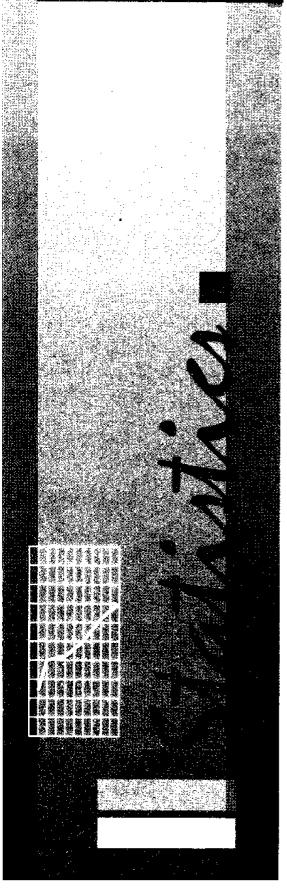


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Australia



NOTES

INTRODUCTION

This publication presents results for the financial year 1995–96 from an ABS survey of businesses in the real estate agents industry. It is the third survey of the industry with previous surveys being conducted in respect of 1992–93 and 1987–88 (refer paragraph 3 of Explanatory Notes for further information).

SYMBOLS AND OTHER USAGES

ABS Australian Bureau of Statistics

ANZSIC Australian and New Zealand Standard Industrial Classification

n,a. not available

n.p. not available for publication but included in totals where applicable

* subject to sampling variability too high for most practical purposes

. . not applicable

— nil or rounded to zero

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

INQUIRIES

For information about other ABS statistics and services, please refer to the back of this publication.

For further information about statistics in this publication please contact Ashok Kumar on Melbourne (03) 9615 7634.

As part of its service industries survey program, the ABS conducted surveys of selected business services industries in respect of the 1995–96 financial year. The industries covered were legal, accounting, consultant engineering, real estate agents and computer services.

This publication presents statistics for the real estate agents industry.

Information in this publication was collected in a survey of businesses classified to Class 7720, Real Estate Agents, of the 1993 edition of the Australian and New Zealand Standard Industrial Classification (ANZSIC). Class 7720 includes all units mainly engaged in valuing, purchasing, selling (by auction or private treaty), managing or renting real estate for others.

This is the third time the ABS has surveyed the real estate agents industry. Surveys were previously conducted in respect of the 1992–93 and 1987–88 financial years, and statistics were released in the publications *Real Estate Agents Industry*, *Australia*, 1992–93 and *Real Estate Agents Industry*, *Australia*, 1987–88 (Cat. no. 8663.0).

Results from the other business services collections have been or will be released in the following publications:

- Computing Services Industry, Australia, 1995–96 (Cat. no. 8669.0);
- Legal and Accounting Services, Australia. 1995–96 (Cat. no. 8678.0); and
- Consultant Engineering Services, Australia, 1995–96 (Cat. no. 8693.0).

These publications contain a selection of the information available from the surveys. More detailed information is available from the ABS on request.

The ABS is committed to providing more information on the priority service industries sector of the economy. However, the breadth of activities encompassed in the sector poses the problem of selecting which industries to include. To this end the ABS welcomes comments and suggestions from users recommending industries and data items for inclusion in future surveys. These comments should be addressed to: The Director, Service Industries Surveys, PO Box 10, Belconnen, ACT, 2616.

W. McLennan Australian Statistician



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MAIN FEATURES

INTRODUCTION

This publication presents results in respect of the 1995–96 financial year of a survey of businesses mainly engaged in valuing, purchasing, selling (by auction or private treaty), managing or renting real estate for other people.

SIZE OF THE INDUSTRY

There were 8,082 businesses in the real estate agents industry at 30 June 1996. This represented an increase of 11% in the three year period since June 1993. During the period the number of businesses with an affiliation with a franchise group increased by 24%, while those businesses with an affiliation with a marketing group rose by 5%. However, the majority (62%) of businesses in the industry were not affiliated to any franchise or marketing group.

