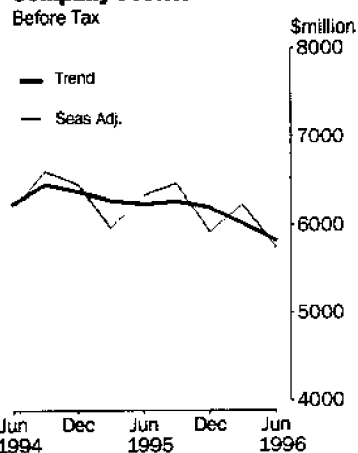


COMPANY PROFITS AUSTRALIA

EMBARGOED UNTIL 11:30AM FRI 16 AUGUST 1996

JUNE QTR KEY FIGURES

Company Profits



TREND ESTIMATES

	Jun 96 \$m	% change Mar 96 to Jun 96	% change Jun 95 to Jun 96
Company Profits before			
Income Tax	5 832	-3.1	-6.5
Income Tax & Net Interest	7 337	-1.9	-0.4
Income Tax, Net Interest & Depreciation	11 144	0.8	3.9

SEASONALLY ADJUSTED

	Jun 96 \$m	% change Mar 96 to Jun 96	% change Jun 95 to Jun 96
Company Profits before			
Income Tax	5 748	-7.8	-9.2
Income Tax & Net Interest	7 211	-7.4	-3.2
Income Tax, Net Interest & Depreciation	11 175	-1.4	2.5

ORIGINAL ESTIMATES

	Jun 96 \$m	% change Mar 96 to Jun 96	% change Jun 95 to Jun 96
Company Profits before			
Income Tax	5 009	-6.1	-7.4
Income Tax & Net Interest	6 493	-3.3	-3.3
Income Tax, Net Interest & Depreciation	10 204	-0.4	2.0

JUNE QTR KEY POINTS

TREND ESTIMATES

- The provisional trend estimate of company profits before income tax, for companies with more than 30 employees, is \$5,832m. This is a fall of 3.1% from the revised March 1996 quarter estimate of \$6,016m. The trend in profits has declined in the last three quarters, and is now at its lowest level since the March 1994 quarter.

SEASONALLY ADJUSTED

- The seasonally adjusted estimate of company profits before income tax decreased by 7.8% after a rise of 5.3% in the revised March 1996 quarter.

ORIGINAL ESTIMATES

- The original estimate of company profits before income tax as reported for the June 1996 quarter is \$5,009m, down 6.1% from the revised March 1996 quarter estimate. This estimate is 7.4% lower than the June 1995 quarter estimate. Company profits for the year ending 30 June 1996 were \$24,361m, a fall of 3.4% when compared to the year ending 30 June 1995.

INQUIRIES

- For further information about these and related statistics, contact Sue Phillips on 02 9268 4357, or any ABS office.

C O M P A N Y P R O F I T S N O T E S

FORTHCOMING ISSUES

<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
September 1996	21 November 1996
December 1996	20 February 1997
March 1997	15 May 1997

.....

CHANGES IN THIS ISSUE

This issue contains revisions to the March 1996 quarter as a result of late responses. It also contains minor revisions to the September and December 1995 quarters. The revisions affect all industries in original, seasonally adjusted and trend terms.

.....

SAMPLING ERRORS

Standard errors for estimates contained in this publication are shown on pages 14-15.

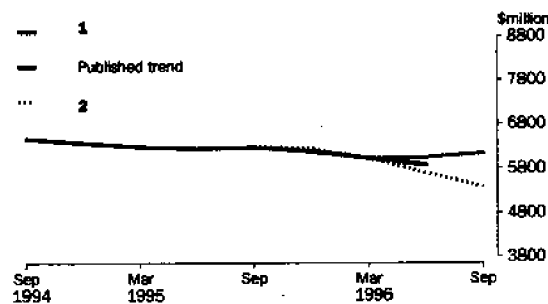
.....

TREND REVISIONS

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

- 1 The September 1996 seasonally adjusted estimate for company profits before tax is higher than the June 1996 seasonally adjusted estimate by 10.0%.
- 2 The September 1996 seasonally adjusted estimate for company profits before tax is lower than the June 1996 seasonally adjusted estimate by 10.0%.

The percentage change of 10.0% was chosen because the average absolute percentage change, based on the last decade, has been 10.0%.

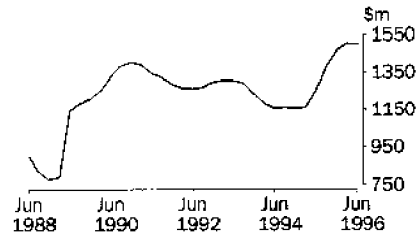


An increase of 10.0% in seasonally adjusted company profits before income tax in September 1996 quarter would show a flat trend in June 1996 quarter. A fall of the same magnitude would result in a further decline in the trend from March 1996 quarter and a downward revision in the trend for the June 1996 quarter.

