



JUNE 2007 TO JUNE 2011

**8165.0**

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

**AUSTRALIA**

EMBARGO: 11.30AM (CANBERRA TIME) TUES 31 JAN 2012

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

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## INTRODUCTION

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

This publication represents the third 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

This publication provides new business counts, entries, exits and survival information as at June 2011. The scope of business counts is limited to businesses actively remitting in a GST role. This publication continues to provide counts by selected demographics including industry, geography, institutional sector, type of legal organisation and business size. Business size data is provided by selected annual turnover and employment size ranges. These (employment) data indicate that most Australian businesses are small (95.9%) and that most of Australia's small businesses do not employ any staff (63.9%). The counts in this release are heavily influenced by entry and exits within Australia's small business sector. Users should take this into account when interpreting results, including when comparing these data with other ABS statistics.

There have been some changes to this publication compared with the previous release. In June 2010, the ABS implemented a new methodology for identifying annual long term non remitters (LTNRs). These are businesses that have not submitted a Business Activity Statement (BAS) for a defined period of time, and are considered dormant businesses and therefore excluded from the counts. 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 June 2009 are 299 123. This then spikes to 342 753 in June 2010, and reverts to 294 210 in June 2011. Further investigations reveal that at a minimum, 21 000 of these June 2010 entries can be attributed to the new LTNR methodology, and the majority are clustered in the non-employing size category. As such, users should exercise care when interpreting the 2010 business counts.

A range of enhancements to the data have also been made to improve the relevance of the publication over time. This includes the provision of geographical data using the new *Australian Statistical Geography Standard* (ASGS). While State data will remain unchanged, Sub State data will now be provided using the new geographical framework. Further, Institutional sector data is now provided using the 2008 *Standard Institutional Sector Classification of Australia* (SISCA). As a result of the change from SISCA 2006 to SISCA 2008, there have been some minor revisions made to the previously published 2007, 2008 and 2009 counts. For further information on these classification changes, please refer to the publication's explanatory notes.

This publication will be followed by the release of a range of detailed *Counts of Australian Businesses, including Entries and Exits* data cubes. Each of these data cubes will contain industry, geographical and business size dimensions, and offer users access to more detailed cross-classifications. Due to the fine level information presented, each

data cube will be confidentialised to ensure no individual business can be identified. There have been some enhancements to the confidentiality methodology applied in this release. The new process involves rounding less cells and therefore preserving as much true data as possible, whilst still maintaining confidentiality of all businesses. The data cubes are expected to be released from March 2012.

#### FUTURE RELEASES

It is planned to continue releasing updated counts, including entries and exits, on an annual basis. The next release of *Counts of Australian Businesses, including Entries and Exits* is currently scheduled for release in January 2013.

#### FEEDBACK

The ABS welcomes feedback from users of these business counts.

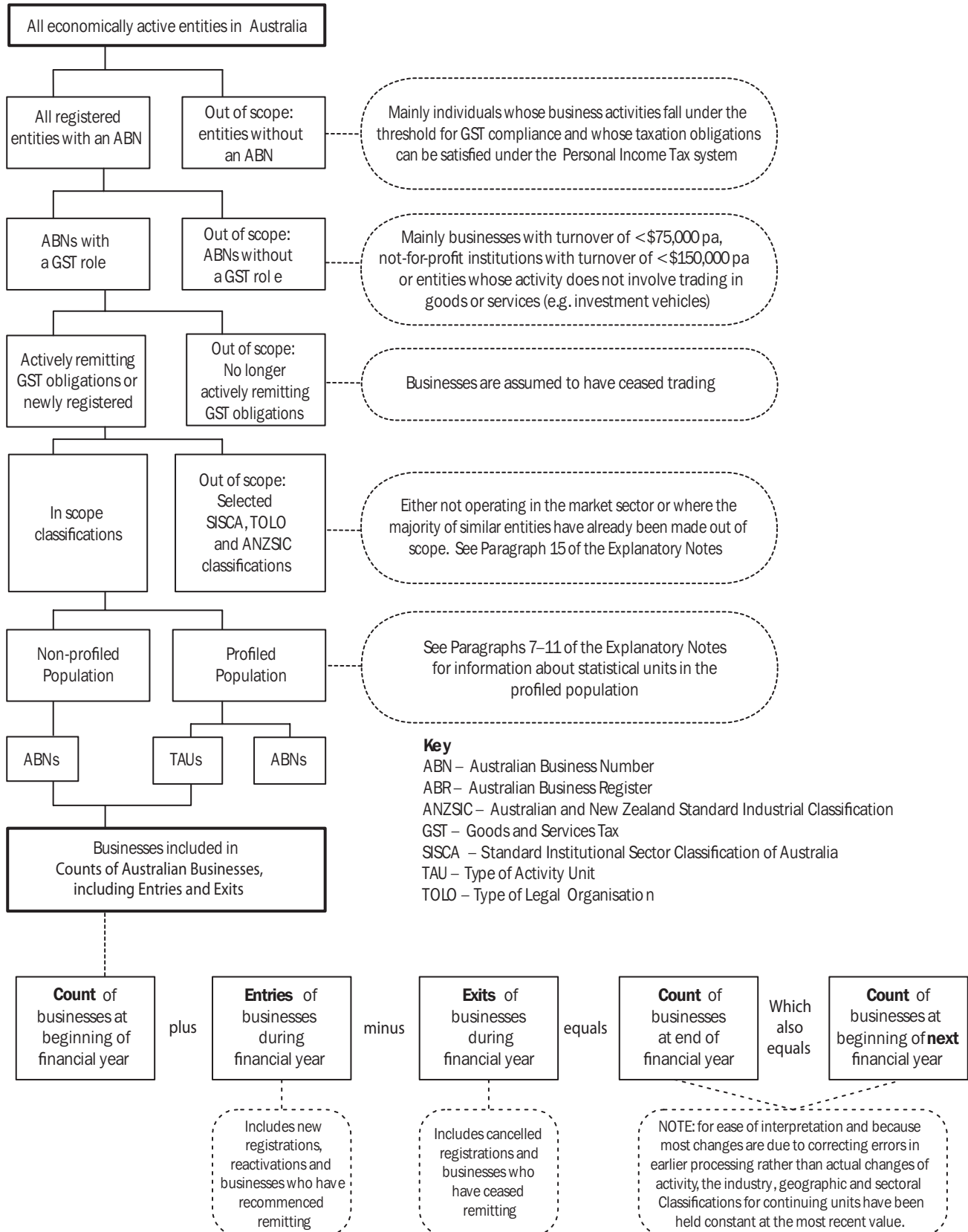
To provide feedback or for further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or email <[client.services@abs.gov.au](mailto:client.services@abs.gov.au)>.

Brian Pink  
Australian Statistician

# CONCEPTUAL AND PRACTICAL BASIS FOR COUNTS

DIAGRAM 1:

THE FOLLOWING ILLUSTRATES THE CONCEPTUAL AND PRACTICAL BASIS FOR COUNTS OF AUSTRALIAN BUSINESSES, INCLUDING ENTRIES AND EXITS



## SUMMARY OF FINDINGS

### SUMMARY OF FINDINGS

There were 2,132,412 actively trading businesses in Australia as at June 2011.

While the number of businesses declined between 2007-08 and 2008-09, there was a significant increase in the number of businesses over 2009-10 and 2010-11. Specifically, growth rates for the past four financial years were -0.1% during 2007-08, -1.0% during 2008-09, 3.6% in 2009-10 and 0.4% in 2010-11.

In comparison, Gross Domestic Product (GDP, in chain volume terms) over the corresponding periods grew by 3.8%, 1.4%, 2.3% and 2.1% respectively, while Australia's population grew by 1.7%, 2.1%, 1.7% and 1.4% over the same periods.

The increase in the number of businesses during the financial year to June 2010 can be attributed to a significant increase in entry rates, coupled with a slight decrease in exit rates. Although the entry rate dropped somewhat in the financial year to June 2011, it remained higher than the exit rate, resulting in a slight increase in the overall counts during 2010-11. Specifically, during 2009-10, the entry rate for new businesses was 16.7% and the exit rate was 13.1%. During 2010-11, the entry rate was 13.9%, and the exit rate was 13.5%.

In terms of business survival rates, of the 2,073,793 businesses operating in June 2007, 84.6% were still operating in June 2008, 73.5% were still operating in June 2009, 66.3% were still operating in June 2010 and 60.4% were still operating in June 2011.

Of the 316,850 new business entries during 2007-08, 71.5% were still operating in June 2009, 56.8% were still operating in June 2010 and 48.6% were still operating in June 2011. As such, the survival rates for new businesses are significantly lower than for those businesses that were already established. This indicates that business survival is related to the age of the business, i.e. the longer a business survives, the greater its chances of continued survival.

Survival rates are also heavily influenced by the size of the business. For example, non-employing businesses have a significantly lower survival rate compared to employing businesses (43.3% of non-employing entries in 2007-08 were still operating in 2011, compared to 60.0% of employing entries). However, non-employing businesses account for the greatest proportion of both total businesses and business entries (61.2% of all businesses operating in June 2011 and 67.6% of business entries in 2010-11 were non-employers).

### INDUSTRY

At June 2011, the distribution of the Australian business population by industry was similar to the distribution recorded in June 2009. Construction had the greatest number of businesses with 351,890 (16.5% of the total). This was followed by Professional, scientific and technical services and Rental, hiring and real estate services with 250,613 and 226,157 respectively (11.8% and 10.6%), and Agriculture, forestry and fishing with 198,163 (9.3%).

During 2010-11, Administrative and support services and Accommodation and food services had the highest entry rates (both at 18.0%) followed by Public administration and safety (17.1%), and Information media and telecommunications (15.9%). Conversely, exit rates were highest for Public administration and safety (17.9%), followed by Administrative and support services (17.3%) and Accommodation and food services (16.0%). With the Public administration and safety, Administrative and support services

## SUMMARY OF FINDINGS *continued*

### INDUSTRY *continued*

and Accommodation and food services industries experiencing relatively high entry and exit rates, these industries have been subject to a significant amount of churn over 2010-11.

Over the same period, Mining had the greatest percentage increase, with business counts increasing 4.2%. This was followed by Health care and social assistance (3.5% increase). Conversely, Agriculture, forestry and fishing had the greatest percentage decrease with business counts dropping 2.7%. Both Agriculture, forestry and fishing and the Manufacturing industry have recorded a decrease every year since this series began in 2007.

The survival rates at June 2011 for businesses operating in June 2007 were highest for Health care and social assistance (71.6%) and Agriculture, forestry and fishing (69.8%), followed by Rental, hiring and real estate services (67.8%). Over the period June 2007-2011, the survival rates attributed to these industries were consistently higher than those recorded in other industries.

Survival rates over the same period were lowest for businesses operating in Public administration and safety (49.2%), followed by Accommodation and food services (51.7%) and Administrative and support services (52.8%).

The survival rates for new business entries during 2007-08 were similar in terms of their industry breakdown to those for the stock of businesses at June 2007. The business entry survival rates were led by Health care and social assistance (61.7%) and Rental, hiring and real estate services (56.3%), both with survival rates well above the national average of 48.6%.

Users should be aware that the analysis provided above is based on those businesses that were coded to an ANZSIC 2006 industry category. It does not take into account those businesses that had not passed through the ATO's new business registration process during the publication's reference period and were not allocated to an ANZSIC 2006 category. As such, all counts by industry (including entries and exits) included in this publication are likely to contain a small degree of undercount (as seen in the "currently unknown" categories in publication tables). Users should therefore exercise care when using this publication's industry based tables.

