



# HIRE INDUSTRIES

AUSTRALIA

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- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Paull Hoffmann on Brisbane 07 3222 6118.

# NOTES

## INTRODUCTION

This publication presents final results, in respect of the 1999–2000 financial year, from an Australian Bureau of Statistics (ABS) survey of employing businesses involved in the plant and goods hiring industries. It is the first ABS survey of these industries.

## COMMENTS ON THIS PUBLICATION

The ABS welcomes comments and suggestions from users recommending industries and data items for inclusion in future surveys. These comments should be addressed to the Director, Service Industries Surveys, Australian Bureau of Statistics, PO Box 10 Belconnen ACT 2616.

## ROUNDING

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



## ABBREVIATIONS

- ABS Australian Bureau of Statistics
- ANZSIC Australian and New Zealand Standard Industrial Classification
- RSE Relative standard error
- SE Standard error

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## SUMMARY OF FINDINGS

### INTRODUCTION

This publication presents final results, in respect of the 1999-2000 financial year, from an Australian Bureau of Statistics (ABS) survey of employing businesses mainly involved in the plant and goods hiring industries. These businesses are classified to Class 7743 (Plant Hiring and Leasing) or Class 9519 (Personal and Household Goods Hiring) of the 1993 edition of the Australian and New Zealand Standard Industrial Classification (ANZSIC). The survey did not include:

- non-employing businesses;
- businesses mainly retailing plant and goods, which also hire plant and goods as a secondary activity;
- businesses mainly hiring transport equipment; and
- businesses which mainly hire plant and equipment with an operator. However, because of the close alignment of crane hire to the plant hiring and leasing industry, all employing businesses mainly involved in the hire of cranes were included in the survey.

### SIZE OF THE INDUSTRY

At the end of June 2000, there were 1,332 employing businesses involved in the two hiring industries, comprising 923 businesses in the plant hiring and leasing industry and 409 businesses in the personal and household goods hiring industry. These businesses operated from 2,124 outlets, with 1,542 outlets located in capital cities and 582 outlets located in non-metropolitan areas.

Employment of the two hiring industries at the end of June 2000 was 16,728, with businesses in the plant hiring and leasing industry having employment of 13,235 and businesses in the personal and household goods hiring industry having employment of 3,493.

The total income for businesses in the two hiring industries during 1999-2000 was \$2,606 million, of which 64% was accounted for by the 43 largest businesses. Total expenses of \$2,314 million were generated by businesses in the plant hiring and leasing and the personal and household goods hiring industries.

The industry value added of the two hire industries was \$1,569 million. This comprised \$1,337 million from the plant hiring and leasing industry and \$233 million from the personal and household goods hiring industry.

### SOURCES OF INCOME

During 1999-2000, the total income for businesses in the two hiring industries was \$2,606 million, which was an average of \$2.0 million per business.

Businesses in the plant hiring and leasing industry generated \$2,246 million in income, of which 84% was accounted for by the provision of hire services (\$1,890 million). The income from hire services included the hiring of scaffolding (\$237 million), access equipment (\$187 million), cranes (\$162 million), earth moving equipment (\$162 million), forklifts (\$107 million), compaction equipment (\$98 million), portable accommodation (\$82 million) and air equipment (\$74 million). Other construction equipment, including generators, accounted for \$350 million while income from other hire services, including pallets and general do-it-yourself equipment, accounted for \$254 million.

## SUMMARY OF FINDINGS *continued*

### SOURCES OF INCOME

*continued*

The majority (95%) of income from hire services for the plant hiring and leasing industry was sourced from the business sector, with the remaining income (5%) obtained from the household sector for personal use.

The main components of the other income of the plant hiring and leasing industry were other sales of goods (\$168 million), cartage and set-up income where separately invoiced (\$108 million) and net profit on the sale of ex-hire equipment (\$30 million).

Businesses in the personal and household goods hiring industry generated \$360 million in income, with income from the provision of hire services accounting for \$333 million, or 93% of this income. Most of the hire services income was generated by the hiring of televisions, radios, VCRs and related equipment (\$122 million), event/exhibition goods and equipment (\$74 million) and whitegoods (\$49 million). Additional hire services income was sourced from furniture (\$21 million), computer and computer peripherals (\$19 million), clothing and footwear (\$14 million), do-it-yourself machinery and equipment (\$14 million) and recreational equipment (\$11 million).

There is a broad client base for the personal and household goods hiring industry, with 52% of hire services income coming from the household sector and 48% from the business sector.

The other income generated by businesses in this industry was mainly from retail sales of goods and equipment (\$9 million), net profit on the sale of ex-hire goods and equipment (\$7 million) and cartage and set up, where separately invoiced (\$3 million).

### EXPENSES

During 1999-2000, businesses in the plant hiring and leasing and personal and household goods hiring industries generated total expenses of \$2,314 million. The largest single expense item for these industries was labour costs of \$732 million, which accounted for 32% of total expenses.

Of the total expenses of \$1,986 million for the plant hiring and leasing industry, \$630 million (32%) was for labour costs. Depreciation of plant and equipment for hire (\$244 million) and renting of equipment for re-hire (\$96 million) represented 12% and 5% respectively of the total industry expenses. Other major expenses of this industry included repair and maintenance of hire equipment (\$154 million), purchases of goods for re-sale (\$102 million), interest expenses (\$56 million) and rent of premises (\$53 million).