W. McLennan
Australian Statistician

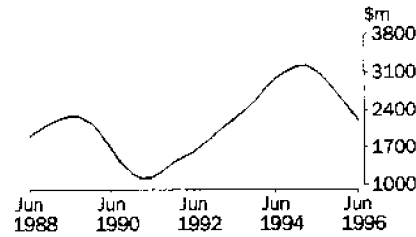
COMPANY PROFITS BEFORE INCOME TAX BY INDUSTRY: Trend

MINING



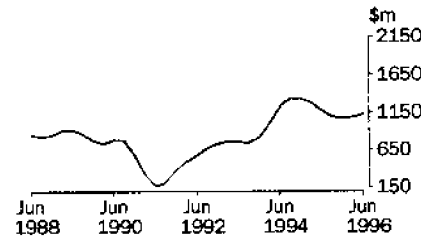
The June 1996 quarter trend estimate for the Mining industry is almost unchanged (-0.2%) from the March 1996 quarter, following four quarters of strong growth.

MANUFACTURING



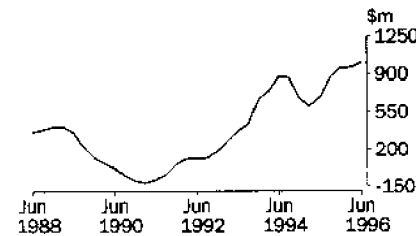
The rate of decline in the Manufacturing industry trend estimate continues to increase. The estimate fell by 10.9% following falls of 8.7% and 7.5% in the two previous quarters.

WHOLESALE/RETAIL



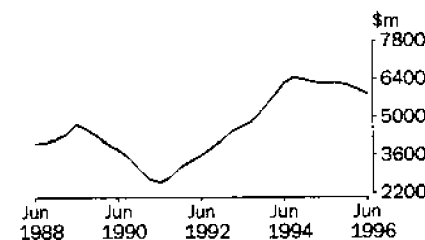
For the combined Wholesale and Retail trade industries, the trend estimate rose by 3.7%. This follows a rise of 1.6% in the revised March 1996 quarter estimate.

OTHER SELECTED INDUSTRIES



This includes Construction, Transport & Storage, Services to Finance & Insurance, Property & Business Services and Other Services. The trend estimate rose by 5.1% in the June 1996 quarter.

TOTAL ALL INDUSTRIES



The All Industries trend estimate has fallen by 3.1% from the March 1996 quarter and is 6.5% lower than the June 1995 quarter estimate.

COMPANY PROFITS BEFORE INCOME TAX: All Series

Quarter	<i>Company profits before income tax, net interest paid and depreciation</i> \$m	<i>Company profits before income tax and net interest paid</i> \$m	<i>Company profits before income tax</i> \$m
..... ORIGINAL			
1992-93			
June	8 670	5 743	4 063
1993-94			
September	9 552	6 635	5 345
December	10 349	7 362	6 164
March	9 008	6 123	4 891
June	9 444	6 444	5 290
1994-95			
September	11 440	8 297	7 135
December	11 908	8 728	7 560
March	9 479	6 276	5 013
June	10 004	6 713	5 408
1995-96			
September	11 592	8 275	7 024
December	11 659	8 272	6 997
March	10 248	6 716	5 332
June	10 204	6 493	5 009
..... SEASONALLY ADJUSTED			
1992-93			
June	9 344	6 342	4 763
1993-94			
September	9 144	6 163	4 828
December	9 324	6 436	5 119
March	9 865	6 936	5 827
June	10 115	7 142	6 182
1994-95			
September	10 926	7 784	6 608
December	10 704	7 643	6 454
March	10 418	7 115	5 963
June	10 904	7 446	6 333
1995-96			
September	10 989	7 650	6 466
December	10 543	7 263	5 921
March	11 331	7 785	6 234
June	11 175	7 211	5 748
..... TREND ESTIMATES			
1992-93			
June	9 082	6 141	4 659
1993-94			
September	9 184	6 232	4 840
December	9 486	6 552	5 288
March	9 780	6 848	5 736
June	10 294	7 305	6 239
1994-95			
September	10 626	7 564	6 458
December	10 895	7 529	6 368
March	10 719	7 428	6 273
June	10 727	7 370	6 236
1995-96			
September	10 825	7 479	6 267
December	10 933	7 540	6 192
March	11 056	7 479	6 016
June	11 144	7 337	5 832

