



JUNE 2008 TO JUNE 2012

**8165.0**

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

**AUSTRALIA**

EMBARGO: 11.30AM (CANBERRA TIME) TUES 21 MAY 2013

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

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070.

# NOTES

## INTRODUCTION

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

This publication represents the 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)>.

## 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 March 2014.

## 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

## ABBREVIATIONS

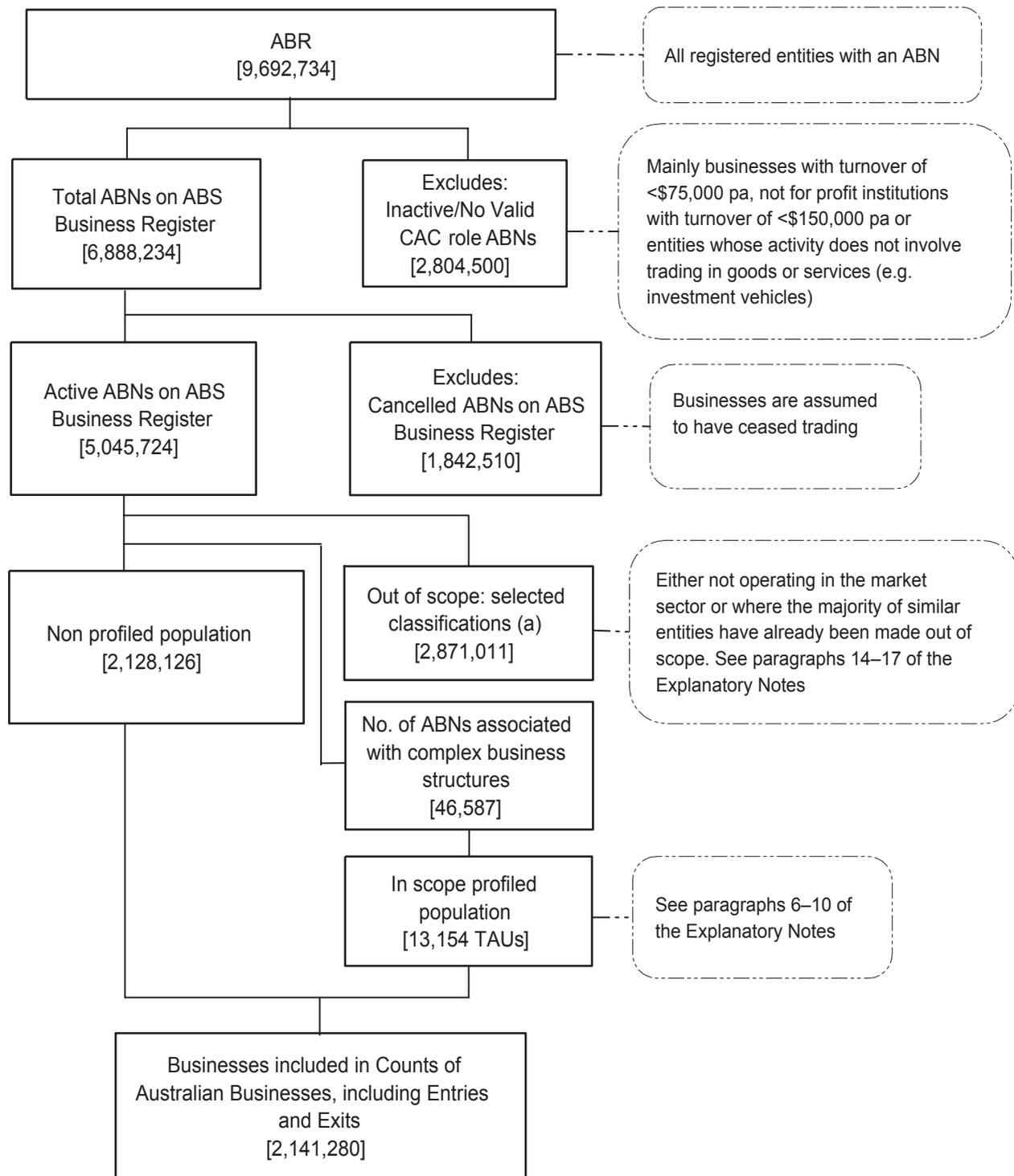
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<b>\$k</b>	thousand dollars
<b>\$m</b>	million dollars
<b>ABN</b>	Australian Business Number
<b>ABR</b>	Australian Business Register
<b>ABS</b>	Australian Bureau of Statistics
<b>ABSBR</b>	Australian Bureau of Statistics Business Register
<b>ABSMP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

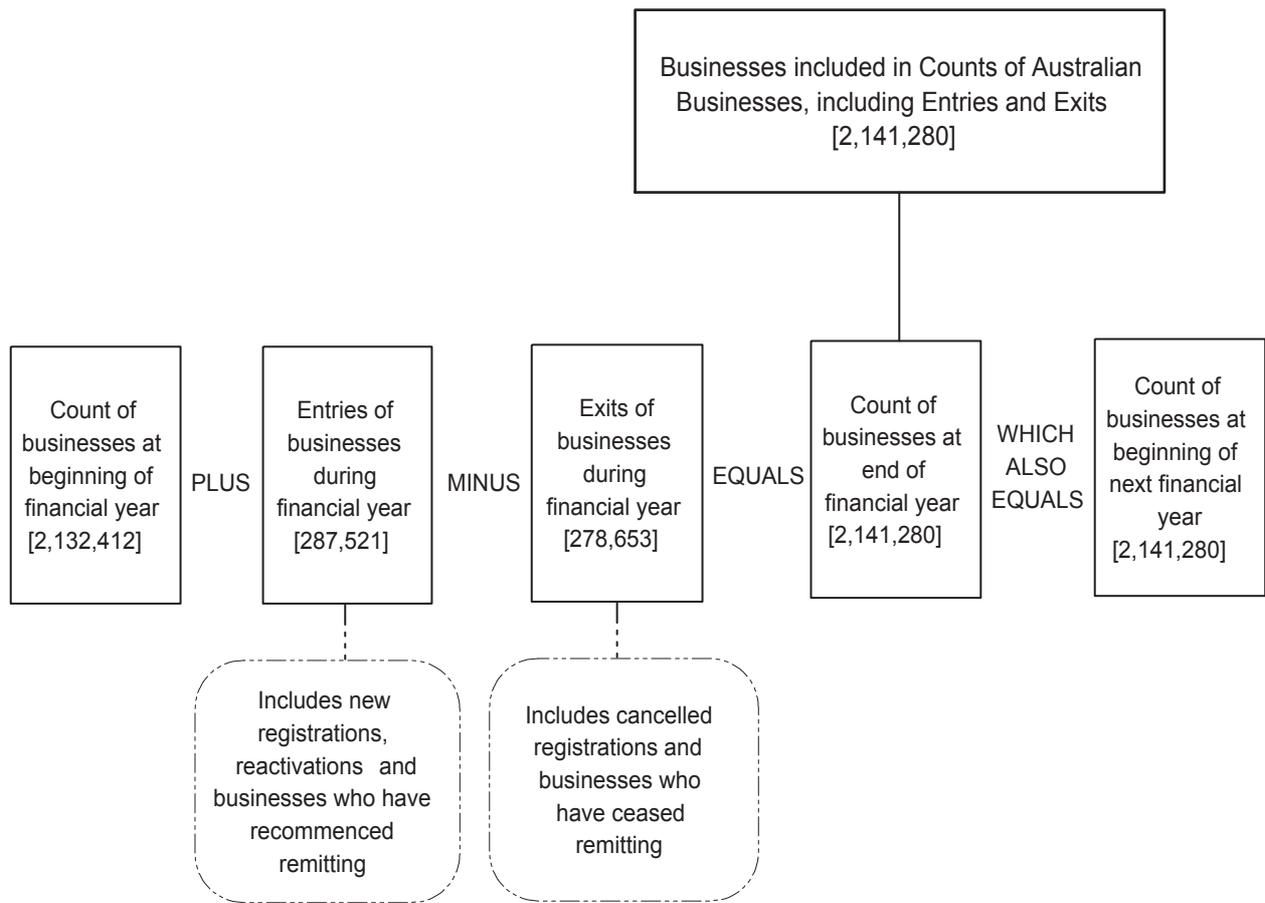
# CONCEPTUAL AND PRACTICAL BASIS FOR COUNTS

DIAGRAM 1:

## THE CONCEPTUAL AND PRACTICAL BASIS FOR COUNTS OF AUSTRALIAN BUSINESSES, INCLUDING ENTRIES AND EXITS Reference Period June 2012



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



- (a)**
- No. of active ABNs with no active in scope roles
  - No. of active ABNs with active in scope roles other than active ITW and GST roles
  - No. of active ABNs with invalid ANZSIC/ SISCA/ State – active ITW or GST roles only
  - No. of mutually exclusive active ABNs excluded due to being ITW or GST LTNRs
  - Active ABNs with active ITW role only
  - Out of scope TOLO/ ANZSIC/ SISCA
- Total Excluded: 2,871,011

## SUMMARY OF FINDINGS

### SUMMARY OF FINDINGS

- There were 2,141,280 actively trading businesses in Australia at June 2012. This was an increase of 8,868 (0.4%) businesses from 2011.
- For the 2011–12 financial year, the entry rate (13.5%) of businesses was higher than the exit rate (13.1%) resulting in an increase in the number of overall businesses.
- The entry rate of businesses decreased by 0.4 percentage points from 13.9% to 13.5% for the 2011–12 financial year. This was after a decrease of 2.8 percentage points (–48,543) in the 2010–11 financial year.
- The exit rate of businesses decreased by 0.4 percentage points from 13.5% to 13.1% for the 2011–12 financial year. This was after an increase of 0.4 percentage points for 2010–11 financial year.
- In terms of business survival rates, of the 2,071,360 businesses operating in June 2008, 84.6% were still operating in June 2009, 75.1% were still operating in June 2010, 67.9% were still operating in June 2011 and 61.8% were still operating in June 2012.
- Of the 299,123 new business entries during 2008–09, 75.8% were still operating in June 2010, 60.5% were still operating in June 2011 and 51.0% were still operating in June 2012.

