



CLEANING SERVICES INDUSTRY AUSTRALIA

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- For further information about these and related statistics, contact the National Information Service on 1300 135 070 or Paul W. Taylor on Melbourne 03 9615 7431.

NOTES

INTRODUCTION

This publication presents results, in respect of the 1998–99 financial year, from an Australian Bureau of Statistics (ABS) survey of businesses in the cleaning services industry. It is the second ABS survey of the industry with the previous survey being conducted in respect of 1987–88.

This publication is one of a series to be issued in respect of 1998–99 for a range of property and business services industries. Other publications in this series are:

Computing Services Industry, Australia, 1998–99 (Cat. no. 8669.0)

Employment Services, Australia, 1998–99 (Cat. no. 8558.0)

Legal Services Industry, Australia, 1998–99 (Cat. no. 8667.0)

Market Research Services, Australia, 1998–99 (Cat. no. 8556.0) – issued 5 June 2000

Real Estate Services Industry, Australia, 1998–99 (Cat. no. 8663.0) – issued 24 May 2000

Security Services, Australia, 1998–99 (Cat. no. 8557.0)

COMMENTS ON THIS PUBLICATION

The ABS welcomes comments and suggestions from users recommending industries and data items for inclusion in future surveys. These comments should be addressed to the Director, Service Industries Surveys, Australian Bureau of Statistics, PO Box 10, Belconnen ACT 2616.

ROUNDING

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



ABBREVIATIONS

ABS Australian Bureau of Statistics

ANZSIC Australian and New Zealand Standard Industrial Classification

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SUMMARY OF FINDINGS

INTRODUCTION

This publication presents results, in respect of the 1998–99 financial year, from an Australian Bureau of Statistics (ABS) survey of businesses in the cleaning services industry. Businesses involved in the cleaning services industry are classified to Class 7866 (Cleaning Services) of the Australian and New Zealand Standard Industrial Classification (ANZSIC), which consists of businesses mainly engaged in cleaning of windows, building interiors and related cleaning services. Businesses mainly involved in the cleaning of building exteriors or cleaning of carpets and curtains were excluded from the survey.

SIZE OF INDUSTRY

At the end of June 1999, there were 5,938 businesses in the cleaning services industry, of which 2,864 (48%) were sole proprietorships or partnerships. The cleaning of commercial buildings and offices was the main cleaning activity of 2,899 businesses (49% of all businesses). The cleaning of education premises and domestic premises was the main activity of 776 businesses and 717 businesses respectively.

Cleaning services businesses generated \$2,137 million during 1998–99 and employed 95,001 persons.

Of the 5,938 businesses, only 101 businesses (less than 2% of all businesses) employed more than 100 persons. These large businesses accounted for 52% of industry income and 55% of industry employment.

In 1998–1999, the operating profit before tax for the industry was \$156 million, which represented an operating profit margin of 7.3%.

SOURCES OF INCOME

During 1998–99, the total income of the cleaning services industry was \$2,137 million with 96% of this income being accrued from general cleaning services. Private sector clients accounted for 76% (\$1,555 million) and government clients 24% (\$489 million) of the general cleaning services income.

In terms of income from general cleaning services (\$2,044 million), 42% (\$854 million) was sourced from the cleaning of commercial buildings and offices. The other major sources of income were the cleaning of education premises (\$341 million), retail premises (\$330 million) and industrial premises (\$170 million).

The majority (71%) of businesses in the industry were involved in the cleaning of commercial buildings and offices, compared to 49% of businesses which cleaned commercial buildings and offices as their main activity. There were 1,604 businesses (27% of all businesses) with income sourced from the cleaning of domestic premises, but only 12% cleaned domestic premises as their main activity.

EXPENDITURE

Total expenses for the cleaning services industry during 1998–99 was \$1,981 million.

Labour costs of \$1,377 million represented 70% of total expenses for the industry. The labour cost proportion was generally higher for larger businesses with labour costs being 77% of the total expenses of businesses employing 100 or more persons compared to 51% of total expenses for businesses with employment of less than five persons.

