

COMPANY PROFITS AUSTRALIA

EMBARGOED UNTIL 11:30AM THURS 22 FEBRUARY 1996

DECEMBER QTR KEY FIGURES

TREND ESTIMATES

	Dec 95 \$m	% change Sep 95 to Dec 95	% change Dec 94 to Dec 95
Company Profits before			
Income Tax	6 285	-0.9	-1.2
Income Tax & Net Interest	7 585	0.5	0.8
Income Tax, Net Interest & Depreciation	10 921	0.0	2.2

SEASONALLY ADJUSTED

	Dec 95 \$m	% change Sep 95 to Dec 95	% change Dec 94 to Dec 95
Company Profits before			
Income Tax	6 148	-6.3	-4.7
Income Tax & Net Interest	7 492	-3.3	-2.0
Income Tax, Net Interest & Depreciation	10 774	-2.8	0.6

ORIGINAL ESTIMATES

	Dec 95 \$m	% change Sep 95 to Dec 95	% change Dec 94 to Dec 95
Company Profits before			
Income Tax	7 210	1.3	-5.9
Income Tax & Net Interest	8 504	1.6	-2.6
Income Tax, Net Interest & Depreciation	11 902	1.8	0.0

DECEMBER QTR KEY POINTS

TREND ESTIMATES

- The provisional trend estimate for company profits before income tax, for companies with more than 30 employees, has decreased by 0.9% following an increase of 1.1% in the revised September 1995 quarter estimate.

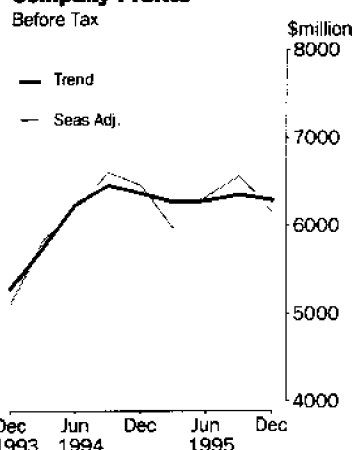
SEASONALLY ADJUSTED

- The seasonally adjusted estimate for company profits before income tax decreased by 6.3%, after increases of 6.0% and 3.8% in the two previous quarters. The estimate has decreased by 4.7% from the December 1994 quarter.

ORIGINAL ESTIMATES

- The original estimate for company profits before income tax as reported for the December 1995 quarter was \$7 210m, an increase of 1.3% from the revised September 1995 quarter estimate, and a decrease of 5.9% from the December 1994 estimate.

Company Profits



INQUIRIES

- For further information about these and related statistics, contact Gerry Ashford on 02 268 4565, or any ABS office.

COMPANY PROFITS NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)

RELEASE DATE

March 1996

16 May 1996

June 1996

16 August 1996

September 1996

19 November 1996

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CHANGES IN THIS ISSUE

This issue contains revised data from the September quarter 1994. The revisions affect all industries in original, seasonally adjusted and trend terms.

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SAMPLING ERRORS

Standard errors for estimates contained in this publication are shown on pages 15-16.

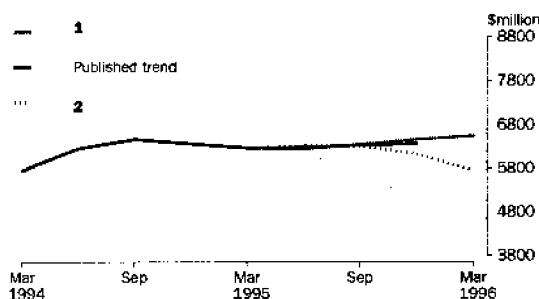
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TREND REVISIONS

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 March 1996 seasonally adjusted estimate for company profits before tax is higher than the December 1995 seasonally adjusted estimate by 10.0%.
- 2 The March 1996 seasonally adjusted estimate for company profits before tax is lower than the December 1995 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%.



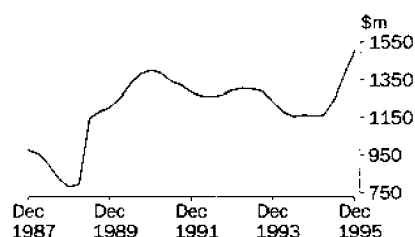
An increase of 10.0% in seasonally adjusted company profits (before Income Tax, Net Interest Paid and Depreciation) in March quarter 1996 would show a continuation of the gradual rise in the trend from December quarter 1995. A fall of the same magnitude would result in the trend decreasing from September quarter 1995.

