

# Overview of Australian industry

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## Introduction

**T**his chapter presents statistics on the structure and performance of the main broad industry sectors of the Australian economy and their relative contributions to overall economic activity in terms of employment, production and investment.

Tables 12.1 to 12.3 dissect the whole economy's employment and production by industry. The remaining tables provide more detailed indicators of economic activity by industry but are limited in scope to private employing and public trading businesses (i.e. non-employing businesses and general government organisations are excluded from tables 12.4 to 12.13).

The 1993 edition of the *Australian and New Zealand Standard Industrial Classification (ANZSIC)* (1292.0) has been used to classify the statistics presented in this chapter. They are presented at broad levels of classification, generally equating to ANZSIC division level. However, the label Private Community Services has been adopted in some cases to emphasise the fact that general government units have been excluded from the Economic Activity Survey (EAS), an important source of data for this overview.

While the statistics presented in this chapter provide the basis for comparisons of business performance across industries, care should be taken when comparing data in industry-specific chapters with the data in this chapter. Any differences in the frequency, scope, statistical unit and methodologies of the various collections used to compile the statistics should be taken into account when making such comparisons.

## Employment within industries

The following table shows trend estimates of the number of persons employed, classified by industry, as reported in the Labour Force Survey. Smoothing seasonally adjusted series of estimates produces measures of trend, as shown here, by reducing the impact of the irregular component of the series. Trend series are used to analyse the underlying behaviour of the series over time. This smoothing technique enables estimates to be produced which include the latest quarter, but recent quarters are subject to revision as more data become available.

In general, the goods-producing industries such as Agriculture, Mining and Manufacturing and the utilities of Electricity, Gas and Water have experienced declining employment, in proportional terms. Employment in the service-providing industries has been increasing; particularly in Property and business services, Retail trade, Health and community services and Accommodation, cafes and restaurants.

Over the last five years, the Retail industry has taken the position as major employer from Manufacturing and continued to increase its lead as the industry employing most persons.

Broader discussion of employment changes over time is included as part of *Chapter 6, Labour*.

**12.1 Employment within industries — annual trend average(a)**

	1984-85(b)	1990-91	1991-92	1992-93	1993-94	1994-95
Employment ('000)						
Agriculture, forestry & fishing	405.5	436.1	409.4	406.3	407.5	404.9
Mining	94.0	95.7	89.2	86.7	89.4	86.0
Manufacturing	1 125.6	1 130.5	1 074.0	1 073.1	1 084.0	1 113.8
Electricity, gas & water	135.6	103.5	105.8	97.9	92.6	86.5
Construction	470.1	571.4	520.7	534.3	559.7	589.8
Wholesale trade	411.6	504.7	483.8	479.8	501.2	495.9
Retail trade	893.5	1 109.9	1 098.6	1 112.9	1 127.4	1 186.2
Accommodation, cafes & restaurants	224.5	322.6	342.1	335.8	348.6	376.5
Transport & storage	354.6	387.5	378.3	361.2	366.4	381.9
Communication	147.3	146.0	135.7	119.2	129.1	147.5
Finance & insurance	268.9	355.1	334.3	316.9	317.1	312.8
Property & business services	441.7	636.1	648.4	645.2	672.9	749.3
Government administration & defence	323.2	361.6	347.9	367.0	366.1	357.0
Education	443.4	526.0	531.1	548.0	552.2	555.3
Health & community services	518.6	647.9	662.9	654.9	672.3	719.7
Cultural & recreational services	118.6	150.9	164.6	154.7	168.1	189.6
Personal & other services	222.6	279.6	299.3	302.7	300.9	304.9
<b>All industries</b>	<b>6 599.4</b>	<b>7 765.0</b>	<b>7 625.8</b>	<b>7 596.5</b>	<b>7 755.3</b>	<b>8 057.3</b>
Proportion of all industries (%)						
Agriculture, forestry & fishing	6.1	5.6	5.4	5.3	5.3	5.0
Mining	1.4	1.2	1.2	1.1	1.2	1.1
Manufacturing	17.1	14.6	14.1	14.1	14.0	13.8
Electricity, gas & water	2.1	1.3	1.4	1.3	1.2	1.1
Construction	7.1	7.4	6.8	7.0	7.2	7.3
Wholesale trade	6.2	6.5	6.3	6.3	6.5	6.2
Retail trade	13.5	14.3	14.4	14.6	14.5	14.7
Accommodation, cafes & restaurants	3.4	4.2	4.5	4.4	4.5	4.7
Transport & storage	5.4	5.0	5.0	4.8	4.7	4.7
Communication	2.2	1.9	1.8	1.6	1.7	1.8
Finance & insurance	4.1	4.6	4.4	4.2	4.1	3.9
Property & business services	6.7	8.2	8.5	8.5	8.7	9.3
Government administration & defence	4.9	4.7	4.6	4.8	4.7	4.4
Education	6.7	6.8	7.0	7.2	7.1	6.9
Health & community services	7.9	8.3	8.7	8.6	8.7	8.9
Cultural & recreational services	1.8	1.9	2.2	2.0	2.2	2.4
Personal & other services	3.4	3.6	3.9	4.0	3.9	3.8

