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# MANUFACTURING INDUSTRY

AUSTRALIA

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For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Phillip Lui on Sydney (02) 9268 4269.

## NOTES

- ABOUT THIS PUBLICATION** This publication presents estimates of the economic and financial performance in 2006–07 of the Australian manufacturing industry. The estimates are compiled from the ABS Economic Activity Survey (EAS) and from business tax data reported to the Australian Taxation Office.
- CHANGES TO THIS PUBLICATION** As foreshadowed in the previous issue, the estimates in this publication are based on the *Australian and New Zealand Standard Industrial Classification (ANZSIC)*, 2006 edition for the first time. Previous issues were compiled using the 1993 version of the ANZSIC. ANZSIC 2006 was adopted to provide a more contemporary industrial classification system, taking into account issues such as changes in the structure and composition of the economy, changing user demands, and compatibility with major international classification standards.
- The methodology used to produce these estimates has also substantially changed, notably, the way in which business tax data are used. See Technical Note 1 for details.
- For these reasons, a new statistical series has commenced with the 2006–07 collection.
- This publication includes key data at industry subdivision level for 2004–05 and 2005–06 compiled using the new methodology and on a 2006 ANZSIC basis, as an aid to analysis. For details see Explanatory Notes paragraph 23 and Technical Note 1 paragraph 22.
- Industry class data at a national level, and industry subdivision data at a state level are available in this publication for 2006–07 only. This is due to the limitations of applying the new methodology and classification standards to produce detailed historical data. Selected additional time series information may be available on request.
- As a result of changes to the ABS economic surveys work program, this publication will not be produced for the 2007–08 reference year. For 2007–08 the number of manufacturers selected in EAS will decrease. National estimates at the ANZSIC class and subdivision levels for states will, as a consequence, not be compiled from the survey estimates, as the sample will not be large enough to support reliable estimates to these levels. The ABS will be investigating whether it is able to model these detailed estimates utilising administrative data, data collected in EAS and the rich body of historical data from previous surveys for which the survey samples for manufacturing were denser.
- Manufacturing estimates will continue to be released in *Australian Industry*, (ABS cat. no. 8155.0), which supports national ANZSIC subdivision and state divisional estimates.
- Manufacturing sub-state estimates of employment, wages and salaries, and sales of goods and services for 2006–07 will be made available in the near future as additional data cubes to this release.
- INFORMATION AVAILABLE ON-LINE** The text components of this publication are available free on-line. A PDF publication and extended data spreadsheets are also available free on-line. Further information on the ABS and its products is available on the ABS website.

Brian Pink  
Australian Statistician

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## ABBREVIATIONS .....

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

# CHAPTER 1

## OVERVIEW

### 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)*, 2006 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 2004–05 to 2006–07. All value data in this table are shown at current prices.

In all but one of the eight headline measures presented, the Australian manufacturing industry showed growth in 2006–07 when compared to 2005–06. Sales and service income increased by 12%, industry value added by 9%, wages and salaries by 7%, however employment declined by 0.2%. 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.

### LABOUR COSTS

Table 1.2 provides estimates of labour costs.

The Australian manufacturing industry incurred \$58.6b in total labour costs during 2006–07. FOOD PRODUCT MANUFACTURING accounted for \$10.1b (17%), followed by MACHINERY AND EQUIPMENT MANUFACTURING with \$7.2b (12%).

The Australian manufacturing industry paid \$50.2b in wages and salaries in 2006–07, which represented 86% of labour costs for the industry overall.

Total wages and salaries paid rose, in current price terms, in 13 of the 15 manufacturing industry subdivisions between 2005–06 and 2006–07. The largest decline (0.9%) was recorded in PULP, PAPER AND CONVERTED PAPER PRODUCT MANUFACTURING.

The manufacturing industry subdivision showing the largest percentage and absolute increase in wages and salaries in 2006–07 was PRIMARY METAL AND METAL PRODUCT MANUFACTURING (up 14% or \$0.5b).

### INDUSTRY VALUE ADDED

Table 1.3 presents the components of industry value added for these industries.

Overall \$99b of industry value added was produced by the manufacturing industry in 2006–07. The PRIMARY METAL AND METAL PRODUCT MANUFACTURING INDUSTRY contributed the most significant amount with \$15.2b (or 15%).

In 2006–07, industry value added (IVA) went up by \$8b (9%) compared to 2005–06.

PRIMARY METAL AND METAL PRODUCT MANUFACTURING contributed most to the increase with a rise

INDUSTRY VALUE ADDED  
*continued*

in IVA of \$4b (35%). IVA declined in two of the industries shown, namely PETROLEUM AND COAL PRODUCT MANUFACTURING (down 16% to \$2.5b) and PULP, PAPER AND CONVERTED PAPER PRODUCT MANUFACTURING (down 9% to \$2.7b).

DISTRIBUTION OF IVA ACROSS INDUSTRIES, 2005-06 AND 2006-07



- Note: Industry subdivisions
- 11 Food product mfg
  - 12 Beverage and tobacco product mfg
  - 13 Textile, leather, clothing and footwear mfg
  - 14 Wood product mfg
  - 15 Pulp, paper and converted paper product mfg
  - 16 Printing (including the reproduction of recorded media)
  - 17 Petroleum and coal product mfg
  - 18 Basic chemical and chemical product mfg
  - 19 Polymer product and rubber product mfg
  - 20 Non-metallic mineral product mfg
  - 21 Primary metal and metal product mfg
  - 22 Fabricated metal product mfg
  - 23 Transport equipment mfg
  - 24 Machinery and equipment mfg
  - 25 Furniture and other mfg

FURTHER COMMENTARY

Please see:

- National data: Chapter 2, page 11
- States, territories and Australia: Chapter 3, page 34
- Exports: Chapter 4, page 42

**1.1**

## KEY DATA, 2004–05 to 2006–07

	Employment at end of June (a)	Wages and salaries (b)	Sales and service income (c)	Total income	Total expenses	Earnings before interest, tax, depreciation and amortisation	Operating profit before tax	Industry value added
	no.	\$m	\$m	\$m	\$m	\$m	\$m	\$m
FOOD PRODUCT MFG								
2004–05	^ 197 113	7 619	^ 58 553	59 296	56 584	4 256	^ 2 934	^ 13 313
2005–06	202 882	8 165	59 715	60 294	58 014	4 302	2 773	13 956
2006–07	206 328	8 642	64 807	65 332	62 754	4 345	2 638	14 455
BEVERAGE AND TOBACCO PRODUCT MFG								
2004–05	33 040	1 677	15 216	15 867	13 420	3 055	2 466	5 263
2005–06	32 811	1 740	15 376	16 003	13 211	3 185	2 635	5 339
2006–07	33 722	1 758	17 009	18 056	14 630	3 671	3 381	5 787
TEXTILE, LEATHER, CLOTHING AND FOOTWEAR MFG								
2004–05	56 948	1 676	9 357	9 556	9 022	702	**541	2 719
2005–06	53 068	1 584	8 938	9 100	8 602	646	466	2 536
2006–07	53 838	1 685	9 441	9 623	9 103	744	^ 582	2 771
WOOD PRODUCT MFG								
2004–05	55 346	1 997	12 159	12 302	11 598	1 298	898	4 042
2005–06	54 200	1 998	12 089	12 246	11 460	1 219	^ 878	3 932
2006–07	51 919	2 103	11 783	11 958	11 179	1 119	803	3 940
PULP, PAPER AND CONVERTED PAPER PRODUCT MFG								
2004–05	24 359	1 430	9 557	9 618	8 857	1 353	772	3 031
2005–06	23 510	1 484	9 555	9 613	8 981	1 191	647	2 926
2006–07	23 801	1 470	9 605	9 638	9 235	947	428	2 657
PRINTING (INCLUDING THE REPRODUCTION OF RECORDED MEDIA)								
2004–05	53 203	2 266	9 137	9 287	8 648	1 051	671	3 698
2005–06	53 098	2 327	9 442	9 527	8 919	1 124	^ 599	3 822
2006–07	^ 50 315	^ 2 325	9 371	9 479	8 732	1 192	^ 746	^ 3 881
PETROLEUM AND COAL PRODUCT MFG								
2004–05	7 164	589	23 491	23 566	23 208	1 546	1 121	2 276
2005–06	7 354	634	30 589	30 911	29 654	2 228	2 052	2 999
2006–07	7 846	711	36 661	36 791	35 532	1 643	1 123	2 506
BASIC CHEMICAL AND CHEMICAL PRODUCT MFG								
2004–05	41 772	2 512	21 583	21 788	20 776	2 523	1 452	5 591
2005–06	45 107	2 853	23 312	23 495	21 953	2 775	1 636	6 214
2006–07	45 109	2 961	24 772	25 717	22 681	3 277	2 923	6 831
POLYMER PRODUCT AND RUBBER PRODUCT MFG								
2004–05	58 560	2 599	14 731	14 956	13 963	1 572	1 078	4 712
2005–06	53 599	2 553	14 521	14 683	13 710	1 534	1 015	4 584
2006–07	52 531	2 823	16 004	16 217	15 039	1 700	1 254	5 017

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

(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.

\*\* estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(c) Includes rent, leasing and hiring income.

# 1.1 KEY DATA, 2004–05 to 2006–07 *continued*

	Employment at end of June (a)	Wages and salaries (b)	Sales and service income (c)	Total income	Total expenses	Earnings before interest, tax, depreciation and amortisation	Operating profit before tax	Industry value added
	no.	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NON-METALLIC MINERAL PRODUCT MFG								
2004–05	44 867	2 186	13 827	14 256	13 074	1 772	1 262	4 393
2005–06	46 323	2 337	14 220	14 629	13 342	1 810	1 342	4 582
2006–07	46 405	2 613	15 805	16 176	14 868	1 965	1 365	5 019
PRIMARY METAL AND METAL PRODUCT MFG								
2004–05	58 903	3 860	42 411	43 752	38 350	6 534	5 899	11 192
2005–06	58 875	3 892	45 679	46 934	41 727	6 479	5 516	11 202
2006–07	61 815	4 435	61 406	62 176	54 775	9 944	8 178	15 158
FABRICATED METAL PRODUCT MFG								
2004–05	115 846	4 228	22 419	22 665	20 839	2 479	2 084	7 564
2005–06	115 164	4 652	24 870	25 143	22 755	2 908	2 469	8 423
2006–07	114 700	5 145	27 282	27 615	25 221	3 023	2 617	9 076
TRANSPORT EQUIPMENT MFG								
2004–05	109 699	5 187	33 028	33 899	32 512	2 617	1 534	8 716
2005–06	107 653	5 527	33 705	34 464	33 519	2 112	^ 893	8 593
2006–07	105 244	5 869	33 650	34 409	33 418	2 185	^ 967	9 003
MACHINERY AND EQUIPMENT MFG								
2004–05	124 237	5 532	28 000	28 467	26 736	2 416	1 946	9 018
2005–06	118 488	5 680	29 298	29 819	27 555	3 012	2 580	9 704
2006–07	119 477	6 187	32 583	33 481	30 604	3 310	3 280	10 538
FURNITURE AND OTHER MFG								
2004–05	49 360	1 387	6 854	6 946	6 524	550	^ 432	2 215
2005–06	44 116	1 396	6 827	6 866	6 432	573	437	2 219
2006–07	^ 41 030	1 501	^ 7 751	^ 7 847	^ 7 362	577	* 453	2 358
TOTAL MANUFACTURING								
2004–05	1 030 417	44 744	320 323	326 220	304 111	33 724	25 091	87 742
2005–06	1 016 249	46 821	338 136	343 726	319 835	35 099	25 938	91 033
2006–07	1 014 080	50 228	377 930	384 514	355 131	39 641	30 738	98 997

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

(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.

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

(c) Includes rent, leasing and hiring income.



## 1.2 LABOUR COSTS

<i>Industry subdivision</i>		<i>Wages and salaries (a)</i>	<i>Employer contributions into super-annuation funds</i>	<i>Workers' compensation premiums/costs</i>	<i>Selected labour costs</i>	<i>Fringe benefits tax</i>	<i>Payroll tax</i>	<i>Total labour costs</i>
		\$m	\$m	\$m	\$m	\$m	\$m	\$m
11	Food product mfg	8 642	721	338	9 700	64	364	10 128
12	Beverage and tobacco product mfg	1 758	157	40	1 955	50	94	2 099
13	Textile, leather, clothing and footwear mfg	1 685	152	68	1 904	17	60	1 981
14	Wood product mfg	2 103	186	90	2 379	12	75	2 466
15	Pulp, paper and converted paper product mfg	1 470	120	45	1 634	16	73	1 724
16	Printing (incl. the reproduction of recorded media)	^ 2 325	204	50	2 579	18	86	2 683
17	Petroleum and coal product mfg	711	75	9	795	12	36	844
18	Basic chemical and chemical product mfg	2 961	246	55	3 262	53	151	3 465
19	Polymer product and rubber product mfg	2 823	239	88	3 151	33	110	3 294
20	Non-metallic mineral product mfg	2 613	201	92	2 907	32	117	3 055
21	Primary metal and metal product mfg	4 435	346	87	4 868	40	197	5 105
22	Fabricated metal product mfg	5 145	447	187	5 779	39	179	5 997
23	Transport equipment mfg	5 869	509	171	6 550	52	263	6 864
24	Machinery and equipment mfg	6 187	539	142	6 868	65	258	7 192
25	Furniture and other mfg	1 501	128	55	1 684	9	43	1 737
11–25	<b>Total manufacturing</b>	<b>50 228</b>	<b>4 271</b>	<b>1 516</b>	<b>56 016</b>	<b>512</b>	<b>2 108</b>	<b>58 635</b>

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

(a) Excludes the drawings of working proprietors.

## 1.3 INDUSTRY VALUE ADDED

Industry subdivision	PLUS				LESS		Industry value added
	Sales and service income(a)	Government funding for operational costs	Capital work done for own use	Change in inventories	Purchases of goods and materials	Other intermediate input expenses	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
11 Food product mfg	64 807	27	93	60	37 320	13 213	14 455
12 Beverage and tobacco product mfg	17 009	21	33	-45	7 908	3 323	5 787
13 Textile, leather, clothing and footwear mfg	9 441	40	9	63	4 772	2 010	2 771
14 Wood product mfg	11 783	14	10	24	5 653	2 238	3 940
15 Pulp, paper and converted paper product mfg	9 605	1	8	25	4 947	2 035	2 657
16 Printing (incl. the reproduction of recorded media)	9 371	2	5	-1	3 744	1 753	^ 3 881
17 Petroleum and coal product mfg	36 661	16	8	-137	31 378	2 665	2 506
18 Basic chemical and chemical product mfg	24 772	7	110	-113	13 028	4 916	6 831
19 Polymer product and rubber product mfg	16 004	16	19	75	8 095	3 003	5 017
20 Non-metallic mineral product mfg	15 805	4	20	57	6 752	4 116	5 019
21 Primary metal and metal product mfg	61 406	6	112	777	38 527	8 617	15 158
22 Fabricated metal product mfg	27 282	30	146	222	13 345	5 260	9 076
23 Transport equipment mfg	33 650	473	129	-25	20 181	5 045	9 003
24 Machinery and equipment mfg	32 583	17	80	403	17 052	5 493	10 538
25 Furniture and other mfg	^ 7 751	25	10	-32	3 796	1 600	2 358
<b>11-25 Total manufacturing</b>	<b>377 930</b>	<b>699</b>	<b>793</b>	<b>1 355</b>	<b>216 495</b>	<b>65 284</b>	<b>98 997</b>

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

(a) Includes rent, leasing and hiring income.

## 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)*, 2006 edition. The data presented include all activities of manufacturing businesses, some of which may be activities other than manufacturing. Explanatory Notes paragraphs 4–18 provide further details.

The commentary refers mainly to the tables in this chapter, as well as to the employment data presented in table 1.1.

### MARKET CONDITIONS

The commodity boom experienced by the mining sector has flowed downstream to the manufacturing sector with price increases in metals and petroleum a feature. Increases in the price of alumina, gold and nickel contributed to increases of \$15.7b (or 34%) in sales and service income and \$4.0b (or 35%) in IVA in PRIMARY METAL AND METAL PRODUCT MANUFACTURING. Rising oil prices impacted strongly in PETROLEUM AND COAL PRODUCT MANUFACTURING which experienced an increase of \$6.1b (or 20%) in sales and service income, although both IVA and EBITDA experienced declines.

### OVERVIEW

In current price terms, most major indicators of activity for the Australian manufacturing industry increased during 2006–07: sales and service income (up 12%), industry value added (IVA) (up 9%), earnings before interest, tax, depreciation and amortisation (EBITDA) (up 13%).

### SALES AND SERVICE INCOME

Sales and service income of manufacturing industry in Australia in 2006–07 was \$377.9b, an increase of \$39.8b (or 12%) from 2005–06. The majority of manufacturing industries presented in this publication experienced an increase in sales and service income in 2006–07.

Three of the 15 industries for which data are shown reported a decline in sales and service income. WOOD PRODUCT MANUFACTURING experienced a decrease of \$0.3b (or 3%), PRINTING (INCLUDING THE REPRODUCTION OF RECORDED MEDIA) reported a decrease of \$0.07b (or 1%) and TRANSPORT EQUIPMENT MANUFACTURING experienced a decline of \$0.06b (or 0.2%).

Conversely the industry which contributed the most to the increase in sales and service income was PRIMARY METAL AND METAL PRODUCT MANUFACTURING with an increase of \$15.7b (or 34%).

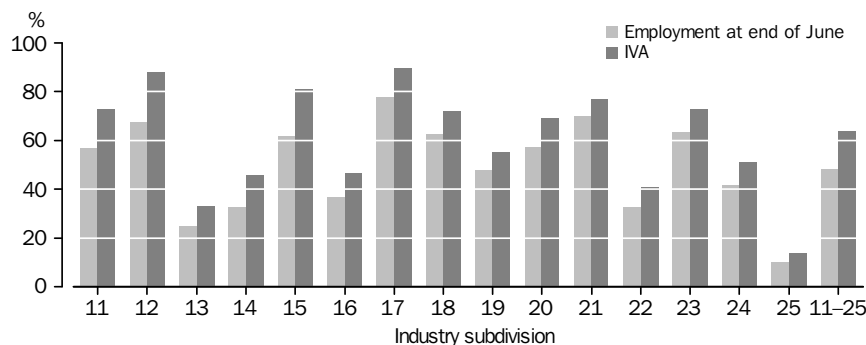
### EMPLOYMENT

Employment in the Australian manufacturing industry at the end of June 2007 was estimated at 1,014,080 persons, a decrease of 0.2% (or 2,169 persons) compared to the estimate for June 2006..

EMPLOYMENT SIZE

In 2006–07, businesses employing 100 or more persons accounted for 50% of total manufacturing employment in Australia and 62% of wages and salaries. Their contribution to sales and service income was 71%, and to IVA 64%..

CONTRIBUTION TO MANUFACTURING INDUSTRIES BY BUSINESSES EMPLOYING 100 OR MORE PERSONS, 2006–07



- Note: Industry subdivisions
- 11 Food product mfg
  - 12 Beverage and tobacco product mfg
  - 13 Textile, leather, clothing and footwear mfg
  - 14 Wood product mfg
  - 15 Pulp, paper and converted paper product mfg
  - 16 Printing (including the reproduction of recorded media)
  - 17 Petroleum and coal product mfg
  - 18 Basic chemical and chemical product mfg
  - 19 Polymer product and rubber product mfg
  - 20 Non-metallic mineral product mfg
  - 21 Primary metal and metal product mfg
  - 22 Fabricated metal product mfg
  - 23 Transport equipment mfg
  - 24 Machinery and equipment mfg
  - 25 Furniture and other mfg

PROFITABILITY AND EARNINGS

At the total manufacturing level, indicators of profitability showed similarly strong increases (in percentage terms) to the increase in IVA. This reflects the extent to which prices received rose by more than expenses. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased in 2006–07 by 13%, or \$4.5b, with the majority of this growth driven by PRIMARY METAL AND METAL PRODUCT MANUFACTURING (up \$3.5b or 54%).

The manufacturing industry improved its operating profit before tax (OPBT) returns by 19% (or \$4.8b) during 2006–07, earning \$30.7b. Total trading profit for the manufacturing industry in 2006–07 was \$97.0b.