### MAIN STATE OF OPERATION

At June 2011, the proportion of businesses by State (as defined by the main State of operation) was broadly aligned with the proportion of Australia's population by State. New South Wales, Victoria and Western Australia were the only States which contained a higher proportion of businesses than people.

For the smaller States (Tasmania, Northern Territory and the Australian Capital Territory), the proportion of the population continued to outweigh the proportion of businesses (for example, Tasmania had 2.3% of the population and 1.8% of businesses). The Northern Territory had the lowest populations in terms of both people and businesses (1.0% and 0.7% respectively).

In the year to June 2011, most States recorded an increase in the number of businesses, the Northern Territory leading the way with a 1.6% increase. Only Queensland (-0.6%), Tasmania (-0.5%) and South Australia (-0.2%) recorded small decreases. However, the largest increases were seen during 2009-10, with all States recording an increase, the

## SUMMARY OF FINDINGS *continued*

### MAIN STATE OF OPERATION *continued*

largest being in Victoria (4.3%), the Australian Capital Territory (3.9%) and New South Wales (3.7%). This was in stark contrast to 2008-09, where all States recorded a decrease.

During 2010-11, the Australian Capital Territory (16.0%), the Northern Territory (15.8%) and Victoria (14.4%) experienced the highest entry rates, with the lowest entry rate being Tasmania (11.2%). Further, exit rates were highest for the Australian Capital Territory (14.6%), Queensland (14.3%) and the Northern Territory (14.2%), while Tasmania (11.6%) and South Australia (12.2%) recorded the lowest exit rates.

Of those businesses operating in June 2007, the survival rates at June 2011 were highest in Tasmania (63.9%) and South Australia (63.1%) and lowest in the Australian Capital Territory (57.3%) and the Northern Territory (57.4%). The survival rates for those businesses that entered during 2007-08 were highest for Tasmania (54.2%) and lowest for the Northern Territory (45.1%).

### INSTITUTIONAL SECTOR

At June 2011, 1,281,136 (60.1%) of businesses were classified to the Household sector (which includes most unincorporated businesses), while 644,734 (30.2%) were classified to the Non-financial corporations sector, and 159,468 (7.5%) to the Financial corporations sector. The remaining businesses were yet to be coded to an Institutional Sector.

During 2010-11, both the Financial corporations sector and Non-financial corporation sector recorded positive growth (2.5% and 1.9% respectively), where as the Household sector contracted (-0.6%). Entry rates were similar across the sectors, recorded at 13.7% for Financial corporations, 13.3% for Households and 12.9% for Non-financial corporations. In comparison, exit rates were 13.9% for the Household sector, 11.2% for Financial corporations and 11.0% for Non-financial corporations. Each entry rate decreased from the previous year, while exit rates remained comparatively stable.

The survival to June 2011 of businesses that were operating in June 2007 was higher for businesses in the Non-financial corporations sector (66.3%) than for those in the Financial corporations (62.2%) and Households sectors (58.2%). However, survival rates for Financial corporations which entered in 2007-08 were higher (55.7%) than for the other sectors (Non-financial corporations and Households at 54.6% and 47.1% respectively).

Users should be aware that the analysis provided above is based on those businesses that were coded to a SISCAS 2008 institutional sector category. It does not take into account those businesses that had not passed through the ATO's new business registration process during the publication's reference period and were not allocated to a SISCAS 2008 category. As such, all counts by sector (including entries and exits) included in this publication are likely to contain a small degree of undercount (as seen in the "currently unknown" categories in publication tables). Users should therefore exercise care when using this publication's sector based tables.

### TYPE OF LEGAL ORGANISATION

At June 2011, there were 702,342 (32.9%) Companies in Australia, followed by 622,832 (29.2%) Sole proprietors, 465,802 (21.8%) Trusts and 340,839 (16.0%) Partnerships. There were a relatively small number of businesses (<1%) operating in the Public sector. However, the scope and definitions used to define a business in this publication should

## SUMMARY OF FINDINGS *continued*

### TYPE OF LEGAL ORGANISATION *continued*

be taken into account when using the public sector data. For further information, please refer to the publication's explanatory notes.

Over the entire 2007-2011 times series, each year has marked a decline in the number of Partnerships (-4.0% in 2007-08, -4.9% in 2008-09, -1.6% in 2009-10 and -3.8% in 2010-11) and three out of the four years has marked a decline in the number of Sole Proprietors, both forms of unincorporated businesses. In contrast, there was an increase in the number of Trusts each year over the same period (6.8% in 2007-08, 3.3% in 2008-09, 7.7% in 2009-10 and 4.4% in 2010-11). Further, there was a steady increase in the number of companies. As a result of these movements, Companies are currently the most common form of legal organisation, followed by Sole proprietors and Trusts. Partnerships are the least common form of private sector legal organisation for Australian businesses.

Out of all private sector businesses in the period June 2010-11, entry rates were highest for Sole proprietors (17.0%) and Trusts (14.1%), followed by Companies (13.7%) and Partnerships (8.3%). Conversely, exit rates were highest for Sole proprietors (18.9%) and were noticeably lower across the other private sector categories.

For both the stock of businesses and for business entries, survival rates have been consistently higher for Trusts and Companies, while they have been lower for Sole Proprietors and Partnerships.

### EMPLOYMENT SIZE RANGES

At June 2011, there were 826,389 (38.8%) employing businesses and 1,306,023 (61.2%) non-employing businesses.

Of the employing businesses, 739,312 (89.5%) employed less than 20 employees. This comprised 508,674 businesses with 1-4 employees and 230,638 businesses with 5-19 employees. There were also 81,006 businesses with 20-199 employees and 6,071 (<1%) businesses with 200 or more employees.

In 2010-11, most business entries (93.5%) continued to occur in the micro business population, which comprises non-employing businesses and businesses employing between 1-4 employees. Exit rates over the same period were significantly higher for non-employing businesses (16.9%), compared to all other size categories (exit rates for 1-4, 5-19, 20-199 and 200+ were 9.5%, 6.4%, 4.6% and 4.8% respectively).

Of those businesses that survived from June 2010 to June 2011, 89.5% were classified to the same employment size range at the end of the year as they were at the start of the year, 5.6% were classified to a smaller size range, and the remaining 4.9% were classified to a larger size range (grew). Of those businesses that grew, 90,948 moved up at least one size range over the course of the year, of which 5,767 moved up two or more size ranges. In comparison, 102,107 experienced negative growth (i.e. moved down at least one size range) over the course of the year, of which 12,914 moved down two or more size ranges.

In addition, of those businesses that survived from June 2010 to June 2011, both inflow and outflow were highest for businesses employing between 1-4 employees (65,523 and 91,232 respectively). Not only does this signify a high degree of churn in this category, but the relatively high outflow resulted in a net movement (outflow) of 25,709 businesses. All other employment size categories recorded net inflows and were led by non-employing businesses, with a net inflow of 23,788. This indicates that a large amount



## SUMMARY OF FINDINGS *continued*

### EMPLOYMENT SIZE

#### RANGES *continued*

of businesses who employed between 1-4 employees at June 2010 dropped to be non-employing businesses at June 2011.

The survival rates for businesses operating since June 2007 showed some variance between the employing (69.9%) and the non-employing (54.0%) populations. In addition, survival rates were lower for businesses employing between 1-4 employees (67.0%) compared to the larger employment size ranges of 5-19 (74.0% survival rate), 20-199 (75.8% survival rate) and 200+ (74.3% survival rate).

### ANNUAL TURNOVER SIZE

#### RANGES

At June 2011, there were 736,370 (34.5%) businesses with turnover from \$50k to less than \$200k. This was followed by 653,164 (30.6%) businesses with turnover from \$200k to less than \$2m, 617,755 (29.0%) businesses with turnover between zero and \$50k, and 125,123 (5.9%) businesses with turnover above \$2m per annum.

In the period 2010-11, entry rates were highest for businesses with turnover from \$50k to less than \$200k (16.8%), followed by businesses with turnover from zero to less than \$50k (15.5%). Exit rates over the same period were highest for businesses with turnover between zero to less than \$50k (20.8%), followed by businesses with turnover from \$50k to less than \$200k (13.8%), signifying the high amount of churn in these categories. Both entry and exit rates were lowest for businesses with turnover above \$2m per annum (3.7% and 4.0% respectively).

Of those businesses that survived from June 2010 to June 2011, 78.7% were classified to the same turnover size range at the end of the year as they were at the start of the year, 10.9% were classified to a smaller size range, and the remaining 10.3% were classified to a higher size range (grew). Of those businesses that grew, 190,253 moved up at least one size range over the course of the year, of which 14,345 moved up two or more size ranges. In comparison, 200,498 experienced negative growth (i.e. moved down at least one size range) over the course of the year, of which 24,793 moved down two or more size ranges.

In addition, of those businesses that survived from June 2010 to June 2011, both inflow and outflow were highest for businesses with turnover between \$50k to less than \$200k (147,796 and 174,855 respectively). The relatively high outflow for businesses in this category resulted in a net movement (outflow) of 27,059 businesses. The net movement for businesses with turnover between \$200k to less than \$2m also resulted in an outflow of 3734. In contrast, all other turnover size categories recorded net inflows and were led by businesses with turnover between zero to less than \$50k, with 26,422 businesses moving into this category.

The survival rates for businesses operating since June 2007 were generally higher for businesses with higher annual turnover. The survival rates of business entries were similarly distributed.

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## BUSINESSES BY INDUSTRY DIVISION: June 2007 - June 2011

