



Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 (Revision 2.0)

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# Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 (Revision 2.0)

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#### ABOUT THIS REVISION

This publication provides details of the minor updates to the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 (catalogue no. 1292.0). This is the second minor revision to the classification since its release in February 2006, the previous revision: Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 (Revision 1.0) was published in 2008.

For more information on ANZSIC 2006 and its implementation, please email the ABS on: <client.services@abs.gov.au> or Statistics New Zealand on: <info@stats.govt.nz>.

#### INTRODUCTION

1 The Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 (catalogue no. 1292.0) was released in February 2006. The Australian Bureau of Statistics (ABS) and Statistics New Zealand jointly developed this classification to improve the comparability of industry statistics between the two countries and internationally.

2 The purpose of this update is to ensure the classification remains current. With the on-going implementation of ANZSIC 2006, including its use in statistical collections, some areas were identified in the classification which required further clarification or improvement. This publication identifies the updates to ANZSIC 2006 conducted over 2012 to 2013.

3 The updates to ANZSIC 2006 are minor, maintaining the classification's scope, concepts and structure. This publication concentrates on the update of primary activities to capture new and emerging activities, clarifies class definitions to overcome practical difficulties in implementation and corrects minor errors and omissions.

4 The minor updates facilitate the consistent interpretation of the classification by all concerned and allow the inclusion of emerging activities.

5 Broader revisions of ANZSIC will be undertaken in the future, the scope of which may include higher levels of the classification (eg: Group, Subdivision and Division levels). Updates are conducted in response to identified requirements to maintain the relevancy and usability of the classification. Major reviews of the classification are conducted for the same reasons, with efforts to coincide with major reviews of international classifications.

#### **UPDATES TO ANZSIC 2006**

This chapter presents the details of the updates to the current ANZSIC 2006 publication. The changes are presented according to the page number and relevant class in the original ANZSIC 2006 publication. Changes are detailed, followed by the revised primary activity (where relevant), paragraph, definition or exclusion/references.

#### CHANGES

PAGE CHANGE CLASS Page 85 Add primary activity ' 0159 Broom millet growing' Class 0159 Other Crop Growing n.e.c.. Remove primary activity '1811 Liquefied natural gas Page 140 Class 1811 Industrial Gas Manufacturing manufacturing' Page 98 Add primary activity '0700 Liquefied natural gas Class 0700 Oil and Gas Extraction production' Page 146 Remove primary activity '1851 Candle manufacturing' Class 1851 Cleaning Compound Manufacturing Page 198 Add primary activity '2599 Candle manufacturing' Class 2599 Other Manufacturing n.e.c. Page 215 Add primary activity '3231 Installation of domestic Class 3231 Plumbing Services water recycling equipment' Page 211 Add primary activity '3109 Water filtration plant Class 3109 Other Heavy and Civil Engineering construction' Construction Page 317 Add primary activity '6962 Environmental sustainability Class 6962 Management Advice and Related Consulting assessment service' Services

Page 265,

Class 4520 Pubs, Taverns and Bars

CHANGE/S

• Amend Definition:

'This class consists of hotels, bars or similar units (except hospitality clubs) mainly engaged in serving alcoholic beverages for consumption on the premises, or selling alcoholic beverages both for consumption on and off the premises. These units may also provide food services, *gambling services* and/or present live entertainment.'

- Amend Exclusions/References
  - 'retailing alcoholic beverages for consumption off the premises only are included in Class 4123 Liquor Retailing'; and
  - 'operating hospitality clubs (*which could include gambling, sporting or other social or entertainment facilities*) are included in Class 4530 Clubs (Hospitality).'

Page 265,

Class 4530 Clubs (Hospitality)

CHANGE/S

Amend Exclusions/References

Units mainly engaged in

- 'selling alcoholic beverages both for consumption on and off the premises (*which could include food and gambling services and/or live entertainment*) are included in Class 4520 Pubs, Taverns and Bars'; and
- 'operating sporting clubs are included in Class 9112 Sports and Physical Recreation Clubs and Sports Professionals'.

