

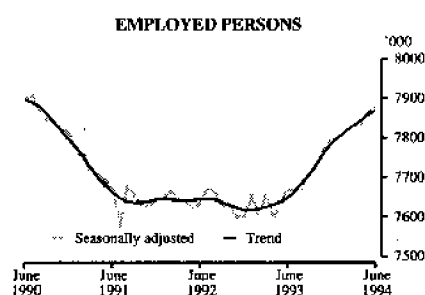
Thursday, 14 July 1994

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Unemployment trend at lowest level since October 1991

In June 1994, the provisional trend estimate of employment increased to 7,868,600, 3.3 per cent higher than the January 1993 low point. Trend estimates of persons employed full time have been increasing since September 1992 and in June 1994 stood at 5,992,600. The trend in unemployment decreased for the ninth successive month and the June figure of 865,000 was the lowest since October 1991. The trend estimate of the unemployment rate fell to 9.9 per cent, while the trend estimate of the participation rate remained unchanged at 62.7 per cent in June 1994.



Employment

The seasonally adjusted estimate of employed persons for June 1994 was 7,882,000, an increase of 19,000 since May 1994. Full-time employment rose by 30,400 to 6,012,100 mainly due to an increase of 22,400 in the number of females employed full time. Part-time employment fell by 11,400 to 1,869,900, with a fall of 17,800 in the number of females employed part time.

LABOUR FORCE SURVEY ESTIMATES Seasonally adjusted

	Employed			Unem- ployed	Unem- ployment rate — per cent —	Partici- pation rate —
	Full-time workers	Part-time workers — '000 —	Total			
1993						
November	5 924.2	1 847.1	7 771.3	957.7	11.0	63.1
December	5 941.5	1 850.5	7 792.0	921.5	10.6	62.9
1994						
January	5 920.5	1 884.7	7 805.3	917.7	10.5	62.9
February	5 960.3	1 859.4	7 819.7	913.9	10.5	62.9
March	5 951.4	1 875.3	7 826.8	902.7	10.3	62.9
April	5 960.2	1 872.3	7 832.5	875.1	10.1	62.6
May	5 981.7	1 881.3	7 863.0	851.8	9.8	62.6
June	6 012.1	1 869.9	7 882.0	877.7	10.0	62.9



Unemployment

The seasonally adjusted estimate of unemployed persons increased by 25,900 to reach 877,700 in June. The number of unemployed persons seeking full-time work increased by 12,500 to 714,800 mainly due to an increase of 8,900 in the number of females seeking full-time work. Unemployed persons seeking part-time work increased by 13,300 to 162,900 with an increase of 11,100 in the number of males seeking part-time work.

Unemployment rate

The seasonally adjusted estimate of the unemployment rate increased by 0.2 percentage points to 10.0 per cent in June, after decreasing between October 1993 and May 1994. For males, the unemployment rate increased by 0.2 percentage points to 10.4 per cent, and for females, the unemployment rate increased by 0.3 percentage points to 9.5 per cent.

Participation rate

The June 1994 seasonally adjusted estimate of the labour force participation rate increased by 0.3 percentage points to 62.9 per cent. For males, the participation rate increased by 0.4 percentage points to 73.7 per cent, and for females, the participation rate increased by 0.2 percentage points to 52.4 per cent.

For further information order the publication *The Labour Force, Australia, Preliminary (6202.0)* or contact Sylvia Sajler on (06) 252 6525.

Post-recession profits rose faster for small and medium businesses

While operating profits of businesses generally declined during 1991–92, they fell at a faster rate for large businesses (down 16%) than they did for small (down 5%) and medium-sized businesses (down 13%).

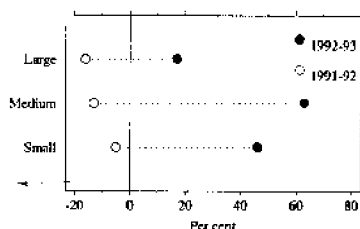
Similarly, as the recovery began to take effect during 1992–93, small and medium-sized businesses fared better than large businesses by reporting higher growth rates in operating profit levels. While profits generally rose by 31 per cent between 1991–92 and 1992–93, the profits of large businesses rose by only 17 per cent, compared with 63 per cent for medium businesses and 46 per cent for small businesses.

