



JUNE 2007 TO JUNE 2009

8165.0

COUNTS OF AUSTRALIAN BUSINESSES, INCLUDING ENTRIES AND EXITS

AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) THURS 21 OCT 2010

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

INTRODUCTION

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

This publication represents the second 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 Business Demography Theme Page through the ABS website <www.abs.gov.au>.

CHANGES FROM THE PREVIOUS RELEASE

This publication provides new business counts, entries, exits and survival information as at June 2009. The scope of business counts is limited to businesses actively remitting in a GST role. This publication continues to provide counts by selected demographics including industry, geography, institutional sector, type of legal organisation and business size. Business size data is provided by selected annual turnover and employment size ranges. These (employment) data indicate that most Australian businesses are small (95.6%) and that most of Australia's small businesses do not employ any staff (62.7%). The counts in this release are heavily influenced by entry and exits within Australia's small business sector. Users should take this into account when interpreting results, including when comparing these data with other ABS statistics.

There have been some changes to this publication compared with the previous release. As such, the counts presented in this publication are not comparable with those presented in previous releases. On 1 July 2007, there was a change in the GST threshold and as such, the scope of this release is based on the revised threshold of \$75,000 per annum for businesses and \$150,000 per annum for not for profit institutions. The other changes in this release are focussed on ensuring that users continue to have access to an annual snapshot of Australia's actively trading business population, which remains relevant over time.

One of these changes relates to the inclusion of actively trading businesses that have not yet been classified to an industry, sector and/or Main State of operation through the Australian Business Register (ABR) new business registration process. Historically, due to the statistically insignificant size of the population, such businesses were excluded from the scope of *Counts of Australian Businesses, including Entries and Exits*. The inclusion of these businesses in the total business counts data provides a more accurate annual snapshot of businesses that were actively trading in the Australian economy. For further information, please refer to paragraph 19 in the Explanatory Notes.

A range of enhancements to the data have also been made to improve the relevance of the publication over time. This includes the provision of industry data (for the first time) using the 2006 version of the *Australian and New Zealand Standard Industrial Classification* (ANZSIC), the rebasing of all business survival tables to June 2007 and the provision of improved point-in-time business size data (based on employment and annual turnover). These new point-in-time growth tables classify businesses to size ranges according to their size in each respective year. They quantify the movement of surviving businesses in terms of inflow (the total number of businesses that move into a size range from another range) and outflow (the total number of businesses that move out of a size range into another) to arrive at a net movement of surviving businesses figure. For further information on the new growth tables, see the publication's Technical

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Note on page 39. The Explanatory Notes commencing on Page 25 contain further information about the overall enhancements and changes in the scope of this release.

This publication will be followed by the release of a range of detailed Counts of Australian Businesses, including Entries and Exits datacubes. Each of these datacubes contain industry, geographical and business size dimensions, and offer users access to more detailed cross-classifications.

Due to the fine level information presented, each datacube has been confidentialised to ensure no individual business can be identified. The same confidentiality process has been applied to the data as was applied for the previous (June 2007) release. The datacubes are expected to be released from December 2010 onwards.

FUTURE RELEASES

It is planned to continue releasing updated counts, including entries and exits, on an annual basis in future. As discussed in Appendix 1, these counts will be further refined over time.

FEEDBACK

The ABS welcomes feedback from users of these business counts.

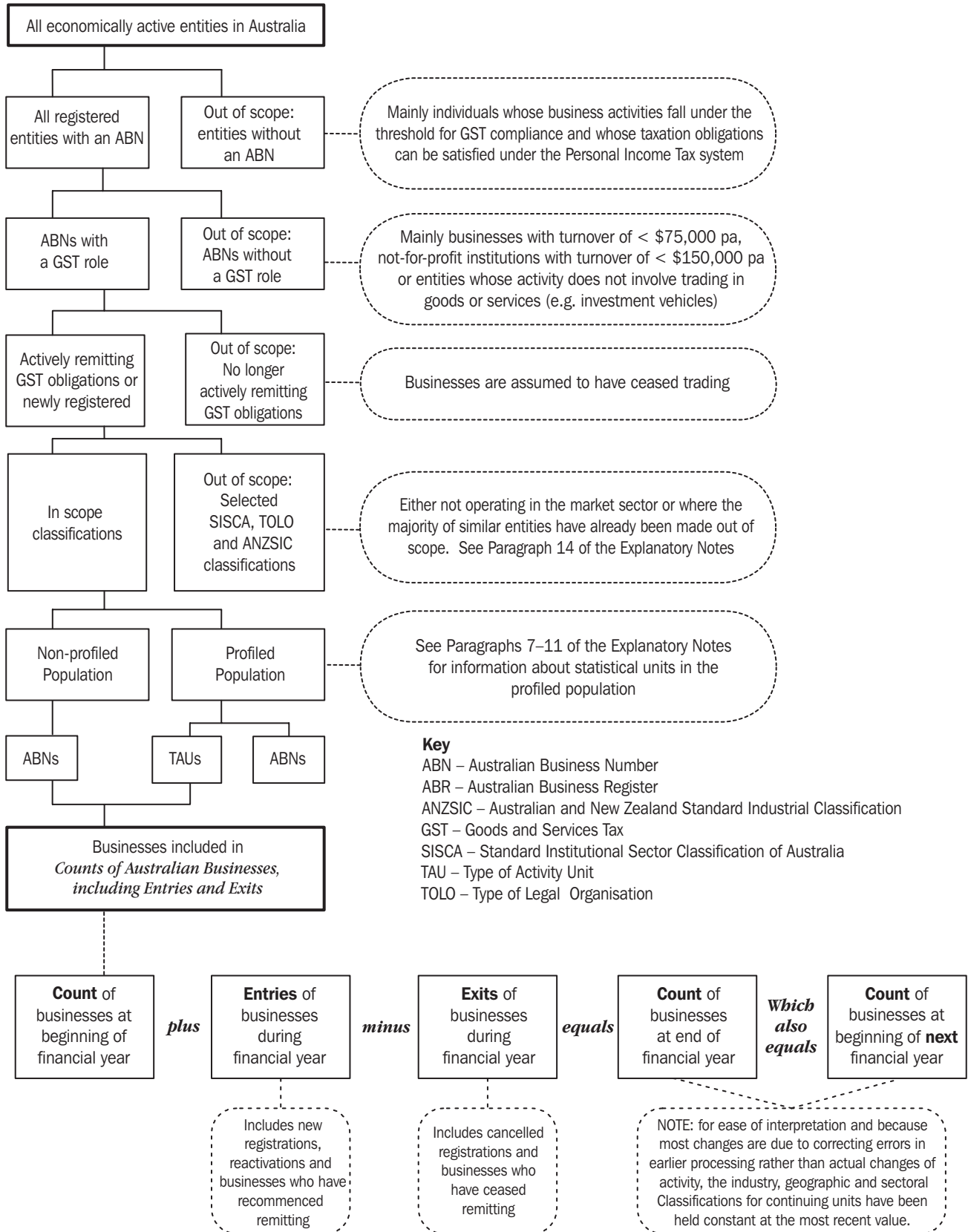
To provide feedback or for further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or email <client.services@abs.gov.au>.

Brian Pink
Australian Statistician

CONCEPTUAL AND PRACTICAL BASIS FOR COUNTS

DIAGRAM 1:

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



SUMMARY OF FINDINGS

SUMMARY OF FINDINGS

There were 2,051,085 actively trading businesses in Australia as at June 2009.

The growth rate in the number of businesses declined slightly from 2007-08 (-0.1%) to 2008-09 (-1.0%).

In comparison, GDP (in chain volume terms) over the corresponding periods grew by 3.7% and 1.2% respectively, while Australia's population grew by 1.7% and 2.1% over the same periods.

The negative growth rate in the number of businesses during the financial year to June 2009 was mainly due to a decrease in entry rates. The entry rate for new businesses during 2008-09 was 14.4%, down from the 15.3% entry rate recorded in 2007-08. The business exit rate remained steady during the same period, recorded at 15.4% for both the 2007-08 and 2008-09 financial years.

Of the 2,074,247 businesses operating in June 2007, 84.6% were still operating in June 2008 and 73.6% were still operating in June 2009. Of the 548,713 businesses which exited to June 2009, 58.0% exited during 2007-08 and the remaining 42.0% exited during 2008-09.

Of the 316,867 business entries during 2007-08, 71.5% were still operating in June 2009. In addition, the survival rate for business entries during 2007-08 was higher for new employing businesses (81.9%) compared to new non-employing businesses (66.6%). Further, survival rates for business entries were highest for those businesses with annual turnover of \$2m or more (85.3%) and lowest for those businesses with annual turnover of zero to less than \$50k (65.6%).

INDUSTRY

At June 2009, the distribution of the Australian business population by industry was similar to the distribution recorded in June 2008. Construction had the greatest number of businesses with 342,436 (16.7% of the total). This was followed by Professional, scientific and technical services and Rental, hiring and real estate services with 232,559 and 216,853 respectively (or 11.3% and 10.6%), and Agriculture, forestry and fishing with 203,643 (9.9%).

During 2008-09, Public administration and safety had the highest entry rate (19.4%), followed by Administrative and support services (18.9%), Accommodation and food services (16.8%) and Information media and telecommunications (also at 16.8%).

Over the same period, exit rates were highest for Public administration and safety (21.3%), followed by Administrative and support services (19.5%) and Accommodation and food services (18.1%). With the Public administration and safety, Administrative and support services and Accommodation and food services industries experiencing relatively high entry and exit rates, these industries have been subject to a significant amount of churn over 2008-09.

The survival rates at June 2009 for businesses operating in June 2007 were highest for Health care and social assistance (81.2%) and Agriculture, forestry and fishing (80.9%), followed by Rental, hiring and real estate services (78.9%). Over the period June 2007 - 2009, the survival rates attributed to these industries were consistently higher than compared with other industries.

SUMMARY OF FINDINGS *continued*

INDUSTRY *continued*

Survival rates over the same period were lowest for businesses operating in Public administration and safety (65.3%), followed by Administrative and support services (67.4%) and Accommodation and food services (67.9%).

