



COMPANY PROFITS

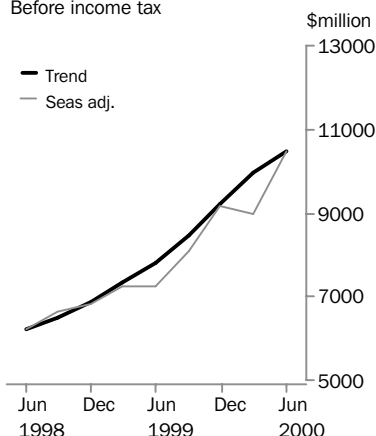
AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) TUES 29 AUG 2000

JUNE QTR KEY FIGURES

Company profits

Before income tax



TREND ESTIMATES

	Jun 2000 \$m	% change Mar 2000 to Jun 2000	% change Jun 1999 to Jun 2000
Company profits before			
Income tax	10 462	5.1	33.6
Income tax & net interest	12 688	5.3	30.6
Income tax, net interest & depreciation	18 388	4.5	26.1

SEASONALLY ADJUSTED

	Jun 2000 \$m	% change Mar 2000 to Jun 2000	% change Jun 1999 to Jun 2000
Company profits before			
Income tax	10 476	16.9	44.5
Income tax & net interest	12 701	13.5	39.4
Income tax, net interest & depreciation	18 260	8.0	30.7

JUNE QTR KEY POINTS

TREND ESTIMATES

- The provisional trend estimate for company profits before income tax for companies with more than 30 employees is \$10,462m, an increase of 5.1% over the March quarter 2000. The increase continues the strong growth in profits recorded over previous quarters. The June quarter 2000 estimate is 33.6% higher than for the June quarter 1999.

SEASONALLY ADJUSTED

- Seasonally adjusted estimates increased by 16.9% (\$1,511m) in the June quarter 2000. The major contributor was the Manufacturing industry which recorded an increase of \$1,165m, in the June quarter, following a fall of \$914m in the revised March quarter 2000 estimate. However, as noted in the previous issue, the seasonally adjusted March quarter estimate for Manufacturing was significantly reduced by the \$1,138m (in original terms) downward revaluation of BHP's Hot Briquetted Iron (HBI) plant.
- Strong seasonally adjusted increases reported in the Mining (\$641m or 23.4%) and Transport and storage industries (\$98m or 24.8%), were offset to some extent by falls in Wholesale (\$213m or 21.4%) and Services to finance and insurance (\$196m or 129.6%).

- For further information about these and related statistics, contact Michael Sharpe on Sydney 02 9268 4174, or the National Information Service on 1300 135 070.

NOTES

FORTHCOMING ISSUES

<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
September 2000	5 December 2000
December 2000	27 February 2001



CHANGES IN THIS ISSUE

There are no changes in this issue.



SAMPLING ERRORS

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

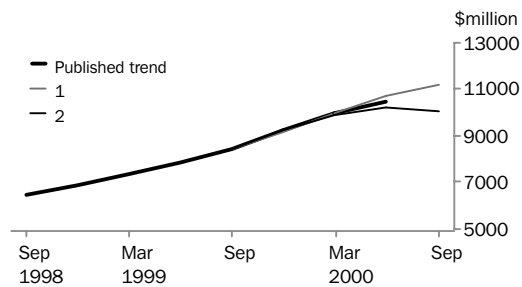


TREND REVISIONS

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

- 1** The September 2000 seasonally adjusted estimate for company profits before income tax is higher than the June 2000 seasonally adjusted estimate by 10.0%.
- 2** The September 2000 seasonally adjusted estimate for company profits before income tax is lower than the June 2000 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%.

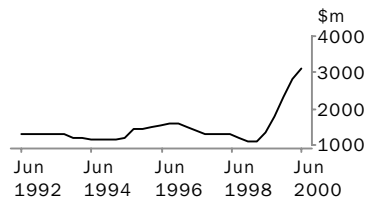


An increase of 10% in seasonally adjusted company profits before income tax in the September 2000 quarter would show an increase of 5.1% in the trend estimate from the June 2000 quarter. A fall of this magnitude would result in the trend being revised to show a decrease of 1.0% in the September 2000 quarter.

