to assets (%)	82.4	79.2
Capital expenditure		
Acquisitions to disposals ratio (<i>times</i>)	7.8	124.7
Net capital expenditure to assets (%)	1.9	2.1

(a) See Explanatory notes, 'Statistical units', paragraphs 10-15.

(b) For 'labour ratios' see table 2.1.

2.7**EMPLOYMENT, Establishments(a)—At 30 June**

	1998–99	1999–00
Establishments (<i>no.</i>)	25	28
Employment		
Males (<i>no.</i>)	2 222	2 070
Females (<i>no.</i>)	780	850
Persons (<i>no.</i>)	3 002	2 920
Persons employed per establishments (<i>no.</i>)	120.1	104.3
Employees engaged on new construction (\$ <i>m</i>)	66.0	75.0
Wages and salaries		
All employees (\$ <i>m</i>)	175.4	161.9
Employees engaged on new construction (\$ <i>m</i>)	2.8	3.5

(a) See Explanatory notes, 'Statistical units', paragraphs 10–15.

2.8**INCOME AND EXPENDITURE, Establishments(a)**

	1998-99	1999-00
	\$m	\$m
.....		
Sales of gas and gas by-products(b)	3 431.7	4 027.7
Sales of electricity(b)	71.8	80.9
Sales of other goods(b)	33.3	51.7
Service income(c)	1 368.3	1 142.6
Government subsidies	4.8	4.9
Capital work done for own use	4.0	56.1
Turnover	4 914.1	5 363.8
Plus		
Closing inventories	55.8	38.0
Less		
Opening inventories	20.5	37.5
Less		
Purchases		
Materials, components, containers		
etc.(d)	16.8	53.0
Fuels	—	0.6
Electricity	51.8	56.2
Gas	1 611.6	1 647.0
Goods for resale(d)	27.5	40.2
Rent, leasing and hiring expenses	39.7	13.4
Freight and cartage expenses	921.8	1 122.1
Motor vehicle expenses	13.1	10.3
Repair and maintenance expenses	34.4	11.3
Payment for contract, subcontract and		
commission work	680.1	619.9
Purchases and selected expenses	3 397.2	3 599.9
Value added	1 552.3	1 764.4

— nil or rounded to zero (including null cells)

- (a) See Explanatory notes, 'Statistical units', paragraphs 10-15.
- (b) Includes transfers out to other establishments of the same management unit where appropriate.
- (c) Includes rent, leasing and hiring income.
- (d) Includes transfers in from other establishments of the same management unit where appropriate.

CHAPTER 3

WATER AND SEWERAGE INDUSTRY

INTRODUCTION

The 1999–2000 data presented for the water supply and sewerage and drainage industry represent a different population of businesses compared with the 1998–99 data because additional businesses were included in the 1999–2000 survey. Typically, the additional businesses were water supply operations carried out by Local Government Authorities. Further information on this change is contained in paragraph 9 of the Explanatory notes.

In a manner similar to the electricity and gas industries, the water and sewerage industries continue to experience the effects of reform. A special article discussing issues associated with the reform process appeared in the 1997–98 issue of *Electricity, Gas, Water and Sewerage Industries, Australia* (Cat. no. 8208.0).

MANAGEMENT UNIT PERFORMANCE MEASURES

This publication presents management unit data only for the water supply and sewerage and drainage services industries. Readers should note that the statistics exclude operations by the major water supply businesses in the Northern Territory and the Australian Capital Territory because those businesses earn the majority of their income from electricity supply and therefore are classified to the electricity industry.

Employment, wages and salaries

At 30 June 2000 there were 430 management units in Australia in the water and sewerage industries. Employment in these industries was reported as 17,127 persons at 30 June 2000. Wages and salaries paid during 1999–2000 were \$819m. Selected labour costs were \$901m in this period.

Income and expenditure

Turnover in 1999–2000 was \$6.8b, with sales of goods and services accounting for \$6.0b. Trading profit was reported as \$3.6b with the value of purchases and selected expenses being \$2.6b. Earnings before interest and tax was \$2.8b while operating profit before tax was reported as \$2.0b for the water and sewerage industries. Industry value added was \$4.3b for the reference period.