The average labour costs per employee for the industry was \$15,200, which reflected the high incidence of casual and part-time employees working in the industry.

SUMMARY OF FINDINGS *continued*

EXPENDITURE *continued*

Other significant expenses were sub-contract payments to other cleaning businesses (\$166 million), purchases of goods (\$100 million), motor vehicle running expenses (\$46 million), other contract expenses (\$32 million), and depreciation and amortisation (\$31 million). The major components of purchases were cleaning materials and equipment (\$67 million) and consumables such as soap, toilet paper and paper towels (\$28 million). Other operating expenses, which were not separately itemised, were \$131 million and included such expenses as accounting and legal fees, training costs, entertainment and travel expenses, printing, postage, fringe benefits tax and advertising/sponsorship expenses.

EMPLOYMENT

At the end of June 1999, total employment in the cleaning services industry was 95,001 persons, of whom 90,267 persons (95%) worked as cleaners.

Nearly half (48%) of the persons in the industry worked on a permanent part-time employee basis. Casual employees accounted for 26% and permanent full-time employees accounted for 22% of industry employment. The remaining 5% of employment were working proprietors and partners.

The distribution of employment by gender was relatively even with 47,619 males and 47,382 females. Males accounted for 58% of permanent full-time employees, while females accounted for 53% of permanent part-time employees.

STATE AND TERRITORY DIMENSION

At the end of June, there were 2,026 cleaning services businesses (34% of all businesses) operating in New South Wales. These businesses accounted for 34% of industry employment and 41% of industry income, compared to New South Wales' proportion of the Australian population of 34%. In contrast, the 1,805 cleaning services businesses operating in Victoria contributed 29% to industry employment and 26% to industry income. Victoria's proportion of the Australian population is 25%.

All other States and Territories' proportion of industry income was less than their proportion of the Australian population, except for the Australian Capital Territory. The 80 cleaning businesses operating in the Australian Capital Territory accounted for 3% of industry income compared to the Australian Capital Territory's proportion of the Australian population of 1.6%. Cleaning businesses operating in the Australian Capital Territory also accounted for 2.6% of industry employment.

The average income per business was \$359,900. Businesses operating in the Australian Capital Territory (\$808,800 per business) and New South Wales (\$430,500 per business) were well above this average income. Businesses operating in South Australia (\$259,100 per business) had the lowest average income per business.

The average number of persons working per cleaning business operating in the Australian Capital Territory and Western Australia was 30 persons and 20 persons respectively. This was higher than the industry average of 16 persons per business. In comparison, businesses in the Northern Territory and Queensland averaged 11 persons and 14 persons per business respectively. Businesses in New South Wales and Victoria averaged 16 persons and 15 persons per businesses respectively.

BUSINESS SIZE

At the end of June 1999, there were 3,374 businesses in the industry with employment of less than 5 persons. These micro businesses accounted for 57% of all businesses in the

SUMMARY OF FINDINGS *continued*

BUSINESS SIZE *continued*

industry, but only 9% of industry employment and 11% of industry income. Of the 8,212 persons working for these businesses, 2,584 (31%) were working proprietors and partners. The average income of businesses with employment of less than 5 persons was \$66,500.

There were 101 businesses (2% of all businesses) employing 100 persons or more. These large businesses accounted for 55% of industry employment, 52% of industry income and 21% of the operating profit before tax of the industry. These 101 large businesses had an average income per business of \$11,082,200, compared to an average income of business of \$174,400 for businesses with employment of less than 100 persons.

SELECTED PERFORMANCE RATIOS

The operating profit margin of the cleaning services industry in 1998–99 was 7.3%. However, the operating profit margin varied by size of business. Businesses with employment of less than 5 persons and businesses with employment between 5–9 persons recorded an operating profit margin of 21.6% and 17.1% respectively. Businesses with employment of 100 or more persons recorded an operating profit margin of 2.9%. However, a significant contributing factor to the operating profit margin of smaller businesses was the fact that some of these businesses are operated by sole proprietors, and the drawings of these persons are not included in business expenses, and thus profit calculations.