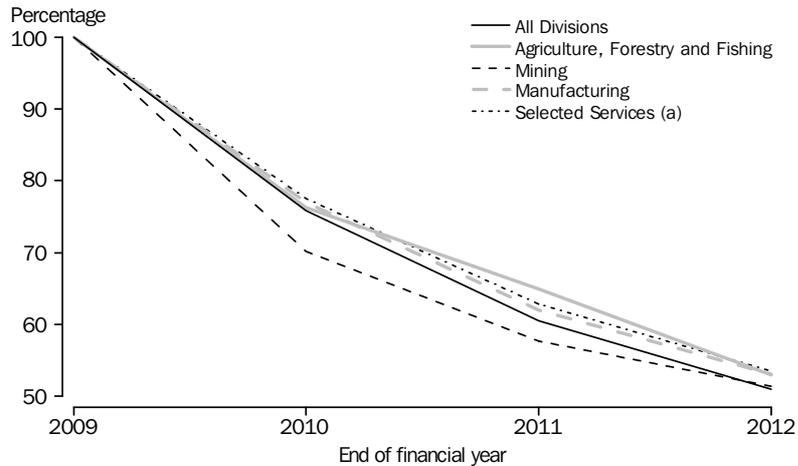
### INDUSTRY

- At June 2012, the 'Construction' industry had the highest number of businesses operating in Australia (347,197). This was followed by the 'Professional, Scientific and Technical Services' (251,098) and 'Rental, Hiring and Real Estate Services' (225,013) industries.
- At June 2012, the 'Electricity, Gas, Water and Waste Services' industry had the lowest number of businesses operating in Australia (5,833). This was followed by the 'Public Administration and Safety' (7,663) and 'Mining' (8,438) industries.
- During the 2011–12 financial year, the 'Accommodation and Food Services' and 'Administrative and Support Services' industries had the highest entry rates of 16.7% and 16.4% respectively.
- 'Agriculture, Forestry and Fishing' and 'Rental, Hiring and Real Estate Services' industries had the lowest entry rates of 6.5% and 8.8% respectively in 2011–12.
- During the 2011–12 financial year, the 'Public Administration and Safety' and 'Administrative and Support Services' industries had the highest exit rates of 17.5% and 16.8% respectively.
- 'Health Care and Social Assistance' and 'Agriculture, Forestry and Fishing' industries had the lowest exit rates of 8.1% and 9.4% respectively in the 2011–12 financial year.
- The survival rates at June 2012 for businesses operating in June 2008 were highest for 'Health Care and Social Assistance' (73.1%) and 'Agriculture, Forestry and Fishing' (70.7%), followed by 'Rental, Hiring and Real Estate Services' (69.4%).
- The survival rates at June 2012 for businesses operating in June 2008 were lowest for 'Public Administration and Safety' (50.9%), 'Accommodation and Food Services' (53.6%), followed by 'Administrative and Support Services' (54.3%).

## SUMMARY OF FINDINGS *continued*

### INDUSTRY *continued*

#### SURVIVAL OF ENTRIES BY ANZSIC INDUSTRY DIVISION, as a % of business entries during financial year 2008-09



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

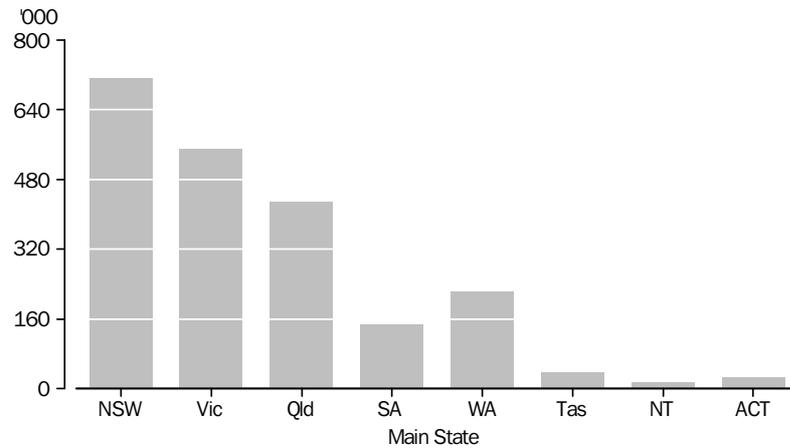
### MAIN STATE OF OPERATION

- The state with the highest number of businesses operating in 2011–12 was New South Wales (710,733). This was followed by Victoria (551,220), Queensland (428,515), Western Australia (221,918), South Australia (148,138), Tasmania (38,658), the Australian Capital Territory (26,016) and the Northern Territory (14,669).
- The largest increase in businesses for a single state was in Victoria (7,291). This was followed by New South Wales (3,849).
- The largest decrease in businesses for a single state was in Queensland (-2,032). This was followed by Western Australia (-771).
- The highest entry rate for a single state was in the Australian Capital Territory (15.7%). This was followed by the Northern Territory (15.0%).
- The highest exit rate for a single state was in the Australian Capital Territory (14.1%). This was followed by Queensland (14.0%).
- Of the businesses operating in June 2008, the highest survival rate in June 2012 was seen in Tasmania (65.6%) and South Australia (64.7%). The lowest survival rate was seen in the Australian Capital Territory (59.0%).

## SUMMARY OF FINDINGS *continued*

### MAIN STATE OF OPERATION *continued*

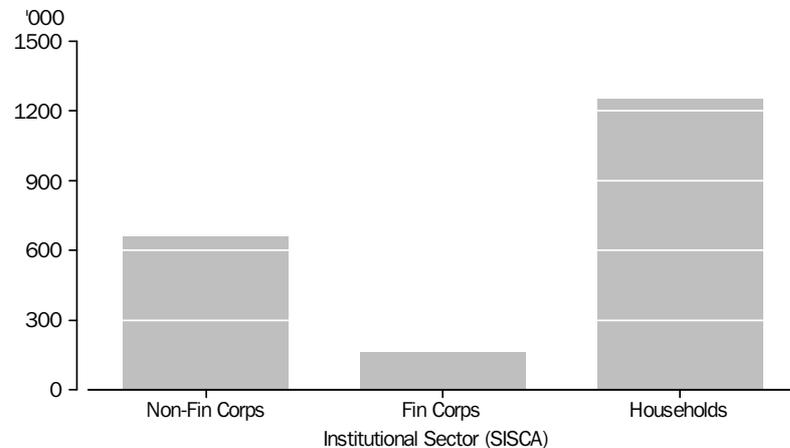
BUSINESS COUNT BY MAIN STATE, operating at end of financial year 2011-12



### INSTITUTIONAL SECTOR

- Of the 2,141,280 businesses operating in 2012, the largest contributor was 'Households' (1,250,651) which includes most unincorporated businesses, followed by 'Non-Financial Corporations' (659,866) and 'Financial Corporations' (162,427).
- The 'Non-Financial Corporations' sector and 'Financial Corporations' sector recorded positive growths of 2.0% and 1.7% respectively in 2011-12, whereas the 'Households' sector contracted by 2.6%.
- The 'Financial Corporations' sector had the largest entry rate at 13.0%. This was followed by 'Non-Financial Corporations' (12.6%) and 'Households' (11.5%).
- The 'Households' sector exhibited the largest exit rate of 14.1%. This was followed by 'Financial Corporations' (11.3%) and 'Non-Financial Corporations' (10.6%).
- The survival rates at June 2012 for businesses operating in June 2008 were highest for 'Non-Financial Corporations' (67.1%), followed by 'Financial Corporations' (63.9%) and 'Households' (59.9%).
- Of the businesses that entered during 2008-09, the highest survival rate in June 2012 was seen in the 'Financial Corporations' sector (60.3%), followed by 'Non-Financial Corporations' (55.7%) and 'Households' (49.0%).

BUSINESS COUNTS BY INSTITUTIONAL SECTOR, operating at the end of financial year 2011-12

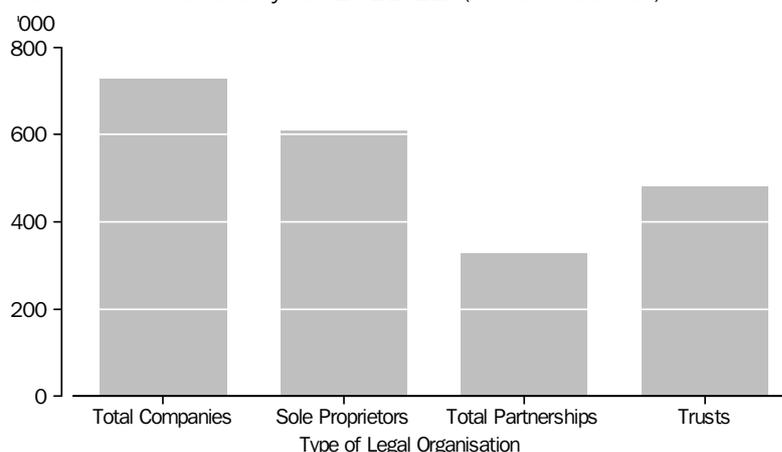


## SUMMARY OF FINDINGS *continued*

### TYPE OF LEGAL ORGANISATION

- At June 2012, there were 726,893 'Companies' in Australia, followed by 607,315 'Sole Proprietors', 478,955 'Trusts' and 327,519 'Partnerships'. There were a relatively small number of businesses operating in the 'Public Sector' (598).
- During the 2011–12 financial year, the entry rate was highest for 'Sole Proprietors' (16.2%), followed by 'Companies' (14.4%), 'Trusts' (12.6%), the 'Public Sector' (10.1%) and 'Partnerships' (8.0%).
- During the 2011–12 financial year, the exit rate was highest for 'Sole Proprietors' (18.6%), followed by 'Partnerships' (11.9%), 'Companies' (10.9%), the 'Public Sector' (9.9%) and 'Trusts' (9.8%).
- The survival rates at June 2012 for businesses operating in June 2008 were highest for 'Trusts' (69.4%), followed by 'Companies' (66.4%), 'Partnerships' (63.0%), the 'Public Sector' (62.6%) and 'Sole Proprietors' (51.3%).