CAPITAL EXPENDITURE

Net capital expenditure by manufacturing businesses in 2006–07 was \$14.4b. The largest absolute contribution (\$3.5b, or 24%) occurred in PRIMARY METAL AND METAL PRODUCT MANUFACTURING, followed by FOOD PRODUCT MANUFACTURING (\$1.9b, or 13%) and TRANSPORT EQUIPMENT MANUFACTURING (\$1.7b, or 12%).

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 this chapter 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 35 to 40.

The manufacturing industry's performance ratios for 2006–07, as set out in detail in table 2.1 are summarised as follows:

## INDUSTRY PERFORMANCE MEASURES *continued*

- The highest profit margins were recorded by BEVERAGE AND TOBACCO PRODUCT MANUFACTURING (20%) and PRIMARY METAL AND METAL PRODUCT MANUFACTURING (13%). TRANSPORT EQUIPMENT MANUFACTURING was the industry with the lowest profit margin in 2006–07 (3%).
- The interest coverage in 2006–07 was highest for PRIMARY METAL AND METAL PRODUCT MANUFACTURING (12.5 times) and FABRICATED METAL PRODUCT MANUFACTURING (11.7 times).
- The highest value of IVA to selected labour costs occurred in the PETROLEUM AND COAL PRODUCT MANUFACTURING industry, where IVA exceeded selected labour costs by 3.2 times. The next highest value (3.1 times) occurred in PRIMARY METAL AND METAL PRODUCT MANUFACTURING. TRANSPORT EQUIPMENT MANUFACTURING and FURNITURE AND OTHER MANUFACTURING shared the lowest value (1.4 times) for this ratio.
- Of all manufacturing industries shown, PETROLEUM AND COAL PRODUCT MANUFACTURING (at \$101,000) recorded the highest selected labour costs per person employed, followed by PRIMARY METAL AND METAL PRODUCT MANUFACTURING (\$79,000). The industry with the lowest value for this ration was TEXTILE, LEATHER, CLOTHING AND FOOTWEAR MANUFACTURING (\$35,000). For total manufacturing, the estimate was \$55,000.
- BASIC CHEMICAL AND CHEMICAL PRODUCT MANUFACTURING recorded the highest investment rate (value added) of 25.0% in 2006–07, slightly ahead of PRIMARY METAL AND METAL PRODUCT MANUFACTURING which recorded a value of 24.8%. FURNITURE AND OTHER MANUFACTURING, with an investment rate of 8.8%, had the lowest value.

## INDUSTRY SUBDIVISION ANALYSIS

### FOOD PRODUCT MANUFACTURING

In 2006–07, FOOD PRODUCT MANUFACTURING was the largest manufacturing industry as measured by its sales and service income (17%), wages and salaries (17%), employment (20%) and labour costs (17%). It also ranked second in IVA (15%), EBITDA (11%), and net capital expenditure (13%).

The industry remains dominated by businesses employing 100 or more persons. These businesses contributed 73% of the subdivision's IVA, 73% of sales and service income, 72% of wages and salaries and 57% of employment.

### BEVERAGE AND TOBACCO PRODUCT MANUFACTURING

Despite recording the third lowest contribution to employment (3%), BEVERAGE AND TOBACCO PRODUCT MANUFACTURING was the second highest contributor to OPBT (11%) and the third highest contributor to EBITDA (9%) in 2006–07.

Overall the subdivision's sales and service income was up 11% and IVA was up 8%. Businesses employing 1,000 or more persons in this industry are especially prominent as they contributed 52% of total sales and service income, 47% of wages and salaries, 47% of IVA and 39% of employment.

### TEXTILE, LEATHER, CLOTHING AND FOOTWEAR MANUFACTURING

TEXTILE, LEATHER, CLOTHING AND FOOTWEAR MANUFACTURING is one of the smaller manufacturing subdivisions by several key measures presented in 2006–07. It made the third smallest contribution to sales and service income (2%), OPBT (2%), and EBITDA (4%) and the second smallest contribution net capital expenditure (1%). It also contributed 3% to IVA and 4% to wages and salaries.

Businesses employing 0–4 persons are still highly influential in this subdivision, accounting for 24% of total employment, 15% of IVA, 14% of sales and service income and 10% of wages and salaries. However the employment category having the biggest impact on most variables was businesses employing 20–49 persons.

## WOOD PRODUCT MANUFACTURING

In 2006–07, WOOD PRODUCT MANUFACTURING accounted for 5% of total manufacturing employment, 4% of IVA and wages and salaries, 3% of sales and service income, EBITDA and OPBT, and 2% of net capital expenditure, the third lowest contribution for that particular variable.

Employment size is fairly well spread across WOOD PRODUCT MANUFACTURING, however all businesses employing less than 100 persons contributed 67% of total employment, 58% of wages and salaries, 55% of IVA and 53% of sales and service income.

PULP, PAPER AND CONVERTED  
PRODUCT MANUFACTURING

PULP, PAPER AND CONVERTED PAPER PRODUCT MANUFACTURING was one of the smallest manufacturing industries across all variables in 2006–07. It was the lowest contributor to OPBT, accounting for just 1% of the manufacturing total. It was also the second lowest contributor to employment (2%), wages and salaries (3%) and labour costs (3%) and the third lowest contributor to IVA and EBITDA, accounting for 3% and 2% respectively.

Businesses employing 100 or more persons dominate this subdivision, accounting for 81% of IVA, 81% of sales and service income, 78% of wages and salaries and 62% of employment.

PRINTING (INCLUDING THE  
REPRODUCTION OF RECORDED  
MEDIA)

In 2006–07, PRINTING (INCLUDING THE REPRODUCTION OF RECORDED MEDIA) experienced declines in all key variables, with the exception of IVA, EBITDA and OPBT. In these particular variables the subdivision has contributed 4% to IVA, 3% to EBITDA and 2% to OPBT.

Following the declines, PRINTING (INCLUDING THE REPRODUCTION OF RECORDED MEDIA) accounted for 5% of total employment, 5% of wages & salaries and 2% of sales and service income, the second lowest contribution of all manufacturing industries.

Employment size is fairly well spread across Printing (including the reproduction of recorded media). Businesses employing less than 100 persons and businesses greater than 100 persons contributed similar percentages to wages and salaries, sales and service income and IVA.

PETROLEUM AND COAL PRODUCT  
MANUFACTURING

PETROLEUM AND COAL PRODUCT MANUFACTURING was the third highest contributor to sales and service income for all manufacturing, accounting for 10% of the total in 2006–07. It also contributed 4% to EBITDA and OPBT. Despite the high sales and service income figures, PETROLEUM AND COAL PRODUCT MANUFACTURING contributed the lowest amount to employment, wages and salaries and labour costs (all 1%) and was also the second lowest contributor to IVA (3%).

This industry is dominated by businesses employing 1,00 or more people. These businesses accounted for 84% of total wages and salaries, 77% of employment, 97% of sales and service income and 90% of IVA.

BASIC CHEMICAL AND CHEMICAL  
PRODUCT MANUFACTURING

In 2006–07, BASIC CHEMICAL AND CHEMICAL PRODUCT MANUFACTURING experienced modest gains across all key variables, accounting for 10% of total OPBT, 8% of EBITDA, 7% of sales and service income, 7% of IVA, 6% of wages and salaries and 4% of employment for all manufacturing.

Businesses employing 1,000 or more persons are the most influential in BASIC CHEMICAL AND CHEMICAL PRODUCT MANUFACTURING. These businesses accounted for 31% of total IVA, 27% of wages and salaries and sales and service income, and 22% of employment.

POLYMER PRODUCT AND RUBBER  
PRODUCT MANUFACTURING

Much like the BASIC CHEMICAL AND CHEMICAL PRODUCT MANUFACTURING industry, POLYMER PRODUCT AND RUBBER PRODUCT MANUFACTURING has experienced solid gains across all key data items with the exception of employment which is down by just 1,068 persons (or 2%). The subdivision contributed 5% to total employment. It also contributed 6% to total wages and salaries, 5% to IVA and 4% to sales and service income, EBITDA and OPBT.

Employment size in POLYMER PRODUCT AND RUBBER PRODUCT MANUFACTURING is concentrated mainly between businesses employing 20–199 persons. These businesses account for 45% of total sales and service income, 42% of employment and IVA and 41% of wages and salaries.

NON-METALLIC MINERAL PRODUCT  
MANUFACTURING

A number of key variables for NON-METALLIC MINERAL PRODUCT MANUFACTURING showed little change in 2006–07. Employment, wages and salaries and OPBT remained particularly stagnant, accounting for 5%, 5% and 4% of total manufacturing respectively. Sales and service income (4%), EBITDA and IVA (both 5%) experienced larger rises but still contributed similar amounts to the total manufacturing estimate.

Businesses employing 1,000 persons or more clearly contribute most to key data items, accounting for 30% of total sales and service income, 29% of IVA, 28% of wages and salaries and 23% of employment.

PRIMARY METAL AND METAL  
PRODUCT MANUFACTURING

In 2006–07, PRIMARY METAL AND METAL PRODUCT MANUFACTURING has been one of the strongest manufacturing industries, contributing the most to OPBT (27%), EBITDA (25%), net capital expenditure (24%) and IVA (15%). It was also the second highest contributor to sales and service income (16%) but contributed less strongly to wages and salaries (9%) and employment (6%).

Businesses employing 1,000 persons or more are particularly influential in this subdivision. These businesses accounted for 53% of total wages and salaries, 44% of employment, 43% of IVA and 35% of sales and service income.

FABRICATED METAL PRODUCT  
MANUFACTURING

FABRICATED METAL PRODUCT MANUFACTURING was the third highest contributor to employment (11%) in 2006–07 for all manufacturing. This was despite a slight fall of 464 persons (or 0.4%) from 2005–06. All other key data items have experienced slight increases although none are contributing significantly to the overall estimates. Wages and salaries are contributing 10%, OPBT and IVA are contributing 9%, EBITDA is contributing 8% and sales and service income is contributing 7%.

Businesses employing less than 100 persons are having the largest impact in this industry. These businesses accounted for 68% of total employment, 59% of IVA and wages and salaries, and 57% of sales and service income.

TRANSPORT EQUIPMENT  
MANUFACTURING

In 2006–07, TRANSPORT EQUIPMENT MANUFACTURING was the third highest contributor to wages and salaries, labour costs and net capital expenditure (all 12%) for total manufacturing. For other key variables moderate increases or slight decreases have been experienced. Employment and sales and service income are down slightly on 2005–06 (2% and 0.2% respectively), with employment contributing just 10% and sales and service income only 9% to the total manufacturing estimate. All other key data items in this subdivision are also less influential with IVA contributing 9%, EBITDA 6% and OPBT 3%.

TRANSPORT EQUIPMENT  
MANUFACTURING *continued*

Businesses employing 1,000 or more persons had largest impact on the subdivision total. These businesses accounted for 51% of total sales and service income, 46% of total wages and salaries, 42% of IVA and 35% of employment.

MACHINERY AND EQUIPMENT  
MANUFACTURING

MACHINERY AND EQUIPMENT MANUFACTURING was the second highest contributor to employment, wages and salaries, and labour costs (all 12%) and was also the third highest contributor to IVA and OPBT (both 11%). Sales and service income and EBITDA contributed similar amounts to the manufacturing total of 9% and 8% respectively, making it one of the stronger industries.

Business size is reasonably spread but businesses employing 20-49 persons are the most dominant in MACHINERY AND EQUIPMENT MANUFACTURING. These businesses accounted for 19% of employment, 17% of wages and salaries, 15% of IVA and 15% of sales and service income.

FURNITURE AND OTHER  
MANUFACTURING

In 2006–07, FURNITURE AND OTHER MANUFACTURING is the smallest subdivision by most key measures presented. It has contributed the least to sales and service income, IVA (both 2%), EBITDA and net capital expenditure (both 1%). It was the third lowest contributor to wages and salaries and labour costs (both 3%). Employment has contributed just 4%.

Businesses employing 20–49 persons had the largest impact in this small subdivision. These businesses accounted for 30% of employment, 32% of wages and salaries, 27% of IVA and 25% of sales and service income of the industry total.



## 2.1 FINANCIAL PERFORMANCE

		Food product mfg	Beverage and tobacco product mfg	Textile, leather, clothing and footwear mfg	Wood product mfg	Pulp, paper and converted paper product mfg	Printing (including the reproduction of recorded media)
Employment at end of June(a)	no.	206 328	33 722	53 838	51 919	23 801	^ 50 315
<b>Income</b>							
Sales of goods	\$m	63 639	16 352	9 114	11 441	9 494	8 628
Income from services	\$m	1 041	593	292	325	99	719
Rent, leasing and hiring income	\$m	128	64	34	18	12	23
Funding from government for operational costs	\$m	27	21	40	14	1	2
Interest income	\$m	187	429	34	44	14	44
Other income	\$m	310	597	108	118	17	62
<i>Total income</i>	\$m	65 332	18 056	9 623	11 958	9 638	9 479
<b>Expenses</b>							
Selected labour costs(b)	\$m	9 700	1 955	1 904	2 379	1 634	^ 2 579
Cost of sales	\$m	50 526	11 331	6 745	7 903	6 979	5 539
Depreciation and amortisation	\$m	1 405	499	181	314	403	397
Interest expenses	\$m	799	816	124	164	147	155
Other expenses	\$m	296	85	90	400	51	65
Less							
Capitalised wages and salaries	\$m	32	12	3	5	4	3
<i>Total expenses</i>	\$m	62 754	14 630	9 103	11 179	9 235	8 732
Change in inventories	\$m	60	-45	63	24	25	-1
Trading profit	\$m	14 281	5 678	2 696	3 880	2 626	3 832
Earnings before interest tax depreciation and amortisation	\$m	4 345	3 671	744	1 119	947	1 192
Operating profit before tax	\$m	2 638	3 381	^ 582	803	428	^ 746
<b>Industry ratios</b>							
Profit margin	%	4.1	19.9	6.2	6.8	4.5	8.0
Interest coverage	times	5.4	4.5	6.0	6.8	6.5	7.7
Investment rate (value added)	%	14.8	17.4	10.0	10.7	21.4	16.0
Industry value added to selected labour costs	times	1.5	3.0	1.5	1.7	1.6	1.5
Selected labour costs per person employed(c)	\$'000	47	58	35	46	69	51
Sales and service income per person employed(c)	\$'000	314	504	175	227	404	186
Industry value added per person employed(c)	\$'000	70	172	51	76	112	77

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

(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors

(c) See Explanatory Notes paragraph 38.

## 2.1 FINANCIAL PERFORMANCE *continued*

		Petroleum and coal product mfg	Basic chemical and chemical product mfg	Polymer product and rubber product mfg	Non- metallic mineral product mfg	Primary metal and metal product mfg
Employment at end of June(a)	no.	7 846	45 109	52 531	46 405	61 815
Income						
Sales of goods	\$m	36 115	23 900	15 599	15 062	58 863
Income from services	\$m	429	592	373	703	2 494
Rent, leasing and hiring income	\$m	117	280	32	40	50
Funding from government for operational costs	\$m	16	7	16	4	6
Interest income	\$m	43	134	50	68	192
Other income	\$m	71	804	147	298	572
<i>Total income</i>	\$m	36 791	25 717	16 217	16 176	62 176
Expenses						
Selected labour costs(b)	\$m	795	3 262	3 151	2 907	4 868
Cost of sales	\$m	34 187	18 056	11 062	10 843	46 353
Depreciation and amortisation	\$m	394	877	425	642	1 731
Interest expenses	\$m	240	414	219	324	799
Other expenses	\$m	52	213	116	103	274
Less						
Capitalised wages and salaries	\$m	1	28	9	8	27
<i>Total expenses</i>	\$m	35 532	22 681	15 039	14 868	54 775
Change in inventories	\$m	-137	-113	75	57	777
Trading profit	\$m	2 474	6 716	4 941	4 962	15 053
Earnings before interest tax depreciation and amortisation	\$m	1 643	3 277	1 700	1 965	9 944
Operating profit before tax	\$m	1 123	2 923	1 254	1 365	8 178
Industry ratios						
Profit margin	%	3.1	11.8	7.8	8.6	13.3
Interest coverage	times	6.8	7.9	7.8	6.1	12.5
Investment rate (value added)	%	21.5	25.0	12.4	19.6	24.8
Industry value added to selected labour costs	times	3.2	2.1	1.6	1.7	3.1
Selected labour costs per person employed(c)	\$'000	101	72	60	63	79
Sales and service income per person employed(c)	\$'000	4 673	549	305	341	993
Industry value added per person employed(c)	\$'000	319	151	96	108	245

(a) Includes working proprietors.

(c) See Explanatory Notes paragraph 38.

(b) Excludes the drawings of working proprietors

## 2.1 FINANCIAL PERFORMANCE *continued*

		<i>Fabricated metal product mfg</i>	<i>Transport equipment mfg</i>	<i>Machinery and equipment mfg</i>	<i>Furniture and other mfg</i>	<i>Total manufacturing</i>
Employment at end of June(a)	no.	114 700	105 244	119 477	^ 41 030	1 014 080
<b>Income</b>						
Sales of goods	\$m	25 277	28 345	29 261	7 488	358 577
Income from services	\$m	1 720	5 146	3 124	241	17 892
Rent, leasing and hiring income	\$m	286	159	197	22	1 461
Funding from government for operational costs	\$m	30	473	17	25	699
Interest income	\$m	64	143	183	19	1 648
Other income	\$m	240	142	698	53	4 237
<i>Total income</i>	\$m	27 615	34 409	33 481	^ 7 847	384 514
<b>Expenses</b>						
Selected labour costs(b)	\$m	5 779	6 550	6 868	1 684	56 016
Cost of sales	\$m	18 359	25 321	22 244	5 447	280 895
Depreciation and amortisation	\$m	451	1 148	578	131	9 577
Interest expenses	\$m	259	356	333	65	5 212
Other expenses	\$m	193	161	228	78	2 404
Less						
Capitalised wages and salaries	\$m	42	93	51	10	327
<i>Total expenses</i>	\$m	25 221	33 418	30 604	^ 7 362	355 131
Change in inventories	\$m	222	-25	403	-32	1 355
Trading profit	\$m	8 923	8 329	10 339	2 304	97 035
Earnings before interest tax depreciation and amortisation	\$m	3 023	2 185	3 310	577	39 641
Operating profit before tax	\$m	2 617	^ 967	3 280	* 453	30 738
<b>Industry ratios</b>						
Profit margin	%	9.6	2.9	10.1	5.8	8.1
Interest coverage	times	11.7	6.1	9.9	8.9	7.6
Investment rate (value added)	%	10.3	19.8	11.6	8.8	17.0
Industry value added to selected labour costs	times	1.6	1.4	1.5	1.4	1.8
Selected labour costs per person employed(c)	\$'000	50	62	57	41	55
Sales and service income per person employed(c)	\$'000	238	320	273	189	373
Industry value added per person employed(c)	\$'000	79	86	88	57	98

^ 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 working proprietors.

(b) Excludes the drawings of working proprietors

(c) See Explanatory Notes paragraph 38.