Businesses of all sizes received a significant proportion of their cleaning income from commercial buildings and offices (42% being the industry average), but the proportion and the type of other cleaning income received varied by size of business. Businesses with employment of less than five persons received 55% of their cleaning income from commercial buildings and offices, 11% from domestic premises and 10% from education premises. Businesses employing 100 persons or more received 36% of their cleaning income from commercial buildings and offices, 24% from education premises and 18% from retail premises. In comparison, businesses with employment between 20–49 persons and 50–99 persons had a greater cleaning income concentration on commercial buildings and offices (46% and 43% respectively).

The average labour costs per employee for the industry was \$15,200, which varied from \$16,100 for businesses employing 100 persons or more to \$11,800 for businesses with employment between 5–9 persons.

The proportion of labour costs to total expenses also varied by size of business. The industry average was 70%, with the average being 77% for businesses employing 100 persons or more compared to 51% for businesses with employment less than five persons.

KEY FIGURES

		<i>Value</i>
.....		
Businesses at end June		
Sole proprietor or partnership	no.	2 864
Incorporated company	no.	2 415
Trust	no.	659
<i>Total</i>	no.	5 938
Businesses by main cleaning activity		
Commercial buildings/office premises	no.	2 899
Industrial premises	no.	345
Retail premises	no.	532
Domestic premises	no.	717
Event venues	no.	*28
Education premises	no.	776
Hospitality premises	no.	449
Health premises	no.	85
Transport facilities	no.	38
Other	no.	69
<i>Total</i>	no.	5 938
Employment at end June		
Cleaners	no.	90 267
Other	no.	4 734
<i>Total</i>	no.	95 001
Income		
Income from general cleaning services		
From the private sector	\$m	1 555.4
From the public (government) sector	\$m	488.7
<i>Total</i>	\$m	2 044.1
Other income	\$m	92.9
<i>Total</i>	\$m	2 137.0
Expenses		
Labour costs	\$m	1 377.1
Payments to sub-contractors for general cleaning services	\$m	166.0
Purchases	\$m	100.2
Other expenses	\$m	337.9
<i>Total</i>	\$m	1 981.0
Operating profit before tax	\$m	155.5
Operating profit margin	%	7.3

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

SOURCES OF INCOME

	<i>Businesses at end June(a)</i>	<i>Value</i>	<i>Proportion of total income</i>
	no.	\$m	%
Sales of goods and services			
Income from general cleaning services			
Commercial buildings/office premises	4 232	853.5	39.9
Industrial premises	1 210	169.9	8.0
Retail premises	1 408	329.8	15.4
Domestic premises	1 604	62.5	2.9
Event venues	168	36.4	1.7
Education premises	1 314	341.3	16.0
Hospitality premises	829	117.0	5.5
Health premises	374	57.2	2.7
Transport facilities	108	42.4	2.0
Other	216	34.1	1.6
<i>Total</i>	5 938	2 044.1	95.7
Other cleaning related income	923	45.1	2.1
Income from building/property services other than cleaning	235	12.5	0.6
Sales of consumables	746	15.8	0.7
Other operating income	792	15.1	0.7
<i>Total</i>	5 938	2 132.6	99.8
Other sources of income			
Interest income	1 184	2.0	0.1
Other non-operating income	767	2.4	0.1
<i>Total</i>	1 640	4.4	0.2
Total	5 938	2 137.0	100.0

