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MANUFACTURING INDUSTRY

AUSTRALIA

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INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or John Ridley on Sydney (02) 9268 4541.

NOTES

ABOUT THIS PUBLICATION	<p>This publication presents estimates, from the annual Economic Activity Survey, of the economic and financial performance of the Australian manufacturing industry for 2004–05 together with data on a comparable basis from 2001–02 and intervening years.</p>
CHANGES TO THIS PUBLICATION	<p>This issue introduces a selection of profitability measures and industry performance ratios, comparable with those included in other ABS industry statistics publications. It also presents a table illustrating the export performance of Australian manufacturing, using Economic Activity Survey data, over the period from 2001–02 to 2004–05.</p> <p>Employment data in this issue are based on a new methodology for estimating the employment of businesses that contribute to the estimates via business income taxation data. See Technical Note 1 for further information.</p>
REVISIONS	<p>Estimates for earlier years have been revised since the previous issue of this publication. The revisions are incorporated in this publication and in the extended data spreadsheets available free on-line.</p> <p>The effect of these revisions on the 2003–04 national estimates of key financial variables for the manufacturing industry has been an increase of 0.1% (or \$159m) in sales and service income, a decrease of 0.2% (\$82m) in wages and salaries paid, and an increase of 0.5% (\$424m) in industry value added. Effects may be greater at lower levels of the industry classification and/or for other variables.</p> <p>The application of the new model for estimating employment noted above has resulted in revisions to the estimates of employment for earlier years.</p>
INFORMATION AVAILABLE ON-LINE	<p>The text components of this publication are available free on-line. A PDF publication and extended data spreadsheets are also available free on-line.</p> <p>Other information is also available via the <i>Manufacturing Statistics</i> theme page. To access the theme page, go to the ABS website home page <http://abs.gov.au>. Access the <i>Themes</i> page by either opening the <i>Themes</i> hotlink from the top menu bar or opening the Industry hotlink shown under <i>Themes</i>, in the left-side navigator. Then open the <i>Manufacturing</i> hotlink shown under <i>Industry</i>.</p>

Dennis Trewin
Australian Statistician

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ABBREVIATIONS

\$'000	thousand dollars
\$b	billion (thousand million) dollars
\$m	million dollars
ABN	Australian Business Number
ABR	Australian Business Register
ABS	Australian Bureau of Statistics
ABSBR	Australian Bureau of Statistics Business Register
ACT	Australian Capital Territory
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASIC	Australian Standard Industrial Classification
ATO	Australian Taxation Office
Aust.	Australia
BAS	Business Activity Statement
BIT	business income tax
cat. no.	Catalogue number
EAS	Economic Activity Survey
EBIT	earnings before interest and tax
f.o.b.	free on board
FBT	Fringe Benefits Tax
GST	goods and services tax
IVA	industry value added
mfg	manufacturing
n.e.c.	not elsewhere classified
no.	number
NSW	New South Wales
NT	Northern Territory
OPBT	operating profit before tax
PAYGW	pay-as-you-go withholding
Qld	Queensland
RSE	relative standard error
SA	South Australia
SISCA	Standard Institutional Sector Classification of Australia
Tas.	Tasmania
TAU	type of activity unit
TNTS	The New Tax System
Vic.	Victoria
WA	Western Australia

CHAPTER 1

SUMMARY

INTRODUCTION

This publication presents estimates, from the annual Economic Activity Survey, of the economic and financial performance of the Australian manufacturing industry.

This industry is specified in Division C of the *Australian and New Zealand Standard Industrial Classification (ANZSIC)*, 1993 edition. Please see paragraph 2 of the Explanatory Notes for a full definition.

KEY DATA

Table 1.1 presents a time series for selected items, from 2001–02 to 2004–05. All value data in this table are shown at current prices.

By all four major aggregates presented, the Australian manufacturing industry showed growth in 2004–05 when compared to 2003–04. Sales and service income increased by 7%, industry value added by 8%, wages and salaries by 5% and employment increased by 2%. Commentary about these items is presented in Chapter 2.

For information about survey methodology, see Technical Note 1.

The Glossary provides definitions for terms used.

FURTHER COMMENTARY

Please see:

- National data: Chapter 2, page 8
- States, territories and Australia: Chapter 3, page 31
- Exports: Chapter 4, page 39.

1.1 SUMMARY, 2001–02 to 2004–05

	<i>Employment at end of June(a)</i>	<i>Wages and salaries(b)</i>	<i>Sales and service income(c)</i>	<i>Industry value added</i>	<i>Wages and salaries per person employed</i>	<i>Wages and salaries to sales and service income</i>	<i>Sales and service income per person employed</i>	<i>Industry value added per person employed</i>
	'000	\$m	\$m	\$m	\$'000	ratio	\$'000	\$'000
FOOD, BEVERAGE AND TOBACCO MANUFACTURING								
2001–02	194.3	7 950	66 048	16 729	40.9	0.12	339.9	86.1
2002–03	192.3	8 336	67 020	17 391	43.3	0.12	348.5	90.4
2003–04	189.4	8 515	68 671	17 659	45.0	0.12	362.6	93.3
2004–05	190.7	8 690	71 572	18 551	45.6	0.12	375.3	97.3
TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING								
2001–02	65.0	1 869	11 039	2 995	28.7	0.17	169.8	46.1
2002–03	60.4	1 866	10 720	3 071	30.9	0.17	177.5	50.8
2003–04	56.5	1 777	10 134	3 159	31.5	0.18	179.5	55.9
2004–05	52.0	1 657	9 300	2 827	31.9	0.18	178.9	54.4
WOOD AND PAPER PRODUCT MANUFACTURING								
2001–02	68.3	2 528	16 563	5 559	37.0	0.15	242.3	81.3
2002–03	68.3	2 764	17 926	6 279	40.5	0.15	262.6	92.0
2003–04	69.6	2 888	18 592	6 523	41.5	0.16	267.3	93.8
2004–05	70.4	3 005	18 269	6 479	42.7	0.16	259.4	92.0
PRINTING, PUBLISHING AND RECORDED MEDIA								
2001–02	107.6	4 642	20 237	8 430	43.2	0.23	188.2	78.4
2002–03	105.0	4 504	20 355	8 923	42.9	0.22	193.8	85.0
2003–04	102.2	4 727	20 651	9 333	46.3	0.23	202.1	91.3
2004–05	108.6	5 163	22 478	10 127	47.5	0.23	206.9	93.2
PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING								
2001–02	100.2	5 079	49 023	10 066	50.7	0.10	489.3	100.5
2002–03	101.3	5 171	50 622	11 092	51.0	0.10	499.5	109.5
2003–04	105.1	5 446	52 829	11 247	51.8	0.10	502.5	107.0
2004–05	104.2	5 701	60 871	12 956	54.7	0.09	584.1	124.3
NON-METALLIC MINERAL PRODUCT MANUFACTURING								
2001–02	42.0	1 813	11 309	3 864	43.2	0.16	269.5	92.1
2002–03	45.6	2 018	12 463	4 526	44.2	0.16	273.3	99.2
2003–04	44.3	2 112	13 688	4 863	47.7	0.15	309.1	109.8
2004–05	46.4	2 297	14 297	4 951	49.5	0.16	307.9	106.6
METAL PRODUCT MANUFACTURING								
2001–02	164.0	7 017	52 146	15 072	42.8	0.13	317.9	91.9
2002–03	169.4	7 698	57 394	16 242	45.4	0.13	338.8	95.9
2003–04	162.3	7 746	58 934	16 372	47.7	0.13	363.1	100.9
2004–05	174.0	8 312	65 160	18 730	47.8	0.13	374.4	107.6
MACHINERY AND EQUIPMENT MANUFACTURING								
2001–02	220.3	9 387	54 239	14 781	42.6	0.17	246.2	67.1
2002–03	228.7	10 282	56 797	16 485	45.0	0.18	248.4	72.1
2003–04	233.7	10 633	59 881	17 681	45.5	0.18	256.2	75.7
2004–05	237.2	11 226	63 643	19 078	47.3	0.18	268.4	80.4

(a) Includes working proprietors.

(c) Includes rent, leasing and hiring income.

(b) Excludes the drawings of working proprietors.

1.1SUMMARY, 2001–02 to 2004–05 *continued*

	<i>Employment at end of June(a)</i>	<i>Wages and salaries(b)</i>	<i>Sales and service income(c)</i>	<i>Industry value added</i>	<i>Wages and salaries per person employed</i>	<i>Wages and salaries to sales and service income</i>	<i>Sales and service income per person employed</i>	<i>Industry value added per person employed</i>
	'000	\$m	\$m	\$m	\$'000	ratio	\$'000	\$'000
OTHER MANUFACTURING								
2001–02	81.3	2 231	11 603	3 620	27.4	0.19	142.6	44.5
2002–03	76.7	2 180	11 604	3 591	28.4	0.19	151.4	46.8
2003–04	73.4	2 297	12 384	4 022	31.3	0.19	168.7	54.8
2004–05	74.0	2 307	12 851	4 070	31.2	0.18	173.7	55.0
TOTAL MANUFACTURING								
2001–02	1 043.1	42 516	292 208	81 117	40.8	0.15	280.1	77.8
2002–03	1 047.6	44 819	304 900	87 599	42.8	0.15	291.0	83.6
2003–04	1 036.4	46 140	315 764	90 858	44.5	0.15	304.7	87.7
2004–05	1 057.6	48 357	338 440	97 769	45.7	0.14	320.0	92.4

(a) Includes working proprietors.

(c) Includes rent, leasing and hiring income.

(b) Excludes the drawings of working proprietors.

CHAPTER 2

NATIONAL DATA

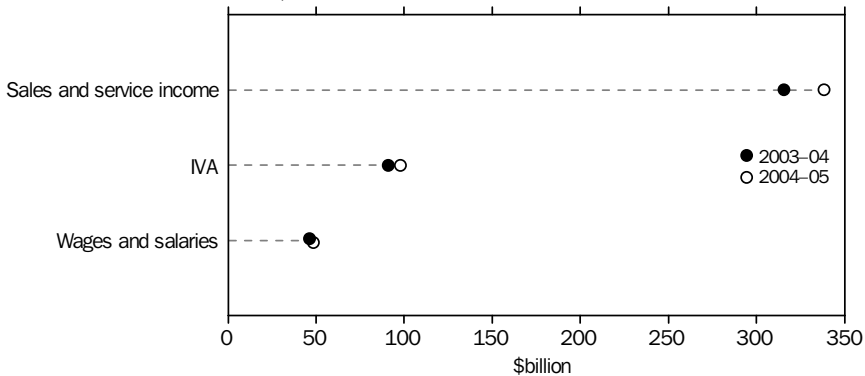
INTRODUCTION

Statistics in this publication relate to the manufacturing industry as defined by the *Australian and New Zealand Standard Industrial Classification (ANZSIC)*, 1993 edition. The commentary focuses mainly on the major data variables for the nine ANZSIC industry subdivisions that comprise the manufacturing industry.

OVERVIEW

Most major indicators of activity for the Australian manufacturing industry increased, in current price terms, during 2004–05. Sales and service income increased 7% and industry value added (IVA) rose by 8%. Manufacturers paid \$48.4b in wages and salaries in 2004–05, 5% more than in 2003–04; employment increased by 2%. The increase in net capital expenditure was 23% (from \$11.4b to \$14.0b). Export sales of goods produced increased by 2% (from \$48.3b in 2003–04 to \$49.2b in 2004–05).

SELECTED VARIABLES, 2003–04 AND 2004–05



SALES AND SERVICE INCOME

Sales and service income of manufacturing industry in Australia in 2004–05, at \$338.4b, was \$22.7b (or 7%) higher than in 2003–04.

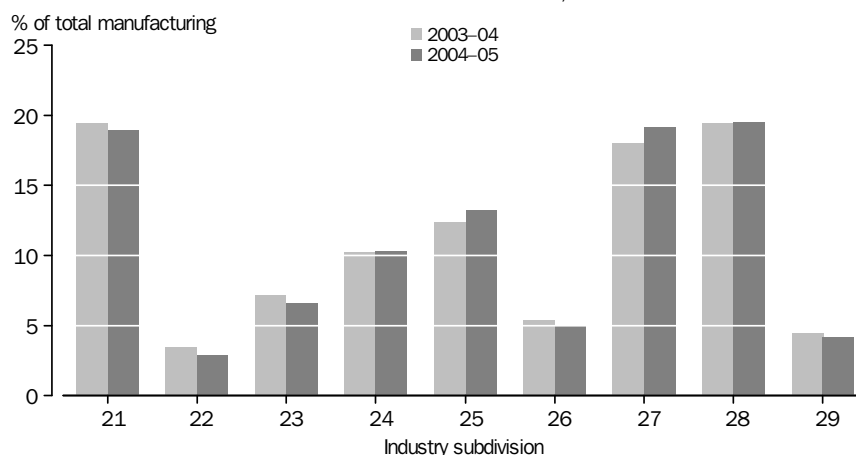
Over the period from 2001–02 to 2004–05, manufacturing's total sales and service income increased by 16%.

At the industry group level, of those groups available for publication, PREFABRICATED BUILDING MANUFACTURING (ANZSIC group 291) recorded the largest percentage increase in sales and service income (25%) between 2003–04 and 2004–05. The largest absolute increase, of \$4.2b, was recorded by PETROLEUM REFINING (ANZSIC group 251). The industry group which made the largest contribution to sales and service income in 2004–05 was MOTOR VEHICLE AND PART MANUFACTURING (ANZSIC group 281), at 7%.

Sales and service income per person employed in Australian manufacturing in 2004–05 was \$320,000, 5% (or \$15,300) higher than for 2003–04, and 14%, (or \$39,900) higher than in 2001–02.

INDUSTRY VALUE ADDED

DISTRIBUTION OF IVA ACROSS INDUSTRIES, 2003–04 AND 2004–05



Note: Industry subdivisions

- 21 Food, beverage and tobacco manufacturing
- 22 Textile, clothing, footwear and leather manufacturing
- 23 Wood and paper product manufacturing
- 24 Printing, publishing and recorded media
- 25 Petroleum, coal, chemical and associated product manufacturing
- 26 Non-metallic mineral product manufacturing
- 27 Metal product manufacturing
- 28 Machinery and equipment manufacturing
- 29 Other manufacturing

IVA for the manufacturing industry increased by \$6.9b (8%) to \$97.8b in 2004–05. This increase is the product of the \$22.7b increase in sales and service income mentioned above, and increases of \$13.3b (8%) in purchases of goods and materials, \$5.0b (9%) in other intermediate input expenses, and \$2.5b in the value of the change in inventories (compared to a decrease last year).

Seven of the nine manufacturing industry subdivisions recorded increases in IVA in current price terms between 2003–04 and 2004–05, although the increases were less than 2% in two of them.

At the industry group level, of those groups available for publication, PETROLEUM REFINING (ANZSIC group 251) recorded the largest increase in IVA in both absolute and percentage terms (\$0.9b, or 75%) in 2004–05. BASIC NON-FERROUS METAL MANUFACTURING (ANZSIC group 272) experienced the second largest absolute growth in IVA, \$0.6b (13%), and the second highest percentage increase in IVA (26%, or \$75m) belonged to PREFABRICATED BUILDING MANUFACTURING (ANZSIC group 291).

As measured by contribution to IVA, the largest manufacturing industry groups in 2004–05 (of those available for publication) each accounted for 6% of the estimate for total manufacturing: MOTOR VEHICLE AND PART MANUFACTURING (ANZSIC group 281), with \$6.1b, PUBLISHING (ANZSIC group 242), with \$5.7b, and BASIC NON-FERROUS METAL MANUFACTURING (ANZSIC group 272), with \$5.4b.

IVA per person employed in manufacturing has increased by 5%, from \$87,700 in 2003–04 to \$92,400 in 2004–05.

EMPLOYMENT

Australian manufacturing industry employed 1,057,600 persons at the end of June 2005, an increase of 21,100 (or 2.0%) compared to the end of June 2004.

EMPLOYMENT *continued*

Employment rose in seven of the nine manufacturing industry subdivisions between June 2004 and June 2005. The industry subdivisions which experienced the greatest percentage increases in employment were METAL PRODUCT MANUFACTURING (up 7.2%, from 162,300 to 174,000), PRINTING, PUBLISHING AND RECORDED MEDIA (up 6.3%, from 102,200 to 108,600) and NON-METALLIC MINERAL PRODUCT MANUFACTURING (up 4.9%, from 44,300 to 46,400). Employment was reduced in TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING (down 7.9%, from 56,500 to 52,000) and PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING (down 0.9%, from 105,100 to 104,200).

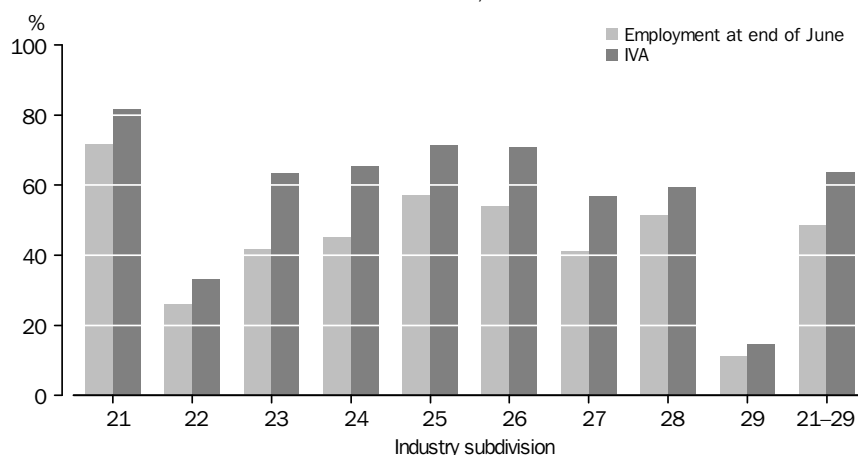
At the industry class level, the five largest manufacturing industries as measured by employment at the end of June 2005 were PRINTING (ANZSIC Class 2412) (47,700 persons), FABRICATED METAL PRODUCT MANUFACTURING N.E.C. (ANZSIC 2769) (33,800 persons), WOODEN FURNITURE AND UPHOLSTERED SEAT MANUFACTURING (ANZSIC 2921) (33,000 persons), MEAT PROCESSING (ANZSIC 2111) (29,400 persons) and MOTOR VEHICLE MANUFACTURING (ANZSIC 2811) (28,200 persons).

At the end of June 2005, employment in Australian manufacturing was 1.4% (or 14,500 persons) greater than at the end of June 2002.

EMPLOYMENT SIZE

In 2004–05, businesses employing 100 or more persons accounted for 49% of total manufacturing employment in Australia and 61% of wages and salaries. Their contribution to sales and service income was 66%, and to industry value added 64%. These proportions are very similar to those of 2003–04.

CONTRIBUTION TO MANUFACTURING INDUSTRIES BY BUSINESSES EMPLOYING 100 OR MORE PERSONS, 2004–05



Note: Industry subdivisions

- 21 Food, beverage and tobacco manufacturing
- 22 Textile, clothing, footwear and leather manufacturing
- 23 Wood and paper product manufacturing
- 24 Printing, publishing and recorded media
- 25 Petroleum, coal, chemical and associated product manufacturing
- 26 Non-metallic mineral product manufacturing
- 27 Metal product manufacturing
- 28 Machinery and equipment manufacturing
- 29 Other manufacturing
- 21–29 Total manufacturing

LABOUR COSTS

The Australian manufacturing industry paid \$48.4b in wages and salaries in 2004–05, 5% higher than in 2003–04.

LABOUR COSTS

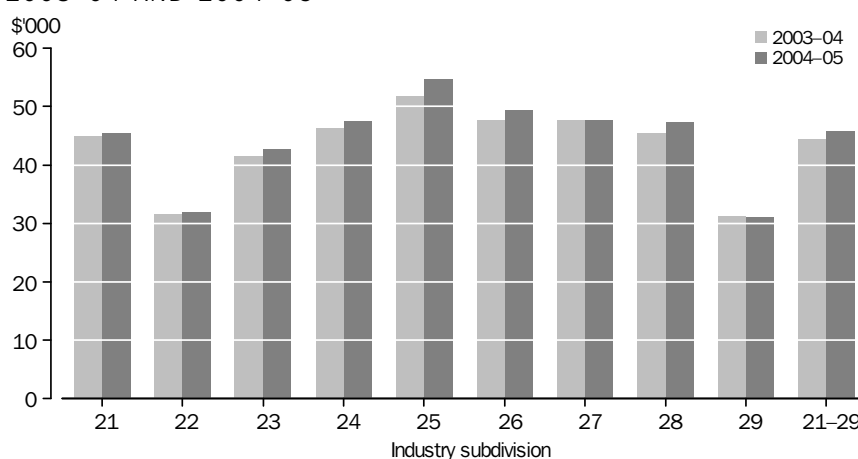
continued

Total wages and salaries paid rose, in current price terms, in eight of the nine manufacturing industry subdivisions between 2003–04 and 2004–05. Recording a decline of 7%, TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING was the exception.

The manufacturing industry subdivision showing the largest percentage increase in wages and salaries in 2004–05 was PRINTING, PUBLISHING AND RECORDED MEDIA (up 9%, or \$0.4b, to \$5.2b). In absolute terms, METAL PRODUCT MANUFACTURING and MACHINERY AND EQUIPMENT MANUFACTURING recorded the largest increases (each up \$0.6b, or 7% and 6% respectively).

The industry group, of those available for publication, which paid the most in wages and salaries was MOTOR VEHICLE AND PART MANUFACTURING (ANZSIC group 281), with \$3.5b or 7% of total manufacturing. INDUSTRIAL MACHINERY AND EQUIPMENT MANUFACTURING (ANZSIC group 286), which paid \$2.7b (or 6%), ranked second.

WAGES AND SALARIES PER PERSON EMPLOYED AT END OF JUNE, 2003–04 AND 2004–05



Note: Industry subdivisions

- 21 Food, beverage and tobacco manufacturing
- 22 Textile, clothing, footwear and leather manufacturing
- 23 Wood and paper product manufacturing
- 24 Printing, publishing and recorded media
- 25 Petroleum, coal, chemical and associated product manufacturing
- 26 Non-metallic mineral product manufacturing
- 27 Metal product manufacturing
- 28 Machinery and equipment manufacturing
- 29 Other manufacturing
- 21–29 Total manufacturing

Wages and salaries represented 85% of the \$57.2b in total labour costs paid by Australian manufacturing in 2004–05, and 89% of the value of selected labour costs (i.e., with fringe benefits tax and payroll tax excluded). The proportions are slightly higher in PRINTING, PUBLISHING AND RECORDED MEDIA (86% and 91% respectively). The largest employer in the manufacturing industry, MACHINERY AND EQUIPMENT MANUFACTURING, incurred the highest workers' compensation premiums/costs during the year, just ahead of FOOD, BEVERAGE AND TOBACCO MANUFACTURING (even though it employs 20% fewer people than MACHINERY AND EQUIPMENT MANUFACTURING).