## 2.2 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 at end of June
		no.	\$m	\$m	\$m	\$'000	\$'000
<b>FOOD PRODUCT MFG</b>							
<b>111</b>	<b>Meat and meat product mfg</b>						
1111	Meat processing	31 026	^ 1 358	12 221	1 973	394	64
1112	Poultry processing	18 075	822	4 123	1 132	228	63
1113	Cured meat and smallgoods mfg	^ 9 780	^ 417	2 593	^ 593	265	61
	<i>Total</i>	58 881	2 597	18 937	3 698	322	63
<b>112</b>	<b>Seafood processing</b>	3 027	120	^ 1 396	^ 130	461	43
<b>113</b>	<b>Dairy product mfg</b>						
1131	Milk and cream processing	6 937	411	4 350	820	627	118
1132	Ice cream mfg	* 1 460	* 40	^ 297	^ 64	203	44
1133	Cheese and other dairy product mfg	10 278	640	6 866	1 076	668	105
	<i>Total</i>	18 674	1 090	11 514	1 959	617	105
<b>114</b>	<b>Fruit and vegetable processing</b>	14 323	599	4 325	1 056	302	74
<b>115</b>	<b>Oil and fat mfg</b>	1 982	119	1 794	264	905	133
<b>116</b>	<b>Grain mill and cereal product mfg</b>						
1161	Grain mill product mfg	3 178	197	2 501	463	787	146
1162	Cereal, pasta and baking mix mfg	4 477	241	1 565	461	350	103
	<i>Total</i>	7 655	438	4 066	924	531	121
<b>117</b>	<b>Bakery product mfg</b>						
1171	Bread mfg (factory based)	11 806	430	2 189	728	185	62
1172	Cake and pastry mfg (factory based)	8 917	304	1 288	399	144	45
1173	Biscuit mfg (factory based)	4 820	227	987	424	205	88
1174	Bakery product mfg (non-factory based)	38 922	696	2 396	1 111	62	29
	<i>Total</i>	64 466	1 657	6 859	2 663	106	41
<b>118</b>	<b>Sugar and confectionery mfg</b>						
1181	Sugar mfg	4 929	277	2 811	496	570	101
1182	Confectionery mfg	11 747	743	4 570	1 529	389	130
	<i>Total</i>	16 676	1 020	7 380	2 025	443	121
<b>119</b>	<b>Other food product mfg</b>						
1191	Potato, corn and other crisp mfg	np	np	np	np	np	np
1192	Prepared animal and bird feed mfg	np	np	np	np	np	np
1199	Other food product mfg n.e.c.	^ 13 022	612	4 548	^ 1 020	349	78
	<i>Total</i>	20 642	1 001	8 536	1 737	414	84
<b>11</b>	<b>Total food product mfg</b>	<b>206 328</b>	<b>8 642</b>	<b>64 807</b>	<b>14 455</b>	<b>314</b>	<b>70</b>
<b>BEVERAGE AND TOBACCO PRODUCT MFG</b>							
<b>121</b>	<b>Beverage mfg</b>						
1211	Soft drink, cordial and syrup mfg	9 197	464	4 393	1 526	478	166
1212	Beer mfg	4 367	261	3 891	1 495	891	342
1213	Spirit mfg	np	np	np	np	np	np
1214	Wine and other alcoholic beverage mfg	17 570	803	6 297	1 512	358	86
	<i>Total</i>	np	np	np	np	np	np
<b>122</b>	<b>Cigarette and tobacco product mfg</b>	np	np	np	np	np	np
<b>12</b>	<b>Total beverage and tobacco product mfg</b>	<b>33 722</b>	<b>1 758</b>	<b>17 009</b>	<b>5 787</b>	<b>504</b>	<b>172</b>

^ 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

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

(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

## 2.2 INDUSTRY CLASS *continued*

	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 at end of June	
	no.	\$m	\$m	\$m	\$'000	\$'000	
<b>TEXTILE, LEATHER, CLOTHING AND FOOTWEAR MFG</b>							
<b>131</b>	<b>Textile mfg</b>						
1311	Wool scouring	434	23	^ 181	24	416	55
1312	Natural textile mfg	2 275	105	373	134	164	59
1313	Synthetic textile mfg	1 034	51	373	84	361	81
	<i>Total</i>	3 743	179	927	242	248	65
<b>132</b>	<b>Leather tanning, fur dressing and leather product mfg</b>						
		2 643	88	779	181	295	68
<b>133</b>	<b>Textile product mfg</b>						
1331	Textile floor covering mfg	2 378	126	854	188	359	79
1332	Rope, cordage and twine mfg	^ 557	^ 23	170	44	305	79
1333	Cut and sewn textile product mfg	^ 12 236	362	1 877	601	153	49
1334	Textile finishing and other textile product mfg	3 925	140	697	228	178	58
	<i>Total</i>	19 096	651	3 598	1 062	188	56
<b>134</b>	<b>Knitted product mfg</b>						
		^ 1 974	^ 69	^ 279	^ 112	141	57
<b>135</b>	<b>Clothing and footwear mfg</b>						
1351	Clothing mfg	^ 24 326	617	3 420	1 043	141	43
1352	Footwear mfg	2 056	81	438	131	213	64
	<i>Total</i>	^ 26 382	698	3 858	1 174	146	44
<b>13</b>	<b>Total textile, leather, clothing and footwear mfg</b>						
		53 838	1 685	9 441	2 771	175	51
<b>WOOD PRODUCT MFG</b>							
<b>141</b>	<b>Log sawmilling and timber dressing</b>						
1411	Log sawmilling	7 416	254	1 342	521	181	70
1412	Wood chipping	1 644	78	865	233	526	142
1413	Timber resawing and dressing	6 972	357	2 323	809	333	116
	<i>Total</i>	16 032	689	4 530	1 563	283	98
<b>149</b>	<b>Other wood product mfg</b>						
1491	Prefabricated wooden building mfg	* 459	* 11	* 84	* 27	184	58
1492	Wooden structural fitting and component mfg	25 001	944	4 622	1 549	185	62
1493	Veneer and plywood mfg	na	na	na	na	na	na
1494	Reconstituted wood product mfg	^ 3 544	200	^ 1 159	375	327	106
1499	Other wood product mfg n.e.c.	^ 5 092	^ 176	^ 782	^ 283	154	56
	<i>Total</i>	35 886	1 414	7 254	2 377	202	66
<b>14</b>	<b>Total wood product mfg</b>						
		51 919	2 103	11 783	3 940	227	76

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

na not available

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

(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

**2.2** INDUSTRY CLASS *continued*

	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	
	no.	\$m	\$m	\$m	\$'000	\$'000	
<b>PULP, PAPER AND CONVERTED PAPER PRODUCT MFG</b>							
<b>151</b>	<b>Pulp, paper and paperboard mfg</b>	^ 5 963	342	2 400	603	403	101
<b>152</b>	<b>Converted paper product mfg</b>						
1521	Corrugated paperboard and paperboard container mfg	6 370	474	3 008	878	472	138
1522	Paper bag mfg	^ 1 734	^ 93	^ 521	^ 144	300	83
1523	Paper stationery mfg	4 966	222	1 136	317	229	64
1524	Sanitary paper product mfg	3 449	279	2 205	624	639	181
1529	Other converted paper product mfg	1 319	61	335	92	254	70
	<i>Total</i>	17 838	1 129	7 205	2 054	404	115
<b>15</b>	<b>Total pulp, paper and converted paper product mfg</b>	<b>23 801</b>	<b>1 470</b>	<b>9 605</b>	<b>2 657</b>	<b>404</b>	<b>112</b>
<b>PRINTING (INCLUDING THE REPRODUCTION OF RECORDED MEDIA)</b>							
<b>161</b>	<b>Printing and printing support services</b>						
1611	Printing	^ 45 281	^ 2 102	^ 8 557	^ 3 482	189	77
1612	Printing support services	^ 2 786	^ 110	338	^ 185	121	67
	<i>Total</i>	^ 48 066	^ 2 212	8 895	^ 3 668	185	76
<b>162</b>	<b>Reproduction of recorded media</b>	^ 2 249	^ 113	^ 476	213	212	95
<b>16</b>	<b>Total printing (including the reproduction of recorded media)</b>	<b>^ 50 315</b>	<b>^ 2 325</b>	<b>9 371</b>	<b>^ 3 881</b>	<b>186</b>	<b>77</b>
<b>PETROLEUM AND COAL PRODUCT MFG</b>							
<b>170</b>	<b>Petroleum and coal product mfg</b>						
1701	Petroleum refining and petroleum fuel mfg	5 760	560	35 464	2 183	6 157	379
1709	Other petroleum and coal product mfg	2 086	152	1 198	323	574	155
	<i>Total</i>	7 846	711	36 661	2 506	4 673	319
<b>17</b>	<b>Total petroleum and coal product mfg</b>	<b>7 846</b>	<b>711</b>	<b>36 661</b>	<b>2 506</b>	<b>4 673</b>	<b>319</b>
<b>BASIC CHEMICAL AND CHEMICAL PRODUCT MFG</b>							
<b>181</b>	<b>Basic chemical mfg</b>						
1811	Industrial gas mfg	3 024	183	2 237	754	740	249
1812	Basic organic chemical mfg	1 825	126	1 149	182	630	100
1813	Basic inorganic chemical mfg	3 616	269	2 756	668	762	185
	<i>Total</i>	8 465	578	6 142	1 604	726	189
<b>182</b>	<b>Basic polymer mfg</b>						
1821	Synthetic resin and synthetic rubber mfg	np	np	np	np	np	np
1829	Other basic polymer mfg	np	np	np	np	np	np
	<i>Total</i>	5 307	363	3 296	837	621	158
<b>183</b>	<b>Fertiliser and pesticide mfg</b>						
1831	Fertiliser mfg	3 330	238	2 958	824	888	247
1832	Pesticide mfg	1 452	104	833	177	574	122
	<i>Total</i>	4 782	342	3 791	1 000	793	209

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

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

(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

## 2.2 INDUSTRY CLASS *continued*

	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 at end of June	
	no.	\$m	\$m	\$m	\$'000	\$'000	
<b>BASIC CHEMICAL AND CHEMICAL PRODUCT MFG <i>cont.</i></b>							
<b>184</b>	<b>Pharmaceutical and medicinal product mfg</b>						
1841	Human pharmaceutical and medicinal product mfg	13 375	945	6 734	1 706	503	128
1842	Veterinary pharmaceutical and medicinal product mfg	931	53	438	116	470	125
	<i>Total</i>	14 307	998	7 172	1 822	501	127
<b>185</b>	<b>Cleaning compound and toiletry preparation mfg</b>						
1851	Cleaning compound mfg	4 747	268	1 917	609	404	128
1852	Cosmetic and toiletry preparation mfg	4 471	195	989	313	221	70
	<i>Total</i>	9 219	463	2 907	922	315	100
<b>189</b>	<b>Other basic chemical product mfg</b>						
1891	Photographic chemical product mfg	np	np	np	np	np	np
1892	Explosive mfg	np	np	np	np	np	np
1899	Other basic chemical product mfg n.e.c.	np	np	np	np	np	np
	<i>Total</i>	3 030	217	1 465	646	484	213
<b>18</b>	<b>Total basic chemical and chemical product mfg</b>	<b>45 109</b>	<b>2 961</b>	<b>24 772</b>	<b>6 831</b>	<b>549</b>	<b>151</b>
<b>POLYMER PRODUCT AND RUBBER PRODUCT MFG</b>							
<b>191</b>	<b>Polymer product mfg</b>						
1911	Polymer film and sheet packaging material mfg	^ 7 535	444	2 510	711	333	94
1912	Rigid and semi-rigid polymer product mfg	18 849	910	5 691	1 779	302	94
1913	Polymer foam product mfg	^ 2 320	^ 107	^ 677	^ 202	292	87
1914	Tyre mfg	^ 1 722	90	374	141	217	82
1915	Adhesive mfg	1 464	90	641	171	438	117
1916	Paint and coatings mfg	8 107	553	3 006	944	371	116
1919	Other polymer product mfg	9 770	461	^ 2 310	^ 797	236	82
	<i>Total</i>	49 768	2 655	15 210	4 745	306	95
<b>192</b>	<b>Natural rubber product mfg</b>	<b>2 763</b>	<b>168</b>	<b>794</b>	<b>272</b>	<b>287</b>	<b>98</b>
<b>19</b>	<b>Total polymer product and rubber product mfg</b>	<b>52 531</b>	<b>2 823</b>	<b>16 004</b>	<b>5 017</b>	<b>305</b>	<b>96</b>
<b>NON-METALLIC MINERAL PRODUCT MFG</b>							
<b>201</b>	<b>Glass and glass product mfg</b>	<b>8 398</b>	<b>450</b>	<b>2 401</b>	<b>964</b>	<b>286</b>	<b>115</b>
<b>202</b>	<b>Ceramic product mfg</b>						
2021	Clay brick mfg	3 219	194	968	454	301	141
2029	Other ceramic product mfg	2 718	^ 140	^ 580	^ 213	213	79
	<i>Total</i>	5 937	335	1 548	667	261	112

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

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(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

## 2.2 INDUSTRY CLASS *continued*

		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 at end of June
		no.	\$m	\$m	\$m	\$'000	\$'000
<b>NON-METALLIC MINERAL PRODUCT MFG <i>cont.</i></b>							
<b>203</b>	<b>Cement, lime, plaster and concrete product mfg</b>						
2031	Cement and lime mfg	2 879	232	1 906	741	662	257
2032	Plaster product mfg	4 935	259	1 458	376	295	76
2033	Ready-mixed concrete mfg	8 847	537	4 647	937	525	106
2034	Concrete product mfg	^ 8 990	^ 483	^ 2 331	^ 813	259	90
	<i>Total</i>	25 651	1 512	10 341	2 868	403	112
<b>209</b>	<b>Other non-metallic mineral product mfg</b>	6 419	316	1 516	519	236	81
<b>20</b>	<b>Total non-metallic mineral product mfg</b>	<b>46 405</b>	<b>2 613</b>	<b>15 805</b>	<b>5 019</b>	<b>341</b>	<b>108</b>
<b>PRIMARY METAL AND METAL PRODUCT MFG</b>							
<b>211</b>	<b>Basic ferrous metal mfg</b>						
2110	Iron smelting and steel mfg	24 548	1 645	14 049	3 488	572	142
	<i>Total</i>	24 548	1 645	14 049	3 488	572	142
<b>212</b>	<b>Basic ferrous metal product mfg</b>						
2121	Iron and steel casting	6 774	467	2 007	889	296	131
2122	Steel pipe and tube mfg	^ 4 204	^ 212	1 559	376	371	89
	<i>Total</i>	10 978	679	3 566	1 264	325	115
<b>213</b>	<b>Basic non-ferrous metal mfg</b>						
2131	Alumina production	7 957	858	8 228	4 393	1 034	552
2132	Aluminium smelting	5 854	511	8 809	2 277	1 505	389
2133	Copper, silver, lead and zinc smelting and refining	np	np	np	np	np	np
2139	Other basic non-ferrous metal mfg	np	np	np	np	np	np
	<i>Total</i>	19 668	1 788	40 030	9 895	2 035	503
<b>214</b>	<b>Basic non-ferrous metal product mfg</b>						
2141	Non-ferrous metal casting	^ 1 062	^ 39	^ 161	^ 68	152	64
2142	Aluminium rolling, drawing, extruding	3 582	184	1 834	254	512	71
2149	Other basic non-ferrous metal product mfg	^ 1 977	^ 100	1 766	^ 188	893	95
	<i>Total</i>	6 621	323	3 762	511	568	77
<b>21</b>	<b>Total primary metal and metal product mfg</b>	<b>61 815</b>	<b>4 435</b>	<b>61 406</b>	<b>15 158</b>	<b>993</b>	<b>245</b>
<b>FABRICATED METAL PRODUCT MFG</b>							
<b>221</b>	<b>Iron and steel forging</b>	1 349	87	575	170	426	126
<b>222</b>	<b>Structural metal product mfg</b>						
2221	Structural steel fabricating	22 087	^ 1 139	6 404	^ 2 098	290	95
2222	Prefabricated metal building mfg	4 456	209	1 589	512	357	115
2223	Architectural aluminium product mfg	17 633	726	3 571	1 130	203	64
2224	Metal roof and guttering mfg (except aluminium)	1 965	99	842	159	428	81
2229	Other structural metal product mfg	11 809	493	2 467	826	209	70
	<i>Total</i>	57 950	2 665	14 873	4 725	257	82

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(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.



## 2.2 INDUSTRY CLASS *continued*

	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 at end of June
	no.	\$m	\$m	\$m	\$'000	\$'000
<b>FABRICATED METAL PRODUCT MFG <i>cont.</i></b>						
<b>223 Metal container mfg</b>						
2231 Boiler, tank and other heavy gauge metal container mfg	4 956	^ 161	806	323	163	65
2239 Other metal container mfg	3 869	238	1 602	470	414	121
<i>Total</i>	8 826	399	2 409	793	273	90
<b>224 Sheet metal product mfg (except metal structural and container products)</b>	9 217	406	1 979	725	215	79
<b>229 Other fabricated metal product mfg</b>						
2291 Spring and wire product mfg	^ 4 132	206	1 207	340	292	82
2292 Nut, bolt, screw and rivet mfg	1 919	101	540	188	281	98
2293 Metal coating and finishing	^ 9 947	^ 435	1 446	^ 693	145	70
2299 Other fabricated metal product mfg n.e.c.	21 361	847	^ 4 253	1 443	199	68
<i>Total</i>	37 359	1 589	7 446	2 663	199	71
<b>22 Total fabricated metal product mfg</b>	<b>114 700</b>	<b>5 145</b>	<b>27 282</b>	<b>9 076</b>	<b>238</b>	<b>79</b>
<b>TRANSPORT EQUIPMENT MFG</b>						
<b>231 Motor vehicle and motor vehicle part mfg</b>						
2311 Motor vehicle mfg	26 135	1 781	14 023	2 386	537	91
2312 Motor vehicle body and trailer mfg	^ 14 344	^ 624	^ 3 168	^ 959	221	67
2313 Automotive electrical component mfg	4 116	237	1 462	414	355	100
2319 Other motor vehicle parts mfg	22 789	1 243	6 074	2 058	267	90
<i>Total</i>	67 385	3 884	24 727	5 816	367	86
<b>239 Other transport equipment mfg</b>						
2391 Shipbuilding and repair services	8 525	483	1 826	713	214	84
2392 Boatbuilding and repair services	8 516	295	1 458	490	171	57
2393 Railway rolling stock mfg and repair services	7 127	418	2 378	612	334	86
2394 Aircraft mfg and repair services	13 248	777	3 182	1 353	240	102
2399 Other transport equipment mfg n.e.c.	444	^ 12	^ 79	19	178	44
<i>Total</i>	37 859	1 985	8 923	3 187	236	84
<b>23 Total transport equipment mfg</b>	<b>105 244</b>	<b>5 869</b>	<b>33 650</b>	<b>9 003</b>	<b>320</b>	<b>86</b>
<b>MACHINERY AND EQUIPMENT MFG</b>						
<b>241 Professional and scientific equipment mfg</b>						
2411 Photographic, optical and ophthalmic equipment mfg	1 971	82	286	117	145	60
2412 Medical and surgical equipment mfg	11 699	583	2 478	1 140	212	97
2419 Other professional and scientific equipment mfg	8 475	537	2 055	833	242	98
<i>Total</i>	22 146	1 202	4 820	2 090	218	94
<b>242 Computer and electronic equipment mfg</b>						
2421 Computer and electronic office equipment mfg	^ 4 787	^ 212	1 431	^ 302	299	63
2422 Communication equipment mfg	^ 4 644	^ 308	^ 1 594	^ 641	343	138
2429 Other electronic equipment mfg	7 199	461	1 890	800	263	111
<i>Total</i>	16 630	981	4 915	1 743	296	105

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution  
 (a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.  
 (c) Includes rent, leasing and hiring income.

