

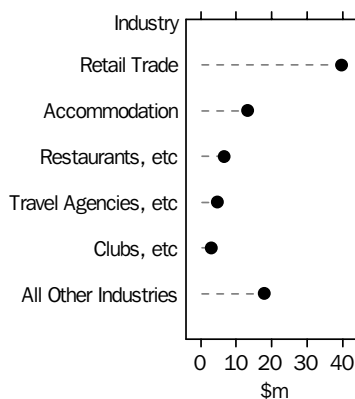
# **NORFOLK ISLAND BUSINESS STATISTICS**

**AUSTRALIA**

EMBARGO: 11.30AM (CANBERRA TIME) THURS 22 JUN 2006

## **Income by selected industries**

2004-05



## **KEY FIGURES**

	<i>Units</i>	<i>Value</i>
Number of businesses	number	339
Employment	persons	1 267
Total income	\$million	94.1
Profit	\$million	13.5

## **KEY POINTS**

- This was the first ABS survey of Norfolk Island private sector businesses. As such, there are no comparative data.
- At 30 June 2005 there were 339 private sector businesses operating on Norfolk Island. These businesses had total employment of 1,267 persons and generated \$94.1m in income in 2004-05. The profit of these businesses in 2004-05 was \$13.5m which represents an operating profit margin of 14.3% .
- The industry data highlights the predominance of tourism-related businesses in the Norfolk Island economy. Those tourism-related businesses (ie retail, accommodation, restaurants, travel and tour operators, clubs, pubs and taverns) represent 71% of business income and 68% of private sector employment.

## **I N Q U I R I E S**

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Paul Sullivan on Canberra (02) 6252 6359.

# NOTES

## THIS ISSUE

This is the first release of results for the Norfolk Island Business Survey. The survey was undertaken on Norfolk Island by officers of the Australian Bureau of Statistics (ABS).

This publication presents estimates of income, expenses and employment for the year ended June 2005 for the operations of Norfolk Island private sector businesses. In addition, estimates for a limited set of data for the year ended December 2005 and March quarter 2006 are also provided.

It should be noted that this publication does not include Norfolk Island government business enterprises (see paragraph 5 of Explanatory Notes). Information for Norfolk Island government business enterprises are available in the Norfolk Island Annual Report 2004–2005.



## ABBREVIATIONS

ABS Australian Bureau of Statistics  
ANZSIC Australian and New Zealand Standard Industrial Classification

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## 1

## SUMMARY OF OPERATIONS, By industry—2004–05

<i>Industry</i>	<i>Business units</i>	<i>Total income</i>	<i>Wages &amp; salaries</i>	<i>Total expenses</i>	<i>Profit</i>	<i>Employment(a)</i>
<i>no.</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>no.</i>
Agriculture, forestry & fishing	19	2 070	304	1 415	655	57
Mining, manufacturing & construction	47	6 930	2 150	5 352	1 578	135
Retail trade	75	39 675	5 148	36 520	3 155	286
Accommodation	57	13 177	2 533	10 229	2 948	185
Cafes, restaurants & takeaway food services	29	6 663	1 871	5 355	1 308	183
Clubs (Hospitality), pubs, taverns & bars	8	2 931	808	2 610	321	52
<i>Total, Accommodation &amp; food services</i>	<i>94</i>	<i>22 771</i>	<i>5 212</i>	<i>18 194</i>	<i>4 577</i>	<i>420</i>
Travel agency & tourist arrangement services	14	4 619	1 348	3 854	765	155
All other industries	90	18 043	3 080	15 288	2 755	214
<b>Total all industries</b>	<b>339</b>	<b>94 108</b>	<b>17 242</b>	<b>80 623</b>	<b>13 485</b>	<b>1 267</b>

(a) Employment at 30 June 2005. Includes working proprietors and working partners of unincorporated businesses.