	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.	%	%	%
2007-08								
Agriculture, Forestry and Fishing	211 640	19 647	23 682	207 605	-4 035	-1.9	9.3	11.2
Mining	7 419	1 265	998	7 686	267	3.6	17.1	13.5
Manufacturing	96 450	10 748	12 898	94 300	-2 150	-2.2	11.1	13.4
Electricity, Gas, Water and Waste Services	5 560	869	826	5 603	43	0.8	15.6	14.9
Construction	352 100	55 746	58 087	349 759	-2 341	-0.7	15.8	16.5
Wholesale Trade	79 508	10 717	11 548	78 677	-831	-1.1	13.5	14.5
Retail Trade	145 669	20 367	23 427	142 609	-3 060	-2.1	14.0	16.1
Accommodation and Food Services	79 156	13 968	14 645	78 479	-677	-0.9	17.7	18.5
Transport, Postal and Warehousing	134 535	21 633	21 723	134 445	-90	-0.1	16.1	16.2
Information Media and Telecommunications	18 289	2 973	3 292	17 970	-319	-1.7	16.3	18.0
Financial and Insurance Services	142 937	28 039	22 615	148 361	5 424	3.8	19.6	15.8
Rental, Hiring and Real Estate Services	216 895	30 563	26 451	221 007	4 112	1.9	14.1	12.2
Professional, Scientific and Technical Services	237 212	34 382	36 777	234 817	-2 395	-1.0	14.5	15.5
Administrative and Support Services	78 008	14 579	15 063	77 524	-484	-0.6	18.7	19.3
Public Administration and Safety	8 061	1 536	1 663	7 934	-127	-1.6	19.1	20.6
Education and Training	24 517	3 984	4 130	24 371	-146	-0.6	16.3	16.9
Health Care and Social Assistance	89 944	10 714	9 224	91 434	1 490	1.7	11.9	10.3
Arts and Recreation Services	28 718	4 416	5 399	27 735	-983	-3.4	15.4	18.8
Other Services	89 309	13 094	14 526	87 877	-1 432	-1.6	14.7	16.3
Currently Unknown(b)	27 866	17 610	12 309	33 167	5 301	np	np	np
<b>All Industries</b>	<b>2 073 793</b>	<b>316 850</b>	<b>319 283</b>	<b>2 071 360</b>	<b>-2 433</b>	<b>-0.1</b>	<b>15.3</b>	<b>15.4</b>
2008-09								
Agriculture, Forestry and Fishing	207 605	18 862	22 158	204 309	-3 296	-1.6	9.1	10.7
Mining	7 686	1 145	1 039	7 792	106	1.4	14.9	13.5
Manufacturing	94 300	10 186	12 685	91 801	-2 499	-2.7	10.8	13.5
Electricity, Gas, Water and Waste Services	5 603	877	845	5 635	32	0.6	15.7	15.1
Construction	349 759	51 673	57 387	344 045	-5 714	-1.6	14.8	16.4
Wholesale Trade	78 677	10 028	11 669	77 036	-1 641	-2.1	12.8	14.8
Retail Trade	142 609	19 592	22 522	139 679	-2 930	-2.1	13.7	15.8
Accommodation and Food Services	78 479	13 413	14 201	77 691	-788	-1.0	17.1	18.1
Transport, Postal and Warehousing	134 445	21 570	21 950	134 065	-380	-0.3	16.0	16.3
Information Media and Telecommunications	17 970	3 114	3 162	17 922	-48	-0.3	17.3	17.6
Financial and Insurance Services	148 361	24 754	23 526	149 589	1 228	0.8	16.7	15.9
Rental, Hiring and Real Estate Services	221 007	24 514	27 378	218 143	-2 864	-1.3	11.1	12.4
Professional, Scientific and Technical Services	234 817	34 911	36 184	233 544	-1 273	-0.5	14.9	15.4
Administrative and Support Services	77 524	15 004	15 163	77 365	-159	-0.2	19.4	19.6
Public Administration and Safety	7 934	1 610	1 726	7 818	-116	-1.5	20.3	21.8
Education and Training	24 371	4 091	3 971	24 491	120	0.5	16.8	16.3
Health Care and Social Assistance	91 434	11 108	9 961	92 581	1 147	1.3	12.2	10.9
Arts and Recreation Services	27 735	4 264	4 969	27 030	-705	-2.5	15.4	17.9
Other Services	87 877	12 190	13 882	86 185	-1 692	-1.9	13.9	15.8
Currently Unknown(b)	33 167	16 217	15 463	33 921	754	np	np	np
<b>All Industries</b>	<b>2 071 360</b>	<b>299 123</b>	<b>319 841</b>	<b>2 050 642</b>	<b>-20 718</b>	<b>-1.0</b>	<b>14.4</b>	<b>15.4</b>

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

(a) A spike in Entries is evident in 2009-10. This is in part due to an administrative change by the ABS in the LTNR rule. Please refer to paragraph 14 in the Explanatory Notes for more information.

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

BUSINESSES BY INDUSTRY DIVISION: June 2007 - June 2011 *continued*

	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	204 309	18 485	19 081	203 713	-596	-0.3	9.1	9.3
Mining	7 792	1 176	1 140	7 828	36	0.5	15.1	14.6
Manufacturing	91 801	10 657	10 865	91 593	-208	-0.2	11.6	11.8
Electricity, Gas, Water and Waste Services	5 635	905	838	5 702	67	1.2	16.1	14.9
Construction	344 045	57 293	50 972	350 366	6 321	1.8	16.7	14.8
Wholesale Trade	77 036	11 792	9 890	78 938	1 902	2.5	15.3	12.8
Retail Trade	139 679	23 669	19 667	143 681	4 002	2.9	17.0	14.1
Accommodation and Food Services	77 691	14 861	12 425	80 127	2 436	3.1	19.1	16.0
Transport, Postal and Warehousing	134 065	21 117	20 137	135 045	980	0.7	15.8	15.0
Information Media and Telecommunications	17 922	3 399	2 686	18 635	713	4.0	19.0	15.0
Financial and Insurance Services	149 589	29 244	17 897	160 936	11 347	7.6	19.6	12.0
Rental, Hiring and Real Estate Services	218 143	28 200	21 844	224 499	6 356	2.9	12.9	10.0
Professional, Scientific and Technical Services	233 544	43 036	30 295	246 285	12 741	5.5	18.4	13.0
Administrative and Support Services	77 365	17 183	13 030	81 518	4 153	5.4	22.2	16.8
Public Administration and Safety	7 818	1 503	1 481	7 840	22	0.3	19.2	18.9
Education and Training	24 491	4 628	3 320	25 799	1 308	5.3	18.9	13.6
Health Care and Social Assistance	92 581	12 642	7 612	97 611	5 030	5.4	13.7	8.2
Arts and Recreation Services	27 030	4 906	3 974	27 962	932	3.5	18.2	14.7
Other Services	86 185	14 233	11 498	88 920	2 735	3.2	16.5	13.3
Currently Unknown(b)	33 921	23 824	10 093	47 652	13 731	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	203 713	13 747	19 297	198 163	-5 550	-2.7	6.8	9.5
Mining	7 828	1 226	899	8 155	327	4.2	15.7	11.5
Manufacturing	91 593	9 285	10 650	90 228	-1 365	-1.5	10.1	11.6
Electricity, Gas, Water and Waste Services	5 702	888	728	5 862	160	2.8	15.6	12.8
Construction	350 366	52 867	51 343	351 890	1 524	0.4	15.1	14.7
Wholesale Trade	78 938	10 398	10 089	79 247	309	0.4	13.2	12.8
Retail Trade	143 681	20 919	20 921	143 679	-2	—	14.6	14.6
Accommodation and Food Services	80 127	14 444	12 831	81 740	1 613	2.0	18.0	16.0
Transport, Postal and Warehousing	135 045	18 148	21 128	132 065	-2 980	-2.2	13.4	15.7
Information Media and Telecommunications	18 635	2 969	2 750	18 854	219	1.2	15.9	14.8
Financial and Insurance Services	160 936	21 944	18 442	164 438	3 502	2.2	13.6	11.5
Rental, Hiring and Real Estate Services	224 499	22 912	21 254	226 157	1 658	0.7	10.2	9.5
Professional, Scientific and Technical Services	246 285	36 664	32 336	250 613	4 328	1.8	14.9	13.1
Administrative and Support Services	81 518	14 697	14 096	82 119	601	0.7	18.0	17.3
Public Administration and Safety	7 840	1 344	1 402	7 782	-58	-0.7	17.1	17.9
Education and Training	25 799	3 952	3 621	26 130	331	1.3	15.3	14.0
Health Care and Social Assistance	97 611	11 404	8 004	101 011	3 400	3.5	11.7	8.2
Arts and Recreation Services	27 962	3 904	4 169	27 697	-265	-1.0	14.0	14.9
Other Services	88 920	12 736	12 165	89 491	571	0.6	14.3	13.7
Currently Unknown(b)	47 652	19 762	20 323	47 091	-561	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>

— nil or rounded to zero (including null cells)

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

(a) A spike in Entries is evident in 2009-10. This is in part due to an administrative change by the ABS in the LTNR rule. Please refer to paragraph 14 in the Explanatory Notes for more information.

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

## SURVIVAL OF BUSINESSES BY INDUSTRY DIVISION: June 2007 - June 2011

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Agriculture, Forestry and Fishing	211 640	187 958	88.8	171 219	80.9	158 985	75.1	147 668	69.8
Mining	7 419	6 421	86.6	5 672	76.5	5 068	68.3	4 640	62.5
Manufacturing	96 450	83 552	86.6	73 619	76.3	66 730	69.2	61 080	63.3
Electricity, Gas, Water and Waste Services	5 560	4 734	85.1	4 112	74.0	3 627	65.2	3 290	59.2
Construction	352 100	294 013	83.5	252 534	71.7	224 662	63.8	202 209	57.4
Wholesale Trade	79 508	67 960	85.5	59 059	74.3	53 281	67.0	48 604	61.1
Retail Trade	145 669	122 242	83.9	104 712	71.9	92 794	63.7	82 870	56.9
Accommodation and Food Services	79 156	64 511	81.5	53 746	67.9	46 683	59.0	40 955	51.7
Transport, Postal and Warehousing	134 535	112 812	83.9	96 597	71.8	85 531	63.6	76 401	56.8
Information Media and Telecommunications	18 289	14 997	82.0	12 705	69.5	11 266	61.6	10 116	55.3
Financial and Insurance Services	142 937	120 322	84.2	104 712	73.3	95 126	66.6	87 480	61.2
Rental, Hiring and Real Estate Services	216 895	190 444	87.8	170 981	78.8	157 898	72.8	147 066	67.8
Professional, Scientific and Technical Services	237 212	200 435	84.5	173 579	73.2	156 112	65.8	142 254	60.0
Administrative and Support Services	78 008	62 945	80.7	52 535	67.4	46 111	59.1	41 165	52.8
Public Administration and Safety	8 061	6 398	79.4	5 205	64.6	4 492	55.7	3 965	49.2
Education and Training	24 517	20 387	83.2	17 573	71.7	15 793	64.4	14 320	58.4
Health Care and Social Assistance	89 944	80 720	89.7	73 019	81.2	68 331	76.0	64 357	71.6
Arts and Recreation Services	28 718	23 319	81.2	19 766	68.8	17 645	61.4	15 828	55.1
Other Services	89 309	74 783	83.7	64 321	72.0	57 600	64.5	52 042	58.3
Currently Unknown(a)	27 866	15 557	np	9 469	np	7 490	np	6 316	np
<b>All Industries</b>	<b>2 073 793</b>	<b>1 754 510</b>	<b>84.6</b>	<b>1 525 135</b>	<b>73.5</b>	<b>1 375 225</b>	<b>66.3</b>	<b>1 252 626</b>	<b>60.4</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 paragraph 20 in the Explanatory Notes for more information.

## SURVIVAL OF ENTRIES BY INDUSTRY DIVISION : June 2007 - June 2011

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Agriculture, Forestry and Fishing	19 647	14 228	72.4	11 849	60.3	10 468	53.3
Mining	1 265	975	77.1	779	61.6	678	53.6
Manufacturing	10 748	7 996	74.4	6 351	59.1	5 410	50.3
Electricity, Gas, Water and Waste Services	869	646	74.3	516	59.4	447	51.4
Construction	55 746	39 838	71.5	30 502	54.7	25 434	45.6
Wholesale Trade	10 717	7 949	74.2	6 215	58.0	5 242	48.9
Retail Trade	20 367	15 375	75.5	12 230	60.1	10 163	49.9
Accommodation and Food Services	13 968	10 532	75.4	8 228	58.9	6 813	48.8
Transport, Postal and Warehousing	21 633	15 898	73.5	12 258	56.7	10 130	46.8
Information Media and Telecommunications	2 973	2 103	70.7	1 589	53.5	1 332	44.8
Financial and Insurance Services	28 039	20 123	71.8	17 086	60.9	15 442	55.1
Rental, Hiring and Real Estate Services	30 563	22 648	74.1	19 113	62.5	17 199	56.3
Professional, Scientific and Technical Services	34 382	25 054	72.9	19 843	57.7	16 942	49.3
Administrative and Support Services	14 579	9 826	67.4	7 349	50.4	6 019	41.3
Public Administration and Safety	1 536	1 003	65.3	718	46.7	578	37.6
Education and Training	3 984	2 827	71.0	2 216	55.6	1 886	47.3
Health Care and Social Assistance	10 714	8 454	78.9	7 298	68.1	6 608	61.7
Arts and Recreation Services	4 416	3 000	67.9	2 299	52.1	1 917	43.4
Other Services	13 094	9 674	73.9	7 685	58.7	6 432	49.1
Currently Unknown(a)	17 610	8 235	np	5 786	np	4 786	np
<b>All Industries</b>	<b>316 850</b>	<b>226 384</b>	<b>71.5</b>	<b>179 910</b>	<b>56.8</b>	<b>153 926</b>	<b>48.6</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 paragraph 20 in the Explanatory Notes for more information.