## 2.2 INDUSTRY CLASS *continued*

	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 at end of June
	no.	\$m	\$m	\$m	\$'000	\$'000
<b>MACHINERY AND EQUIPMENT MFG <i>cont.</i></b>						
<b>243</b>	<b>Electrical equipment mfg</b>					
2431	2 845	173	1 778	376	625	132
2432	^ 4 348	^ 218	1 127	^ 340	259	78
2439	11 948	618	3 744	1 042	313	87
	<i>Total</i>	<i>19 142</i>	<i>1 009</i>	<i>6 650</i>	<i>1 757</i>	<i>347</i>
<b>244</b>	<b>Domestic appliance mfg</b>					
2441	^ 3 313	^ 173	^ 1 140	^ 239	344	72
2449	3 598	162	1 012	360	281	100
	<i>Total</i>	<i>6 911</i>	<i>335</i>	<i>2 152</i>	<i>598</i>	<i>311</i>
<b>245</b>	<b>Pump, compressor, heating and ventilation equipment mfg</b>					
2451	4 005	228	1 185	405	296	101
2452	4 371	212	1 020	308	233	70
	<i>Total</i>	<i>8 376</i>	<i>440</i>	<i>2 205</i>	<i>713</i>	<i>263</i>
<b>246</b>	<b>Specialised machinery and equipment mfg</b>					
2461	7 015	273	1 938	464	276	66
2462	^ 11 873	582	^ 3 459	1 054	291	89
2463	^ 5 510	*225	*893	*395	162	72
2469	^ 6 387	^ 291	1 273	^ 390	199	61
	<i>Total</i>	<i>30 786</i>	<i>1 370</i>	<i>7 564</i>	<i>2 303</i>	<i>246</i>
<b>249</b>	<b>Other machinery and equipment mfg</b>					
2491	8 137	456	2 321	711	285	87
2499	^ 7 351	^ 394	^ 1 958	^ 622	266	85
	<i>Total</i>	<i>15 488</i>	<i>850</i>	<i>4 279</i>	<i>1 333</i>	<i>276</i>
<b>24</b>	<b><i>Total machinery and equipment mfg</i></b>	<b><i>119 477</i></b>	<b><i>6 187</i></b>	<b><i>32 583</i></b>	<b><i>10 538</i></b>	<b><i>273</i></b>
<b>FURNITURE AND OTHER MFG</b>						
<b>251</b>	<b>Furniture mfg</b>					
2511	*17 327	^ 621	^ 2 712	^ 944	157	55
2512	*3 079	^ 166	**1 275	*322	414	104
2513	^ 2 595	^ 114	^ 580	135	223	52
2519	^ 2 550	^ 118	^ 349	^ 156	137	61
	<i>Total</i>	<i>^ 25 550</i>	<i>^ 1 020</i>	<i>^ 4 916</i>	<i>^ 1 558</i>	<i>192</i>
<b>259</b>	<b>Other mfg</b>					
2591	^ 4 394	^ 98	^ 753	^ 196	171	45
2592	3 564	^ 96	^ 516	159	145	44
2599	7 522	287	^ 1 566	446	208	59
	<i>Total</i>	<i>15 480</i>	<i>480</i>	<i>2 835</i>	<i>800</i>	<i>183</i>
<b>25</b>	<b><i>Total furniture and other mfg</i></b>	<b><i>^ 41 030</i></b>	<b><i>1 501</i></b>	<b><i>^ 7 751</i></b>	<b><i>2 358</i></b>	<b><i>189</i></b>
<b>11-25</b>	<b>TOTAL MANUFACTURING</b>	<b>1 014 080</b>	<b>50 228</b>	<b>377 930</b>	<b>98 997</b>	<b>373</b>

^ 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

\*\* estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

## 2.3 EMPLOYMENT SIZE (a)(b)

Employment size groups	Employment at end of June(c)		Wages and salaries(d)		Sales and service income(e)		Industry value added	
	'000	%	\$m	%	\$m	%	\$m	%
<b>FOOD PRODUCT MFG</b>								
0-4 persons	9.3	4.5	128	1.5	3 075	4.7	321	2.2
5-9 persons	11.8	5.7	271	3.1	2 417	3.7	489	3.4
10-19 persons	24.3	11.8	537	6.2	2 517	3.9	902	6.2
20-49 persons	22.6	11.0	562	6.5	3 363	5.2	949	6.6
50-99 persons	21.3	10.3	907	10.5	6 100	9.4	1 265	8.8
<i>Total less than 100 persons</i>	<i>89.4</i>	<i>43.3</i>	<i>2 405</i>	<i>27.8</i>	<i>17 471</i>	<i>27.0</i>	<i>3 925</i>	<i>27.2</i>
100-199 persons	14.1	6.8	664	7.7	4 774	7.4	1 140	7.9
200-499 persons	20.5	9.9	974	11.3	8 398	13.0	1 714	11.9
500-999 persons	21.5	10.4	1 152	13.3	10 951	16.9	1 873	13.0
1 000 or more persons	60.9	29.5	3 446	39.9	23 213	35.8	5 803	40.1
<i>Total 100 or more persons</i>	<i>117.0</i>	<i>56.7</i>	<i>6 236</i>	<i>72.2</i>	<i>47 336</i>	<i>73.0</i>	<i>10 530</i>	<i>72.8</i>
<b>Total</b>	<b>206.3</b>	<b>100.0</b>	<b>8 642</b>	<b>100.0</b>	<b>64 807</b>	<b>100.0</b>	<b>14 455</b>	<b>100.0</b>
<b>BEVERAGE AND TOBACCO PRODUCT MFG</b>								
0-4 persons	1.7	5.0	31	1.8	381	2.2	70	1.2
5-9 persons	3.1	9.1	118	6.7	531	3.1	244	4.2
10-19 persons	1.8	5.4	53	3.0	205	1.2	103	1.8
20-49 persons	2.6	7.7	88	5.0	479	2.8	122	2.1
50-99 persons	1.9	5.6	66	3.7	429	2.5	156	2.7
<i>Total less than 100 persons</i>	<i>11.0</i>	<i>32.7</i>	<i>355</i>	<i>20.2</i>	<i>2 025</i>	<i>11.9</i>	<i>695</i>	<i>12.0</i>
100-199 persons	2.0	5.9	105	6.0	802	4.7	208	3.6
200-499 persons	2.1	6.3	118	6.7	1 618	9.5	534	9.2
500-999 persons	5.6	16.5	351	20.0	3 782	22.2	1 649	28.5
1 000 or more persons	13.0	38.5	829	47.2	8 781	51.6	2 701	46.7
<i>Total 100 or more persons</i>	<i>22.7</i>	<i>67.3</i>	<i>1 403</i>	<i>79.8</i>	<i>14 984</i>	<i>88.1</i>	<i>5 092</i>	<i>88.0</i>
<b>Total</b>	<b>33.7</b>	<b>100.0</b>	<b>1 758</b>	<b>100.0</b>	<b>17 009</b>	<b>100.0</b>	<b>5 787</b>	<b>100.0</b>
<b>TEXTILE, LEATHER, CLOTHING AND FOOTWEAR MFG</b>								
0-4 persons	12.8	23.8	170	10.1	1 333	14.1	418	15.1
5-9 persons	6.2	11.6	171	10.1	818	8.7	268	9.7
10-19 persons	6.2	11.6	186	11.0	946	10.0	295	10.7
20-49 persons	9.0	16.7	288	17.1	1 587	16.8	470	17.0
50-99 persons	6.2	11.5	274	16.3	1 525	16.2	393	14.2
<i>Total less than 100 persons</i>	<i>40.4</i>	<i>75.1</i>	<i>1 089</i>	<i>64.7</i>	<i>6 209</i>	<i>65.8</i>	<i>1 845</i>	<i>66.6</i>
100-199 persons	5.3	9.8	243	14.4	1 315	13.9	366	13.2
200-499 persons	np	np	np	np	np	np	np	np
500-999 persons	np	np	np	np	np	np	np	np
1 000 or more persons	np	np	np	np	np	np	np	np
<i>Total 100 or more persons</i>	<i>13.4</i>	<i>24.9</i>	<i>595</i>	<i>35.3</i>	<i>3 232</i>	<i>34.2</i>	<i>926</i>	<i>33.4</i>
<b>Total</b>	<b>53.8</b>	<b>100.0</b>	<b>1 685</b>	<b>100.0</b>	<b>9 441</b>	<b>100.0</b>	<b>2 771</b>	<b>100.0</b>

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

(a) See Explanatory Notes paragraphs 44 and 45.

(b) Relative standard errors have only been presented for subdivision totals in this table. For further details see Technical Note 1 paragraph 21.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.

## 2.3 EMPLOYMENT SIZE (a)(b) *continued*

Employment size groups	Employment at end of June(c)		Wages and salaries(d)		Sales and service income(e)		Industry value added	
	'000	%	\$m	%	\$m	%	\$m	%
<b>WOOD PRODUCT MFG</b>								
0-4 persons	7.6	14.6	105	5.0	899	7.6	308	7.8
5-9 persons	5.0	9.6	206	9.8	812	6.9	355	9.0
10-19 persons	8.0	15.5	339	16.1	1 435	12.2	490	12.4
20-49 persons	8.6	16.6	322	15.3	1 590	13.5	541	13.7
50-99 persons	5.7	10.9	248	11.8	1 446	12.3	452	11.5
<i>Total less than 100 persons</i>	<i>34.9</i>	<i>67.2</i>	<i>1 219</i>	<i>58.0</i>	<i>6 182</i>	<i>52.5</i>	<i>2 146</i>	<i>54.5</i>
100-199 persons	3.4	6.5	145	6.9	630	5.3	213	5.4
200-499 persons	6.0	11.5	296	14.1	2 038	17.3	570	14.5
500-999 persons	np	np	np	np	np	np	np	np
1 000 or more persons	np	np	np	np	np	np	np	np
<i>Total 100 or more persons</i>	<i>17.0</i>	<i>32.8</i>	<i>884</i>	<i>42.0</i>	<i>5 601</i>	<i>47.5</i>	<i>1 794</i>	<i>45.5</i>
<b>Total</b>	<b>51.9</b>	<b>100.0</b>	<b>2 103</b>	<b>100.0</b>	<b>11 783</b>	<b>100.0</b>	<b>3 940</b>	<b>100.0</b>
<b>PULP, PAPER AND CONVERTED PAPER PRODUCT MFG</b>								
0-4 persons	0.9	3.9	21	1.4	158	1.6	42	1.6
5-9 persons	1.3	5.4	57	3.9	272	2.8	81	3.0
10-19 persons	1.6	6.7	50	3.4	339	3.5	87	3.3
20-49 persons	2.8	11.6	99	6.7	557	5.8	152	5.7
50-99 persons	2.5	10.5	103	7.0	510	5.3	149	5.6
<i>Total less than 100 persons</i>	<i>9.1</i>	<i>38.1</i>	<i>330</i>	<i>22.5</i>	<i>1 835</i>	<i>19.1</i>	<i>510</i>	<i>19.2</i>
100-199 persons	1.2	4.9	67	4.6	435	4.5	123	4.6
200-499 persons	4.3	17.9	254	17.3	1 603	16.7	424	15.9
500-999 persons	np	np	np	np	np	np	np	np
1 000 or more persons	np	np	np	np	np	np	np	np
<i>Total 100 or more persons</i>	<i>14.7</i>	<i>61.9</i>	<i>1 140</i>	<i>77.5</i>	<i>7 771</i>	<i>80.9</i>	<i>2 147</i>	<i>80.8</i>
<b>Total</b>	<b>23.8</b>	<b>100.0</b>	<b>1 470</b>	<b>100.0</b>	<b>9 605</b>	<b>100.0</b>	<b>2 657</b>	<b>100.0</b>
<b>PRINTING (INCLUDING THE REPRODUCTION OF RECORDED MEDIA)</b>								
0-4 persons	5.8	11.4	98	4.2	697	7.4	284	7.3
5-9 persons	np	np	np	np	np	np	np	np
10-19 persons	np	np	np	np	np	np	np	np
20-49 persons	8.6	17.1	336	14.4	1 323	14.1	529	13.6
50-99 persons	4.9	9.8	238	10.2	1 138	12.1	430	11.1
<i>Total less than 100 persons</i>	<i>31.8</i>	<i>63.2</i>	<i>1 168</i>	<i>50.2</i>	<i>4 945</i>	<i>52.8</i>	<i>2 069</i>	<i>53.3</i>
100-199 persons	9.9	19.7	569	24.5	1 984	21.2	847	21.8
200-499 persons	np	np	np	np	np	np	np	np
500-999 persons	np	np	np	np	np	np	np	np
1 000 or more persons	np	np	np	np	np	np	np	np
<i>Total 100 or more persons</i>	<i>18.5</i>	<i>36.8</i>	<i>1 158</i>	<i>49.8</i>	<i>4 426</i>	<i>47.2</i>	<i>1 811</i>	<i>46.7</i>
<b>Total</b>	<b>^ 50.3</b>	<b>100.0</b>	<b>^ 2 325</b>	<b>100.0</b>	<b>9 371</b>	<b>100.0</b>	<b>^ 3 881</b>	<b>100.0</b>

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

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

(a) See Explanatory Notes paragraphs 44 and 45.

(b) Relative standard errors have only been presented for subdivision totals in this table. For further details see Technical Note 1 paragraph 21.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.

## 2.3 EMPLOYMENT SIZE (a)(b) *continued*

Employment size groups	Employment at end of June(c)		Wages and salaries(d)		Sales and service income(e)		Industry value added	
	'000	%	\$m	%	\$m	%	\$m	%
<b>PETROLEUM AND COAL PRODUCT MFG</b>								
0-4 persons	0.3	4.3	23	3.2	221	0.6	25	1.0
5-9 persons	np	np	np	np	np	np	np	np
10-19 persons	np	np	np	np	np	np	np	np
20-49 persons	0.8	10.8	52	7.4	518	1.4	142	5.7
50-99 persons	0.3	3.7	30	4.2	304	0.8	73	2.9
<i>Total less than 100 persons</i>	1.8	22.4	114	16.1	1 138	3.1	255	10.2
100-199 persons	0.6	8.0	47	6.6	353	1.0	68	2.7
200-499 persons	np	np	np	np	np	np	np	np
500-999 persons	np	np	np	np	np	np	np	np
1 000 or more persons	np	np	np	np	np	np	np	np
<i>Total 100 or more persons</i>	6.1	77.6	597	83.9	35 523	96.9	2 251	89.8
<b>Total</b>	<b>7.8</b>	<b>100.0</b>	<b>711</b>	<b>100.0</b>	<b>36 661</b>	<b>100.0</b>	<b>2 506</b>	<b>100.0</b>
<b>BASIC CHEMICAL AND CHEMICAL PRODUCT MFG</b>								
0-4 persons	1.6	3.5	37	1.3	809	3.3	312	4.6
5-9 persons	2.0	4.3	77	2.6	444	1.8	98	1.4
10-19 persons	2.9	6.3	119	4.0	687	2.8	219	3.2
20-49 persons	5.8	12.8	289	9.8	1 940	7.8	607	8.9
50-99 persons	4.7	10.5	287	9.7	2 536	10.2	681	10.0
<i>Total less than 100 persons</i>	16.9	37.4	810	27.4	6 416	25.9	1 917	28.1
100-199 persons	4.1	9.2	283	9.5	3 018	12.2	629	9.2
200-499 persons	6.8	15.1	450	15.2	3 081	12.4	852	12.5
500-999 persons	7.4	16.4	630	21.3	5 537	22.4	1 335	19.5
1 000 or more persons	9.9	21.8	788	26.6	6 719	27.1	2 098	30.7
<i>Total 100 or more persons</i>	28.2	62.6	2 151	72.6	18 356	74.1	4 914	71.9
<b>Total</b>	<b>45.1</b>	<b>100.0</b>	<b>2 961</b>	<b>100.0</b>	<b>24 772</b>	<b>100.0</b>	<b>6 831</b>	<b>100.0</b>
<b>POLYMER PRODUCT AND RUBBER PRODUCT MFG</b>								
0-4 persons	3.2	6.2	95	3.4	608	3.8	166	3.3
5-9 persons	3.1	5.9	181	6.4	488	3.1	234	4.7
10-19 persons	6.7	12.7	280	9.9	1 415	8.8	466	9.3
20-49 persons	7.3	14.0	388	13.7	2 419	15.1	705	14.1
50-99 persons	7.1	13.4	389	13.8	2 243	14.0	671	13.4
<i>Total less than 100 persons</i>	27.4	52.2	1 333	47.2	7 172	44.8	2 244	44.7
100-199 persons	7.4	14.0	390	13.8	2 449	15.3	691	13.8
200-499 persons	6.4	12.2	371	13.2	2 154	13.5	691	13.8
500-999 persons	np	np	np	np	np	np	np	np
1 000 or more persons	np	np	np	np	np	np	np	np
<i>Total 100 or more persons</i>	25.1	47.8	1 490	52.8	8 832	55.2	2 774	55.3
<b>Total</b>	<b>52.5</b>	<b>100.0</b>	<b>2 823</b>	<b>100.0</b>	<b>16 004</b>	<b>100.0</b>	<b>5 017</b>	<b>100.0</b>

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

(a) See Explanatory Notes paragraphs 44 and 45.

(b) Relative standard errors have only been presented for subdivision totals in this table. For further details see Technical Note 1 paragraph 21.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.

## 2.3 EMPLOYMENT SIZE (a)(b) *continued*

Employment size groups	Employment at end of June(c)		Wages and salaries(d)		Sales and service income(e)		Industry value added	
	'000	%	\$m	%	\$m	%	\$m	%
<b>NON-METALLIC MINERAL PRODUCT MFG</b>								
0-4 persons	4.8	10.4	108	4.1	641	4.1	211	4.2
5-9 persons	3.6	7.7	121	4.6	482	3.1	183	3.7
10-19 persons	3.1	6.6	133	5.1	763	4.8	234	4.7
20-49 persons	4.2	9.1	214	8.2	1 478	9.3	411	8.2
50-99 persons	4.1	8.7	230	8.8	1 558	9.9	500	10.0
<i>Total less than 100 persons</i>	<i>19.7</i>	<i>42.5</i>	<i>805</i>	<i>30.8</i>	<i>4 921</i>	<i>31.1</i>	<i>1 539</i>	<i>30.7</i>
100-199 persons	3.9	8.4	236	9.0	1 421	9.0	370	7.4
200-499 persons	5.9	12.8	391	15.0	1 895	12.0	676	13.5
500-999 persons	6.1	13.2	459	17.6	2 785	17.6	971	19.3
1 000 or more persons	10.7	23.1	721	27.6	4 783	30.3	1 463	29.1
<i>Total 100 or more persons</i>	<i>26.7</i>	<i>57.5</i>	<i>1 808</i>	<i>69.2</i>	<i>10 884</i>	<i>68.9</i>	<i>3 480</i>	<i>69.3</i>
<b>Total</b>	<b>46.4</b>	<b>100.0</b>	<b>2 613</b>	<b>100.0</b>	<b>15 805</b>	<b>100.0</b>	<b>5 019</b>	<b>100.0</b>
<b>PRIMARY METAL AND METAL PRODUCT MFG</b>								
0-4 persons	2.1	3.4	90	2.0	1 700	2.8	590	3.9
5-9 persons	5.7	9.2	255	5.7	1 813	3.0	640	4.2
10-19 persons	2.4	3.9	110	2.5	1 818	3.0	1 341	8.8
20-49 persons	4.3	7.0	216	4.9	1 272	2.1	477	3.1
50-99 persons	4.2	6.8	219	4.9	1 598	2.6	440	2.9
<i>Total less than 100 persons</i>	<i>18.7</i>	<i>30.2</i>	<i>890</i>	<i>20.1</i>	<i>8 201</i>	<i>13.4</i>	<i>3 487</i>	<i>23.0</i>
100-199 persons	2.9	4.7	243	5.5	2 647	4.3	356	2.4
200-499 persons	4.3	6.9	274	6.2	14 939	24.3	808	5.3
500-999 persons	8.9	14.5	675	15.2	14 414	23.5	3 952	26.1
1 000 or more persons	27.0	43.7	2 353	53.1	21 205	34.5	6 554	43.2
<i>Total 100 or more persons</i>	<i>43.1</i>	<i>69.8</i>	<i>3 545</i>	<i>79.9</i>	<i>53 205</i>	<i>86.6</i>	<i>11 671</i>	<i>77.0</i>
<b>Total</b>	<b>61.8</b>	<b>100.0</b>	<b>4 435</b>	<b>100.0</b>	<b>61 406</b>	<b>100.0</b>	<b>15 158</b>	<b>100.0</b>
<b>FABRICATED METAL PRODUCT MFG</b>								
0-4 persons	14.2	12.4	286	5.6	2 186	8.0	746	8.2
5-9 persons	16.8	14.6	677	13.2	2 772	10.2	1 196	13.2
10-19 persons	16.9	14.7	611	11.9	2 680	9.8	934	10.3
20-49 persons	17.6	15.3	788	15.3	4 345	15.9	1 393	15.3
50-99 persons	11.9	10.4	614	11.9	3 487	12.8	1 115	12.3
<i>Total less than 100 persons</i>	<i>77.4</i>	<i>67.5</i>	<i>2 977</i>	<i>57.9</i>	<i>15 469</i>	<i>56.7</i>	<i>5 385</i>	<i>59.3</i>
100-199 persons	12.6	11.0	765	14.9	3 471	12.7	1 311	14.4
200-499 persons	9.6	8.4	548	10.6	3 579	13.1	1 055	11.6
500-999 persons	8.7	7.6	479	9.3	2 651	9.7	762	8.4
1 000 or more persons	6.4	5.6	377	7.3	2 111	7.7	563	6.2
<i>Total 100 or more persons</i>	<i>37.3</i>	<i>32.5</i>	<i>2 168</i>	<i>42.1</i>	<i>11 813</i>	<i>43.3</i>	<i>3 690</i>	<i>40.7</i>
<b>Total</b>	<b>114.7</b>	<b>100.0</b>	<b>5 145</b>	<b>100.0</b>	<b>27 282</b>	<b>100.0</b>	<b>9 076</b>	<b>100.0</b>

(a) See Explanatory Notes paragraphs 44 and 45.