BUSINESS COUNTS BY TYPE OF LEGAL ORGANISATION, operating at the end of financial year 2011-12 (Private Sector)



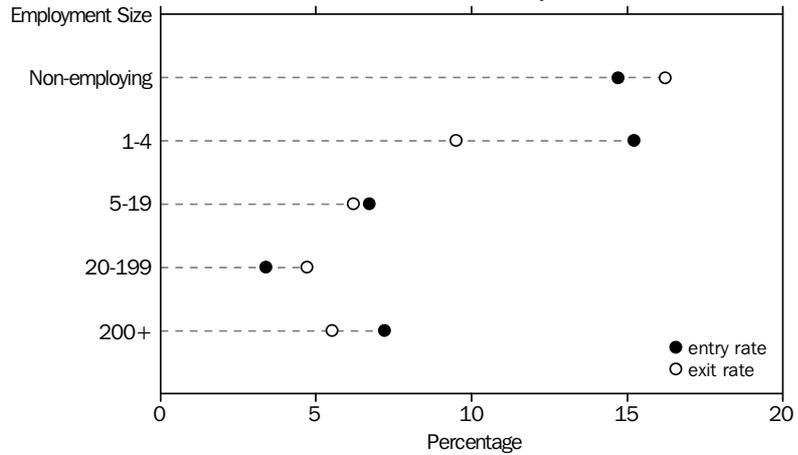
### EMPLOYMENT SIZE RANGES

- At June 2012, there were 835,187 'Employing' businesses and 1,306,093 'Non-employing' businesses.
- There were 514,859 businesses that employed '1–4' employees, followed by 231,591 businesses that employed '5–19' employees, 82,326 businesses employing '20–199' employees and 6,411 businesses that employed '200+' employees.
- For the 2011–12 financial year, the highest amount of entries were seen in the '1–4' employment size range (15.2%). This was followed by 'Non-employing' businesses (14.7%), the '200+' employment size range (7.2%), the '5–19' employment size range (6.7%) and the '20–199' employment size range (3.4%).
- The highest exit rate was in the 'Non-employing' businesses (16.2%), followed by the '1–4' employment size range (9.5%), the '5–19' employment size range (6.2%), the '200+' employment size range (5.5%) and the '20–199' employment size range (4.7%).

## SUMMARY OF FINDINGS *continued*

### EMPLOYMENT SIZE RANGES *continued*

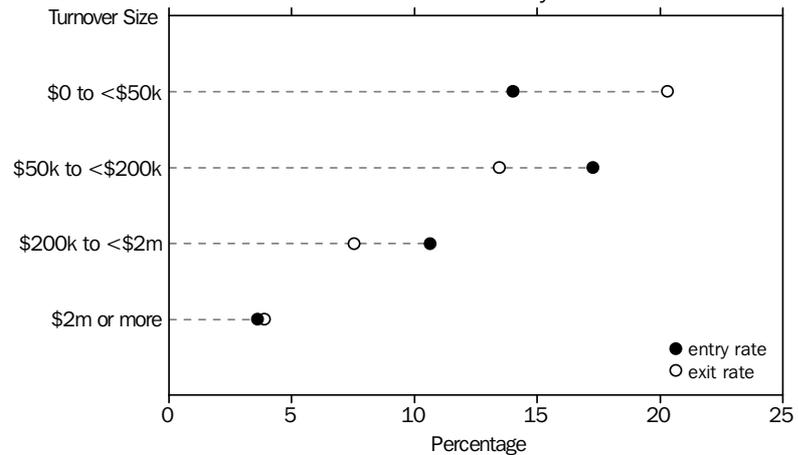
**ENTRIES AND EXITS BY EMPLOYMENT SIZE RANGE, as a % of business counts at the start of financial year 2011-12**



### ANNUAL TURNOVER SIZE RANGES

- At June 2012, there were 597,930 businesses operating in the 'zero to less than \$50k' turnover range, 739,869 businesses in the '\$50k to less than \$200k' turnover range, 673,065 businesses in the '\$200k to less than \$2m' turnover range and 130,416 businesses in the '\$2m or more' turnover range.
- During the 2011-12 financial year, entry rates were highest for businesses in the '\$50k to less than \$200k' turnover range (17.3%), followed by businesses in the 'zero to less than \$50k' turnover range (14.0%).
- Exit rates were highest for businesses in the 'zero to less than \$50k' turnover range (20.3%), followed by businesses in the '\$50k to less than \$200k' turnover range (13.5%) in 2011-12.
- In 2011-12, exit rates were lowest for businesses in the '\$2m or more' turnover range (3.9%), followed by businesses in the '\$200k to less than \$2m' turnover range (7.6%).

**ENTRIES AND EXITS BY ANNUAL TURNOVER SIZE RANGE, as a % of business counts at the start of financial year 2011-12**



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## BUSINESSES BY INDUSTRY DIVISION: June 2008–June 2012

	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.	%	%	%
2008–09								
Agriculture, Forestry and Fishing	207 594	18 865	22 138	204 321	-3 273	-1.6	9.1	10.7
Mining	7 685	1 150	1 040	7 795	110	1.4	15.0	13.5
Manufacturing	94 244	10 191	12 682	91 753	-2 491	-2.6	10.8	13.5
Electricity, Gas, Water and Waste Services	5 609	878	843	5 644	35	0.6	15.7	15.0
Construction	349 800	51 692	57 398	344 094	-5 706	-1.6	14.8	16.4
Wholesale Trade	78 704	10 031	11 673	77 062	-1 642	-2.1	12.8	14.8
Retail Trade	142 569	19 597	22 518	139 648	-2 921	-2.1	13.8	15.8
Accommodation and Food Services	78 447	13 409	14 197	77 659	-788	-1.0	17.1	18.1
Transport, Postal and Warehousing	134 416	21 583	21 939	134 060	-356	-0.3	16.1	16.3
Information Media and Telecommunications	17 978	3 122	3 162	17 938	-40	-0.2	17.4	17.6
Financial and Insurance Services	148 328	24 762	23 517	149 573	1 245	0.8	16.7	15.9
Rental, Hiring and Real Estate Services	221 123	24 529	27 405	218 247	-2 876	-1.3	11.1	12.4
Professional, Scientific and Technical Services	234 946	34 913	36 232	233 627	-1 319	-0.6	14.9	15.4
Administrative and Support Services	77 506	15 002	15 150	77 358	-148	-0.2	19.4	19.6
Public Administration and Safety	7 925	1 606	1 721	7 810	-115	-1.5	20.3	21.7
Education and Training	24 392	4 098	3 973	24 517	125	0.5	16.8	16.3
Health Care and Social Assistance	91 449	11 125	9 966	92 608	1 159	1.3	12.2	10.9
Arts and Recreation Services	27 723	4 266	4 970	27 019	-704	-2.5	15.4	17.9
Other Services	87 871	12 187	13 886	86 172	-1 699	-1.9	13.9	15.8
Currently Unknown(b)	33 051	16 117	15 431	33 737	686	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>
2009–10								
Agriculture, Forestry and Fishing	204 321	18 507	19 068	203 760	-561	-0.3	9.1	9.3
Mining	7 795	1 184	1 142	7 837	42	0.5	15.2	14.7
Manufacturing	91 753	10 688	10 870	91 571	-182	-0.2	11.7	11.9
Electricity, Gas, Water and Waste Services	5 644	907	846	5 705	61	1.1	16.1	15.0
Construction	344 094	57 438	50 986	350 546	6 452	1.9	16.7	14.8
Wholesale Trade	77 062	11 843	9 892	79 013	1 951	2.5	15.4	12.8
Retail Trade	139 648	23 709	19 642	143 715	4 067	2.9	17.0	14.1
Accommodation and Food Services	77 659	14 881	12 433	80 107	2 448	3.2	19.2	16.0
Transport, Postal and Warehousing	134 060	21 163	20 137	135 086	1 026	0.8	15.8	15.0
Information Media and Telecommunications	17 938	3 397	2 692	18 643	705	3.9	18.9	15.0
Financial and Insurance Services	149 573	29 287	17 903	160 957	11 384	7.6	19.6	12.0
Rental, Hiring and Real Estate Services	218 247	28 327	21 853	224 721	6 474	3.0	13.0	10.0
Professional, Scientific and Technical Services	233 627	43 152	30 294	246 485	12 858	5.5	18.5	13.0
Administrative and Support Services	77 358	17 206	13 022	81 542	4 184	5.4	22.2	16.8
Public Administration and Safety	7 810	1 510	1 484	7 836	26	0.3	19.3	19.0
Education and Training	24 517	4 645	3 326	25 836	1 319	5.4	19.0	13.6
Health Care and Social Assistance	92 608	12 664	7 619	97 653	5 045	5.5	13.7	8.2
Arts and Recreation Services	27 019	4 918	3 974	27 963	944	3.5	18.2	14.7
Other Services	86 172	14 260	11 494	88 938	2 766	3.2	16.6	13.3
Currently Unknown(b)	33 737	23 067	10 068	46 736	12 999	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>

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

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

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

	Operating at start of financial year	Entries(a)	Exits	Operating at end of financial year	Change	Percentage change	Entry rate	Exit rate
	no.	no.	no.	no.	no.	%	%	%
2010–11								
Agriculture, Forestry and Fishing	203 760	13 883	19 323	198 320	-5 440	-2.7	6.8	9.5
Mining	7 837	1 288	902	8 223	386	4.9	16.4	11.5
Manufacturing	91 571	9 464	10 661	90 374	-1 197	-1.3	10.3	11.6
Electricity, Gas, Water and Waste Services	5 705	909	729	5 885	180	3.2	15.9	12.8
Construction	350 546	53 725	51 499	352 772	2 226	0.6	15.3	14.7
Wholesale Trade	79 013	10 670	10 129	79 554	541	0.7	13.5	12.8
Retail Trade	143 715	21 373	20 947	144 141	426	0.3	14.9	14.6
Accommodation and Food Services	80 107	14 682	12 851	81 938	1 831	2.3	18.3	16.0
Transport, Postal and Warehousing	135 086	18 502	21 176	132 412	-2 674	-2.0	13.7	15.7
Information Media and Telecommunications	18 643	3 046	2 756	18 933	290	1.6	16.3	14.8
Financial and Insurance Services	160 957	22 223	18 498	164 682	3 725	2.3	13.8	11.5
Rental, Hiring and Real Estate Services	224 721	23 378	21 393	226 706	1 985	0.9	10.4	9.5
Professional, Scientific and Technical Services	246 485	37 462	32 449	251 498	5 013	2.0	15.2	13.2
Administrative and Support Services	81 542	14 914	14 120	82 336	794	1.0	18.3	17.3
Public Administration and Safety	7 836	1 372	1 407	7 801	-35	-0.5	17.5	18.0
Education and Training	25 836	4 074	3 636	26 274	438	1.7	15.8	14.1
Health Care and Social Assistance	97 653	11 583	8 025	101 211	3 558	3.6	11.9	8.2
Arts and Recreation Services	27 963	3 946	4 179	27 730	-233	-0.8	14.1	14.9
Other Services	88 938	12 951	12 183	89 706	768	0.9	14.6	13.7
Currently Unknown(b)	46 736	14 765	19 585	41 916	-4 820	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>