W. McLennan

Australian Statistician

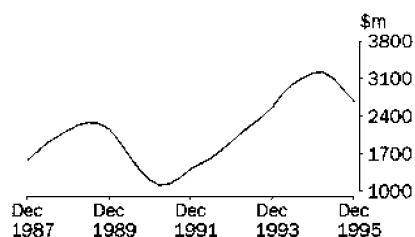
COMPANY PROFITS BEFORE INCOME TAX BY INDUSTRY:Trend

MINING



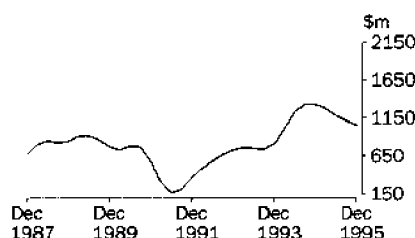
The December 1995 quarter trend estimate increased by 8.5% continuing the strong growth in the two previous quarters of 7.5% and 11.3% respectively.

MANUFACTURING



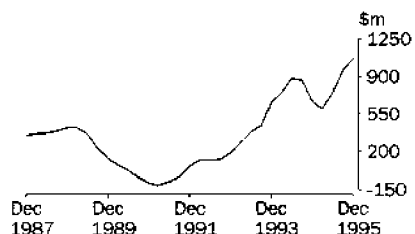
From the peak in the March 1995 quarter, there have been three consecutive falls in the quarterly trend estimate of 4.0%, 7.0% and 7.7% respectively.

WHOLESALE/RETAIL



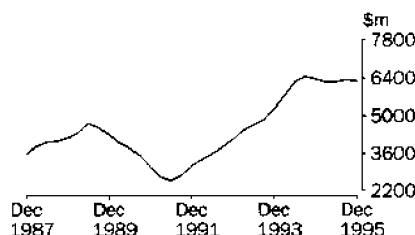
The trend estimate for the combined Wholesale and Retail industries has decreased by 5.0%, continuing the decline in the last four quarters.

OTHER SELECTED INDUSTRIES



This includes Construction, Transport, Services to Finance and Insurance, Property & Business Services and Other Services. The December 1995 quarter trend estimate has increased by 10.6%.

TOTAL ALL INDUSTRIES



The All Industries trend estimate remains relatively flat (0.9% increase) after peaking in September 1994.

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			
1992-93			
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	11 440	8 297	7 135
December	11 908	8 728	7 660
March	9 479	6 276	5 013
June	9 993	6 704	5 400
1995-96			
September	11 691	8 372	7 120
December	11 902	8 504	7 210
SEASONALLY ADJUSTED			
1992-93			
December	8 536	5 740	4 128
March	8 687	5 861	4 422
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	10 893	7 436	6 323
1995-96			
September	11 089	7 749	6 562
December	10 774	7 492	6 148
TREND ESTIMATES			
1992-93			
December	8 486	5 677	4 124
March	8 836	5 954	4 446
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	10 688	7 523	6 362
March	10 708	7 417	6 263
June	10 792	7 429	6 277
1995-96			
September	10 919	7 551	6 344
December	10 921	7 585	6 285



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	
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
1994-95	42 820	12 815	30 005	11 233	6 435	4 798	25 207
1992-93							
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	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	9 993	3 289	6 704	3 247	1 943	1 304	5 400
1995-96							
September	11 691	3 320	8 372	2 499	1 247	1 252	7 120
December	11 902	3 398	8 504	2 560	1 266	1 294	7 210



