

HIRE SERVICES

AUSTRALIA

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- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Marie Apostolou on Melbourne (03) 9615 7465.

NOTES

INTRODUCTION

This publication presents results from an Australian Bureau of Statistics (ABS) survey of businesses involved in selected hire services. The survey was conducted in respect of the 2002–03 financial year.

The 2002–03 Hire Services Survey is the second ABS survey of plant hire and leasing, personal and household goods hiring and motor vehicle hiring services. Previous collections were conducted in respect of the 1999–2000 financial year for plant hire and household goods hire services and in respect of the 1991–92 financial year for motor vehicle hire services.

COMPARISONS WITH PREVIOUS SURVEY RESULTS

This survey has been designed to provide a measure of the performance and business structure of selected hire businesses operating in Australia. While comparisons are made between 2002–03 survey results and earlier iterations of the survey of plant hire and household goods hire, the survey has not been designed to provide highly accurate estimates of change, so any comparisons made to the previous survey should be used with caution. Historical comparisons are not made for motor vehicle hire due to significant changes since the conduct of the last survey in respect of 1991–92. For further information, see paragraphs 20–22 of the Explanatory Notes.

MORE INFORMATION ON ABS SERVICE INDUSTRIES STATISTICS

Information about ABS activities in the field of service industries statistics is available from the Service Industries Statistics theme page on the ABS web site <<http://www.abs.gov.au>>. To access the theme page, select 'Themes' from the menu on the home page.

COMMENTS

The ABS welcomes comments and suggestions from users regarding future surveys of Service Industries. These comments should be addressed to the Director, Service Industries Business Statistics Centre, Australian Bureau of Statistics, GPO Box 2796Y, Melbourne, Vic. 3001.

ROUNDING

Where figures have been rounded, discrepancies may occur between the sum of component items and the total.

Dennis Trewin
Australian Statistician

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CHAPTER 1

SUMMARY OF FINDINGS

INTRODUCTION

This publication presents results of the 2002–03 Hire Services Survey. This survey was conducted by the ABS to provide a detailed measure of the performance and structure of selected hire services businesses operating in Australia. The main focus of the survey was on understanding the composition of the income generated by these businesses, details of expenses incurred, and the characteristics of hire rental. A state dimension is also presented.

This survey covered only a selection of hire/leasing services and these were: plant and equipment hiring; personal and household goods hiring; and motor vehicle hiring.

The survey scope for plant and equipment included employing businesses in Australia that generated income predominantly from plant hiring or leasing services. These services included the leasing, renting or hiring of industrial machinery, plant or equipment (except transport equipment) without operators, from stock physically held for that purpose. The scope was also extended to include businesses that generated income from the hiring/leasing of cranes with operators.

The scope for personal and household goods included employing businesses in Australia that generated income predominantly from personal and household goods hiring services. These services included the hiring of goods such as televisions, furniture, white goods, clothing and footwear, recreational equipment, computers or party hire/event/function/exhibition goods and equipment etc. The scope excluded video hire rentals.

The scope for motor vehicle included employing businesses in Australia that generated income predominantly from motor vehicle hiring and leasing services. These services included the hiring, leasing or renting of motor vehicles from own stocks, without drivers. Licensed taxi cabs or hire cars were excluded from the survey.

Chapter 1 contains summary information about selected hire services businesses. Chapter 2 presents statistics on plant and equipment hiring and leasing, chapter 3 presents statistics on personal and household goods hiring, while chapter 4 presents statistics on motor vehicle hiring and leasing.

For ease of reading: plant and equipment hiring and leasing is referred to as plant hire; personal and household goods hire is referred to as household goods hire; and motor vehicle hire and leasing is referred to as motor vehicle hire throughout this publication.

SUMMARY

*PLANT AND EQUIPMENT
HIRE*

At the end of June 2003 there were 1,152 plant hire businesses with employment of 13,738 persons. These businesses generated \$2,619.5m in income and incurred \$2,273.2m in expenses during 2002–03.

Plant hire/leasing income was predominantly generated from commercial clients (84.8%).

The total industry value added (IVA) by plant hire businesses was \$1,505.8m contributing the equivalent of 0.2% to Australian Gross Domestic Product (GDP) for 2002–03.

*PERSONAL AND
HOUSEHOLD GOODS HIRE*

There were 495 household goods hire businesses with employment of 4,222 persons at the end of June 2003. These businesses generated \$359m in income and incurred \$340.4m in expenses during 2002–03.

Commercial clients (48.7%) were the main source of income generated from the hiring of goods, followed closely by household clients (44.9%).

The total IVA by household goods hire businesses was \$203.2m contributing the equivalent of 0.03% to Australian GDP for 2002–03.

MOTOR VEHICLE HIRE

Employment totalled 6,796 people within 375 motor vehicle hire businesses at the end of June 2003. These businesses generated \$2,003.8m in income and incurred \$1,837.2m in expenses during 2002–03.

Over half of motor vehicle hire income was earned from household clients (51.1%), followed by commercial clients (36.8%). Government clients accounted for 10.9% of this income.

The total IVA by motor vehicle hire businesses was \$1,223.3m contributing the equivalent of 0.2% to Australian GDP for 2002–03.

1.1 SUMMARY OF OPERATIONS

		<i>Plant hire</i>	<i>Household goods hire</i>	<i>Motor vehicle hire</i>
Businesses at end June	no.	1 152	495	375
Premises at end June				
Capital city	no.	1 228	^ 508	535
Other	no.	^ 534	^ 215	514
Total	no.	1 762	723	1 049
Employment at end June	no.	13 738	4 222	6 796
Income				
Hire/leasing/rental	\$m	2 216.6	323.7	938.6
Other	\$m	403.0	35.2	(a) 1 065.2
Total	\$m	2 619.5	359.0	2 003.8
Expenses				
Labour costs	\$m	721.6	126.9	251.3
Depreciation and amortisation	\$m	324.6	41.6	539.2
Other	\$m	1 227.0	171.9	1 046.7
Total	\$m	2 273.2	340.4	1 837.2
Operating profit before tax	\$m	350.9	^ 19.6	168.8
Operating profit margin	%	13.5	5.5	8.8
Industry value added	\$m	1 505.8	203.2	1 223.3
Hire service income from(b)				
Household clients	%	5.7	44.9	51.1
Commercial businesses	%	84.8	48.7	36.8
Government organisations	%	7.4	6.1	10.9
Other clients	%	^ 2.1	^ 0.3	1.2
Total	%	100.0	100.0	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

(a) Included income from operating leases of motor vehicles.

(b) Income from type of client as a percentage of hire/rental income.

CHAPTER **2**

PLANT AND EQUIPMENT

INTRODUCTION

This chapter presents results for the operations of plant and equipment hiring and leasing businesses during 2002–03.

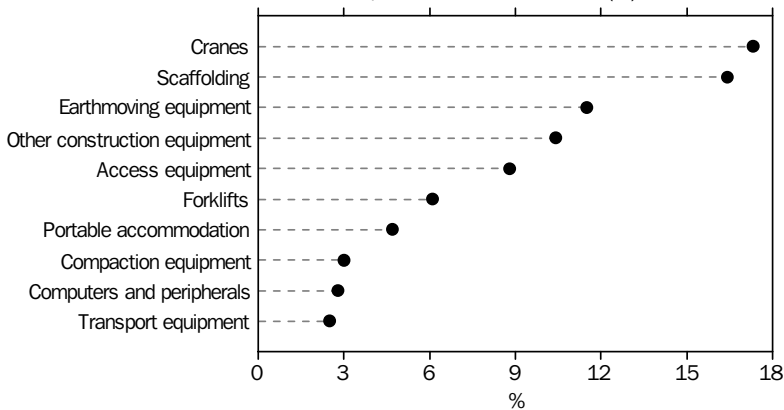
These plant hire businesses mainly engaged in the renting, leasing, or hiring of industrial machinery, plant or equipment without operators, from stock physically held for that purpose. Transport equipment was excluded. Businesses which engaged in the rent and/or leasing of cranes with operators were also included as part of these results. Refer to paragraph 2 of the Explanatory Notes for further information.

For ease of reading plant and equipment hiring and leasing is referred to as plant hire in this chapter.

SOURCES OF INCOME

At the end of June 2003 there were 1,152 plant hire businesses generating \$2,619.5m in income. Most of this income (84.6% or \$2,216.6m) came from the provision of hire/leasing services. The following graph shows that the majority of hire/leasing income was derived from crane hire (17.3% or \$382.5m) followed by scaffolding (16.4% or \$363.1m) and earthmoving equipment (11.5% or \$254.1m).

SELECTED SOURCES OF HIRE/LEASING INCOME (a)



(a) As a percentage of total hire/leasing income.

Under one-third (32.8%) of all hire/leasing income came from plant or equipment that was rented for one month to less than twelve months. Plant/equipment hired for twelve months or greater comprised 22.9% of all hire/leasing income, while one week to less than one month comprised 20.4%.

EXPENDITURE

During 2002–03, plant hire businesses incurred expenses of \$2,273.2m. The main contributor to total expenses was labour costs at \$721.6m (31.7%) followed by depreciation and amortisation costs at \$324.6m (14.3%), repair and maintenance expenses at \$193.1m (8.5%) and rent, leasing and hiring expenses at \$182.5m (8%).

EXPENDITURE *continued*

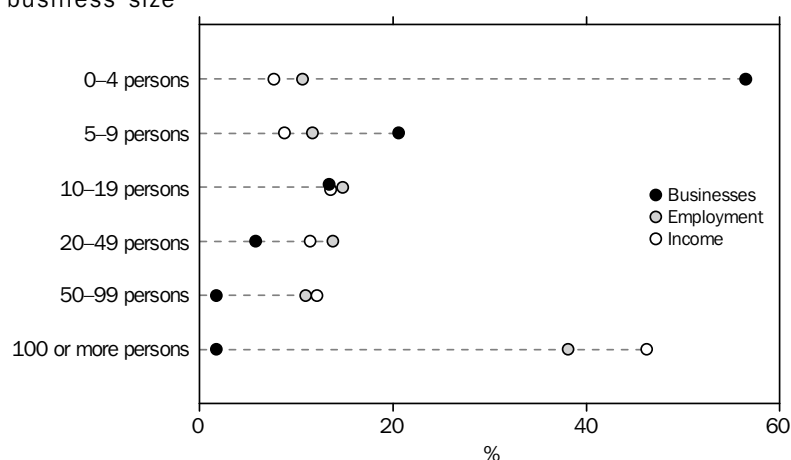
In addition to the \$193.1m paid for repair and maintenance, plant hire businesses paid \$104.5m in wages and salaries to their own staff for this work, bringing the total repair and maintenance costs to \$297.6m.