COMPANY PROFITS BEFORE INCOME TAX, Depreciation and Interest: Original

Period	Company profits before income tax, net interest paid and depreciation		Company profits before income tax and net interest paid			Net interest paid	Company profits before income tax
	\$m	Depreciation \$m	\$m	Interest paid \$m	Interest received \$m	\$m	\$m
1993-94	38 354	11 790	26 564	8 764	3 890	4 874	21 689
1994-95	42 831	12 817	30 014	11 233	6 435	4 799	25 216
1995-96	43 703	13 947	29 756	10 413	5 018	5 395	24 361
1992-93							
June	8 670	2 928	5 743	2 566	887	1 680	4 063
1993-94							
September	9 552	2 917	6 635	2 123	833	1 290	5 345
December	10 349	2 987	7 362	2 234	1 035	1 199	6 164
March	9 008	2 885	6 123	2 104	873	1 231	4 891
June	9 444	3 000	6 444	2 304	1 150	1 154	5 290
1994-95							
September	11 440	3 143	8 297	2 549	1 386	1 163	7 135
December	11 908	3 179	8 728	2 697	1 629	1 068	7 660
March	9 479	3 204	6 276	2 740	1 477	1 263	5 013
June	10 004	3 291	6 713	3 247	1 942	1 305	5 408
1995-96							
September	11 592	3 318	8 275	2 495	1 244	1 250	7 024
December	11 659	3 386	8 272	2 556	1 281	1 276	6 997
March	10 248	3 533	6 716	2 619	1 234	1 384	5 332
June	10 204	3 711	6 493	2 743	1 258	1 484	5 009

COMPANY PROFITS BEFORE INCOME TAX, By Broad Industry: All Series

Period	Mining	Manu- facturing	Construction	Wholesale trade	Retail trade	Transport and storage	Services to finance and insurance	Property and business services	Other services	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL										
1993-94	4 827	10 655	368	1 965	1 626	774	837	-75	713	21 589
1994-95	4 668	12 611	500	3 180	1 933	648	612	-49	1 113	25 216
1995-96	5 958	10 247	341	2 629	1 646	1 023	251	250	2 016	24 361
1993-94										
March	1 169	2 421	77	493	262	159	255	-31	87	4 891
June	1 089	2 671	78	633	406	162	232	-154	171	5 290
1994-95										
September	1 297	3 403	101	895	384	214	237	143	461	7 135
December	1 066	3 598	138	898	916	197	396	63	388	7 660
March	1 256	2 869	106	663	254	83	-142	-166	89	5 013
June	1 049	2 741	156	724	379	153	121	-89	175	5 408
1995-96										
September	1 598	3 106	49	674	324	272	129	168	704	7 024
December	1 459	3 173	106	631	767	358	22	-47	527	6 997
March	1 410	2 223	82	639	231	293	-30	76	407	5 332
June	1 490	1 745	104	685	324	100	129	54	378	5 009
SEASONALLY ADJUSTED										
1993-94	4 825	10 806	374	1 959	1 713	802	834	-73	716	21 957
1994-95	4 660	12 666	538	3 179	1 993	646	610	-49	1 114	25 359
1995-96	5 971	10 124	367	2 631	1 707	1 054	250	250	2 016	24 369
1993-94										
March	1 154	2 846	88	576	507	237	288	-21	151	5 827
June	1 142	3 085	110	632	543	210	200	3	255	6 182
1994-95										
September	1 196	3 010	92	836	552	179	272	100	373	6 608
December	1 127	3 125	103	880	452	145	360	-62	324	6 454
March	1 235	3 366	122	741	480	124	-107	-155	156	5 963
June	1 103	3 166	221	722	509	199	86	68	260	6 333
1995-96										
September	1 472	2 744	44	617	460	225	166	123	615	6 466
December	1 546	2 761	80	616	381	264	-16	-173	462	5 921
March	1 383	2 605	96	715	430	435	7	88	476	6 234
June	1 570	2 015	147	683	436	130	93	211	463	5 748
TREND ESTIMATES										
1993-94	4 858	10 740	359	2 031	1 740	782	901	-42	736	22 103
1994-95	4 736	12 648	494	3 120	1 984	644	611	-76	1 176	25 335
1995-96	5 854	10 286	411	2 656	1 716	1 096	188	195	1 906	24 307
1993-94										
March	1 184	2 802	96	527	480	219	253	-7	183	5 736
June	1 155	2 980	98	683	538	210	277	29	267	6 239
1994-95										
September	1 161	3 101	95	802	526	177	265	12	319	6 458
December	1 156	3 201	117	836	495	146	187	-43	275	6 368
March	1 163	3 231	143	788	485	148	102	-39	252	6 273
June	1 255	3 116	140	694	477	173	57	-6	330	6 236
1995-96										
September	1 381	2 921	105	641	452	246	57	8	457	6 267
December	1 467	2 701	82	646	422	297	57	8	510	6 192
March	1 504	2 466	96	670	415	296	31	50	488	6 016
June	1 501	2 197	128	699	426	256	44	130	452	5 832



COMPANY PROFITS BEFORE INCOME TAX, By Broad Industry—Percentage Changes: All Series¹