Dennis Trewin
Australian Statistician

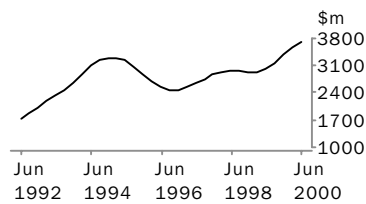
COMPANY PROFITS BEFORE INCOME TAX BY INDUSTRY: Trend

MINING



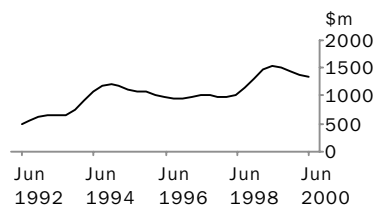
The rate of growth in the trend estimate for Mining slowed in the June quarter 2000 following four quarters of very strong increases.

MANUFACTURING



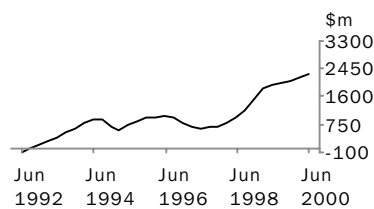
The trend estimate for Manufacturing has increased for the last five quarters. The rate of growth peaked at 7% in the December quarter 1999.

WHOLESALE/RETAIL



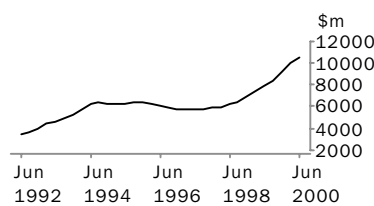
The trend estimate for Wholesale trade was flat in the June quarter 2000, following eight quarters of growth. The trend estimate for Retail trade has fallen for the past four quarters following growth from the March quarter 1998.

OTHER SELECTED INDUSTRIES(a)



Trend estimates for Other selected industries have increased each quarter since the June quarter 1997. Services to finance and insurance decreased while all other components increased in June quarter 2000.

TOTAL ALL INDUSTRIES



The All Industries trend estimate has been increasing since the September quarter 1997.

(a) This includes Construction, Transport & storage, Services to finance & insurance, Property & business services, and Other services.

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			
1996-1997			
June	10 376	6 218	4 672
1997-1998			
September	12 546	8 308	6 841
December	12 651	8 143	6 668
March	11 310	7 039	5 464
June	11 717	7 132	5 154
1998-1999			
September	13 501	8 931	7 148
December	14 894	10 360	8 381
March	12 675	8 033	6 295
June	12 891	7 919	6 126
1999-2000			
September	15 976	10 825	8 663
December	17 752	12 333	10 658
March	15 821	10 287	8 199
June	16 829	11 001	8 855
SEASONALLY ADJUSTED			
1996-1997			
June	11 336	7 204	5 734
1997-1998			
September	11 883	7 629	6 284
December	11 292	6 835	5 282
March	12 321	7 964	6 242
June	12 742	8 225	6 234
1998-1999			
September	12 857	8 262	6 640
December	13 377	8 850	6 802
March	13 794	9 086	7 241
June	13 966	9 113	7 248
1999-2000			
September	15 265	10 081	8 100
December	16 232	10 891	9 162
March	16 903	11 192	8 965
June	18 260	12 701	10 476
TREND ESTIMATES			
1996-1997			
June	11 310	7 108	5 710
1997-1998			
September	11 447	7 155	5 728
December	11 803	7 437	5 856
March	12 172	7 728	5 996
June	12 565	8 066	6 230
1998-1999			
September	12 921	8 373	6 504
December	13 339	8 750	6 879
March	13 940	9 259	7 362
June	14 581	9 712	7 830
1999-2000			
September	15 446	10 305	8 450
December	16 536	11 164	9 211
March	17 596	12 045	9 958
June	18 388	12 688	10 462

COMPANY PROFITS BEFORE INCOME TAX, Depreciation and Interest: Original

Period	<i>Company profits before income tax, net interest paid and depreciation</i>	<i>Depreciation</i>	<i>Company profits before 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>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1997-1998	48 225	17 602	30 622	14 346	7 851	6 495	24 127
1998-1999	53 960	18 718	35 242	16 275	8 984	7 291	27 951
1999-2000	66 378	21 931	44 447	18 042	9 970	8 072	36 375
1996-1997							
June	10 376	4 158	6 218	3 820	2 274	1 546	4 672
1997-1998							
September	12 546	4 238	8 308	3 283	1 816	1 467	6 841
December	12 651	4 508	8 143	3 616	2 140	1 475	6 668
March	11 310	4 271	7 039	3 445	1 870	1 575	5 464
June	11 717	4 585	7 132	4 003	2 024	1 978	5 154
1998-1999							
September	13 501	4 570	8 931	4 154	2 372	1 783	7 148
December	14 894	4 534	10 360	4 115	2 137	1 979	8 381
March	12 675	4 642	8 033	3 752	2 014	1 738	6 295
June	12 891	4 973	7 919	4 253	2 461	1 792	6 126
1999-2000							
September	15 976	5 151	10 825	4 346	2 184	2 162	8 663
December	17 752	5 418	12 333	4 023	2 347	1 676	10 658
March	15 821	5 534	10 287	4 270	2 182	2 088	8 199
June	16 829	5 828	11 001	5 403	3 257	2 146	8 855