In addition to the \$154 million in general repair and maintenance expenses, it was identified that \$109 million of wages and salaries ( of the total wages and salaries of \$551 million ) was paid by businesses in the plant hiring and leasing industry to carry out repair and maintenance activities. Therefore, the total repair and maintenance expenses was \$263 million (representing 13% of total expenses).

The total expenses of the personal and household goods hiring industry were \$327 million. Labour costs of \$102 million represented 31% of total expenses with depreciation of plant and equipment for hire (\$58 million) and renting of equipment for re-hire (\$10 million) accounting for 18% and 3% respectively of total expenses. Other major expenses of this industry included renting of premises (\$17 million), repair and maintenance of hire equipment (\$14 million), advertising, marketing and promotion

## SUMMARY OF FINDINGS *continued*

### EXPENSES *continued*

expenses (\$12 million), payments to employment agencies for staff (\$12 million) and purchases of goods for re-sale (\$8 million).

### PROFITABILITY

For 1999-2000, the two hiring industries recorded an operating profit before tax of \$249 million, which represented an operating profit margin of 9.9%. Businesses in the plant hiring and leasing industry had an operating profit margin of 10.4% compared to 7.2% in the personal and household goods hiring industry.

The most profitable businesses in the plant hiring and leasing industry were those employing between 20 and 49 persons, which recorded an operating profit margin of 12.3%. In the personal and household goods hiring industry, small businesses employing less than 5 persons were the most profitable, with an operating profit margin of 14.3%. However, the profit level of small businesses is affected by the number of working proprietors and partners, as drawings of working proprietors and partners are not included in the business' expenses in the profit calculation.

While the operating profit margin of the plant hiring and leasing industry was 10.4%, the majority of businesses (63%) recorded an operating profit margin below the average. The distribution of profit levels varied by employment size groupings. For example, businesses with employment between 10 and 19 persons recorded an operating profit margin of 5.0%, with 61% of businesses in this size grouping having an operating profit margin greater than 5.0%.

In comparison, the majority of businesses (52%) in the personal and household goods hiring industry recorded an operating profit margin above their industry average. However, 55% of businesses employing between 5 and 9 persons recorded an operating profit margin below the 4.8% average for this size grouping.

### EMPLOYMENT

At the end of June 2000, there were 16,728 persons working in the two hire industries, comprising 13,235 persons working in the plant hiring and leasing industry and 3,493 in the personal and household goods hiring industry.

The composition of employment was different between the two industries with 79% (10,494 persons) of employment in the plant hiring and leasing industry being permanent full-time compared to 61% of employment (2,119 persons) in the personal and household goods hiring industry working on this basis. In comparison, the proportion of casual employees was 15% in the plant hiring and leasing industry and 25% in the personal and household goods hiring industry.

Females accounted for 22% of employment (3,598 persons) in the two industries. In the plant hiring and leasing industry females accounted for 18% of employment (2,324 persons), while in the personal and household goods hiring industry females accounted for 36% of employment (1,274 persons).

The average labour cost per employee for the two industries was \$44,700. The higher incidence of permanent full-time employees in the plant hiring and leasing industry resulted in the average labour cost per employee of \$48,300 compared to \$30,700 in the personal and household goods hiring industry.

## SUMMARY OF FINDINGS *continued*

### STATE AND TERRITORY DIMENSION

Operations of the plant hiring and leasing and personal and household goods hiring industries were concentrated in New South Wales and Victoria. New South Wales accounted for 27% of locations, 30% of employment and 34% of income in the plant hiring and leasing industry. Businesses in the personal and household goods hiring industry in New South Wales accounted for 33% of locations, 37% of industry employment and 37% of industry income.

Businesses in the plant hiring and leasing industry in Victoria accounted for 26% of locations, 24% of employment and 26% of income. Businesses in the personal and household goods hiring industry in Victoria accounted for 22% of locations, 22% of industry employment and 25% of industry income. By way of comparison, New South Wales' and Victoria's shares of the Australian population are 34% and 25% respectively.

Of the remaining States, hire businesses in Queensland and Western Australia generated 20% and 12% of industry income respectively, which was above their respective shares of the Australian population of 19% and 10%.

### BUSINESS SIZE

In terms of number of businesses, both the plant hiring and leasing industry and the personal and household goods hiring industry were dominated by small businesses with employment of 4 or less persons.

At the end of June 2000, the plant hiring and leasing industry had 544 businesses (59% of businesses) with employment of 4 or less persons, yet these businesses accounted for only 10% of the industry's employment and 6% of the industry's income. In comparison, the 36 large businesses with employment of 50 or more persons accounted for 56% of total employment (7,431 persons), 65% of total income (\$1,466 million) and 73% of the operating profit before tax (\$163 million).

Similar trends were also evident in the personal and household goods hiring industry, with the 244 businesses (60% of all businesses) with 4 or less persons accounting for only 18% of employment and 11% of total income for this industry. In contrast, the 7 large businesses (with 50 or more persons) accounted for 38% of total employment (1,335 persons), 58% of total income (\$210 million) and 42% of operating profit before tax (\$10 million).

### HIRE ASSETS

At the end of June 2000, the total book value of hire equipment assets for the plant hiring and leasing industry was \$1,339 million. Access equipment (\$144 million), scaffolding (\$135 million) and earthmoving equipment (\$130 million) were the most significant asset types.

From survey estimates it is possible to calculate the return on hire assets, which is defined as income derived from the hiring of the asset during 1999-2000 divided by the book value of the hire asset. The assets that generated the highest return in the plant hiring and leasing industry were event/exhibition goods and equipment (446%), agricultural equipment (198%), scaffolding (176%) and cranes (158%).