Assets and liabilities

The total value of assets in the water and sewerage industries was \$60.6b while the total value of liabilities was \$14.0b. This resulted in a total net worth of \$46.6b.

Net capital expenditure

The value of acquisitions of fixed tangible assets in 1999–2000 was \$2.0b while the value of disposals was \$72m. This resulted in a net capital expenditure of \$1.9b for the reference period.

3.1**SUMMARY OF FINANCIAL DETAILS, Management Units(a)(b)**

1999-00

\$m

Income and expenditure

Sales of goods and services	6 001.3
Purchases and selected expenses	2 645.7
Trading profit	3 576.5
Selected labour costs	901.3
Earnings before interest and tax	2 837.5
Operating profit before tax	2 039.8
Turnover	6 805.9
Industry value added(b)	4 256.9

Assets and liabilities

Total assets	60 572.8
Total value of liabilities	*14 015.7
Net worth	46 557.0

Capital expenditure

Total acquisitions	1 964.8
Net capital expenditure	1 893.1

* estimate has a relative standard error of between 25% and 50% and should be used with caution

- (a) See Explanatory notes, 'Statistical units', paragraphs 10-15.
- (b) Excludes data for the Australian Capital Territory and the Northern Territory. See Explanatory notes paragraph 13.

3.2**EMPLOYMENT, Management Units(a)(b)—At 30 June**

1999-00

Management units (no.)	430
Employment (no.)	17 127
Wages and salaries (\$m)	818.8

- (a) See Explanatory notes, 'Statistical units', paragraphs 10-15.
- (b) Excludes data for the Australian Capital Territory and the Northern Territory. See Explanatory notes paragraph 13.

EXPLANATORY NOTES

INTRODUCTION

- 1** The range of financial statistics appearing in this publication have been derived from the 1999–2000 Census of Electricity and Gas Operations and the 1999–2000 Water and Sewerage Survey. These collections aim to meet the demands of users who require annual financial statistics which can be related to other industry sectors in Australia on a consistent basis.
- 2** The collection of electricity, gas, water and sewerage data is conducted as a component of the ABS integrated economic statistics system. Data from each industry sector conform to the same basic conceptual standards, allowing comparative analysis between and across different industry sectors.
- 3** The findings for 1998–99 are now final and replace those previously issued in the 1998–99 issue of *Electricity, Gas, Water and Sewerage Operations, Australia* (Cat. no. 8226.0) released on 4 September 2000.

SCOPE

- 4** The 1993 edition of the *Australian and New Zealand Standard Industrial Classification (ANZSIC)* (Cat. no. 1292.0) has been used to classify management units (and establishments) included in the Census of Electricity and Gas Operations and the Water and Sewerage Survey.
- 5** The Census of Electricity and Gas Operations covers those management units and establishments mainly engaged in the generation, transmission or distribution of electricity (ANZSIC Class 3610); and the manufacture of town gas from coal and/or petroleum, or the mains distribution of town gas, natural gas or liquefied petroleum gas (ANZSIC Class 3620). Note that management units and establishments mainly engaged in the distribution of liquefied petroleum gas in bulk or in containers are classified to petroleum product wholesaling (ANZSIC Class 4521). The Water and Sewerage Survey covers those management units mainly engaged in the storage, purification or supply of water, or the operation of sewerage or drainage systems, including sewage treatment plants (ANZSIC Class 3701: Water Supply, and Class 3702: Sewerage and Drainage Services).
- 6** Electricity generation is sometimes undertaken within a location mainly engaged in other activities (e.g. a manufacturing establishment) solely, or in part, to provide power for those activities. Statistics relating to electricity generation in this situation are not treated as part of the electricity industry and therefore are not included in this publication, unless sales or transfers out of electricity exceed a specific value (\$7.3m in 1998–99 and 1999–2000). The statistics do include details relating to separate locations of a management unit mainly engaged in producing electricity for use by other locations of the management unit (e.g. for use by a separately located manufacturing establishment).
- 7** Prior to recent industry reforms, the electricity industry was largely vertically integrated i.e. the activities of generation, transmission and distribution of electricity were conducted within a single management unit. With restructuring, these activities are more often conducted by separate management units. This has resulted in increases to some data items e.g. the sale of electricity may be recorded by both generator and distributor.
- 8** The gas industry has also recently undergone industry reforms leading to restructuring and privatisation. In a similar fashion to the electricity industry the

SCOPE *continued*

activities of transmission, distribution and other activities (e.g. retailing) are now being carried out by separate management units. This has resulted in increases to some data items e.g. sale of gas may be recorded by both distributors and retailers.

