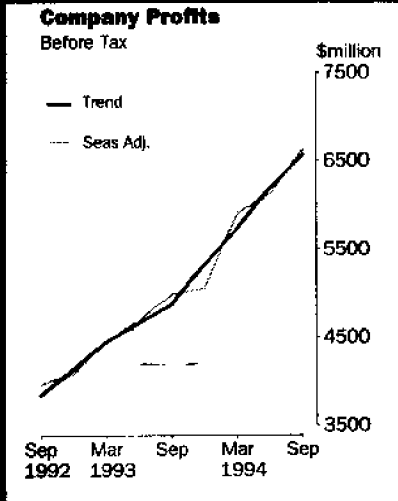




COMPANY PROFITS AUSTRALIA

EMBARGOED UNTIL 11:30AM THURS 17 NOVEMBER 1994

SEPTEMBER QTR KEY FIGURES



TREND ESTIMATES

	Sep 94 \$m	quarterly % change	annual % change
Company Profits before			
Income Tax	6 554	6.2	34.6
Income Tax & Net Interest	7 681	6.4	22.4
Income Tax, Net Interest & Depreciation	10 740	5.1	16.6

SEASONALLY ADJUSTED

	Sep 94 \$m	quarterly % change	annual % change
Company Profits before			
Income Tax	6 615	8.2	32.8
Income Tax & Net Interest	7 915	13.3	23.1
Income Tax, Net Interest & Depreciation	10 999	10.1	17.5

ORIGINAL ESTIMATES

	Sep 94 \$m	quarterly % change	annual % change
Company Profits before			
Income Tax	6 968	31.7	30.3
Income Tax & Net Interest	8 132	26.2	22.5
Income Tax, Net Interest & Depreciation	11 231	18.9	17.5

SEPTEMBER QTR SURVEY KEY POINTS

TREND ESTIMATES

- The provisional trend estimate of company profits before income tax, for companies with more than 30 employees has increased by 6.2% over the revised June quarter 1994 estimate of \$6,172m. The September quarter growth follows growth of 7.9% in the June quarter and 7.9% in the March quarter. The series continues the strong growth which has been sustained over the last 3 years.

SEASONALLY ADJUSTED

- In seasonally adjusted terms profits before income tax grew by 8.2% between the June and September quarters 1994, the ninth consecutive quarter of growth.

ORIGINAL ESTIMATES

- The estimate of company profits before income tax as reported is now at the highest level since the series began.

INQUIRIES

- For further information about these and related statistics, contact Horst Peemoeller on 06 252 5617, 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>
December 1994	17 February 1995
March 1995	18 May 1995
June 1995	17 August 1995

* * * * *

CHANGES IN THIS ISSUE

The Company Profits series have been revised with the introduction of the Australian and New Zealand Standard Industrial Classification (ANZSIC). Under ANZSIC, the scope of the collection has changed slightly, and all series have been revised. A consistent series of company profits data on an ANZSIC basis back to September quarter 1985 is available on request. Additional industries are included in the publication and the level of detail in Table 2 has been increased. The annual sample revision occurs in September quarter. Data from the revised sample are included in this publication for the first time. Refer to paragraph 13 of the Explanatory Notes for more information.

* * * * *

SAMPLING ERRORS

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

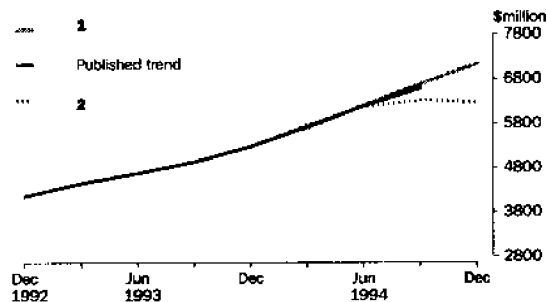
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TREND REVISIONS

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

- 1** The December 1994 seasonally adjusted estimate for company profits before tax is higher than the September 1994 seasonally adjusted estimate by 10.0%.
- 2** The December 1994 seasonally adjusted estimate for company profits before tax is lower than the September 1994 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%.

