



JUNE 2009 TO JUNE 2013

**8165.0**

# **COUNTS OF AUSTRALIAN BUSINESSES, INCLUDING ENTRIES AND EXITS**

**AUSTRALIA**

EMBARGO: 11.30AM (CANBERRA TIME) FRI 13 JUN 2014

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## **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.

# NOTES

## INTRODUCTION

This publication presents counts of businesses sourced from the Australian Bureau of Statistics Business Register (ABSBR).

This publication represents the fifth update to *Counts of Australian Businesses, including Entries and Exits*, initially released in February 2007.

This series replaces all previous business counts releases, which can be found on the ABS website <[www.abs.gov.au](http://www.abs.gov.au)>.

## CHANGES FROM THE PREVIOUS RELEASE

A new derived employment variable has been used to generate the employment size ranges in Tables 13 to 16 in this release of *Counts of Australian Businesses, including Entries and Exits*. The ABS has previously used payment summary information, sourced from the Australian Taxation Office, to generate employment size ranges. Payment summaries provide a count of all employees who work (or have worked) for a businesses during the financial year. The ABS has taken the decision to use additional information including Business Activity Statement (BAS) wages and salaries and also data from ABS business surveys, to derive an estimate of the average number of employees in the business over the reference year. Introduction of the derived employment variable has resulted in approximately 6.3% of businesses changing their business size category. A more detailed explanation of the methodological change and its impact upon business size counts can be found in the Technical Note 2 Improved Employment Range.

The presentation of the conceptual and practical basis for *Counts of Australian Businesses, including Entries and Exits*, on page 4, does not include a count of total Australian Business Numbers (ABN's) registered with the Australian Business Register (ABR). The large number of ongoing ABN applications requires the timing of ABN count data to be coordinated to ensure published data between the two agencies are comparable. The ABS is working with the ABR and plans to publish ABN count information in the next release of *Counts of Australian Businesses, including Entries and Exits*.

## FUTURE RELEASES

The next release of *Counts of Australian Businesses, including Entries and Exits* is currently scheduled for release in February 2015.

## FEEDBACK

The ABS welcomes feedback from users of these business counts.

To provide feedback or for further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or email <[client.services@abs.gov.au](mailto:client.services@abs.gov.au)>. The *ABS Privacy Policy* outlines how the ABS will handle any personal information that you provide to us.

Jonathan Palmer  
Acting Australian Statistician

## ABBREVIATIONS

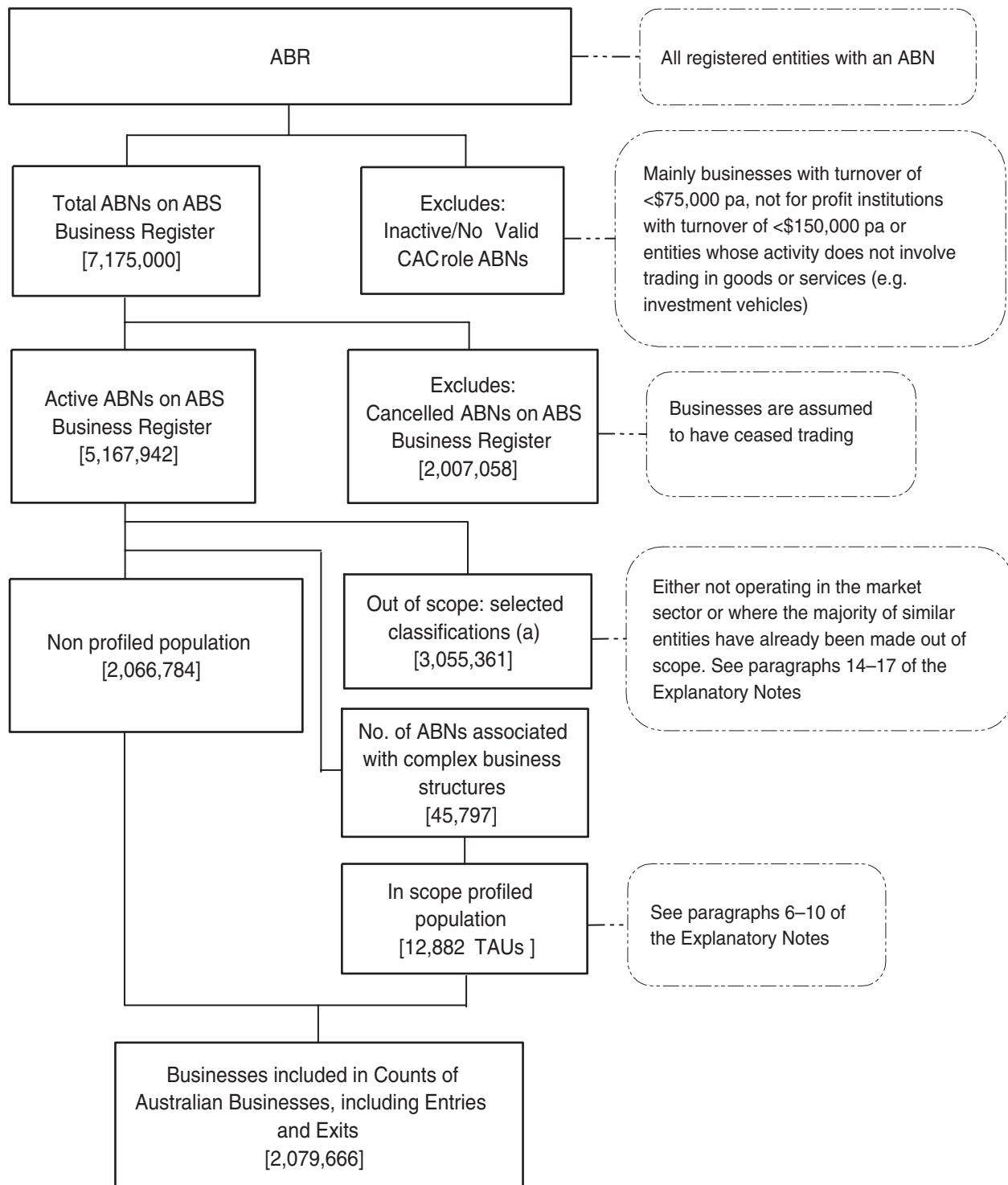
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<b>\$k</b>	thousand dollars
<b>\$m</b>	million dollars
<b>ABN</b>	Australian Business Number
<b>ABR</b>	Australian Business Register
<b>ABS</b>	Australian Bureau of Statistics
<b>ABSBR</b>	Australian Bureau of Statistics Business Register
<b>ABSMP</b>	Australian Bureau of Statistics maintained population
<b>ANZSIC</b>	Australian and New Zealand Standard Industrial Classification
<b>ASGC</b>	Australian Standard Geographical Classification
<b>ASGS</b>	Australian Statistical Geography Standard
<b>ATO</b>	Australian Taxation Office
<b>ATOMP</b>	Australian Taxation Office maintained population
<b>BAS</b>	Business Activity Statement
<b>cat</b>	catalogue
<b>CABEE</b>	Counts of Australian Businesses, including Entries and Exits
<b>CAC</b>	Client Activity Centre
<b>COSBO</b>	Characteristics of Small Business Operators
<b>CSA</b>	<i>Census and Statistics Act 1905</i>
<b>EN</b>	enterprise
<b>GE</b>	group employer
<b>GST</b>	goods and services tax
<b>ITIP</b>	income tax instalment payer
<b>ITW</b>	income tax withholding
<b>LFS</b>	Labour Force Survey
<b>LTNR</b>	long term non-remitters
<b>no.</b>	number
<b>SA2</b>	Statistical Area Level 2
<b>SISCA</b>	Standard Institutional Sector Classification of Australia
<b>SLA</b>	statistical local area
<b>SNA</b>	System of National Accounts
<b>TAU</b>	type of activity unit
<b>TOLO</b>	Type of Legal Organisation

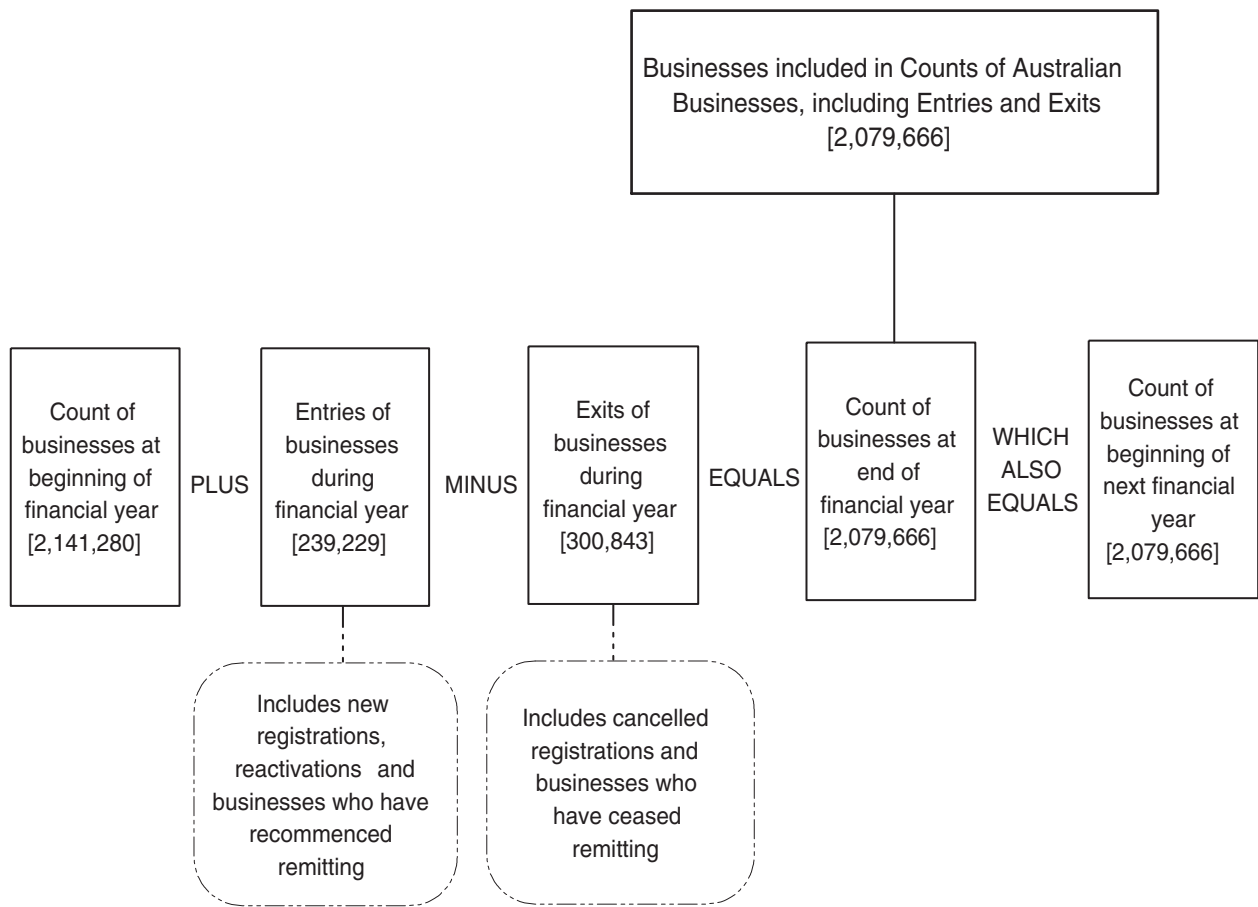
# CONCEPTUAL AND PRACTICAL BASIS FOR COUNTS

DIAGRAM 1:

## THE CONCEPTUAL AND PRACTICAL BASIS FOR COUNTS OF AUSTRALIAN BUSINESSES, INCLUDING ENTRIES AND EXITS Reference Period June 2013



**CONCEPTUAL AND PRACTICAL BASIS FOR COUNTS** *continued*



- (a)**
- No. of active ABNs with no active in scope roles
  - No. of active ABNs with active in scope roles other than active ITW and GST roles
  - No. of active ABNs with invalid ANZSIC/ SISCA/ State – active ITW or GST roles only
  - No. of mutually exclusive active ABNs excluded due to being ITW or GST LTNRs
  - Active ABNs with active ITW role only
  - Out of scope TOLO/ ANZSIC / SISCA
- Total Excluded: 3,055,361

## SUMMARY OF FINDINGS

### SUMMARY OF FINDINGS

- There were 2,079,666 actively trading businesses in Australia at June 2013. This was a decrease of 61,614 (-2.9%) businesses from 2012.
- For the 2012–13 financial year, the entry rate (11.2%) of businesses was lower than the exit rate (14.1%) resulting in a decrease in the number of overall businesses.
- The entry rate of businesses decreased by 2.3 percentage points (-48,292) from 13.5% to 11.2% for the 2012–13 financial year. This was after a decrease of 0.4 percentage points (-6,689) in the 2011–12 financial year.
- The exit rate of businesses increased by 1.0 percentage point (22,190) from 13.1% to 14.1% for the 2012–13 financial year. This was after a decrease of 0.4 percentage points (-7,795) for the 2011–12 financial year.
- In terms of business survival rates, of the 2,050,642 businesses operating in June 2009, 86.9% were still operating in June 2010, 77.4% were still operating in June 2011, 69.9% were still operating in June 2012 and 62.9% were still operating in June 2013.
- Of the 342,753 new business entries during 2009–10, 73.1% were still operating in June 2011, 57.7% were still operating in June 2012 and 47.5% were still operating in June 2013.

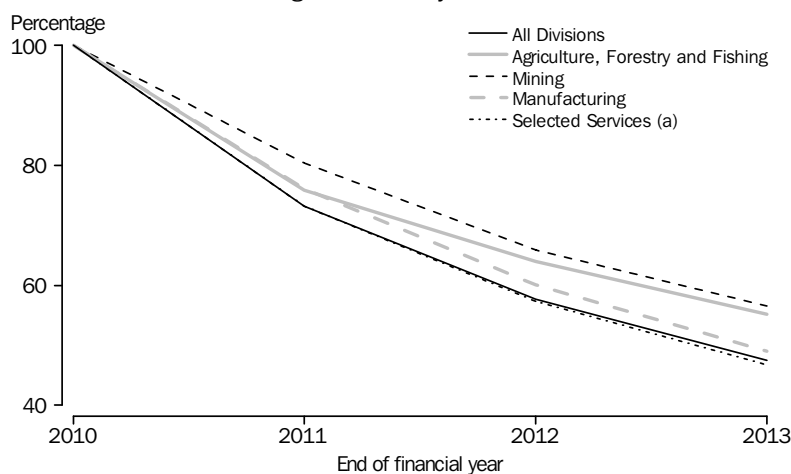
### INDUSTRY

- At June 2013, the 'Construction' industry had the highest number of business operating in Australia (328,486). This was followed by the 'Professional, Scientific and Technical Services' (241,814) and 'Rental, Hiring and Real Estate Services' (219,878) industries.
- At June 2013, the 'Electricity, Gas, Water and Waste Services' industry had the lowest number of business operating in Australia (5,606). This was followed by the 'Public Administration and Safety' (7,274) and 'Mining' (8,094) industries.
- During the 2012–13 financial year, the 'Accommodation and Food Services' and 'Public Administration and Safety' industries had the highest entry rates of 13.6% and 12.4% respectively.
- 'Agriculture, Forestry and Fishing' and 'Rental, Hiring and Real Estate Services' industries had the lowest entry rates of 4.9% and 6.2% respectively in 2012–13.
- During the 2012–13 financial year, the 'Administrative and Support Services' and 'Public Administration and Safety' industries had the highest exit rates of 18.6% and 18.2% respectively.
- 'Health Care and Social Assistance' and 'Agriculture, Forestry and Fishing' industries had the lowest exit rates of 8.6% and 8.9% respectively, in the 2012–13 financial year.
- The survival rates at June 2013 for businesses operating in June 2009 were highest for 'Health Care and Social Assistance' (75.1%) and 'Rental, Hiring and Real Estate Services' (71.6%), followed by 'Agriculture, Forestry and Fishing' (71.3%).
- The survival rates at June 2013 for businesses operating in June 2009 were lowest for 'Public Administration and Safety' (53.1%), 'Accommodation and Food Services' (54.5%), followed by 'Administrative and Support Services' (55.0%).

## SUMMARY OF FINDINGS *continued*

### INDUSTRY *continued*

#### SURVIVAL OF ENTRIES BY ANZSIC INDUSTRY DIVISION, as a % of business entries during financial year 2009–10



(a) comprised of Wholesale Trade; Retail Trade; Accommodation and Food Services; Information Media and Telecommunications; Financial and Insurance Services; Rental, Hiring and Real Estate Services; Professional, Scientific and Technical Services; Administrative and Support Services; Public Administration and Safety; Education and Training; Health Care and Social Assistance; Arts and Recreation Services.

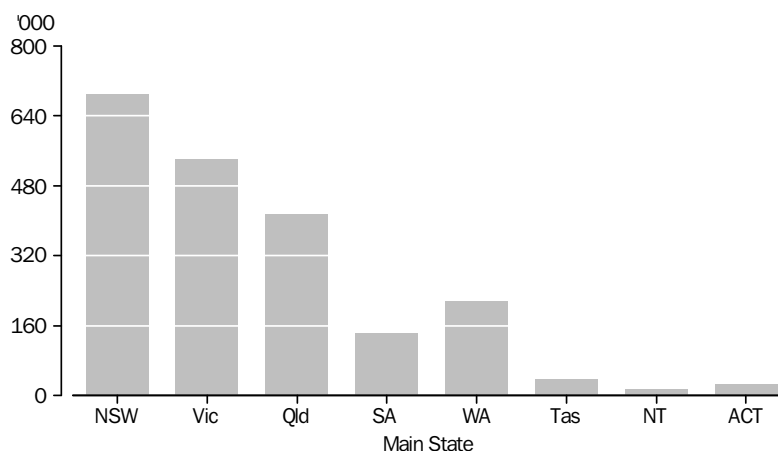
### MAIN STATE OF OPERATION

- The state with the highest number of businesses operating in 2012–13 financial year was New South Wales (688,774). This was followed by Victoria (538,775), Queensland (414,438), Western Australia (215,972), South Australia (143,301), Tasmania (37,484), the Australian Capital Territory (25,245) and the Northern Territory (14,313).
- For the 2012–13 financial year, each state recorded a decrease in the number of businesses.
- The largest decrease in businesses for a single state was in New South Wales (–21,918). This was followed by Queensland (–14,270).
- The highest entry rate for a single state was in the Northern Territory (12.8%). This was followed by the Australian Capital Territory (12.3%).
- The highest exit rate for a single state was in the Australian Capital Territory (15.3%). This was followed by the Northern Territory (15.1%).
- Of the businesses operating in June 2009, the highest survival rates in June 2013 were seen in Tasmania (66.6%) and South Australia (65.8%). The lowest survival rate was seen in the Australian Capital Territory (60.3%).