(a) Averages calculated on quarterly estimates. (b) Average for 1984-85 calculated on estimates from November 1984 to May 1985 since August 1984 data are not available.

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

## 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 (GDP), as presented in the National Accounts. This is shown in percentage terms in table 12.2 below. Table 12.3 shows the gross product of each industry in value terms for a series of years. While the proportions in

table 12.2 are best calculated using data valued in current prices, trends in value aggregates, as in table 12.3, are best assessed in constant price terms, presently at average 1989-90 prices.

### 12.2 Industry gross product as a proportion of GDP, at current prices (%)

	1982-83	1983-84	1990-91	1991-92	1992-93	1993-94
Agriculture, forestry & fishing	3.6	4.9	3.3	3.0	3.2	3.1
Mining	6.4	6.6	4.8	4.2	4.2	3.8
Manufacturing	17.8	17.6	14.6	14.1	14.1	14.4
Electricity, gas & water	3.7	3.8	3.3	3.5	3.4	3.3
Construction	6.9	6.6	6.9	6.4	6.1	6.2
Wholesale trade	8.4	8.8	10.2	10.3	10.2	10.8
Retail trade	7.0	6.7	7.2	7.3	7.4	7.4
Accommodation, cafes & restaurants	1.7	1.6	2.0	2.0	2.0	1.9
Transport & storage	5.6	5.7	5.2	5.3	5.3	5.2
Communication	2.1	2.2	2.5	2.8	2.7	2.5
Finance & insurance	4.6	4.7	6.0	6.6	6.9	7.1
Property & business services	6.0	6.1	8.0	7.9	7.8	8.0
Government administration & defence	4.5	4.2	3.8	4.1	4.0	3.9
Education	5.2	4.8	4.7	4.9	5.1	5.0
Health & community services	5.5	5.1	5.5	5.7	5.7	5.5
Cultural & recreational services	1.9	1.9	2.0	2.1	2.0	2.1
Personal & other services	1.8	1.7	1.8	1.9	1.9	1.9
Ownership of dwellings	8.6	8.3	9.9	10.1	10.0	9.8
Import duties	1.2	1.2	0.9	0.9	0.8	0.8
Less Imputed bank service charge	2.5	2.6	2.5	3.0	3.1	2.7
<b>All industries (GDP(I))</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).

### 12.3 Gross product at average 1989-90 prices (\$ million)

Industry division	1982-83	1983-84	1991-92	1992-93	1993-94
Agriculture, forestry & fishing	9 835	14 093	15 097	15 897	16 347
Mining	9 781	10 617	16 800	16 999	17 295
Manufacturing	46 141	46 843	53 956	56 191	60 533
Electricity, gas & water	9 009	9 386	12 651	12 935	13 114
Construction	20 009	20 061	22 786	23 462	24 867
Wholesale trade	29 203	30 395	33 851	34 011	36 446
Retail trade	22 171	22 999	27 720	28 189	28 727
Accommodation, cafes & restaurants	5 190	5 274	6 929	6 797	7 085
Transport & storage	13 779	14 474	20 373	20 592	21 930
Communication	4 873	5 162	9 587	10 871	11 949
Finance & insurance	12 868	13 369	17 747	16 717	16 488
Property & business services	19 309	19 428	29 523	31 619	31 480
Government administration & defence	10 036	10 869	14 724	15 020	15 095
Education	12 406	12 901	17 066	18 384	18 999
Health & community services	13 600	14 202	20 453	20 786	21 253
Cultural & recreational services	5 426	5 770	7 362	7 687	8 265
Personal & other services	4 851	4 904	6 273	6 372	6 285
Ownership of dwellings	27 990	28 574	36 641	37 749	38 925
Import duties	2 398	2 560	3 904	4 268	4 534
Less Imputed bank service charge	6 443	7 052	8 202	8 070	7 546
<b>All industries (GDP(P))</b>	<b>271 179</b>	<b>284 701</b>	<b>365 241</b>	<b>376 476</b>	<b>392 071</b>