## BUSINESSES BY MAIN STATE (a): June 2007 - June 2011

	<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.	%	%	%
2007-08								
New South Wales	697 304	101 091	109 071	689 324	-7 980	-1.1	14.5	15.6
Victoria	517 794	77 766	76 760	518 800	1 006	0.2	15.0	14.8
Queensland	421 060	70 734	67 425	424 369	3 309	0.8	16.8	16.0
South Australia	146 823	19 678	20 595	145 906	-917	-0.6	13.4	14.0
Western Australia	211 745	36 122	33 275	214 592	2 847	1.3	17.1	15.7
Tasmania	39 075	4 832	5 311	38 596	-479	-1.2	12.4	13.6
Northern Territory	13 951	2 452	2 480	13 923	-28	-0.2	17.6	17.8
Australian Capital Territory	24 988	3 945	4 094	24 839	-149	-0.6	15.8	16.4
Currently Unknown(c)	1 053	230	272	1 011	-42	np	np	np
<b>Australia</b>	<b>2 073 793</b>	<b>316 850</b>	<b>319 283</b>	<b>2 071 360</b>	<b>-2 433</b>	<b>-0.1</b>	<b>15.3</b>	<b>15.4</b>
2008-09								
New South Wales	689 324	96 914	106 492	679 746	-9 578	-1.4	14.1	15.5
Victoria	518 800	74 586	78 147	515 239	-3 561	-0.7	14.4	15.1
Queensland	424 369	65 511	69 032	420 848	-3 521	-0.8	15.4	16.3
South Australia	145 906	18 841	20 330	144 417	-1 489	-1.0	12.9	13.9
Western Australia	214 592	32 588	33 957	213 223	-1 369	-0.6	15.2	15.8
Tasmania	38 596	4 441	5 099	37 938	-658	-1.7	11.5	13.2
Northern Territory	13 923	2 290	2 388	13 825	-98	-0.7	16.5	17.2
Australian Capital Territory	24 839	3 657	4 175	24 321	-518	-2.1	14.7	16.8
Currently Unknown(c)	1 011	295	221	1 085	74	np	np	np
<b>Australia</b>	<b>2 071 360</b>	<b>299 123</b>	<b>319 841</b>	<b>2 050 642</b>	<b>-20 718</b>	<b>-1.0</b>	<b>14.4</b>	<b>15.4</b>
2009-10								
New South Wales	679 746	114 114	89 087	704 773	25 027	3.7	16.8	13.1
Victoria	515 239	88 141	65 858	537 522	22 283	4.3	17.1	12.8
Queensland	420 848	71 085	58 762	433 171	12 323	2.9	16.9	14.0
South Australia	144 417	20 762	16 553	148 626	4 209	2.9	14.4	11.5
Western Australia	213 223	36 244	28 539	220 928	7 705	3.6	17.0	13.4
Tasmania	37 938	5 165	4 152	38 951	1 013	2.7	13.6	10.9
Northern Territory	13 825	2 548	2 083	14 290	465	3.4	18.4	15.1
Australian Capital Territory	24 321	4 378	3 431	25 268	947	3.9	18.0	14.1
Currently Unknown(c)	1 085	316	280	1 121	36	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	704 773	97 648	95 644	706 777	2 004	0.3	13.9	13.6
Victoria	537 522	77 171	70 618	544 075	6 553	1.2	14.4	13.1
Queensland	433 171	59 170	61 793	430 548	-2 623	-0.6	13.7	14.3
South Australia	148 626	17 718	18 067	148 277	-349	-0.2	11.9	12.2
Western Australia	220 928	31 495	29 852	222 571	1 643	0.7	14.3	13.5
Tasmania	38 951	4 343	4 527	38 767	-184	-0.5	11.2	11.6
Northern Territory	14 290	2 263	2 028	14 525	235	1.6	15.8	14.2
Australian Capital Territory	25 268	4 052	3 688	25 632	364	1.4	16.0	14.6
Currently Unknown(c)	1 121	350	231	1 240	119	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>

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

(a) Please refer to paragraphs 46-47 in the Explanatory Notes for more information regarding businesses and their Main State of operation.

(b) A spike in Entries is evident in 2009-10. This is in part due to an administrative change by the ABS in the LTNR rule. Please refer to paragraph 14 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 paragraph 20 in the Explanatory Notes for more information.

## SURVIVAL OF BUSINESSES BY MAIN STATE(a): June 2007 - June 2011

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
New South Wales	697 304	588 233	84.4	511 742	73.4	462 069	66.3	421 244	60.4
Victoria	517 794	441 034	85.2	384 730	74.3	347 610	67.1	317 470	61.3
Queensland	421 060	353 635	84.0	304 561	72.3	272 522	64.7	246 770	58.6
South Australia	146 823	126 228	86.0	111 205	75.7	101 255	69.0	92 647	63.1
Western Australia	211 745	178 470	84.3	154 717	73.1	139 304	65.8	126 716	59.8
Tasmania	39 075	33 764	86.4	29 839	76.4	27 259	69.8	24 961	63.9
Northern Territory	13 951	11 471	82.2	9 822	70.4	8 764	62.8	8 012	57.4
Australian Capital Territory	24 988	20 894	83.6	17 878	71.6	15 909	63.7	14 328	57.3
Currently Unknown(b)	1 053	781	np	641	np	533	np	478	np
<b>Australia</b>	<b>2 073 793</b>	<b>1 754 510</b>	<b>84.6</b>	<b>1 525 135</b>	<b>73.5</b>	<b>1 375 225</b>	<b>66.3</b>	<b>1 252 626</b>	<b>60.4</b>

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

(a) Please refer to paragraphs 46-47 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 paragraph 20 in the Explanatory Notes for more information.

## SURVIVAL OF ENTRIES BY MAIN STATE(a): June 2007 - June 2011

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
New South Wales	101 091	71 090	70.3	56 023	55.4	47 826	47.3
Victoria	77 766	55 923	71.9	44 739	57.5	38 540	49.6
Queensland	70 734	50 776	71.8	40 110	56.7	34 078	48.2
South Australia	19 678	14 371	73.0	11 833	60.1	10 230	52.0
Western Australia	36 122	25 918	71.8	20 606	57.1	17 554	48.6
Tasmania	4 832	3 658	75.7	3 015	62.4	2 619	54.2
Northern Territory	2 452	1 713	69.9	1 289	52.6	1 105	45.1
Australian Capital Territory	3 945	2 786	70.6	2 185	55.4	1 882	47.7
Currently Unknown(b)	230	149	np	110	np	92	np
<b>Australia</b>	<b>316 850</b>	<b>226 384</b>	<b>71.5</b>	<b>179 910</b>	<b>56.8</b>	<b>153 926</b>	<b>48.6</b>

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

(a) Please refer to paragraphs 46-47 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 paragraph 20 in the Explanatory Notes for more information.



## BUSINESSES BY INSTITUTIONAL SECTOR: June 2007 - June 2011

	<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.	%	%	%
2007-08								
Non-Financial Corporations	612 388	78 149	70 994	619 543	7 155	1.2	12.8	11.6
Financial Corporations	136 328	27 145	20 690	142 783	6 455	4.7	19.9	15.2
Households	1 297 218	193 947	215 293	1 275 872	-21 346	-1.7	15.0	16.6
Currently Unknown(b)	27 859	17 609	12 306	33 162	5 303	np	np	np
<b>All Sectors</b>	<b>2 073 793</b>	<b>316 850</b>	<b>319 283</b>	<b>2 071 360</b>	<b>-2 433</b>	<b>-0.1</b>	<b>15.3</b>	<b>15.4</b>
2008-09								
Non-Financial Corporations	619 543	74 889	75 413	619 019	-524	-0.1	12.1	12.2
Financial Corporations	142 783	23 536	22 178	144 141	1 358	1.0	16.5	15.5
Households	1 275 872	184 497	206 787	1 253 582	-22 290	-1.8	14.5	16.2
Currently Unknown(b)	33 162	16 201	15 463	33 900	738	np	np	np
<b>All Sectors</b>	<b>2 071 360</b>	<b>299 123</b>	<b>319 841</b>	<b>2 050 642</b>	<b>-20 718</b>	<b>-1.0</b>	<b>14.4</b>	<b>15.4</b>
2009-10								
Non-Financial Corporations	619 019	84 302	70 523	632 798	13 779	2.2	13.6	11.4
Financial Corporations	144 141	28 092	16 721	155 512	11 371	7.9	19.5	11.6
Households	1 253 582	206 535	171 410	1 288 707	35 125	2.8	16.5	13.7
Currently Unknown(b)	33 900	23 824	10 091	47 633	13 733	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	632 798	81 522	69 586	644 734	11 936	1.9	12.9	11.0
Financial Corporations	155 512	21 357	17 401	159 468	3 956	2.5	13.7	11.2
Households	1 288 707	171 571	179 142	1 281 136	-7 571	-0.6	13.3	13.9
Currently Unknown(b)	47 633	19 760	20 319	47 074	-559	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>

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

(a) A spike in Entries is evident in 2009-10. This is in part due to an administrative change by the ABS in the LTNR rule. Please refer to paragraph 14 in the Explanatory Notes for more information.

(b) This category consists of businesses that are yet to be coded to an Institutional Sector. Please refer to paragraph 20 in the Explanatory Notes for more information.

## SURVIVAL OF BUSINESSES BY INSTITUTIONAL SECTOR : June 2007 - June 2011

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Non-Financial Corporations	612 388	541 394	88.4	483 354	78.9	440 612	72.0	405 966	66.3
Financial Corporations	136 328	115 638	84.8	101 015	74.1	92 027	67.5	84 800	62.2
Households	1 297 218	1 081 925	83.4	931 301	71.8	835 099	64.4	755 546	58.2
Currently Unknown (a)	27 859	15 553	np	9 465	np	7 487	np	6 314	np
<b>All Sectors</b>	<b>2 073 793</b>	<b>1 754 510</b>	<b>84.6</b>	<b>1 525 135</b>	<b>73.5</b>	<b>1 375 225</b>	<b>66.3</b>	<b>1 252 626</b>	<b>60.4</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 paragraph 20 in the Explanatory Notes for more information.

