

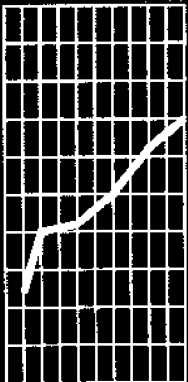


1995-96

EMBARGO: 11:30 AM (CANBERRA TIME) FRI 19 DEC 1997

# **Business Operations and Industry Performance**

**Australia**



## NOTES

### ABOUT THIS ISSUE

This is the sixth annual publication in this series presenting estimates for the Economic Activity Survey (EAS). It contains estimates in respect of the 1995-96 EAS, and revisions to estimates for previous years. Revised and more comprehensive 1995-96 data will be published early in 1998.

### SYMBOLS AND OTHER USAGES

ABS Australian Bureau of Statistics  
EAS Economic Activity Survey  
OPBT Operating profit before tax  
- nil or rounded to zero  
.. not applicable  
n.a. not available

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

### INQUIRIES

The EAS provides a wider range of data which can be made available, than is contained in this publication. For further information on the unpublished statistics contact Dianne Bourke by telephone on (02) 6252 5288, internet email address [dianne.bourke@abs.gov.au](mailto:dianne.bourke@abs.gov.au) or 1800 246 303. For information about other ABS statistics and services, please refer to the back of this publication.

W. McLennan  
Australian Statistician

## CONTENTS

	Page
Notes	2
List of tables	4
SUMMARY OF FINDINGS	
Introduction	4
Income	5
Expenses	5
Profits	6
Capital expenditure	6
Ratio analyses	7
All industries	8
Agriculture, forestry and fishing	9
Mining	10
Manufacturing	11
Electricity, gas and water supply	12
Construction	13
Wholesale trade	14
Retail trade	15
Accommodation, cafes and restaurants	16
Transport and storage	17
Communication services	18
Finance and insurance	19
Property and business services	20
Private community services	21
Cultural and recreational services	22
Personal and other services	23
ADDITIONAL INFORMATION	
Explanatory notes	24
Glossary	25

## LIST OF TABLES

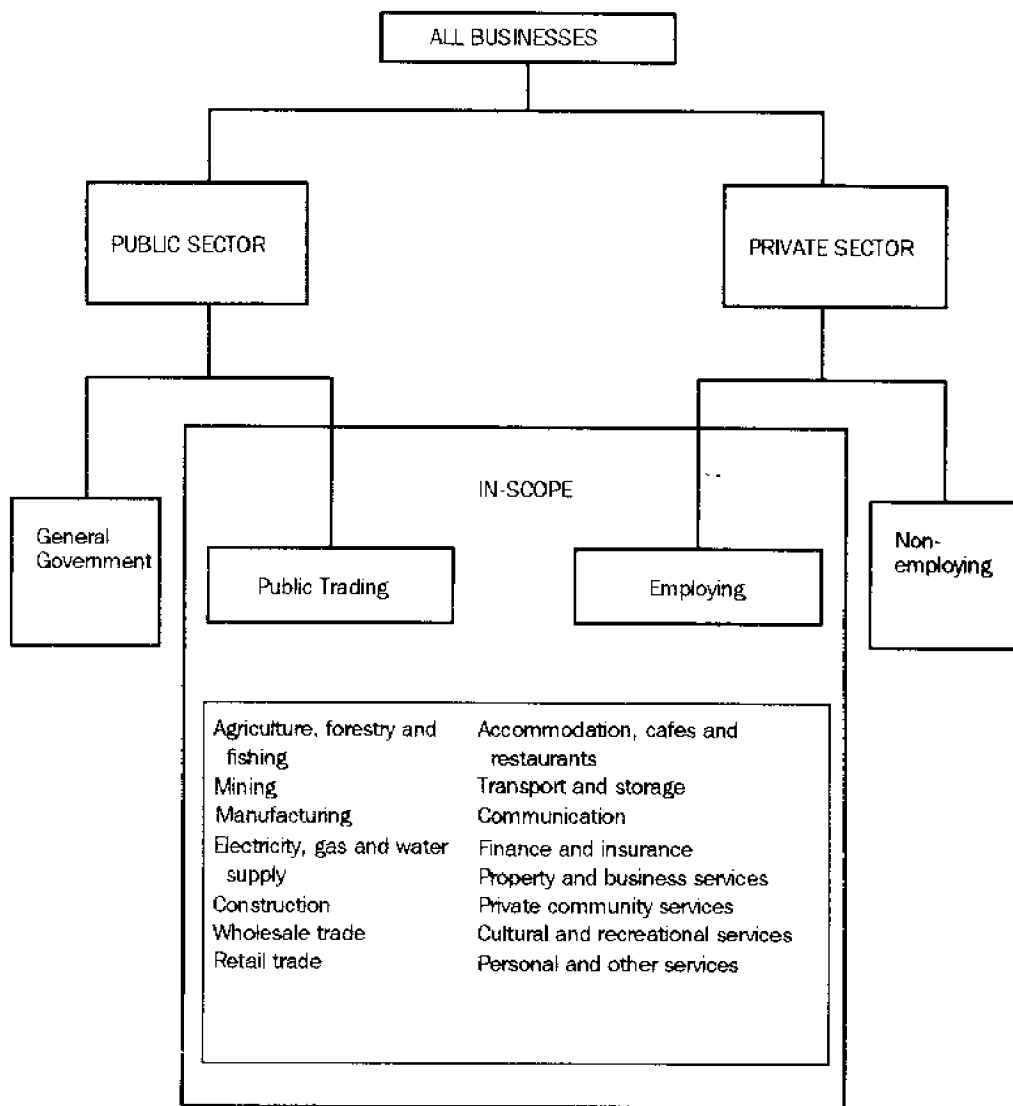
		Page
INDUSTRY RATIOS	1 Industry performance ratios, 1995-96	4
INDUSTRY PERFORMANCE 1991-92 to 1995-96	2 All industries	5
	3 Agriculture, forestry and fishing	6
	4 Mining	7
	5 Manufacturing	8
	6 Electricity, gas and water supply	9
	7 Construction	10
	8 Wholesale trade	11
	9 Retail trade	12
	10 Accommodation, cafes and restaurants	13
	11 Transport and storage	14
	12 Communication services	15
	13 Finance and insurance	16
	14 Property and business services	17
	15 Private community services	18
	16 Cultural and recreational services	19
	17 Personal and other services	20

# SUMMARY OF FINDINGS

## INTRODUCTION

The statistics in this publication relate to businesses in the public trading and private employing sectors of the economy only.

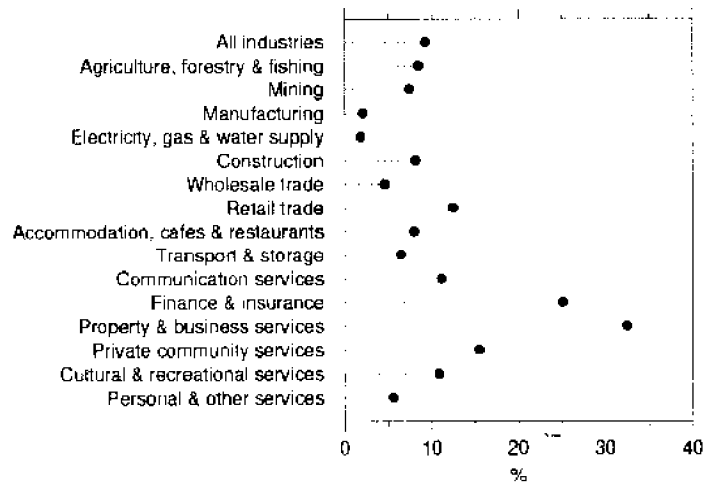
### DISSECTION OF BUSINESSES BY BROAD SECTOR



INCOME

While all industries recorded an increase in Total operating income in 1995-96 compared with 1994-95 most industries were below the average for All industries of 9.3 per cent. Increases in income for three industries, Private and community services (15.5%), Finance and insurance (25.1%) and Property and business services (32.5%) were markedly higher. Industries which recorded the lowest increases were Electricity, gas and water (1.8%) and Manufacturing (2.1%).