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

<i>Period</i>	<i>Mining</i>	<i>Manu- facturing</i>	<i>Cons- truction</i>	<i>Wholesale trade</i>	<i>Retail trade</i>	<i>Transport and storage</i>	<i>Services to finance and insurance</i>	<i>Property and business services</i>	<i>Other services</i>	<i>Total</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>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
ORIGINAL										
1997-1998	5 207	11 627	819	2 889	1 577	923	- 177	-40	1 303	24 127
1998-1999	4 883	10 936	939	2 851	2 552	1 459	1 105	516	2 710	27 951
1999-2000	9 813	12 632	1 061	3 371	2 274	1 836	585	830	3 973	36 375
1997-1998										
March	1 478	2 475	219	471	208	323	15	-53	328	5 464
June	904	2 768	240	840	289	50	-28	- 120	210	5 154
1998-1999										
September	1 722	3 057	206	693	400	272	97	95	606	7 148
December	955	3 494	283	654	1 158	522	386	213	716	8 381
March	992	2 610	188	646	454	360	194	31	819	6 295
June	1 214	1 775	261	857	541	305	428	177	568	6 126
1999-2000										
September	2 026	3 348	240	920	536	439	205	166	784	8 663
December	2 292	3 983	275	751	1 046	687	317	258	1 048	10 658
March	2 735	2 134	246	881	302	416	107	193	1 186	8 199
June	2 759	3 167	300	820	390	295	-44	213	955	8 855
SEASONALLY ADJUSTED										
1997-1998	5 148	11 666	844	2 886	1 500	919	- 177	-47	1 303	24 042
1998-1999	4 886	10 836	937	2 850	2 630	1 457	1 108	515	2 709	27 931
1999-2000	10 190	12 562	1 075	3 370	2 279	1 834	586	830	3 974	36 703
1997-1998										
March	1 480	2 842	257	586	359	291	64	25	338	6 242
June	1 089	3 143	259	805	386	266	-40	-65	391	6 234
1998-1999										
September	1 408	2 871	217	645	512	289	111	98	489	6 640
December	1 006	2 951	224	627	612	316	334	82	650	6 802
March	997	2 993	223	758	778	340	238	104	810	7 241
June	1 476	2 022	273	820	728	512	425	231	761	7 248
1999-2000										
September	1 629	3 145	256	870	683	458	220	169	670	8 100
December	2 450	3 360	219	725	555	480	260	130	983	9 162
March	2 735	2 446	292	994	514	399	151	266	1 168	8 965
June	3 376	3 611	308	781	528	497	-45	266	1 154	10 476
TREND ESTIMATES										
1997-1998	5 171	11 531	918	2 460	1 557	1 077	- 192	5	1 288	23 810
1998-1999	4 729	11 875	940	2 848	2 606	1 435	1 044	443	2 654	28 575
1999-2000	10 071	13 844	1 076	3 386	2 281	1 845	677	847	4 053	38 081
1997-1998										
March	1 293	2 938	249	610	377	272	-72	-2	331	5 996
June	1 277	2 972	248	615	413	277	21	12	395	6 230
1998-1999										
September	1 190	2 976	230	631	503	282	141	38	513	6 504
December	1 089	2 947	223	671	636	317	246	92	658	6 879
March	1 111	2 943	238	747	729	383	328	147	736	7 362
June	1 340	3 010	249	800	737	452	329	166	747	7 830
1999-2000										
September	1 787	3 164	249	833	667	476	298	177	799	8 450
December	2 334	3 385	255	845	582	460	223	189	938	9 211
March	2 834	3 579	274	855	530	449	118	222	1 097	9 958
June	3 116	3 716	298	853	501	460	39	259	1 220	10 462

COMPANY PROFITS BEFORE INCOME TAX, By Broad Industry–Percentage Changes: All series(a)