## SUMMARY OF FINDINGS *continued*

### MAIN STATE OF OPERATION *continued*

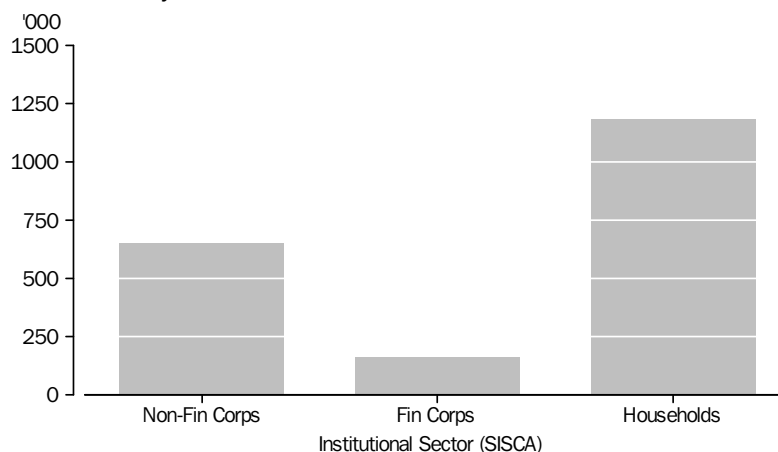
#### BUSINESS COUNT BY MAIN STATE, operating at end of financial year 2012–13



### INSTITUTIONAL SECTOR

- Of the 2,079,666 businesses operating in 2013, the largest contributor was 'Households', 56.9% (1,183,305) which includes most unincorporated businesses, followed by 'Non-Financial Corporations' (649,449) and 'Financial Corporations' (163,236).
- The 'Households', 'Non-Financial Corporations' sector and 'Financial Corporations' sectors contracted by 6.2%, 2.7% and 0.1% respectively in 2012–13 financial year.
- The 'Financial Corporations' sector had the largest entry rate at 10.8%. This was followed by 'Non-Financial Corporations' (9.7%) and 'Households' (8.4%).
- The 'Households' sector exhibited the largest exit rate of 14.6%. This was followed by 'Non-Financial Corporations' (12.4%) and 'Financial Corporations' (10.9%).
- The survival rates at June 2013 for businesses operating in June 2009 were highest for 'Non-Financial Corporations' (67.3%), followed by 'Financial Corporations' (66.8%) and 'Households' (61.0%).
- Of the businesses that entered during 2009–10, the highest survival rate in June 2013 was seen in the 'Financial Corporations' sector (58.9%), followed by 'Non-Financial Corporations' (53.6%) and 'Households' (46.4%).

#### BUSINESS COUNTS BY INSTITUTIONAL SECTOR, operating at the end of financial year 2012–13



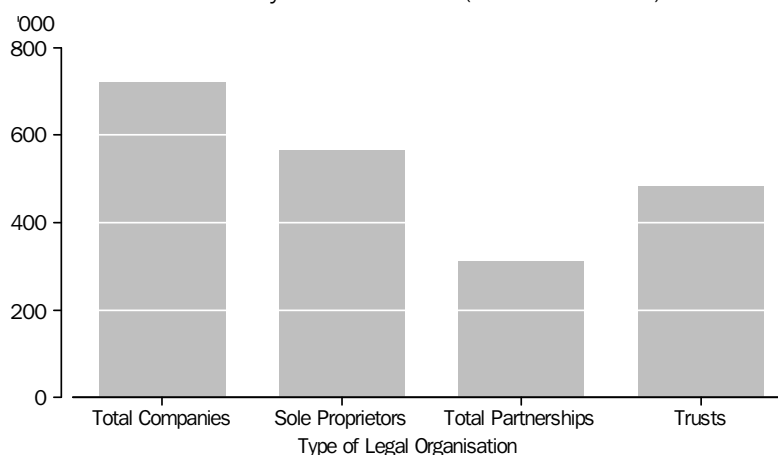


## SUMMARY OF FINDINGS *continued*

### TYPE OF LEGAL ORGANISATION

- At June 2013, there were 722,198 'Companies' in Australia, followed by 564,869 'Sole Proprietors', 481,730 'Trusts' and 310,296 'Partnerships'. There were a relatively small number of businesses operating in the 'Public Sector' (573).
- 'Public Sector' includes Public Trading Enterprises only. Therefore, it excludes General Government, Police Services and Fire Protection and Other Emergency Services.
- During the 2012–13 financial year, the entry rate was highest for 'Sole Proprietors' (12.9%), followed by 'Companies' (12.2%), 'Trusts' (10.6%), the 'Public Sector' (8.2%) and 'Partnerships' (6.6%).
- During the 2012–13 financial year, the exit rate was highest for 'Sole Proprietors' (19.9%), followed by 'Companies' (12.8%), the 'Public Sector' (12.5%), 'Partnerships' (11.8%) and 'Trusts' (10.1%).
- The survival rates at June 2013 for businesses operating in June 2009 were highest for 'Trusts' (70.8%), followed by 'Companies' (66.6%), 'Partnerships' (64.4%), the 'Public Sector' (62.8%) and 'Sole Proprietors' (52.4%).

**BUSINESS COUNTS BY TYPE OF LEGAL ORGANISATION, operating at the end of financial year 2012–13 (Private Sector)**



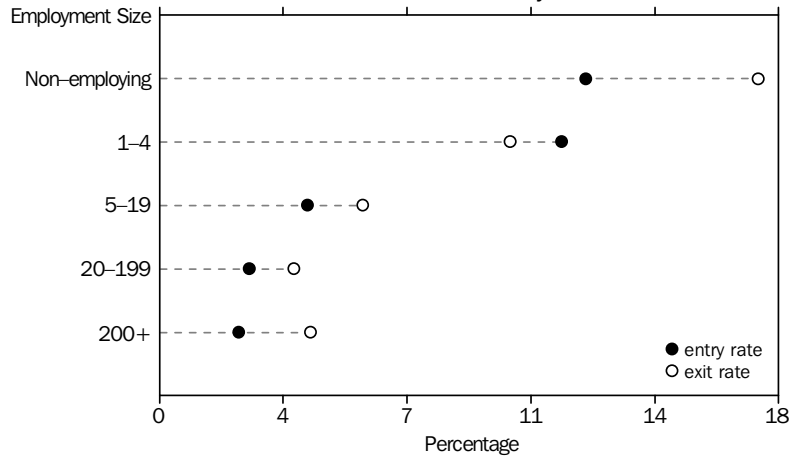
### EMPLOYMENT SIZE RANGES

- At June 2013, there were 815,368 'Employing' businesses and 1,264,298 'Non–employing' businesses.
- There were 563,412 businesses that employed '1–4' employees, followed by 197,412 businesses that employed '5–19' employees, 50,946 businesses employing '20–199' employees and 3,598 businesses that employed '200+' employees.
- For the 2012–13 financial year, the highest amount of entries were seen in the 'Non–employing' employment business range (12.4%). This was followed by the '1–4' employment size range (11.7%), the '5–19' employment size range (4.3%), the '20–199' employment size range (2.6%) and the '200+' employment size range (2.3%).
- The highest exit rate was in the 'Non–employing' businesses (17.4%) followed by the '1–4' employment size range (10.2%), the '5–19' employment size range (5.9%), the '200+' employment size range (4.4%) and the '20–199' employment size range (3.9%).

## SUMMARY OF FINDINGS *continued*

### EMPLOYMENT SIZE RANGES *continued*

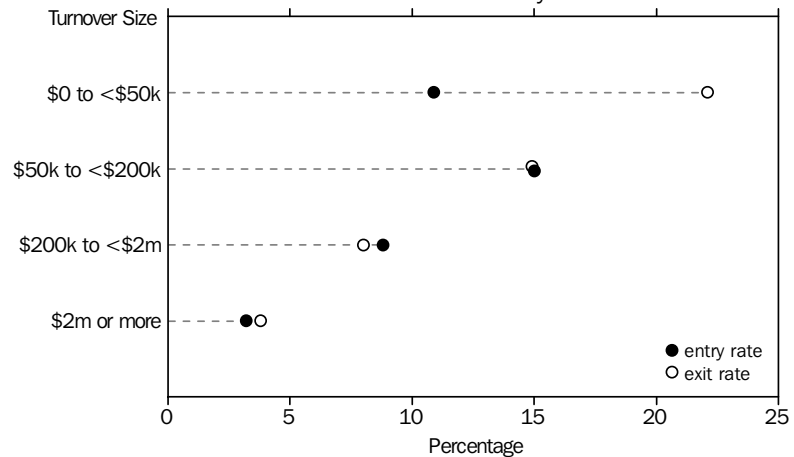
ENTRIES AND EXITS BY EMPLOYMENT SIZE RANGE, as a % of business counts at the start of financial year 2012–13



### ANNUAL TURNOVER SIZE RANGES

- At June 2013, there were 556,504 businesses operating in the 'Zero to less than \$50k' turnover range, 718,005 businesses in the '\$50k to less than \$200k' turnover range, 672,150 businesses in the '\$200k to less than \$2m' turnover range and 133,007 businesses in the '\$2m or more' turnover range.
- During the 2012–13 financial year, entry rates were highest for businesses in the '\$50k to less than \$200k' turnover range (15.0%), followed by businesses in the 'Zero to less than \$50k' turnover range (10.9%).
- Exit rates were highest for businesses in the 'Zero to less than \$50k' turnover range (22.1%), followed by businesses in the '\$50k to less than \$200k' turnover range (14.9%) in 2012–13.
- In 2012–13, exit rates were lowest for businesses in the '\$2m or more' turnover range (3.8%), followed by businesses in the '\$200k to less than \$2m' turnover range (8.0%).

ENTRIES AND EXITS BY ANNUAL TURNOVER SIZE RANGE, as a % of business counts at the start of financial year 2012–13



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## BUSINESSES BY INDUSTRY DIVISION: June 2009–June 2013

	Operating at start of financial year	Entries(a)	Exits	Operating at end of financial year	Change	Percentage change	Entry rate	Exit rate
	no.	no.	no.	no.	no.	%	%	%
2009–10								
Agriculture, Forestry and Fishing	204 503	18 531	19 058	203 976	-527	-0.3	9.1	9.3
Mining	7 803	1 190	1 139	7 854	51	0.7	15.3	14.6
Manufacturing	91 949	10 706	10 864	91 791	-158	-0.2	11.6	11.8
Electricity, Gas, Water and Waste Services	5 661	912	843	5 730	69	1.2	16.1	14.9
Construction	344 419	57 498	50 949	350 968	6 549	1.9	16.7	14.8
Wholesale Trade	77 202	11 864	9 883	79 183	1 981	2.6	15.4	12.8
Retail Trade	139 808	23 723	19 636	143 895	4 087	2.9	17.0	14.0
Accommodation and Food Services	77 695	14 891	12 425	80 161	2 466	3.2	19.2	16.0
Transport, Postal and Warehousing	134 205	21 195	20 128	135 272	1 067	0.8	15.8	15.0
Information Media and Telecommunications	17 995	3 417	2 689	18 723	728	4.1	19.0	14.9
Financial and Insurance Services	149 575	29 347	17 885	161 037	11 462	7.7	19.6	12.0
Rental, Hiring and Real Estate Services	218 592	28 382	21 841	225 133	6 541	3.0	13.0	10.0
Professional, Scientific and Technical Services	234 347	43 269	30 288	247 328	12 981	5.5	18.5	12.9
Administrative and Support Services	77 332	17 218	13 020	81 530	4 198	5.4	22.3	16.8
Public Administration and Safety	7 815	1 517	1 479	7 853	38	0.5	19.4	18.9
Education and Training	24 575	4 655	3 327	25 903	1 328	5.4	18.9	13.5
Health Care and Social Assistance	92 733	12 684	7 618	97 799	5 066	5.5	13.7	8.2
Arts and Recreation Services	27 057	4 918	3 973	28 002	945	3.5	18.2	14.7
Other Services	86 242	14 281	11 482	89 041	2 799	3.3	16.6	13.3
Currently Unknown(b)	31 134	22 555	10 218	43 471	12 337	np	np	np
<b>All Industries</b>	<b>2 050 642</b>	<b>342 753</b>	<b>268 745</b>	<b>2 124 650</b>	<b>74 008</b>	<b>3.6</b>	<b>16.7</b>	<b>13.1</b>

2010–11								
Agriculture, Forestry and Fishing	203 976	13 899	19 331	198 544	-5 432	-2.7	6.8	9.5
Mining	7 854	1 287	906	8 235	381	4.9	16.4	11.5
Manufacturing	91 791	9 483	10 681	90 593	-1 198	-1.3	10.3	11.6
Electricity, Gas, Water and Waste Services	5 730	911	731	5 910	180	3.1	15.9	12.8
Construction	350 968	53 746	51 569	353 145	2 177	0.6	15.3	14.7
Wholesale Trade	79 183	10 673	10 152	79 704	521	0.7	13.5	12.8
Retail Trade	143 895	21 409	20 959	144 345	450	0.3	14.9	14.6
Accommodation and Food Services	80 161	14 675	12 850	81 986	1 825	2.3	18.3	16.0
Transport, Postal and Warehousing	135 272	18 526	21 203	132 595	-2 677	-2.0	13.7	15.7
Information Media and Telecommunications	18 723	3 057	2 765	19 015	292	1.6	16.3	14.8
Financial and Insurance Services	161 037	22 217	18 520	164 734	3 697	2.3	13.8	11.5
Rental, Hiring and Real Estate Services	225 133	23 386	21 462	227 057	1 924	0.9	10.4	9.5
Professional, Scientific and Technical Services	247 328	37 504	32 534	252 298	4 970	2.0	15.2	13.2
Administrative and Support Services	81 530	14 918	14 128	82 320	790	1.0	18.3	17.3
Public Administration and Safety	7 853	1 365	1 411	7 807	-46	-0.6	17.4	18.0
Education and Training	25 903	4 075	3 644	26 334	431	1.7	15.7	14.1
Health Care and Social Assistance	97 799	11 588	8 042	101 345	3 546	3.6	11.9	8.2
Arts and Recreation Services	28 002	3 943	4 183	27 762	-240	-0.9	14.1	14.9
Other Services	89 041	12 947	12 193	89 795	754	0.9	14.5	13.7
Currently Unknown(b)	43 471	14 601	19 184	38 888	-4 583	np	np	np
<b>All Industries</b>	<b>2 124 650</b>	<b>294 210</b>	<b>286 448</b>	<b>2 132 412</b>	<b>7 762</b>	<b>0.4</b>	<b>13.9</b>	<b>13.5</b>

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

- (a) The entries for 2009–10 include an estimated 20,909 businesses arising from a change in processing procedures for LTNRs by the ABS. Please refer to paragraph 22 in the Explanatory Notes for more information.
- (b) This category consists of businesses that are yet to be coded to an industry. In 2012–13 the entry rates of businesses which were unable to be coded to an industry is considerably higher than in previous years. As a result, the entry rates of businesses coded to an industry are proportionally lower than would be reflected had the 51,666 businesses been coded and distributed across the 19 ANZSIC industries. Please refer to paragraphs 20–21 in the Explanatory notes for more information.

	Operating at start of financial year	Entries(a)	Exits	Operating at end of financial year	Change	Percentage change	Entry rate	Exit rate
	no.	no.	no.	no.	no.	%	%	%
2011–12								
Agriculture, Forestry and Fishing	198 544	13 394	18 653	193 285	-5 259	-2.7	6.8	9.4
Mining	8 235	1 275	912	8 598	363	4.4	15.5	11.1
Manufacturing	90 593	8 848	10 412	89 029	-1 564	-1.7	9.8	11.5
Electricity, Gas, Water and Waste Services	5 910	845	813	5 942	32	0.5	14.3	13.8
Construction	353 145	50 013	52 901	350 257	-2 888	-0.8	14.2	15.0
Wholesale Trade	79 704	10 147	9 910	79 941	237	0.3	12.7	12.4
Retail Trade	144 345	19 638	20 851	143 132	-1 213	-0.8	13.6	14.5
Accommodation and Food Services	81 986	14 354	12 984	83 356	1 370	1.7	17.5	15.8
Transport, Postal and Warehousing	132 595	17 912	19 616	130 891	-1 704	-1.3	13.5	14.8
Information Media and Telecommunications	19 015	2 917	2 783	19 149	134	0.7	15.3	14.6
Financial and Insurance Services	164 734	22 176	19 180	167 730	2 996	1.8	13.5	11.6
Rental, Hiring and Real Estate Services	227 057	21 900	21 730	227 227	170	0.1	9.7	9.6
Professional, Scientific and Technical Services	252 298	35 714	33 338	254 674	2 376	0.9	14.2	13.2
Administrative and Support Services	82 320	14 274	13 817	82 777	457	0.6	17.3	16.8
Public Administration and Safety	7 807	1 281	1 362	7 726	-81	-1.0	16.4	17.5
Education and Training	26 334	4 062	3 583	26 813	479	1.8	15.4	13.6
Health Care and Social Assistance	101 345	11 912	8 186	105 071	3 726	3.7	11.8	8.1
Arts and Recreation Services	27 762	3 820	4 104	27 478	-284	-1.0	13.8	14.8
Other Services	89 795	12 596	12 484	89 907	112	0.1	14.0	13.9
Currently Unknown(b)	38 888	20 443	11 034	48 297	9 409	np	np	np
<b>All Industries</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>

2012–13								
Agriculture, Forestry and Fishing	193 285	9 530	17 212	185 603	-7 682	-4.0	4.9	8.9
Mining	8 598	558	1 062	8 094	-504	-5.9	6.5	12.4
Manufacturing	89 029	5 771	11 160	83 640	-5 389	-6.1	6.5	12.5
Electricity, Gas, Water and Waste Services	5 942	511	847	5 606	-336	-5.7	8.6	14.3
Construction	350 257	36 029	57 800	328 486	-21 771	-6.2	10.3	16.5
Wholesale Trade	79 941	5 739	11 186	74 494	-5 447	-6.8	7.2	14.0
Retail Trade	143 132	12 650	22 407	133 375	-9 757	-6.8	8.8	15.7
Accommodation and Food Services	83 356	11 357	14 309	80 404	-2 952	-3.5	13.6	17.2
Transport, Postal and Warehousing	130 891	12 968	20 437	123 422	-7 469	-5.7	9.9	15.6
Information Media and Telecommunications	19 149	1 868	3 186	17 831	-1 318	-6.9	9.8	16.6
Financial and Insurance Services	167 730	17 906	18 638	166 998	-732	-0.4	10.7	11.1
Rental, Hiring and Real Estate Services	227 227	14 114	21 463	219 878	-7 349	-3.2	6.2	9.5
Professional, Scientific and Technical Services	254 674	24 154	37 014	241 814	-12 860	-5.1	9.5	14.5
Administrative and Support Services	82 777	9 622	15 424	76 975	-5 802	-7.0	11.6	18.6
Public Administration and Safety	7 726	956	1 408	7 274	-452	-5.9	12.4	18.2
Education and Training	26 813	2 416	4 103	25 126	-1 687	-6.3	9.0	15.3
Health Care and Social Assistance	105 071	9 656	9 069	105 658	587	0.6	9.2	8.6
Arts and Recreation Services	27 478	2 762	4 549	25 691	-1 787	-6.5	10.1	16.6
Other Services	89 907	8 996	13 282	85 621	-4 286	-4.8	10.0	14.8
Currently Unknown(b)	48 297	51 666	16 287	83 676	35 379	np	np	np
<b>All Industries</b>	<b>2 141 280</b>	<b>239 229</b>	<b>300 843</b>	<b>2 079 666</b>	<b>-61 614</b>	<b>-2.9</b>	<b>11.2</b>	<b>14.1</b>

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

- (a) The entries for 2009–10 include an estimated 20,909 businesses arising from a change in processing procedures for LTNRs by the ABS. Please refer to paragraph 22 in the Explanatory Notes for more information.
- (b) This category consists of businesses that are yet to be coded to an industry. In 2012–13 the entry rates of businesses which were unable to be coded to an industry is considerably higher than in previous years. As a result, the entry rates of businesses coded to an industry are proportionally lower than would be reflected had the 51,666 businesses been coded and distributed across the 19 ANZSIC industries. Please refer to paragraphs 20–21 in the Explanatory notes for more information.