Hire assets in the personal and household goods hiring industry had a total book value of \$138 million at the end of June 2000. Televisions, radios, VCRs and related equipment accounted for 39% and whitegoods 20% of the total book value of assets. The assets in

**SUMMARY OF FINDINGS** *continued*

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HIRE ASSETS *continued*

this industry that generated the highest return were clothing and footwear (662%) and furniture (375%).

## KEY FIGURES

	<i>Plant Hiring and Leasing</i>	<i>Personal and Household Goods Hiring</i>	<i>Total Hire Industries</i>
Businesses at end June (no.)	923	409	1 332
Locations at end June			
Capital city (no.)	1 120	422	1 542
Other (non capital city) (no.)	420	162	582
<b>Total (no.)</b>	<b>1 540</b>	<b>584</b>	<b>2 124</b>
Employment			
Working proprietors and partners (no.)	*191	171	362
Employees			
Permanent full-time (no.)	10 494	2 119	12 613
Permanent part-time (no.)	513	330	843
Casual (no.)	2 037	873	2 910
Total (no.)	13 044	3 322	16 366
<b>Total employment (no.)</b>	<b>13 235</b>	<b>3 493</b>	<b>16 728</b>
Income			
Hire services			
Hired to households for personal use (\$m)	98.5	174.4	272.9
Hired to business sector (\$m)	1 791.5	158.8	1 950.3
Total (\$m)	1 890.0	333.2	2 223.2
Other goods and services (\$m)	306.5	18.9	325.4
Other (\$m)	49.2	8.2	57.4
<b>Total (\$m)</b>	<b>2 245.7</b>	<b>360.3</b>	<b>2 606.0</b>
Expenses			
Labour costs (\$m)	629.9	102.1	732.0
Depreciation (\$m)	270.2	64.6	334.8
Re-hire/sub-hire of goods (\$m)	95.6	10.3	105.9
Other (\$m)	990.7	150.3	1 141.0
<b>Total (\$m)</b>	<b>1 986.4</b>	<b>327.3</b>	<b>2 313.7</b>
Operating profit before tax (\$m)	224.5	24.9	249.4
Operating profit margin (%)	10.4	7.2	9.9
Industry value added (\$m)	1 336.6	232.8	1 569.3

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



## SOURCES OF INCOME, Plant hiring and leasing

	<i>Businesses at end June 2000(a)</i>	<i>Value</i>	<i>Proportion of total income</i>
	no.	\$m	%
Income from hire services			
Agricultural equipment	101	*9.3	0.4
Access equipment	214	186.9	8.3
Air equipment	220	73.9	3.3
Compaction equipment	198	97.8	4.4
Cranes	358	162.3	7.2
Earthmoving equipment	320	161.9	7.2
Forklifts	100	106.8	4.8
Scaffolding	244	236.7	10.5
Other construction equipment	305	350.4	15.6
Portable accommodation	136	82.1	3.7
Computer and computer peripherals	30	1.8	0.1
Other office equipment	53	**20.3	0.9
Event/exhibition goods and equipment	130	41.9	1.9
Transport equipment	369	103.7	4.6
Other	204	254.2	11.3
<i>Total</i>	923	1 890.0	84.2
Other goods and services income			
Income from training associated with hiring/hiring of equipment	39	1.1	—
Cartage and setup	264	107.5	4.8
Net profit/loss on sale of ex-hire equipment	314	29.6	1.3
Other sales of goods	417	168.3	7.5
<i>Total</i>	695	306.5	13.6
<i>Total sales of goods and services</i>	923	2 196.5	97.8
Other income			
Interest income	624	5.1	0.2
Other	385	44.1	2.0
<i>Total</i>	789	49.2	2.2
<b>Total income</b>	<b>923</b>	<b>2 245.7</b>	<b>100.0</b>

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

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

— nil or rounded to zero (including null cells)

(a) Businesses may have more than one source of income, hence the counts of businesses for each income source do not add to the total.

## SOURCES OF INCOME, Personal and household goods hiring

	<i>Businesses at end June 2000(a)</i>	<i>Value</i>	<i>Proportion of total income</i>
	no.	\$m	%
Income from hire services			
Computer and computer peripherals	19	18.7	5.2
Televisions, radios, VCRs and related equipment	85	122.4	34.0
Event/exhibition goods and equipment	165	73.6	20.4
Furniture	17	20.6	5.7
Whitegoods	56	48.5	13.5
Recreational equipment	77	10.9	3.0
Linen goods	48	2.1	0.6
Clothing and footwear	54	13.5	3.7
Do-it-yourself machinery and equipment	39	13.9	3.9
Other	85	9.0	2.5
<i>Total</i>	409	333.2	92.5
Other goods and services income			
Cartage and setup	90	3.0	0.8
Retail sales of goods and equipment	200	9.1	2.5
Net profit/loss on sale of ex-hire goods and equipment	139	6.8	1.9
<i>Total</i>	292	18.9	5.2
<i>Total sales of goods and services</i>	409	352.1	97.7
Other income			
Interest income	124	0.7	0.2
Other	128	7.5	2.1
<i>Total</i>	206	8.2	2.3
<b>Total income</b>	<b>409</b>	<b>360.3</b>	<b>100.0</b>

(a) Businesses may have more than one source of income, hence the counts of businesses for each income source do not add to the total.