9 Data for the Australian water and sewerage industries for 1999–2000 has been derived from the Water and Sewerage Survey which includes all businesses classified to the water and sewerage industries on the ABS Business Register. The scope of this collection differs from information presented for 1998–99 which was collected via the annual Economic Activity Survey which excludes businesses classified to the General Government sector although Public Trading Enterprises are included. As a result of this variation in scope the data for 1998–99 is not directly comparable with the data presented for 1999–2000.

STATISTICAL UNITS

10 The basic units for which statistics are reported in ABS integrated industry collections are the management unit and the establishment.

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

12 The establishment is the smallest accounting unit of a business, within a State or Territory, controlling its productive activities and maintaining a specified range of detailed data including data enabling value added to be calculated. In general an establishment covers all operations at a physical location, but may consist of a group of locations provided they are within the same State or Territory and classified to a single industry. The majority of establishments operate at one location only.

13 This publication presents industry statistics which are compiled differently from activity statistics. Each management unit or establishment is classified to a single industry irrespective of any diversity of activities undertaken. The industry allocated is the one which provides the main source of income. This means that a management unit which derives most of its income from electricity generation activities would have all operations included in the aggregates and ratios for the electricity industry group, even if significant secondary activities (e.g. water supply, coal mining, retailing) were undertaken. For example, the water and sewerage data collected for the Australian Capital Territory and the Northern Territory excludes their major water supply companies, since at the management unit level they are classified as part of the electricity industry.

14 The differences in definition of management unit and establishment often result in different values being obtained for certain data items. For example, employment at the establishment level only includes those employees that are involved in that industry whilst employment at the management unit level includes all employees of that business unit. This often includes employees who would be included in a different industry at the establishment level (e.g. retail sales staff, head office staff).

15 Separately located administrative offices and ancillary units such as storage premises, laboratories and producers' sales branches continue to have their activities included with electricity or gas activities unless these ancillaries constitute a separate accounting unit, in which case they are defined as a separate establishment.

REFERENCE PERIOD

16 The period covered by the collection is in general the 12 months ended 30 June. Where businesses are unable to supply information on this basis, the substitute accounting period is used for data other than that relating to employment.

COMPARABILITY WITH
PREVIOUS STATISTICS

17 Commencing with estimates for 1997–98, under new international standards, contribution to gross domestic product (GDP) by electricity, gas, water and sewerage industries will be measured by the variable 'industry value added' (IVA). Estimates for IVA measure the value added by an industry to the intermediate inputs used by that industry. Under the previous standards, the corresponding contribution to GDP was measured by the variable 'industry gross product' (IGP) at the management unit level. It should be noted that IVA is not the same variable as 'value added' which is published at the establishment level. The composition of 'value added' has not changed under the new standards. An explanation of the relationship between IVA estimates and IGP estimates can be found in the Glossary.

INDUSTRY PERFORMANCE
RATIOS

18 A range of performance measures, usually referred to as 'ratios', can be produced from the data available from profit and loss statements and balance sheets of businesses. This publication presents only a selection of these for the electricity and gas industries. While these are a very useful way of presenting summaries of performance, users of these statistics should note the limitations referred to below before making any judgments based on these results. Comment from analysts on the need for, and use of, these or other measures would be welcomed by the ABS.

19 Users should take particular note of the following limitations in respect of the ratios presented in this publication.

20 The usefulness of the ratios for analytical purposes depends on how they are calculated. Comparison between industries on a total industry basis may be best served by the estimates presented herein, i.e. based on industry estimates for numerators and denominators. Users should be aware that assessment of individual business performance based on comparisons with industry estimates may be misleading for other reasons. There may be circumstances peculiar to the business in question which should be taken into account. For example, is it undertaking a program of expansion, contraction, diversification or amalgamation during the period under review? Analysis of movements in performance indicators of the business and industry over a number of years would be more appropriate.