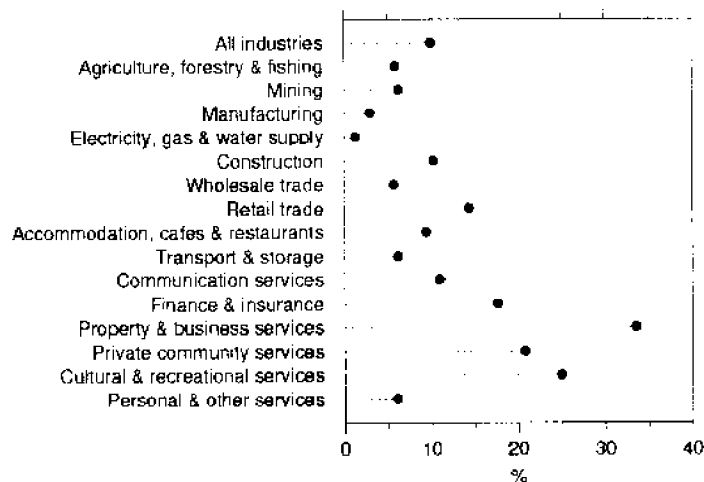
GROWTH IN TOTAL OPERATING INCOME, 1994-95 TO 1995-96



EXPENSES

There were increases in Total operating expenses for all industries, and an average increase of 10.0 per cent. The three industries with the greatest rates of increase in Total operating expenses were Private community services (20.8%), Cultural and recreational services (25.0%) and Property and business services (33.6%). As for Total operating income, industries which recorded the lowest increases were Electricity, gas and water (1.3%) and Manufacturing (3.0%).

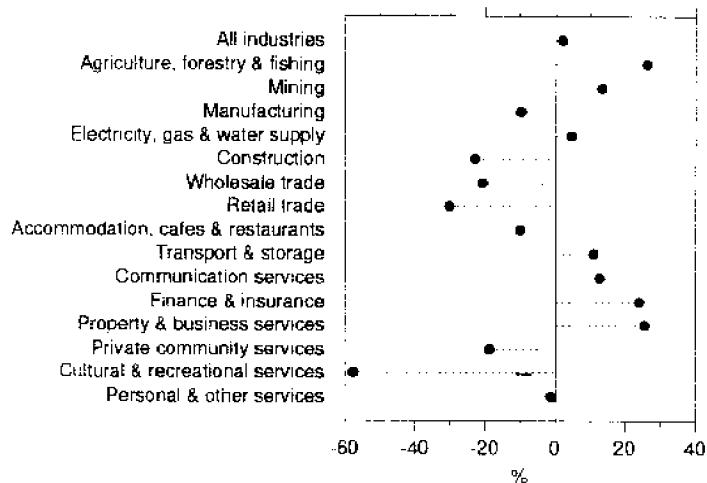
GROWTH IN TOTAL OPERATING EXPENSES, 1994-95 TO 1995-96



PROFITS

The increase in Operating profit before tax (OPBT) was 2.2% for all industries. However, OPBT varied markedly between industries. Finance and insurance (24.2%), Property and business services (25.7%) and Agriculture, forestry and fishing (26.5%) experienced the largest increases in OPBT, while Private community services (-18.6%), Wholesale trade (-20.7%), Construction (-22.8%), Retail trade (-30.2%) and Cultural and recreational services (-57.8%) had the largest decreases. The large fall in the Cultural and recreational services industry was due to some substantial development costs, including some set up costs of new businesses.

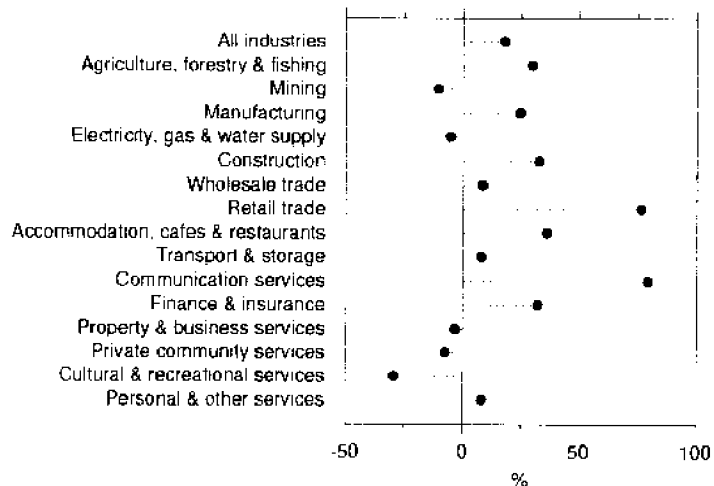
GROWTH IN OPERATING PROFIT BEFORE TAX, 1994-95 TO 1995-96



CAPITAL EXPENDITURE

Capital expenditure for all industries recorded growth of 18.1% to reach a five year high. Although most industries recorded growth there were a few in which capital expenditure declined, most notably Mining (-10.4%) and Cultural and recreational services (-29.5%). Industries which recorded the largest increases were Finance and insurance (32.3%), Construction (32.9%), Accommodation, cafes and restaurants (36.3%), Retail trade (76.7%) and Communication services (79.4%).

GROWTH IN CAPITAL EXPENDITURE, 1994-95 TO 1995-96



## RATIO ANALYSES

Profitability is assessed in different ways. In percentage terms, the Profit margins for Mining (17.8%) and Finance and insurance (24.7%) were more than twice the Profit margin for All industries (8.5%).

An alternative measure of profitability is the Return on net worth. The Wholesale trade (23.1%), Retail trade (29.7%) and Construction (34.7%) industries showed the highest growth followed by Mining (21.4%) and Communications (19.4%). The average across all industries was 11.6 per cent.

The Long-term debt to equity ratio was lowest for Agriculture, forestry and fishing and Personal and other services while the Construction industry had the highest.

The Current ratio indicates that the Mining, Cultural and recreational services, Transport and storage and Communication industries have a higher level of current liabilities than of current assets.

The majority of industries had Interest coverage greater than that for All industries of 2.4 times, however the Electricity, gas and water industry (2.1 times) together with Finance and insurance (1.7 times) had a great influence on the All industries figure.

The Investment rate of businesses indicates that the Cultural and recreational services (41.7%), Agriculture (48.0%) and Communication (65.3%) undertook substantial capital expenditure in the year, relative to the level of production.

## 1 INDUSTRY PERFORMANCE RATIOS

Industry	Profit margin %	Return on net worth %	Long-term debt to equity times	Current ratio times	Interest coverage times	Investment rate %
Agriculture, forestry and fishing	14.2	3.8	0.1	2.4	3.5	48.0
Mining	17.8	21.4	0.8	0.9	6.8	32.7
Manufacturing	6.7	16.1	0.4	1.3	5.2	20.8
Electricity, gas and water supply	13.0	5.7	0.5	1.0	2.1	24.1
Construction	4.5	34.7	0.9	1.1	4.6	12.5
Wholesale trade	3.0	23.1	0.5	1.3	3.9	12.0
Retail trade	2.6	29.7	0.7	1.1	3.1	17.6
Accommodation, cafes and restaurants	6.3	10.6	0.4	1.0	3.0	24.2
Transport and storage	6.1	9.9	0.7	0.8	2.9	25.8
Communication	14.4	19.4	0.5	0.8	5.5	65.3
Finance and insurance	24.7	10.2	..	..	1.7	..
Property and business services	13.8	13.6	0.6	1.1	2.9	15.4
Private community services(a)	9.1	14.4	0.4	1.2	5.5	11.3
Cultural and recreational services	6.5	10.3	0.7	0.9	3.2	41.7
Personal and other services	7.0	7.6	0.2	1.4	5.2	23.6
All industries	8.5	11.6	(b) 0.4	(b) 1.2	2.4	(b) 23.1

(a) Includes private education, health services and community services businesses, but excludes those in the public sector.