	PLANT HIRING AND LEASING . . . . .		PERSONAL AND HOUSEHOLD GOODS HIRING .		TOTAL HIRE INDUSTRIES . . .	
	Contribution to total		Contribution to total		Contribution to total	
	Value	%	Value	%	Value	%
	\$m	%	\$m	%	\$m	%
<b>Labour costs</b>						
Wages and salaries	551.3	27.8	89.2	27.3	640.5	27.7
Employer contributions to superannuation funds	35.7	1.8	6.5	2.0	42.2	1.8
Workers' compensation costs	16.4	0.8	2.4	0.7	18.8	0.8
Fringe benefits tax	6.4	0.3	0.4	0.1	6.8	0.3
Payroll tax	20.1	1.0	3.6	1.1	23.7	1.0
<i>Total</i>	629.9	31.7	102.1	31.2	732.0	31.6
<b>Selected expenses</b>						
Repair and maintenance expenses						
Hire equipment	153.8	7.7	14.0	4.3	167.8	7.3
Other	11.4	0.6	2.9	0.9	14.3	0.6
<i>Total</i>	165.2	8.3	16.9	5.2	182.1	7.9
Rent, leasing and hiring expenses						
Re-hire/sub-hire of goods	95.6	4.8	10.3	3.1	105.9	4.6
Premises	53.1	2.7	16.6	5.1	69.7	3.0
Other	20.0	1.0	4.0	1.2	24.0	1.0
<i>Total</i>	168.7	8.5	30.9	9.4	199.6	8.6
Motor vehicle running expenses						
Telecommunication services	22.7	1.1	9.3	2.8	32.0	1.4
Freight and cartage expenses	24.2	1.2	8.0	2.4	32.2	1.4
Petroleum products and other fuel expenses	50.9	2.6	2.4	0.7	53.3	2.3
Advertising, marketing and promotion expenses	44.2	2.2	—	—	44.2	1.9
Other contract, sub-contract and commission expenses	20.3	1.0	12.2	3.7	32.5	1.4
Payments to employment agencies for staff	178.5	9.0	10.6	3.2	189.1	8.2
Land taxes and rates	10.7	0.5	11.8	3.6	22.5	1.0
Other operating expenses	5.6	0.3	0.7	0.2	6.3	0.3
<i>Total</i>	198.0	10.0	24.9	7.6	222.9	9.6
<i>Total</i>	889.0	44.8	127.7	39.0	1 016.7	43.9
<b>Other costs</b>						
Insurance premiums	16.0	0.8	3.4	1.0	19.4	0.8
Interest expenses	55.9	2.8	11.6	3.6	67.5	2.9
Bank charges other than interest (including credit card commission expenses)	7.0	0.4	3.1	1.0	10.1	0.4
Purchases of goods for re-sale	102.1	5.1	7.6	2.3	109.7	4.7
Depreciation and amortisation						
Plant and equipment for hire	244.0	12.3	57.6	17.6	301.6	13.0
Other	26.2	1.3	7.0	2.1	33.2	1.4
<i>Total</i>	270.2	13.6	64.6	19.7	334.8	14.5
Bad and doubtful debts	16.3	0.8	7.2	2.2	23.5	1.0
<i>Total</i>	467.5	23.5	97.5	29.8	565.0	24.4
<b>Total expenses</b>	<b>1 986.4</b>	<b>100.0</b>	<b>327.3</b>	<b>100.0</b>	<b>2 313.7</b>	<b>100.0</b>

— nil or rounded to zero (including null cells)

# 5

## CHARACTERISTICS OF EMPLOYMENT

	PLANT HIRING AND LEASING . . . . .			PERSONAL AND HOUSEHOLD GOODS HIRING . . . . .			TOTAL HIRE INDUSTRIES		
	<i>Males</i>	<i>Females</i>	<i>Persons</i>	<i>Males</i>	<i>Females</i>	<i>Persons</i>	<i>Males</i>	<i>Females</i>	<i>Persons</i>
	no.	no.	no.	no.	no.	no.	no.	no.	no.
Working proprietors and partners	*142	*49	*191	101	70	171	243	119	362
Employees									
Permanent full-time	8 934	1 560	10 494	1 400	719	2 119	10 334	2 279	12 613
Permanent part-time	191	322	513	158	172	330	349	494	843
<i>Total</i>	9 125	1 882	11 007	1 558	891	2 449	10 683	2 773	13 456
Casual	1 644	393	2 037	560	313	873	2 204	706	2 910
<i>Total</i>	10 769	2 275	13 044	2 118	1 204	3 322	12 887	3 479	16 366
<b>Total employment at end June 2000</b>	<b>10 911</b>	<b>2 324</b>	<b>13 235</b>	<b>2 219</b>	<b>1 274</b>	<b>3 493</b>	<b>13 130</b>	<b>3 598</b>	<b>16 728</b>