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

These tables indicate that the contribution to GDP from goods-producing industries (broadly, the first five industries in the table) has generally remained stable over the last three years while at a lower level than ten years earlier.

Manufacturing continues to be the most important industry, followed by Wholesale trade. In 1993-94 Manufacturing contributed 14.4% to GDP while Wholesale trade contributed 10.8%.

Mining has declined since the mid-1980s, when its share of activity was 6.6% of GDP, to 3.8% in 1993–94.

Finance and insurance, and Property and business services, have each grown steadily in share of GDP over this period.

GDP at average 1989–90 prices has increased by 44.6% over the period 1982–83 to 1993–94, with an increase of 4.1% between 1992–93 and 1993–94.

## Industry structure: classification, 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 enterprise or any other legally recognised organisation which provides goods or services. 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.

Throughout this chapter the term 'business' refers 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.

The table below provides an overview of the structure of Australian public trading and private employing businesses in 1993–94 in terms of the number of operating businesses and the number of persons employed.

### 12.4 Businesses and employment, 1993–94

Industry division	Small & medium businesses		Large businesses		All businesses	
	No. of operating businesses	Employment ('000)	No. of operating businesses	Employment ('000)	No. of operating businesses	Employment ('000)
Agriculture, forestry & fishing(a)	113 874	347	..	..	113 874	347
Mining	1 845	16	99	59	1 944	75
Manufacturing	37 175	436	686	484	37 861	920
Electricity, gas & water supply	579	11	46	70	624	81
Construction	60 414	220	66	42	60 480	262
Wholesale trade	37 736	307	173	106	37 909	413
Retail trade	90 680	481	185	354	90 865	835
Accommodation, cafes & restaurants	25 486	275	158	104	25 643	379
Transport & storage	21 637	126	110	156	21 747	282
Communication services	737	6	5	108	742	114
Finance & insurance	19 167	76	320	217	19 487	293
Property & business services	93 877	418	210	118	94 087	536
Private community services(b)	45 956	334	276	179	46 232	513
Cultural & recreational services	13 097	79	59	36	13 155	115
Personal & other services	23 227	112	39	24	23 265	136
<b>All industries</b>	<b>585 487</b>	<b>3 244</b>	<b>2 432</b>	<b>2 057</b>	<b>587 915</b>	<b>5 301</b>

(a) As separate details not available for Large businesses, all businesses are classified as Small and medium businesses.

(b) Includes Education, Health services and Community services.

Source: *Business Operations and Industry Performance* (8140.0).

For the purpose of these statistics, large businesses are defined as management units which employ 200 or more persons or have assets worth more than \$200 million.

Conversely, small and medium businesses are those management units which do not have assets worth more than \$200 million, and employ fewer than 200 persons.

Tables 12.4 to 12.7 show that, in 1993–94, small and medium businesses accounted for 99.6% of the total number of public trading and private employing businesses but only

accounted for 61% of the employment, 52% of the sales, 39% of the profits and 49% of the gross product of these businesses.

### 12.5 Sales of goods and services by industry and size, 1993–94

Industry division	Small & medium businesses		Large businesses		All employing businesses	
	\$m	%	\$m	%	\$m	%
Agriculture, forestry & fishing(a)	23 884	n.a.	..	..	23 884	..
Mining	6 468	20	26 302	80	32 770	100
Manufacturing	59 146	33	117 523	67	176 669	100
Electricity, gas & water supply	2 514	9	24 641	91	27 155	100
Construction	34 589	75	11 506	25	46 095	100
Wholesale trade	102 815	63	60 579	37	163 394	100
Retail trade	77 417	62	47 998	38	125 415	100
Accommodation, cafes & restaurants	15 926	74	5 615	26	21 541	100
Transport & storage	15 141	39	23 280	61	38 421	100
Communication services	684	4	16 399	96	17 083	100
Finance & insurance	6 058	35	11 150	65	17 208	100
Property & business services	27 716	73	10 160	27	37 876	100
Private community services(b)	12 270	75	4 018	25	16 288	100
Cultural & recreational services	4 690	50	4 645	50	9 335	100
Personal & other services	6 560	77	1 972	23	8 532	100
<b>All industries</b>	<b>395 878</b>	<b>52</b>	<b>365 788</b>	<b>48</b>	<b>761 665</b>	<b>100</b>

(a) As separate details are not available for Large businesses, all businesses are classified as Small and medium businesses.