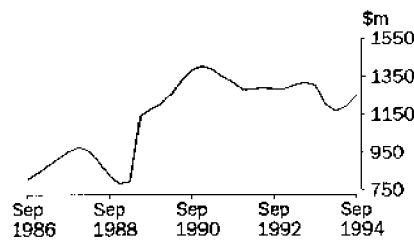


An increase of 10.0% in seasonally adjusted company profits before tax in December quarter 1994 would show a continuation of the rise in the trend from September quarter 1994. A fall of the same magnitude would result in a flattening in the trend from September quarter 1994.

IAN CASTLES
AUSTRALIAN STATISTICIAN

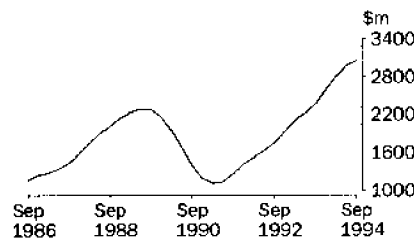
COMPANY PROFITS BEFORE INCOME TAX BY INDUSTRY: Trend

MINING



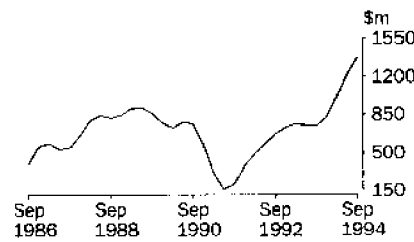
The latest trend estimate of Company Profits before income tax for the Mining industry is \$1,249m an increase of 4.8% over the revised June quarter estimate.

MANUFACTURING



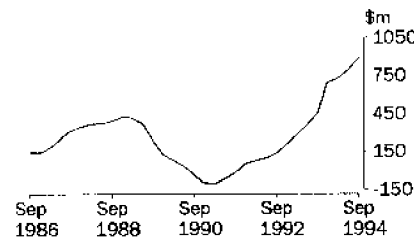
The manufacturing industry continues to show steady growth in trend estimates, up 2.8% over the revised June quarter estimate, and the 14th consecutive quarterly rise in profits.

WHOLESALE/RETAIL



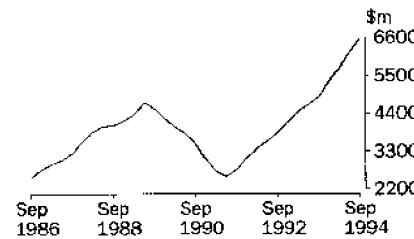
In trend terms the combined Wholesale and Retail industry has increased profits by 12.3% over the revised June quarter estimate, the fourth consecutive quarter of showing growth.

OTHER SELECTED INDUSTRIES



This consists of Construction, Transport, Services to Finance & Insurance, Property & Business Services and Other Services. The September quarter trend estimate has risen by 11.5%.

TOTAL ALL INDUSTRIES



The All Industries trend estimate of \$6554m is 6.2% up on the revised June quarter. The trend in company profits has now grown by 155% since the last trough in June 1991.