BUSINESS SIZE
CHARACTERISTICS

At the end of June 2003, there were 1,152 plant hire businesses with employment of 13,738.

The graph below shows that although larger businesses (employment of 100 or more persons) represented a minority (1.8%) of all plant hire businesses, they accounted for 38.1% of workers and 46.2% (\$1,210m) of all income.

DISTRIBUTION OF BUSINESSES, EMPLOYMENT AND INCOME, By business size



A total operating profit before tax of \$350.9m was recorded during 2002-03, resulting in an operating profit margin of 13.5%.

Profitability varied across the different sized businesses, with the highest operating profit margin of 16.6% achieved by businesses with employment of 10-19 persons. An above average profit margin of 14.1% was also recorded by businesses with employment of 100 or more persons.

STATES AND TERRITORIES

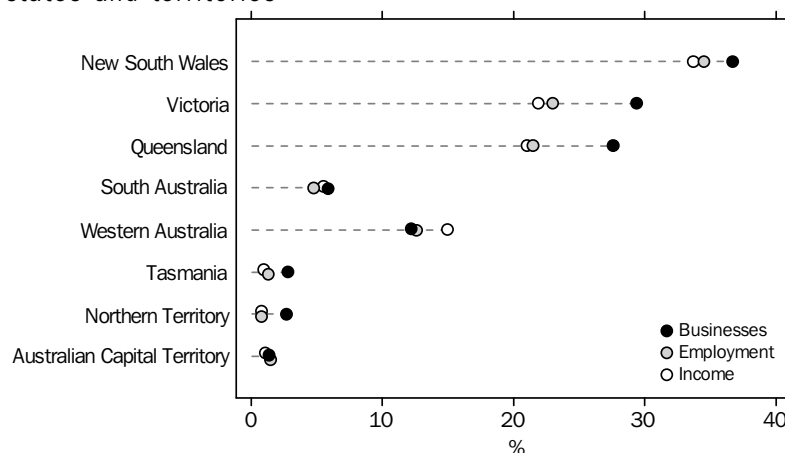
An evaluation of the key business activity measures — number of businesses, employment, wages and salaries, and income — found that plant hire businesses in New South Wales, Victoria and Queensland accounted for the majority of the national activity against each of these four measures. This is highlighted in the graph at the top of page 9. Their proportional contributions across the four activity measures were similar to their relative shares of Australia's population. South Australia was the only state or territory where the relative contribution to the national total for all of the four activity measures was less than its share of Australia's total population (7.7%).

In relation to income, New South Wales' share was 33.7%, Victoria 21.9% and Queensland 21%.

STATES AND TERRITORIES

continued

DISTRIBUTION OF BUSINESSES, EMPLOYMENT AND INCOME, By states and territories



The average income per employment of plant hire businesses was \$190,700. The average of these businesses in Western Australia and South Australia was \$228,700 and \$216,800 respectively, the highest of all the states and territories.

HIRE ASSETS

At the end of June 2003, the total book value of non-current plant and equipment hire assets was \$1,787.4m. Access equipment (\$297m), earthmoving equipment (\$210.2m), cranes (\$194.6m) and scaffolding (\$164.7m) were the main asset types.

The non-current hire assets which generated the highest returns (defined as income derived from a non-current asset during 2002–03 divided by the asset's book value) were: portable fencing (591%); scaffolding (220.5%); cranes (196.6%); and party hire/event/function/exhibition goods and equipment (189.1%).

GROWTH

Comparisons with results from earlier surveys are useful as an indication of the extent and direction of change over time. However, it is important to note that the survey was not designed to provide highly accurate estimates of change, so any comparisons to results from previous surveys should be made with caution. Estimates of change can be subject to changes to scope and high levels of sampling error. A significant change for this survey was the exclusion of businesses whose predominant income was generated from pallet hire. Further information can be found in paragraphs 20–22 of the Explanatory Notes.

Income from hire/lease services grew by 5.5% per annum between 1999–2000 and 2002–03, while expenditure grew by 4.6% per annum.

Depreciation and amortisation expenses had a growth rate of 6.3% per annum which was higher than the overall growth rate for all expenses.

The operating profit before tax grew at an annual rate of 16.1%, resulting in an increase in profit margin from 10.4% to 13.5% since 1999–2000.

There was a notable increase in insurance costs since 1999–2000. Insurance expenses grew from \$16m to \$35.1m in 2002–03. In the one year to 2002–03 insurance costs increased by 28.3%, from \$27.4m. The average cost per business with public liability insurance increased from \$12,300 in 2001–02 to \$14,800 in 2002–03.

2.1**SUMMARY OF OPERATIONS(a), Plant and equipment**

		1999–2000	2002–03	Average annual percentage change 1999–2000 to 2002–03
Businesses at end June	no.	923	1 152	7.7
Premises at end June				
Capital city	no.	1 120	1 228	3.1
Other	no.	420	[^] 534	8.3
Total	no.	1 540	1 762	4.6
Employment at end June	no.	13 235	13 738	1.3
Income				
Hire/lease services	\$m	1 890.0	2 216.6	5.5
Other	\$m	355.7	403.0	4.2
Total	\$m	2 245.7	2 619.5	5.3
Expenses				
Labour costs	\$m	629.9	721.6	4.6
Depreciation and amortisation	\$m	270.2	324.6	6.3
Other	\$m	1 086.3	1 227.0	4.1
Total	\$m	1 986.4	2 273.2	4.6
Operating profit before tax	\$m	224.5	350.9	16.1
Operating profit margin	%	10.4	13.5	. .
Industry value added	\$m	1 336.6	1 505.8	4.1

[^] estimate has a relative standard error of 10% to less than 25% and should be used with caution

. . not applicable

(a) Comparisons to historical estimates should be made with caution. Refer to paragraphs 20–22 of the Explanatory Notes for more information.

2.2**SOURCES OF INCOME, Plant and equipment**

	<i>Businesses at end June(a)</i>	<i>Income</i>	<i>Proportion of total income</i>
	no.	\$m	%
Income from hire/lease of plant and equipment			
Transport equipment	^ 153	55.4	2.1
Generators	^ 158	52.5	2.0
Portable fencing	** 49	^ 18.3	0.7
Access equipment	^ 184	^ 194.9	7.4
Air equipment	^ 165	34.8	1.3
Compaction equipment	^ 104	66.1	2.5
Cranes	^ 334	^ 382.5	14.6
Earthmoving equipment	^ 173	^ 254.1	9.7
Forklifts	* 157	^ 134.2	5.1
Scaffolding			
Steel and formwork	* 165	335.4	12.8
Aluminium	^ 184	^ 27.7	1.1
Total	^ 260	363.1	13.9
Other construction equipment	^ 286	230.9	8.8
Portable accommodation	^ 178	^ 104.7	4.0
Computers and computer peripherals	* 94	61.1	2.3
Party hire/event/function/exhibition goods and equipment	* 67	* 5.7	0.2
Other	^ 242	258.2	9.9
Total	1 152	2 216.6	84.6
Cartage and setup	^ 227	101.1	3.9
Net profit/loss on sale of ex-hire goods and equipment	^ 306	^ 45.4	1.7
Other sales of goods and equipment			
Consumables	^ 165	^ 26.6	1.0
Other	^ 91	^ 62.8	2.4
Total	^ 212	^ 89.3	3.4
Interest income	^ 373	14.0	0.5
Other	^ 415	153.1	5.8
Total	1 152	2 619.5	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) As businesses may have had more than one source of income, the counts of businesses for each source of income do not sum to the total.

2.3 HIRE/LEASING INCOME BY RENTAL PERIOD, Plant and equipment

.....		
Period of rental(a)		
1 day	%	13.3
2 days to less than 1 week	%	10.6
1 week to less than 1 month	%	20.4
1 month to less than 12 months	%	32.8
12 months or greater	%	22.9
Total	%	100.0
Total income from hire/leasing	\$m	2 216.6

(a) Percentage of hire/leasing income by period of rental.

2.4**ITEMS OF EXPENDITURE, Plant and equipment**

	<i>Businesses at end June(a)</i>	<i>Expenditure</i>	<i>Proportion of total expenses</i>
	<i>no.</i>	<i>\$m</i>	<i>%</i>
Labour costs			
Wages and salaries	1 089	607.7	26.7
Employer contributions to superannuation funds(b)	1 016	55.9	2.5
Workers' compensation costs	911	25.0	1.1
Fringe benefits tax	^ 226	6.4	0.3
Payroll tax	^ 255	26.6	1.2
<i>Total</i>	<i>1 122</i>	<i>721.6</i>	<i>31.7</i>
Depreciation and amortisation			
Hire goods and equipment	^ 781	289.1	12.7
Other	^ 451	35.5	1.6
<i>Total</i>	<i>^ 801</i>	<i>324.6</i>	<i>14.3</i>
Purchases			
Goods and equipment for resale	^ 233	52.2	2.3
Petroleum products and other fuels	^ 538	30.8	1.4
Other purchases			
For hire or lease	^ 289	36.8	1.6
Other	^ 184	29.4	1.3
<i>Total</i>	<i>^ 369</i>	<i>66.2</i>	<i>2.9</i>
<i>Total</i>	<i>^ 759</i>	<i>149.2</i>	<i>6.6</i>
Repair and maintenance			
Hire goods and equipment	893	183.6	8.1
Other	^ 403	9.5	0.4
<i>Total</i>	<i>981</i>	<i>(c) 193.1</i>	<i>8.5</i>
Rent, leasing and hiring			
Plant and equipment for hire	^ 538	110.2	4.8
Land, buildings and other structures	^ 566	52.3	2.3
Other	^ 155	20.0	0.9
<i>Total</i>	<i>^ 813</i>	<i>182.5</i>	<i>8.0</i>
Insurance premiums			
General	872	21.4	0.9
Public liability	926	13.7	0.6
<i>Total</i>	<i>969</i>	<i>35.1</i>	<i>1.5</i>
Motor vehicle running expenses(d)			
Freight and cartage	1 027	53.1	2.3
Other contract, subcontract and commission expenses	^ 647	65.8	2.9
Payments to employment agencies for staff	^ 625	^ 198.8	8.7
Telecommunication services	^ 150	12.6	0.6
Electricity, gas and water	1 009	26.7	1.2
Advertising, marketing and promotional expenses	^ 826	7.4	0.3
Interest	864	19.6	0.9
Bad and doubtful debts	^ 778	87.0	3.8
Other	^ 457	13.5	0.6
	^ 793	182.6	8.0
Total	1 152	2 273.2	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

(a) As businesses may have had more than one type of expenditure, the counts of businesses for each item of expenditure do not sum to the total.