(b) Excludes finance and insurance businesses.



## ALL INDUSTRIES

Total operating income grew by 9.3% in 1995-96 while Total operating expenses grew more strongly at 10.0%. Consequently, OPBT grew by 2.2% to reach a five year high. OPBT would have been higher but for a 10.6% increase in Depreciation and a 18.6% increase in Interest expenses despite falling interest rates during this period.

Capital expenditure rose by 18.1% to reach a five year high.

Net worth rose by 15.4% to reach a five year high due to a rise of 8.4% in Total assets while Total liabilities rose 4.4%.

The 1995-96 Long-term debt to equity ratio has fallen to its lowest level in five years while the Interest coverage ratio is lower.

## 2 SUMMARY OF INDUSTRY PERFORMANCE: ALL INDUSTRIES

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
Selected indicators						
Operating businesses	'000	592	625	662	716	738
Total operating income	\$m	844 337	864 148	880 036	968 878	1 059 062
Depreciation expenses	\$m	24 306	25 899	27 880	30 650	33 886
Interest expenses	\$m	68 917	53 150	44 314	52 846	62 693
Total operating expenses(a)	\$m	793 277	789 246	798 460	880 436	968 633
Operating profit before tax (OPBT)	\$m	51 060	74 902	81 576	88 442	90 429
Total assets	\$m	1 629 353	1 696 253	1 690 450	1 884 906	2 042 463
Total liabilities	\$m	1 055 170	1 076 988	1 061 304	1 207 430	1 260 950
Net worth	\$m	574 183	619 265	629 146	677 477	781 513
Capital expenditure	\$m	47 210	46 371	51 065	57 640	68 082
Industry gross product(b)	\$m	205 415	225 205	230 258	250 350	269 925
Businesses averages						
Average income	\$'000	1 426	1 382	1 330	1 354	1 434
Average expenses	\$'000	1 339	1 262	1 207	1 230	1 312
Average profit	\$'000	86	120	123	124	122
Average net worth	\$'000	969	990	951	947	1 058
Average gross product	\$'000	347	360	348	350	366
Industry ratios						
Profit margin	%	6.0	8.7	9.3	9.1	8.5
Return on net worth	%	8.9	12.1	13.0	13.1	11.6
Long-term debt to equity(b)	times	0.6	0.6	0.5	0.5	0.4
Current ratio(b)	times	1.1	1.1	1.1	1.2	1.2
Interest coverage	times	1.7	2.4	2.8	2.7	2.4
Investment rate(b)	%	21.3	18.8	20.8	21.3	22.1

(a) Includes change in stocks.

(b) Excludes finance and insurance businesses.

AGRICULTURE, FORESTRY AND FISHING

Total operating income grew by 8.5% in 1995-96 while Total operating expenses grew by 5.9%. Consequently, OPBT grew at 26.5%, the second highest in five years. OPBT would have been higher but for large increases in Depreciation (10.5%) and Interest expenses (11.1%).

Capital expenditure rose by 29.8%.

Net worth rose by 8.6% to be the highest for five years due to a rise of 8.3% in Total assets while Total liabilities rose only 6.7%.

The 1995-96 Long-term debt to equity ratio remains unchanged from previous years while the Interest coverage ratio is higher than 1994-95.

**3** SUMMARY OF INDUSTRY PERFORMANCE: AGRICULTURE, FORESTRY AND FISHING

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
<b>Selected indicators</b>						
Operating businesses	'000	115	115	115	116	117
Total operating income	\$m	21 918	23 140	25 154	28 683	31 109
Depreciation expenses	\$m	1 339	1 287	1 540	1 773	1 959
Interest expenses	\$m	2 001	1 592	1 378	1 594	1 771
Total operating expenses(a)	\$m	19 559	19 502	20 466	25 184	26 682
Operating profit before tax (OPBT)	\$m	2 359	3 638	4 688	3 499	4 427
Total assets	\$m	112 047	114 799	120 006	127 109	137 670
Total liabilities	\$m	17 230	17 173	18 097	20 381	21 736
Net worth	\$m	94 817	97 625	101 909	106 729	115 934
Capital expenditure	\$m	2 590	3 195	3 860	3 996	5 186
Industry gross product	\$m	7 917	8 781	10 216	9 553	10 800
<b>Businesses averages</b>						
Average income	\$'000	190	201	218	246	266
Average expenses	\$'000	170	169	178	216	228
Average profit	\$'000	20	32	41	30	38
Average net worth	\$'000	824	846	885	916	990
Average gross product	\$'000	69	76	89	82	92
<b>Industry ratios</b>						
Profit margin	%	10.8	15.7	18.6	12.2	14.2
Return on net worth	%	2.5	3.7	4.6	3.3	3.8
Long-term debt to equity	times	0.1	0.1	0.1	0.1	0.1
Current ratio	times	4.7	2.3	2.7	2.4	2.4
Interest coverage	times	2.2	3.3	4.4	3.2	3.5
Investment rate	%	32.7	36.4	37.8	41.8	48.0

(a) includes change in stocks.

## MINING

Total operating income grew by 7.5% in 1995-96 while Total operating expenses grew less strongly at 6.3%. Consequently, OPBT grew by 13.6% to reach a five year high. The fall in Interest expenses of 18.7% has contributed to the increase in OPBT.

Capital expenditure fell by 10.4% but is still higher than seen in several earlier years with \$6,403 million being spent.

Net worth fell by 12.4% due to a rise of 7.6% in Total assets but a large increase in Total liabilities (28.3%).

The 1995-96 Long-term debt to equity ratio indicates a large increase while the Interest coverage ratio is higher.

Business averages appear to have remained stable for the past five years except for Average net worth. The 1994-95 Net worth increase was reflected in a rise in average net worth to \$14,342 million, while the 1995-96 Average net worth was \$12,436, reflected the Net worth fall of 13.3%.

## 4 SUMMARY OF INDUSTRY PERFORMANCE: MINING

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
Selected indicators						
Operating businesses	'000	2	2	2	3	3
Total operating income	\$m	32 495	32 826	34 604	35 350	38 000
Depreciation expenses	\$m	3 343	3 403	3 789	4 081	4 471
Interest expenses	\$m	1 402	1 158	1 279	1 435	1 167
Total operating expenses(a)	\$m	27 773	27 452	29 066	29 404	31 243
Operating profit before tax (OPBT)	\$m	4 722	5 374	5 538	5 946	6 757
Total assets	\$m	62 743	61 705	65 928	71 050	76 447
Total liabilities	\$m	31 616	34 019	32 759	34 943	44 825
Net worth	\$m	31 127	27 686	33 169	36 107	31 622
Capital expenditure	\$m	4 489	5 372	5 333	7 147	6 403
Industry gross product	\$m	16 613	16 800	16 973	17 212	19 597
Businesses averages						
Average income	\$'000	15 742	15 223	14 461	14 042	14 944
Average expenses	\$'000	13 454	12 731	12 147	11 680	12 287
Average profit	\$'000	2 288	2 492	2 315	2 362	2 657
Average net worth	\$'000	15 079	12 839	13 862	14 342	12 436
Average gross product	\$'000	8 048	7 791	7 093	6 837	7 707
Industry ratios						
Profit margin	%	14.5	16.4	16.0	16.8	17.8
Return on net worth	%	15.2	19.4	16.7	16.5	21.4
Long-term debt to equity	times	0.6	0.8	0.6	0.5	0.8
Current ratio	times	1.1	1.0	1.1	1.1	0.9
Interest coverage	times	4.4	5.6	5.3	5.1	6.8
Investment rate	%	27.0	32.0	31.4	41.5	32.7

(a) Includes change in stocks.