Period	Mining	Manu- facturing	Construction	Wholesale trade	Retail trade	Transport and storage	Services to finance and insurance	Property and business services	Other services	Total
ORIGINAL (% change from preceding period)										
1993-94	-8.4	33.5	13.5	34.3	19.6	96.4	135.1	83.4	146.6	27.7
1994-95	-3.3	18.4	36.1	61.9	18.9	-16.3	-26.9	34.9	56.1	16.3
1995-96	27.6	-18.7	-31.8	-17.3	-14.9	57.9	-59.0	614.0	81.1	-3.4
1993-94										
March	-3.0	-14.4	-37.1	23.5	-65.6	-34.9	-20.5	-135.3	-55.5	-20.6
June	-6.8	10.3	1.5	28.4	55.1	2.4	-8.7	-400.8	94.9	8.1
1994-95										
September	19.0	27.4	29.6	41.3	-5.4	31.9	2.0	193.2	170.2	34.9
December	-17.8	5.7	35.9	0.4	138.6	-8.0	67.1	-56.0	-15.8	7.4
March	17.9	-20.2	-23.4	-26.1	-72.2	-57.7	-135.9	-363.9	-77.1	-34.6
June	-16.5	-4.5	47.4	9.1	49.3	83.0	185.0	46.7	96.7	7.9
1995-96										
September	52.4	13.3	-68.7	-6.8	-14.6	77.8	6.9	289.2	302.2	29.9
December	-8.7	2.2	117.7	-6.4	136.7	31.8	-82.6	-128.1	-25.2	-0.4
March	-3.3	-30.0	-22.4	1.2	-69.9	-18.1	-231.4	260.9	-22.8	-23.8
June	5.6	-21.5	26.1	7.2	40.7	-66.0	535.7	-29.1	-7.1	-6.1
SEASONALLY ADJUSTED (% change from preceding period)										
1993-94	-8.3	34.1	18.4	34.4	19.1	99.9	136.7	83.8	143.4	28.2
1994-95	-3.4	17.2	44.1	62.2	16.3	-19.4	-26.8	33.3	55.7	15.5
1995-96	28.1	-20.1	-31.9	-17.2	-14.4	63.1	-59.0	615.0	81.0	-3.9
1993-94										
March	-9.0	15.2	-3.4	53.3	37.3	32.7	0.4	41.1	11.7	13.8
June	-1.0	8.4	25.1	9.8	7.1	-11.3	-30.7	115.9	69.3	6.1
1994-95										
September	4.7	-2.5	-16.8	32.2	1.6	-15.2	35.9	n.p.	46.1	6.9
December	-5.8	3.8	12.7	5.3	-18.2	-18.6	32.4	-161.9	-13.0	-2.3
March	9.6	7.7	18.2	-15.8	6.3	-14.6	-129.6	-151.1	-51.8	-7.6
June	-10.7	-6.0	80.3	-2.6	6.1	60.0	180.6	144.2	66.4	6.2
1995-96										
September	33.4	-13.3	-79.9	-14.5	-9.8	13.6	93.4	80.3	136.3	2.1
December	5.1	0.6	79.3	-0.1	-17.1	17.1	-109.5	-240.1	-24.8	-8.4
March	-10.6	-5.6	20.0	15.9	12.9	64.7	144.2	151.2	2.9	5.3
June	13.5	-22.6	53.6	-4.4	1.4	-70.1	n.p.	138.5	-2.8	-7.8
TREND ESTIMATES (% change from preceding period)										
1993-94	-6.1	34.1	5.9	34.7	26.2	84.1	176.7	90.3	128.2	29.7
1994-95	-2.5	17.8	37.6	53.6	14.0	-17.7	-32.2	-80.4	59.8	14.6
1995-96	23.6	-18.7	-16.9	-14.8	-13.5	70.3	-69.3	355.3	62.1	-4.1
1993-94										
March	-3.7	8.6	10.4	23.9	24.7	11.5	-6.0	75.9	25.0	8.5
June	-2.4	6.4	1.5	29.7	12.2	-3.8	9.6	505.4	45.6	8.8
1994-95										
September	0.5	4.0	-3.1	17.3	-2.2	-15.8	-4.4	-59.6	19.6	3.5
December	-0.4	3.2	23.7	4.2	-6.1	-17.8	-29.5	-471.1	-13.9	-1.4
March	0.6	0.9	21.5	-5.7	-1.8	1.6	-45.6	10.6	-8.3	-1.5
June	7.9	-3.5	-1.9	-12.0	-1.7	16.6	-44.2	84.9	31.0	-0.6
1995-96										
September	10.0	-6.3	-25.1	-7.5	-5.2	42.3	-0.1	229.2	38.4	0.5
December	6.3	-7.5	-21.2	0.7	-6.7	21.2	0.0	4.3	11.8	-1.2
March	2.5	-8.7	16.5	3.8	-1.6	-0.4	-46.0	533.9	-4.4	-2.8
June	-0.2	-10.9	32.8	4.3	2.7	-13.5	42.4	159.6	-7.4	-3.1

¹ The percentages in this table have been calculated from a series defined to the nearest \$1000 and may vary slightly from calculations based on the published series in Table 3 which have been rounded to the nearest \$million.