PROFITABILITY AND EARNINGS

Total trading profit for the manufacturing industry in 2004–05 was \$93.2b, an increase of \$6.6b (8%) over the previous year. Of the seven industry subdivisions in which trading profit increased, the largest increase in absolute terms (\$2.3b, or 7%) occurred in METAL PRODUCT MANUFACTURING. The largest percentage increase in trading profit was recorded by PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING (16%, or \$1.7b).

Although Earnings Before Interest and Tax (EBIT) rose more strongly, by 16%, or \$4.7b, this result reflects a more mixed performance within the industry. EBIT increased in five of the nine manufacturing subdivisions. Movements in EBIT compared to the estimates for 2003–04 ranged from an increase of 52% (\$2.7b) in METAL PRODUCT MANUFACTURING to a decrease of 11% (\$0.2b) in WOOD AND PAPER PRODUCT MANUFACTURING. The other industries in which EBIT declined in 2004–05 were TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING (down 8%, or \$74m), FOOD, BEVERAGE AND TOBACCO MANUFACTURING (down 5%, or \$0.4b) and NON-METALLIC MINERAL PRODUCT MANUFACTURING (down marginally).

Four industry subdivisions recorded increases in operating profit before tax (OPBT), and total manufacturing improved its OPBT by 17% (or \$4.2b). Movements in OPBT compared to the estimates for 2003–04 ranged from an increase of 59% (\$2.8b) in METAL PRODUCT MANUFACTURING to a decrease of 18% (\$137m) in TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING.

CAPITAL EXPENDITURE

Net capital expenditure by manufacturing businesses rose by 23%, or \$2.6b, to \$14.0b between 2003–04 and 2004–05. Total acquisitions grew by 17% (\$2.3b), including increases of 12% (\$1.3b) in outlays on plant, machinery and equipment and 42% (\$0.6b) in expenditure on dwellings, other buildings and structures. Asset disposals in 2004–05 were 14% (\$0.3b) lower than in the previous year.

INDUSTRY PERFORMANCE MEASURES

A range of performance measures, mainly expressed as ratios, can be produced from the data available from businesses' financial statements. A selection of these are presented in table 2.7 for each manufacturing industry subdivision. Definitions are provided in the Glossary. Information about the uses and limitations of these measures can be found in Explanatory Notes paragraphs 22–27.

The following summarises the manufacturing industry's performance ratios for 2004–05, as set out in detail in table 2.7:

- The profit margin for total manufacturing in 2004–05 is estimated at 8.5%, an increase from 7.7% in 2003–04. At the industry subdivision level, profit margins ranged from 15.2% for the PRINTING, PUBLISHING AND RECORDED MEDIA industry to 6.2% for PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING. Estimated profit margin declined in five subdivisions: FOOD, BEVERAGE AND TOBACCO MANUFACTURING, TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING, WOOD AND PAPER PRODUCT MANUFACTURING, NON-METALLIC MINERAL PRODUCT MANUFACTURING, and OTHER MANUFACTURING. The largest increase (from 7.9% in 2003–04 to 11.4% in 2004–05) occurred in METAL PRODUCT MANUFACTURING.

INDUSTRY PERFORMANCE MEASURES *continued*

- Interest coverage for total manufacturing improved in 2004–05 to 7.3 times, up from 6.9 times in 2003–04. This improvement belies the fact that interest coverage decreased in six of the nine manufacturing subdivisions. The industries which improved their interest coverage were METAL PRODUCT MANUFACTURING (from 9.6 times to 16.0 times), MACHINERY AND EQUIPMENT MANUFACTURING (7.3 times to 8.1 times), and PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING (4.4 times to 5.5 times).
- In one manufacturing industry subdivision, PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING, IVA was double the estimate of its selected labour costs. For manufacturing overall, the ratio was 1.8 times (up from 1.75 times in 2003–04). TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING shows the lowest value (1.5 times) for this ratio, just behind MACHINERY AND EQUIPMENT MANUFACTURING (at 1.51 times).
- Selected labour costs per person employed ranged from \$61,500 in PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING to \$35,700 in OTHER MANUFACTURING. For total manufacturing, the estimate rose by 3% (from \$50,200 to \$51,500) in 2004–05.
- The manufacturing industry's investment rate (value added) in 2004–05 was 16.4%, compared to 15.1% in 2003–04. This reflected, in 2004–05, a range from 10.0% for OTHER MANUFACTURING to 23.4% for PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING.

INDUSTRY SUBDIVISION ANALYSIS

FOOD, BEVERAGE AND TOBACCO MANUFACTURING

By most measures presented, this industry constitutes about one-fifth of Australian manufacturing. In 2004–05, FOOD, BEVERAGE AND TOBACCO MANUFACTURING was the largest manufacturing industry as measured by its share of sales and service income (21%) and purchases of goods and materials (22%). It ranked second in wages and salaries (18%), employment (18%), asset acquisitions (21%), net capital expenditure (22%), trading profit (19%), OPBT (19%) and EBIT (20%), and third in its contribution to IVA (19%).

The industry is dominated by businesses employing 100 or more persons. These businesses contribute 82% of the subdivision's IVA, 80% of wages and salaries, 78% of sales and service income and 71% of employment. Compared to businesses employing 100 or more persons across the other eight industry subdivisions, those in FOOD, BEVERAGE AND TOBACCO MANUFACTURING provided the greatest proportion of employment (26%), sales and service income (25%), and IVA and wages and salaries (both 24%). One half of this industry's IVA is produced by businesses employing 1,000 or more persons.

TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING

The smallest manufacturing subdivision by most key measures presented, TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING accounted for 3% or less of total manufacturing IVA, sales and service income, purchases of goods and materials, wages and salaries and all three profit measures. The industry made the smallest contribution to the total profits of Australian manufacturing and was its second smallest employer in 2004–05, providing 5% of the total employment in Australian manufacturing.

Over the period from 2001–02 to 2004–05, employment in this industry has decreased by 20%. Within TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING, businesses employing 0–4 persons accounted for 24% of the subdivision's estimated total employment. However, of the employment size categories presented, businesses employing from 20 to 49 persons (with 17% of the industry's employment) made the greatest contribution

TEXTILE, CLOTHING, FOOTWEAR AND
LEATHER MANUFACTURING
continued

to the subdivision's sales and service income (17%), and IVA (18%) and wages and salaries (19%).

WOOD AND PAPER PRODUCT
MANUFACTURING

In 2004–05, WOOD AND PAPER PRODUCT MANUFACTURING accounted for 7% of total IVA, employment and trading profit for manufacturing, 6% of wages and salaries and EBIT, and 5% of sales and service income, purchases of goods and materials, and OPBT.

Most key variables showed little change during the year. Sales and service income and total income declined marginally, and IVA and total expenses were unchanged. Both EBIT and OPBT declined by 11%, whereas trading profit was stable.

PRINTING, PUBLISHING AND
RECORDED MEDIA

During 2004–05 this industry recorded a 9% increase in IVA, matching its increase in sales and service income. Wages and salaries increased by 9%, trading profit by 9%, EBIT by 26% and OPBT by 22%.

PRINTING, PUBLISHING AND RECORDED MEDIA's share of manufacturing purchases of goods and materials in 2004–05 was, at 4%, substantially less than its contribution to manufacturing's total IVA (10%), employment (10%), wages and salaries (11%), sales and service income (7%), and EBIT and OPBT (both 12%). Conversely, labour costs constituted 30% of the total expenses of this industry, compared to 18% at the total manufacturing level.

PETROLEUM, COAL, CHEMICAL AND
ASSOCIATED PRODUCT
MANUFACTURING

PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING IVA and sales and service income increased by 15% in 2004–05. Although trading profit increased by 16%, OPBT and EBIT increased much more substantially (47% and 39% respectively).

In 2004–05 the industry accounted for 13% of IVA for manufacturing, 18% of sales and service income, 22% of purchases of goods and materials, 12% of wages and salaries, 13% of trading profit and OPBT, 14% of EBIT, and 10% of employment at the end of June 2005.

Net capital expenditure in 2004–05 was \$2.8b, an \$0.8b (41%) increase over the previous year.

Businesses employing 100 or more people accounted for 57% of employment in PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING. Such businesses produced 80% of the industry's sales and service income and 71% of its IVA, and paid 69% of its wages and salaries.

NON-METALLIC MINERAL PRODUCT
MANUFACTURING

This industry increased its wages and salaries paid by 9% in 2004–05. Despite increases of 5% in sales and service income and 6% in total income, total expenses rose by a greater amount (7%, or \$0.9b). Hence EBIT eased marginally, and OPBT fell by 6%. IVA increased only marginally.

In 2004–05, the subdivision's share of both total acquisition of assets and net capital expenditure in manufacturing was 6%.

METAL PRODUCT MANUFACTURING

This industry comprises about one-fifth of Australian manufacturing. Its share of employment is slightly less (16%). In 2004–05 METAL PRODUCT MANUFACTURING was the largest source of manufacturing OPBT (26%), trading profit (19%), EBIT (24%), acquisitions of assets and (22%), and net capital expenditure (23%). It ranked second in terms of IVA, sales and service income and total income (all 19%), and third in employment (16%).

In 2004–05, METAL PRODUCT MANUFACTURING's IVA increased by 19%, sales and service income by 11%. Profitability also improved markedly, OPBT rising by 59%, EBIT by 52% and trading profit by 15%. Wages and salaries and employment both increased by 7%.

METAL PRODUCT MANUFACTURING increased its net capital expenditure by \$1.2b (or 60%) in 2004–05, the strongest absolute and percentage growth of any manufacturing subdivision.

Businesses employing fewer than 100 persons provided 59% of this industry's employment at the end of June 2005.

**MACHINERY AND EQUIPMENT
MANUFACTURING**

In 2004–05, IVA of MACHINERY AND EQUIPMENT MANUFACTURING increased by 8%. Wages and salaries grew by 6%. The industry's increases in OPBT (14%) and EBIT (13%) exceeded its increase in trading profit (7%) during the year.

MACHINERY AND EQUIPMENT MANUFACTURING was the largest source of manufacturing IVA (\$19.b, or 20%) and employment (237,200 persons, or 22%), and paid the greatest amount (\$11.2b, or 23%) in wages and salaries. The subdivision contributed 17% to total capital acquisitions and 15% to net capital expenditure. It contributed 19% to the trading profit, but only 14% to EBIT and OPBT, of total manufacturing.

The largest recipient of funding from government for operational costs of any manufacturing industry, MACHINERY AND EQUIPMENT MANUFACTURING received 69% of all such funding provided to manufacturing in 2004–05. Assistance to the motor vehicle industry is a major element.

Employment within MACHINERY AND EQUIPMENT MANUFACTURING was almost equally shared between businesses employing fewer than 100 persons (51%) and those employing 100 or more (49%). However, businesses employing 100 or more persons paid 60% of the wages and salaries of this industry, and made similar contributions to sales and service income (63%) and IVA (60%).

OTHER MANUFACTURING

In 2004–05, OTHER MANUFACTURING accounted for 7% of total manufacturing employment but 5% or less of wages and salaries, IVA, sales and service income, purchases of goods and materials, and the various profit measures presented.

OTHER MANUFACTURING is the subdivision most heavily dominated by businesses employing fewer than 100 persons. In this industry, these businesses account for 89% of employment, 85% of wages and salaries, 86% of sales and service income, and 85% of IVA. In all the employment size categories representing businesses employing fewer than 50 persons, OTHER MANUFACTURING made the greatest percentage contribution of any manufacturing industry.

2.1 FINANCIAL PERFORMANCE, 2003–04 and 2004–05

	TOTAL INCOME		TOTAL EXPENSES		TRADING PROFIT		EARNINGS BEFORE INTEREST AND TAX		OPERATING PROFIT BEFORE TAX	
	03–04	04–05	03–04	04–05	03–04	04–05	03–04	04–05	03–04	04–05
<i>Industry subdivision</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
21 Food, beverage and tobacco mfg	71 036	72 963	65 258	67 652	16 885	17 781	7 141	6 774	6 014	5 590
22 Textile, clothing, footwear and leather mfg	10 342	9 585	9 543	9 018	3 008	2 668	876	802	744	607
23 Wood and paper product mfg	18 883	18 495	17 257	17 119	6 298	6 252	2 065	1 848	1 727	1 532
24 Printing, publishing and recorded media	21 027	23 345	18 220	19 997	8 923	9 712	3 126	3 938	2 800	3 408
25 Petroleum, coal, chemical and associated product mfg	53 656	61 509	51 055	58 841	10 665	12 374	3 314	4 591	2 558	3 750
26 Non-metallic mineral product mfg	13 905	14 732	12 458	13 379	4 649	4 729	1 781	1 764	1 526	1 429
27 Metal product mfg	59 407	66 816	54 694	60 100	15 787	18 102	5 216	7 946	4 674	7 450
28 Machinery and equipment mfg	61 333	65 211	58 112	61 793	16 482	17 682	3 985	4 491	3 439	3 937
29 Other manufacturing	12 507	13 000	11 565	12 077	3 900	3 924	1 085	1 098	973	970
21–29 Total manufacturing	322 096	345 657	298 163	319 976	86 597	93 224	28 590	33 252	24 455	28 672

2.2

INDUSTRY CLASS

INDUSTRY CLASS	Employment at end of June(a)	Wages and salaries(b)	Sales and service income(c)	Industry value added	Sales and service income per person employed	Industry value added per person employed
ANZSIC code Description	no.	\$m	\$m	\$m	\$'000	\$'000
FOOD, BEVERAGE AND TOBACCO MFG						
211 Meat and meat product mfg						
2111 Meat processing	29 426	1 117	11 299	1 836	384.0	62.4
2112 Poultry processing	17 396	758	3 942	1 218	226.6	70.0
2113 Bacon, ham and smallgoods mfg	8 838	331	2 530	480	286.3	54.3
<i>Total</i>	55 661	2 205	17 771	3 534	319.3	63.5
212 Dairy product mfg						
2121 Milk and cream processing	6 588	310	3 137	685	476.2	103.9
2122 Ice cream mfg	1 263	43	350	92	276.9	73.0
2129 Dairy product mfg n.e.c.	10 376	518	5 993	954	577.6	92.0
<i>Total</i>	18 227	871	9 480	1 731	520.1	95.0
213 Fruit and vegetable processing	12 784	581	4 886	1 188	382.2	93.0
214 Oil and fat mfg	1 860	102	1 480	276	795.7	148.3
215 Flour mill and cereal food mfg						
2151 Flour mill product mfg	2 015	110	1 404	266	696.6	132.2
2152 Cereal food and baking mix mfg	6 758	332	2 409	689	356.4	102.0
<i>Total</i>	8 772	442	3 812	956	434.6	108.9
216 Bakery product mfg						
2161 Bread mfg	9 945	451	1 785	706	179.4	71.0
2162 Cake and pastry mfg	8 427	256	1 121	375	133.0	44.5
2163 Biscuit mfg	4 812	236	964	404	200.3	83.9
<i>Total</i>	23 184	943	3 869	1 484	166.9	64.0
217 Other food mfg						
2171 Sugar mfg	4 402	230	1 998	423	453.9	96.0
2172 Confectionery mfg	10 003	609	3 983	1 322	398.1	132.2
2173 Seafood processing	4 472	121	1 362	196	304.5	43.9
2174 Prepared animal and bird feed mfg	5 232	257	2 876	500	549.7	95.5
2179 Food mfg n.e.c.	17 481	749	5 267	1 337	301.3	76.5
<i>Total</i>	41 589	1 966	15 486	3 777	372.4	90.8
218 Beverage and malt mfg						
2181 Soft drink, cordial and syrup mfg	6 862	362	3 553	1 095	517.7	159.6
2182 Beer and malt mfg	3 712	302	3 608	1 511	971.9	406.9
2183 Wine mfg	15 980	737	5 840	1 895	365.5	118.6
2184 Spirit mfg	np	np	np	np	np	np
<i>Total</i>	np	np	np	np	np	np
219 Tobacco product mfg	np	np	np	np	np	np
21 Total food, beverage and tobacco mfg	190 692	8 690	71 572	18 551	375.3	97.3
TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MFG						
221 Textile fibre, yarn and woven fabric mfg						
2211 Wool scouring	594	33	180	43	303.4	72.4
2212 Synthetic fibre textile mfg	1 830	65	342	113	187.0	61.7
2213 Cotton textile mfg	1 680	82	311	104	185.4	61.9
2214 Wool textile mfg	839	29	154	48	183.9	57.4
2215 Textile finishing	978	42	188	63	192.0	64.8
<i>Total</i>	5 922	251	1 176	372	198.6	62.7

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

(a) Includes working proprietors.

(b) Excludes drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

2.2**INDUSTRY CLASS** *continued*

INDUSTRY CLASS	Employment at end of June(a)	Wages and salaries(b)	Sales and service income(c)	Industry value added	Sales and service income per person employed	Industry value added per person employed
ANZSIC code Description	no.	\$m	\$m	\$m	\$'000	\$'000
TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MFG <i>cont.</i>						
222 Textile product mfg						
2221 Made-up textile product mfg	7 891	237	1 134	378	143.7	47.9
2222 Textile floor covering mfg	3 816	186	1 051	312	275.4	81.9
2223 Rope, cordage and twine mfg	571	18	117	32	204.8	56.8
2229 Textile product mfg n.e.c.	3 141	108	550	195	175.1	62.2
<i>Total</i>	15 420	548	2 851	918	184.9	59.6
223 Knitting mills						
2231 Hosiery mfg	910	38	120	62	131.4	67.8
2232 Cardigan and pullover mfg	650	18	72	28	110.9	43.4
2239 Knitting mill product mfg n.e.c.	1 008	35	179	57	177.2	56.8
<i>Total</i>	2 568	91	370	147	144.2	57.3
224 Clothing mfg						
2241 Men's and boys' wear mfg	2 688	79	368	113	137.1	41.9
2242 Women's and girls' wear mfg	4 303	111	740	187	171.9	43.4
2243 Sleepwear, underwear and infant clothing mfg	1 172	43	333	100	284.4	85.0
2249 Clothing mfg n.e.c.	13 690	334	2 195	658	160.3	48.1
<i>Total</i>	21 854	567	3 636	1 057	166.4	48.4
225 Footwear mfg	2 833	95	534	164	188.6	57.9
226 Leather and leather product mfg						
2261 Leather tanning and fur dressing	2 143	70	536	103	250.0	48.1
2262 Leather and leather substitute product mfg	1 244	36	196	66	157.8	52.9
<i>Total</i>	3 387	105	732	169	216.2	49.9
22 Total textile, clothing, footwear and leather mfg	51 984	1 657	9 300	2 827	178.9	54.4
WOOD AND PAPER PRODUCT MFG						
231 Log sawmilling and timber dressing						
2311 Log sawmilling	7 272	239	1 325	545	182.2	74.9
2312 Wood chipping	1 415	55	677	258	478.2	182.4
2313 Timber resawing and dressing	6 788	306	1 898	721	279.6	106.3
<i>Total</i>	15 476	600	3 900	1 524	252.0	98.5
232 Other wood product mfg						
2321 Plywood and veneer mfg	1 114	52	360	95	322.9	85.4
2322 Fabricated wood mfg	4 775	236	1 449	493	303.5	103.2
2323 Wooden structural component mfg	21 192	688	3 526	1 285	166.4	60.6
2329 Wood product mfg n.e.c.	8 216	201	1 004	358	122.2	43.6
<i>Total</i>	35 298	1 177	6 339	2 231	179.6	63.2
233 Paper and paper product mfg						
2331 Pulp, paper and paperboard mfg	4 507	263	1 843	514	408.9	114.1
2332 Solid paperboard container mfg	1 084	49	188	87	173.8	80.7
2333 Corrugated paperboard container mfg	6 594	475	3 411	1 147	517.3	174.0
2334 Paper bag and sack mfg	1 093	61	343	133	313.7	121.7
2339 Paper product mfg n.e.c.	6 366	380	2 245	842	352.6	132.2
<i>Total</i>	19 644	1 228	8 030	2 724	408.8	138.6
23 Total wood and paper product mfg	70 417	3 005	18 269	6 479	259.4	92.0

(a) Includes working proprietors.

(c) Includes rent, leasing and hiring income.

(b) Excludes drawings of working proprietors.

2.2**INDUSTRY CLASS** *continued*

INDUSTRY CLASS		Employment	Wages and	Sales and	Industry	Sales and	Industry
		at end of	salaries(b)	service	value	income	value
		June(a)		income(c)	added	per person	added per
ANZSIC						employed	person
code	Description	no.	\$m	\$m	\$m	\$'000	\$'000
PRINTING, PUBLISHING AND RECORDED MEDIA							
241	Printing and services to printing						
2411	Paper stationery mfg	5 193	232	1 172	381	225.7	73.4
2412	Printing	47 652	2 037	8 355	3 341	175.3	70.1
2413	Services to printing	5 907	220	772	346	130.6	58.5
	<i>Total</i>	58 752	2 490	10 299	4 068	175.3	69.2
242	Publishing						
2421	Newspaper printing or publishing	27 802	1 499	6 076	3 440	218.6	123.7
2422	Other periodical publishing	8 783	457	2 001	652	227.8	74.2
2423	Book and other publishing	8 953	489	3 124	1 573	349.0	175.7
	<i>Total</i>	45 539	2 445	11 201	5 664	246.0	124.4
243	Recorded media manufacturing and publishing	4 346	228	978	395	225.0	90.8
24	Total printing, publishing and recorded media	108 636	5 163	22 478	10 127	206.9	93.2
PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MFG							
251	Petroleum refining	6 025	502	22 662	2 127	3 761.4	353.0
252	Petroleum and coal product mfg n.e.c.	1 162	63	587	153	505.2	131.8
253	Basic chemical mfg						
2531	Fertiliser mfg	np	np	np	np	np	np
2532	Industrial gas mfg	np	np	np	np	np	np
2533	Synthetic resin mfg	5 977	362	3 509	794	587.1	132.9
2534	Organic industrial chemical mfg n.e.c.	2 037	132	1 129	240	554.2	118.0
2535	Inorganic industrial chemical mfg n.e.c.	4 778	323	2 939	896	615.1	187.5
	<i>Total</i>	18 183	1 197	11 675	3 032	642.1	166.8
254	Other chemical product mfg						
2541	Explosive mfg	np	np	np	np	np	np
2542	Paint mfg	6 206	342	2 030	566	327.1	91.1
2543	Medicinal and pharmaceutical product mfg	14 610	886	7 062	1 727	483.3	118.2
2544	Pesticide mfg	1 343	80	793	182	590.4	135.4
2545	Soap and other detergent mfg	3 789	220	1 869	575	493.3	151.7
2546	Cosmetic and toiletry preparation mfg	3 301	115	645	191	195.3	58.0
2547	Ink mfg	np	np	np	np	np	np
2549	Chemical product mfg n.e.c.	3 950	197	1 406	405	355.9	102.5
	<i>Total</i>	36 136	2 030	15 295	4 145	423.3	114.7
255	Rubber product mfg						
2551	Rubber tyre mfg	3 211	175	989	287	308.2	89.3
2559	Rubber product mfg n.e.c.	4 678	204	1 063	357	227.3	76.4
	<i>Total</i>	7 889	379	2 053	644	260.2	81.6

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

(a) Includes working proprietors.

