

EMPLOYMENT SERVICES AUSTRALIA

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- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Bruce Fraser on Melbourne 03 9615 7471.

NOTES

INTRODUCTION

This publication presents results from an Australian Bureau of Statistics (ABS) survey of organisations involved in employment placement and contract staff services. The survey was conducted in respect of the 2001–02 financial year.

The 2001–02 Employment Services Survey is the second ABS survey on this topic, with the previous collection being conducted in respect of the 1998–99 financial year.

COMPARISONS WITH PREVIOUS SURVEY RESULTS

This survey has been designed to provide a measure of the financial and business structure of employment placement and contract staff services organisations operating in Australia. While comparisons are made between 2001–02 survey results and the earlier iteration of the Employment Services Survey, the survey has not been designed to provide highly accurate estimates of change, so any comparisons made to the previous survey should be used with caution. For further information, see paragraphs 21–26 of the Explanatory Notes.

MORE INFORMATION ON ABS SERVICE INDUSTRIES STATISTICS

Information about ABS activities in the field of service industries statistics is available from the Service Industries Statistics theme page on the ABS web site <<http://www.abs.gov.au>>. To access the theme page, select 'Themes' from the menu on the home page.

COMMENTS

The ABS welcomes comments and suggestions from users regarding future surveys of Service Industries. These comments should be addressed to the Director, Service Industries Business Statistics Centre, Australian Bureau of Statistics, GPO Box 2796Y, Melbourne, Vic. 3001.

ROUNDING

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

Dennis Trewin
Australian Statistician

MAIN FEATURES

INTRODUCTION

This publication presents the results of the 2001–02 Employment Services Survey. This survey is conducted periodically by the ABS to provide a detailed measure of the performance and structure of organisations operating in Australia that generate income predominantly from employment services. The main focus of the survey was on understanding aspects such as the number and nature of job placements made, the composition of the income generated by employment services organisations, details of the expenses incurred, the characteristics of the direct and indirect workforce and the nature of 'for profit' and 'not for profit' organisations involved in these activities. Organisations that operate for profit are referred to as *for profits* in this publication, while organisations that operate not for profit are referred to as *not for profits*.

For the purpose of this survey, *Employment Services* included organisations with a predominant activity of employment placement. Employment placement included: temporary labour hire by service providers to other businesses using their own employees, on a fee or contract basis, and placement of permanent or temporary staff directly employed by a client organisation. Organisations whose main income was generated primarily from other related employment services such as preparation of curricula vitae, counselling, training or other support services for job seekers, were excluded from the results of this survey.

SNAPSHOT OF EMPLOYMENT SERVICES ORGANISATIONS

At the end of June 2002 there were 2,704 employment services organisations operating in Australia, comprising 2,445 for profits and 259 not for profits. These organisations had direct employment of 32,077 persons.

Income generated by these organisations was \$10,228.5m in 2001–02; for profits accounted for \$9,207.2m of this income and not for profits \$1,021.3m. The profit margin/surplus for all organisations was 2.9%.

Employment services organisations tended to be small employers: 59.4% had four or fewer persons directly employed, and 20.1% had direct employment of 5–9 persons. Only 1.4% of all organisations had direct employment of 100 or more persons.

The total industry value added (IVA) by employment placement organisations was \$8,866.7m, contributing 1.3% to Australian gross domestic product (GDP) for 2001–02. The derivation of IVA differs for organisations in the market and non-market sectors, therefore caution should be used when making comparisons between organisations in these two sectors. These differences can be found in the Glossary. For profits accounted for 91.8% (\$8,138.7m) of the total IVA, while not for profits generated 8.2% (\$728m).

EMPLOYMENT PLACEMENTS

A total of 3,738,900 placements were made in 2001–02; of this total 424,400 were permanent and 3,314,500 temporary/contract placements.

Permanent placements were predominantly made by large organisations (those with direct employment of 100 or more persons) whereas smaller organisations (those with direct employment of fewer than 20 persons) reported more temporary/contract placements. Large organisations accounted for 61.9% of all permanent placements, and only 18.4% of all temporary/contract placements, while smaller organisations accounted for 63.3% of all temporary/contract placements, and only 20% of all permanent placements.

MAIN FEATURES *continued*

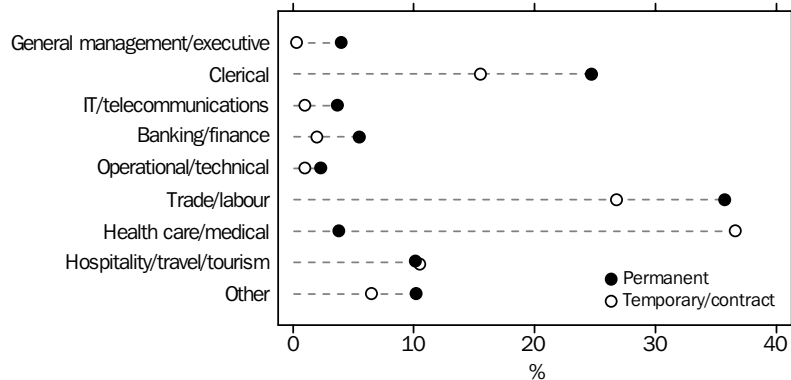
EMPLOYMENT PLACEMENTS *continued*

Employment placement activity varied by type of sector. Of the total employment placement activity undertaken by not for profits, 76% was government supported placement activity, 19.2% was other temporary/contract placement activity, and 4.7% other permanent placement activity. For profits comprised a different profile with 90.3% of activity focused on other temporary/contract placements and only 4.6% on government supported activity.

The major areas of employment placement were in health care and medical occupations (1,235,400), trade, labour and related occupations (1,033,100), and clerical occupations (610,400).

G1 shows that permanent placements were highest in the trade, labour and related occupations (151,400 or 35.7% of total permanent placements), and clerical occupations (104,100 or 24.5%). Health care and medical occupations dominated temporary/contract placements (1,219,000 or 36.8% of total temporary/contract placements), followed by trade, labour and related occupations (881,700 or 26.6%), and clerical (506,300 or 15.3%).

G1 JOB PLACEMENTS BY OCCUPATION,
Proportion of total permanent and total temporary/contract placements



For each permanent placement in health care and medical occupations, there were 74.3 temporary/contract placements in this same occupation group. This ratio of temporary placements reflects the nature of the nursing industry where placements are often made for a single shift, resulting in a very high number of placements per year for each indirect employee. The next highest ratio of temporary/contract placements was hospitality, travel and tourism occupations at 8.1 temporary/contract placements per permanent placement, followed by trade, labour and related occupations, at 5.8 temporary/contract placements per permanent placement. General management/executive occupations was the only occupation category where more permanent placements were made (17,100) than temporary/contract placements (10,600).

MAIN FEATURES *continued*

INCOME

Employment services organisations generated \$10,228.5m in income in 2001–02, representing an average of \$318,900 per person directly employed. The major source of income was income received from clients, \$9,308m (excluding income from government supported schemes). This total comprised the following types of client income: temporary/contract placements (\$8,250.2m), permanent placement/personnel recruitment (\$879.2m), other employment services (\$131.1m), and provision of training services (\$47.5m).