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

## STATE AND TERRITORY COMPARISONS

	<i>Busi- nesses(a)</i>	<i>Locations</i>	<i>Proportion of total locations</i>	<i>Employment</i>	<i>Proportion of total employment</i>	<i>Wages and salaries</i>	<i>Proportion of total wages and salaries</i>	<i>Income</i>	<i>Proportion of total income</i>
	no.	no.	%	no.	%	\$m	%	\$m	%
<b>Plant hiring and leasing</b>									
New South Wales	274	417	27.1	3 995	30.2	190.5	34.6	752.5	33.5
Victoria	271	405	26.3	3 169	23.9	132.1	24.0	572.5	25.5
Queensland	231	373	24.2	3 301	24.9	123.0	22.3	460.7	20.5
South Australia	61	89	5.8	802	6.1	31.3	5.7	113.7	5.1
Western Australia	137	172	11.2	1 397	10.6	54.3	9.8	272.3	12.1
Tasmania	34	46	3.0	241	1.8	np	np	np	np
Northern Territory	15	16	1.1	156	1.2	np	np	np	np
Australian Capital Territory	13	20	1.3	174	1.3	6.2	1.1	25.6	1.1
<b>Australia</b>	<b>923</b>	<b>1 540</b>	<b>100.0</b>	<b>13 235</b>	<b>100.0</b>	<b>551.3</b>	<b>100.0</b>	<b>2 245.7</b>	<b>100.0</b>
<b>Personal and household goods hiring</b>									
New South Wales	145	190	32.6	1 299	37.2	39.9	44.7	131.7	36.6
Victoria	97	126	21.5	773	22.1	16.2	18.2	89.8	24.9
Queensland	82	143	24.5	598	17.1	15.1	16.9	70.1	19.5
South Australia	23	36	6.2	218	6.3	4.7	5.3	17.4	4.8
Western Australia	55	65	11.1	461	13.2	10.6	11.9	39.0	10.8
Tasmania	5	7	1.3	60	1.7	np	np	np	np
Northern Territory	5	7	1.2	26	0.7	np	np	np	np
Australian Capital Territory	7	7	1.2	55	1.6	0.9	1.0	2.4	0.7
<b>Australia</b>	<b>409</b>	<b>584</b>	<b>100.0</b>	<b>3 493</b>	<b>100.0</b>	<b>89.2</b>	<b>100.0</b>	<b>360.3</b>	<b>100.0</b>
<b>Total</b>									
New South Wales	419	607	28.6	5 294	31.6	230.4	36.0	884.1	33.9
Victoria	367	530	25.0	3 943	23.6	148.3	23.2	662.2	25.4
Queensland	314	516	24.3	3 898	23.3	138.1	21.6	530.9	20.4
South Australia	84	126	5.9	1 021	6.1	36.0	5.6	131.1	5.0
Western Australia	192	237	11.2	1 858	11.1	64.9	10.1	311.3	11.9
Tasmania	39	53	2.5	301	1.8	8.8	1.4	31.5	1.2
Northern Territory	21	24	1.1	182	1.1	6.9	1.1	26.1	1.0
Australian Capital Territory	20	27	1.3	229	1.4	7.1	1.1	28.0	1.1
<b>Australia</b>	<b>1 332</b>	<b>2 124</b>	<b>100.0</b>	<b>16 728</b>	<b>100.0</b>	<b>640.5</b>	<b>100.0</b>	<b>2 606.0</b>	<b>100.0</b>

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

(a) Multi-state organisations are counted in each State in which they operate. Hence, the counts of businesses of States and Territories do not sum to the total for Australia.

## CHARACTERISTICS OF BUSINESSES, By Employment size

	EMPLOYMENT SIZE					Total
	0-4 persons	5-9 persons	10-19 persons	20-49 persons	50 or more persons	
<b>Plant hiring and leasing</b>						
Businesses at end June (no.)	544	152	118	73	36	923
Working proprietors and partners at end June (no.)	*160	**31	—	—	—	*191
Employees at end June (no.)	1 162	922	1 455	2 073	7 431	13 044
Total employment at end June (no.)	1 322	953	1 455	2 073	7 431	13 235
(%)	10.0	7.2	11.0	15.7	56.2	100.0
Wages and salaries						
(\$m)	34.3	26.7	50.8	77.7	361.7	551.3
(%)	6.2	4.8	9.2	14.1	65.6	100.0
Total income						
(\$m)	123.4	114.6	*184.3	357.0	1 466.3	2 245.7
(%)	5.5	5.1	8.2	15.9	65.3	100.0
Total expenses						
(\$m)	112.1	110.5	*173.1	313.4	1 277.3	1 986.4
(%)	5.6	5.6	8.7	15.8	64.3	100.0
Operating profit before tax						
(\$m)	*7.9	**2.7	**8.8	42.4	162.7	224.5
(%)	3.5	1.2	3.9	18.9	72.5	100.0
<b>Personal and household goods hiring</b>						
Businesses at end June (no.)	244	103	41	13	7	409
Working proprietors and partners at end June (no.)	135	*23	13	—	—	171
Employees at end June (no.)	487	617	520	364	1 335	3 322
Total employment at end June (no.)	621	640	532	364	1 335	3 493
(%)	17.8	18.3	15.2	10.4	38.2	100.0
Wages and salaries						
(\$m)	9.9	12.1	9.8	9.7	47.7	89.2
(%)	11.1	13.6	10.9	10.9	53.5	100.0
Total income						
(\$m)	39.4	43.0	30.0	37.6	210.3	360.3
(%)	10.9	11.9	8.3	10.4	58.4	100.0
Total expenses						
(\$m)	33.6	39.2	26.4	32.8	195.2	327.3
(%)	10.3	12.0	8.1	10.0	59.6	100.0
Operating profit before tax						
(\$m)	5.5	*1.9	3.3	3.7	10.4	24.9
(%)	22.1	7.8	13.3	15.0	41.8	100.0
<b>Total</b>						
Businesses at end June (no.)	788	255	160	86	43	1 332
Working proprietors and partners at end June (no.)	295	*55	13	—	—	362
Employees at end June (no.)	1 649	1 539	1 974	2 437	8 766	16 366
Total employment at end June (no.)	1 943	1 594	1 987	2 437	8 766	16 728
(%)	11.6	9.5	11.9	14.6	52.4	100.0
Wages and salaries						
(\$m)	44.3	38.9	60.6	87.4	409.4	640.5
(%)	6.9	6.1	9.5	13.6	63.9	100.0
Total income						
(\$m)	162.7	157.7	214.3	394.6	1 676.6	2 606.0
(%)	6.2	6.1	8.2	15.1	64.3	100.0
Total expenses						
(\$m)	145.8	149.6	199.5	346.2	1 472.5	2 313.7
(%)	6.3	6.5	8.6	15.0	63.6	100.0
Operating profit before tax						
(\$m)	*13.3	**4.7	*12.2	*46.1	173.1	249.4
(%)	5.4	1.9	4.9	18.5	69.4	100.0