COMPANY PROFITS, by Broad Industry: Original

Period	Mining	Manu- facturing	Construction	Wholesale trade	Retail trade	Transport and storage	Services to finance and insurance	Property and business services	Other services	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
PROFITS BEFORE INCOME TAX										
1993-94	4 827	10 655	368	1 965	1 626	774	837	-75	713	21 689
1994-95	4 668	12 611	500	3 180	1 933	648	612	-49	1 113	25 216
1995-96	5 958	10 247	341	2 629	1 646	1 023	251	250	2 016	24 361
1993-94										
March	1 169	2 421	77	493	262	159	255	-31	87	4 891
June	1 089	2 671	78	633	406	162	232	-154	171	5 290
1994-95										
September	1 297	3 403	101	895	384	214	237	143	461	7 135
December	1 066	3 598	138	898	916	197	396	63	388	7 660
March	1 256	2 869	106	663	254	83	-142	-166	89	5 013
June	1 049	2 741	156	724	379	153	121	-89	175	5 408
1995-96										
September	1 598	3 106	49	674	324	272	129	168	704	7 024
December	1 459	3 173	106	631	767	358	22	-47	527	6 997
March	1 410	2 223	82	639	231	293	-30	76	407	5 332
June	1 490	1 745	104	685	324	100	129	54	378	5 009
PROFITS BEFORE INCOME TAX & NET INTEREST PAID										
1993-94	5 381	12 202	460	2 621	1 939	1 004	1 079	851	1 026	26 564
1994-95	5 169	14 219	607	3 985	2 186	835	731	823	1 459	30 014
1995-96	6 499	11 983	426	3 303	1 858	1 348	531	926	2 880	29 756
1993-94										
March	1 299	2 784	100	654	334	214	343	228	167	6 123
June	1 230	3 068	103	811	483	182	305	-1	262	6 444
1994-95										
September	1 397	3 779	127	1 093	444	273	250	407	527	8 297
December	1 183	3 981	164	1 086	982	258	388	224	464	8 728
March	1 390	3 256	132	871	317	122	-85	83	189	6 276
June	1 200	3 203	184	934	443	182	178	110	280	6 713
1995-96										
September	1 711	3 519	71	836	383	352	189	357	857	8 275
December	1 583	3 600	131	802	821	449	70	148	669	8 272
March	1 542	2 632	104	810	282	372	62	252	660	6 716
June	1 663	2 231	121	855	373	175	211	170	694	6 493
PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION										
1993-94	8 481	16 763	681	3 712	2 806	1 595	1 172	1 518	1 625	38 354
1994-95	8 113	19 203	957	5 058	2 936	1 479	835	1 969	2 281	42 831
1995-96	9 820	17 078	715	4 283	2 621	2 511	638	1 899	4 140	43 703
1993-94										
March	2 062	3 900	155	924	538	356	367	391	317	9 008
June	2 030	4 241	165	1 080	686	334	327	175	407	9 444
1994-95										
September	2 145	4 995	214	1 358	641	430	274	683	702	11 440
December	1 883	5 248	255	1 366	1 167	416	413	498	661	11 908
March	2 121	4 506	215	1 131	500	276	-59	380	408	9 479
June	1 965	4 454	273	1 203	628	357	208	407	510	10 004
1995-96										
September	2 509	4 775	132	1 099	560	616	215	574	1 111	11 592
December	2 396	4 868	203	1 039	1 012	728	95	378	940	11 659
March	2 389	3 916	178	1 045	484	670	88	503	996	10 248
June	2 545	3 519	201	1 100	564	497	240	444	1 093	10 204

COMPANY PROFITS, By Detailed Manufacturing Industry: Original

Period	Food, beverages and tobacco	Textiles, clothing, footwear and leather	Wood and paper products	Printing, publishing, and recorded media	Petroleum, coal, chemical and assoc. products	Non-metallic mineral products	Metal products	Machinery and equipment	Other manufacturing	Total manufacturing
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
PROFITS BEFORE INCOME TAX										
1993-94	2 130	380	913	1 134	1 633	1 047	1 895	1 402	122	10 655
1994-95	2 236	470	983	1 411	1 781	1 134	2 363	2 169	64	12 611
1995-96	2 258	230	740	1 083	1 798	731	1 616	1 750	42	10 247
1993-94										
March	504	77	222	230	407	232	412	316	21	2 421
June	390	86	210	290	434	254	491	484	31	2 671
1994-95										
September	576	146	279	364	503	333	583	594	24	3 403
December	782	118	274	371	404	311	666	655	16	3 598
March	489	109	195	343	444	269	586	427	7	2 869
June	389	97	295	333	429	220	528	494	17	2 741
1995-96										
September	590	84	260	332	389	239	670	534	8	3 106
December	855	71	197	328	541	224	539	405	12	3 173
March	488	41	155	208	385	161	447	332	6	2 223
June	325	33	128	216	482	107	-39	478	16	1 745
PROFITS BEFORE INCOME TAX & NET INTEREST PAID										
1993-94	2 560	512	1 071	1 257	1 853	1 172	2 050	1 594	133	12 202
1994-95	2 724	595	1 162	1 535	2 042	1 228	2 508	2 325	101	14 219
1995-96	2 743	332	977	1 310	2 050	857	1 778	1 868	68	11 983
1993-94										
March	602	111	258	259	458	263	449	361	24	2 784
June	513	117	253	313	490	286	530	533	34	3 068
1994-95										
September	685	175	330	390	566	356	615	630	33	3 779
December	909	147	315	398	464	329	708	685	25	3 981
March	600	141	239	375	508	291	617	469	17	3 256
June	530	131	278	372	504	252	568	542	26	3 203
1995-96										
September	710	109	320	378	457	261	711	558	16	3 519
December	993	96	253	373	603	255	578	429	19	3 600
March	597	68	214	257	441	188	489	365	12	2 632
June	443	59	189	301	549	152	0	516	22	2 231
PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION										
1993-94	3 453	673	1 522	1 490	2 571	1 556	2 973	2 364	160	16 763
1994-95	3 756	796	1 542	1 805	2 833	1 668	3 466	3 191	146	19 203
1995-96	3 820	506	1 400	1 630	2 912	1 309	2 763	2 628	110	17 078
1993-94										
March	817	147	373	318	638	358	676	540	32	3 900
June	741	164	370	372	675	388	765	724	40	4 241
1994-95										
September	934	226	424	456	760	460	844	848	44	4 995
December	1 171	195	407	469	661	438	960	911	35	5 248
March	854	192	335	448	708	403	863	674	29	4 506
June	798	183	376	433	704	367	799	758	38	4 454
1995-96										
September	981	152	425	456	677	374	953	730	27	4 775
December	1 255	137	359	452	806	373	828	629	30	4 868
March	865	112	326	337	662	297	736	560	22	3 916
June	720	105	289	386	768	265	247	709	31	3 519