(b) Relative standard errors have only been presented for subdivision totals in this table. For further details see Technical Note 1 paragraph 21.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.

## 2.3 EMPLOYMENT SIZE (a)(b) *continued*

Employment size groups	Employment at end of June(c)		Wages and salaries(d)		Sales and service income(e)		Industry value added	
	'000	%	\$m	%	\$m	%	\$m	%
<b>TRANSPORT EQUIPMENT MFG</b>								
0–4 persons	5.9	5.6	108	1.8	826	2.5	216	2.4
5–9 persons	7.9	7.6	257	4.4	1 076	3.2	451	5.0
10–19 persons	8.2	7.8	334	5.7	1 373	4.1	615	6.8
20–49 persons	11.1	10.6	489	8.3	2 500	7.4	761	8.5
50–99 persons	5.6	5.3	274	4.7	1 497	4.4	421	4.7
<i>Total less than 100 persons</i>	<i>38.7</i>	<i>36.8</i>	<i>1 461</i>	<i>24.9</i>	<i>7 273</i>	<i>21.6</i>	<i>2 464</i>	<i>27.4</i>
100–199 persons	7.9	7.5	421	7.2	2 256	6.7	722	8.0
200–499 persons	11.9	11.3	766	13.0	3 898	11.6	1 088	12.1
500–999 persons	10.3	9.7	550	9.4	3 143	9.3	919	10.2
1 000 or more persons	36.6	34.7	2 672	45.5	17 080	50.8	3 810	42.3
<i>Total 100 or more persons</i>	<i>66.6</i>	<i>63.2</i>	<i>4 408</i>	<i>75.1</i>	<i>26 377</i>	<i>78.4</i>	<i>6 539</i>	<i>72.6</i>
<b>Total</b>	<b>105.2</b>	<b>100.0</b>	<b>5 869</b>	<b>100.0</b>	<b>33 650</b>	<b>100.0</b>	<b>9 003</b>	<b>100.0</b>
<b>MACHINERY AND EQUIPMENT MFG</b>								
0–4 persons	11.3	9.4	351	5.7	2 077	6.4	783	7.4
5–9 persons	8.5	7.2	345	5.6	1 791	5.5	574	5.4
10–19 persons	13.7	11.5	575	9.3	2 746	8.4	967	9.2
20–49 persons	22.3	18.6	1 049	17.0	4 848	14.9	1 626	15.4
50–99 persons	13.4	11.2	719	11.6	4 332	13.3	1 225	11.6
<i>Total less than 100 persons</i>	<i>69.3</i>	<i>58.0</i>	<i>3 039</i>	<i>49.1</i>	<i>15 793</i>	<i>48.5</i>	<i>5 174</i>	<i>49.1</i>
100–199 persons	16.2	13.5	950	15.4	5 455	16.7	1 557	14.8
200–499 persons	15.0	12.5	901	14.6	4 790	14.7	1 593	15.1
500–999 persons	10.0	8.3	683	11.0	3 932	12.1	1 269	12.0
1 000 or more persons	9.1	7.6	614	9.9	2 612	8.0	945	9.0
<i>Total 100 or more persons</i>	<i>50.2</i>	<i>42.0</i>	<i>3 148</i>	<i>50.9</i>	<i>16 789</i>	<i>51.5</i>	<i>5 364</i>	<i>50.9</i>
<b>Total</b>	<b>119.5</b>	<b>100.0</b>	<b>6 187</b>	<b>100.0</b>	<b>32 583</b>	<b>100.0</b>	<b>10 538</b>	<b>100.0</b>
<b>FURNITURE AND OTHER MFG</b>								
0–4 persons	9.4	22.9	229	15.3	1 770	22.8	551	23.4
5–9 persons	3.9	9.5	134	8.9	833	10.7	212	9.0
10–19 persons	5.8	14.3	228	15.2	1 206	15.6	312	13.3
20–49 persons	12.1	29.5	483	32.2	1 928	24.9	639	27.1
50–99 persons	5.7	13.8	208	13.9	882	11.4	322	13.7
<i>Total less than 100 persons</i>	<i>36.9</i>	<i>90.0</i>	<i>1 282</i>	<i>85.4</i>	<i>6 619</i>	<i>85.4</i>	<i>2 037</i>	<i>86.4</i>
100–199 persons	2.4	5.9	127	8.5	596	7.7	189	8.0
200–499 persons	1.7	4.1	92	6.1	536	6.9	132	5.6
500–999 persons	—	—	—	—	—	—	—	—
1 000 or more persons	—	—	—	—	—	—	—	—
<i>Total 100 or more persons</i>	<i>4.1</i>	<i>10.0</i>	<i>219</i>	<i>14.6</i>	<i>1 132</i>	<i>14.6</i>	<i>321</i>	<i>13.6</i>
<b>Total</b>	<b>^ 41.0</b>	<b>100.0</b>	<b>1 501</b>	<b>100.0</b>	<b>^ 7 751</b>	<b>100.0</b>	<b>2 358</b>	<b>100.0</b>

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

— nil or rounded to zero (including null cells)

(a) See Explanatory Notes paragraphs 44 and 45.

(b) Relative standard errors have only been presented for subdivision totals in this table. For further details see Technical Note 1 paragraph 21.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.

## 2.3 EMPLOYMENT SIZE (a)(b) *continued*

<i>Employment size groups</i>	<i>Employment at end of June(c)</i>		<i>Wages and salaries(d)</i>		<i>Sales and service income(e)</i>		<i>Industry value added</i>	
	'000	%	\$m	%	\$m	%	\$m	%
<b>TOTAL MANUFACTURING</b>								
0–4 persons	90.9	9.0	1 881	3.7	17 379	4.6	5 045	5.1
5–9 persons	84.5	8.3	2 973	5.9	15 086	4.0	5 227	5.3
10–19 persons	108.7	10.7	3 954	7.9	19 475	5.2	7 604	7.7
20–49 persons	139.8	13.8	5 662	11.3	30 146	8.0	9 524	9.6
50–99 persons	99.5	9.8	4 807	9.6	29 584	7.8	8 294	8.4
<i>Total less than 100 persons</i>	<i>523.3</i>	<i>51.6</i>	<i>19 278</i>	<i>38.4</i>	<i>111 670</i>	<i>29.5</i>	<i>35 694</i>	<i>36.1</i>
100–199 persons	93.8	9.2	5 254	10.5	31 606	8.4	8 791	8.9
200–499 persons	105.1	10.4	6 040	12.0	59 708	15.8	11 601	11.7
500–999 persons	94.1	9.3	6 025	12.0	65 833	17.4	15 143	15.3
1 000 or more persons	197.7	19.5	13 631	27.1	109 113	28.9	27 768	28.0
<i>Total 100 or more persons</i>	<i>490.8</i>	<i>48.4</i>	<i>30 950</i>	<i>61.6</i>	<i>266 260</i>	<i>70.5</i>	<i>63 303</i>	<i>63.9</i>
<b>Total</b>	<b>1 014.1</b>	<b>100.0</b>	<b>50 228</b>	<b>100.0</b>	<b>377 930</b>	<b>100.0</b>	<b>98 997</b>	<b>100.0</b>

(a) See Explanatory Notes paragraphs 44 and 45.

(b) Relative standard errors have only been presented for subdivision totals in this table. For further details see Technical Note 1 paragraph 21.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.



## 2.4 ACQUISITION AND DISPOSAL OF ASSETS

### CAPITAL EXPENDITURE(a)

<i>Industry subdivision</i>		<i>Plant, machinery and equipment</i>	<i>Dwellings, other buildings and structures</i>	<i>Other (including land and intangible assets)</i>	<i>Total acquisitions</i>	<i>Disposal of assets</i>	<i>Net capital expenditure</i>	<i>Gross fixed capital formation</i>
		\$m	\$m	\$m	\$m	\$m	\$m	\$m
11	Food product mfg	1 504	276	362	2 142	225	1 917	1 678
12	Beverage and tobacco product mfg	748	84	177	1 009	338	671	711
13	Textile, leather, clothing and footwear mfg	178	44	55	^ 277	90	187	^ 179
14	Wood product mfg	291	62	67	420	80	339	347
15	Pulp, paper and converted paper product mfg	485	48	36	569	194	375	^ 386
16	Printing (including the reproduction of recorded media)	471	101	49	*621	63	558	*544
17	Petroleum and coal product mfg	488	34	18	540	27	513	516
18	Basic chemical and chemical product mfg	1 320	265	122	1 707	207	1 499	1 449
19	Polymer product and rubber product mfg	517	38	64	620	169	450	^ 454
20	Non-metallic mineral product mfg	754	112	119	986	127	858	837
21	Primary metal and metal product mfg	1 336	2 183	244	3 764	265	3 499	3 326
22	Fabricated metal product mfg	566	198	170	934	217	717	694
23	Transport equipment mfg	1 543	83	160	^ 1 786	118	1 668	^ 1 602
24	Machinery and equipment mfg	750	180	297	1 227	279	948	^ 869
25	Furniture and other mfg	184	3	21	^ 208	44	164	*172
<b>11–25</b>	<b>Total manufacturing</b>	<b>11 133</b>	<b>3 715</b>	<b>1 961</b>	<b>16 809</b>	<b>2 445</b>	<b>14 364</b>	<b>13 766</b>

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

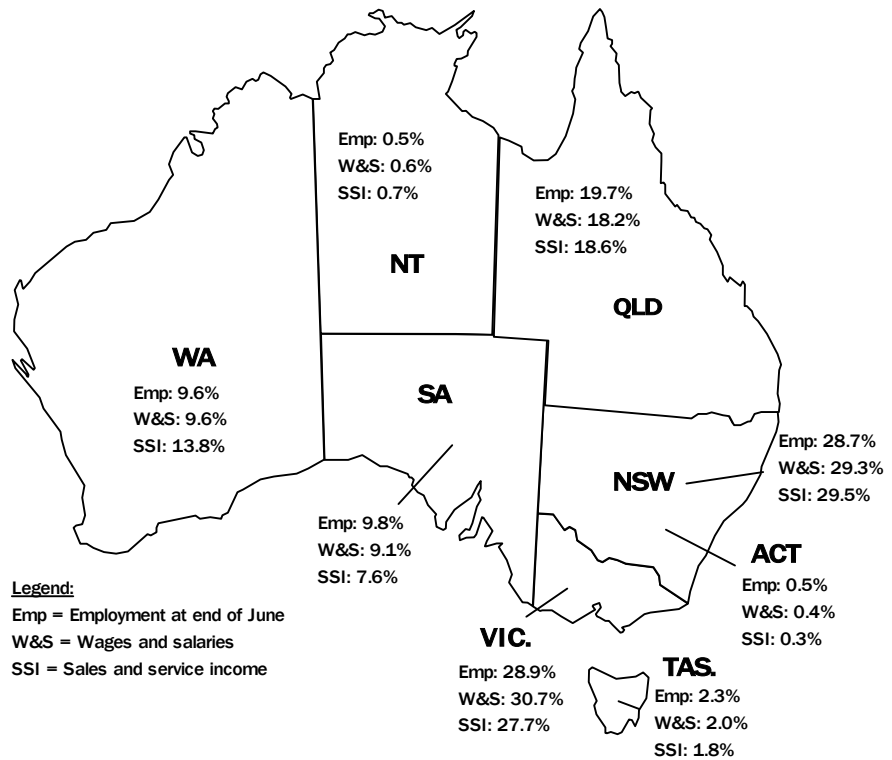
\* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) Includes value of capital work done for own use reported in table 1.3.

OVERVIEW

This chapter presents estimates of key variables at the state and territory level. For information about how these estimates are derived, please see paragraph 43 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, 2006-07**



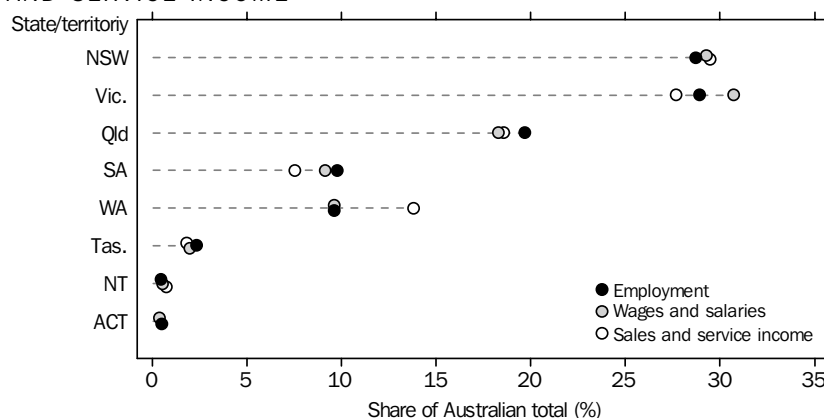
The above graphic illustrates each state or territory's share of economic aggregates relating to Australian manufacturing in 2006-07.

KEY DATA

Table 3.1 illustrates each state or territory's share of economic aggregates relating to Australian manufacturing in 2006-07. The distribution was similar across all three variables presented, except for Western Australia where its share of sales and service income exceeded its share of employment and wages and salaries. Victoria's share of wages and salaries was greater than its share of sales and service income and employment.

KEY DATA *continued*

## DISTRIBUTION OF EMPLOYMENT, WAGES AND SALARIES AND SALES AND SERVICE INCOME



## SALES AND SERVICE INCOME

In 2006–07, New South Wales accounted for 29% of sales and service income for all Australian manufacturing, ahead of Victoria (28%), Queensland (19%) and Western Australia (14%).

## EMPLOYMENT

Victoria and New South Wales each reported a 29% share of Australian manufacturing employment in 2006–07. They were followed by Queensland with 20%, then South Australia and Western Australia (both 10%).

## STATE AND TERRITORY COMPOSITION

An outline of the composition of manufacturing industry within each state, the Australian Capital Territory and the Northern Territory follows.

## NEW SOUTH WALES

FOOD PRODUCT MANUFACTURING was the most dominant manufacturing industry in New South Wales, as measured by contribution to the state's employment (21%), wages and salaries (18%) and sales and service income (17%) in 2006–07. MACHINERY AND EQUIPMENT MANUFACTURING ranked second in employment (14%) and wages and salaries (16%).

Measured by sales and service income, businesses located in New South Wales topped eight of the 15 manufacturing industry subdivisions.

## VICTORIA

The largest manufacturing industry, in terms of sales and service income (20%) and employment (19%), was FOOD PRODUCT MANUFACTURING. TRANSPORT EQUIPMENT MANUFACTURING and FOOD PRODUCT MANUFACTURING were the most significant contributors to the state's wages and salaries (17% each). TRANSPORT EQUIPMENT MANUFACTURING ranked second in both sales and service income (15%) and employment (14%).

Victoria was the largest contributor to six industry subdivisions, as measured by sales and service income. The state accounted for 45% of national sales and service income for TRANSPORT EQUIPMENT MANUFACTURING.

## QUEENSLAND

In 2006–07, FOOD PRODUCT MANUFACTURING was the most dominant manufacturing industry in Queensland, as measured by employment (24%), wages and salaries (21%) and sales and service income (20%). Ranking second in sales and service income (19%) was PRIMARY METAL AND METAL PRODUCT MANUFACTURING, while FABRICATED METAL PRODUCT MANUFACTURING ranked second in wages and salaries (12%).

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<i>SOUTH AUSTRALIA</i>	TRANSPORT EQUIPMENT MANUFACTURING was the largest contributor to sales and service income (22%) and wages and salaries (19%).
<i>WESTERN AUSTRALIA</i>	<p>PRIMARY METAL AND METAL PRODUCT MANUFACTURING earned 43% of Western Australia's sales and service income in 2006–07.</p> <p>Western Australia's contribution to sales and service income in PRIMARY METAL AND METAL PRODUCT MANUFACTURING was the largest of all states and territories at 37% of the national total.</p>
<i>TASMANIA</i>	FOOD PRODUCT MANUFACTURING was the most significant contributor to manufacturing wages and salaries in Tasmania (24%). PRIMARY METAL AND METAL PRODUCT MANUFACTURING ranked first in sales and service income (27%), followed by FOOD PRODUCT MANUFACTURING (20%) and WOOD PRODUCT MANUFACTURING (10%).
<i>NORTHERN TERRITORY</i>	The Northern Territory was second smallest contributor of all states and territories to total manufacturing sales and service income (0.7%) and wages and salaries (0.6%). It recorded the smallest employment, 0.5% of the national total.
<i>AUSTRALIAN CAPITAL TERRITORY</i>	The Australian Capital Territory was the smallest contributor at the national level to sales and service income (0.3%) and wages and salaries (0.4%). The territory was the second smallest employer, contributing 0.5% of total manufacturing's employment.

### 3.1 STATES, TERRITORIES AND AUSTRALIA(a)(b)

INDUSTRY SUBDIVISION		Employment	Wages and	Sales and	Sales and
.....		at end of	Salaries(d)	service	service
ANZSIC		June(c)		income(e)	income
Code	Description	no.	\$m	\$m	per person
					employed(f)
					\$'000
NEW SOUTH WALES					
11	Food product mfg	60 297	2 640	18 975	315
12	Beverage and tobacco product mfg	9 345	598	6 099	653
13	Textile, leather, clothing and footwear mfg	17 237	561	3 276	190
14	Wood product mfg	^ 12 158	^ 486	^ 2 908	239
15	Pulp, paper and converted paper product mfg	6 813	412	3 560	522
16	Printing (including the reproduction of recorded media)	^ 21 885	^ 944	^ 4 068	186
17	Petroleum and coal product mfg	1 903	np	np	np
18	Basic chemical and chemical product mfg	13 667	893	8 339	610
19	Polymer product and rubber product mfg	^ 14 486	762	4 124	285
20	Non-metallic mineral product mfg	13 384	780	4 139	309
21	Primary metal and metal product mfg	17 890	1 317	13 267	742
22	Fabricated metal product mfg	32 339	1 384	7 453	230
23	Transport equipment mfg	17 352	946	4 745	273
24	Machinery and equipment mfg	41 496	2 326	12 111	292
25	Furniture and other mfg	11 030	np	np	np
11-25	<i>Total manufacturing</i>	291 283	14 712	111 442	383

#### VICTORIA

11	Food product mfg	56 557	2 568	21 165	374
12	Beverage and tobacco product mfg	7 583	389	4 242	559
13	Textile, leather, clothing and footwear mfg	19 679	734	3 946	201
14	Wood product mfg	^ 12 483	^ 578	3 033	243
15	Pulp, paper and converted paper product mfg	^ 9 793	597	3 485	356
16	Printing (including the reproduction of recorded media)	^ 13 603	^ 788	^ 2 839	209
17	Petroleum and coal product mfg	2 979	np	np	np
18	Basic chemical and chemical product mfg	16 576	1 133	7 951	480
19	Polymer product and rubber product mfg	19 012	1 091	6 046	318
20	Non-metallic mineral product mfg	12 830	713	3 769	294
21	Primary metal and metal product mfg	8 442	598	6 358	753
22	Fabricated metal product mfg	30 467	1 451	7 278	239
23	Transport equipment mfg	42 017	2 614	15 302	364
24	Machinery and equipment mfg	27 587	1 446	8 181	297
25	Furniture and other mfg	13 580	np	np	np
11-25	<i>Total manufacturing</i>	293 188	15 422	104 568	357

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

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

(a) See Explanatory Notes paragraph 43.

(b) See Technical Note 2 paragraph 8.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.

(f) See Explanatory Notes paragraphs 37 and 38.

