

Chapter Twelve

# Overview of Australian Industry

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This is a new chapter of the *Year Book* which presents a statistical overview of business and industry and provides a context for other chapters which deal with individual industries. It presents key summary statistics of the structure and financial performance of industries and their contributions to overall measures of production, employment and investment. An important new source of data for this overview is the ABS' Economic Activity Survey (EAS), which is conducted annually and covers businesses in all divisions of industry. The other main sources for the industry-wide statistics in this chapter are the Australian national accounts and the labour force survey.

The statistics on individual industries contained in other chapters are not necessarily comparable with the overview statistics because of differences between industry-specific statistical collections and the industry-wide statistical series, in such aspects as frequency and scope of statistical collections, and the methodology.

### **Industry structure: numbers and sizes of business units**

For many purposes the term 'business' is taken to mean a legal entity such as a registered company, partnership, sole proprietor, government enterprises or any other legally recognised organisation which provides goods or services. However, the business units about which the ABS collects and publishes information, have been defined to reflect, as far as possible, the way businesses are

structured and the units for which accounts are kept. This has led to the adoption of the 'management unit' for the collection of much of the financial performance data.

Throughout this chapter the term business will refer to the management unit. This is defined as the highest level accounting unit in a business for which accounts are maintained, provided that the unit does not include too wide a range of activities. For the majority of businesses, the management unit coincides with the legal entity (that is, company, partnership, trust, sole operator, etc.). In the case of large diverse businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business' for which separate accounts are kept. Further discussion about the units adopted for statistical purposes is contained in publications listed in the chapter bibliography.

The table below provides an overview of the structure of Australian private sector business in 1991-92 in terms of the number of management units in various industry divisions, by broad size categories. The number of persons employed is also shown in order to provide a measure of the relative importance of industries in that year. The statistics are drawn from a survey of employing businesses together with estimates of self-employed persons from the labour force survey. The statistics differ from the more broadly defined employment series provided in table 12.8, based entirely on the labour force survey, for reasons referred to in the text at that table.

**12.1 NUMBER OF PRIVATE SECTOR NON-AGRICULTURAL BUSINESSES AND PERSONS  
EMPLOYED, BY INDUSTRY, 1991-92  
(\*000)**

<i>Industry division</i>	<i>Small businesses</i>		<i>Medium and large businesses</i>		<i>All businesses</i>	
	<i>Number</i>	<i>Employment</i>	<i>Number</i>	<i>Employment</i>	<i>Number</i>	<i>Employment</i>
Mining	2.1	8.1	0.2	65.4	2.3	73.5
Manufacturing	67.2	449.3	1.6	511.0	68.8	960.3
Construction	145.6	333.9	2.3	275.2	147.9	420.8
Wholesale trade	50.6	207.0	3.7	221.6	54.3	428.6
Retail trade	149.0	539.7	4.5	482.0	153.5	1,021.7
Transport and storage	51.3	127.8	1.7	95.8	53.0	223.6
Finance, property and business services	127.4	377.9	4.6	387.3	132.0	765.2
Community services	72.1	219.7	4.3	374.6	76.4	594.3
Recreational, personal and other services	89.8	305.4	4.3	254.0	94.1	559.4
<b>Total(a)</b>	<b>757.1</b>	<b>2,571.4</b>	<b>26.7</b>	<b>2,536.4</b>	<b>783.8</b>	<b>5,053.8</b>

(a) Includes Electricity, gas and water, and Communication.

Source: *Small Business in Australia (1321.0)*.

Comparable statistics are not available for the Agriculture, forestry, fishing and hunting industries, estimated to number about 116,000 businesses which employ about 324,000 persons. Within this category the number of businesses in the Agricultural industry in 1991-92 was estimated to be 110,000 and about 93 per cent of these were small businesses (defined as having an estimated value of agricultural operations between \$20,000 and \$400,000) employing 235,000 people including seasonal workers.

For the purpose of these and later statistics, *large business* includes individual businesses or groups of related businesses which employ over 500 persons or have an income of more than \$250 million or have assets worth more than \$1,000 million. An enterprise group is defined in accordance with Australian companies legislation, as comprising all businesses under common ownership and control. Individual management units (or 'divisions') within such groups may be below the cut-offs referred to above, but are included

on the basis of the employment/income/assets of the group as a whole.