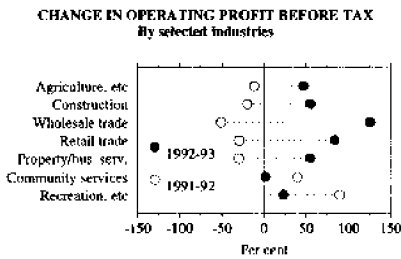
Most industries dominated by small and medium-sized businesses also had the highest growth rates in operating profit. These included agriculture (up 47%), construction (up 55%), wholesale trade (up 126%), retail trade (up 84%), transport and storage (up 157%) and property and business services (up 55%).

The two other industries dominated by small and medium-sized businesses, community services and recreation, personal and other services, had below average growth in operating profit levels between 1991–92 and 1992–93. However, this followed substantial increases in profits for these industries during the previous year (up 40% and 90% respectively) when nearly all other industries were reporting declining profits.

In 1992–93, the average operating profit margin of all businesses was 6.2 per cent, compared with 4.7 per cent in 1991–92 and 5.8 per cent in 1990–91. The operating profit margin for large businesses in 1992–93 was 5.8 per cent, while it was 4.5 per cent for medium businesses and 7.1 per cent for small businesses. Put another way, in 1992–93 at least, small businesses generally converted a higher proportion of their sales into profits than did large and medium-sized businesses. In 1990–91 and 1991–92, large businesses had the highest profit margins.

CHANGE IN OPERATING PROFIT BEFORE TAX
By size of business





In 1992-93, the average return on assets of all businesses was 3.9 per cent, compared with 3.1 per cent in 1991-92 and 3.6 per cent in 1990-91. The industries reporting the highest return on assets in 1992-93 were mining and retail trade (both 9.3%).

The average return on net worth of all businesses was 10.7 per cent, compared with 8.6 per cent in 1991-92 and 10.7 per cent in 1990-91. The industry reporting the highest return on net worth in 1992-93 was construction (44.2%).

Between 1991-92 and 1992-93, the net worth of all employing businesses grew by 5 per cent. The total value of assets increased by 4 per cent and the total value of liabilities by 3 per cent.

Also during this period, declining interest rates and increasing profits combined to improve the overall ability of business to service the costs of debt by 29 per cent. That is, the interest coverage ratio rose from 1.7 to 2.2.

In 1992-93, large businesses accounted for 48 per cent of the gross product (i.e. value added) of employing businesses; medium businesses 21 per cent and small businesses 31 per cent. All size categories experienced increases in their gross product between 1991-92 and 1992-93. The growth rate among small businesses (7%) was by far the highest.

For further information, order the publication *Business Operations and Industry Performance, Australia (8140.0)*, or contact Steve Crabb on (06) 252 5521.

Finance in brief ...

□ Personal finance

The provisional trend estimate for personal finance commitments for May 1994 was \$2,245.8 million, a decrease of \$29.9 million (1.3%) on April 1994 but an increase of \$529.8 million (30.9%) on May 1993.

Seasonally adjusted, personal finance commitments for May 1994 were \$2,222.1 million, an increase of \$80.7 million (3.8%) on April 1994 and an increase of \$449.7 million (25.4%) on May 1993.

□ Commercial finance

The provisional trend estimate for commercial finance commitments for May 1994 was \$8,168.9 million, an increase of \$81.4 million (1.0%) on April 1994 and an increase of \$758.2 million (10.2%) on May 1993.

Seasonally adjusted, commercial finance commitments for May were \$8,233.2 million, a decrease of \$123.0 million (1.5%) on April 1994 but an increase of \$337.2 million (4.3%) on May 1993.

□ Lease finance

The provisional trend estimate for lease finance commitments for May 1994 was \$520.7 million, an increase of \$13.0 million (2.6%) on April 1994 and an increase of \$92.5 million (21.6%) on May 1993.

Seasonally adjusted, lease finance commitments for May 1994 were \$529.7 million, an increase of \$23.0 million (4.5%) on April 1994 and an increase of \$148.1 million (38.8%) on May 1993.

Australian business expectations

The latest national survey taken in May shows businesses expecting small medium-term rises in employment and capital investment, continued growth in profits but accompanied by low inflationary pressures.

Some features of short-term (September quarter over June quarter 1994) and medium-term (June quarter 1995 over June quarter 1994) expectations are summarised below.

Short-term outlook

Businesses are expecting to raise their prices by only 0.4 per cent in the September quarter 1994, while total operating expenses are expected to rise by 1.0 per cent.