(b) Included salary sacrifice that was paid as employer contributions to superannuation funds. Other salary sacrifice was included with the relevant expense item.

(c) Plant leasing and hiring businesses paid \$104.5m in wages and salaries to their own staff for repair and maintenance work. Therefore total repair and maintenance expenses were \$297.6m.

(d) For vehicles used by staff for business.

2.5 STATES AND TERRITORIES, Plant and equipment

		New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
Businesses at end June(a)	no.	^ 422	^ 339	^ 318	^ 68	^ 141	*33	*31	^ 16	1 152
	%	36.7	29.4	27.6	5.9	12.2	2.8	2.7	1.4	100.0
Employment at end June	no.	4 736	3 164	2 957	662	^ 1 722	173	114	209	13 738
	%	34.5	23.0	21.5	4.8	12.6	1.3	0.8	1.5	100.0
Wages and salaries	\$m	220.6	135.9	119.4	29.4	85.3	5.8	4.7	6.6	607.7
	%	36.3	22.4	19.7	4.8	14.0	0.9	0.8	1.1	100.0
Total income	\$m	883.3	573.2	549.3	143.5	393.8	26.8	21.4	28.2	2 619.5
	%	33.7	21.9	21.0	5.5	15.0	1.0	0.8	1.1	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) As businesses may have operated in more than one state, the counts of businesses for each state and territory do not sum to the total.

2.6 SUMMARY OF OPERATIONS BY EMPLOYMENT SIZE, Plant and equipment

		0-4 persons	5-9 persons	10-19 persons	20-49 persons	50-99 persons	100 or more persons	Total
Businesses at end June	no.	^ 651	^ 238	^ 154	^ 67	21	21	1 152
	%	56.5	20.6	13.4	5.8	1.8	1.8	100.0
Employment at end June	no.	^ 1 468	^ 1 604	^ 2 034	^ 1 896	1 506	5 230	13 738
	%	10.7	11.7	14.8	13.8	11.0	38.1	100.0
Wages and salaries	\$m	^ 39.3	^ 55.1	^ 72.5	^ 82.1	81.9	276.9	607.7
	%	6.5	9.1	11.9	13.5	13.5	45.6	100.0
Total income	\$m	^ 202.4	^ 230.3	^ 356.5	300.1	320.3	1 210.0	2 619.5
	%	7.7	8.8	13.6	11.5	12.2	46.2	100.0
Total expenses	\$m	^ 164.1	^ 212.1	^ 297.2	^ 268.2	285.4	1 046.3	2 273.2
	%	7.2	9.3	13.1	11.8	12.6	46.0	100.0
Operating profit before tax	\$m	*39.0	*18.4	^ 58.8	^ 31.7	34.1	168.9	350.9
	%	11.1	5.2	16.8	9.0	9.7	48.1	100.0
Operating profit margin	%	^ 19.4	*8.0	^ 16.6	^ 10.6	11.1	14.1	13.5
Total income per person employed	\$'000	^ 137.8	^ 143.6	^ 175.3	158.3	212.7	231.4	190.7
Total labour costs per employee	\$'000	^ 33.3	39.4	42.2	50.7	63.9	63.6	52.7
Operating profit before tax per person employed	\$'000	*26.5	*11.5	^ 28.9	^ 16.7	22.7	32.3	25.5

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

2.7**NON-CURRENT HIRE ASSETS, Plant and equipment**

	<i>Businesses at end June(a)</i>	<i>Non-current hire assets</i>	<i>Return from non-current hire assets(b)</i>
	no.	\$m	%
Transport equipment	^ 239	57.2	96.8
Generators	^ 168	^ 52.2	100.5
Portable fencing	*68	*3.1	*591.0
Access equipment	^ 213	*297.0	*65.6
Air equipment	^ 221	^ 44.7	^ 77.9
Compaction equipment	^ 169	107.5	^ 34.0
Cranes	^ 261	^ 194.6	^ 196.6
Earthmoving equipment	^ 197	210.2	^ 120.9
Forklifts	*196	*139.0	^ 96.5
Scaffolding			
Steel and formwork	*167	^ 148.9	^ 225.3
Aluminium	^ 209	^ 15.8	^ 174.9
Total	^ 268	^ 164.7	^ 220.5
Other construction equipment	^ 249	122.4	188.7
Portable accommodation	^ 206	^ 91.8	114.1
Computers and computer peripherals	^ 235	^ 78.0	78.4
Party hire/event/function/exhibition goods and equipment	*96	*3.0	*189.1
Other	^ 294	^ 222.0	116.3
Total	1 152	1 787.4	124.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) As businesses may have had more than one type of asset, the counts of businesses for each type of asset do not sum to the total.

(b) For further information refer to the Glossary.

2.8**INSURANCE PREMIUM EXPENSES, Plant and equipment**

				<i>Percentage change 2001-02 to 2002-03</i>
		1999-2000	2001-02	2002-03
Type of insurance				
Public liability	\$m	na	^ 9.5	13.7
Other	\$m	na	17.8	21.4
Total	\$m	16.0	27.4	35.1
Businesses with public liability insurance	no.	na	^ 771	926

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

na not available

CHAPTER 3

PERSONAL AND HOUSEHOLD GOODS

INTRODUCTION

This chapter presents results for the operations of personal and household goods hire businesses during 2002–03.

These household goods hire businesses mainly engaged in the hiring of personal or household goods such as televisions, furniture, whitegoods, clothing and footwear, recreational equipment, computers or party hire/event/function/exhibition goods and equipment.

For ease of reading personal and household goods hire is referred to as household goods hire in this chapter.

BUSINESS SIZE CHARACTERISTICS

At the end of June 2003, there were 495 household goods hire businesses with employment of 4,222.

These hire businesses were predominantly small employers with 83.5% of all businesses comprising employment of less than 10 persons. Nearly one-third of this workforce (30.2%) worked in large businesses (100 or more persons). Large businesses also generated the highest proportion of income (42.9%).

INCOME

Total income generated by household goods hire businesses during 2002–03 was \$359m. The majority of this income (90.2% or \$323.7m) was generated from the hiring of these goods. Party hire/event/function/exhibition goods and equipment was the highest earner of hire goods income at \$154.5m (47.7%). Clothing and footwear comprised \$46.9m (14.5%) and televisions, radios, video cassette recorders (VCRs) and related equipment \$45.1m (13.9%).

Under one-third (31.8%) of all hire income came from personal and household goods that were rented for two days to less than one week. Personal and household goods hired for twelve months or greater comprised 25.3%, while one day periods comprised 22.3%.

EXPENDITURE

There were \$340.4m in expenses incurred during 2002–03 by household goods hire businesses. The largest expense was labour costs, \$126.9m (37.3%). Other large contributors to expenses were depreciation and amortisation, \$41.6m (12.2%) and rent, leasing and hiring \$34.9m (10.3%).

PROFITABILITY

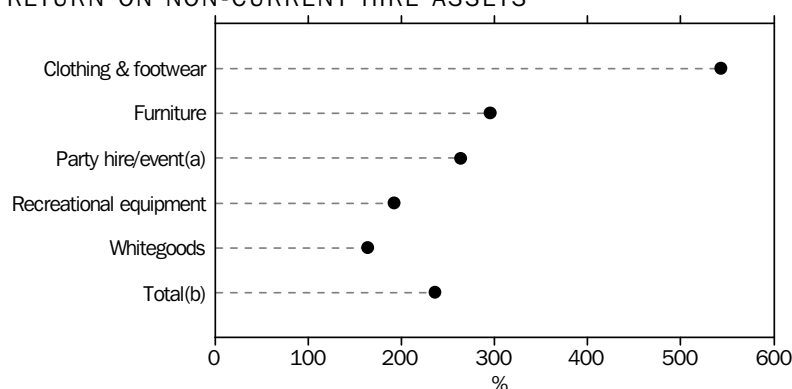
An operating profit before tax of \$19.6m was recorded by household goods hire businesses during 2002–03 resulting in an operating profit margin of 5.5%.

HIRE ASSETS

At the end of June 2003, the book value of non-current hire assets for these businesses was \$137.2m. Party hire/event/function/exhibition goods and equipment was the main asset type, valued at \$58.6m, followed by televisions, radios, VCRs and related equipment with a book value of \$29.6m.

The following graph shows that return on non-current hire assets (defined as income derived from an asset during 2002–03 divided by the asset's book value) was highest for clothing and footwear (542.7%), furniture (295.5%), and party hire/event/function/exhibition goods and equipment (263.5%).

RETURN ON NON-CURRENT HIRE ASSETS

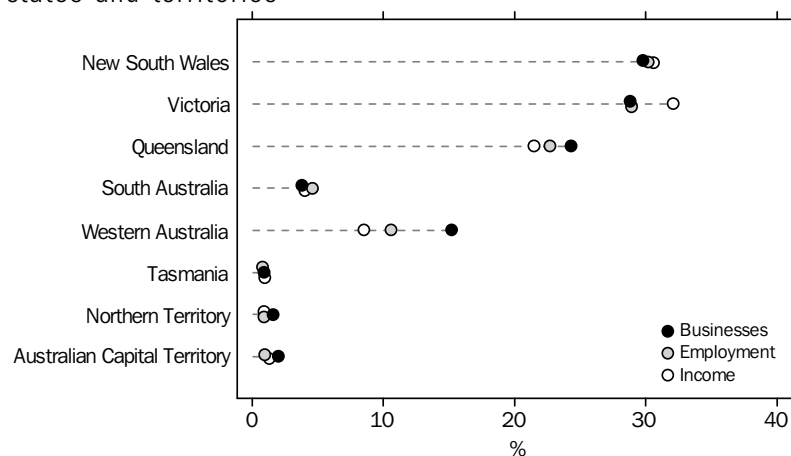


(a) Party hire/event/function/exhibition goods and equipment.
(b) Includes other hire assets not shown separately in the graph.