(b) Excludes drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

2.2**INDUSTRY CLASS** *continued*

INDUSTRY CLASS		Employment	Wages and	Sales and	Industry	Sales and	Industry
		at end of	salaries(b)	service	value	income	value
		June(a)		income(c)	added	per person	added per
						employed	person
ANZSIC	Description	no.	\$m	\$m	\$m	\$'000	\$'000
code							
PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MFG <i>cont.</i>							
256	Plastic product mfg						
2561	Plastic blow moulded product mfg	3 928	202	1 070	352	272.5	89.5
2562	Plastic extruded product mfg	4 766	222	1 355	400	284.4	83.8
2563	Plastic bag and film mfg	5 445	310	2 063	628	378.9	115.3
2564	Plastic product rigid fibre reinforced mfg	6 480	225	1 247	442	192.5	68.2
2565	Plastic foam product mfg	^ 1 965	77	420	154	213.7	78.6
2566	Plastic injection moulded product mfg	12 230	494	2 443	880	199.7	71.9
	<i>Total</i>	34 814	1 530	8 599	2 855	247.0	82.0
25	Total petroleum, coal, chemical and associated product mfg	104 208	5 701	60 871	12 956	584.1	124.3
NON-METALLIC MINERAL PRODUCT MFG							
261	Glass and glass product mfg	7 181	329	1 968	826	274.1	115.1
262	Ceramic mfg						
2621	Clay brick mfg	3 265	178	930	440	284.9	134.7
2622	Ceramic product mfg	1 042	78	257	110	246.3	105.6
2623	Ceramic tile and pipe mfg	484	17	97	32	200.1	65.7
2629	Ceramic product mfg n.e.c.	2 234	87	472	181	211.2	81.0
	<i>Total</i>	7 025	359	1 756	763	249.9	108.6
263	Cement, lime, plaster and concrete product mfg						
2631	Cement and lime mfg	3 506	242	1 818	700	518.5	199.6
2632	Plaster product mfg	4 870	251	1 499	399	307.8	82.0
2633	Concrete slurry mfg	7 700	447	3 629	999	471.3	129.8
2634	Concrete pipe and box culvert mfg	1 078	56	250	98	232.0	90.9
2635	Concrete product mfg n.e.c.	7 574	291	1 608	528	212.2	69.8
	<i>Total</i>	24 728	1 288	8 803	2 725	356.0	110.2
264	Non-metallic mineral product mfg n.e.c.	7 504	320	1 770	638	235.8	85.0
26	Total non-metallic mineral product mfg	46 438	2 297	14 297	4 951	307.9	106.6
METAL PRODUCT MFG							
271	Iron and steel mfg						
2711	Basic iron and steel mfg	23 345	1 479	12 996	3 472	556.7	148.7
2712	Iron and steel casting and forging	8 878	497	2 252	905	253.7	102.0
2713	Steel pipe and tube mfg	3 142	164	1 265	332	402.5	105.8
	<i>Total</i>	35 364	2 139	16 513	4 710	466.9	133.2
272	Basic non-ferrous metal mfg						
2721	Alumina production	7 524	613	5 835	2 433	775.5	323.3
2722	Aluminium smelting	5 257	411	6 341	1 802	1 206.2	342.8
2723	Copper, silver, lead and zinc smelting, refining	2 417	173	2 420	436	1 001.2	180.3
2729	Basic non-ferrous metal mfg n.e.c.	2 182	144	8 435	774	3 865.8	354.9
	<i>Total</i>	17 380	1 341	23 031	5 445	1 325.2	313.3
273	Non-ferrous basic metal product mfg						
2731	Aluminium rolling, drawing, extruding	3 170	220	1 597	326	503.8	102.9
2732	Non-ferrous metal rolling, drawing, extruding n.e.c.	1 838	98	1 182	188	642.9	102.1
2733	Non-ferrous metal casting	1 418	65	203	82	143.3	57.7
	<i>Total</i>	6 426	383	2 982	596	464.0	92.7

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

(a) Includes working proprietors.

(b) Excludes drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

2.2**INDUSTRY CLASS** *continued*

INDUSTRY CLASS		Employment	Wages and	Sales and	Industry	Sales and	Industry
		at end of	salaries(b)	service	value	income	value
		June(a)		income(c)	added	per person	added per
						employed	person
ANZSIC	Description	no.	\$m	\$m	\$m	\$'000	\$'000
code							
METAL PRODUCT MFG <i>cont.</i>							
274	Structural metal product mfg						
2741	Structural steel fabricating	17 681	764	4 407	1 312	249.2	74.2
2742	Architectural aluminium product mfg	15 866	601	3 070	1 044	193.5	65.8
2749	Structural metal product mfg n.e.c.	7 696	280	1 542	494	200.3	64.1
	<i>Total</i>	<i>41 244</i>	<i>1 646</i>	<i>9 018</i>	<i>2 850</i>	<i>218.7</i>	<i>69.1</i>
275	Sheet metal product mfg						
2751	Metal container mfg	3 616	227	1 414	453	391.0	125.4
2759	Sheet metal product mfg n.e.c.	17 171	616	3 361	1 149	195.7	66.9
	<i>Total</i>	<i>20 787</i>	<i>842</i>	<i>4 775</i>	<i>1 602</i>	<i>229.7</i>	<i>77.1</i>
276	Fabricated metal product mfg						
2761	Hand tool and general hardware mfg	2 238	77	374	158	167.3	70.8
2762	Spring and wire product mfg	5 395	231	1 174	389	217.7	72.2
2763	Nut, bolt, screw and rivet mfg	1 873	85	502	167	268.1	88.9
2764	Metal coating and finishing	9 094	313	1 095	524	120.4	57.7
2765	Non-ferrous pipe fitting mfg	460	19	91	32	198.1	68.9
2769	Fabricated metal product mfg n.e.c.	33 765	1 235	5 604	2 257	166.0	66.8
	<i>Total</i>	<i>52 826</i>	<i>1 960</i>	<i>8 841</i>	<i>3 527</i>	<i>167.4</i>	<i>66.8</i>
27	Total metal product mfg	174 027	8 312	65 160	18 730	374.4	107.6
MACHINERY AND EQUIPMENT MFG							
281	Motor vehicle and part mfg						
2811	Motor vehicle mfg	28 158	1 645	14 570	2 969	517.4	105.4
2812	Motor vehicle body mfg	12 331	454	2 720	768	220.6	62.3
2813	Automotive electrical and instrument mfg	3 504	157	924	259	263.7	73.9
2819	Automotive component mfg n.e.c.	24 254	1 261	6 902	2 063	284.6	85.1
	<i>Total</i>	<i>68 248</i>	<i>3 516</i>	<i>25 116</i>	<i>6 059</i>	<i>368.0</i>	<i>88.8</i>
282	Other transport equipment mfg						
2821	Shipbuilding	7 260	378	1 721	667	237.1	91.9
2822	Boatbuilding	8 198	228	1 249	367	152.3	44.7
2823	Railway equipment mfg	5 673	320	1 495	535	263.6	94.4
2824	Aircraft mfg	12 815	647	3 057	1 089	238.5	85.0
2829	Transport equipment mfg n.e.c.	847	23	190	47	224.3	55.9
	<i>Total</i>	<i>34 793</i>	<i>1 596</i>	<i>7 712</i>	<i>2 706</i>	<i>221.6</i>	<i>77.8</i>
283	Photographic and scientific equipment mfg						
2831	Photographic and optical good mfg	2 051	70	391	98	190.4	47.6
2832	Medical and surgical equipment mfg	8 480	387	1 793	782	211.5	92.2
2839	Professional and scientific equipment mfg n.e.c.	6 208	273	1 311	474	211.2	76.3
	<i>Total</i>	<i>16 739</i>	<i>730</i>	<i>3 495</i>	<i>1 354</i>	<i>208.8</i>	<i>80.9</i>
284	Electronic equipment mfg						
2841	Computer and business machine mfg	3 613	168	1 046	241	289.5	66.6
2842	Telecommunication, broadcasting and						
	transceiving equipment mfg	7 611	456	1 764	643	231.7	84.5
2849	Electronic equipment mfg n.e.c.	9 013	469	1 913	765	212.3	84.8
	<i>Total</i>	<i>20 237</i>	<i>1 093</i>	<i>4 723</i>	<i>1 648</i>	<i>233.4</i>	<i>81.4</i>

(a) Includes working proprietors.

(c) Includes rent, leasing and hiring income.

(b) Excludes drawings of working proprietors.

2.2**INDUSTRY CLASS** *continued*

INDUSTRY CLASS		Employment	Wages and	Sales and	Industry	Sales and	Industry
		at end of	salaries(b)	service	value	service	value
		June(a)		income(c)	added	income	added per
						per person	person
ANZSIC						employed	employed
code	Description	no.	\$m	\$m	\$m	\$'000	\$'000
MACHINERY AND EQUIPMENT MFG <i>cont.</i>							
285	Electrical equipment and appliance mfg						
2851	Household appliance mfg	12 138	495	2 976	843	245.2	69.5
2852	Electric cable and wire mfg	2 315	143	992	238	428.6	102.9
2853	Battery mfg	1 225	60	313	110	255.6	89.6
2854	Electric light and sign mfg	4 912	187	890	294	181.3	59.8
2859	Electrical equipment mfg n.e.c.	15 749	685	3 512	1 128	223.0	71.6
	<i>Total</i>	36 339	1 569	8 684	2 613	239.0	71.9
286	Industrial machinery and equipment mfg						
2861	Agricultural machinery mfg	6 537	225	1 646	385	251.8	58.9
2862	Mining and construction machinery mfg	11 059	528	2 828	980	255.7	88.6
2863	Food processing machinery mfg	3 063	126	687	212	224.4	69.1
2864	Machine tool and part mfg	6 886	263	996	430	144.7	62.4
2865	Lifting and material handling equipment mfg	9 185	515	2 064	782	224.8	85.1
2866	Pump and compressor mfg	3 474	170	870	320	250.4	92.0
2867	Commercial space heating and cooling equipment mfg	1 886	83	502	156	266.1	82.9
2869	Industrial machinery and equipment mfg n.e.c.	18 714	812	4 320	1 434	230.8	76.6
	<i>Total</i>	60 803	2 723	13 913	4 698	228.8	77.3
28	Total machinery and equipment mfg	237 160	11 226	63 643	19 078	268.4	80.4
OTHER MANUFACTURING							
291	Prefabricated building mfg						
2911	Prefabricated metal building mfg	3 168	118	954	259	301.2	81.8
2919	Prefabricated building mfg n.e.c.	1 688	54	387	101	229.0	60.0
	<i>Total</i>	4 857	172	1 341	360	276.1	74.2
292	Furniture mfg						
2921	Wooden furniture and upholstered seat mfg	33 007	898	4 196	1 456	127.1	44.1
2922	Sheet metal furniture mfg	3 257	124	625	216	191.8	66.4
2923	Mattress mfg (except rubber)	2 731	100	558	188	204.3	69.0
2929	Furniture mfg n.e.c.	9 366	371	2 271	634	242.4	67.7
	<i>Total</i>	48 360	1 494	7 649	2 495	158.2	51.6
294	Miscellaneous mfg						
2941	Jewellery and silverware mfg	3 802	94	657	182	172.7	47.9
2942	Toy and sporting good mfg	3 171	87	501	152	158.1	48.1
2949	Manufacturing n.e.c.	13 804	460	2 703	880	195.8	63.8
	<i>Total</i>	20 777	642	3 861	1 215	185.8	58.5
29	Total other manufacturing	73 994	2 307	12 851	4 070	173.7	55.0
21-29	TOTAL MANUFACTURING	1 057 557	48 357	338 440	97 769	320.0	92.4

(a) Includes working proprietors.

(c) Includes rent, leasing and hiring income.

(b) Excludes drawings of working proprietors.

2.3**EMPLOYMENT SIZE(a)**

<i>Employment size groups</i>	<i>Employment at end of June(b)</i>		<i>Wages and salaries(c)</i>		<i>Sales and service income(d)</i>		<i>Industry value added</i>	
	'000	%	\$m	%	\$m	%	\$m	%
FOOD, BEVERAGE AND TOBACCO MANUFACTURING								
0–4 persons	7.9	4.2	136	1.6	3 263	4.6	404	2.2
5–9 persons	5.1	2.7	171	2.0	1 281	1.8	323	1.7
10–19 persons	9.5	5.0	274	3.2	2 001	2.8	459	2.5
20–49 persons	16.0	8.4	512	5.9	4 148	5.8	948	5.1
50–99 persons	15.9	8.4	622	7.2	5 143	7.2	1 262	6.8
<i>Total less than 100 persons</i>	<i>54.4</i>	<i>28.5</i>	<i>1 716</i>	<i>19.8</i>	<i>15 837</i>	<i>22.2</i>	<i>3 397</i>	<i>18.3</i>
100–199 persons	11.7	6.1	461	5.3	3 700	5.2	831	4.5
200–499 persons	29.0	15.2	1 270	14.7	11 195	15.7	2 674	14.4
500–999 persons	20.5	10.8	1 060	12.2	9 576	13.4	2 393	12.9
1 000 or more persons	75.1	39.4	4 163	48.0	31 090	43.5	9 230	49.8
<i>Total 100 or more persons</i>	<i>136.3</i>	<i>71.5</i>	<i>6 955</i>	<i>80.2</i>	<i>55 561</i>	<i>77.8</i>	<i>15 128</i>	<i>81.7</i>
<i>Total</i>	<i>190.7</i>	<i>100.0</i>	<i>8 670</i>	<i>100.0</i>	<i>71 398</i>	<i>100.0</i>	<i>18 525</i>	<i>100.0</i>
TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING								
0–4 persons	12.5	24.1	154	9.3	1 577	17.0	377	13.4
5–9 persons	4.1	7.8	131	8.0	616	6.7	195	6.9
10–19 persons	7.1	13.7	234	14.2	1 261	13.6	426	15.1
20–49 persons	8.7	16.7	305	18.5	1 536	16.6	502	17.8
50–99 persons	6.1	11.8	228	13.8	1 344	14.5	383	13.6
<i>Total less than 100 persons</i>	<i>38.5</i>	<i>74.1</i>	<i>1 052</i>	<i>63.8</i>	<i>6 334</i>	<i>68.4</i>	<i>1 883</i>	<i>66.8</i>
100–199 persons	5.1	9.8	237	14.4	1 205	13.0	358	12.7
200–499 persons	4.5	8.6	188	11.4	768	8.3	293	10.4
500–999 persons	3.9	7.6	171	10.4	947	10.2	285	10.1
1 000 or more persons	—	—	—	—	—	—	—	—
<i>Total 100 or more persons</i>	<i>13.5</i>	<i>25.9</i>	<i>596</i>	<i>36.2</i>	<i>2 921</i>	<i>31.6</i>	<i>936</i>	<i>33.2</i>
<i>Total</i>	<i>52.0</i>	<i>100.0</i>	<i>1 648</i>	<i>100.0</i>	<i>9 255</i>	<i>100.0</i>	<i>2 819</i>	<i>100.0</i>
WOOD AND PAPER PRODUCT MANUFACTURING								
0–4 persons	10.5	14.9	166	5.6	1 401	7.7	517	8.0
5–9 persons	5.6	7.9	182	6.1	787	4.3	273	4.2
10–19 persons	9.9	14.0	342	11.4	1 769	9.7	572	8.8
20–49 persons	9.6	13.6	333	11.1	1 701	9.3	631	9.7
50–99 persons	5.4	7.7	209	7.0	1 029	5.6	377	5.8
<i>Total less than 100 persons</i>	<i>41.0</i>	<i>58.2</i>	<i>1 233</i>	<i>41.2</i>	<i>6 687</i>	<i>36.7</i>	<i>2 368</i>	<i>36.6</i>
100–199 persons	4.5	6.4	203	6.8	1 156	6.3	415	6.4
200–499 persons	6.4	9.1	332	11.1	2 101	11.5	799	12.4
500–999 persons	4.7	6.7	295	9.9	2 004	11.0	626	9.7
1 000 or more persons	13.9	19.7	928	31.0	6 267	34.4	2 261	35.0
<i>Total 100 or more persons</i>	<i>29.5</i>	<i>41.8</i>	<i>1 758</i>	<i>58.8</i>	<i>11 528</i>	<i>63.3</i>	<i>4 100</i>	<i>63.4</i>
<i>Total</i>	<i>70.4</i>	<i>100.0</i>	<i>2 992</i>	<i>100.0</i>	<i>18 215</i>	<i>100.0</i>	<i>6 468</i>	<i>100.0</i>

— nil or rounded to zero (including null cells)

(a) Figures may differ slightly from those presented in other tables, because they exclude those manufacturing ABN units/TAUs which operated during 2004–05 but were not operating at 30 June 2005. See paragraph 30 of the Explanatory Notes.

(b) Includes working proprietors.

(c) Excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring income.

2.3**EMPLOYMENT SIZE(a) continued**

<i>Employment size groups</i>	<i>Employment at end of June(b)</i>		<i>Wages and salaries(c)</i>		<i>Sales and service income(d)</i>		<i>Industry value added</i>	
	'000	%	\$m	%	\$m	%	\$m	%
PRINTING, PUBLISHING AND RECORDED MEDIA								
0–4 persons	14.2	13.1	327	6.4	2 013	9.0	552	5.5
5–9 persons	8.4	7.8	355	6.9	1 302	5.8	576	5.7
10–19 persons	11.5	10.6	370	7.2	1 205	5.4	514	5.1
20–49 persons	15.8	14.5	690	13.4	2 644	11.8	1 096	10.9
50–99 persons	9.6	8.8	483	9.4	2 063	9.2	774	7.7
<i>Total less than 100 persons</i>	<i>59.5</i>	<i>54.8</i>	<i>2 225</i>	<i>43.3</i>	<i>9 227</i>	<i>41.2</i>	<i>3 512</i>	<i>34.8</i>
100–199 persons	6.4	5.9	319	6.2	1 537	6.9	591	5.9
200–499 persons	11.2	10.3	628	12.2	2 838	12.7	1 191	11.8
500–999 persons	6.6	6.1	318	6.2	1 336	6.0	735	7.3
1 000 or more persons	24.9	22.9	1 650	32.1	7 434	33.2	4 063	40.3
<i>Total 100 or more persons</i>	<i>49.1</i>	<i>45.2</i>	<i>2 915</i>	<i>56.7</i>	<i>13 146</i>	<i>58.8</i>	<i>6 580</i>	<i>65.2</i>
<i>Total</i>	<i>108.6</i>	<i>100.0</i>	<i>5 139</i>	<i>100.0</i>	<i>22 373</i>	<i>100.0</i>	<i>10 092</i>	<i>100.0</i>
PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING								
0–4 persons	5.5	5.3	124	2.2	1 464	2.4	529	4.1
5–9 persons	5.6	5.3	216	3.8	1 263	2.1	364	2.8
10–19 persons	7.9	7.6	294	5.2	1 716	2.8	527	4.1
20–49 persons	14.3	13.7	596	10.5	3 722	6.1	1 136	8.8
50–99 persons	11.3	10.8	553	9.8	3 827	6.3	1 139	8.8
<i>Total less than 100 persons</i>	<i>44.6</i>	<i>42.8</i>	<i>1 783</i>	<i>31.5</i>	<i>11 992</i>	<i>19.8</i>	<i>3 695</i>	<i>28.6</i>
100–199 persons	12.8	12.3	673	11.9	5 464	9.0	1 224	9.5
200–499 persons	14.6	14.0	951	16.8	11 457	18.9	2 451	19.0
500–999 persons	13.9	13.4	957	16.9	14 805	24.4	2 639	20.4
1 000 or more persons	18.3	17.6	1 305	23.0	16 993	28.0	2 907	22.5
<i>Total 100 or more persons</i>	<i>59.6</i>	<i>57.2</i>	<i>3 886</i>	<i>68.5</i>	<i>48 720</i>	<i>80.2</i>	<i>9 222</i>	<i>71.4</i>
<i>Total</i>	<i>104.2</i>	<i>100.0</i>	<i>5 669</i>	<i>100.0</i>	<i>60 712</i>	<i>100.0</i>	<i>12 916</i>	<i>100.0</i>
NON-METALLIC MINERAL PRODUCT MANUFACTURING								
0–4 persons	5.2	11.2	85	3.7	873	6.1	269	5.4
5–9 persons	3.0	6.4	107	4.7	473	3.3	160	3.2
10–19 persons	4.0	8.6	138	6.0	690	4.8	232	4.7
20–49 persons	5.5	11.8	230	10.0	1 364	9.6	477	9.6
50–99 persons	3.7	8.0	161	7.1	1 053	7.4	299	6.0
<i>Total less than 100 persons</i>	<i>21.4</i>	<i>46.0</i>	<i>722</i>	<i>31.6</i>	<i>4 453</i>	<i>31.3</i>	<i>1 436</i>	<i>29.0</i>
100–199 persons	3.6	7.8	191	8.3	1 270	8.9	361	7.3
200–499 persons	4.7	10.2	296	13.0	1 658	11.7	626	12.7
500–999 persons	4.4	9.5	290	12.7	1 763	12.4	660	13.3
1 000 or more persons	12.3	26.4	786	34.4	5 086	35.7	1 860	37.6
<i>Total 100 or more persons</i>	<i>25.1</i>	<i>54.0</i>	<i>1 563</i>	<i>68.4</i>	<i>9 777</i>	<i>68.7</i>	<i>3 507</i>	<i>71.0</i>
<i>Total</i>	<i>46.4</i>	<i>100.0</i>	<i>2 284</i>	<i>100.0</i>	<i>14 230</i>	<i>100.0</i>	<i>4 943</i>	<i>100.0</i>

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(b) Includes working proprietors.