## SURVIVAL OF ENTRIES BY INSTITUTIONAL SECTOR: June 2007 - June 2011

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Non-Financial Corporations	78 149	60 776	77.8	49 240	63.0	42 667	54.6
Financial Corporations	27 145	19 590	72.2	16 700	61.5	15 106	55.7
Households	193 947	137 784	71.0	108 185	55.8	91 367	47.1
Currently Unknown(a)	17 609	8 234	np	5 785	np	4 786	np
<b>All Sectors</b>	<b>316 850</b>	<b>226 384</b>	<b>71.5</b>	<b>179 910</b>	<b>56.8</b>	<b>153 926</b>	<b>48.6</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 paragraph 20 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.	%	%	%
2007-08								
Private Sector								
Total Companies	662 005	89 113	80 349	670 769	8 764	1.3	13.5	12.1
Sole Proprietor	641 636	119 215	140 356	620 495	-21 141	-3.3	18.6	21.9
Total Partnerships	394 389	40 347	55 938	378 798	-15 591	-4.0	10.2	14.2
Trust(b)	375 112	68 119	42 556	400 675	25 563	6.8	18.2	11.3
Public Sector								
Public Sector	651	56	84	623	-28	-4.3	8.6	12.9
<b>All Organisational Types</b>	<b>2 073 793</b>	<b>316 850</b>	<b>319 283</b>	<b>2 071 360</b>	<b>-2 433</b>	<b>-0.1</b>	<b>15.3</b>	<b>15.4</b>
2008-09								
Private Sector								
Total Companies	670 769	86 133	86 161	670 741	-28	np	12.8	12.9
Sole Proprietor	620 495	118 056	133 532	605 019	-15 476	-2.5	19.0	21.5
Total Partnerships	378 798	33 877	52 453	360 222	-18 576	-4.9	8.9	13.9
Trust(b)	400 675	60 973	47 630	414 018	13 343	3.3	15.2	11.9
Public Sector								
Public Sector	623	84	65	642	19	3.1	13.5	10.4
<b>All Organisational Types</b>	<b>2 071 360</b>	<b>299 123</b>	<b>319 841</b>	<b>2 050 642</b>	<b>-20 718</b>	<b>-1.0</b>	<b>14.4</b>	<b>15.4</b>
2009-10								
Private Sector								
Total Companies	670 741	97 005	79 073	688 673	17 932	2.7	14.5	11.8
Sole Proprietor	605 019	137 051	107 053	635 017	29 998	5.0	22.7	17.7
Total Partnerships	360 222	36 232	42 137	354 317	-5 905	-1.6	10.1	11.7
Trust(b)	414 018	72 357	40 382	445 993	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	688 673	94 050	80 381	702 342	13 669	2.0	13.7	11.7
Sole Proprietor	635 017	107 871	120 056	622 832	-12 185	-1.9	17.0	18.9
Total Partnerships	354 317	29 268	42 746	340 839	-13 478	-3.8	8.3	12.1
Trust(b)	445 993	62 973	43 164	465 802	19 809	4.4	14.1	9.7
Public Sector								
Public Sector	650	48	101	597	-53	-8.2	7.4	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>

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

(a) A spike in Entries is evident in 2009-10. This is in part due to an administrative change by the ABS in the LTNR rule. Please refer to paragraph 14 in the Explanatory Notes for more information.

(b) A small number of businesses not elsewhere classified have been included in the TOLO "Trust" category.

# 11

## SURVIVAL OF BUSINESSES BY TYPE OF LEGAL ORGANISATION: June 2007 - June 2011

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Private Sector									
Total Companies	662 005	581 656	87.9	517 349	78.2	471 017	71.2	433 707	65.5
Sole Proprietor	641 636	501 280	78.1	411 771	64.2	359 978	56.1	318 411	49.6
Total Partnerships	394 389	338 451	85.8	296 086	75.1	267 123	67.7	242 348	61.5
Trust(a)	375 112	332 556	88.7	299 413	79.8	276 665	73.8	257 774	68.7
Public Sector									
Public Sector	651	567	87.1	516	79.3	442	67.9	386	59.3
<b>All Organisational Types</b>	<b>2 073 793</b>	<b>1 754 510</b>	<b>84.6</b>	<b>1 525 135</b>	<b>73.5</b>	<b>1 375 225</b>	<b>66.3</b>	<b>1 252 626</b>	<b>60.4</b>

(a) A small number of businesses not elsewhere classified have been included in the TOLO "Trust" category.

# 12

## SURVIVAL OF ENTRIES BY TYPE OF LEGAL ORGANISATION : JUNE 2007 - JUNE 2011

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Private Sector							
Total Companies	89 113	67 259	75.5	54 043	60.7	46 738	52.5
Sole Proprietor	119 215	75 192	63.1	54 858	46.0	44 351	37.2
Total Partnerships	40 347	30 259	75.0	24 527	60.8	20 684	51.3
Trust(a)	68 119	53 632	78.7	46 445	68.2	42 121	61.8
Public Sector							
Public Sector	56	42	75.0	37	66.1	32	57.1
<b>All Organisational Types</b>	<b>316 850</b>	<b>226 384</b>	<b>71.5</b>	<b>179 910</b>	<b>56.8</b>	<b>153 926</b>	<b>48.6</b>

(a) A small number of businesses not elsewhere classified have been included in the TOLO "Trust" category.

## BUSINESSES BY EMPLOYMENT SIZE RANGES (a): June 2007 - June 2011

	<i>Operating at start of financial year</i>	<i>Entries(b)</i>	<i>Exits</i>	<i>Net movement of surviving businesses(c)</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.	no.	%	%	%
2007-08									
Non employing	1 236 368	217 043	242 337	25 548	1 236 622	254	—	17.6	19.6
Employing									
1-4(d)	517 395	79 211	54 608	-28 905	513 093	-4 302	-0.8	15.3	10.6
5-19	232 059	16 874	17 032	21	231 922	-137	-0.1	7.3	7.3
20-199	82 071	3 293	4 946	3 212	83 630	1 559	1.9	4.0	6.0
200+	5 900	429	360	124	6 093	193	3.3	7.3	6.1
Total employing	837 425	99 807	76 946	-25 548	834 738	-2 687	-0.3	11.9	9.2
<b>Total</b>	<b>2 073 793</b>	<b>316 850</b>	<b>319 283</b>	<b>—</b>	<b>2 071 360</b>	<b>-2 433</b>	<b>-0.1</b>	<b>15.3</b>	<b>15.4</b>
2008-09									
Non employing	1 236 622	205 699	241 186	28 744	1 229 879	-6 743	-0.6	16.6	19.5
Employing									
1-4(d)	513 093	74 015	54 967	-35 101	497 040	-16 053	-3.1	14.4	10.7
5-19	231 922	15 547	17 282	3 789	233 976	2 054	0.9	6.7	7.5
20-199	83 630	3 356	5 942	2 377	83 421	-209	-0.3	4.0	7.1
200+	6 093	506	464	191	6 326	233	3.8	8.3	7.6
Total employing	834 738	93 424	78 655	-28 744	820 763	-13 975	-1.7	11.2	9.4
<b>Total</b>	<b>2 071 360</b>	<b>299 123</b>	<b>319 841</b>	<b>—</b>	<b>2 050 642</b>	<b>-20 718</b>	<b>-1.0</b>	<b>14.4</b>	<b>15.4</b>
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									
1-4(d)	497 040	78 517	48 580	-20 705	506 272	9 232	1.9	15.8	9.8
5-19	233 976	15 614	15 734	-5 180	228 676	-5 300	-2.3	6.7	6.7
20-199	83 421	2 884	4 375	-1 143	80 787	-2 634	-3.2	3.5	5.2
200+	6 326	492	599	-344	5 875	-451	-7.1	7.8	9.5
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									
1-4(d)	506 272	76 414	48 303	-25 709	508 674	2 402	0.5	15.1	9.5
5-19	228 676	15 833	14 555	684	230 638	1 962	0.9	6.9	6.4
20-199	80 787	2 804	3 734	1 149	81 006	219	0.3	3.5	4.6
200+	5 875	390	282	88	6 071	196	3.3	6.6	4.8
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>

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 55-59 in the Explanatory Notes for more information regarding Employment size ranges.

(b) A spike in Entries is evident in 2009-10. This is in part due to an administrative change by the ABS in the LTNR rule. Please refer to paragraph 14 in the Explanatory Notes for more information.

(c) Please refer to the Technical Note and Glossary for more information regarding the net movement of surviving businesses.

(d) 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.

	Non-employing	1-4	5-19	20-199	200+	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.	no.
EMPLOYMENT SIZE RANGES AT JUNE 2008								
<b>Employment Size Ranges at June 2007</b>								
Non-employing	952 255	37 740	3 349	620	67	67 324	41 776	25 548
1-4(c)	54 217	367 761	38 435	2 261	113	66 121	95 026	-28 905
5-19	9 595	26 950	164 661	13 750	71	50 387	50 366	21
20-199	3 310	1 262	8 515	63 139	899	17 198	13 986	3 212
200+	202	169	88	567	4 514	1 150	1 026	124
<b>Total</b>	<b>1 019 579</b>	<b>433 882</b>	<b>215 048</b>	<b>80 337</b>	<b>5 664</b>	<b>202 180</b>	<b>202 180</b>	—

EMPLOYMENT SIZE RANGES AT JUNE 2009								
<b>Employment Size Ranges at June 2008</b>								
Non-employing	955 890	35 717	3 102	621	106	68 290	39 546	28 744
1-4(c)	55 173	358 551	42 051	2 237	114	64 474	99 575	-35 101
5-19	9 418	26 770	164 658	13 741	53	53 771	49 982	3 789
20-199	3 450	1 785	8 532	62 901	1 020	17 164	14 787	2 377
200+	249	202	86	565	4 527	1 293	1 102	191
<b>Total</b>	<b>1 024 180</b>	<b>423 025</b>	<b>218 429</b>	<b>80 065</b>	<b>5 820</b>	<b>204 992</b>	<b>204 992</b>	—

EMPLOYMENT SIZE RANGES AT JUNE 2010								
<b>Employment Size Ranges at June 2009</b>								
Non-employing	991 804	35 302	2 780	494	42	65 990	38 618	27 372
1-4(c)	54 515	358 218	33 557	2 046	124	69 537	90 242	-20 705
5-19	8 853	32 221	165 909	11 189	70	47 153	52 333	-5 180
20-199	2 501	1 786	10 742	63 378	639	14 525	15 668	-1 143
200+	121	228	74	796	4 508	875	1 219	-344
<b>Total</b>	<b>1 057 794</b>	<b>427 755</b>	<b>213 062</b>	<b>77 903</b>	<b>5 383</b>	<b>198 080</b>	<b>198 080</b>	—

EMPLOYMENT SIZE RANGES AT JUNE 2011								
<b>Employment Size Ranges at June 2010</b>								
Non-employing	1 042 971	37 125	2 841	497	32	64 283	40 495	23 788
1-4(c)	53 143	366 737	35 744	2 126	219	65 523	91 232	-25 709
5-19	8 401	26 654	167 346	11 668	52	47 459	46 775	684
20-199	2 603	1 603	8 844	63 359	644	14 843	13 694	1 149
200+	136	141	30	552	4 734	947	859	88
<b>Total</b>	<b>1 107 254</b>	<b>432 260</b>	<b>214 805</b>	<b>78 202</b>	<b>5 681</b>	<b>193 055</b>	<b>193 055</b>	—

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 55-59 in the Explanatory Notes for more information regarding Employment size ranges.

(b) Please refer to the Technical Note and Glossary for more information regarding the net movement of surviving businesses.