Excluding government supported placement activity, an average permanent placement/personnel recruitment services income of \$4,600 was earned for each permanent placement. The average temporary and job contract placements income was \$2,600 for each temporary/contract placement.

Micro organisations, those with four or fewer persons directly employed, generated \$1,614.2m in income (15.8%) and had an average income of \$524,600 per person directly employed. Large organisations, those with 100 or more persons, generated \$4,005m in income (39.2%) and averaged \$308,100 per person directly employed.

Not for profits generated their income from different sources than for profit organisations. Not for profits generated 45% of their total income from client payments, 29.5% from government supported schemes, and 21.4% from other government funding. The majority of for profit income was generated from client payments (96.1%). Government supported schemes and other government funding accounted for only 3% and 0.1% of total income for these organisations.

EMPLOYMENT

Total employment of employment placement organisations at the end of June 2002 was 322,192 persons, comprising 32,077 direct employment and 290,115 indirect employment.

The total direct employment of employment services organisations at the end of June 2002 was 32,077 persons. Most staff (17,744 or 55.3%) were employed as employment/recruitment consultants, while 11,397 (35.5%) were employed as management and administrative support staff.

The majority of total direct employment comprised permanent full time employees, (24,479 or 76.3%). There were 956 working proprietors/partners of unincorporated organisations, accounting for 3% of total direct employment. Casual employees accounted for 3,427 (10.7%) persons directly employed, and permanent part-time employees, 3,216 (10%).

Employment placement organisations largely comprised females, accounting for 65.2% (20,928) of total direct employment. There were more females than males in all types of direct employment. Females accounted for 63.3% of permanent full-time, 79.4% of permanent part-time, and 69.3% of casual employees. Females also accounted for the majority of all working proprietors/partners (52.2%).

Although employment services largely comprised smaller organisations (79.5% of all organisations had direct employment of 9 or fewer persons), they accounted for only 20.7% of total direct employment. Large organisations represented 1.4% of all organisations and accounted for 40.5% of all direct employment.

MAIN FEATURES *continued*

EMPLOYMENT *continued*

The indirect employment of employment services organisations was 290,115 persons at the end of June 2002, or 9 persons for each person directly employed. There were 19,532 apprentices and trainees accounting for 6.7% of total indirect employment.

For profits accounted for 91.2% (293,753) of total employment, 71% (22,764) of direct employment and 93.4% (270,989) of indirect employment. Not for profits accounted for 8.8% (28,440) of total employment; 29% (9,313) of direct employment and 6.6% (19,126) of indirect employment.

EXPENDITURE

Total expenditure of employment services organisations was \$9,937.5m in 2001–02. Labour costs comprised the largest component of all expenses, 84.6%. The labour costs of indirect employees dominated expenditure, comprising 68.3% (\$6,786.4m) of all expenditure.

The labour costs of direct employees accounted for 16.3% (\$1,621.5m) of total expenses. The average labour cost for a direct employee was \$52,100.

Other than labour costs, rent, leasing and hiring was the next highest expense accounting for 2% of total expenditure (\$199.9m).

As a proportion of total expenditure, not for profits had higher labour costs for direct employees, accounting for 33.3% (\$326.3m) of total expenditure, compared to 14.5% (\$1,295.2m) for profits.

STATES AND TERRITORIES

Organisations in New South Wales accounted for 39.7% (\$4,058.4m) of all income, and had the highest proportion all permanent placements (28.9% or 122,700). Queensland recorded more permanent placements than Victoria (26.8% or 113,800 compared to 24.6% or 104,300), but generated less income than Victoria, 13.1% (\$1,338.8m) and 27.3% (\$2,796.3m) respectively.

New South Wales accounted for 26.7% of all not for profits and 44% of all for profits. Queensland had the next highest proportion of all not for profits (24.2%), followed by Victoria (21.3%). The reverse was the case for profits with Victoria reporting a higher proportion of these organisations (33.6%) than Queensland (18.1%).

The greatest concentration of not for profits was found in the smallest states and territories. Of the total number of organisations operating in Tasmania, 34% were not for profits. In the Northern Territory, 23.3% of all organisations were not for profits, while the Australian Capital Territory had 18.9%. New South Wales had the lowest concentration of not for profits (6%).

HISTORICAL COMPARISON

Comparisons with results from earlier surveys are useful as an indication of the extent of change over time. However, the survey was not designed to provide highly accurate estimates of change, so any comparisons to results from previous surveys should be made with caution. Estimates of change can be subject to changes to scope and coverage, question wording or high levels of sampling error. Further information can be found in paragraphs 21–26 of the Explanatory Notes.

MAIN FEATURES *continued*

HISTORICAL COMPARISON *continued*

Taking into consideration these limitations, the 2001–02 survey results suggest that employment services organisations experienced a period of significant growth between 1998–99 and 2001–02. Total income increased by 30.8% over the three years. Growth in total expenditure (34.2%) exceeded the income growth. The largest component of expenditure was labour costs, with a growth of 46%.

The total number of organisations providing employment services increased by 29.2% over the three years. For profits increased by 42.2%, while not for profits decreased by 30.7%.

The growth in employment was not as strong as the growth in income. Total direct employment grew by 10.9% over the three years, while indirect employment increased by 4%. The number of recruitment/employment consultants directly employed by employment services organisations increased by 22.9%.

The total operating profit/surplus before tax of employment services organisations declined by 31.8% between 1998–99 and 2001–02. This contributed to the reduction in the operating profit/surplus margin from 5.6% in 1998–99 to 2.9% in 2001–02.

The total number of placements also experienced growth, rising 36.6% over the three years. Both sectors recorded growth in the number of placements, with for profits recording a higher growth, 37%. Placements by not for profits increased by 31.4%.

SUMMARY OF OPERATIONS

		1998-99(a)	2001-02			Percentage change (%)
			For profit	Not for profit	Total	
Placements during year ended 30 June	'000	^ 2 736.3	3 509.3	229.6	3 738.9	36.6
Organisations at end June	no.	2 093	2 445	259	2 704	29.2
Locations at end June						
Capital city	no.	r3 679	3 481	420	3 901	6.0
Other	no.	r1 334	1 041	605	1 646	23.4
Total	no.	r5 013	4 522	1 025	5 547	10.6
Employment at end June						
Direct employment						
Recruitment/employment consultants	no.	14 439	13 091	4 653	17 744	22.9
Other direct employees	no.	14 473	9 673	4 660	14 333	-1.0
Total	no.	28 912	22 764	9 313	32 077	10.9
Indirect employment	no.	278 937	270 989	19 126	290 115	4.0
Total	no.	307 849	293 753	28 440	322 192	4.7
Income						
Income received from clients	\$m	6 900.1	8 848.5	459.5	9 308.0	34.9
Income from government supported schemes(b)	\$m	636.2	272.8	301.6	574.4	-9.7
Other income from sales of goods and services	\$m	88.9	^ 73.2	33.4	106.6	19.9
Other sources of income	\$m	192.5	^ 12.7	226.8	239.5	24.4
Total	\$m	7 817.7	9 207.2	1 021.3	10 228.5	30.8
Expenses						
Labour costs	\$m	5 757.7	7 698.0	709.9	8 407.9	46.0
Other expenses	\$m	1 646.2	1 260.8	268.8	1 529.6	-7.1
Total	\$m	7 404.1	8 958.8	978.6	9 937.5	34.2
Operating profit/surplus before tax	\$m	426.1	^ 247.8	42.7	290.6	-31.8
Operating profit/surplus margin	%	5.6	^ 2.7	5.4	2.9	. .
Industry value added	\$m	na	8 138.7	728.0	8 866.7	. .