Page 360,

Class 9209 Other Gambling Activities

CHANGE/S

### Add Exclusions/References

Units mainly engaged in

- 'selling alcoholic beverages both for consumption on and off the premises (which could include food and gambling services and/or live entertainment) are included in Class 4520 Pubs, Taverns and Bars'; and,
- 'operating hospitality clubs (which could include gambling, sporting or other social or entertainment facilities) are included in Class 4530 Clubs (Hospitality)'.

#### AUSTRALIAN UNITS MODEL

#### INTRODUCTION

**1.** The Units Model was reviewed in 2012. The previous version was introduced in 2000 in response to major taxation reforms.

#### ABS UNITS MODEL

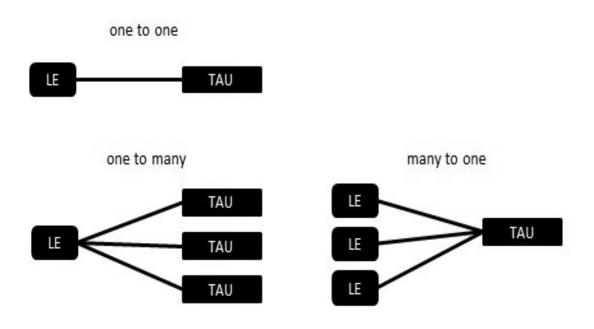
**2.** The Units Model used by the ABS in determining the structure of businesses is consistent with Australia's Corporations Law and with the definition of institutional units outlined in 2008 System of National Accounts (SNA). The model consists of:

- The Enterprise Group (EG)
- one or more Legal Entities (LEs)
- one or more Type of Activity Units (TAUs)
- one or more Locations.

The EG and LE are institutional units and the TAU and Location are producing units.

**3.** The LE and the TAU are the main institutional and producing units used by the ABS to produce statistical outputs. They do not have a universal relationship with each other, e.g. one to one, one to many, many to one. A variety of relationships exist in some of the larger and more complex Australian enterprise groups.

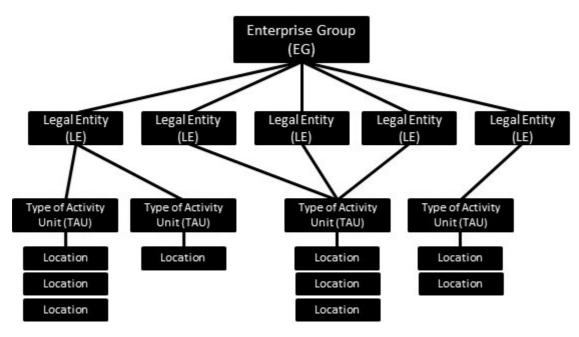
#### Diagram 1) Legal Entity (LE) to Type of Activity Unit (TAU) relationship



**4.** This is a limited departure from the 2008 SNA, which states that there is a hierarchical relationship between institutional and producing units. In the 2008 SNA the enterprise (the producing view of an individual institutional unit) can be partitioned into one or more establishments. The 2008 SNA statement is true at the EG level, but not necessarily at the LE level.

**5.** Diagram 2 illustrates the nature of the relationships between the unit types in the model. The LE is represented by the ABN in the diagram, as they are usually the same.

#### Diagram 2: ABS Units Model



Unit definitions

**6**. The **Legal Entity (LE)** statistical unit is defined as a unit covering all the operations in Australia of an entity which possesses some or all of the rights and obligations of individual persons or corporations, or which behaves as such in respect of those matters of concern for economic statistics. Examples of legal entities include companies, partnerships, trusts, sole (business) proprietorships, government departments and statutory authorities. Legal entities are institutional units.

7. The **Enterprise Group (EG)** is an institutional unit covering all the operations within Australia's economic territory of legal entities under common control. Control is defined in Corporations legislation. Majority ownership is not required for control to be exercised.