COMPANY PROFITS BEFORE INCOME TAX: All Series

Quarter	<i>Company profits before income tax, net interest paid and depreciation</i>	<i>Company profits before income tax and net interest paid</i>	<i>Company profits before income tax</i>
	\$m	\$m	\$m
ORIGINAL			
1991-92			
September	7 982	5 301	3 064
December	8 973	6 260	3 964
March	7 570	4 802	2 893
June	7 701	4 963	2 954
1992-93			
September	8 461	5 703	4 186
December	9 496	6 593	5 043
March	7 996	5 197	3 691
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 p	11 231	8 132	6 968
SEASONALLY ADJUSTED			
1991-92			
September	7 870	5 188	2 847
December	7 991	5 343	3 131
March	8 265	5 451	3 440
June	8 110	5 358	3 437
1992-93			
September	8 342	5 594	3 967
December	8 444	5 618	4 083
March	8 713	5 889	4 452
June	9 186	6 198	4 684
1993-94			
September	9 362	6 431	4 981
December	9 207	6 281	5 050
March	9 899	6 972	5 897
June	9 994	6 986	6 115
1994-95			
September p	10 999	7 915	6 615
TREND ESTIMATES			
1991-92			
September	7 719	5 079	2 772
December	8 026	5 318	3 113
March	8 159	5 409	3 361
June	8 215	5 448	3 588
1992-93			
September	8 292	5 520	3 850
December	8 473	5 671	4 139
March	8 809	5 934	4 449
June	9 064	6 136	4 660
1993-94			
September	9 209	6 275	4 871
December	9 490	6 550	5 314
March	9 747	6 797	5 722
June	10 220	7 217	6 172
1994-95			
September p	10 740	7 681	6 554

COMPANY PROFITS BEFORE INCOME TAX, Depreciation and Interest: Original

<i>Period</i>	<i>Company profits before income tax net interest paid and depreciation</i>	<i>Depreciation</i>	<i>Company profits become income tax and net interest paid</i>	<i>Interest paid</i>	<i>Interest received</i>	<i>Net interest paid</i>	<i>Company profits before income tax</i>
<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
1991-92	32 225	10 901	21 325	12 921	4 471	8 450	12 875
1992-93	34 623	11 387	23 236	9 719	3 467	6 252	16 983
1993-94	38 354	11 790	26 564	8 764	3 890	4 874	21 689
1991-92							
September	7 982	2 681	5 301	3 345	1 109	2 236	3 064
December	8 973	2 713	6 260	3 496	1 200	2 296	3 964
March	7 570	2 768	4 802	2 892	983	1 909	2 893
June	7 701	2 738	4 963	3 188	1 179	2 009	2 954
1992-93							
September	8 461	2 758	5 703	2 342	826	1 516	4 186
December	9 496	2 902	6 593	2 513	963	1 550	5 043
March	7 996	2 800	5 197	2 297	791	1 506	3 691
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 p	11 231	3 099	8 132	2 625	1 461	1 164	6 968

