



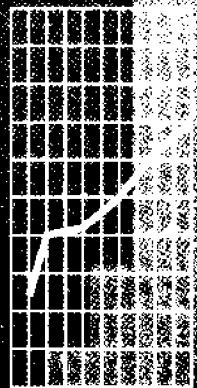
1995-96

EMBARGO: 11.30 AM (CANBERRA TIME) MON 21 APRIL 1997

Manufacturing Industry

Australia

Preliminary



NOTES

ANNUAL MANUFACTURING INDUSTRY COLLECTION

The 1995-96 collection was a survey of approximately 20,000 manufacturing businesses. All selected manufacturing businesses were requested to provide data on employment, wages and salaries, turnover, purchases and whether their products were exported. Smaller samples of businesses provided additional information related to detailed structural and performance data, environmental protection expenditure and the value of sales for commodities produced. This publication provides preliminary estimates of employment, wages and salaries and turnover. Other data items will be published in *Manufacturing Industry, Australia, 1995-96* (Cat. no. 8221.0), or will be available as a special data service.

ABOUT THIS ISSUE

The data contained in this publication have been adjusted for known deficiencies in the number of businesses recorded on the ABS business register. The nature of these adjustments and the reasons for making them are described in paragraphs 15 and 16 of the Explanatory notes.

A table showing changes in employment and turnover (in constant prices) from the previous year has not been included in this publication.

MANUFACTURING PUBLICATIONS

The publication *Manufacturing Industry, Australia, 1994-95* (Cat. no. 8221.0) was released in January 1997. The 1994-95 series of *Manufacturing Industry* publications (Cat. nos. 8221.1 to 8221.6) for States are being released progressively, with the last to be released in May 1997. The 1995-96 series of *Manufacturing Industry* publications (Cat. nos. 8221.0 to 8221.6) for Australia and States will also be released progressively commencing with the release of Cat. no. 8221.0 in August 1997. The 1993-94 issue of *Manufacturing Production, Australia: Principal Commodities Produced* (Cat. no. 8365.0) will be released later in 1997, followed by the 1994-95 and 1995-96 issues.

SYMBOLS AND OTHER USAGES

ANZSIC Australian and New Zealand Standard Industrial Classification
— nil or rounded to zero
* data subject to sampling variability of between 25% and 50%

INQUIRIES

For information about other ABS statistics and services, please refer to the back of this publication.

For further information about statistics in this publication and the availability of related unpublished statistics, contact John Ridley on Sydney (02) 9268 4541.

W. McLennan
Australian Statistician

MAIN FEATURES

OVERVIEW

Manufacturing establishments operating in Australia employed 923,100 persons at the end of June 1996. For the year to the end of June 1996, they paid \$29,902m in wages and salaries, and recorded \$197,963m in turnover.

EMPLOYMENT

Australian manufacturing employment fell marginally between June 1995 and June 1996 (down 0.1% from 924,400 persons to 923,100 persons). Falls were recorded for the Australian Capital Territory (down 7%) and New South Wales, Queensland and Western Australia (all down 1%). Employment rose in the Northern Territory (up 12%), Tasmania (up 2%) and Victoria (up 1%). Employment in South Australia rose marginally (up 0.4%).

Nationally, employment fell between June 1995 and June 1996 in five of the nine industry subdivisions, remained unchanged in one and rose in the other three. The industry subdivision with the largest percentage decrease was Wood and paper product manufacturing (down 4%), followed by Non-metallic mineral product manufacturing (down 3%). Textile, clothing, footwear and leather manufacturing and Printing, publishing and recorded media each fell by 1%, while Petroleum, coal, chemical and associated product manufacturing recorded a marginal decrease in employment (down 0.4%). Increases were recorded by Metal product manufacturing and Machinery and equipment manufacturing (each up 1%) and Food, beverage and tobacco manufacturing (up 0.1%). Employment in Other manufacturing remained unchanged.

TURNOVER

Turnover (in current prices) rose by \$6,273m or 3% from \$191,690m in 1994-95 to \$197,963m in 1995-96. Prices for manufactured goods grew by 2.4% over the year, implying real turnover growth of approximately 1% compared to 1994-95.

All States and the Northern Territory recorded an increase in turnover at current prices, while the Australian Capital Territory recorded a decrease. The Northern Territory (up 7%) recorded the largest increase in percentage terms, followed by Tasmania (up 6%), New South Wales, Queensland and South Australia (all up 4%), Victoria (up 3%) and Western Australia (up 2%). The Australian Capital Territory recorded a fall of 3%.