(b) Includes Education, Health Services and Community Services.

Source: *Business Operations and Industry Performance* (8140.0).

### 12.6 Operating profit before tax by industry and size, 1993–94

Industry division	Small & medium businesses		Large businesses		All employing businesses	
	\$m	%	\$m	%	\$m	%
Agriculture, forestry & fishing(a)	4 660	n.a.	..	..	4 660	..
Mining	1 087	20	4 440	80	5 527	100
Manufacturing	4 823	34	9 191	66	14 014	100
Electricity, gas & water	449	12	3 157	88	3 606	100
Construction	1 702	74	601	26	2 303	100
Wholesale trade	2 707	64	1 493	36	4 200	100
Retail trade	2 765	77	829	23	3 594	100
Accommodation, cafes & restaurants	804	114	-97	-14	707	100
Transport & storage	894	35	1 635	65	2 529	100
Communication	41	2	2 436	98	2 477	100
Finance & insurance	2 209	10	19 880	90	22 089	100
Property & business services	3 924	72	1 522	28	5 446	100
Private community services(b)	2 432	77	746	23	3 177	100
Cultural & recreational services	556	40	848	60	1 404	100
Personal & other services	537	79	145	21	682	100
<b>All industries</b>	<b>29 590</b>	<b>39</b>	<b>46 825</b>	<b>61</b>	<b>76 415</b>	<b>100</b>

(a) As separate details are not available for Large businesses, all businesses are classified as Small and medium businesses.

(b) Includes Education, Health Services and Community Services.

Source: *Business Operations and Industry Performance* (8140.0).

Both the Economic Activity Survey (EAS) and the Australian national accounts measure overall economic activity, although the EAS is substantially narrower in scope and coverage. Differences also occur in the industry dissection of the two sets of statistics because

they rely on different units frameworks. A Technical Note, further discussing this topic, is included as Appendix 1 to *Business Operations and Industry Performance, Australia* (8140.0).

## 12.7 Industry gross product by industry and size, 1993-94

Industry division	Small & medium businesses		Large businesses		All employing businesses	
	\$m	%	\$m	%	\$m	%
Agriculture, forestry & fishing(a)	10 117	n.a.	..	..	10 117	..
Mining	2 943	17	13 971	83	16 914	100
Manufacturing	20 155	37	34 923	63	55 078	100
Electricity, gas & water	1 111	8	13 361	92	14 472	100
Construction	8 420	74	2 905	26	11 325	100
Wholesale trade	13 752	67	6 847	33	20 599	100
Retail trade	12 229	62	7 373	38	19 602	100
Accommodation, cafes & restaurants	5 631	73	2 125	27	7 756	100
Transport & storage	5 301	33	10 670	67	15 971	100
Communication	328	3	10 764	97	11 092	100
Finance & insurance(b)	1 711	..	-2 637	..	-926	..
Property & business services	13 855	73	5 059	27	18 914	100
Private community services(c)	8 682	71	3 538	29	12 220	100
Cultural & recreational services	2 148	46	2 502	54	4 650	100
Personal & other services	2 137	70	899	30	3 036	100
<b>All industries</b>	<b>108 520</b>	<b>49</b>	<b>112 300</b>	<b>51</b>	<b>220 820</b>	<b>100</b>

(a) As separate details are not available for Large businesses, all businesses are classified as Small and medium businesses.

(b) Industry Gross Product for Finance and insurance is negative because it does not take account of implicit charges for financial services included in interest. (c) Includes Education, Health services and Community services.

Source: *Business Operations and Industry Performance* (8140.0).