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										
1991-92	5 048	5 746	393	1 004	901	374	256	-1053	206	12 875
1992-93	5 268	7 983	324	1 463	1 359	394	356	-452	289	16 983
1993-94	4 827	10 655	368	1 965	1 626	774	837	-75	713	21 689
1991-92										
June	1 110	1 352	83	439	186	91	91	-398	-1	2 954
1992-93										
September	1 498	2 004	74	304	242	101	62	-206	106	4 186
December	1 173	2 298	127	400	646	138	75	49	137	5 043
March	1 326	1 697	81	320	201	76	69	-96	16	3 691
June	1 270	1 983	42	439	269	78	151	-199	31	4 063
1993-94										
September	1 364	2 733	91	439	198	209	29	23	258	5 345
December	1 206	2 830	122	399	760	243	320	87	197	6 164
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 p	1 330	3 286	124	918	347	193	239	95	436	6 968
SEASONALLY ADJUSTED										
1991-92	5 043	5 815	409	1 000	811	363	254	-1045	206	12 855
1992-93	5 278	8 069	315	1 458	1 467	402	354	-446	289	17 185
1993-94	4 827	10 831	375	1 958	1 768	803	836	-66	713	22 043
1991-92										
June	1 158	1 538	122	437	244	105	69	-307	70	3 437
1992-93										
September	1 488	1 780	72	261	384	87	61	-213	47	3 967
December	1 126	1 960	92	365	303	105	75	-23	80	4 083
March	1 330	2 057	89	408	418	114	94	-121	63	4 452
June	1 333	2 272	62	425	361	96	125	-89	99	4 684
1993-94										
September	1 352	2 413	89	393	314	174	31	17	199	4 981
December	1 159	2 424	88	376	354	183	319	5	141	5 050
March	1 168	2 924	84	580	548	238	281	-61	135	5 897
June	1 147	3 070	114	609	552	208	204	-28	239	6 115
1994-95										
September p	1 318	2 892	120	871	548	158	241	90	377	6 615
TREND ESTIMATES										
1991-92	5 171	5 822	373	790	852	338	250	-1020	258	12 834
1992-93	5 184	8 021	339	1 508	1 407	424	326	-430	321	17 098
1993-94	4 872	10 739	367	2 025	1 778	771	881	-68	714	22 079
1991-92										
June	1 290	1 625	98	320	258	84	62	-233	84	3 588
1992-93										
September	1 283	1 759	95	353	317	96	61	-179	64	3 850
December	1 283	1 925	85	359	369	101	84	-122	57	4 139
March	1 302	2 105	79	391	373	105	90	-77	81	4 449
June	1 316	2 231	79	405	348	122	91	-52	120	4 660
1993-94										
September	1 303	2 372	79	398	346	156	97	-25	145	4 871
December	1 209	2 591	85	427	396	198	274	-16	150	5 314
March	1 168	2 810	96	530	487	214	265	-23	176	5 722
June	1 192	2 967	107	670	549	203	245	-4	243	6 172
1994-95										
September p	1 249	3 050	117	802	567	183	227	34	324	6 554