The survival rates for business entries during 2007-08 was slightly different in terms of their industry breakdown to those for the stock of businesses at June 2007. The industries with the highest business entry survival rates were Health care and social assistance (79.0%), Mining (77.2%) and Retail trade (75.7%), all with survival rates well above the national rate of 71.5%.

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

MAIN STATE OF OPERATION

At June 2009, the proportion of businesses by State (as defined by the main State of operation) was broadly aligned with the proportion of Australia's population by State. New South Wales, Victoria and Western Australia were the only States which contained a higher proportion of businesses than people.

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

In the year to June 2009, all States recorded a decline in the number of businesses, with the Australian Capital Territory (-2.3%) Tasmania (-1.7%) and New South Wales (-1.4%) recording the lowest net growth. Of the larger States (New South Wales, Victoria, Queensland, South Australia and Western Australia), New South Wales continued to record the lowest net growth (-1.2% in 2007-08 and -1.4% in 2008-09) and Western Australia recorded the highest net growth (1.3% in 2007-08 and -0.6% in 2008-09). The Northern Territory (16.4%), Queensland (15.5%) and Western Australia (15.2%) continued to experience the highest entry rates, with the lowest entry rate being Tasmania (11.5%). Further, exit rates were highest for the Northern Territory (17.0%), the Australian Capital Territory (16.8%) and Queensland (16.3%), while Tasmania (13.2%) and South Australia (14.0%) recorded the lowest exit rates.

Of those businesses operating in June 2007, the survival rates at June 2009 were highest in Tasmania (76.3%) and South Australia (75.7%) and lowest in the Northern Territory (70.5%) and the Australian Capital Territory (71.7%). The survival rates for business entries during 2007-08 were highest for Tasmania (75.7%) and lowest for the Northern Territory (70.3%) and the Australian Capital Territory (70.4%).

SUMMARY OF FINDINGS *continued*

INSTITUTIONAL SECTOR

At June 2009, 1,240,942, (60.5%) of businesses were classified to the Household sector (which includes most unincorporated businesses), while 615,586 (30.0%) were classified to the Non-financial corporations sector, and 148,353 (7.2%) to the Financial corporations sector. The remaining businesses were yet to be coded to an Institutional Sector.

During 2008-09, the Financial corporations sector recorded modest growth (0.7%), where as the Non-financial corporation sector and Household sector contracted - 0.4% and - 2.1% respectively. Entry rates fluctuated between sectors: 16.4% for the Financial corporations sector; 14.1% for the Household sector; and 11.7% for the Non-financial corporations sector. In comparison, exit rates were 16.1% for the Household sector, 15.7% for the Financial corporations sectors and 12.1% for the Non-financial corporations sector. Each entry rate decreased from the previous year, while exit rates remained comparatively stable.

Continuing an overall trend, the survival to June 2009 of businesses that were operating in June 2007 was higher for businesses in the Non-financial corporations sector (79.0%) than for those in the Financial corporations (73.4%) and Households sectors (71.9%). Survival rates for Non-financial corporations which entered in 2007-08 were also higher (77.9%) than for the other sectors (Financial Corporations and Households at 72.0% and 71.2% respectively).

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

TYPE OF LEGAL ORGANISATION

At June 2009, there were 670,951 (32.7%) Companies in Australia, followed by 605,015 (29.5%) Sole proprietors, 414,020 (20.2%) Trusts and 360,228 (17.6%) Partnerships. There were a relatively small number of businesses (<1%) operating in the Public sector. However, the scope and definitions used to define a business in this publication should be taken into account when using the public sector data.

Over the past two years, there was a sharp decline in the number of Partnerships (-4.0% in 2007-08 and -4.9% in 2008-09) and a moderate decline in the number of Sole Proprietors (-3.3% and -2.5% respectively), both forms of unincorporated businesses. In contrast, there was an increase in the number of Trusts over the same period (6.8% and 3.3% respectively). The number of Companies was stable, moving from 670,956 in June 2008 to just 670,951 in June 2009. As a result of these movements, for the first time in June 2008, Partnerships became the least common form of private sector legal organisation for Australian businesses.

Out of all private sector businesses in the period June 2008-09, entry rates were highest for Sole proprietors (19.0%) and Trusts (15.2%), followed by Companies (12.8%) and Partnerships (8.9%). Conversely, exit rates were highest for Sole proprietors (21.5%) and were noticeably lower across the other private sector categories. Across the past two

SUMMARY OF FINDINGS *continued*

TYPE OF LEGAL ORGANISATION *continued*

financial years, entry rates have decreased in all private sectors, with the exception of Sole proprietors where a small increase was evident. Exit rates have remained relatively stable for all private sector categories.

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

EMPLOYMENT SIZE RANGES

At June 2009, there were 820,803 (40.0%) employing businesses and 1,230,282 (60.0%) non-employing businesses.

Most employing businesses, 731,055 (89.1%) employed less than 20 employees. This comprised 497,098 (68.0%) businesses with 1-4 employees and 233,957 (32.0%) businesses with 5-19 employees. There were also 83,399 (10.2%) businesses with 20-199 employees and 6,349 (<1%) businesses with 200 or more employees.

In 2008-09, entry rates were lower for most employment size ranges compared with the previous year. The exceptions were the 20-199 employment size category (stable entry rate of 4.0%) and the 200+ employment size category, where the entry rate grew slightly, from 7.3% in 2007-08 to 8.4% in 2008-09. However, most business entries (93.5%) continued to occur in the micro business population, which comprises non-employing businesses and businesses employing between 1-4 employees.

Exit rates over the same period were highest for non-employing businesses (19.5%), while being lowest for businesses employing 20-199 employees (7.1%).

Of those businesses that survived from June 2008 to 2009, 88.3% were classified to the same employment size range at the end of the year as they were at the start of the year, 6.1% were classified to a smaller size range, and the remaining 5.6% were classified to a larger size range (grew). Of those businesses that grew, 98,784 moved up at least one size range over the course of the year, of which, 6,234 moved up two or more size ranges. In comparison, 106,228 experienced negative growth (i.e. moved down at least one size range) over the course of the year, of which, 15,194 moved down two or more size ranges.

In addition, of those businesses that survived from June 2008 to 2009, inflow was highest for the non-employing category (68,289) while outflow was highest for businesses employing between 1-4 employees (99,578). The relatively high outflow for businesses employing 1-4 employees resulted in a net movement (outflow) of 35,098 businesses which contributed to the overall decrease of 16,056 businesses in this category over the financial year. Further, the net inflow of 192 that was recorded for businesses employing 200 employees or more was a large contributor to the overall increase of 236 businesses in this category. All other employment size categories recorded net inflows and were led by non-employing businesses.

The survival rates for businesses operating since June 2007 showed some variance between the employing (82.1%) and the non-employing (67.8%) populations. In addition, survival rates for the stock of businesses were also lower for businesses employing between 1-4 employees (79.9%). However, the survival rate was slightly different for those businesses that entered in 2007-08, being lowest for non-employing

SUMMARY OF FINDINGS *continued*

EMPLOYMENT SIZE RANGES *continued*

businesses (66.6%), and for businesses employing 200 employees or more (78.4%), followed by those employing 1-4 employees (81.2%).

ANNUAL TURNOVER SIZE RANGES

At June 2009, there were 694,254 (33.8%) businesses with turnover from \$50k to less than \$200k. This was followed by 637,182 (31.1%) businesses with turnover from \$200k to less than \$2m, 596,418 (29.1%) businesses with turnover between zero and \$50k, and 123,231 (6.0%) businesses with turnover above \$2m per annum.

In the period 2008-09, entry rates were highest for businesses with turnover between zero to less than \$50k (19.2%). Exit rates over the same period were also highest for businesses with turnover between zero to less than \$50k (25.0%), signifying the high amount of churn in this category. Both entry and exit rates were lowest for businesses with turnover above \$2m per annum (4.6% and 5.5% respectively).

Of those businesses that survived from June 2008 to 2009, 77.8% were classified to the same turnover size range at the end of the year as they were at the start of the year, 11.4% were classified to a larger size range (grew), and the remaining 10.8% were classified to a smaller size range. Of those businesses that grew, 199,608 moved up at least one size range over the course of the year, of which, 15,530 moved up two or more size ranges. In comparison, 188,908 experienced negative growth (i.e. moved down at least one size range) over the course of the year, of which, 28,060 moved down two or more size ranges.

In addition, of those businesses that survived from June 2008 to 2009, inflow and outflow was highest for businesses with turnover between \$50k to less than \$200k. The relatively high outflow for businesses in this category resulted in a net movement (outflow) of 19,550 businesses. In contrast, the net movement for those businesses with turnover between \$200k to less than \$2m was quite stable, with a net inflow of just 8 businesses. All other turnover size categories recorded net inflows and were led by businesses with turnover between zero to less than \$50k.