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

ITEMS OF EXPENDITURE

	<i>Proportion of total expenses</i>	
	<i>Value</i>	
	\$m	%
.....		
Labour costs		
Wages and salaries	1 188.0	60.0
Employer contributions to superannuation funds	79.4	4.0
Workers' compensation costs	64.6	3.3
Payroll tax	45.1	2.3
<i>Total</i>	<i>1 377.1</i>	<i>69.5</i>
Selected expenses		
Payments to sub-contractors for general cleaning services	166.0	8.4
Telecommunication services	20.0	1.0
Rent, leasing and hiring expenses	28.4	1.4
Repair and maintenance expenses	20.1	1.0
Motor vehicle running expenses	46.3	2.3
Other contract, sub-contract and commission expenses	32.2	1.6
Other operating expenses	131.1	6.6
<i>Total</i>	<i>443.9</i>	<i>22.4</i>
Other costs		
Purchases		
Cleaning materials and equipment	67.2	3.4
Consumables	28.1	1.4
Other	4.9	0.2
<i>Total</i>	<i>100.2</i>	<i>5.1</i>
Insurance premiums	13.3	0.7
Interest expenses	13.7	0.7
Depreciation and amortisation	31.3	1.6
Bad and doubtful debts	1.7	0.1
<i>Total</i>	<i>160.1</i>	<i>8.1</i>
Total	1 981.0	100.0
.....		

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CHARACTERISTICS OF EMPLOYMENT—June 1999

	Males		Females		Total	
	no.	Percentage contribution %	no.	Percentage contribution %	no.	Percentage contribution %
Working proprietors and partners of unincorporated businesses	2 403	5.0	1 926	4.1	4 328	4.6
Employees						
Permanent full-time	11 905	25.0	8 778	18.5	20 683	21.8
Permanent part-time	21 282	44.7	23 969	50.6	45 251	47.6
Total permanent employees	33 187	69.7	32 747	69.1	65 934	69.4
Casual	12 029	25.3	12 710	26.8	24 739	26.0
Total employees	45 217	95.0	45 456	95.9	90 673	95.4
Total	47 619	100.0	47 382	100.0	95 001	100.0

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STATES AND TERRITORIES

	Businesses at end June(a)	Employment at end June.		Wages and salaries.		Total income. . .	
	no.	no.	%	\$m	%	\$m	%
New South Wales	2 026	32 123	33.8	491.3	41.4	872.2	40.8
Victoria	1 805	27 095	28.5	311.8	26.2	563.9	26.4
Queensland	974	13 709	14.4	160.1	13.5	292.1	13.7
South Australia	470	8 206	8.6	65.2	5.5	121.8	5.7
Western Australia	466	9 199	9.7	95.2	8.0	168.0	7.9
Tasmania	93	1 398	1.5	12.7	1.1	27.2	1.3
Northern Territory	73	834	0.9	15.3	1.3	27.1	1.3
Australian Capital Territory	80	2 437	2.6	36.2	3.0	64.7	3.0
Australia	5 938	95 001	100.0	1 188.0	100.0	2 137.0	100.0

(a) Multi-State organisations are counted in each State in which they operate. Hence, the counts of businesses for States and Territories do not sum to the total for Australia.

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BUSINESS SIZE

EMPLOYMENT SIZE

		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.	3 374	1 398	610	348	107	101	5 938
	%	56.8	23.5	10.3	5.9	1.8	1.7	100.0
Working proprietors & partners	no.	2 584	1 226	391	121	**5	—	4 328
	%	59.7	28.3	9.0	2.8	0.1	—	100.0
Employees	no.	5 628	7 735	7 618	10 335	7 156	52 201	90 673
	%	6.2	8.5	8.4	11.4	7.9	57.6	100.0
Total employment	no.	8 212	8 962	8 009	10 456	7 161	52 201	95 001
	%	8.6	9.4	8.4	11.0	7.5	54.9	100.0
Wages and salaries	\$m	80.2	81.4	89.3	127.6	97.6	711.9	1 188.0
	%	6.8	6.9	7.5	10.7	8.2	59.9	100.0
Total income	\$m	224.4	190.6	171.7	262.1	169.0	1 119.3	2 137.0
	%	10.5	8.9	8.0	12.3	7.9	52.4	100.0
Operating profit before tax	\$m	48.2	32.5	18.8	16.7	7.0	32.3	155.5
	%	31.0	20.9	12.1	10.7	4.5	20.8	100.0