COMPANY PROFITS BEFORE INCOME TAX, By Broad Industry—Percentage Changes: 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
ORIGINAL (% change from preceding period)										
1991-92	-14.8	18.1	14.3	2.7	-0.3	7.4	84.5	-22.4	29.0	4.6
1992-93	4.4	38.9	-17.6	45.7	50.8	5.4	39.1	57.0	40.6	31.9
1993-94	-8.3	33.5	13.5	34.3	19.6	96.4	135.1	83.4	146.6	27.7
1991-92										
June	-13.6	4.1	-5.2	161.4	148.4	156.9	434.7	172.9	-100.1	2.1
1992-93										
September	35.0	48.2	-11.0	-30.7	30.2	11.6	-31.9	48.2	n.p.	41.7
December	-21.6	14.7	71.4	31.6	166.5	36.4	20.8	123.6	29.2	20.5
March	13.0	-26.1	-35.6	-20.0	-68.8	-45.2	-8.3	-295.9	-88.4	-26.8
June	-4.2	16.9	-48.3	37.1	33.7	3.1	119.4	-107.3	94.8	10.1
1993-94										
September	7.4	37.8	117.5	0.0	-26.3	167.7	-80.4	111.5	740.5	31.5
December	-11.5	3.5	33.3	-8.9	283.1	16.4	985.9	278.3	-23.8	15.3
March	-3.0	-14.4	-37.1	23.5	-65.5	-34.8	-20.4	-135.6	-55.4	-20.6
June	-6.7	10.3	1.5	28.4	55.2	2.4	-8.7	-396.8	95.0	8.1
1994-95										
September p	22.1	23.0	59.0	44.9	-14.6	18.8	2.7	161.7	155.8	31.7
SEASONALLY ADJUSTED (% change from preceding period)										
1991-92	-14.6	21.1	24.2	2.7	0.3	8.7	86.3	-22.7	28.5	6.2
1992-93	4.7	38.8	-23.0	45.9	80.9	10.6	39.7	57.3	39.9	33.7
1993-94	-8.54	34.2	19.3	34.3	20.5	99.7	135.8	85.1	146.7	28.3
1991-92										
June	-11.0	-3.0	28.4	69.6	58.5	95.9	75.9	87.7	-39.8	-0.0
1992-93										
September	28.5	15.8	-41.2	-40.3	57.2	-17.7	-11.7	30.5	-32.9	15.4
December	-24.3	10.1	27.5	40.0	-21.1	20.5	22.8	89.3	71.4	2.9
March	18.1	5.0	-2.4	11.8	38.1	9.4	25.4	-426.1	-21.9	9.0
June	0.2	10.4	-31.1	4.2	-13.6	-15.7	33.3	26.4	58.7	5.2
1993-94										
September	1.4	6.2	44.5	-7.4	-13.1	80.4	-75.3	119.0	100.2	6.3
December	-14.2	0.5	-0.6	-4.3	12.8	5.2	935.5	-70.6	-29.1	1.4
March	0.8	20.6	-5.1	54.1	54.9	30.2	-11.7	n.p.	-4.4	16.8
June	-1.8	5.0	35.8	5.0	0.8	-12.8	-27.4	54.1	77.5	3.7
1994-95										
September p	14.9	-5.7	5.7	43.1	-0.8	-23.8	18.1	421.4	57.7	8.2
TREND ESTIMATES (% change from preceding period)										
1991-92	-6.4	19.6	8.5	-20.9	3.7	-10.5	88.3	-20.1	164.1	8.0
1992-93	0.2	37.8	-9.3	90.9	65.0	25.3	30.2	57.8	24.8	33.2
1993-94	-6.0	33.9	8.3	34.3	26.4	82.2	170.3	84.2	122.4	29.1
1991-92										
June	0.7	7.0	-3.1	17.3	21.5	-0.3	-12.1	-9.3	10.6	6.8
1992-93										
September	-0.5	8.3	-2.4	10.2	22.6	14.7	-1.6	23.2	-23.9	7.3
December	-0.0	9.4	-10.5	1.8	16.5	4.9	37.1	31.8	-11.6	7.5
March	1.5	9.4	-7.2	8.8	1.3	3.9	8.0	36.9	42.3	7.5
June	1.1	6.0	0.3	3.6	-6.8	16.9	1.0	32.5	49.0	4.7
1993-94										
September	-0.9	6.3	-0.4	-1.5	-0.5	27.8	6.8	51.9	21.1	4.5
December	-7.2	9.2	8.1	7.1	14.5	27.0	182.0	36.0	3.2	9.1
March	-3.3	8.5	12.3	24.2	23.0	8.0	-3.5	-43.8	17.2	7.7
June	2.1	5.6	11.4	26.6	12.9	-5.3	-7.5	82.7	38.3	7.9
1994-95										
September p	4.8	2.8	9.3	19.6	3.3	-9.7	-7.0	950.0	33.3	6.2