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

(a) Comparisons to historical estimates should be made with caution. Refer to paragraphs 21-26 of the Explanatory Notes.

r revised

(b) For further information refer to paragraph 3 of the Explanatory Notes.

. . not applicable

na not available

2

NUMBER OF PLACEMENTS, By type of placement

2001-02						
		Government supported placement activity(a)	Other permanent placement activity	Other temporary or contract placement activity	Total	1998-99 Total
Organisations at end June(b)						
For profit	no.	41	1 607	2 047	2 445	1 719
Not for profit	no.	71	^ 140	^ 179	259	374
Total	no.	112	1 748	2 227	2 704	2 093
Placements during year ended 30 June						
By for profit	'000	160.6	178.5	^ 3 170.1	3 509.3	^ 2 561.7
By not for profit	'000	174.6	^ 10.9	^ 44.1	229.6	174.7
Total	'000	335.2	189.4	^ 3 214.2	3 738.9	^ 2 736.3

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

(a) For further information refer to paragraph 3 of the Explanatory Notes.

(b) Some organisations may be involved in more than one type of placement activity. Hence the counts of organisations may not sum to the total.

3

NUMBER OF PLACEMENTS, By occupation(a)(b)

	Permanent placements	Temporary/contract placements	Total
	'000	'000	'000
General management/executive	^ 17.1	10.6	27.6
Clerical	104.1	506.3	610.4
IT and telecommunications	^ 15.6	^ 32.7	^ 48.3
Banking and finance	23.6	66.0	89.6
Operational and technical	^ 9.9	^ 32.9	^ 42.8
Trade, labour and related occupations	151.4	^ 881.7	1 033.1
Health care and medical	*16.4	^ 1 219.0	^ 1 235.4
Hospitality, travel and tourism	42.9	*348.9	*391.9
Other	43.4	^ 216.3	^ 259.7
Total	424.4	^ 3 314.5	3 738.9

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

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

(a) Estimates of the number of placements by occupation are subject to higher levels of non-sampling error than other estimates. Refer to Explanatory Notes paragraph 34.

(b) Includes government supported placements.

	FOR PROFIT			NOT FOR PROFIT		
	Organisations at end June(a)	Income	Proportion of total income	Organisations at end June(a)	Income	Proportion of total income
	no.	\$m	%	no.	\$m	%
Sales of goods and services						
Income received from clients for(b)						
Permanent placement/personnel recruitment service	1 581	869.6	9.4	*36	^ 9.6	0.9
Temporary and contract job placements						
Apprentice and trainee placements	^ 105	^ 131.4	1.4	^ 80	370.2	36.2
Other temporary and contract job placements	1 972	7 703.2	83.7	^ 55	^ 45.4	4.4
<i>Total</i>	2 031	7 834.6	85.1	^ 115	415.6	40.7
Provision of training services	^ 141	^ 15.5	0.2	^ 133	32.0	3.1
Other employment services	380	128.8	1.4	*29	2.3	0.2
<i>Total</i>	2 416	8 848.5	96.1	^ 204	459.5	45.0
Income from government supported schemes(c)	41	272.8	3.0	71	301.6	29.5
Other income from sales of goods and services	539	^ 73.2	0.8	^ 180	33.4	3.3
<i>Total</i>	2 426	9 194.5	99.9	249	794.5	77.8
Other sources of income						
Other government funding						
For job placement programs	^ 44	6.5	0.1	^ 209	176.5	17.3
Other	*42	3.9	—	^ 64	42.2	4.1
<i>Total</i>	^ 83	10.5	0.1	232	218.7	21.4
Interest income	1 108	np	np	218	7.4	0.7
Other income	494	np	np	^ 152	*0.8	0.1
<i>Total</i>	1 298	^ 12.7	0.1	253	226.8	22.2
Total	2 445	9 207.2	100.0	259	1 021.3	100.0

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

^ estimate has a relative standard error of between 10% and 25% 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

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

(b) Excludes government supported placements.

(c) For further information refer to paragraph 3 of the Explanatory Notes.

TOTAL			
	Organisations at end June(a)	Income	Proportion of total income
	no.	\$m	%
Sales of goods and services			
Income received from clients for(b)			
Permanent placement/personnel recruitment service	1 616	879.2	8.6
Temporary and contract job placements			
Apprentice and trainee placements	^ 185	501.6	4.9
Other temporary and contract job placements	2 027	7 748.6	75.8
<i>Total</i>	2 146	8 250.2	80.7
Provision of training services	274	47.5	0.5
Other employment services	409	131.1	1.3
<i>Total</i>	2 620	9 308.0	91.0
Income from government supported schemes(c)	112	574.4	5.6
Other income from sales of goods and services	719	106.6	1.0
<i>Total</i>	2 675	9 989.0	97.7
Other sources of income			
Other government funding			
For job placement programs	253	183.0	1.8
Other	^ 106	46.1	0.5
<i>Total</i>	315	229.1	2.2
Interest income	1 327	np	np
Other income	646	np	np
<i>Total</i>	1 551	239.5	2.3
Total	2 704	10 228.5	100.0

- ^ estimate has a relative standard error of between 10% and 25% and should be used with caution
- np not available for publication but included in totals where applicable, unless otherwise indicated
- (a) Organisations may have more than one source of income. Hence the counts of businesses for each income source do not sum to the total.
- (b) Excludes government supported placements.
- (c) For further information refer to paragraph 3 of the Explanatory Notes.