*Small businesses* are those management units which are not part of large business groups as defined above and employ:

- less than 20 persons for non-manufacturing industries; or
- less than 100 persons for manufacturing industries.

Tables 12.2, 12.3 and 12.4 provide a further view of the structure of Australia's non-agricultural industries in terms of the varying contributions made by small, medium and large businesses to some key measures of economic activity, namely sales, profit and production. In this case, the statistics relate only to employing businesses, but these account for a high proportion of activity in any case. The figures include both private and public trading businesses but exclude operations of the non-trading general government sector.

## 12.2 SALES OF GOODS AND SERVICES OF NON-AGRICULTURAL BUSINESSES, BY SIZE AND INDUSTRY, 1991-92

Industry	Small businesses		Medium businesses		Large businesses		All employing businesses
	\$m	%	\$m	%	\$m	%	\$m
Mining	n.p.	n.p.	n.p.	n.p.	23,006	74	31,121
Manufacturing	37,901	23	25,967	16	99,413	61	163,281
Electricity, gas and water	n.p.	n.p.	n.p.	n.p.	20,749	86	24,042
Construction	16,755	46	10,562	29	9,192	25	36,509
Wholesale trade	39,055	26	59,237	39	52,253	35	150,545
Retail trade	51,947	39	40,337	31	39,556	30	131,840
Transport and storage	7,999	24	6,816	20	18,438	55	33,253
Communication	n.p.	n.p.	n.p.	n.p.	14,438	98	14,735
Finance and insurance	4,111	25	4,014	25	8,026	50	16,151
Property and business services	16,752	41	15,992	39	8,218	20	40,961
Community services	9,476	49	6,591	34	3,321	17	19,388
Recreation, personal and other services	13,626	42	12,537	38	6,435	20	32,598
<b>All non-agricultural industries</b>	<b>202,096</b>	<b>29</b>	<b>189,285</b>	<b>27</b>	<b>303,045</b>	<b>44</b>	<b>694,426</b>

Source: Business Operations and Industry Performance (8140.0).

## 12.3 OPERATING PROFIT BEFORE TAX OF NON-AGRICULTURAL BUSINESSES, BY SIZE AND INDUSTRY, 1991-92

Industry	Small businesses		Medium businesses		Large businesses		All employing businesses
	\$m	%	\$m	%	\$m	%	\$m
Mining	n.p.	n.p.	n.p.	n.p.	3,512	67	5,268
Manufacturing	1,863	22	1,198	14	5,356	64	8,417
Electricity, gas and water	n.p.	n.p.	n.p.	n.p.	1,527	93	1,640
Construction	*- 30	..	*647	32	1,375	69	*1,992
Wholesale trade	*1,026	20	*795	16	3,211	64	*5,032
Retail trade	*22	1	*552	37	920	62	1,494
Transport and storage	*211	60	547	156	- 407	..	*351
Communication	n.p.	n.p.	n.p.	n.p.	2,185	..	2,171
Finance and insurance	*781	5	*1,207	8	13,397	87	15,385
Property and business services	1,858	54	*438	13	1,128	33	3,424
Community services	1,697	68	558	22	252	10	2,507
Recreation, personal and other services	*1,052	51	*509	25	515	25	2,077
<b>All non-agricultural industries</b>	<b>9,521</b>	<b>19</b>	<b>7,268</b>	<b>15</b>	<b>32,970</b>	<b>66</b>	<b>49,758</b>

Source: Business Operations and Industry Performance (8140.0).

## 12.4 INDUSTRY GROSS PRODUCT OF NON-AGRICULTURAL BUSINESSES, BY SIZE AND INDUSTRY, 1991-92

Industry	Small businesses		Medium businesses		Large businesses		All employing businesses
	\$m	%	\$m	%	\$m	%	\$m
Mining	n.p.	n.p.	n.p.	n.p.	12,373	75	16,418
Manufacturing	12,278	25	7,984	17	27,964	58	48,226
Electricity, gas and water	n.p.	n.p.	n.p.	n.p.	12,236	91	13,492
Construction	*4,284	41	2,883	27	3,321	32	10,488
Wholesale trade	6,098	31	6,123	31	7,708	39	19,929
Retail trade	8,251	44	4,365	23	6,139	33	18,755
Transport and storage	2,379	17	2,738	19	9,295	64	14,412
Communication	n.p.	n.p.	n.p.	n.p.	12,193	100	12,241
Finance and insurance	1,248	..	*340	..	- 5,149	..	- 3,560
Property and business services	9,298	53	*4,971	29	3,160	18	*17,429
Community services	5,519	47	4,422	38	1,806	15	11,746
Recreation, personal and other services	5,115	41	4,630	37	2,755	22	12,501
<b>All non-agricultural industries</b>	<b>56,661</b>	<b>29</b>	<b>41,615</b>	<b>22</b>	<b>93,802</b>	<b>49</b>	<b>192,078</b>