## 2

## SELECTED BUSINESS EXPENSES, By industry—2004–05

<i>Industry</i>	<i>Wages and compensation of salaries</i>	<i>Other compensation of employees(a)</i>	<i>Purchases(b)</i>	<i>Insurance premiums</i>	<i>Interest expenses</i>	<i>Depreciation(b)</i>	<i>Other expenses</i>	<i>Total expenses</i>
<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Agriculture, forestry & fishing	304	9	676	40	52	55	279	1 415
Mining, manufacturing & construction	2 150	34	2 227	66	128	259	488	5 352
Retail trade	5 148	54	24 246	444	296	297	6 035	36 520
Accommodation	2 533	35	2 439	275	779	580	3 588	10 229
Cafes, restaurants & takeaway food services	1 871	25	2 548	70	137	98	606	5 355
Clubs (Hospitality), pubs, taverns & bars	808	10	1 441	20	2	63	266	2 610
<i>Total, Accommodation &amp; food services</i>	<i>5 212</i>	<i>70</i>	<i>6 428</i>	<i>365</i>	<i>918</i>	<i>741</i>	<i>4 460</i>	<i>18 194</i>
Travel agency & tourist arrangement services	1 348	28	1 820	58	38	88	474	3 854
All other industries	3 080	95	6 864	176	98	501	4 474	15 288
<b>Total all industries</b>	<b>17 242</b>	<b>290</b>	<b>42 261</b>	<b>1 149</b>	<b>1 530</b>	<b>1 941</b>	<b>16 210</b>	<b>80 623</b>

(a) Includes workers' compensation premiums and employer contributions into superannuation.

(b) See paragraph 8 of the Technical Note.

## 3

## BUSINESS COUNTS, By size of income and industry—2004–05

Industry	TOTAL INCOME SIZE			Total, all businesses
	\$3K to less than \$100K	\$100K to less than \$250K	\$250K and over	
Agriculture, forestry & fishing	na	na	na	19
Mining, manufacturing & construction	24	14	9	47
Retail trade	24	21	30	75
Accommodation	23	20	14	57
Cafes, restaurants & takeaway food services	na	na	na	29
Clubs (Hospitality), pubs, taverns & bars	na	na	na	8
<i>Total, Accommodation &amp; food services</i>	32	31	31	94
Travel agency & tourist arrangement services	na	na	na	14
All other industries	58	19	13	90
Total all industries	156	94	89	339

na not available

## 4

## BUSINESS EMPLOYMENT , By type of employment —by industry—as at June 2005

Industry	Working proprietors and working partners(a)	Full time employees	Part time employees	Total employment
	Agriculture, forestry & fishing	31	5	21
Mining, manufacturing & construction	57	60	18	135
Retail trade	75	125	86	286
Accommodation	60	69	56	185
Cafes, restaurants & takeaway food services	33	52	98	183
Clubs (Hospitality), pubs, taverns & bars	1	11	40	52
<i>Total, Accommodation &amp; food services</i>	94	132	194	420
Travel agency & tourist arrangement services	15	27	113	155
All other industries	95	61	58	214
Total all industries	367	410	490	1 267

(a) Includes part time working proprietors and part time working partners.

## 5

## BUSINESS EMPLOYMENT(a), By industry—June 2005, December 2005 and May 2006

<i>Industry</i>	<i>Employment at June 2005(b)</i>	<i>Employment at December 2005(b)</i>	<i>Employment at May 2006(c)</i>
Agriculture, forestry & fishing	57	57	43
Mining, manufacturing & construction	135	128	123
Retail trade	286	284	276
Accommodation	185	175	173
Cafes, restaurants & takeaway food services	183	170	146
Clubs (Hospitality), pubs, taverns & bars	52	52	42
<i>Total, Accommodation &amp; food services</i>	<i>420</i>	<i>397</i>	<i>361</i>
Travel agency & tourist arrangement services	155	152	144
All other industries	214	217	211
<b>Total all industries</b>	<b>1 267</b>	<b>1 235</b>	<b>1 158</b>

- (a) Includes working proprietors and working partners of unincorporated businesses.  
 (b) Employment at the last pay period in each of June 2005 and December 2005.  
 (c) Employment is during the two week period commencing 1 May 2006.

## 6

## BUSINESS INCOME AND WAGES AND SALARIES \$'000, By industry—Year ended June 2005 and December 2005

<i>Industry</i>	<i>INCOME \$'000:</i>		<i>WAGES AND SALARIES \$'000:</i>	
	<i>Year ended June 2005</i>	<i>Year ended December 2005</i>	<i>Year ended June 2005</i>	<i>Year ended December 2005</i>
Agriculture, forestry & fishing	2 070	2 045	304	276
Mining, manufacturing & construction	6 930	6 368	2 150	2 276
Retail trade	39 675	36 515	5 148	4 883
Accommodation	13 177	11 894	2 533	2 442
Cafes, restaurants & takeaway food services	6 663	6 070	1 871	1 632
Clubs (Hospitality), pubs, Taverns & bars	2 931	2 641	808	722
<i>Total, Accommodation &amp; food services</i>	<i>22 771</i>	<i>20 605</i>	<i>5 212</i>	<i>4 796</i>
Travel agency & tourist arrangement services	4 619	3 884	1 348	1 186
All other industries	18 043	19 138	3 080	2 935
<b>Total all industries</b>	<b>94 108</b>	<b>88 555</b>	<b>17 242</b>	<b>16 352</b>