	FOR PROFIT			NOT FOR PROFIT		
	Organisations at end June(a)	Expenditure	Proportion of total expenses	Organisations at end June(a)	Expenditure	Proportion of total expenses
	no.	\$m	%	no.	\$m	%
Labour costs						
Direct employees						
Wages and salaries	2 137	1 113.3	12.4	252	291.1	29.7
Employer contributions to superannuation funds(b)	2 062	95.1	1.1	252	25.1	2.6
Workers' compensation costs	1 734	15.6	0.2	237	5.5	0.6
Payroll tax	827	55.6	0.6	^ 36	1.8	0.2
Fringe benefits tax	526	15.6	0.2	^ 84	^ 2.8	0.3
Total	2 158	1 295.2	14.5	252	326.3	33.3
Indirect employees						
Wages and salaries	1 792	5 629.2	62.8	^ 127	347.0	35.5
Employer contributions to superannuation funds(b)	1 595	377.5	4.2	^ 117	25.1	2.6
Workers' compensation costs	1 529	136.1	1.5	^ 102	^ 9.5	1.0
Payroll tax	952	259.5	2.9	^ 21	^ 1.9	0.2
Fringe benefits tax	^ 44	*0.5	—	—	—	—
Total	1 806	6 402.8	71.5	^ 127	383.6	39.2
All employees						
Wages and salaries	2 393	6 742.6	75.3	258	638.2	65.2
Employer contributions to superannuation funds(b)	2 317	472.7	5.3	258	50.2	5.1
Workers' compensation costs	2 177	151.7	1.7	253	15.0	1.5
Payroll tax	1 112	315.0	3.5	^ 44	3.8	0.4
Fringe benefits tax	547	16.1	0.2	^ 84	^ 2.8	0.3
Total labour costs	2 412	7 698.0	85.9	258	709.9	72.5
Payments to other businesses for contracted services						
Employment placement services	394	^ 79.0	0.9	^ 41	5.3	0.5
Related services	339	^ 21.9	0.2	^ 69	17.3	1.8
Total	626	^ 100.9	1.1	^ 89	22.6	2.3
Insurance premiums	1 888	21.5	0.2	254	4.7	0.5
Interest expenses	1 289	45.6	0.5	^ 100	^ 1.6	0.2
Depreciation and amortisation	1 246	85.9	1.0	^ 186	17.6	1.8
Bad and doubtful debts	695	31.4	0.4	^ 80	^ 1.9	0.2
Electricity and gas charges	1 565	8.0	0.1	225	3.8	0.4
Computer software expensed	1 564	19.9	0.2	200	3.4	0.4
Telecommunication services	2 160	88.5	1.0	254	18.9	1.9
Rent, leasing and hiring expenses	1 832	162.6	1.8	^ 234	37.4	3.8
Audit and other accounting expenses	2 098	22.9	0.3	254	2.6	0.3
Advertising, marketing and sponsorship expenses	1 949	110.4	1.2	238	12.7	1.3
Travelling, accommodation and entertainment expenses	1 837	55.8	0.6	229	9.7	1.0
Other expenses	2 014	507.4	5.7	248	131.8	13.5
Total	2 445	8 958.8	100.0	259	978.6	100.0

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

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

— nil or rounded to zero (including null cells)

(a) Organisations may have more than one type of expenditure. Hence, the counts of organisations for each item of expenditure do not sum to the total.

(b) Includes salary sacrifice that is paid as employer contributions to superannuation funds. Other salary sacrifice is included with the relevant expense item.

TOTAL			
	Organisations at end June (a)	Expenditure	Proportion of total expenses
	no.	\$m	%
.....			
Labour costs			
Direct employees			
Wages and salaries	2 389	1 404.4	14.1
Employer contributions to superannuation funds(b)	2 314	120.2	1.2
Workers' compensation costs	1 971	21.1	0.2
Payroll tax	863	57.4	0.6
Fringe benefits tax	609	18.3	0.2
Total	2 409	1 621.5	16.3
Indirect employees			
Wages and salaries	1 919	5 976.3	60.1
Employer contributions to superannuation funds(b)	1 712	402.6	4.1
Workers' compensation costs	1 631	145.6	1.5
Payroll tax	973	261.4	2.6
Fringe benefits tax	^ 44	*0.5	—
Total	1 933	6 786.4	68.3
All employees			
Wages and salaries	2 651	7 380.7	74.3
Employer contributions to superannuation funds(b)	2 575	522.8	5.3
Workers' compensation costs	2 431	166.7	1.7
Payroll tax	1 157	318.8	3.2
Fringe benefits tax	631	18.8	0.2
Total labour costs	2 670	8 407.9	84.6
Payments to other businesses for contracted services			
Employment placement services	435	^ 84.3	0.8
Related services	408	39.2	0.4
Total	716	^ 123.5	1.2
Insurance premiums	2 142	26.3	0.3
Interest expenses	1 388	47.2	0.5
Depreciation and amortisation	1 433	103.6	1.0
Bad and doubtful debts	775	33.3	0.3
Electricity and gas charges	1 789	11.8	0.1
Computer software expensed	1 764	23.3	0.2
Telecommunication services	2 414	107.4	1.1
Rent, leasing and hiring expenses	2 065	199.9	2.0
Audit and other accounting expenses	2 352	25.5	0.3
Advertising, marketing and sponsorship expenses	2 187	123.1	1.2
Travelling, accommodation and entertainment expenses	2 066	65.5	0.7
Other expenses	2 262	639.3	6.4
Total	2 704	9 937.5	100.0

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

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

— nil or rounded to zero (including null cells)

(a) Organisations may have more than one type of expenditure. Hence, the counts of organisations for each item of expenditure do not sum to the total.

(b) Includes salary sacrifice that is paid as employer contributions to superannuation funds. Other salary sacrifice is included with the relevant expense item.

6

CHARACTERISTICS OF EMPLOYMENT AT END JUNE 2002

	<i>Males</i>		<i>Females</i>		<i>Persons</i>	
	no.	%	no.	%	no.	%
Working proprietors and working partners of unincorporated businesses	^ 457	4.1	^ 499	2.4	956	3.0
Direct employees						
Permanent full-time	8 977	80.5	15 501	74.1	24 479	76.3
Permanent part-time	662	5.9	2 554	12.2	3 216	10.0
Casual	1 053	9.4	2 374	11.3	3 427	10.7
<i>Total</i>	10 692	95.9	20 430	97.6	31 121	97.0
<i>Total direct employment</i>	11 149	100.0	20 928	100.0	32 077	100.0
Indirect employment	na	..	na	..	290 115	..
Total employment	na	..	na	..	322 192	..
^ estimate has a relative standard error of between 10% and 25% and should be used with caution	na	not available	na	not available	..	not applicable

7

MAIN ACTIVITY OF PERSONS EMPLOYED

	<i>Persons</i>	<i>Proportion</i>
	<i>at end</i>	<i>of total</i>
	<i>June</i>	<i>employment</i>
	no.	%
Direct employment		
Recruitment/employment consultants	17 744	5.5
Management and administrative support	11 397	3.5
Other	2 936	0.9
<i>Total</i>	32 077	10.0
Indirect employment		
Apprentices and trainees	19 532	6.1
Other temporary and contract persons	270 583	84.0
<i>Total</i>	290 115	90.0
Total employment	322 192	100.0

STATES AND TERRITORIES (a)

		New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
Organisations at end June(b)										
For profit	no.	1 077	820	442	^ 162	246	^ 33	^ 23	^ 61	2 445
	%	44.0	33.6	18.1	6.6	10.1	1.4	0.9	2.5	100.0
Not for profit	no.	^ 69	^ 55	^ 63	^ 37	^ 36	^ 17	7	^ 14	259
	%	26.7	21.3	24.2	14.4	14.1	6.4	2.7	5.2	100.0
<i>Total</i>	no.	1 146	876	505	199	282	50	30	^ 74	2 704
	%	42.4	32.4	18.7	7.4	10.4	1.8	1.1	2.7	100.0
Permanent placements	'000	122.7	104.3	113.8	31.1	33.9	9.2	^ 5.3	4.0	424.4
	%	28.9	24.6	26.8	7.3	8.0	2.2	1.3	1.0	100.0
Total employment at end June	no.	120 326	91 679	43 047	^ 27 473	25 720	4 161	2 584	7 203	322 192
	%	37.3	28.5	13.4	8.5	8.0	1.3	0.8	2.2	100.0
Total wages and salaries	\$m	2 938.4	1 956.4	977.9	569.7	631.6	123.9	35.6	147.3	7 380.7
	%	39.8	26.5	13.2	7.7	8.6	1.7	0.5	2.0	100.0
Total income	\$m	4 058.4	2 796.3	1 338.8	762.3	864.2	165.0	51.7	191.8	10 228.5
	%	39.7	27.3	13.1	7.5	8.4	1.6	0.5	1.9	100.0

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

(b) Some organisations may operate in more than one state or territory. Hence the counts of organisations may not sum to the total for Australia.