**8.** The **Type of Activity Unit (TAU)** is a producing unit comprising one or more legal entities, sub-entities or branches of a legal entity that can report productive and employment activities via a minimum set of data items. Only a small number of data items are required to be available on a quarterly basis. The data items are:

- Total capital expenditure
- Income from the sale of goods and services
- Wages and salaries
- Total inventories
- Total purchases and selected expenses

**8.1** A TAU can also be formed in situations where only some data items are available directly from accounts and good quality estimates can be provided.

**8.2** The activity of the unit should be as homogeneous as possible. If accounts sufficient to approximate Industry Value Added (IVA) are available at the ANZSIC Subdivision level, a TAU will be formed.

Ideally, all TAUs are constructed so that two-digit ANZSIC (Subdivision) homogeneity is observed. This ensures that good quality industry estimates can be calculated by the ABS at that level. However, not all businesses are able to supply a complete set of accounts for every ANZSIC Subdivision in which they have activity.

Where a business cannot supply adequate data to form a TAU for an individual ANZSIC Subdivision, a TAU will be formed which contains activity in two or more ANZSIC Subdivisions

**9.** A **Location** is a single, unbroken physical area, occupied by an organisation, at which or from which, the organisation is engaged in productive activity on a relatively permanent basis, or at which the organisation is undertaking capital expenditure with the intention of commencing productive activity on a relatively permanent basis at some time in the future.

**9.1** The exception is the agricultural location unit (farm unit) where land parcels are operated as a single property and are treated as a single location.

**9.2.** The TAU may be subdivided into TAU-state units which cover production in each state of operation. TAU-state units are synthesised for the Labour Statistics collections. They are derived statistical units and inherit the attributes of the TAU statistical units.

#### Ancillary units

**10.** A business unit's productive activity is described as 'ancillary' when its sole function is to provide common types of services for intermediate consumption within the same enterprise group. These are typically services likely to be needed in most enterprise groups, whatever their principal activities. Examples are: transportation, purchasing, sales and marketing, various financial or business services, personnel, computing and communications, security, maintenance and cleaning.

#### Classification of units

11. Various classifications are applied to the units in the ABS Units Model. The main classifications applied are:

- ANZSIC for industry
- Type of Legal Organisation (TOLO)
- Type of Business Entity (TOBE) for the type of entity
- Standard Institutional Sector Classification of Australia (SISCA) for institutional sector and the public / private flag.

**11.1** ANZSIC is used to classify the industry in which **the TAU** has productive activity. Each unit is assigned a four digit (class level) ANZSIC code which reflects the predominant industry of the TAU's economic activity.

**11.2** SISCA provides a framework for dividing the Australian economy into institutional sectors. These sectors group Legal Entities which have similar economic functions and share similar structural characteristics. The SISCA classification can be found in the ABS publication 1218.0.

#### Statistical collections

**12.** The ABS uses the TAU unit as the statistical unit for industry and some other economic statistics collections. For some activity and labour collections, the ABS uses sub-TAU units e.g. farm units, TAU State units.

#### ABS Business Register

**13.** The ABS uses the Australian Business Register (ABR) as its primary source to identify new registrants and this information flows through to the ABS Business Register. The ABS Business Register provides the register or frame for the various business surveys run by the ABS.

**14.** Organisations are included on the ABR when they register for an Australian Business Number (ABN). The Commonwealth Government requires all government departments and agencies to make use of the ABR to reduce government imposed reporting load, and to use the ABN as the primary reference number for all dealings between government and business.

#### Two populations

**15.** The ABS is unable to actively apply the Units Model to all ABN registrants. Enterprise groups which are considered sufficiently complex and significant are profiled to create units according to the Units Model. These groups are known as the Profiled Population.

**15.1** The remainder of ABN registrants are assumed to have simple structures. They are regarded as single legal entity, single enterprise group and single TAU units. These units are known as the Non-Profiled population.

**15.2** The two populations are mutually exclusive and cover all organisations in Australia which have registered for an ABN.

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