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

— nil or rounded to zero (including null cells)

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SELECTED PERFORMANCE RATIOS

EMPLOYMENT SIZE

		0-4 persons	5-9 persons	10-19 persons	20-49 persons	50-99 persons	100 or more persons	Total
Total income per person employed	'000	27.3	21.3	21.4	25.1	23.6	21.4	22.5
Income from commercial buildings/office premises to total cleaning income	%	54.5	46.3	46.5	46.1	42.6	36.4	41.8
Income from industrial premises to total cleaning income	%	6.6	8.8	15.9	9.3	7.1	7.3	8.3
Income from retail premises to total cleaning income	%	7.0	12.0	12.2	17.5	23.6	17.9	16.1
Income from domestic premises to total cleaning income	%	11.2	9.8	6.6	1.3	1.3	*0.4	3.1
Income from education premises to total cleaning income	%	10.2	10.1	8.2	8.3	7.7	23.9	16.7
Income from hospitality premises to total cleaning income	%	6.9	9.1	8.6	*9.6	*4.9	3.6	5.7
Total expenses per person employed	'000	21.4	17.6	19.1	23.5	22.6	20.8	20.9
Labour costs per employee	'000	16.0	11.8	13.1	13.9	15.5	16.1	15.2
Labour costs to total expenses	%	51.3	57.8	65.3	58.6	68.7	77.4	69.5
Operating profit before tax per person employed	'000	5.9	3.6	2.3	1.6	1.0	0.6	1.6
Operating profit margin	%	21.6	17.1	11.0	6.4	4.2	2.9	7.3

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

EXPLANATORY NOTES

- INTRODUCTION**
- 1** This publication presents results, in respect of 1998–99, from an Australian Bureau of Statistics (ABS) survey of 2,944 businesses in the cleaning services industry.
- SCOPE**
- 2** The scope of the survey was all employing businesses recorded on the ABS Business Register and classified to Class 7866, Cleaning Services, of the Australian and New Zealand Standard Industrial Classification (ANZSIC). Class 7866 consists of businesses mainly engaged in providing window, building (interior), office, domestic or similar general cleaning services. Businesses mainly engaged in cleaning building exteriors or cleaning carpets and curtains were excluded from the survey.
- IMPROVEMENTS TO COVERAGE**
- 3** 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 business register. The majority of businesses affected and to which the adjustments apply are small in size.
- 4** 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 business register. Adjustments of this type will continue to be applied in future periods.
- 5** Further adjustments have been made for businesses which had been in existence for several years, but, for various reasons, were not previously added to the ABS register. The ABS is remedying these omissions.
- 6** For more information on these adjustments, please refer to the ABS publication Information Paper: *Improvements to ABS Economic Statistics, 1997* (Cat. no. 1357.0).
- STATISTICAL UNIT**
- 7** The unit for which statistics were reported in the survey was the management unit. The management unit is the highest-level accounting unit within a business or organisation, having regard to the required level of industry homogeneity, for which a set of accounts is maintained. In most cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, etc.). However, in the case of large diversified businesses, there may be more than one management unit, with 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.
- REFERENCE PERIOD**
- 8** Data contained in the tables in this publication relate to all cleaning services businesses which operated in Australia at any time during the year ended June 1999. Counts of businesses include only those businesses that were operating at 30 June 1999.
- RELIABILITY OF THE DATA**
- 9** The estimates in this publication are subject to sampling and non-sampling error.
- 10** The estimates in this publication are based on information obtained from a sample of businesses in the surveyed 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. 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.
- 11** There are about 2 chances in 3 that a sample estimate will differ by less than one SE from the figure that would have been obtained if a census had been

EXPLANATORY NOTES *continued*

RELIABILITY OF THE DATA *continued*

conducted, and approximately 19 chances in 20 that the difference will be less than two SEs.

12 Sampling variability can 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 percentage errors likely to have occurred due to sampling, and this avoids the need to refer also to the size of the estimate.