STATES AND TERRITORIES

Despite the difference between New South Wales and Victoria in terms of their relative population share (33.6% and 24.7% of the total Australian population, respectively), both New South Wales and Victoria had similar proportions of the total business counts (29.8%, 28.8%), employment (30.2%, 28.9%), wages and salaries (31.4%, 34.1%), and income (30.6%, 32.1%).

DISTRIBUTION OF BUSINESSES, EMPLOYMENT AND INCOME, By states and territories



GROWTH

Comparisons with results from earlier surveys are useful as an indication of the extent and direction of change over time. However, it is important to note that the survey was not designed to provide highly accurate estimates of change, so any comparisons to results from previous surveys should be made with caution. Estimates of change can be

GROWTH *continued*

subject to changes in scope and high levels of sampling error. Refer to paragraphs 20–22 of the Explanatory Notes for further information.

Income recorded a decline of 0.1% per annum since 1999–2000, while expenses grew by 1.3%. Depreciation and amortisation declined by 13.7% per annum, while labour costs grew annually by 7.5%.

Operating profit before tax decreased from \$24.9m in 1999–2000 to \$19.6m in 2002–03 resulting in an operating profit margin of 5.5%. The operating profit margin was 7.2% in 1999–2000.

Employment grew at 6.5% per annum from 3,493 persons in 1999–2000 to 4,222 persons in 2002–03.

Insurance expenses grew from \$3.4m in 1999–2000 to \$4.9m in 2002–03. In the one year to 2002–03 insurance costs increased by 35.7%, from \$3.6m. The average cost per business with public liability insurance increased from \$3,600 in 2001–02 to \$5,000 in 2002–03.

3.1**SUMMARY OF OPERATIONS(a), Personal and household goods**

		1999–2000	2002–03	Average annual percentage change 1999–2000 to 2002–03
Businesses at end June	no.	409	495	6.6
Premises at end June				
Capital city	no.	422	^ 508	6.4
Other	no.	162	^ 215	9.9
Total	no.	584	723	7.4
Employment at end June	no.	3 493	4 222	6.5
Income				
Hire services	\$m	333.2	323.7	–1.0
Other	\$m	27.1	35.2	9.2
Total	\$m	360.3	359.0	–0.1
Expenses				
Labour costs	\$m	102.1	126.9	7.5
Depreciation and amortisation	\$m	64.6	41.6	–13.7
Other	\$m	160.6	171.9	2.3
Total	\$m	327.3	340.4	1.3
Operating profit before tax	\$m	24.9	^ 19.6	–7.7
Operating profit margin	%	7.2	5.5	. .
Industry value added	\$m	232.8	203.2	–4.4

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

. . not applicable

(a) Comparisons to historical estimates should be made with caution. Refer to paragraphs 20–22 of the Explanatory Notes for more information.

3.2 SOURCES OF INCOME, Personal and household goods

	Businesses at end June(a)	Income	Proportion of total income
	no.	\$m	%
Income from hire of goods			
Computers and computer peripherals	*18	np	np
Televisions, radios, VCRs and related equipment	*66	45.1	12.6
Party hire/event/function/exhibition goods and equipment	^ 197	154.5	43.0
Furniture	*26	21.2	5.9
Whitegoods	*49	31.7	8.8
Recreational equipment	*58	*5.4	1.5
Clothing and footwear	^ 127	^ 46.9	13.1
Do-it-yourself machinery and equipment	*29	*5.2	1.5
Other	*60	np	np
Total	495	323.7	90.2
Cartage and setup	^ 101	^ 3.8	1.1
Net profit/loss on sale of ex-hire goods and equipment	^ 82	5.9	1.6
Other sales of goods and equipment	^ 196	^ 12.7	3.5
Interest income	^ 174	0.6	0.2
Other	^ 140	12.2	3.4
Total	495	359.0	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) As businesses may have had more than one source of income, the counts of businesses for each source of income do not sum to the total.

3.3 HIRE INCOME BY RENTAL PERIOD, Personal and household goods

Period of rental(a)		
1 day	%	22.3
2 days to less than 1 week	%	31.8
1 week to less than 1 month	%	13.3
1 month to less than 12 months	%	7.4
12 months or greater	%	25.3
Total	%	100.0
Total income from hire	\$m	323.7

(a) Percentage of hire income by period of rental.

3.4**ITEMS OF EXPENDITURE, Personal and household goods**

	<i>Businesses at end June(a)</i>	<i>Expenditure</i>	<i>Proportion of total expenses</i>
	<i>no.</i>	<i>\$m</i>	<i>%</i>
Labour costs			
Wages and salaries	453	109.1	32.1
Employer contributions to superannuation funds(b)	^ 399	9.3	2.7
Workers' compensation costs	^ 371	3.6	1.1
Fringe benefits tax	^ 31	0.9	0.3
Payroll tax	31	4.0	1.2
<i>Total</i>	454	126.9	37.3
Depreciation and amortisation			
Hire goods and equipment	^ 303	36.6	10.8
Other	^ 209	5.0	1.5
<i>Total</i>	^ 376	41.6	12.2
Purchases			
Goods and equipment for resale	^ 207	^ 11.4	3.4
Petroleum products and other fuels	na	na	na
Other purchases			
For hire or lease	^ 214	^ 12.2	3.6
Other	^ 97	*2.9	0.9
<i>Total</i>	^ 274	^ 15.1	4.4
<i>Total</i>	^ 388	26.5	7.8
Repair and maintenance			
Hire goods and equipment	^ 365	5.3	1.6
Other	^ 207	2.3	0.7
<i>Total</i>	465	(c) 7.6	2.2
Rent, leasing and hiring			
Goods and equipment for re-hire	^ 158	^ 10.4	3.1
Land, buildings and other structures	^ 337	20.0	5.9
Other	^ 66	4.5	1.3
<i>Total</i>	^ 396	34.9	10.3
Insurance premiums			
General	^ 389	2.7	0.8
Public liability	441	2.2	0.7
<i>Total</i>	469	4.9	1.4
Motor vehicle running expenses(d)			
Freight and cartage	448	8.1	2.4
Other contract, subcontract and commission expenses	^ 287	4.7	1.4
Payments to employment agencies for staff	^ 158	8.7	2.6
Telecommunication services	^ 22	^ 4.3	1.3
Electricity gas and water	478	6.6	1.9
Advertising, marketing and promotional expenses	^ 420	2.2	0.6
Interest	454	13.8	4.0
Bad and doubtful debts	^ 294	8.6	2.5
Other	^ 158	3.0	0.9
<i>Total</i>	^ 387	38.1	11.2
Total	495	340.4	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

na not available

(a) As businesses may have had more than one type of expenditure, the counts of businesses for each item of expenditure do not sum to the total.

(b) Included salary sacrifice that was paid as employer contributions to superannuation funds. Other salary sacrifice was included with the relevant expense item.

(c) Personal and household goods hiring businesses paid \$7.7m in wages and salaries to their own staff for repair and maintenance work. Therefore total repair and maintenance expenses were \$15.3m.

(d) For vehicles used by staff for business.

3.5 STATES AND TERRITORIES, Personal and household goods

		<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Australia</i>
Businesses at end June(a)	no.	^ 147	^ 143	^ 121	*19	^ 75	^ 4	8	10	495
	%	29.8	28.8	24.3	3.8	15.2	0.9	1.6	2.0	100.0
Employment at end June	no.	^ 1 276	1 222	960	^ 194	^ 458	33	38	40	4 222
	%	30.2	28.9	22.7	4.6	10.6	0.8	0.9	1.0	100.0
Wages and salaries	\$m	34.2	37.2	21.1	^ 5.2	^ 9.0	1.0	0.7	0.8	109.1
	%	31.4	34.1	19.3	4.7	8.2	0.9	0.6	0.8	100.0
Total income	\$m	109.9	115.1	77.3	^ 14.4	^ 30.6	3.8	3.4	4.6	359.0
	%	30.6	32.1	21.5	4.0	8.5	1.0	0.9	1.3	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) As businesses may have operated in more than one state, the counts of businesses for each state and territory do not sum to the total.

3.6 SUMMARY OF OPERATIONS BY EMPLOYMENT SIZE, Personal and household goods

		<i>0-4 persons</i>	<i>5-9 persons</i>	<i>10-19 persons</i>	<i>20-49 persons</i>	<i>50-99 persons</i>	<i>100 or more persons</i>	<i>Total</i>
Businesses at end June	no.	^ 295	^ 118	^ 56	^ 15	5	6	495
	%	59.7	23.8	11.4	2.9	1.0	1.2	100.0
Employment at end June	no.	^ 605	^ 752	^ 769	^ 431	390	1 275	4 222
	%	14.3	17.8	18.2	10.2	9.2	30.2	100.0
Wages and salaries	\$m	^ 7.7	^ 12.3	^ 16.6	12.6	10.6	49.4	109.1
	%	7.1	11.3	15.2	11.5	9.7	45.2	100.0
Total income	\$m	^ 39.3	^ 40.7	^ 52.4	35.3	37.3	154.0	359.0
	%	10.9	11.3	14.6	9.8	10.4	42.9	100.0
Total expenses	\$m	^ 36.8	^ 36.4	^ 49.9	34.0	33.0	150.3	340.4
	%	10.8	10.7	14.7	10.0	9.7	44.1	100.0
Operating profit before tax	\$m	**2.6	*4.4	*3.2	1.3	4.2	3.9	^ 19.6
	%	13.1	22.5	16.4	6.6	21.5	19.8	100.0
Operating profit margin	%	**6.6	^ 10.9	*6.1	3.7	11.4	2.5	5.5
Total income per person employed	\$'000	^ 64.9	^ 54.1	^ 68.1	*82.0	95.5	120.8	85.0
Total labour costs per employee	\$'000	^ 18.0	^ 20.3	^ 24.9	^ 33.6	31.6	46.0	31.5
Operating profit before tax per person employed	\$'000	**4.2	*5.8	*4.2	*3.0	10.8	3.0	^ 4.6

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

3.7 NON-CURRENT HIRE ASSETS, Personal and household goods

	<i>Businesses at end June(a)</i>	<i>Non-current hire assets</i>	<i>Return on non-current hire assets(b)</i>
	no.	\$m	%
Computers and computer peripherals	*70	2.8	np
Televisions, radios, VCRs and related equipment	*75	29.6	152.4
Party hire/event/function/exhibition goods and equipment	^207	58.6	263.5
Furniture	*44	7.2	295.5
Whitegoods	*66	19.3	164.2
Recreational equipment	*69	*2.8	*192.5
Clothing and footwear	*62	^ 8.6	^ 542.7
Do-it-yourself equipment and machinery	*46	*5.8	**90.1
Other	*73	*2.5	np
Total	495	137.2	235.9

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) As businesses may have had more than one type of asset, the counts of businesses for each type of asset do not sum to the total.