2011–12								
Agriculture, Forestry and Fishing	198 320	12 824	18 650	192 494	-5 826	-2.9	6.5	9.4
Mining	8 223	1 128	913	8 438	215	2.6	13.7	11.1
Manufacturing	90 374	8 102	10 410	88 066	-2 308	-2.6	9.0	11.5
Electricity, Gas, Water and Waste Services	5 885	761	813	5 833	-52	-0.9	12.9	13.8
Construction	352 772	47 317	52 892	347 197	-5 575	-1.6	13.4	15.0
Wholesale Trade	79 554	9 052	9 909	78 697	-857	-1.1	11.4	12.5
Retail Trade	144 141	18 224	20 847	141 518	-2 623	-1.8	12.6	14.5
Accommodation and Food Services	81 938	13 692	12 982	82 648	710	0.9	16.7	15.8
Transport, Postal and Warehousing	132 412	16 959	19 603	129 768	-2 644	-2.0	12.8	14.8
Information Media and Telecommunications	18 933	2 609	2 775	18 767	-166	-0.9	13.8	14.7
Financial and Insurance Services	164 682	21 301	19 188	166 795	2 113	1.3	12.9	11.7
Rental, Hiring and Real Estate Services	226 706	20 012	21 705	225 013	-1 693	-0.8	8.8	9.6
Professional, Scientific and Technical Services	251 498	32 918	33 318	251 098	-400	-0.2	13.1	13.3
Administrative and Support Services	82 336	13 469	13 819	81 986	-350	-0.4	16.4	16.8
Public Administration and Safety	7 801	1 226	1 364	7 663	-138	-1.8	15.7	17.5
Education and Training	26 274	3 670	3 580	26 364	90	0.3	14.0	13.6
Health Care and Social Assistance	101 211	11 288	8 175	104 324	3 113	3.1	11.2	8.1
Arts and Recreation Services	27 730	3 571	4 107	27 194	-536	-1.9	12.9	14.8
Other Services	89 706	11 842	12 483	89 065	-641	-0.7	13.2	13.9
Currently Unknown(b)	41 916	37 556	11 120	68 352	26 436	np	np	np
<b>All Industries</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>

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

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

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

## SURVIVAL OF BUSINESSES BY INDUSTRY DIVISION: June 2008–June 2012

	<i>Operating in June 2008</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>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Agriculture, Forestry and Fishing	207 594	185 456	89.3	170 857	82.3	158 162	76.2	146 801	70.7
Mining	7 685	6 645	86.5	5 846	76.1	5 317	69.2	4 908	63.9
Manufacturing	94 244	81 562	86.5	73 031	77.5	66 447	70.5	60 869	64.6
Electricity, Gas, Water and Waste Services	5 609	4 766	85.0	4 145	73.9	3 740	66.7	3 412	60.8
Construction	349 800	292 402	83.6	255 182	73.0	227 660	65.1	204 165	58.4
Wholesale Trade	78 704	67 031	85.2	59 517	75.6	53 864	68.4	49 293	62.6
Retail Trade	142 569	120 051	84.2	105 005	73.7	93 031	65.3	83 236	58.4
Accommodation and Food Services	78 447	64 250	81.9	54 871	70.0	47 727	60.8	42 059	53.6
Transport, Postal and Warehousing	134 416	112 477	83.7	97 774	72.7	86 521	64.4	77 596	57.7
Information Media and Telecommunications	17 978	14 816	82.4	12 856	71.5	11 446	63.7	10 295	57.3
Financial and Insurance Services	148 328	124 811	84.2	112 183	75.6	102 892	69.4	93 760	63.2
Rental, Hiring and Real Estate Services	221 123	193 718	87.6	177 096	80.1	164 334	74.3	153 359	69.4
Professional, Scientific and Technical Services	234 946	198 714	84.6	176 040	74.9	159 272	67.8	144 874	61.7
Administrative and Support Services	77 506	62 356	80.5	53 465	69.0	47 182	60.9	42 087	54.3
Public Administration and Safety	7 925	6 204	78.3	5 202	65.6	4 533	57.2	4 034	50.9
Education and Training	24 392	20 419	83.7	18 025	73.9	16 224	66.5	14 767	60.5
Health Care and Social Assistance	91 449	81 483	89.1	75 639	82.7	70 975	77.6	66 875	73.1
Arts and Recreation Services	27 723	22 753	82.1	19 935	71.9	17 737	64.0	15 831	57.1
Other Services	87 871	73 985	84.2	65 276	74.3	58 467	66.5	52 805	60.1
Currently Unknown(a)	33 051	17 620	np	13 190	np	11 021	np	9 175	np
<b>All Industries</b>	<b>2 071 360</b>	<b>1 751 519</b>	<b>84.6</b>	<b>1 555 135</b>	<b>75.1</b>	<b>1 406 552</b>	<b>67.9</b>	<b>1 280 201</b>	<b>61.8</b>

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

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

## SURVIVAL OF ENTRIES BY INDUSTRY DIVISION: June 2008–June 2012

	Entries in 2008–09	Survived to June 2010	Survival rate	Survived to June 2011	Survival rate	Survived to June 2012	Survival rate
	no.	no.	%	no.	%	no.	%
Agriculture, Forestry and Fishing	18 865	14 396	76.3	12 252	65.0	9 991	53.0
Mining	1 150	807	70.2	664	57.7	591	51.4
Manufacturing	10 191	7 852	77.1	6 322	62.0	5 408	53.1
Electricity, Gas, Water and Waste Services	878	653	74.4	535	60.9	458	52.2
Construction	51 692	37 926	73.4	29 229	56.5	24 301	47.0
Wholesale Trade	10 031	7 653	76.3	6 107	60.9	5 199	51.8
Retail Trade	19 597	15 001	76.6	11 886	60.7	9 828	50.2
Accommodation and Food Services	13 409	10 355	77.2	8 105	60.4	6 676	49.8
Transport, Postal and Warehousing	21 583	16 149	74.8	12 080	56.0	10 030	46.5
Information Media and Telecommunications	3 122	2 390	76.6	1 894	60.7	1 562	50.0
Financial and Insurance Services	24 762	19 487	78.7	16 705	67.5	14 633	59.1
Rental, Hiring and Real Estate Services	24 529	19 298	78.7	16 459	67.1	14 477	59.0
Professional, Scientific and Technical Services	34 913	27 293	78.2	21 781	62.4	18 292	52.4
Administrative and Support Services	15 002	10 871	72.5	8 130	54.2	6 634	44.2
Public Administration and Safety	1 606	1 124	70.0	845	52.6	714	44.5
Education and Training	4 098	3 166	77.3	2 490	60.8	2 095	51.1
Health Care and Social Assistance	11 125	9 350	84.0	8 034	72.2	7 203	64.8
Arts and Recreation Services	4 266	3 110	72.9	2 512	58.9	2 065	48.4
Other Services	12 187	9 402	77.2	7 410	60.8	6 168	50.6
Currently Unknown(a)	16 117	10 479	np	7 520	np	6 212	np
<b>All Industries</b>	<b>299 123</b>	<b>226 762</b>	<b>75.8</b>	<b>180 960</b>	<b>60.5</b>	<b>152 537</b>	<b>51.0</b>

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

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

## BUSINESSES BY MAIN STATE(a): June 2008–June 2012

	<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.	%	%	%
2008–09								
New South Wales	689 284	96 969	106 470	679 783	-9 501	-1.4	14.1	15.5
Victoria	518 675	74 570	78 115	515 130	-3 545	-0.7	14.4	15.1
Queensland	424 512	65 413	69 032	420 893	-3 619	-0.9	15.4	16.3
South Australia	145 809	18 820	20 307	144 322	-1 487	-1.0	12.9	13.9
Western Australia	214 630	32 641	33 975	213 296	-1 334	-0.6	15.2	15.8
Tasmania	38 626	4 446	5 105	37 967	-659	-1.7	11.5	13.2
Northern Territory	13 898	2 305	2 391	13 812	-86	-0.6	16.6	17.2
Australian Capital Territory	24 825	3 663	4 178	24 310	-515	-2.1	14.8	16.8
Currently Unknown(c)	1 101	296	268	1 129	28	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	679 783	114 178	89 073	704 888	25 105	3.7	16.8	13.1
Victoria	515 130	88 105	65 836	537 399	22 269	4.3	17.1	12.8
Queensland	420 893	71 025	58 759	433 159	12 266	2.9	16.9	14.0
South Australia	144 322	20 752	16 558	148 516	4 194	2.9	14.4	11.5
Western Australia	213 296	36 270	28 552	221 014	7 718	3.6	17.0	13.4
Tasmania	37 967	5 192	4 152	39 007	1 040	2.7	13.7	10.9
Northern Territory	13 812	2 545	2 075	14 282	470	3.4	18.4	15.0
Australian Capital Territory	24 310	4 372	3 441	25 241	931	3.8	18.0	14.2
Currently Unknown(c)	1 129	314	299	1 144	15	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	704 888	97 620	95 624	706 884	1 996	0.3	13.9	13.6
Victoria	537 399	77 135	70 605	543 929	6 530	1.2	14.4	13.1
Queensland	433 159	59 187	61 799	430 547	-2 612	-0.6	13.7	14.3
South Australia	148 516	17 717	18 069	148 164	-352	-0.2	11.9	12.2
Western Australia	221 014	31 532	29 857	222 689	1 675	0.8	14.3	13.5
Tasmania	39 007	4 360	4 528	38 839	-168	-0.4	11.2	11.6
Northern Territory	14 282	2 245	2 023	14 504	222	1.6	15.7	14.2
Australian Capital Territory	25 241	4 076	3 704	25 613	372	1.5	16.2	14.7
Currently Unknown(c)	1 144	338	239	1 243	99	np	np	np
<b>Australia</b>	<b>2 124 650</b>	<b>294 210</b>	<b>286 448</b>	<b>2 132 412</b>	<b>7 762</b>	<b>0.4</b>	<b>13.9</b>	<b>13.5</b>
2011–12								
New South Wales	706 884	95 500	91 651	710 733	3 849	0.5	13.5	13.0
Victoria	543 929	75 947	68 656	551 220	7 291	1.3	14.0	12.6
Queensland	430 547	58 117	60 149	428 515	-2 032	-0.5	13.5	14.0
South Australia	148 164	17 055	17 081	148 138	-26	—	11.5	11.5
Western Australia	222 689	30 212	30 983	221 918	-771	-0.4	13.6	13.9
Tasmania	38 839	4 119	4 300	38 658	-181	-0.5	10.6	11.1
Northern Territory	14 504	2 180	2 015	14 669	165	1.1	15.0	13.9
Australian Capital Territory	25 613	4 014	3 611	26 016	403	1.6	15.7	14.1
Currently Unknown(c)	1 243	377	207	1 413	170	np	np	np
<b>Australia</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>