Source: Business Operations and Industry Performance (8140.0).

### Industry concentration

An indication of the degree of competition within each industry is provided by industry concentration statistics. These statistics show the proportions of sales of goods and services

that are concentrated among the 20 largest business groups operating in each industry. The 'largest 20' are further subdivided into the first (largest) four business groups, second four groups, and so on as in the following table. Percentage share is shown for groups of four businesses separately and cumulatively.

## 12.5 INDUSTRY CONCENTRATION STATISTICS, 1991-92

Industry		Ranking by sales of goods and services					All businesses
		First four groups	Second four groups	Third four groups	Fourth four groups	Fifth four groups	
Mining							
Sales of goods and services	\$m	12,300	3,469	2,250	1,743	1,437	31,121
Percentage of all businesses	%	39.5	11.1	7.2	5.6	4.6	100.0
Cumulative percentage	%	39.5	50.7	57.9	63.5	68.1	100.0
Manufacturing							
Sales of goods and services	\$m	15,406	10,248	7,846	6,337	5,309	163,281
Percentage of all businesses	%	9.4	6.3	4.8	3.9	3.3	100.0
Cumulative percentage	%	9.4	15.7	20.5	24.4	27.6	100.0
Electricity, gas and water							
Sales of goods and services	\$m	9,279	4,377	3,433	1,530	916	24,042
Percentage of all businesses	%	38.6	18.2	14.3	6.4	3.8	100.0
Cumulative percentage	%	38.6	56.8	71.1	77.4	81.3	100.0
Construction							
Sales of goods and services	\$m	3,259	2,015	1,308	848	611	36,509
Percentage of all businesses	%	8.9	5.5	3.6	2.3	1.7	100.0
Cumulative percentage	%	8.9	14.4	18.0	20.4	22.0	100.0
Wholesale trade							
Sales of goods and services	\$m	15,530	8,384	5,208	3,831	3,017	150,545
Percentage of all businesses	%	10.3	5.6	3.5	2.5	2.0	100.0
Cumulative percentage	%	10.3	15.9	19.3	21.9	23.9	100.0
Retail trade							
Sales of goods and services	\$m	28,323	3,761	2,380	1,658	1,187	131,840
Percentage of all businesses	%	21.5	2.9	1.8	1.3	0.9	100.0
Cumulative percentage	%	21.5	24.3	26.1	27.4	28.3	100.0
Transport and storage							
Sales of goods and services	\$m	8,510	4,212	1,996	1,211	680	33,253
Percentage of all businesses	%	25.6	12.7	6.0	3.6	2.0	100.0
Cumulative percentage	%	25.6	38.3	44.3	47.9	49.9	100.0
Communication							
Sales of goods and services	\$m	14,438	n.p.	n.p.	n.p.	n.p.	14,735
Percentage of all businesses	%	98.0	n.p.	n.p.	n.p.	n.p.	100.0
Cumulative percentage	%	98.0	n.p.	n.p.	n.p.	n.p.	100.0
Finance and insurance							
Sales of goods and services	\$m	4,146	1,609	740	600	429	16,151
Percentage of all businesses	%	25.7	10.0	4.6	3.7	2.7	100.0
Cumulative percentage	%	25.7	35.6	40.2	43.9	46.6	100.0
Property and business services							
Sales of goods and services	\$m	1,464	1,161	902	644	541	40,961
Percentage of all businesses	%	3.6	2.8	2.2	1.6	1.3	100.0
Cumulative percentage	%	3.6	6.4	8.6	10.2	11.5	100.0
Community services							
Sales of goods and services	\$m	795	495	371	295	246	19,388
Percentage of all businesses	%	4.1	2.6	1.9	1.5	1.3	100.0
Cumulative percentage	%	4.1	6.7	8.6	10.1	11.4	100.0
Recreation, personal and other services							
Sales of goods and services	\$m	1,946	1,041	932	739	481	32,598
Percentage of all businesses	%	6.0	3.2	2.9	2.3	1.5	100.0
Cumulative percentage	%	6.0	9.2	12.0	14.3	15.8	100.0
All industry divisions except Agriculture and public administration							
Sales of goods and services	\$m	51,221	18,928	15,842	13,076	11,711	694,426
Percentage of all businesses	%	7.4	2.7	2.3	1.9	1.7	100.0
Cumulative percentage	%	7.4	10.1	12.4	14.3	16.0	100.0