BUSINESS SIZE

Businesses with fewer than 20 persons employed comprised 97% of all businesses in the real estate agents industry. These businesses accounted for 79% of industry employment and contributed 76% of total industry income.

In contrast, those businesses with employment of 100 or more persons represented less than 1% of the total number of businesses in the industry, but accounted for 6% of industry employment and contributed 7% of total industry income.

EMPLOYMENT

There were 45,956 persons employed in the industry at 30 June 1996. Full-time employment accounted for 85% (38,898 persons) while the remainder worked part-time. The employment in the industry at 30 June 1996 represented a 12% increase since June 1993, with full-time employment increasing 13%, whereas part-time employment increased by only 7%.

In addition to the 45,956 employed persons a further 9,830 persons were working in the industry at 30 June 1996 on a commissions only basis. The number of staff working on this basis has declined by 10% since June 1993, when there were 10,978 persons working on such a basis.

Overall there were 55,785 persons working in the industry at 30 June 1996, an increase of 7% since June 1993.

INCOME

Businesses in the real estate agents industry generated \$3,369.6 million in income. Most (60%) income was generated from sales and leasing commissions, although the proportion was down marginally from that recorded (61%) in 1992–93. The other major source of income was property management fees which accounted for \$867.9 million (26%) of total income. The corresponding figure for 1992–93 was 23% of total income.

MAIN FEATURES continued

LABOUR COSTS

Labour costs were the major item of expense for businesses in the industry in 1995–96, accounting for 44% of all expenses. In comparison labour costs accounted for 40% of total expenses in 1992–93.

PROFITABILITY

The industry recorded an operating profit before tax of \$275.4 million for the 1995–96 financial year, which represented an operating profit margin of 8.3%. This was largely unchanged from that recorded (7.7%) in 1992–93.

STATE DIMENSION

Businesses in the real estate agents industry were concentrated in four States.

Businesses operating in New South Wales accounted for 35% of total income, while Victoria (20%), Queensland (19%) and Western Australia (14%) were the other major contributors to total income.

While businesses operating in Victoria accounted for 20% of total income, the proportion was less than the Victorian share (25%) of the population. A similar situation applied in South Australia which accounted for 6% of total income but accounts for 8% of the population. In contrast Western Australia accounted for 14% of total income but only accounts for 10% of the population.

1 Key figures

Data item	Unit	1992-93	1995-96
	* * * * 1 1 7 * * *		
Businesses at end June			
Franchise affiliation	no.	1 823	2 264
Marketing group affiliation	no.	805	843
Not affiliated	no.	4 636	4 975
Total	no.	7 265	8 082
Employment at end June			
Full-time	ηo.	34 340	38 898
Part-time	ПO.	6 604	7 057
Total	no.	40 945	45 956
Staff working solely on commission at end June	no.	10 978	9 830
Income			
Income from sales and leasing commissions	\$m	1 746.2	2 036.6
Income from property management fees	\$m	664.2	867.9
Other income	\$ m	432.4	465.2
Total	\$m	2 842.8	3 369. 6
Expenses			
Labour costs	\$m	1 061.9	1 367.5
Commissions paid to sales staff working solely on			
commission(a)	\$m	301.1	278.7
Other expenses	\$m	1 263.8	1 448.1
Total	\$m	2 6 26.8	3 094.3
Operating profit before tax	\$m	216.0	275.4
Operating profit margin	%	7.7	8.3
Industry gross product	\$m	1 435.5	1 773.9

⁽a) Commissions paid to staff who received a retainer are included in labour costs.

INCOME

For the real estate agents industry in 1995–96, income was categorised into two main components: income from sales and leasing commissions from property, which accounted for \$2,036.6 million (60%) of total income; and income from property management fees, which accounted for \$867.9 million (26%) of total income. Income from sales and leasing commissions was made up of 93% (\$1,893.3 million) from properties and 7% (\$143.2 million) from vacant land.