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										
1997-1998	-11.2	14.8	12.5	23.6	-2.9	0.5	-170.0	75.3	-4.9	4.7
1998-1999	-6.2	-5.9	14.6	-1.3	61.8	58.2	723.7	1 379.1	107.9	15.8
1999-2000	100.9	15.5	13.0	18.2	-10.9	25.8	-47.1	60.8	46.6	30.1
1997-1998										
March	38.7	-26.3	23.6	-27.7	-75.3	14.5	106.8	-132.3	-7.5	-18.1
June	-38.8	11.8	9.5	78.5	39.2	-84.6	-281.7	-125.4	-36.2	-5.7
1998-1999										
September	90.5	10.4	-14.2	-17.5	38.2	448.9	448.2	179.2	188.9	38.7
December	-44.5	14.3	37.6	-5.7	189.7	92.0	298.7	124.1	18.3	17.3
March	3.9	-25.3	-33.5	-1.3	-60.8	-31.0	-49.6	-85.5	14.4	-24.9
June	22.4	-32.0	38.7	32.7	19.0	-15.3	119.9	473.4	-30.6	-2.7
1999-2000										
September	66.9	88.6	-8.3	7.3	-0.8	43.9	-52.1	-6.3	37.9	41.4
December	13.1	19.0	15.0	-18.4	95.0	56.6	55.0	55.0	33.8	23.0
March	19.3	-46.4	-10.7	17.3	-71.1	-39.5	-66.3	-24.9	13.1	-23.1
June	0.9	48.4	22.2	-6.9	29.3	-29.1	-141.5	10.1	-19.4	8.0
SEASONALLY ADJUSTED										
1997-1998	-12.6	15.2	14.3	23.7	-7.2	0.5	-169.8	71.9	-5.0	4.2
1998-1999	-5.1	-7.1	11.0	-1.3	75.3	58.5	726.8	1 185.4	107.9	16.2
1999-2000	108.5	15.9	14.8	18.2	-13.3	25.9	-47.1	61.3	46.7	31.4
1997-1998										
March	33.0	-0.1	85.1	-5.2	-18.8	252.9	123.6	3.9	17.9	18.2
June	-26.4	10.6	0.8	37.4	7.5	-8.8	-163.5	-354.5	15.6	-0.1
1998-1999										
September	29.3	-8.7	-16.2	-19.8	32.6	8.8	375.8	251.7	24.9	6.5
December	-28.6	2.8	3.1	-2.8	19.6	9.5	200.5	-16.8	33.0	2.4
March	-0.9	1.4	-0.4	20.9	27.0	7.4	-28.9	27.0	24.7	6.5
June	48.1	-32.4	22.4	8.2	-6.5	50.8	78.7	121.6	-6.2	0.1
1999-2000										
September	10.3	55.5	-6.2	6.1	-6.2	-10.7	-48.2	-26.8	-12.0	11.8
December	50.4	6.9	-14.5	-16.6	-18.8	5.0	18.2	-22.9	46.8	13.1
March	11.6	-27.2	33.4	37.0	-7.3	-17.0	-41.7	104.5	18.9	-2.2
June	23.4	47.6	5.6	-21.4	2.6	24.8	-129.6	-0.1	-1.2	16.9
TREND ESTIMATES										
1997-1998	-14.8	13.3	53.1	4.4	-1.2	15.4	-163.0	103.6	-7.0	2.3
1998-1999	-8.5	3.0	2.4	15.8	67.4	33.2	644.5	9 574.0	106.1	20.0
1999-2000	113.0	16.6	14.4	18.9	-12.5	28.6	-35.1	91.4	52.7	33.3
1997-1998										
March	-0.1	2.5	9.0	-0.6	0.3	2.4	16.3	-169.0	11.8	2.4
June	-1.2	1.2	-0.2	0.7	9.5	1.8	128.5	785.1	19.1	3.9
1998-1999										
September	-6.9	0.1	-7.2	2.6	21.7	2.1	586.4	227.2	30.0	4.4
December	-8.4	-1.0	-3.3	6.3	26.5	12.1	75.0	139.5	28.2	5.8
March	2.0	-0.1	6.7	11.3	14.7	21.1	33.0	60.0	11.8	7.0
June	20.6	2.3	5.0	7.1	1.1	17.8	0.5	13.4	1.5	6.4
1999-2000										
September	33.4	5.1	-0.1	4.2	-9.5	5.3	-9.6	6.3	6.9	7.9
December	30.6	7.0	2.3	1.5	-12.7	-3.3	-25.2	7.0	17.4	9.0
March	21.4	5.7	7.5	1.2	-8.9	-2.5	-47.1	17.2	17.0	8.1
June	9.9	3.8	8.8	-0.2	-5.6	2.5	-66.5	17.0	11.1	5.1