Source: ABS Economic Activity Survey (unpublished data).

Table 12.5 shows that in 1991-92 7.4 per cent of total sales of goods and services of all the industries listed were controlled by the top four business groups. The top 20 business groups accounted for 16 per cent of sales.

The highest degree of concentration was in the Communication industry, with 98 per cent of sales concentrated in the top four business groups. The next most highly concentrated industries were Mining and Electricity, gas and water where the top four business groups accounted for 39.5 per cent and 38.6 per cent of sales, respectively. The top 20 business groups in these two industries accounted for 68.1 and 81.3 per cent, respectively.

Industries with low concentration of sales among their top businesses include Property

and business services, Community services and Recreation, personal and other services.

### Industry contribution to gross domestic product

One measure of the changing importance of an industry within the economy is its contribution to gross domestic product as presented in the National Accounts. This is shown in percentage terms in table 12.6 below. Table 12.7 shows the gross product of each industry in value terms for a series of years. While the proportions in table 12.6 are best calculated using data valued in current prices, trends in value aggregates, as in table 12.7, are best assessed in constant price terms, presently at average 1989-90 prices.

**12.6 PERCENTAGE CONTRIBUTIONS TO GROSS DOMESTIC PRODUCT, BY INDUSTRY (CURRENT PRICES)**

	1964-65	1974-75	1984-85	1990-91	1991-92	1992-93
Agriculture, forestry, fishing and hunting	11.1	5.8	4.5	3.3	3.1	3.2
Mining	1.6	3.7	6.7	4.9	4.2	4.3
Manufacturing	25.8	21.3	17.7	14.9	14.4	14.7
Electricity, gas and water	3.1	2.8	3.5	3.3	3.5	3.5
Construction	8.4	8.8	7.7	7.5	7.1	7.0
Wholesale and retail trade	18.4	17.8	16.3	17.4	17.5	17.4
Transport and storage	} 7.3	} 7.1	4.9	4.7	4.9	4.9
Communication			2.1	2.4	2.6	2.6
Finance, property and business services	7.1	8.7	10.1	13.1	13.4	13.6
Public administration and defence	3.3	5.0	4.1	3.8	4.0	4.0
Community services	6.4	10.2	11.6	11.9	12.5	12.6
Recreation, personal and other services	3.3	4.1	4.0	4.6	4.8	4.8
Ownership of dwellings	5.0	6.1	8.3	9.8	10.0	9.9
Import duties	1.3	1.3	1.4	0.9	0.8	0.8
Less imputed bank service charge	-2.1	-2.5	-2.7	-2.5	-2.9	-3.3
<b>All industries GDP</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Australian National Accounts: National Income, Expenditure and Product (5204.0).



**12.7 GROSS DOMESTIC PRODUCT AT AVERAGE 1989-90 PRICES, BY INDUSTRY**  
(\$ million)

	1974-75	1984-85	1990-91	1991-92	1992-93
Agriculture, forestry, fishing and hunting	10,864	14,271	16,095	15,333	16,065
Mining	9,410	12,488	16,995	17,323	17,507
Manufacturing	45,062	50,589	56,112	55,133	56,864
Electricity, gas and water	6,138	9,736	12,161	12,347	12,509
Construction	20,176	24,549	27,439	24,544	25,444
Wholesale and retail trade	45,972	55,339	62,620	63,627	64,593
Transport and storage	9,441	14,132	17,757	17,738	18,469
Communication	3,130	5,424	8,730	9,348	10,126
Finance, property and business services	23,913	32,869	45,846	44,035	45,146
Public administration and defence	8,704	11,231	13,813	14,697	15,055
Community services	20,269	32,483	42,488	44,381	45,886
Recreation, personal and other services	11,379	13,647	16,177	16,158	16,583
Ownership of dwellings	19,463	29,343	35,784	36,700	37,814
Import duties	1,873	2,977	3,708	3,749	3,997
Less imputed bank service charge	6,251	7,355	7,970	7,898	8,215
Balancing item	- 745	—	—	—	—
<b>All industries GDP</b>	<b>228,789</b>	<b>301,723</b>	<b>367,755</b>	<b>367,215</b>	<b>377,843</b>