The major source of income was from sales and leasing commissions from residential properties which accounted for 43% (\$1,462.6 million) of total income. The second largest contributor was from property management fees from residential properties which accounted for 18% (\$611.6 million) of total income.

Of the 8,082 businesses in the industry, 6,667 (82%) derived income from sales and leasing commissions and 5,952 (74%) reported income from property management fees. Average income per business from sales and leasing commissions was \$305,500 whilst income from property management fees was less, at \$145,800 per business.

2 Sources of income

	Businesses at end		Percentage
	June 1996	Value	
Sources of income	no.	\$ m	%

Sales of goods and services			
Income from sales and leasing commissions			
Residential vacant land	2 611	123.2	3.7
Non-residential vacant land	76 5	20.0	0.6
Rural properties	1 360	78.6	2.3
Residential properties	5 986	1 462.6	43.4
Commercial and industrial properties	1 690	272.0	8.1
Retail properties	887	48.0	1.4
Other non-residential properties	320	*32.1	1.0
Total	6 667	2 036.6	60.4
Income from property management fees			
Rural properties	*259	*12.3	0.4
Residential properties	5 391	611.6	18.2
Commercial and industrial properties	1 672	163.2	4.8
Retail properties	784	76.6	2.3
Other non-residential properties	*107	*4.2	0.1
Total	5 952	867.9	25.8
Other rent, leasing and hiring income	1 065	28.7	0.9
Income from consulting fees	958	50.6	1.5
Income from property valuations	1 528	202.4	6.0
Income from conveyancing work	467	+85.2	2.5
Other operating income	1 703	49.1	1.5
Total	8 082	3 320.4	98.5
Other sources of income			
Interest income	2 407	15.3	0.5
Other non-operating income	1 020	33.9	1.0
Total	2 661	49.2	1.5
Total income	8 082	3 369.6	100.0

EXPENSES

The real estate agents industry was labour intensive, with direct labour costs accounting for \$1,367.5 million (44%) of total industry expenses. Payments made to sales staff working solely on commission accounted for a further \$278.7 million (9%) of total expenses.

In 1992–93 labour costs comprised 40% (\$1,061.9 million) of total expenses and payments to sales staff working solely on commission accounted for 11% (\$301.1 million) of total expenses.

The other major expense items were advertising expenses (\$240.6 million) and rent leasing and hiring expenses (\$205.9 million).

3 Items of expenditure

		Percentage
	Value	contribution
Type of expense	\$m	%
+> + + + + + + + + + + + + + + + + + +	******	
Labour costs		
Wages and salaries	1 242.0	40.1
Employer contributions to superannuation funds	116.0	3.7
Workers' compensation	9.5	0.3
Total	1 367.5	44.2
Selected expenses		
Commissions paid to sales staff working solely on		
commission(a)	278.7	9.0
Advertising expenses	240.6	7.8
Car allowances paid to staff	70.9	2.3
Rent, leasing and hiring expenses	205.9	6.7
Telecommunication expenses	103.2	3.3
Franchise fees and royalties	49.8	1.6
Other selected expenses	597.4	19.3
Total	1 546.5	50.0
Other costs		
Depreciation and amortisation	58.0	1.9
Interest expenses	78.4	2.5
Residual costs	43.9	1.4
Total	180.3	5.8
Total expenses	3 094.3	100.0

⁽a) Commissions paid to staff who received a retainer are included in wages and salaries.

EMPLOYMENT AND PERSONS WORKING

At the end of June 1996, there were 55,785 persons working in the real estate agents industry. This consisted of 45,956 employed persons and 9,830 persons working on a commissions only basis.

Persons working full-time dominated in the real estate industry, accounting for 87% of total persons working. Of the persons working part-time, 83% were female.

Males accounted for 52% of persons working in the industry. As in 1992–93 the majority (96%) of males employed in the industry worked full-time in 1995–96. The comparative figure for females was 75%. Working proprietors and partners of unincorporated businesses were predominantly male (69%), as were working directors of incorporated companies and trusts (69%).