(a) 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

<i>Period</i>	<i>Mining</i>	<i>Manu- facturing</i>	<i>Construction</i>	<i>Wholesale trade</i>	<i>Retail trade</i>	<i>Transport and storage</i>	<i>Services to finance and insurance</i>	<i>Property and business services</i>	<i>Other services</i>	<i>Total</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>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
PROFITS BEFORE INCOME TAX										
1997-1998	5 207	11 627	819	2 889	1 577	923	- 177	-40	1 303	24 127
1998-1999	4 883	10 936	939	2 851	2 552	1 459	1 105	516	2 710	27 951
1999-2000	9 813	12 632	1 061	3 371	2 274	1 836	585	830	3 973	36 375
1997-1998										
March	1 478	2 475	219	471	208	323	15	-53	328	5 464
June	904	2 768	240	840	289	50	-28	- 120	210	5 154
1998-1999										
September	1 722	3 057	206	693	400	272	97	95	606	7 148
December	955	3 494	283	654	1 158	522	386	213	716	8 381
March	992	2 610	188	646	454	360	194	31	819	6 295
June	1 214	1 775	261	857	541	305	428	177	568	6 126
1999-2000										
September	2 026	3 348	240	920	536	439	205	166	784	8 663
December	2 292	3 983	275	751	1 046	687	317	258	1 048	10 658
March	2 735	2 134	246	881	302	416	107	193	1 186	8 199
June	2 759	3 167	300	820	390	295	-44	213	955	8 855
PROFITS BEFORE INCOME TAX & NET INTEREST PAID										
1997-1998	5 961	13 670	876	3 328	2 239	1 532	- 388	137	3 267	30 622
1998-1999	5 883	12 953	1 002	3 337	3 214	2 314	994	1 031	4 514	35 242
1999-2000	10 584	15 033	1 081	3 775	2 914	2 911	548	1 828	5 773	44 447
1997-1998										
March	1 632	2 933	234	584	372	452	-48	58	821	7 039
June	1 135	3 340	247	958	461	245	-8	6	748	7 132
1998-1999										
September	1 987	3 426	215	834	562	477	135	240	1 055	8 931
December	1 203	4 055	301	760	1 346	768	307	371	1 249	10 360
March	1 221	3 075	195	760	619	576	154	206	1 226	8 033
June	1 473	2 397	291	982	687	493	398	214	983	7 919
1999-2000										
September	2 260	3 997	246	1 031	693	744	115	542	1 196	10 825
December	2 517	4 515	275	793	1 204	926	177	462	1 465	12 333
March	3 006	2 657	247	990	443	693	200	431	1 619	10 287
June	2 801	3 864	312	960	574	548	56	392	1 493	11 001
PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION										
1997-1998	10 032	19 743	1 308	4 350	3 301	2 987	-66	1 057	5 514	48 225
1998-1999	10 000	19 352	1 420	4 423	4 372	3 914	1 416	2 195	6 868	53 960
1999-2000	15 779	21 876	1 508	4 896	4 223	4 878	1 114	3 367	8 738	66 378
1997-1998										
March	2 604	4 417	341	846	647	781	23	298	1 354	11 310
June	2 185	4 884	361	1 217	732	693	66	255	1 326	11 717
1998-1999										
September	3 013	5 082	329	1 084	836	824	219	488	1 625	13 501
December	2 190	5 631	410	1 029	1 649	1 154	392	649	1 790	14 894
March	2 234	4 647	294	1 028	891	994	288	493	1 805	12 675
June	2 564	3 992	386	1 281	996	943	517	565	1 647	12 891
1999-2000										
September	3 394	5 650	328	1 311	1 021	1 198	291	916	1 867	15 976
December	3 797	6 278	370	1 065	1 518	1 384	306	814	2 220	17 752
March	4 348	4 304	355	1 274	767	1 203	334	842	2 395	15 821
June	4 240	5 644	455	1 245	917	1 093	183	794	2 257	16 829