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

INDUSTRY SUBDIVISION		Employment	Wages and	Sales and	Sales and
ANZSIC		at end of	Salaries(d)	service	service
Code	Description	June(c)	\$m	income(e)	income
		no.		\$m	per person
					employed(f)
					\$'000
QUEENSLAND					
11	Food product mfg	46 970	1 921	13 942	297
12	Beverage and tobacco product mfg	3 420	152	2 276	665
13	Textile, leather, clothing and footwear mfg	*6 100	*165	^ 994	163
14	Wood product mfg	^ 13 909	^ 472	^ 2 501	180
15	Pulp, paper and converted paper product mfg	2 586	142	986	381
16	Printing (including the reproduction of recorded media)	^ 7 083	^ 294	^ 1 177	166
17	Petroleum and coal product mfg	1 584	np	np	np
18	Basic chemical and chemical product mfg	5 747	379	3 030	527
19	Polymer product and rubber product mfg	^ 9 230	^ 531	3 099	336
20	Non-metallic mineral product mfg	9 860	550	3 943	400
21	Primary metal and metal product mfg	^ 17 273	1 072	13 501	782
22	Fabricated metal product mfg	25 725	1 129	6 148	239
23	Transport equipment mfg	22 035	^ 972	4 923	223
24	Machinery and equipment mfg	^ 21 687	1 026	5 855	270
25	Furniture and other mfg	6 368	np	np	np
11–25	<i>Total manufacturing</i>	199 577	9 185	70 257	352

## SOUTH AUSTRALIA

11	Food product mfg	^ 18 624	^ 709	^ 5 124	275
12	Beverage and tobacco product mfg	8 054	424	2 654	330
13	Textile, leather, clothing and footwear mfg	*6 242	*82	^ 398	64
14	Wood product mfg	^ 5 706	283	1 510	265
15	Pulp, paper and converted paper product mfg	2 522	189	832	330
16	Printing (including the reproduction of recorded media)	^ 3 142	^ 112	^ 511	163
17	Petroleum and coal product mfg	319	28	^ 26	82
18	Basic chemical and chemical product mfg	^ 2 398	^ 118	^ 1 013	423
19	Polymer product and rubber product mfg	^ 4 509	^ 218	^ 1 195	265
20	Non-metallic mineral product mfg	^ 2 949	^ 166	1 357	460
21	Primary metal and metal product mfg	4 200	261	2 803	668
22	Fabricated metal product mfg	^ 8 863	^ 377	2 025	228
23	Transport equipment mfg	14 058	893	6 399	455
24	Machinery and equipment mfg	13 817	632	2 272	164
25	Furniture and other mfg	*3 650	^ 97	^ 467	128
11–25	<i>Total manufacturing</i>	99 051	4 590	28 586	289

^ 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

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

(a) See Explanatory Notes paragraph 43.

(b) See Technical Note 2 paragraph 8.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.

(f) See Explanatory Notes paragraphs 37 and 38.

### 3.1 STATES, TERRITORIES AND AUSTRALIA(a)(b) continued

INDUSTRY SUBDIVISION		Employment	Wages and	Sales and	Sales and
.....		at end of	Salaries(d)	service	service
ANZSIC		June(c)		income(e)	income
Code	Description	no.	\$m	\$m	per person
					employed(f)
					\$'000
WESTERN AUSTRALIA					
11	Food product mfg	^ 15 304	512	3 941	257
12	Beverage and tobacco product mfg	^ 4 417	^ 159	1 502	340
13	Textile, leather, clothing and footwear mfg	* 2 891	* 90	^ 598	207
14	Wood product mfg	^ 4 573	^ 181	^ 1 016	222
15	Pulp, paper and converted paper product mfg	^ 1 142	^ 56	387	338
16	Printing (including the reproduction of recorded media)	^ 3 189	^ 127	^ 521	163
17	Petroleum and coal product mfg	979	np	np	np
18	Basic chemical and chemical product mfg	5 501	358	3 067	558
19	Polymer product and rubber product mfg	^ 4 424	^ 191	1 342	303
20	Non-metallic mineral product mfg	^ 5 341	^ 305	2 028	380
21	Primary metal and metal product mfg	^ 11 078	^ 959	22 622	2 042
22	Fabricated metal product mfg	14 647	^ 692	3 739	255
23	Transport equipment mfg	^ 7 286	^ 323	1 775	244
24	Machinery and equipment mfg	^ 12 035	^ 605	3 217	267
25	Furniture and other mfg	4 878	np	np	np
11-25	Total manufacturing	97 684	4 837	52 220	535

#### TASMANIA

11	Food product mfg	^ 6 957	242	1 401	201
12	Beverage and tobacco product mfg	^ 789	np	np	np
13	Textile, leather, clothing and footwear mfg	1 430	47	181	127
14	Wood product mfg	^ 2 542	83	678	267
15	Pulp, paper and converted paper product mfg	907	np	np	np
16	Printing (including the reproduction of recorded media)	* 488	* 23	* 73	149
17	Petroleum and coal product mfg	* 72	* 4	* 28	387
18	Basic chemical and chemical product mfg	* 944	^ 56	^ 383	406
19	Polymer product and rubber product mfg	^ 717	^ 24	^ 157	219
20	Non-metallic mineral product mfg	^ 1 179	^ 54	^ 255	216
21	Primary metal and metal product mfg	* 1 853	^ 128	1 901	1 026
22	Fabricated metal product mfg	^ 1 318	^ 55	^ 288	218
23	Transport equipment mfg	^ 1 578	69	328	208
24	Machinery and equipment mfg	^ 1 892	^ 86	622	329
25	Furniture and other mfg	** 1 028	** 26	** 123	119
11-25	Total manufacturing	23 696	997	6 931	292

^ 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

\*\* estimate has a relative standard error greater than 50% and is considered too unreliable for general use

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

(a) See Explanatory Notes paragraph 43.

(b) See Technical Note 2 paragraph 8.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.

(f) See Explanatory Notes paragraphs 37 and 38.

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

INDUSTRY SUBDIVISION		Employment	Wages and	Sales and	Sales and
.....		at end of	Salaries(d)	service	service
ANZSIC		June(c)		income(e)	income
Code	Description	no.	\$m	\$m	per person
					employed(f)
					\$'000
.....					
NORTHERN TERRITORY					
11	Food product mfg	526	22	75	143
12	Beverage and tobacco product mfg	70	np	np	np
13	Textile, leather, clothing and footwear mfg	*123	*3	*24	194
14	Wood product mfg	*132	^5	^28	210
15	Pulp, paper and converted paper product mfg	np	np	np	np
16	Printing (including the reproduction of recorded media)	**119	**5	**19	161
17	Petroleum and coal product mfg	np	np	np	np
18	Basic chemical and chemical product mfg	190	np	np	np
19	Polymer product and rubber product mfg	43	2	16	377
20	Non-metallic mineral product mfg	^533	30	201	376
21	Primary metal and metal product mfg	1 050	np	np	np
22	Fabricated metal product mfg	^656	^30	^172	263
23	Transport equipment mfg	*722	**41	*136	188
24	Machinery and equipment mfg	^283	19	109	387
25	Furniture and other mfg	**168	**3	**13	75
11-25	<i>Total manufacturing</i>	4 634	283	2 765	597

.....  
AUSTRALIAN CAPITAL TERRITORY

11	Food product mfg	^1 092	28	185	170
12	Beverage and tobacco product mfg	^43	3	*7	155
13	Textile, leather, clothing and footwear mfg	^136	^3	^24	175
14	Wood product mfg	^416	^16	109	262
15	Pulp, paper and converted paper product mfg	np	np	np	np
16	Printing (including the reproduction of recorded media)	^806	^32	*163	202
17	Petroleum and coal product mfg	np	np	np	np
18	Basic chemical and chemical product mfg	86	np	np	np
19	Polymer product and rubber product mfg	110	5	25	224
20	Non-metallic mineral product mfg	329	15	114	346
21	Primary metal and metal product mfg	30	np	np	np
22	Fabricated metal product mfg	^685	^27	^179	261
23	Transport equipment mfg	^197	^10	^42	214
24	Machinery and equipment mfg	^681	47	215	316
25	Furniture and other mfg	**328	**8	**54	166
11-25	<i>Total manufacturing</i>	4 967	203	1 162	234

^ 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

\*\* estimate has a relative standard error greater than 50% and is considered too unreliable for general use

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

(a) See Explanatory Notes paragraph 43.

(b) See Technical Note 2 paragraph 8.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.

(f) See Explanatory Notes paragraphs 37 and 38.



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

INDUSTRY SUBDIVISION		Employment	Wages and	Sales and	Sales and
.....		at end of	Salaries(d)	service	service
ANZSIC		June(c)		income(e)	income
Code	Description	no.	\$m	\$m	per person
					employed(f)
					\$'000
.....					
AUSTRALIA					
11	Food product mfg	206 328	8 642	64 807	314
12	Beverage and tobacco product mfg	33 722	1 758	17 009	504
13	Textile, leather, clothing and footwear mfg	53 838	1 685	9 441	175
14	Wood product mfg	51 919	2 103	11 783	227
15	Pulp, paper and converted paper product mfg	23 801	1 470	9 605	404
16	Printing (including the reproduction of recorded media)	50 315	2 325	9 371	186
17	Petroleum and coal product mfg	7 846	711	36 661	4 673
18	Basic chemical and chemical product mfg	45 109	2 961	24 772	549
19	Polymer product and rubber product mfg	52 531	2 823	16 004	305
20	Non-metallic mineral product mfg	46 405	2 613	15 805	341
21	Primary metal and metal product mfg	61 815	4 435	61 406	993
22	Fabricated metal product mfg	114 700	5 145	27 282	238
23	Transport equipment mfg	105 244	5 869	33 650	320
24	Machinery and equipment mfg	119 477	6 187	32 583	273
25	Furniture and other mfg	41 030	^ 1 501	7 751	189
11–25	<i>Total manufacturing</i>	1 014 080	50 228	377 930	373

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

(a) See Explanatory Notes paragraph 43.

(b) See Technical Note 2 paragraph 8.

(c) Includes working proprietors.

(d) Excludes the drawings of working proprietors.

(e) Includes rent, leasing and hiring income.

(f) See Explanatory Notes paragraphs 37 and 38.

INTRODUCTION

This chapter illustrates the extent and importance of export activity by Australian manufacturing businesses. Table 4.1 presents estimates of the value of exports by Australian manufacturing businesses of goods that they produced by employment size. Table 4.2 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 46 to 50. 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 export performance.

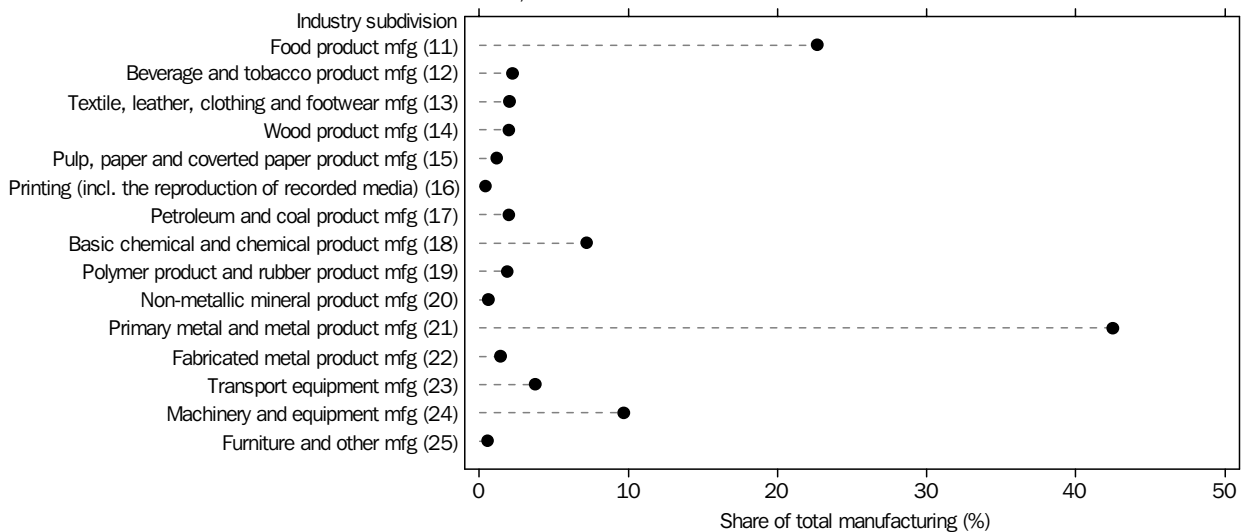
INDUSTRY COMPARISON

Data contained in *International Trade in Goods and Services, June 2007* (ABS cat. no. 5368.0; Table 32) shows that, on an industry of origin basis, Australia exported \$85.4b of manufactured goods, which was 51% of the value of all goods exported in 2006–07. MANUFACTURING was followed by MINING (37%) with AGRICULTURE, FORESTRY AND FISHING (5%) the next highest. 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 2006–07, the Economic Activity Survey indicated that Australian manufacturers directly exported \$52.0b worth of the goods they produced, which represented 61% of manufactured goods exports as reported in the ABS's overseas trade series. This amounted to 16% of their value of sales of goods produced.

EXPORTED SALES OF GOODS PRODUCED, PERCENTAGE CONTRIBUTION BY INDUSTRY SUBDIVISION



## VALUE OF EXPORTS

*continued*

PRIMARY METAL AND METAL PRODUCT MANUFACTURING was Australia's most heavily export-oriented manufacturing industry. In 2006–07, 39% of its sales of goods produced were exported. Businesses exporting more than 50% of sales contributed 34% of sales and service income and 22% of industry value added (IVA) of total PRIMARY METAL AND METAL PRODUCT MANUFACTURING, significantly higher than such businesses in any other manufacturing subdivision. The least export-oriented Australian manufacturing industry in 2006–07, in terms of the proportion of its value of sales and goods produced, was NON-METALLIC MINERAL PRODUCT MANUFACTURING (2%).

## EMPLOYMENT SIZE OF EXPORTING BUSINESSES

In 14 of the 15 manufacturing industry subdivisions, the value of exports of goods produced by businesses employing 100 or more persons exceeded that of businesses employing fewer than 100 persons. The exception was FURNITURE AND OTHER MANUFACTURING.

Businesses employing 100 or more persons contributed most significantly to total exports at the subdivision level in PULP, PAPER AND CONVERTED PAPER MANUFACTURING (89%, or \$0.5b) and PETROLEUM AND COAL MANUFACTURING (89%, or \$0.9b). FURNITURE AND OTHER MANUFACTURING was the subdivision with the lowest proportion (9%, or \$26m) 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 49% and 63% of activity at the total manufacturing level in 2006–07. The percentage contribution of non-exporting businesses was greatest, across all variables presented, in PRINTING (INCLUDING THE REPRODUCTION OF RECORDED MEDIA) and FURNITURE AND OTHER MANUFACTURING.

PULP, PAPER AND CONVERTED PAPER PRODUCT MANUFACTURING was the industry in which businesses which export up to and including 50% of their sales of goods produced made the greatest contribution to IVA, sales and service income employment and wages and salaries.

At the total manufacturing level, businesses which exported more than 50% of their sales of goods produced tended to contribute a higher proportion to sales and service income and industry value added than to employment and wages and salaries. This pattern differed among individual industries but was most prevalent in PRIMARY METAL AND METAL PRODUCT MANUFACTURING.

**4.1**

## EXPORTED AND TOTAL PRODUCTION(a), Employment size .....

INDUSTRY SUBDIVISION		Sales of goods produced(b)	Amount exported by this business	Exports as a proportion of sales of goods produced
ANZSIC Code	Description	\$m	\$m	%
.....				
0 – 49 PERSONS				
11	Food product mfg	9 414	784	8.3
12	Beverage and tobacco product mfg	1 268	240	18.9
13	Textile, leather, clothing and footwear mfg	3 128	286	9.1
14	Wood product mfg	4 078	157	3.9
15	Pulp, paper and converted paper product mfg	965	64	6.7
16	Printing (including the reproduction of recorded media)	3 145	21	0.7
17	Petroleum and coal product mfg	604	59	9.7
18	Basic chemical and chemical product mfg	3 238	701	21.6
19	Polymer product and rubber product mfg	4 059	60	1.5
20	Non-metallic mineral product mfg	2 791	96	3.5
21	Primary metal and metal product mfg	5 821	3 462	59.5
22	Fabricated metal product mfg	9 370	152	1.6
23	Transport equipment mfg	3 879	186	4.8
24	Machinery and equipment mfg	7 445	868	11.7
25	Furniture and other mfg	4 518	172	3.8
11–25	<i>Total manufacturing</i>	63 725	7 307	11.5
.....				
50 – 99 PERSONS				
11	Food product mfg	5 716	1 359	23.8
12	Beverage and tobacco product mfg	205	82	39.9
13	Textile, leather, clothing and footwear mfg	1 244	98	7.9
14	Wood product mfg	1 303	130	10.0
15	Pulp, paper and converted paper product mfg	388	2	0.6
16	Printing (including the reproduction of recorded media)	950	33	3.5
17	Petroleum and coal product mfg	288	57	19.9
18	Basic chemical and chemical product mfg	2 205	1 149	52.1
19	Polymer product and rubber product mfg	1 933	137	7.1
20	Non-metallic mineral product mfg	1 402	14	1.0
21	Primary metal and metal product mfg	1 358	516	38.0
22	Fabricated metal product mfg	3 063	87	2.8
23	Transport equipment mfg	863	42	4.8
24	Machinery and equipment mfg	3 137	876	27.9
25	Furniture and other mfg	747	87	11.7
11–25	<i>Total manufacturing</i>	24 802	4 669	18.8

(a) See paragraphs 46–50 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), Employment size *continued***

INDUSTRY SUBDIVISION		Sales of goods produced(b)	Amount exported by this business	Exports as a proportion of sales of goods produced
ANZSIC Code	Description	\$m	\$m	%
100 OR MORE PERSONS				
11	Food product mfg	44 528	9 631	21.6
12	Beverage and tobacco product mfg	14 149	847	6.0
13	Textile, leather, clothing and footwear mfg	2 635	661	25.1
14	Wood product mfg	4 864	736	15.1
15	Pulp, paper and converted paper product mfg	7 386	530	7.2
16	Printing (including the reproduction of recorded media)	3 983	163	4.1
17	Petroleum and coal product mfg	25 474	910	3.6
18	Basic chemical and chemical product mfg	15 914	1 891	11.9
19	Polymer product and rubber product mfg	8 054	784	9.7
20	Non-metallic mineral product mfg	10 055	207	2.1
21	Primary metal and metal product mfg	49 772	18 112	36.4
22	Fabricated metal product mfg	9 821	484	4.9
23	Transport equipment mfg	20 737	1 727	8.3
24	Machinery and equipment mfg	13 432	3 299	24.6
25	Furniture and other mfg	907	24	2.7
11-25	<i>Total manufacturing</i>	231 710	40 006	17.3
TOTAL				
11	Food product mfg	59 657	11 774	19.7
12	Beverage and tobacco product mfg	15 622	1 168	7.5
13	Textile, leather, clothing and footwear mfg	7 008	1 045	14.9
14	Wood product mfg	10 245	1 023	10.0
15	Pulp, paper and converted paper product mfg	8 740	597	6.8
16	Printing (including the reproduction of recorded media)	8 078	216	2.7
17	Petroleum and coal product mfg	26 366	1 027	3.9
18	Basic chemical and chemical product mfg	21 357	3 740	17.5
19	Polymer product and rubber product mfg	14 046	980	7.0
20	Non-metallic mineral product mfg	14 249	318	2.2
21	Primary metal and metal product mfg	56 951	22 090	38.8
22	Fabricated metal product mfg	22 254	723	3.2
23	Transport equipment mfg	25 480	1 955	7.7
24	Machinery and equipment mfg	24 014	5 043	21.0
25	Furniture and other mfg	6 172	284	4.6
11-25	<i>Total manufacturing</i>	320 238	51 982	16.2

(a) See paragraphs 46-50 of the Explanatory Notes.