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

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

— nil or rounded to zero (including null cells)

## SELECTED RATIOS, by Employment size

	EMPLOYMENT SIZE					Total
	0-4 persons	5-9 persons	10-19 persons	20-49 persons	50 or more persons	
<b>Plant hiring and leasing</b>						
Total income per person employed (\$'000)	93.3	120.3	126.7	172.2	197.3	169.7
Hire income to total income (%)	92.1	80.8	90.3	89.0	81.8	84.2
Hire income per person employed (\$'000)	85.9	97.2	114.4	153.3	161.4	142.8
Total expenses per person employed (\$'000)	84.8	115.9	119.0	151.2	171.9	150.1
Labour costs per employee (\$'000)	35.2	33.6	38.9	43.2	55.4	48.3
Labour costs to total expenses (%)	36.5	28.0	*32.7	28.6	32.2	31.7
Operating profit before tax per person employed (\$'000)	*5.9	**2.9	**6.1	*20.4	21.9	17.0
Operating profit margin (%)	*6.7	**2.5	**5.0	*12.3	11.5	10.4
<b>Personal and household goods hiring</b>						
Total income per person employed (\$'000)	63.4	67.2	56.4	103.3	157.5	103.1
Hire income to total income (%)	90.8	90.8	89.4	92.6	93.6	92.5
Hire income per person employed (\$'000)	57.5	61.0	50.4	95.6	147.4	95.4
Total expenses per person employed (\$'000)	54.1	61.1	49.7	90.0	146.2	93.7
Labour costs per employee (\$'000)	23.0	22.5	20.9	30.3	41.3	30.7
Labour costs to total expenses (%)	33.3	35.4	41.1	33.7	28.2	31.2
Operating profit before tax per person employed (\$'000)	8.8	*3.0	6.2	10.3	7.8	7.1
Operating profit margin (%)	14.3	*4.8	11.2	10.3	5.2	7.2
<b>Total</b>						
Total income per person employed (\$'000)	83.7	98.9	107.9	161.9	191.2	155.8
Hire income to total income (%)	91.8	83.5	90.2	89.3	83.3	85.3
Hire income per person employed (\$'000)	76.9	82.6	97.3	144.6	159.3	132.9
Total expenses per person employed (\$'000)	75.0	93.9	100.4	142.0	168.0	138.3
Labour costs per employee (\$'000)	31.6	29.1	34.2	41.3	53.3	44.7
Labour costs to total expenses (%)	35.7	30.0	33.8	29.1	31.7	31.6
Operating profit before tax per person employed (\$'000)	6.9	**2.9	*6.1	*18.9	19.7	14.9
Operating profit margin (%)	8.6	**3.1	*5.8	12.1	10.7	9.9

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

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

## HIRE ASSETS, Plant hiring and leasing

	<i>Businesses at end June 2000(a)</i>	<i>Value</i>	<i>Return from hire assets</i>
	no.	\$m	%
Agricultural equipment	85	*4.7	197.5
Access equipment	197	144.2	129.7
Air equipment	198	52.2	141.7
Compaction equipment	180	96.3	101.6
Cranes	323	*102.6	*158.2
Earthmoving equipment	244	130.4	124.1
Forklifts	109	78.2	136.7
Scaffolding	231	134.7	175.8
Other construction equipment	294	172.4	203.3
Portable accommodation	109	65.7	125.1
Computer and computer peripherals	186	2.0	89.6
Other office equipment	324	*11.5	*175.5
Event/exhibition goods and equipment	84	9.4	446.2
Other	370	201.2	126.3
Transport equipment	389	136.4	76.0
<b>Total</b>	<b>923</b>	<b>1 339.3</b>	<b>141.1</b>

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

(a) Businesses may have more than one hire asset, hence the counts of businesses for each asset do not add to the total.

## HIRE ASSETS, Personal and household goods hiring

	<i>Businesses at end June 2000(a)</i>	<i>Value</i>	<i>Return from hire assets</i>
	no.	\$m	%
Computer and computer peripherals	40	7.1	263.3
Televisions, radios, VCRs and related equipment	72	53.5	228.7
Event/exhibition goods and equipment	156	26.0	283.5
Furniture	28	5.5	375.2
Whitegoods	60	27.2	178.1
Recreational equipment	57	3.7	297.4
Linen goods	28	1.2	170.0
Clothing and footwear	39	2.0	661.6
Do-it-yourself machinery and equipment	40	7.3	189.5
Other	83	4.4	204.2
<b>Total</b>	<b>409</b>	<b>137.8</b>	<b>241.9</b>

(a) Businesses may have more than one hire asset, hence the counts of businesses for each asset do not add to the total.