COMPANY PROFITS, By Detailed Manufacturing Industry: Original

Period	Food, beverages and tobacco	Textile, clothing, footwear and leather	Wood and paper products	Printing, publishing and recorded media	Petroleum, coal, chemicals 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										
1997-1998	2 947	232	694	1 185	2 246	723	1 989	1 537	73	11 627
1998-1999	2 966	198	882	1 349	2 290	837	929	1 413	72	10 936
1999-2000	2 938	287	1 018	1 554	2 382	1 134	1 818	1 350	152	12 632
1997-1998										
March	700	41	123	231	426	160	485	312	-3	2 475
June	598	35	177	293	580	189	488	398	10	2 768
1998-1999										
September	817	35	212	334	470	211	574	376	28	3 057
December	936	71	266	436	598	278	540	352	18	3 494
March	689	44	209	281	531	189	378	281	6	2 610
June	524	47	195	298	692	159	- 563	405	20	1 775
1999-2000										
September	749	78	236	331	737	289	547	363	18	3 348
December	1 113	68	286	502	546	292	744	386	45	3 983
March	626	51	237	348	529	271	- 233	267	37	2 134
June	450	89	258	373	569	282	760	334	51	3 167
PROFITS BEFORE INCOME TAX & NET INTEREST PAID										
1997-1998	3 454	327	959	1 360	2 537	880	2 386	1 676	92	13 670
1998-1999	3 492	290	1 074	1 571	2 590	977	1 262	1 585	112	12 953
1999-2000	3 808	356	1 255	1 711	2 689	1 345	2 132	1 560	177	15 033
1997-1998										
March	805	65	201	271	500	196	548	346	2	2 933
June	750	59	244	341	672	221	600	436	16	3 340
1998-1999										
September	843	57	265	390	536	242	651	405	36	3 426
December	1 111	106	314	487	673	320	613	403	28	4 055
March	819	65	255	329	604	215	439	333	17	3 075
June	719	62	239	365	778	200	- 442	444	30	2 397
1999-2000										
September	1 064	95	287	373	799	341	605	410	23	3 997
December	1 271	86	333	543	633	344	806	446	52	4 515
March	802	67	297	383	594	324	- 178	324	44	2 657
June	670	108	339	412	662	336	899	380	58	3 864
PROFITS BEFORE INCOME TAX, NET INTEREST PAID & DEPRECIATION										
1997-1998	4 659	506	1 437	1 717	3 735	1 375	3 591	2 577	145	19 743
1998-1999	4 853	454	1 575	2 008	3 778	1 418	2 472	2 616	177	19 352
1999-2000	5 425	517	1 710	2 201	3 957	1 815	3 414	2 587	251	21 876
1997-1998										
March	1 112	108	317	353	787	326	832	567	15	4 417
June	1 066	103	365	438	972	340	905	666	29	4 884
1998-1999										
September	1 175	100	459	496	827	354	952	666	52	5 082
December	1 441	146	417	597	975	436	911	664	44	5 631
March	1 162	104	355	440	899	324	738	591	35	4 647
June	1 075	104	344	475	1 077	304	- 129	696	46	3 992
1999-2000										
September	1 437	134	393	486	1 140	463	893	663	41	5 650
December	1 747	125	447	671	927	457	1 131	707	66	6 278
March	1 162	107	410	501	911	441	124	586	60	4 304
June	1 079	150	460	543	978	454	1 265	631	85	5 644

EXPLANATORY NOTES

INTRODUCTION

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

SCOPE AND COVERAGE

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

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

4 The scope of the survey:

- includes the following industries (Australian and New Zealand Standard Industrial Classification [ANZSIC] Divisions, Subdivisions and Groups):
 - Mining (Division B)
 - Manufacturing (Division C)
 - Food, beverages and tobacco (21)
 - Textiles, clothing, footwear and leather (22)
 - Wood and paper products (23)
 - Printing, publishing and recorded media (24)
 - Petroleum, coal, chemical and associated products (25)
 - Non-metallic mineral products (26)
 - Metal products (27)
 - Machinery and equipment (28)
 - Other manufacturing (29)
 - Construction (Division E)
 - Wholesale trade (Division F)
 - Retail trade (Division G)
 - Transport and storage (Division I)
 - Other financiers (733)
 - Financial asset investors (734)
 - Services to finance and insurance (75)
 - Property and business services (Division L)
 - Other services including
 - Electricity, gas and water supply (Division D)
 - Accommodation, cafes and restaurants (Division H)
 - Communication services (Division J)
 - Cultural and recreational services (Division P excluding 921 and 922)
 - Personal services (95)
- excludes the following industries
 - Agriculture, forestry and fishing (Division A)
 - Central bank and Deposit taking financiers (731–732)
 - Insurance (74)
 - Government administration and defence (Division M)
 - Education (Division N)
 - Health and community services (Division O)
 - Other services (96)
 - Private households employing staff (97)
- the scope excludes public sector business units (i.e. all departments, authorities and other organisations owned and/or controlled by the Commonwealth, State and Local Governments). Public sector primary producer marketing boards are also excluded.

EXPLANATORY NOTES

SURVEY SAMPLE DESIGN

5 Prior to the September quarter 1996 survey, the survey frames and samples were revised annually to ensure that they remained representative of the survey population. From the September quarter 1996 survey, the survey frames and samples are being revised each quarter. The aim is to further improve the quality of the survey estimates by selecting a sample which will be more representative of the survey population. Additionally, the timing of sample selection will now be consistent with other ABS surveys. This will lead to greater consistency when comparing data across these surveys.