An expected increase in sales of 1.9 per cent for the September quarter may be due to seasonal factors.

The expected increase in capital expenditure of 2.5 per cent is also in line with the positive trend for seasonal change experienced in previous years.

Full-time equivalent employment is expected to decrease in the September quarter 1994 by 0.1 per cent, which is not statistically significant.

Medium-term outlook

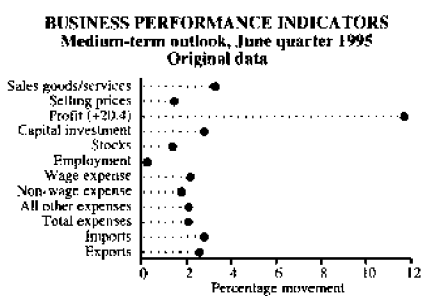
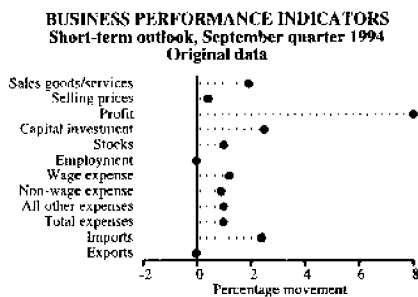
Full-time equivalent employment is expected to increase by 0.3 per cent in the June quarter 1995. This is the first expectation of positive employment growth from this survey since it was introduced in late 1993.

Most of the expected increase in employment is expected from medium-sized businesses (1.1%). Little or no change is expected in small and large businesses.

Sales of goods and services are expected to increase by 3.3 per cent in the June quarter 1995.

Capital expenditure is expected to increase by 2.8 per cent with almost two-thirds of businesses expecting to increase investment.

An increase in imports of 2.8 per cent is expected in the June quarter 1995, while exports are expected to increase by 2.6 per cent over the same period.

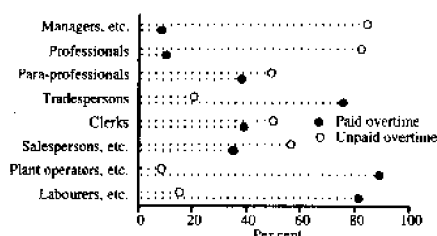


One in three work regular overtime

Just over two million Australian workers, or 32 per cent of all employees, regularly work overtime, according to a new survey of work arrangements taken in August 1993. Of those, 217,700 or about 3.4 per cent of all employees, usually worked 20 or more hours overtime a week and another 568,700 (about 9%) usually clocked up between 10 and 19 hours overtime.

The proportion of people working regular overtime was much higher among permanent full-time employees, at 40 per cent, than among part-time employees, at 10 per cent.

PROPORTION OF EMPLOYEES WHO REGULARLY WORK OVERTIME, AUGUST 1993



Of all employees working regular overtime, 53 per cent were not paid for the most recent period before the survey. The chart at left shows how this figure varies markedly across occupational groups. A greater proportion of females (61%) than males (49%) worked unpaid overtime, while 45 per cent of males and 29 per cent of females were paid for their most recent period of overtime. The remainder (5% of males and 9% of females) worked for time off in lieu or some other arrangement.

The survey found that 76 per cent of full-time employees usually worked Monday to Friday in their main job, while 12 per cent usually worked weekdays and weekends and 9 per cent worked varying days each week. As one would expect, the work patterns of the 1,533,300 people who worked part time in their main job were considerably more varied.

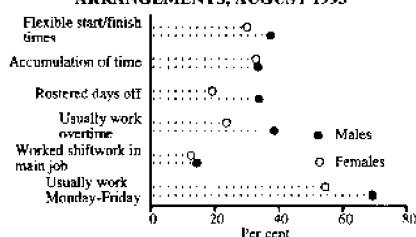
WORK FLEXIBILITY
Full-time employee in main job
('000)

Start/finish times	Permanent			Casual			Total persons
	Males	Females	Persons	Males	Females	Persons	
Not fixed	1 013.5	403.5	1 417.1	152.5	56.5	208.9	1 626.0
Variable daily	650.8	269.6	920.4	103.1	31.3	134.5	1 054.9
Not variable daily	362.8	133.9	496.6	49.3	25.2	74.5	571.1
Fixed	1 869.5	1 098.9	2 968.4	127.7	68.0	195.7	3 164.1
Negotiated with employer	316.8	196.2	513.1	37.3	21.7	59.0	572.1
Not negotiated	1 552.6	902.7	2 455.3	90.4	46.3	136.7	2 592.1

The table summarises the degree of flexibility enjoyed by full-time employees in relation to their working hours. Male full-time employees had the greatest flexibility, with 24 per cent able to vary their start and finish times on a daily basis, compared with 19 per cent of female full-time workers.