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

22 Finally, use of a single ratio in any analysis is to be avoided because it could be misleading. Often the interpretation of one ratio is influenced by the value of others. The above limitations are not meant to imply that analysis based on ratios

INDUSTRY PERFORMANCE

RATIOS *continued*

should be avoided. However, they should be borne in mind when making any commentary or decisions based on these types of statistics.

23 The ratios presented in this publication are categorised as follows:

- turnover ratios indicate the efficiency of selling activities (including the sale of services as well as goods);
- profitability ratios measure rates of profit on sales, funds and assets;
- liquidity ratios measure the ability of businesses to meet short-term financial obligations, i.e. how quickly can it convert selected assets into cash;
- debt ratios indicate the extent to which debt is used as an alternative to financing through equity and the ability of businesses to meet the cost of such financing;
- labour ratios measure the relative profitability and costs of labour; and
- capital expenditure ratios indicate the ability and extent to which businesses invest in capital assets.

24 A further explanation of each ratio can be found in the Glossary.

RELIABILITY OF ESTIMATES

25 Data presented in this publication for ANZSIC Division D, Subdivision 37 (Water Supply, Sewerage and Drainage Services) are based on information collected from a sample of businesses and are, therefore, subject to sampling variability; that is, they may differ from the figures that would have been produced if the data had been obtained from all businesses in the population. One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because the data were obtained from only a sample of units. There are about 2 chances in 3 that a sample estimate will differ by less than one SE from the figure that would have been obtained if the data had been obtained from all units, and about 19 chances in 20 that the difference will be less than 2 SEs.

26 The imprecision due to sampling variability, which is measured by the SE, should not be confused with inaccuracies that may occur because of inadequacies in available sources from which the population frame was compiled, imperfections in reporting from providers, errors made in collection such as recording and coding data, and errors made in processing data. Inaccuracies of this kind are referred to collectively as non-sampling error and they may occur in any enumeration, whether it be a census or a sample survey. Every effort is made to reduce non-sampling error to a minimum by careful design of questionnaires, editing processes, and efficient operating procedures.

GENERAL ACKNOWLEDGMENT

27 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is appreciated: without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

EXTERNAL SOURCES

28 There are a number of external organisations that collect and present data about their respective industries. Should the user require further details it is recommended that the organisation should be contacted directly. Users may contact them at the following addresses

- Electricity Supply Association of Australia
Level 11, 74 Castlereagh Street, Sydney, NSW 2000
telephone 02 9233 7222
facsimile 02 9233 7244
web site www.esaa.com.au

EXTERNAL SOURCES *continued*

- Australian Gas Association
Level 3, 7–9 Moore Street, Canberra, ACT 2601
telephone 02 6247 3955
facsimile 02 6249 7402
web site www.gas.asn.au
- Australian Waste Water Association
PO Box 388, Artarmon, NSW 1570
telephone 02 9413 1288
web site www.awa.asn.au
- Water Services Association of Australia
Level 7, 469 Latrobe Street, Melbourne, Vic. 3000
telephone 03 9606 0678
facsimile 03 9606 0376
web site www.wsaa.asn.au
- Productivity Commission
PO Box 80, Belconnen, ACT 2616
telephone 02 6240 3251
facsimile 02 6240 3399
web site www.pc.gov.au

29 The following publications provide key data for the electricity, gas and urban water supply industries in Australia:

- Electricity Supply Association of Australia, 2001, *Electricity Australia* (annual), ESAA, Sydney
- Australian Gas Association, *Gas Statistics, Australia* (annual), AGA, Canberra
- Water Services Association of Australia, *Australia's Urban Water Industry: WSAA Facts*, WSAA, Melbourne