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

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BUSINESSES BY INDUSTRY DIVISION: June 2007 - June 2009

	<i>Operating at start of financial year</i>	<i>Entries</i>	<i>Exits</i>	<i>Operating at end of financial year</i>	<i>Change</i>	<i>Percentage change</i>	<i>Entry rate</i>	<i>Exit rate</i>
	no.	no.	no.	no.	no.	%	%	%
2007-08								
Agriculture, Forestry and Fishing	211 415	19 480	23 680	207 215	-4 200	-2.0	9.2	11.2
Mining	7 398	1 255	998	7 655	257	3.5	17.0	13.5
Manufacturing	96 427	10 670	12 905	94 192	-2 235	-2.3	11.1	13.4
Electricity, Gas, Water and Waste Services	5 545	860	826	5 579	34	0.6	15.5	14.9
Construction	351 612	55 460	57 954	349 118	-2 494	-0.7	15.8	16.5
Wholesale Trade	79 410	10 614	11 539	78 485	-925	-1.2	13.4	14.5
Retail Trade	145 468	20 233	23 407	142 294	-3 174	-2.2	13.9	16.1
Accommodation and Food Services	78 766	13 914	14 590	78 090	-676	-0.9	17.7	18.5
Transport, Postal and Warehousing	134 454	21 561	21 694	134 321	-133	-0.1	16.0	16.1
Information Media and Telecommunications	18 260	2 933	3 275	17 918	-342	-1.9	16.1	17.9
Financial and Insurance Services	142 985	27 975	22 578	148 382	5 397	3.8	19.6	15.8
Rental, Hiring and Real Estate Services	216 508	30 395	26 370	220 533	4 025	1.9	14.0	12.2
Professional, Scientific and Technical Services	237 145	34 228	36 639	234 734	-2 411	-1.0	14.4	15.5
Administrative and Support Services	77 950	14 538	15 055	77 433	-517	-0.7	18.7	19.3
Public Administration and Safety	8 375	1 544	1 699	8 220	-155	-1.9	18.4	20.3
Education and Training	23 715	3 878	4 073	23 520	-195	-0.8	16.4	17.2
Health Care and Social Assistance	89 892	10 660	9 197	91 355	1 463	1.6	11.9	10.2
Arts and Recreation Services	29 415	4 415	5 439	28 391	-1 024	-3.5	15.0	18.5
Other Services	89 319	13 068	14 525	87 862	-1 457	-1.6	14.6	16.3
Currently Unknown(a)	30 188	19 186	12 882	36 492	6 304	np	np	np
All Industries	2 074 247	316 867	319 325	2 071 789	-2 458	-0.1	15.3	15.4
2008-09								
Agriculture, Forestry and Fishing	207 215	18 500	22 072	203 643	-3 572	-1.7	8.9	10.7
Mining	7 655	1 108	1 029	7 734	79	1.0	14.5	13.4
Manufacturing	94 192	9 855	12 647	91 400	-2 792	-3.0	10.5	13.4
Electricity, Gas, Water and Waste Services	5 579	836	839	5 576	-3	-0.1	15.0	15.0
Construction	349 118	50 483	57 165	342 436	-6 682	-1.9	14.5	16.4
Wholesale Trade	78 485	9 575	11 590	76 470	-2 015	-2.6	12.2	14.8
Retail Trade	142 294	19 009	22 417	138 886	-3 408	-2.4	13.4	15.8
Accommodation and Food Services	78 090	13 152	14 155	77 087	-1 003	-1.3	16.8	18.1
Transport, Postal and Warehousing	134 321	21 021	21 882	133 460	-861	-0.6	15.7	16.3
Information Media and Telecommunications	17 918	3 002	3 135	17 785	-133	-0.7	16.8	17.5
Financial and Insurance Services	148 382	24 287	23 450	149 219	837	0.6	16.4	15.8
Rental, Hiring and Real Estate Services	220 533	23 549	27 229	216 853	-3 680	-1.7	10.7	12.4
Professional, Scientific and Technical Services	234 734	33 775	35 950	232 559	-2 175	-0.9	14.4	15.3
Administrative and Support Services	77 433	14 643	15 095	76 981	-452	-0.6	18.9	19.5
Public Administration and Safety	8 220	1 598	1 747	8 071	-149	-1.8	19.4	21.3
Education and Training	23 520	3 859	3 908	23 471	-49	-0.2	16.4	16.6
Health Care and Social Assistance	91 355	10 834	9 917	92 272	917	1.0	11.9	10.9
Arts and Recreation Services	28 391	4 210	4 968	27 633	-758	-2.7	14.8	17.5
Other Services	87 862	11 875	13 850	85 887	-1 975	-2.3	13.5	15.8
Currently Unknown(a)	36 492	23 992	16 822	43 662	7 170	np	np	np
All Industries	2 071 789	299 163	319 867	2 051 085	-20 704	-1.0	14.4	15.4

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

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

SURVIVAL OF BUSINESSES BY INDUSTRY DIVISION: June 2007 - June 2009

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%	no.	%
Agriculture, Forestry and Fishing	211 415	187 735	88.8	171 023	80.9
Mining	7 398	6 400	86.5	5 657	76.5
Manufacturing	96 427	83 522	86.6	73 595	76.3
Electricity, Gas, Water and Waste Services	5 545	4 719	85.1	4 099	73.9
Construction	351 612	293 658	83.5	252 272	71.8
Wholesale Trade	79 410	67 871	85.5	58 999	74.3
Retail Trade	145 468	122 061	83.9	104 571	71.9
Accommodation and Food Services	78 766	64 176	81.5	53 439	67.9
Transport, Postal and Warehousing	134 454	112 760	83.9	96 578	71.8
Information Media and Telecommunications	18 260	14 985	82.1	12 697	69.5
Financial and Insurance Services	142 985	120 407	84.2	104 813	73.3
Rental, Hiring and Real Estate Services	216 508	190 138	87.8	170 735	78.9
Professional, Scientific and Technical Services	237 145	200 506	84.6	173 751	73.3
Administrative and Support Services	77 950	62 895	80.7	52 521	67.4
Public Administration and Safety	8 375	6 676	79.7	5 469	65.3
Education and Training	23 715	19 642	82.8	16 864	71.1
Health Care and Social Assistance	89 892	80 695	89.8	73 019	81.2
Arts and Recreation Services	29 415	23 976	81.5	20 418	69.4
Other Services	89 319	74 794	83.7	64 337	72.0
Currently Unknown(a)	30 188	17 306	np	10 677	np
All Industries	2 074 247	1 754 922	84.6	1 525 534	73.6

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

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

SURVIVAL OF ENTRIES BY INDUSTRY DIVISION: June 2007 - June 2009

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%
Agriculture, Forestry and Fishing	19 480	14 120	72.5
Mining	1 255	969	77.2
Manufacturing	10 670	7 950	74.5
Electricity, Gas, Water and Waste Services	860	641	74.5
Construction	55 460	39 681	71.6
Wholesale Trade	10 614	7 896	74.4
Retail Trade	20 233	15 306	75.7
Accommodation and Food Services	13 914	10 496	75.4
Transport, Postal and Warehousing	21 561	15 861	73.6
Information Media and Telecommunications	2 933	2 086	71.1
Financial and Insurance Services	27 975	20 119	71.9
Rental, Hiring and Real Estate Services	30 395	22 569	74.3
Professional, Scientific and Technical Services	34 228	25 033	73.1
Administrative and Support Services	14 538	9 817	67.5
Public Administration and Safety	1 544	1 004	65.0
Education and Training	3 878	2 748	70.9
Health Care and Social Assistance	10 660	8 419	79.0
Arts and Recreation Services	4 415	3 005	68.1
Other Services	13 068	9 675	74.0
Currently Unknown(a)	19 186	8 993	np
All Industries	316 867	226 388	71.5

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

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

BUSINESSES BY MAIN STATE(a): June 2007 - June 2009

	<i>Operating at start of financial year</i>	<i>Entries</i>	<i>Exits</i>	<i>Operating at end of financial year</i>	<i>Change</i>	<i>Percentage change</i>	<i>Entry rate</i>	<i>Exit rate</i>
	no.	no.	no.	no.	no.	%	%	%
2007-08								
New South Wales	697 883	101 116	109 144	689 855	-8 028	-1.2	14.5	15.6
Victoria	517 902	77 918	76 792	519 028	1 126	0.2	15.0	14.8
Queensland	420 339	70 640	67 312	423 667	3 328	0.8	16.8	16.0
South Australia	147 152	19 751	20 652	146 251	-901	-0.6	13.4	14.0
Western Australia	211 799	35 998	33 255	214 542	2 743	1.3	17.0	15.7
Tasmania	38 984	4 790	5 316	38 458	-526	-1.4	12.3	13.6
Northern Territory	14 013	2 464	2 488	13 989	-24	-0.2	17.6	17.8
Australian Capital Territory	25 093	3 948	4 089	24 952	-141	-0.6	15.7	16.3
Currently Unknown(b)	1 082	242	277	1 047	-35	np	np	np
Australia	2 074 247	316 867	319 325	2 071 789	-2 458	-0.1	15.3	15.4
2008-09								
New South Wales	689 855	96 933	106 528	680 260	-9 595	-1.4	14.1	15.4
Victoria	519 028	74 668	78 175	515 521	-3 507	-0.7	14.4	15.1
Queensland	423 667	65 484	68 970	420 181	-3 486	-0.8	15.5	16.3
South Australia	146 251	18 882	20 410	144 723	-1 528	-1.0	12.9	14.0
Western Australia	214 542	32 553	33 905	213 190	-1 352	-0.6	15.2	15.8
Tasmania	38 458	4 421	5 083	37 796	-662	-1.7	11.5	13.2
Northern Territory	13 989	2 287	2 383	13 893	-96	-0.7	16.4	17.0
Australian Capital Territory	24 952	3 616	4 181	24 387	-565	-2.3	14.5	16.8
Currently Unknown(b)	1 047	319	232	1 134	87	np	np	np
Australia	2 071 789	299 163	319 867	2 051 085	-20 704	-1.0	14.4	15.4

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

(a) Please refer to paragraphs 48-49 in the Explanatory Notes for more information regarding businesses and their Main State of operation.

(b) This category consists of businesses that are yet to be coded to a Main State of operation. Please refer to paragraph 21 in the Explanatory Notes for more information.

5

SURVIVAL OF BUSINESSES BY MAIN STATE(a): June 2007 - June 2009

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%	no.	%
New South Wales	697 883	588 739	84.4	512 222	73.4
Victoria	517 902	441 110	85.2	384 806	74.3
Queensland	420 339	353 027	84.0	303 981	72.3
South Australia	147 152	126 500	86.0	111 428	75.7
Western Australia	211 799	178 544	84.3	154 820	73.1
Tasmania	38 984	33 668	86.4	29 751	76.3
Northern Territory	14 013	11 525	82.3	9 875	70.5
Australian Capital Territory	25 093	21 004	83.7	17 991	71.7
Currently Unknown(b)	1 082	805	np	660	np
Australia	2 074 247	1 754 922	84.6	1 525 534	73.6

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

(a) Please refer to paragraphs 48-49 in the Explanatory Notes for more information regarding businesses and their Main State of operation.

(b) This category consists of businesses that are yet to be coded to a Main State of operation. Please refer to paragraph 21 in the Explanatory Notes for more information.