6 With these revisions to the sample, some of the business units from the sampled sector are rotated out of the survey and are replaced by others, to spread the reporting workload equitably. The rate of rotation under quarterly sample selection is slightly higher than one quarter of the previous annual rate of rotation.

7 In the period between sample selections, there are changes to the survey frame. For example, businesses cease operating and businesses are newly established. The ABS produces an estimate of the contribution expected from new businesses each quarter, while allowance is made for the number of businesses in the sample which ceased trading during the quarter. For most quarters, the introduction of the quarterly sample selection reduces the size of the adjustments needed to account for new and ceased businesses.

8 For the Survey of Company Profits, which excludes businesses employing 30 or less people from published estimates, the effect of the adjustment for new businesses is relatively minor as the majority of new businesses tend to be small in size and outside the scope of this survey. The incidence of new, larger businesses commencing operation is less common. The adjustment for new businesses represents about 0.25% of the total estimate of company profits before income tax.

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, number of employees and, from the March 1997 quarter, by State/Territory. 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. Revisions may be made to these estimates if data are provided subsequently from those businesses. Aggregates are calculated from all data using the *number raised* estimation technique. Data are edited both at individual business unit level and at aggregate level.

STATISTICAL UNIT

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.

EXPLANATORY NOTES

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).

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

14 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

15 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.

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

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

18 Seasonal factors have been revised concurrently since September quarter 1997 to take account of the latest original data. A more detailed review is conducted annually. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from each adjustment may be quite significant, especially for data for more recent quarters. For this reason additional care should be exercised when interpreting movements in seasonally adjusted data for recent quarters.

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

TREND ESTIMATES

20 The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted series. The 7-term Henderson average (like all Henderson averages) is symmetric but, as the end of a time series is approached, asymmetric forms of the average are applied. Unlike the weights of the standard 7-term Henderson moving average, the weights employed here have been tailored to suit the particular characteristics of individual series. While the asymmetric weights enable trend estimates for recent quarters to be produced, it does result in revisions to the estimates for the most recent three quarters as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors. For further information, see *A Guide to Interpreting Time Series—Monitoring 'Trends': an Overview* (Cat. no. 1348.0) or contact the Assistant Director, Time Series Analysis on (02) 6252 6345.

EXPLANATORY NOTES

DESCRIPTION OF TERMS	<p>21 A description of the terms used in this publication is given below:</p> <p>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.</p> <p>Company profits before income tax <i>Net operating profit or loss before income tax and extraordinary items</i> and is net of capital profits or losses and dividends received.</p> <p>Net interest paid Interest expense less any interest income. Interest received from or paid to overseas sources is included. The interest component of finance lease payments is also included.</p> <p>Depreciation of fixed assets This is as per management accounts and includes depreciation on equipment acquired under a finance lease.</p>
COMPARISON WITH OTHER ABS STATISTICS	<p>22 The series 'Company Profits Before Income Tax, Net Interest Paid and Depreciation' equates, broadly, with the national accounting series of 'Gross Operating Surplus of Private Non-financial Corporations'. However, the two series are not directly comparable for the following reasons:</p> <ul style="list-style-type: none">▪ the national accounts' estimates of gross operating surplus include the profits of all companies whereas results from the Survey of Company Profits relate only to those companies with employment of more than 30 persons▪ the national accounts' estimates of gross operating surplus include estimates for companies classified to the agriculture, forestry, fishing and hunting, and community services industries▪ the national accounts' estimates of gross operating surplus are after deduction of the inventory valuation adjustment which measures the portion of income attributable to holding gains or losses resulting from inventory valuation practices▪ the national accounts' estimates of gross operating surplus include details relating to net land rent and natural resource payments▪ the national accounts' estimates incorporate data from other sources such as taxation data as well as information from the Survey of Company Profits.
UNPUBLISHED STATISTICS	<p>23 More detailed industry data from this survey are available on request, the cost for such a service being dependent upon the amount of data requested.</p>
RELATED PUBLICATIONS	<p>24 Users may also wish to refer to the following publications:</p> <ul style="list-style-type: none">▪ <i>Australian National Accounts, National Income, Expenditure and Product</i> (Cat. no. 5206.0)▪ <i>Private New Capital Expenditure and Expected Expenditure, Australia</i>, (Cat. no. 5625.0)▪ <i>State Estimates of Private New Capital Expenditure</i> (Cat. no. 5646.0)▪ <i>Inventories and Sales, Selected Industries, Australia</i> (Cat. no. 5629.0)▪ <i>Australian Business Expectations</i> (Cat. no. 5250.0)▪ <i>Business Operations and Industry Performance, Australia</i> (Cat. no. 8140.0). <p>25 Current publications produced by the ABS are listed in the <i>Catalogue of Publications and Products, Australia</i> (Cat. no. 1101.0). The ABS also issues, on Tuesdays and Fridays, a <i>Release Advice</i> (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and the Release Advice are available from any ABS office.</p>
SYMBOLS AND OTHER USAGES	<p>n.p. not available for publication</p>

S T A N D A R D E R R O R S

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 income tax is \$5,900m and the calculated standard error in this case is \$140m. The standard error is then used to interpret the level estimate of \$5,900m.