RELATED PUBLICATIONS

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

- Australians and the Environment* (Cat. no. 4601.0) contains information on renewable energy, stormwater and sewage, and greenhouse gas emissions.
- Australia's Environment: Issues and Facts* (Cat. no. 4140.0) includes sections on greenhouse gas emission controls, sources and occurrences as well as Australia's natural resources, water and energy.
- Australia's Environment* (Cat. no. 4613.0) presents a broad selection of environmental statistics and information which illustrate topical environmental issues. Themes include land use; energy use; marine and freshwater systems; waste and pollution.
- Business Operations and Industry Performance, Australia* (Cat. no. 8140.0)
- Directory of Electricity, Gas, Water and Sewerage Statistics* (Cat. no. 1140.0)
- Electricity, Gas, Water and Sewerage Operations, Australia* (Cat. no. 8226.0)
- Energy Accounts for Australia* (Cat. no. 4604.0)
- Environment Protection Expenditure, Australia* (Cat. no. 4603.0)
- Environmental Issues: People's Views and Practices* (Cat. no. 4602.0) includes data on household water conservation practices.
- Household Expenditure Survey, Australia: Summary of Results* (Cat. no. 6530.0) includes expenditure on fuel and power, and on water and sewerage rates.
- Manufacturing Industry, Australia* (Cat. no. 8221.0)
- Manufacturing Production, Australia* (Cat. no. 8301.0) (quarterly) which includes details of the production (quantity) of important manufactured commodities (including electricity and gas)—issued approximately four weeks after the month to which it relates.

RELATED PUBLICATIONS

continued

Mining, Electricity and Gas Operations, Australia, Preliminary

(Cat. no. 8401.0)

Sales of Goods and Services by Businesses involved in Water Related Activity in South Australia (Cat. no. 1352.4)

31 Current publications produced by the ABS are listed in the *Catalogue of Publications and Products* (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 Release Advice are available from any ABS office.

ABS DATA AVAILABLE ON
REQUEST

32 As well as the statistics included in this and related publications, the ABS may have other relevant data available on request. Such data is available subject to it satisfying quality and confidentiality guidelines.

33 Inquiries should be made to the ABS National Information and Referral Service on 1300 135 070.

ROUNDING

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

GLOSSARY

As the data presented in this publication have been compiled from the standard financial accounts of businesses, the definition of each reported item aligns closely with that adopted in standard business accounting practice. In those instances where more than one standard or definition is available, the following paragraphs indicate which one has been chosen.

Acquisitions to disposals	The number of times that dollars spent on acquiring assets exceed dollars received for disposal of assets, i.e. Total acquisitions/Total disposals.
Asset turnover ratio	A measure of the number of times the value of sales exceeds the value of assets, i.e. Sales of goods and services/Total assets.
Bad debts	Represents the amount of bad debts written-off, net of bad debts previously written-off but recovered.
Capital expenditure	Includes all capitalised costs and progress payments made to contractors for capital work on land, dwellings, buildings and structures, and plant, machinery and equipment (both new and second-hand).
Capitalised purchases	Goods drawn from inventories for use as fixed tangible assets in capital work done for own use.
Capitalised wages	Capitalised payments for work done by own employees in manufacturing, constructing or installing assets.
Capital work done for own use	Capitalised work done by the employees or proprietors of a business for use by the business or for rental or lease to other businesses. The main types of work are manufacturing, constructing, installing or repairing assets and development of computer software. Conceptually, this item should also include own account production of literary, entertainment or artistic originals. However, these activities are relatively unimportant for the electricity, gas, water and sewerage industries and have not been measured.
Cost of sales	The sum of purchases, selected expenses and opening inventories minus closing inventories.
Current assets	Refers to the value of closing trading inventory (i.e. at the end of the financial year) plus the value of other current assets such as cash, short-term deposits, prepayments and short-term loans to employees.
Current liabilities	The book value of current liabilities at the end of the financial year. This includes provisions for taxation, leave, claims, trade creditors and other accounts payable and bank overdrafts.
Current ratio	The number of times current assets exceed current liabilities, i.e. Current assets/Current liabilities.
Debt to assets	The percentage of assets financed by debt instead of equity, i.e. (Total liabilities/Total assets) x 100.
Depreciation	Includes depreciation allowed on buildings and other fixed tangible assets.
Disposal of assets	Includes the proceeds from the sale of land, dwellings, buildings, plant, machinery and equipment.