6

SURVIVAL OF ENTRIES BY MAIN STATE(a): June 2007 - June 2009

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%
New South Wales	101 116	71 105	70.3
Victoria	77 918	56 047	71.9
Queensland	70 640	50 716	71.8
South Australia	19 751	14 413	73.0
Western Australia	35 998	25 817	71.7
Tasmania	4 790	3 624	75.7
Northern Territory	2 464	1 731	70.3
Australian Capital Territory	3 948	2 780	70.4
Currently Unknown(b)	242	155	np
Australia	316 867	226 388	71.5

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

(a) Please refer to paragraphs 48-49 in the Explanatory Notes for more information regarding businesses and their Main State of operation.

(b) This category consists of businesses that are yet to be coded to a Main State of operation. Please refer to paragraph 21 in the Explanatory Notes for more information.

7

BUSINESSES BY INSTITUTIONAL SECTOR: June 2007 - June 2009

	<i>Operating at start of financial year</i>	<i>Entries</i>	<i>Exits</i>	<i>Operating at end of financial year</i>	<i>Change</i>	<i>Percentage change</i>	<i>Entry rate</i>	<i>Exit rate</i>
	no.	no.	no.	no.	no.	%	%	%
2007-08								
Non-Financial Corporations	611 361	77 564	70 819	618 106	6 745	1.1	12.7	11.6
Financial Corporations	141 764	27 882	22 299	147 347	5 583	3.9	19.7	15.7
Households	1 288 333	191 916	212 877	1 267 372	-20 961	-1.6	14.9	16.5
Currently Unknown(a)	32 789	19 505	13 330	38 964	6 175	np	np	np
All Sectors	2 074 247	316 867	319 325	2 071 789	-2 458	-0.1	15.3	15.4
2008-09								
Non-Financial Corporations	618 106	72 501	75 021	615 586	-2 520	-0.4	11.7	12.1
Financial Corporations	147 347	24 194	23 186	148 355	1 008	0.7	16.4	15.7
Households	1 267 372	178 185	204 615	1 240 942	-26 430	-2.1	14.1	16.1
Currently Unknown(a)	38 964	24 283	17 045	46 202	7 238	np	np	np
All Sectors	2 071 789	299 163	319 867	2 051 085	-20 704	-1.0	14.4	15.4

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

(a) This category consists of businesses that are yet to be coded to an Institutional Sector. Please refer to paragraph 21 in the Explanatory Notes for more information.

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SURVIVAL OF BUSINESSES BY INSTITUTIONAL SECTOR: June 2007 - June 2009

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%	no.	%
Non-Financial Corporations	611 361	540 542	88.4	482 688	79.0
Financial Corporations	141 764	119 463	84.3	104 087	73.4
Households	1 288 333	1 075 456	83.5	926 065	71.9
Currently Unknown(a)	32 789	19 459	np	12 692	np
All Sectors	2 074 247	1 754 922	84.6	1 525 534	73.6

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

(a) This category consists of businesses that are yet to be coded to an Institutional Sector. Please refer to paragraph 21 in the Explanatory Notes for more information.

SURVIVAL OF ENTRIES BY INSTITUTIONAL SECTOR: June 2007 - June 2009

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%
Non-Financial Corporations	77 564	60 397	77.9
Financial Corporations	27 882	20 072	72.0
Households	191 916	136 692	71.2
Currently Unknown(a)	19 505	9 227	np
All Sectors	316 867	226 388	71.5

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

(a) This category consists of businesses that are yet to be coded to an Institutional Sector. Please refer to paragraph 21 in the Explanatory Notes for more information.

BUSINESSES BY TYPE OF LEGAL ORGANISATION (a): June 2007 - June 2009

	<i>Operating at start of financial year</i>	<i>Entries</i>	<i>Exits</i>	<i>Operating at end of financial year</i>	<i>Change</i>	<i>Percentage change</i>	<i>Entry rate</i>	<i>Exit rate</i>
	no.	no.	no.	no.	no.	%	%	%
2007-08								
Private Sector								
Total Companies	662 183	89 133	80 360	670 956	8 773	1.3	13.5	12.1
Sole Proprietor	641 633	119 216	140 357	620 492	-21 141	-3.3	18.6	21.9
Total Partnerships	394 389	40 347	55 938	378 798	-15 591	-4.0	10.2	14.2
Trust(b)	375 130	68 106	42 559	400 677	25 547	6.8	18.2	11.4
Public Sector								
Public Sector	912	65	111	866	-46	-5.0	7.1	12.2
All Organisational Types	2 074 247	316 867	319 325	2 071 789	-2 458	-0.1	15.3	15.4
2008-09								
Private Sector								
Total Companies	670 956	86 172	86 177	670 951	-5	—	12.8	12.8
Sole Proprietor	620 492	118 057	133 534	605 015	-15 477	-2.5	19.0	21.5
Total Partnerships	378 798	33 879	52 449	360 228	-18 570	-4.9	8.9	13.9
Trust(b)	400 677	60 970	47 627	414 020	13 343	3.3	15.2	11.9
Public Sector								
Public Sector	866	85	80	871	5	0.6	9.8	9.2
All Organisational Types	2 071 789	299 163	319 867	2 051 085	-20 704	-1.0	14.4	15.4

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 12-24 in the Explanatory Notes for more information regarding changes in scope (including the impact on Public Sector businesses).

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

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SURVIVAL OF BUSINESSES BY TYPE OF LEGAL ORGANISATION(a): June 2007 - June 2009

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%	no.	%
Private Sector					
Total Companies	662 183	581 823	87.9	517 511	78.2
Sole Proprietor	641 633	501 276	78.1	411 766	64.2
Total Partnerships	394 389	338 451	85.8	296 090	75.1
Trust(b)	375 130	332 571	88.7	299 430	79.8
Public Sector					
Public Sector	912	801	87.8	737	80.8
All Organisational Types	2 074 247	1 754 922	84.6	1 525 534	73.6

- (a) Please refer to paragraphs 12-24 in the Explanatory Notes for more information regarding changes in scope (including the impact on Public Sector businesses).
- (b) A small number of businesses not elsewhere classified have been included in the TOLO "Trust" category.

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SURVIVAL OF ENTRIES BY TYPE OF LEGAL ORGANISATION(a): June 2007 - June 2009

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%
Private Sector			
Total Companies	89 133	67 268	75.5
Sole Proprietor	119 216	75 192	63.1
Total Partnerships	40 347	30 259	75.0
Trust(b)	68 106	53 620	78.7
Public Sector			
Public Sector	65	49	75.4
All Organisational Types	316 867	226 388	71.5

- (a) Please refer to paragraphs 12-24 in the Explanatory Notes for more information regarding changes in scope (including the impact on Public Sector businesses).
- (b) A small number of businesses not elsewhere classified have been included in the TOLO "Trust" category.

	<i>Operating at start of financial year</i>	<i>Entries</i>	<i>Exits</i>	<i>Net movement of surviving businesses(b)</i>	<i>Operating at end of financial year</i>	<i>Change</i>	<i>Percentage change</i>	<i>Entry rate</i>	<i>Exit rate</i>
	no.	no.	no.	no.	no.	no.	%	%	%
2007-08									
Non employing	1 236 755	217 059	242 371	25 556	1 236 999	244	—	17.6	19.6
Employing									
1-4(c)	517 481	79 211	54 607	-28 931	513 154	-4 327	-0.8	15.3	10.6
5-19	232 032	16 875	17 031	37	231 913	-119	-0.1	7.3	7.3
20-199	82 056	3 291	4 953	3 216	83 610	1 554	1.9	4.0	6.0
200+	5 923	431	363	122	6 113	190	3.2	7.3	6.1
Total employing	837 492	99 808	76 954	-25 556	834 790	-2 702	-0.3	11.9	9.2
Total	2 074 247	316 867	319 325	—	2 071 789	-2 458	-0.1	15.3	15.4
2008-09									
Non employing	1 236 999	205 726	241 182	28 739	1 230 282	-6 717	-0.5	16.6	19.5
Employing									
1-4(c)	513 154	74 021	54 979	-35 098	497 098	-16 056	-3.1	14.4	10.7
5-19	231 913	15 551	17 287	3 780	233 957	2 044	0.9	6.7	7.5
20-199	83 610	3 354	5 952	2 387	83 399	-211	-0.3	4.0	7.1
200+	6 113	511	467	192	6 349	236	3.9	8.4	7.6
Total employing	834 790	93 437	78 685	-28 739	820 803	-13 987	-1.7	11.2	9.4
Total	2 071 789	299 163	319 867	—	2 051 085	-20 704	-1.0	14.4	15.4

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 57-62 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.

	<i>Non-employed</i>	<i>1-4</i>	<i>5-19</i>	<i>20-199</i>	<i>200+</i>	<i>Inflow at end of financial year</i>	<i>Outflow at end of financial year</i>	<i>Net movement of surviving businesses(b)</i>
	no.	no.	no.	no.	no.	no.	no.	no.

EMPLOYMENT SIZE RANGES AT JUNE 2008

Employment Size Ranges at
June 2007

Non-employed	952 613	37 736	3 348	620	67	67 327	41 771	25 556
1-4(c)	54 219	367 831	38 451	2 260	113	66 112	95 043	-28 931
5-19	9 595	26 945	164 634	13 756	71	50 404	50 367	37
20-199	3 311	1 262	8 517	63 113	900	17 206	13 990	3 216
200+	202	169	88	570	4 531	1 151	1 029	122
Total	1 019 940	433 943	215 038	80 319	5 682	202 200	202 200	—

EMPLOYMENT SIZE RANGES AT JUNE 2009

Employment Size Ranges at
June 2008

Non-employed	956 267	35 719	3 104	621	106	68 289	39 550	28 739
1-4(c)	55 170	358 597	42 058	2 236	114	64 480	99 578	-35 098
5-19	9 419	26 772	164 631	13 751	53	53 775	49 995	3 780
20-199	3 450	1 787	8 527	62 872	1 022	17 173	14 786	2 387
200+	250	202	86	565	4 543	1 295	1 103	192
Total	1 024 556	423 077	218 406	80 045	5 838	205 012	205 012	—

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 57-62 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.