Nationally, seven of the nine industry subdivisions recorded an increase in turnover at current prices. Metal product manufacturing (up 7%) recorded the largest percentage increase, followed by Food, beverage and tobacco manufacturing (up 5%), Machinery and equipment manufacturing (up 4%), Textile, clothing, footwear and leather manufacturing and Printing, publishing and recorded media (each up 3%) and Wood and paper product manufacturing and Petroleum, coal, chemical and associated product manufacturing (each up 1%). The industry subdivisions recording decreases in turnover were Non-metallic mineral product manufacturing (down 4%) and Other manufacturing (down 1%).

MAIN FEATURES *continued*

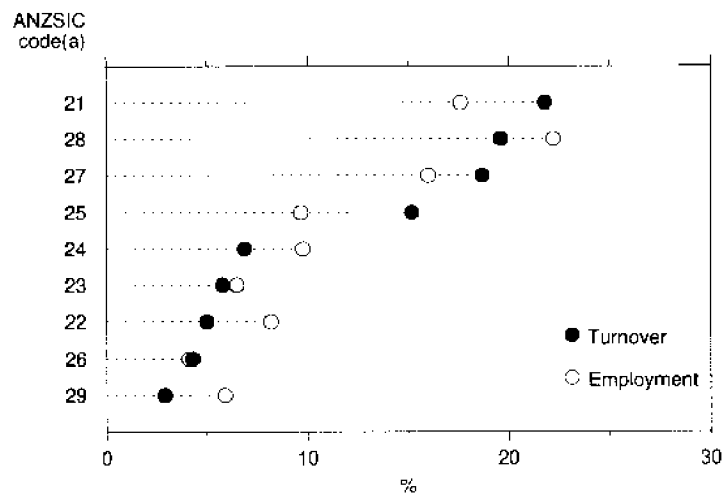
DISTRIBUTION OF TURNOVER AND EMPLOYMENT

The industry subdivision with the largest contribution to turnover in 1995-96 was Food, beverage and tobacco manufacturing [21] (22%). The next largest contributors were Machinery and equipment manufacturing [28] (20%), Metal product manufacturing [27] (19%) and Petroleum, coal, chemical and associated product manufacturing [25] (15%).

The industry subdivision with the largest contribution to employment at the end of June 1996 was Machinery and equipment manufacturing [28] (22%), while Food, beverage and tobacco manufacturing [21] had 18% and Metal product manufacturing [27] had 16% of employment in the manufacturing industry.

These results are similar to the results recorded for the 1994-95 survey.

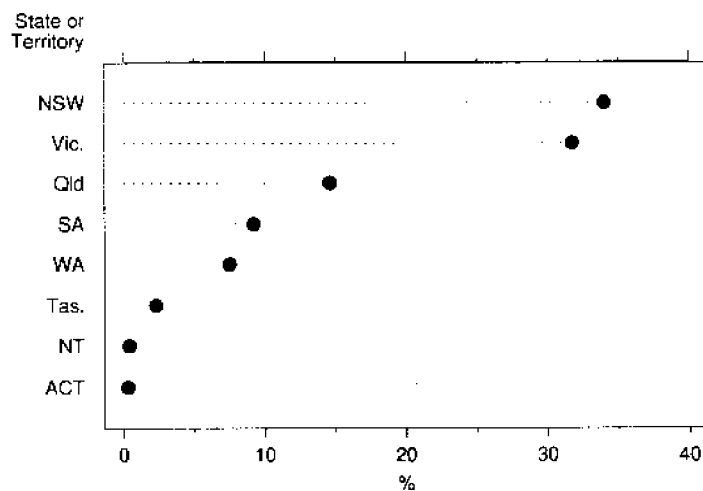
Distribution of turnover and employment by ANZSIC subdivision



(a) For a description of the ANZSIC subdivision, see Table 1.

New South Wales was the largest contributor among the States and Territories to national manufacturing turnover (34%), followed by Victoria (32%) and Queensland (15%). The contribution by each of the States and Territories to national manufacturing employment was within one percentage point of their contribution to turnover.