Sales staff working in the industry were divided into those paid a salary or retainer plus commission (9,829), and those working solely on commission (9,830). Over 90% of staff in both groups worked full-time and approximately 70% were males.

4 Characteristics of persons working

						_			
	FULL-TI	мЕ		PART-T	IME		TOTAL		
Type of employment	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons

	no.	no.	no.	no.	no.	no.	ne.	no.	no.
Working proprietors and partners	1 507	548	2 055	*188	*205	*393	1 695	753	2 449
Employees									
Working directors of incorporated									
companies and trusts	7 108	2 369	9 477	*133	868	1 001	7 241	3 237	10 478
Sales staff paid a salary or retainer									
plus commission	6 643	2 534	9 177	*181	471	652	6 824	3 005	9 829
Other employees	5 491	12 698	18 189	468	4 542	5 010	5 960	17 240	
Total	19 242	17 601	36 843	783	5 881	6 664	20 025	23 482	43 507
Total employment	20 750	18 149	38 898	971	6 087	7 057	21 720	24 236	45 956
Sales staff working solely on commission	6 727	2 642	9 369	32 7	133	460	7 054	2 775	9 830
Total persons working	27 477	20 791	48 268	1 298	6 220	7 518	28 775	27 011	55 785
				******		* • • • • •			
	%	%	%	%	%	%	%	%	%
Percentage of total	49.3	37.3	86.5	2.3	11.1	13.5	51.6	48.4	100.0
*******************							<i></i>		

The real estate agents industry was dominated by businesses with less than 20 persons employed (97%). These businesses accounted for 82% (45,753) of persons working in the industry. They generated 80% (\$1,620.1 million) of income from sales and leasing commissions and 73% (\$636.8 million) of income from property management fees.

In contrast, less than 1% of businesses had 100 or more persons employed. However, these businesses accounted for 5% (2,914) of persons working in the industry, 4% (\$77.2 million) of income from sales and leasing commissions and 10% (\$90.6 million) of income from property management fees.

Generally, the larger the business the smaller the operating profit margin, with operating profit margin being highest for businesses with less than 5 persons employed (11.2%) and lowest for businesses with 100 or more persons employed (4.9%).

5 Business size

EMPLOYMENT SIZE CATEGORY AT END JUNE......

••••••••••••••••••••••••••••••••••••••	Unit	0-4	5–9	10-19	20–99	100 or more	All businesses
Businesses at end June 1996	no,	4 555	2 585	711	219	14	8 082
Persons working at end June 1996							
Employment	no.	11 345	16 259	8 887	6 570	2 895	45 956
Sales staff working solely on commission	no.	3 631	3 992	1 639	548	19	9 830
Total	no.	14 976	20 251	10 526	7 118	2 914	55 785
Total income of which:	\$m	756.4	1 119.4	683.4	561.9	248.6	3 369.6
Income from sales and leasing commissions	\$m	448.9	731.0	440.2	339.4	77.2	2 036.6
Income from property management fees	\$m	162.8	302.1	171.9	140.5	90.6	867.9
Operating profit before tax	\$m	*83.0	84.7	58.9	36.8	11.9	275.4
Operating profit margin	%	11.2	7.6	8.7	6.6	4.9	8.3

For the real estate agents industry, the only data items collected by state in respect of 1995–96 were persons working, wages and salaries and commissions paid, and total income.

INDUSTRY DISTRIBUTION

Just over one-third of all real estate businesses operated in New South Wales at the end of June 1996. These businesses accounted for 35% of total income. Victoria, with 1,428 businesses, accounted for 20% of total income and Queensland, with 1,859 businesses, accounted for 19% of total income.

Businesses operating in Western Australia had a larger share of the real estate industry (14% of total income) relative to the Western Australia share (10%) of the Australian population. In contrast, in Victoria, businesses in the real estate industry accounted for 20% of the total industry income whereas the State accounts for about 25% of the Australian population. Similarly, South Australia accounted for only 6% of total income but accounts for 8% of population.