(c) Excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring income.

2.3**EMPLOYMENT SIZE(a) continued**

<i>Employment size groups</i>	<i>Employment at end of June(b)</i>		<i>Wages and salaries(c)</i>		<i>Sales and service income(d)</i>		<i>Industry value added</i>	
	'000	%	\$m	%	\$m	%	\$m	%
METAL PRODUCT MANUFACTURING								
0–4 persons	20.2	11.6	380	4.6	10 225	15.7	2 094	11.2
5–9 persons	17.5	10.0	634	7.6	3 968	6.1	1 916	10.2
10–19 persons	19.3	11.1	742	8.9	3 207	4.9	1 210	6.5
20–49 persons	30.7	17.7	1 211	14.6	5 854	9.0	2 215	11.8
50–99 persons	14.7	8.4	691	8.3	3 316	5.1	623	3.3
<i>Total less than 100 persons</i>	<i>102.4</i>	<i>58.8</i>	<i>3 658</i>	<i>44.1</i>	<i>26 570</i>	<i>40.8</i>	<i>8 057</i>	<i>43.0</i>
100–199 persons	12.8	7.3	637	7.7	4 440	6.8	1 211	6.5
200–499 persons	11.7	6.7	638	7.7	4 690	7.2	1 361	7.3
500–999 persons	17.5	10.1	1 146	13.8	11 822	18.2	3 071	16.4
1 000 or more persons	29.7	17.1	2 223	26.8	17 585	27.0	5 022	26.8
<i>Total 100 or more persons</i>	<i>71.7</i>	<i>41.2</i>	<i>4 644</i>	<i>55.9</i>	<i>38 537</i>	<i>59.2</i>	<i>10 664</i>	<i>57.0</i>
<i>Total</i>	<i>174.0</i>	<i>100.0</i>	<i>8 301</i>	<i>100.0</i>	<i>65 107</i>	<i>100.0</i>	<i>18 721</i>	<i>100.0</i>
MACHINERY AND EQUIPMENT MANUFACTURING								
0–4 persons	22.6	9.5	472	4.2	3 845	6.1	1 140	6.0
5–9 persons	14.3	6.0	561	5.0	2 957	4.7	939	4.9
10–19 persons	24.9	10.5	996	8.9	4 494	7.1	1 634	8.6
20–49 persons	30.6	12.9	1 310	11.7	6 480	10.2	2 211	11.6
50–99 persons	23.0	9.7	1 111	9.9	6 061	9.5	1 784	9.4
<i>Total less than 100 persons</i>	<i>115.5</i>	<i>48.7</i>	<i>4 450</i>	<i>39.7</i>	<i>23 836</i>	<i>37.5</i>	<i>7 707</i>	<i>40.4</i>
100–199 persons	19.5	8.2	938	8.4	5 224	8.2	1 542	8.1
200–499 persons	28.5	12.0	1 491	13.3	8 007	12.6	2 400	12.6
500–999 persons	25.0	10.6	1 367	12.2	7 850	12.4	2 483	13.0
1 000 or more persons	48.6	20.5	2 968	26.5	18 639	29.3	4 930	25.9
<i>Total 100 or more persons</i>	<i>121.7</i>	<i>51.3</i>	<i>6 764</i>	<i>60.3</i>	<i>39 720</i>	<i>62.5</i>	<i>11 354</i>	<i>59.6</i>
<i>Total</i>	<i>237.2</i>	<i>100.0</i>	<i>11 213</i>	<i>100.0</i>	<i>63 556</i>	<i>100.0</i>	<i>19 061</i>	<i>100.0</i>
OTHER MANUFACTURING								
0–4 persons	19.8	26.8	267	11.6	2 389	18.6	745	18.4
5–9 persons	9.1	12.4	310	13.5	1 701	13.3	537	13.2
10–19 persons	12.4	16.8	433	18.8	2 179	17.0	686	16.9
20–49 persons	16.1	21.8	603	26.2	2 972	23.2	962	23.7
50–99 persons	8.3	11.2	331	14.4	1 806	14.1	537	13.2
<i>Total less than 100 persons</i>	<i>65.8</i>	<i>88.9</i>	<i>1 944</i>	<i>84.5</i>	<i>11 047</i>	<i>86.2</i>	<i>3 467</i>	<i>85.4</i>
100–199 persons	4.6	6.2	197	8.6	992	7.7	336	8.3
200–499 persons	3.6	4.8	159	6.9	780	6.1	255	6.3
500–999 persons	—	—	—	—	—	—	—	—
1 000 or more persons	—	—	—	—	—	—	—	—
<i>Total 100 or more persons</i>	<i>8.2</i>	<i>11.1</i>	<i>356</i>	<i>15.5</i>	<i>1 771</i>	<i>13.8</i>	<i>591</i>	<i>14.6</i>
<i>Total</i>	<i>74.0</i>	<i>100.0</i>	<i>2 300</i>	<i>100.0</i>	<i>12 819</i>	<i>100.0</i>	<i>4 057</i>	<i>100.0</i>

— nil or rounded to zero (including null cells)

(b) Includes working proprietors.

(a) Figures may differ slightly from those presented in other tables, because they exclude those manufacturing ABN units/TAUs which operated during 2004–05 but were not operating at 30 June 2005. See paragraph 30 of the Explanatory Notes.

(c) Excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring income.

2.3**EMPLOYMENT SIZE (a) continued**

<i>Employment size groups</i>	<i>Employment at end of June(b)</i>		<i>Wages and salaries(c)</i>		<i>Sales and service income(d)</i>		<i>Industry value added</i>	
	'000	%	\$m	%	\$m	%	\$m	%
TOTAL MANUFACTURING								
0–4 persons	118.6	11.2	2 111	4.4	27 050	8.0	6 626	6.8
5–9 persons	72.6	6.9	2 668	5.5	14 348	4.2	5 282	5.4
10–19 persons	106.5	10.1	3 823	7.9	18 522	5.5	6 258	6.4
20–49 persons	147.2	13.9	5 790	12.0	30 421	9.0	10 178	10.4
50–99 persons	98.0	9.3	4 390	9.1	25 643	7.6	7 177	7.4
<i>Total less than 100 persons</i>	<i>543.0</i>	<i>51.3</i>	<i>18 783</i>	<i>39.0</i>	<i>115 984</i>	<i>34.3</i>	<i>35 521</i>	<i>36.4</i>
100–199 persons	80.9	7.6	3 855	8.0	24 989	7.4	6 868	7.0
200–499 persons	114.2	10.8	5 954	12.3	43 494	12.9	12 050	12.3
500–999 persons	96.7	9.1	5 606	11.6	50 103	14.8	12 892	13.2
1 000 or more persons	222.8	21.1	14 022	29.1	103 095	30.5	30 273	31.0
<i>Total 100 or more persons</i>	<i>514.6</i>	<i>48.7</i>	<i>29 436</i>	<i>61.0</i>	<i>221 681</i>	<i>65.7</i>	<i>62 082</i>	<i>63.6</i>
Total	1 057.6	100.0	48 219	100.0	337 665	100.0	97 603	100.0

(a) Figures may differ slightly from those presented in other tables, because they exclude those manufacturing ABN units/TAUs which operated during 2004–05 but were not operating at 30 June 2005. See paragraph 30 of the Explanatory Notes.

(b) Includes working proprietors.

(c) Excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring income.

2.4**INDUSTRY VALUE ADDED**

		PLUS				LESS		
INDUSTRY SUBDIVISION		Sales and service income (a)	Funding from government for operational costs	Capital work done for own use	Change in inventories	Purchases of goods and materials (b)	Other intermediate input expenses	Industry value added
ANZSIC code	Description	\$m	\$m	\$m	\$m	\$m	\$m	\$m
21	Food, beverage and tobacco mfg	71 572	50	71	^ 278	40 200	13 221	18 551
22	Textile, clothing, footwear and leather mfg	9 300	52	24	*39	4 577	2 012	2 827
23	Wood and paper product mfg	18 269	16	18	^ 156	8 781	3 199	6 479
24	Printing, publishing and recorded media	22 478	5	28	^ 60	6 420	6 023	10 127
25	Petroleum, coal, chemical and associated product mfg	60 871	62	137	1 081	39 337	9 859	12 956
26	Non-metallic mineral product mfg	14 297	10	10	76	5 559	3 881	4 951
27	Metal product mfg	65 160	27	125	734	35 405	11 911	18 730
28	Machinery and equipment mfg	63 643	528	134	519	36 208	9 538	19 078
29	Other manufacturing	12 851	17	13	*47	6 189	2 669	4 070
21-29	Total manufacturing	338 440	767	560	2 991	182 676	62 314	97 769

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

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

(a) Includes rent, leasing and hiring income.

(b) Includes capitalised purchases, which is not an intermediate input expense but is a deduction in the calculation of IVA. For further details, see the Glossary.

2.5 ACQUISITION AND DISPOSAL OF ASSETS

CAPITAL EXPENDITURE(a)

INDUSTRY SUBDIVISION	Plant machinery and equipment	Dwellings, other buildings and structures	Other (including land and intangible assets)	Total acquisitions	Disposal of assets	Net capital expenditure
ANZSIC code Description	\$m	\$m	\$m	\$m	\$m	\$m
21 Food, beverage and tobacco mfg	2 259	461	632	3 352	335	3 017
22 Textile, clothing, footwear and leather mfg	204	33	58	295	56	239
23 Wood and paper product mfg	671	^ 47	87	805	267	538
24 Printing, publishing and recorded media	705	84	283	1 072	191	880
25 Petroleum, coal, chemical and associated product mfg	2 344	335	351	3 030	235	2 794
26 Non-metallic mineral product mfg	829	*38	61	927	106	821
27 Metal product mfg	2 540	735	210	3 485	210	3 275
28 Machinery and equipment mfg	2 099	193	380	2 671	513	2 157
29 Other manufacturing	294	44	68	407	125	^ 282
21–29 Total manufacturing	11 943	1 971	2 129	16 043	2 039	14 004

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

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

(a) Items listed include value of capital work done for own use.

2.6 LABOUR COSTS

Industry subdivision	Wages and salaries(a)	Employer contributions into super- annuation funds	Workers' compensation premiums/ costs	Selected labour costs	Fringe benefits tax	Payroll tax	Total labour costs
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
21 Food, beverage and tobacco mfg	8 690	779	347	9 816	119	434	10 369
22 Textile, clothing, footwear and leather mfg	1 657	164	60	1 880	15	60	1 955
23 Wood and paper product mfg	3 005	269	126	3 400	26	126	3 551
24 Printing, publishing and recorded media	5 163	426	77	5 666	71	237	5 974
25 Petroleum, coal, chemical and associated product mfg	5 701	551	161	6 413	100	276	6 789
26 Non-metallic mineral product mfg	2 297	201	92	2 589	33	108	2 730
27 Metal product mfg	8 312	819	310	9 441	80	337	9 858
28 Machinery and equipment mfg	11 226	1 039	349	12 615	115	513	13 244
29 Other manufacturing	2 307	249	88	2 643	18	72	2 732
21–29 Total manufacturing	48 357	4 497	1 610	54 464	576	2 162	57 202

(a) Excludes the drawings of working proprietors.

2.7 SELECTED PERFORMANCE MEASURES, 2003–04 and 2004–05

		FOOD, BEVERAGE AND TOBACCO MFG		TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MFG		WOOD AND PAPER PRODUCT MFG		PRINTING, PUBLISHING AND RECORDED MEDIA	
		03–04	04–05	03–04	04–05	03–04	04–05	03–04	04–05
Labour									
Industry value added to selected labour costs	times	1.84	1.89	1.57	1.50	2.00	1.91	1.80	1.79
Selected labour costs per person employed(a)	\$'000	50.8	51.5	35.7	36.2	46.9	48.3	50.8	52.2
Profitability									
Profit margin	%	8.8	7.8	7.3	6.5	9.3	8.4	13.6	15.2
Debt									
Interest coverage	times	6.3	5.7	6.6	4.1	6.1	5.8	9.6	7.4
Capital expenditure									
Investment rate (value added)	%	16.1	18.1	10.9	10.4	15.1	12.4	10.5	10.6

(a) See Explanatory Notes paragraph 19.

2.7 SELECTED PERFORMANCE MEASURES, 2003–04 and 2004–05 *continued*

		PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MFG		NON-METALLIC MINERAL PRODUCT MFG		METAL PRODUCT MFG		MACHINERY AND EQUIPMENT MFG	
		03–04	04–05	03–04	04–05	03–04	04–05	03–04	04–05
Labour									
Industry value added to selected labour costs	times	1.82	2.02	2.04	1.91	1.87	1.98	1.48	1.51
Selected labour costs per person employed(a)	\$'000	58.8	61.5	53.9	55.8	54.1	54.2	51.2	53.2
Profitability									
Profit margin	%	4.8	6.2	11.2	10.0	7.9	11.4	5.7	6.2
Debt									
Interest coverage	times	4.4	5.5	7.0	5.3	9.6	16.0	7.3	8.1
Capital expenditure									
Investment rate (value added)	%	20.4	23.4	21.4	18.7	16.4	18.6	12.6	14.0

(a) See Explanatory Notes paragraph 19.

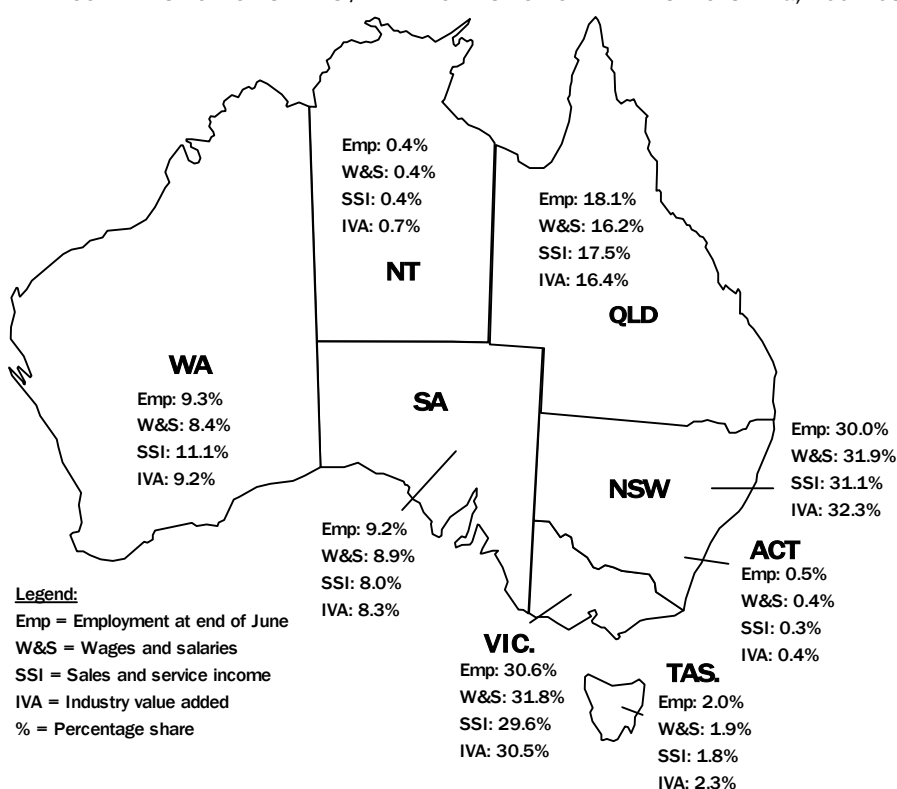
2.7 SELECTED PERFORMANCE MEASURES, 2003–04 and 2004–05 *continued*

		OTHER MANUFACTURING		TOTAL MANUFACTURING	
		03–04	04–05	03–04	04–05
Labour					
Industry value added to selected labour costs	times	1.54	1.54	1.75	1.80
Selected labour costs per person employed(a)	\$'000	35.7	35.7	50.2	51.5
Profitability					
Profit margin	%	7.9	7.5	7.7	8.5
Debt					
Interest coverage	times	9.7	8.6	6.9	7.3
Capital expenditure					
Investment rate (value added)	%	8.4	10.0	15.1	16.4

(a) See Explanatory Notes paragraph 19.

INTRODUCTION

This chapter presents estimates of key variables at the state and territory level. For information about how these estimates are derived, please see paragraphs 28 and 29 of the Explanatory Notes. The commentary outlines features of the distribution of these key variables across and within states and territories.

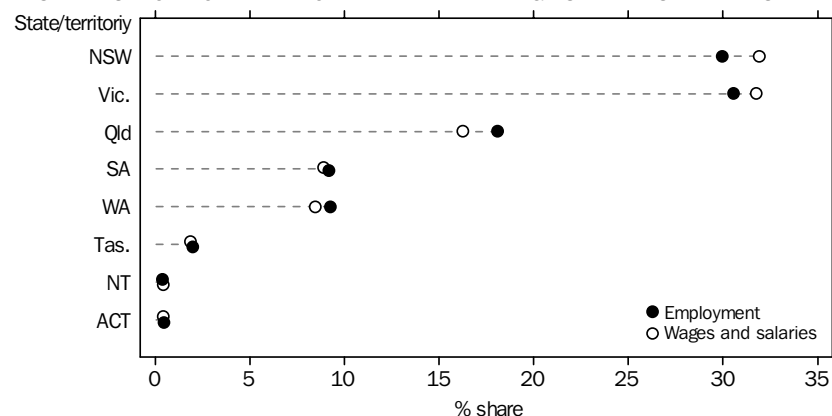
CONTRIBUTION OF STATES / TERRITORIES TO TOTAL MANUFACTURING, 2004–05

The above graphic illustrates each state or territory's share of economic aggregates relating to Australian manufacturing in 2004–05. The distribution is very similar across all four variables presented.

INTRODUCTION

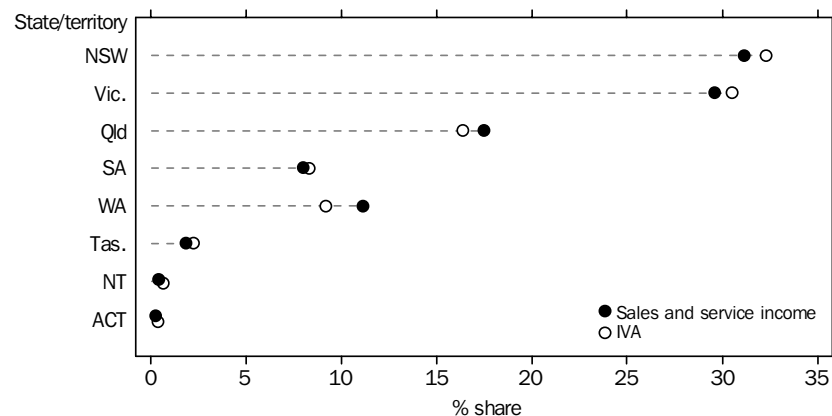
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DISTRIBUTION OF EMPLOYMENT AND WAGES AND SALARIES



Compared to the previous year, manufacturing employment increased in 2004–05 in Victoria (by 4%), Queensland (by 5%), Western Australia (by 7%), the Northern Territory (by 5%) and the Australian Capital Territory (by 1%), and fell in New South Wales and South Australia (by 1% each). Tasmanian manufacturing employment was virtually unchanged. Wages and salaries and sales and service income increased in all states and territories, while IVA only fell in the two territories. Queensland had the largest absolute (\$7.0b) and percentage (13%) increases in sales and service income. Queensland also had the largest percentage increase in IVA (15%) but was second to New South Wales (\$2.4b), with an increase of \$2.1b, in the absolute movement.

DISTRIBUTION OF SALES AND SERVICE INCOME AND IVA



INDUSTRY COMPOSITION

Of those industries available for publication, the industry which most heavily dominates manufacturing IVA in any state or territory is PRINTING, PUBLISHING AND RECORDED MEDIA in the Australian Capital Territory (which accounts for 37% of its manufacturing IVA, compared to 10% nationally). This is followed by MACHINERY AND EQUIPMENT MANUFACTURING in South Australia (29%; nationally 20%), and METAL PRODUCT MANUFACTURING in Western Australia (29%; nationally 19%) and Tasmania (26%). In addition, WOOD AND PAPER PRODUCT MANUFACTURING generates 24% of manufacturing IVA in Tasmania compared to 7% nationally.

INDUSTRY COMPOSITION

continued

METAL PRODUCT MANUFACTURING was the major manufacturing industry, as measured by share of industry value added, in three states (Queensland, Western Australia and Tasmania), and MACHINERY AND EQUIPMENT MANUFACTURING in two others (South Australia and Victoria). FOOD, BEVERAGE AND TOBACCO MANUFACTURING was the largest manufacturing industry in New South Wales and PRINTING, PUBLISHING AND RECORDED MEDIA dominated in the Australian Capital Territory. Not all subdivisions are available for publication for the two territories.

STATE AND TERRITORY COMPOSITION

An outline of the composition of manufacturing industry within each state and the Australian Capital Territory follows. Because of confidentiality restrictions, insufficient data are available for publication to allow this analysis for the Northern Territory.

NEW SOUTH WALES

FOOD, BEVERAGE AND TOBACCO MANUFACTURING is the largest manufacturing industry in New South Wales as measured by contribution to that state's manufacturing sales and service income (21%) and IVA (20%). MACHINERY AND EQUIPMENT MANUFACTURING, however, is the largest source of manufacturing employment and wages and salaries (both 20%).

Measured by sales and service income, New South Wales businesses dominate seven of the nine manufacturing industry subdivisions. Their dominance is greatest in PRINTING, PUBLISHING AND RECORDED MEDIA, to which they contribute 45% of national sales and service income, 40% of IVA, 38% of employment and 43% of wages and salaries.

VICTORIA

By all four measures presented, MACHINERY AND EQUIPMENT MANUFACTURING is the largest manufacturing industry in Victoria, contributing 26% of its wages and salaries, 25% of manufacturing employment, 24% of sales and service income, and 23% of IVA. FOOD, BEVERAGE AND TOBACCO MANUFACTURING ranks second, with PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING ranking third on all measures apart from employment.