Source: Australian National Accounts: National Income, Expenditure and Product (5204.0).

These tables indicate a marked change in emphasis from goods-producing industries to service-providing industries within the expanding economy.

In 1964-65, apart from Wholesale and retail trade, the two most important industries were Manufacturing (25.8%) and Agriculture, forestry, fishing and hunting (11.1%). By 1992-93, the proportional contribution of both had declined significantly (the former to 14.7% and the latter to 3.2%).

The two industries whose share of overall economic activity increased most over the period from 1964-65 to 1991-92 were Finance, property and business services (from 7.1% to 13.6%) and Community services (from 6.4% to 12.6%). The share of Mining also increased markedly, but from a relatively low base of 1.6 per cent in 1964-65. However, Mining's share of activity has declined since the mid-1980s, when it was as high as 6.7 per cent of GDP, to 4.3 per cent in 1992-93.

### Industry contribution to employment

The following table shows the number of persons employed in the public and private sectors classified by industry as reported in the Labour Force Survey.

The private sector component is generally higher than the counts based on surveys of employing businesses shown in table 12.1. Additionally, table 12.8 includes the Agricultural industries and Public administration and defence, together with the public sector component of other industries such as the following for which December 1992 estimates are: Electricity, gas and water (94,900); Transport and storage (112,800); Communication (112,700); and Finance, property and business services (102,900).

### 12.8 EMPLOYED PERSONS BY INDUSTRY, ANNUAL AVERAGE(a) (<sup>'000</sup>)

	1984-85	1989-90	1990-91	1991-92	1992-93
Agriculture, forestry, fishing and hunting	402.7	425.7	433.8	409.0	405.9
Mining	93.6	104.4	96.0	91.2	88.7
Manufacturing	1,150.0	1,220.8	1,167.4	1,111.6	1,115.2
Electricity, gas and water	139.4	109.2	104.2	107.6	98.9
Construction	456.7	600.1	571.3	518.2	535.8
Wholesale and retail trade	1,302.5	1,640.7	1,620.9	1,596.5	1,608.9
Transport and storage	359.4	397.3	399.6	389.7	372.7
Communication	140.1	140.0	141.9	132.0	115.5
Finance, property and business services	629.3	896.5	897.3	884.8	870.5
Public administration and defence	322.9	345.2	362.6	353.2	369.9
Community services	1,143.6	1,367.9	1,408.4	1,452.7	1,460.2
Recreation, personal and other services	433.9	583.2	584.9	624.0	622.4
<b>Total</b>	<b>6,574.1</b>	<b>7,831.0</b>	<b>7,788.3</b>	<b>7,670.5</b>	<b>7,664.4</b>

(a) Averages calculated on quarterly estimates.

Source: *The Labour Force, Australia* (6203.0).

In general the goods-producing industries such as Agriculture, Mining and Manufacturing have experienced declining employment, whereas employment in the service-producing industries such as Community services and Recreation industries has been increasing. Total employment peaked during 1989-90 and has declined since.

The Wholesale and retail industries have for some years been the largest employing industries. Between 1989-90 and 1992-93, the only industries which recorded growth were Community services (92,300), Recreation, personal and other services (39,200) and Public administration and defence (24,700).

### Labour productivity

Changes in the number of persons employed tend to reflect the level of economic activity of the industry. A developing or buoyant industry will generally show an increase in the number of employed persons over time. However, structural reform or increased use of technology within an industry may well result in changes in employment relative to output.

A general indication of such effects is provided in the following table showing constant price estimates of gross product per hour worked.