Distribution of turnover by States and Territories



MFG ESTABLISHMENTS(a), Summary Data for States, Territories and Australia

INDUSTRY SUBDIVISION		Employment at end of June(b)	Wages and salaries(c)	Turnover
ANZSIC code	Description	'000	\$m	\$m
NEW SOUTH WALES				
21	Food, beverage and tobacco mfg	49.1	1 634	13 616
22	Textile, clothing, footwear and leather mfg	23.7	591	3 232
23	Wood and paper product mfg	19.0	572	3 634
24	Printing, publishing and recorded media	35.0	1 271	6 009
25	Petroleum, coal, chemical and associated product mfg	33.3	1 283	11 627
26	Non-metallic mineral product mfg	12.0	423	2 776
27	Metal product mfg	52.4	2 054	14 093
28	Machinery and equipment mfg	62.7	2 176	10 498
29	Other manufacturing	16.3	394	1 854
21-29	Total manufacturing	303.5	10 399	67 239
VICTORIA				
21	Food, beverage and tobacco mfg	42.7	1 474	12 313
22	Textile, clothing, footwear and leather mfg	36.7	907	4 623
23	Wood and paper product mfg	17.1	561	3 486
24	Printing, publishing and recorded media	28.8	1 013	4 360
25	Petroleum, coal, chemical and associated product mfg	33.8	1 307	10 294
26	Non-metallic mineral product mfg	9.9	349	2 123
27	Metal product mfg	36.7	1 192	8 136
28	Machinery and equipment mfg	73.2	2 452	15 661
29	Other manufacturing	15.6	384	1 675
21-29	Total manufacturing	294.5	9 639	62 671
QUEENSLAND				
21	Food, beverage and tobacco mfg	34.4	1 069	8 975
22	Textile, clothing, footwear and leather mfg	5.3	110	589
23	Wood and paper product mfg	10.7	285	1 587
24	Printing, publishing and recorded media	11.2	316	1 357
25	Petroleum, coal, chemical and associated product mfg	9.5	323	4 012
26	Non-metallic mineral product mfg	7.2	252	1 827
27	Metal product mfg	25.3	771	6 410
28	Machinery and equipment mfg	23.5	680	3 240
29	Other manufacturing	10.1	230	979
21-29	Total manufacturing	137.3	4 037	28 976
SOUTH AUSTRALIA				
21	Food, beverage and tobacco mfg	16.4	443	3 762
22	Textile, clothing, footwear and leather mfg	5.1	128	844
23	Wood and paper product mfg	5.8	188	1 014
24	Printing, publishing and recorded media	5.3	154	721
25	Petroleum, coal, chemical and associated product mfg	5.9	199	1 156
26	Non-metallic mineral product mfg	2.5	89	527
27	Metal product mfg	11.6	396	2 628
28	Machinery and equipment mfg	30.3	1 016	7 088
29	Other manufacturing	4.6	107	461
21-29	Total manufacturing	87.5	2 720	18 202

For footnotes see end of table.

INDUSTRY SUBDIVISION		Employment at end of June(b)	Wages and salaries(c)	Turnover
ANZSIC code	Description	'000	\$m	\$m

WESTERN AUSTRALIA				
21	Food, beverage and tobacco mfg	13.3	361	2 989
22	Textile, clothing, footwear and leather mfg	3.2	70	305
23	Wood and paper product mfg	3.9	114	666
24	Printing, publishing and recorded media	6.1	191	802
25	Petroleum, coal, chemical and associated product mfg	6.1	237	2 729
26	Non-metallic mineral product mfg	4.9	162	978
27	Metal product mfg	16.4	619	4 176
28	Machinery and equipment mfg	11.0	323	1 728
29	Other manufacturing	5.3	121	558
21-29	<i>Total manufacturing</i>	70.4	2 197	14 932

TASMANIA				
21	Food, beverage and tobacco mfg	5.7	163	1 335
22	Textile, clothing, footwear and leather mfg	1.8	48	226
23	Wood and paper product mfg	3.4	125	995
24	Printing, publishing and recorded media	2.0	59	179
25	Petroleum, coal, chemical and associated product mfg	0.7	30	212
26	Non-metallic mineral product mfg	1.0	32	266
27	Metal product mfg	3.7	112	951
28	Machinery and equipment mfg	3.1	95	385
29	Other manufacturing	1.2	20	73
21-29	<i>Total manufacturing</i>	22.5	684	4 622

NORTHERN TERRITORY				
21	Food, beverage and tobacco mfg	0.6	17	102
22	Textile, clothing, footwear and leather mfg	0.1	1	4
23	Wood and paper product mfg	0.2	6	25
24	Printing, publishing and recorded media	*0.6	11	39
25	Petroleum, coal, chemical and associated product mfg	0.1	3	24
26	Non-metallic mineral product mfg	0.1	3	59
27	Metal product mfg	1.3	53	482
28	Machinery and equipment mfg	0.3	9	41
29	Other manufacturing	0.2	2	11
21-29	<i>Total manufacturing</i>	3.5	105	787