(a) State estimates are subject to higher levels of sampling error than national estimates and should be used with care. Further detail can be found in Explanatory Notes paragraph 33.

SUMMARY OF OPERATIONS, By direct employment size(a)

		0-4 persons	5-9 persons	10-19 persons	20-49 persons	50-99 persons	100 or more persons	Total
Organisations at end June	no.	1 605	544	282	194	40	39	2 704
	%	59.4	20.1	10.4	7.2	1.5	1.4	100.0
Permanent placements	'000	^ 33.0	^ 24.6	^ 27.3	^ 46.0	31.0	262.5	424.4
	%	7.8	5.8	6.4	10.8	7.3	61.9	100.0
Temporary/contract placements	'000	^ 891.9	^ 435.0	* 773.5	^ 512.0	92.1	609.9	^ 3 314.5
	%	26.9	13.1	23.3	15.4	2.8	18.4	100.0
Direct employment at end June	no.	3 077	3 545	3 772	5 953	2 732	12 999	32 077
	%	9.6	11.1	11.8	18.6	8.5	40.5	100.0
Wages and salaries of direct employees	\$m	^ 122.1	128.8	^ 172.9	^ 270.0	96.7	614.0	1 404.4
	%	8.7	9.2	12.3	19.2	6.9	43.7	100.0
Total income	\$m	1 614.2	1 033.3	^ 1 276.2	^ 1 692.0	607.6	4 005.0	10 228.5
	%	15.8	10.1	12.5	16.5	5.9	39.2	100.0
Operating profit/surplus before tax	\$m	* 54.4	* 27.5	* 39.8	* 52.2	^ 21.6	95.0	290.6
	%	18.7	9.5	13.7	18.0	7.4	32.7	100.0
Operating profit/surplus margin	%	* 3.4	* 2.7	^ 3.2	* 3.2	^ 3.8	2.4	2.9

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

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

(a) Direct employment size is based on the number of persons working directly for the organisation, and excludes any employees placed with other organisations.

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents results from a survey of employment services organisations for the reference year 2001–02. This is the second time the ABS has conducted this survey. Previous statistics were released for 1998–99.

SCOPE

2 The scope of the survey was all employing units on the ABS Business Register, classified to class 7861 – EMPLOYMENT PLACEMENT SERVICES or class 7862 – CONTRACT STAFF SERVICES of the Australian and New Zealand Standard Industrial Classification (ANZSIC). ANZSIC class 7861 consists of organisations mainly engaged in personnel search, selection, referral and placement in connection with any field. ANZSIC class 7862 consists of organisations mainly engaged in supplying their own employees to other businesses on a fee or contract basis, mainly on short-term assignments and under the supervision of staff of the client business.

3 References to 'government supported schemes' cover some but not all of the activities of the Job Network scheme. The Job Network scheme is a Commonwealth Government employment services program administered by the Department of Employment and Workplace Relations (DEWR), which contracts other organisations to provide employment services to job seekers and the unemployed, as referred by Centrelink. It is important to note that not all organisations which were participants of the Job Network scheme were included in the results of this survey. Organisations which were participants of the DEWR Job Network scheme were included in scope of the survey only if their predominant activity was employment placement or contract staff services. As not all organisations under the Job Network scheme were included in the survey results, a difference may exist between any data published by DEWR and the *Employment Services* publication. Differences in estimates may also be attributable to differences in the definition of a job placement.

STATISTICAL UNITS DEFINED ON THE ABS REGISTER

4 The ABS uses an economic statistics model on the ABS Business Register 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.

5 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. The vast majority of businesses are in what is called the Australian Taxation Office (ATO) Maintained Population, while the remaining businesses are in the ABS Maintained Population. Together, these two sub-populations make up the ABS Business Register population.

ATO Maintained Population

6 Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN), and are then included on the ATO Australian Business Register. Most of these businesses have simple structures; therefore the unit registered for an ABN will satisfy ABS statistical requirements. For these businesses, the ABS is aligning its statistical units structure with the ABN unit. The businesses with simple structures constitute the ATO Maintained Population, and the ABN unit will be used as the economic statistics unit for all economic collections.

ABS Maintained Population

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

EXPLANATORY NOTES *continued*

ABS Maintained Population
continued

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 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 activities. When a minimum set of data items are available, a TAU will be created which covers all the operations within an industry subdivision (and the TAU will be classified to the relevant subdivision of the ANZSIC). Where a business cannot supply adequate data for each industry, a TAU will be formed which contains activity in more than one industry subdivision.

8 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).

9 Prior to the 2001–02 cycle, the Employment Services Survey used the management unit as the statistical unit. For issues of this publication relating to 2001–02 onwards, the statistical unit in the Employment Services Survey is the ABN unit for businesses with simple structures, and the TAU for businesses with complex structures. In most cases, ABN/TAU units concord with the management units used in the 1998–99 cycle. The impact of the change to the economic statistics units model on the survey estimates was minimal. The survey estimates would have been approximately 3–4% less than the estimates published in the 2001–02 *Employment Services* if the survey was produced using the old statistics units model. Other differences are outlined in paragraph 24.

COVERAGE

10 The frame used for the Employment Services Survey, like most ABS economic surveys, was taken from the ABS Business Register. The ABS Business Register is primarily based on registrations to the Australian Taxation Office's Pay As You Go Withholding (PAYGW) scheme (and prior to 1 July 2000, the Group Employer (GE) scheme). The frame is updated quarterly to take account of new businesses and businesses which have ceased employing.

11 Businesses which have ceased employing are identified when the Australian Taxation Office cancels their PAYGW registration (or previously their GE registration). In addition, from July 1999 to the end of June 2000, businesses which did not remit under the GE scheme for the previous five quarters were removed from the frame. A similar process has recently been adopted to remove businesses which do not remit under the PAYGW scheme.

12 The introduction of The New Tax System has a number of significant implications for ABS business statistics, and these are discussed in: *Information Paper: ABS Statistics and The New Tax System* (cat. no. 1358.0) and *Information Paper: Improvements in ABS Economic Statistics [Arising from The New Tax System]* (cat. no. 1372.0).

IMPROVEMENTS TO COVERAGE

13 Data in this publication have been adjusted to allow for lags in processing new businesses to the ABS Business Register, and the omission of some businesses from the register. The majority of businesses affected, and to which the adjustments apply, are small in size.

EXPLANATORY NOTES *continued*

IMPROVEMENTS TO COVERAGE *continued*

14 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 ABS Business Register. Adjustments of this type will continue to be applied in future periods.

15 For more information on these adjustments, please refer to the ABS publication *Information Paper: Improvements to ABS Economic Statistics, 1997* (cat. no. 1357.0).