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

## 4.2 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					
11	Food product mfg	58.8	49.3	38.8	47.9
12	Beverage and tobacco product mfg	59.5	62.2	68.6	66.9
13	Textile, leather, clothing and footwear mfg	65.8	54.3	49.0	55.2
14	Wood product mfg	72.6	65.9	59.8	58.7
15	Pulp, paper and converted paper product mfg	np	np	np	np
16	Printing (including the reproduction of recorded media)	82.5	76.5	79.0	77.2
17	Petroleum and coal product mfg	np	np	np	np
18	Basic chemical and chemical product mfg	41.5	36.5	39.1	41.1
19	Polymer product and rubber product mfg	54.6	48.1	46.2	45.8
20	Non-metallic mineral product mfg	69.9	66.8	69.2	65.3
21	Primary metal and metal product mfg	60.7	58.9	41.3	54.6
22	Fabricated metal product mfg	77.7	74.6	72.3	73.7
23	Transport equipment mfg	66.7	65.3	64.6	65.3
24	Machinery and equipment mfg	46.2	43.1	37.6	40.9
25	Furniture and other mfg	80.9	78.4	76.4	79.5
11–25	<i>Total manufacturing</i>	62.6	57.2	49.2	55.4
EXPORTS UP TO AND INCLUDING 50% OF SALES					
11	Food product mfg	30.2	39.3	44.7	41.5
12	Beverage and tobacco product mfg	33.3	30.4	25.4	30.0
13	Textile, leather, clothing and footwear mfg	29.3	38.4	41.0	37.8
14	Wood product mfg	24.7	30.6	33.5	35.4
15	Pulp, paper and converted paper product mfg	52.4	61.1	69.0	69.6
16	Printing (including the reproduction of recorded media)	np	np	np	np
17	Petroleum and coal product mfg	37.8	37.9	60.8	55.6
18	Basic chemical and chemical product mfg	49.8	52.7	48.8	48.5
19	Polymer product and rubber product mfg	np	np	np	np
20	Non-metallic mineral product mfg	29.2	32.3	29.7	34.1
21	Primary metal and metal product mfg	32.2	33.9	24.9	23.5
22	Fabricated metal product mfg	21.7	24.6	26.9	25.6
23	Transport equipment mfg	27.7	28.6	31.2	29.3
24	Machinery and equipment mfg	41.7	43.5	47.5	42.7
25	Furniture and other mfg	16.3	18.2	19.0	17.3
11–25	<i>Total manufacturing</i>	31.2	36.1	38.9	35.7
EXPORTS MORE THAN 50% OF SALES					
11	Food product mfg	11.0	11.5	16.5	10.6
12	Beverage and tobacco product mfg	7.1	7.4	6.0	3.0
13	Textile, leather, clothing and footwear mfg	4.9	7.3	10.0	7.0
14	Wood product mfg	2.7	3.5	6.6	5.9
15	Pulp, paper and converted paper product mfg	np	np	np	np
16	Printing (including the reproduction of recorded media)	np	np	np	np
17	Petroleum and coal product mfg	np	np	np	np
18	Basic chemical and chemical product mfg	8.7	10.8	12.1	10.4
19	Polymer product and rubber product mfg	np	np	np	np
20	Non-metallic mineral product mfg	0.9	0.9	1.1	0.6
21	Primary metal and metal product mfg	7.0	7.2	33.8	21.9
22	Fabricated metal product mfg	0.6	0.8	0.8	0.8
23	Transport equipment mfg	5.6	6.1	4.2	5.4
24	Machinery and equipment mfg	12.1	13.4	14.9	16.5
25	Furniture and other mfg	2.9	3.5	4.6	3.2
11–25	<i>Total manufacturing</i>	6.2	6.7	12.0	8.9

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

(b) Includes working proprietors.

(c) Excludes the drawings of working proprietors.

(a) See paragraphs 46–50 of the Explanatory Notes.

## EXPLANATORY NOTES .....

### INTRODUCTION

**1** This publication, *Manufacturing Industry, Australia, 2006–07* (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 2006 edition of the *Australian and New Zealand Standard Industrial Classification (ANZSIC)* (cat. no. 1292.0), relates to the physical or chemical transformation of materials, substances or components into new products (except agriculture and construction). The materials, substances or components transformed by units in this division are raw materials that are products of agriculture, forestry, fishing and mining, or products of other manufacturing units.

**3** This publication represents the first release of these estimates using the 2006 edition of ANZSIC. Because of the combined effect of this new classification and methodological changes, a new series has commenced with the 2006–07 data. See Technical Note 1 for further details.

### STATISTICAL UNITS USED

**4** 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).

**5** 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.

**6** 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.

**7** Together, these two sub-populations (of ABN units and TAUs) make up the ABSBR population, from which the EAS samples are taken.

**8** For details about the ABSBR and how ABN units and TAUs contribute to the industry statistics in this publication, see Technical Note 1.

### SCOPE

**9** The manufacturing industry collection was conducted as a component of the ABS's Economic Activity Survey (EAS). The scope of the 2006–07 manufacturing collection comprises all businesses (including non-employed businesses) on the ABS Business Register (ABSBR) at time of selection, whose industry is classified to ANZSIC Division C Manufacturing. However, some categories of business are excluded. The ABSBR includes information supplied from the Australian Taxation Office (ATO) which assists in determining the scope of ABS collections. Using this, businesses in the following two categories have been excluded from the scope of this collection with effect from 2006–07 (although they were included in previous years):

- businesses which have an Income Tax Instalment Provision (ITIP) taxation 'role' but no other taxation role;
- long term non-remitters of Business Activity Statement (BAS) data.

SCOPE *continued*

**10** For details of the structure of this division, please consult the 2006 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).

## COVERAGE

**11** The frame used for the survey of the manufacturing industry, like most ABS economic surveys, was taken from the ABSBR. The ABSBR is updated monthly to take account of new businesses and businesses which have ceased operating.

**12** 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 industry business is one predominantly engaged in manufacturing activities, but the data collected for it cover all activities of the business (including any 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.

**13** 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.

**14** 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.

**15** 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.

**16** 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.

**17** 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.



COVERAGE *continued*

**18** 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.

IMPROVEMENTS TO  
COVERAGE

**19** Data in this publication have been adjusted to allow for lags in processing new businesses to the ABSBR. The effect of these adjustments is an increase of 1.4% on the Australian estimate of sales and service income for total MANUFACTURING.

## ANZSIC93 AND ANZSIC06

**20** The estimates in this publication are based on ANZSIC06. Data in previous issues were based on the 1993 version of the ANZSIC (ANZSIC93). ANZSIC06 was adopted to provide a more contemporary industrial classification system, taking into account issues such as changes in the structure and composition of the economy, changing user demands and compatibility with international classification standards.

**21** There has been an increase from nine MANUFACTURING subdivisions under ANZSIC93 to fifteen under ANZSIC06, whereas the number of industry classes within the division has decreased marginally.

**22** As a result of these changes, some businesses, classified to ANZSIC93 Division C MANUFACTURING are not classified to Division C MANUFACTURING under ANZSIC06. Similarly some businesses which were not classified to ANZSIC93 Division C MANUFACTURING are now classified to ANZSIC06 Division C MANUFACTURING. Changes include units primarily engaged in publishing or the combined activity of publishing and printing now classified under Division J INFORMATION MEDIA AND TELECOMMUNICATIONS and units mainly engaged in repairing and/or maintaining equipment and machinery now classified under the REPAIR AND MAINTENANCE subdivision within Division S OTHER SERVICES. For further details, see *Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006* (cat. no. 1292.0).

## HISTORICAL COMPARISONS

**23** To provide comparability with the 2006–07 estimates, the estimates for 2004–05 and 2005–06 presented in table 1.1 take into account the various changes in collection design, estimation methodology and scope, as well as the introduction of ANZSIC06. Although systems were primarily designed to produce estimates at industry subdivision level for the key data variables contained in table 1.1, additional information may be available on request. For further information on the process of producing these historical estimates please see Technical Note 1 paragraph 22.

## SURVEY SAMPLE DESIGN

**24** The manufacturing collection was conducted as a component of the ABS's Economic Activity Survey (EAS):

**25** A sample of 6,368 manufacturing businesses were asked by the ABS to provide employment details and data obtained from their financial statements, mainly via mail out questionnaires. Businesses were also asked to supply key details of their operations by state and territory, enabling the production of the state/territory estimates contained in table 3.1.

**26** Auxiliary information about wages and salaries and turnover for 96,066 manufacturing industry businesses (including those sampled), sourced from Australian Tax Office (ATO) Business Activity Statement (BAS) data, were used to improve the estimates produced from the survey data. 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*.

## REFERENCE PERIOD

**27** 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.

REFERENCE PERIOD *continued*

**28** 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.

**29** 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

**30** In an estimate based on a sample survey there are two types of error possible: sampling error and non-sampling error.

**31** Sampling error occurs because a sample, rather than the entire population, is surveyed. One measure of the likely difference resulting from not including all businesses in the survey is given by the standard error. 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 all businesses had been included in the survey, and about nineteen chances in twenty that the difference will be less than two standard errors. Standard errors for the current estimates of key variables are shown in Technical Note 2.

**32** Non-sampling error arises from inaccuracies in collecting, recording and processing the data. The most significant of these errors are: misreporting of data items; deficiencies in coverage; non-response; and processing errors. Every effort is made to minimise reporting error by the careful design of questionnaires and efficient data processing procedures.

**33** For more detailed information about this subject, see Technical Note 2.

## QUALITY INDICATORS

**34** In the 2006–07 survey of the manufacturing industry, there was a 93.1% response rate from all businesses that were surveyed and found to be operating during the reference period. Data were imputed for the remaining 6.9% of operating businesses. This imputation contributed 5.2% to the estimate of sales and service income for the manufacturing industry.

## INDUSTRY PERFORMANCE MEASURES

**35** 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.

**36** 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 presents a selection of such measures. 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.

INDUSTRY PERFORMANCE  
MEASURES *continued*

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

**38** 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 and other differences involved. In particular, this should be taken into account when considering those measures expressed as values per person employed.

**39** Similarly, the extent of change in inventories is a component of several of the measures of industry output and earnings. Although the closing inventories held by businesses in an industry in one period should, in concept, equate to its opening inventories in the next period, differences will be observed in many cases. These differences can arise from re-selection of the sample between years and/or changes in the structure of businesses selected, as well as revaluations of inventories in businesses' accounts.

**40** 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.

INTERNATIONAL FINANCIAL  
REPORTING STANDARDS

**41** The new Australian equivalents to International Financial Reporting Standards (AIFRS) began to be progressively implemented in Australia from 1 January 2005. As a result, a number of items in the financial accounts of Australian businesses have been affected by changed definitions, which have in turn affected both Income Statements and Balance Sheets. A range of ABS economic collections source data from financial accounts of businesses, and use those data to derive economic statistics. There have been no changes in the associated economic definitions.

**42** After monitoring data items since March quarter 2005 it has been concluded that most affected published data series have been affected by data breaks, but that the magnitude of such breaks cannot be determined without imposing disproportionate load upon data providers to ABS surveys and other administratively collected data. ABS will continue to monitor developments and report any significant identified impacts or changes in methodology as a result of AIFRS.

STATE AND TERRITORY  
ESTIMATES

**43** State and territory summary estimates for manufacturing subdivisions are presented in table 3.1. To enable the production of these estimates, businesses included in the mail out survey were 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. For more detail see paragraph 19 of Technical Note 1. The relevant data for all other businesses, including those whose contribution was sourced from BAS data, were allocated to their state/territory of operations as recorded on the ABSBR.

EMPLOYMENT SIZE DATA

**44** 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.

**45** However, this treatment does affect the employment size tables 2.3 and 4.1, 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 PRIMARY METAL AND METAL PRODUCT MANUFACTURING industry.

EXPORTS BY  
MANUFACTURERS

**46** 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 BAS 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.

**47** The data presented in table 4.1 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 2006–07, but were not operating at 30 June 2007.

**48** For the purposes of table 4.2, 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.

**49** The statistics presented in table 4.1, 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 table 4.1 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.

**50** 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.

## ACKNOWLEDGEMENT

**51** 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

**52** The ABS produces industry estimates for a range of selected industries (including manufacturing) and these results will be available in *Australian Industry, 2006–07* (cat. no. 8155.0), scheduled to be released in September 2008. National estimates of income, output, 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).

## RELATED PUBLICATIONS

*continued*

**53** For a list of publications and electronic releases that present data about the manufacturing industry using ANZSIC93, please refer to the 2005–06 edition of this publication.

**54** Current publications and other products released by the ABS are available from the Statistics View on the ABS web site. 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

**55** 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

**56** 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, 2000–01 and 2005–06 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.

**57** By definition, these data series are not directly comparable with the current statistical series.

**58** For more information, please contact Phillip Lui on (02) 9268 4269.

## ROUNDING

**59** 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 19), this 'rounding rule' also applies to employment estimates.

**60** 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.

## INTRODUCTION

**1** This Appendix lists items included in the 2006–07 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 selected to participate in the 2006–07 survey (the direct collect sample) were requested to provide 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 estimates of employment, sales and service income, and wages and salaries, 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, 2006–07 .....

**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

Other services

Rent, leasing and hiring income

Land, buildings and other structures

Plant, machinery and equipment

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

Other income

Total income

**Expense items**

Labour costs

Wages and salaries (including provisions for employee entitlements)

Employer contributions into superannuation (excluding salary sacrifice)

Salary sacrificed earnings paid on behalf of employees

Employee share based payments and stock options, expensed to businesses

for renumeration employees, accrued during the current period

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, 2006–07 *continued***Expense items** *cont.*

Motor vehicle running expenses  
 Freight and cartage expenses  
 Repair and maintenance expenses

Rent, leasing and hiring expenses  
 Land, buildings and other structures  
 Motor vehicles  
 Plant, machinery and equipment  
 Other rent, leasing and hiring expenses

Postal, mailing and courier services  
 Telecommunication services  
 Paper, printing and stationery expenses  
 Audit and other accounting expenses  
 Legal expenses  
 Cleaning services provided by other businesses  
 Training provided by other businesses  
 Advertising expenses  
 Travelling, accommodation and entertainment expenses  
 Other management and administrative services

Other contract, sub-contract and commission expenses  
 Sales commission expenses  
 Commission expenses for work performed using materials provided 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 for 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

**Capital expenditure and disposal of assets** *cont.*

Capital expenditure (including capitalised work done by own employees as listed above) *cont.*  
 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  
 Intangible assets

**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, tax, depreciation and amortisation  
 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  
 Other (including land and intangible assets)  
 Total acquisitions  
 Disposal of assets  
 Net capital expenditure  
 Gross fixed capital formation

Ratios  
 Sales and service income (including rent, leasing and hiring income and royalties other than natural resource 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 per person employed at the end of June  
 Selected labour costs per person employed at the end of June  
 Profit margin  
 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 Activity Statement (BAS) tax 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** *TAUs:* 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 BAS data.
- BAS 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.

**7** *ABN units:* The balance of units on the ABSBR classified to manufacturing were ABN units, from the ATO maintained population.

**8** An indication of the importance of these populations to the data can be gained from their contribution to the national 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

	TAU	ABN unit	Total
	%	%	%
11 Food product mfg	72	28	100
12 Beverage and tobacco product mfg	86	14	100
13 Textile, leather, clothing and footwear mfg	28	72	100
14 Wood product mfg	47	53	100
15 Pulp, paper and converted paper product mfg	78	22	100
16 Printing (including the reproduction of recorded media)	40	60	100
17 Petroleum and coal product mfg	97	3	100
18 Basic chemical and chemical product mfg	76	24	100
19 Polymer product and rubber product mfg	52	49	100
20 Non-metallic mineral product mfg	70	30	100
21 Primary metal and metal product mfg	92	8	100
22 Fabricated metal product mfg	39	61	100
23 Transport equipment mfg	71	29	100
24 Machinery and equipment mfg	43	57	100
25 Furniture and other mfg	14	86	100
<b>11–25 Total manufacturing</b>	<b>69</b>	<b>31</b>	<b>100</b>

COLLECTION DESIGN

**9** In order to decrease the statistical reporting load placed on providers while maintaining the range and quality of information available to users of statistical data, the strategy for this survey was to adopt the use of directly collected data from a smaller sample of businesses, in combination with information sourced from the ATO. The frame (from which the direct collect sample was selected) was stratified using information held on the ABS Business Register. Businesses eligible for selection in the direct collect sample were then selected from the frame using stratified random sampling techniques.

COLLECTION DESIGN *continued*

**10** Businesses were selected to participate in the survey (the direct collect sample) only if they met two criteria: their turnover exceeded a threshold level and the business was identified as having been an employing business (based on ATO information) during the reference period. Turnover thresholds were set for each ANZSIC class so that the contribution of surveyed businesses accounted for 97.5% of total industry class turnover as determined by ATO Business Activity Statement data.

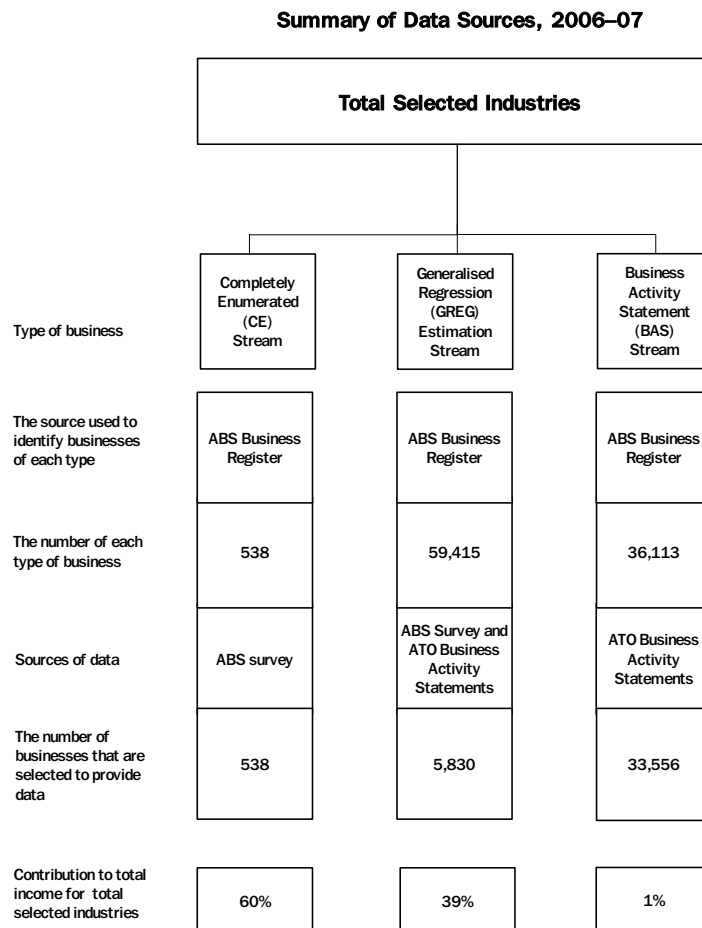
**11** Businesses which met neither of these criteria are referred to as 'micro non-employing businesses'. These businesses were not eligible for selection in the sample. For these units, BAS data were obtained and annualised, then added to the directly collected estimates to produce the statistics in this publication. The total estimated value of annual turnover of micro non-employing manufacturing businesses during the 2006–07 reference year, as determined by ATO Business Activity Statement data, was \$2.5b.

ESTIMATION METHODOLOGY

**12** Estimates from previous iterations of this survey were produced using number raised estimation methodology. The 2006–07 survey used generalised regression estimation. This estimation method enables maximum use of observed linear relationships between data directly collected from businesses in the survey and auxiliary information. When the auxiliary information is strongly correlated with data items collected in a survey, the generalised regression estimation methodology will improve the accuracy of the estimates. The auxiliary variables used in this survey were turnover and wages sourced from ATO Business Activity Statement data.

PRODUCING ESTIMATES

**13** The following diagram illustrates the ways in which Australian businesses contribute to the estimates in this publication.



DATA STREAMING

**14** For the purpose of compiling the estimates in this publication, data for businesses as recorded on the ABSBR contribute via one of three categories (or 'streams') in accordance with significance and collection-related characteristics.

*Completely Enumerated (CE) Stream:*

**15** The CE stream consists of directly collected survey data for those units recorded on the ABSBR as having employment greater than 300, plus additional 'significant' units in the ABS maintained population and units significant to small state estimates.

*Generalised regression (GREG) estimation Stream:*

**16** The GREG stream comprises directly collected data for those sampled units which are not in the CE stream and have turnover, in aggregate, above the bottom 2.5 percentile of BAS sales for that industry. The accuracy of the estimates produced from this data is then improved by using wages and turnover data sourced from businesses' BAS data.

*Business Activity Statement (BAS) Stream:*

**17** The BAS stream comprises data for those businesses in the ATO maintained population whose turnover, in aggregate, is below the bottom 2.5 percentile of BAS sales for that industry.

**18** Estimates for each of the selected industries were produced by aggregating the contributing data streams.

STATE ESTIMATES

**19** Estimates of state data in this survey were produced using data from pre-identified sample selections that operated in more than one state. All other sampled units had all their reported data allocated to their main state of operation.