(b) For further information refer to the Glossary.

3.8 INSURANCE PREMIUM EXPENSES, Personal and household goods

					<i>Percentage change 2001-02 to 2002-03</i>
		1999-2000	2001-02	2002-03	
Type of insurance					
Public liability	\$m	na	1.3	2.2	66.7
Other	\$m	na	2.3	2.7	17.8
Total	\$m	3.4	3.6	4.9	35.7
Businesses with public liability insurance	no.	na	^ 361	441	22.1

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

na not available

CHAPTER 4

MOTOR VEHICLE

INTRODUCTION

This chapter presents results for the operations of motor vehicle hire and leasing businesses during 2002–03.

These motor vehicle hire and leasing businesses engaged in the hiring, leasing, or renting of motor vehicles from own stocks, without drivers. Licensed taxi cabs or hire cars were excluded from the survey.

For ease of reading motor vehicle hire and leasing is referred to as motor vehicle hire in this chapter.

SOURCES OF INCOME

For the year ended 30 June 2003, income of \$2,003.8m was earned by the 375 motor vehicle hire businesses. Income from motor vehicle hire or rental comprised 46.8% (\$938.6m) of all income. Income varied by the type of vehicle hired. Car hire accounted for \$725.2m (77.3%) of the total hire/rental income, followed by trucks and other vans, \$79.1m (8.4%) and light vans, \$53.3m (5.7%).

Vehicles hired from airports accounted for 38.5% of the total hire/rental income (\$361.2m).

EXPENDITURE

During 2002–03, total expenses of \$1,837.2m were incurred by motor vehicle hire businesses. Significant expense items included: depreciation and amortisation (\$539.2m or 29.4% of the total); labour costs (\$251.3m or 13.7%); and rent, leasing and hiring (\$220.9m or 12.1%).

EMPLOYMENT

At the end of June 2003, the 375 motor vehicle hire businesses had employment of 6,796.

PROFITABILITY

Total operating profit before tax was \$168.8m for motor vehicle hire businesses during 2002–03, resulting in an operating profit margin of 8.8%.

STATES AND TERRITORIES

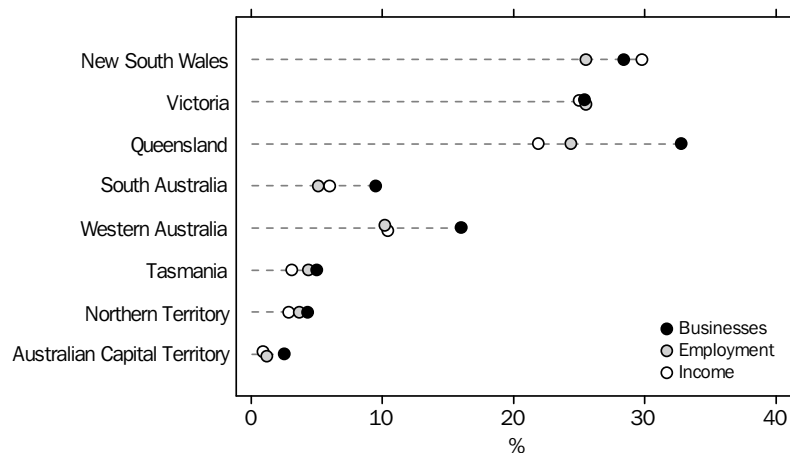
While Queensland had the largest number of motor vehicle hire businesses (123), Victoria and New South Wales had higher levels of employment of 1,733 (25.5%) and 1,730 (25.5%), respectively. Queensland employment was 1,656. New South Wales had the highest share of wages and salaries (29.8%) and income (29.8%).

Queensland had the highest share of vehicles in rental fleet and vehicle rental days (that is, the number of days that vehicles were rented out during the financial year) at the end of June 2003 (29.5% and 29.8%) resulting in the highest share of motor vehicle rental income across Australia (29.7%).

STATES AND TERRITORIES

continued

DISTRIBUTION OF BUSINESSES, EMPLOYMENT AND INCOME, By states and territories



BUSINESS

CHARACTERISTICS

Most businesses (65%) in motor vehicle hire had an income of less than one million dollars. Only 5.2% (19) of all businesses reported an income of \$10m or more.

These large businesses (those with \$10m or more) comprised 59% of the motor vehicle hire workforce and generated \$1,560.4m in income. On average each business in the large income range generated \$82m. Businesses with income less than \$400,000 generated an average of \$205,000 per business.

4.1 SUMMARY OF OPERATIONS, Motor vehicle

.....		
Businesses at end June	no.	375
Locations at end June		
Capital city	no.	535
Other	no.	514
<i>Total</i>	no.	1 049
Employment at end June	no.	6 796
Income		
Hire/rental services	\$m	938.6
Other(a)	\$m	1 065.2
<i>Total</i>	\$m	2 003.8
Expenses		
Labour costs	\$m	251.3
Depreciation and amortisation	\$m	539.2
Other	\$m	1 046.7
<i>Total</i>	\$m	1 837.2
Operating profit before tax	\$m	168.8
Operating profit margin	%	8.8
Industry value added	\$m	1 223.3
Vehicles in rental fleet at end June	no.	61 097
.....		

(a) Included income from operating leases of motor vehicles.

4.2**SOURCES OF INCOME, Motor vehicle**

	<i>Businesses at end June(a)</i>	<i>Income</i>	<i>Proportion of total income</i>
	no.	\$m	%
Income from motor vehicle hire or rental			
Cars	329	725.2	36.2
Light vans	153	53.3	2.7
Trucks and other vans	^ 106	^ 79.1	3.9
Buses	^ 124	27.8	1.4
Campervans and road-vans	^ 29	50.3	2.5
Other motor vehicles	* 19	** 2.8	0.1
<i>Total(b)</i>	375	938.6	46.8
Other goods and services income			
Franchise fees, license fees and royalties	* 15	17.9	0.9
Sales of goods(c)	190	788.6	39.4
<i>Total</i>	193	806.5	40.2
Interest income	149	65.8	3.3
Other	248	192.9	9.6
Total	375	2 003.8	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) As businesses may have had more than one source of income, the counts of businesses for each source of income do not sum to the total.

(b) Of the \$938.6m of income from motor vehicle hire or rental, \$361.2m was earned from the hire/rental of vehicles from airports.

(c) Excluded capitalised goods. These data included income from motor vehicle operating leases.

4.3**ITEMS OF EXPENDITURE, Motor vehicle**

	<i>Businesses at end June(a)</i>	<i>Expenditure</i>	<i>Proportion of total expenses</i>
	no.	\$m	%
Labour costs			
Wages and salaries	367	213.3	11.6
Employer contributions to superannuation funds(b)	337	21.0	1.1
Workers' compensation costs	334	4.3	0.2
Fringe benefits tax	^ 60	2.2	0.1
Payroll tax	^ 80	10.5	0.6
Total	367	251.3	13.7
Depreciation and amortisation			
Motor vehicles	243	518.1	28.3
Other	175	^ 21.1	1.2
Total	275	539.2	29.4
Purchases			
Motor vehicles	213	117.5	6.4
Other	145	24.5	1.3
Total	293	142.0	7.7
Repair and maintenance			
Motor vehicles in hire/leasing fleet	340	88.2	4.8
Other	238	8.9	0.5
Total	360	(c) 97.1	5.3
Rent, leasing and hiring			
Motor vehicles (including on-hiring)	215	140.7	7.7
Land, buildings and other structures	243	67.1	3.7
Other	^ 77	^ 13.1	0.7
Total	315	220.9	12.1
Insurance premiums			
Public liability	324	4.3	0.2
Other	327	21.6	1.2
Total	360	25.9	1.4
Motor vehicle running expenses(d)			
Franchise fees, licence fees and royalties	296	87.2	4.7
Freight and cartage	189	34.2	1.9
Advertising, marketing and promotional expenses	3	np	np
Other contract, subcontract and commission expenses	347	52.1	2.8
Payments to employment agencies for staff	267	46.0	2.5
Telecommunication services	^ 33	np	np
Electricity, gas and water	372	17.6	1.0
Travelling, accommodation and entertainment expenses	347	4.0	0.2
Interest	270	5.0	0.3
Bad and doubtful debts	309	188.6	10.3
Other	160	11.2	0.6
Total	297	112.5	6.1
Total	375	1 837.2	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) As businesses may have had more than one type of expenditure, the counts of businesses for each item of expenditure do not sum to the total.

(b) Included salary sacrifice that was paid as employer contributions to superannuation funds. Other salary sacrifice was included with the relevant expense item.

(c) Motor vehicle hire businesses paid \$17.3m in wages and salaries to own staff for repair and maintenance work. Therefore total repair and maintenance expenses was \$114.4m.

(d) Refers to vehicles used by staff for business and not used as part of the rental fleet.

4.4 STATES AND TERRITORIES, Motor vehicle

		<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Australia</i>
Businesses at end June(a)	no.	106	95	123	36	60	19	16	10	375
	%	28.4	25.4	32.8	9.5	16.0	5.0	4.3	2.5	100.0
Employment at end June	no.	1 730	1 733	1 656	346	695	301	251	83	6 796
	%	25.5	25.5	24.4	5.1	10.2	4.4	3.7	1.2	100.0
Wages and salaries	\$m	63.6	51.3	46.9	11.0	21.2	9.2	7.4	2.5	213.3
	%	29.8	24.0	22.0	5.2	10.0	4.3	3.5	1.2	100.0
Total income	\$m	597.0	501.8	438.9	119.3	207.5	62.2	59.0	17.8	2 003.8
	%	29.8	25.0	21.9	6.0	10.4	3.1	2.9	0.9	100.0
Vehicles in rental fleet at end June	no.	14 402	11 101	17 995	3 564	8 373	2 698	2 070	895	61 097
	%	23.6	18.2	29.5	5.8	13.7	4.4	3.4	1.5	100.0
Vehicle rental days during reporting period	'000	3 567.3	2 750.3	4 576.2	^ 944.4	2 078.2	739.6	443.1	240.3	15 339.4
	%	23.3	17.9	29.8	6.2	13.5	4.8	2.9	1.6	100.0
Income from motor vehicle rental	\$m	211.6	168.6	279.2	^ 59.7	124.3	40.2	40.6	14.0	938.6
	%	22.5	18.0	29.7	6.4	13.2	4.3	4.3	1.5	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

(a) As businesses may have operated in more than one state, the counts of businesses for each state and territory do not sum to the total.