COMPANY PROFITS, By Industry: Original

Period	Mining \$m	Manu- facturing \$m	Construction \$m	Wholesale trade \$m	Retail trade \$m	Transport and storage \$m	Services to finance and insurance \$m	Property and business services \$m	Other services \$m	Total \$m
PROFITS BEFORE INCOME TAX										
1991-92	5 048	5 746	393	1 004	901	374	256	-1053	206	12 875
1992-93	5 268	7 983	324	1 463	1 359	394	356	-452	289	16 983
1993-94	4 827	10 655	368	1 965	1 626	774	837	-75	713	21 689
1991-92										
June	1 110	1 352	83	439	186	91	91	-398	-1	2 954
1992-93										
September	1 498	2 004	74	304	242	101	62	-206	106	4 186
December	1 173	2 298	127	400	646	138	75	49	137	5 043
March	1 326	1 697	81	320	201	76	69	-96	16	3 691
June	1 270	1 983	42	439	269	78	151	-199	31	4 063
1993-94										
September	1 364	2 733	91	439	198	209	29	23	258	5 345
December	1 206	2 830	122	399	760	243	320	87	197	6 164
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 p	1 330	3 286	124	918	347	193	239	95	436	6 968
PROFITS BEFORE INCOME TAX & NET INTEREST										
1991-92	5 883	8 889	518	2 118	1 424	643	370	759	720	21 325
1992-93	5 862	10 419	358	2 130	1 654	755	471	876	711	23 236
1993-94	5 381	12 202	460	2 621	1 939	1 004	1 079	851	1 026	26 564
1991-92										
June	1 367	2 045	113	642	305	191	129	25	146	4 983
1992-93										
September	1 632	2 604	84	474	326	204	81	110	189	5 703
December	1 313	2 884	120	603	737	224	107	360	244	6 593
March	1 462	2 246	93	464	273	156	92	308	102	5 197
June	1 454	2 685	61	590	318	172	191	97	176	5 743
1993-94										
September	1 498	3 135	113	592	279	291	43	351	332	6 635
December	1 354	3 215	143	564	843	317	387	273	266	7 362
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 p	1 432	3 672	154	1 117	401	251	252	371	483	8 132
PROFITS BEFORE INCOME TAX, NET INTEREST & DEPRECIATION										
1991-92	8 823	13 248	738	3 134	2 118	1 300	441	1 323	1 101	32 225
1992-93	8 873	14 912	590	3 077	2 344	1 361	551	1 654	1 262	34 623
1993-94	8 481	16 763	681	3 712	2 806	1 595	1 172	1 518	1 625	38 354
1991-92										
June	2 095	3 140	165	904	479	372	146	156	246	7 701
1992-93										
September	2 355	3 692	139	699	502	350	104	284	335	8 461
December	2 120	4 007	181	850	917	385	125	540	369	9 496
March	2 164	3 355	148	689	439	300	111	545	245	7 996
June	2 234	3 858	122	838	485	325	211	285	312	8 670
1993-94										
September	2 261	4 261	164	856	504	438	88	510	489	9 552
December	2 129	4 361	198	852	1 078	467	410	442	411	10 349
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 p	2 203	4 877	234	1 381	598	412	275	589	661	11 231

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 manu- facturing	Total manu- facturing
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
PROFITS BEFORE INCOME TAX										
1991-92	1 696	277	459	373	1 046	662	472	746	16	5 746
1992-93	2 144	219	643	666	1 350	816	847	1 259	40	7 983
1993-94	2 130	380	913	1 134	1 633	1 047	1 895	1 402	122	10 655
1991-92										
June	308	55	95	238	174	173	117	311	0	1 352
1992-93										
September	496	74	186	265	294	207	226	323	20	2 004
December	748	73	146	290	329	253	178	356	16	2 298
March	428	38	148	242	362	103	207	255	-10	1 697
June	472	34	163	291	365	253	235	325	13	1 983
1993-94										
September	556	110	234	379	384	269	481	384	29	2 733
December	679	107	247	420	408	293	511	217	41	2 830
March	504	77	222	318	407	232	412	316	21	2 421
June	390	86	210	372	434	254	491	484	31	2 671
1994-95										
September p	535	152	259	456	469	313	589	587	21	3 286
PROFITS BEFORE INCOME TAX & NET INTEREST PAID										
1991-92	2 263	408	717	831	1 458	836	1 273	1 067	38	8 889
1992-93	2 659	338	814	878	1 640	984	1 509	1 485	110	10 419
1993-94	2 560	512	1 071	1 257	1 853	1 172	2 050	1 594	133	12 202
1991-92										
June	445	82	150	186	278	208	316	376	4	2 045
1992-93										
September	634	106	232	213	370	256	380	375	38	2 604
December	887	104	188	236	395	300	345	403	27	2 884
March	543	67	188	193	418	141	378	303	15	2 246
June	596	61	207	237	458	286	406	405	30	2 685
1993-94										
September	665	147	273	323	442	299	521	435	31	3 135
December	781	137	288	362	464	324	551	266	43	3 215
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 p	643	185	311	389	534	340	617	624	29	3 672
PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION										
1991-92	3 093	537	1 082	1 055	2 151	1 170	2 211	1 889	60	13 248
1992-93	3 500	470	1 149	1 089	2 409	1 344	2 444	2 275	232	14 912
1993-94	3 453	673	1 522	1 490	2 571	1 556	2 973	2 364	160	16 763
1991-92										
June	660	109	236	238	461	292	555	579	10	3 140
1992-93										
September	840	139	312	265	551	340	607	565	72	3 692
December	1 113	141	272	290	579	392	572	594	54	4 007
March	751	97	273	242	603	236	607	498	48	3 355
June	796	93	292	291	676	376	658	617	58	3 858
1993-94										
September	883	185	376	379	615	393	753	641	38	4 261
December	1 012	178	403	420	643	417	779	460	50	4 361
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 p	883	238	407	456	728	442	844	841	38	4 877