(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 BUSINESSES BY EMPLOYMENT SIZE RANGES (a): June 2007 - June 2011

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Non employing	1 236 368	994 031	80.4	837 577	67.7	743 440	60.1	667 676	54.0
Employing									
1-4(b)	517 395	462 787	89.5	413 617	79.9	377 328	72.9	346 561	67.0
5-19	232 059	215 027	92.7	197 873	85.3	183 668	79.2	171 760	74.0
20-199	82 071	77 125	94.0	70 966	86.5	66 171	80.6	62 243	75.8
200+	5 900	5 540	93.9	5 102	86.5	4 618	78.3	4 386	74.3
Total employing	837 425	760 479	90.8	687 558	82.1	631 785	75.4	584 950	69.9
<b>Total</b>	<b>2 073 793</b>	<b>1 754 510</b>	<b>84.6</b>	<b>1 525 135</b>	<b>73.5</b>	<b>1 375 225</b>	<b>66.3</b>	<b>1 252 626</b>	<b>60.4</b>

(a) Please refer to paragraphs 55-59 in the Explanatory Notes for more information regarding Employment size ranges.

(b) 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 2007 - June 2011

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Non employing	217 043	144 613	66.6	111 420	51.3	94 031	43.3
Employing							
1-4(b)	79 211	64 337	81.2	53 449	67.5	46 532	58.7
5-19	16 874	14 283	84.7	12 312	73.0	10 888	64.5
20-199	3 293	2 813	85.4	2 444	74.2	2 231	67.8
200+	429	338	78.8	285	66.4	244	56.9
Total employing	99 807	81 771	81.9	68 490	68.6	59 895	60.0
<b>Total</b>	<b>316 850</b>	<b>226 384</b>	<b>71.5</b>	<b>179 910</b>	<b>56.8</b>	<b>153 926</b>	<b>48.6</b>

(a) Please refer to paragraphs 55-59 in the Explanatory Notes for more information regarding Employment size ranges.

(b) 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 2007 - June 2011

	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.	%	%	%
2007-08									
Zero to less than \$50k	646 121	126 534	173 180	17 638	617 113	-29 008	-4.5	19.6	26.8
\$50k to less than \$200k	715 267	112 847	95 410	-22 376	710 328	-4 939	-0.7	15.8	13.3
\$200k to less than \$2m	601 979	72 180	45 628	-3 324	625 207	23 228	3.9	12.0	7.6
\$2m or more	110 426	5 289	5 065	8 062	118 712	8 286	7.5	4.8	4.6
<b>Total</b>	<b>2 073 793</b>	<b>316 850</b>	<b>319 283</b>	<b>—</b>	<b>2 071 360</b>	<b>-2 433</b>	<b>-0.1</b>	<b>15.3</b>	<b>15.4</b>
2008-09									
Zero to less than \$50k	617 113	109 309	154 255	11 613	583 780	-33 333	-5.4	17.7	25.0
\$50k to less than \$200k	710 328	120 256	102 791	-16 004	711 789	1 461	0.2	16.9	14.5
\$200k to less than \$2m	625 207	64 237	56 297	-1 063	632 084	6 877	1.1	10.3	9.0
\$2m or more	118 712	5 321	6 498	5 454	122 989	4 277	3.6	4.5	5.5
<b>Total</b>	<b>2 071 360</b>	<b>299 123</b>	<b>319 841</b>	<b>—</b>	<b>2 050 642</b>	<b>-20 718</b>	<b>-1.0</b>	<b>14.4</b>	<b>15.4</b>
2009-10									
Zero to less than \$50k	583 780	122 179	119 868	38 161	624 252	40 472	6.9	20.9	20.5
\$50k to less than \$200k	711 789	147 577	92 695	-25 438	741 233	29 444	4.1	20.7	13.0
\$200k to less than \$2m	632 084	68 218	50 204	-11 947	638 151	6 067	1.0	10.8	7.9
\$2m or more	122 989	4 779	5 978	-776	121 014	-1 975	-1.6	3.9	4.9
<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	624 252	96 638	129 557	26 422	617 755	-6 497	-1.0	15.5	20.8
\$50k to less than \$200k	741 233	124 653	102 457	-27 059	736 370	-4 863	-0.7	16.8	13.8
\$200k to less than \$2m	638 151	68 394	49 647	-3 734	653 164	15 013	2.4	10.7	7.8
\$2m or more	121 014	4 525	4 787	4 371	125 123	4 109	3.4	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>

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 60-62 in the Explanatory Notes for more information regarding Annual Turnover size ranges.

(b) A spike in Entries is evident in 2009-10. This is in part due to an administrative change by the ABS in the LTNR rule. Please refer to paragraph 14 in the Explanatory Notes for more information.

(c) Please refer to the Technical Note and Glossary for more information regarding the net movement of surviving businesses.



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

## ANNUAL TURNOVER SIZE RANGE AT JUNE 2008

## Annual Turnover Size Ranges at June 2007

Zero to less than \$50k	371 798	84 450	14 907	1 786	118 781	101 143	17 638
\$50k to less than \$200k	95 485	441 741	81 304	1 327	155 740	178 116	-22 376
\$200k to less than \$2m	21 416	70 128	445 259	19 548	107 768	111 092	-3 324
\$2m or more	1 880	1 162	11 557	90 762	22 661	14 599	8 062
<b>Total</b>	<b>490 579</b>	<b>597 481</b>	<b>553 027</b>	<b>113 423</b>	<b>404 950</b>	<b>404 950</b>	—

## ANNUAL TURNOVER SIZE RANGES AT JUNE 2009

## Annual Turnover Size Ranges at June 2008

Zero to less than \$50k	363 089	85 258	13 254	1 257	111 382	99 769	11 613
\$50k to less than \$200k	84 643	437 595	83 952	1 347	153 938	169 942	-16 004
\$200k to less than \$2m	24 513	67 062	456 907	20 428	110 940	112 003	-1 063
\$2m or more	2 226	1 618	13 734	94 636	23 032	17 578	5 454
<b>Total</b>	<b>474 471</b>	<b>591 533</b>	<b>567 847</b>	<b>117 668</b>	<b>399 292</b>	<b>399 292</b>	—

## ANNUAL TURNOVER SIZE RANGES AT JUNE 2010

## Annual Turnover Size Ranges at June 2009

Zero to less than \$50k	381 828	68 798	12 077	1 209	120 245	82 084	38 161
\$50k to less than \$200k	96 085	451 747	70 043	1 219	141 909	167 347	-25 438
\$200k to less than \$2m	22 204	71 861	472 181	15 634	97 752	109 699	-11 947
\$2m or more	1 956	1 250	15 632	98 173	18 062	18 838	-776
<b>Total</b>	<b>502 073</b>	<b>593 656</b>	<b>569 933</b>	<b>116 235</b>	<b>377 968</b>	<b>377 968</b>	—

## ANNUAL TURNOVER SIZE RANGES AT JUNE 2011

## Annual Turnover Size Ranges at June 2010

Zero to less than \$50k	401 587	79 956	12 037	1 115	119 530	93 108	26 422
\$50k to less than \$200k	95 804	463 921	77 858	1 193	147 796	174 855	-27 059
\$200k to less than \$2m	21 890	66 773	481 747	18 094	103 023	106 757	-3 734
\$2m or more	1 836	1 067	13 128	100 196	20 402	16 031	4 371
<b>Total</b>	<b>521 117</b>	<b>611 717</b>	<b>584 770</b>	<b>120 598</b>	<b>390 751</b>	<b>390 751</b>	—

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 60-62 in the Explanatory Notes for more information regarding Annual Turnover size ranges.

(b) Please refer to the Technical Note and Glossary for more information regarding the net movement of surviving businesses.

# SURVIVAL OF BUSINESSES BY ANNUAL TURNOVER SIZE RANGES (a): June 2007 - June 2011

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Zero to less than \$50k	646 121	472 941	73.2	379 166	58.7	327 356	50.7	286 928	44.4
\$50k to less than \$200k	715 267	619 857	86.7	538 738	75.3	484 454	67.7	439 152	61.4
\$200k to less than \$2m	601 979	556 351	92.4	508 447	84.5	470 614	78.2	438 629	72.9
\$2m or more	110 426	105 361	95.4	98 784	89.5	92 801	84.0	87 917	79.6
<b>Total</b>	<b>2 073 793</b>	<b>1 754 510</b>	<b>84.6</b>	<b>1 525 135</b>	<b>73.5</b>	<b>1 375 225</b>	<b>66.3</b>	<b>1 252 626</b>	<b>60.4</b>

(a) Please refer to paragraphs 60-62 in the Explanatory Notes for more information regarding Annual Turnover size ranges.

# SURVIVAL OF ENTRIES BY ANNUAL TURNOVER SIZE RANGES (a): June 2007 - June 2011

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Zero to less than \$50k	126 534	82 924	65.5	64 540	51.0	54 447	43.0
\$50k to less than \$200k	112 847	81 951	72.6	64 116	56.8	54 429	48.2
\$200k to less than \$2m	72 180	56 997	79.0	47 342	65.6	41 511	57.5
\$2m or more	5 289	4 512	85.3	3 912	74.0	3 539	66.9
<b>Total</b>	<b>316 850</b>	<b>226 384</b>	<b>71.5</b>	<b>179 910</b>	<b>56.8</b>	<b>153 926</b>	<b>48.6</b>

(a) Please refer to paragraphs 60-62 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 2007, 2008, 2009, 2010 and 2011 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*, June 2007 to June 2011 (ABS cat. no. 8165.0) is significantly different to previously released (and discontinued) ABS business counts publications. In particular, this publication only includes businesses which actively traded in goods or services during the reference period in question, whereas the scope of previous releases focused on different populations. Please refer to section entitled "Scope" and Appendix 1 for further information.

**3** The results of these studies are based, in part, on tax data supplied by the ATO to the ABS under the *Income Taxation Administration Act 1953* which requires that such data are only used for statistical purposes. No individual information collected under the *Census and Statistics Act 1905* is provided back to the ATO for administrative or regulatory purposes. Any discussion of data limitations or weaknesses is in the context of using the data for statistical purposes, and is not related to the ability of the data to support the ATO's core operational requirements.

**4** Legislative requirements under the *Census and Statistics Act 1905* to ensure secrecy of these data have been followed. In accordance with the Census and Statistics Act 1905, results have been confidentialised to ensure that they are not likely to enable identification of a particular person or organisation.

**5** The Explanatory Notes which follow contain further information about the collection methods used in compiling *Counts of Australian Businesses, including Entries and Exits*. This includes information about the data source used and processes or transformations which have been applied to the data.

### DATA SOURCE

**6** 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), which is maintained by the ATO. 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.

### STATISTICAL UNIT

**7** 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 ABSMP and the 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.

**8** The vast majority of businesses included on the ABS Business Register 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, it is a good approximation of a statistical unit that satisfies 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*

**9** 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.

**10** 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.

**11** 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, please refer to the Publication's Glossary.

### SCOPE

**12** Counts of businesses produced from the ABSBR comprise 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.

**13** 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). As they are not actively remitting GST, they are considered to be not actively trading and are therefore excluded from counts.

**14** 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 June 2009 are 299 123. This then spikes to 342 753 in June 2010, and reverts to 294 210 in June 2011. Further investigations reveal that at a minimum, 21 000 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 SISCA and the Sole Proprietor and Partnerships categories of 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, and in particular, the small business sector.