## SURVIVAL OF BUSINESSES BY INDUSTRY DIVISION: June 2009–June 2013

	<i>Operating in June 2009</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Agriculture, Forestry and Fishing	204 503	185 445	90.7	170 608	83.4	156 983	76.8	145 832	71.3
Mining	7 803	6 664	85.4	5 992	76.8	5 511	70.6	5 024	64.4
Manufacturing	91 949	81 085	88.2	72 967	79.4	66 476	72.3	60 185	65.5
Electricity, Gas, Water and Waste Services	5 661	4 818	85.1	4 294	75.9	3 889	68.7	3 487	61.6
Construction	344 419	293 470	85.2	257 235	74.7	228 816	66.4	201 387	58.5
Wholesale Trade	77 202	67 319	87.2	60 113	77.9	54 632	70.8	49 147	63.7
Retail Trade	139 808	120 172	86.0	105 089	75.2	93 232	66.7	82 319	58.9
Accommodation and Food Services	77 695	65 270	84.0	55 879	71.9	48 786	62.8	42 366	54.5
Transport, Postal and Warehousing	134 205	114 077	85.0	98 757	73.6	87 781	65.4	77 812	58.0
Information Media and Telecommunications	17 995	15 306	85.1	13 401	74.5	11 914	66.2	10 462	58.1
Financial and Insurance Services	149 575	131 690	88.0	119 622	80.0	108 429	72.5	98 819	66.1
Rental, Hiring and Real Estate Services	218 592	196 751	90.0	181 129	82.9	168 154	76.9	156 450	71.6
Professional, Scientific and Technical Services	234 347	204 059	87.1	181 750	77.6	163 855	69.9	146 548	62.5
Administrative and Support Services	77 332	64 312	83.2	55 284	71.5	48 699	63.0	42 520	55.0
Public Administration and Safety	7 815	6 336	81.1	5 389	69.0	4 758	60.9	4 151	53.1
Education and Training	24 575	21 248	86.5	18 774	76.4	16 919	68.9	15 105	61.5
Health Care and Social Assistance	92 733	85 115	91.8	79 131	85.3	74 198	80.0	69 593	75.1
Arts and Recreation Services	27 057	23 084	85.3	20 281	75.0	17 930	66.3	15 570	57.6
Other Services	86 242	74 760	86.7	65 963	76.5	59 059	68.5	52 731	61.1
Currently Unknown(a)	31 134	20 916	np	15 854	np	12 717	np	9 827	np
<b>All Industries</b>	<b>2 050 642</b>	<b>1 781 897</b>	<b>86.9</b>	<b>1 587 512</b>	<b>77.4</b>	<b>1 432 738</b>	<b>69.9</b>	<b>1 289 335</b>	<b>62.9</b>

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

(a) This category consists of businesses that are yet to be coded to an industry. Please refer to paragraphs 20–21 in the Explanatory Notes for more information.

## SURVIVAL OF ENTRIES BY INDUSTRY DIVISION: June 2009–June 2013

	<i>Entries in 2009–10</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Agriculture, Forestry and Fishing	18 531	14 037	75.8	11 865	64.0	10 202	55.1
Mining	1 190	956	80.3	784	65.9	674	56.6
Manufacturing	10 706	8 143	76.1	6 435	60.1	5 242	49.0
Electricity, Gas, Water and Waste Services	912	705	77.3	564	61.8	464	50.9
Construction	57 498	42 164	73.3	31 838	55.4	25 239	43.9
Wholesale Trade	11 864	8 918	75.2	6 972	58.8	5 620	47.4
Retail Trade	23 723	17 847	75.2	13 891	58.6	11 069	46.7
Accommodation and Food Services	14 891	11 432	76.8	8 933	60.0	7 026	47.2
Transport, Postal and Warehousing	21 195	15 312	72.2	11 689	55.2	9 444	44.6
Information Media and Telecommunications	3 417	2 557	74.8	1 971	57.7	1 542	45.1
Financial and Insurance Services	29 347	22 895	78.0	19 319	65.8	17 006	58.0
Rental, Hiring and Real Estate Services	28 382	22 542	79.4	18 852	66.4	16 696	58.8
Professional, Scientific and Technical Services	43 269	33 044	76.4	25 959	60.0	21 010	48.6
Administrative and Support Services	17 218	12 118	70.4	9 093	52.8	7 067	41.0
Public Administration and Safety	1 517	1 053	69.4	754	49.7	580	38.2
Education and Training	4 655	3 485	74.9	2 719	58.4	2 181	46.9
Health Care and Social Assistance	12 684	10 626	83.8	9 183	72.4	8 107	63.9
Arts and Recreation Services	4 918	3 538	71.9	2 719	55.3	2 208	44.9
Other Services	14 281	10 885	76.2	8 465	59.3	6 833	47.9
Currently Unknown(a)	22 555	8 433	np	5 814	np	4 568	np
<b>All Industries</b>	<b>342 753</b>	<b>250 690</b>	<b>73.1</b>	<b>197 819</b>	<b>57.7</b>	<b>162 778</b>	<b>47.5</b>

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

(a) This category consists of businesses that are yet to be coded to an industry. Please refer to paragraphs 20–21 in the Explanatory Notes for more information.

## BUSINESSES BY MAIN STATE(a): June 2009–June 2013

	<i>Operating at start of financial year</i>	<i>Entries(b)</i>	<i>Exits</i>	<i>Operating at end of financial year</i>	<i>Change</i>	<i>Percentage change</i>	<i>Entry rate</i>	<i>Exit rate</i>
	no.	no.	no.	no.	no.	%	%	%
2009–10								
New South Wales	679 894	114 212	89 088	705 018	25 124	3.7	16.8	13.1
Victoria	515 026	88 037	65 815	537 248	22 222	4.3	17.1	12.8
Queensland	420 974	71 045	58 749	433 270	12 296	2.9	16.9	14.0
South Australia	144 263	20 726	16 554	148 435	4 172	2.9	14.4	11.5
Western Australia	213 267	36 291	28 546	221 012	7 745	3.6	17.0	13.4
Tasmania	37 939	5 193	4 148	38 984	1 045	2.8	13.7	10.9
Northern Territory	13 775	2 550	2 072	14 253	478	3.5	18.5	15.0
Australian Capital Territory	24 308	4 377	3 437	25 248	940	3.9	18.0	14.1
Currently Unknown(c)	1 196	322	336	1 182	-14	np	np	np
<b>Australia</b>	<b>2 050 642</b>	<b>342 753</b>	<b>268 745</b>	<b>2 124 650</b>	<b>74 008</b>	<b>3.6</b>	<b>16.7</b>	<b>13.1</b>
2010–11								
New South Wales	705 018	97 608	95 648	706 978	1 960	0.3	13.8	13.6
Victoria	537 248	77 140	70 585	543 803	6 555	1.2	14.4	13.1
Queensland	433 270	59 196	61 784	430 682	-2 588	-0.6	13.7	14.3
South Australia	148 435	17 701	18 060	148 076	-359	-0.2	11.9	12.2
Western Australia	221 012	31 555	29 860	222 707	1 695	0.8	14.3	13.5
Tasmania	38 984	4 365	4 533	38 816	-168	-0.4	11.2	11.6
Northern Territory	14 253	2 236	2 019	14 470	217	1.5	15.7	14.2
Australian Capital Territory	25 248	4 077	3 705	25 620	372	1.5	16.2	14.7
Currently Unknown(c)	1 182	332	254	1 260	78	np	np	np
<b>Australia</b>	<b>2 124 650</b>	<b>294 210</b>	<b>286 448</b>	<b>2 132 412</b>	<b>7 762</b>	<b>0.4</b>	<b>13.9</b>	<b>13.5</b>
2011–12								
New South Wales	706 978	95 414	91 700	710 692	3 714	0.5	13.5	13.0
Victoria	543 803	75 934	68 626	551 111	7 308	1.3	14.0	12.6
Queensland	430 682	58 146	60 120	428 708	-1 974	-0.5	13.5	14.0
South Australia	148 076	17 060	17 091	148 045	-31	—	11.5	11.5
Western Australia	222 707	30 263	30 972	221 998	-709	-0.3	13.6	13.9
Tasmania	38 816	4 135	4 307	38 644	-172	-0.4	10.7	11.1
Northern Territory	14 470	2 189	2 006	14 653	183	1.3	15.1	13.9
Australian Capital Territory	25 620	4 023	3 614	26 029	409	1.6	15.7	14.1
Currently Unknown(c)	1 260	357	217	1 400	140	np	np	np
<b>Australia</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>
2012–13								
New South Wales	710 692	79 162	101 080	688 774	-21 918	-3.1	11.1	14.2
Victoria	551 111	62 820	75 156	538 775	-12 336	-2.2	11.4	13.6
Queensland	428 708	49 415	63 685	414 438	-14 270	-3.3	11.5	14.9
South Australia	148 045	13 808	18 552	143 301	-4 744	-3.2	9.3	12.5
Western Australia	221 998	25 269	31 295	215 972	-6 026	-2.7	11.4	14.1
Tasmania	38 644	3 485	4 645	37 484	-1 160	-3.0	9.0	12.0
Northern Territory	14 653	1 877	2 217	14 313	-340	-2.3	12.8	15.1
Australian Capital Territory	26 029	3 198	3 982	25 245	-784	-3.0	12.3	15.3
Currently Unknown(c)	1 400	195	231	1 364	-36	np	np	np
<b>Australia</b>	<b>2 141 280</b>	<b>239 229</b>	<b>300 843</b>	<b>2 079 666</b>	<b>-61 614</b>	<b>-2.9</b>	<b>11.2</b>	<b>14.1</b>

— nil or rounded to zero (including null cells)

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

(a) Please refer to paragraphs 47–48 in the Explanatory Notes for more information regarding businesses and their main state of operation.

(b) The entries for 2009–10 include an estimated 20,909 businesses arising from a change in processing procedures for LTNRs by the ABS. Please refer to paragraph 22 in the Explanatory Notes for more information.

(c) This category consists of businesses that are yet to be coded to a main state of operation. Please refer to paragraphs 20–21 in the Explanatory Notes for more information.



## 5

## SURVIVAL OF BUSINESSES BY MAIN STATE(a): June 2009–June 2013

	<i>Operating in June 2009</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
New South Wales	679 894	590 806	86.9	526 914	77.5	477 169	70.2	429 463	63.2
Victoria	515 026	449 211	87.2	401 692	78.0	363 923	70.7	329 308	63.9
Queensland	420 974	362 225	86.0	319 859	76.0	286 213	68.0	255 097	60.6
South Australia	144 263	127 709	88.5	114 811	79.6	104 536	72.5	94 867	65.8
Western Australia	213 267	184 721	86.6	164 178	77.0	146 555	68.7	131 752	61.8
Tasmania	37 939	33 791	89.1	30 512	80.4	27 832	73.4	25 249	66.6
Northern Territory	13 775	11 703	85.0	10 396	75.5	9 356	67.9	8 370	60.8
Australian Capital Territory	24 308	20 871	85.9	18 412	75.7	16 507	67.9	14 664	60.3
Currently Unknown(b)	1 196	860	np	738	np	647	np	565	np
<b>Australia</b>	<b>2 050 642</b>	<b>1 781 897</b>	<b>86.9</b>	<b>1 587 512</b>	<b>77.4</b>	<b>1 432 738</b>	<b>69.9</b>	<b>1 289 335</b>	<b>62.9</b>

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

(a) Please refer to paragraphs 47–48 in the Explanatory Notes for more information regarding businesses and their main state of operation.

(b) This category consists of businesses that are yet to be coded to a main state of operation. Please refer to paragraphs 20–21 in the Explanatory Notes for more information.

## 6

## SURVIVAL OF ENTRIES BY MAIN STATE(a): June 2009–June 2013

	<i>Entries in 2009–10</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
New South Wales	114 212	82 456	72.2	64 656	56.6	52 965	46.4
Victoria	88 037	64 971	73.8	51 986	59.1	43 012	48.9
Queensland	71 045	51 627	72.7	40 103	56.5	32 709	46.0
South Australia	20 726	15 564	75.1	12 642	61.0	10 601	51.2
Western Australia	36 291	26 974	74.3	21 186	58.4	17 531	48.3
Tasmania	5 193	3 939	75.9	3 216	61.9	2 686	51.7
Northern Territory	2 550	1 838	72.1	1 445	56.7	1 187	46.6
Australian Capital Territory	4 377	3 131	71.5	2 450	56.0	1 975	45.1
Currently Unknown(b)	322	190	np	135	np	112	np
<b>Australia</b>	<b>342 753</b>	<b>250 690</b>	<b>73.1</b>	<b>197 819</b>	<b>57.7</b>	<b>162 778</b>	<b>47.5</b>

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

(a) Please refer to paragraphs 47–48 in the Explanatory Notes for more information regarding businesses and their main state of operation.

(b) This category consists of businesses that are yet to be coded to a main state of operation. Please refer to paragraphs 20–21 of the Explanatory Notes for more information.

## BUSINESSES BY INSTITUTIONAL SECTOR: June 2009–June 2013

	<i>Operating at start of financial year</i>	<i>Entries(a)</i>	<i>Exits</i>	<i>Operating at end of financial year</i>	<i>Change</i>	<i>Percentage change</i>	<i>Entry rate</i>	<i>Exit rate</i>
	no.	no.	no.	no.	no.	%	%	%
2009–10								
Non–Financial Corporations	619 705	84 667	70 456	633 916	14 211	2.3	13.7	11.4
Financial Corporations	144 128	28 189	16 710	155 607	11 479	8.0	19.6	11.6
Households	1 255 686	207 342	171 363	1 291 665	35 979	2.9	16.5	13.7
Currently Unknown(b)	31 123	22 555	10 216	43 462	12 339	np	np	np
<b>All Sectors</b>	<b>2 050 642</b>	<b>342 753</b>	<b>268 745</b>	<b>2 124 650</b>	<b>74 008</b>	<b>3.6</b>	<b>16.7</b>	<b>13.1</b>
2010–11								
Non–Financial Corporations	633 916	83 454	69 901	647 469	13 553	2.1	13.2	11.0
Financial Corporations	155 607	21 624	17 472	159 759	4 152	2.7	13.9	11.2
Households	1 291 665	174 532	179 894	1 286 303	–5 362	–0.4	13.5	13.9
Currently Unknown(b)	43 462	14 600	19 181	38 881	–4 581	np	np	np
<b>All Sectors</b>	<b>2 124 650</b>	<b>294 210</b>	<b>286 448</b>	<b>2 132 412</b>	<b>7 762</b>	<b>0.4</b>	<b>13.9</b>	<b>13.5</b>
2011–12								
Non–Financial Corporations	647 469	88 334	68 219	667 584	20 115	3.1	13.6	10.5
Financial Corporations	159 759	21 695	18 111	163 343	3 584	2.2	13.6	11.3
Households	1 286 303	157 049	181 291	1 262 061	–24 242	–1.9	12.2	14.1
Currently Unknown(b)	38 881	20 443	11 032	48 292	9 411	np	np	np
<b>All Sectors</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>
2012–13								
Non–Financial Corporations	667 584	64 415	82 550	649 449	–18 135	–2.7	9.7	12.4
Financial Corporations	163 343	17 619	17 726	163 236	–107	–0.1	10.8	10.9
Households	1 262 061	105 527	184 283	1 183 305	–78 756	–6.2	8.4	14.6
Currently Unknown(b)	48 292	51 668	16 284	83 676	35 384	np	np	np
<b>All Sectors</b>	<b>2 141 280</b>	<b>239 229</b>	<b>300 843</b>	<b>2 079 666</b>	<b>–61 614</b>	<b>–2.9</b>	<b>11.2</b>	<b>14.1</b>

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

- (a) The entries for 2009–10 include an estimated 20,909 businesses arising from a change in processing procedures for LTNRs by the ABS. Please refer to paragraph 22 in the Explanatory Notes for more information.
- (b) This category consists of businesses that are yet to be coded to an institutional sector. In 2012–13 the entry rates of businesses which were unable to be coded to an institutional sector is considerably higher than in previous years. As a result, the entry rates of businesses coded to an institutional sector are proportionally lower than would be reflected had the 51,668 businesses been coded and distributed across the 3 institutional sectors. Please refer to paragraphs 20–21 in the Explanatory Notes for more information.

## SURVIVAL OF BUSINESSES BY INSTITUTIONAL SECTOR: June 2009–June 2013

	<i>Operating in June 2009</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Non-Financial Corporations	619 705	549 249	88.6	497 192	80.2	458 392	74.0	416 861	67.3
Financial Corporations	144 128	127 418	88.4	115 988	80.5	105 455	73.2	96 329	66.8
Households	1 255 686	1 084 323	86.4	958 483	76.3	856 177	68.2	766 320	61.0
Currently Unknown(a)	31 123	20 907	np	15 849	np	12 714	np	9 825	np
<b>All Sectors</b>	<b>2 050 642</b>	<b>1 781 897</b>	<b>86.9</b>	<b>1 587 512</b>	<b>77.4</b>	<b>1 432 738</b>	<b>69.9</b>	<b>1 289 335</b>	<b>62.9</b>

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

(a) This category consists of businesses that are yet to be coded to an institutional sector. Please refer to paragraphs 20–21 in the Explanatory Notes for more information.

## SURVIVAL OF ENTRIES BY INSTITUTIONAL SECTOR: June 2009–June 2013

	<i>Entries in 2009–10</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Non-Financial Corporations	84 667	66 823	78.9	54 653	64.6	45 352	53.6
Financial Corporations	28 189	22 147	78.6	18 753	66.5	16 594	58.9
Households	207 342	153 288	73.9	118 600	57.2	96 264	46.4
Currently Unknown(a)	22 555	8 432	np	5 813	np	4 568	np
<b>All Sectors</b>	<b>342 753</b>	<b>250 690</b>	<b>73.1</b>	<b>197 819</b>	<b>57.7</b>	<b>162 778</b>	<b>47.5</b>

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

(a) This category consists of businesses that are yet to be coded to an institutional sector. Please refer to paragraphs 20–21 in the Explanatory Notes for more information.