## Business operations and performance

Tables 12.8 and 12.9 present measures of business operations (in terms of income, expenditure and balance sheet information) by industry. The statistics relate only to public trading and private employing businesses. Table 12.10 shows a selection of performance ratios suitable for comparing performance across industries. All the data items listed are defined in *Business Operations and Industry Performance, Australia* (8140.0).

These tables also show the relative importance (based on financial measures) of various industries. The Finance and insurance industry accounted for nearly 29% of the operating profits and almost 34% of the net worth of all industries included. Based upon this measure, the next most important industry, Manufacturing, accounted for 18% of operating profits and 10% of net worth. Agriculture, forestry and fishing accounted for 6% of operating profits but 16% of net worth.

However, the relative performance of industries, like the relative performance of businesses, is best analysed by reference to a combination of performance ratios and level

estimates. Various ratios commonly used in financial analysis are included in table 12.10. These show, for example, that in 1993-94:

- industries which converted the highest proportion of their sales into profit (as represented by the profit margin) were Finance and insurance; Agriculture, forestry and fishing; and Mining;
- businesses in Private community services reported, on average, the highest return on assets;
- the industry which had the highest return on net worth was Construction; and
- industries which had the highest ability to service their debt charges from profits (as represented by the interest coverage ratio) were Private community services and Manufacturing.

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### 12.8 Financial transactions, 1993-94 (\$ million)

Industry	Sales of goods & services	Less		Plus		Less		Earnings before interest & tax		Less		Operating profit before tax
		Cost of sales	Trading profit	Interest income	Other operating income	Labour costs	Depreciation	Other operating expenses	Interest & tax	Interest expenses		
Agriculture, forestry & fishing	23 884	14 271	9 613	239	775	2 714	1 532	349	6 032	1 372		4 660
Mining	32 770	16 466	16 304	439	830	4 738	3 753	2 282	6 800	1 273		5 527
Manufacturing	176 669	122 786	53 883	563	1 961	32 133	5 264	2 647	16 363	2 349		14 014
Electricity, gas & water	27 155	14 214	12 941	176	726	3 785	3 042	197	6 819	3 213		3 606
Construction	46 095	35 498	10 597	153	910	7 679	787	319	2 875	572		2 303
Wholesale trade	163 394	143 018	20 376	609	1 202	13 384	1 799	859	6 145	1 945		4 200
Retail trade	125 415	105 893	19 522	307	924	14 185	1 202	507	4 859	1 265		3 594
Accommodation, cafes & restaurants	21 541	14 001	7 540	219	849	5 920	817	251	1 620	913		707
Transport & storage	38 421	25 268	13 153	247	2 788	9 494	2 416	437	3 841	1 312		2 529
Communication	17 083	6 180	10 903	94	165	5 423	2 334	169	3 236	759		2 477
Finance & insurance	17 208	18 179	-971	44 984	16 980	11 422	1 414	1 879	46 278	24 189		22 089
Property & business services	37 876	19 188	18 688	2 737	3 041	13 222	1 281	698	9 265	3 819		5 446
Private community services(a)	16 288	8 318	7 970	234	8 019	11 612	744	261	3 606	429		3 177
Cultural & recreational services	9 335	4 996	4 339	66	598	2 263	557	482	1 701	297		1 404
Personal & other services	8 532	5 744	2 788	161	1 387	2 906	435	123	872	190		682
<b>All industries</b>	<b>761 666</b>	<b>554 020</b>	<b>207 646</b>	<b>51 228</b>	<b>41 155</b>	<b>140 880</b>	<b>27 377</b>	<b>11 460</b>	<b>120 312</b>	<b>43 897</b>		<b>76 415</b>

(a) Includes Education, Health services and Community services.

Source: Business Operations and Industry Performance (8140.0).