COMPARISON WITH OTHER ABS STATISTICS

16 Annual data for the employment placement services and contract staff services industries are published in *Australian Industry* (cat. no. 8155.0). There are important differences between the statistics published in the *Australian Industry* and *Employment Services* publications and users should exercise caution when making comparisons between the two sets of estimates.

17 The *Australian Industry* publication presents annual summary statistics at the ANZSIC class level. It shows the relative performance of each industry class, and allows patterns of change or growth to be analysed across particular segments of the Australian economy. The industry estimates presented in *Australian Industry* are used in the compilation of the National Accounts, and in the derivation of economy-wide indicators such as gross domestic product (GDP).

18 The *Employment Services* publication supplements the annual industry summary statistics with a detailed examination of the structure and performance of organisations involved in employment services activities for the reference year of the survey.

19 One reason the two sets of estimates are different relates to the use of different industry coding practices. For the *Australian Industry* publication, 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 paragraphs 4–7). On the other hand, *Employment Services* presents estimates for industry classes based on detailed financial data reported in the survey. For the Employment Services industries, approximately 30% of businesses originally coded to ANZSIC Classes 7861 and 7862 were found to be predominantly involved in activity outside these boundaries, and have consequently been excluded from the results presented in this publication.

20 Differences in results also occurred because there were differences in the scope and coverage of the two surveys. Firstly, non-employing units were included in the scope of *Australian Industry*, but generally excluded from *Employment Services*. Also, external sources such as listings of Job Network contract holders from the Department of Employment and Workplace Relations were used to improve the coverage of the Employment Services Survey. This would have the effect of adding employment services organisations to the results in this publication that might have been incorrectly coded on the ABS Business Register and therefore excluded from *Australian Industry* estimates.

HISTORICAL COMPARISONS

21 While comparisons are made between 2001–02 survey results and the earlier iteration of the Employment Services Survey, the reader should bear in mind that the survey has not been designed to support accurate estimates of change, and should exercise caution when comparing 2001–02 results to 1998–99 results.

22 Changes were made to the definitions of permanent and temporary/contract job placements. In 1998–99, all placements into positions where the client/host business paid the wages and other labour costs directly to the successful candidate, were classed as permanent placements, regardless of whether the placement was long or short-term. Placements, where the wages and other labour costs were paid by the recruitment organisation and recovered from the client or host business as fees, were referred to as on-hired placements. Consultation with organisations within the employment placement services and contract staff services industries during the development of the 2001–02

EXPLANATORY NOTES *continued*

HISTORICAL COMPARISONS

continued

survey indicated that this was not the preferred way to categorise placements. For 2001–02, a new job placement category of 'Temporary/contract placements' was created, combining on-hired placements with short or fixed term placements where the labour costs were paid directly by the client business. Total job placements are conceptually the same as for the 1998–99 survey, however the other categories presented are not comparable between time periods.

23 The 1998–99 survey included a small amount of data for organisations contracted under the Job Network scheme, whose major activity was not employment services. These organisations were presented as 'Other organisations providing employment services' in published output. These organisations have not been included in the 1998–99 estimates that have been reproduced in this publication. Job Network organisations classified to ANZSIC classes outside 7861 and 7862 have been excluded from the 2001–02 survey.

24 In most cases, ABN/TAU units in the 2001–02 survey would concord with the management units used in the 1998–99 cycle, however, in some cases, a management unit would have consisted of one ABN/TAU that collected the income paid to an organisation (and therefore was assigned an employment services ANZSIC code), and a separate service entity ABN/TAU that was established to provide administrative services to the organisation. The service entity would often hold all the direct employment of the organisation. This could have resulted in ABN/TAU units with large income values, but no direct employment. In these cases, the employment and financial data of the service entities were not in scope of the 2001–02 collection, but would have been in scope and covered through the use of the management unit in 1998–99.

25 Minor changes were made to the processing rules that were used to classify units to ANZSIC classes 7861 and 7862 since the 1998–99 survey. For the 2001–02 survey, the primary activity that was used to determine if a unit belonged to these ANZSIC classes was the placement of staff with a client business. Units that did not primarily make placements, but primarily provided ancillary employment services, such as assistance to job seekers in preparing curriculae vitae or career counselling, were not in scope of the 2001–02 survey. However, many of these units primarily offering ancillary services were considered to be in scope in 1998–99, and contributed to 1998–99 estimates. These units were usually very small organisations, and did not make a large contribution to estimates.

26 The ANZSIC coding of single-person organisations that managed the business activities of the single person has been clarified since 1998–99. In the past, some of these units were considered as deriving their income from employment placement. An example would have been a fruit picker who negotiated a number of short-term placements picking fruit for a season. Single-person businesses have become more common since 1998–99, in part because of two recent developments: the introduction of Australia's New Taxation System in July 2000, which encouraged many individuals to apply for an Australian Business Number (ABN), and the introduction of the *Australian Workplace Reform Act* and associated activity which encouraged individual employment contracts. This in turn established more single-person businesses where the sole person employed works for, and is ultimately paid by, a separate business entity. These types of single-person entities are no longer coded to ANZSIC classes 7861 and 7862.

RELIABILITY OF THE DATA

27 When interpreting the results of a survey it is important to take into account factors that may affect the reliability of estimates. Such factors can be classified as either sampling or non-sampling error.

EXPLANATORY NOTES *continued*

RELIABILITY OF THE DATA

continued

28 The estimates are based on information obtained from a randomly selected stratified sample of employment services organisations in the Australian business population. Consequently, the estimates in this publication 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, that is if a census was conducted. 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 of units was included.

29 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 was conducted and approximately 19 chances in 20 that the difference will be less than two SEs.

30 Sampling variability can also be measured by the relative standard error (RSE), which is obtained by expressing the SE as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the sampling error in percentage terms, and this avoids the need to refer also to the size of the estimate.

31 The following table contains estimates of RSEs for a selection of the statistics presented in this publication.

RELATIVE STANDARD ERRORS FOR TABLE 1 SUMMARY OF OPERATIONS

	<i>For profit</i>	<i>Not for profit</i>	<i>Total</i>
	%	%	%
Placements during year ended 30 June	9.7	3.6	9.1
Organisations at end June	3.0	9.2	2.8
Locations at end June			
Capital city	4.4	7.0	4.0
Other	7.5	5.9	5.2
<i>Total</i>	3.9	4.6	3.2
Employment at end June			
Direct employment			
Recruitment/employment consultants	2.8	4.0	2.3
Other direct employees	3.4	3.4	2.5
<i>Total</i>	2.6	3.4	2.1
Indirect employment	5.0	6.7	4.7
<i>Total</i>	4.7	5.0	4.3
Income			
Income received from clients	3.0	7.1	2.9
Income from government supported schemes	0.1	0.3	0.2
Other income from sales of goods and services	11.6	8.2	8.3
Other sources of income	14.3	6.5	6.2
<i>Total</i>	2.9	4.0	2.7
Expenses			
Labour costs	3.2	4.7	2.9
Other expenses	4.0	2.7	3.3
<i>Total</i>	3.0	4.1	2.7
Operating profit/surplus before tax	10.8	6.4	9.2
Operating profit/surplus margin	11.0	5.8	9.5
Industry value added	3.1	4.7	2.8

EXPLANATORY NOTES *continued*

RELIABILITY OF THE DATA

continued

32 As an example of the above, an estimate of total income for employment services organisations in 2001–02 was \$10,228.5m and the RSE was estimated to be 2.7%, giving a SE of approximately \$276.2m. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure in the range of \$9,952.3m to \$10,504.7m 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 \$9,676.1m to \$10,780.9m.