## EXPLANATORY NOTES

- INTRODUCTION**
- 1** This publication presents final results, in respect of 1999–2000, from an Australian Bureau of Statistics (ABS) survey of 767 employing businesses in the plant and goods hiring industries.
- SCOPE**
- 2** The scope of the survey was all employing businesses recorded on the ABS business register and classified to Classes 7743, Plant Hiring and Leasing or 9519, Personal and Household Goods Hiring, of the Australian and New Zealand Standard Industrial Classification (ANZSIC). This survey did not include:
- non-employing businesses;
  - businesses mainly retailing plant and goods, which also hire plant and goods as a secondary activity;
  - businesses mainly hiring transport equipment; and
  - businesses which mainly hire plant and equipment with an operator.
- 3** However, because of the close alignment of crane hire to the industry, all employing businesses mainly involved in the hire of cranes were included in the survey.
- IMPROVEMENTS TO COVERAGE**
- 4** Data in this publication have been adjusted to allow for lags in processing new businesses to the ABS business register, and the omission of some businesses from the business register. The majority of businesses affected, and to which the adjustments apply, are small in size.
- 5** Adjustments have been made to include new businesses in the estimates in the periods in which they commenced operations, rather than when they were processed to the business register.
- 6** Further adjustments have been made for businesses which had been in existence for several years, but, for various reasons, were not previously included in the ABS register.
- 7** For more information on these adjustments, please refer to the ABS publication *Information Paper: Improvements to ABS Economic Statistics, 1997* (Cat. no. 1357.0).
- STATISTICAL UNIT**
- 8** The unit for which statistics were reported in the survey was the management unit. The management unit is the highest-level accounting unit within a business or organisation, having regard to the required level of industry homogeneity, for which a set of accounts is maintained. In most cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, etc.). However, in the case of large diversified businesses, there may be more than one management unit, with each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.
- REFERENCE PERIOD**
- 9** Data contained in the tables in this publication relate to hire industries businesses which operated in Australia at any time during the year ended June 2000. Counts of businesses include only those businesses that were operating at 30 June 2000.
- RELIABILITY OF THE DATA**
- 10** The estimates in this publication are subject to sampling and non-sampling error.
- 11** The estimates in this publication are based on information obtained from a sample of businesses in the surveyed population. Consequently, the estimates in this publication are subject to sampling variability, that is, they may differ from the figures that would have been obtained if all units had been included in the survey. One measure of the likely difference is given by the standard error (SE),

## EXPLANATORY NOTES *continued*

### RELIABILITY OF THE DATA *continued*

which indicates the extent to which an estimate might have varied by chance because only a sample of units was included.

**12** There are about 2 chances in 3 that a sample estimate will differ by less than one SE from the figure that would have been obtained if a census had been conducted, and approximately 19 chances in 20 that the difference will be less than two SEs.

**13** Sampling variability can be measured by the relative standard error (RSE) which is obtained by expressing the SE as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and this avoids the need to refer also to the size of the estimate.

**14** The following table contains estimates of RSEs for a selection of the statistics presented in this publication.

### RELATIVE STANDARD ERRORS, For Table 1—Key figures

	<i>Plant Hiring and Leasing %</i>	<i>Personal and Household Goods Hiring %</i>	<i>Total Hire Industries %</i>
Businesses at end June	6.9	4.5	5.0
Locations at end June			
Capital city	6.3	8.2	5.1
Other (non capital city)	11.5	7.1	8.5
<b>Total</b>	<b>5.5</b>	<b>5.9</b>	<b>4.3</b>
Employment			
Working proprietors and partners	27.6	14.9	16.2
Employees			
Permanent full-time	4.6	2.9	3.8
Permanent part-time	12.2	5.2	7.7
Casual	6.7	6.0	5.0
<i>Total</i>	4.2	2.8	3.4
<b>Total employment</b>	<b>4.2</b>	<b>2.7</b>	<b>3.4</b>
Income			
Hire services			
Hired to households for personal use	7.8	2.5	3.3
Hired to business sector	4.6	2.5	4.2
<i>Total</i>	4.5	1.9	3.8
Other goods and services	4.8	6.4	4.5
Other	7.3	3.0	6.2
<b>Total</b>	<b>4.1</b>	<b>1.9</b>	<b>3.5</b>
Expenses			
Labour costs	4.0	2.3	3.4
Depreciation	4.7	1.6	3.8
Re-hire/sub-hire of goods	7.5	10.4	6.8
Other	5.0	1.9	4.4
<b>Total</b>	<b>3.8</b>	<b>1.9</b>	<b>3.3</b>
Operating profit before tax	9.6	4.5	8.6
Operating profit margin	6.9	4.0	6.3
Industry value added	4.1	1.8	3.5

**15** As an example of the above, an estimate of total income for the hiring industries is \$2,606.0 million and the RSE is 3.5%, giving a SE of \$91.2 million.

## EXPLANATORY NOTES *continued*

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### RELIABILITY OF THE DATA

*continued*

Therefore, there would be 2 chances in 3 that, if all units had been included in the survey, a figure in the range of \$2,514.8 million to \$2,697.2 million would have been obtained, and 19 chances in 20 (i.e. a confidence interval of 95%) that the figure would have been within the range of \$2,423.6 million to \$2,788.4 million.

**16** Errors other than those due to sampling may occur because of deficiencies in the register of units from which the sample was selected, non-response, and imperfections in reporting by respondents. Inaccuracies of this kind are referred to as non-sampling errors and they may occur in any collection, whether it be a census or a sample. Every effort has been made to reduce non-sampling error to a minimum by careful design and testing of questionnaires, efficient operating procedures and systems, and appropriate methodology.