Earnings before interest and tax (EBIT)	A measure of profit prior to the deduction of interest expense and income tax.											
Employment	Includes working proprietors, working partners, permanent, part-time, temporary and casual employees, employees on paid leave and managerial and executive employees working for a business during the last pay period ending in June.											
Establishments at 30 June	Refers to the number of establishments in operation at 30 June.											
Freight and cartage expenses	Excludes the cost of delivery by own vehicles and employees, and also excludes overseas freight. For the gas supply industry includes transmission expenses. (For the electricity industry transmission expenses are included in payment for contract expenses.)											
Government subsidies: diesel fuel rebate	Reimbursement under the Diesel Fuel Rebate Scheme.											
Government subsidies: operational funding	Includes bounties, subsidies and export grants but excludes diesel fuel rebate.											
Industry value added (IVA)	<p>IVA represents the value added by an industry to the intermediate inputs used by the industry. IVA is the measure of the contribution by electricity, gas, water and sewerage industries at management unit level to gross domestic product. At establishment level a different value added measure is compiled, known simply as 'value added'.</p> <p>The derivation of IVA is as follows:</p> <table><tr><td>Turnover</td></tr><tr><td><i>Plus</i></td></tr><tr><td>Closing inventories</td></tr><tr><td><i>Less</i></td></tr><tr><td>Opening inventories</td></tr><tr><td><i>Less</i></td></tr><tr><td>Capitalised purchases</td></tr><tr><td><i>Less</i></td></tr><tr><td>Intermediate input expenses</td></tr><tr><td><i>Equals</i></td></tr><tr><td>IVA</td></tr></table> <p>However, it should be noted that IVA is not a measure of operating profits before tax. Wages, salaries and most other labour costs are not taken into account in its calculation and nor are most insurance premiums, interest expenses or depreciation and a number of lesser expenses.</p>	Turnover	<i>Plus</i>	Closing inventories	<i>Less</i>	Opening inventories	<i>Less</i>	Capitalised purchases	<i>Less</i>	Intermediate input expenses	<i>Equals</i>	IVA
Turnover												
<i>Plus</i>												
Closing inventories												
<i>Less</i>												
Opening inventories												
<i>Less</i>												
Capitalised purchases												
<i>Less</i>												
Intermediate input expenses												
<i>Equals</i>												
IVA												
Industry value added to employment	The average amount, expressed in thousands of dollars, of industry value added for each employee, working proprietor and working partner, i.e. Industry value added/Employment.											
Industry value added to selected labour costs	The average amount of the value of each dollar of gross product generated by each dollar input of labour, i.e. Industry value added/Selected labour costs.											
Insurance premiums	Includes premiums for fire, general, accident, public liability, optional third-party and comprehensive motor vehicle insurance, professional indemnity insurance and common law liability.											
Interest coverage	The number of times that businesses can meet their interest expenses from their earnings before interest, i.e. Earnings before interest and tax/Interest expenses.											
Interest expenses	Includes interest paid on loans from banks, finance companies, insurance companies and related companies.											