## MANUFACTURING

Total operating income grew by 2.1% in 1995-96 while Total operating expenses grew more strongly at 3.0%. Consequently, OPBT fell 9.6% to its lowest level in four years.

Capital expenditure rose by 24.8% to a five year high. The fall in OPBT was due mainly to a 20.0% increase in Interest expenses and a 9.2% increase in Depreciation expenses.

Net worth rose by 17.1% to a five year high due to a rise of 7.2% in Total assets while Total liabilities fell by 0.6%.

The 1995-96 Long-term debt to equity ratio fell to a five year low while the Interest coverage ratio is lower.

## 5 SUMMARY OF INDUSTRY PERFORMANCE: MANUFACTURING

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
<b>Selected indicators</b>						
Operating businesses	'000	47	46	46	48	51
Total operating income	\$m	185 729	198 552	188 243	206 081	210 378
Depreciation expenses	\$m	5 073	5 348	5 453	5 850	6 390
Interest expenses	\$m	4 470	3 135	2 425	2 812	3 383
Total operating expenses(a)	\$m	176 270	178 975	172 911	190 529	196 319
Operating profit before tax (OPBT)	\$m	9 459	19 577	15 332	15 552	14 059
Total assets	\$m	149 139	156 330	152 520	167 964	180 109
Total liabilities	\$m	86 105	89 011	87 244	93 616	93 039
Net worth	\$m	63 034	67 319	65 276	74 348	87 070
Capital expenditure	\$m	11 582	9 371	10 683	10 515	13 127
Industry gross product	\$m	53 010	65 152	57 788	61 094	63 141
<b>Businesses averages</b>						
Average income	\$'000	3 915	4 337	4 129	4 266	4 108
Average expenses	\$'000	3 716	3 910	3 793	3 944	3 834
Average profit	\$'000	199	428	336	322	275
Average net worth	\$'000	1 329	1 471	1 432	1 539	1 700
Average gross product	\$'000	1 118	1 423	1 268	1 265	1 233
<b>Industry ratios</b>						
Profit margin	%	5.1	9.9	8.1	7.5	6.7
Return on net worth	%	15.0	29.1	23.5	20.9	16.1
Long-term debt to equity	times	0.5	0.5	0.5	0.5	0.4
Current ratio	times	1.2	1.2	1.2	1.2	1.3
Interest coverage	times	3.1	7.2	7.3	6.5	5.2
Investment rate	%	21.8	14.4	18.5	17.2	20.8

(a) Includes change in stocks

ELECTRICITY, GAS  
AND WATER SUPPLY

Total operating income grew by only 1.8% in 1995-96 while Total operating expenses grew weaker at 1.3%. Consequently, OPBT rose 4.8% to a five year high.

Capital expenditure fell by 5.2% to a five year low.

Net worth rose by 4.7% to a five year high due to a rise of 1.6% in Total assets while Total liabilities fell by 2.7%.

All of the business averages show increases to reach their highest level in five years. A main contributing factor for this was the decrease in the number of businesses to 523, the lowest in five years. The number of businesses has been decreasing every year since 1991-92 because of the rationalisation occurring in this industry.

**6** SUMMARY OF INDUSTRY PERFORMANCE: ELECTRICITY, GAS AND WATER SUPPLY

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
Selected indicators						
Operating businesses	no	661	626	591	548	523
Total operating income	\$m	24 984	25 915	28 054	30 406	30 940
Depreciation expenses	\$m	2 645	3 168	3 041	3 270	3 134
Interest expenses	\$m	4 264	3 846	3 210	3 478	3 550
Total operating expenses(a)	\$m	22 670	23 331	24 448	26 582	26 932
Operating profit before tax (OPBT)	\$m	2 314	2 584	3 606	3 824	4 008
Total assets	\$m	86 186	91 565	94 813	116 408	118 254
Total liabilities	\$m	42 521	42 250	41 656	48 986	47 669
Net worth	\$m	43 666	49 315	53 157	67 422	70 584
Capital expenditure	\$m	4 959	5 076	3 704	3 267	3 096
Industry gross product	\$m	13 953	14 331	14 467	12 949	12 827
Businesses averages						
Average income	\$'000	37 816	41 424	47 439	55 522	59 117
Average expenses	\$'000	34 313	37 294	41 341	48 540	51 459
Average profit	\$'000	3 503	4 130	6 098	6 982	7 658
Average net worth	\$'000	66 093	78 827	89 889	123 113	134 864
Average gross product	\$'000	21 119	22 908	24 464	23 645	24 507
Industry ratios						
Profit margin	%	9.3	10.0	12.9	12.6	13.0
Return on net worth	%	5.3	5.2	6.8	5.7	5.7
Long-term debt to equity	times	0.8	0.7	0.6	0.5	0.5
Current ratio	times	0.8	0.7	0.7	0.9	1.0
Interest coverage	times	1.5	1.7	2.1	2.1	2.1
Investment rate	%	35.5	35.4	25.6	25.2	24.1

(a) Includes change in stocks.

## CONSTRUCTION

Total operating income and Industry gross product grew by 8.2% and 7.6% respectively compared to 1994-95. However, Total operating expenses grew more strongly at 10.3%. Capital expenditure also grew strongly at 32.9% compared to 1994-95 which was at a relatively low level. OPBT fell 22.8% due to a certain extent to higher Depreciation and Interest expenses associated with major investments.

Business averages for income, expenses and Industry gross product showed only smaller increases in 1995-96 partly attributable to a 6.1% increase in the number of businesses, particularly small and medium employing businesses into this industry. The number of operating businesses have grown annually since 1991-92 to reach a peak of 88,000 in 1995-96.

Net worth showed a big increase (34.7%) due to a rise in Total assets of 6.2% while Total liabilities fell by 2.3% compared to 1994-95.

The Long-term debt to equity ratio has fallen to its lowest level since 1991-92.

## 7 SUMMARY OF INDUSTRY PERFORMANCE: CONSTRUCTION

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
<b>Selected indicators</b>						
Operating businesses	'000	56	62	71	83	88
Total operating income	\$m	39 698	46 738	47 964	51 875	56 148
Depreciation expenses	\$m	614	599	803	753	814
Interest expenses	\$m	690	896	591	590	705
Total operating expenses(a)	\$m	38 259	44 426	45 608	48 588	53 610
Operating profit before tax (OPBT)	\$m	1 440	2 312	2 356	3 287	2 538
Total assets	\$m	19 797	24 749	23 846	23 567	25 030
Total liabilities	\$m	14 852	19 919	19 061	18 135	17 711
Net worth	\$m	4 945	4 831	4 785	5 432	7 319
Capital expenditure	\$m	1 360	1 639	1 680	1 361	1 809
Industry gross product	\$m	10 192	10 738	11 568	13 435	14 457
<b>Businesses averages</b>						
Average income	\$'000	712	749	673	623	636
Average expenses	\$'000	686	712	640	584	607
Average profit	\$'000	26	37	33	39	29
Average net worth	\$'000	89	77	67	65	83
Average gross product	\$'000	183	172	162	161	164
<b>Industry ratios</b>						
Profit margin	%	3.6	4.9	4.9	6.3	4.5
Return on net worth	%	29.1	47.9	49.2	60.5	34.7
Long-term debt to equity	times	1.0	1.9	1.3	1.2	0.9
Current ratio	times	1.2	1.2	1.0	1.1	1.1
Interest coverage	times	3.1	3.6	5.0	6.6	4.6
Investment rate	%	13.3	15.3	14.5	10.1	12.5

(a) Includes change in stocks.