AUSTRALIAN CAPITAL TERRITORY				
21	Food, beverage and tobacco mfg	0.5	14	74
22	Textile, clothing, footwear and leather mfg	0.1	2	9
23	Wood and paper product mfg	0.3	8	40
24	Printing, publishing and recorded media	1.7	58	207
25	Petroleum, coal, chemical and associated product mfg	*—	*1	*4
26	Non-metallic mineral product mfg	0.2	5	44
27	Metal product mfg	*0.3	*8	42
28	Machinery and equipment mfg	0.5	16	62
29	Other manufacturing	0.4	11	53
21-29	<i>Total manufacturing</i>	3.9	122	534

For footnotes see end of table.

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MFG ESTABLISHMENTS(a), Summary Data for States, Territories and Australia *continued*

INDUSTRY SUBDIVISION		Employment at end of June(b)	Wages and salaries(c)	Turnover
ANZSIC code	Description	'000	\$m	\$m
.....				
AUSTRALIA				
21	Food, beverage and tobacco mfg	162.7	5 175	43 067
22	Textile, clothing, footwear and leather mfg	75.9	1 857	9 832
23	Wood and paper product mfg	60.4	1 858	11 446
24	Printing, publishing and recorded media	90.8	3 073	13 675
25	Petroleum, coal, chemical and associated product mfg	89.5	3 383	30 058
26	Non-metallic mineral product mfg	37.7	1 315	8 599
27	Metal product mfg	147.7	5 206	36 918
28	Machinery and equipment mfg	204.7	6 766	38 704
29	Other manufacturing	53.7	1 269	5 664
21-29	Total manufacturing	923.1	29 902	197 963

(a) See paragraph 8 of the Explanatory notes.

(b) Includes working proprietors.

(c) Excludes the drawings of working proprietors. Also, now excludes provisions for employee entitlements. See paragraph 17 of the Explanatory notes.

EXPLANATORY NOTES

INTRODUCTION

- 1** This publication presents preliminary statistics compiled from a survey of manufacturing establishments for 1995–96.
- 2** The manufacturing collection is conducted on an annual basis. For the 1995–96 collection, a sample of approximately 20,000 manufacturing businesses was requested to provide data on employment, wages and salaries, turnover, purchases and whether their products were exported.
- 3** For the 1995–96 collection, smaller samples of businesses provided additional information related to detailed structural and performance data and environmental protection expenditure. Information in respect of all of these data items (including industry gross product) will be released in either the publication *Manufacturing Industry, Australia, 1995–96* (Cat. no. 8221.0), other ABS publications, or will be available as a special data service. A small sample of businesses was also asked to supply value of sales for commodities produced. These data will be released in the publication *Manufacturing Production, Australia: Principal Commodities Produced, 1995–96* (Cat. no. 8365.0).
- 4** Manufacturing, as specified in Division C of the Australian and New Zealand Standard Industrial Classification (ANZSIC), broadly relates to the physical or chemical transformation of materials or components into new products, whether the work is performed by power-driven machines or by hand.

SCOPE AND COVERAGE

- 5** Statistics in this publication relate to operations by manufacturing establishments. A manufacturing establishment is one predominantly engaged in manufacturing activities, but the data collected for it cover all activities of the establishment (including non-manufacturing activities). Conversely, there are some establishments predominantly engaged in non-manufacturing activities which also undertake limited manufacturing activities and which are excluded.
- 6** A small number of manufacturing establishments engage, in a significant way, in a variety of activities which are normally carried out by different industries. For example, a predominantly manufacturing establishment may also undertake significant amounts of wholesaling. Similarly, a manufacturing establishment may produce significant volumes of a variety of goods which are normally produced in different manufacturing industries. In such cases, the original establishment is 'split' into a separate establishment for each significant activity which belongs to a separate industry. For the 1995–96 manufacturing collection, 'significant' was defined as \$7.2 million or more.
- 7** The statistics in this publication exclude some very small manufacturers. Those excluded are manufacturers not employing staff at 30 June 1996 (such as sole proprietorships or family partnerships) which had not registered as group employers with the Australian Taxation Office. Though a substantial number, these businesses would contribute only marginally to aggregate data were they to be included. In addition, the ABS attempts to obtain data for those businesses which ceased operation during the year, but it is not possible to obtain data for all of them.

