



INFORMATION AND COMMUNICATION TECHNOLOGY

AUSTRALIA

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CONTENTS

	<i>page</i>
Notes	2
List of tables	3
 CHAPTER	
1 Summary of findings	4
2 ICT specialists	8
3 Production, imports and exports of selected ICT goods and services	21
4 Recorded media manufacturing and publishing industry	23
 ADDITIONAL INFORMATION	
Explanatory notes	25
Appendix - Survey changes	30
Technical note - Data quality	31
Glossary	34

INQUIRIES

- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Lesley Scott on Perth (08) 9360 5228.

NOTES

INTRODUCTION

This publication presents results from an Australian Bureau of Statistics survey of Information and Communication Technology (ICT) industries conducted in respect of 2002-03.

The definition of the ICT industry for the purposes of this publication is restricted to the Australian interpretation of the Organisation for Economic Co-operation and Development (OECD) ICT industry definition. Please refer to Explanatory Notes for more information.

COMPARISONS TO PREVIOUS STATISTICS

There have been changes made to the ICT industries survey since it was last conducted in respect of 2000-01. These changes have had an impact on the results of the 2002-03 ICT industries survey and as a consequence data presented in this publication are not directly comparable to those published in previous issues. The most significant of the changes has been the implementation of changes arising from the introduction of The New Tax System (TNTS). For more information, please refer to the Explanatory Notes and the Appendix.

Annual industry data for the ANZSIC classes in scope of ICT industries survey are also published in *Australian Industry* (cat. no. 8155.0) and *Manufacturing Industry, Australia* (cat. no. 8221.0). There are important differences between the statistics in these publications and those in *Information and Communication Technology* and users should exercise caution when making comparisons between these estimates. The 2002-03 editions of *Australian Industry* and *Manufacturing Industry, Australia* are expected to be released in late 2004.

One reason the three sets of estimates vary relates to the use of different industry coding practices. For the *Australian Industry* and *Manufacturing Industry, Australia* publications, businesses are coded to ANZSIC industry classes on the basis of the activity reported to the ATO when they registered for an ABN, or for more complex businesses, information reported directly to the ABS (see paragraph 11 of the Explanatory Notes for more information). On the other hand, ICT Industries presents estimates for industry classes based on detailed income data reported in the survey.

Other differences in results relate to further scope and coverage variations between the three surveys. Non-employed units are included in the scope of the range of statistical collections that contribute to estimates published in *Australian Industry* and the Manufacturing industry collection (from 2001-2002), but are generally excluded from the ICT industries survey.



ABBREVIATIONS

\$m	million dollars
ABS	Australian Bureau of Statistics
ICT	information and communication technology
n.e.c.	not elsewhere classified
RSE	relative standard error

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LIST OF TABLES

page

SUMMARY OF FINDINGS

1.1	Summary of operations by ICT industry grouping by ICT specialists and all businesses	6
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ICT SPECIALISTS

2.1	Employment by type by ICT industry grouping at end June	11
2.2	Sources of income by ICT Manufacturing industry grouping	12
2.3	Sources of income by ICT Wholesale trade industry grouping	13
2.4	Sources of income by ICT Telecommunication services industry grouping	14
2.5	Sources of income by ICT Computer services industry grouping	15
2.6	Operating expenses by ICT industry grouping	16
2.7	Performance indicators by employment size by ICT industry grouping	18
2.8	Selected state and territory indicators by ICT industry grouping	20

PRODUCTION, IMPORTS AND EXPORTS OF ICT GOODS AND SERVICES

3.1	Production, imports and exports of selected ICT goods and services	22
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RECORDED MEDIA MANUFACTURING AND PUBLISHING INDUSTRY

4.1	Recorded media manufacturing and publishing industry, key figures	24
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INTRODUCTION

This publication presents final results for the 2002-03 Information and Communication Technology (ICT) industries survey and predominantly presents statistics for ICT specialist businesses. See Glossary for definition of ICT Specialists.

The 2002-03 ICT industries survey was the first to be conducted following changes made to ABS statistical collections resulting from the introduction of The New Tax System (TNTS). The changes made have had an impact on the results of the ICT industries survey and as a consequence data presented in this publication are not directly comparable to those published in previous issues. Please refer to Explanatory Notes and the Appendix for more information about these changes and the impacts on the ICT industries survey. As a result references are not made in commentary to movements in estimates between 2002-03 and previous periods and time series are not presented in tables.

BUSINESSES

At the end of June 2003, there were 25,516 businesses classified to the ICT industry grouping. Of these 23,950 (94%) were considered to be ICT specialist businesses.

Of these ICT specialist businesses, 18,524 (77%) were in the computer consultancy services industry, 1,831 (8%) in the computer wholesaling industry and 956 (4%) in the telecommunication services industry. The remaining 2,639 (11%) were spread across the other industries surveyed.

EMPLOYMENT

There were 235,696 persons employed in ICT specialist businesses at the end of June 2003. Of these persons, 107,686 (46%) were classed as ICT employees. The computer consultancy industry accounted for 69% of total ICT employees.

The telecommunication services industry grouping had the lowest proportion of ICT employees (15%) and the computer services industry grouping had the highest (74%).

INCOME

During 2002-03, total income for all businesses in the ICT industry grouping was \$89,979.2 million with ICT specialist businesses recording a total income of \$79,893.7 million (89% of total).

By industry grouping, the telecommunication services industry grouping, reporting a total income of \$31,795.8 million, was the highest contributor (40%) to total income for ICT specialists.

ICT specialist businesses had ICT income of \$74,691.6 million which represented over 93% of their total income. The largest contributor to ICT income was the telecommunication services industry grouping (\$29,862.1 million), which accounted for 40% of the total ICT income. The computer wholesaling industry contributed \$16,625.2 million (22%) and the computer consultancy services industry contributed \$15,099.0 million (20%).



OPERATING EXPENSES	<p>Total operating expenses for businesses classified to the ICT industry grouping during 2002-03 were \$83,080.3 million. Of this amount, ICT specialist businesses contributed \$73,421.0 million or just over 88%.</p> <p>For ICT specialist businesses, wages and salaries contributed \$14,447.2 million (20%) to total operating expenses during 2002-03. The proportion of wages and salaries as a component of total operating expenses was the highest for the computer services industry grouping (39%) and the lowest (12%) for the wholesale trade industry grouping.</p>
OPERATING PROFIT	<p>During 2002-03, businesses in the ICT industry grouping generated a total operating profit before tax of \$6,878.7 million with ICT specialist businesses generating a total operating profit before tax of \$6,392.7 million.</p> <p>Of total operating profit before tax for ICT specialist businesses, the majority (over 74%) was generated by the telecommunication services industry grouping. The wholesale trade, computer services and manufacturing industry groupings contributed 14%, 10% and 2% respectively to total operating profit before tax.</p>
CAPITAL EXPENDITURE	<p>Total capital expenditure by businesses in the ICT industry grouping during 2002-03 was \$8175.3 million. ICT specialist businesses represented almost 98% (\$8,003.1 million) of this total.</p> <p>Total capital expenditure by ICT specialist businesses was highest in the telecommunication services industry grouping (\$6,415.7 million or 80% of total). This can be partly attributed to the investment made by telecommunication services businesses in infrastructure related to broadband Internet services.</p>
INDUSTRY VALUE ADDED	<p>During 2002-03, total industry value added for the ICT industry grouping was \$32,147.1 million. ICT specialist businesses had a total industry value added of \$29,875.7 million.</p> <p>The ICT industry grouping making the greatest contribution to industry value added was the telecommunication services industry grouping (\$15,367.1 million) which accounted for 51% of the total.</p>

1.1 SUMMARY OF OPERATIONS, by ICT industry grouping—by ICT specialists and all businesses

	<i>Businesses at end June</i>	<i>Employment at end June</i>	<i>ICT employees at end June</i>	<i>ICT income</i>	<i>Total income</i>
	no.	no.	no.	\$m	\$m
ICT SPECIALISTS					
Manufacturing					
Computer and business machines	233	2 210	802	808.1	825.6
Telecommunication, broadcasting and transceiving equipment	^ 89	4 526	450	891.2	936.8
Electronic equipment n.e.c.	252	3 403	^ 466	627.3	658.2
Electric cable and wire	^ 27	699	12	198.8	221.7
Total manufacturing	602	10 838	1 730	2 525.3	2 642.2
Wholesale trade					
Computers	1 831	29 016	10 506	16 625.2	17 338.1
Business machines	447	6 749	906	1 625.0	2 282.7
Electrical and electronic equipment n.e.c.	807	14 249	5 343	7 937.5	8 842.4
Total wholesale trade	3 085	50 013	16 755	26 187.7	28 463.2
Telecommunication services	956	67 750	9 916	29 862.1	31 795.8
Computer services					
Data processing	^ 204	^ 1 619	*977	^ 167.8	^ 174.9
Information storage and retrieval	^ 58	932	^ 359	210.3	212.1
Computer maintenance	521	4 970	3 516	639.3	671.0
Computer consultancy	18 524	99 574	74 434	15 099.0	15 934.5
Total computer services	19 307	107 094	79 286	16 116.4	16 992.5
Total	23 950	235 696	107 686	74 691.6	79 893.7

ALL BUSINESSES

Manufacturing					
Computer and business machines	na	na	na	na	na
Telecommunication, broadcasting and transceiving equipment	na	na	na	na	na
Electronic equipment n.e.c.	na	na	na	na	na
Electric cable and wire	na	na	na	na	na
Total manufacturing	735	17 152	2 597	2 567.3	4 392.3
Wholesale trade					
Computers	1 831	29 016	10 506	16 625.2	17 338.1
Business machines	683	9 254	1 156	1 768.9	2 885.4
Electrical and electronic equipment n.e.c.	2 005	34 156	6 280	8 201.4	16 575.2
Total wholesale trade	4 519	72 427	17 942	26 595.5	36 798.6
Telecommunication services	956	67 750	9 916	29 862.1	31 795.8
Computer services					
Data processing	^ 204	^ 1 619	*977	^ 167.8	^ 174.9
Information storage and retrieval	^ 58	932	^ 359	210.3	212.1
Computer maintenance	521	4 970	3 516	639.3	671.0
Computer consultancy	18 524	99 574	74 434	15 099.0	15 934.5
Total computer services	19 307	107 094	79 286	16 116.4	16 992.5
Total	25 516	264 423	109 741	75 141.3	89 979.2