Victoria is the largest contributor to the two manufacturing industry subdivisions in which New South Wales is not dominant in terms of sales and service income. TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING is heavily concentrated in Victoria, where 44% of the industry's sales and service income and 45% of its IVA is produced. Victorian businesses are also the major sources of sales and service income in MACHINERY AND EQUIPMENT MANUFACTURING, generating 37% and 36% of national sales and service income and IVA respectively.

QUEENSLAND

Although FOOD, BEVERAGE AND TOBACCO MANUFACTURING is the largest source of manufacturing employment (22%), wages and salaries (21%) and sales and service income (25%) in Queensland, its share of IVA (20%) is second to METAL PRODUCT MANUFACTURING (24%).

Queensland's contribution to METAL PRODUCT MANUFACTURING (20 and 21% of all four variables) exceeds its share of total manufacturing. This relative importance of Queensland reflects, in part, the location of major smelting and refining operations in that state.

SOUTH AUSTRALIA

By all four measures presented, MACHINERY AND EQUIPMENT MANUFACTURING is the largest manufacturing industry in South Australia. Its domination of South Australian manufacturing is the most pronounced of any state or territory: 32% of South Australia's manufacturing employment, 29% of IVA, and 36% of sales and service income and 35% wages and salaries paid are attributable to MACHINERY AND EQUIPMENT MANUFACTURING. FOOD,

SOUTH AUSTRALIA*continued*

BEVERAGE AND TOBACCO MANUFACTURING is the second most important manufacturing industry, followed by METAL PRODUCT MANUFACTURING.

Concentration of the MOTOR VEHICLE AND PART MANUFACTURING and ELECTRICAL EQUIPMENT AND APPLIANCE MANUFACTURING industries in South Australia is mainly responsible for its shares of national sales and service income (15%), wages and salaries (14%) and employment (13%) for MACHINERY AND EQUIPMENT MANUFACTURING.

WESTERN AUSTRALIA

METAL PRODUCT MANUFACTURING dominates manufacturing in Western Australia, accounting for 24%, 27%, 38% and 29% respectively of employment, wages and salaries, sales and service income and IVA. On the other hand, PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING is the second largest contributor to that state's manufacturing sales and service income (20%) and IVA (17%), but ranks fourth in wages and salaries (11%) and fifth (8%) in employment at the end of June. This distribution reflects, in part, the presence and capital intensity of major metal and petroleum refining operations.

TASMANIA

Tasmania is the only state or territory in which WOOD AND PAPER PRODUCT MANUFACTURING ranks in the three major manufacturing industries. It is the second largest source of manufacturing IVA (24%), wages and salaries (20%), and employment (18%), and ranks third in sales and service income (19%). The other top ranked industries are FOOD, BEVERAGE AND TOBACCO MANUFACTURING (the state's major manufacturing employer, with 22%) and METAL PRODUCT MANUFACTURING (its largest source of sales and service income).

Similarly, Tasmania's share of national aggregates for WOOD AND PAPER PRODUCT MANUFACTURING (8% of IVA, 6% of wages and salaries and sales and service income, and 5% of employment) considerably exceeds its contribution to manufacturing overall.

**AUSTRALIAN CAPITAL
TERRITORY**

PRINTING, PUBLISHING AND RECORDED MEDIA is the largest manufacturing industry in the ACT, accounting for 30% of sales and service income, 37% of IVA, 33% of wages and salaries, and 30% of employment. Of the subdivisions available for publication, MACHINERY AND EQUIPMENT MANUFACTURING ranks second based on all variables presented.

**COMPARISON ACROSS
INDUSTRY**

Table 3.2 shows the contribution of industries to the production (as measured by total factor income) of each state and territory, as well as Australia, in 2004–05. For the purposes of this table, the activity of general government and the ownership of dwellings are each treated as industries.

In 2004–05, the largest share of production on this basis was contributed by PROPERTY AND BUSINESS SERVICES, which generated 12.6% of total factor income. Of the nineteen industries shown, MANUFACTURING ranked second nationally, contributing 11.0%. MANUFACTURING was the largest industry in South Australia and Tasmania, and in New South Wales and Victoria was exceeded only by PROPERTY AND BUSINESS SERVICES. MINING and PROPERTY AND BUSINESS SERVICES both ranked ahead of MANUFACTURING in Queensland. South Australia (at 15.3%) had the highest proportion of state or territory production attributed to MANUFACTURING, followed by Tasmania (14.5%).

3.1 STATES, TERRITORIES AND AUSTRALIA(a)

INDUSTRY SUBDIVISION		Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Industry value added	Sales and service income per person employed(e)	Industry value added per person employed(e)
ANZSIC code	Description	'000	\$m	\$m	\$m	\$'000	\$'000
NEW SOUTH WALES							
21	Food, beverage and tobacco mfg	54.5	2 803	22 595	6 351	414.8	116.6
22	Textile, clothing, footwear and leather mfg	16.0	501	2 988	876	187.1	54.9
23	Wood and paper product mfg	20.7	865	5 725	1 839	276.1	88.7
24	Printing, publishing and recorded media	41.6	2 196	10 185	4 080	244.6	98.0
25	Petroleum, coal, chemical and associated product mfg	31.9	1 737	20 631	3 877	647.3	121.6
26	Non-metallic mineral product mfg	14.1	752	4 513	1 600	319.9	113.4
27	Metal product mfg	52.2	2 695	18 750	6 228	359.1	119.3
28	Machinery and equipment mfg	63.9	3 157	15 783	5 441	247.0	85.1
29	Other manufacturing	22.1	717	4 181	1 273	189.5	57.7
21-29	Total manufacturing	317.0	15 425	105 352	31 564	332.4	99.6
VICTORIA							
21	Food, beverage and tobacco mfg	52.1	2 477	20 765	5 387	398.9	103.5
22	Textile, clothing, footwear and leather mfg	21.5	757	4 085	1 277	190.4	59.5
23	Wood and paper product mfg	21.4	974	5 670	1 883	264.9	88.0
24	Printing, publishing and recorded media	33.0	1 567	6 186	3 150	187.2	95.3
25	Petroleum, coal, chemical and associated product mfg	39.0	2 280	19 921	4 752	511.4	122.0
26	Non-metallic mineral product mfg	12.1	605	3 387	1 240	280.2	102.6
27	Metal product mfg	42.3	2 002	12 597	4 017	298.1	95.1
28	Machinery and equipment mfg	79.9	3 960	23 850	6 878	298.3	86.0
29	Other manufacturing	22.1	736	3 785	1 226	170.9	55.3
21-29	Total manufacturing	323.4	15 359	100 248	29 812	310.0	92.2
QUEENSLAND							
21	Food, beverage and tobacco mfg	42.8	1 681	14 995	3 213	350.6	75.1
22	Textile, clothing, footwear and leather mfg	6.4	169	1 020	301	160.2	47.2
23	Wood and paper product mfg	12.5	480	2 990	1 106	238.6	88.2
24	Printing, publishing and recorded media	14.8	612	2 728	1 262	184.5	85.4
25	Petroleum, coal, chemical and associated product mfg	15.4	767	9 903	1 923	642.9	124.9
26	Non-metallic mineral product mfg	9.5	419	2 838	875	298.4	92.0
27	Metal product mfg	37.3	1 649	13 050	3 853	350.1	103.4
28	Machinery and equipment mfg	38.7	1 629	9 037	2 685	233.4	69.3
29	Other manufacturing	14.0	449	2 678	803	190.9	57.2
21-29	Total manufacturing	191.4	7 855	59 239	16 020	309.5	83.7

(a) See Explanatory Notes paragraphs 28 and 29.

(b) Includes working proprietors.

(c) Excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring income.

(e) It should be noted that, although financial data estimates relate to the full twelve months, employment estimates relate to the last pay period ending in June of the given year. As such, any estimates expressed as values per person employed can be affected by any fluctuations in employment during the reference period.

3.1STATES, TERRITORIES AND AUSTRALIA(a) *continued*

INDUSTRY SUBDIVISION		Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Industry value added	Sales and service income per person employed(e)	Industry value added per person employed(e)
ANZSIC code	Description	'000	\$m	\$m	\$m	\$'000	\$'000
SOUTH AUSTRALIA							
21	Food, beverage and tobacco mfg	19.2	845	5 993	1 897	312.3	98.8
22	Textile, clothing, footwear and leather mfg	2.7	78	475	118	173.9	43.3
23	Wood and paper product mfg	6.7	315	1 623	736	241.3	109.4
24	Printing, publishing and recorded media	7.8	296	1 332	608	171.6	78.3
25	Petroleum, coal, chemical and associated product mfg	8.2	385	2 307	719	280.3	87.3
26	Non-metallic mineral product mfg	3.2	162	1 299	422	404.4	131.6
27	Metal product mfg	12.7	569	3 616	1 024	283.8	80.3
28	Machinery and equipment mfg	31.4	1 531	9 825	2 367	313.2	75.5
29	Other manufacturing	5.1	133	712	250	138.9	48.8
21-29	Total manufacturing	97.1	4 315	27 182	8 140	280.0	83.8
WESTERN AUSTRALIA							
21	Food, beverage and tobacco mfg	16.5	631	5 538	1 166	335.3	70.6
22	Textile, clothing, footwear and leather mfg	3.8	107	539	192	143.0	50.9
23	Wood and paper product mfg	4.6	170	966	357	209.9	77.5
24	Printing, publishing and recorded media	8.0	347	1 445	737	181.8	92.7
25	Petroleum, coal, chemical and associated product mfg	8.3	464	7 484	1 521	903.4	183.6
26	Non-metallic mineral product mfg	6.0	276	1 799	630	299.2	104.7
27	Metal product mfg	24.0	1 117	14 503	2 568	605.3	107.2
28	Machinery and equipment mfg	18.3	749	4 171	1 375	228.0	75.2
29	Other manufacturing	8.8	225	1 263	438	143.8	49.9
21-29	Total manufacturing	98.2	4 085	37 709	8 983	384.1	91.5
TASMANIA							
21	Food, beverage and tobacco mfg	4.8	210	1 450	455	303.1	95.2
22	Textile, clothing, footwear and leather mfg	1.4	41	162	53	115.6	38.1
23	Wood and paper product mfg	3.8	181	1 173	527	308.2	138.5
24	Printing, publishing and recorded media	1.5	60	241	121	160.5	80.6
25	Petroleum, coal, chemical and associated product mfg	1.1	53	523	133	494.4	126.2
26	Non-metallic mineral product mfg	0.8	44	189	101	230.6	123.1
27	Metal product mfg	3.5	163	1 676	572	480.5	163.8
28	Machinery and equipment mfg	3.3	124	694	219	208.3	65.9
29	Other manufacturing	1.1	24	132	44	122.8	41.1
21-29	Total manufacturing	21.3	901	6 239	2 226	293.4	104.7

(a) See Explanatory Notes paragraphs 28 and 29.

(b) Includes working proprietors.

(c) Excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring income.

(e) It should be noted that, although financial data estimates relate to the full twelve months, employment estimates relate to the last pay period ending in June of the given year. As such, any estimates expressed as values per person employed can be affected by any fluctuations in employment during the reference period.

3.1STATES, TERRITORIES AND AUSTRALIA(a) *continued*

INDUSTRY SUBDIVISION		Employment at end of June(b)	Wages and salaries(c)	Sales and service income(d)	Industry value added	Sales and service income per person employed(e)	Industry value added per person employed(e)
ANZSIC code	Description	'000	\$m	\$m	\$m	\$'000	\$'000
NORTHERN TERRITORY							
21	Food, beverage and tobacco mfg	0.5	24	134	47	289.9	101.6
22	Textile, clothing, footwear and leather mfg	np	np	np	np	np	np
23	Wood and paper product mfg	0.1	3	24	6	181.6	47.6
24	Printing, publishing and recorded media	0.5	16	69	35	150.2	76.9
25	Petroleum, coal, chemical and associated product mfg	0.1	7	64	18	450.7	124.2
26	Non-metallic mineral product mfg	0.4	24	165	52	407.8	127.9
27	Metal product mfg	np	np	np	np	np	np
28	Machinery and equipment mfg	0.7	28	135	47	197.4	68.8
29	Other manufacturing	np	np	np	np	np	np
21-29	Total manufacturing	4.2	209	1 507	656	356.4	155.0
AUSTRALIAN CAPITAL TERRITORY							
21	Food, beverage and tobacco mfg	0.4	19	101	34	230.8	78.7
22	Textile, clothing, footwear and leather mfg	np	np	np	np	np	np
23	Wood and paper product mfg	0.5	16	98	25	204.8	52.9
24	Printing, publishing and recorded media	1.5	68	291	134	194.6	89.6
25	Petroleum, coal, chemical and associated product mfg	0.3	7	37	13	142.1	49.9
26	Non-metallic mineral product mfg	0.3	14	107	33	380.8	115.2
27	Metal product mfg	np	np	np	np	np	np
28	Machinery and equipment mfg	0.9	47	148	65	161.3	71.0
29	Other manufacturing	np	np	np	np	np	np
21-29	Total manufacturing	5.1	208	965	368	190.5	72.6
AUSTRALIA							
21	Food, beverage and tobacco mfg	190.7	8 690	71 572	18 551	375.3	97.3
22	Textile, clothing, footwear and leather mfg	52.0	1 657	9 300	2 827	178.9	54.4
23	Wood and paper product mfg	70.4	3 005	18 269	6 479	259.4	92.0
24	Printing, publishing and recorded media	108.6	5 163	22 478	10 127	206.9	93.2
25	Petroleum, coal, chemical and associated product mfg	104.2	5 701	60 871	12 956	584.1	124.3
26	Non-metallic mineral product mfg	46.4	2 297	14 297	4 951	307.9	106.6
27	Metal product mfg	174.0	8 312	65 160	18 730	374.4	107.6
28	Machinery and equipment mfg	237.2	11 226	63 643	19 078	268.4	80.4
29	Other manufacturing	74.0	2 307	12 851	4 070	173.7	55.0
21-29	Total manufacturing	1 057.6	48 357	338 440	97 769	320.0	92.4

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

(a) See Explanatory Notes paragraphs 28 and 29.

(b) Includes working proprietors.

(c) Excludes the drawings of working proprietors.

(d) Includes rent, leasing and hiring income.

(e) It should be noted that, although financial data estimates relate to the full twelve months, employment estimates relate to the last pay period ending in June of the given year. As such, any estimates expressed as values per person employed can be affected by any fluctuations in employment during the reference period.

3.2**INDUSTRY CONTRIBUTION TO TOTAL FACTOR INCOME**

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
<i>Industry</i>	%	%	%	%	%	%	%	%	%
Agriculture, forestry and fishing	1.9	3.0	4.1	5.5	3.4	6.7	2.5	—	3.1
Mining	2.5	1.7	12.4	3.2	27.4	2.1	26.1	—	7.7
Manufacturing	11.1	13.9	9.0	15.3	7.8	14.5	5.9	2.0	11.0
Electricity, gas and water supply	2.1	2.9	2.0	3.1	2.6	4.8	1.4	2.4	2.4
Construction	6.9	6.5	8.0	6.0	8.0	5.5	6.9	7.7	7.1
Wholesale trade	5.4	6.0	4.6	4.3	3.7	3.7	2.0	1.8	4.9
Retail trade	6.0	6.1	7.2	6.2	4.8	7.5	4.4	4.8	6.1
Accommodation, cafes and restaurants	2.5	1.8	2.9	2.2	1.4	2.7	2.5	2.0	2.2
Transport and storage	4.2	4.2	4.6	4.3	4.1	4.2	3.6	2.3	4.2
Communication services	2.7	3.4	2.2	2.5	2.1	2.4	2.1	2.5	2.7
Finance and insurance	10.9	8.7	5.2	6.3	3.8	5.9	2.3	3.6	7.7
Property and business services	14.9	14.1	9.9	9.8	10.4	6.0	7.7	12.7	12.6
Government administration and defence	3.5	2.4	4.0	3.3	2.2	5.5	7.0	26.7	3.7
Education	4.5	5.2	4.3	5.3	2.9	5.5	3.9	5.7	4.5
Health and community services	6.4	7.0	6.3	8.2	5.4	9.7	5.7	6.3	6.6
Cultural and recreational services	1.6	1.7	1.1	1.4	1.0	1.4	1.6	2.6	1.4
Personal and other services	1.8	1.8	2.1	2.3	1.6	2.1	2.0	2.7	1.9
Ownership of dwellings	9.1	8.2	7.9	8.7	6.0	7.3	9.7	8.7	8.2
General government(a)	1.9	1.6	2.2	2.0	1.4	2.7	2.8	5.4	1.9

— nil or rounded to zero (including null cells)

(a) State details for general government gross operating surplus by industry are not available.

Note: Australian National Accounts: State Accounts, 2005–06, Reissue (cat.no. 5220.0), Analysis of results (page 7).

CHAPTER 4

EXPORTS

INTRODUCTION

This chapter illustrates the extent and importance of export activity by Australian manufacturing businesses. Table 4.1 presents estimates, for the period from 2001–02 to 2004–05, of the value of exports by Australian manufacturing businesses of goods that they produced. For 2004–05, these are dissected in Table 4.2 by employment size. Table 4.3 categorises businesses by their involvement in exporting, and presents estimates of the contribution of each category to industry aggregates. For information about how these data have been derived, please see Explanatory Notes paragraphs 33 to 37. Even though, as explained there, the exports data presented in these tables are not directly comparable with the ABS's overseas trade series, the commentary below also uses the trade series to illustrate some characteristics of Australian manufacturing's export performance.

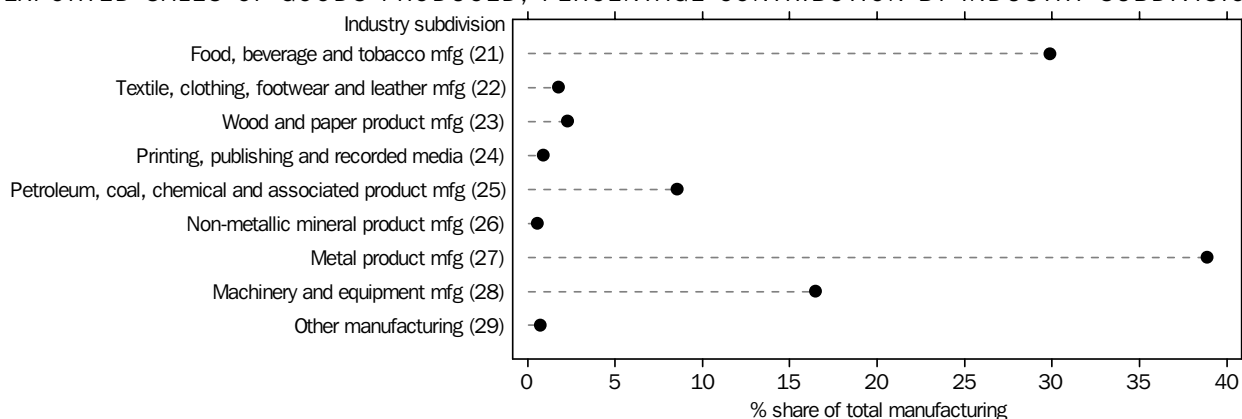
INDUSTRY COMPARISON

The 2006 issue of the *Australian Year Book* (ABS cat. no. 1301.0; Table 30.27) shows that, on an industry of origin basis, Australia exported \$67.4b of manufactured goods, which formed 53% of value of all goods exports in 2004–05. Manufacturing was followed by mining (32%) and agriculture (8%). In industry of origin statistics, data for a commodity are allocated to an ANZSIC industry of origin category, based on the industry which predominantly produces that commodity in Australia, as defined by the ANZSIC.

VALUE OF EXPORTS

In 2004–05, the Economic Activity Survey indicated that Australian manufacturers directly exported \$49.2b worth of the goods they produced, which represents 73% of manufactured goods exports. This amounted to 18% of their value of sales of goods produced and is an increase of \$906m (or 2%) compared to the value for 2003–04, when the proportion was 19%. The following graph illustrates the percentage contribution of each manufacturing industry subdivision to total manufacturing exported sales of goods produced.

EXPORTED SALES OF GOODS PRODUCED, PERCENTAGE CONTRIBUTION BY INDUSTRY SUBDIVISION



VALUE OF EXPORTS

continued

METAL PRODUCT MANUFACTURING is Australia's most heavily export-oriented manufacturing industry. In 2004–05, 34% of its sales of goods produced were exported. Businesses exporting 50% or more of sales contributed 28% of both sales and service income and IVA of METAL PRODUCT MANUFACTURING, much higher than such businesses in any other manufacturing subdivision. In terms of the proportion of its value of sales of goods produced which were exported (2%), NON-METALLIC MINERAL PRODUCT MANUFACTURING was the least export-oriented Australian manufacturing industry in 2004–05. This partly reflects the fact that many high-volume building materials, which comprise a substantial proportion of the output of this industry, are not internationally traded.

Of the nine manufacturing industry subdivisions, the value of exports of goods produced decreased between 2003–04 and 2004–05 in five and increased in the remaining four. In percentage terms, the manufacturing industry with the largest decrease in value of goods exported was NON-METALLIC MINERAL PRODUCT MANUFACTURING, exports by which fell by 29% (or \$113m) to \$279m. The largest absolute decrease in the value of goods exported was recorded by WOOD AND PAPER PRODUCT MANUFACTURING (down \$391m, or 26%).

The value of goods exported by the OTHER MANUFACTURING industry rose by 34% (or \$92m) between 2003–04 and 2004–05, the largest percentage increase in manufacturing. Over the same period, FOOD, BEVERAGE AND TOBACCO MANUFACTURING recorded the greatest increase in value of goods exported in dollar terms: \$1.1b, or 8%. The other industry which increased its value of exports (by 34%, or \$92m) was OTHER MANUFACTURING.

Over the period from 2001–02 to 2004–05, the value of goods produced and exported by Australian manufacturing businesses has increased by 6%, compared to a 19% increase in their total value of sales of goods produced. Hence the export proportion has dropped from 20.6% to 18.3%. The only manufacturing industries that increased their value of export sales over this period were FOOD, BEVERAGE AND TOBACCO MANUFACTURING (up \$0.8b, or 6%), METAL PRODUCT MANUFACTURING (up \$2.7b, or 17%) and OTHER MANUFACTURING (up \$78m, or 27%). The largest percentage decline over the period since 2001–02 was recorded by TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING (down 43%, or \$659m). PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING experienced the greatest fall in absolute terms (\$826m, or 16%), followed by TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING (\$659m, or 43%).