— nil or rounded to zero (including null cells)

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

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

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

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

## 5

## SURVIVAL OF BUSINESSES BY MAIN STATE(a): June 2008–June 2012

	<i>Operating in June 2008</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>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
New South Wales	689 284	582 814	84.6	518 099	75.2	469 089	68.1	428 440	62.2
Victoria	518 675	440 560	84.9	392 268	75.6	355 936	68.6	325 191	62.7
Queensland	424 512	355 480	83.7	312 762	73.7	280 969	66.2	253 579	59.7
South Australia	145 809	125 502	86.1	113 010	77.5	102 796	70.5	94 265	64.7
Western Australia	214 630	180 655	84.2	159 922	74.5	144 283	67.2	129 945	60.5
Tasmania	38 626	33 521	86.8	30 298	78.4	27 601	71.5	25 338	65.6
Northern Territory	13 898	11 507	82.8	10 035	72.2	9 104	65.5	8 280	59.6
Australian Capital Territory	24 825	20 647	83.2	18 073	72.8	16 186	65.2	14 639	59.0
Currently Unknown(b)	1 101	833	np	668	np	588	np	524	np
<b>Australia</b>	<b>2 071 360</b>	<b>1 751 519</b>	<b>84.6</b>	<b>1 555 135</b>	<b>75.1</b>	<b>1 406 552</b>	<b>67.9</b>	<b>1 280 201</b>	<b>61.8</b>

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

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

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

## 6

## SURVIVAL OF ENTRIES BY MAIN STATE(a): June 2008–June 2012

	<i>Entries in 2008–09</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
New South Wales	96 969	72 611	74.9	57 734	59.5	48 666	50.2
Victoria	74 570	57 026	76.5	45 828	61.5	38 790	52.0
Queensland	65 413	49 372	75.5	38 802	59.3	32 528	49.7
South Australia	18 820	14 754	78.4	12 063	64.1	10 326	54.9
Western Australia	32 641	24 822	76.1	19 919	61.0	16 628	50.9
Tasmania	4 446	3 517	79.1	2 936	66.0	2 518	56.6
Northern Territory	2 305	1 702	73.8	1 325	57.5	1 107	48.0
Australian Capital Territory	3 663	2 796	76.3	2 223	60.7	1 865	50.9
Currently Unknown(b)	296	162	np	130	np	109	np
<b>Australia</b>	<b>299 123</b>	<b>226 762</b>	<b>75.8</b>	<b>180 960</b>	<b>60.5</b>	<b>152 537</b>	<b>51.0</b>

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

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

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

## BUSINESSES BY INSTITUTIONAL SECTOR: June 2008–June 2012

	<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.	%	%	%
2008–09								
Non–Financial Corporations	619 576	74 919	75 429	619 066	–510	–0.1	12.1	12.2
Financial Corporations	142 752	23 545	22 171	144 126	1 374	1.0	16.5	15.5
Households	1 275 987	184 558	206 811	1 253 734	–22 253	–1.7	14.5	16.2
Currently Unknown(b)	33 045	16 101	15 430	33 716	671	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	619 066	84 522	70 517	633 071	14 005	2.3	13.7	11.4
Financial Corporations	144 126	28 135	16 728	155 533	11 407	7.9	19.5	11.6
Households	1 253 734	207 030	171 434	1 289 330	35 596	2.8	16.5	13.7
Currently Unknown(b)	33 716	23 066	10 066	46 716	13 000	np	np	np
<b>All Sectors</b>	<b>2 050 642</b>	<b>342 753</b>	<b>268 745</b>	<b>2 124 650</b>	<b>74 008</b>	<b>3.6</b>	<b>16.7</b>	<b>13.1</b>
2010–11								
Non–Financial Corporations	633 071	83 382	69 791	646 662	13 591	2.2	13.2	11.0
Financial Corporations	155 533	21 629	17 451	159 711	4 178	2.7	13.9	11.2
Households	1 289 330	174 435	179 625	1 284 140	–5 190	–0.4	13.5	13.9
Currently Unknown(b)	46 716	14 764	19 581	41 899	–4 817	np	np	np
<b>All Sectors</b>	<b>2 124 650</b>	<b>294 210</b>	<b>286 448</b>	<b>2 132 412</b>	<b>7 762</b>	<b>0.4</b>	<b>13.9</b>	<b>13.5</b>
2011–12								
Non–Financial Corporations	646 662	81 395	68 191	659 866	13 204	2.0	12.6	10.6
Financial Corporations	159 711	20 834	18 118	162 427	2 716	1.7	13.0	11.3
Households	1 284 140	147 737	181 226	1 250 651	–33 489	–2.6	11.5	14.1
Currently Unknown(b)	41 899	37 555	11 118	68 336	26 437	np	np	np
<b>All Sectors</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>

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

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

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

## SURVIVAL OF BUSINESSES BY INSTITUTIONAL SECTOR: June 2008–June 2012

	<i>Operating in June 2008</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>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Non-Financial Corporations	619 576	544 147	87.8	489 877	79.1	448 663	72.4	415 975	67.1
Financial Corporations	142 752	120 581	84.5	108 698	76.1	99 877	70.0	91 213	63.9
Households	1 275 987	1 069 176	83.8	943 374	73.9	846 993	66.4	763 840	59.9
Currently Unknown(a)	33 045	17 615	np	13 186	np	11 019	np	9 173	np
<b>All Sectors</b>	<b>2 071 360</b>	<b>1 751 519</b>	<b>84.6</b>	<b>1 555 135</b>	<b>75.1</b>	<b>1 406 552</b>	<b>67.9</b>	<b>1 280 201</b>	<b>61.8</b>

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

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

## SURVIVAL OF ENTRIES BY INSTITUTIONAL SECTOR: June 2008–June 2012

	<i>Entries in 2008–09</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Non-Financial Corporations	74 919	58 672	78.3	47 840	63.9	41 736	55.7
Financial Corporations	23 545	18 700	79.4	16 086	68.3	14 208	60.3
Households	184 558	138 926	75.3	109 526	59.4	90 391	49.0
Currently Unknown(a)	16 101	10 464	np	7 508	np	6 202	np
<b>All Sectors</b>	<b>299 123</b>	<b>226 762</b>	<b>75.8</b>	<b>180 960</b>	<b>60.5</b>	<b>152 537</b>	<b>51.0</b>

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

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

	<i>Operating at start of financial year</i>	<i>Entries (a)</i>	<i>Exits</i>	<i>Operating at end of financial year</i>	<i>Change</i>	<i>Percentage change</i>	<i>Entry rate</i>	<i>Exit rate</i>
	no.	no.	no.	no.	no.	%	%	%
2008–09								
Private Sector								
Total Companies	670 733	86 133	86 161	670 705	-28	—	12.8	12.9
Sole Proprietors	620 502	118 056	133 532	605 026	-15 476	-2.5	19.0	21.5
Total Partnerships	378 831	33 877	52 453	360 255	-18 576	-4.9	8.9	13.9
Trusts	400 671	60 973	47 630	414 014	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	670 705	97 000	79 073	688 632	17 927	2.7	14.5	11.8
Sole Proprietors	605 026	137 051	107 053	635 024	29 998	5.0	22.7	17.7
Total Partnerships	360 255	36 235	42 137	354 353	-5 902	-1.6	10.1	11.7
Trusts	414 014	72 359	40 382	445 991	31 977	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	688 632	94 051	80 380	702 303	13 671	2.0	13.7	11.7
Sole Proprietors	635 024	107 871	120 056	622 839	-12 185	-1.9	17.0	18.9
Total Partnerships	354 353	29 267	42 747	340 873	-13 480	-3.8	8.3	12.1
Trusts	445 991	62 973	43 164	465 800	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>
2011–12								
Private Sector								
Total Companies	702 303	100 924	76 334	726 893	24 590	3.5	14.4	10.9
Sole Proprietors	622 839	100 562	116 086	607 315	-15 524	-2.5	16.2	18.6
Total Partnerships	340 873	27 234	40 588	327 519	-13 354	-3.9	8.0	11.9
Trusts	465 800	58 741	45 586	478 955	13 155	2.8	12.6	9.8
Public sector								
Public Sector	597	60	59	598	1	0.2	10.1	9.9
<b>All Organisational Types</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>

— nil or rounded to zero (including null cells)

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

# 11

## SURVIVAL OF BUSINESSES BY TYPE OF LEGAL ORGANISATION: June 2008–June 2012

	<i>Operating in June 2008</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>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
<b>Private Sector</b>									
Total Companies	670 733	584 572	87.2	525 024	78.3	480 410	71.6	445 092	66.4
Sole Proprietors	620 502	486 970	78.5	414 843	66.9	362 769	58.5	318 207	51.3
Total Partnerships	378 831	326 378	86.2	291 683	77.0	263 064	69.4	238 489	63.0
Trusts	400 671	353 041	88.1	323 106	80.6	299 891	74.9	278 023	69.4
<b>Public Sector</b>									
Public Sector	623	558	89.6	479	76.9	418	67.1	390	62.6
<b>All Organisational Types</b>	<b>2 071 360</b>	<b>1 751 519</b>	<b>84.6</b>	<b>1 555 135</b>	<b>75.1</b>	<b>1 406 552</b>	<b>67.9</b>	<b>1 280 201</b>	<b>61.8</b>