13 The following table contains estimates of RSEs for a selection of the statistics presented in this publication.

RELATIVE STANDARD ERRORS FOR TABLE 1, KEY FIGURES

		<i>RSE</i> (%)
Businesses at end June		
Sole proprietor or partnership	no.	2
Incorporated company	no.	2
Trust	no.	5
<i>Total</i>	no.	1
Businesses by main cleaning activity		
Commercial buildings/office premises	no.	2
Industrial premises	no.	7
Retail premises	no.	6
Domestic premises	no.	5
Event venues	no.	26
Education premises	no.	5
Hospitality premises	no.	7
Health premises	no.	15
Transport facilities	no.	22
Other	no.	17
<i>Total</i>	no.	2
Employment at end June		
Cleaners	no.	2
Other	no.	5
<i>Total</i>	no.	2
Income		
Income from general cleaning services		
From the private sector	\$m	3
From the public (government) sector	\$m	3
<i>Total</i>	\$m	2
Other income	\$m	2
<i>Total</i>	\$m	2
Expenses		
Labour costs	\$m	2
Payments to sub-contractors for general cleaning services	\$m	9
Purchases	\$m	4
Other expenses	\$m	2
<i>Total</i>	\$m	2
Operating profit before tax	\$m	3
Operating profit margin	%	3

EXPLANATORY NOTES *continued*

RELIABILITY OF THE DATA *continued*

14 As an example of the above, an estimate of total income for the cleaning industry is \$2,137.0 million and the RSE is 2%, giving a SE of \$42.8 million. Therefore, there would be 2 chances in 3 that, if all units had been included in the survey, a figure in the range of \$2,094.2 million to \$2,179.8 million 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 \$2,051.4 million to \$2,222.6 million.

15 Errors other than those due to sampling may occur because of deficiencies in the register of units from which the sample was selected, non-response, and imperfections in reporting by respondents. Inaccuracies of this kind are referred to as non-sampling errors and they may occur in any collection, whether it be a census or a sample. Every effort has been made to reduce non-sampling error to a minimum by careful design and testing of questionnaires, efficient operating procedures and systems, and appropriate methodology.

ACKNOWLEDGMENT

16 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*.

GLOSSARY

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.
Casual employees	This item refers to employees not entitled to take paid holidays.
Commercial buildings/office (type of premises)	This item refers to general cleaning services undertaken in a range of commercial premises and office buildings.
Depreciation and amortisation	This item refers to the financial charges made to 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.
Domestic (type of premises)	This item refers to general cleaning services undertaken in private homes including houses, flats, apartments and units.
Education (type of premises)	This item refers to general cleaning services undertaken in learning institutions such as schools, universities and kindergartens.
Employees	This item includes working directors, and other employees working for a business during the last pay period in June. Employees absent on paid or prepaid leave are included. This item excludes working proprietors and partners of unincorporated businesses.
Employer contributions to superannuation funds	This item includes all employer contributions to superannuation schemes (including the employer productivity contribution).
Employment at end June	This item includes working proprietors and partners, working directors, and other employees working for a business during the last pay period in June. Employees absent on paid or prepaid leave are included.
Event venues (type of premises)	This item refers to general cleaning services undertaken in sporting, entertainment and a range of public event venues.
Health (type of premises)	This item refers to general cleaning services undertaken in health facilities such as hospitals, medical centres together with a range of other health related premises.
Hospitality (type of premises)	This item refers to general cleaning services undertaken in a range of hospitality based venues including cafes, restaurants, and hotels.
Income from general cleaning services	This item includes income from general cleaning services derived from building interiors, office cleaning, window cleaning and house cleaning. It excludes separately invoiced income from carpet cleaning/shampooing, drapes or curtain cleaning, building exteriors and building and property services.
Income from building/property services other than cleaning	This item refers to separately invoiced income derived from building/ property services including security services and landscaping services.
Industrial (type of premises)	This item refers to general cleaning services undertaken in factories and other large manufacturing and industrial premises.
Insurance premiums	This item refers to expenses incurred by a business in respect of different types of insurance policies but excluding workers' compensation and compulsory third party motor vehicle insurance.
Interest expenses	This item includes interest on bank loans, loans made from related as well as unrelated businesses/organisations, and interest in respect of finance leases, interest paid to loans from partners, interest equivalents, such as hedging costs, and expenses associated with discounted bills. It excludes bank charges and capital repayments.