	<i>Operating at start of financial year</i>	<i>Entries(a)</i>	<i>Exits</i>	<i>Operating at end of financial year</i>	<i>Change</i>	<i>Percentage change</i>	<i>Entry rate</i>	<i>Exit rate</i>
	no.	no.	no.	no.	no.	%	%	%
2009–10								
Private Sector								
Total Companies	670 714	97 002	79 073	688 643	17 929	2.7	14.5	11.8
Sole Proprietors	605 029	137 051	107 053	635 027	29 998	5.0	22.7	17.7
Total Partnerships	360 246	36 235	42 137	354 344	-5 902	-1.6	10.1	11.7
Trusts	414 011	72 357	40 382	445 986	31 975	7.7	17.5	9.8
Public Sector								
Public Sector	642	108	100	650	8	1.3	16.8	15.6
<b>All Organisational Types</b>	<b>2 050 642</b>	<b>342 753</b>	<b>268 745</b>	<b>2 124 650</b>	<b>74 008</b>	<b>3.6</b>	<b>16.7</b>	<b>13.1</b>
2010–11								
Private Sector								
Total Companies	688 643	94 051	80 380	702 314	13 671	2.0	13.7	11.7
Sole Proprietors	635 027	107 871	120 056	622 842	-12 185	-1.9	17.0	18.9
Total Partnerships	354 344	29 267	42 747	340 864	-13 480	-3.8	8.3	12.1
Trusts	445 986	62 972	43 164	465 794	19 808	4.4	14.1	9.7
Public Sector								
Public Sector	650	49	101	598	-52	-8.0	7.5	15.5
<b>All Organisational Types</b>	<b>2 124 650</b>	<b>294 210</b>	<b>286 448</b>	<b>2 132 412</b>	<b>7 762</b>	<b>0.4</b>	<b>13.9</b>	<b>13.5</b>
2011–12								
Private Sector								
Total Companies	702 314	100 925	76 334	726 905	24 591	3.5	14.4	10.9
Sole Proprietors	622 842	100 562	116 086	607 318	-15 524	-2.5	16.2	18.6
Total Partnerships	340 864	27 233	40 588	327 509	-13 355	-3.9	8.0	11.9
Trusts	465 794	58 741	45 586	478 949	13 155	2.8	12.6	9.8
Public Sector								
Public Sector	598	60	59	599	1	0.2	10.0	9.9
<b>All Organisational Types</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>
2012–13								
Private Sector								
Total Companies	726 905	88 564	93 271	722 198	-4 707	-0.7	12.2	12.8
Sole Proprietors	607 318	78 108	120 557	564 869	-42 449	-7.0	12.9	19.9
Total Partnerships	327 509	21 565	38 778	310 296	-17 213	-5.3	6.6	11.8
Trusts	478 949	50 943	48 162	481 730	2 781	0.6	10.6	10.1
Public Sector								
Public Sector	599	49	75	573	-26	-4.3	8.2	12.5
<b>All Organisational Types</b>	<b>2 141 280</b>	<b>239 229</b>	<b>300 843</b>	<b>2 079 666</b>	<b>-61 614</b>	<b>-2.9</b>	<b>11.2</b>	<b>14.1</b>

(a) The entries for 2009–10 include an estimated 20,909 businesses arising from a change in processing procedures for LTNRs by the ABS. Please refer to paragraph 22 in the Explanatory Notes for more information.

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## SURVIVAL OF BUSINESSES BY TYPE OF LEGAL ORGANISATION: June 2009–June 2013

	<i>Operating in June 2009</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
<b>Private Sector</b>									
Total Companies	670 714	591 641	88.2	534 365	79.7	492 028	73.4	446 871	66.6
Sole Proprietors	605 029	497 976	82.3	424 329	70.1	366 496	60.6	317 025	52.4
Total Partnerships	360 246	318 109	88.3	284 345	78.9	256 174	71.1	231 867	64.4
Trusts	414 011	373 629	90.3	344 003	83.1	317 606	76.7	293 169	70.8
<b>Public Sector</b>									
Public Sector	642	542	84.4	470	73.2	434	67.6	403	62.8
<b>All Organisational Types</b>	<b>2 050 642</b>	<b>1 781 897</b>	<b>86.9</b>	<b>1 587 512</b>	<b>77.4</b>	<b>1 432 738</b>	<b>69.9</b>	<b>1 289 335</b>	<b>62.9</b>

**12**

## SURVIVAL OF ENTRIES BY TYPE OF LEGAL ORGANISATION: June 2009–June 2013

	<i>Entries in 2009–10</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
<b>Private Sector</b>							
Total Companies	97 002	73 898	76.2	60 060	61.9	49 773	51.3
Sole Proprietors	137 051	90 642	66.1	65 333	47.7	49 946	36.4
Total Partnerships	36 235	27 252	75.2	21 585	59.6	17 880	49.3
Trusts	72 357	58 819	81.3	50 774	70.2	45 121	62.4
<b>Public Sector</b>							
Public Sector	108	79	73.2	67	62.0	58	53.7
<b>All Organisational Types</b>	<b>342 753</b>	<b>250 690</b>	<b>73.1</b>	<b>197 819</b>	<b>57.7</b>	<b>162 778</b>	<b>47.5</b>

	Operating at start of financial year	Entries(b)	Exits	Net movement of surviving businesses(c)	Operating at end of financial year	Change	Percentage change	Entry rate	Exit rate
	no.	no.	no.	no.	no.	no.	%	%	%
2009–10									
Non–employing	1 229 879	245 246	199 457	27 372	1 303 040	73 161	6.0	19.9	16.2
Employing(d)									
1–4(e)	569 901	86 877	54 744	–21 857	580 177	10 276	1.8	15.2	9.6
5–19	179 197	8 777	11 328	12 377	189 023	9 826	5.5	4.9	6.3
20–199	67 189	1 456	2 760	–16 927	48 958	–18 231	–27.1	2.2	4.1
200+	4 476	397	456	–965	3 452	–1 024	–22.9	8.9	10.2
Total employing	820 763	97 507	69 288	–27 372	821 610	847	0.1	11.9	8.4
<b>Total</b>	<b>2 050 642</b>	<b>342 753</b>	<b>268 745</b>	<b>—</b>	<b>2 124 650</b>	<b>74 008</b>	<b>3.6</b>	<b>16.7</b>	<b>13.1</b>
2010–11									
Non–employing	1 303 040	198 769	219 574	23 788	1 306 023	2 983	0.2	15.3	16.9
Employing(d)									
1–4(e)	580 177	84 737	54 070	–29 103	581 741	1 564	0.3	14.6	9.3
5–19	189 023	9 273	10 676	4 192	191 812	2 789	1.5	4.9	5.7
20–199	48 958	1 334	1 989	999	49 302	344	0.7	2.7	4.1
200+	3 452	97	139	124	3 534	82	2.4	2.8	4.0
Total employing	821 610	95 441	66 874	–23 788	826 389	4 779	0.6	11.6	8.1
<b>Total</b>	<b>2 124 650</b>	<b>294 210</b>	<b>286 448</b>	<b>—</b>	<b>2 132 412</b>	<b>7 762</b>	<b>0.4</b>	<b>13.9</b>	<b>13.5</b>
2011–12									
Non–employing	1 306 023	191 904	212 120	20 286	1 306 093	70	—	14.7	16.2
Employing(d)									
1–4(e)	581 741	84 605	53 861	–29 766	582 719	978	0.2	14.5	9.3
5–19	191 812	9 580	10 595	7 543	198 340	6 528	3.4	5.0	5.5
20–199	49 302	1 352	1 947	1 815	50 522	1 220	2.5	2.7	4.0
200+	3 534	80	130	122	3 606	72	2.0	2.3	3.7
Total employing	826 389	95 617	66 533	–20 286	835 187	8 798	1.1	11.6	8.1
<b>Total</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>—</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>
2012–13									
Non–employing	1 306 093	161 291	227 602	24 516	1 264 298	–41 795	–3.2	12.4	17.4
Employing(d)									
1–4(e)	582 719	68 054	59 479	–27 882	563 412	–19 307	–3.3	11.7	10.2
5–19	198 340	8 499	11 644	2 217	197 412	–928	–0.5	4.3	5.9
20–199	50 522	1 302	1 961	1 083	50 946	424	0.8	2.6	3.9
200+	3 606	83	157	66	3 598	–8	–0.2	2.3	4.4
Total employing	835 187	77 938	73 241	–24 516	815 368	–19 819	–2.4	9.3	8.8
<b>Total</b>	<b>2 141 280</b>	<b>239 229</b>	<b>300 843</b>	<b>—</b>	<b>2 079 666</b>	<b>–61 614</b>	<b>–2.9</b>	<b>11.2</b>	<b>14.1</b>

— nil or rounded to zero (including null cells)

- (a) Please refer to paragraphs 53–58 in the Explanatory Notes for more information regarding employment size ranges.
- (b) The entries for 2009–10 include an estimated 20,909 businesses arising from a change in processing procedures for LTNRs by the ABS. Please refer to paragraph 22 in the Explanatory Notes for more information.
- (c) The net movement of surviving businesses is calculated by subtracting the total outflow at the end of the financial year from the total inflow at the end of the financial year. See Glossary and Technical Note 1 Measures of Business Growth for more information.

- (d) The methodology used to derive employment size has changed in this release. Please refer to the Technical Note 2 Improved Employment Range for more information regarding change in methodology.
- (e) A small number of businesses which have ITW roles for purposes other than withholding amounts from wages and salaries (and as such have zero employment), are included in this category.

CHANGED BUSINESS SIZE CATEGORY (EMPLOYMENT SIZE RANGES)					Inflow at end of financial year	Outflow at end of financial year	Net movement of surviving businesses (b)
Non–employing	1–4(c)	5–19	20–199	200+			
no.	no.	no.	no.	no.	no.	no.	no.

## CHANGED BUSINESS SIZE CATEGORY AT JUNE 2010

## BUSINESS SIZE CATEGORY AT JUNE 2009

## (Employment Size Ranges) (d)

Non–employing	991 804	36 608	1 779	228	3	65 990	38 618	27 372
Employing								
1–4(c)	58 300	424 937	30 815	1 095	10	68 363	90 220	–21 857
5–19	6 158	30 652	124 885	6 161	13	55 361	42 984	12 377
20–199	1 505	1 070	22 746	38 852	256	8 650	25 577	–16 927
200+	27	33	21	1 166	2 773	282	1 247	–965
<b>Total</b>	<b>1 057 794</b>	<b>493 300</b>	<b>180 246</b>	<b>47 502</b>	<b>3 055</b>	<b>198 646</b>	<b>198 646</b>	—

## CHANGED BUSINESS SIZE CATEGORY AT JUNE 2011

## BUSINESS SIZE CATEGORY AT JUNE 2010

## (Employment Size Ranges) (d)

Non–employing	1 042 971	38 665	1 587	238	5	64 283	40 495	23 788
Employing								
1–4(c)	56 494	432 986	35 286	1 283	58	64 018	93 121	–29 103
5–19	6 422	24 245	139 998	7 657	25	42 541	38 349	4 192
20–199	1 346	1 075	5 661	38 545	342	9 423	8 424	999
200+	21	33	7	245	3 007	430	306	124
<b>Total</b>	<b>1 107 254</b>	<b>497 004</b>	<b>182 539</b>	<b>47 968</b>	<b>3 437</b>	<b>180 695</b>	<b>180 695</b>	—

## CHANGED BUSINESS SIZE CATEGORY AT JUNE 2012

## BUSINESS SIZE CATEGORY AT JUNE 2011

## (Employment Size Ranges) (d)

Non–employing	1 052 102	39 802	1 775	222	2	62 087	41 801	20 286
Employing								
1–4(c)	54 446	435 899	36 279	1 242	14	62 215	91 981	–29 766
5–19	6 270	21 402	145 569	7 965	11	43 191	35 648	7 543
20–199	1 350	996	5 127	39 521	361	9 649	7 834	1 815
200+	21	15	10	220	3 138	388	266	122
<b>Total</b>	<b>1 114 189</b>	<b>498 114</b>	<b>188 760</b>	<b>49 170</b>	<b>3 526</b>	<b>177 530</b>	<b>177 530</b>	—

## CHANGED BUSINESS SIZE CATEGORY AT JUNE 2013

## BUSINESS SIZE CATEGORY AT JUNE 2012

## (Employment Size Ranges) (d)

Non–employing	1 037 633	38 981	1 650	223	4	65 374	40 858	24 516
Employing								
1–4(c)	57 206	432 068	32 917	1 022	27	63 290	91 172	–27 882
5–19	6 694	23 410	149 040	7 540	12	39 873	37 656	2 217
20–199	1 461	868	5 293	40 655	284	8 989	7 906	1 083
200+	13	31	13	204	3 188	327	261	66
<b>Total</b>	<b>1 103 007</b>	<b>495 358</b>	<b>188 913</b>	<b>49 644</b>	<b>3 515</b>	<b>177 853</b>	<b>177 853</b>	—

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 53–58 in the Explanatory Notes for more information regarding employment size ranges.

(b) The net movement of surviving businesses is calculated by subtracting the total outflow at the end of the financial year from the total inflow at the end of the financial year. See Glossary and Technical Note 1 Measures of Business Growth for more information.

(c) A small number of businesses which have ITW roles for purposes other than withholding amounts from wages and salaries (and as such have zero employment), are included in this category.

(d) The methodology used to derive employment size has changed in this release. Please refer to the Technical Note 2 Improved Employment Range for more information regarding change in methodology.

## SURVIVAL OF BUSINESSES BY EMPLOYMENT SIZE RANGES (a): June 2009–June 2013

	<i>Operating in June 2009</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Non–employing	1 229 879	1 030 422	83.8	897 091	72.9	793 025	64.5	703 940	57.2
Employing(b)									
1–4(c)	569 901	515 157	90.4	468 042	82.1	430 110	75.5	389 810	68.4
5–19	179 197	167 869	93.7	156 952	87.6	147 138	82.1	136 436	76.1
20–199	67 189	64 429	95.9	61 574	91.6	58 745	87.4	55 588	82.7
200+	4 476	4 020	89.8	3 853	86.1	3 720	83.1	3 561	79.6
Total employing	820 763	751 475	91.6	690 421	84.1	639 713	77.9	585 395	71.3
<b>Total</b>	<b>2 050 642</b>	<b>1 781 897</b>	<b>86.9</b>	<b>1 587 512</b>	<b>77.4</b>	<b>1 432 738</b>	<b>69.9</b>	<b>1 289 335</b>	<b>62.9</b>

- (a) Please refer to paragraphs 53–58 in the Explanatory Notes for more information regarding employment size ranges.
- (b) The methodology used to derive employment size has changed in this release. Please refer to the Technical Note 2 Improved Employment Range for more information regarding change in methodology.
- (c) A small number of businesses which have ITW roles for purposes other than withholding amounts from wages and salaries (and as such have zero employment), are included in this category.

## SURVIVAL OF ENTRIES BY EMPLOYMENT SIZE RANGES (a): June 2009–June 2013

	<i>Entries in 2009–10</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Non–employing	245 246	170 303	69.4	129 534	52.8	105 732	43.1
Employing(b)							
1–4(c)	86 877	71 292	82.1	60 348	69.5	50 063	57.6
5–19	8 777	7 471	85.1	6 475	73.8	5 675	64.7
20–199	1 456	1 246	85.6	1 105	75.9	977	67.1
200+	397	378	95.2	357	89.9	331	83.4
Total employing	97 507	80 387	82.4	68 285	70.0	57 046	58.5
<b>Total</b>	<b>342 753</b>	<b>250 690</b>	<b>73.1</b>	<b>197 819</b>	<b>57.7</b>	<b>162 778</b>	<b>47.5</b>

- (a) Please refer to paragraphs 53–58 in the Explanatory Notes for more information regarding employment size ranges.
- (b) The methodology used to derive employment size has changed in this release. Please refer to the Technical Note 2 Improved Employment Range for more information regarding change in methodology.
- (c) A small number of businesses which have ITW roles for purposes other than withholding amounts from wages and salaries (and as such have zero employment), are included in this category.



## BUSINESSES BY ANNUAL TURNOVER SIZE RANGES (a): June 2009–June 2013

	Operating at start of financial year	Entries(b)	Exits	Net movement of surviving businesses(c)	Operating at end of financial year	Change	Percentage change	Entry rate	Exit rate
	no.	no.	no.	no.	no.	no.	%	%	%
2009–10									
Zero to less than \$50k	597 973	122 470	123 667	29 984	626 760	28 787	4.8	20.5	20.7
\$50k to less than \$200k	693 373	147 425	87 381	-13 397	740 020	46 647	6.7	21.3	12.6
\$200k to less than \$2m	636 209	68 090	51 451	-15 857	636 991	782	0.1	10.7	8.1
\$2m or more	123 087	4 768	6 246	-730	120 879	-2 208	-1.8	3.9	5.1
<b>Total</b>	<b>2 050 642</b>	<b>342 753</b>	<b>268 745</b>	<b>—</b>	<b>2 124 650</b>	<b>74 008</b>	<b>3.6</b>	<b>16.7</b>	<b>13.1</b>
2010–11									
Zero to less than \$50k	626 760	96 641	129 878	24 465	617 988	-8 772	-1.4	15.4	20.7
\$50k to less than \$200k	740 020	124 650	102 294	-26 151	736 225	-3 795	-0.5	16.8	13.8
\$200k to less than \$2m	636 991	68 394	49 502	-2 788	653 095	16 104	2.5	10.7	7.8
\$2m or more	120 879	4 525	4 774	4 474	125 104	4 225	3.5	3.7	4.0
<b>Total</b>	<b>2 124 650</b>	<b>294 210</b>	<b>286 448</b>	<b>—</b>	<b>2 132 412</b>	<b>7 762</b>	<b>0.4</b>	<b>13.9</b>	<b>13.5</b>
2011–12									
Zero to less than \$50k	617 988	86 509	125 395	18 828	597 930	-20 058	-3.3	14.0	20.3
\$50k to less than \$200k	736 225	127 107	99 068	-24 395	739 869	3 644	0.5	17.3	13.5
\$200k to less than \$2m	653 095	69 399	49 308	-121	673 065	19 970	3.1	10.6	7.6
\$2m or more	125 104	4 506	4 882	5 688	130 416	5 312	4.3	3.6	3.9
<b>Total</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>—</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>
2012–13									
Zero to less than \$50k	597 930	65 280	132 016	25 310	556 504	-41 426	-6.9	10.9	22.1
\$50k to less than \$200k	739 869	110 701	110 146	-22 419	718 005	-21 864	-3.0	15.0	14.9
\$200k to less than \$2m	673 065	59 092	53 746	-6 261	672 150	-915	-0.1	8.8	8.0
\$2m or more	130 416	4 156	4 935	3 370	133 007	2 591	2.0	3.2	3.8
<b>Total</b>	<b>2 141 280</b>	<b>239 229</b>	<b>300 843</b>	<b>—</b>	<b>2 079 666</b>	<b>-61 614</b>	<b>-2.9</b>	<b>11.2</b>	<b>14.1</b>

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 59–61 in the Explanatory Notes for more information regarding annual turnover size ranges.

(b) The entries for 2009–10 include an estimated 20,909 businesses arising from a change in processing procedures for LTNRs by the ABS. Please refer to paragraph 22 in the Explanatory Notes for more information.