### 12.9 INDEXES OF GROSS PRODUCT AT AVERAGE 1989-90 PRICES PER HOUR WORKED, BY INDUSTRY(a)

(Reference base year 1989-90 = 100.0)

	1974-75	1984-85	1989-90	1990-91	1991-92	1992-93
Agriculture, forestry, fishing and hunting	69.1	97.9	100.0	105.8	107.2	112.7
Mining	80.0	93.2	100.0	112.4	121.9	127.2
Manufacturing	64.8	89.8	100.0	103.7	107.3	109.7
Electricity, gas and water	51.1	66.6	100.0	108.3	107.6	119.5
Construction	84.8	111.1	100.0	101.3	102.1	99.3
Wholesale and retail trade	90.9	102.8	100.0	97.1	100.6	101.2
Transport and storage	63.9	91.8	100.0	101.5	103.2	111.5
Communication	35.5	68.4	100.0	103.8	119.6	145.5
Recreation, personal and other services	112.8	110.1	100.0	99.5	94.1	98.0

(a) Estimates of gross product per hour worked are not presented for three industries: Finance, property and business services; Public administration and defence; and Community services because the estimates of gross product at average 1989-90 prices are derived using a methodology which either assumes no change in labour productivity or, in the case of Public administration and defence, and Community services only partially reflects change in labour productivity.

Source: *Australian National Accounts: National Income, Expenditure and Product* (5204.0).

### Business operations and performance

Table 12.10 presents measures of business operations (in terms of income, expenditure and balance sheet information) by industry. The statistics relate only to employing businesses. The table also shows a selection of industry performance ratios suitable for comparing performance across industries. All the data items listed are defined in *Business Operations and Industry Performance, Australia* (catalogue no. 8140.0).

Table 12.10 shows the relative importance (based on financial measures) of various industries. The Finance and insurance industry accounted for nearly 30 per cent of the operating profits and 34 per cent of the net worth of all industries included.

However, the relative performance of industries, like the relative performance of businesses, is best analysed by reference to performance ratios. Various ratios commonly

used in financial analysis are included in the table. These show, for example, that in 1991–92:

- industries which converted the highest proportion of their sales into profit (as represented by the operating profit margin) were Mining and Communication;
- the industry which had the highest return on assets and return on net worth was Construction;
- the industry which had the highest debt to assets and debt to equity ratios was Retail trade;
- industries which had the highest ability to service their debt charges from profits (as represented by the interest coverage ratio) were Mining and Community services; and
- the industry with the highest operating profits and labour costs per person employed was Mining.