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 In order to classify profits by industry in these series, each statistical unit is classified to the Australian and New Zealand Standard Industrial Classification (ANZSIC) industry in which it mainly operates.

5 The scope of the survey:

- includes the following Australian and New Zealand [ANZSIC] industries.

Mining (11-15)

Manufacturing (21-29)

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 (41-42)

Wholesale (45-47)

Retail (51-53)

Transport and storage (61-67)

Services to finance and insurance (75)

Property and business services (77-78)

Other selected industries (including electricity, gas and water supply, accommodation, cafes and restaurants, communication, cultural and recreational services, and other services 36-37, 57, 71, 91-93, 95-96).

- excludes companies primarily engaged in:

Agriculture

Forestry

Fishing

Hunting

Finance (73)

Insurance (74)

Government administration and defence (Division M)

Education (Division N)

Health and community services (Division O)

SEASONAL ADJUSTMENT

6 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.

7 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.

8 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.

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

10 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.

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

TREND ESTIMATES

12 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 more information, see *A Guide to Smoothing Time Series—Estimates of Trend* (1316.0) and *Time Series Decomposition—An Overview* (1317.0).

SURVEY SAMPLE DESIGN

13 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.

SURVEY METHODOLOGY

14 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.

15 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. Aggregates are calculated from reported data using the *number raised* estimation technique. Data are edited both at individual business unit level and at aggregate level.

STATISTICAL UNIT

16 From the beginning of 1989, the ABS introduced a new statistical unit known as the management 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.

DESCRIPTION OF TERMS

17 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.

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.

Depreciation of fixed assets

This is as per management accounts and includes depreciation on equipment acquired under a finance lease.

COMPARISON WITH OTHER ABS STATISTICS

18 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:

- 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

19 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. Inquiries should be made to Horst Peemoeller on 06 252 5617 or to any ABS office.

RELATED PUBLICATIONS

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

- *Australian National Accounts, National Income Expenditure and Product* (5206.0)
- *A Guide to Smoothing Time Series—Estimates of Trend* (1316.0)
- *Private New Capital Expenditure, Australia, Actual and Expected Expenditure, Preliminary* (5625.0)
- *State Estimates of Private New Capital Expenditure, Actual and Expected Expenditure* (5646.0)
- *Stocks, Manufacturers' Sales and Expected Sales, Australia* (5629.0)
- *Australian Business Expectations* (5250.0)

21 Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and the Publications Advice are available from any ABS office.

SYMBOLS AND OTHER USAGES

- r data or series revised since previous issue
- p preliminary figures or series subject to revision
- n.p. not available for publication



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 (\$5,500m + or - \$80m)
- There are approximately nineteen chances in twenty that the real value falls within the range \$5,340m and \$5,660m (\$5,500m + or - \$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	24	25	24
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 + or - \$75m)
- There are approximately nineteen chances in twenty that the real movement falls within the range \$350m to \$650m (\$500m + or - \$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	23	18	22
Machinery and equipment	16	16	16
Other manufacturing	7	7	7
Total manufacturing	43	40	42
Construction	39	37	39
Wholesale trade	37	38	37
Retail trade	26	24	29
Transport and storage	26	24	31
Services to finance and insurance	14	13	13
Property and business services	60	65	59
Other services	25	22	25
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).

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Special tables or in-depth data investigations are provided by the ABS Information Consultancy Service in each of our offices (see below).

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