33 The sampling variability for estimates at the state/territory level was higher than for Australian level aggregates. Within states/territories, the sampling variability, and therefore the RSEs of estimates for smaller states and territories are higher than for the largest states. Survey estimates for the smaller states and territories should therefore be viewed with more caution than those for other states. RSEs for New South Wales, Victoria and Queensland are typically 1.0 to 1.3 times greater than the corresponding national figure for employment and financial estimates, and 1.5 to 2.5 times higher for estimates of numbers of organisations or placements. RSEs in the other states and territories are typically 0.5 to 3.5 times greater than the corresponding national figure for employment and financial estimates, and 0.5 to 5.5 times higher for estimates of numbers of organisations or placements (the wide range of values is a result of the different market shares of small and large organisations in each state/territory).

34 Errors other than those due to sampling may occur in any type of collection and are referred to as non-sampling error. For this survey, non-sampling error may result from such things as deficiencies in the register of businesses from which the sample was drawn, non-response, imperfections in reporting and/or errors made in compiling results. The extent to which non-sampling error affects the results of the survey is not precisely quantifiable, but its impacts can be broadly identified. One such example is in relation to the occupations of placements made by an employment services organisation. Many organisations did not keep records of the occupations they placed candidates into, hence they provided an estimate of the distribution across occupation groupings. Every effort was 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. Survey estimates subject to a high level of non-sampling error have been suppressed or provided with relevant cautions.

35 Estimates that have an estimated relative standard error 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 estimate should be used with caution as it is 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.

36 Where figures have been rounded, discrepancies may occur between the sum of the components and the total. Similar discrepancies may occur between a proportion or ratio, and the ratio of the separate components.

REFERENCE PERIOD

37 Data contained in the tables in this publication related to all employment placement services organisations in Australia during the year ended June 2002. Financial estimates included the activity of any organisation that ceased or commenced operations during the year. Counts of organisations and locations included only those that were operating at 30 June 2002. Employment included only those persons working for an employment services organisation during the last pay period ending in June 2002.

EXPLANATORY NOTES *continued*

ACKNOWLEDGMENT

38 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated; without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

DATA AVAILABLE ON REQUEST

39 Inquiries about these statistics and more detailed statistics than those presented in this publication should be made by telephoning the contact shown on the front page.

ABBREVIATIONS

ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
ATO	Australian Taxation Office
CES	Commonwealth Employment Service
DEWR	Department of Employment and Workplace Relations
GDP	gross domestic product
GE	group employer
IVA	industry value added
OPBT	operating profit before tax
PAYGW	pay-as-you-go withholding
RSE	relative standard error
SE	standard error
TAU	type of activity unit
TNTS	The New Tax System

GLOSSARY

Advertising, marketing and sponsorship expenses	This item includes costs incurred by an organisation for promotional and publicity campaigns aimed at bringing the activities and services of the organisation to the attention of consumers for the purpose of increasing sales, and in the public support or promotion of sporting, arts or cultural activities.
Apprentices and trainees	This item includes persons working and studying under a contractual training agreement to learn the skills of a specific trade or vocation.
Audit and other accounting services	Audit and other accounting expenses are the costs incurred for the professional advice and skills of an auditor or accountant.
Bad and doubtful debts	Bad and doubtful debts is the amount of accounts receivable that are either written off, or estimated to be uncollectible during an accounting period, that are expensed in a period's profit calculations.
Banking and finance occupations	These include accountants, financial planners, business analysts, tellers, financial controllers, brokers, and business and commercial bankers.
Capital city	Capital city refers to the greater metropolitan area (including suburbs) of the capital of each state and territory in Australia.
Casual employees	Casual employees are those persons directly employed by the organisation who are not entitled to paid leave.
Clerical occupations	These include secretaries, personal assistants, clerks, call centre staff, recruitment staff and data entry staff.
Computer software expensed	Computer software expensed is the cost of computer software that has been fully charged to profit as an expense in the current accounting period.
Depreciation and amortisation	Depreciation and amortisation are financial charges made in the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period. Depreciation generally refers to physical (tangible) non-current assets, and amortisation generally refers to intangible non-current assets.
Direct employment	These are staff working for the organisation providing the job placement or contract staff service to a client/host organisation. They include working directors, employment consultants and administrative staff. Direct employees are not placed in client/host organisations.
Electricity and gas charges	Electricity and gas expenses relate to the consumption of electricity and/or gas during the normal operations of the organisation.
Employer contributions to superannuation funds	Employer contributions to superannuations funds are the cost of the employer's contributions during the reference period made on behalf of employees including salary sacrificed amounts.
Employment at end June	Employment represents all employees and working proprietors and partners on the payroll for the last pay period ending in June 2002. Employees absent on paid or prepaid leave are included. Non salaried directors, subcontractors and persons solely paid by commission without a retainer are excluded.
For profits	For profit organisations are organisations that are a source of income, profit or financial gain for the individuals or organisations that establish, control or finance them.
Fringe benefits tax	Fringe benefits tax is payable by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods or services) are received by their employees (or associates of employees) in connection with their employment.
General management/executive occupations	These include chief executives, managing directors, marketing managers, human resource managers and other management positions.

GLOSSARY *continued*

Health care and medical occupations	These include doctors, chiropractors, physiotherapists, dental technicians, social workers, nurses and childcare workers.
Hospitality, travel and tourism occupations	These include hotel and motel managers, tourism coordination officers, travel consultants, chefs, kitchen hands, bar attendants and waiters/waitresses.
Income from government supported schemes	This item includes income received through contractual arrangements with the Department of Employment and Workplace Relations to provide employment services under the Job Network scheme.
Income from the provision of training services	This item refers to income derived from the provision of separately invoiced training services.
Income received from clients	This item includes all income received from clients for employment services (e.g. job placements, training, outplacement services, human resources consulting, career counselling, resume services).
Indirect employment	These are people whose wages and other labour costs are paid by the recruitment agency (and are thus employees of the recruitment agency), but are contracted or labour hired to host/client organisations on a fixed term basis. These costs are then recovered from the client/host business.
Industry value added (IVA)	Industry value added is an estimate of the difference between the market value of the output of an industry and the purchases of materials and expenses incurred in the production of that output. For market producers, it has been derived by summing operating profit before tax, labour costs, depreciation and amortisation expenses, insurance expenses, bad and doubtful debts, computer software expensed, interest expenses minus interest income, and other non-operating income. For non-market producers, IVA is derived by adding labour costs, depreciation and amortisation expenses, and other indirect taxes (land tax and land rates). The System of National Accounts, 1993, outlines the value of production for non-market producers to be the sum of intermediate consumption, compensation of employees, consumption of fixed capital and other taxes, less subsidies, on production. IVA is then obtained by subtracting the value of intermediate consumption from the value of the output.
Insurance premiums	Insurance premiums are expenses incurred by an organisation in respect of different types of insurance policies but excluding workers' compensation and compulsory third party motor vehicle insurance.
Interest expenses	Interest expenses are outflows of funds related to the cost of borrowing money.
Interest income	Interest income is income earned through the lending out of funds owned by the entity.
IT and telecommunications occupations	These include programmers, software developers, systems engineers, project managers and telecommunications specialists.
Labour costs	These include staff related costs such as wages and salaries, fringe benefits tax and payroll tax, employer contributions to superannuation, workers' compensation premiums, and provision expenses for employee entitlements.
Location	A location is a physical site from which the organisation provides employment services on a regular basis.
Management and administrative support	This item includes directly employed staff which manage the organisation, or provide administrative support services such as IT or secretarial services. It excludes recruitment and employment consultants working directly for the organisation.
Not for profits	Not for profit organisations are legal or social entities created for the purpose of purchasing goods or services, whose status does not permit them to be a source of income, profit or financial gain for the individuals or organisations that establish, control or finance them.