(c) The net movement of surviving businesses is calculated by subtracting the total outflow at the end of the financial year from the total inflow at the end of the financial year. See Glossary and Technical Note 1 Measures of Business Growth for more information.

CHANGED BUSINESS SIZE CATEGORY  
(ANNUAL TURNOVER SIZE RANGES)

Zero to less than \$50k	\$50k to less than \$200k	\$200k to less than \$2m	\$2m or more	Inflow at end of financial year	Outflow at end of financial year	Net movement of surviving businesses (b)
no.	no.	no.	no.	no.	no.	no.

CHANGED BUSINESS SIZE CATEGORY AT JUNE 2010

**BUSINESS SIZE CATEGORY AT JUNE 2009**

**(Annual Turnover Size Ranges)**

Zero to less than \$50k	385 960	73 964	13 055	1 327	118 330	88 346	29 984
\$50k to less than \$200k	92 295	441 347	71 125	1 225	151 248	164 645	-13 397
\$200k to less than \$2m	24 009	75 875	468 128	16 746	100 773	116 630	-15 857
\$2m or more	2 026	1 409	16 593	96 813	19 298	20 028	-730
<b>Total</b>	<b>504 290</b>	<b>592 595</b>	<b>568 901</b>	<b>116 111</b>	<b>389 649</b>	<b>389 649</b>	—

CHANGED BUSINESS SIZE CATEGORY AT JUNE 2011

**BUSINESS SIZE CATEGORY AT JUNE 2010**

**(Annual Turnover Size Ranges)**

Zero to less than \$50k	402 168	80 715	12 724	1 275	119 179	94 714	24 465
\$50k to less than \$200k	95 556	463 245	77 734	1 191	148 330	174 481	-26 151
\$200k to less than \$2m	21 787	66 555	481 105	18 042	103 596	106 384	-2 788
\$2m or more	1 836	1 060	13 138	100 071	20 508	16 034	4 474
<b>Total</b>	<b>521 347</b>	<b>611 575</b>	<b>584 701</b>	<b>120 579</b>	<b>391 613</b>	<b>391 613</b>	—

CHANGED BUSINESS SIZE CATEGORY AT JUNE 2012

**BUSINESS SIZE CATEGORY AT JUNE 2011**

**(Annual Turnover Size Ranges)**

Zero to less than \$50k	398 109	80 032	13 232	1 220	113 312	94 484	18 828
\$50k to less than \$200k	88 915	465 665	81 361	1 216	147 097	171 492	-24 395
\$200k to less than \$2m	22 482	65 906	496 063	19 336	107 603	107 724	-121
\$2m or more	1 915	1 159	13 010	104 138	21 772	16 084	5 688
<b>Total</b>	<b>511 421</b>	<b>612 762</b>	<b>603 666</b>	<b>125 910</b>	<b>389 784</b>	<b>389 784</b>	—

CHANGED BUSINESS SIZE CATEGORY AT JUNE 2013

**BUSINESS SIZE CATEGORY AT JUNE 2012**

**(Annual Turnover Size Ranges)**

Zero to less than \$50k	378 096	74 235	12 342	1 241	113 128	87 818	25 310
\$50k to less than \$200k	89 899	461 505	77 083	1 236	145 799	168 218	-22 419
\$200k to less than \$2m	21 369	70 360	509 368	18 222	103 690	109 951	-6 261
\$2m or more	1 860	1 204	14 265	108 152	20 699	17 329	3 370
<b>Total</b>	<b>491 224</b>	<b>607 304</b>	<b>613 058</b>	<b>128 851</b>	<b>383 316</b>	<b>383 316</b>	—

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 59–61 in the Explanatory Notes for more information regarding annual turnover size ranges.

(b) The net movement of surviving businesses is calculated by subtracting the total outflow at the end of the financial year from the total inflow at the end of the financial year. See Glossary and Technical Note 1 Measures of Business Growth for more information.

## 19

## SURVIVAL OF BUSINESSES BY ANNUAL TURNOVER SIZE RANGES (a): June 2009–June 2013

	<i>Operating in June 2009</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Zero to less than \$50k	597 973	474 306	79.3	398 830	66.7	339 399	56.8	291 328	48.7
\$50k to less than \$200k	693 373	605 992	87.4	537 263	77.5	484 089	69.8	433 540	62.5
\$200k to less than \$2m	636 209	584 758	91.9	540 090	84.9	503 153	79.1	464 181	73.0
\$2m or more	123 087	116 841	94.9	111 329	90.5	106 097	86.2	100 286	81.5
<b>Total</b>	<b>2 050 642</b>	<b>1 781 897</b>	<b>86.9</b>	<b>1 587 512</b>	<b>77.4</b>	<b>1 432 738</b>	<b>69.9</b>	<b>1 289 335</b>	<b>62.9</b>

(a) Please refer to paragraphs 59–61 in the Explanatory Notes for more information regarding annual turnover size ranges.

## 20

## SURVIVAL OF ENTRIES BY ANNUAL TURNOVER SIZE RANGES (a): June 2009–June 2013

	<i>Entries in 2009–10</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>	<i>Survived to June 2013</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Zero to less than \$50k	122 470	86 164	70.4	67 098	54.8	54 258	44.3
\$50k to less than \$200k	147 425	106 087	72.0	81 623	55.4	66 875	45.4
\$200k to less than \$2m	68 090	54 366	79.8	45 558	66.9	38 475	56.5
\$2m or more	4 768	4 073	85.4	3 540	74.2	3 170	66.5
<b>Total</b>	<b>342 753</b>	<b>250 690</b>	<b>73.1</b>	<b>197 819</b>	<b>57.7</b>	<b>162 778</b>	<b>47.5</b>

(a) Please refer to paragraphs 59–61 in the Explanatory Notes for more information regarding annual turnover size ranges.

## EXPLANATORY NOTES

### INTRODUCTION

**1** This publication presents counts of businesses based on snapshots of actively trading businesses as at June 2009, 2010, 2011, 2012 and 2013 from the Australian Bureau of Statistics Business Register (ABSBR). This publication contains counts and rates of business entries and exits from the Australian economy as well as counts and rates pertaining to the survival of businesses.

**2** The scope of *Counts of Australian Businesses, including Entries and Exits* (CABEE) (cat. no. 8165.0) is significantly different to previously released, but now discontinued ABS business counts publications. In particular, the publication only includes businesses which actively traded in goods or services during the reference period in question, whereas the scope of the discontinued releases focused on different populations. Refer to the section entitled 'Scope' and 'Appendix 1 ABS Businesses Counts' for further information.

**3** The following Explanatory Notes contain further information about the collection methods used in compiling CABEE. This includes information about the data source, the Australian Business Register (ABR) and the Australian Taxation Office (ATO) and processes or transformations which have been applied to the data.

### DATA SOURCE

**4** Most businesses in Australia need to obtain an Australian Business Number (ABN). These businesses are then included on the whole of government register of businesses, the Australian Business Register (ABR). The results of these studies are based, in part, on tax data supplied by the Australian Tax Office (ATO) under the *Taxation Administration Act 1953* and ABR data supplied by the Registrar under *A New Tax System (Australian Business Number) Act 1999*. The *Taxation Administration Act 1953* requires that such data is only used for the purpose of administering the *Census and Statistics Act 1905* and the *Australian Business Number Act 1999* requires that such data is only used for the purpose of carrying out functions of the ABS. Further information about the two Acts can be found at <[www.comlaw.gov.au](http://www.comlaw.gov.au)>. Information about the ABR can be obtained from the ABR website <[www.abr.gov.au](http://www.abr.gov.au)> or the ATO website <[www.ato.gov.au/business](http://www.ato.gov.au/business)>. The ABS uses information from the ABR to populate its internal register of businesses, the Australian Bureau of Statistics Business Register (ABSBR), which is used as a source for business survey frames and business counts.

**5** Legislative requirements to ensure privacy and secrecy of these data have been followed. Only people authorised under the *Australian Bureau of Statistics Act 1975* have been allowed to view data about any particular firm in conducting these analyses. Results have been confidentialised in accordance with the *Census and Statistics Act 1905*, to ensure that they are not likely to enable identification of a particular person or organisation.

### STATISTICAL UNIT

**6** In mid 2002, the ABS commenced sourcing its register information from the ABR and at that time changed its business register to a two population model. The two populations are known as the Profiled population and the Non-profiled population, formerly known as the Australian Bureau of Statistics maintained population (ABSMP) and the ATO maintained population (ATOMP). The main distinction between businesses in the two populations relates to the complexity of the business structure and the degree of intervention required to reflect the business structure for statistical purposes.

**7** The vast majority of businesses included on the ABSBR are in the Non-profiled population. Most of these businesses are understood to have simple structures. After some system processes are applied to the unit registered for an ABN, the resulting statistical unit is a good approximation satisfying ABS statistical requirements. For these businesses, the ABS statistical units structure directly aligns with the ABN unit: one ABN equates to one business.

## EXPLANATORY NOTES *continued*

### STATISTICAL UNIT *continued*

**8** For a relatively small number of businesses, the ABN unit is not suitable for ABS economic statistics purposes and the ABS maintains its own units structure through direct contact with businesses. These businesses constitute the Profiled population. This population consists typically of large, complex and diverse groups of businesses. In the Profiled population, a type of activity unit (TAU) equates to one business.

**9** The TAU is comprised of one or more business entities, sub entities, or branches of a business entity within an enterprise group that can report production and employment data for similar economic activities. When a minimum set of data items are available, a TAU is created which covers all the operations within an industry subdivision. Where a business cannot supply adequate information for each industry, a TAU is formed which contains activity in more than one industry subdivision. These TAUs are classified according to the industry subdivision of the main activity. TAUs may have operations in one or more states/territories.

**10** The statistical unit referred to as a 'business' thus consists of ABNs from the Non-profiled population and TAUs from the Profiled population. For a comprehensive definition of a business, refer to the publication's Glossary.

### SCOPE

**11** Counts of businesses produced from the ABSBR are comprised of actively trading businesses in the Australian economy. Actively trading businesses are:

- TAUs from the Profiled population (where activity is monitored by direct contact by ABS); and
- ABNs from the Non-profiled population which are actively remitting in respect of a Goods and Services Tax (GST) role.

**12** Limiting the scope to only businesses with a GST role means that only entities which are actively trading in goods or services are included. Businesses which have not submitted a Business Activity Statement (BAS) and/or have reported zero dollar amounts over five consecutive quarters (or three consecutive years for annual remitters) are treated as 'long term non-remitters' (LTNRs). These businesses are not considered to be actively trading and are excluded from the counts as they are not remitting GST.

**13** Units contained on the ABSBR have been allocated within the following classifications:

- Standard Institutional Sector Classification of Australia (SISCA) 2008;
- Type of Legal Organisation (TOLO); and
- Australian and New Zealand Industry Classification (ANZSIC) 2006.

**14** Entities which are not considered to be actively trading in the market sector are not considered to be businesses and, as such, are excluded from the business counts.

**15** Entities classified to the following categories of SISCA are excluded:

- 2110 Reserve Bank of Australia;
- 3000 General Government;
- 5000 Not For Profit Institutions Serving Households; and
- 6000 Rest of the World.

**16** Entities classified to the following TOLO categories are excluded:

- 12 Charitable Institution;
- 15 Social and Sporting Clubs;
- 16 Trade Unions and Other Associations;
- 20 Other Unincorporated Entity;
- 41 Diplomatic or Trade Missions; and
- 42 Other Foreign Government.

**17** Entities classified to the following 4 digit ANZSIC classes are excluded:

- 7711 Police Services;
- 7713 Fire Protection and Other Emergency Services;

## EXPLANATORY NOTES *continued*

### SCOPE *continued*

- 9540 Religious Services;
- 9551 Business and Professional Associations;
- 9552 Labour Association Services;
- 9559 Other Interest Group Services n.e.c.;
- 9601 Private Households Employing Staff;
- 9602 Undifferentiated Goods Producing Activities of Private Household for Own Use;  
and
- 9603 Undifferentiated Service Producing Activities of Private Household for Own Use.

**18** The exclusion of the General Government Institutional Sector particularly impacts on counts for the 'Public Administration and Safety', 'Education and Training' and 'Health Care and Social Assistance' ANZSIC divisions (O, P and Q respectively). This focuses the business counts in these divisions on private sector and public corporations activity only.

**19** Most unincorporated entities (known as Sole Proprietors/Traders) are included in the 'Households' sector. An unincorporated entity is an entity which has not become a corporation under the *Corporation Act 2001*. Unincorporated entities can choose to remain 'unincorporated', where by the business does not possess a separate legal identity to that of its owner, or it can choose the limited liability status of a company where the business assets are legally separate to that of the owners. Some unincorporated businesses are excluded from CABEE because these are operated/controlled by other SISCA categories such as General Government or the Not for Profit Institutions Serving Household (NPISH) sectors which are out of scope of CABEE.

**20** In addition, the scope for business counts includes those businesses that are yet to be coded by the ATO to an industry, sector and/or main State of operation through the Australian Business Register (ABR) new business registration process. Analysis conducted on these businesses indicates that, despite not having a complete set of characteristics data, these businesses were actively trading and also met the other scoping criteria of the collection (refer to the 'Conceptual and Practical Basis for Counts' section for further details). It was therefore considered appropriate that they be included within scope of CABEE.

**21** These actively trading businesses have been grouped together into 'Currently Unknown' codes in the publication tables and the forthcoming data cubes. The inclusion of these businesses in CABEE provides a more accurate annual snapshot of businesses that are actively trading in the Australian economy.

**22** It should be noted that in June 2010, the ABS implemented a new methodology for identifying annual long term non-remitters (LTNRs). For annual remitters, this LTNR period has been increased from 5 consecutive quarters to 3 consecutive years. This administrative change has resulted in a noticeable and identifiable increase in the business counts at June 2010. More specifically, it has led to an increase in business entries, as those businesses who would have previously been excluded have been brought back into scope, and therefore appear as business entries. For example, the entries for 2008–09 are 299,123. This then spikes to 342,753 in 2009–10 and reverts to 294,210 in 2010–11. Further investigations reveal that an estimated 20,909 of these 2010 entries can be attributed to the new LTNR methodology, and the majority are clustered in the 'Non-employing' size category. They are also clustered in the Households category of Standard Institutional Sector Classification of Australia (SISCA) and the Sole Proprietor and Partnerships categories of Type of Legal Organisation (TOLO). As such, users should exercise care when interpreting the 2010 business counts. This change in LTNR methodology has resulted in a more accurate count of active businesses, particularly in the small business sector.

## EXPLANATORY NOTES *continued*

### COVERAGE

**23** There are actively trading businesses which have not registered for an ABN, either because they do not have any obligations under the Goods and Services Tax (GST) legislation or are under the threshold for registration and have chosen not to register. These businesses have not been identified or quantified and are not included in counts presented in this publication.

### COMPARABILITY WITH FRAMES FOR ABS BUSINESS SURVEYS

**24** The basis for business counts in this release is broadly consistent with that used for frames in most ABS business surveys. There are two exceptions to this:

- the scope with regard to industry, sector, or type of legal organisation can vary according to the requirements of the survey. In some cases, classifications excluded from these business counts are included in a survey frame in order to more comprehensively measure a particular part of the economy. Other survey frames may only include a subset of these classifications such as excluding businesses with invalid ANZSIC codes. Most frames currently include 'Employing' businesses only; and
- most survey frames include entities with a tax role to withhold income tax from their employees (ITW role) but without (GST role). There are approximately 41,000 such entities. Investigations indicate that units with an ITW role but no GST role are likely to be part of a complex business structure. Such entities are excluded from these counts as they are not considered to be actively trading in goods and services. For business surveys designed to, amongst other things, provide estimates of wages and salaries paid (irrespective of whether the entity is actively trading or not), it is important that these entities are included on frames.

### REFERENCE PERIOD

**25** Counts of businesses provided in the CABEE suite of products are based on annual (financial year) snapshots of the ABSBR from 30 June 2009 to 30 June 2013 (inclusive) and also reflect changes and continuity between those periods.

### TIME SERIES

**26** The data presented in this publication were produced on a similar conceptual basis to the data included in previous publications. In terms of time series, at an aggregate level, data comparability is considered high between this and previous publications. Refer to the section entitled 'Scope' for further information.

**27** However, users should exercise caution when comparing geographical data between this publication and publications released prior to the June 2007 to June 2011 publication. The ABS has implemented a new geographical framework, namely the *Australian Statistical Geography Standard (ASGS)*. With the move to the new geography framework, both National data and State based data will remain unchanged. Refer to section entitled 'ASGS' for further information.

**28** Users should also exercise caution when making data comparisons between this publication and previous publications containing ANZSIC 1993 industry detail and annual turnover size ranges which will not be directly comparable with the data included in this publication.

### BUSINESS EVENTS

**29** This release contains snapshots of counts of active businesses at regular points in time. These data also assist in providing a point in time 'snapshot' of those businesses that are entering and exiting the Australian economy, as well as those businesses that continue to survive. For further information, refer to the publication's Technical Notes.

**30** Business entry and exit counts are restricted to new or ceasing businesses. In particular, entries do not include the establishment of new locations associated with an existing business.

### ENTRIES

**31** A business entry event is the registration of a new business for an ABN and the allocation of a GST role, or the allocation of a GST role to an existing ABN which previously did not have this role.

## EXPLANATORY NOTES *continued*

### ENTRIES *continued*

- 32** This also includes businesses which had:
- their ABN or GST role cancelled and subsequently recommenced activity under their original ABN and GST role; or
  - ceased remitting BAS for at least five consecutive quarters (or three consecutive years for annual remitters) but had recommenced remitting prior to the next reference period.

**33** Thus, a business entry is defined as a business which is actively trading on the business register at 30 June in the reference year but was not actively trading at 30 June the previous year.

### EXITS

**34** A business exit event is the cancellation of a business' ABN or GST role and/or when a business ceases to remit GST for at least five consecutive quarters in respect of that ABN (or 3 consecutive years for annual remitters).

**35** Thus, a business exit is defined as a business which was actively trading on the business register at 30 June in the previous year but was not actively trading at 30 June in the reference year.

**36** It is important to note that a business exit event does not necessarily equate to a business 'failure'. There may be a number of other reasons why a business exit event has occurred, including events relating to selling a business (e.g. due to an owner/operator retiring), and events relating to changes in a business' structure (e.g. due to merger or takeover activities), etc. Such events may result in one or more business exit events occurring, and in some cases, no net loss of businesses.

### SURVIVALS

**37** A surviving business is defined as a business which is active on the ABSBR at 30 June of the current year and was also active in the previous year. In this release, two types of survivors are recorded:

- businesses that were on the ABSBR at 30 June 2009. Due to the changed basis of the ABSBR in 2003, the ABS has determined that it is not feasible to ascertain the age of these businesses. The survival of these businesses is measured in terms of whether they were still on the ABSBR at 30 June 2010, 30 June 2011, 30 June 2012 and 30 June 2013; and
- businesses that were entries in 2009–10. That is, they were not on the ABSBR at 30 June 2009 but were on 30 June 2010. The survival of these businesses is measured in terms of whether they were still on the ABSBR at 30 June 2011, 30 June 2012 and 30 June 2013.