EMPLOYMENT SIZE OF
EXPORTING BUSINESSES

Excluding METAL PRODUCT MANUFACTURING (see paragraphs 33 to 37 of the Explanatory Notes), manufacturing businesses employing 100 or more persons tend to export a higher proportion (by value) of the goods that they produce, compared to businesses employing fewer than 100 persons. In 2004–05, the only exceptions to this general tendency, at the subdivision level, were TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING and OTHER MANUFACTURING.

The industry subdivision in which export activity is most heavily concentrated in businesses employing 100 or more persons is FOOD, BEVERAGE AND TOBACCO MANUFACTURING, where 86% (or \$12.7b) of total exports are produced by businesses in this size category. This is followed by MACHINERY AND EQUIPMENT MANUFACTURING, where businesses in this category account for 82% (or \$6.6b) of total exports. The \$66m in exports produced by businesses classified to OTHER MANUFACTURING represents the lowest proportion (18%) of exports produced by businesses employing 100 or more persons.

CONTRIBUTION OF BUSINESSES THAT EXPORT

Depending on the measure selected, businesses that do not export accounted for between 41% and 56% of activity at the total manufacturing level in 2004–05. The percentage contribution of non-exporting businesses was greatest, across all variables, in PRINTING, PUBLISHING, AND RECORDED MEDIA, NON-METALLIC MINERAL PRODUCT MANUFACTURING and OTHER MANUFACTURING.

PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING remains the industry in which businesses which export up to and including 50% of their sales of goods produced make the greatest contribution to the key aggregates presented.

At the total manufacturing level, businesses which exported more than 50% of their sales of goods produced tend to contribute a higher proportion to sales and service income and industry value added than to employment and wages and salaries. This pattern differs among individual industries.

4.1**EXPORTED AND TOTAL PRODUCTION(a), 2001–02 to 2004–05**

	<i>Sales of goods produced(b)</i>	<i>Amount exported by this business or its agent</i>	<i>Exports as a proportion of sales of goods produced</i>
	\$m	\$m	%
FOOD, BEVERAGE AND TOBACCO MANUFACTURING			
2001–02	59 965	13 892	23.2
2002–03	60 817	12 871	21.2
2003–04	62 330	13 589	21.8
2004–05	64 815	14 684	22.7
TEXTILE, CLOTHING, FOOTWEAR AND LEATHER MANUFACTURING			
2001–02	7 012	1 527	21.8
2002–03	6 659	1 345	20.2
2003–04	6 293	1 116	17.7
2004–05	5 896	868	14.7
WOOD AND PAPER PRODUCT MANUFACTURING			
2001–02	13 799	1 180	8.5
2002–03	15 175	1 265	8.3
2003–04	15 684	1 519	9.7
2004–05	15 321	1 128	7.4
PRINTING, PUBLISHING AND RECORDED MEDIA			
2001–02	11 222	565	5.0
2002–03	11 404	349	3.1
2003–04	11 297	506	4.5
2004–05	12 359	437	3.5
PETROLEUM, COAL, CHEMICAL AND ASSOCIATED PRODUCT MANUFACTURING			
2001–02	40 416	5 027	12.4
2002–03	40 832	4 805	11.8
2003–04	41 242	4 123	10.0
2004–05	46 928	4 201	9.0
NON-METALLIC MINERAL PRODUCT MANUFACTURING			
2001–02	9 742	449	4.6
2002–03	10 986	367	3.3
2003–04	11 821	392	3.3
2004–05	12 207	279	2.3
METAL PRODUCT MANUFACTURING			
2001–02	44 229	16 390	37.1
2002–03	48 828	18 545	38.0
2003–04	50 595	18 535	36.6
2004–05	56 481	19 124	33.9
MACHINERY AND EQUIPMENT MANUFACTURING			
2001–02	38 495	8 582	22.3
2002–03	41 227	8 381	20.3
2003–04	42 765	8 221	19.2
2004–05	45 715	8 095	17.7

(a) See paragraphs 33–37 of the Explanatory Notes.

(b) Sales of goods produced by the business, including goods produced for it on a commission basis.

4.1**EXPORTED AND TOTAL PRODUCTION(a), 2001–02 to 2004–05 *continued***

	<i>Sales of goods produced(b)</i>	<i>Amount exported by this business or its agent</i>	<i>Exports as a proportion of sales of goods produced</i>
	\$m	\$m	%
.....			
OTHER MANUFACTURING			
2001–02	8 043	284	3.5
2002–03	7 810	415	5.3
2003–04	8 112	271	3.3
2004–05	8 757	362	4.1
.....			
TOTAL MANUFACTURING			
2001–02	232 922	47 895	20.6
2002–03	243 739	48 344	19.8
2003–04	250 140	48 271	19.3
2004–05	268 478	49 177	18.3
.....			

(a) See paragraphs 33–37 of the Explanatory Notes.

(b) Sales of goods produced by the business, including goods produced for it on a commission basis.

4.2**EXPORTED AND TOTAL PRODUCTION(a), Employment size**

INDUSTRY SUBDIVISION		Sales of goods produced(b)	Amount exported by this business or its agent	Exports as a proportion of sales of goods produced
ANZSIC code	Description	\$m	\$m	%
.....				
0-49 PERSONS				
21	Food, beverage and tobacco mfg	7 815	1 291	16.5
22	Textile, clothing, footwear and leather mfg	2 413	199	8.2
23	Wood and paper product mfg	3 874	186	4.8
24	Printing, publishing and recorded media	4 559	149	3.3
25	Petroleum, coal, chemical and associated product mfg	5 755	795	13.8
26	Non-metallic mineral product mfg	2 296	77	3.3
27	Metal product mfg	19 187	8 904	46.4
28	Machinery and equipment mfg	9 264	1 005	10.9
29	Other manufacturing	6 035	199	3.3
21-29	<i>Total manufacturing</i>	61 198	12 805	20.9
.....				
50-99 PERSONS				
21	Food, beverage and tobacco mfg	4 252	720	16.9
22	Textile, clothing, footwear and leather mfg	1 089	198	18.1
23	Wood and paper product mfg	775	55	7.1
24	Printing, publishing and recorded media	1 484	140	9.5
25	Petroleum, coal, chemical and associated product mfg	2 910	523	18.0
26	Non-metallic mineral product mfg	763	15	2.0
27	Metal product mfg	2 738	187	6.8
28	Machinery and equipment mfg	3 677	456	12.4
29	Other manufacturing	1 309	97	7.4
21-29	<i>Total manufacturing</i>	18 997	2 391	12.6
.....				
TOTAL 100 OR MORE PERSONS				
21	Food, beverage and tobacco mfg	52 747	12 673	24.0
22	Textile, clothing, footwear and leather mfg	2 395	472	19.7
23	Wood and paper product mfg	10 673	888	8.3
24	Printing, publishing and recorded media	6 315	148	2.3
25	Petroleum, coal, chemical and associated product mfg	38 263	2 883	7.5
26	Non-metallic mineral product mfg	9 147	187	2.0
27	Metal product mfg	34 556	10 033	29.0
28	Machinery and equipment mfg	32 773	6 633	20.2
29	Other manufacturing	1 413	66	4.7
21-29	<i>Total manufacturing</i>	188 283	33 982	18.0
.....				
TOTAL				
21	Food, beverage and tobacco mfg	64 815	14 684	22.7
22	Textile, clothing, footwear and leather mfg	5 896	868	14.7
23	Wood and paper product mfg	15 321	1 128	7.4
24	Printing, publishing and recorded media	12 359	437	3.5
25	Petroleum, coal, chemical and associated product mfg	46 928	4 201	9.0
26	Non-metallic mineral product mfg	12 207	279	2.3
27	Metal product mfg	56 481	19 124	33.9
28	Machinery and equipment mfg	45 715	8 095	17.7
29	Other manufacturing	8 757	362	4.1
21-29	Total manufacturing	268 478	49 177	18.3

(a) See paragraphs 33-37 of the Explanatory Notes.

(b) Sales of goods produced by the business, including goods produced for it on a commission basis.

4.3**CONTRIBUTION OF EXPORTING AND NON-EXPORTING BUSINESSES (a)**

INDUSTRY SUBDIVISION		Employment at end of June (b)	Wages and salaries (c)	Sales and service income	Industry value added
ANZSIC code	Description	%	%	%	%
DO NOT EXPORT					
21	Food, beverage and tobacco mfg	42.0	37.7	31.2	36.3
22	Textile, clothing, footwear and leather mfg	56.9	51.5	53.2	51.6
23	Wood and paper product mfg	60.9	51.3	43.5	45.3
24	Printing, publishing and recorded media	80.0	78.1	75.8	81.3
25	Petroleum, coal, chemical and associated product mfg	38.4	34.0	29.2	32.9
26	Non-metallic mineral product mfg	69.4	67.0	70.2	68.3
27	Metal product mfg	63.1	54.2	36.0	35.0
28	Machinery and equipment mfg	48.4	45.8	44.2	45.9
29	Other manufacturing	77.6	74.0	74.3	73.9
21-29	Total manufacturing	55.5	50.5	41.4	46.2
EXPORTS UP TO AND INCLUDING 50% OF SALES THAT THEY PRODUCED					
21	Food, beverage and tobacco mfg	42.5	47.8	48.9	50.8
22	Textile, clothing, footwear and leather mfg	36.9	41.0	37.4	41.5
23	Wood and paper product mfg	36.7	46.6	52.4	50.4
24	Printing, publishing and recorded media	19.4	21.4	23.4	18.1
25	Petroleum, coal, chemical and associated product mfg	58.7	62.5	67.3	61.5
26	Non-metallic mineral product mfg	29.6	32.2	28.8	31.1
27	Metal product mfg	29.5	35.2	36.4	37.0
28	Machinery and equipment mfg	41.5	42.4	44.9	43.0
29	Other manufacturing	20.9	23.7	24.0	24.4
21-29	Total manufacturing	37.1	41.2	45.6	42.4
EXPORTS MORE THAN 50% OF SALES THAT THEY PRODUCED					
21	Food, beverage and tobacco mfg	15.5	14.5	20.0	12.9
22	Textile, clothing, footwear and leather mfg	6.3	7.6	9.5	6.9
23	Wood and paper product mfg	2.5	2.1	4.1	4.3
24	Printing, publishing and recorded media	0.6	0.5	0.8	0.6
25	Petroleum, coal, chemical and associated product mfg	2.9	3.5	3.4	5.5
26	Non-metallic mineral product mfg	1.0	0.8	0.9	0.6
27	Metal product mfg	7.5	10.6	27.6	28.0
28	Machinery and equipment mfg	10.1	11.8	10.9	11.1
29	Other manufacturing	1.5	2.3	1.8	1.7
21-29	Total manufacturing	7.4	8.2	12.9	11.4

(a) See paragraphs 33-37 of the Explanatory Notes.

(c) Excludes the drawings of working proprietors.

(b) Includes working proprietors.

EXPLANATORY NOTES

INTRODUCTION

- 1** This publication, *Manufacturing Industry, Australia, 2004–05* (cat. no. 8221.0), presents data of the economic and financial performance of the manufacturing industry.
- 2** Manufacturing, as specified in Division C of the 1993 edition of the *Australian and New Zealand Standard Industrial Classification (ANZSIC)* (cat. no. 1292.0), broadly relates to the physical or chemical transformation of materials or components into new products, whether the work is performed by power-driven machines or by hand.
- 3** From 2006–07 reference year the Economic Activity Survey (EAS) results will be presented using the 2006 edition of ANZSIC, an updated version of the industry classification. At the time of release, data for some previous years will also be made available on a 2006 ANZSIC basis, as an aid to analysis.
- 4** The manufacturing collection is conducted annually as a component of the ABS's Economic Activity Survey (EAS):
 - A sample of approximately 9,900 manufacturing businesses were asked by the ABS to provide employment details and data obtained from their financial statements, mainly via mail out questionnaires. (The sample comprised all businesses classified to the manufacturing industry and which were above a certain cut-off (see Technical Note 1).)
 - Key financial data, representing approximately 123,000 manufacturing businesses below the \$500,000 cut-off, which had been supplied by them to the Australian Taxation Office (ATO) on business income tax returns (BIT data), were then used to supplement the ABS's directly collected information. Section 16(4)(ga) of the *Income Tax Assessment Act 1936* provides for the ATO to pass information to the Australian Statistician for the purposes of the *Census and Statistics Act 1905*.

STATISTICAL UNITS USED

- 5** Statistical units are those entities from which statistics are collected, or about which statistics are compiled. In ABS economic statistics, the statistical unit is generally the business. All businesses in the EAS are recorded on the ABS Business Register (ABSBR).
- 6** The ABS uses an economic statistics units model on the ABSBR to describe the characteristics of businesses, and the structural relationships between related businesses. Within large and diverse business groups, the units model is used also to define reporting units that can provide data to the ABS at suitable levels of detail.
- 7** This units model allocates businesses to one of two sub-populations:
 - Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN). The vast majority of these businesses are simple in structure and are allocated to the population which is maintained by the ATO. These are termed (by the ABS) ABN units.
 - The remaining businesses are in the ABS maintained population, and are termed type of activity units, or TAUs.
- 8** Together, these two sub-populations (of ABN units and TAUs) make up the ABSBR population, from which the EAS samples are taken.
- 9** For details about the ABSBR and how ABN units and TAUs contribute to the industry statistics in this publication, see Technical Note 1.

SCOPE AND COVERAGE

10 The scope of the 2004–05 manufacturing collection comprises all businesses (including non-employing businesses) on the ABSBR at time of selection, whose industry is classified to ANZSIC Division C MANUFACTURING. For details of the structure of this division, please consult the 1993 edition of the *Australian and New Zealand Standard Industrial Classification (ANZSIC)* (cat. no. 1292.0), which is also available through the ABS web site <<http://www.abs.gov.au>> (using the Home page Search facility to find Division C).

11 The ANZSIC-based industry statistics presented in this publication are compiled differently from activity statistics. Each ABN unit or TAU on the ABSBR has been classified (by the ATO and the ABS respectively) to a single industry irrespective of any diversity of activities undertaken. The industry class allocated is the one which relates to those activities that provide the main source of income. A manufacturing business is one predominantly engaged in manufacturing activities, but the data collected for it cover all activities of the business (including non-manufacturing activities). Conversely, there are some businesses predominantly engaged in non-manufacturing activities which also undertake limited manufacturing activities; these are excluded from the collection.

12 Some manufacturing businesses engage, to a significant extent, in activities which are normally carried out by different industries. For example, a predominantly manufacturing business may also undertake significant amounts of wholesaling. Similarly, a manufacturing business may produce significant volumes of goods which are normally produced in different manufacturing industries. However, where a business makes a significant economic contribution to industries classified to different ANZSIC subdivisions, the ABS includes the business in the ABS maintained population, and 'splits' the TAU's reported data between the industries involved. Significance is determined using total income.

13 A TAU's reported data will be split if the inclusion of data relating to the secondary activity in the statistics for the industry of the primary activity distorts (by overstating or understating) either the primary or secondary industry statistics at the ANZSIC subdivision level by:

- 3% or more, where the industries of the primary and secondary activities are in the same ANZSIC division
- 2% or more, where the industries of the primary and secondary activities are in different ANZSIC divisions.

14 Unincorporated joint ventures (UJVs) within the manufacturing industry are arrangements which allow the sharing of expertise, resources and risk associated with specific projects. This occurs through the participation of a number of organisations (by investment) in a specific operation. Some of these organisations may not otherwise be involved in that industry.

15 The manufacturing collection includes such businesses which are operators and/or participants in UJVs. Generally, each participant supplies data of its share of income, while the operator reports all expenses and employment.

16 The ABS attempts to maintain a current understanding of the structure of the large, complex and diverse business groups that form the ABS maintained population on the ABSBR, through direct contact with those businesses. Resultant changes in their structures on the ABSBR can affect:

- the availability of such businesses (or units within them) for inclusion in the annual economic collections
- the delineation of the units, within those groups, for which data are to be reported.

17 The ABS attempts to obtain data for those businesses which ceased operation during the year, but it is not possible to obtain data for all of them.

REFERENCE PERIOD

18 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, an accounting period for which data can be provided is used for data other than that relating to employment. Such businesses make a substantial contribution to some of the estimates presented in this publication. As a result, the estimates can reflect trading conditions that prevailed in periods outside the twelve months ended June in the relevant year.

19 It should be noted that, although financial data estimates relate to the full twelve months, employment estimates relate to the last pay period ending in June of the given year. As such, any estimates of wages and salaries per person employed can be affected by any fluctuations in employment during the reference period.

20 Financial data presented incorporate all units in scope of the manufacturing collection that were at the production stage at any time during the year. They also include any temporarily inactive units, i.e. those units which were in the development stage or which were not in production, but which still existed and held assets and liabilities and/or incurred some non-operating expenses (e.g. depreciation, administration costs).

RELIABILITY OF ESTIMATES

21 For information about this subject, see Technical Note 2 .

INDUSTRY PERFORMANCE MEASURES

22 This publication presents a wide range of data that can be used to analyse business and industry performance.

23 Differences in accounting policy and practices across businesses and industries can lead to some inconsistencies in the data input to the statistics. Although much of the accounting process is subject to standards, there is still a great deal of flexibility left to managers and accountants in the accounting policy and practices they adopt. For example, the way profit is measured is affected by management policy on such issues as depreciation rates, bad debt provisions and write off, and goodwill write off. The varying degree to which businesses consolidate their accounts may also affect any industry performance measures calculated.

24 A range of performance measures, usually expressed as ratios, can be produced from the data available from businesses' financial statements. Others, relating to labour inputs, can be derived by expressing financial or economic variables on a per person employed basis. This issue introduces a selection of such measures, comparable with those included in other ABS industry statistics publications. They comprise:

- profitability ratios, which measure the rate of profit on sales
- debt ratios, which indicate the ability of businesses to meet the cost of debt financing
- labour measures, which relate output, labour costs and employment
- capital expenditure ratios, which indicate the extent of business investment in capital assets.

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

26 Those ratios compiled from a combination of flow (whole period) and level (beginning or end of period) items need to be treated with additional caution. Ratios which include both level and flow items in their derivation may be volatile due to the timing differences involved. In particular, this should be taken into account when considering those measures expressed as values per person employed. It may, therefore, be preferable to base any analysis on a range of data presented rather than focusing on one variable.

27 The above limitations are not meant to imply that analysis based on these data should be avoided, only that they should be borne in mind when interpreting the data presented in this publication.

STATE AND TERRITORY ESTIMATES

28 State and territory summary estimates for manufacturing subdivisions are presented in table 3.1. To enable the production of these estimates for each year, selected businesses which received the mail out questionnaire (and which were considered to operate in more than one state and/or territory) were also asked to report data for employment, wages and salaries, and sales of goods and services for each state and/or territory in which they operated, if more than one. The relevant data for all other businesses, including those whose contribution was sourced from BIT data, were allocated to their state/territory of operations as recorded on the ABSBR.

29 The design of the manufacturing collection does not take into account the state/territory in which businesses are based or in which they operate. As a result, these state and territory estimates are particularly subject to variation from year to year because of rotation of businesses into and out of the sample.

EMPLOYMENT SIZE DATA

30 Data classified by the employment size of individual manufacturing businesses are presented in table 2.3. Similarly, estimates of exports of goods produced classified by the broad employment size of individual manufacturing businesses are presented in table 4.2. The statistics in these two tables relate only to those manufacturing businesses which operated at 30 June 2005. As such, the data presented relate to a slightly different population from those presented in the other tables in this publication. These other tables include data for manufacturing businesses which operated at any time during the year ended 30 June 2005.

31 The treatment of unincorporated joint ventures (UJVs) under the ABS economic statistics model has an effect on data classified by employment size. This is because each of the joint venture participants reports details of its share of the sales of goods and services, but generally they have few or no employees or operating expenses. The labour for such operations is usually employed and paid for by the joint venture operator. Similarly, the operating expenses are usually reported by the joint venture operator. The number of UJVs in manufacturing industry is small, and at the aggregate level all activity is covered in the statistics.

32 However, this treatment does affect the employment size tables 2.3 and 4.2, as UJV participants with potentially significant sales of goods and services are included in the 0–4 persons category. These effects are particularly evident in the estimates for the METAL PRODUCT MANUFACTURING industry.

EXPORTS BY MANUFACTURERS

33 All businesses which received an ABS mail out survey were asked whether they exported and, if so, what percentage of their sales of goods produced was exported by the business or by an agent on its behalf. Because the ATO data do not contain this information, businesses whose contribution to manufacturing estimates was sourced from BIT data do not contribute to the export tables included in this publication. The effect of the exclusion of these businesses is likely to be minimal, in view of their small contribution to overall estimates.

34 The data presented in table 4.2 are derived by applying the percentage of exports reported for each exporting unit and then aggregating that figure. These data also exclude any contribution by those businesses which operated during 2004–05, but were not operating at 30 June 2005.

35 For the purposes of table 4.3, manufacturing businesses have been categorised by the extent (if any) of their involvement in exporting. For each such category, the tables present its share (relative to total Australian manufacturing) of the four key data items: employment at end of June, sales and service income, wages and salaries, and industry value added.

EXPORTS BY
MANUFACTURERS *continued*

36 The statistics presented in tables 4.1 and 4.2, relating to the value of exports by manufacturers or their agents, are not intended to be directly comparable with the value of exports classified by manufacturing industry of origin as published by the ABS in international trade statistics. These latter statistics are intended to measure total exports regardless of which business or organisation does the exporting (and to identify the probable industry from which the goods originated), whereas the statistics in this publication's tables only relate to exports directly undertaken by the manufacturer or by its agent. The exports data in tables 4.1 and 4.2 can, therefore, be expected to show a much lower value than the exports data from the international trade series. The main reason is that for many exports of goods manufactured in Australia, the actual exporting activity is undertaken by a business other than the manufacturer.

37 Also, the value of goods produced on a commission or fee basis for non-manufacturing businesses and which are then exported is not included in any of these data. Examples of relevant commission arrangements are the slaughtering fee charged by an abattoir for processing livestock owned by a meat exporter, and the tolling fee charged by an aluminium smelter to process ores owned by other (e.g. mining) businesses. Also excluded from these tables are any exports by manufacturers of goods which were not produced by that manufacturer. These and other goods exported (e.g. re-exports) are included in the international trade data. Finally, differences in valuation of exports arise because the value of exports in the international trade series would include the value to the manufacturer plus profit margins for the exporter and for any intermediaries between the manufacturer and the exporter.

NEW BUSINESSES

38 Data in this publication have been adjusted to allow for lags in processing new businesses to the ABSBR. The effect of these adjustments on the Australian total manufacturing estimate of sales and service income is an increase of 0.9%.