GLOSSARY *continued*

Interest income	This item includes interest from deposits in banks and non-bank financial institutions, loans and advances made to other businesses, interest on finance leases, and earnings on discounted bills. It excludes capital repayments received.
Motor vehicle running expenses	This item includes the costs incurred using 'on-road' motor vehicles owned by the business for business purposes.
Operating profit before tax (OPBT)	This item refers to a measure of profit before extraordinary items are brought into account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid).
Operating profit margin	This item refers to the percentage of sales of goods and services available as operating profit, i.e. OPBT times 100 divided by sales of goods and services.
Other cleaning related income	This item includes separately invoiced income derived from cleaning or shampooing carpets, drapes and curtains. It also includes steam, sand or other abrasive blasting of building exteriors.
Other employment	This item includes all persons who are not mainly involved in providing general cleaning services.
Other operating expenses	This item includes payments for computer software expensed, accounting and legal fees, training costs, entertainment and travel, printing, postage, fringe benefits tax and advertising/sponsorship expenses.
Other operating income	This item includes income from franchising, rent, leasing and hiring, dividends and government training rebates.
Other non-operating income	This item includes income net of profit (loss) on sales of fixed tangible assets, dividend income, net profit (loss) on share trading, donations, and net profit (loss) on foreign loans as a result of variation in foreign exchange rates/transactions. This item excludes extraordinary profit (loss), i.e. not associated with the normal operations of the business and of a non-recurring nature.
Payments to sub-contractors for general cleaning services	This item includes payments to other businesses to provide general cleaning services.
Payroll tax	This item refers to tax levied by State and Territory governments upon the amount of wages and salaries paid by a business.
Permanent full-time employees	Permanent full-time employees are those who are entitled to take paid holidays and who normally work the agreed or award hours for a full-time employee in their occupation; employees should be regarded as full-time if they ordinarily work 35 hours or more a week.
Permanent part-time employees	Permanent part-time employees are those who are entitled to take paid holidays and who are not full-time as defined above, i.e. ordinarily work less than 35 hours per week.
Private sector (income)	This item includes income derived from businesses operating in the private corporate trading sector such as incorporated and unincorporated businesses, trusts and incorporated associations.
Public/government sector (income)	This item includes income derived from Commonwealth, State and Local Government agencies such as government departments, public utilities e.g. gas, water and electricity and government business enterprises such as public transport and communications entities.
Purchases	This item refers to the costs of goods and services used in the production/provision of the final output of a business. For the cleaning services industry this includes the purchase of consumables (toilet paper, soap etc.), cleaning materials and non-capitalised equipment.

GLOSSARY *continued*

Rent, leasing and hiring (expenses)	This item includes the costs for the rent, leasing (excluding finance leases) and hiring of vehicles, land, buildings, machinery, equipment and any other property from other businesses or individuals.
Retail (type of premises)	This item refers to general cleaning services undertaken in premises such as retail stores and shopping complexes.
Telecommunication services	This item includes all payments (of a non-capital nature) for telecommunication services which engage wire, cable or radio transmission.
Transport facilities (type of premises)	This item refers to general cleaning services undertaken in transport related facilities including trains, buses, trams, ferries, aircraft and related premises such as airport terminals and train stations.
Wages and salaries	This item refers to payments accruing to all employees during the financial year including provisions for employee entitlements, severance, termination and redundancy payments.
Workers' compensation costs	This item refers to 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.
Working proprietors and partners of unincorporated businesses	This item includes working proprietors and partners who own/operate their own business in a profession or trade (a sole proprietorship) or, along with one or more other partners operate a partnership. Working proprietors and working partners as owners are not considered to be employees of the business.

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