EXPLANATORY NOTES *continued*

UNIT DEFINITION

8 *Establishment.* The establishment is the smallest accounting unit of a business, within a State or Territory, controlling its productive activities and maintaining a specified range of detailed data enabling value added to be calculated. In general, an establishment covers all operations at a physical location, but may consist of a group of locations provided they are within the same State or Territory. The majority of establishments operate at one location only.

DATA ITEM DEFINITIONS

9 *Employment at end of June.* The number of working proprietors, working partners, permanent, part-time, temporary and casual employees, and managerial and executive employees working for an establishment during the last pay period ending in June 1996. Employees absent on paid or prepaid leave are included, as are employees on workers' compensation who continue to be paid through the payroll system. Non-salaried directors, self-employed persons such as consultants, contractors and persons paid solely by commission without a retainer, and volunteer workers are excluded.

10 *Wages and salaries.* The gross wages and salaries (including capitalised wages and salaries) of all employees of the establishment. The item includes severance, termination and redundancy payments, but excludes reimbursements or allowances to employees for travel, entertainment, etc. Provisions for employee entitlements (e.g. provisions for annual leave and leave bonus, long service leave, sick leave, and severance, termination and redundancy payments) are now excluded. The drawings of working proprietors are also excluded.

11 *Turnover.* Sales (exclusive of excise and sales tax) of goods whether produced by the establishment or not, plus transfers out of goods to other establishments of the same business, plus bounties and subsidies on production, plus all other operating income from outside the establishment (such as commission income, repair and service income, and rent, leasing and hiring income), plus capital work done by an establishment's own employees for the business' own use, or for rental or lease. Receipts from interest, royalties, dividends and the sale of fixed tangible assets are excluded.

RELIABILITY OF ESTIMATES

12 Data presented in this publication are based on information obtained from samples of manufacturers and are, therefore, subject to sampling variability; that is, they may differ from the figures that would have been produced if the data had been obtained from all manufacturers in the population. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because the data were obtained from only a sample of units. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if the data had been obtained from all units, and about 19 chances in 20 that the difference will be less than two standard errors.

13 The standard error can also be expressed as a percentage of the estimate, and this is known as the relative standard error. The relative standard errors for the data as presented in this publication are 3% or less for all Australian estimates. Relative standard errors across all States and Territories are generally higher. Detailed estimates of relative standard errors can be made available on request.

EXPLANATORY NOTES *continued*

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14 The imprecision due to sampling variability, which is measured by the standard error, should not be confused with inaccuracies that may occur because of inadequacies in available sources from which the population frame was compiled, imperfections in reporting by providers, errors made in collection such as in recording and coding data, and errors made in processing data. Inaccuracies of this kind are referred to collectively as non-sampling error and they may occur in any enumeration, whether it be a full count or a sample. Every effort is made to reduce non-sampling error to a minimum by careful design of forms, editing of data and efficient operating procedures.

DATA ADJUSTED

15 As was done for the 1993-94 and 1994-95 issues of this publication, data have been adjusted to allow for lags in including new businesses in the ABS business register, and the omission of some businesses from the business register. First, adjustments have been made to allow for new businesses which had commenced operations but for which details had not been processed to the ABS business register in time for inclusion in the annual manufacturing industry survey. Adjustments of this type will continue to be applied in future periods. Second, adjustments have been made for businesses which had been in existence for several years, but, for various reasons, were not previously added to the ABS business register. The ABS is remedying these omissions.

16 The majority of businesses affected by these lags and omissions and to which both types of adjustments apply are small in size. The effect of these adjustments on 1995-96 turnover is an increase of 0.2% while the effect on employment is an increase of 1.5%. Most States and Territories and most industries were affected to a similar degree. The exceptions are Textile, clothing, footwear and leather manufacturing (for which the adjustments are 0.6% and 3.3% respectively) and Other manufacturing (0.5% and 3.1% respectively).

COMPARABILITY WITH PREVIOUS STATISTICS

17 Commencing with the 1995-96 collection, provisions for employee entitlements have been excluded from wages and salaries. Previously, these provisions were included in wages and salaries.