## WHOLESALE TRADE

Total operating income grew by 4.6% in 1995-96 but Total operating expenses grew more strongly at 5.7%. Consequently, OPBT fell by 20.7% compared to 1994-95 which was at a relatively high level.

Capital expenditure increased by 8.5% compared to 1994-95. As a result, Depreciation expenses increased by 9.0% and this would have contributed marginally to the deterioration in profits.

Net worth fell by 1.3% due to a fall of 9.1% in Total assets compared to 1994-95.

The 1995-96 Long-term debt to equity ratio indicates a large reduction in long-term debt over 1994-95 to reach its lowest level in five years, but the Interest coverage ratio is lower.

## 8 SUMMARY OF INDUSTRY PERFORMANCE: WHOLESALE TRADE

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
Selected indicators						
Operating businesses	'000	38	40	43	47	48
Total operating income	\$m	146 993	150 069	157 501	180 522	188 891
Depreciation expenses	\$m	1 307	1 376	1 767	1 616	1 762
Interest expenses	\$m	2 774	2 518	1 968	1 969	1 967
Total operating expenses(a)	\$m	145 110	146 315	162 973	173 331	183 187
Operating profit before tax (OPBT)	\$m	1 884	3 754	4 528	7 191	5 704
Total assets	\$m	71 038	81 223	82 528	86 024	78 172
Total liabilities	\$m	52 633	56 306	59 603	60 983	53 458
Net worth	\$m	18 405	24 917	22 925	25 041	24 714
Capital expenditure	\$m	3 563	1 902	4 013	2 543	2 758
Industry gross product	\$m	17 557	18 375	21 218	24 119	22 951
Businesses averages						
Average income	\$'000	3 899	3 781	3 884	3 870	3 932
Average expenses	\$'000	3 849	3 686	3 779	3 715	3 813
Average profit	\$'000	50	95	105	154	119
Average net worth	\$'000	488	628	532	537	514
Average gross product	\$'000	466	463	492	517	478
Industry ratios						
Profit margin	%	1.3	2.5	2.7	4.0	3.0
Return on net worth	%	10.0	15.1	19.7	28.7	23.1
Long-term debt to equity	times	0.8	0.8	0.6	0.7	0.5
Current ratio	times	1.3	1.3	1.3	1.3	1.3
Interest coverage	times	1.7	2.5	3.3	4.7	3.9
Investment rate	%	20.3	10.3	18.9	10.5	12.0

(a) Includes change in stocks.

## RETAIL TRADE

Total operating income grew by 12.5% in 1995-96 but Total operating expenses grew more strongly at 14.4%. Consequently, OPBT fell by 30.2% compared to 1994-95, which was at a relatively high level. However, compared to 1991-92 to 1993-94, OPBT in 1995-96 was still at a relatively high level.

A major contributing factor to the decline in profits was the 76.7% increase in Capital expenditure in 1995-96 which resulted in higher Interest expenses (47.1%) and Depreciation expenses (18.7%).

The 1995-96 Long-term debt to equity ratio indicates a fall over 1994-95 to reach a five year low, while the Interest coverage position is much lower.

## 9 SUMMARY OF INDUSTRY PERFORMANCE: RETAIL TRADE

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
<b>Selected indicators</b>						
Operating businesses	'000	94	99	105	112	115
Total operating income	\$m	126 522	128 372	134 923	149 682	168 395
Depreciation expenses	\$m	1 214	1 144	1 241	1 362	1 617
Interest expenses	\$m	2 629	1 824	1 328	1 380	2 030
Total operating expenses(a)	\$m	124 798	124 634	130 847	143 431	164 030
Operating profit before tax (OPBT)	\$m	1 724	3 738	4 076	6 251	4 365
Total assets	\$m	42 920	39 143	39 228	42 596	47 473
Total liabilities	\$m	34 237	27 844	27 387	29 906	32 766
Net worth	\$m	8 682	11 298	11 842	12 689	14 707
Capital expenditure	\$m	1 639	1 889	2 071	2 613	4 618
Industry gross product	\$m	18 731	19 828	21 047	24 922	26 244
<b>Businesses averages</b>						
Average income	\$'000	1 347	1 295	1 290	1 340	1 464
Average expenses	\$'000	1 329	1 257	1 251	1 284	1 427
Average profit	\$'000	18	38	39	56	38
Average net worth	\$'000	92	114	113	114	128
Average gross product	\$'000	199	200	201	223	228
<b>Industry ratios</b>						
Profit margin	%	1.4	2.9	3.0	4.2	2.6
Return on net worth	%	19.9	33.1	34.4	49.3	29.7
Long-term debt to equity	times	1.1	0.9	0.8	0.8	0.7
Current ratio	times	0.8	1.2	1.1	1.1	1.1
Interest coverage	times	1.7	3.0	4.1	5.5	3.1
Investment rate	%	8.8	9.5	9.8	10.5	17.6

(a) Includes change in stocks.



ACCOMMODATION, CAFES  
AND RESTAURANTS

Total operating income grew by 8.0% in 1995-96 but Total operating expenses grew more strongly at 9.4%. Consequently, OPBT fell by 9.9% compared to 1994-95 which was at a relatively high level.

Capital expenditure grew by 36.3% in 1995-96. The fall in OPBT was partly due to a rise of 23.7% in depreciation expenses.

Net worth grew by 43.8% while Average net worth grew by 38.1% to reach a five year high. The healthier balance sheet position was due to a 11.3% increase in the total value of assets while the total value of liabilities fell by 11.9%.

The 1995-96 Long-term debt to equity ratio indicates a large reduction over 1994-95 and is the lowest in the last five years.

**10** SUMMARY OF INDUSTRY PERFORMANCE: ACCOMMODATION, CAFES AND RESTAURANTS

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
Selected indicators						
Operating businesses	'000	26	28	29	32	33
Total operating income	\$m	22 342	23 794	23 217	25 775	27 831
Depreciation expenses	\$m	711	711	875	873	1 080
Interest expenses	\$m	1 085	937	961	994	891
Total operating expenses (a)	\$m	21 496	22 857	22 346	23 819	26 068
Operating profit before tax (OPBT)	\$m	846	937	871	1 956	1 763
Total assets	\$m	24 092	23 417	27 906	27 745	30 893
Total liabilities	\$m	16 382	15 124	16 130	16 148	14 220
Net worth	\$m	7 710	8 293	11 776	11 597	16 673
Capital expenditure	\$m	1 044	1 010	3 066	1 802	2 457
Industry gross product	\$m	7 903	7 650	7 929	9 772	10 159
Businesses averages						
Average income	\$'000	854	863	798	809	839
Average expenses	\$'000	822	829	766	748	786
Average profit	\$'000	32	34	30	61	53
Average net worth	\$'000	295	301	404	364	503
Average gross product	\$'000	302	278	272	307	306
Industry ratios						
Profit margin	%	3.8	3.9	3.8	7.6	6.3
Return on net worth	%	11.0	11.3	7.4	16.9	10.6
Long-term debt to equity	times	1.4	1.1	0.7	0.8	0.4
Current ratio	times	0.8	0.9	0.7	0.8	1.0
Interest coverage	times	1.8	2.0	1.9	3.0	3.0
Investment rate	%	13.2	13.2	38.7	18.4	24.2

(a) Includes change in stocks.

TRANSPORT AND STORAGE

Total operating income grew by 6.5% while Total operating expenses grew to a lesser extent at 6.2%. Consequently, OPBT grew stronger at 11.1%.

Average income and expenses showed little movement after dropping in recent years. This is partly attributable to a 6.5% increase in the number of businesses, particularly small and medium businesses into this industry.