12.10 FINANCIAL TRANSACTIONS AND BALANCES, AND INDUSTRY PERFORMANCE RATIOS  
BY INDUSTRY, 1991-92

<i>Item</i>	<i>Unit</i>	<i>Agriculture, forestry, fishing &amp; hunting</i>	<i>Mining</i>	<i>Manu- fact- uring</i>	<i>Electri- city, gas &amp; water</i>	<i>Cons- truct- ion</i>	<i>Whole- sale trade</i>	<i>Retail trade</i>
<b>INCOME STATEMENT</b>								
Sales of goods and services	\$m	20,058	31,121	163,281	24,042	36,509	150,545	131,840
Less								
Cost of sales	\$m	12,846	15,046	116,659	12,370	27,051	131,754	114,125
<b>Trading profit</b>	<b>\$m</b>	<b>7,212</b>	<b>16,075</b>	<b>46,622</b>	<b>11,672</b>	<b>9,458</b>	<b>18,791</b>	<b>17,715</b>
Plus								
Interest income	\$m	348	434	1,046	474	279	1,032	951
Other operating income	\$m	817	338	2,434	805	1,019	1,941	2,034
Less								
Labour costs	\$m	2,476	4,551	30,567	4,062	7,213	11,577	14,537
Depreciation	\$m	n.a.	3,198	4,663	2,654	591	1,362	1,304
Other operating expenses	\$m	1,629	2,495	2,450	335	315	892	643
<b>Earnings before interest &amp; tax</b>	<b>\$m</b>	<b>4,272</b>	<b>6,603</b>	<b>12,422</b>	<b>5,900</b>	<b>*2,637</b>	<b>7,933</b>	<b>4,216</b>
Less								
Interest expenses	\$m	1,966	1,335	4,005	4,260	645	2,902	2,722
<b>Operating profit before tax</b>	<b>\$m</b>	<b>2,306</b>	<b>5,268</b>	<b>8,417</b>	<b>1,640</b>	<b>*1,992</b>	<b>5,032</b>	<b>1,494</b>
<b>BALANCE SHEET</b>								
Assets								
Current	\$m	17,350	13,015	57,889	6,496	10,573	52,012	22,475
Non-current	\$m	94,056	47,480	84,527	77,060	8,965	*33,947	23,059
Total	\$m	111,405	60,495	142,416	83,556	19,538	85,959	45,534
Liabilities								
Current	\$m	3,380	12,276	49,469	9,543	9,138	40,873	26,042
Non-current	\$m	13,349	18,849	32,171	33,800	5,513	16,575	10,021
Total	\$m	16,729	31,124	81,640	43,343	14,651	57,448	36,063
<b>Net worth</b>	<b>\$m</b>	<b>94,676</b>	<b>29,370</b>	<b>60,776</b>	<b>40,213</b>	<b>4,887</b>	<b>*28,511</b>	<b>9,471</b>
<b>INDUSTRY PERFORMANCE RATIOS</b>								
Operating profit margin	%	11.5	16.9	5.2	6.8	5.5	3.3	1.1
Return on assets	%	2.1	8.7	5.9	2.0	10.2	5.9	3.3
Return on net worth	%	2.4	17.9	13.8	4.1	40.8	17.6	15.8
Debt to assets	%	15.0	51.4	57.3	51.9	75.0	66.8	79.2
Debt to equity	%	17.7	106.0	134.3	107.8	299.8	201.5	380.8
Current ratio(a)	no.	n.a.	1.1	1.2	0.7	1.2	1.3	0.9
Interest coverage	no.	2.2	4.9	3.1	1.4	4.1	2.7	1.5
Operating profit per person employed	\$'000	7.1	60.6	9.0	16.7	8.1	13.3	1.7
Labour costs per person employed	\$'000	7.6	52.3	32.8	41.4	29.3	30.5	16.8

For footnotes see end of table.

**12.10 FINANCIAL TRANSACTIONS AND BALANCES, AND INDUSTRY PERFORMANCE RATIOS  
BY INDUSTRY, AUSTRALIA, 1991-92 — continued**

<i>Item</i>	<i>Unit</i>	<i>Transport and storage</i>	<i>Communi- cation</i>	<i>Finance and insurance</i>	<i>Property and business services</i>	<i>Com- munity services</i>	<i>Recreation, personal &amp; other services</i>	<i>All selected industries</i>
<b>INCOME STATEMENT</b>								
Sales of goods and services	\$m	33,253	14,735	16,151	40,961	19,388	32,598	714,482
<i>Less</i>								
Cost of sales	\$m	21,730	4,528	22,271	26,475	11,416	20,846	537,118
<b>Trading profit</b>	<b>\$m</b>	<b>11,523</b>	<b>10,207</b>	<b>- 6,120</b>	<b>14,486</b>	<b>7,973</b>	<b>11,752</b>	<b>177,366</b>
<i>Plus</i>								
Interest income	\$m	340	210	56,882	4,750	622	326	67,694
Other operating income	\$m	2,867	93	19,326	7,186	8,182	1,053	48,096
<i>Less</i>								
Labour costs	\$m	10,505	4,862	10,852	13,328	12,568	8,031	135,128
Depreciation	\$m	1,823	2,180	1,459	1,151	795	1,089	23,579
Other operating expenses	\$m	306	40	5,067	566	266	373	14,067
<b>Earnings before interest &amp; tax</b>	<b>\$m</b>	<b>*2,096</b>	<b>3,428</b>	<b>52,710</b>	<b>*11,377</b>	<b>3,148</b>	<b>3,638</b>	<b>120,382</b>
<i>Less</i>								
Interest expenses	\$m	1,745	1,257	37,326	7,953	641	1,562	68,318
<b>Operating profit before tax</b>	<b>\$m</b>	<b>*351</b>	<b>2,171</b>	<b>15,385</b>	<b>*3,424</b>	<b>2,507</b>	<b>2,077</b>	<b>52,064</b>
<b>BALANCE SHEET</b>								
<b>Assets</b>								
Current	\$m	9,158	4,825	n.a.	47,765	7,686	8,707	708,027
Non-current	\$m	35,081	21,230	n.a.	103,331	23,294	29,788	927,227
<i>Total</i>	<i>\$m</i>	<i>44,239</i>	<i>26,055</i>	<i>795,486</i>	<i>151,096</i>	<i>30,979</i>	<i>38,495</i>	<i>1,635,254</i>
<b>Liabilities</b>								
Current	\$m	11,393	5,497	n.a.	47,122	6,563	9,837	648,648
Non-current	\$m	22,396	9,870	n.a.	44,360	5,390	14,638	405,576
<i>Total</i>	<i>\$m</i>	<i>33,789</i>	<i>15,367</i>	<i>596,160</i>	<i>91,482</i>	<i>11,953</i>	<i>24,475</i>	<i>1,054,224</i>
<b>Net worth</b>	<b>\$m</b>	<b>10,450</b>	<b>10,688</b>	<b>199,327</b>	<b>59,613</b>	<b>19,027</b>	<b>14,021</b>	<b>581,029</b>
<b>INDUSTRY PERFORMANCE RATIOS</b>								
Operating profit margin	%	1.1	14.7	..	8.4	12.9	6.4	7.3
Return on assets	%	0.8	8.3	1.9	2.3	8.1	5.4	3.2
Return on net worth	%	3.4	20.3	7.7	5.7	13.2	14.8	9.0
Debt to assets	%	76.4	59.0	74.9	60.5	38.6	63.6	64.5
Debt to equity	%	323.3	143.8	299.1	153.5	62.8	174.6	181.4
Current ratio(a)	no.	0.8	0.9	n.a.	1.0	1.2	0.9	1.1
Interest coverage	no.	1.2	2.7	1.4	1.4	4.9	2.3	1.8
Operating profit per person employed	\$'000	1.2	18.1	48.4	7.0	4.4	4.0	9.9
Labour costs per person employed	\$'000	35.3	40.5	34.1	27.2	22.3	15.5	25.8