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents preliminary estimates of company profits based on Management accounts for selected industries in Australia. The series have been compiled from data collected by the Australian Bureau of Statistics (ABS) in its quarterly Survey of Company Profits.

SCOPE AND COVERAGE

2 The survey is designed to measure profits, depreciation and net interest paid of companies (i.e. incorporated business enterprises) in the private sector in Australia.

3 The data in this publication relate to companies employing more than 30 people.

4 The scope of the survey:

- includes the following industries (Australian and New Zealand Standard Industrial Classification [ANZSIC] Divisions and Subdivisions):

Mining (Division B)

Manufacturing (Division C)

Food, beverages and tobacco (21)

Textiles, clothing, footwear and leather (22)

Wood and paper products (23)

Printing, publishing and recorded media (24)

Petroleum, coal, chemical and associated products (25)

Non-metallic mineral products (26)

Metal products (27)

Machinery and equipment (28)

Other manufacturing (29)

Construction (Division E)

Wholesale trade (Division F)

Retail trade (Division G)

Transport and storage (Division I)

Services to finance and insurance (75)

Property and business services (Division L)

Other services including

Electricity, gas and water supply (Division D)

Accommodation, cafes and restaurants (Division H)

Communication services (Division J)

Cultural and recreational services (Division P)

Personal services and other services (95-96).

- excludes the following industries:

Agriculture, forestry and fishing (Division A)

Finance (73)

Insurance (74)

Government administration and defence (Division M)

Education (Division N)

Health and community services (Division O)

Private households employing staff (97)

- the scope excludes public sector business units (i.e. all department, authorities and other organisations owned and/or controlled by Commonwealth, State and Local Governments). Primary producer marketing boards are classified as public sector and are also excluded.

.....

SURVEY SAMPLE DESIGN

5 September quarter data reflect changes in the sample of companies surveyed. A proportion of sampled companies are rotated out of the survey in the September quarter and replaced with companies of similar size and activity. The major effect of this rotation is that standard errors of movement for the September quarter tend to be larger than for other quarters. The movement in standard errors (see Standard Errors section) is based on data from a number of quarters and will therefore tend to understate the true standard errors for September quarter movement estimates. Estimates of September quarter movement standard errors are available on request.

6 In the 12 month period between successive frames and survey samples there are many businesses which cease operating and many which are newly established. Such changes in the business population need to be reflected in the survey to ensure that the estimates produced are representative of the changing nature of the business population over the course of the year. This is particularly important for surveys which cover the small business sector because small businesses account for a very high proportion of the changes occurring to the size and structure of the business population over the course of the year.

7 For the Survey of Company Profits, which excludes businesses employing 30 or less people from published estimates, this requirement is confined to the larger businesses where quarterly changes to the business population are relatively small. An estimate of the contribution expected from the larger *new* businesses is produced by the ABS each quarter based on the number of businesses in the survey sample which cease trading each quarter. This contribution accumulates progressively from 0.25% to 1% of the total estimate of company profits before tax over the 4 quarters of the survey between successive survey frames and samples.

SURVEY METHODOLOGY

8 The survey is conducted by mail on a quarterly basis. Forms are sent to a sample of approximately 3,800 business units employing more than 30 people. The sample is selected from the ABS central register of businesses and is stratified by industry and number of employees. All business units with over 250 employees and/or a known large profit/loss are included in the sample.

9 Respondents are asked to provide data on the same basis as their own management accounts. Where a particular business unit does not respond in a given survey, an estimate is substituted. Revisions may be made to these estimates if data are provided subsequently from those businesses. Aggregates are calculated from all data using the *number raised* estimation technique. Data are edited both at individual business unit level and at aggregate level.