GLOSSARY *continued*

Operating profit/surplus before tax	This item is a measure of profit/surplus (or loss/deficit), during the reference period, taken before extraordinary items are brought into account and prior to the deduction of income tax and appropriations to owners (i.e. dividends paid, drawings). It is generally derived by subtracting total expenses from total income, and adding the difference between closing inventory and opening inventory for the period.
Operating profit/surplus margin	This represents the percentage of an organisation's sales of goods and services which becomes profit after all operating expenses have been deducted. It is derived by expressing total operating profit before tax (OPBT) as a percentage of total sales of goods and services.
Operational and technical occupations	These include engineers, print technicians, architects, quantity surveyors, and chemical and laboratory professionals.
Organisations at end June	This is a count of organisations operating at the end of June. It excludes any organisations that ceased operations during the financial year.
Other direct employees	This item refers to staff providing management and administrative support to the recruitment/employment consultants within the employment placement organisation, and other staff not directly involved in the assessment and screening of candidates.
Other employment services	This refers to services relating to employment and human resources, that exclude the placement of candidates into positions. It includes outplacement services, human resources consulting, career counselling, resume services, and profile test services.
Other expenses	This item includes all expenses incurred by the organisation, excluding the labour costs relating to its direct and indirect employees.
Other government funding	This item encompasses all forms of government funding, including funding from federal, state and local government, but excluding income received through government supported schemes.
Other government funding for job placement programs	This includes funding from federal, state and local government, for job placement programs (such as support for disabled people in employment) not covered by Job Network arrangements.
Other income from government supported schemes	This item includes smaller programs administered through Job Network contracts, such as self-employment development.
Other income from sale of goods and services	This item includes income from franchising, dividends and rent, leasing and hiring.
Other income	This item includes income net of profit (loss) on sales of fixed tangible assets, dividend income, net profit (loss) on share trading, donations, and net profit (loss) on foreign loans as a result of variations in foreign exchange rates/transactions. It excludes extraordinary profit (loss), i.e. not associated with the normal operations of the organisation and of a non-recurring nature.
Other operating expenses	This item includes bank fees and other administrative expenses.
Other permanent placement activity	This item refers to permanent placements not made under government supported schemes.
Other sources of income	This item includes other government funding, interest income, and income net of profit (loss) on sales of fixed tangible assets, dividend income, net profit (loss) on share trading, donations, and net profit (loss) on foreign loans as a result of variations in foreign exchange rates/transactions. It excludes extraordinary profit (loss), i.e. not associated with the normal operations of the organisation and of a non-recurring nature.
Other temporary or contract placement activity	This item refers to temporary or contract placements not made under government supported schemes.

GLOSSARY *continued*

Payments to other organisations for contracted employment placement and related services	This item represents payments to other organisations for a range of services including external training expenses, assessment and consultant costs and subcontracting of job placements.
Payroll tax	Payroll tax is a tax levied by state and territory governments upon the amount of wages and salaries paid by an organisation.
Permanent full-time employees	Permanent full-time employees are those who work 35 hours or more per week, and are entitled to paid leave.
Permanent part-time employees	Permanent part-time employees are those who work less than 35 hours per week, and are entitled to paid leave.
Permanent placement/personnel recruitment service	This involves the search for and selection of candidates for long term positions in client organisations, where the wages and other labour costs associated with those positions will be paid directly by the client/host organisation. Placements made through government supported schemes are excluded.
Permanent placements	A permanent job placement is where the person is placed on a long-term basis. The person has their wages and other labour costs paid by the client/host organisation, i.e. they become employees of the client/host organisation.
Persons working directly for employment services organisations	These are staff working for the organisation providing the job placement or contract staff service to a client/host organisation. They include working directors, employment consultants and administrative staff. They exclude people placed in client/host organisations.
Placement	A job placement occurs each time a person is placed into a full-time, part-time, casual or temporary position. This includes permanent, temporary and contract job placements.
Recruitment/employment consultants	This item refers to professionals employed by organisations within the industry who undertake candidate assessment and screening, provide formal advice and guidance, and perform case management support functions in respect of unemployed job-seekers.
Rent, leasing and hiring expenses	Rent, leasing and hiring expenses are those costs for the rent, leasing (excluding finance leases) and hiring of vehicles, land, buildings, machinery, equipment and any other property from other organisations or individuals.
Sales of goods and services	Sales of goods and services encompasses the revenue received from the provision of goods and/or services by an organisation, as part of its normal operations, in a given reference period.
Telecommunication services	Telecommunication services are all payments (of a non-capital nature) for telecommunication services which engage wire, cable or radio transmission. They include the costs of fixed and mobile telephone services, facsimile services, Internet services and leased lines for computers.
Temporary and contract placements	Temporary and contract job placements are where the person is placed on a fixed term basis. In most cases, their wages and other labour costs will be paid by the recruitment agency. These costs are then recovered from the client/host organisation (these types of placements can also be referred to as 'on-hire' and 'labour hire' placements). The types of persons placed under this arrangement include apprentices, trainees, temporary and contract staff.
Trade, labour and related occupations	These include motor mechanics, gardeners, tilers, cabinet makers, electricians, plumbers, bricklayers, metal tradespersons, cleaners, trades assistants, builders, labourers, process workers and store persons.
Travelling, accommodation and entertainment expenses	Travelling and accommodation expenses are costs incurred for transportation services or in providing accommodation to staff when organisation activities occur away from the normal place of business. Entertainment expenses are the costs incurred for the provision of entertainment activities, either for staff of the organisation or clients.

GLOSSARY *continued*

- Wages and salaries** This item refers to the gross wages and salaries (including capitalised wages and salaries) of all employees of the organisation. The item includes severance, termination and redundancy payments, salaries and fees of directors and executives, retainers and commissions of persons who received a retainer, bonuses, and annual and other types of leave. Provision expenses for employee entitlements (e.g. provisions for annual leave and leave bonus, long service leave, sick leave, and severance, termination and redundancy payments) are also included. Payments related to salary sacrifice and payments to self-employed persons such as consultants, contractors and persons paid solely by commission without a retainer are excluded. Organisations with activities in more than one state or territory were asked to report wages and salaries for each state and territory in which the organisation operated.
- Workers' compensation costs** Workers' compensation is a compulsory insurance cover 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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