39 Most states and territories and most industries were affected to a similar degree.

ACKNOWLEDGEMENT

40 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much 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*.

RELATED PUBLICATIONS

41 The ABS produces industry estimates for a range of selected industries (including manufacturing) and these results are to be available in *Australian Industry, 2004–05* (cat. no. 8155.0), released on 21 December 2006.

42 National estimates of employment, income, expenditure and associated ratios will be available at the ANZSIC division level (with a greater range of data available via the ABS web site in spreadsheet form). Some data presenting greater detail are considered experimental at this stage, while the methodology used to produce them is reviewed and improved. These consist of national estimates of income, expenses, operating profit before tax (OPBT), and wages and salaries, at the ANZSIC class level, and state/territory estimates of these items at the ANZSIC division level.

43 The following publications and electronic releases also contain information about the manufacturing industry:

Australian Bureau of Statistics Business Register, Counts of Businesses

– *Summary Tables*, cat. no. 8161.0.55.001, released on 7 October 2005 – Final issue

Australian Industry, 2003–04, cat. no. 8155.0, released on 9 August 2006

– Annual publication

Australian Labour Market Statistics, cat. no. 6105.0 – Quarterly publication

Australian National Accounts: State Accounts, 2005–06, Reissue, cat. no. 5220.0, released on 13 November 2006 – Annual publication

RELATED PUBLICATIONS

continued

Business Indicators, Australia, cat. no. 5676.0 – Quarterly publication
International Trade in Goods and Services, Australia, cat. no. 5368.0
 – Monthly publication
International Trade Price Indexes, Australia, cat. no. 6457.0 – Quarterly publication
Job Vacancies, Australia, cat. no. 6354.0 – Quarterly publication
Labour Costs, Australia, 2002–03, cat. no. 6348.0.55.001, released on 11 June 2004
 – Irregular electronic publication
Manufacturing Indicators, Australia, cat. no. 8229.0, released on 17 November 2006
 – Quarterly electronic publication
Manufacturing Industry, New South Wales, 2001–02, cat. no. 8221.1.55.001,
 released on 21 November 2005 – Quinquennial electronic publication
Manufacturing Industry, Victoria, 2001–02, cat. no. 8221.2.55.001,
 released on 21 November 2005 – Quinquennial electronic publication
Manufacturing Industry, Queensland, 2001–02, cat. no. 8221.3.55.001,
 released on 21 November 2005 – Quinquennial electronic publication
Manufacturing Industry, South Australia, 2001–02, cat. no. 8221.4.55.001,
 released on 21 November 2005 – Quinquennial electronic publication
Manufacturing Industry, Western Australia, 2001–02, cat. no. 8221.5.55.001,
 released on 21 November 2005 – Quinquennial electronic publication
Manufacturing Industry, Tasmania, 2001–02, cat. no. 8221.6.55.001,
 released on 21 November 2005 – Quinquennial electronic publication
Manufacturing Production, Australia, cat. no. 8301.0.55.001
 – Quarterly electronic publication
Private New Capital Expenditure and Expected Expenditure, Australia,
 cat. no. 5625.0 – Quarterly publication
Producer Price Indexes, Australia, cat. no. 6427.0 – Quarterly publication
Research and Experimental Development, Businesses, Australia, 2004–05,
 cat. no. 8104.0, released on 28 August 2006 – Annual publication
Year Book Australia, 2006, cat. no. 1301.0, released on 20 January 2006
 – Annual publication

44 Current publications and other products released by the ABS are listed in the *Catalogue of Publications and Products* (cat. no. 1101.0). The catalogue is available from any ABS office or the ABS web site <<http://www.abs.gov.au>>. The ABS also issues a daily Release Advice on the web site which details products to be released in the week ahead.

ABS DATA AVAILABLE ON
REQUEST

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

BACK SERIES AND
ADDITIONAL DATA

46 The ABS has data stored electronically from earlier manufacturing surveys collected using different statistical infrastructures. For relevant data, see the data cubes and spreadsheets released in conjunction with the 1999–2000 and 2000–01 issues of this publication. The publication text also provides useful descriptions of these changed collection arrangements. These publications and datasets are all available on the ABS web site.

47 By definition, these data series are not directly comparable with the current statistical series, which commences with data from the 2001–02 reference year.

48 For more information, please contact John Ridley on (02) 9268 4541 or by email to john.ridley@abs.gov.au.

ROUNDING

49 Where figures have been rounded, discrepancies may occur between totals and the sums of the component items. Due to data being adjusted for lags in processing new businesses to the ABS Business Register (see paragraph 38), this 'rounding rule' also applies to employment estimates.

50 Proportions, ratios and other calculated figures shown in this publication have been calculated using unrounded estimates and may be different from, but are more accurate than, calculations based on the rounded estimates.

APPENDIX

DATA ITEMS, 2004–05

INTRODUCTION

1 This Appendix lists items included in the 2004–05 manufacturing collection, and selected items derived from those directly collected.

AVAILABILITY OF DATA

2 Owing to the design of this collection, the majority of information available is at the Australian level, with limited information available for states and territories. The following restrictions apply to the availability of data for dissemination:

- National estimates at the industry class level are potentially available for the data items listed below. The industry level at which these items are disseminated will be decided on a case by case basis, conditional upon confidentiality and data quality constraints.
- Businesses operating across Australia do not always apportion activity by state/territory. However, 460 ABN units / TAU's (i.e. those with significant operations in more than one state or territory) were requested to provide additional details of employment, wages and salaries, and sales of goods and services, for each state and/or territory in which they operated. This has enabled the production of state/territory data for employment, sales and service income, wages and salaries, and IVA at the industry subdivision level. However, it is not possible to produce state/territory data by employment size or in relation to exported production.

DATA ITEMS, COLLECTED AND DERIVED, 2004–05

Employment

Total employment at end of June

Income items

Sales of goods

Produced by this business (or for it on commission)

Not produced by this business

Income from services

Provided on a commission basis

(excluding sales and agency commissions)

Repair and maintenance services

Delivery charges separately invoiced to customers

Advertising income

Other services

Rent, leasing and hiring income

Land, buildings and other structures

Other rent, leasing and hiring income

Interest income

Funding from federal, state and/or local government

Funding for operational costs

(e.g. wages and salaries, rent, food)

Funding provided for specific capital items

Royalties income

Natural resource royalties income

Other royalties income

Income items *continued*

Other income

Total income

Expense items

Labour costs

Wages and salaries (including provisions for employee entitlements)

Employer contributions into superannuation (including salary sacrifice)

Workers' compensation premiums/costs

Fringe benefits tax

Payroll tax (excluding Pay As You Go withholding tax)

Payments to employment agencies for staff

Land tax and land rates

Insurance premiums

Interest expenses

Bank charges other than interest

Depreciation and amortisation

Bad and doubtful debts

Purchases

Materials, components, containers, packaging

materials, electricity, fuels and water

Finished goods for resale

Royalties expenses

Natural resource royalties expenses

Other royalties expenses

DATA ITEMS, COLLECTED AND DERIVED, 2004–05 *continued***Expense items** *continued*

Motor vehicle running expenses
 Freight and cartage expenses
 Repair and maintenance expenses
 Rent, leasing and hiring expenses
 Other contract, sub-contract and commission expenses
 Sales commission expenses
 Commission expenses for work done on materials provided by this business
 Ex-house printing expenses for material published by this business
 Other contract, sub-contract and commission expenses (not included elsewhere)
 Computer software expensed
 Other operating expenses
 Total expenses

Inventories

Opening inventories
 Raw materials, fuels, containers, etc.
 Work-in-progress less progress payments billed
 Finished goods (including inventories for resale)
 Total opening inventories
 Closing inventories
 Raw materials, fuels, containers, etc.
 Work-in-progress less progress payments billed
 Finished goods (including inventories for resale)
 Total closing inventories

Capital expenditure and disposal of assets

Capital work done by own employees for own use or rental or lease
 Capitalised wages and salaries
 Capitalised purchases of materials
 Capital expenditure (including capitalised work done by own employees as listed above)
 Road vehicles
 Other transport equipment
 Industrial machinery and equipment
 Computer software capitalised
 Computers and computer peripherals
 Electronic equipment and electrical machinery
 Communications equipment
 Other plant and equipment
 Land
 Dwellings, other buildings and structures
 Intangible assets
 Disposal of selected assets
 Plant, machinery and equipment (including motor vehicles)
 Land
 Dwellings, other buildings and structures

Capital expenditure and disposal of assets *continued*

Disposal of selected assets
 Intangible assets

Sales of goods produced

Data have been collected for 1,060 separately identified commodities

Selected derived data items

Income and expense items
 Sales and service income (including rent, leasing and hiring income and royalties other than natural resources royalties)
 Value of sales of goods exported by the business or its agent
 Cost of sales
 Trading profit
 Earnings before interest and tax
 Operating profit before tax

Economic values

Purchases of goods and materials (including capitalised purchases)
 Other intermediate input expenses- i.e. other than purchases of goods and materials
 Change in inventories
 Industry value added

Labour costs

Selected labour costs
 Total labour costs

Capital expenditure on

Plant, machinery and equipment
 Dwellings, other buildings and structures
 Total acquisitions (including land and intangible assets)
 Disposal of assets
 Net capital expenditure

Ratios

Sales and service income (including rent, leasing and hiring income and royalties other than natural resources royalties) per person employed at the end of June
 Exports as a proportion of sales of goods produced
 Industry value added per person employed at the end of June
 Industry value added to selected labour costs
 Wages and salaries to sales and service income (including rent, leasing and hiring income and royalties other than natural resources royalties)
 Wages and salaries per person employed at the end of June
 Selected labour costs per person employed at the end of June
 Interest coverage
 Investment rate (value added)

TECHNICAL NOTE 1 **METHODOLOGY**

INTRODUCTION

1 The industry estimates in this publication are produced using a combination of ABS directly collected data and Business Income Tax (BIT) data sourced from the Australian Taxation Office (ATO).

2 The directly collected data have been reported by a sample of manufacturing businesses, as recorded on the ABS Business Register (ABSBR). The ABS uses an economic statistics units model on the ABSBR to describe the characteristics of businesses, and the structural relationships between related businesses. Within large and diverse business groups, the units model is used also to define reporting units that can provide data to the ABS at suitable levels of detail.

STATISTICAL UNITS DEFINED ON THE ABS BUSINESS REGISTER

3 The current economic statistics units model was introduced in mid 2002, to better use the information available as a result of The New Tax System (TNTS). This units model allocates businesses to one of two sub-populations. The vast majority of businesses are in what is called the ATO maintained population, while the remaining businesses are in the ABS maintained population. Together, these two sub-populations make up the ABSBR population.

ATO MAINTAINED POPULATION

4 Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN). They are then included on the whole-of-government register of businesses, the Australian Business Register (ABR), which is maintained by the ATO. Most of these businesses have simple structures; therefore, the unit registered for an ABN will satisfy ABS statistical requirements. For these businesses, the ABS has aligned its statistical units structure with the ABN unit. The businesses with simple structures constitute the ATO maintained population, and the ABN unit is used as the statistical unit for all ABS economic collections.

ABS MAINTAINED POPULATION

5 For the population of businesses where the ABN unit is not suitable for ABS statistical requirements, the ABS maintains its own units structure through direct contact with the business. These businesses constitute the ABS maintained population. This population consists typically of large, complex and diverse businesses. The statistical units model described below caters for such businesses.

Enterprise group: This is a unit covering all the operations in Australia of one or more legal entities under common ownership and/or control. It covers all the operations in Australia of legal entities which are related in terms of the current Corporations Law (as amended by the *Corporations Legislation Amendment Act 1991*), including legal entities such as companies, trusts and partnerships. Majority ownership is not required for control to be exercised.

Enterprise: An institutional unit comprising:

- (i) a single legal entity or business entity, or
- (ii) more than one legal entity or business entity within the same enterprise group and in the same institutional sub-sector (i.e. they are all classified to a single Standard Institutional Sector Classification of Australia (SISCA) sub-sector).

ABS MAINTAINED
POPULATION *continued*

Type of activity unit (TAU): The TAU comprises one or more business entities, sub-entities or branches of a business entity within an enterprise group that can report production and employment data for similar economic activities. When a minimum set of data items are available, a TAU is created which covers all the operations within an industry subdivision (and the TAU is classified to the relevant subdivision of the ANZSIC). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry subdivision.

CONTRIBUTION OF THE
STATISTICAL UNITS TO THE
ESTIMATES

6 The following paragraphs outline the way in which these categories of statistical units contribute to the estimates of financial and economic variables presented in this publication. Estimates of employment are derived in a different manner; see paragraphs 13 and 14 below.

TAUs

7 All units in the ABS maintained population (i.e. TAUs) classified to MANUFACTURING were eligible to be selected for direct collection. Direct collection of data from these units is necessary because:

- many large and complex employing businesses have more than one legal entity, making it difficult to identify all legal entities for that business in the BIT data
- BIT data do not include all of the detailed information that the ABS requires from large and complex businesses
- 'tax exempt' businesses that are not required to complete business income tax returns would otherwise not contribute to the statistics.

ABN units

8 The balance of units on the ABSBR classified to MANUFACTURING were ABN units, from the ATO maintained population. Cut-offs were established which determined the way in which each ABN unit contributed to the statistics:

- First, ABN units with annualised Business Activity Statement (BAS) total sales (used in lieu of EAS total income) at or greater than the cut-offs set for individual ANZSIC categories were eligible to be selected for direct collection of data by the ABS. If selected, they were sent the same mail out questionnaire for completion that was sent to selections from the ABS maintained population.
- Second, ABN units with annualised BAS total sales below the cut-offs were excluded from direct collection. For these units, BIT data were obtained and added to the directly collected estimates to produce the statistics in this publication.

CUT-OFFS FOR ABN UNITS

9 Cut-offs for ABN units were originally established for the 2001–02 collection year, which was the first to incorporate BIT data from the ATO. More information about how the initial cut-offs were set is shown in Appendix 1: Survey Changes in the 2001–02 and 2002–03 issue of this publication. These cut-offs have not changed from the initial year.

10 For 2004–05, a cut-off of \$500,000 applied.

PRODUCING MANUFACTURING
INDUSTRY ESTIMATES

11 Therefore, the 2004–05 manufacturing industry estimates have been derived as follows:

- A sample survey was used to estimate the contribution of:
 - all businesses in the ABS maintained population
 - those businesses at or above the cut-offs in the ATO maintained population
 - 'tax exempt' businesses, that are not required to complete business income tax returns (and so would otherwise not contribute to the statistics)
- For the balance of businesses (i.e. in the ATO maintained population below the cut-offs for their ANZSIC category), their contribution was sourced from BIT data, with some more detailed breakdowns produced using proportional relationships derived from the sample survey. The derivation of employment estimates is discussed in paragraphs 13 and 14 below.

Income contribution by unit type

12 An indication of the importance of these populations to the data can be gained from their contribution to the estimate of sales and service income for total MANUFACTURING. The following table shows their proportional contributions to sales and service income.

CONTRIBUTION TO SALES AND SERVICE INCOME

<i>ABSBR unit</i>	<i>ATO BIT data</i>	<i>Directly collected data</i>	<i>Total</i>
	%	%	%
ABN units	3.1	30.7	33.8
TAUs	–	66.2	66.2
Total	3.1	96.9	100.0

EMPLOYMENT ESTIMATES

13 One implication of the use of BIT data in these statistics is that no direct measure of employment is available for those units which contribute to the estimates through the BIT source. This is because the ATO does not collect information about employment numbers. Unlike financial variables, which have a direct relationship to the data available from the BIT files, employment data are not amenable to being modelled using the same techniques. Hence a different methodology is used in order to estimate employment for those units whose data are sourced from the BIT files. For each business, an estimate of employee numbers is derived from its value of wages and salaries (if any) using industry averages. For each unincorporated business, these employee numbers are then added to an estimate of its number of working proprietors or partners, to produce an estimate of the total employment of the business. These estimates are then aggregated to the directly collected data to produce the estimates in this publication.

14 As a result of the ABS's continuing review of the suitability of this model to generate employment estimates for manufacturing and other industries, refinements have been made to the model that has produced the estimates presented in this issue. Employment estimates for all years starting from 2001–02 have been revised accordingly.

TECHNICAL NOTE 2 **DATA RELIABILITY**

ABS SURVEY DATA

1 For 2004–05, the manufacturing collection was, in part, a sample survey designed primarily to deliver estimates at the industry class level for Australia. Industry subdivision estimates for states and territories are also produced for key data items, but the survey was not specifically designed for these purposes.

SAMPLE ERROR

2 The majority of data contained in this publication have been obtained from a sample of manufacturing businesses. As such, these data are 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 manufacturing businesses in the population. The measure of the likely difference as used by the ABS is given by the standard error, 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 two chances in three that a sample estimate will differ by less than one standard error 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 two standard errors.

3 The standard error can also be expressed as a percentage of the estimate, and this is known as the relative standard error (RSE).

4 RSEs for the national estimates of employment, wages and salaries, sales and service income, and IVA contained in this publication are mainly 2% or less for industry subdivisions (see Technical Note 2) and most are 4% or less for industry classes. The relative standard errors for the selected estimates for the states and territories are mainly 3% or less for employment and 1% or less for sales and service income.

5 Relative standard errors at the industry subdivision level for Australia for selected data items representing the full range of data contained in this publication are shown below. Detailed relative standard errors can be made available on request.

6 To illustrate the above, the estimate of sales and service income for total manufacturing in 2004–05 was \$338,440m. The RSE of this estimate is shown as 0.2%, giving a standard error of approximately \$677m. This implies that there are two chances in three that, if all units had been included in the survey, an estimate in the range of \$337,763m to \$339,117m would have been obtained. Similarly, it implies that there are 19 chances in 20 (i.e., a confidence interval of 95%) that the estimate would have been within the range of \$337,086m to \$339,794m.

RELATIVE STANDARD ERRORS

INDUSTRY SUBDIVISION		Employment at end of June (a)	Wages and salaries (b)	Sales and service income (c)	Purchases (d)	Industry value added	Capital expenditure on plant machinery and equipment
ANZSIC code	Description	%	%	%	%	%	%
21	Food, beverage and tobacco mfg	1.0	0.6	0.4	0.5	0.5	1.4
22	Textile, clothing, footwear and leather mfg	1.8	1.4	0.8	1.4	1.5	3.3
23	Wood and paper product mfg	1.3	0.9	0.4	0.6	0.7	5.0
24	Printing, publishing and recorded media	1.8	1.3	0.8	1.6	0.9	4.9
25	Petroleum, coal, chemical and associated product mfg	1.1	0.7	0.2	0.3	0.4	1.2
26	Non-metallic mineral product mfg	1.5	1.0	0.6	1.1	0.9	3.4
27	Metal product mfg	1.2	0.8	0.3	0.4	0.6	0.8
28	Machinery and equipment mfg	0.8	0.7	0.4	0.5	0.6	2.7
29	Other manufacturing	2.6	2.4	1.2	2.0	2.0	9.1
21–29	Total manufacturing	0.5	0.3	0.2	0.2	0.2	0.8

(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

(d) Includes capitalised purchases of materials.

 SAMPLE ERROR *continued*

7 The size of the RSE may be a misleading indicator of the reliability of some of the estimates for trading profit, OPBT, EBIT and IVA. This situation may occur where an estimate may legitimately include positive and negative values, reflecting the financial performance of individual businesses. In these cases, the aggregated estimate can be small relative to the contribution of individual businesses resulting in a standard error which is large relative to the estimate.

NON-SAMPLE ERROR

8 All data presented in this publication are subject to non-sample error.

9 The imprecision due to sampling variability, which is measured by the standard error, 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 by providers, errors made in collection such as in 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 a full census or a sample.

10 Although it is not possible to quantify non-sampling error, every effort is made to reduce it to a minimum. Collection forms are designed to be easy to complete and assist businesses to report accurately. Efficient and effective operating procedures and systems are used to compile the statistics. The ABS compares data from different ABS (and non-ABS) sources relating to the one industry, to ensure consistency and coherence.

GLOSSARY

Data presented in this publication have been compiled from the standard financial accounts of businesses; therefore, the definition of each reported item aligns closely with that adopted in standard business accounting practice. Definitions of particular terms, as used in this publication, are also included.