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

	Mining	Manu- facturing	Construction	Wholesale trade	Retail trade	Transport and storage	Services to finance and insurance	Property and business services	Other services	Total
Period	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL										
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
1994-95	4 668	12 602	500	3 180	1 933	648	612	-49	1 113	25 207
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	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	2 732	156	724	379	153	121	-89	175	5 400
1995-96										
September	1 596	3 097	63	676	324	268	227	172	698	7 120
December	1 470	3 147	57	672	771	359	186	-18	566	7 210
SEASONALLY ADJUSTED										
1992-93	5 262	8 057	316	1 458	1 439	401	352	-450	294	17 129
1993-94	4 825	10 806	374	1 959	1 713	802	834	-73	716	21 957
1994-95	4 660	12 656	538	3 179	1 993	646	610	-48	1 114	25 349
1993-94										
September	1 261	2 425	83	376	293	175	59	-19	174	4 828
December	1 268	2 450	91	376	369	179	287	-36	135	5 119
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	3 156	221	722	509	199	86	69	260	6 323
1995-96										
September	1 470	2 735	57	619	460	223	264	127	609	6 562
December	1 557	2 738	43	657	383	265	148	-144	501	6 148
TREND ESTIMATES										
1992-93	5 175	8 010	339	1 507	1 379	424	326	-435	322	17 048
1993-94	4 858	10 740	359	2 031	1 740	782	901	-42	736	22 103
1994-95	4 729	12 630	499	3 127	1 985	653	632	-68	1 172	25 360
1993-94										
September	1 288	2 378	78	396	337	156	101	-35	139	4 840
December	1 230	2 579	87	425	384	196	269	-30	147	5 288
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	1 157	3 201	117	836	495	146	181	-44	275	6 362
March	1 162	3 229	145	786	485	148	98	-40	249	6 263
June	1 249	3 100	142	704	479	183	88	5	329	6 277
1995-96										
September	1 390	2 881	103	655	454	225	150	24	461	6 344
December	1 508	2 660	61	636	417	257	200	-14	561	6 285

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)										
1992-93	4.4	38.9	-17.7	45.6	50.8	5.4	39.1	57.1	40.6	31.9
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	18.3	36.1	61.9	18.9	-16.3	-26.9	35.1	56.1	16.2
1993-94										
September	7.4	37.8	117.5	0.0	-26.4	167.7	-80.4	111.3	740.5	31.5
December	-11.6	3.5	33.3	-9.0	283.1	16.4	985.9	285.7	-23.8	15.3
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	36.9	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	-4.8	47.4	9.1	49.3	83.0	185.0	46.8	96.7	7.7
1995-96										
September	52.2	13.3	-59.8	-6.6	-14.6	75.5	87.7	293.8	298.8	31.9
December	-7.9	1.6	-8.8	-0.6	138.0	34.0	-17.8	-110.7	-19.0	1.3
SEASONALLY ADJUSTED (% change from preceding period)										
1992-93	4.4	38.8	-22.6	45.7	78.6	9.9	40.3	51.8	39.4	32.3
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	17.1	44.1	62.2	16.3	-19.4	-26.8	33.5	55.7	15.5
1993-94										
September	-4.8	6.2	38.0	-15.8	-17.7	75.8	-52.2	57.3	51.9	1.4
December	0.5	1.0	9.5	-0.2	25.9	1.9	388.5	-83.5	-22.4	6.0
March	-9.0	16.2	-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	-6.2	80.3	-2.6	6.1	60.0	180.6	144.3	66.4	6.0
1995-96										
September	33.3	-13.3	-74.1	-14.3	-9.8	12.1	207.1	85.3	134.0	3.8
December	6.0	0.1	-24.9	6.2	-16.7	19.0	-43.8	-213.3	-17.6	-6.3
TREND ESTIMATES (% change from preceding period)										
1992-93	0.7	37.8	-8.9	90.8	63.2	25.1	30.0	54.1	24.7	32.6
1993-94	-6.1	34.1	5.9	34.7	26.2	84.1	176.7	90.3	128.2	29.7
1994-95	-2.7	17.6	38.8	54.0	14.1	-16.4	-29.8	-59.3	59.3	14.7
1993-94										
September	-1.0	6.6	-1.0	-3.2	-0.6	26.8	7.1	15.0	14.0	3.9
December	-4.6	8.5	12.5	7.4	13.9	25.4	166.0	13.9	5.6	9.3
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	4.1	-3.1	17.3	-2.2	-15.8	-4.4	-59.6	19.6	3.5
December	-0.4	3.2	22.9	4.2	-6.1	-17.7	-31.6	-473.2	-13.8	-1.5
March	0.5	0.9	24.8	-5.9	-1.9	1.4	-46.0	7.8	-9.3	-1.6
June	7.5	-4.0	-2.4	-10.5	-1.4	23.5	-10.0	111.7	31.8	0.2
1995-96										
September	11.3	-7.0	-27.6	-7.0	-5.1	23.3	70.6	419.0	40.3	1.1
December	8.5	-7.7	-41.1	-2.9	-8.1	14.1	32.8	-156.4	21.7	-0.9