(a) Current assets/current liabilities.

Source: Business Operations and Industry Performance (8140.0).

## Industry contribution to capital expenditure

(structures and equipment) by industry, providing a general indication of trends in productive capacity.

The following table shows estimates of the level of private expenditure on capital assets

### 12.11 PRIVATE GROSS FIXED CAPITAL EXPENDITURE AT AVERAGE 1989-90 PRICES BY INDUSTRY (\$ million)

	1974-75	1984-85	1989-90	1990-91	1991-92	1992-93
Agriculture, forestry, fishing and hunting	3,007	4,079	3,117	1,819	2,065	2,216
Mining	2,310	3,238	4,577	4,928	4,675	5,186
Manufacturing	5,134	5,778	9,246	7,641	6,932	6,748
Electricity, gas and water	98	159	177	70	58	686
Construction	924	2,005	1,852	1,294	1,176	1,339
Wholesale and retail trade	2,915	4,713	5,898	6,320	5,447	5,080
Transport and storage and Communication	1,499	2,591	3,145	3,132	2,490	2,627
Finance, property and business services	3,536	6,146	11,606	8,686	6,292	5,646
Community services	564	961	1,324	1,188	1,140	1,274
Recreation, personal and other services	1,008	2,232	3,015	2,934	2,537	2,293
Ownership of dwellings	11,591	16,632	18,545	16,516	16,257	18,425
Total (excluding real estate transfer expenses)	32,586	48,534	62,502	54,528	49,069	51,520
Real estate transfer expenses	3,837	5,591	5,299	5,461	6,014	6,051
<b>Total</b>	<b>36,423</b>	<b>54,125</b>	<b>67,801</b>	<b>59,989</b>	<b>55,083</b>	<b>57,571</b>

Source: Australian National Accounts: Capital Stock (5221.0).

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*Australian National Accounts: Capital Stock (5221.0)*

*Australian National Accounts: National Income, Expenditure and Product (5204.0)*

*Business Operations and Industry Performance (8140.0)*

*The Labour Force, Australia (6203.0)*

*Profiles of Australian Business (1322.0)*

*Small Business in Australia (1321.0)*

#### **FOR MORE INFORMATION**

The ABS has a far wider range of information on Australia than that contained in the *Year Book*. Information is available in the form of regular publications, electronic data services, special tables and from investigations of published and unpublished data.

For further information contact ABS Information Services at one of the addresses listed on the page facing the Introduction to the *Year Book*.