**38** One of the enhancements to the business counts data in recent publications involves the provision of data which indicates the growth of business survivals (in terms of employment and annual turnover classifications) over time. For further information, refer to the publication's Technical Notes.

### INTRA-YEAR ENTRIES AND EXITS

**39** It is possible that a business can enter after 30 June in a given year and exit before 30 June in the following year. A small number of these instances occur in any given year. This release excludes those instances in order to assist interpretation of results.

### DATA QUALITY

**40** The counts in this publication are subject to non sampling error and the cyclical administrative workflows of the ATO may impact on data interpretability. The counts are not subject to sampling error as they represent a complete enumeration of those 'economically active' businesses on the ABSBR. For further information on this and other likely sources of error in this release, refer to the Quality Declaration associated with CABEE.



## EXPLANATORY NOTES *continued*

### A COMPREHENSIVE COUNT OF ALL ECONOMICALLY ACTIVE ENTITIES

**41** Ideally, the ABS would capture all economically active entities in Australia. These would then be split by actively trading businesses and other entities. However, it is not possible to accurately capture all such entities at this stage as there are a number of options open to these entities with regard to registration or participation in the tax system using existing data sources. Only partial coverage of these entities is possible using existing data sources and it is not possible to quantify the extent of this partial coverage.

### INDUSTRY

**42** Each business (either an ABN unit or TAU on the ABSBR) has been classified to a single ANZSIC 2006 industry class, irrespective of any diversity of activities undertaken. The industry class allocated is the activity which provides the main source of industry value added (sales of goods and services, wages and salaries or number of employees as a proxy), which is generally based on a description provided by the business.

**43** For further information on ANZSIC 2006, users may wish to consult the *Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006* (cat. no. 1292.0) on the ABS website <[www.abs.gov.au](http://www.abs.gov.au)>.

### ASGS AUSTRALIAN STATISTICAL GEOGRAPHY STANDARD (ASGS)

**44** The ASGS is the new geographical framework used by the ABS. It brings together all regions for which the ABS publishes statistics within the one framework and has been used for the collection and dissemination of geographically classified statistics since 1 July 2011.

**45** The ASGS replaces the *Australian Standard Geographical Classification (ASGC)*, which is no longer produced. While there are superficial similarities between the ASGS and the ASGC, it is important to recognise that the two are fundamentally different and there are significant differences between their respective regions, both in their geographical extent and their conceptual foundation. As a whole, the ASGS represents a more comprehensive, flexible and consistent way of defining Australia's statistical geography than the ASGC. For further information to assist users move from the ASGC to the ASGS refer to the ABS website <[www.abs.gov.au/geography](http://www.abs.gov.au/geography)>.

**46** With the move to the new geography framework, State based data remains unchanged. However sub State data is now produced using the new ASGS. In terms of business counts data, the base unit of the ASGS will be the Statistical Area Level 2 (SA2). This SA2 data replaces the previously published Statistical Local Area (SLA) business counts data. Refer to section entitled 'Statistical Area Level 2' for further information.

### MAIN STATE

**47** Businesses can operate in more than one State or Territory. For businesses in the Non-profiled population, Main State is derived from the main business address. For businesses in the Profiled population, Main State is the State or Territory with the highest employment. Therefore, for some businesses in the Profiled population, Main State is not necessarily the State or Territory of the main business address.

**48** The Australian taxation system provides flexibility during the new business registration process, as it allows businesses operating in single or multiple States or Territories to register on the ABR and report taxation obligations in a variety of ways. For instance, it is possible for a business entity to register for a single ABN regardless of the number of commercial activities it undertakes (sometimes visible in the number of physical shopfronts it may operate from). Alternatively, multiple commercial activities of a single business enterprise may be registered for separate ABNs, depending on the legal structure adopted by the enterprise. Hence, where commercial activities are carried out by a number of different but related entities, each entity may register for a separate ABN. As this publication defines a business on the basis of an ABN (or TAU in the Profiled population), the counts may be regarded as providing partial coverage of businesses in a given State. For further information, refer to the data Quality Declaration associated with CABEE.

## EXPLANATORY NOTES *continued*

### STATISTICAL AREA LEVEL 2

**49** The SA2 is a general purpose spatial unit. It is the base spatial unit used to disseminate ABS business counts data and replaces the previous SLA. In aggregate, 2,214 SA2s cover the whole of Australia without gaps or overlaps. Further, SA2 data can be aggregated to larger geographical areas, including SA3, SA4 and States/Territories, as part of the ASGS.

**50** Sub State level data cubes will be released using SA2 as the base spatial unit. For further information to assist users with the transition from the ASGC to the ASGS refer to the ABS website <[www.abs.gov.au/geography](http://www.abs.gov.au/geography)>.

**51** The issues of geocoding multi location business locations are more pronounced for count data at the SA2 level, as multi location businesses (i.e. in respect of businesses registered under a single ABN/TAU) will only be attributed to a single SA2. As such, care should be taken not to assume that business counts at the SA2 level reflect all business operations within that SA2. For further information, refer to the data quality declaration associated with CABEE.

### BUSINESS SIZE

**52** The sizing classifications presented in this release are based on employment and turnover reported by businesses, as defined below. The Technical Note 1 Measures of Business Growth contains additional information on business size and how business growth is represented.

### EMPLOYMENT SIZE

**53** The methodology used to derive the Non-profiled population business counts for employment size has changed in this edition of CABEE to provide a more accurate representation of the size of businesses. A more detailed description of the new methodology and its affects are described in this CABEE publication. See Technical Note 2 Improved Employment Range for more detail.

**54** The methods used to quantify employment in this release varies depending on where (i.e. in which population) businesses reside in the ABSBR.

**55** The technical definition of employing units depends upon whether the unit resides in the Profiled or Non-profiled population. Employing units are defined as:

- Profiled population – businesses with greater than zero employees; and
- Non-profiled population – businesses with a non cancelled Income Tax Withholding (ITW) role and which have remitted to the ATO at least once in the preceding five quarters (or three years for annual remitters). This may include a small number of businesses which have ITW roles for purposes other than withholding amounts from wages and salaries, and as such have zero employment.

**56** In the Profiled population, businesses report 'employment' as defined by the number of persons who are employed by a public or private employer and receive remuneration in wages or salaries (including working proprietors and working partners), or are paid a retainer fee by their employer. Employment excludes non salaried directors, volunteers, persons paid by commission only, and self employed persons such as consultants and contractors. These data are collected through direct contact with businesses in the Profiled population and reflect a 'point in time headcount' of current employees.

**57** In the Non-profiled population, payees estimates are updated monthly for those ITWs whose reported payees and/or ANZSIC has changed, and yearly for those ITWs that haven't changed throughout the past two years. The new process uses Business Activity Statement wages and salaries information and ABS survey information to bring the counts into closer alignment with the target variable (i.e. average number of employees across the financial year). Adjustment factors are calculated, based upon unit record differences between reported employment in ABS business surveys and payees information from the ATO. These factors, along with payees data form the input into the derived employment variable.

## EXPLANATORY NOTES *continued*

### EMPLOYMENT SIZE *continued*

**58** The employment data extracted from the ABSBR are generally suitable for the purposes of attributing an employment size classification to each in scope business.

### ANNUAL TURNOVER SIZE

**59** Annual turnover values are based on data reported to the ATO through Business Activity Statements (BASs) and includes imputation for missing periods for all businesses in the Non-profiled population. For businesses in the Profiled population, turnover reported on BAS for ABNs is aggregated to Enterprise (EN) level and is apportioned to the relevant TAUs.

**60** Where businesses report zero values on their BAS or have failed to report at all, these data are compared with auxiliary BAS data, which are then used for the purposes of assigning annual turnover values for each in scope business. In cases where auxiliary BAS data are not available, an imputation based on auxiliary ABSBR data (including wages and salaries and employment data) is used.

**61** The imputation technique described therefore classifies all in scope businesses to a single annual turnover size range in CABEE.

### REVISIONS

**62** The ABS Business Register receives updated information when a business entity reports changes to either the ABR or the ATO, such as a new registration, revised payee information, or when the business entity reports changes in its business structure or activity. These reporting changes can impact upon the business entity's industry classification (ANZSIC); institutional classification (SISCA); legal classification (TOLO); geographic classifications (State/Territory); or business size (Employment or Turnover categories). These changes to the register generate revisions to data previously published in earlier editions of CABEE.

**63** Some of the revisions to 'Currently Unknown' categories are attributable to updated classificatory information, such as ANZSIC, SISCA or TOLO, where this information did not previously exist for the business entity. Revisions to the 'Currently Unknown' category can be more substantial as new information comes to hand from the ABR and the ATO.

### CONFIDENTIALITY

**64** The confidentialising process applied is expected to maximise the availability of data without introducing any bias to the estimates.

**65** The confidentiality process will round data in such a way that the data presented at these detailed levels will not always be additive. That is, opening stock from the beginning of the financial year, plus entries, minus exits, may not be equal to the closing stock for the end of the financial year. This is due to the fact that each of those components are individually rounded.

### COMPARISON WITH OTHER BUSINESS COUNTS DATA

**66** Estimates of the number of businesses operating in the Australian economy may be derived from a number of sources within the ABS or from non ABS sources. They may relate to a point in time, or may be average annual data. These estimates will not always show the same results. Variations occur because of the differing data sources, differing definitions of a business, differing scope and coverage as well as variations due to sampling and non sampling errors.

**67** The definition of Employing/Non-employing in the ABS can also vary according to collection methodology, data sources, and user requirements.

**68** Users comparing data from this publication with other ABS data should do so with care, as some other ABS publications may exclude 'Non-employing' businesses or particular industries or sectors.

**69** For further details see the Explanatory Notes section of the relevant publications.

### PREVIOUS RELEASES

**70** Information regarding previous releases of CABEE may be accessed on the ABS website <[www.abs.gov.au](http://www.abs.gov.au)>.

**EXPLANATORY NOTES** *continued*

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NEXT RELEASE

**71** The next release of CABEE is currently scheduled for release in February 2015.

## APPENDIX 1 ABS BUSINESS COUNTS

### INTRODUCTION

The ABS has been producing business counts for many years, either as direct counts of businesses, as a by product from survey processing, or as a combination of the two.

Over time, the scope and coverage of businesses included in these counts has changed significantly.

Counts included in this release are a relevant source for users interested in understanding the number of businesses actively producing or distributing goods or providing services in the Australian economy. Nevertheless, these counts are still subject to error, mainly due to difficulties in accurately identifying when businesses have ceased trading. While the ABS will retain the conceptual basis of these counts in future releases, continuing refinements will be made in an effort to reduce these errors. The Explanatory Notes discusses the errors in these counts and ABS plans to reduce these errors.

### DISCONTINUED ABS BUSINESS COUNTS

#### *Counts from the ABS Business Register (Prior to 2002)*

The ABS has maintained an integrated business register (ABSBR) since the development phase of the first Integrated Economic Censuses conducted in respect of 1968–69.

From the amendment of the Income Tax Assessment Act in 1986 until 2002, this was primarily sourced from Group Employer (GE) registrations with the Australian Taxation Office (ATO). When a business commenced employing staff, a GE registration was required to enable the business to deduct income tax from its employees.

No comprehensive register of 'Non–employing' businesses was maintained by any government organisation and the ABS did not seek to create such a register.

As such, any business counts produced from the ABSBR prior to 2002 included employing businesses only.

A further short coming in these counts was that proper recording of businesses which had commenced, ceased or continued operation did not occur consistently over time. For example, a units survey in 1991 identified a significant number of businesses which had previously been included on the ABSBR but had ceased operation. These businesses were subsequently removed from the ABSBR. In 1996, a survey of businesses which had been removed as a result of feedback from survey processing identified a significant number of businesses which were in fact still operating.

In both these cases and in other similar instances over time, ABS economic statistics were backcast to adjust for these effects over time.

#### *Counts from Small Business in Australia (1988 to 2001)*

The ABS first released *Small Business in Australia* (cat. no. 1321.0) in 1988. This compendium release included a range of statistics about small businesses.

'Non–employing' businesses (such as self employed tradespeople) are a significant component of the small business sector. As such, it was important to include both counts and characteristics of these in *Small Business in Australia*.

These counts were derived from the monthly Labour Force Survey (LFS) and were progressively updated until the final issue of *Small Business in Australia* (cat. no. 1321.0) in 2001. To produce a comprehensive count of small businesses, the LFS sourced counts of non–employers were added to counts of employing businesses sourced from the Survey of Employment and Earnings (which used the ABSBR as a frame). The counts of small businesses stood at approximately 1.2 million in 2001.

The counts of 'Non–employing' businesses were almost certainly significantly understated for two reasons:

- Those counts did not fully capture businesses operated by people whose predominant labour force status was other than a small business operator; and
- Those counts did not fully capture multiple businesses owned by one operator. It has not been possible to accurately quantify this underestimate.

## APPENDIX 1 ABS BUSINESS COUNTS *continued*

Counts from *Characteristics of Small Business (1995–2006)*

The ABS first released *Characteristics of Small Business* (cat. no. 8127.0) in 1995. This compendium release also included a range of information about small businesses, including counts of small businesses and small business operators.

The decision to discontinue *Characteristics of Small Business Operators (COSBO)* was driven by the development of superior data sources, and the findings of a methodological review of the 2005 and 2006 COSBO surveys.

The review compared data from the 2005 and 2006 COSBO surveys with data from the 2006 Census of Population and Housing and a range of Labour Force Supplementary Surveys. It concluded that, while some data items collected continue to provide an ongoing and accurate picture of the changing nature of the Australian small business and small business operator populations, a more consistent picture was provided by the alternate data sources.

Users should note that since the discontinuation of COSBO, the ABS has developed a new publication focussing exclusively on Australian business operators. *Counts of Australian Business Operators* (cat. no. 8175.0) was first released in October 2008 and again in October 2013 and utilises data from the ABS Census of Population and Housing and the ABS Forms of Employment Survey to present a range of demographic data. Further information can be obtained from the ABS website <[www.abs.gov.au](http://www.abs.gov.au)>.

Counts from *Australian Bureau of Statistics Business Register, Counts of Businesses (2005)*

From 2002, the ABS changed the basis of the ABSBR from GE registrations to ABN registrations sourced from the Australian Business Register (ABR). From the introduction of the new tax system in July 2000, businesses required to remit GST, deduct income tax from employees or to participate in several other aspects of the tax system were required to register for an ABN on the ABR.

The ABS released experimental estimates of business entries and exits and the first counts from the ABR based ABSBR in 2005.

The release of *Australian Bureau of Statistics Business Register, Counts of Businesses* (cat. no. 8161.0.55.001) in October 2005 showed 3.0 million businesses operating as at June 2004, 2.9 million of which were small businesses.

These counts significantly overstated the number of businesses actively producing or distributing goods or providing services in the Australian economy for two reasons:

- They included businesses which did not have a GST role and whose only tax role was to enable the payment of Income Tax Instalment Provisions. Subsequent investigations indicate that these entities tend to be investment vehicles rather than actively trading businesses; and
- They also included businesses with a GST role but which had not remitted GST obligations for at least five successive quarters. These businesses have been termed "long term non remitters" (LTNRs). Subsequent investigations indicate that the majority of these businesses were no longer active.

Both categories of businesses, which in combination (noting some overlap) contributed over 1 million to these previously released counts, have been excluded from the counts in this release.

CURRENT ABS BUSINESS COUNTS

*Counts of Australian Businesses, including Entries and Exits (2007 to current)*

Feedback from users since the 2005 release indicated that counts of actively trading businesses, rather than all entities carrying out economic activity, were more valuable for the various uses to which business counts were being put.

This resulted in the development of *Counts of Australian Businesses, including Entries and Exits* (cat. no. 8165.0), first released in February 2007.

The counts showed that there were approximately 1.9 million actively trading businesses at that time. The differences between the count of 1.9 million and the count of approximately 3.0 million from the 2005 release was due to the exclusion of:

## APPENDIX 1 ABS BUSINESS COUNTS *continued*

*Counts of Australian Businesses, including Entries and Exits (2007 to current) continued*

- Entities which had an active ABN but which not have a GST role. While economically active, these entities were mainly businesses with asset holdings and consequent income flows but had not traded in goods and services; and
- Businesses with a GST role which had not returned a Business Activity Statement (BAS) for more than five quarters or had returned a BAS reporting zero dollar amounts. These businesses were likely to be no longer trading.

In combination (noting some overlap) there were approximately 1 million businesses in the above categories.

CABEE was released again in December 2007 and showed that Australia's population of actively trading businesses had exceeded 2 million. A third release of CABEE in October 2010 showed that business counts had dropped slightly, but still remained above 2 million.

In January 2012, a fourth release of CABEE showed that business counts increased over the 2009–10 (3.6%) and 2010–11 (0.4%) years.

In May 2013, a fifth release of CABEE showed that business counts increased over the 2010–11 (0.4%) and 2011–12 (0.4%) years.

The ABS plans to continue releasing CABEE. The publication is expected to provide users with a regular snapshot of Australia's population of actively trading businesses.

*Counts Produced from ABS Business Surveys (1968 to current)*

Since 1968, several ABS business surveys, using the ABSBR to provide a survey frame, produced counts of businesses as by product from survey processing.

These counts were consistent with business counts sourced directly from the ABSBR except they were adjusted to account for businesses identified in survey processing as no longer operating. However, the scope of these counts aligned with the scope of the respective surveys.

Therefore, counts of business entities derived from ABS surveys may not necessarily be comparable with the counts of actively trading businesses included in CABEE. Users should refer to the Explanatory Notes of the respective publications for further information.

## APPENDIX 2 SUPPLEMENTARY INFORMATION

### INTRODUCTION

ABS publications which may be of interest to users of *Counts of Australian Businesses, including Entries and Exits* are listed below.

Business Demography Publications:

- *Australian Industry, 2011–12* (cat. no. 8155.0);
- *Selected Characteristics of Australian Business, 2011–12* (cat. no. 8167.0);
- *Counts of Australian Business Operators, 2011 to 2012* (cat. no. 8175.0);
- *Australian Bureau of Statistics Business Register, Counts of Businesses – Summary Tables, June 2004* (cat. no. 8161.0.55.001), replaced by 8165.0;
- *Characteristics of Small Business, Australia (Reissue), 2004* (cat. no. 8127.0), replaced by 8165.0 and 8175.0;
- *Experimental Estimates, Entries and Exits of Business Entities, Australia, 2001–02 to 2003–04* (cat. no. 8160.0.55.001), replaced by 8165.0;
- *Small Business in Australia, 2001* (cat. no. 1321.0), replaced by 8165.0; and
- *Experimental Estimates, Regional Small Business Statistics, Australia, 1995–96 to 2000–01* (cat. no. 5675.0), replaced by 8165.0.

Information Technology Publications:

- *Summary of IT Use and Innovation in Australian Business, 2011–12* (cat. no. 8166.0);
- *Business Use of Information Technology, 2011–12* (cat. no. 8129.0); and
- *Innovation in Australian Business, 2010–11* (cat. no. 8158.0).