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

na not available

1.1SUMMARY OF OPERATIONS, by ICT industry grouping—by ICT specialists and all businesses *continued*

	Wages and salaries	Total expenses	Operating profit before tax	Capital expenditure	Industry value added
	\$m	\$m	\$m	\$m	\$m
ICT SPECIALISTS					
Manufacturing					
Computer and business machines	103.1	759.3	45.6	31.4	182.9
Telecommunication, broadcasting and transceiving equipment	303.5	876.6	np	114.4	431.8
Electronic equipment n.e.c.	134.2	624.7	^ 33.1	11.5	216.7
Electric cable and wire	39.1	216.0	np	4.9	44.0
Total manufacturing	579.8	2 476.6	^ 107.6	162.3	875.3
Wholesale trade					
Computers	1 988.3	16 918.8	553.0	*307.7	2 899.1
Business machines	363.7	2 181.9	95.9	44.3	542.7
Electrical and electronic equipment n.e.c.	1 048.8	8 545.8	^ 250.4	^ 133.6	1 489.7
Total wholesale trade	3 400.8	27 646.5	899.4	^ 485.5	4 931.5
Telecommunication services	4 040.7	26 955.4	4 766.0	6 415.7	15 367.1
Computer services					
Data processing	^ 72.5	^ 164.7	*10.0	np	^ 105.7
Information storage and retrieval	56.0	206.7	np	np	80.8
Computer maintenance	235.5	662.4	np	34.6	326.4
Computer consultancy	6 061.8	15 308.7	^ 585.6	^ 819.3	8 188.8
Total computer services	6 425.9	16 342.5	^ 619.8	^ 939.6	8 701.7
Total	14 447.2	73 421.0	6 392.7	8 003.1	29 875.7

ALL BUSINESSES

Manufacturing					
Computer and business machines	na	na	na	na	na
Telecommunication, broadcasting and transceiving equipment	na	na	na	na	na
Electronic equipment n.e.c.	na	na	na	na	na
Electric cable and wire	na	na	na	na	na
Total manufacturing	982.7	4 150.2	187.5	238.3	1 476.7
Wholesale trade					
Computers	1 988.3	16 918.8	553.0	*307.7	2 899.1
Business machines	469.5	2 751.7	124.9	51.8	665.5
Electrical and electronic equipment n.e.c.	1 956.2	15 961.7	627.5	222.2	3 037.0
Total wholesale trade	4 413.9	35 632.2	1 305.5	^ 581.6	6 601.6
Telecommunication services	4 040.7	26 955.4	4 766.0	6 415.7	15 367.1
Computer services					
Data processing	^ 72.5	^ 164.7	*10.0	np	^ 105.7
Information storage and retrieval	56.0	206.7	np	np	80.8
Computer maintenance	235.5	662.4	np	34.6	326.4
Computer consultancy	6 061.8	15 308.7	^ 585.6	^ 819.3	8 188.8
Total computer services	6 425.9	16 342.5	^ 619.8	^ 939.6	8 701.7
Total	15 863.1	83 080.3	6 878.7	8 175.3	32 147.1

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

na not available

np not available for publication but included in totals where

* estimate has a relative standard error of 25% to 50% and should be used with caution

applicable, unless otherwise indicated

INTRODUCTION

This chapter presents information about businesses which were ICT specialists. ICT specialist businesses are defined as businesses which derive 50% or more of their total income from ICT goods and services. The exception to this rule is employing businesses who fall into certain classes of the Australian and New Zealand Standard Industrial Classification (ANZSIC). Businesses who fall into these classes are regarded as ICT specialists regardless of their income. For further information on these classes please refer to the definition of ICT specialists in the Glossary.

EMPLOYMENT

There were 235,696 persons employed in ICT specialist businesses at the end of June 2003. Males accounted for 68% (159,528 persons) of total employment with the wholesale trade industry grouping having the highest proportion of male employees (70%) and the telecommunications services industry grouping the lowest (65%).

Of the persons employed in ICT specialist businesses at the end of June 2003, 46% (107,686) were ICT employees. The computer services industry grouping had the highest proportion of ICT employees (74%) whilst the telecommunication services industry had the lowest (15%).

Within ICT specialist businesses, males comprised 76% (81,764 persons) of total ICT employment. Of males employed in ICT specialist businesses, 51% were ICT employees, in contrast, only 34% of females were ICT employees.

SOURCES OF INCOME

Total income for ICT specialists in the manufacturing industry grouping was \$2,642.2 million in 2002-03; 95% (\$2,505.6 million) of this income came from goods produced for sale. The largest component of this was income from sales of office, accounting and computing equipment (\$812.2 million), of which the majority (\$538.5 million) was from sales of personal computers. Radio, television and communication equipment and apparatus comprised 32% (\$805.0 million) of production income.

Total income for ICT specialists in the wholesale trade industry grouping was \$28,463.2 million in 2002-03. The major sources of this income were from the following sales of goods purchased for re-sale: computer hardware, parts, components and consumables (\$12,353.9 million), communications hardware, parts, components and consumables (\$5,391.6 million) and selected electronic equipment, parts, components and consumables (\$2,960.1 million).

Total income for ICT specialists in the telecommunication services industry grouping was \$31,795.8 million in 2002-03. The largest income sources for telecommunication services were the provision of basic telephony services (\$10,946.3 million), mobile and paging services (\$8,154.3 million) and Internet services (\$2,183.0 million).

SOURCES OF INCOME

continued

Total income for ICT specialists in the computer services industry grouping was \$16,992.5 million in 2002–03. The main components of this income were from the provision of customised software services and solutions (\$3,959.3 million) and provision of other computer consultancy services (\$4,265.7 million).

EXPENSES

In 2002–03, operating expenses for ICT specialist businesses totalled \$73,421.0 million. The industry groupings contributing most to total ICT specialist expenses in 2002–03 were wholesale trade (\$27,646.5 million or 38%), telecommunication services (\$26,955.4 million or 37%), and computer services (\$16,342.5 million or 22%).

Purchases were the highest single expense at (\$25,623.9 million), accounting for 35% of total expenses. Purchases accounted for 55% (\$1,371.8 million) of the manufacturing industry grouping and 70% (\$19,464.6 million) of the wholesale trade industry grouping total expenses. For the telecommunication services industry grouping, telecommunication services were largest expense (\$6,949.1 million). In the computer services industry grouping labour costs (\$7,493.2 million) were the largest expense.

Labour costs at \$16,630.7 million comprised 23% of total expenses. These costs comprised 46% of the computer services industry grouping total expenses whilst in the wholesale trade industry grouping labour costs accounted for 14% (\$3,981.1 million) of expenses.

PERFORMANCE MEASURES

During 2002–03, ICT specialist businesses generated a total operating profit before tax of \$6,392.7 million. The telecommunication services industry grouping contributed \$4,766.0 million to operating profit before tax, while the manufacturing industry grouping contributed just \$107.6 million.

Overall, operating profit margin in 2002–03 was 8%. The telecommunication services industry grouping had the highest operating profit margin (15%) whilst the wholesale trade industry grouping had the lowest (3.2%).

OPERATING PROFIT MARGIN BY ICT INDUSTRY GROUPING

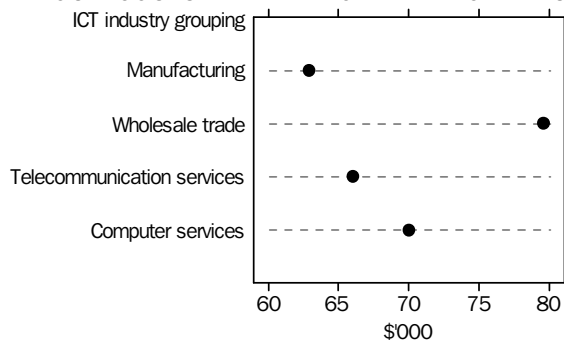


Labour costs as a proportion of total expenses were highest for businesses with 0–4 persons employed (42%) and lowest for businesses with 100 or more persons employed (20%). Overall, labour costs per employee were \$70,600 for ICT specialist businesses, with these costs varying from \$44,300 for businesses with 0–4 persons employed to \$80,600 for businesses with 100 persons or more.

PERFORMANCE
MEASURES *continued*

The highest labour costs per employee were in the ICT wholesale trade industry grouping (\$79,600 per employee) and the lowest were in the ICT manufacturing industry grouping (\$62,900 per employee).

LABOUR COSTS PER EMPLOYEE BY ICT INDUSTRY GROUPING



BUSINESS SIZE

In 2002–03, very small businesses (those employing 0–4 persons) made up 79% (18,924) of the 23,950 ICT specialist businesses. However, these businesses accounted for only 15% of employment and 5% of total income. Very small computer services businesses accounted for 86% (16,377) of all very small ICT specialist businesses.

There were 188 ICT specialist businesses with employment of 100 persons or more, accounting for less than 1% of all ICT specialist businesses. These large businesses accounted for 55% of employment and 72% of total income. The operating profit margin for these large businesses was 10%.

STATE AND TERRITORY
DIMENSION

New South Wales had the largest number of ICT specialist businesses in 2002–03. There were 10,554 of these businesses operating in New South Wales (44% of all ICT specialist businesses), which accounted for 41% of all employment and 45% of wages and salaries within all ICT industry groupings.