Interest income	Includes interest received from bank accounts, loans and finance leases and earnings on discounted bills. Excludes charges between companies of the same management unit.
Intermediate inputs	Intermediate inputs consist of materials and certain services which are used up in the production process. Definitions of relevant component items are also included in this glossary. The calculation is: <div style="margin-left: 40px;"> Intermediate input expenses <i>Plus</i> Opening inventories <i>Less</i> Closing inventories <i>Equals</i> Intermediate inputs </div>
Intermediate input expenses	Includes two categories of operating expenses: <ul style="list-style-type: none"> ■ purchases of goods, materials and services used in production; and ■ expenses related to the sale of goods and administrative expenses. Purchase of goods, materials and services used in production includes: <ul style="list-style-type: none"> ■ purchases of materials, components, explosives, containers and packaging materials, electricity, fuels and water; ■ motor vehicle expenses, freight and cartage expenses, repair and maintenance expenses; ■ rent, leasing and hiring expenses (except for finance leases); ■ payment for contract, subcontract and commission expenses. This category of operating expenses is included in value added produced at electricity and gas establishment level. Expenses related to the sale of goods and administrative expenses includes: advertising expenses, audit and accounting expenses, bank fees and charges (except interest), cleaning expenses, environmental protection expenses, intellectual property royalty expenses, legal fees, management fees, paper, printing and stationery expenses, postal and telecommunication expenses, staff training expenses and travelling, accommodation and entertainment expenses.
Inventories—Opening/closing	The value of all inventories (known as 'stocks' in earlier publications) of finished goods, work-in-progress, raw materials, fuels, containers etc. at the beginning and end of the financial year, respectively (previously called 'opening and closing stocks').
Liquidity ratio	The number of times current assets other than inventories exceed current liabilities, i.e. $(\text{Current assets} - \text{Closing inventories}) / \text{Current liabilities}$.
Management units at 30 June	Refers to the number of management units in operation at 30 June.
Motor vehicle expenses	Includes expenditure on registration fees, compulsory third-party insurance, fuel and repairs.
Net capital expenditure	The difference between total acquisitions and disposals of fixed tangible assets.
Net capital expenditure to assets	The percentage of the total book value of assets spent on net capital expenditure, i.e. $(\text{Net capital expenditure} / \text{Total assets}) \times 100$.
Net worth	Total assets minus total liabilities, and is equal to the interest of shareholders or other owners in the assets of the business. Also called 'owner's equity'.
Non-current assets	The book value of non-current assets at the end of the financial year. This includes plant and machinery needed for normal operations, capitalised interest, property and goodwill.
Non-current liabilities	The book value of non-current liabilities at the end of the financial year. This includes employee entitlements, bank loans, debentures and unsecured notes.

Operating profit before tax (OPBT)	A measure of profit before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid).
Other income	Includes royalty income, dividends, net profit (or loss) on the sale of fixed tangible assets and net profit (or loss) on foreign exchange. It excludes extraordinary profits or losses such as those associated with the sale of a segment of the business or goodwill revaluations.
Other selected expenses	Includes expenditure on management fees/charges paid to related and unrelated businesses, office supplies and printing costs, telephone and postage charges, travelling and entertainment expenses, accounting and legal services, advertising costs, payroll tax, fringe benefits tax, land tax, rates, computer software expenses and subsidy expenses (i.e. amounts paid to electricity subsidy funds).
Payment for contract, subcontract and commission expenses	Includes payments to other businesses and self-employed persons for work done or sales made on a contract or commission basis. Payments to persons paid by commission without a retainer also are included. For the electricity industry includes transmission expenses. (For the gas supply industry transmission expenses are included in freight and cartage expenses).
Profit margin	Operating profit before tax as a percentage of total operating income.
Profit to employment	The average amount, expressed in thousands of dollars, of operating profit before tax contributed by each employee, working proprietor and working partner, i.e. Operating profit before tax/Employment.
Purchases and selected expenses	At the establishment level, includes purchases of goods and materials, rent, leasing and hiring expenses, freight and cartage expenses, motor vehicle expenses, repair and maintenance expenses, and payment for contract, subcontract and commission work. At the management unit level, other selected expenses are also included.
Purchases of goods and materials	Include purchases of materials, components, containers, packaging materials, fuels, electricity and water, and purchases of other goods for resale. Also includes capitalised purchases. Note that at the establishment level, purchases of goods and materials includes the value of any transfers in of fuels, materials and/or other goods for resale.
Rent, leasing and hiring expenses	Includes expenses for land, buildings and other structures; motor vehicles; and plant, machinery and other equipment.
Rent, leasing and hiring income	Includes proceeds from the rent, lease or hiring of land, buildings, machinery, vehicles and equipment. (Is also included in Sales of goods and services.)
Repair and maintenance expenses	Excludes wages and salaries paid to own employees and the repair and maintenance costs of motor vehicles.
Return on assets	Derived by expressing total operating profit before tax as a percentage of the total book value of assets, i.e. $(\text{Operating profit before tax} / \text{Total assets}) \times 100$.
Return on funds	Derived by expressing earnings before interest and tax as a percentage of the total of shareholders funds and non-current liabilities, i.e. $(\text{Earnings before interest and tax} / (\text{Net worth} + \text{Non-current liabilities})) \times 100$.
Royalties expenses	Includes any payments made for the use of rights, information or material owned by another company or person.
Sales of goods and services	Includes revenue from the sale of goods (e.g. electricity, gas and gas by-products, water and wastewater, electrical or gas appliances) and service income (e.g. transmission and distribution income, repair and service income, contract subcontract and commission income, delivery charges) and rent, leasing and