Capital expenditure grew by 8.1% when compared to 1994-95 which was at a relatively high level. Consequently, profits have not been adversely affected by higher depreciation and interest expenses associated with Capital expenditure.

The 1995-96 Long-term debt to equity ratio has fallen to a five year low. Interest coverage ratio remains relatively stable compared to 1994-95.

**11** SUMMARY OF INDUSTRY PERFORMANCE: TRANSPORT AND STORAGE

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
<b>Selected indicators</b>						
Operating businesses	'000	21	22	26	29	31
Total operating income	\$m	37 139	41 077	42 614	45 342	48 281
Depreciation expenses	\$m	1 810	2 388	2 443	2 944	3 099
Interest expenses	\$m	1 559	1 538	1 318	1 461	1 525
Total operating expenses(a)	\$m	35 916	39 573	39 209	42 708	45 355
Operating profit before tax (OPBT)	\$m	1 223	1 504	3 405	2 634	2 926
Total assets	\$m	46 738	52 820	52 664	63 744	64 049
Total liabilities	\$m	32 083	33 687	30 977	34 261	34 350
Net worth	\$m	14 655	19 133	21 687	29 483	29 700
Capital expenditure	\$m	3 629	3 740	3 394	4 766	5 153
Industry gross product	\$m	14 948	16 055	17 063	17 378	19 937
<b>Businesses averages</b>						
Average income	\$'000	1 801	1 837	1 663	1 574	1 573
Average expenses	\$'000	1 742	1 770	1 530	1 483	1 478
Average profit	\$'000	59	67	133	91	95
Average net worth	\$'000	711	856	846	1 023	968
Average gross product	\$'000	725	718	666	603	650
<b>Industry ratios</b>						
Profit margin	%	3.3	3.7	8.0	5.8	6.1
Return on net worth	%	8.3	7.9	15.7	8.9	9.9
Long-term debt to equity	times	1.5	1.1	0.9	0.8	0.7
Current ratio	times	0.8	0.8	0.8	0.8	0.8
Interest coverage	times	1.8	2.0	3.6	2.8	2.9
Investment rate	%	24.3	23.3	19.9	27.4	26.8

(a) Includes change in stocks.

## COMMUNICATION SERVICES

Total operating income and Total operating expenses grew by 11.2% and 11.0% respectively in 1995-96. Capital expenditure also grew strongly at 79.4%. Capital expenditure has now risen to its highest level in five years. Despite higher Interest (17.9%) and Depreciation expenses (8.6%) associated with major investments, OPBT grew by 12.9%.

Many of the business averages indicators show a downward trend since 1991-92 because of the entry of new but relatively smaller businesses into this sector of the industry, reflected in the increasing number of operating businesses. This indicates that the industry was subject to greater competition. To meet these competitive forces, government-owned businesses were also subject to rationalisation (e.g. restructuring and downsizing) during this period.

The Long-term debt to equity ratio remains relatively stable in the last few years while the Interest coverage ratio has improved over the last three years.

## 12 SUMMARY OF INDUSTRY PERFORMANCE: COMMUNICATION SERVICES

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
Selected indicators						
Operating businesses	no.	457	889	1 400	2 136	2 390
Total operating income	\$m	16 142	16 422	17 729	20 290	22 570
Depreciation expenses	\$m	2 200	2 188	2 348	2 572	2 792
Interest expenses	\$m	1 263	918	762	615	724
Total operating expenses(a)	\$m	14 002	14 284	15 258	17 421	19 331
Operating profit before tax (OPBT)	\$m	2 140	2 139	2 471	2 868	3 239
Total assets	\$m	26 293	28 088	26 713	32 094	34 429
Total liabilities	\$m	15 504	14 797	13 457	17 814	17 753
Net worth	\$m	10 789	13 291	13 256	14 280	16 676
Capital expenditure	\$m	4 184	3 821	3 328	4 488	8 051
Industry gross product	\$m	10 710	10 350	11 205	12 605	12 335
Businesses averages						
Average income	\$'000	35 328	18 478	12 659	9 500	9 444
Average expenses	\$'000	30 645	16 071	10 895	8 157	8 088
Average profit	\$'000	4 683	2 406	1 764	1 343	1 355
Average net worth	\$'000	23 613	14 954	9 465	6 686	6 977
Average gross product	\$'000	23 439	11 645	8 001	5 902	5 161
Industry ratios						
Profit margin	%	13.3	13.0	13.9	14.1	14.4
Return on net worth	%	19.8	16.1	18.6	20.1	19.4
Long-term debt to equity	times	0.9	0.6	0.6	0.5	0.5
Current ratio	times	0.9	0.8	0.9	0.8	0.8
Interest coverage	times	2.7	3.3	4.2	5.7	5.5
Investment rate	%	39.1	36.9	29.7	35.6	66.3

(a): Includes change in stocks.

## FINANCE AND INSURANCE

Total operating income grew by 25.1% while Total operating expenses grew at a rate of 17.7%. Consequently, OPBT grew strongly by 24.2% to reach \$25,551m, which is its highest level in five years.

Net worth showed a large increase (23.0%) to reach a five year high, due to a 10.4% increase in Total assets while Total liabilities grew by 6.8%.

Capital expenditure also grew strongly at 32.3% compared to 1994-95. Profits would have been higher but for the increase in Interest expenses (23.3%) and Capital expenditure which led to an increase in Depreciation expenses (12.9%).

### 13 SUMMARY OF INDUSTRY PERFORMANCE: FINANCE AND INSURANCE

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
<b>Selected indicators</b>						
Operating businesses	'000	21	21	21	21	22
Total operating income	\$m	92 604	81 626	79 915	86 573	103 256
Depreciation expenses	\$m	1 487	1 429	1 431	1 871	2 111
Interest expenses	\$m	38 323	27 757	24 143	31 005	38 221
Total operating expenses(a)	\$m	75 919	60 793	57 559	66 003	77 705
Operating profit before tax (OPBT)	\$m	16 685	20 833	22 356	20 570	25 551
Total assets	\$m	811 377	841 907	832 078	913 457	1 008 075
Total liabilities	\$m	608 541	623 402	619 409	710 386	758 392
Net worth	\$m	202 835	218 505	212 669	203 071	249 683
Capital expenditure	\$m	2 681	3 647	2 945	4 220	5 583
Industry gross product	\$m	..	..	..	..	..
<b>Businesses averages</b>						
Average income	\$'000	4 495	3 962	3 807	4 055	4 769
Average expenses	\$'000	3 685	2 951	2 742	3 091	3 589
Average profit	\$'000	810	1 011	1 065	964	1 180
Average net worth	\$'000	9 846	10 607	10 132	9 513	11 532
Average gross product	\$'000	..	..	..	..	..
<b>Industry ratios</b>						
Profit margin	%	18.0	25.5	28.0	23.8	24.7
Return on net worth	%	8.2	9.5	10.5	10.1	10.2
Long-term debt to equity	times	..	..	..	..	..
Current ratio	times	..	..	..	..	..
Interest coverage	times	1.4	1.8	1.9	1.7	1.7
Investment rate	%	..	..	..	..	..

(a) Includes change in stocks.

PROPERTY AND BUSINESS SERVICES

Total operating income, Total operating expenses and Industry gross product maintained their large increases as in 1994-95 at 32.5%, 33.6% and 31.3% respectively. OPBT grew by 25.7% which was lower than 1994-95 (40.5%). Profits have continued to show large increases in the last four years due in part to lower interest expenses.

Capital expenditure fell by 3.1% in 1995-96 after a record rise of 107.4% in 1994-95. It is still higher than 1991-92 to 1993-94.