**15** In addition to the LTNR scoping exclusions, 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. This includes entities classified to the following categories:

- Standard Institutional Sector Classification of Australia (SISCA) 2008:
  - 2110 Reserve Bank of Australia;
  - 3000 General Government;
  - 5000 Not-For-Profit Institutions Serving Households; and

## EXPLANATORY NOTES *continued*

### SCOPE *continued*

- 6000 Rest of the World.
- Type of Legal Organisation (TOLO):
  - 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.
- Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006:
  - 7711 Police Services;
  - 7713 Fire Protection and Other Emergency Services;
  - 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.

**16** 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 (ANZSIC Divisions O, P and Q, respectively). This focusses the business counts in these divisions on private sector activity only.

**17** It should be noted that the scope of the business counts has been redefined in this release using the updated 2008 version of SISCAs.

**18** In relation to SISCAs, the scoping changes have been relatively minor. The previous release of *Counts of Australian Businesses, including Entries and Exits* was based on SISCAs 2006, and this release is based on the updated SISCAs 2008. This change has resulted in some minor revisions to the previously published 2007, 2008 and 2009 counts. For example, if a unit was coded to an in scope SISCAs 2006, but using SISCAs 2008 the same unit now falls out of scope, they will not be included in the revised counts. Specifically, there has been some movements in and out of the SISCAs 3000 and SISCAs 5000 categories which has resulted in small revisions (less than 0.1%) at all levels and variables.

**19** 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 (please refer to the diagram on page 3 for further details). It was therefore considered appropriate that they be included within scope of *Counts of Australian Businesses, including Entries and Exits*.

**20** 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 *Counts of Australian Businesses, including Entries and Exits* provides a more accurate annual snapshot of businesses that are actively trading in the Australian economy.

## EXPLANATORY NOTES *continued*

### COVERAGE

**21** 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 Taxation (GST) legislation or are under the threshold for registration and have chosen not to register. However, these businesses have not been identified and quantified and are not included in counts presented in this publication.

### COMPARABILITY WITH FRAMES FOR ABS BUSINESS SURVEYS

**22** 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.
- Most survey frames include entities with a tax role to withhold income tax from their employees (ITW role) but without a GST tax role. There are approximately 45,000 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

**23** Counts of businesses provided in the *Counts of Australian Businesses including Entries and Exits* suite of products are based on annual (financial year) snapshots of the ABSBR from 1 June 2007 to 1 June 2011 (inclusive) and also reflect changes and continuity between those periods.

### TIME SERIES

**24** 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. Please refer to the section entitled "Scope" for further information.

**25** However, users should exercise caution when comparing geographical data between this publication and previously released publications. 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, however Sub State data in the forthcoming Excel data cubes will be affected. Please refer to section entitled "ASGS" for further information.

**26** The scope of the business counts has been redefined in this release, and now uses the updated 2008 Standard Institutional Sector Classification of Australia (SISCA). As SISCA is used as a scoping variable (i.e. certain SISCAs are excluded from the publication, see the section entitled "scope" for further information), there have been some revisions to the previously published 2007, 2008 and 2009 business counts. Specifically, there has been some movements in and out of the SISCA 3000 and SISCA 5000 categories which has resulted in small revisions (less than 0.1%) at all levels and variables.

### BUSINESS EVENTS

**27** This release contains not only snapshots of counts of active businesses at regular points in time but also provides a disaggregation of these counts to enable the identification of the flows of businesses into and out of the economy and a measure of the length of time that businesses continue to survive. These data assist to provide 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, please refer to the publication's Technical Note.

## EXPLANATORY NOTES *continued*

### BUSINESS EVENTS *continued*

**28** 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

**29** 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.

**30** 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.

**31** Thus, a business entry is defined as a business which is actively trading on the business register at 1 June in the reference year but was not actively trading at 1 June the previous year.

### EXITS

**32** A business exit event is the cancellation of a business's 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).

**33** Thus, a business exit is defined as a business which was actively trading on the business register at 1 June in the previous year but was not actively trading at 1 June in the reference year.

**34** 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's 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

**35** A surviving business is defined as a business which is active on the ABSBR at 1 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 1 June 2007. 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 1 June 2008, 1 June 2009, 1 June 2010 and 1 June 2011.
- Businesses that were entries in 2007-08. That is, they were not on the ABSBR at 1 June 2007 but were on 1 June 2008. The survival of these businesses is measured in terms of whether they were still on the ABSBR at 1 June 2009, 1 June 2010 and 1 June 2011.

**36** One of the enhancements to the business counts data in this publication 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, please refer to the publication's Technical Note.

### INTRA-YEAR ENTRIES AND EXITS

**37** It is possible that a business can enter after 1 June in a given year and exit before 1 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.

## EXPLANATORY NOTES *continued*

### DATA QUALITY

**38** 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, please refer to the data quality declaration associated with *Counts of Australian Businesses, including Entries and Exits*.

### A COMPREHENSIVE COUNT OF ALL ECONOMICALLY ACTIVE ENTITIES

**39** 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 and it is not possible to quantify the extent of this partial coverage.

### INDUSTRY

**40** 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 one which provides the main source of income, which is generally based on a description provided by the business.

**41** Users should note that some ANZSIC 2006 classes are considered to contain a significant concentration of entities that do not satisfy the definition of an "actively trading business" and are therefore out-of-scope of this publication. A number of these entities are operated by Commonwealth, State and local governments, not-for-profit organisations, peak bodies and various associations and interest groups. Such entities are not considered to be actively trading in the market sector and, as such, are excluded from the scope of *Counts of Australian Businesses, including Entries and Exits*. Please refer to the section entitled "Scope" for further information.

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

### ASGS AUSTRALIAN STATISTICAL GEOGRAPHY STANDARD (ASGS)

**43** The Australian Statistical Geography Standard (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.

**44** The ASGS replaces the Australian Standard Geographical Classification (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 at <http://www.abs.gov.au/geography>.

**45** 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 2 (SA2). This SA2 data will replace the previously published SLA business counts data. Please refer to section entitled "Statistical Area 2" for further information.

### MAIN STATE

**46** 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.



## EXPLANATORY NOTES *continued*

### MAIN STATE *continued*

**47** 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, please refer to the data quality declaration associated with *Counts of Australian Businesses, including Entries and Exits*.

### STATISTICAL LOCAL AREA

**48** The Statistical Local Area (SLA) is the former base spatial unit used to disseminate ABS business counts data. However, with the move to the new Australian Statistical Geography Standard (ASGS), SLA business counts data will no longer be produced. Instead, the base spatial unit will be that of the Statistical Area 2 (SA2). Please refer to section entitled "Australian Statistical Geography Standard" and "Statistical Area 2" for further information.

**49** To assist users in the transition to the new geographical classification, a time series of Sub State business counts data cubes will be produced. As such, users will have access to freely available business counts data at the SA2 level for June 2009, June 2010 and June 2011. This compliments the June 2009 SLA business counts data that is currently available, and ensures that for June 2009 data, both SLA and SA2 business counts will be available. For further information to assist users move from the ASGC to the ASGS please refer to the ABS website at <http://www.abs.gov.au/geography>.

### STATISTICAL AREA 2

**50** The Statistical Area 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, SA2's 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. For further information on the ASGS, please refer to the ABS website at <http://www.abs.gov.au/geography>.

**51** 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. To assist users in the transition to the new geographical classification, a time series of Sub State business counts data cubes will be produced. As such, users will have access to freely available business counts data at the SA2 level for June 2009, June 2010 and June 2011. This compliments the June 2009 SLA business counts data that is currently available, and ensures that for June 2009 data, both SLA and SA2 business counts will be available. For further information to assist users move from the ASGC to the ASGS please refer to the ABS website at <http://www.abs.gov.au/geography>.

**52** The issues of multi-location businesses 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, please refer to the data quality declaration associated with *Counts of Australian Businesses, including Entries and Exits*.

### BUSINESS SIZE

**53** The sizing classifications presented in this release are based on employment and turnover reported by businesses, as defined below.

## EXPLANATORY NOTES *continued*

### BUSINESS SIZE *continued*

**54** In addition, previous publications involved employment and turnover classifications being held constant for each business at their latest available value. This release differs in that it classifies in-scope businesses according to their employment and turnover at particular points in time. For further information, please refer to the publication's Technical Note.

### EMPLOYMENT SIZE

**55** Employing units are defined as:

- in the non profiled population, businesses with a non-cancelled 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; and
- in the profiled population, businesses with greater than zero employees.

**56** The methods used to quantify employment in this release are based on "headcounts" of employees. However, different methodologies are applied depending on where (i.e. in which population) businesses reside in the ABS Business Register.

**57** In the non profiled population, ABS indirectly collects employment data through Payment Summary information, supplied by the ATO. This data provides an initial indication of employment for statistical purposes (i.e. a headcount of employees). Businesses report "number of payees", which is defined as the estimated number of individuals to whom payments are made. This will reflect the total number of persons employed by the business "throughout the year" rather than an estimate of current employees at a point in time. Payments to people under a voluntary agreement or labour hire arrangement are excluded.

**58** 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.

**59** The employment data extracted from the ABSBR are generally suitable for the purposes of attributing an employment size classification to each in-scope business. However, during processing, a subset of problem units were identified and a more robust methodology was developed to ensure all businesses were classified to an employment size range which reflected real world activity. This involved examining the reported employment values of business which were known to be affected by recent changes to the ABSBR and imputing values as appropriate based on auxiliary data. Specifically, historical employment data and BAS annual turnover data were used to develop a better quality impute. This methodology is considered suitable for the purposes of classifying businesses into relatively broad employment size ranges.

### ANNUAL TURNOVER SIZE

**60** Annual turnover values are based on data reported to the ATO through BAS 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 TAUUs.

**61** 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 impute based on auxiliary ABSBR data (including wages and salaries and employment data) is used.

## EXPLANATORY NOTES *continued*

### ANNUAL TURNOVER SIZE

*continued*

**62** The imputation technique described therefore classifies all in-scope businesses to a single annual turnover size range in *Counts of Australian Businesses, including Entries and Exits*.

### CONFIDENTIALITY

**63** The data presented in the various cross-classified data cubes will be confidentialised to ensure no individual business can be identified. The confidentialising process applied is expected to maximise the availability of data without introducing any bias to the estimates.

**64** There have been some enhancements to the confidentiality methodology applied in this release. The new process involves rounding less cells and therefore preserving as much true data as possible, whilst maintaining confidentiality of all businesses. The data cubes are expected to be released from March 2012 onwards.

**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 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 *Counts of Australian Businesses, including Entries and Exits* may be accessed on the ABS website <[www.abs.gov.au](http://www.abs.gov.au)>.

### NEXT RELEASE

**71** The next release of *Counts of Australian Businesses, including Entries and Exits* is currently scheduled for release in January 2013.

## EXPLANATORY NOTES *continued*

### ABBREVIATIONS

\$k	thousand dollars
\$m	million dollars
ABN	Australian Business Number
ABR	Australian Business Register
ABS	Australian Bureau of Statistics
ABSBR	Australian Bureau of Statistics Business Register
ANZSIC	Australian and New Zealand Standard Industrial Classification
ATO	Australian Taxation Office
BAS	Business Activity Statement
GST	goods and services tax
ITIP	income tax instalment payer
ITW	income tax withholding
no.	number
SA2	Statistical Area Level 2
SISCA	Standard Institutional Sector Classification of Australia
SLA	statistical local area
TAU	type of activity unit
TOLO	Type of Legal Organisation

## APPENDIX 1 ABS BUSINESS COUNTS

### INTRODUCTION

The ABS has been producing business counts for many years, either as direct counts of businesses, as 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 (the 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 (the 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 other in 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* 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 Small Business in Australia (1988 to 2001) 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 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, ABS has developed a new publication focussing exclusively on Australian business operators. *Counts of Australian Business Operators* (cat. no 8175.0) was released in October 2008 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 Australian Business Register.