There were variations between the States with regard to business characteristics. Persons working per business ranged from 22 in the Northern Territory to 5 in South Australia. The Australian average was seven persons working per business.

INCOME

Total income per business operating was highest in the Northern Territory (\$2.0 million), followed by the Australian Capital Territory (\$798,600). The state with the lowest income per business operating was South Australia (\$283,500).

Wages and salaries and commissions paid per person working were highest in the Northern Territory (\$46,400) whilst all other states were close to the Australian average (\$27,300).

6 State comparisons

	Businesses at end of June(a)	Persons w at end of J		Wages & sa commission		Total income	· · · · · · · · · · · · · · · · · · ·
	no.	no.	%	\$m	%	\$m	%
		• • • • • • • •	* * * * * * * *	• • • • • • • • • •		• • • • • • • • •	• • • • •
NSW	2 931	18 685	33.5	495.9	32.6	1 191.8	35.4
Vic.	1 428	10 008	17.9	305.7	20.1	685.1	20.3
Qld	1 859	12 212	21.9	303.6	20.0	627.3	18,6
SA	689	3 457	6.2	89.8	5,9	195.3	.5.8
WA	952	8 503	15.2	226.2	14.9	477.2	14.2
Tas,	139	1 272	2.3	34.9	2.3	65.5	1.9
NT	35	784	1.4	36.4	2.4	69.2	2.1
ACT	73	863	1.5	28.2	1.9	58.3	1.7
Aust.	8 082	55 785	100.0	1 520.7	1.00.0	3 369.6	100.0

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

⁽b) Includes staff paid solely on commission.

OPERATING PROFIT/LOSS BEFORE TAX

For the 1995–96 financial year, 69% of businesses in the real estate industry made an operating profit before tax. Of the 5,573 businesses with an operating profit before tax, 43% fell in the \$20,000–\$99,999 range, while 72 businesses reported a profit in excess of \$500,000.

Although almost one-third (31%) of businesses incurred a loss, the industry generated an operating profit before tax of \$275.4 million.

7 Businesses by operating profit/loss before tax

	Businesses	Business contribution
	no.	%
Businesses reporting profit		
Greater than \$500 000	72	0.9
\$100 000-\$499 999	972	12.0
\$20 000-\$99 999	2 373	29.4
\$5 000-\$19 999	1 288	15.9
\$0-\$4 99 9	868	10.7
Total	5 573	69.0
Businesses reporting losses		
\$1-\$4 999	488	6.0
\$5 000-\$19 999	871	10.8
\$20 000-\$99 999	938	11.6
\$100 000-\$499 999	194	2.4
Greater than \$500 000	*19	0.2
Total	2 509	31.0

In 1995–96 operating profit before tax per person employed in the real estate agents industry was \$6,000.

Labour costs per employee were highest (\$45,700) for businesses with greater than 100 persons employed and lowest (\$25,500) for businesses with less than 5 persons employed.

Total income per person employed was 29% higher for businesses employing 100 or more persons (\$85,900) than for businesses with less than 5 persons employed (\$66,700).

Overall, the greatest contributor to total income was sales and leasing commissions, which represented 60% of total income. However, for businesses with 100 or more persons employed, income from sales and leasing commissions was lower at 31% of total income, and income from property management fees as a proportion of total income was 36%.

The number of employed persons to those working solely on commission varied widely from three for businesses with less than five persons employed to 152 for businesses with 100 or more persons employed.

The average cost of commissions paid to staff working solely on commission represented 9% of total expenditure, whereas labour costs for persons employed represented 44%.

8 Performance ratios

EMPLOYMENT SIZE CATEGORY AT END JUNE.....