Current publications and other products released by the ABS are available from the ABS website <[www.abs.gov.au](http://www.abs.gov.au)>. The ABS also issues a daily Release Advice on the website which details products to be released in the week ahead.

### ADDITIONAL DATA

Further detailed data are available through data cubes which will accompany the release of this publication through the ABS website <[www.abs.gov.au](http://www.abs.gov.au)>. These data cubes include detailed cross classified information using industry, geographical and business size dimensions.

Users may also be interested in accessing data from other collections. Please refer to the section below entitled 'ABS Data Available on Request' for further information.

### ABS DATA AVAILABLE ON REQUEST

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

Information is also available online via a selection of economic-specific theme pages. To access these theme pages, go to the ABS website home page <[www.abs.gov.au](http://www.abs.gov.au)>, open the Economy link shown under 'Key Products' (located in the left side navigator), then select one of the links shown under 'Business Demography'.

### ACKNOWLEDGEMENT

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 and are subject as required by the *Census and Statistics Act 1905*.



# TECHNICAL NOTE 1 MEASURES OF BUSINESS GROWTH

## INTRODUCTION

**1** In CABEE, the stock of businesses is updated each year according to a standard equation:

**2** Operating at start of financial year + Entries – Exits = Operating at end of financial year

**3** In previous releases of CABEE, all data was presented in accordance with this equation at both a national level, and for selected classifications: Industry; Main State; Institutional Sector; Type of Legal Organisation; Employment Size; and Annual Turnover Size.

**4** To ensure additivity, the classification values (e.g. industry code, main State, employment size range, etc.) attributed to each business were held constant over the lifetime of the business in previous editions. Specifically, for each business, the latest available data were used to overwrite any periods of conflicting or missing data.

**5** The main issue with this approach is that it is possible for businesses to change their characteristics over time, particularly for employment size and annual turnover size. In fact, this change can be of interest in itself as business growth can be considered in terms of whether a business is increasing with respect to that characteristic, remaining stable, or decreasing in size over time. To address this, recent releases of CABEE have extended the standard equation for employment size and annual turnover size to:

- Operating at start of financial year + Entries – Exits + Inflow – Outflow = Operating at end of financial year, where:
- Inflow = the number of surviving businesses that have changed their classification to the classification of interest; and
- Outflow = the number of surviving businesses that have changed their classification from the classification of interest.

## EXAMPLE

**6** Consider the following example involving a small business which is active during the 2009–10 and 2010–11 financial years. During this two year period, the business:

- Did not employ any staff at the start of 2009–10 financial year;
- Took on 2 employees during 2009–10; and
- Grew to 6 employees over 2010–11.

**7** Under previous publications (where classifications were held constant for each business at their latest available value), this business would have been included in the '5–19' employees category for June 2009, June 2010 and June 2011. This can result in some misunderstanding regarding the size of the businesses in earlier time periods.

**8** Now, under the new approach, the business would be classified according to its size for the respective year:

	<i>Operating at start of financial year</i>	<i>Plus Entries</i>	<i>Minus Exits</i>	<i>Plus Inflows</i>	<i>Minus Outflows</i>	<i>Operating at end of financial year</i>
2009–10						
Non–employing business	1	0	0	0	1	0
1–4 employees	0	0	0	1	0	1
5–19 employees	0	0	0	0	0	0
2010–11						
Non–employing business	0	0	0	0	0	0
1–4 employees	1	0	0	0	1	0
5–19 employees	0	0	0	1	0	1

# TECHNICAL NOTE 1 MEASURES OF BUSINESS GROWTH *continued*

EXAMPLE *continued*

9 Using this approach, it is possible to present the change in business numbers (of surviving businesses) for different classifications (of employment size and annual turnover). For example, consider the following partial extract from the publication's Growth of Business Survivals by Employment Size Range table below.

## CHANGE IN BUSINESS SIZE OVER TIME FOR SURVIVING BUSINESSES (a): June 2011–June 2013

CHANGED BUSINESS SIZE CATEGORY (EMPLOYMENT SIZE RANGES)					<i>Inflow at end of financial year</i>	<i>Outflow at end of financial year</i>	<i>Net movement of surviving businesses(b)</i>
<i>Non–employing</i>	<i>1–4(c)</i>	<i>5–19</i>	<i>20–199</i>	<i>200+</i>			
no.	no.	no.	no.	no.	no.	no.	no.

### CHANGED BUSINESS SIZE CATEGORY AT JUNE 2012

#### BUSINESS SIZE CATEGORY AT JUNE 2011

(Employment Size Ranges)(d)

Non employing	1 052 102	39 802	1 775	222	2	62 087	41 801	20 286
1–4(c)	54 446	435 899	36 279	1 242	14	62 215	91 981	–29 766
5–19	6 270	21 402	145 569	7 965	11	43 191	35 648	7 543
20–199	1 350	996	5 127	39 521	361	9 649	7 834	1 815
200+	21	15	10	220	3 138	388	266	122
<b>Total</b>	<b>1 114 189</b>	<b>498 114</b>	<b>188 760</b>	<b>49 170</b>	<b>3 526</b>	<b>177 530</b>	<b>177 530</b>	—

### CHANGED BUSINESS SIZE CATEGORY AT JUNE 2013

#### BUSINESS SIZE CATEGORY AT JUNE 2012

(Employment Size Ranges)(d)

Non employing	1 037 633	38 981	1 650	223	4	65 374	40 858	24 516
1–4(c)	57 206	432 068	32 917	1 022	27	63 290	91 172	–27 882
5–19	6 694	23 410	149 040	7 540	12	39 873	37 656	2 217
20–199	1 461	868	5 293	40 655	284	8 989	7 906	1 083
200+	13	31	13	204	3 188	327	261	66
<b>Total</b>	<b>1 103 007</b>	<b>495 358</b>	<b>188 913</b>	<b>49 644</b>	<b>3 515</b>	<b>177 853</b>	<b>177 853</b>	—

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 53–58 in the Explanatory Notes for more information regarding employment size ranges.

(b) The net movement of surviving businesses is calculated by subtracting the total outflow at the end of the financial year from the total inflow at the end of the financial year. See Glossary and Technical Note 1 Measures of Business Growth for more information.

(c) A small number of businesses which have ITW roles for purposes other than withholding amounts from wages and salaries (and as such have zero employment), are included in this category.

(d) The methodology used to derive employment size has changed in this release. Please refer to the Technical Note 2 Improved Employment Range for more information regarding change in methodology.

## TECHNICAL NOTE 1 MEASURES OF BUSINESS GROWTH *continued*

### EXPLANATION OF CONTENTS

#### *Business Size Range Matrix*

**10** The primary purpose of the table is to quantify the businesses which grow or contract between financial years. The first five columns provide a cross-classified matrix which shows how many businesses were classified to one business size at the start of the financial year, and a different business size at the end of the financial year.

**11** Note that the majority of businesses do not change their size category between years, and the counts of these businesses are represented along the main diagonal of the table. For example, 1,037,633 'Non-employing' businesses at the end of June 2012, remained 'Non-employing' at the end of June 2013. Equally, 3,188 businesses in the largest size category at the end of June 2012, remained in the largest size category at the end of June 2013. In the above table, it can be seen that:

- 57,206 businesses had '1-4' employees at the start of the financial year and contracted to be 'Non-employing' by the end of the financial year (negative growth);
- 432,068 businesses had '1-4' employees at the start of the financial year and continued to have '1-4' employees at the end of the financial year (stability); and
- 32,917 businesses had '1-4' employees at the start of the financial year and expanded to have '5-19' employees at the end of the financial year (growth).

#### *Inflow at End of Financial Year*

**12** The total number of business that moved into a size range from another range. Note that these businesses may have come from larger or smaller size range (depending on the range being analysed).

#### *Outflow at End of Financial Year*

**13** This column accounts for the total number of business that moved out of a size range into another range. Note that these businesses may have come from larger or smaller size ranges (depending on the range being analysed).

#### *Net Movement of Surviving Businesses*

**14** The net movement of surviving businesses for each range, i.e. accounting for all businesses that moved into (inflow) and out of (outflow) a particular size range.

**15** The net movement of surviving businesses is calculated by taking total inflow at the end of the financial year minus total outflow at the end of the financial year.

**16** The above information (particularly the last column) can then be included in the traditional business counts tables. A partial extract from the publication's Businesses by Employment Size Ranges table is included below.

# TECHNICAL NOTE 1 MEASURES OF BUSINESS GROWTH *continued*

## BUSINESSES BY EMPLOYMENT SIZE RANGES(a): June 2011–June 2013

	Operating at start of financial year	Entries	Exits	Net movement of surviving businesses(b)	Operating at end of financial year	Change	Percentage change
	no.	no.	no.	no.	no.	no.	%
2011–12							
Non–employing	1 306 023	191 904	212 120	20 286	1 306 093	70	—
Employing							
1–4(c)	581 741	84 605	53 861	–29 766	582 719	978	0.2
5–19	191 812	9 580	10 595	7 543	198 340	6 528	3.4
20–199	49 302	1 352	1 947	1 815	50 522	1 220	2.5
200+	3 534	80	130	122	3 606	72	2.0
Total employing	826 389	95 617	66 533	–20 286	835 187	8 798	1.1
<b>Total</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>—</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>
2012–13							
Non–employing	1 306 093	161 291	227 602	24 516	1 264 298	–41 795	–3.2
Employing							
1–4(c)	582 719	68 054	59 479	–27 882	563 412	–19 307	–3.3
5–19	198 340	8 499	11 644	2 217	197 412	–928	–0.5
20–199	50 522	1 302	1 961	1 083	50 946	424	0.8
200+	3 606	83	157	66	3 598	–8	–0.2
Total employing	835 187	77 938	73 241	–24 516	815 368	–19 819	–2.4
<b>Total</b>	<b>2 141 280</b>	<b>239 229</b>	<b>300 843</b>	<b>—</b>	<b>2 079 666</b>	<b>–61 614</b>	<b>–2.9</b>

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 53–58 in the Explanatory Notes for more information regarding employment size ranges.

(b) The net movement of surviving businesses is calculated by subtracting the total outflow at the end of the financial year from the total inflow at the end of the financial year. See Glossary and Technical Note 1 Measures of Business Growth for more information.

(c) A small number of businesses which have ITW roles for purposes other than withholding amounts from wages and salaries (and as such have zero employment), are included in this category.

### *Net Movement of Surviving Businesses continued*

**17** Including the net movement of surviving businesses column in the employment size ranges table provides more detailed (point in time) information about the movement of businesses within specific business size ranges, whilst maintaining additivity within each business size table. For example, the table above demonstrates that during 2011–12, the 72 change recorded for businesses employing 200 employees or more was partly driven by the 122 net movement of surviving businesses in this employment size range. That is, during 2011–12, there was a positive net movement of 122 existing small or medium businesses which grew to become large businesses.

### *Application within Other Tables*

**18** While it is possible to develop similar tables and data cubes for the other classifications (industry, main State of operation, institutional sector and type of legal organisation) used in CABEE, ABS investigations have determined that relatively few businesses tend to change these classifications values from year to year. Thus, allowing for the classifications to change over time appears to offer limited additional information while increasing the complexity of the tables (including introducing a need to confidentialise data for those rare changes in classifications). For these reasons, additional tables for the non–business size range topics have not been created in this version of CABEE.

## TECHNICAL NOTE 2 IMPROVED EMPLOYMENT RANGE

### BACKGROUND

**1** The methodology used to derive business counts, based upon employment size ranges, has changed on the ABS Business Register and is now reflected in this edition of Counts of Australian Businesses, including entries and exits (CABEE). Prior to this release, business size ranges were based on businesses payee information, which is the estimated number of employees to whom payments summaries are issued during the financial year. That number reflects the total number of people employed by a business throughout a given year, rather than an estimate of the average number of employees over the financial year. Hence, business size will be overstated if there is any turnover of employees during the year.

**2** The new employment derivation method provides the ABS' best estimate of an average number of employees over the reference year and as such is a more representative view than a cumulative total number of employees throughout the year. A statistical adjustment is applied to the payees data using Business Activity Statement (BAS) wages and salaries and ABS survey information to bring the counts closer into alignment with the target variable (i.e. average number of employees across the financial year). Adjustment factors are calculated, based upon unit record differences between reported employment in ABS business surveys and payment summary information from the Australian Taxation Office (ATO). These factors, along with payment summary information form the inputs into the derived employment variable and in turn, the employment size range.

**3** The new employment derivation method has no impact on the number of 'Non-employing' businesses.

### OVERVIEW OF RESULTS

**4** The use of this new employment derivation method has resulted in changes in the number of businesses allocated to the various employment range categories.

- The revised methodology for calculating employment size ranges has resulted in 131,741 of the total 2,079,666 businesses (6.3%) changing employment size categories for the 2012–13 financial year.
- The majority of this movement was businesses moving from the:
  - '20–199' range to the '5–19' range (33,863 businesses)
  - '5–19' range to the '1–4' range (85,007 businesses)
- The 'Accommodation and Food Services' and 'Retail Trade' industries exhibited the greatest percentage movement in gross numbers (16,590 – 20.6% and 15,827 – 11.9% respectively).
- At the net level, 131,672 businesses changed employment size categories for the 2012–13 financial year (6.3%).

### TOTAL IMPACT ON BUSINESS SIZE RANGES

**5** A total of 131,741 (6.3%) businesses changed employment size range (2012–13 financial year), when these ranges were calculated using the new employment derivation method. Table 1 shows, that the bulk of this movement (90.2%) is due to businesses moving from the '5–19' to the '1–4' employment size range (85,007 businesses) and businesses moving from the '20–199' to '5–19' employment size range (33,863 businesses).

**6** A small number of businesses moved from the '1–4' to '200+' range (115 businesses) and also from the '200+' range to the '1–4' (772 businesses). These changes reflect the wider range of additional information sources (particularly Business Activity Statement wages and salaries), used to derive the employment variable and in turn, calculate a more accurate business size range.

**7** The results in Table 1 included business entries in the 2012–13 financial year and showed minimal relative change when entries were excluded from the analysis.

## TECHNICAL NOTE 2 IMPROVED EMPLOYMENT RANGE *continued*

TOTAL IMPACT ON BUSINESS  
SIZE RANGES *continued*

TABLE 1. IMPACT UPON BUSINESS SIZE RANGE - DERIVED  
EMPLOYMENT METHOD: 2012–13

<i>Direction of Movement</i>	<i>Number of businesses changing size</i>	<i>Gross Movements (%)</i>
Did not change categories	1 947 925	93.7
Moved from (1–4 to 5–19)	2 599	0.1
Moved from (1–4 to 20–199)	1 454	0.1
Moved from (1–4 to 200+)	115	—
Moved from (5–19 to 1–4)	85 007	4.1
Moved from (5–19 to 20–199)	78	—
Moved from (5–19 to 200+)	6	—
Moved from (20–199 to 1–4)	5 515	0.3
Moved from (20–199 to 5–19)	33 863	1.6
Moved from (20–199 to 200+)	12	—
Moved from (200+ to 1–4)	772	—
Moved from (200+ to 5–19)	88	—
Moved from (200+ to 20–199)	2 232	0.1
Total Movement	131 741	6.3
<b>Total</b>	<b>2 079 666</b>	<b>100.0</b>

— nil or rounded to zero (including null cells)

NET IMPACT ON BUSINESS  
SIZE RANGES

*Comparison of employment  
size range allocation*

**8** The difference between gross and net movements are minimal, indicating very little 'two way movement' between business size categories when the employment size ranges were calculated on the revised methodology. At the net level, 131,672 businesses changed size (2012–13 financial year).

**9** The net impact upon business size ranges was analysed for the financial years 2010–11, 2011–12 and 2012–13. The '1–4' employment size range increased in each of the three years analysed (2011, 2012, 2013) on average by 13.6%. The '5–19', '20–199' and '200+' employment size ranges all resulted in a decrease in business counts. These decreases are proportionally consistent through the '5–19', '20–199' and '200+' employment size ranges. The smallest number of businesses changing size categories was the '200+' size range, where 2,645 businesses were categorised to smaller size ranges on the basis of the revised methodology (See Table 2, 2012–13).

## TECHNICAL NOTE 2 IMPROVED EMPLOYMENT RANGE *continued*

Comparison of employment  
size range allocation  
*continued*

TABLE 2. COMPARISON OF EMPLOYMENT SIZE RANGE ALLOCATION,  
Total Number of Businesses

Size Category	Payees Data	New Employment Derivation Method	Difference	% Difference
2010-11				
1-4	508 579	581 741	73 162	14.4
5-19	230 583	191 812	-38 771	-16.8
20-199	81 006	49 302	-31 704	-39.1
200+	6 221	3 534	-2 687	-43.2
<b>Total Employing</b>	<b>826 389</b>	<b>826 389</b>	—	—
2011-12				
1-4	514 859	582 719	67 860	13.2
5-19	231 591	198 340	-33 251	-14.4
20-199	82 326	50 522	-31 804	-38.6
200+	6 411	3 606	-2 805	-43.8
<b>Total Employing</b>	<b>835 187</b>	<b>835 187</b>	—	—
2012-13				
1-4	497 576	563 412	65 836	13.2
5-19	228 092	197 412	-30 680	-13.5
20-199	83 457	50 946	-32 511	-39.0
200+	6 243	3 598	-2 645	-42.4
<b>Total Employing</b>	<b>815 368</b>	<b>815 368</b>	—	—

— nil or rounded to zero (including null cells)

### INDUSTRY ANALYSIS

**10** The impact of the new employment derivation method was analysed at the industry level, where the largest changes occurred in industries characterised by higher levels of part time and casual employment, such as 'Construction', 'Accommodation and Food Services', 'Retail Trade' and 'Agriculture, Forestry and Fishing' industries. Table 3 shows the 'Construction' industry had the highest number of businesses changing employment size ranges, the lower percentage is reflective of the industry having the highest business count (See Table 1 of the publication – 'Businesses by Industry Division, June 2009 – June 2013'). The largest percentage movement for businesses changing employment size ranges was in the 'Accommodation and Food Services' industry (20.6%). Approximately half of the changes (48.6%) were from '5-19' to '1-4' range and 43.0% were from the '20-199' to '5-19' employment size range.

**11** Approximately 9.4% of businesses in the 'Administrative and Support Services' industry were subject to a change in business size range, with over two thirds changing from the '200+' range to the '20-199' range. Similarly, 5.7% of businesses in the 'Public Administration and Safety' industry had a change in their business size and over half these changes were from the '200+' category to the '20-199' category.

**12** The least effected industry was 'Rental, Hiring and Real Estate Services', where only 2.9% of businesses changed employment size range.