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SURVIVAL OF BUSINESSES BY EMPLOYMENT SIZE RANGES(a): June 2007 - June 2009

	<i>Operating in June 2007</i>	<i>Survived to June 2008</i>	<i>Survival rate</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%	no.	%
Non employing	1 236 755	994 384	80.4	837 939	67.8
Employing					
1-4(b)	517 481	462 874	89.5	413 696	79.9
5-19	232 032	215 001	92.7	197 840	85.3
20-199	82 056	77 103	94.0	70 937	86.5
200+	5 923	5 560	93.9	5 122	86.5
Total employing	837 492	760 538	90.8	687 595	82.1
Total	2 074 247	1 754 922	84.6	1 525 534	73.6

- (a) Please refer to paragraphs 57-62 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.

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SURVIVAL OF ENTRIES BY EMPLOYMENT SIZE RANGES(a): June 2007 - June 2009

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%
Non employing	217 059	144 621	66.6
Employing			
1-4(b)	79 211	64 334	81.2
5-19	16 875	14 284	84.7
20-199	3 291	2 811	85.4
200+	431	338	78.4
Total employing	99 808	81 767	81.9
Total	316 867	226 388	71.5

- (a) Please refer to paragraphs 57-62 in the Explanatory Notes for more information regarding Employment size ranges.
- (b) A small number of businesses which have ITW roles for purposes other than withholding amounts from wages and salaries (and as such have zero employment), are included in this category.

BUSINESSES BY ANNUAL TURNOVER SIZE RANGES (a): June 2007 - June 2009

	<i>Operating at start of financial year</i>	<i>Entries</i>	<i>Exits</i>	<i>Net movement of surviving businesses (b)</i>	<i>Operating at end of financial year</i>	<i>Change</i>	<i>Percentage change</i>	<i>Entry rate</i>	<i>Exit rate</i>
	no.	no.	no.	no.	no.	no.	%	%	%
2007-08									
Zero to less than \$50k	646 261	126 714	173 191	18 330	618 114	-28 147	-4.4	19.6	26.8
\$50k to less than \$200k	715 334	112 762	95 385	-22 681	710 030	-5 304	-0.7	15.8	13.3
\$200k to less than \$2m	602 107	72 112	45 660	-3 636	624 923	22 816	3.8	12.0	7.6
\$2m or more	110 545	5 279	5 089	7 987	118 722	8 177	7.4	4.8	4.6
Total	2 074 247	316 867	319 325	—	2 071 789	-2 458	-0.1	15.3	15.4
2008-09									
Zero to less than \$50k	618 114	118 759	154 423	13 968	596 418	-21 696	-3.5	19.2	25.0
\$50k to less than \$200k	710 030	106 493	102 719	-19 550	694 254	-15 776	-2.2	15.0	14.5
\$200k to less than \$2m	624 923	68 501	56 250	8	637 182	12 259	2.0	11.0	9.0
\$2m or more	118 722	5 410	6 475	5 574	123 231	4 509	3.8	4.6	5.5
Total	2 071 789	299 163	319 867	—	2 051 085	-20 704	-1.0	14.4	15.4

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 63-65 in the Explanatory Notes for more information regarding Annual Turnover size ranges.

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

GROWTH OF BUSINESS SURVIVALS BY ANNUAL TURNOVER SIZE RANGES(a): June 2007 - June 2009

	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.

ANNUAL TURNOVER SIZE RANGE AT JUNE 2008

Annual Turnover Size Ranges at June 2007

Zero to less than \$50k	372 289	84 261	14 765	1 755	119 111	100 781	18 330
\$50k to less than \$200k	95 664	441 719	81 241	1 325	155 549	178 230	-22 681
\$200k to less than \$2m	21 528	70 131	445 249	19 539	107 562	111 198	-3 636
\$2m or more	1 919	1 157	11 556	90 824	22 619	14 632	7 987
Total	491 400	597 268	552 811	113 443	404 841	404 841	—

ANNUAL TURNOVER SIZE RANGES AT JUNE 2009

Annual Turnover Size Ranges at June 2008

Zero to less than \$50k	366 647	82 815	12 972	1 257	111 012	97 044	13 968
\$50k to less than \$200k	84 422	439 758	81 830	1 301	148 003	167 553	-19 550
\$200k to less than \$2m	24 351	63 718	461 171	19 433	107 510	107 502	8
\$2m or more	2 239	1 470	12 708	95 830	21 991	16 417	5 574
Total	477 659	587 761	568 681	117 821	388 516	388 516	—

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 63-65 in the Explanatory Notes for more information regarding Annual Turnover size ranges.

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

SURVIVAL OF BUSINESSES BY ANNUAL TURNOVER SIZE RANGES(a): June 2007 - June 2009

	Operating in June 2007	Survived to June 2008	Survival rate	Survived to June 2009	Survival rate
	no.	no.	%	no.	%

Zero to less than \$50k	646 261	473 070	73.2	379 293	58.7
\$50k to less than \$200k	715 334	619 949	86.7	538 837	75.3
\$200k to less than \$2m	602 107	556 447	92.4	508 534	84.5
\$2m or more	110 545	105 456	95.4	98 870	89.4
Total	2 074 247	1 754 922	84.6	1 525 534	73.6

(a) Please refer to paragraphs 63-65 in the Explanatory Notes for more information regarding Annual Turnover size ranges.

SURVIVAL OF ENTRIES BY ANNUAL TURNOVER SIZE RANGES (a): June 2007 - June 2009

	<i>Entries in 2007-08</i>	<i>Survived to June 2009</i>	<i>Survival rate</i>
	no.	no.	%
Zero to less than \$50k	126 714	83 060	65.6
\$50k to less than \$200k	112 762	81 885	72.6
\$200k to less than \$2m	72 112	56 942	79.0
\$2m or more	5 279	4 501	85.3
Total	316 867	226 388	71.5

(a) Please refer to paragraphs 63-65 in the Explanatory Notes for more information regarding Annual Turnover size ranges.

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents counts of businesses based on snapshots of actively trading businesses as at June 2007, 2008 and 2009 from the Australian Bureau of Statistics Business Register (ABSBR). This publication contains counts and rates of business entries and exits from the Australian economy as well as counts and rates pertaining to the survival of businesses.

2 The scope of *Counts of Australian Businesses, including Entries and Exits*, June 2007 to June 2009 (cat. no. 8165.0) is significantly different to previously released (and discontinued) ABS business counts publications. In particular, this publication only includes businesses which actively traded in goods or services during the reference period in question, whereas the scope of previous releases focused on different populations. Please refer to section entitled "Scope" and Appendix 1 for further information.

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

4 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 organisation and/or person in conducting these analyses. No information about individual taxpayers (persons) has been released to the ABS. Aggregated personal income tax data are confidentialised by the ATO before release to the ABS. In accordance with the *Census and Statistics Act 1905*, results have been confidentialised to ensure that they are not likely to enable identification of a particular person or organisation.

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

DATA SOURCE

6 Most businesses in Australia need to obtain an Australian Business Number (ABN). These businesses are then included on the whole-of-government register of businesses, the Australian Business Register (ABR), which is maintained by the ATO. Information about the ABR can be obtained from the ABR website <www.abr.gov.au> or the ATO website <www.ato.gov.au/business>. The ABS uses information from the ABR to populate its internal register of businesses, the Australian Bureau of Statistics Business Register (ABSBR), which is used as a source for business survey frames and business counts.

STATISTICAL UNIT

7 In mid 2002, the ABS commenced sourcing its register information from the ABR and at that time changed its business register to a two population model. The two populations comprise what is called the profiled population and the non profiled population (formerly known as the ABSMP and the ATOMP). The main distinction between businesses in the two populations relates to the complexity of the business structure and the degree of intervention required to reflect the business structure for statistical purposes.

EXPLANATORY NOTES *continued*

STATISTICAL UNIT *continued*

8 The vast majority of businesses included on the ABS Business Register are in the non profiled population. Most of these businesses are understood to have simple structures and the unit registered for an ABN satisfies ABS statistical requirements (after some system processes are applied). For these businesses, the ABS statistical units structure directly aligns with the ABN unit: one ABN equates to one business.

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

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

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

SCOPE

12 Counts of businesses produced from the ABSBR comprise actively trading businesses in the Australian economy. Actively trading businesses are:

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

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

14 In addition, entities which are not considered to be actively trading in the market sector are not considered to be businesses and, as such, are excluded from the business counts. This includes entities classified to the following categories:

- Standard Institutional Sector Classification of Australia (SISCA) 2006:
 - 2110 Reserve Bank of Australia;
 - 2120 Other Central Bank Institutions;
 - 3000 General Government;
 - 5000 Non-Profit Institutions Serving Households; and
 - 6000 Rest of the World.
- Type of Legal Organisation (TOLO):
 - 12 Charitable Institution;
 - 15 Social and Sporting Clubs;
 - 16 Trade Unions and Other Associations;
 - 20 Other Unincorporated Entity;
 - 41 Diplomatic or Trade Missions; and
 - 42 Other Foreign Government.
- ANZSIC 2006 Subdivision:
 - 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.

15 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 2006 divisions (ANZSIC 2006 Divisions O, P and Q, respectively). This focusses the business counts in these divisions on private sector activity only.

16 It should be noted that the scope of the business counts has been redefined in this release using the updated 2006 versions of SISCA and ANZSIC.

17 In relation to SISCA, the scoping changes have been relatively minor. Specifically, the SISCA 1993 "Central Bank" category (which was out of scope in previous releases) has been split into two categories, "Reserve Bank of Australia" and "Other Central Bank Institutions". These SISCA 2006 categories are out of scope of this release and have had a negligible impact on the counts.

18 In relation to ANZSIC, business counts which were previously provided according to ANZSIC 1993 have been updated to ANZSIC 2006. For further information regarding the transition from using data on the ANZSIC 1993 basis to using data on the ANZSIC 2006 basis, please refer to the section below entitled "Industry".

19 In addition, the scope for business counts has been expanded in this release to include 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. Historically, due to the statistically insignificant size of the population, such businesses were excluded from the scope of Counts of Australian Businesses, including Entries and Exits.