## INCOME COMPARISON (a), By industry—March Quarter 2005 and March Quarter 2006

Industry	NUMBER OF BUSINESSES WHERE INCOME INCREASED BY:				NUMBER OF BUSINESSES WHERE INCOME DECREASED BY:				Income stayed about the same	Not applicable(b)
	Less than 10%	by 10% to less than 25%	by 25% to less than 50%	by 50% or more	Less than 10%	by 10% to less than 25%	by 25% to less than 50%	by 50% or more		
Agriculture, forestry & fishing	0	1	0	0	0	4	2	2	8	2
Mining, manufacturing & construction	2	3	1	2	6	14	8	3	4	4
Retail trade	2	0	1	1	5	22	20	3	6	15
Accommodation	1	0	2	0	2	24	11	2	12	3
Cafes, restaurants & takeaway food services	2	0	1	0	2	6	8	0	1	9
Clubs (Hospitality), pubs, taverns & bars	1	0	1	0	0	0	1	1	3	1
<i>Total, Accommodation &amp; food services</i>	4	0	4	0	4	30	20	3	16	13
Travel agency & tourist arrangement services	0	3	1	0	0	2	2	0	1	5
All other industries	7	7	3	2	4	11	14	4	17	21
Total all industries	15	14	10	5	19	83	66	15	52	60

(a) Businesses were asked attitudinal questions on their opinion of how the business' income had performed in March Quarter 2006 compared to March Quarter 2005.

(b) Includes businesses that did not respond to the survey.

## EXPLANATORY NOTES

### INTRODUCTION

**1** This publication presents estimates of sales of goods and services, employment, wages and salaries and other selected expenses, and profits of private sector businesses operating on Norfolk Island during the year ended June 2005. These statistics have been compiled from data collected from Norfolk Island businesses by officers of the Australian Bureau of Statistics (ABS) during May 2006. Some limited additional data relating to the year ended December 2005 and the March quarter 2006 were also obtained.

### SCOPE AND COVERAGE

**2** The scope of the Norfolk Island Business Survey was all private sector businesses operating on Norfolk Island during the year ended June 2005. For practical purposes, a cut-off was implemented, whereby any business with turnover in 2004–05 less than \$3,000 was excluded from the scope of the survey. Similarly for practical reasons, the activities of visiting professionals such as doctors, auditors, etc were also excluded. These exclusions are assessed as not having a significant effect on the data.

**3** Unlike most ABS business collections conducted in Australia, where the statistical populations are drawn from the ABS Business Register, there was no readily available list of private sector businesses for the survey. The population of businesses was compiled from a variety of sources available on Norfolk Island such as the Norfolk Island Yellow and White Pages and public documents such as lists of registered accommodation establishments and business name registers and then eliminating duplicated entries. This list was then supplemented by businesses identified during the course of the collection.

**4** Finally, there was extensive publicity on the Island about the survey and there were instances where residents rang ABS officers requesting that their business be included. Inevitably, some businesses will have missed being included, but it is thought that these omissions would not contribute significantly to the overall estimates, although the impact would vary from industry to industry.

**5** The scope of the survey excluded public sector businesses (ie departments of the Norfolk Island Administration, government business enterprises and any activities of Australian Government departments). Data for Norfolk Island public sector operations, including government business enterprises are available in the Norfolk Island Annual Report, 2004–05

### STATISTICAL UNIT

**6** The statistical unit adopted for this survey was broadly the business. In practical terms this equated to the physical location except for businesses primarily engaged in Agriculture, Transport and Construction activities, where all operations of the business were reported.

**7** There was one further exception to the physical location concept. This was in respect of significant restaurants operated in major tourist accommodation locations where for the purposes of this survey the accommodation and restaurant activities were treated as separate business units.

**8** This definition of a business unit worked relatively well as, for most businesses, their business records equated to the statistical unit. Businesses which operated at more than one physical location, in the vast majority of instances, were able to supply some information for each activity that enabled statistical returns of acceptable quality to be compiled.