Victoria, with 7,432 ICT specialist businesses, made the second largest contribution to employment and wages and salaries and, together with New South Wales, accounted for 75% of businesses, 70% of employment and 74% of wages and salaries.

2.1**EMPLOYMENT, by type—by ICT industry grouping—at end June**

	MALES		FEMALES		PERSONS	
	<i>Employment at end June</i>	<i>Proportion of employment</i>	<i>Employment at end June</i>	<i>Proportion of employment</i>	<i>Employment at end June</i>	<i>Proportion of employment</i>
	no.	%	no.	%	no.	%
MANUFACTURING						
ICT employees	1 527	20.3	^ 203	6.1	1 730	16.0
Other employees	6 008	79.7	3 087	93.7	9 095	83.9
Total(a)	7 542	100.0	3 296	100.0	10 838	100.0
WHOLESALE TRADE						
ICT employees	13 424	38.4	3 331	22.2	16 755	33.5
Other employees	21 573	61.6	11 677	77.8	33 250	66.5
Total(a)	35 001	100.0	15 013	100.0	50 013	100.0
TELECOMMUNICATION SERVICES						
ICT employees	8 135	18.3	1 781	7.6	9 916	14.6
Other employees	36 207	81.7	21 627	92.4	57 834	85.4
Total(a)	44 342	100.0	23 408	100.0	67 750	100.0
COMPUTER SERVICES						
ICT employees	58 678	80.8	20 608	59.8	79 286	74.0
Other employees	13 954	19.2	13 823	40.1	27 777	25.9
Total(a)	72 643	100.0	34 451	100.0	107 094	100.0
TOTAL						
ICT employees	81 764	51.3	25 922	34.0	107 686	45.7
Other employees	77 742	48.7	50 214	65.9	127 956	54.3
Total(a)	159 528	100.0	76 168	100.0	235 696	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

(a) Includes working proprietors and partners of unincorporated businesses.

2.2 SOURCES OF INCOME, by ICT Manufacturing industry grouping

	<i>Businesses at end June(a)</i>	<i>Income</i>	<i>Proportion of total Income</i>
	no.	\$m	%
.....			
Total income from sales of ICT goods produced			
Office, accounting and computing equipment			
Multiple-user computers	*10	*23.0	*0.9
Personal computers	^59	538.5	20.4
Computer peripherals and consumables	*146	^84.1	^3.2
Other computer parts and accessories	**37	126.4	4.8
Other office electronic equipment	*24	*40.1	*1.5
<i>Total office, accounting and computing equipment</i>	^247	812.2	30.7
Radio, television and communication equipment and apparatus			
Telephone and telegraphic equipment	^13	^81.4	^3.1
Radio broadcast studio equipment, television studio equipment, television or radio transmitters and radio transceivers	*23	^212.1	^8.0
Parts for radio, television and communication equipment	^29	305.6	11.6
<i>Total radio, television and communication equipment and apparatus</i>	^109	805.0	30.5
Other electronic equipment	278	659.5	25.0
Communications cable and wire	^48	190.1	7.2
<i>Total income from sales of ICT goods produced</i>	592	2 466.9	93.4
Income from sales of other goods produced	^10	38.7	1.5
<i>Total income from sales of goods produced</i>	592	2 505.6	94.8
Total income from sales of goods not produced			
ICT goods	*39	^33.0	^1.2
Other goods	^34	14.8	0.6
<i>Total total income from sales of goods not produced</i>	^66	^47.8	^1.8
<i>Total income from Sales of Goods</i>	592	2 553.4	96.6
Income from provision of computer services	*69	^20.3	^0.8
Income from provision of telecommunication services	*12	np	np
Interest income	^138	np	np
Other income	^180	53.9	2.0
Total	602	2 642.2	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Businesses may have more than one source of income. Hence, counts of businesses for each income source do not sum to the total.

2.3 SOURCES OF INCOME, by ICT Wholesale trade industry grouping

	<i>Businesses at end June(a)</i>	<i>Income</i>	<i>Proportion of total income</i>
	no.	\$m	%
<i>Income from sales of goods purchased for resale</i>			
Computer hardware, parts components and consumables	1 612	12 353.9	43.4
Communications hardware, parts, components and consumables	811	5 391.6	18.9
Packaged software (including licence fees)	^ 948	2 571.0	9.0
Selected electronic equipment, parts, components and consumables	794	2 960.1	10.4
Other goods	* 461	1 155.2	4.1
<i>Total income from sales of goods purchased for resale</i>	<i>3 073</i>	<i>24 431.7</i>	<i>85.8</i>
<i>Income from sales of goods produced</i>			
ICT goods	* 296	^ 376.5	^ 1.3
Other goods	** 165	15.6	0.1
<i>Total income from sales of goods produced</i>	<i>* 296</i>	<i>^ 392.2</i>	<i>^ 1.4</i>
Income from provision of computer services	^ 887	1 954.5	6.9
Income from provision of telecommunication services	^ 224	450.2	1.6
Interest income	807	105.3	0.4
Other income	^ 1 094	1 129.4	4.0
Total	3 085	28 463.2	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) Businesses may have more than one source of income. Hence, counts of businesses for each income source do not sum to the total.

2.4 SOURCES OF INCOME, by ICT Telecommunication services industry grouping

	<i>Businesses at end June(a)</i>	<i>Income</i>	<i>Proportion of total Income</i>
	no.	\$m	%
Income from provision of telecommunication services			
Income from provision of basic telephony services	^ 239	10 946.3	34.4
Income from provision of mobile and paging services (excluding sales of mobile handsets)			
Short messaging services (SMS)	^ 41	817.9	2.6
Other mobile and paging services	^ 38	7 336.4	23.1
<i>Total income from provision of mobile and paging services (excluding sales of mobile handsets)</i>	^ 61	8 154.3	25.6
Income from provision of data and text services	^ 69	2 654.6	8.3
Income from provision of Internet services			
Broadband Internet services	^ 292	^ 623.0	^ 2.0
Other Internet services	355	1 560.0	4.9
<i>Total income from provision of Internet services</i>	516	2 183.0	6.9
Income from provision of other telecommunication services			
Intercarrier charges, leased lines and other infrastructure, and sales of capacity to other telecommunication operators	*54	1 827.8	5.7
Satellite services	^ 52	^ 396.8	^ 1.2
Other	^ 131	2 616.1	8.2
<i>Total income from provision of other telecommunication services</i>	^ 221	4 840.7	15.2
<i>Total income from provision of telecommunication services</i>	915	28 778.9	90.5
Income from provision of computer services	^ 170	125.1	0.4
Income from sales of goods			
ICT goods	^ 216	954.6	3.0
Other goods	*96	75.8	0.2
<i>Total income from sales of goods</i>	^ 258	1 030.5	3.2
Interest income	297	141.4	0.4
Other income	^ 240	1 719.9	5.4
Total	956	31 795.8	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) Businesses may have more than one source of income. Hence, the counts of businesses for each income source do not sum to the total.

2.5**SOURCES OF INCOME, by ICT Computer services industry grouping**

	<i>Businesses at end June(a)</i>	<i>Income</i>	<i>Proportion of total Income</i>
	no.	\$m	%
Income from provision of computer services			
Customised software services and solutions			
Web site design	^ 2 483	^ 418.6	^ 2.5
Other internet applications	^ 1 887	* 401.1	* 2.4
Other customised software services	8 014	3 139.7	18.5
<i>Total customised software services and solutions</i>	9 720	3 959.3	23.3
Software maintenance services	^ 6 663	1 764.2	10.4
Other computer consultancy services	9 898	4 265.7	25.1
Hardware installation, repair and maintenance services	^ 2 531	714.6	4.2
Data processing services	* 889	1 190.6	7.0
Information storage and retrieval services	** 569	190.5	1.1
Other computer services	^ 1 587	1 714.2	10.1
<i>Total income from provision of computer services</i>	19 012	13 799.1	81.2
Income from provision of telecommunication services	* 401	^ 97.1	^ 0.6
Income from sales of goods			
ICT goods			
Computer and communications hardware	^ 2 526	1 477.4	8.7
Packaged software (including licence fees)	^ 2 698	735.7	4.3
<i>Total ICT goods</i>	^ 4 002	2 213.1	13.0
Other goods	* 938	^ 142.2	^ 0.8
<i>Total income from sales of goods</i>	^ 4 596	2 355.3	13.9
Interest income	^ 3 851	^ 102.2	^ 0.6
Other income	^ 3 836	638.7	3.8
Total	19 307	16 992.5	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

(a) Businesses may have more than one source of income. Hence, the counts of businesses for each income source do not sum to the total.