# 12

## SURVIVAL OF ENTRIES BY TYPE OF LEGAL ORGANISATION: June 2008–June 2012

	<i>Entries in 2008–09</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
<b>Private Sector</b>							
Total Companies	86 133	66 608	77.3	53 946	62.6	46 927	54.5
Sole Proprietors	118 056	83 130	70.4	61 557	52.1	48 286	40.9
Total Partnerships	33 877	26 435	78.0	21 290	62.8	17 694	52.2
Trusts	60 973	50 526	82.9	44 115	72.4	39 586	64.9
<b>Public Sector</b>							
Public Sector	84	63	75.0	52	61.9	44	52.4
<b>All Organisational Types</b>	<b>299 123</b>	<b>226 762</b>	<b>75.8</b>	<b>180 960</b>	<b>60.5</b>	<b>152 537</b>	<b>51.0</b>

	<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.	%	%	%
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>
2011–12									
Non–employing	1 306 023	191 904	212 120	20 286	1 306 093	70	—	14.7	16.2
Employing									
1–4(d)	508 674	77 042	48 175	–22 587	514 859	6 185	1.2	15.2	9.5
5–19	230 638	15 410	14 253	–149	231 591	953	0.4	6.7	6.2
20–199	81 006	2 729	3 769	2 360	82 326	1 320	1.6	3.4	4.7
200+	6 071	436	336	90	6 411	340	5.6	7.2	5.5
Total employing	826 389	95 617	66 533	–20 286	835 187	8 798	1.1	11.6	8.1
<b>Total</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>—</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 53–57 in the Explanatory Notes for more information regarding employment size ranges.

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

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

(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.

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

## CHANGED BUSINESS SIZE CATEGORY AT JUNE 2009

## BUSINESS SIZE CATEGORY AT JUNE 2008

## (Employment Size Ranges)

Non–employing	955 890	35 717	3 102	621	106	68 290	39 546	28 744
Employing								
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>	<b>—</b>

## CHANGED BUSINESS SIZE CATEGORY AT JUNE 2010

## BUSINESS SIZE CATEGORY AT JUNE 2009

## (Employment Size Ranges)

Non–employing	991 804	35 302	2 780	494	42	65 990	38 618	27 372
Employing								
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>	<b>—</b>

## CHANGED BUSINESS SIZE CATEGORY AT JUNE 2011

## BUSINESS SIZE CATEGORY AT JUNE 2010

## (Employment Size Ranges)

Non–employing	1 042 971	37 125	2 841	497	32	64 283	40 495	23 788
Employing								
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>	<b>—</b>

## CHANGED BUSINESS SIZE CATEGORY AT JUNE 2012

## BUSINESS SIZE CATEGORY AT JUNE 2011

## (Employment Size Ranges)

Non–employing	1 052 102	38 285	2 951	518	47	62 087	41 801	20 286
Employing								
1–4(c)	51 209	370 429	36 436	2 287	138	67 388	89 975	–22 587
5–19	8 336	26 823	168 646	12 525	55	47 535	47 684	–149
20–199	2 528	2 011	8 061	63 846	791	15 751	13 391	2 360
200+	141	166	61	493	4 874	1 031	941	90
<b>Total</b>	<b>1 114 316</b>	<b>437 714</b>	<b>216 155</b>	<b>79 669</b>	<b>5 905</b>	<b>193 792</b>	<b>193 792</b>	<b>—</b>

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 53–57 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.

# 15

## SURVIVAL OF BUSINESSES BY EMPLOYMENT SIZE RANGES (a): June 2008–June 2012

	<i>Operating in June 2008</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>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Non–employing	1 236 622	995 436	80.5	863 716	69.8	768 317	62.1	687 711	55.6
Employing									
1–4(b)	513 093	458 060	89.3	414 537	80.8	379 214	73.9	349 250	68.1
5–19	231 922	214 601	92.5	199 126	85.9	185 783	80.1	174 153	75.1
20–199	83 630	77 678	92.9	72 594	86.8	68 368	81.8	64 440	77.1
200+	6 093	5 744	94.3	5 162	84.7	4 870	79.9	4 647	76.3
Total employing	834 738	756 083	90.6	691 419	82.8	638 235	76.5	592 490	71.0
<b>Total</b>	<b>2 071 360</b>	<b>1 751 519</b>	<b>84.6</b>	<b>1 555 135</b>	<b>75.1</b>	<b>1 406 552</b>	<b>67.9</b>	<b>1 280 201</b>	<b>61.8</b>

- (a) Please refer to paragraphs 53–57 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.

# 16

## SURVIVAL OF ENTRIES BY EMPLOYMENT SIZE RANGES (a): June 2008–June 2012

	<i>Entries in 2008–09</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Non–employing	205 699	149 662	72.8	116 330	56.6	95 661	46.5
Employing							
1–4(b)	73 916	60 617	82.0	50 346	68.1	44 072	59.6
5–19	15 297	12 916	84.4	11 114	72.7	9 880	64.6
20–199	3 246	2 718	83.7	2 410	74.3	2 211	68.1
200+	965	849	88.0	760	78.8	713	73.9
Total employing	93 424	77 100	82.5	64 630	69.2	56 876	60.9
<b>Total</b>	<b>299 123</b>	<b>226 762</b>	<b>75.8</b>	<b>180 960</b>	<b>60.5</b>	<b>152 537</b>	<b>51.0</b>

- (a) Please refer to paragraphs 53–57 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 2008–June 2012

	<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.	%	%	%
2008–09									
Zero to less than \$50k	617 964	118 932	154 418	15 495	597 973	-19 991	-3.2	19.3	25.0
\$50k to less than \$200k	709 949	106 375	102 718	-20 233	693 373	-16 576	-2.3	15.0	14.5
\$200k to less than \$2m	624 816	68 411	56 243	-775	636 209	11 393	1.8	11.0	9.0
\$2m or more	118 631	5 405	6 462	5 513	123 087	4 456	3.8	4.6	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	597 973	122 470	123 667	29 984	626 760	28 787	4.8	20.5	20.7
\$50k to less than \$200k	693 373	147 425	87 381	-13 397	740 020	46 647	6.7	21.3	12.6
\$200k to less than \$2m	636 209	68 090	51 451	-15 857	636 991	782	0.1	10.7	8.1
\$2m or more	123 087	4 768	6 246	-730	120 879	-2 208	-1.8	3.9	5.1
<b>Total</b>	<b>2 050 642</b>	<b>342 753</b>	<b>268 745</b>	<b>—</b>	<b>2 124 650</b>	<b>74 008</b>	<b>3.6</b>	<b>16.7</b>	<b>13.1</b>
2010–11									
Zero to less than \$50k	626 760	96 641	129 878	24 465	617 988	-8 772	-1.4	15.4	20.7
\$50k to less than \$200k	740 020	124 650	102 294	-26 151	736 225	-3 795	-0.5	16.8	13.8
\$200k to less than \$2m	636 991	68 394	49 502	-2 788	653 095	16 104	2.5	10.7	7.8
\$2m or more	120 879	4 525	4 774	4 474	125 104	4 225	3.5	3.7	4.0
<b>Total</b>	<b>2 124 650</b>	<b>294 210</b>	<b>286 448</b>	<b>—</b>	<b>2 132 412</b>	<b>7 762</b>	<b>0.4</b>	<b>13.9</b>	<b>13.5</b>
2011–12									
Zero to less than \$50k	617 988	86 509	125 395	18 828	597 930	-20 058	-3.3	14.0	20.3
\$50k to less than \$200k	736 225	127 107	99 068	-24 395	739 869	3 644	0.5	17.3	13.5
\$200k to less than \$2m	653 095	69 399	49 308	-121	673 065	19 970	3.1	10.6	7.6
\$2m or more	125 104	4 506	4 882	5 688	130 416	5 312	4.3	3.6	3.9
<b>Total</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>—</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>	<b>13.5</b>	<b>13.1</b>

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 58–60 in the Explanatory Notes for more information regarding annual turnover size ranges.

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

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

CHANGED BUSINESS SIZE CATEGORY  
(ANNUAL TURNOVER SIZE RANGES)

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

CHANGED BUSINESS SIZE CATEGORY AT JUNE 2009

BUSINESS SIZE CATEGORY AT JUNE 2008

(Annual Turnover Size Ranges)

Zero to less than \$50k	367 090	82 454	12 769	1 233	111 951	96 456	15 495
\$50k to less than \$200k	85 110	439 261	81 571	1 289	147 737	167 970	-20 233
\$200k to less than \$2m	24 589	63 814	460 762	19 408	107 036	107 811	-775
\$2m or more	2 252	1 469	12 696	95 752	21 930	16 417	5 513
<b>Total</b>	<b>479 041</b>	<b>586 998</b>	<b>567 798</b>	<b>117 682</b>	<b>388 654</b>	<b>388 654</b>	—

CHANGED BUSINESS SIZE CATEGORY AT JUNE 2010

BUSINESS SIZE CATEGORY AT JUNE 2009

(Annual Turnover Size Ranges)

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

CHANGED BUSINESS SIZE CATEGORY AT JUNE 2011

BUSINESS SIZE CATEGORY AT JUNE 2010

(Annual Turnover Size Ranges)

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

CHANGED BUSINESS SIZE CATEGORY AT JUNE 2012

BUSINESS SIZE CATEGORY AT JUNE 2011

(Annual Turnover Size Ranges)

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

— nil or rounded to zero (including null cells)

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

(a) Please refer to paragraphs 58–60 in the Explanatory Notes for more information regarding annual turnover size ranges.