Net worth grew by 28.2% while Average net worth grew by 25.5% to reach \$640,000. The healthier balance sheet position was due to a 13.0% increase in the total value of assets while the total value of liabilities only grew marginally at 3.1%. Interest coverage ratio indicates no change over 1994-95.

**14** SUMMARY OF INDUSTRY PERFORMANCE: PROPERTY AND BUSINESS SERVICES

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
Selected indicators						
Operating businesses	'000	90	100	108	119	122
Total operating income	\$m	55 920	51 388	42 620	58 165	77 062
Depreciation expenses	\$m	1 294	1 413	1 317	1 947	2 290
Interest expenses	\$m	7 175	5 780	3 985	4 470	5 536
Total operating expenses(a)	\$m	53 753	47 731	36 619	49 732	66 460
Operating profit before tax (OPBT)	\$m	2 168	3 656	6 001	8 433	10 602
Total assets	\$m	128 193	127 525	117 248	152 995	172 960
Total liabilities	\$m	81 433	79 123	69 688	92 260	95 094
Net worth	\$m	46 759	48 402	47 560	60 734	77 866
Capital expenditure	\$m	2 639	2 582	2 497	5 179	5 019
Industry gross product	\$m	19 627	19 931	19 953	24 897	32 694
Businesses averages						
Average income	\$'000	621	514	395	489	634
Average expenses	\$'000	597	477	339	418	547
Average profit	\$'000	24	37	56	71	87
Average net worth	\$'000	520	484	440	510	640
Average gross product	\$'000	218	199	185	209	269
Industry ratios						
Profit margin	%	3.9	7.1	14.1	14.5	13.8
Return on net worth	%	4.6	7.6	12.6	13.9	13.6
Long-term debt to equity	times	0.8	0.8	0.7	0.7	0.6
Current ratio	times	1.0	1.0	1.1	1.0	1.1
Interest coverage	times	1.3	1.6	2.5	2.9	2.9
Investment rate	%	13.4	13.0	12.5	20.8	15.4

(a) Includes change in stocks.

PRIVATE COMMUNITY SERVICES

Total operating income grew by 15.5% in 1995-96 but Total operating expenses grew more strongly at 20.8%. Consequently, OPBT fell by 18.6%. Components of Total operating expenses which have large increases were Depreciation (25.6%) and Interest expenses (21.0%). OPBT has been falling since 1993-94.

Net worth grew by 33.9% to reach a five year high due to a rise of 11.4% in Total assets while Total liabilities fell 10.2% compared to 1994-95.

The Long-term debt to equity ratio indicates a fall over 1994-95 but is at the same level as earlier years. Interest coverage ratio is lower.

**15** SUMMARY OF INDUSTRY PERFORMANCE: PRIVATE COMMUNITY SERVICES

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
Selected indicators						
Operating businesses	'000	44	47	48	51	51
Total operating income	\$m	22 619	24 394	25 639	25 648	29 630
Depreciation expenses	\$m	540	612	773	727	913
Interest expenses	\$m	564	559	435	495	599
Total operating expenses(a)	\$m	20 155	21 718	21 564	22 321	26 922
Operating profit before tax (OPBT)	\$m	2 465	2 676	4 075	-3 327	2 708
Total assets	\$m	22 399	25 474	27 695	28 746	32 019
Total liabilities	\$m	9 597	10 401	12 640	14 681	13 181
Net worth	\$m	12 803	15 073	15 055	14 065	18 838
Capital expenditure	\$m	1 596	1 729	2 613	2 016	1 867
Industry gross product	\$m	11 089	11 731	13 123	13 097	16 523
Businesses averages						
Average income	\$'000	511	514	538	502	580
Average expenses	\$'000	455	457	452	437	527
Average profit	\$'000	56	56	85	65	53
Average net worth	\$'000	289	317	316	275	368
Average gross product	\$'000	250	247	275	256	323
Industry ratios						
Profit margin	%	10.9	11.0	15.9	13.0	9.1
Return on net worth	%	19.3	17.8	27.1	23.7	14.4
Long-term debt to equity	times	0.4	0.4	0.4	0.6	0.4
Current ratio	times	1.2	1.4	1.0	1.2	1.2
Interest coverage	times	5.4	5.8	10.4	7.7	5.5
Investment rate	%	14.4	14.7	19.9	15.4	11.3

(a) Includes change in stocks.

CULTURAL AND  
RECREATIONAL SERVICES

Total operating income grew by 10.9% but Total operating expenses grew more strongly at 25.0% when compared to 1994-95. Consequently, OPBT fell by 57.8%. A number of businesses in this industry have incurred significant set up costs during this period, which was a major factor in causing a deterioration on the profit level.

Net worth grew at a weaker rate (1.6%). The 1995-96 Long-term debt to equity ratio indicates a rise over 1994-95. Interest coverage position fell to a four year low.

Capital expenditure fell by 29.5% when compared to 1994-95 but is still at a high level in actual terms compared to earlier years.

**16** SUMMARY OF INDUSTRY PERFORMANCE: CULTURAL AND RECREATIONAL SERVICES

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
<b>Selected indicators</b>						
Operating businesses	'000	13	14	15	17	18
Total operating income	\$m	10 013	10 483	10 655	13 289	14 732
Depreciation expenses	\$m	323	463	588	494	893
Interest expenses	\$m	443	505	323	343	427
Total operating expenses(a)	\$m	9 083	9 222	9 216	11 023	13 776
Operating profit before tax (OPBT)	\$m	930	1 261	1 439	2 267	956
Total assets	\$m	12 385	13 813	14 284	19 200	20 456
Total liabilities	\$m	7 388	9 238	7 674	10 046	11 152
Net worth	\$m	4 997	4 575	6 610	9 154	9 304
Capital expenditure	\$m	487	703	1 099	2 863	2 018
Industry gross product	\$m	3 512	4 063	4 946	5 387	4 835
<b>Businesses averages</b>						
Average income	\$'000	743	741	703	800	822
Average expenses	\$'000	674	652	608	664	769
Average profit	\$'000	69	89	95	136	53
Average net worth	\$'000	371	324	436	551	519
Average gross product	\$'000	261	287	326	324	270
<b>Industry ratios</b>						
Profit margin	%	9.3	12.0	13.5	17.1	6.5
Return on net worth	%	18.6	27.6	21.8	24.8	10.3
Long-term debt to equity	times	0.9	1.1	0.7	0.6	0.7
Current ratio	times	0.9	0.7	1.1	0.9	0.9
Interest coverage	times	3.1	3.5	5.5	7.6	3.2
Investment rate	%	13.9	17.3	22.2	53.1	41.7

(a) Includes change in stocks.

PERSONAL AND OTHER SERVICES

Total operating income grew by 5.6% in 1995-96 and Total operating expenses grew at a marginally stronger rate of 6.1%. Consequently OPBT fell by 1.2%.

Capital expenditure increased by 8.4% compared to 1994-95 to reach a five year high. Depreciation expenses increased by 8.2% which contributed marginally to a fall in profits.

Net worth showed a big increase (47.8%) to a five year high due to a big rise in Total assets of 34.6% while Total liabilities grew relatively weaker at 14.8% compared to 1994-95.