2.6 OPERATING EXPENSES, by ICT industry grouping

	MANUFACTURING		WHOLESALE TRADE		TELECOMMUNICATION SERVICES	
	<i>Proportion of total expenses</i>		<i>Proportion of total expenses</i>		<i>Proportion of total expenses</i>	
	<i>Expenditure</i>	<i>Expenditure</i>	<i>Expenditure</i>	<i>Expenditure</i>	<i>Expenditure</i>	<i>Expenditure</i>
	\$m	%	\$m	%	\$m	%
Labour costs						
Wages and salaries	579.8	23.4	3 400.8	12.3	4 040.7	15.0
Employer contributions into superannuation	55.3	2.2	295.7	1.1	154.2	0.6
Workers' compensation premiums/costs	9.3	0.4	^ 37.2	^ 0.1	29.6	0.1
Fringe benefits tax	3.9	0.2	81.2	0.3	32.6	0.1
Payroll tax	33.4	1.3	166.2	0.6	217.5	0.8
Total labour costs	681.8	27.5	3 981.1	14.4	4 474.5	16.6
Purchases						
Finished goods for resale						
Information and communication technology hardware	*90.0	*3.6	10 875.5	39.3	1 879.5	7.0
Packaged computer software	*0.8	*—	1 456.7	5.3	*1.0	*—
Other finished goods for resale	*64.6	*2.6	6 683.6	24.2	^ 167.3	^ 0.6
Total finished goods for resale	^ 155.5	^ 6.3	19 015.9	68.8	2 047.8	7.6
Materials, components, containers, packaging materials, electricity, fuels and water						
	1 216.3	49.1	448.7	1.6	328.3	1.2
Total purchases	1 371.8	55.4	19 464.6	70.4	2 376.1	8.8
Other expenses						
Payments to employment agencies for staff	19.9	0.8	83.5	0.3	179.2	0.7
Payments to contractors and consultants for computing and communication services	np	np	257.8	0.9	np	np
Telecommunication services	14.7	0.6	205.0	0.7	6 949.1	25.8
Depreciation and amortisation	75.2	3.0	319.8	1.2	5 180.5	19.2
Interest expenses	18.2	0.7	84.6	0.3	1 360.2	5.0
Insurance premiums	10.9	0.4	62.9	0.2	33.2	0.1
Bad and doubtful debts	5.8	0.2	52.2	0.2	373.2	1.4
Other operating expenses	np	np	3 135.1	11.3	np	np
Total other expenses	423.0	17.1	4 200.9	15.2	20 104.8	74.6
Total	2 476.6	100.0	27 646.5	100.0	26 955.4	100.0

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* estimate has a relative standard error of 25% to 50% and should be used with caution

— nil or rounded to zero (including null cells)

np not available for publication but included in totals where applicable, unless otherwise indicated

2.6 OPERATING EXPENSES, by ICT industry grouping *continued*

	COMPUTER SERVICES		TOTAL	
	Expenditure	Proportion	Expenditure	Proportion
		of total		of total
	\$m	%	\$m	%
Labour costs				
Wages and salaries	6 425.9	39.3	14 447.2	19.7
Employer contributions into superannuation	650.9	4.0	1 156.1	1.6
Workers' compensation premiums/costs	45.5	0.3	121.6	0.2
Fringe benefits tax	88.2	0.5	206.0	0.3
Payroll tax	282.8	1.7	699.9	1.0
Total labour costs	7 493.2	45.9	16 630.7	22.7
Purchases				
Finished goods for resale				
Information and communication technology hardware	1 460.2	8.9	14 305.2	19.5
Packaged computer software	425.2	2.6	1 883.8	2.6
Other finished goods for resale	173.8	1.1	7 089.4	9.7
Total finished goods for resale	2 059.3	12.6	23 278.5	31.7
Materials, components, containers, packaging materials, electricity, fuels and water				
	352.2	2.2	2 345.4	3.2
Total purchases	2 411.5	14.8	25 623.9	34.9
Other expenses				
Payments to employment agencies for staff	^ 79.7	^ 0.5	362.3	0.5
Payments to contractors and consultants for computing and communication services	1 158.1	7.1	3 339.2	4.5
Telecommunication services	504.3	3.1	7 673.0	10.5
Depreciation and amortisation	766.3	4.7	6 341.9	8.6
Interest expenses	95.1	0.6	1 558.1	2.1
Insurance premiums	78.7	0.5	185.7	0.3
Bad and doubtful debts	59.9	0.4	491.1	0.7
Other operating expenses	3 695.7	22.6	11 215.2	15.3
Total other expenses	6 437.8	39.4	31 166.5	42.4
Total	16 342.5	100.0	73 421.0	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

2.7 PERFORMANCE INDICATORS, by employment size—by ICT industry grouping

EMPLOYMENT SIZE

	0-4 persons	5-19 persons	20-99 persons	100 or more persons	Total
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MANUFACTURING

Businesses at end June	no.	^ 321	^ 189	78	14	602
Employment at end June	no.	^ 700	^ 1 531	2 968	5 638	10 838
Total income	\$m	^ 81.9	^ 220.9	901.9	1 437.6	2 642.2
Total expenses	\$m	^ 78.6	215.9	829.1	1 352.9	2 476.6
Operating profit before tax	\$m	**2.5	**-18.9	^ 61.6	62.5	^ 107.6
Industry value added	\$m	^ 30.4	^ 64.5	241.2	539.2	875.3
Labour costs	\$m	^ 23.0	^ 71.7	154.7	432.4	681.8
Earnings before interest and tax	\$m	**3.1	**-17.0	^ 65.9	73.8	^ 125.8
Income per person employed	\$'000	116.9	^ 144.3	303.8	255.0	243.8
Labour costs per employee	\$'000	32.9	46.8	52.1	76.7	62.9
Labour costs to total expenses	%	29.3	33.2	18.7	32.0	27.5
Operating profit before tax per person employed	\$'000	**3.6	** -12.4	^ 20.7	11.1	^ 9.9
Profit margin	%	**3.1	** -8.6	^ 6.8	4.3	^ 4.1

WHOLESALE TRADE

Businesses at end June	no.	1 663	1 090	269	63	3 085
Employment at end June	no.	3 976	9 603	10 340	26 095	50 013
Total income	\$m	^ 1 121.9	^ 3 171.5	6 524.8	17 645.0	28 463.2
Total expenses	\$m	^ 1 111.3	^ 3 069.9	6 352.3	17 113.1	27 646.5
Operating profit before tax	\$m	np	*125.2	np	np	899.4
Industry value added	\$m	^ 197.6	617.6	910.2	3 206.1	4 931.5
Labour costs	\$m	174.3	471.0	736.9	2 598.9	3 981.1
Earnings before interest and tax	\$m	np	*135.0	np	np	983.9
Income per person employed	\$'000	282.2	^ 330.3	631.0	676.2	569.1
Labour costs per employee	\$'000	43.8	49.1	71.3	99.6	79.6
Labour costs to total expenses	%	15.7	^ 15.3	11.6	15.2	14.4
Operating profit before tax per person employed	\$'000	np	*13.0	np	np	18.0
Profit margin	%	**0.6	^ 3.9	^ 3.2	3.2	3.2

TELECOMMUNICATION SERVICES

Businesses at end June	no.	563	^ 270	^ 84	39	956
Employment at end June	no.	1 158	^ 2 657	^ 3 132	60 803	67 750
Total income	\$m	^ 338.8	^ 766.4	923.2	29 767.4	31 795.8
Total expenses	\$m	^ 329.6	^ 820.4	^ 921.0	24 884.4	26 955.4
Operating profit before tax	\$m	np	np	np	np	4 766.0
Industry value added	\$m	^ 100.2	*197.9	212.5	14 856.4	15 367.1
Labour costs	\$m	^ 52.0	^ 192.5	^ 192.0	4 038.1	4 474.5
Earnings before interest and tax	\$m	np	np	np	np	6 126.2
Income per person employed	\$'000	^ 292.7	^ 288.5	^ 294.7	489.6	469.3
Labour costs per employee	\$'000	45.0	^ 72.4	61.3	66.4	66.0
Labour costs to total expenses	%	^ 15.8	23.5	20.8	16.2	16.6
Operating profit before tax per person employed	\$'000	np	np	np	np	70.3
Profit margin	%	*2.8	** -6.7	**—	16.2	15.0

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2.7 PERFORMANCE INDICATORS, by employment size—by ICT industry grouping

continued

EMPLOYMENT SIZE

		0-4 persons	5-19 persons	20-99 persons	100 or more persons	Total
COMPUTER SERVICES						
Businesses at end June	no.	16 377	^ 2 378	480	72	19 307
Employment at end June	no.	30 401	^ 21 799	17 433	37 461	107 094
Total income	\$m	2 667.6	2 608.1	2 903.6	8 813.2	16 992.5
Total expenses	\$m	2 329.8	2 716.7	2 793.2	8 502.8	16 342.5
Operating profit before tax	\$m	*339.5	np	np	284.2	^ 619.8
Industry value added	\$m	1 719.6	1 340.3	1 601.2	4 040.6	8 701.7
Labour costs	\$m	1 357.5	1 313.2	1 410.4	3 412.1	7 493.2
Earnings before interest and tax	\$m	*357.5	np	np	327.4	^ 714.8
Income per person employed	\$'000	87.7	119.6	166.6	235.3	158.7
Labour costs per employee	\$'000	44.7	60.2	80.9	91.1	70.0
Labour costs to total expenses	%	58.3	48.3	50.5	40.1	45.9
Operating profit before tax per person employed	\$'000	*11.2	np	np	7.6	^ 5.8
Profit margin	%	*12.7	** -4.2	*3.6	3.2	^ 3.6

TOTAL

Businesses at end June	no.	18 924	3 928	911	188	23 950
Employment at end June	no.	36 235	35 590	33 874	129 997	235 696
Total income	\$m	4 210.2	6 766.9	11 253.4	57 663.2	79 893.7
Total expenses	\$m	3 849.3	6 822.9	10 895.6	51 853.1	73 421.0
Operating profit before tax	\$m	*358.0	np	^ 378.1	np	6 392.7
Industry value added	\$m	2 047.8	2 220.4	2 965.0	22 642.4	29 875.7
Labour costs	\$m	1 606.9	2 048.4	2 493.9	10 481.5	16 630.7
Earnings before interest and tax	\$m	*385.3	np	^ 416.0	np	7 950.8
Income per person employed	\$'000	116.2	190.1	332.2	443.6	339.0
Labour costs per employee	\$'000	44.3	57.6	73.6	80.6	70.6
Labour costs to total expenses	%	41.7	30.0	22.9	20.2	22.7
Operating profit before tax per person employed	\$'000	*9.9	np	^ 11.2	np	27.1
Profit margin	%	*8.5	** -0.8	^ 3.4	9.9	8.0