STATISTICAL UNIT

10 The survey uses the management unit as the statistical unit. The management unit is the highest-level accounting unit within a business, having regard to industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, etc). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it. Prior to 1989, the survey used a different statistical unit. Further details are available on request.

CLASSIFICATION BY INDUSTRY

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

CLASSIFICATION BY INDUSTRY
(continued)

12 For more information, users are referred to *Australian and New Zealand Standard Industrial Classification, 1993, ANZSIC*, ABS Cat. No. 1292.0 and New Zealand Cat. No. 19.005.0092.

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

SEASONAL ADJUSTMENT

14 Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences can be more clearly recognised.

15 In the seasonal adjustment of the series, account has been taken of both normal seasonal factors and 'trading day' effects (arising from the varying length of each month and the varying numbers of Sundays, Mondays, Tuesdays, etc. in the month). Adjustment has also been made for the influence of Easter which may affect the March and June quarter estimates.

16 Seasonal adjustment does not remove from the series the effect of irregular or non-seasonal influences (e.g. a change in interest rates). Particular care should be taken in interpreting quarterly movements in the adjusted figures in this publication, especially for detailed industry estimates.

17 Irregular influences that are highly volatile can make it difficult to interpret the series even after the adjustment for seasonal variation.

18 Seasonal factors are reviewed and revised annually to take account of each additional year's original data. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from the re-analysis may be quite significant, especially for data for more recent quarters. For this reason, additional care should be exercised when interpreting movements in seasonally adjusted data for recent quarters.

19 The seasonally adjusted figures necessarily reflect the sampling and other errors to which the original figures are subject.

TREND ESTIMATES

20 The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted series. The 7-term Henderson average (like all Henderson averages) is symmetric but, as the end of a time series is approached, asymmetric forms of the average are applied. Unlike the weights of the standard 7-term Henderson moving average, the weights employed here have been tailored to suit the particular characteristics of individual series. While the asymmetric weights enable trend estimates for recent quarters to be produced, it does result in revisions to the estimates for the most recent three quarters as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors. For further information, see *A Guide to Interpreting Time Series — Monitoring 'Trends': an Overview* (1348.0) or contact the Assistant Director, Time Series Analysis on (06) 252 6345.

DESCRIPTION OF TERMS

21 A description of the terms used in this publication are given below:

A company An incorporated private sector business enterprise. For the purpose of the survey, branches of overseas companies operating in Australia are included but overseas branches of Australian companies are excluded.

Company profits before income tax *Net operating profit or loss before income tax and extraordinary items* and is net of capital profits or losses and dividends received.

	<p>Net interest paid Interest expense less any interest income. Interest received from or paid to overseas sources is included. The interest component of finance lease payments is also included.</p>
	<p>Depreciation of fixed assets This is as per management accounts and includes depreciation on equipment acquired under a finance lease.</p>
COMPARISON WITH OTHER ABS STATISTICS	<p>22 The series 'Company Profits Before Income Tax, Net Interest Paid and Depreciation' equates, broadly with the national accounting series of 'Gross Operating Surplus of Private Corporate Trading Enterprises'. However, the two series are not directly comparable for the following reasons:</p> <ul style="list-style-type: none"> ▪ the national accounts' estimates of gross operating surplus include the profits of all companies whereas results from the Survey of Company Profits relate only to those companies with employment of more than 30 persons ▪ the national accounts' estimates of gross operating surplus include estimates for companies classified to the agriculture, forestry, fishing and hunting, and community services industries ▪ the national accounts' estimates of gross operating surplus are after deduction of the stock valuation adjustment which measures the portion of income attributable to holding gains or losses resulting from stock valuation practices ▪ the national accounts' estimates of gross operating surplus include details relating to net third party insurance transfers, royalty and land rent payments ▪ the national accounts' estimates incorporate data from other sources such as taxation data as well as information from the Survey of Company Profits.
UNPUBLISHED STATISTICS	<p>23 More detailed industry data from this survey are available on request, the cost for such a service being dependent upon the amount of data requested.</p>
RELATED PUBLICATIONS	<p>24 Users may also wish to refer to the following publications:</p> <ul style="list-style-type: none"> ▪ <i>Australian National Accounts, National Income Expenditure and Product</i> (5206.0) ▪ <i>Private New Capital Expenditure, Australia, Actual and Expected Expenditure, Preliminary</i> (5625.0) ▪ <i>State Estimates of Private New Capital Expenditure, Actual and Expected Expenditure</i> (5646.0) ▪ <i>Stocks, Manufacturers' Sales and Expected Sales, Australia</i> (5629.0) ▪ <i>Australian Business Expectations</i> (5250.0) ▪ <i>Business Operations and Industry Performance, Australia</i> (8140.0) <p>25 Current publications produced by the ABS are listed in the <i>Catalogue of Publications and Products, Australia</i> (1101.0). The ABS also issues, on Tuesdays and Fridays, a <i>Release Advice</i> (1105.0) which lists publications to be released in the next few days. The Catalogue and the Release Advice are available from any ABS office.</p>
SYMBOLS AND OTHER USAGES	<p>n.p. not available for publication</p>

STANDARD ERRORS

INTRODUCTION

The estimates in this publication are based on a sample drawn from units in the surveyed population. Because the entire population is not surveyed, the published estimates are subject to sampling error. The most common way of quantifying such sampling error is to calculate the standard error for the published estimate or statistic.