For instance, the standard error of \$140m indicates that:

- There are approximately two chances in three that the real value falls within the range \$5,760m to \$6,040m ($\$5,900\text{m} \pm \140m)
- There are approximately nineteen chances in twenty that the real value falls within the ranges \$5,620m and \$6,180m ($\$5,900\text{m} \pm \280m)

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 national quarterly level estimates. These standard errors are based on a smoothed average of profits estimates.

	Company profits before income tax \$m	Company profits before income tax, net interest paid \$m	Company profits before income tax, net interest paid and depreciation \$m
Mining	4	4	6
Manufacturing			
Food, beverages and tobacco	18	19	27
Textiles, clothing, footwear and leather	2	2	3
Wood and paper products	10	10	17
Printing, publishing and recorded media	16	16	19
Petroleum, coal, chemical and assoc. products	31	36	40
Non-metallic mineral products	6	6	8
Metal products	16	16	20
Machinery and equipment	24	23	25
Other manufacturing	6	8	9
Total manufacturing	50	54	64
Construction	18	18	26
Wholesale trade	52	59	78
Retail trade	30	32	38
Transport and storage	23	28	37
Services to finance and insurance	20	18	19
Property and business services	89	68	76
Other services	21	20	29
Total	126	118	144

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 income tax is \$5,900m, and the next quarter the published level estimate is \$6,300m. In this example the calculated standard error for the movement estimate is \$145m. The standard error is then used to interpret the published movement estimate of +\$400m.

For instance, the standard error of \$145m indicates that:

- There are approximately two chances in three that the real movement over the two quarter period falls within the range \$255m to \$545m ($\$400m \pm \$145m$)
- There are approximately nineteen chances in twenty that the real movement falls within the range \$110m to \$690m ($\$400m \pm \$290m$)

The following table shows the standard errors for national quarterly movement estimates. These standard errors are based on a smoothed average of profits estimates.

	Company profits before income tax \$m	Company profits before income tax, net interest paid \$m	Company profits before income tax, net interest paid and depreciation \$m
Mining	5	5	6
Manufacturing			
Food, beverages and tobacco	19	21	33
Textiles, clothing, footwear and leather	2	2	2
Wood and paper products	13	14	17
Printing, publishing and recorded media	15	15	14
Petroleum, coal, chemical and assoc. products	27	32	39
Non-metallic mineral products	8	8	11
Metal products	13	11	14
Machinery and equipment	24	23	23
Other manufacturing	6	11	12
Total manufacturing	50	53	65
Construction	21	22	31
Wholesale trade	62	74	100
Retail trade	17	19	20
Transport and storage	19	35	35
Services to finance and insurance	15	18	21
Property and business services	72	93	92
Other services	24	22	30
Total	116	141	163

FOR MORE INFORMATION...

- INTERNET* **www.abs.gov.au** the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
- LIBRARY* A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require, or visit our web site for a list of libraries.
- CPI INFOLINE* For current and historical Consumer Price Index data, call 1902 981 074 (call cost 77c per minute).
- DIAL-A-STATISTIC* For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 77c per minute).

INFORMATION SERVICE

Data which have been published and can be provided within five minutes are free of charge. Our information consultants can also help you to access the full range of ABS information—ABS user-pays services can be tailored to your needs, time frame and budget. Publications may be purchased. Specialists are on hand to help you with analytical or methodological advice.

- PHONE* **1300 135 070**
- EMAIL* **client.services@abs.gov.au**
- FAX* 1300 135 211
- POST* Client Services, ABS, GPO Box 796, Sydney 1041

WHY NOT SUBSCRIBE?

ABS subscription services provide regular, convenient and prompt deliveries of ABS publications and products as they are released. Email delivery of monthly and quarterly publications is available.

- PHONE* 1300 366 323
- EMAIL* subscriptions@abs.gov.au
- FAX* 03 9615 7848
- POST* Subscription Services, ABS, GPO Box 2796Y, Melbourne 3001



2565100006003
ISSN 0818-9986

RRP \$17.00