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2.8

SELECTED STATE AND TERRITORY INDICATORS, by ICT Industry grouping

		Manufacturing	Wholesale trade	Telecommunication services	Computer services	Total
Businesses at end June(a)						
New South Wales	no.	^ 231	1 446	463	8 415	10 554
Victoria	no.	^ 170	943	276	6 042	7 432
Queensland	no.	^ 169	687	^ 143	2 339	3 339
South Australia	no.	45	253	48	869	1 215
Western Australia	no.	^ 46	343	^ 101	1 260	1 750
Tasmania	no.	^ 6	52	*56	^ 156	270
Northern Territory	no.	4	25	^ 9	^ 76	^ 114
Australian Capital Territory	no.	10	87	32	^ 922	1 051
Australia	no.	602	3 085	956	19 307	23 950
Wages and salaries						
New South Wales	\$m	198.5	1 667.2	1 712.5	2 926.3	6 504.5
Victoria	\$m	157.8	1 033.5	1 125.4	1 894.1	4 210.7
Queensland	\$m	43.3	310.6	498.1	501.4	1 353.4
South Australia	\$m	131.5	134.8	229.8	369.4	865.6
Western Australia	\$m	28.8	170.7	253.1	335.8	788.3
Tasmania	\$m	np	11.1	np	^ 26.0	^ 147.3
Northern Territory	\$m	np	9.9	np	^ 25.2	64.0
Australian Capital Territory	\$m	np	63.1	np	347.7	513.4
Australia	\$m	579.8	3 400.8	4 040.7	6 425.9	14 447.2
Employment at end June						
New South Wales	no.	3 659	22 304	25 860	43 893	95 715
Victoria	no.	2 577	14 591	20 002	32 601	69 770
Queensland	no.	1 113	6 043	8 933	10 399	26 487
South Australia	no.	2 427	^ 2 536	4 506	7 111	16 581
Western Australia	no.	652	3 249	4 680	6 381	14 961
Tasmania	no.	^ 16	321	^ 1 778	^ 732	2 847
Northern Territory	no.	np	247	np	^ 544	1 281
Australian Capital Territory	no.	np	724	np	5 434	8 054
Australia	no.	10 838	50 013	67 750	107 094	235 696

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

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

CHAPTER 3

PRODUCTION, IMPORTS AND EXPORTS OF SELECTED ICT GOODS AND SERVICES

INTRODUCTION

This chapter compares, for 2002–03, income from production of ICT goods and services from this survey with imports and exports data compiled from other sources. These sources comprise information submitted by exporters, importers or their agents to the Australian Customs Service and the ABS Survey of International Trade in Services. Income from domestic production relates to all businesses in the industries generally included in the definition of ICT, together with businesses in the recorded media manufacturing and publishing industry.

It should be noted that the imports and exports details presented in this publication include amounts for re-exports, which are goods imported into Australia and subsequently exported in the same condition, or after undergoing minor operations which leave them essentially unchanged. The value of re-exports are also included in table 3.1 for reference.

SUMMARY

Total income from the production of ICT goods and services was \$48,778.5 million in 2002–03. Exports (including re-exports) of ICT goods and services totalled \$4,646.3 million in 2002–03 and imports of ICT goods and services were valued at \$15,135.9 million. This represents a trade deficit for ICT goods and services of \$10,489.6 million.

Imports of ICT goods during 2002–03 totalled \$12,293.0 million and mainly comprised \$3,435.7 million of radio, television and communication equipment and apparatus, \$2,384.4 million of computer parts, consumables and accessories, \$2,219.6 million of computer peripherals and \$2,105.8 million of computers and personal computers.

Exports of ICT goods were valued at \$2,329.4 million and mainly comprised \$890.8 million of computer parts, consumables and accessories and \$496.3 million of radio, television and other communication equipment and apparatus.

3.1 PRODUCTION, IMPORTS AND EXPORTS OF SELECTED ICT GOODS AND SERVICES

	Production(a)	Imports (custom value)(b)	Exports (f.o.b.)(b)(c)	Re-exports (f.o.b.)(b)
	\$m	\$m	\$m	\$m
.....				
Computer and communications hardware, equipment and cables				
Computers and personal computers	561.6	2 105.8	232.1	169.1
Computer peripherals	41.4	2 219.6	129.0	104.3
Computer parts, consumables and accessories	169.1	2 384.4	890.8	728.0
Other office electronic equipment	*40.1	422.9	85.3	38.3
Radio, television and communication equipment and apparatus(d)	805.0	3 435.7	496.3	195.8
Other electronic equipment(e)	659.5	1 602.5	340.7	124.0
Communications cable and wire	201.7	122.1	155.2	13.9
Unspecified computer and communications hardware, equipment and cables etc.	^ 455.4	na	na	na
<i>Total computer and communications hardware, equipment and cables</i>	2 933.8	12 293.0	2 329.4	1 373.4
Packaged software and associated licensing	537.8	506.8	162.9	5.2
Income from provision of computer services	15 974.7	929.0	1 071.0	na
Income from provision of telecommunication services	29 332.3	1 407.0	1 083.0	na
Total	48 778.5	15 135.9	4 646.3	1 378.6

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

na not available

(a) Includes data for Recorded media manufacturing and publishing industry (ANZSIC class 2430).

(b) Import, export and re-export data are compiled by the ABS from information submitted by importers, exporters or their agents to the Australian Customs Service.

(c) Exports include exports of Australian commodities and re-exports of goods of foreign origin.

(d) Includes mobile communications.

(e) Video game consoles of a kind used with a television receiver with Internet access capacity, is included in the production figures but excluded from imports, exports and re-exports.

INTRODUCTION

The recorded media manufacturing and publishing industry (ANZSIC class 2430) is not included in the main part of this publication as it does not form part of the international definition of industries which specialise in ICT activity. Because the industry has significant income from sales and licensing of packaged software (i.e. ICT activity) in Australia, selected statistics about this industry are presented in this chapter. Details for this industry are also included in Table 3.1 which provides a comprehensive picture of production of ICT.

Annual industry data for this ANZSIC class are also published in *Manufacturing Industry, Australia* (cat. no. 8221.0). There are important differences between the statistics in this publication and those in *Manufacturing Industry, Australia* and users should exercise caution when making comparisons between the two sets of estimates. See paragraphs 23-26 of the Explanatory Notes for more detail.

SUMMARY

At the end of June 2003, there were 105 businesses employing 2,457 persons, in the recorded media manufacturing and publishing industry; 86 (82%) of these businesses were ICT specialist businesses.

In 2002-03 total income for ICT specialist businesses in the industry was \$300.4 million. The majority of this income, \$214.0 million (71%), was generated from the sale and licensing of packaged software.

Total expenses for ICT specialist businesses in the industry in 2002-03 were \$245.7 million. Purchases (\$94.8 million or 39%) were the largest expense item followed by other expenses (\$79.8 million or 32%) and labour costs (\$71.1 million or 29%).

For all businesses total income from sales and licensing of packaged software produced comprised 36% (\$225.5 million) of the total sales of goods produced by the industry.

Operating profit margin for ICT specialist businesses was 18% compared with 16% for the total industry and operating profit before tax for the total industry was \$113.2 million.

4.1 RECORDED MEDIA MANUFACTURING AND PUBLISHING INDUSTRY, key figures

		ICT specialists	Other businesses	All businesses
Businesses at end June	no.	^ 86	^ 18	^ 105
Employment at end June	no.	1 175	1 282	2 457
Income				
Income from sales of goods				
Income from sales of goods produced				
Income from sales and licensing of packaged software				
	\$m	214.0	^ 11.5	225.5
Sales of other goods produced				
	\$m	^ 33.6	373.6	407.2
<i>Total income from sales of goods produced</i>				
	\$m	247.6	385.1	632.7
Income from sales of goods not produced				
	\$m	^ 21.3	*5.6	^ 26.9
<i>Total income from sales of goods</i>				
	\$m	268.9	390.6	659.6
Income from provision of computer services				
	\$m	np	—	np
Income from provision of telecommunication services				
	\$m	—	—	—
Interest income				
	\$m	np	np	np
Other income				
	\$m	np	np	32.7
<i>Total income</i>				
	\$m	300.4	408.5	708.9
Expenses				
Labour costs				
	\$m	71.1	71.5	142.7
Purchases				
	\$m	94.8	128.9	223.6
Other expenses				
Payments to employment agencies for staff				
	\$m	np	np	5.1
Payments to contractors and consultants for computing and communication services				
	\$m	3.1	1.3	4.4
Telecommunication services				
	\$m	2.7	2.3	5.0
Depreciation and amortisation				
	\$m	11.1	18.2	29.3
Interest expenses				
	\$m	1.3	^ 1.8	^ 3.1
Insurance premiums				
	\$m	1.2	^ 1.1	2.3
Bad and doubtful debts				
	\$m	np	np	1.3
Other operating expenses				
	\$m	58.1	121.5	179.6
<i>Total other expenses</i>				
	\$m	79.8	150.2	230.0
<i>Total expenses</i>				
	\$m	245.7	350.6	596.3
Operating profit before tax				
	\$m	np	np	113.2
Profit margin				
	%	18.2	14.3	16.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

— nil or rounded to zero (including null cells)

np not available for publication but included in totals where applicable, unless otherwise indicated

EXPLANATORY NOTES

INTRODUCTION

1 This publication, *Information and Communication Technology, 2002-03* presents results from a survey conducted by the Australian Bureau of Statistics (ABS) on the production and distribution of information and communication technologies (ICT) goods and services by businesses in Australia. Also included in this publication are:

- import and export data compiled by the ABS from information submitted by exporters, importers or their agents to the Australian Customs Service. Exports include both exports of Australian produce and re-exports of goods of foreign origin; and
- data from the ABS Survey of International Trade in Services.

2 The ICT industries survey is conducted biennially and is part of the overall ABS program of economy wide statistics.

SCOPE

3 The definition used for the scope of the ICT industries survey is based on a set of goods and services descriptions that are of relevance in the Australian context and which have been agreed by major policy and industry organisations. The scope for the 2002-03 ICT industries survey draws on, but is not identical to, the currently accepted Organisation for Economic Co-operation and Development (OECD) ICT industries definition. The OECD ICT industries definition includes a wider range of commodities (goods and services) produced and, consequentially, industries involved in ICT activity.