### ACKNOWLEDGMENT

**17** 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*.

## GLOSSARY

<b>Access equipment</b>	This item includes scissor lifts, cherry-pickers, stick booms, knuckle booms, traversing decks and elevating work platforms.
<b>Agricultural equipment</b>	This item includes harvesters, chain saws, scrub cutters and water tanks.
<b>Air equipment</b>	This item includes compressors and air tools.
<b>Bad and doubtful debts</b>	Bad and doubtful debts is the amount of accounts receivable that are either written off, or estimated to be uncollectable during an accounting period, that are expensed in a period's profit calculations.
<b>Capital city</b>	Capital cities are Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Canberra and Darwin and all suburbs of these cities.
<b>Casual employees</b>	This item refers to employees not entitled to take paid leave.
<b>Compaction equipment</b>	This item includes pedestrian rollers, self propelled single and double drum rollers, trench compactors, plate compactors, rammers, multi-tyred rollers.
<b>Cranes (mobile and fixed)</b>	This item includes crane trucks and trucks fitted with other lifting and material handling equipment.
<b>Depreciation and amortisation</b>	Depreciation and amortisation are financial charges made in the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period.
<b>Earthmoving equipment</b>	This item includes mini-excavators, skidsteer loaders, trenching machines and dump trucks.
<b>Employees</b>	This item includes working directors, and other employees working for a business during the last pay period in June. Employees absent on paid or prepaid leave are included. This item excludes working proprietors and partners of unincorporated businesses.
<b>Employer contribution to superannuation funds</b>	Includes all employer contributions to superannuation schemes (including the employer productivity contribution).
<b>Employment at end June</b>	This item includes working proprietors and partners, working directors, and other employees working for a business during the last pay period ending in June 2000. Employees absent on paid or prepaid leave are included.
<b>Event/exhibition goods and equipment</b>	This item includes general party hire equipment, marques and structures, catering equipment, tables and chairs, booths and flooring.
<b>Forklifts</b>	This item includes rough terrain, four wheel drive, loadalls, hand trucks.
<b>Full-time employees</b>	Employees who work 35 hours per week or more.
<b>Furniture</b>	This item includes office furniture rental and household furnishing rental.
<b>Industry value added</b>	This item represents the value added of the industry to the economy and is calculated as the sales of goods and services plus government subsidies and changes in levels of trading inventories, minus purchases of goods and selected expenses.
<b>Interest expenses</b>	This item includes interest on bank loans, loans made from related as well as unrelated businesses/organisations, and interest in respect of financial leases, interest paid to loans from partners, interest equivalents, such as hedging costs, and expenses associated with discounted bills. It excludes bank charges and capital repayments.
<b>Interest income</b>	This item includes interest from deposits in banks and non-bank financial institutions, loans and advances made to other businesses, interest on finance leases, and earnings on discounted bills. It excludes capital payments received.

## GLOSSARY *continued*

<b>Labour costs</b>	This item includes wages and salaries, employer contributions to superannuation funds, workers' compensation costs, fringe benefits tax and payroll tax.
<b>Linen goods</b>	This item includes table cloths, drapes and other accessories.
<b>Location</b>	A location is a physical site from which a business operates on a relatively regular basis.
<b>Operating profit before tax</b>	This item refers to a measure of profit (or loss) before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid). It is derived as total income minus total expenses, plus closing inventories minus opening inventories.
<b>Operating profit margin</b>	This item refers to the percentage of sales of goods and services which become profit after all operating expenses have been deducted. It is derived by expressing total operating profit before tax (OPBT) as a percentage of sales of goods and services (i.e. $OPBT \times 100 / \text{Sales of goods and services}$ ).
<b>Other construction equipment</b>	This item includes mixers, generators and lighting, welding equipment, pumps, trench boxes, lifting and materials handling equipment, heating, cooling and ventilation equipment and construction lasers.
<b>Other contract, sub-contract and commission payments</b>	This item includes payments to other businesses and self-employed persons for work done or sales made on a contract or commission basis (including payments for which PAYE tax has not been deducted).
<b>Other office equipment</b>	This item includes fax machines and photocopy machines. It excludes computers and computer peripherals.
<b>Permanent part-time employees</b>	This item refers to permanent employees who work less than 35 hours per week and were entitled to paid leave.
<b>Permanent full-time employees</b>	This item refers to permanent employees who work 35 hours per week or more and were entitled to paid leave.
<b>Portable accommodation</b>	This item includes portable toilets, toilet / shower blocks, site fencing and site sheds.
<b>Recreational equipment</b>	This item includes bikes, tents and camping gear.
<b>Rehire/subhire expenses</b>	This item refers to the expense incurred when a business hires goods from another business on behalf of a customer.
<b>Return on hire assets</b>	This item refers to the measurement of the financial return on the book value of the assets being hired out. It is derived by dividing the hire income from an asset by the book value of the hire asset.
<b>Scaffolding</b>	This item includes ladders, trestles, A-frames, planks and formwork.
<b>Transport equipment</b>	This item includes trucks, shipping containers and trailers.
<b>Wages and salaries</b>	This item refers to payments accruing to all employees during the financial year including provisions for employee entitlements, severance, termination and redundancy payments. Drawings by working proprietors/partners are excluded.
<b>Whitegoods</b>	This item includes fridges, washing machines and dryers.
<b>Working proprietors and partners</b>	This item includes working proprietors and partners who own/operate their own business in a profession or trade (a sole proprietorship) or, along with one or more partners, operate a partnership. Working proprietors and working partners as owners are not considered to be employees of the business.
<b>Workers' compensation costs</b>	Workers' compensation is a compulsory insurance cover taken out by all employers, except 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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