4.5**SUMMARY OF OPERATIONS BY INCOME RANGE, Motor vehicle**

		<i>Less than \$400,000</i>	<i>\$400,000 to less than \$1 million</i>	<i>\$1 million to less than \$5 million</i>	<i>\$5 million to less than \$10 million</i>	<i>\$10 million or more</i>	<i>Total</i>
Businesses at end June	no.	^ 118	^ 125	^ 89	^ 23	19	375
	%	31.5	33.5	23.8	6.1	5.2	100.0
Employment at end June	no.	^ 354	^ 755	^ 925	755	4 006	6 796
	%	5.2	11.1	13.6	11.1	59.0	100.0
Wages and salaries	\$m	^ 4.4	^ 13.5	^ 26.4	24.0	145.0	213.3
	%	2.1	6.3	12.4	11.2	68.0	100.0
Total income	\$m	^ 24.2	^ 82.8	^ 173.3	^ 163.1	1 560.4	2 003.8
	%	1.2	4.1	8.6	8.1	77.9	100.0
Total expenses	\$m	^ 23.3	^ 74.1	^ 162.0	^ 154.5	1 423.2	1 837.2
	%	1.3	4.0	8.8	8.4	77.5	100.0
Operating profit before tax	\$m	**1.3	*10.4	*11.3	^ 8.8	136.9	168.8
	%	0.8	6.1	6.7	5.2	81.1	100.0
Operating profit margin	%	**5.5	^ 12.7	*6.7	^ 5.5	9.3	8.8
Total income per person employed	\$'000	68.4	109.7	187.3	216.0	389.5	294.9
Total labour costs per employee	\$'000	15.8	^ 20.8	32.7	37.4	43.1	37.3
Operating profit before tax per person employed	\$'000	**3.7	*13.7	*12.3	^ 11.7	34.2	24.8
Average number of rental days per rental vehicle	no.	187	220	204	262	269	251

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

4.6**INSURANCE PREMIUM EXPENSES, Motor vehicle**

		2001-02	2002-03	<i>Percentage change 2001-02 to 2002-03</i>
Type of insurance				
Public liability	\$m	3.4	4.3	27.8
Other	\$m	19.6	21.6	10.3
Total	\$m	23.0	25.9	12.9
Businesses with public liability insurance	no.	295	324	10.1

EXPLANATORY NOTES

INTRODUCTION	<p>1 This publication presents results from a survey of selected hire services businesses for the reference year 2002–03. This is the second time the ABS has conducted this survey. Previous statistics were released for 1999–2000 for plant hire and household goods hire and for 1991–92 for motor vehicle hire.</p>
SCOPE	<p>2 The scope of the survey was all employing units on the ABS Business Register, classified to the following classes of the Australian and New Zealand Standard Industrial Classification (ANZSIC) for selected hire services:</p> <ul style="list-style-type: none">■ 7743 – PLANT AND EQUIPMENT HIRING OR LEASING: This class consisted of employing businesses mainly engaged in the leasing of machinery, plant or equipment (except transport equipment) without operators, from stock physically held for that purpose. The scope was also extended to include businesses that generated income from the hiring/leasing of cranes with operators not classified to this ANZSIC class.■ 9519 – PERSONAL AND HOUSEHOLD GOODS HIRING N.E.C.: This class consisted of employing businesses primarily engaged in the hiring of personal or household goods. These services included the hiring of goods such as televisions, furniture, white goods, clothing and footwear, recreational equipment, computers or party hire/event/function/exhibition goods and equipment, etc. The scope excluded video hire rentals.■ 7741 – MOTOR VEHICLE HIRING: This class consisted of employing businesses mainly engaged in the leasing, hiring or renting motor vehicles from own stocks, without drivers (except licensed taxi cabs or hire cars).
STATISTICAL UNITS DEFINED ON THE ABS REGISTER	<p>3 The ABS uses an economic statistics model on the ABS Business Register to describe the characteristics of businesses, and the structural relationships between related businesses. The units model is also used to break groups of related businesses into relatively homogeneous components that can provide data to the ABS.</p> <p>4 In mid-2002, to better use the information available as a result of The New Tax System (TNTS), the ABS changed its economic statistics units model. The new units model allocates businesses to one of two sub-populations. The vast majority of businesses are in what is called the Australian Taxation Office (ATO) Maintained Population, while the remaining businesses are in the ABS Maintained Population. Together, these two sub-populations make up the ABS Business Register population.</p>
ATO Maintained Population	<p>5 Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN), and are then included on the ATO Australian Business Register. Most of these businesses have simple structures; therefore the unit registered for an ABN will satisfy ABS statistical requirements. For these businesses, the ABS is aligning its statistical units structure with the ABN unit. The businesses with simple structures constitute the ATO Maintained Population, and the ABN unit will be used as the economic statistics unit for all economic collections.</p>
ABS Maintained Population	<p>6 For the population of businesses where the ABN unit is not suitable for ABS statistical requirements, the ABS will maintain its own units structure through direct contact with the business. These businesses constitute the ABS Maintained Population. This population consists mainly of large, complex and diverse businesses. The new statistical units model described below has been introduced to cover such businesses:</p>

ABS Maintained Population
continued

- **Enterprise Group:** This is a unit covering all the operations in Australia of one or more legal entities under common ownership and/or control. It covers all the operations in Australia of legal entities which are related in terms of the current Corporations Law (as amended by the *Corporations Legislation Amendment Act 1991*), including legal entities such as companies, trusts, and partnerships. Majority ownership is not required for control to be exercised.
- **Enterprise:** The enterprise is an institutional unit comprising (i) a single legal entity or business entity, or (ii) more than one legal entity or business entity within the same Enterprise Group and in the same institutional sub-sector (i.e. they are all classified to a single Standard Institutional Sector Classification of Australia sub-sector).
- **Type of Activity Unit (TAU):** The TAU is comprised of one or more business entities, sub-entities or branches of a business entity within an Enterprise Group that can report production and employment data for similar activities. When a minimum set of data items are available, a TAU will be created which covers all the operations within an industry subdivision (and the TAU will be classified to the relevant subdivision of the ANZSIC). Where a business cannot supply adequate data for each industry, a TAU will be formed which contains activity in more than one industry subdivision.

7 For more information on the impacts of the introduction of the new economic statistics units model, refer to *Information Paper: Improvements in ABS Economic Statistics [Arising from The New Tax System]* (cat. no. 1372.0).

8 Prior to the 2002–03 cycle, the Hire Services Survey used the management unit as the statistical unit. For issues of this publication relating to 2002–03 onwards, the statistical unit in the Hire Services Survey is the ABN unit for businesses with simple structures, and the TAU for businesses with complex structures. In most cases, ABN/TAU units concord with the management units used in the 1999–2000 cycle for plant hire and household goods hire and the 1991–92 cycle for motor vehicle hire.

COVERAGE

9 The frame used for the Hire Services Survey, like most ABS economic surveys, was taken from the ABS Business Register. The ABS Business Register is primarily based on registrations to the Australian Taxation Office's Pay As You Go Withholding (PAYGW) scheme (and prior to 1 July 2000, the Group Employer (GE) scheme). The frame is updated quarterly to take account of new businesses and businesses which have ceased employing.

10 Businesses which have ceased employing are identified when the Australian Taxation Office cancels their PAYGW registration (or previously their GE registration). In addition, from July 1999 to the end of June 2000, businesses which did not remit under the GE scheme for the previous five quarters were removed from the frame. A similar process has recently been adopted to remove businesses which do not remit under the PAYGW scheme.

11 The introduction of The New Tax System has a number of significant implications for ABS business statistics, and these are discussed in: *Information Paper: ABS Statistics and The New Tax System* (cat. no. 1358.0) and *Information Paper: Improvements in ABS Economic Statistics [Arising from The New Tax System]* (cat. no. 1372.0).

IMPROVEMENTS TO
COVERAGE

12 Data in this publication have been adjusted to allow for lags in processing new businesses to the ABS Business Register, and the omission of some businesses from the register. The majority of businesses affected, and to which the adjustments apply, are small in size.

IMPROVEMENTS TO COVERAGE *continued*

13 Adjustments have been made to include new businesses in the estimates in the periods in which they commenced operations, rather than when they were processed to the ABS Business Register. Adjustments of this type will continue to be applied in future periods.

14 For more information on these adjustments, please refer to the ABS publication *Information Paper: Improvements to ABS Economic Statistics, 1997* (cat. no. 1357.0).

COMPARISON WITH OTHER ABS STATISTICS

15 Annual industry data for plant hiring or leasing services, personal and household goods hiring services n.e.c. and motor vehicle hire services is published in *Australian Industry* (cat. no. 8155.0). There are important differences between the statistics published in the *Australian Industry* and *Hire Services* publications and users should exercise caution when making comparisons between the two sets of estimates.

16 The *Australian Industry* publication presents annual summary statistics at the ANZSIC class level. It shows the relative performance of each industry class, and allows patterns of change or growth to be analysed across particular segments of the Australian economy. The industry estimates presented in *Australian Industry* are used in the compilation of the National Accounts, and in the derivation of economy-wide indicators such as gross domestic product (GDP).

17 The *Hire Services* publication supplements the annual industry summary statistics with a detailed examination of the structure and performance of businesses involved in selected hire services for the reference year of the survey.