**17** SUMMARY OF INDUSTRY PERFORMANCE: PERSONAL AND OTHER SERVICES

	Unit	1991-92	1992-93	1993-94	1994-95	1995-96
Selected indicators						
Operating businesses	'000	24	27	31	35	37
Total operating income	\$m	9 220	9 351	11 206	11 214	11 839
Depreciation expenses	\$m	405	372	472	518	560
Interest expenses	\$m	275	186	207	200	196
Total operating expenses(a)	\$m	8 516	8 431	10 371	10 378	11 012
Operating profit before tax (OPBT)	\$m	703	920	835	- 836	827
Total assets	\$m	14 007	13 694	12 993	12 207	16 427
Total liabilities	\$m	5 049	4 693	5 522	4 883	5 605
Net worth	\$m	8 958	9 001	7 470	7 324	10 822
Capital expenditure	\$m	767	696	779	863	936
Industry gross product	\$m	3 130	3 058	3 437	4 160	3 972
Businesses averages						
Average income	\$'000	382	343	362	316	318
Average expenses	\$'000	353	309	335	293	296
Average profit	\$'000	29	34	27	24	22
Average net worth	\$'000	371	330	241	207	291
Average gross product	\$'000	130	112	111	117	107
Industry ratios						
Profit margin	%	7.6	9.8	7.5	7.5	7.0
Return on net worth	%	7.9	10.2	11.2	11.4	7.6
Long-term debt to equity	times	0.2	0.2	0.4	0.3	0.2
Current ratio	times	1.3	1.6	1.5	1.6	1.4
Interest coverage	times	3.6	5.9	5.0	5.2	5.2
Investment rate	%	24.5	22.8	22.7	20.7	23.6

(a) Includes change in stocks.



## EXPLANATORY NOTES

### INTRODUCTION

**1** The estimates in this publication have been derived from the Economic Activity Survey (EAS) for the financial year 1995-96.

**2** The population frame for these statistics consisted of all business units in the Australian economy except for agricultural businesses which had an estimated value of agricultural operations of less than \$22,500, non-employed businesses, businesses classified to the General Government sector, and private households employing staff.

**3** This publication represents statistics classified according to the *Australian and New Zealand Standard Industrial Classification (ANZSIC) 1993* (Cat. no. 1292.0).

**4** The business unit about which information is collected and published for the EAS is termed the management unit. The management unit is the highest level unit within a business, having regard to the required level of industry dissection, for which a set of management accounts are maintained.

**5** Approximately 22,000 management units were selected using stratified random sampling techniques. All management units with employment of 200 or more persons were automatically selected in the sample.

### RELIABILITY OF ESTIMATES

**6** Since the estimates in this publication are based on information obtained from a sample drawn from units in the surveyed population, the estimates are subject to sampling variability; that is, they may differ from the figures that would have been produced if all units had been included in the survey. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. Relative standard errors for a selection of estimates presented in this publication can be made available on request.

**7** The counts of operating businesses included in the publication should be used with caution. Over and above the sampling error associated with these estimates, they are more affected than other estimates presented by such factors as internal restructuring of businesses (e.g. changes in divisional structure, mergers, take-overs and changes in Australian Bureau of Statistics (ABS) Business Register). Because of these influences, estimates of the number of businesses have been smoothed, using a three-year moving average. This technique reduces the effect the above influences have on movements in the number of operating businesses across the years.

**8** 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. First, adjustments have been made to include new businesses in the estimates in the period in which they commenced operations, rather than when they are processed onto the ABS business register. Adjustments of this type will continue to be applied in future periods. Second, 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 business register. For more information on these adjustments, please refer to *ABS Information Paper: Improvements to ABS Economic Statistics, 1997* (Cat. no. 1357.0).

**9** 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*.

#### RELATED PUBLICATIONS

**10** In addition to the publications already mentioned, others of interest include:

- *Agricultural Industries, Financial Statistics, Australia, Preliminary Estimates, 1995–96* (Cat. no. 7506.0)
- *Agricultural Industries, Financial Statistics, Australia, 1995–96* (Cat. no. 7507.0)
- *Electricity and Gas Operations, Australia, 1995–96* (Cat. no. 8208.0)
- *Manufacturing Industry, Australia, Preliminary, 1995–96* (Cat. no. 8201.0)
- *Manufacturing Industry, Australia, 1995–96* (Cat. no. 8221.0)
- *Mining Industry, Australia, Preliminary, 1995–96* (Cat. no. 8401.0)
- *Mining Industry, Australia, 1995–96* (Cat. no. 8414.0)
- *Stocks, Selected Industry Sales and Expected Sales, Australia* (Cat. no. 5629.0) — quarterly
- *Private New Capital Expenditure and Expected Expenditure, Australia* (Cat. no. 5625.0) — quarterly
- *Company Profits, Australia* (Cat. no. 5651.0) — quarterly
- *Retail Trade, Australia* (Cat. no. 8501.0) — monthly

## GLOSSARY

- Capital expenditure** Includes acquisitions of fixed tangible assets (e.g. plant and machinery) and intangible assets (e.g. patents and licences).
- Change in stocks** Opening stocks minus closing stocks.
- Current ratio** The number of times current assets exceed current liabilities, i.e. current assets/current liabilities. This liquidity measure indicates ability to meet immediate financial obligations from current assets.
- Depreciation expenses** Includes depreciation allowed on buildings and other fixed tangible assets.
- Industry gross product (IGP)** The unduplicated gross product of a business defined as gross output minus intermediate inputs.
- Interest coverage** The number of times over that business can meet their interest expenses from their earnings before interest and tax (EBIT), i.e. EBIT/interest expenses.
- Interest expenses** Interest paid on loans from banks, finance companies, insurance companies and related companies.
- Investment rate** The proportion of industry gross product used to acquire capital, i.e. capital expenditure\*100/IGP.
- Long-term debt to equity** Non-current liabilities/net worth.
- Net worth** Is derived by subtracting total liabilities from total assets and is equal to the interests of shareholders or other owners in the assets of the business.
- Operating Profit Before Tax** 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).
- Profit margin** The percentage of total operating income available as operating profit before tax, i.e. OPBT x 100/Total operating income.
- Return on net worth** OPBT as a percentage of shareholders' funds, i.e. OPBT x 100/Net worth.
- Total liabilities** The book value of both current and non-current liabilities as at the end of the financial year. This includes provisions for taxation, leave, claims, trade creditors and other account payable, bank overdraft, bank loans, debentures and unsecured notes.
- Total operating expenses** The total expenses of a business, excluding extraordinary items.
- Total operating income** The total income of a business, excluding extraordinary items.

## For more information . . .

The ABS publishes a wide range of statistics and other information on Australia's economic and social conditions. Details of what is available in various publications and other products can be found in the ABS Catalogue of Publications and Products available from all ABS Offices.

### ABS Products and Services

Many standard products are available from ABS bookshops located in each State and Territory. In addition to these products, information tailored to the needs of clients can be obtained on a wide range of media by contacting your nearest ABS Office. The ABS also provides a Subscription Service for standard products and some tailored information services.

### National Dial-a-Statistic Line

0055 86 400

*Steadycom P/L: premium rate 25c/20 secs.*

This number gives 24-hour access, 365 days a year, for a range of important economic statistics including the CPI.

### Internet

<http://www.abs.gov.au>

A wide range of ABS information is available via the Internet, with basic statistics available for each State, Territory and Australia. We also have Key National Indicators, ABS product release details and other information of general interest.

## Sales and Inquiries

[client.services@abs.gov.au](mailto:client.services@abs.gov.au)

National Mail Order Service	(02) 6252 5249
Subscription Service	1300 366 323

	Information Inquiries	Bookshop Sales
CANBERRA	(02) 6252 6627	(02) 6207 0326
SYDNEY	(02) 9268 4611	(02) 9268 4620
MELBOURNE	(03) 9615 7755	(03) 9615 7755
BRISBANE	(07) 3222 6351	(07) 3222 6350
PERTH	(08) 9360 5140	(08) 9360 5307
ADELAIDE	(08) 8237 7100	(08) 8237 7582
HOBART	(03) 6222 5800	(03) 6222 5800
DARWIN	(08) 8943 2111	(08) 8943 2111



Client Services, ABS, PO Box 10, Belconnen ACT 2616

Produced by the Australian Bureau of Statistics  
© Commonwealth of Australia 1997

Recommended retail price: \$17.50



281400007956

ISSN 1036-272X