20 Analysis conducted on these businesses indicates that, despite not having a complete set of characteristics data, these businesses were actively trading and also met the other scoping criteria of the collection (please refer to the diagram on page 3 for further details). It was therefore considered appropriate that they be included within scope of Counts of Australian Businesses, including Entries and Exits.

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 Counts of Australian Businesses, including Entries and Exits will provide a more accurate annual snapshot of businesses that were actively trading in the Australian economy.

COVERAGE

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

COMPARABILITY WITH FRAMES FOR ABS BUSINESS SURVEYS

23 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:

EXPLANATORY NOTES *continued*

COMPARABILITY WITH FRAMES FOR ABS BUSINESS SURVEYS *continued*

- The scope with regard to industry, sector or type of legal organisation can vary according to the requirements of the survey. In some cases, classifications excluded from these business counts are included in a survey frame in order to more comprehensively measure a particular part of the economy. Other survey frames may only include a subset of these classifications such as excluding businesses with invalid ANZSIC codes. Most frames currently include employing businesses only.
- Most survey frames include entities with a tax role to withhold income tax from their employees (ITW role) but without a GST tax role. There are approximately 45,000 such entities. Investigations indicate that units with an ITW role but no GST role are likely to be part of a complex business structure. Such entities are excluded from these counts as they are not considered to be actively trading in goods and services. For business surveys designed to, amongst other things, provide estimates of wages and salaries paid (irrespective of whether the entity is actively trading or not), it is important that these entities are included on frames.

REFERENCE PERIOD

24 Counts of businesses provided in the Counts of Australian Businesses including Entries and Exits suite of products are based on annual (financial year) snapshots of the ABSBR from 1 June 2007 to 1 June 2009 (inclusive) and also reflect changes and continuity between those periods.

TIME SERIES

25 The data presented in this publication were produced on a similar conceptual basis to the data included in previous publications. In terms of time series, at an aggregate level (where industry and annual turnover detail is not present), data comparability is considered high between this and previous publications. Please refer to the section entitled "Scope" for further information.

26 However, users should exercise caution when making data comparisons between this publication and either of the two previous publications. Specifically, any publication tables, data cubes or customised data containing ANZSIC 1993 industry detail and annual turnover size ranges from previous releases will not be directly comparable with the data included in this publication.

27 With the change in the GST threshold from 1 July 2007, and the transition to counts based on ANZSIC 2006, it has been necessary to rebase the time series to June 2007. This is to ensure a consistent GST threshold is in place for the entire reference period.

28 ANZSIC 2006 information is not available for businesses which were active after June 2003 but exited prior to July 2006. Further, industry coding of new businesses using ANZSIC 1993 ceased in April 2006. Therefore, businesses passing through the ATO business registration processes after April 2006 are no longer being allocated ANZSIC 1993 industry codes. This rules out the possibility of developing an accurate and ongoing time-series based on ANZSIC 1993 in Counts of Australian Businesses, including Entries and Exits. This publication therefore establishes a new industry-based time-series, based on the same version of ANZSIC currently used by the ATO during the business registration process. This will also allow for a more relevant range of industry-based time-series data to be developed in future.

BUSINESS EVENTS

29 This release contains not only snapshots of counts of active businesses at regular points in time but also provides a disaggregation of these counts to enable the identification of the flows of businesses into and out of the economy and a measure of the length of time that businesses continue to survive. These data assist to provide a point-in-time "snapshot" of those businesses that are entering and exiting the Australian economy, as well as those businesses that continue to survive. For further information, please refer to the publication's Technical Note.

EXPLANATORY NOTES *continued*

BUSINESS EVENTS *continued*

Entries

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.

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:

- 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 successive quarters (LTNRs) 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 1 June in the reference year but was not actively trading at 1 June the previous year.

Exits

34 A business exit event is the cancellation of a business's ABN or GST role and/or when a business ceases to remit GST for at least five consecutive quarters in respect of that ABN.

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

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's structure (e.g. due to merger or takeover activities), etc. Such events may result in one or more business exit events occurring, and in some cases, no net loss of businesses.

Survivals

37 A surviving business is defined as a business which is active on the ABSBR at 1 June of the current year and was also active in the previous year. In this release, two types of survivors are recorded:

- Businesses that were on the ABSBR at 1 June 2007. Due to the changed basis of the ABSBR in 2003, the ABS has determined that it is not feasible to ascertain the age of these businesses. The survival of these businesses is measured in terms of whether they were still on the ABSBR at 1 June 2008 and 1 June 2009, respectively.
- Businesses that were entries in 2007-08. That is, they were not on the ABSBR at 1 June 2007 but were on 1 June 2008. The survival of these businesses is measured in terms of whether they were still on the ABSBR at 1 June 2009.

38 One of the enhancements to the business counts data in this publication involves the provision of data which indicates the growth and movement of business survivals between employment and annual turnover classifications over time. For further information, please refer to the publication's Technical Note.

INTRA-YEAR ENTRIES AND EXITS

39 It is possible that a business can enter after 1 June in a given year and exit before 1 June in the following year. A small number of these instances occur in any given year. This release excludes those instances in order to assist interpretation of results.

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, please refer to the data quality declaration

EXPLANATORY NOTES *continued*

DATA QUALITY *continued*

associated with *Counts of Australian Businesses, including Entries and Exits* (cat. no. 8165.0).

A COMPREHENSIVE COUNT OF ALL ECONOMICALLY ACTIVE ENTITIES

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

INDUSTRY

42 Each ABN unit or TAU on the ABSBR has been classified (by the ATO and the ABS respectively) to a single ANZSIC 2006 industry class, irrespective of any diversity of activities undertaken. The industry class allocated is the one which provides the main source of income, which is generally based on a description provided by the business.

43 During the transition from ANZSIC 1993 to ANZSIC 2006, it was necessary to review the ANZSIC 2006 classification structure to determine which ANZSIC 2006 classes should be in-scope and which should be out-of-scope of the counts.

44 For comparative purposes, the scoping changes resulting from the transition from ANZSIC 1993 to ANZSIC 2006 are summarised in the following table:

SUMMARY OF IN-SCOPE AND OUT-OF-SCOPE ANZSIC 1993 AND ANZSIC 2006 CLASSES

ANZSIC 1993 out-of-scope classes

9610 Religious Organisations
 9621 Business and Professional Associations
 9622 Labour Associations
 9629 Interest Groups n.e.c.
 9631 Police Services
 9632 Corrective Centres
 9633 Fire Brigade Services
 9634 Waste Disposal Services
 9700 Private Households Employing Staff

Various ANZSIC 1993 Classes consisting of businesses that were yet to be coded by the ATO to an industry, sector and/or main State of operation through the Australian Business Register (ABR) new registration process. Please refer to the section entitled "

ANZSIC 2006 out-of-scope classes

9540 Religious Services
 9551 Business and Professional Association Services
 9552 Labour Association Services
 9559 Other Interest Group Services n.e.c.
 7711 Police Services
 7713 Fire Protection and Other Emergency Services
 9601 Private Households Employing Staff
 9602 Undifferentiated Goods -Producing Activities of Private Households for Own Use
 9603 Undifferentiated Service -Producing Activities of Private Households for Own Use

ANZSIC 2006 in-scope classes

7714 Correctional and Detention Services
 2911 Solid Waste Collection Services
 2919 Other Waste Collection Services
 2922 Waste Remediation and Materials Recovery Services
 7311 Building and Other Industrial Cleaning Services

Various ANZSIC 2006 Classes consisting of businesses that were yet to be coded by the ATO to an industry, sector and/or main State of operation through the Australian Business Register (ABR) new registration process. Please refer to the section entitled "

45 The ANZSIC 2006 classes which are in-scope of the collection are considered to contain a significant concentration of actively trading businesses. The selected ANZSIC 2006 classes represent industries which contain a number of privately owned businesses, that since the development of ANZSIC 1993, are considered to be to actively trading in the market sector. As such, these ANZSIC 2006 classes have been brought within scope of the counts so as to provide a more comprehensive industry-based view of those businesses that were operating in the Australian economy.

EXPLANATORY NOTES *continued*

INDUSTRY *continued*

46 In comparison, the ANZSIC 2006 out-of-scope classes are considered to contain a significant concentration of entities that do not satisfy the definition of an "actively trading business". A number of these entities are operated by State and local governments, not-for-profit organisations, peak bodies and various associations and interest groups. Such entities are not considered to be actively trading in the market sector and, as such, continue to be excluded from the scope of Counts of Australian Businesses, including Entries and Exits.

47 For further information on the transition from ANZSIC 1993 to ANZSIC 2006, users may wish to consult the *Australian and New Zealand Standard Industrial Classification 2006* (cat. no. 1292.0) on the ABS website <www.abs.gov.au>. The ANZSIC 2006 classification contains a range of correspondence tables which illustrate how the previously excluded ANZSIC 1993 categories have been treated in ANZSIC 2006.

MAIN STATE

48 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.

49 The Australian taxation system provides flexibility during the new business registration process as it allows businesses operating in single or multiple States or Territories to register on the ABR and report taxation obligations in a variety of ways. For instance, it is possible for a business entity to register for a single ABN regardless of the number of commercial activities it undertakes (sometimes visible in the number of physical "shopfronts" it may operate from). Alternatively, multiple commercial activities of a single business enterprise may be registered for separate ABNs, depending on the legal structure adopted by the enterprise. Hence where commercial activities are carried out by a number of different, but related entities, each entity may register for a separate ABN. As this publication defines a business on the basis of an ABN (or TAU in the profiled population), the counts may be regarded as providing partial coverage of businesses in a given State. For further information, please refer to the data quality declaration associated with *Counts of Australian Businesses, including Entries and Exits* (cat. no. 8165.0)

STATISTICAL LOCAL AREA

50 The Statistical Local Area (SLA) is a general purpose spatial unit. It is the base spatial unit used to collect and disseminate statistics other than those collected from the Population Censuses. In aggregate, SLAs cover the whole of Australia without gaps or overlaps.