## TECHNICAL NOTE 2 IMPROVED EMPLOYMENT RANGE *continued*

INDUSTRY ANALYSIS *continued*

TABLE 3. IMPACT OF NEW EMPLOYMENT DERIVATION METHOD AT THE INDUSTRY LEVEL, Summary Analysis: **2012–13**

<i>Industry Code, Label</i>	<i>Total Movement</i>	<i>% of businesses changing size</i>
A Agriculture, Forestry and Fishing	12 296	6.6
B Mining	713	8.8
C Manufacturing	8 227	9.8
D Electricity, Gas, Water and Waste Services	428	7.6
E Construction	17 145	5.2
F Wholesale Trade	5 639	7.6
G Retail Trade	15 827	11.9
H Accommodation and Food Services	16 590	20.6
I Transport, Postal and Warehousing	5 037	4.1
J Information, Media and Telecommunications	1 173	6.6
K Financial and Insurance Services	4 906	2.9
L Rental, Hiring and Real Estate Services	6 411	2.9
M Professional, Scientific and Technical Services	10 107	4.2
N Administrative and Support Services	7 257	9.4
O Public Administration and Safety	725	10.0
P Education and Training	2 343	9.3
Q Health Care and Social Assistance	5 975	5.7
R Arts and Recreation Services	1 681	6.5
S Other Services	7 644	8.9
X Currently Unknown	1 617	1.9
<b>All Industries</b>	<b>131 741</b>	<b>6.3</b>

ANALYSIS OF ENTRIES

**13** The business entries and exit subpopulations were also analysed to assess the impact of the new employment derivation method, with the results presented in Tables 4 and 5 respectively. The impact on business entries and exits is consistent over time, and also consistent with the impact on the total business stock, presented in Table 2.

**14** Of the total business entries in the 2012–13 financial year (239,229), approximately 5.4% or 12,846 were impacted by the new employment derivation. The '1-4' employment size range increased by approximately 10.4% across the three years analysed, with the larger business size categories all decreasing. The '5–19', '20–199' and '200+' employment ranges decreased in a manner consistent with the total business stock impacts presented in Table 2. The '200+' category decreased by 173 businesses in 2012–13, with an average decrease of 76.2% over the three years, however these large percentage changes reflect the much smaller business counts in this size category.



## TECHNICAL NOTE 2 IMPROVED EMPLOYMENT RANGE *continued*

### ANALYSIS OF ENTRIES *continued*

TABLE 4. COMPARISON OF EMPLOYMENT SIZE RANGE ALLOCATION  
FOR BUSINESS ENTRIES, Total Number of Entries

Size Category	Payees Data	New Employment Derivation Method	Difference	% Difference
2010-11				
1-4	76 390	84 737	8 347	10.9
5-19	15 778	9 273	-6 505	-41.2
20-199	2 804	1 334	-1 470	-52.4
200+	469	97	-372	-79.3
<b>Total Employing</b>	<b>95 441</b>	<b>95 441</b>	—	—
2011-12				
1-4	77 042	84 605	7 563	9.8
5-19	15 410	9 580	-5 830	-37.8
20-199	2 729	1 352	-1 377	-50.5
200+	436	80	-356	-81.7
<b>Total Employing</b>	<b>95 617</b>	<b>95 617</b>	—	—
2012-13				
1-4	61 631	68 054	6 423	10.4
5-19	13 519	8 499	-5 020	-37.1
20-199	2 532	1 302	-1 230	-48.6
200+	256	83	-173	-67.6
<b>Total Employing</b>	<b>77 938</b>	<b>77 938</b>	—	—

— nil or rounded to zero (including null cells)

### ANALYSIS OF EXITS

**15** The impact on businesses exits was slightly lower than for business entries, with 11,358 or 3.8% of business exits being impacted by the derived employment method in 2012-13. The number of business exits increased in the '1-4' employment size range for each of the three years analysed, by an average of 11.5%. This result reflects higher business counts in the '1-4' business size range, based upon the new derived employment method and therefore business exits also reflect this higher ratio. There was a corresponding decrease in the number of business exits in the '5-19', '20-199' and '200+' categories, consistent with the results for business entries and total business stock.

## TECHNICAL NOTE 2 IMPROVED EMPLOYMENT RANGE *continued*

ANALYSIS OF EXITS *continued*

TABLE 5. COMPARISON OF EMPLOYMENT SIZE RANGE ALLOCATION FOR BUSINESS EXITS, Total Number of Exits

Size Category	Payees Data	New Employment Derivation Method	Difference	%
.....				
2010-11				
1-4	48 254	54 070	5 816	12.1
5-19	14 548	10 676	-3 872	-26.6
20-199	3 734	1 989	-1 745	-46.7
200+	338	139	-199	-58.9
<b>Total Employing</b>	<b>66 874</b>	<b>66 874</b>	—	—
.....				
2011-12				
1-4	48 175	53 861	5 686	11.8
5-19	14 253	10 595	-3 658	-25.7
20-199	3 769	1 947	-1 822	-48.3
200+	336	130	-206	-61.3
<b>Total Employing</b>	<b>66 533</b>	<b>66 533</b>	—	—
.....				
2012-13				
1-4	53 800	59 479	5 679	10.6
5-19	15 375	11 644	-3 731	-24.3
20-199	3 684	1 961	-1 723	-46.8
200+	382	157	-225	-58.9
<b>Total Employing</b>	<b>73 241</b>	<b>73 241</b>	—	—

— nil or rounded to zero (including null cells)

### CONCLUSION FOR USERS

**16** There has been a relatively modest overall impact on the number of businesses allocated to the various employment size categories resulting from the introduction of the derived employment method (131,741 business or 6.3%). The impact is consistent across existing businesses, business entries, business exits and consistent across time.

**17** In light of these results, the ABS does not recommend comparing employment based business size counts within this June 2009 to June 2013 release of CABEE, with earlier releases.

## GLOSSARY

<b>Australian Business Number (ABN)</b>	<p>The Australian Business Number (ABN) is a unique business entity identifier introduced to assist with dealing with the Australian Government. An entity is entitled to an ABN if it meets one of the following criteria:</p> <ul style="list-style-type: none"><li>■ carrying on an enterprise in Australia or in the course of furtherance of carrying on an enterprise, the business supplies goods and/or services that are connected with Australia;</li><li>■ a Corporations Act Company;</li><li>■ a Government entity, a non profit sub entity or a superannuation fund as if it were an entity carrying on an enterprise in Australia; or</li><li>■ a religious practitioner.</li></ul> <p>The ABN is the statistical unit used to represent businesses, and for which statistics are reported, in most cases. The ABN unit is the business unit which has registered for an ABN, and thus appears on the Australian Taxation Office (ATO) administered Australian Business Register (ABR). In most cases, the ABN unit represents the legal entity. This unit is suitable for ABS statistical needs when the business is simple in structure. For more significant and diverse businesses where the ABN unit is not suitable for ABS statistical needs, the statistical unit used is the Type of Activity Unit (TAU).</p>
<b>Australian Bureau of Statistics Business Register (ABSBR)</b>	<p>The ABSBR is a register of all Australian businesses and contains identifying and classificatory data for each business. Information to populate the ABSBR is largely sourced from the ABR. The ABSBR is used as a source for survey frames and counts.</p> <p>The ABSBR consists of two sub populations, namely the profiled population and the non profiled population. The ABSBR uses an economic statistics unit model to describe the characteristics of businesses and the structural relationships between related businesses. For details, refer to paragraphs 6 to 10 of the Explanatory Notes.</p>
<b>Australian and New Zealand Standard Industrial Classification (ANZSIC)</b>	<p>Businesses have been classified according to their description of activities. Businesses are coded to industries in the <i>Australian and New Zealand Standard Industrial Classification 2006</i> (ANZSIC06) which is a classification system for grouping producing businesses (of both goods and services) in Australia and New Zealand to permit comparability of data. Within ANZSIC, there is a structure comprising four levels ranging from industry division (broadest level) to the industry class (finest level). For more information, users should refer to the <i>Australian and New Zealand Standard Industrial Classification 2006</i> (cat. no. 1292.0).</p>
<b>Australian Standard Geographical Classification (ASGC)</b>	<p>The <i>Australian Standard Geographical Classification</i> (ASGC) is the former classification used to disseminate ABS business counts data. However, this has now been replaced by the <i>Australian Statistical Geography Standard</i> (ASGS). Please refer to section entitled 'Australian Statistical Geography Standard' for further information.</p>
<b>Australian Statistical Geography Standard (ASGS)</b>	<p>The ASGS is the new geographical framework used by the ABS. It brings together all regions for which the ABS publishes statistics within the one framework and will be used for the collection and dissemination of geographically classified statistics from 1 July 2011.</p> <p>The ASGS replaces the ASGC, which will no longer be produced. While there are superficial similarities between the ASGS and the ASGC, it is important to recognise that the two are fundamentally different and there are significant differences between their respective regions, both in their geographical extent and their conceptual foundation. As a whole, the ASGS represents a more comprehensive, flexible and consistent way of defining Australia's statistical geography than the ASGC. For further information to assist users move from the ASGC to the ASGS please refer to the ABS website &lt;<a href="http://www.abs.gov.au/geography">www.abs.gov.au/geography</a>&gt;.</p> <p>With the move to the new geography framework, State based data will remain unchanged, however sub State data will be affected, as it will now be produced using the new ASGS. In terms of business counts data, the base unit of the ASGS will be the Statistical Area Level 2 (SA2). This SA2 data will replace the previously published SLA</p>

## GLOSSARY *continued*

**Australian Statistical  
Geography Standard (ASGS)**  
*continued*

business counts data. Please refer to section entitled 'Statistical Area Level 2' for further information.

**Business**

For the purposes of the *Counts of Australian Businesses including Entries and Exits* (CABEE) publication, a business is defined as 'a legal entity engaging in productive activity and/or other forms of economic activity in the market sector. Such entities accumulate assets on their own account and/or hold assets on behalf of others, and may incur liabilities. Excluded are the economic activities of individuals (except where individuals engage in productive activity either as sole traders or in partnership) and entities mainly engaged in hobby activities'. For more information on the ABS definition of a business, users should refer to *Information Paper: A Statistical View of Counts of Businesses in Australia* (cat. no. 8162.0).

In line with this definition, the business counts in this publication are derived from the ABSBR. The starting point is all economically active entities in Australia. From here, various entities are excluded, such as those without an active ABN, those without an active GST role, those no longer actively remitting Goods and Services Tax (GST) and those not operating in the market sector. These exclusions aim to ensure that only those businesses who are actively trading in the economy are included in the counts. Please refer to the section entitled 'Conceptual and Practical Basis for Counts' of this publication for further information.

The statistical unit referred to as a 'business' consists of ABNs from the non profiled population and TAUs from the profiled population.

**Business Entry**

A business which has newly registered for an ABN and which has a GST role allocated is considered a business entry. Business entry rates are calculated by taking the total business entries during a financial year, dividing by the total businesses operating at the start of the financial year, then multiplying by 100.

**Business Exit**

A business for which the ABN or GST role has been cancelled and/or which has ceased to remit GST for at least five consecutive quarters is considered a business exit. Business exit rates are calculated by taking the total business exits during the financial year, dividing by the total businesses operating at the start of the financial year, then multiplying by 100.

It should be noted that a business exit event does not necessarily equate to a business 'failure'. For details, refer to paragraphs 34–36 of the Explanatory Notes.

**Business Survivor**

A business which was actively trading at 30 June in the reference year and continued trading to 30 June in the following year.

**Client Activity Centre**

The Client Activity Centre is the level where all client contact with the ATO happens. For small businesses that have registered for GST purposes only, they will probably not realise there is a difference between the ABN and the CAC. Most of the roles can be included in one CAC. The ATO determines how best to set the structure up for reporting purposes.

Each ABN has at least one CAC attached to it, from which tax obligations are assessed. A Client Activity Centre (CAC) can have a number of roles with each role representing a specific taxation obligation. There are eleven different roles:

- DAFG – Diesel and alternative fuels grant scheme (invalid from July 2003);
- DCIP – Deferred Company Instalments Payer;
- DGST – Deferred Goods and Services Tax;
- EGCS – Energy Grants Credit Scheme (valid from July 2003, replaces DAFG and DFRS);
- FBTI – Fringe Benefits Tax Instalments;
- FTCP – Fuel Tax Credit Grant;
- GSTP – Goods & Services Tax Payer;
- ITIP – Income Tax Instalment Payer;

## GLOSSARY *continued*

<b>Client Activity Centre</b> <i>continued</i>	<ul style="list-style-type: none"><li>■ ITW – Income Tax Withholding;</li><li>■ LCTP – Luxury Car Tax Payer; and</li><li>■ WETP – Wine Equalisation Tax Payer.</li></ul>
<b>Employment size ranges</b>	<p>For the purposes of the CABEE publication, businesses are categorised as:</p> <ul style="list-style-type: none"><li>■ Employing businesses:<ul style="list-style-type: none"><li>■ employment of 200 or more persons;</li><li>■ employment of 20 to 199 persons;</li><li>■ employment of 5 to 19 persons;</li><li>■ employment of 1 to 4 persons; or</li></ul></li><li>■ Non–employing businesses.</li></ul> <p>The methods used to quantify employment for Australian businesses in ABS economic statistics are based on the concept of a 'headcount', rather than a measure of Full Time Equivalent persons. For further information, refer to paragraphs 53–57 in the Explanatory Notes.</p> <p>In the non profiled population, businesses with an active Income Tax Withholding (ITW) role are considered to be employing, resulting in some employing businesses having zero employment.</p> <p>Employing businesses in the non profiled population that have not remitted Business Activity Statement (BAS) data for their ITW role for five consecutive quarters prior to the reference period are deemed to be long term non remitters. These businesses are counted as non–employing businesses.</p>
<b>GST Role</b>	A business entity having a role in producing or distributing goods or providing services.
<b>Industry</b>	See the entry for 'Australian and New Zealand Standard Industrial Classification'.
<b>Industry class</b>	At the industry class level, the activities of businesses are narrowly defined and recognised by a four digit code, e.g. Industry Class 3911 for Car Retailing.
<b>Industry division</b>	The main purpose of the industry division level is to provide a limited number of categories which give a broad overall picture of the economy. There are 19 divisions within ANZSIC06 each identified by an alphabetical letter, that is, 'A' for Agriculture, Forestry and Fishing, 'B' for Mining, 'C' for Manufacturing, etc.
<b>Industry group</b>	This is the intermediate level within an industry division of ANZSIC and is recognised by a three digit code, e.g. Industry Group 391 for Motor Vehicle Retailing. It gives more detail than the industry subdivision and is created in a way that groups like industry classes together.
<b>Industry subdivision</b>	This is the broadest level category within an industry division of ANZSIC and is recognised by a two digit code, e.g. Industry Subdivision 39 for Motor Vehicle and Motor Vehicle Parts Retailing. Industry subdivisions are built up from industry groups which, in turn, are built up from industry classes.
<b>Inflow</b>	The count of surviving businesses that moved from one size range to another size range in a financial year (i.e. an employment or turnover size range). This does not include entries & exits.
<b>ITW Role</b>	A business which employs and pays a salary to (or plans to employ and pay a salary to) one or more persons, is required to register as such with the ATO. These business are required to deduct payments from salaries and wages from their employees and send the amounts to the ATO. This is known as Pay As You Go (PAYG) tax.
<b>Main business address</b>	The main business address of a business relates to the physical address where the main business activity takes place. The individual addresses of businesses with multiple locations are not available.

## GLOSSARY *continued*

<b>Main State</b>	For businesses in the non profiled population, main State refers to the State or Territory of the main business address. For businesses in the profiled population, main State refers to the State or Territory where the business has the highest employment.
<b>Multi State</b>	Refers to those businesses which operate from locations in more than one State or Territory.
<b>Net movement of surviving businesses</b>	The net count of surviving businesses for each size range (i.e. employment or turnover size ranges). The net movement of surviving businesses is calculated by taking the total inflow at the end of the financial year minus the total outflow at the end of the financial year.
<b>Non–employing business</b>	A business without an active Income Tax Withholding (ITW) role or which has not remitted ITW for five consecutive quarters.
<b>Non Profiled Population</b>	One of two business populations of the ABSBR. The vast majority of businesses are in the non profiled population. These businesses have simple structures and the unit registered for an ABN satisfies ABS statistical requirements. As such, one ABN equates to one business. For more details, refer to paragraphs 6 to 10 of the Explanatory Notes.
<b>Operating at end of financial year</b>	The count of businesses operating at the end of the financial year, also referred to as 'closing stock'.
<b>Operating at start of financial year</b>	The count of businesses operating at the beginning of the financial year, also referred to as 'opening stock'.
<b>Outflow</b>	The count of surviving businesses that have moved out of a size range (i.e. an employment or turnover size range) and into another size range. This does not include entries & exits.
<b>Profiled Population</b>	One of two business populations of the ABSBR. This population is comprised of a relatively small number of businesses who have a large, complex structure and the ABN unit is not suitable for ABS statistical purposes. As such, the ABS maintains its own unit structure through direct contact with these businesses. In the profiled population, a type of activity unit (TAU) equates to one business. For more details, refer to paragraphs 6 to 10 of the Explanatory Notes.
<b>Single State</b>	Refers to a business which operates from locations in only one State or Territory.
<b>Standard Institutional Sector Classification of Australia (SISCA)</b>	SISCA is the central classification among ABS Standard Economic Sector Classifications. It is based on the System of National Accounts 2008 (SNA08) institutional sector classification, and includes the following sectors: non–financial corporations, financial corporations, general government, households, not for profit institutions serving households, and rest of the world (which includes only non–resident units, these being excluded from all other sectors). For more information, users should refer to the Standard Economic Sector Classifications of Australia (SESCA) (cat. no. 1218.0).
<b>Statistical Area 2 (SA2)</b>	<p>The Statistical Area Level 2 (SA2) is a general purpose spatial unit. It is the base spatial unit used to disseminate ABS business counts data, and replaces the previous Statistical Local Area (SLA). In aggregate, SA2s cover the whole of Australia without gaps or overlaps.</p> <p>Sub State level data cubes will be released using SA2 as the base spatial unit. The SA2 data cubes replace the previously published SLA based data cubes.</p>
<b>Statistical Local Area (SLA)</b>	The SLA is the former base spatial unit used to disseminate ABS business counts data. However, with the move to the new ASGS, SLA business counts data will no longer be produced. Instead, the base spatial unit will be that of the SA2. Please refer to the sections entitled 'Australian Statistical Geography Standard' and 'Statistical Area Level 2' for further information.
<b>Turnover</b>	The total revenue generated by a business from the provision of goods and/or services for a given accounting period.

## GLOSSARY *continued*

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<b>Type of Activity Unit (TAU)</b>	The TAU, residing in the profiled population, is comprised of one or more business entities, sub entities or branches of a business entity within an enterprise group. These entities can report production and employment data for similar economic activities when a minimum set of data items are available. For further information, refer to paragraphs 6–10 of the Explanatory Notes.
<b>Type of Legal Organisation (TOLO)</b>	All legal entities on the ABSBR are classified according to their Type of Legal Organisation (TOLO). Examples of types of legal entities recognised for statistical purposes are companies, partnerships, trusts, sole proprietorship, government departments and statutory authorities. TOLO indicates whether a business is part of the private or government sector and the type of ownership structure it has.
<b>Unincorporated Entity</b>	An unincorporated entity is an entity which has not become a corporation under the <i>Corporations Act 2001</i> . Unincorporated entities can choose to remain 'unincorporated', whereby the business does not possess a separate legal identity to that of its owner, or it can choose the limited liability status of a company where the business assets are legally separate to that of the owners.

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