4 Information in this publication covers the main industries involved in the production and distribution of ICT goods and services in Australia. This industry view draws together a number of standard industries from the Australian and New Zealand Standard Industrial Classification (ANZSIC) that specialise in ICT activity.

5 Within these industries, it is the subset of businesses which specialise in ICT which are the prime interest, and therefore the main focus of the statistics in this publication. The recorded media manufacturing and publishing industry (ANZSIC 2430) is included in a separate chapter of the publication, because it undertakes significant ICT activity in Australia, but is not within the wider OECD definition of industries.

6 The scope of the 2002-03 ICT industries survey was all employing businesses recorded on the ABS Business Register (ABSBR) and classified to the following classes of ANZSIC:

- Class 2841, Computer and business machine manufacturing;
- Class 2842, Telecommunication, broadcasting and transceiving equipment manufacturing;
- Class 2849, Electronic equipment manufacturing n.e.c.;
- Class 2852, Electric cable and wire manufacturing;
- Class 4613, Computer wholesaling;
- Class 4614, Business machine wholesaling n.e.c.;
- Class 4615, Electrical and electronic equipment wholesaling n.e.c.;
- Class 7120, Telecommunication services;
- Class 7831, Data processing services;
- Class 7832, Information storage and retrieval services;
- Class 7833, Computer maintenance services; and
- Class 7834, Computer consultancy services.

SCOPE *continued*

7 The scope excludes businesses classified to the General Government sector but includes government owned Public Trading Enterprises. As noted above, Class 2430, Recorded media manufacturing and publishing is also included.

STATISTICAL UNITS DEFINED
ON THE ABS BUSINESS
REGISTER

8 The ABS uses an economic statistics units model on the ABSBR to describe the characteristics of businesses, and the structural relationships between related businesses. The units model is also used to break groups of related businesses into relatively homogeneous components that can provide data to the ABS.

9 In mid 2002, to better use the information available as a result of The New Tax System (TNTS), the ABS changed its economic statistics units model. The new units model allocates businesses to one of two sub-populations.

ATO MAINTAINED POPULATION

10 Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN), and are then included on the whole-of-government register of businesses, the Australian Business Register, which is maintained by the Australian Taxation Office (ATO). Most of these businesses have simple structures; therefore the unit registered for an ABN will satisfy ABS statistical requirements. For these businesses, the ABS has aligned its statistical units structure with the ABN unit. The businesses with simple structures constitute the ATO maintained population, and the ABN unit is used as the statistical unit for all ABS economic collections.

ABS MAINTAINED
POPULATION

11 For the population of businesses where the ABN unit is not suitable for ABS statistical requirements, the ABS maintains its own units structure through direct contact with the business. These businesses constitute the ABS maintained population. This population consists typically of large, complex and diverse businesses. The new statistical units model described below has been introduced to cover such businesses.

Enterprise group: This is a unit covering all the operations in Australia of one or more legal entities under common ownership and/or control. It covers all the operations in Australia of legal entities which are related in terms of the current Corporations Law (as amended by the Corporations Legislation Amendment Act 1991), including legal entities such as companies, trusts and partnerships. Majority ownership is not required for control to be exercised.

Enterprise: The enterprise is an institutional unit comprising:

- (i) a single legal entity or business entity, or
- (ii) more than one legal entity or business entity within the same enterprise group and in the same institutional sub-sector (i.e. they are all classified to a single Standard Institutional Sector Classification of Australia (SISCA) sub-sector).

Type of activity unit (TAU): The TAU is comprised of one or more business entities, sub-entities or branches of a business entity within an enterprise group that can report production and employment data for similar economic activities. When a minimum set of data items are available, a TAU is created which covers all the operations within an industry subdivision (and the TAU is classified to the relevant subdivision of the ANZSIC). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry subdivision.

12 For more information on the impacts of the introduction of the new economic statistics units model, refer to *Information Paper: Improvements in ABS Economic Statistics [Arising from the New Tax System]* (cat. no. 1372.0).

13 The previous ICT industries survey conducted in respect of 2000–01, used the management unit as the statistical unit. For 2002–03, the statistical unit is the ABN unit for businesses with simple structures, and the TAU for businesses with complex structures. In most cases, ABN units/TAUs will concord with the management units used prior to the 2002–03 year; however, there are other changes to these units that make

ABS MAINTAINED POPULATION <i>continued</i>	this concordance less robust. For more information about the impact of these changes, please see the Appendix.
COVERAGE	<p>14 The frame used for the ICT industries survey, like most ABS economic surveys, was taken from the ABSBR. The ABSBR is primarily based on registrations to the Australian Taxation Office's Pay As You Go Withholding (PAYGW) scheme. The frame is updated quarterly to take account of new businesses and businesses which have ceased employing. Unlike the previous ICT industries survey (2000-01), the frame has not been supplemented in any way. There were approximately 30,600 businesses in scope of the ICT industries survey on the ABSBR in June 2003 when the survey sample was taken. The sample size was approximately 4,600 businesses.</p>
IMPROVEMENTS TO COVERAGE	<p>15 Businesses which have ceased employing are identified when the Australian Taxation Office cancels their PAYGW registration. Businesses which did not remit under the PAYGW scheme for the previous five quarters are removed from the frame.</p> <p>16 Data in this publication have been adjusted to allow for lags in processing new businesses to the ABSBR, and the omission of some businesses from the register. The majority of businesses affected, and to which the adjustments apply, are small in size.</p> <p>17 Adjustments have been made to include new businesses in the estimates in the periods in which they commenced operations, rather than when they were processed to the ABSBR.</p>
REFERENCE PERIOD	<p>18 Most data contained in the tables in this publication relate to ICT businesses which operated in Australia at any time during the year ended 30 June 2003. Counts of businesses however, include only those that were operating at 30 June 2003.</p>
INDUSTRY CLASSIFICATION USED FOR OUTPUT PURPOSES	<p>19 As noted above, the coverage for the ICT industries survey includes all employing businesses on the ABSBR that are classified to the in scope industries. The ANZSIC recorded for the business on the ABSBR is only used for the purposes of survey selection. An alternative ANZSIC based on sources of income reported on the survey form is derived for the purposes of output. This may result in differences between industry data published for the in scope industries in this publication and industry data that may be published in other ABS publications such as <i>Australian Industry</i> (cat. no. 8155.0).</p> <p>20 The updating of the industry classification from the ANZSIC allocated to the selected unit on the ABSBR to an ANZSIC based on sources of income has an impact on data quality. Based on information received from businesses, approximately 18% of businesses selected were found to be out of scope of the ICT industries survey. A further 22% of businesses selected were still in scope but were found to belong to a different ANZSIC class within the ICT industry groupings. The impact of this on the estimates has been to increase the sampling variability. For more information about the impact of sampling variability on the estimates, please refer to the Technical Note.</p> <p>21 No attempt is made to adjust for businesses on the ABSBR who are classified to an ANZSIC class not within the scope of the ICT industry survey but would be in scope based on their sources of income. The impact of this on estimates is unknown.</p>
ICT SPECIALISTS	<p>22 Businesses contributing to estimates in this publication are classified as either ICT specialists or non-specialists. This effects some businesses in industries in the ICT Manufacturing and Wholesale trade industry groupings only. Businesses in these industries are determined to be ICT specialists if more than 50 percent of their income is derived from ICT activity. Please refer to Glossary for definition of ICT specialists.</p>

COMPARISONS WITH OTHER
ABS STATISTICS

23 Annual industry data for the ANZSIC classes in scope of ICT industries survey are published in *Australian Industry* (cat. no. 8155.0) and *Manufacturing Industry, Australia* (cat. no. 8221.0). There are important differences between the statistics published in the *Australian Industry, Manufacturing Industry, Australia* and *Information and Communication Technology* publications and users should exercise caution when making comparisons between these estimates. The 2002-03 editions of *Australian Industry* and *Manufacturing Industry, Australia* are expected to be released in late 2004.

24 The *Information and Communication Technology* publication supplements the annual industry summary statistics with a detailed examination of the structure and performance of businesses involved in selected ICT industries for the reference year of the survey.

25 One reason the three sets of estimates vary relates to the use of different industry coding practices. For the *Australian Industry* and *Manufacturing Industry, Australia* publications, businesses are coded to ANZSIC industry classes on the basis of the activity reported to the ATO when they registered for an ABN, or for more complex businesses, information reported directly to the ABS (see paragraph 11). On the other hand, ICT Industries presents estimates for industry classes based on detailed income data reported in the survey.

26 Other differences in results relate to further scope and coverage variations between the three surveys. Non-employed units are included in the scope of the range of statistical collections that contribute to estimates published in *Australian Industry*, and the Manufacturing industry collection (from 2001-2002) but are generally excluded from the ICT industries survey.

STATE AND TERRITORY DATA

27 Data were collected from the Australia-wide operations of each organisation. Businesses which operated in more than one State or Territory were asked to provide a dissection of total employment and wages and salaries to enable State and Territory statistics to be compiled and comparisons undertaken.

COMPARABILITY WITH
PREVIOUS STATISTICS

28 Due to changes arising from TNTS, data presented in this publication for 2002-03 are not directly comparable to data published for the 2000-01 ICT industries survey. For more information about the impact of this change on the data presented, see the Appendix.

RELIABILITY OF ESTIMATES

29 For more information on this subject, see the Technical Note.

ACKNOWLEDGMENT

30 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 protected by the strict secrecy provisions of the Census and Statistics Act 1905.