51 SLAs are based on the boundaries of incorporated bodies of local government where these exist. These bodies are the Local Government Councils and the geographical areas which they administer are known as Local Government Areas (LGAs). An LGA is an SLA if it fits entirely within an Statistical Subdivision (SSD) and is broadly similar in size, economic significance and user needs for statistics to other LGAs in Australia.

52 The issues of multi-location businesses are more pronounced for count data at the SLA level, as multi-location businesses (i.e. in respect of businesses registered under a single ABN/TAU) will only be attributed to a single SLA. As such, care should be taken not to assume that business counts at the SLA level reflect all business operations within that SLA. For further information, please refer to the data quality declaration associated with *Counts of Australian Businesses, including Entries and Exits* (cat. no. 8165.0).

EXPLANATORY NOTES *continued*

STATISTICAL LOCAL AREA

continued

53 Sub-State level data cubes will again be released using SLA. The SLA data cubes replace the postcode-based data made available in February 2007. One of the main advantages of the SLA data over the previously published postcode data is that the SLA categories used in the aforementioned data cubes can be easily used to aggregate data to larger geographical areas, including Statistical Subdivisions, Statistical Divisions, and States/Territories, as part of the ASGC. For more information, users should refer to the *Australian Standard Geographical Classification* (ASGC) (cat. no. 1216.0).

54 Users should note that from July 2011, the ABS will progressively replace the current Australian Standard Geographical Classification (ASGC) with the new Australian Statistical Geography Standard (ASGS) as its geographical framework. As such, the next release of Counts of Australian Businesses, including Entries and Exits is expected to be based on the new ASGS.

BUSINESS SIZE

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

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

EMPLOYMENT SIZE

57 Employing units are defined as:

- in the non profiled population, businesses with a non-cancelled ITW role and which have remitted to the ATO at least once in the preceding five quarters. This may include a small number of businesses which have ITW roles for purposes other than withholding amounts from wages and salaries, and as such have zero employment; and
- in the profiled population, businesses with greater than zero employees.

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

59 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.

60 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.

61 The employment data extracted from the ABSBR are generally suitable for the purposes of attributing an employment size classification to each in-scope business. However, during processing, a subset of problem units were identified and a more robust methodology was developed to ensure all businesses were classified to an employment size range which reflected real world activity.

EXPLANATORY NOTES *continued*

EMPLOYMENT SIZE *continued*

62 This involved examining the reported employment values of business which were known to be affected by recent changes to the ABSBR and imputing values as appropriate based on auxiliary data. Specifically, historical employment data and BAS annual turnover data were used to develop a better quality impute. This methodology is considered suitable for the purposes of classifying businesses into relatively broad employment size ranges.

ANNUAL TURNOVER SIZE

63 Annual turnover values are based on data reported to the ATO through BAS and includes imputation for missing periods for all businesses in the non profiled population. For businesses in the profiled population, turnover reported on BAS for ABNs is aggregated to Enterprise (EN) level and is apportioned to the relevant TAUs.

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

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

CONFIDENTIALITY

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

67 The confidentiality process to be used is the same as that applied in the previous release. This process involves the random rounding of data at the most detailed levels of the various classifications used.

68 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 is individually rounded.

COMPARISON WITH OTHER BUSINESS COUNTS DATA

69 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.

70 The definition of employing/non-employing in the ABS can also vary according to collection methodology, data sources, and user requirements.

71 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.

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

PREVIOUS RELEASES

73 Information regarding previous releases of Counts of Australian Businesses, including Entries and Exits may be accessed on the ABS website <www.abs.gov.au>.

NEXT RELEASE

74 The next release of Counts of Australian Businesses, including Entries and Exits is currently scheduled for release in December 2011.

EXPLANATORY NOTES *continued*

ABBREVIATIONS

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

APPENDIX 1 ABS BUSINESS COUNTS

INTRODUCTION

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

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

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

DISCONTINUED ABS BUSINESS COUNTS

Counts from the ABS Business Register (Prior to 2002)

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

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

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

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

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

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

Counts from Small Business in Australia (1988 to 2001)

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

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

These counts were derived from the monthly Labour Force Survey (LFS) and were progressively updated until the final issue of *Small Business in Australia* in 2001. To produce a comprehensive count of small businesses, the LFS-sourced counts of non-employers were added to counts of employing businesses sourced from the Survey of Employment and Earnings (which used the ABSBR as a frame). The counts of small businesses stood at approximately 1.2 million in 2001.

The counts of non-employing businesses were almost certainly significantly understated for two reasons:

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

APPENDIX 1 ABS BUSINESS COUNTS *continued*

Counts from Characteristics of Small Business (1995-2006)

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

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

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

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

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

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

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

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

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

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

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

CURRENT ABS BUSINESS COUNTS

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

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

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

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.

Counts of Australian Businesses, including Entries and Exits was released again in December 2007 and showed that Australia's population of actively trading businesses had exceeded 2 million.

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

The ABS plans to continue releasing Counts of Australian Businesses, including Entries and Exits. The publication is expected to provide users with a regular snapshot of Australia's population of actively trading businesses.

Counts Produced from ABS Business Surveys (1968 to current)

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

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

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

APPENDIX 2 SUPPLEMENTARY INFORMATION

INTRODUCTION

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

Business Demography Publications:

- *Australian Industry, 2008-09* (cat. no. 8155.0)
- *Selected Characteristics of Australian Business, 2008-09* (cat. no. 8167.0)
- *Counts of Australian Business Operators, 2006 to 2007* (cat. no. 8175.0)
- *Australian Bureau of Statistics Business Register, Counts of Businesses - Summary Tables, June 2004* (replaced by 8165.0)
- *Characteristics of Small Business, Australia (Reissue), 2004* (replaced by 8165.0 and 8175.0)
- *Experimental Estimates, Entries and Exits of Business Entities, Australia, 2001-02 to 2003-04* (replaced by 8165.0)
- *Small Business in Australia, 2001* (replaced by 8165.0)
- *Experimental Estimates, Regional Small Business Statistics, Australia, 1995-96 to 2000-01* (replaced by 8165.0).

Information Technology Publications:

- *Summary of IT Use and Innovation in Australian Business, 2008-09* (cat. no. 8166.0)
- *Business Use of Information Technology, 2007-08* (cat. no. 8129.0)
- *Innovation in Australian Business, 2006-07* (cat. no 8158.0).

Current publications and other products released by the ABS are available from the Statistics Page on the ABS website <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>. These data cubes include detailed cross-classified information using industry (ANZSIC 2006), geographical and business size dimensions.

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

ABS DATA AVAILABLE ON REQUEST

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

Information is also available on-line via a selection of economic-specific theme pages. To access these theme pages, go to the ABS website home page <www.abs.gov.au>, open the Economy link shown under "Topics at a glance" (located in the left-side navigator), then select one of the links shown under "Business Demography".

ACKNOWLEDGEMENT

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

TECHNICAL NOTE MEASURES OF BUSINESS GROWTH

INTRODUCTION

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

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

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

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

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

- 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 2007-08 and 2008-09 financial years. During this two year period, the business:

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

7 Under previous publications (where classifications were held constant for each business at their latest available value), this business would have been included in the '5 to 19 employees' category for June 2007, June 2008 and June 2009. This can result in some misunderstanding regarding the size of the businesses in earlier time periods.

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

TECHNICAL NOTE MEASURES OF BUSINESS GROWTH *continued*

EXAMPLE *continued*

	Operating at start of financial year	Plus Entries	Minus Exits	Plus Inflows	Minus Outflows	Operating at end of financial year
2007/08						
Non-employing business	1	0	0	0	1	0
1-4 employees	0	0	0	1	0	1
5-19 employees	0	0	0	0	0	0
2008/09						
Non-employing business	0	0	0	0	0	0
1-4 employees	1	0	0	0	1	0
5-19 employees	0	0	0	1	0	1

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

GROWTH OF BUSINESS SURVIVALS BY EMPLOYMENT SIZE RANGES (a): June 2007 - June 2009

Non-employing	1-4	5-19	Inflow at end of financial year	Outflow at end of financial year	Net movement of surviving businesses (b)
no.	no.	no.	no.	no.	no.

EMPLOYMENT SIZE RANGES AT JUNE 2008

Employment Size Ranges at June 2007	Non-employing	1-4(c)	5-19	Inflow at end of financial year	Outflow at end of financial year	Net movement of surviving businesses (b)
Non-employing	952 613	37 736	3 348	67 327	41 771	25 556
1-4(c)	54 219	367 831	38 451	66 112	95 043	-28 931
5-19	9 595	26 945	164 634	50 404	50 367	37
20-199	3 311	1 262	8 517	17 206	13 990	3 216
200+	202	169	88	1 151	1 029	122
Total	1 019 940	433 943	215 038	202 200	202 200	—

EMPLOYMENT SIZE RANGES AT JUNE 2009

Employment Size Ranges at June 2008	Non-employing	1-4(c)	5-19	Inflow at end of financial year	Outflow at end of financial year	Net movement of surviving businesses (b)
Non-employing	956 267	35 719	3 104	68 289	39 550	28 739
1-4(c)	55 170	358 597	42 058	64 480	99 578	-35 098
5-19	9 419	26 772	164 631	53 775	49 995	3 780
20-199	3 450	1 787	8 527	17 173	14 786	2 387
200+	250	202	86	1 295	1 103	192
Total	1 024 556	423 077	218 406	205 012	205 012	—

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 57-62 in the Explanatory Notes for more information regarding Employment size ranges.

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

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

TECHNICAL NOTE MEASURES OF BUSINESS GROWTH *continued*

EXPLANATION OF CONTENTS

Business Size Range Matrix

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

- 55,170 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);
- 358,597 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
- 42,058 businesses had 1-4 employees at the start of the financial year and expanded to have 5-19 employees at the end of the financial year (growth).