LEVEL ESTIMATES

To illustrate, let us say that the published level estimate for company profits before tax is \$5,500m. The calculated standard error in this case is \$80m. The standard error is then used to interpret the level estimate of \$5,500m. For instance, the standard error of \$80m indicates that:

- There are approximately two chances in three that the real value falls within the range \$5,420m to \$5,580m ($\$5,500\text{m} \pm \80m)
- There are approximately nineteen chances in twenty that the real value falls within the range \$5,340m and \$5,660m ($\$5,500\text{m} \pm \160m)

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

The following table shows the standard errors for quarterly level estimates.

	<i>Company profits before income tax</i>	<i>Company profits before income tax, net interest paid</i>	<i>Company profits before income tax, net interest paid and depreciation</i>
	\$m	\$m	\$m
Mining	9	9	15
Manufacturing			
Food, beverages and tobacco	17	17	19
Textiles, clothing, footwear and leather	6	6	8
Wood and paper products	10	11	13
Printing, publishing and recorded media	21	21	22
Petroleum, coal, chemical and assoc. products	13	14	18
Non-metallic mineral products	4	4	4
Metal products	9	9	14
Machinery and equipment	14	16	18
Other manufacturing	9	8	9
Total manufacturing	37	39	44
Construction	32	34	37
Wholesale trade	36	37	41
Retail trade	44	55	63
Transport and storage	31	31	47
Services to finance and insurance	18	16	15
Property and business services	68	58	66
Other services	48	49	17
Total	118	119	138

STANDARD ERRORS

MOVEMENT ESTIMATES

The following example illustrates how to use the standard error to interpret a movement estimate. Let us say that one quarter the published level estimate for Company Profits before Tax is \$5,500m, the next quarter the published level estimate is \$6,000m. The calculated standard error for the movement estimate is \$75. The standard error is then used to interpret the published movement estimate of +\$500m. For instance, the standard error of \$75m indicates that:

- There are approximately two chances in three that the real movement over the two quarter period falls within the range \$425m to \$575m ($\$500m \pm \$75m$)
- There are approximately nineteen chances in twenty that the real movement falls within the range \$350m to \$650m ($\$500m \pm \$150m$)

The following table shows the standard errors for quarterly movement estimates.

	<i>Company profits before income tax</i>	<i>Company profits before income tax, net interest paid</i>	<i>Company profits before income tax, net interest paid and depreciation</i>
	\$m	\$m	\$m
Mining	8	8	11
Manufacturing			
Food, beverages and tobacco	12	12	12
Textiles, clothing, footwear and leather	2	2	2
Wood and paper products	7	7	7
Printing, publishing and recorded media	23	23	23
Petroleum, coal, chemical and assoc. products	13	13	13
Non-metallic mineral products	6	6	6
Metal products	18	24	22
Machinery and equipment	16	16	16
Other manufacturing	7	1	7
Total manufacturing	40	43	42
Construction	37	39	39
Wholesale trade	39	37	37
Retail trade	24	26	29
Transport and storage	25	26	31
Services to finance and insurance	13	14	13
Property and business services	65	60	59
Other services	22	25	15
Total	103	103	104

FOR MORE INFORMATION

The ABS publishes a wide range of information on Australia's economic and social conditions. A catalogue of publications and products is available from any of our offices (see below).

INFORMATION CONSULTANCY SERVICES

Information tailored to special needs of clients can be obtained from the Information Consultancy Service available at ABS Offices (see below).

ABS PRODUCTS

A large number of ABS products is available from the ABS Bookshops (see below). The ABS also provides a subscription service – you can telephone the ABS Subscription Service Australia wide toll free on 1800 0206 08.

ELECTRONIC SERVICES

A large range of data is available via on-line services, diskette, magnetic tape, tape cartridge and CD ROM. For more details about our electronic data services, contact any ABS office (see below) or e-mail us at:

X.400 (C:Australia,PUB:Telememo,O:ABS,FN:STAT,SN:INFO)
Internet Stat.info@abs.telememo.au
Keylink STAT.INFO/ABS

You can visit us on the Internet at: <http://www.statistics.gov.au>

GENERAL SALES AND INQUIRIES

- Sydney 02 9268 4611
- Melbourne 03 9615 7755
- Brisbane 07 3222 6351
- Perth 09 360 5140
- Adelaide 08 8237 7100
- Hobart 002 20 5800
- Darwin 08 8943 2111
- Canberra 06 252 6627

- Information Services, ABS
PO Box 10, Belconnen ACT 2616



2565100006966

ISSN 0818-9986

RRP \$13.50