	Unit	0-4	5–9	10–19	20-99	100 or more	All businesses
			* * * * *			• • • • • • •	
Employment ratios							
Total income per person employed	\$'000	6 6.7	68.8	76.9	85.5	85.9	73.3
Labour costs per employee	\$'000	25.5	27.9	32.5	41.0	45.7	31.4
Operating profit before tax per							
person employed	\$'000	*7.3	5.2	6.6	5.6	4.1	6,0
Employed persons to staff working							
solely on commission	no.	3	4	5	12	152	5
Financial ratios							
Operating profit margin	%	11.2	7.6	8.7	6.6	4.9	8,3
Income from sales and leasing							
commissions to total income	%	59.4	65.3	64.4	60.4	31.0	60.4
Income from property management				•			
fees to total income	%	21.5	27.0	25.1	25.0	36.4	25.8
Commissions paid to staff working							
solely on commission to total expens	es %	12.2	10.9	9.3	4.6	0.3	9.0
Labour costs to total expenses	%	37.1	41.6	45.8	51.2	55.8	44.2

15

EXPLANATORY NOTES

SURVEY SCOPE AND METHODOLOGY

- **1** This publication contains results from a survey of the real estate agents industry for the reference year 1995–96. This is the third time the Australian Bureau of Statistics (ABS) has surveyed this industry. Previous statistics were released in 1987–88 and 1992–93.
- **2** The survey included businesses classified to Class 7720 of the Australian and New Zealand Standard Industrial Classification (ANZSIC). This class includes all businesses mainly engaged in valuing, purchasing, selling (by auction or private treaty), managing or renting real estate for others.

COMPARABILITY WITH PREVIOUS STATISTICS

3 Direct comparability between the 1992–93 survey and the 1995–96 survey is possible because of consistency in industry classification and scope of the survey. However, due to differences in scope, coverage, and data definitions between these two surveys and the 1987–1988 survey of the real estate agents industry, statistics may not be directly comparable.

STATISTICAL UNIT

4 The unit for which statistics were reported in the survey was the management unit. The management unit is the highest-level accounting unit within a business or organisation, having regard for industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc.). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.

RELIABILITY OF ESTIMATES

5 The estimates presented in this publication are subject to sampling and non-sampling error.

SAMPLING ERROR

- **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 figures that would have been obtained if all units had been included in the survey. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included.
- 7 There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if a census had been conducted, and approximately 19 chances in 20 that the difference will be less than two standard errors.
- **8** Sampling variability can be measured by the relative standard error (RSE) which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and this avoids the need to refer also to the size of the estimate.

9 The table below contains estimates of RSEs for a selection of statistics presented in this publication.

Relative standard errors, key figures

Data item	%
Businesses at end June 1996	
Franchise affiliation	7
Marketing group affiliation	10
Not affiliated	5
Total	3
Employment at end June 1996	
Full-time	3
Part-time	6
Total	3
Staff working solely on commission at end June 1996	7
Income	
Income from sales and leasing commissions	4
Income from property management fees	4
Other income	8
Total	3
Expenses	_
Labour costs	3
Commissions paid to sales staff working solely on commission	6
Other expenses	3
Tetal	3
Operating profit before tax	11
Operating profit margin	10
Industry gross product	. 4
-> < > < 0 < 0 < 0 < 0 < 0 < 0 < 0 < 0 <	

- **10** As an example of the above, the estimate of total employment is 45,956 and the RSE is 3%, giving a standard error of 1,379. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure within the range of 44,577 to 47,335 would have been obtained, and 19 chances in 20 that the figure would have been within the range of 43,198 to 48,714 (a confidence interval of 95%).
- **11** Where the RSE of an estimate included in this publication exceeds 25%, it has been annotated with an asterisk (*) as a warning to users.

NON-SAMPLING ERROR

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

EXPLANATORY NOTES continued

REFERENCE PERIOD

13 Data contained in the tables of this publication relate to all businesses which operated in Australia at any time during the year ended 30 June 1996. Counts of businesses include only those businesses that were operating at 30 June 1996.

BUSINESSES CEASED DURING THE YEAR

14 A very small number of businesses ceased operations during the 1995–96 reference period. It is normal ABS procedure to include the contributions of these businesses in the survey output.

Advertising expenses are those expenses incurred on promotional and publicity Advertising expenses

campaigns relating to the business activities of the organisation, e.g. billboards, business directories, fliers, Yellow Pages, etc. Advertising expenses excludes

amounts recoverable from vendors.