RELATED PUBLICATIONS

31 The most recent issue of other ABS publications on the use and production of information and communication technologies in Australia are listed below:

- Business Use of Information Technology, Australia, 2002-03* (cat. no. 8129.0)
- Household Use of Information Technology, Australia, 2001-02* (cat. no. 8146.0)
- Government Information Technology, Australia, 2002-03* (cat. no. 8119.0)
- Internet Activity, Australia, March 2004* (cat. no. 8153.0)
- Use of Information Technology on Farms, Australia, 2002-03* (cat. no. 8150.0)

ICT SATELLITE ACCOUNT

32 The ABS will be compiling an ICT satellite account for the 2002-03 reference year. Data for input into the compilation of the ICT satellite account are being sourced from a number of ABS economic collections conducted in respect of 2002-03 including the ICT industries survey. The ICT satellite account is expected to be released in the ABS publication *Australian National Accounts: Information and Communication Technology Satellite Account, 2002-03* (catalogue to be advised) during 2005. More information about this publication will be available via the ABS web site.

ESTIMATES USING THE OECD
ICT INDUSTRY DEFINITION

33 The ABS will be producing estimates based on the OECD ICT industry definition early in 2005. To register your interest in these data, please telephone the contact shown on the front of this publication.

ABS DATA AVAILABLE UPON
REQUEST

34 As well as the statistics included in this and related publications, the ABS may have other relevant data available on request and for a charge. Inquiries should be made to the National Information and Referral Service on 1300 135 070.

ROUNDING

35 Where figures have been rounded, discrepancies may occur between totals and the sums of the component items. Proportions, ratios and other calculated figures shown in this publication have been calculated using unrounded estimates and may be different from, but are more accurate than, calculations based on the rounded estimates.

INTRODUCTION

The introduction of The New Tax System (TNTS) has had a number of significant implications for ABS business statistics. These were initially discussed in Information Paper: ABS Statistics And The New Tax System (cat. no. 1358.0) which was released on 26 April 2000. The paper foreshadowed changes in the statistical infrastructure used by the ABS to support the compilation of ABS economic series. Information Paper: Improvements in ABS Economic Statistics [Arising from the New Tax System] (cat. no. 1372.0) released on 6 May 2002 provided further information about these changes and their treatment in statistical series.

CHANGES TO THE ABS
BUSINESS REGISTER

Most of these changes directly impacted on the ABS Business Register (ABSBR) which contains a list of businesses from which samples are selected to collect data for ABS economic series (including the biennial ICT industries survey). The series have been impacted by the changes in the following ways:

the population of businesses that are considered to be employing based on taxation information, has changed as a result of TNTS;

the statistical units model, that is, the way in which business structures are represented on the ABSBR, is being more closely aligned with taxation reporting requirements;

the Australian Taxation Office (ATO), which maintains the Australian Business Register used as a source for ABSBR ABN units, has used different information at a different point in time to classify businesses to industry; and

different measures of business size are available.

For more information about the ABSBR, see Explanatory Notes paragraphs 8-12.

2002-03 SURVEY CHANGES

For the 2000–01 year, the ICT industries collection used the management unit as the statistical unit. The management unit was defined as the highest-level accounting unit within a business, having regard to industry homogeneity, for which accounts were maintained. In nearly all cases it coincided with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc.).

For 2002–03, the statistical unit has been changed to the ABN unit for businesses with simple structures and the TAU for businesses with complex structures. (For details of the new economic statistics units model, see Explanatory Notes paragraphs 8-12).

COMPARISON TO PREVIOUS
STATISTICS

The changes brought about by the introduction of TNTS mean that 2002-03 data are not comparable to data previously released in 8126.0.

TECHNICAL NOTE

DATA QUALITY

RELIABILITY OF THE ESTIMATES

1 When interpreting the results of a survey it is important to take into account factors that may affect the reliability of the estimates. Estimates provided in this publication are subject to non-sampling and sampling errors.

NON-SAMPLING ERRORS

2 Non-sampling errors may arise as a result of errors in the reporting, recording or processing of the data and can occur even if there is a complete enumeration of the population. These errors can be introduced through inadequacies in the questionnaire, treatment of non-response, inaccurate reporting by respondents, errors in the application of survey procedures, incorrect recording of answers and errors in data capture and processing.

3 The extent to which non-sampling error affects the results of the survey is difficult to measure. Every effort is made to minimise non-sampling error by careful design and testing of the questionnaire, efficient operating procedures and systems, and the use of appropriate methodology.

4 The 2002-03 ICT industries survey had a sample size of approximately 4,600 businesses. The final response rate was 95%; this included live operating businesses, businesses made out of scope, and businesses identified as no longer operating.

STANDARD ERRORS

5 The estimates presented in this publication are based on information obtained from a sample of businesses in the surveyed population. Consequently, the estimates are subject to sampling variability, that is, they may differ from the 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 (SE), which indicates the extent to which an estimate might have varied by chance because only a sample was taken. There are about two chances in three that a sample estimate will differ by less than one SE 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 SEs.

7 To illustrate, the estimated total income of all businesses classified to the ICT Manufacturing industry grouping is \$4,392.3 million, the RSE is 1.7%, giving a standard error of \$74.7 million (1.7% of \$4,392.3 million). Therefore, there would be two chances in three that, if all units had been included in the survey, a figure in the range of \$4,317.6 million to \$4,467.0 million would have been obtained, and 19 chances in 20 (i.e. a confidence interval of 95%) that the figure would have been within the range of \$4,242.9 million to \$4,541.7 million. For more information about RSEs for estimates presented in this publication, please telephone the contact shown on the front page.

8 Most published estimates have RSEs less than 10%. Estimates that have a RSE between 10% and 25% are annotated with the symbol '^'. These estimates should be used with caution as they are subject to sampling variability too high for some purposes. Estimates with an RSE between 25% and 50% are annotated with the symbol '*', indicating that the estimates should be used with caution as they are subject to sampling variability too high for most practical purposes. Estimates with an RSE greater than 50% are annotated with the symbol '**' indicating that the sampling variability causes the estimates to be considered too unreliable for general use.

STANDARD ERRORS *continued* **9** Estimates of RSEs for the key indicators in this publication are shown in the table below.

RELATIVE STANDARD ERRORS FOR TABLE 1.1 SUMMARY OF OPERATIONS

	<i>Businesses at end June</i>	<i>Employment at end June</i>	<i>ICT employees at end June</i>	<i>ICT income</i>	<i>Total income</i>
	%	%	%	%	%
ICT SPECIALISTS					
Manufacturing					
Computer and business machines	17.3	6.8	6.1	4.3	4.2
Telecommunication, broadcasting and transceiving equipment	14.5	3.0	8.5	4.1	4.1
Electronic equipment n.e.c.	9.0	6.0	18.8	8.8	8.5
Electric cable and wire	18.4	5.9	2.9	2.5	2.3
<i>Total manufacturing</i>	8.0	2.6	6.2	2.8	2.8
Wholesale trade					
Computers	7.5	3.1	5.2	3.4	3.4
Business machines	6.8	2.9	8.0	4.8	3.5
Electrical and electronic equipment n.e.c.	8.5	3.7	6.0	6.3	5.7
<i>Total wholesale trade</i>	4.9	2.1	3.8	2.9	2.7
Telecommunication services	5.5	1.3	3.1	1.9	1.8
Computer services					
Data processing	20.9	18.6	26.6	13.3	12.9
Information storage and retrieval	19.0	7.4	10.4	4.4	4.4
Computer maintenance	9.1	5.0	6.0	4.8	4.6
Computer consultancy	2.9	3.0	3.5	2.3	2.3
<i>Total computer services</i>	2.8	2.8	3.3	2.2	2.2
Total	2.2	1.4	2.5	1.3	1.3

ALL BUSINESSES

Manufacturing					
Computer and business machines	na	na	na	na	na
Telecommunication, broadcasting and transceiving equipment	na	na	na	na	na
Electronic equipment n.e.c.	na	na	na	na	na
Electric cable and wire	na	na	na	na	na
<i>Total manufacturing</i>	6.9	1.9	4.2	2.8	1.7
Wholesale trade					
Computers	7.5	3.1	5.2	3.4	3.4
Business machines	4.6	2.8	6.9	4.5	3.9
Electrical and electronic equipment n.e.c.	3.6	2.4	5.4	6.1	3.3
<i>Total wholesale trade</i>	3.3	1.6	3.6	2.9	2.2
Telecommunication services	5.5	1.3	3.1	1.9	1.8
Computer services					
Data processing	20.9	18.6	26.6	13.3	12.9
Information storage and retrieval	19.0	7.4	10.4	4.4	4.4
Computer maintenance	9.1	5.0	6.0	4.8	4.6
Computer consultancy	2.9	3.0	3.5	2.3	2.3
<i>Total computer services</i>	2.8	2.8	3.3	2.2	2.2
Total	2.1	1.2	2.4	1.3	1.1

na not available

RELATIVE STANDARD ERRORS FOR TABLE 1.1 SUMMARY OF OPERATIONS

	<i>Wages and salaries</i>	<i>Total expenses</i>	<i>Operating profit before tax</i>	<i>Capital expenditure</i>	<i>Industry value added</i>
	%	%	%	%	%
ICT SPECIALISTS					
Manufacturing					
Computer and business machines	4.7	2.7	7.9	4.7	4.7
Telecommunication, broadcasting and transceiving equipment	2.1	3.8	np	4.9	3.4
Electronic equipment n.e.c.	6.7	8.1	22.6	9.6	6.8
Electric cable and wire	3.5	2.2	np	0.4	3.9
<i>Total manufacturing</i>	2.1	2.5	12.9	3.7	2.5
Wholesale trade					
Computers	3.6	3.3	9.0	34.9	3.3
Business machines	2.4	3.6	9.0	7.2	2.2
Electrical and electronic equipment n.e.c.	2.5	5.6	15.2	11.1	4.0
<i>Total wholesale trade</i>	2.3	2.7	7.0	22.3	2.2
Telecommunication services	1.6	2.1	1.8	3.8	1.6
Computer services					
Data processing	17.2	12.3	44.7	np	16.2
Information storage and retrieval	5.7	4.8	np	np	4.6
Computer maintenance	5.8	4.2	np	3.9	6.0
Computer consultancy	2.5	2.4	24.7	16.1	2.5
<i>Total computer services</i>	2.4	2.2	23.3	14.0	2.4
Total	1.2	1.4	2.8	3.7	1.1