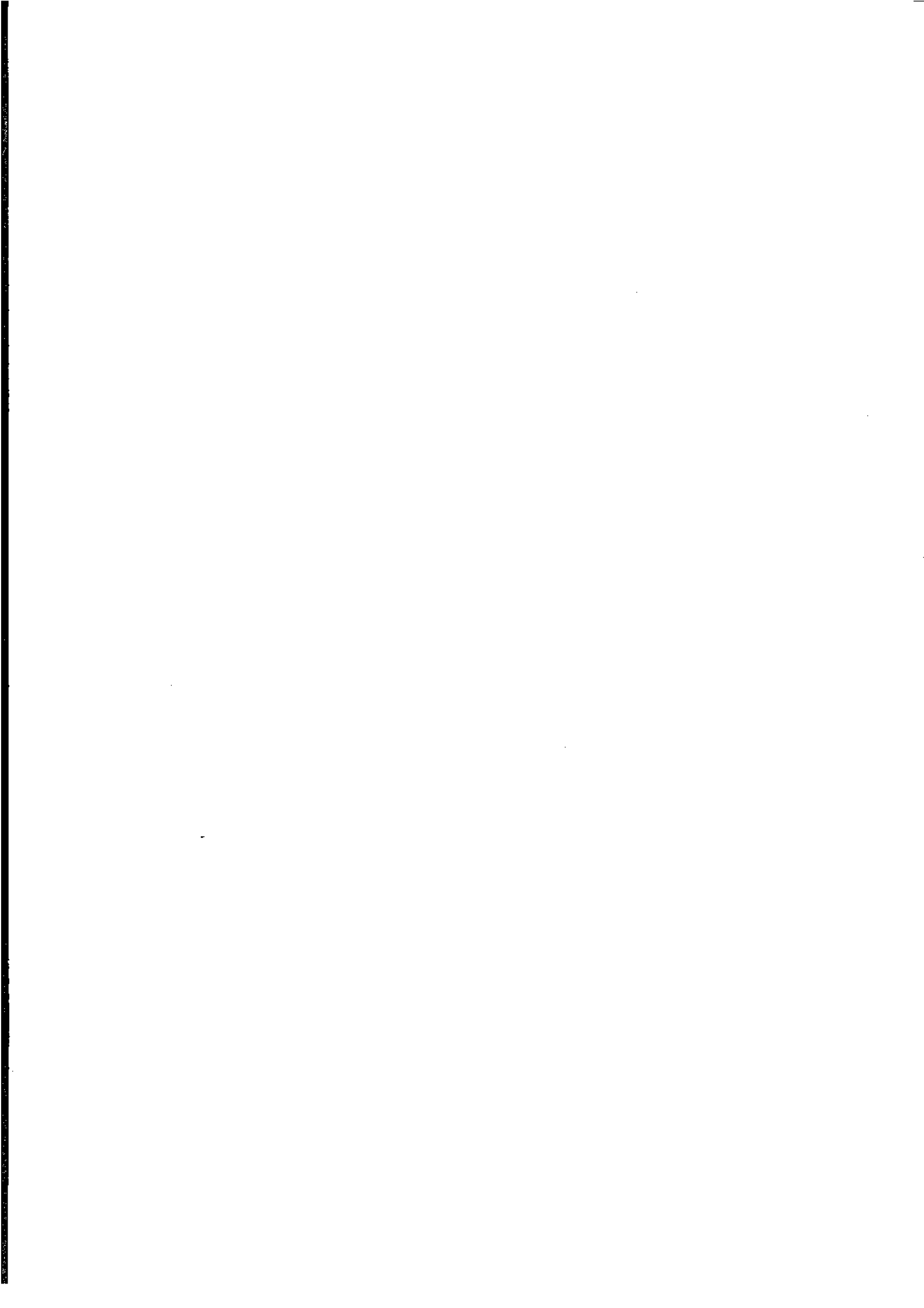
RELATED PUBLICATIONS

18 More detailed manufacturing industry statistics will be released in the publication *Manufacturing Industry, Australia, 1995-96* (Cat. no. 8221.0), which will be released in August 1997. Commodities sold information will be released in the publication *Manufacturing Production, Australia: Principal Commodities Produced, 1995-96* (Cat. no. 8365.0), expected to be released early in 1998.

19 Users may also wish to refer to the publication *Price Indexes of Articles Produced by Manufacturing Industry, Australia* (Cat. no. 6412.0).

ROUNDING

20 Where figures have been rounded, discrepancies may occur between totals and the sums of the component items. However, estimates of change shown in the Main features have been calculated using unrounded estimates and may be different from, but are more accurate than, movements obtained from the rounded estimates.



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