### 12.9 Industry balance sheet, 1993-94 (\$ million)

Industry	Assets			Liabilities			Net worth
	Current	Non-current	Total	Current	Non-current	Total	
Agriculture, forestry & fishing	21 353	98 448	119 801	7 917	10 060	17 977	<b>101 824</b>
Mining	13 814	51 683	65 497	12 379	20 066	32 445	<b>33 052</b>
Manufacturing	59 376	88 031	147 407	51 831	33 937	85 768	<b>61 639</b>
Electricity, gas & water	6 751	88 074	94 825	10 236	31 448	41 684	<b>53 141</b>
Construction	12 565	11 260	23 825	12 834	6 261	19 095	<b>4 730</b>
Wholesale trade	55 287	26 741	82 028	44 152	13 728	57 880	<b>24 148</b>
Retail trade	19 456	17 892	37 348	17 707	8 321	26 028	<b>11 320</b>
Accommodation, cafes & restaurants	5 352	20 895	26 247	7 650	7 828	15 478	<b>10 769</b>
Transport & storage	9 642	42 259	51 901	11 763	18 462	30 225	<b>21 676</b>
Communication	5 263	20 996	26 259	5 764	7 395	13 159	<b>13 100</b>
Finance & insurance	..	..	840 438	..	..	630 739	<b>209 699</b>
Property & business services	39 852	71 980	111 832	35 966	29 029	64 995	<b>46 837</b>
Private community services(a)	6 632	20 559	27 191	6 273	6 111	12 384	<b>14 807</b>
Cultural & recreational services	2 962	10 432	13 394	2 788	4 378	7 166	<b>6 228</b>
Personal & other services	3 274	8 249	11 523	2 510	2 626	5 136	<b>6 387</b>
<b>All industries</b>	<b>..</b>	<b>..</b>	<b>1 679 516</b>	<b>..</b>	<b>..</b>	<b>1 060 159</b>	<b>619 357</b>

(a) Includes Education, Health services and Community services.

Source: *Business Operations and Industry Performance* (8140.0).

### 12.10 Industry performance ratios(a), 1993-94

Industry	Profit margin (%)	Return on assets (%)	Return on net worth (%)	Long term debt to equity (times)	Current ratio (times)	Interest coverage (times)
Agriculture, forestry & fishing	18.7	3.9	4.6	0.1	2.7	4.4
Mining	16.2	8.4	16.7	0.6	1.1	5.3
Manufacturing	7.8	9.5	22.7	0.6	1.1	7.0
Electricity, gas & water	12.9	3.8	6.8	0.6	0.7	2.1
Construction	4.9	9.7	48.7	1.3	1.0	5.0
Wholesale trade	2.5	5.1	17.4	0.6	1.3	3.2
Retail trade	2.8	9.6	31.7	0.7	1.1	3.8
Accommodation, cafes & restaurants	3.1	2.7	6.6	0.7	0.7	1.8
Transport & storage	6.1	4.9	11.7	0.9	0.8	2.9
Communication	14.3	9.4	18.9	0.6	0.9	4.3
Finance & insurance	27.9	2.6	10.5	..	..	1.9
Property & business services	12.5	4.9	11.6	0.6	1.1	2.4
Private community services(b)	12.9	11.7	21.5	0.4	1.1	8.4
Cultural & recreational services	14.0	10.5	22.5	0.7	1.1	5.7
Personal & other services	6.8	5.9	10.7	0.4	1.3	4.6
<b>All industries</b>	<b>8.9</b>	<b>4.5</b>	<b>12.3</b>	<b>..</b>	<b>..</b>	<b>2.7</b>

(a) Performance ratio derivations: Profit margin = operating profit before tax \* 100 / (sales of goods and services + interest income + Other operating income); Return on assets = operating profit before tax \* 100 / total assets; Return on net worth = operating profit before tax \* 100 / net worth; Long term debt to equity = non-current liabilities / net worth; Current ratio = current assets / current liabilities; Interest coverage = earnings before interest & tax / interest expenses. (b) Includes Education, Health services and Community services.

Source: *Business Operations and Industry Performance* (8140.0).

## Labour productivity

Changes in the number of hours worked 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 hours worked over time. However, structural reform or increased use of technology within an industry may 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.

**12.11 Indexes of gross product at average 1989–90 prices per hour worked, by industry(a)**  
(Reference base year 1989–90 = 100.0)

Industry division	1984–85	1989–90	1990–91	1991–92	1992–93	1993–94
Agriculture, forestry & fishing	97.8	100.0	106.7	106.9	113.4	116.8
Mining	92.8	100.0	112.8	122.1	127.4	120.6
Manufacturing	88.6	100.0	103.5	110.3	113.9	119.6
Electricity, gas & water	66.7	100.0	108.5	107.8	120.3	126.1
Construction	106.9	100.0	101.2	102.2	99.8	100.1
Wholesale trade	102.4	100.0	90.7	93.0	93.4	93.4
Retail trade	108.8	100.0	99.5	104.6	105.7	107.5
Accommodation, cafes & restaurants	102.9	100.0	94.3	90.9	92.3	91.4
Transport & storage	92.1	100.0	100.3	106.7	111.5	115.0
Communication	67.7	100.0	103.4	119.4	151.5	148.8
Cultural & recreational services	119.3	100.0	107.8	100.9	112.6	109.4
<b>All selected industries</b>	<b>97.1</b>	<b>100.0</b>	<b>100.2</b>	<b>102.3</b>	<b>104.9</b>	<b>106.8</b>