Sales of goods and services <i>continued</i>	<p>hiring income. Sales are valued net of sales tax, excise and other duties collected on behalf of governments.</p> <p>At the establishment level sales of goods and services includes the value of transfers of electricity or gas and/or other goods to other establishments of the same business for resale. These transfers are valued, for statistical purposes, at commercial value (i.e. the value which would have applied had the establishments concerned not been under common ownership).</p>
Selected labour costs	<p>The sum of wages and salaries, superannuation and workers' compensation. Wages and salaries include gross wages and salaries and amounts paid as severance, termination and redundancy payments to permanent, temporary, casual and part-time employees. Superannuation includes all employer contributions to superannuation schemes and any benefits paid by employers operating unfunded schemes. Workers' compensation includes premiums and any other costs incurred by the employer, not reimbursed by an insurance company. Excludes other labour costs (e.g. payroll tax, fringe benefits tax, accommodation, meal and travelling allowances).</p>
Selected labour costs to employment	<p>The average amount, expressed in thousands of dollars, of selected labour costs to employment incurred by the business (including wages, salaries, superannuation, workers' compensation premiums) for each employee, working proprietor and working partner, i.e. Selected labour costs/Employment.</p>
Service income	<p>Income received from service activities. Included are income from work done or sales made on a commission basis, income from repair, maintenance or servicing, installation and delivery charges separately invoiced to customers, advertising income and management fees/charges received from related or unrelated businesses. For electricity and gas supply, also includes transmission and distribution income. Service income is valued net of discounts given. For periods from 1997–98, under new international standards, income from intellectual property royalties and rent, leasing and hiring income (except from finance leases) have also been classified as service income. Rent, leasing and hiring income is income derived from the ownership of land, buildings, vehicles, machinery or equipment, excluding any income from finance leases.</p>
Superannuation	<p>Includes all employer contributions to superannuation schemes and any benefits paid by employers operating unfunded schemes.</p>
Trading profit	<p>A measure of profit directly attributable to trading in goods and services. It is derived by subtracting the cost of sales from the value of sales of goods and services.</p> <p>It should not be inferred that all of this profit is available surplus as other expenses such as selected labour costs, depreciation, insurance premiums, royalties, bad debts and interest have not been taken into account. In addition other income items such as rent, leasing and hiring income, government subsidies and interest income have not been included.</p>
Trading profit margin	<p>Derived by expressing total trading profit as a percentage of total sales of goods and services, i.e. (Trading profit/Sales of goods and services) x 100.</p>
Turnover	<p>Includes all proceeds from operating revenue (i.e. sales, transfers out for establishment data, service income, rent, leasing and hiring income, and government subsidies) plus the value of capital work done for own use, or for rental or lease.</p> <p>There are some conceptual differences between turnover as provided in this publication and turnover as defined by the new international standards. These differences are explained as part of the definition of the component item 'capital</p>

Turnover <i>continued</i>	work done for own use'. Full compliance with the new standards would make very little difference to estimates of turnover. Excluded are interest income, income from natural resource royalties, funding by Federal, State or Local Governments for specific capital items, dividends and receipts from sale of fixed tangible assets.
Value added	This item is compiled for establishment level. It includes turnover plus the increase (or less the decrease) in the value of stocks, less purchases and selected expenses.
Wages and salaries	Refers to payments made to all permanent, part-time and temporary employees on the payroll during the financial year. Such payments include severance, termination and redundancy payments, overtime earnings, penalty payments and shift allowances, all paid leave, leave loadings and bonuses. Also includes capitalised wages.
Workers' compensation	Includes premiums and any other costs incurred by the employer not reimbursed by an insurance company.

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- 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).

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