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.

## APPENDIX 1 ABS BUSINESS COUNTS *continued*

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

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:

- 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.

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

This is the fourth release of *Counts of Australian Businesses, including Entries and Exits*. The publication contains some changes and enhancements to better reflect Australia's actively trading business population. Please refer to the section entitled "Changes from the Previous Release" for further information.

The ABS plans to continue releasing *Counts of Australian Businesses, including Entries and Exits*. 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 *Counts of Australian Businesses, including Entries and Exits*. 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, 2009-10* (cat. no. 8155.0)
- *Selected Characteristics of Australian Business, 2009-10* (cat. no. 8167.0)
- *Counts of Australian Business Operators, 2006 to 2007* (cat. no. 8175.0)
- *Australian Bureau of Statistics Business Register, Counts of Businesses - Summary Tables, June 2004* (replaced by 8165.0)
- *Characteristics of Small Business, Australia (Reissue), 2004* (replaced by 8165.0 and 8175.0)
- *Experimental Estimates, Entries and Exits of Business Entities, Australia, 2001-02 to 2003-04* (replaced by 8165.0)
- *Small Business in Australia, 2001* (replaced by 8165.0)
- *Experimental Estimates, Regional Small Business Statistics, Australia, 1995-96 to 2000-01* (replaced by 8165.0).

Information Technology Publications:

- *Summary of IT Use and Innovation in Australian Business, 2009-10* (cat. no. 8166.0)
- *Business Use of Information Technology, 2009-10* (cat. no. 8129.0)
- *Innovation in Australian Business, 2008-09* (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 on-line 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 as required by the *Census and Statistics Act 1905*.



## TECHNICAL NOTE MEASURES OF BUSINESS GROWTH

### INTRODUCTION

**1** In Counts of Australian Businesses, including Entries and Exits, the stock of businesses is updated each year according to a standard equation:

**2**  $\text{Operating at start of financial year} + \text{Entries} - \text{Exits} = \text{Operating at end of financial year}$

**3** In previous releases of Counts of Australian Businesses, including Entries and Exits, 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. Specifically, for each business, the latest available data were used to over-write 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, this release of Counts of Australian Businesses, including Entries and Exits has extended the standard equation for employment size and annual turnover size to:

- $\text{Operating at start of financial year} + \text{Entries} - \text{Exits} + \text{Inflow} - \text{Outflow} = \text{Operating at end of financial year}$ , 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 2007-08 and 2008-09 financial years. During this two year period, the business:

- Did not employ any staff at the start of 2007-08 financial year;
- Took on 2 employees during 2007-08; and
- Grew to 6 employees over 2008-09.

**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 to 19 employees' category for June 2007, June 2008 and June 2009. 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:

# TECHNICAL NOTE MEASURES OF BUSINESS GROWTH *continued*

EXAMPLE *continued*

	Operating at start of financial year	Plus Entries	Minus Exits	Plus Inflows	Minus Outflows	Operating at end of financial year
2007/08						
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
2008/09						
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

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.

## GROWTH OF BUSINESS SURVIVALS BY EMPLOYMENT SIZE RANGES (a): June 2009 - June 2011

	Non-employing	1-4	5-19	Inflow at end of financial year	Outflow at end of financial year	Net movement of surviving businesses (b)
	no.	no.	no.	no.	no.	no.
EMPLOYMENT SIZE RANGES AT JUNE 2010						
Employment Size Ranges at June 2009						
Non-employing	991 804	35 302	2 780	65 990	38 618	27 372
1–4(c)	54 515	358 218	33 557	69 537	90 242	–20 705
5–19	8 853	32 221	165 909	47 153	52 333	–5 180
20–199	2 501	1 786	10 742	14 525	15 668	–1 143
200+	121	228	74	875	1 219	–344
<b>Total</b>	<b>1 057 794</b>	<b>427 755</b>	<b>213 062</b>	<b>198 080</b>	<b>198 080</b>	—
EMPLOYMENT SIZE RANGES AT JUNE 2011						
Employment Size Ranges at June 2010						
Non-employing	1 042 971	37 125	2 841	64 283	40 495	23 788
1–4(c)	53 143	366 737	35 744	65 523	91 232	–25 709
5–19	8 401	26 654	167 346	47 459	46 775	684
20–199	2 603	1 603	8 844	14 843	13 694	1 149
200+	136	141	30	947	859	88
<b>Total</b>	<b>1 107 254</b>	<b>432 260</b>	<b>214 805</b>	<b>193 055</b>	<b>193 055</b>	—

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 50-59 in the Explanatory Notes for more information regarding Employment size ranges.

(b) Please refer to the Technical Note and Glossary for more information regarding the net movement of surviving businesses.

(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.

## TECHNICAL NOTE MEASURES OF BUSINESS GROWTH *continued*

### EXPLANATION OF CONTENTS

#### *Business Size Range Matrix*

**10** The primary purpose of the first three columns are to provide a cross-classified matrix which shows how many businesses were classified one way at the start of the financial year and another way at the end of the financial year. In the above table, it can be seen that:

- 53,143 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);
- 366,737 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
- 35,744 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*

**11** 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*

**12** 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*

**13** 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].

**14** 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.

**15** 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 MEASURES OF BUSINESS GROWTH *continued*

### BUSINESSES BY EMPLOYMENT SIZE RANGES (a): June 2009 - June 2011

	Operating at start of financial year	Entries(b)	Exits	Net movement of surviving businesses(c)	Operating at end of financial year	Change	Percentage change
	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
Employing							
1–4(d)	497 040	78 517	48 580	–20 705	506 272	9 232	1.9
5–19	233 976	15 614	15 734	–5 180	228 676	–5 300	–2.3
20–199	83 421	2 884	4 375	–1 143	80 787	–2 634	–3.2
200+	6 326	492	599	–344	5 875	–451	–7.1
Total employing	820 763	97 507	69 288	–27 372	821 610	847	0.1
<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>
2010–11							
Non employing	1 303 040	198 769	219 574	23 788	1 306 023	2 983	0.2
Employing							
1–4(d)	506 272	76 414	48 303	–25 709	508 674	2 402	0.5
5–19	228 676	15 833	14 555	684	230 638	1 962	0.9
20–199	80 787	2 804	3 734	1 149	81 006	219	0.3
200+	5 875	390	282	88	6 071	196	3.3
Total employing	821 610	95 441	66 874	–23 788	826 389	4 779	0.6
<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>

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 55–59 in the Explanatory Notes for more information regarding Employment size ranges.

(b) A spike in Entries is evident in 2009–10. This is in part due to an administrative change by the ABS in the LTNR rule. Please refer to paragraph 14 in the Explanatory Notes for more information.

(c) Please refer to the Technical Note and Glossary for more information regarding the net movement of surviving businesses.

(d) 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*

**16** 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 2009–10, most of the –451 change recorded for businesses employing 200 employees or more was driven by the –344 net movement of surviving businesses in this employment size range. That is, during 2009–10, there was a negative net movement of 344 existing large businesses which shrank to become small or medium businesses.

#### Application within Other Tables

**17** 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 Counts of Australian Businesses, including Entries and Exits, 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 Counts of Australian Businesses, including Entries and Exits.

## GLOSSARY

<b>Australian Business Number (ABN)</b>	<p>The 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, you make supplies 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 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 register 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 7 to 11 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 Australian and New Zealand Standard Industrial Classification 2006 (ABS 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 ASGS. Please refer to section entitled "Australian Statistical Geography Standard" for further information.</p>
<b>Australian Statistical Geography Standard (ASGS)</b>	<p>The <i>Australian Statistical Geography Standard</i> (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 Australian Standard Geographical Classification (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 at <a href="http://www.abs.gov.au/geography">http://www.abs.gov.au/geography</a>.</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 2 (SA2). This SA2 data will replace the previously published SLA business counts data. Please refer to section entitled "Statistical Area 2" for further information.</p>

## GLOSSARY *continued*

<b>Business</b>	<p>For the purposes of the Counts of Australian Businesses including Entries and Exits 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 <i>Statistical View of Counts of Businesses in Australia</i> (ABS cat. no. 8162.0).</p> <p>In line with this definition, the business counts in this publication are derived from the ABS Business Register. 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 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 diagram on page 4 of this publication for further information.</p> <p>The statistical unit referred to as a "business" consists of ABNs from the non profiled population and TAUs from the profiled population.</p>
<b>Business Entry</b>	<p>A business which has newly registered for an ABN and which has a GST role allocated. Business entry rates are calculated by taking the total business entries during a financial year divided by the total businesses operating at the start of the financial year, multiplied by 100.</p>
<b>Business Exit</b>	<p>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. Business exit rates are calculated by taking the total business exits during the financial year divided by the total businesses operating at the start of the financial year, multiplied by 100.</p> <p>It should be noted that a business exit event does not necessarily equate to a business "failure". For details, refer to paragraph 34 of the Explanatory Notes.</p>
<b>Business Survivor</b>	<p>A business which was actively trading in year xx and continued to be trading in year xx+n.</p>
<b>Employment size ranges</b>	<p>For the purposes of the Counts of Australian Businesses including Entries and Exits 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 ("large employing businesses");</li> <li>■ employment of 20 to fewer than 200 persons ("medium employing businesses");</li> <li>■ employment of fewer than 20 persons ("small employing businesses"); or</li> </ul> </li> <li>■ non-employing businesses.</li> </ul> <p>The methods used to quantify employment for Australian businesses in ABS economic statistics is based on the concept of a "headcount", rather than a measure of Full Time Equivalent persons. For further information, refer to paragraphs 55-59 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>Industry</b>	<p>See the entry for "Australian and New Zealand Standard Industrial Classification"</p>
<b>Industry class</b>	<p>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).</p>

## GLOSSARY *continued*

<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 into a size range (i.e. an employment or turnover size range) from another range.
<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.
<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 with 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 total outflow at the end of the financial year.
<b>Non-employed 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 ABS Business Register. 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 7 to 11 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) into another range.
<b>Profiled Population</b>	One of two business populations of the ABS Business Register. 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 7 to 11 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

## GLOSSARY *continued*

<b>Standard Institutional Sector Classification of Australia (SISCA) <i>continued</i></b>	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 <i>Standard Economic Sector Classifications of Australia</i> (SESCA) (cat. no. 1218.0).
<b>Statistical Area 2 (SA2)</b>	<p>The Statistical Area 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, SA2's 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 Statistical Local Area (SLA) is the former base spatial unit used to disseminate ABS business counts data. However, with the move to the new Australian Statistical Geography Standard (ASGS), SLA business counts data will no longer be produced. Instead, the base spatial unit will be that of the Statistical Area 2 (SA2). Please refer to section entitled "Australian Statistical Geography Standard" and "Statistical Area 2" for further information.
<b>Turnover</b>	The total revenue generated by a business from the provision of goods and services for a given accounting period.
<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 that 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 7-11 of the Explanatory Notes.
<b>Type of Legal Organisation (TOLO)</b>	All legal entities on the ABSBR are classified according to their 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.









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