ALL BUSINESSES

Manufacturing					
Computer and business machines	na	na	na	na	na
Telecommunication, broadcasting and transceiving equipment	na	na	na	na	na
Electronic equipment n.e.c.	na	na	na	na	na
Electric cable and wire	na	na	na	na	na
<i>Total manufacturing</i>	1.4	1.5	7.6	2.8	1.6
Wholesale trade					
Computers	3.6	3.3	9.0	34.9	3.3
Business machines	2.2	3.9	8.2	6.3	2.4
Electrical and electronic equipment n.e.c.	2.0	3.3	6.9	8.0	2.4
<i>Total wholesale trade</i>	1.8	2.1	5.1	18.7	1.8
Telecommunication services	1.6	2.1	1.8	3.8	1.6
Computer services					
Data processing	17.2	12.3	44.7	np	16.2
Information storage and retrieval	5.7	4.8	np	np	4.6
Computer maintenance	5.8	4.2	np	3.9	6.0
Computer consultancy	2.5	2.4	24.7	16.1	2.5
<i>Total computer services</i>	2.4	2.2	23.3	14.0	2.4
Total	1.1	1.2	2.6	3.7	1.0

na not available

np not available for publication but included in totals where applicable, unless otherwise indicated

GLOSSARY

Bad and doubtful debts	Refers to the amount of accounts receivable that are either written off, or estimated to be uncollectible during an accounting period, that are expensed in an accounting period's profit calculations.
Businesses at end June	Refers to the number of ABN units or type of activity units (TAU) operating at the end of June. See Explanatory Notes paragraphs 8-12 for more information.
Capital Expenditure	Refers to costs capitalised in a business' books for land, buildings, plant, machinery and equipment, intangible assets and all other costs capitalised. Included are the value of capitalised work done by the business' own employees and progress payments made to contractors for capital work done.
Depreciation and amortisation	These refer to financial charges made in the accounts to reflect that part of the value of an asset which may be regarded as having been used up in producing revenue in a particular accounting period.
Earnings before interest and tax (EBIT)	A measure of the profit/loss of a business prior to any deductions for interest expenses or income tax. It is derived as: Total income <i>plus</i> Any changes in levels of trading stock inventories <i>less</i> Total expenses excluding interest expenses <i>equals</i> EBIT
Employer contributions into superannuation	Refers to all employer contributions into superannuation including salary sacrifice.
Employment at end June	Includes full-time and part-time employees, employees absent on paid or prepaid leave, managerial and executive employees, permanent, temporary and casual employees and working proprietors and partners. Non-salaried directors, persons paid by commission only and self-employed persons such as consultants and contractors are excluded.
Exports (f.o.b.)	The value of exports is the free on board (f.o.b.) transaction value of the goods expressed in Australian dollars. The f.o.b. value includes the value of packaging (other than containerisation) and excludes freight and insurance costs for the overseas route.
Fringe benefits tax	Fringe benefits tax is paid by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods) are received by their employees in connection with their employment.
Information and Communication Technology (ICT)	Information and Communication Technology refers to the technologies and services that enable information to be accessed, stored, processed, transformed, manipulated and disseminated, including the transmission or communication of voice, image and/or data over a variety of transmission media.
ICT Computer services industry grouping	Refers to businesses classified to the following classes of the Australian and New Zealand Standard Industrial Classification (ANZSIC): <ul style="list-style-type: none">■ 7831, Data processing services;■ 7832, Information storage and retrieval services;■ 7833, Computer maintenance services; and■ 7834, Computer consultancy services.

ICT Employees	Refers to all employees who spent the majority of their time engaged in ICT activity and includes help desk staff, information technology managers, electronics engineers, system managers, administrators, analysts, designers and programmers, application programmers and computer and communication technicians. Data entry and call centre staff are excluded.
ICT Goods	<p>Information and Communication Technology goods broadly cover:</p> <ul style="list-style-type: none"> ■ computer and communications hardware and their parts, components and consumables; ■ other electronic hardware that can be networked (e.g. digital multifunctional photocopiers, cash registers, automatic teller machines, etc.); and ■ packaged and customised software. <p>Excluded from ICT goods in the Australian definition are equipment in which the presence of microprocessors is predominantly used for the control of a process or the setting of functions (e.g. robots, scientific and health equipment).</p>
ICT income	Consists of all income from the sale, distribution and provision of ICT goods and services.
ICT industry grouping	Refers to the Division or Group of the Australian and New Zealand Standard Industrial Classification (ANZSIC) that selected ICT activity falls within.
ICT Manufacturing industry grouping	<p>Refers to businesses classified to the following classes of the Australian and New Zealand Standard Industrial Classification (ANZSIC):</p> <ul style="list-style-type: none"> ■ 2841, Computer and business machine manufacturing; ■ 2842, Telecommunication, broadcasting and transceiving equipment manufacturing; ■ 2849, Electronic equipment manufacturing n.e.c.; and ■ 2852, Electric cable and wire manufacturing.
ICT specialists	<p>Comprises those businesses whose ICT income (as defined above) is 50% or more of the total income of the business, with the exception of businesses classified to the following classes of the Australian and New Zealand Standard Industrial Classification (ANZSIC), who are defined as ICT specialist businesses regardless of their income:</p> <ul style="list-style-type: none"> ■ Class 2842, Telecommunication, broadcasting and transceiving equipment manufacturing; ■ Class 4613, Computer wholesaling; ■ Class 7120, Telecommunications services; ■ Class 7831, Data processing services; ■ Class 7832, Information storage and retrieval services; ■ Class 7833, Computer maintenance services; and ■ Class 7834, Computer consultancy services.
ICT Telecommunication services industry grouping	<p>Refers to businesses classified to the following class of the Australian and New Zealand Standard Industrial Classification (ANZSIC):</p> <ul style="list-style-type: none"> ■ 7120, Telecommunication services.
ICT Wholesale trade industry grouping	<p>Refers to businesses classified to the following classes of the Australian and New Zealand Standard Industrial Classification (ANZSIC):</p> <ul style="list-style-type: none"> ■ 4613, Computer wholesaling; ■ 4614, Business machine wholesaling; and ■ 4615, Electrical and electronic equipment wholesaling n.e.c.
Imports (customs value)	The value of imports is the Australian Customs value. This includes inland freight, insurance and other distributive services in the exporting country, up to the place of export and is usually the same as or very close to the f.o.b. value.

Income from provision of Computer services	Refers to a range of computer services including provision of customised software services and solutions, software maintenance, web site design and/or Internet consultancy, computer systems analysis, hardware consultancy, maintenance and repair, disaster recovery, data processing services, computer time sharing, information storage and retrieval.
Income from provision of Telecommunication services	Refers to a range of telecommunication services including provision of basic telephony, mobile and paging services, data and text services, Internet service provision, inter-carrier charges, leased lines and other infrastructure services, sales of capacity to other telecommunication providers, satellite and other telecommunication services.
Industry value added (IVA)	<p>Industry value added for market producers is an estimate of the difference between the value of the output for an industry and the purchases of materials and selected expenses incurred in the production of that output.</p> <p>It is derived as:</p> <p style="padding-left: 20px;">Income derived from the sales of goods and services <i>plus</i> Operational funding from government <i>plus</i> Any changes in levels of trading stock inventories <i>less</i> Purchases of materials, components and services used in the production of goods for sale. <i>less</i> Expenses related to the sale of goods and administrative expenses (excluding indirect taxes such as payroll tax, fringe benefits tax, land tax and land rates) <i>plus</i> Own account capital work <i>less</i> Capitalised purchases of materials <i>equals</i> IVA</p>
Insurance premiums	Refers to expenses incurred by a business in respect of different types of insurance policies. Excluded are workers' compensation and compulsory third party motor vehicle insurance premiums.
Labour costs	Included are wages and salaries, employer contributions into superannuation, workers' compensation premiums/costs, fringe benefits tax and payroll tax.
Operating profit before tax (OPBT)	<p>A measure of profit (or loss) before extraordinary items are brought to account and prior to the deduction of income tax and appropriation to owners. It is derived as:</p> <p style="padding-left: 20px;">Total Income <i>plus</i> Closing Inventories <i>less</i> Total expenses <i>less</i> Opening inventories <i>equals</i> OPBT</p>
Other income	Refers to all income items not separately itemised, such as dividend income, funding from Federal, State and Local Government and net profit (loss) on foreign exchange rates, sale of non-current assets and share trading. Extraordinary items are excluded.
Other operating expenses	Refers to all expense items not separately itemised, such as printing and postal charges, motor vehicle running expenses and bank charges. Extraordinary items are excluded.
Payments to contractors and consultants for computing and telecommunication services	Refers to payments to other businesses and self-employed persons for computing and telecommunication services work done or sales made on a contract or commission basis.
Payroll tax	Refers to a tax levied by state and territory governments upon the amount of wages and salaries paid by a business.
Profit margin	<p>Refers to the average proportion contributed by sales of goods and services to the profit of businesses. It is derived as:</p> <p style="padding-left: 20px;">Operating profit before tax <i>divided</i> by revenue from sales of goods and services <i>times</i> 100 <i>equals</i> Profit margin</p>

Total expenses	Refers to the sum of all expense items excluding extraordinary items.
Total income	Refers to the sum of all income items excluding extraordinary items.
Wages and salaries	Refers to wages and salaries and selected provisions for employee entitlements. Included are, severance, termination and redundancy payments, bonuses and payments for annual and other types of leave, salaries and fees of directors and retainers and commissions of persons who received a retainer. Payments related to salary sacrifice are excluded.
Workers' compensation premiums/costs	Refers to the compulsory insurance cover to be taken out by all employers, except for self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of or arising out of employment.

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