Among the occupations, flexibility was greatest for managers/administrators, professionals and clerks. Public sector employees were more likely than those in the private sector, by about five percentage points, to be able to vary their start and finish times daily. By the same margin, employees with children aged under twelve were more likely to enjoy that flexibility than those without such children.

PROPORTION OF ALL EMPLOYEES PARTICIPATING IN SELECTED WORKING ARRANGEMENTS, AUGUST 1993



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Editor

Rad Leovic
(06) 252 6104

Statistics Weekly
14 July 1994

For full and part-time workers combined, 21 per cent of employees were able to vary their start and finish times on a daily basis, and a further 13 per cent had some lesser degree of flexibility in their hours.

For further information, order the publication *Working Arrangements, Australia* (6342.0), or contact Leo Stinson on (06) 252 6661.

Order from the following:

Expected releases over the fortnight to 26 July

- 14 Price Index of Materials Used in Building Other Than House Building, Six State Capital Cities and Canberra, May 1994 (6407.0; \$11.00)
- Price Index of Materials Used in House Building, Six State Capital Cities and Canberra, May 1994 (6408.0; \$8.50)
- 15 Price Indexes of Articles Produced by Manufacturing Industry, Australia, May 1994 (6412.0; \$11.00)
- 18 Housing Finance for Owner Occupation, Australia, May 1994 (5609.0; \$11.00)
- Export Price Index, Australia, May 1994 (6405.0; \$8.50)
- 20 Registrations of New Motor Vehicles, Australia, June 1994, Preliminary (9301.0; \$12.00)
- 22 Price Indexes of Materials Used in Manufacturing Industries, Australia, May 1994 (6411.0; \$11.00)
- Import Price Index, Australia, May 1994 (6414.0; \$8.50)
- 26 Manufacturing Production, Australia, June 1994, Preliminary (8301.0; \$11.00)

Selected releases: 6 to 12 July

General

Tasmania at a Glance, 1994 (1305.6; \$1.00)

Demography

Overseas Arrivals and Departures, Aust., March 1994 (3401.0; \$6.50)

Overseas Arrivals and Departures, Aust., December Qtr 1993 (3402.0; \$14.50)

Social statistics

Population Survey Monitor, Aust., May 1994 (4103.0; \$10.00)

Queensland Families: Facts and Figures, 1994 (4105.3; \$25.00)

Labour statistics and Prices

The Labour Force, Aust. — Preliminary Data on Floppy Disk, June 1994 (6271.0; \$66.30)

The Labour Force, Qld, May 1994 (6201.3; \$16.50)

Manufacturing, Mining, Energy, Service industries, Building and construction

Manufacturing Production, Aust.: Food, Drink, Tobacco, Stock and Poultry Food, February to April 1994 (8359.0; \$11.00)

Manufacturing Production, Aust.: Fibres, Yarns, Fabrics, Bedding and Floor Coverings, February to April 1994 (8360.0; \$11.00)

Sales of Australian Wine and Brandy by Winemakers, May 1994 (8504.0; \$11.00)

Dwelling Unit Commencements Reported by Approving Authorities, Vic., April 1994 (8741.2; \$11.00)

Building Activity, Vic., March Qtr 1994 (8752.2; \$11.00)

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Dwelling Unit Commencements Reported by Approving Authorities, Qld, March 1994 (8741.3; \$11.00)

Building Activity, Qld, March Qtr 1994 (8752.3; \$11.00)