18 One reason the two sets of estimates vary relates to the use of different industry coding practices. For the *Australian Industry* publication, businesses are coded to ANZSIC industry classes on the basis of the activity reported to the ATO when they registered for an ABN, or for more complex businesses, information reported directly to the ABS (see paragraphs 3–8). On the other hand, *Hire Services* presents estimates for industry classes based on detailed financial data reported in the survey. Approximately 32% of motor vehicle hire businesses, originally coded to ANZSIC Class 7741, were found to have predominant activity outside the scope of the collection (see paragraph 2), and have consequently been excluded from the results presented in this publication. Similarly, 41% of plant hire and leasing businesses and 52% of personal and household goods hiring businesses originally coded to ANZSIC classes 7743 and 9519, respectively, were out of scope and have consequently been removed from the results.

19 Other differences in results relate to further scope and coverage variations between the two surveys. Non-employed units were included in the scope of *Australian Industry*, but generally excluded from all three *Hire Services* surveys. An additional fourteen crane units classified to other ANZSIC classes were included in the plant hire services survey scope. These businesses contributed approximately 3% to the total plant hire income.

HISTORICAL COMPARISONS

20 While comparisons are made between 2002–03 survey results and the earlier iteration of the Hire Services Survey relating to plant hire and household goods hire, the reader should bear in mind that the survey was not designed to support accurate estimates of change, and should exercise caution when comparing 2002–03 results to 1999–2000 results.

21 Historical comparisons are not made for the motor vehicle hire survey due to significant change to the industry classification since the conduct of the last motor vehicle hire survey in 1991–92. A major change for the 2002–03 survey was the inclusion of motor vehicle leasing businesses that predominantly generated income from leases greater than twelve months.

HISTORICAL COMPARISONS

continued

22 During 2002–03 businesses predominantly engaged in the hire of pallets were determined to be outside the scope of ANZSIC 7743 PLANT HIRING AND LEASING and are part of ANZSIC class 7742 OTHER TRANSPORT EQUIPMENT LEASING. The 1999–2000 survey results included these pallet units.

RELIABILITY OF THE DATA

23 When interpreting the results of a survey it is important to take into account factors that may affect the reliability of estimates. Such factors can be classified as either sampling or non-sampling error.

24 The estimates are based on information obtained from a randomly selected stratified sample of selected hire services businesses in the Australian business population. Consequently, the estimates in this publication are subject to sampling variability, that is, they may differ from the figures that would have been obtained if all units had been included in the survey (that is if a census was conducted). One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of units was included.

25 There are about two chances in three that a sample estimate will differ by less than one SE from the figure that would have been obtained if a census was conducted and approximately 19 chances in 20 that the difference will be less than two SEs.

26 Sampling variability can also be measured by the relative standard error (RSE), which is obtained by expressing the SE as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the sampling error in percentage terms, and this avoids the need to refer also to the size of the estimate. The following table contains estimates of RSEs for a selection of the statistics presented in this publication.

RELIABILITY OF THE DATA

continued

RELATIVE STANDARD ERRORS FOR TABLE 1.1 SUMMARY OF OPERATIONS

	<i>Plant hire</i>	<i>Household goods hire</i>	<i>Motor vehicle hire</i>
	%	%	%
Businesses at end June	8.3	8.9	4.7
Premises at end June			
Capital city	8.0	12.0	5.3
Other	11.6	14.9	7.5
Total	6.1	8.9	4.4
Employment at end June	3.6	5.4	2.3
Income			
Hire/lease/rental	3.3	3.1	2.2
Other	4.5	6.3	1.0
Total	3.1	3.1	1.4
Expenses			
Labour costs	2.6	2.8	1.7
Depreciation and amortisation	5.8	3.2	1.2
Other	3.7	4.1	1.8
Total	3.2	3.1	1.5
Operating profit before tax	5.6	10.4	2.9
Operating profit margin	4.8	10.0	2.9
Industry value added	3.3	2.7	1.2
Hire service income from			
Household clients	6.5	3.4	1.7
Commercial businesses	0.8	2.8	2.0
Government organisations	6.2	4.7	3.6
Other clients	21.1	13.4	7.6
Total	—	—	—

— nil or rounded to zero (including null cells)

27 As an example of the above, an estimate of total income for plant hire businesses in 2002–03 was \$2,619.5m and the RSE was estimated to be 3.1%, giving a SE of approximately \$81.2m. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure in the range of \$2,538.3m to \$2,700.7m would have been obtained, and 19 chances in 20 (i.e. a confidence interval of 95%) that the figure would have been within the range of \$2,457.1m to \$2,781.9m.

28 The sampling variability for estimates at the state/territory level was higher than for Australian level aggregates. Within states/territories, the sampling variability, and therefore the RSEs of estimates for smaller states and territories are higher than for the larger states. Survey estimates for the smaller states and territories should therefore be viewed with more caution than those for other states. RSEs for New South Wales, Victoria and Queensland are typically 1 to 3 times greater than the corresponding national figure for employment and financial estimates, and 1.4 to 2.1 times higher for estimates of numbers of businesses. RSEs in the other states and territories are typically up to 6 times greater than the corresponding national figure for employment and financial estimates, and up to 3.6 times higher for estimates of numbers of businesses (the wide range of values is a result of the different market shares of small and large businesses in each state/territory).

29 Errors other than those due to sampling may occur in any type of collection and are referred to as non-sampling error. For this survey, non-sampling error may result from such things as deficiencies in the register of businesses from which the sample was drawn, non-response, imperfections in reporting and/or errors made in compiling results. The extent to which non-sampling error affects the results of the survey is not

RELIABILITY OF THE DATA

continued

precisely quantifiable. Every effort was made to minimise non-sampling error by careful design and testing of the questionnaire, efficient operating procedures and systems and the use of appropriate methodology. Survey estimates subject to a high level of non-sampling error have been suppressed or provided with relevant cautions.

30 Estimates that have an estimated relative standard error between 10% and 25% are annotated with the symbol '^'. These estimates should be used with caution as they are subject to sampling variability too high for some purposes. Estimates with an RSE between 25% and 50% are annotated with the symbol '*', indicating that the estimate should be used with caution as it is subject to sampling variability too high for most practical purposes. Estimates with an RSE greater than 50% are annotated with the symbol '**' indicating that the sampling variability causes the estimates to be considered too unreliable for general use.

ROUNDING

31 Where figures have been rounded, discrepancies may occur between the sum of the components and the total. Similar discrepancies may occur between a proportion or ratio, and the ratio of the separate components.

REFERENCE PERIOD

32 Data contained in the tables in this publication related to all selected hire services businesses in Australia during the year ended June 2003. Financial estimates included the activity of any business that ceased or commenced operations during the year. Counts of businesses and locations included only those that were operating at 30 June 2003. Employment included only those persons working for a hire services business during the last pay period ending in June 2003.

ACKNOWLEDGMENT

33 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated; without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

DATA AVAILABLE ON
REQUEST

34 Inquiries about these statistics and more detailed statistics than those presented in this publication should be made by telephoning the contact shown on the front page.

ABBREVIATIONS

'000	thousand
\$'000	thousand dollars
\$m	million dollars
ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
ATO	Australian Taxation Office
GDP	gross domestic product
GE	group employer
IVA	industry value added
n.e.c.	not elsewhere classified
OPBT	operating profit before tax
PAYGW	pay-as-you-go withholding
RSE	relative standard error
SE	standard error
TAU	type of activity unit
TNTS	The New Tax System
VCR	video cassette recorder

GLOSSARY

Access equipment	This item includes scissor lifts, cherry-pickers, stick booms, knuckle booms, traversing decks and elevating work platforms.
Advertising, marketing and promotional expenses	This item includes all costs incurred by a business for promotional and publicity campaigns aimed at bringing the activities and services of the business to the attention of consumers for the purpose of increasing sales.
Air equipment	This item includes compressors and air tools such as jack hammers and spraying units.
Airport rental	This item refers to motor vehicles that have been hired from businesses located in airport terminals, whether pre-booked or casual hire.
Aluminium scaffolding	This item refers to portable light weight scaffolding that can be easily assembled and disassembled. It is used for low height work.
Average annual percentage change	<p>A percentage change, p, from 1999–2000 to 2002–03 is converted into an average annual change, a, as follows.</p> $a = (1 + p)^{1/3} - 1$ <p>The average annual percentage change is not an arithmetic average of the actual percentage changes from year to year. It is labelled the 'average' change because if any value increases by a% every year for three years, then at the end of the three years it will have grown by a total p%.</p>
Bad and doubtful debts	Bad and doubtful debts is the amount of accounts receivable that are either written off, or estimated to be uncollectible during an accounting period, that are expensed in a period's profit calculations.
Bus rental	This item refers to the hiring or leasing of motor vehicles constructed for the carriage of passengers. Included are all motor vehicles with 10 or more seats, including the driver's seat.
Campervan or motor home hire	This item refers to the hiring or leasing of motor vehicles that have either a permanent or semi-permanent lodgings structure attached to the vehicle. The attached lodgings would contain at least a bed and possibly a sink, stove, refrigerator and toilet.
Capital city	Capital city refers to the greater metropolitan area of the capital city of each state and territory in Australia including suburbs.
Car hire	This includes the hiring or leasing of motor vehicles constructed primarily for the carriage of persons and containing up to nine seats (including the driver's seat). Included are cars, station wagons, four wheel drive passenger vehicles, passenger vans or mini buses with fewer than ten seats.
Cartage and set-up	This item refers to the assembly and disassembly of goods and equipment where separately invoiced.
Clothing and footwear	This item refers to any clothing or footwear such as formal wear, party costumes, etc.
Commercial businesses	This item refers to those businesses which are mainly engaged in the provision of market goods and services and aim to cover most of their expenses from revenue. It excludes government departments, agencies and households.
Compaction equipment	This item includes pedestrian rollers, self-propelled single and double drum rollers, trench compactors, plate compactors, rammers and multi-tyred rollers.