Inflow at End of Financial Year

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

Outflow at End of Financial Year

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

Net Movement of Surviving Businesses

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

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

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

TECHNICAL NOTE MEASURES OF BUSINESS GROWTH *continued*

BUSINESSES BY EMPLOYMENT SIZE RANGES(a): June 2007 - June 2009

	Operating at start of financial year	Entries	Exits	Net movement of surviving businesses(b)	Operating at end of financial year	Change	Percentage change
	no.	no.	no.	no.	no.	no.	%
2007-08							
Non employing	1 236 755	217 059	242 371	25 556	1 236 999	244	—
Employing							
1-4(c)	517 481	79 211	54 607	-28 931	513 154	-4 327	-0.8
5-19	232 032	16 875	17 031	37	231 913	-119	-0.1
20-199	82 056	3 291	4 953	3 216	83 610	1 554	1.9
200+	5 923	431	363	122	6 113	190	3.2
Total employing	837 492	99 808	76 954	-25 556	834 790	-2 702	-0.3
Total	2 074 247	316 867	319 325	—	2 071 789	-2 458	-0.1
2008-09							
Non employing	1 236 999	205 726	241 182	28 739	1 230 282	-6 717	-0.5
Employing							
1-4(c)	513 154	74 021	54 979	-35 098	497 098	-16 056	-3.1
5-19	231 913	15 551	17 287	3 780	233 957	2 044	0.9
20-199	83 610	3 354	5 952	2 387	83 399	-211	-0.3
200+	6 113	511	467	192	6 349	236	3.9
Total employing	834 790	93 437	78 685	-28 739	820 803	-13 987	-1.7
Total	2 071 789	299 163	319 867	—	2 051 085	-20 704	-1.0

— nil or rounded to zero (including null cells)

(a) Please refer to paragraphs 57-62 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.

Net Movement of Surviving Businesses continued

16 Including the net movement of surviving businesses column in the employment size ranges table provides more detailed (point-in-time) information about the movement of businesses within specific business size ranges, whilst maintaining additivity within each business size table. For example, the table above demonstrates that during 2008-09, most of the 236 change recorded for businesses employing 200 employees or more was driven by the 192 net movement of surviving businesses in this employment size range. That is, during 2008-09, there was a positive net movement of 192 existing small or medium businesses which grew to become large businesses.

APPLICATION WITHIN OTHER TABLES

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

GLOSSARY

Australian Business Number (ABN)	<p>The ABN is a unique business entity identifier introduced to assist with dealing with the Australian government. An entity is entitled to an ABN if it meets one of the following criteria:</p> <ul style="list-style-type: none">■ 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;■ a Corporations Act Company;■ 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■ a religious practitioner. <p>The ABN is the statistical unit used to represent businesses, and for which statistics are reported, in most cases. The ABN unit is the business unit which has registered for an ABN, and thus appears on the Australian Taxation Office (ATO) administered ABR. In most cases, the ABN unit represents the legal entity. This unit is suitable for ABS statistical needs when the business is simple in structure. For more significant and diverse businesses where the ABN unit is not suitable for ABS statistical needs, the statistical unit used is the Type of Activity Unit (TAU).</p>
Australian Bureau of Statistics Business Register (ABSBR)	<p>The ABSBR is a register of all Australian businesses and contains identifying and classificatory data for each business. Information to populate the register is largely sourced from the ABR. The ABSBR is used as a source for survey frames and counts.</p> <p>The ABSBR consists of two sub-populations, namely the profiled population and the non profiled population. The ABSBR uses an economic statistics unit model to describe the characteristics of businesses and the structural relationships between related businesses. For details, refer to paragraphs 7 to 11 of the Explanatory Notes.</p>
Australian and New Zealand Standard Industrial Classification (ANZSIC)	<p>Businesses have been classified according to their description of activities. Businesses are coded to industries in the <i>Australian and New Zealand Standard Industrial Classification 2006</i> (ANZSIC06) which is a classification system for grouping producing businesses (of both goods and services) in Australia and New Zealand to permit comparability of data. Within ANZSIC, there is a structure comprising four levels ranging from industry division (broadest level) to the industry class (finest level). For more information, users should refer to the Australian and New Zealand Standard Industrial Classification 2006 (cat. no. 1292.0).</p>
Australian Standard Geographical Classification (ASGC)	<p>Businesses are coded to the Australian Standard Geographical Classification (ASGC), which is a classification system for identifying States, parts of States and smaller areas, in a uniform manner. The Australian Standard Geographical Classification (ASGC) was developed by the ABS for the collection and dissemination of geographic statistics. It is a hierarchically structured classification with a number of spatial units to satisfy different statistical purposes. For more information, users should refer to the <i>Australian Standard Geographical Classification</i> (cat. no. 1216.0).</p>
Australian Statistical Geography Standard (ASGS)	<p>From July 2011, the ABS will progressively replace the current Australian Standard Geographical Classification (ASGC) with the new Australian Statistical Geography Standard (ASGS) as its geographical framework. As such, the next release of <i>Counts of Australian Businesses, including Entries and Exits</i> (cat. no. 8165.0) is expected to be based on the new ASGS.</p>
Business	<p>The statistical unit referred to as a "business" consists of ABNs from the non profiled population and TAUs from the profiled population.</p>
Business Entry	<p>A business which has newly registered for an ABN and which has a GST role allocated. Business entry rates are calculated by taking the total business entries during a financial year divided by the total businesses operating at the start of the financial year, multiplied by 100.</p>

GLOSSARY *continued*

Business Exit	<p>A business for which the ABN or GST role has been cancelled and/or which has ceased to remit GST for at least five consecutive quarters. Business exit rates are calculated by taking the total business exits during the financial year divided by the total businesses operating at the start of the financial year, multiplied by 100.</p> <p>It should be noted that a business exit event does not necessarily equate to a business "failure". For details, refer to paragraph 35 of the Explanatory Notes.</p>
Business Survivor	<p>A business which was actively trading in year xx and continued to be trading in year xx+n.</p>
Employment size ranges	<p>For the purposes of the Counts of Australian Businesses including Entries and Exits publication, businesses are categorised as:</p> <ul style="list-style-type: none">■ employing businesses:■ employment of 200 or more persons ("large employing businesses");■ employment of 20 to fewer than 200 persons ("medium employing businesses");■ employment of fewer than 20 persons ("small employing businesses"); or■ non-employing businesses. <p>The methods used to quantify employment for Australian businesses in ABS economic statistics is based on the concept of a "headcount", rather than a measure of Full Time Equivalent persons. For further information, refer to paragraphs 55-59 in the Explanatory notes.</p> <p>In the non profiled population, businesses with an active Income Tax Withholding (ITW) role are considered to be employing, resulting in some employing businesses having zero employment.</p> <p>Employing businesses in the non profiled population that have not remitted Business Activity Statement (BAS) data for their ITW role for five consecutive quarters prior to the reference period are deemed to be long term non-remitters. These businesses are counted as non-employing businesses.</p>
Industry	<p>See the entry for "Australian and New Zealand Standard Industrial Classification"</p>
Industry class	<p>At the industry class level, the activities of businesses are narrowly defined and recognised by a four-digit code, (e.g. Industry Class 3911 for Car Retailing).</p>
Industry division	<p>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.</p>
Industry group	<p>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.</p>
Industry subdivision	<p>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.</p>
Inflow	<p>The count of surviving businesses that moved into a size range (i.e. an employment or turnover size range) from another range.</p>
Main business address	<p>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.</p>
Main State	<p>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.</p>

GLOSSARY *continued*

Multi-State	Refers to those businesses which operate from locations in more than one State or Territory.
Net movement of surviving businesses	The net count of surviving businesses for each size range (i.e. employment or turnover size ranges). The net movement of surviving businesses is calculated by taking the total inflow at the end of the financial year minus total outflow at the end of the financial year.
Non-employed business	A business without an active Income Tax Withholding (ITW) role or which has not remitted ITW for five consecutive quarters.
Operating at end of financial year	The count of businesses operating at the end of the financial year (also referred to as "closing stock").
Operating at start of financial year	The count of businesses operating at the beginning of the financial year (also referred to as "opening stock").
Outflow	The count of surviving businesses that have moved out of a size range (i.e. an employment or turnover size range) into another range.
Single-State	Refers to a business which operates from locations in only one State or Territory.
Standard Institutional Sector Classification of Australia (SISCA)	The SISCA is the central classification among ABS' Standard Economic Sector Classifications. It is based on the System of National Accounts 1993 (SNA93) institutional sector classification, and includes the following sectors: non-financial corporations, financial corporations, general government, households, non-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 <i>Standard Economic Sector Classifications of Australia</i> (SESCA) (cat. no. 1218.0).
Statistical Local Area (SLA)	<p>The Statistical Local Area (SLA) is a general purpose spatial unit. It is the base spatial unit used to collect and disseminate statistics other than those collected from the Population Censuses. In non-census years, the SLA is the smallest unit defined in the Australian Standard Geographical Classification (ASGC). In census years, an SLA consists of one or more whole Collection Districts (CDs). In aggregate, SLAs cover the whole of Australia without gaps or overlaps.</p> <p>SLAs are based on the boundaries of incorporated bodies of local government where these exist. These bodies are the Local Government Councils and the geographical areas which they administer are known as Local Government Areas (LGAs). An LGA is an SLA if it fits entirely within an Statistical Subdivision (SSD) and is broadly similar in size, economic significance and user needs for statistics to other LGAs in Australia. For more information, users should refer to the <i>Australian Standard Geographical Classification</i> (cat. no. 1216.0).</p>
Turnover	The total revenue generated by a business from the provision of goods and services for a given accounting period.
Type of Activity Unit (TAU)	The TAU, residing in the profiled population, is comprised of one or more business entities, sub-entities or branches of a business entity within an enterprise group that can report production and employment data for similar economic activities when a minimum set of data items are available. For further information, refer to paragraphs 7-11 of the Explanatory Notes.
Type of Legal Organisation (TOLO)	All legal entities on the ABSBR are classified according to their TOLO. Examples of types of legal entities recognised for statistical purposes are companies, partnerships, trusts, sole proprietorship, government departments and statutory authorities. TOLO indicates whether a business is part of the private or government sector and the type of ownership structure it has.

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PHONE 1300 135 070

EMAIL client.services@abs.gov.au

FAX 1300 135 211

POST Client Services, ABS, GPO Box 796, Sydney NSW 2001

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