## 19

## SURVIVAL OF BUSINESSES BY ANNUAL TURNOVER SIZE RANGES (a): June 2008–June 2012

	<i>Operating in June 2008</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>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%	no.	%
Zero to less than \$50k	617 964	463 546	75.0	389 649	63.1	337 676	54.6	293 531	47.5
\$50k to less than \$200k	709 949	607 231	85.5	537 552	75.7	483 981	68.2	439 142	61.9
\$200k to less than \$2m	624 816	568 573	91.0	522 433	83.6	484 722	77.6	452 290	72.4
\$2m or more	118 631	112 169	94.6	105 501	88.9	100 173	84.4	95 238	80.3
<b>Total</b>	<b>2 071 360</b>	<b>1 751 519</b>	<b>84.6</b>	<b>1 555 135</b>	<b>75.1</b>	<b>1 406 552</b>	<b>67.9</b>	<b>1 280 201</b>	<b>61.8</b>

(a) Please refer to paragraphs 58–60 in the Explanatory Notes for more information regarding annual turnover size ranges.

## 20

## SURVIVAL OF ENTRIES BY ANNUAL TURNOVER SIZE RANGES (a): June 2008–June 2012

	<i>Entries in 2008–09</i>	<i>Survived to June 2010</i>	<i>Survival rate</i>	<i>Survived to June 2011</i>	<i>Survival rate</i>	<i>Survived to June 2012</i>	<i>Survival rate</i>
	no.	no.	%	no.	%	no.	%
Zero to less than \$50k	118 932	87 945	74.0	69 267	58.2	56 128	47.2
\$50k to less than \$200k	106 375	79 803	75.0	62 220	58.5	52 593	49.4
\$200k to less than \$2m	68 411	54 477	79.6	45 401	66.4	40 105	58.6
\$2m or more	5 405	4 537	83.9	4 072	75.3	3 711	68.7
<b>Total</b>	<b>299 123</b>	<b>226 762</b>	<b>75.8</b>	<b>180 960</b>	<b>60.5</b>	<b>152 537</b>	<b>51.0</b>

(a) Please refer to paragraphs 58–60 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 2008, 2009, 2010, 2011, and 2012 from the Australian Bureau of Statistics Business Register (ABSBR). This publication contains counts and rates of business entries and exits from the Australian economy as well as counts and rates pertaining to the survival of businesses.

**2** The scope of *Counts of Australian Businesses, including Entries and Exits (CABEE)*, June 2008 to June 2012 (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 some previous releases focused on different populations. Refer to section entitled 'Scope' and 'Appendix 1 ABS Business Counts' for further information.

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

### DATA SOURCE

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

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

### STATISTICAL UNIT

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

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

## EXPLANATORY NOTES *continued*

### STATISTICAL UNIT *continued*

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

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

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

### SCOPE

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

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

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

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

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

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

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

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

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

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

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

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

## EXPLANATORY NOTES *continued*

### SCOPE *continued*

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

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

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

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

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

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

## EXPLANATORY NOTES *continued*

- COVERAGE**
- 23** There are actively trading businesses which have not registered for an ABN, either because they do not have any obligations under the Goods and Services Tax (GST) legislation or are under the threshold for registration and have chosen not to register. These businesses have not been identified or quantified and are not included in counts presented in this publication.
- COMPARABILITY WITH FRAMES FOR ABS BUSINESS SURVEYS**
- 24** The basis for business counts in this release is broadly consistent with that used for frames in most ABS business surveys. There are two exceptions to this:
- the scope with regard to industry, sector, or type of legal organisation can vary according to the requirements of the survey. In some cases, classifications excluded from these business counts are included in a survey frame in order to more comprehensively measure a particular part of the economy. Other survey frames may only include a subset of these classifications such as excluding businesses with invalid ANZSIC codes. Most frames currently include 'Employing' businesses only; and
  - most survey frames include entities with a tax role to withhold income tax from their employees (ITW role) but without (GST role). There are approximately 47,000 such entities. Investigations indicate that units with an ITW role but no GST role are likely to be part of a complex business structure. Such entities are excluded from these counts as they are not considered to be actively trading in goods and services. For business surveys designed to, amongst other things, provide estimates of wages and salaries paid (irrespective of whether the entity is actively trading or not), it is important that these entities are included on frames.
- REFERENCE PERIOD**
- 25** Counts of businesses provided in the CABEE suite of products are based on annual (financial year) snapshots of the ABSBR from 30 June 2008 to 30 June 2012 (inclusive) and also reflect changes and continuity between those periods.
- TIME SERIES**
- 26** The data presented in this publication was produced on a similar conceptual basis to the data included in previous publications. In terms of time series, at an aggregate level, data comparability is considered high between this and previous publications. Refer to the section entitled 'Scope' for further information.
- 27** However, users should exercise caution when comparing geographical data between this publication and publications released prior to the June 2007 to June 2011 publication. The ABS has implemented a new geographical framework, namely the *Australian Statistical Geography Standard (ASGS)*. With the move to the new geography framework, both National data and State based data will remain unchanged. Refer to section entitled 'ASGS' for further information.
- 28** Users should also exercise caution when making data comparisons between this publication and previous publications containing ANZSIC 1993 industry detail and annual turnover size ranges which will not be directly comparable with the data included in this publication.
- BUSINESS EVENTS**
- 29** This release contains snapshots of counts of active businesses at regular points in time. These data also assist in providing a point in time 'snapshot' of those businesses that are entering and exiting the Australian economy, as well as those businesses that continue to survive. For further information, refer to the publication's Technical Note.
- 30** Business entry and exit counts are restricted to new or ceasing businesses. In particular, entries do not include the establishment of new locations associated with an existing business.
- ENTRIES**
- 31** A business entry event is the registration of a new business for an ABN and the allocation of a GST role, or the allocation of a GST role to an existing ABN which previously did not have this role.
- 32** This also includes businesses which had:

## EXPLANATORY NOTES *continued*

### ENTRIES *continued*

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

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

### EXITS

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

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

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

### SURVIVALS

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

- businesses that were on the ABSBR at 30 June 2008. Due to the changed basis of the ABSBR in 2003, the ABS has determined that it is not feasible to ascertain the age of these businesses. The survival of these businesses is measured in terms of whether they were still on the ABSBR at 30 June 2009, 30 June 2010, 30 June 2011, and 30 June 2012; and
- businesses that were entries in 2008–09. That is, they were not on the ABSBR at 30 June 2008 but were on 30 June 2009. The survival of these businesses is measured in terms of whether they were still on the ABSBR at 30 June 2010, 30 June 2011, and 30 June 2012.

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

### INTRA-YEAR ENTRIES AND EXITS

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

### DATA QUALITY

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

### A COMPREHENSIVE COUNT OF ALL ECONOMICALLY ACTIVE ENTITIES

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

## EXPLANATORY NOTES *continued*

### A COMPREHENSIVE COUNT OF ALL ECONOMICALLY ACTIVE ENTITIES *continued*

system using existing data sources. Only partial coverage of these entities is possible using existing data sources and it is not possible to quantify the extent of this partial coverage.

### INDUSTRY

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

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

### ASGS AUSTRALIAN STATISTICAL GEOGRAPHY STANDARD (ASGS)

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

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

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

### MAIN STATE

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

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

## EXPLANATORY NOTES *continued*

### STATISTICAL AREA LEVEL 2

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

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

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

### BUSINESS SIZE

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

### EMPLOYMENT SIZE

**53** 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 ABSBR.

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

- Profiled population – businesses with greater than zero employees; and
- Non profiled population – businesses with a non cancelled 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.

**55** 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.

**56** 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.

**57** The employment data extracted from the ABSBR are generally suitable for the purposes of attributing an employment size classification to each in scope business. During processing of the 2008–09 financial year data, a subset of problem units were identified. Approximately 14,000 units had unusually high values for employment numbers. In response, the ABS developed a more robust methodology to ensure all businesses were classified to an employment size range which reflected real world

## EXPLANATORY NOTES *continued*

### EMPLOYMENT SIZE *continued*

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 imputation. This methodology is considered suitable for the purposes of classifying businesses into relatively broad employment size ranges.

### ANNUAL TURNOVER SIZE

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

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

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

### REVISIONS

**61** The ABS Business Register receives updated information when a business entity reports changes to the ATO, such as a new registration, revised payee information, or when the business entity reports changes in its business structure or activity. These reporting changes can impact upon the business entity's industry classification (ANZSIC); institutional classification (SISCA); Legal classification (TOLO); geographic classifications (State/Territory); or business size (Employment or Turnover categories). These changes to the register generate minor revisions to data previously published in earlier editions of CABEE. These revisions are between zero and 5% in this June 2008 to June 2012 CABEE release with the following exceptions:

**62** 2008–09 Entries (annual turnover size ranges)

- Zero to less than \$50k (8.8%);
- \$50k to less than \$200k (-11.54%); and
- \$200k to less than \$2m (6.5%).

**63** 2009–10 Exits (annual turnover size range)

- \$50k to less than \$200k (-5.7%).

**64** Some of the revisions to 'Currently Unknown' categories are attributable to updated classificatory information, such as ANZSIC, SISCA or TOLO, where this information did not previously exist for the business entity. Revisions to the 'Currently Unknown' category can be more substantial as new information comes to hand from the ATO, with the largest magnitude of change being a decrease of 25% in Table 1 for 2010–11.

### CONFIDENTIALITY

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

**66** There have been some enhancements to the confidentiality methodology applied in this release. 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.

## EXPLANATORY NOTES *continued*

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### COMPARISON WITH OTHER BUSINESS COUNTS DATA

**67** 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.

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

**69** 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.

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

### PREVIOUS RELEASES

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

### NEXT RELEASE

**72** The next release of CABEE is currently scheduled for release in March 2014.

## APPENDIX 1 ABS BUSINESS COUNTS

### INTRODUCTION

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

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

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

### DISCONTINUED ABS BUSINESS COUNTS

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

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

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

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

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

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

In both these cases and 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 (cat. no. 1321.0).

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

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

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

## APPENDIX 1 ABS BUSINESS COUNTS *continued*

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

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

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

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

Users should note that since the discontinuation of COSBO, the ABS has developed a new publication focussing exclusively on Australian business operators. Counts of Australian Business Operators (cat. no. 8175.0) was 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 ABR.