Affiliations Business affiliations are arrangements such as franchises or marketing groups,

> between businesses where one business pays another for the eligibility to use a business name and logo, and for services such as advertising arrangements.

group training schemes and group referral systems.

Businesses at end June This is a count of management units operating at the end of June.

Car allowances paid to staff These are payments made by businesses to employees for motor vehicle

> expenses. They are effectively a reimbursement for motor vehicle expenses incurred by employees in using their own vehicle for business purposes.

This includes income from providing advice or training to others, or finding Consulting fees

tenants for properties.

Depreciation and amortisation These are the financial charges made to the accounts to reflect that part of the

value of the asset which may be regarded as having been used up in producing

revenue in a particular accounting period.

Employer contributions to These are the contributions by the employer to superannuation funds, including

superannuation funds the employer productivity contribution.

Employment at end June This item includes full-time and part-time employees, employees absent on paid

or prepaid leave, managerial and executive employees, permanent, temporary and casual employees, working proprietors and partners and working directors of incorporated companies and trusts. The item excludes sales staff working solely

on commission and non-salaried directors.

Franchise fees and This includes payments made under licensing agreements. It excludes royalties expenses

management fees, advertising expenses and marketing/training group fees.

Full-time employees Full-time employees are those working 35 hours or more per week.

Income from conveyancing work This includes the income from the documentation for property transfers by

non-legally qualified conveyancers. (Legally qualified conveyancers are included

in the Legal Services ANZSIC 7841.)

Income from property This includes income from strata management, body corporate management

management fees and provision of building services.

Income from property valuations This includes income from utilising market and other quantitative information to

measure the values of properties for sale or taxation purposes.

Income from sales and Sales and leasing commissions are receipts for selling or leasing land and leasing commissions property on behalf of someone else.

Industry gross product This is a measure of the unduplicated gross product of businesses derived from

the value of sales of goods and services minus selected expenses.

Interest expenses These expenses include interest on bank loans, interest in respect of finance

leases, interest paid on loans from partners, hedging costs and expenses

associated with discounted bills.

Other income

Other operating income

Other selected expenses

Part-time employees

Persons working

Labour costs These include wages and salaries, provision expenses for employee entitlements,

employer contributions to superannuation and workers' compensation costs.

Operating profit before tax This is a measure of profit before extraordinary items are brought to account and (OPBT) prior to the deduction of income tax and appropriations to owners, e.g.

dividends paid.

This is the percentage of sales of goods and services available as operating profit, Operating profit margin i.e. OPBT times 100 divided by sales of goods and services.

> This item includes rent, leasing and hiring income, consulting fees, income from property valuations, income from conveyancing work, income from franchise fees and royalties, interest income and other operating and non-operating income.

Other non-operating income This item includes net profit (loss) on the sale of fixed tangible assets, dividend income, net profit (loss) on share trading, and net profit (loss) on foreign loans as a result of variations in foreign exchange rates/transactions,

> This item includes commissions received on sale of insurance, auctioneering fees (other than real estate), funding from Federal, State and Local government and income from franchise fees and royalties.

This includes fringe benefit, payroll and land taxes, bank charges, electricity, gas and water charges, motor vehicle running expenses, postal and courier services, repair and maintenance expenses, audit and other accounting expenses, legal expenses, printing and stationery expenses, payments for staff training services, travelling, accommodation and entertainment expenses, payments for cleaning services, subscriptions to business and professional organisations and waste management and environmental protection expenses.

Part-time employees are those who work less than 35 hours per week.

This includes working proprietors and partners, working directors of incorporated companies and trusts, other employees and sales staff working solely on commission.

This includes those expenses incurred from the rental of land, buildings and other structures, motor vehicles and equipment used by the business.

This is revenue derived from the ownership of land, buildings, vehicles, machinery or equipment rented out for use by those other than the owners.

This includes insurance premiums and bad debts.