Computers and computer peripherals	This item refers to all computers including multi-user, desktop and portable computers and related computer items such as monitors, printers, scanners, file servers, etc.
Cranes (mobile and fixed)	This item refers to mobile and fixed machines used for lifting and moving heavy objects. Also includes crane trucks and trucks fitted with other lifting and material handling equipment.
Depreciation and amortisation	These are financial charges made in the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period. Depreciation generally refers to physical (tangible) non-current assets, and amortisation generally refers to intangible non-current assets.
Do-it-yourself machinery and equipment	This item refers to machinery and equipment that can be hired for do-it-yourself projects, e.g. lawn mowers and garden equipment, etc.
Earth moving equipment	This item includes mini-excavators, skid steer loaders, trenching machines and dump trucks.
Electricity gas and water charges	These charges relate to the consumption of electricity and/or gas and/or water during the normal operations of the business.
Employees	Employees are all persons working for the business who receive remuneration in any part of the reference period, excluding working proprietors and partners.
Employer contributions to superannuation funds	Employer contributions to superannuation funds are the cost of the employer's contributions during the reference period made on behalf of employees including salary sacrificed amounts.
Employment at end June	Employment represents all employees and working proprietors and partners on the payroll for the last pay period ending in June. Employees absent on paid or prepaid leave are included. Non-salaried directors, subcontractors and persons solely paid by commission without a retainer are excluded.
Forklifts	This item refers to a vehicle with two movable arms at the front that can be raised and lowered for transporting and unloading goods.
Formwork scaffolding	This item refers to scaffold used to support formwork for concrete pours on larger construction sites. It is used often in supporting new floors for building construction.
Franchise fees, licence fees and royalties income	This includes payments received under licensing agreements. It excludes management fees, advertising income and marketing/training group fees received.
Franchise fees, licence fees and royalties expenses	This includes payments made under licensing agreements. It excludes management fees, advertising expenses and marketing/training group fees.
Freight and cartage expenses	This item includes inward and outward freight and cartage (where recorded separately) including all modes of transport (i.e. rail, air, road and sea).
Fringe benefits tax	Fringe benefits tax is payable by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods or services) are received by their employees (or associates of employees) in connection with their employment.
Furniture	This item includes office furniture rental and household furnishing rental. Note that with regard to hire of personal and household goods, the item for furniture does not include furniture such as folding chairs, etc., hired with party or event hire packages.
Generators	This item refers to devices for converting mechanical energy into electrical energy.
Government organisations	This item refers to Federal, state and local government departments or agencies that are not normally involved in commercial activities.
Hiring/leasing/rental	This item refers to the letting out of goods for temporary use in exchange for payment.
Household clients	A household client includes: <ul style="list-style-type: none"> ■ a group of related or unrelated people who usually live in the same dwelling and make common provision for food and other essentials of living.

Household clients <i>continued</i>	<ul style="list-style-type: none"> ■ a lone person who makes provision for his or her own food and other essentials of living without combining with any other person.
Industry value added (IVA)	Industry value added for market producers is an estimate of the difference between the market value of the output of an industry and the purchases of materials and selected expenses incurred in the production of that output. For market producers, it has been derived by determining the income associated with the production (in this case sales of goods and services, changes in level of trading stock inventories, operational funding from government and capital work done by own employees for own use or for rental or lease), and subtracting the direct costs of producing these outputs (purchases of goods and services used in production of goods for resale and selected expenses related to the sale of goods and administrative expenses, exclusive of indirect taxes such as payroll tax, fringe benefits tax, land tax and land rates).
Insurance premiums	Insurance premiums are expenses incurred by an organisation in respect of different types of insurance policies but excluding workers' compensation and compulsory third party motor vehicle insurance.
Interest expenses	Interest expenses are outflows of funds related to the cost of borrowing money.
Interest income	Interest income is income earned through the lending out of funds owned by the entity.
Labour costs	These include staff related costs such as wages and salaries, fringe benefits tax and payroll tax, employer contributions to superannuation, workers' compensation premiums, and provision expenses for employee entitlements.
Light van rental	This item refers to the hiring or leasing of motor vehicles constructed for the carriage of goods and which are less than or equal to 3.5 tonnes (gross vehicle mass). Included are utilities, panel vans, cab-chassis and goods carrying vans.
Motor vehicle running expenses	Expenses incurred using 'on-road' motor vehicles (including on-road garbage collection trucks) for business purposes and include such items as fuel, registration fees, compulsory third-party insurance premiums, and repair and maintenance.
Net profit/loss on the sale of ex-hire plant and equipment	This item refers to the profit or loss arising from the sale of ex-hire plant and equipment assets during the reference period.
Non-current assets	Non-current assets are long-term investments or other assets of the business that would, in the ordinary operations of the business, not be consumed or converted into cash for more than 12 months after the end of the last reporting period of the business.
Operating leases	This item is similar to rental or hire, except that operating leases are usually for a longer rental period than rental or hire. Operating leases refer to leases under which the lessor effectively retains all the risks and benefits incident to the ownership of the leased property. The lessor is entitled to claim depreciation expenses.
Operating profit before tax	This item is a measure of profit (or loss), during the reference period, taken before extraordinary items are brought into account and prior to the deduction of income tax and appropriations to owners (i.e. dividends paid, drawings). It is generally derived by subtracting total expenses from total income, and adding the difference between closing inventory and opening inventory for the period.
Operating profit margin	This represents the percentage of a business's sales of goods and services which becomes profit after all operating expenses have been deducted. It is derived by expressing total operating profit before tax (OPBT) as a percentage of total sales of goods and services.
Other construction equipment	This item includes mixers, lighting, welding equipment, pumps, trench boxes, lifting and materials handling equipment, heating, cooling and ventilation equipment and construction lasers.

Other contract, subcontract and commission payments	These include payments to other businesses and self-employed persons for work done or sales made on a contract or commission basis and payments to persons paid by commission without a retainer. Payments to contractors and consultants for repair and maintenance are excluded, as are commissions paid to employees or persons receiving a retainer.
Other insurance	This item includes optional third-party and comprehensive motor vehicle insurance premiums, fire, general, accident and professional indemnity and income maintenance insurance premiums.
Party hire/event/function/exhibition goods and equipment	This item includes general party hire equipment, marquees and structures, catering equipment, tables and chairs, booths and flooring.
Payments to employment agencies	This item refers to payments made by a business to an employment agency for the supply or recruitment of staff.
Payroll tax	Payroll tax is a tax levied by state and territory governments upon the amount of wages and salaries paid by a business.
Period of rental	This refers to the period of time that goods were hired or leased for.
Plant and equipment hire	This includes businesses mainly engaged in leasing, renting or hiring of industrial machinery, plant or equipment without operators.
Portable accommodation	This item includes portable toilets, toilet/shower blocks and site sheds.
Portable fencing	This item refers to temporary fencing or barriers that are used in construction, public parades/events and road construction. It includes portable construction hoardings, portable wire fencing, crowd control barriers and road barriers.
Premises at end June	Premises are a physical site (with structure) from which a business operates on a relatively regular basis.
Public liability insurance	Public liability is a type of insurance policy which protects a business from liability for damages not covered under workers' compensation or motor accident schemes. A typical example is someone tripping over something that belongs to the business, injuring themselves, then suing the business for injury and costs. It also operates on an 'occurrence' basis, that is, the policy in force at the date of occurrence of the injury or loss is the policy which will respond to the claim.
Purchases	Purchases are the cost of non-capitalised goods and services used in the production of the final output of a business. This item includes materials components, containers and packaging materials, petroleum products and fuel expenses for off-road vehicles (e.g. fork-lifts, mobile plant and quarry dump trucks), and purchases of goods for resale.
Recreational equipment	This item includes bikes, water transport, tents, camping gear, surfboards, etc.
Rehire/subhire expenses	This item refers to the expense incurred when a business hires goods from another business on behalf of a customer.
Rental days per rental vehicle	This item is derived by dividing the total number of days for which vehicles are rented, by the total number of vehicles available for rental.
Repair and maintenance	This item includes costs associated with work undertaken on property, plant and equipment where incurred as an operating expense to maintain normal business operations. It includes computer and software maintenance, and repair and maintenance of off-road motor vehicles.
Return on non-current hire assets	This item refers to the measurement of the financial return on the book value of the assets being hired out. It is derived by dividing the hire income from an asset by the book value of the hire asset.

Sales of goods and equipment	Income from the sales of goods encompasses revenue received from the sales of goods and equipment in the ordinary course of business operations. It includes sales or transfers to related businesses or to overseas branches of businesses.
Scaffolding	This item includes steel scaffolding, formwork scaffolding, aluminium scaffolding, trestles, A-frames and planks.
Steel scaffolding	This item refers to the traditional steel scaffolding seen on most building sites. It is usually fixed for a longer period than other types of scaffolding.
Telecommunication services expenses	This item includes charges on fixed and mobile phones, facsimiles and leased lines for computers.
Televisions, radios, VCRs and related equipment	This item refers to all audio visual equipment such as televisions, VCRs, stereos, home entertainment packages and related items such as speakers and stands.
Transport equipment	This item refers to vehicles constructed primarily for the carriage of persons, livestock and/or freight of goods and equipment.
Travelling, accommodation and entertainment expenses	Travelling and accommodation expenses are costs incurred for transportation services or in providing accommodation to staff when business activities occur away from the normal place of business. Entertainment expenses are the costs incurred for the provision of entertainment activities, either for staff of the business or clients.
Trucks/other van hire	This item refers to the hiring or leasing of trucks constructed with a load carrying area. Included are normal rigid trucks with a tow bar or draw bar. This class also includes prime movers (motor vehicles constructed primarily for towing semitrailers). Other van hire refers to the hiring or leasing of motor vehicles constructed for the carriage of goods and which are greater than or equal to 3.5 tonnes (gross vehicle mass).
Vehicles in rental fleet	This item refers to the number of motor vehicles in the business's rental fleet whether owned, being purchased or on lease to the business by another business.
Vehicle rental days	This item refers to the total number of days that vehicles have been rented out during the past financial year. The total is derived by summing the number of days each vehicle in the rental fleet was rented during the year. In tables where vehicle rental days are presented by state, the vehicle rental days were allocated to the state in which the vehicle rentals were commenced.
Wages and salaries	This item refers to the gross wages and salaries (including capitalised wages and salaries) of all employees of the business. The item includes severance, termination and redundancy payments, salaries and fees of directors and executives, retainers and commissions of persons who received a retainer, bonuses, and annual and other types of leave. Provision expenses for employee entitlements (e.g. provisions for annual leave and leave bonus, long service leave, sick leave, and severance, termination and redundancy payments) are also included. Payments related to salary sacrifice and payments to self-employed persons such as consultants, contractors and persons paid solely by commission without a retainer are excluded.
Whitegoods	This item includes refrigerators, washing machines and dryers.
Workers' compensation costs	Workers' compensation is a compulsory insurance cover taken out by all employers, except for self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of or arising out of employment.

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