(a) Estimates of gross product per hours worked are not presented for six industries: Finance and insurance; Property and business services; Government administration and defence; Education; Health and community services; and Personal and other services, because the estimates of gross product at average 1989–90 prices are derived using a methodology which uses input data as indicators of output.

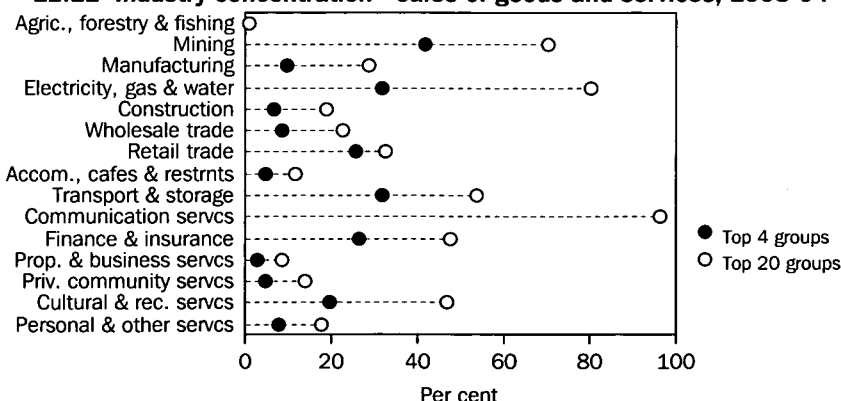
Source: Australian National Accounts: National Income, Expenditure and Product (5204.0).

## Industry concentration

Industry concentration ratios show the proportion of economic activity concentrated among the largest enterprise groups operating in each industry. For example, the

following graph shows the market share, in terms of sales of goods and services, attributable to the top 4 and top 20 enterprise groups operating in each industry.

**12.12 Industry concentration - sales of goods and services, 1993-94**



Source: Business Operations and Industry Performance (8140.0).

These percentages have not changed significantly over the past four years. Industries which have become slightly more concentrated include Mining, Transport and storage, and Personal and other services. Industries which have become slightly less concentrated include Construction and Communication.

## Industry contribution to capital expenditure

The following table shows estimates of the level of private expenditure on capital assets (non-dwelling structures and equipment) by industry, providing a general indication of trends in productive capacity.

### 12.13 Private gross fixed capital expenditure at average 1989–90 prices (\$ million)

Industry division	1983–84	1990–91	1991–92	1992–93	1993–94
Agriculture, forestry & fishing	4 049	2 036	2 215	2 436	2 303
Mining	3 642	5 421	5 056	6 281	6 427
Manufacturing	5 841	6 982	6 609	7 005	6 992
Electricity, gas & water	88	134	91	471	726
Construction	1 530	1 813	1 474	1 511	2 090
Wholesale trade	2 114	2 395	1 847	1 915	2 115
Retail trade	2 093	2 648	2 761	2 835	2 776
Accommodation, cafes & restaurants	1 101	2 453	1 613	1 122	1 244
Transport & storage; Communication	2 258	2 240	1 720	2 554	2 870
Finance & insurance	1 619	2 907	3 619	2 615	2 675
Property & business services	2 262	6 517	4 480	4 180	4 871
Education	254	378	339	356	414
Health & community services	603	890	984	1 189	1 255
Cultural & recreational services	387	695	703	490	617
Personal & other services	149	415	418	367	428
Ownership of dwellings	14 944	16 519	16 268	18 364	20 548
Total (excluding real estate transfer expenses)	42 934	54 443	50 197	53 691	58 351
Real estate transfer expenses	5 022	5 353	5 881	5 932	6 566
<b>Total</b>	<b>47 956</b>	<b>59 796</b>	<b>56 078</b>	<b>59 623</b>	<b>64 917</b>

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

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