ABN unit	The statistical unit used by the ABS to represent businesses, and for which statistics are reported, in most cases. The ABN unit is the business unit which has registered for an ABN, and thus appears on the ATO administered Australian Business Register. In most cases, the ABN unit represents the legal entity. This unit is suitable for ABS statistical needs when the business is simple in structure. For more significant and diverse businesses where the ABN unit is not suitable for ABS statistical needs, the statistical unit used is the type of activity unit (TAU).
Acquisitions	See the various capital expenditure entries.
Amount exported by this business or its agent	This represents the sales value of goods produced by the business (or for it on commission) that are exported (or are intended for export) outside Australia by the business or by its agent.
Bad and doubtful debts	Represents the amount of bad and doubtful debts written-off, net of bad and doubtful debts previously written-off but recovered.
billion	One thousand million.
Business	<p>A business is generally considered to be a person, partnership, or corporation engaged in business or commerce; for example, a textile manufacturing business.</p> <p>In this publication, the term represents the ABN unit or type of activity unit (TAU), which are the two standard statistical units for the 2004–05 manufacturing collection (these two units are explained under separate entries). For details, see Explanatory Notes paragraphs 5–9.</p>
Business Activity Statement (BAS) total sales	Represented by the form item G1 <i>Total sales</i> on businesses' Business Activity Statements, supplied by them to the ATO. This item comprises all payments and other consideration (including GST) received during the nominated tax period for supplies made in the course of business.
Businesses that do not export	Businesses that reported no exports (either by their business or for them by an agent) of goods that they produced.
Businesses that export more than 50% of sales	Businesses that reported exports (either by their business or for them by an agent) of more than 50% of sales of goods that they produced.
Businesses that export up to and including 50% of sales	Businesses that reported exports (either by their business or for them by an agent) of up to and including 50% of sales of goods that they produced.
Capital expenditure on dwellings, other buildings and structures	Capital expenditure incurred acquiring dwellings, other buildings and structures, including roads, factories, warehouses, offices, and bridges. Includes expenses (except capitalised interest) incurred during the year in acquiring such assets.
Capital expenditure on other assets (including land and intangible assets)	Capital expenditure incurred acquiring other assets (including land and intangible assets). Intangible asset purchases may include items such as patents, licences and goodwill. Also included is computer software capitalised, including capitalised computer software licence fees, installation costs, the purchase or development of large databases, software developed in-house (but excluded is software maintenance expenditure), and capitalised payments to contractors and consultants for software development. Note that

Capital expenditure on other assets (including land and intangible assets) <i>continued</i>	if the cost of software and hardware cannot be separated, the total cost is included in acquisition of plant, machinery and equipment.
Capital expenditure on plant, machinery and equipment	Capital expenditure incurred acquiring plant, machinery and other equipment, including motor vehicles. Includes expenses (except capitalised interest) incurred during the year in acquiring such assets.
Capital work done for own use	<p>Capitalised work done by the employees or proprietors of a business in manufacturing, constructing, installing or repairing assets, and the in-house development of computer software, for use by the business or for rental or lease. This work is valued at the capitalised costs of the materials and the wages and salaries involved.</p> <p>Conceptually, under the current international standards, this item should also include own account mineral exploration and own account production of literary, entertainment or artistic originals. However, these activities are relatively unimportant for manufacturers and have not been measured for manufacturing industries.</p>
Capitalised purchases	Goods drawn from inventories for use as fixed tangible assets in capital work done by the employees or proprietors of a business for use by the business or for rental or lease.
Change in inventories	The value of total closing inventories less total opening inventories.
Closing inventories	The value of all inventories of finished goods (including inventories for resale), work-in-progress (less progress payments billed), raw materials, fuels, and containers, at the end of the reporting period.
Commission manufacturing	<p>Significant amounts of manufacturing are undertaken on a commission basis by one manufacturer on behalf of another or on behalf of a non-manufacturer for a fee. Typically, commission manufacturing involves a client commissioning the production of goods utilising materials provided by the client. Ownership of these materials remains with the client. Similarly, the goods made using these materials are owned by the client.</p> <p>For the purposes of the estimates in this publication, the producing business reports the commission fee as service income and the wages and salaries and any other expenses incurred.</p> <p>If the client is also a manufacturing business then, in addition to data for its own manufacturing operations, the client reports the sales and inventories of the commissioned goods, the cost of the materials provided to the producing business, the commission fee paid and the value of any other intermediate inputs related to the commission transaction. If the client is not a manufacturing business, no data are reported by the client as it is excluded from the manufacturing collection.</p>
Commission expenses	Payments to other businesses and self-employed persons for work done or sales made on a contract or commission basis using materials supplied by the business. Payments to persons paid by commission without a retainer are also included. Excludes commissions paid to persons who receive a retainer, commission paid to the business' own employees, and in-house printing expenses.
Cost of sales	The sum of purchases, selected expenses and opening inventories less closing inventories. Any capitalised purchases or capitalised wages and salaries are excluded.
Current prices	Estimates at current prices are valued at the prices of the period to which the observation relates. For example, estimates for 2004–05 are valued using 2004–05 prices. This contrasts to chain volume measures, where the prices used in valuation refer to the prices of a previous period.
Depreciation and amortisation	Depreciation/amortisation allowed on tangible and intangible assets. Includes, for lessees only, depreciation/amortisation in respect of finance leases.
Disposal of assets	Proceeds from the sale of tangible assets (plant, machinery, equipment, land, dwellings, other buildings and structures), and intangible assets (such as patents, licences and goodwill).

Earnings before interest and tax (EBIT)	Profit prior to the deduction of interest expenses and income tax.
Employer contributions into superannuation	Includes salary sacrifice. Also includes all employer contributions to superannuation funds (including the employer productivity contribution) and provisions for employer contributions to superannuation funds. Employee contributions are excluded.
Employment at end of June	<p>Number of persons working for manufacturing businesses during the last pay period ending in June of the given year. Includes working proprietors and partners, employees absent on paid or prepaid leave, employees on workers' compensation who continue to be paid through the payroll, and contract workers paid through the payroll. Excludes persons paid by commission only, non-salaried directors, volunteers and self-employed persons such as consultants and contractors.</p> <p>For details of how employment estimates have been derived, see Technical Note 1 paragraphs 13 and 14.</p>
Enterprise	<p>An institutional unit comprising:</p> <ul style="list-style-type: none"> ■ a single legal entity or business entity; or ■ more than one legal entity or business entity within the same enterprise group and in the same institutional sub-sector (i.e. they are all classified to a single Standard Institutional Sector Classification of Australia (SISCA) sub-sector).
Enterprise group	A unit covering all the operations in Australia of one or more legal entities under common ownership and/or control. It covers all the operations in Australia of legal entities which are related in terms of the current Corporations Law (as amended by the <i>Corporations Legislation Amendment Act 1991</i>), including legal entities such as companies, trusts and partnerships. Majority ownership is not required for control to be exercised.
Exports as a proportion of sales of goods produced	<p>For an individual business, this represents the percentage of sales of goods produced by the business (or for it on commission) which are exported (or are intended for export) outside Australia by the business or by its agent. (In table 4.2, the proportion is calculated by dividing the value of goods exported by the value of sales of goods produced by all manufacturing businesses, not just the aggregated value for those units which exported.)</p> <p>Because the ATO data do not contain this export information, businesses whose contribution to manufacturing estimates was sourced from BIT data do not contribute to these export data. The effect of the exclusion of these businesses is likely to be minimal, in view of their small contribution to overall estimates.</p> <p>These data also exclude those businesses which operated during the given reference year but were not operating at 30 June of that reference year.</p>
Freight and cartage expenses	Excludes the cost of delivery by own vehicles and employees, as well as overseas freight and cartage on goods exported, and payments to couriers.
Fringe benefits tax	Fringe benefits tax is payable by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods or services) are received by their employees (or associates of employees) in connection with their employment.
Funding from government for operational costs	Funding from federal, state and/or local government for operational costs (e.g. wages and salaries, rent, food). Includes bounties, subsidies, export grants, apprenticeship and traineeship schemes, and amounts reimbursed under the Australian Government's Energy Grants (Credits) Scheme. Excludes funding from government for specific capital items.

Industry class	The structure of ANZSIC comprises four levels, ranging from industry division (broadest level) to industry class (finest level). Activities are narrowly defined within the industry class level, which is identified by a four-digit code, e.g. Industry Class 2331 PULP, PAPER AND PAPERBOARD MANUFACTURING. Usually, an activity is primarily defined to one class. However, some activities may be primary to more than one class.
Industry division	The structure comprises four levels, ranging from industry division (broadest level) to the industry class (finest level). The main purpose of the industry division level is to provide a limited number of categories which give a broad overall picture of the economy. There are 17 divisions within ANZSIC, each identified by an alphabetical letter, that is, 'A' for AGRICULTURE, FORESTRY AND FISHING, 'B' for MINING, 'C' for MANUFACTURING, etc.
Industry group	This is the intermediate level within each industry division of ANZSIC and is identified by a three-digit code, e.g. Industry Group 233 for PAPER AND PAPER PRODUCT MANUFACTURING. It gives more detail than the industry subdivision, and is created in a way that groups like industry classes together.
Industry subdivision	This is the broadest level category within each industry division of ANZSIC and is identified by a two-digit code, e.g. Industry Subdivision 23 for WOOD AND PAPER PRODUCT MANUFACTURING. Industry subdivisions are built up from industry groups which, in turn, are built up from industry classes. The manufacturing industry subdivisions are: <ul style="list-style-type: none"> 21 Food, beverage and tobacco mfg 22 Textile, clothing, footwear and leather mfg 23 Wood and paper product mfg 24 Printing, publishing and recorded media 25 Petroleum, coal, chemical and associated product mfg 26 Non-metallic mineral product mfg 27 Metal product mfg 28 Machinery and equipment mfg 29 Other manufacturing
Industry value added (IVA)	IVA represents the value added by an industry to the intermediate inputs used by the industry. IVA is the measure of the contribution by manufacturing businesses to gross domestic product.

The derivation of IVA is as follows:

	Sales and service income
<i>plus</i>	Funding from federal, state and/or local government
	for operational costs
<i>plus</i>	Capital work done for own use
<i>plus</i>	Closing inventories
<i>less</i>	Opening inventories
<i>less</i>	Purchases of goods and materials
<i>less</i>	Other intermediate input expenses
	(for details, see the entry for total expenses)
<i>equals</i>	IVA

However, it should be noted that IVA is a measure of economic activity and is not equivalent to operating profit before tax (OPBT). Wage and salary expenses 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 (see the entry for total expenses for further details). On the income side, OPBT includes total income whereas IVA only includes sales and service income.

Industry value added is related to, but different from, the national accounting variable gross value added.

For national accounts purposes, gross value added is calculated by adjusting industry value added to include General Government units and to also account for some other effects.

Industry value added per person employed	IVA of manufacturing businesses which operated during the given year ended 30 June divided by the number of persons employed by manufacturing businesses during the last pay period ending in June of that same year.
Industry value added to selected labour costs	IVA of businesses which operated during the given year ended 30 June divided by their selected labour costs, i.e. industry value added / selected labour costs.
Insurance premiums	Premiums for fire, general, accident, public liability, optional third-party and comprehensive motor vehicle insurance, and professional indemnity insurance and common law liability. Excludes workers' compensation insurance premiums/costs (included in selected labour costs) and compulsory third party motor vehicle insurance premiums (included in motor vehicle running expenses).
Interest coverage	The number of times that businesses can meet their interest expenses from their earnings before interest and tax, i.e. earnings before interest and tax / interest expenses.
Interest expenses	Includes interest paid on loans from banks, finance companies, partners, related or unrelated businesses, and in respect of finance leases. Includes interest equivalents such as hedging costs and expenses associated with discounted bills. Excludes bank charges other than interest and capital repayments.
Interest income	Includes interest received from deposits in banks and non-bank financial institutions, loans, advances, finance leases and earnings on discounted bills. Excludes capital repayments received.
Intermediate input expenses	For details, see the entry for total expenses.
Intermediate inputs	Intermediate inputs consist of materials and certain services which are used up in the production process. The calculation is: <div style="margin-left: 100px;"> <div>Intermediate input expenses (for details, see the entry for total expenses)</div> <div><i>plus</i> Opening inventories</div> <div><i>less</i> Closing inventories</div> <div><i>equals</i> Intermediate inputs</div> </div>
Inventories – opening/closing	The value of all inventories of finished goods (including inventories for resale), work-in-progress (less progress payments billed), raw materials, fuels, and containers, at the beginning and end of the reporting period respectively.
Investment rate (value added)	The proportion of industry value added (IVA) used to acquire capital, i.e. (capital expenditure / IVA) x 100.
Labour costs	For the purposes of table 2.6, comprises wages and salaries, employer contributions into superannuation, workers' compensation premiums/costs, fringe benefits tax and payroll tax.
Manufacturing business	An ABN unit / TAU predominantly engaged in manufacturing activities. The data collected for such units cover all activities of the business (including non-manufacturing activities).
Motor vehicle running expenses	Includes expenditure on registration fees, compulsory third-party insurance premiums, fuel, and repair and maintenance expenses. Excludes expenses for off-road motor vehicles (e.g. forklifts, mobile plant) and lease payments, optional third party and comprehensive motor vehicle insurance premiums, and depreciation.
Net capital expenditure	The value of total capital expenditure less proceeds received from the disposal of assets.
Opening inventories	The value of all inventories of finished goods (including inventories for resale), work-in-progress (less progress payments billed), raw materials, fuels, and containers, at the beginning of the reporting period.

Operating profit before tax(OPBT)	Profit before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid), i.e. total income - total expenses + change in inventories.
Other income	Includes natural resource royalty income, dividend income and other income such as net profit (or loss) on the sale of fixed tangible assets, net profit (or loss) resulting from variations in foreign exchange rates/transactions, and funding from federal, state and/or local government for specific capital items. It excludes extraordinary profits or losses, i.e. those not associated with the normal operations of the business and of a non-recurring nature.
Other intermediate input expenses	Comprises intermediate input expenses less current purchases of goods and materials used in production (i.e. excludes any capitalised purchases). Further detail is included in the entry for total expenses.
Other selected expenses	Includes expenditure on management fees/charges paid to related and unrelated businesses, bank charges other than interest, audit and other accounting expenses, legal fees, advertising expenses, postal and telecommunication expenses, office supplies and printing expenses, travelling, accommodation and entertainment expenses, staff training, payments for royalties from intellectual property (e.g. patents, copyrights), payments to employment agencies for staff, payroll tax, fringe benefits tax, land tax and land rates, and computer software expenses not capitalised. Some of these expense items are treated as intermediate input expenses in the calculation of industry value added. For details, see the entry for total expenses.
Payroll tax	A tax levied by state and territory governments on the amount of wages and salaries paid by a business. Excludes Pay as You Go withholding tax.
Production volumes	See the entry for chain volume measures.
Profit margin	The percentage of sales and service income available as operating profit before tax (OPBT), i.e. $(\text{OPBT} / \text{sales and service income}) \times 100$.
Purchases and selected expenses	Purchases of goods and materials, rent, leasing and hiring expenses, freight and cartage expenses, motor vehicle running expenses, repair and maintenance expenses, contract, subcontract and commission expenses, and other selected expenses.
Purchases of goods and materials	Purchases of materials, components, containers, packaging materials, fuels, electricity and water, and purchases of finished goods for resale. Also includes capitalised purchases. Excludes purchases of parts and fuels for motor vehicles, but includes fuels for off-road vehicles, such as forklifts and mobile plant.
Reference period	For each collection year, businesses are asked to report data for the financial year ended 30 June. However, if a business has a different financial year, it is asked to report (apart from employment) for the 12 month period which ends between 1 October of the previous year and 30 September of the current year. This period is then used as a substitute for the financial year ended 30 June. For example, for the 2004–05 collection, a business may have reported data for the year ended 31 December 2004.
Rent, leasing and hiring expenses	Payments for the rent, leasing and hiring of land, dwellings, other buildings and structures, motor vehicles, plant, machinery and other equipment (including telecommunication equipment). Includes operating lease payments; excludes finance lease payments.
Rent, leasing and hiring income	For details, see the entry for sales and service income.
Repair and maintenance expenses	Includes repair and maintenance of computer and communications software and hardware, and repair and maintenance of off-road motor vehicles. Excludes wages and salaries of own employees and the repair and maintenance costs of on-road motor vehicles.

Sales and service income	<p>Includes:</p> <p><i>Sales of goods</i></p> <ul style="list-style-type: none"> ■ whether or not manufactured by the business (including goods produced for the business on a commission basis). Includes export sales, sales or transfers to related businesses or to overseas branches of the business, progress payments relating to long term contracts if they are billed in the period, and delivery charges not separately invoiced to customers. Excludes excise and duties received on behalf of the government, sales of assets, interest income, delivery charges separately invoiced to customers, and rent, leasing and hiring income. Exports are valued free on board (f.o.b.), i.e. export freight charges are excluded. <p><i>Income from services</i></p> <ul style="list-style-type: none"> ■ includes income from consulting services, repair, maintenance and service income and fees, contract, subcontract and commission income, management fees/charges from related and unrelated businesses, installation charges, delivery charges separately invoiced to customers, and royalties from intellectual property (e.g. patents and copyrights). Excludes natural resource royalties income, interest income, and delivery charges not separately invoiced to customers. Under the current international standards, rent, leasing and hiring income (except from finance leases) is also classified as service income. <p><i>Rent, leasing and hiring income</i></p> <ul style="list-style-type: none"> ■ derived from the ownership of land, dwellings, buildings and other structures, motor vehicles, plant, machinery and other equipment. Excludes royalties from mineral leases, income from finance leases and payments received under hire purchase arrangements. This item is included in sales and service income, but is not separately published. <p>These are valued net of discounts given and exclusive of goods and services tax (GST). Extraordinary items are also excluded.</p> <p>In order to produce data by state and territory, selected businesses which received mail out questionnaires were also asked to provide sales of goods and services (as well as employment and wages and salaries) for each state and/or territory in which they operated. For details, see Explanatory Notes paragraphs 28 and 29.</p>
Sales and service income per person employed	The value of sales and service income of manufacturing businesses which operated during the given year end 30 June divided by the number of persons employed by manufacturing businesses during the last pay period ending June of that same year.
Sales of goods produced	Sales of goods produced (manufactured) by the business (including goods produced for the business on a commission basis). Includes export sales, sales or transfers to related businesses or to overseas branches of the business, progress payments relating to long term contracts if they are billed in the period, and delivery charges not separately invoiced to customers. Excludes excise and duties received on behalf of the Government, sales of fixed tangible assets, interest income, and delivery charges separately invoiced to customers. Exports are valued free on board (f.o.b.), i.e. export freight charges are excluded.
Selected expenses	See the entry for purchases and selected expenses.
Selected labour costs	See the entry for total expenses.
Selected labour costs per person employed	The value of selected labour costs paid by manufacturing businesses which operated during the given year ended 30 June divided by the number of persons employed by manufacturing businesses during the last pay period ending in June of that same year.
Standard Institutional Sector Classification of Australia (SISCA)	The SISCA is the central classification among ABS Standard Economic Sector Classifications. It is based on the System of National Accounts 1993 (SNA93) institutional sector classification, and comprises the sectors: non-financial corporations, financial corporations, general government, households, non-profit institutions serving

Standard Institutional Sector Classification of Australia (SISCA) <i>continued</i>	households, and rest of the world (which includes only non-resident units, these being excluded from all other sectors). For more information, users should refer to <i>Standard Economic Sector Classifications of Australia (SESCA)</i> (cat. no. 1218.0).
Superannuation	See the entry for employer contributions into superannuation.
Total acquisitions	The total capital expenditure on the acquisition of plant, machinery and equipment, dwellings, other buildings and structures, and of other assets (including land and intangible assets). Also included is capital work done for own use.
Total expenses	<p>For the purposes of calculating economic and accounting variables, expenses incurred by businesses are divided into several categories. However, some expenses are excluded entirely from all such calculations: excluded are capital repayments, costs associated with the transfer of real estate, dividends, donations, export freight charges, extraordinary losses, foreign exchange losses, goods and services tax (GST), excise and duties payable to governments, income tax and other direct taxes, losses on asset sales, and unrealised gains/losses from revaluations of assets.</p> <p>Those expenses used for calculations are categorised as follows:</p> <p><i>Intermediate input expenses</i></p> <p>This category covers the major expenses incurred by businesses in producing and distributing goods and services (except labour costs), and comprises two sub-categories of operating expenses:</p> <p>Purchases of goods, materials and services used in production, which include:</p> <ul style="list-style-type: none"> ■ purchases of materials, components, containers and packaging materials, electricity, fuels and water ■ purchases of goods for resale (without any further processing or assembly) ■ motor vehicle running expenses ■ freight and cartage expenses ■ repair and maintenance expenses ■ rent, leasing and hiring expenses (excluding finance lease payments) ■ contract, subcontract and commission expenses. <p>Expenses related to the sale of goods and administrative expenses, which include:</p> <ul style="list-style-type: none"> ■ management fees/charges paid to related and unrelated businesses ■ bank charges other than interest ■ audit and other accounting expenses ■ legal fees ■ advertising expenses ■ postal and telecommunication expenses ■ office supplies and printing expenses ■ travelling, accommodation and entertainment expenses ■ staff training ■ payments for royalties from intellectual property (e.g. patents and copyrights) ■ payments to employment agencies for staff. <p>Excluded from intermediate input expenses are selected labour costs and other operating expenses as detailed below.</p> <p><i>Selected labour costs</i></p> <ul style="list-style-type: none"> ■ wages and salaries (including provisions for employee entitlements) ■ employer contributions into superannuation (including salary sacrifice) ■ workers' compensation premiums/costs. <p><i>Other operating expenses</i></p> <p>Some expenses are excluded from the calculation of intermediate input expenses and selected labour costs, but are included in the calculation of the accounting variable operating profit before tax (OPBT). These expenses include:</p> <ul style="list-style-type: none"> ■ bad and doubtful debts ■ computer software expenses not capitalised by businesses

Total expenses <i>continued</i>	<ul style="list-style-type: none"> ■ depreciation and amortisation ■ insurance premiums (except workers' compensation and compulsory third party motor vehicle insurance premiums) ■ interest expenses ■ land tax and land rates ■ other expenses not capitalised by businesses ■ natural resource royalties expenses ■ payroll tax and fringe benefits tax.
Total factor income	That part of the cost of producing the gross domestic product which consists of gross payments to factors of production (labour and capital). It represents the value added by these factors in the process of production, and is equivalent to gross domestic product less taxes plus subsidies on production and imports. For details, please refer to <i>Australian National Accounts: State Accounts, 2005–06, Reissue</i> (cat. no. 5220.0).
Total income	Comprises sales and service income, interest income, funding from government for operational costs, and other income (for details, see the entries for these items).
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 and service income.</p> <p>It should not be inferred that all of this profit is available as surplus, as other expenses such as selected labour costs, depreciation, insurance premiums, natural resource royalties, bad debts and interest have not been taken into account. Also, other income items such as funding from government and interest income have not been included.</p>
Type of activity unit (TAU)	<p>The TAU is the statistical unit used by the ABS to represent businesses, and for statistics are reported, in cases where the ABN unit is not suitable for ABS statistical needs.</p> <p>The TAU comprises one or more business entities, sub-entities or branches of a business entity within an enterprise group that can report production and employment data for similar economic activities. When a minimum set of data items are available, a TAU is created which covers all the operations within an industry subdivision (and the TAU is classified to the relevant subdivision of the ANZSIC). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry subdivision.</p>
Wages and salaries	<p>The gross wages and salaries (including capitalised wages and salaries) of all employees of the business. The item includes severance, termination and redundancy payments, salaries and fees of directors and executives, retainers and commissions of persons who received a retainer, bonuses, and annual and other types of leave. Provision expenses for employee entitlements (e.g. provisions for annual leave and leave bonus, long service leave, sick leave, and severance, termination and redundancy payments) are also included. Payments related to salary sacrifice and payments to self-employed persons such as consultants, contractors and persons paid solely by commission without a retainer are excluded. The drawings of working proprietors and partners are also excluded.</p> <p>In order to produce data by state and territory, selected businesses which received mail out questionnaires were also asked to provide wages and salaries (as well as employment and sales of goods and services) for each state and/or territory in which they operated. For details, see Explanatory Notes paragraphs 28 and 29.</p>
Wages and salaries per person employed	The value of wages and salaries paid by manufacturing businesses which operated during the given year ended 30 June divided by the number of persons employed by manufacturing businesses during the last pay period ending in June of the same year.
Wages and salaries to sales and service income ratio	The wages and salaries paid by manufacturing businesses which operated during the year ended 30 June as a proportion of the sales and service income of manufacturing businesses which operated during the same year.

**Workers' compensation
premiums/costs**

Workers' compensation is a compulsory insurance cover to be taken out by all employers, except for self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of or arising out of employment.

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