### CLASSIFICATION

**9** The *Australian and New Zealand Standard Industrial Classification (ANZSIC)* has been developed for use in the production and analysis of industry statistics and was the classification used in classifying businesses in this survey. For more information, users are referred to *Australian and New Zealand Standard Classification (ANZSIC), 2006* (cat. no. 1292.0). Each business unit (as defined above) has been classified to the ANZSIC industry in which it mainly operates.



## EXPLANATORY NOTES *continued*

### CLASSIFICATION *continued*

**10** Data in this publication have been presented for the following ANZSIC 2006 industries:

- Agriculture, forestry and fishing — Division A
- Mining, manufacturing and construction — Divisions B, C and E
- Retail trade — Division G
- Accommodation — Subdivision 44
- Cafes, restaurants and takeaway food services — Group 451
- Clubs (Hospitality), pubs, taverns and bars — Groups 452 and 453
- Total, Accommodation and food services — Division H
- Travel agency and tourist arrangement services — Class 7220
- All other industries — Divisions D, F, I, J, K, L, M, N (excluding Class 7220), P, Q, R and S.

### STATISTICAL COLLECTION METHODOLOGY

**11** Most business statistics collections undertaken by the ABS are conducted using a mail-out, mail-back approach to selected businesses. However, in earlier discussions with Norfolk Island business representatives, there was some concern expressed that many businesses did not maintain detailed accounting records and would need some assistance to be "talked through" the survey form. Because of this, and given the short statistical collection period available, it was decided that a personal visit approach to businesses should be adopted.

**12** The survey was undertaken by ABS officers who were located on Norfolk Island for a two week period commencing 1 May 2006, and who attempted to visit each identified business to explain the survey objectives and content. If feasible, data were obtained at that initial interview, otherwise a form was left and arrangements were made to return and collect the form.

### ACKNOWLEDGEMENT OF THE CONTRIBUTION BY THE NORFOLK ISLAND BUSINESS COMMUNITY

**13** With the cooperation of the vast majority of the Norfolk Island business community, these arrangements worked very well. Response rates (discussed in more detail below) for a voluntary statistical collection of this type were exceptionally good and significantly exceeded ABS' initial expectations. As a result, the data contained in this publication are of a higher quality than originally envisaged.

**14** The cooperation and assistance of the people of Norfolk Island was greatly appreciated by the ABS officers involved. It certainly made their task easier as did the help from officers of the Norfolk Island Administration and Office of the Administrator.

### ABS WEBSITE

**15** The key indicators and main features from this publication are published on the ABS web site at <<http://www.abs.gov.au>>.

### DATA AVAILABLE ON REQUEST

**16** As well as the statistics included in this publication, the ABS may have other relevant data available on request. The availability of any additional data from this survey are subject to confidentiality and data quality checks. Inquiries of this type should be made to [paul.sullivan@abs.gov.au](mailto:paul.sullivan@abs.gov.au).

## TECHNICAL NOTE DATA QUALITY

### RELIABILITY OF THE ESTIMATES

- 1** The estimates in this publication are based on a census of all known private sector businesses operating on Norfolk Island during 2004–05. As such, the estimates are not subject to sampling error, but non-sampling errors may occur.
- 2** Non-sampling errors may arise as a result of errors in the reporting, recording or processing of the data. These errors can be introduced through inadequacies in the questionnaire, the treatment of non-response, inaccurate reporting by respondents, and errors in data entry and processing. It is difficult to measure the size of non-sampling errors. However, every effort was made in the design, development and operation of this survey to minimise their effects.
- 3** Scope and coverage issues have been mentioned in paragraphs 2 to 5 of the Explanatory Notes above. While it is believed that a very high level of coverage of Norfolk Island private sector businesses was achieved, it is possible that some businesses were not contacted by ABS officers. This could have been due to one of two factors, viz (a) the business did not have an entry in the 2005–06 Norfolk Island yellow pages telephone directory and did not have a registered business name, or (b) because of the limited timeframe of the collection (2 weeks from 1 May 2006), ABS officers may not have been able to make contact with business representatives eg because the principals of the business may have been "off island" for the period or it was genuinely not possible to have made contact in the period.
- 4** For category (a) businesses, no data have been recorded in the survey estimates. Where ABS officers were satisfied that category (b) businesses operated during the year ended June 2005, estimated data were included for them in the statistics.