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 \$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										
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
1994-95	4 668	12 602	500	3 180	1 933	648	612	-49	1 113	25 207
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	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	2 732	156	724	379	153	121	-89	175	5 400
1995-96										
September	1 596	3 097	63	676	324	268	227	172	698	7 120
December	1 470	3 147	57	672	771	359	186	-18	566	7 210
PROFITS BEFORE INCOME TAX & NET INTEREST										
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
1994-95	5 169	14 210	607	3 985	2 186	835	731	823	1 459	30 005
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	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	3 193	184	934	443	182	178	110	280	6 704
1995-96										
September	1 709	3 509	84	838	383	348	287	362	851	8 372
December	1 593	3 578	81	851	825	450	218	184	725	8 504
PROFITS BEFORE INCOME TAX, NET INTEREST & DEPRECIATION										
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
1994-95	8 113	19 192	957	5 058	2 936	1 479	835	1 969	2 281	42 820
1993-94										
September	2 261	4 261	164	856	504	438	68	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	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	4 443	273	1 203	628	357	208	407	510	9 993
1995-96										
September	2 509	4 765	146	1 102	561	611	313	580	1 105	11 691
December	2 409	4 833	151	1 101	1 016	729	242	414	1 006	11 902

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	\$m
PROFITS BEFORE INCOME TAX										
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
1994-95	2 227	470	983	1 411	1 781	1 134	2 363	2 169	64	12 602
1993-94										
September	556	110	234	288	384	269	481	384	29	2 733
December	679	107	247	326	408	293	511	217	41	2 830
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	381	97	235	333	429	220	528	494	17	2 732
1995-96										
September	578	83	260	332	389	240	673	534	8	3 097
December	843	70	233	339	470	233	541	413	5	3 147
PROFITS BEFORE INCOME TAX & NET INTEREST PAID										
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
1994-95	2 714	595	1 162	1 535	2 042	1 228	2 508	2 325	101	14 210
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	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	521	131	278	372	504	252	567	542	26	3 193
1995-96										
September	697	107	320	378	457	262	714	559	16	3 509
December	980	95	289	384	537	264	579	438	12	3 578
PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION										
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
1994-95	3 745	796	1 542	1 805	2 833	1 668	3 466	3 191	146	19 192
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	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	787	183	376	433	704	367	799	758	38	4 443
1995-96										
September	967	151	425	456	677	375	956	730	27	4 765
December	1 237	137	397	463	726	382	832	635	23	4 833

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)

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SURVEY SAMPLE DESIGN

6 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.

7 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.

8 For the Survey of Company Profits, which excludes businesses employing 30 or less people, 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

9 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.

10 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

11 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

12 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

13 There has been extensive consultation with external users to ensure that the ANZSIC reflects the structure of Australian and New Zealand industry and user requirements for statistics. The Australian Bureau of Statistics and the New Zealand Department of Statistics encourage other organisations to use the classification in their own work in order to improve the comparability and usefulness of the statistics.

14 In the development of the ANZSIC greater emphasis has been placed on alignment with the international standards than has been the case in the past. The International Standards Industrial Classification of All Economic Activities (ISIC), Revision 3, has been used as the international standard for reference purposes. This will lead to significant improvements in the comparability of industry statistics internationally.

15 Because of the introduction of ANZSIC and its use in this publication, changes occur in classification categories when compared to previous releases of this publication. As an example, categories listed in Table 1 and under "Manufacturing" differ from previously. The old (ASIC) classification: "Textiles, Clothing & Footwear" becomes (in part) the new ANZSIC classification: "Textiles, Clothing, Footwear & Leather". The correspondence between these categories is not strictly one-to-one. Accordingly, care should be taken when making comparisons between years where different classifications have been used.

16 Users are referred to a detailed analysis of ANZSIC/ASIC and ASIC/ANZSIC concordances contained in the joint ABS, New Zealand publication: *Australian & New Zealand Standard Industrial Classification, 1993, ANZSIC*, ABS Cat. No. 1292.0 and New Zealand Cat. No. 19.005.0092.

17 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

18 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.

19 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.

20 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.

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

22 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.

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

TREND ESTIMATES

24 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* (13/48.0) or contact the Assistant Director, Time Series Analysis on (06) 252 6345.

DESCRIPTION OF TERMS

25 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

26 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

27 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 Gerry Ashford on 02 268 4565 or to any ABS office.

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RELATED PUBLICATIONS

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

- *Australian National Accounts, National Income Expenditure and Product* (5206.0)
- *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)
- *Business Operations and Industry Performance, Australia* (8140.0).

29 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 *Release Advice* (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.

SYMBOLS AND OTHER USAGES

- r data or series revised since previous issue
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 ($\$5,500\text{m} \pm \80m)
- There are approximately nineteen chances in twenty that the real value falls within the range \$5,340m and \$5,660m ($\$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



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