This includes income from sales and leasing commissions, income from property management fees, rent, leasing and hiring income, consulting fees, income from property valuations, income from conveyancing work and other operating income.

In addition to the items listed above as 'other selected expenses' this item includes payments to persons working solely on commission, car allowances paid to staff, telecommunication services, rent, leasing and hiring expenses, advertising expenses, franchise fees and royalties.

This includes charges on fixed and mobile phones, facsimiles and leased lines for computers.

Residual costs

Rent, leasing and hiring expenses

Rent, leasing and hiring income

Sales of goods and services

Selected expenses

Telecommunication expenses

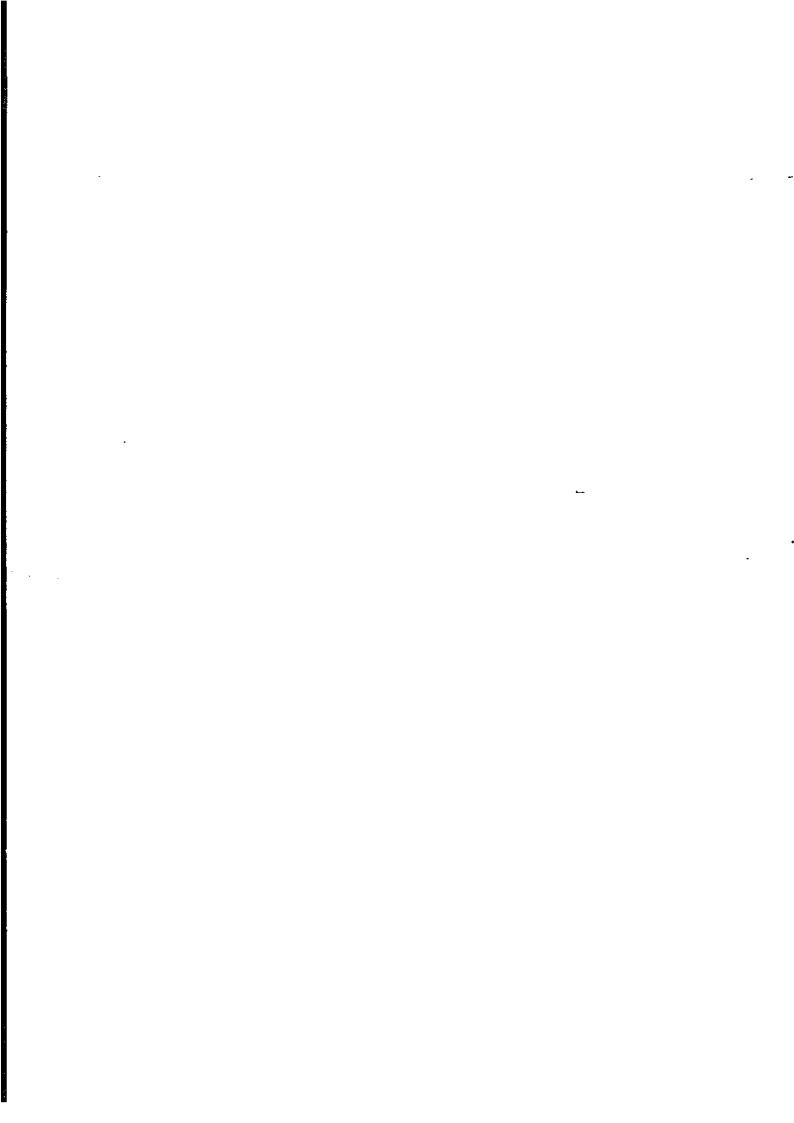
Wages and salaries This:

This item includes severance, termination and redundancy payments and provision expenses for employee entitlements. It also includes commissions paid to staff who receive a retainer. It excludes payments to sales staff working solely on commission and drawings of working proprietors and partners of unincorporated businesses.

Workers' compensation costs

These include insurance premiums/levies and non-payroll costs incurred by a business and not reimbursed by an insurance company.





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