EMPLOYMENT ESTIMATES

**20** One implication of the use of BAS data in these statistics is that no direct measure of employment is available for those units which contribute to the estimates solely through the BAS 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 BAS 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 solely from the BAS files. For each such business, the number of employees is assumed to be zero. For each unincorporated business an estimate of its number of working proprietors or partners is used as the estimate of its total employment. These estimates are then aggregated to the directly collected data to produce the estimates in this publication.

EMPLOYMENT SIZE ESTIMATES

**21** For consistency, employment size estimates in table 2.3 have been presented using identical size categories as in previous issues. A result of the methodological changes introduced in 2006–07 is that the stratification boundaries no longer align as closely with these size ranges. The cut off for completely enumerated (CE) businesses was for any business with employment of 50 or more persons. This meant that employment size categories for 50 and above persons employed were CE'd and had the associated level of precision. The cut off for CE'd units in the 2006–07 survey was units with employment of 300 or more persons which meant sampling variability was introduced for units above 49 persons employed that was not present before. The sample stratification boundaries for sampled units also changed in 2006–07 and the correlation to existing size boundaries is not as strong as in previous years. As a consequence the relative standard errors (RSE) for employment size will be higher than previously. The RSE's can be made available on request.

HISTORICAL ESTIMATES

**22** Data collected for 2004–05 and 2005–06 (under ANZSIC93) have been updated to take account of any revisions to the data since they were published in the previous issue of this publication. The data so revised have then been mapped to ANZSIC06, and further adjusted to incorporate the scope changes outlined in Explanatory Notes paragraph 9 and the methodological changes discussed in this chapter. This process is known as 'bridging' and was used to create the key data items presented in Table 1.1.

TECHNICAL NOTE 2      **DATA RELIABILITY** .....

INTRODUCTION

**1** For 2006–07, the manufacturing collection was, in part, a sample survey designed primarily to deliver national estimates at the industry class level. Industry subdivision estimates for states and territories are also produced for key data items, but the survey was not specifically designed for these purposes.

SAMPLING ERROR

**2** The majority of data 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. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because the data were obtained from only a sample of units.

**3** 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.

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

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

**6** To illustrate the above, the estimate of sales and service income for total manufacturing in 2006–07 was \$377,930m. The RSE of this estimate is shown as 0.7%, giving a standard error of approximately \$2,646m (rounded). 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 \$375,284m to \$380,576m 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 \$372,638m to \$383,222m.

**7** The size of the RSE may be a misleading indicator of the reliability of some of the estimates for trading profit, OPBT, EBITDA and IVA. Estimates of these variables 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.

SAMPLING ERROR *continued*

RELATIVE STANDARD ERRORS

INDUSTRY SUBDIVISION		Employment at end of June(a)	Wages and salaries (b)	Sales and service income (c)	Industry value added
ANZSIC code	Description	%	%	%	%
11	Food product mfg	1.8	1.7	1.8	1.3
12	Beverage and tobacco product mfg	2.9	2.1	1.6	1.8
13	Textile, leather, clothing and footwear mfg	5.8	3.4	3.2	3.5
14	Wood product mfg	4.4	4.0	3.9	3.9
15	Pulp, paper and converted paper product mfg	6.1	3.2	2.6	3.0
16	Printing (including the reproduction of recorded media)	10.8	10.2	9.1	10.1
17	Petroleum and coal product mfg	2.4	1.3	0.2	1.0
18	Basic chemical and chemical product mfg	2.5	1.7	1.5	1.6
19	Polymer product and rubber product mfg	4.1	3.8	3.3	3.5
20	Non-metallic mineral product mfg	3.0	3.1	3.1	2.5
21	Primary metal and metal product mfg	2.8	2.2	0.7	1.1
22	Fabricated metal product mfg	2.5	2.9	2.8	3.1
23	Transport equipment mfg	2.2	1.9	1.5	2.2
24	Machinery and equipment mfg	2.2	1.8	1.6	1.7
25	Furniture and other mfg	12.7	8.7	16.1	7.0
11–25	<b>Total manufacturing</b>	<b>1.0</b>	<b>0.7</b>	<b>0.7</b>	<b>0.6</b>

(a) Includes working proprietors.

(b) Excludes the drawings of working proprietors.

(c) Includes rent, leasing and hiring income.

**8** The design of the manufacturing survey included consideration of RSE's for state and territory estimates. The size of the RSE's for the survey was greater than expected or designed for, and users are advised to apply caution when using state estimates at the ANZSIC subdivision level. The method for compiling the estimates is explained in Technical Note 1, paragraph 19. More detail concerning RSE's can be made available on request.

NON-SAMPLING ERROR

**9** All data presented in this publication are subject to non-sampling error.

**10** 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.

**11** For the purpose of compiling the estimates in this publication, businesses in the ATO maintained population (see Technical Note 1) are coded to ANZSIC industry classes on the basis of the activity reported to the ATO when they registered for an ABN. There are a number of reasons why a business classified to any given ANZSIC industry on the ABS Business Register may not have been mainly engaged in activities associated with that industry during the 2006–07 reference year. This may be because of inaccurate or incomplete information at the time the business was registered or it may be because the business has changed activity, either temporarily or permanently.

**12** 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.

<b>ABN unit</b>	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).
<b>Acquisitions</b>	See the various capital expenditure entries.
<b>Amount exported by this business or its agent</b>	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.
<b>Bad and doubtful debts</b>	Represents the amount of bad and doubtful debts written-off, net of bad and doubtful debts previously written-off but recovered.
<b>billion</b>	One thousand million.
<b>Business</b>	<p>A business is generally considered to be a person, partnership, or corporation engaged in business or commerce; for example, a textile product 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 2006–07 manufacturing collection (these two units are explained under separate entries). For details, see Explanatory Notes paragraphs 4–8.</p>
<b>Business Activity Statement (BAS) total sales</b>	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.
<b>Businesses that do not export</b>	Businesses that reported no exports (either by their business or for them by an agent) of goods that they produced.
<b>Businesses that export more than 50% of sales</b>	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.
<b>Businesses that export up to and including 50% of sales</b>	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.
<b>Capital expenditure on dwellings, other buildings and structures</b>	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.

<b>Capital expenditure on other assets (including land and intangible assets)</b>	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 if the cost of software and hardware cannot be separated, the total cost is included in acquisition of plant, machinery and equipment.
<b>Capital expenditure on plant, machinery and equipment</b>	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.
<b>Capital work done for own use</b>	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.  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.
<b>Capitalised purchases</b>	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.
<b>Change in inventories</b>	The value of total closing inventories less total opening inventories.
<b>Closing inventories</b>	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.
<b>Commission manufacturing</b>	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.  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.  If the client is also a manufacturing business then, in addition to data for its own manufacturing operations, the client reports <ul style="list-style-type: none"> <li>■ the sales and inventories of the commissioned goods,</li> <li>■ the cost of the materials provided to the producing business,</li> <li>■ the commission fee paid, and</li> <li>■ the value of any other intermediate inputs related to the commission transaction.</li> </ul> If the client is not a manufacturing business, no data are reported by the client as it is excluded from the manufacturing collection.
<b>Commission expenses</b>	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.
<b>Cost of sales</b>	The sum of purchases, selected expenses and opening inventories less closing inventories. Any capitalised purchases are excluded.



<b>Current prices</b>	Estimates at current prices are valued at the prices of the period to which the observation relates. For example, estimates for 2006–07 are valued using 2006–07 prices. This contrasts to chain volume measures, where the prices used in valuation refer to the prices of a previous period.
<b>Depreciation and amortisation</b>	Depreciation/amortisation allowed on tangible and intangible assets. Includes, for lessees only, depreciation/amortisation in respect of finance leases.
<b>Disposal of assets</b>	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).
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	Profit prior to the deduction of net interest (interest income minus interest expenses), income tax, depreciation and amortisation. Items classifiable to other income are also excluded.
<b>Employer contributions into superannuation</b>	Includes all employer contributions to superannuation funds (including the employer productivity contribution) and provisions for employer contributions to superannuation funds. Also includes expenses relating to employer funded defined benefit schemes. Employee contributions and salary sacrifice contributions are excluded. Note that salary sacrifice contributions were included in estimates of this item in previous issues of this publication.
<b>Employment at end of June</b>	<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>In order to produce data by state and territory, businesses which received mail out questionnaires were also asked to report employment (as well as wages and salaries, and sales of goods and services) for each state and/or territory in which they operated. For details, see Explanatory Notes paragraph 43.</p> <p>For details of how employment estimates have been derived, see Technical Note 1 paragraph 19.</p>
<b>Enterprise</b>	<p>An institutional unit comprising:</p> <ul style="list-style-type: none"> <li>■ a single legal entity or business entity; or</li> <li>■ 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).</li> </ul>
<b>Enterprise group</b>	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.
<b>Exports as a proportion of sales of goods produced</b>	<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 4.1, 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 BAS 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>

<b>Exports as a proportion of sales of goods produced</b> <i>continued</i>	These data also exclude those businesses which operated during the given reference year but were not operating at 30 June of that reference year.
<b>Freight and cartage expenses</b>	Excludes the cost of delivery by own vehicles and employees, as well as overseas freight and cartage on goods exported, and payments to couriers.
<b>Fringe benefits tax</b>	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.
<b>Funding from government for operational costs</b>	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 (Fuel Tax Credits) Scheme. Excludes funding from government for specific capital items.
<b>Gross fixed capital formation</b>	<p>Gross fixed capital formation is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the reference period, plus certain additions to the value of non-produced assets realised by the productive activity of institutional units.</p> <p>Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly or continuously in other processes of production for more than one year.</p> <p>The derivation of GFCF is as follows:</p> <p style="margin-left: 40px;">Acquisition of</p> <p style="margin-left: 80px;">Road vehicles</p> <p style="margin-left: 40px;"><i>plus</i></p> <p style="margin-left: 80px;">Other transport equipment</p> <p style="margin-left: 80px;">Industrial machinery and equipment</p> <p style="margin-left: 80px;">Computer software capitalised</p> <p style="margin-left: 80px;">Computers and computer peripherals</p> <p style="margin-left: 80px;">Electronic equipment and electrical machinery</p> <p style="margin-left: 80px;">Communications equipment</p> <p style="margin-left: 80px;">Other plant and equipment</p> <p style="margin-left: 80px;">Dwellings, other buildings and structures</p> <p style="margin-left: 80px;">Computer software expensed</p> <p style="margin-left: 40px;"><i>less</i></p> <p style="margin-left: 80px;">Disposal of plant, machinery and equipment (including motor vehicles)</p> <p style="margin-left: 80px;">Disposal of dwellings, other buildings and structures</p> <p style="margin-left: 40px;"><i>equals</i></p> <p style="margin-left: 80px;">GFCF</p>
<b>Industry class</b>	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 1351 CLOTHING MANUFACTURING. Usually, an activity is primarily defined to one class. However, some activities may be primary to more than one class.
<b>Industry division</b>	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 19 divisions within ANZSIC, each identified by an alphabetical letter, that is, 'A' for AGRICULTURE, FORESTRY AND FISHING, 'B' for MINING, 'C' for MANUFACTURING, etc.
<b>Industry group</b>	This is the intermediate level within each industry division of ANZSIC and is identified by a three-digit code, e.g. Industry Group 135 for CLOTHING AND FOOTWEAR MANUFACTURING. It gives more detail than the industry subdivision, and is created in a way that groups like industry classes together.

<b>Industry subdivision</b>	<p>This is the broadest level category within each industry division of ANZSIC and is identified by a two-digit code, e.g. Industry Subdivision 13 for TEXTILE, LEATHER, CLOTHING AND FOOTWEAR MANUFACTURING. Industry subdivisions are built up from industry groups which, in turn, are built up from industry classes. The manufacturing industry subdivisions are:</p> <ol style="list-style-type: none"> <li>11 Food product mfg</li> <li>12 Beverage and tobacco product mfg</li> <li>13 Textile, leather, clothing and footwear mfg</li> <li>14 Wood product mfg</li> <li>15 Pulp, paper and converted paper product mfg</li> <li>16 Printing (including the reproduction of recorded media)</li> <li>17 Petroleum and coal product mfg</li> <li>18 Basic chemical and chemical product mfg</li> <li>19 Polymer product and rubber product mfg</li> <li>20 Non-metallic mineral product mfg</li> <li>21 Primary metal and metal product mfg</li> <li>22 Fabricated metal product mfg</li> <li>23 Transport equipment mfg</li> <li>24 Machinery and equipment mfg</li> <li>25 Furniture and other manufacturing</li> </ol>																
<b>Industry value added (IVA)</b>	<p>IVA represents the value added by an industry to the intermediate inputs used by the industry. IVA is the measure of the contribution by manufacturing businesses to gross domestic product.</p> <p>The derivation of IVA is as follows:</p> <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td>Sales and service income</td> </tr> <tr> <td><i>plus</i></td> <td>Funding from federal, state and/or local government for operational costs</td> </tr> <tr> <td><i>plus</i></td> <td>Capital work done for own use</td> </tr> <tr> <td><i>plus</i></td> <td>Closing inventories</td> </tr> <tr> <td><i>less</i></td> <td>Opening inventories</td> </tr> <tr> <td><i>less</i></td> <td>Purchases of goods and materials</td> </tr> <tr> <td><i>less</i></td> <td>Other intermediate input expenses (for details, see the entry for total expenses)</td> </tr> <tr> <td><i>equals</i></td> <td>IVA</td> </tr> </table> <p>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.</p> <p>Industry value added is related to, but different from, the national accounting variable gross value added.</p> <p>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.</p>		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
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<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																
<b>Industry value added per person employed</b>	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.																
<b>Industry value added to selected labour costs</b>	IVA of manufacturing businesses which operated during the year ended 30 June 2007 divided by their selected labour costs, i.e. industry value added / selected labour costs.																

<b>Insurance premiums</b>	Premiums for fire, general, accident, public liability, optional third-party and comprehensive motor vehicle insurance, 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).										
<b>Interest coverage</b>	The number of times that businesses can meet their interest expenses from their earnings before net interest, tax, depreciation and amortisation (EBITDA), i.e. earnings before interest, tax, depreciation and amorisation / interest expenses.										
<b>Interest expenses</b>	Includes interest paid on loans from banks, finance companies, partners, and related or unrelated businesses, and in respect of finance leases. Also includes interest equivalents such as hedging costs and expenses associated with discounted bills. Excludes bank charges other than interest and capital repayments.										
<b>Interest income</b>	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.										
<b>Intermediate input expenses</b>	For details, see the entry for total expenses.										
<b>Intermediate inputs</b>	Intermediate inputs consist of materials and certain services which are used up in the production process.  The calculation is:  <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">Intermediate input expenses</td> </tr> <tr> <td></td> <td style="text-align: right;">(for details, see the entry for total expenses)</td> </tr> <tr> <td style="text-align: right;"><i>plus</i></td> <td style="text-align: right;">Opening inventories</td> </tr> <tr> <td style="text-align: right;"><i>less</i></td> <td style="text-align: right;">Closing inventories</td> </tr> <tr> <td style="text-align: right;"><i>equals</i></td> <td style="text-align: right;">Intermediate inputs</td> </tr> </table>		Intermediate input expenses		(for details, see the entry for total expenses)	<i>plus</i>	Opening inventories	<i>less</i>	Closing inventories	<i>equals</i>	Intermediate inputs
	Intermediate input expenses										
	(for details, see the entry for total expenses)										
<i>plus</i>	Opening inventories										
<i>less</i>	Closing inventories										
<i>equals</i>	Intermediate inputs										
<b>Inventories – opening/closing</b>	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.										
<b>Investment rate (value added)</b>	The proportion of industry value added (IVA) used to acquire capital, i.e. (capital expenditure / IVA) x 100.										
<b>Labour costs</b>	For the purposes of table 1.2, comprises wages and salaries, employer contributions into superannuation, workers' compensation premiums/costs, fringe benefits tax and payroll tax.										
<b>Manufacturing business</b>	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).										
<b>Motor vehicle running expenses</b>	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.										
<b>Net capital expenditure</b>	The value of total capital expenditure less proceeds received from the disposal of assets.										
<b>Opening inventories</b>	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.										
<b>Operating profit before tax (OPBT)</b>	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.										

<b>Other income</b>	Includes 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.
<b>Other intermediate input expenses</b>	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.
<b>Other selected expenses</b>	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 and 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.
<b>Payroll tax</b>	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.
<b>Profit margin</b>	The percentage of sales and service income available as operating profit before tax (OPBT), i.e. $(OPBT / \text{sales and service income}) \times 100$ .
<b>Purchases and selected expenses</b>	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.
<b>Purchases of goods and materials</b>	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.
<b>Reference period</b>	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 2006–07 collection, a business may have reported data for the year ended 31 December 2006.
<b>Rent, leasing and hiring expenses</b>	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.
<b>Rent, leasing and hiring income</b>	See the entry for sales and service income.
<b>Repair and maintenance expenses</b>	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.

<b>Sales and service income</b>	<p>Includes:</p> <p><i>Sales of goods</i></p> <ul style="list-style-type: none"> <li>■ 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.</li> </ul> <p><i>Income from services</i></p> <ul style="list-style-type: none"> <li>■ 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, royalties from intellectual property (e.g. patents and copyrights) and natural resource royalties income. Excludes 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.</li> </ul> <p><i>Rent, leasing and hiring income</i></p> <ul style="list-style-type: none"> <li>■ 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.</li> </ul> <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 report 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 paragraph 43.</p>
<b>Sales and service income per person employed</b>	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.
<b>Sales of goods produced</b>	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 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.
<b>Selected expenses</b>	See the entry for purchases and selected expenses.
<b>Selected labour costs</b>	See the entry for total expenses.
<b>Selected labour costs per person employed</b>	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.

<b>Standard Institutional Sector Classification of Australia (SISCA)</b>	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 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).
<b>Superannuation</b>	See the entry for employer contributions into superannuation.
<b>Total acquisitions</b>	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.
<b>Total expenses</b>	<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"> <li>■ purchases of materials, components, containers and packaging materials, electricity, fuels and water</li> <li>■ purchases of goods for resale (without any further processing or assembly)</li> <li>■ motor vehicle running expenses</li> <li>■ freight and cartage expenses</li> <li>■ repair and maintenance expenses</li> <li>■ rent, leasing and hiring expenses (excluding finance lease payments)</li> <li>■ contract, subcontract and commission expenses.</li> </ul> <p>Expenses related to the sale of goods and administrative expenses, which include:</p> <ul style="list-style-type: none"> <li>■ management fees/charges paid to related and unrelated businesses</li> <li>■ bank charges other than interest</li> <li>■ audit and other accounting expenses</li> <li>■ legal fees</li> <li>■ advertising expenses</li> <li>■ postal and telecommunication expenses</li> <li>■ office supplies and printing expenses</li> <li>■ travelling, accommodation and entertainment expenses</li> <li>■ staff training</li> <li>■ payments for royalties from intellectual property (e.g. patents and copyrights)</li> <li>■ payments to employment agencies for staff.</li> </ul> <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"> <li>■ wages and salaries (including provisions for employee entitlements, salary sacrificed earnings, share based payments and stock options)</li> <li>■ employer contributions into superannuation</li> <li>■ workers' compensation premiums/costs.</li> </ul>

<b>Total expenses <i>continued</i></b>	<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"> <li>■ bad and doubtful debts</li> <li>■ computer software expenses not capitalised by businesses</li> <li>■ depreciation and amortisation</li> <li>■ insurance premiums (except workers' compensation and compulsory third party motor vehicle insurance premiums)</li> <li>■ interest expenses</li> <li>■ land tax and land rates</li> <li>■ other expenses not capitalised by businesses</li> <li>■ natural resource royalties expenses</li> <li>■ payroll tax and fringe benefits tax.</li> </ul>
<b>Total income</b>	Comprises sales and service income, interest income, funding from government for operational costs, and other income (for details, see the entries for these items).
<b>Trading profit</b>	<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>
<b>Type of activity unit (TAU)</b>	<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>
<b>Wages and salaries</b>	<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, as are salary sacrificed earnings and remuneration of employees in the form of share based payments and stock options. (Note that in previous issues of this publication, salary sacrificed earnings and remuneration of employees in the form of share based payments and stock options were reported under related expense items. For example, salary sacrificed for superannuation was included in employer contributions into superannuation).</p> <p>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 paragraph 43.</p>



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<b>Wages and salaries per person employed</b>	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.
<b>Workers' compensation premiums/costs</b>	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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