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

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

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

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

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

CURRENT ABS BUSINESS COUNTS

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

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

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

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

## APPENDIX 1 ABS BUSINESS COUNTS *continued*

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

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

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

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

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

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

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

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

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

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

## APPENDIX 2 SUPPLEMENTARY INFORMATION

### INTRODUCTION

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

#### Business Demography Publications:

- Australian Industry, 2010–11 (cat. no. 8155.0);
- Selected Characteristics of Australian Business, 2010–11 (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 (cat. no. 8161.0.55.001), replaced by 8165.0;
- Characteristics of Small Business, Australia (Reissue), 2004 (cat. no. 8127.0), replaced by 8165.0 and 8175.0;
- Experimental Estimates, Entries and Exits of Business Entities, Australia, 2001–02 to 2003–04 (cat. no. 8160.0.55.001), replaced by 8165.0;
- Small Business in Australia, 2001 (cat. no. 1321.0), replaced by 8165.0; and
- Experimental Estimates, Regional Small Business Statistics, Australia, 1995–96 to 2000–01 (cat. no. 5675.0), replaced by 8165.0.

#### Information Technology Publications:

- Summary of IT Use and Innovation in Australian Business, 2010–11 (cat. no. 8166.0);
- Business Use of Information Technology, 2009–10 (cat. no. 8129.0); and
- Innovation in Australian Business, 2010–11 (cat. no. 8158.0).

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

### ADDITIONAL DATA

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

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

### ABS DATA AVAILABLE ON REQUEST

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

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

### ACKNOWLEDGEMENT

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

# TECHNICAL NOTE MEASURES OF BUSINESS GROWTH

## INTRODUCTION

- 1** In CABEE, the stock of businesses is updated each year according to a standard equation:
- 2** Operating at start of financial year + Entries – Exits = Operating at end of financial year
- 3** In previous releases of CABEE, all data was presented in accordance with this equation at both a national level, and for selected classifications: Industry; Main State; Institutional Sector; Type of Legal Organisation; Employment Size; and Annual Turnover Size.
- 4** To ensure additivity, the classification values (e.g. industry code, main State, employment size range, etc.) attributed to each business were held constant over the lifetime of the business in previous editions. Specifically, for each business, the latest available data were used to overwrite any periods of conflicting or missing data.
- 5** The main issue with this approach is that it is possible for businesses to change their characteristics over time, particularly for employment size and annual turnover size. In fact, this change can be of interest in itself as business growth can be considered in terms of whether a business is increasing with respect to that characteristic, remaining stable, or decreasing in size over time. To address this, recent releases of CABEE have extended the standard equation for employment size and annual turnover size to:
  - Operating at start of financial year + Entries – Exits + Inflow – Outflow = Operating at end of financial year, where:
    - Inflow = the number of surviving businesses that have changed their classification to the classification of interest; and
    - Outflow = the number of surviving businesses that have changed their classification from the classification of interest.

## EXAMPLE

- 6** Consider the following example involving a small business which is active during the 2008–09 and 2009–10 financial years. During this two year period, the business:
  - Did not employ any staff at the start of 2008–09 financial year;
  - Took on 2 employees during 2008–09; and
  - Grew to 6 employees over 2009–10.
- 7** Under previous publications (where classifications were held constant for each business at their latest available value), this business would have been included in the '5–19' employees category for June 2008, June 2009 and June 2010. This can result in some misunderstanding regarding the size of the businesses in earlier time periods.
- 8** Now, under the new approach, the business would be classified according to its size for the respective year:

	<i>Operating at start of financial year</i>	<i>Plus Entries</i>	<i>Minus Exits</i>	<i>Plus Inflows</i>	<i>Minus Outflows</i>	<i>Operating at end of financial year</i>
2008–09						
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
2009–10						
Non–employing business	0	0	0	0	0	0
1–4 employees	1	0	0	0	1	0
5–19 employees	0	0	0	1	0	1

## TECHNICAL NOTE MEASURES OF BUSINESS GROWTH *continued*

EXAMPLE *continued*

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

### CHANGE IN BUSINESS SIZE OVER TIME FOR SURVIVING BUSINESSES (a): June 2010–June 2012

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

#### CHANGED BUSINESS SIZE CATEGORY AT JUNE 2011

##### BUSINESS SIZE CATEGORY AT JUNE 2010

###### (Employment Size Ranges)

Non–employing	1 042 971	37 125	2 841	497	32	64 283	40 495	23 788
Employing								
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>	—

#### CHANGED BUSINESS SIZE CATEGORY AT JUNE 2012

##### BUSINESS SIZE CATEGORY AT JUNE 2011

###### (Employment Size Ranges)

Non–employing	1 052 102	38 285	2 951	518	47	62 087	41 801	20 286
Employing								
1–4(c)	51 209	370 429	36 436	2 287	138	67 388	89 975	–22 587
5–19	8 336	26 823	168 646	12 525	55	47 535	47 684	–149
20–199	2 528	2 011	8 061	63 846	791	15 751	13 391	2 360
200+	141	166	61	493	4 874	1 031	941	90
<b>Total</b>	<b>1 114 316</b>	<b>437 714</b>	<b>216 155</b>	<b>79 669</b>	<b>5 905</b>	<b>193 792</b>	<b>193 792</b>	—

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 53–57 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 table is to quantify the businesses which grow or contract between financial years. The first five columns provide a cross-classified matrix which shows how many businesses were classified to one business size at the start of the financial year, and a different business size at the end of the financial year.

**11** Note that the majority of businesses do not change their size category between years, and the counts of these businesses are represented along the main diagonal of the table. For example, 1,052,102 'Non-employing' businesses at the end of June 2011, remained 'Non-employing' at the end of June 2012. Equally, 4,874 businesses in the largest size category at the end of June 2011, remained in the largest size category at the end of June 2012. In the above table, it can be seen that:

- 51,209 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);
- 370,429 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
- 36,436 businesses had '1-4' employees at the start of the financial year and expanded to have '5-19' employees at the end of the financial year (growth).

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

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

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

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

#### *Net Movement of Surviving Businesses*

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

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

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

# TECHNICAL NOTE MEASURES OF BUSINESS GROWTH *continued*

## BUSINESSES BY EMPLOYMENT SIZE RANGES(a): June 2010–June 2012

	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.	%
<b>2010–11</b>							
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>
<b>2011–12</b>							
Non–employing	1 306 023	191 904	212 120	20 286	1 306 093	70	—
Employing							
1–4(d)	508 674	77 042	48 175	–22 587	514 859	6 185	1.2
5–19	230 638	15 410	14 253	–149	231 591	953	0.4
20–199	81 006	2 729	3 769	2 360	82 326	1 320	1.6
200+	6 071	436	336	90	6 411	340	5.6
Total employing	826 389	95 617	66 533	–20 286	835 187	8 798	1.1
<b>Total</b>	<b>2 132 412</b>	<b>287 521</b>	<b>278 653</b>	<b>—</b>	<b>2 141 280</b>	<b>8 868</b>	<b>0.4</b>

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 53–57 in the Explanatory Notes for more information regarding employment size ranges.

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

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

(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*

**17** Including the net movement of surviving businesses column in the employment size ranges table provides more detailed (point in time) information about the movement of businesses within specific business size ranges, whilst maintaining additivity within each business size table. For example, the table above demonstrates that during 2010–11, part of the 196 change recorded for businesses employing '200+' employees was driven by the net movement of 88 surviving businesses in this employment size range. That is, during 2010–11, there was a positive net movement of 88 existing small or medium businesses which grew to become large businesses.

### Application within Other Tables

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

## GLOSSARY

<b>Australian Business Number (ABN)</b>	<p>The Australian Business Number (ABN) is a unique business entity identifier introduced to assist with dealing with the Australian Government. An entity is entitled to an ABN if it meets one of the following criteria:</p> <ul style="list-style-type: none"><li>■ carrying on an enterprise in Australia or in the course of furtherance of carrying on an enterprise, 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 Australian Business Register (ABR). In most cases, the ABN unit represents the legal entity. This unit is suitable for ABS statistical needs when the business is simple in structure. For more significant and diverse businesses where the ABN unit is not suitable for ABS statistical needs, the statistical unit used is the Type of Activity Unit (TAU).</p>
<b>Australian Bureau of Statistics Business Register (ABSBR)</b>	<p>The ABSBR is a register of all Australian businesses and contains identifying and classificatory data for each business. Information to populate the 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 6 to 10 of the Explanatory Notes.</p>
<b>Australian and New Zealand Standard Industrial Classification (ANZSIC)</b>	<p>Businesses have been classified according to their description of activities. Businesses are coded to industries in the Australian and New Zealand Standard Industrial Classification 2006 (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 (cat. no. 1292.0).</p>
<b>Australian Standard Geographical Classification (ASGC)</b>	<p>The Australian Standard Geographical Classification (ASGC) is the former classification used to disseminate ABS business counts data. However, this has now been replaced by the Australian Statistical Geography Standard (ASGS). Please refer to section entitled 'Australian Statistical Geography Standard' for further information.</p>
<b>Australian Statistical Geography Standard (ASGS)</b>	<p>The ASGS is the new geographical framework used by the ABS. It brings together all regions for which the ABS publishes statistics within the one framework and will be used for the collection and dissemination of geographically classified statistics from 1 July 2011.</p> <p>The ASGS replaces the ASGC, which will no longer be produced. While there are superficial similarities between the ASGS and the ASGC, it is important to recognise that the two are fundamentally different and there are significant differences between their respective regions, both in their geographical extent and their conceptual foundation. As a whole, the ASGS represents a more comprehensive, flexible and consistent way of defining Australia's statistical geography than the ASGC. For further information to assist users move from the ASGC to the ASGS please refer to the ABS website &lt;<a href="http://www.abs.gov.au/geography">www.abs.gov.au/geography</a>&gt;.</p> <p>With the move to the new geography framework, State based data will remain unchanged, however sub State data will be affected, as it will now be produced using the new ASGS. In terms of business counts data, the base unit of the ASGS will be the Statistical Area Level 2 (SA2). This SA2 data will replace the previously published SLA</p>

## GLOSSARY *continued*

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

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

**Business**

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

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

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

**Business Entry**

A business which has newly registered for an ABN and which has a GST role allocated. 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.

**Business Exit**

A business for which the ABN or GST role has been cancelled and/or which has ceased to remit GST for at least five consecutive quarters. 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.

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

**Business Survivor**

A business which was actively trading in year xx and continued to be trading in year xx+n.

**Client Activity Centre**

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

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

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

## GLOSSARY *continued*

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

## GLOSSARY *continued*

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

## GLOSSARY *continued*

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





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