Key national indicators	Period	Units	Latest figure available		Percentage change (a) on	
			Original	Seasonally adjusted	Previous period	Corresponding period last year
National accounts						
Gross domestic product (GDP(A)) at 1989-90 prices	March qtr 94	\$m	95 551	100 244	1.9	5.0
International accounts						
Balance on current account (b)	May 94	\$m	-1 418	-1 707	-3	-23
Balance on merchandise trade (b)	"	"	85	295	—	-340
Balance on goods and services (b)	"	"	-124	-424	3	-102
Merchandise exports	"	"	5 725	5 456	5	6
Merchandise imports	"	"	-5 640	-5 751	5	11
Net foreign debt	March qtr 94	\$m	167 264	n.a.	-2.1	3.0
Net foreign liabilities	"	"	233 967	n.a.	-0.8	11.0
Consumption and investment						
Retail turnover at current prices	May 94	\$m	8 326	8 626	2.2	5.0
New capital expenditure at current prices	March qtr 94	"	5 728	6 397	-5	-2
New motor vehicle registrations	May 94	no.	53 205	54 020	-0.1	14.7
Production						
Manufacturers' sales at 1989-90 prices	March qtr 94	\$m	35 184	37 572	2.3	9.9
Dwelling unit approvals	May 94	no.	18 641	16 883	10.4	19.9
Building approvals	"	\$m	2 447.5	2 085.4	-7.8	10.2
Building work done at 1989-90 prices (d)	December qtr 93	"	6 643	6 303	—	2.7
Prices						
Consumer price index	March qtr 94	1989-90 = 100.0	110.4	n.a.	0.4	1.4
Articles produced by manufacturing industry	April 94	1988-89 = 100.0	115.5	n.a.	0.3	1.0
Materials used in manufacturing industries	April 94	1984-85 = 100.0	121.7	n.a.	-0.2	-2.6
Labour force and demography						
Employed persons	June 94	'000	7 892.7	7 882.0	0.2	2.8
Participation rate †	"	%	62.7	62.9	0.3	0.2
Unemployment rate †	"	"	9.6	10.0	0.2	-1.1
Job vacancies	May qtr 93	'000	49.4	53.0	18.5	64.1
Average weekly overtime per employee	"	hours	1.31	1.33	7.5	11.1
Estimated resident population	December qtr 94	million	17.7	n.a.	0.2	1.0
Short-term overseas visitor arrivals (d)	March 94	'000	307	303	9.6	20.7
Incomes						
Company profits before income tax	March qtr 94	\$m	5 150	6 545	34.1	41.7
- Av: weekly earnings, full-time adults; ordinary time	February 94	\$	612.30	609.50	0.9	3.1
Financial markets						
Interest rates (c) (monthly average)						
90-day bank bills †	May 94	% per annum	4.85	n.a.	0.0	-0.3
10-year Treasury bonds †	May 94	"	8.80	n.a.	0.35	1.1
Exchange rate — \$US (c)	May 94	per \$A	0.7240	n.a.	1	4

(a) Based on seasonally adjusted figures where available. (b) For percentage changes, a minus sign indicates an increase in the deficit; no sign means a decrease in the deficit or an increase in the surplus. (c) Source: Reserve Bank of Australia. (d) Later figures expected to be released Wednesday, 13 July 1994.

NOTES: † = change is shown in terms of percentage points. n.a. = not available.

Percentage change from same period previous year

Key State indicators	Period	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
New capital expenditure*	December qtr 93	-20.0	30.3	-20.4	-27.3	26.8	-39.5	n.a.	n.a.	-1.5
Retail turnover (trend estimate)	May 94	6.5	4.1	6.0	4.3	6.9	5.3	n.a.	3.8	5.7
New motor vehicle registrations†	May 94	19.8	10.2	21.6	-1.7	16.0	-0.6	0.4	0.0	14.7
Number of dwelling unit approvals*	May 94	25.0	14.6	19.5	4.1	30.8	10.3	-8.8	-4.0	19.9
Value of total building work done	December qtr 93	-1.3	-0.4	9.1	-6.1	23.8	14.2	42.9	-2.7	3.9
Employed persons*	June 94	2.8	2.8	4.7	-0.2	2.5	1.3	1.6	2.4	2.8
Capital city consumer price index	March qtr 94	0.8	1.6	1.6	1.8	2.1	2.6	1.5	1.2	1.4
Av: weekly earnings (full-time adult ordinary time)	February 94	4.5	1.6	3.8	2.1	1.9	4.0	-0.5	4.0	3.1
Population	September qtr 93	0.9	0.3	2.8	0.5	1.3	0.4	0.9	1.6	1.0
Room nights in licensed hotels and motels, etc.	March qtr 94	7.3	5.4	6.3	5.4	9.5	3.9	16.6	1.5	6.7

* Seasonally adjusted except for NT and ACT. † Seasonally adjusted.

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