#### **5** *Data items collected*

##### *(i) for the year ended June 2005*

##### *Income items*

Income from sales of goods and services  
Other income  
Total income

##### *Expense items*

Wages and salaries paid to employees (including provisions for employee entitlements)  
Employer contributions into superannuation  
Workers' compensation premiums/costs  
Purchases  
Insurance premiums  
Rent and leasing expenses for land and buildings  
Interest expenses  
Depreciation  
All other operating expenses (including levies and charges)  
Total expenses

Net operating profit or loss

Employment during the last pay period in June 2005

Working proprietors and working partners of unincorporated businesses  
Full time employees  
Part time employees  
Total employment

RELIABILITY OF THE  
ESTIMATES *continued*

(ii) for the year ended December 2005

Total income

Wages and salaries paid to employees

Employment during the last pay period in December 2005 (using the same dissection as for June 2005)

(iii) Supplementary questions

Do you or your accountant maintain electronic accounting records for your business?

An attitudinal question asking whether the business' turnover had increased or decreased in the March quarter 2006 compared to March quarter 2005 and by how much (within specified ranges)

Employment during the survey fortnight (ie May 2006).

QUALITY OF REPORTING

**6** As there had been no legal requirement for the majority of Norfolk Island businesses to maintain detailed accounting records, it had been anticipated that a significant amount of estimation would have been needed for the ABS forms to be completed. While this turned out to be the case for a high proportion of businesses in some industries (such as Construction), many businesses maintained detailed profit and loss accounts for the 2004–05 accounting period and were able to complete the ABS form with little difficulty. A relatively small number of businesses prepared their accounts on an other than June year basis - generally, the "off-June" year reporting was accepted and was thought to have a minimal effect on statistical aggregates.

**7** 53% of businesses reported that they did maintain electronic accounting records. Of these, 62% of businesses in "tourism-related" industries (ie Retail, Accommodation and Food Services, and Travel Agency and Tourism Arrangement Services) and 42% in other industries had electronic accounting records.

**8** There were few individual data items in respect of the year ended June 2005 data that caused concern for the information providers. Some comments on specific items are:

Wages and salaries — some respondents initially included the drawings of working proprietors and working partners in this item. In the vast majority of cases, ABS staff were able to identify that reporting and amend reported data.

Purchases — many businesses that maintained electronic accounting records had reported cost of goods sold ie. purchases plus change in inventories and not purchases. This was accepted as a reasonable proxy for purchases by these businesses.

Depreciation — many businesses did not report a value for Depreciation.

Accordingly, the data for Depreciation shown in Table 2 would not be reflective of the true value of depreciation of assets.

Rent and leasing expenses — in this survey, the use of the "business unit" (akin to a physical location) as distinct from a legal entity basis, introduced some complexities and confusion for reporting of this item. Also, there were a significant number of instances where rent and leasing expenses could not be dissected between business and home activity. Reported Rent and leasing expenses are not published separately but are included in Other expenses.

**9** Table 1 shows 1,267 persons (including working proprietors and partners) employed at the end of June 2005. It needs to be recognised that there is a significant degree of multiple-job holding, as well as multiple-"business" ownership on the Island; ie a person will be counted for each job held and as such the employment estimate does not represent the number of employed persons.

## TECHNICAL NOTE DATA QUALITY *continued*

QUALITY OF REPORTING  
*continued*

**10** There was a special treatment in this survey for businesses operating as cost centres (eg banks). In such cases all income is not generally recorded. For the purposes of this survey, the income of these businesses has been made to equal their total expenses ie a nil profit/loss has been recorded.

QUALITY OF INDUSTRY  
ESTIMATES

**11** The quality of the industry data will vary from industry to industry depending on the response obtained for each industry and the availability of accounting records. It does need to be recognised that the overall response rates for a voluntary survey of this type are very high.

**12** A "response" was recorded where at least key data (ie income, total expenses, wages and employment) were provided directly or could be derived. Under that definition the response rates achieved by published industry and the contribution of reported data to final estimates were:

<i>Industry</i>	<i>Response (no. of units)</i>	<i>Reported income (% of total)</i>
<i>Industry</i>	%	%
Agriculture, forestry & fishing	84	68
Mining, manufacturing & construction	81	90
Retail trade	83	94
Accommodation	98	97
Cafes, restaurants & takeaway food services	83	95
Clubs (Hospitality), pubs, taverns & bars	100	100
<i>Total, Accommodation &amp; food services</i>	93	96
Travel agency & tourist arrangement services	64	96
All other industries	82	95
Total all industries	85	94







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