

Information Paper



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**Introducing the Australian and
New Zealand Standard Industrial
Classification (ANZSIC)**

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INFORMATION PAPER
INTRODUCING THE AUSTRALIAN AND NEW ZEALAND
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INQUIRIES

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 - *for information about other ABS statistics and services* please refer to the back page of this publication.
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Introduction

1 The Australian Bureau of Statistics (ABS) and the New Zealand Department of Statistics (NZDOS) have jointly released the first edition of the Australian and New Zealand Standard Industrial Classification (ANZSIC) - ABS Catalogue Number 1292.0.

2 The ANZSIC has been developed as the standard industrial classification for use in the production and analysis of industry statistics in both countries. It replaces the Australian Standard Industrial Classification (ASIC) and the New Zealand Standard Industrial Classification (NZSIC) which have been used in their respective countries as the standard classifications for many years.

3 The new ANZSIC classification represents a significant undertaking and it is anticipated that its implementation will be equally significant.

4 The purpose of this information paper is to describe:

- the development of the ANZSIC classification;
- the major differences between the old ASIC and the new ANZSIC;
- how and when the ANZSIC will be implemented in ABS statistical series;
- the kinds of products and services that will follow the implementation of the ANZSIC;
- how the ANZSIC will be maintained, and
- how and when it might be reviewed in the future.

5 A separate information paper on the ANZSIC is to be produced by the NZDOS. This paper will include information on the implementation of the ANZSIC in New Zealand statistical series.

What is an industrial classification?

6 The objective in developing any national industrial classification is to identify groupings of businesses which carry out similar economic activities and which satisfy conditions such as economic significance. These groups can be used to define an industry; an individual business can then be assigned to an industry on the basis of its predominant activities.

7 The term business is used in its widest sense to include any organisation which provides goods or services, including companies, non-profit organisations, government departments and enterprises.

Development of the ANZSIC

8 Release of the ANZSIC represents the culmination of several years work and while revised ASIC editions were released in 1978 and 1983, the basic structure and content of the classification had not been fundamentally reviewed since its inception in 1969.

Review of the ASIC

9 Review of the ASIC commenced with the assembly of information to be used in the review, together with an invitation for submissions from the statistical user community. The ASIC was then divided into a number of segments and at least two reports were compiled on each segment. These analysed the existing classification and proposals submitted for changes in the light of the principles established for the review (see below). Recommendations were made and the reports circulated for comment as widely as possible, both internal and external to the ABS.

10 In May 1990 the NZDOS and the ABS considered the possibility of developing a common industrial classification for use by both countries. New Zealand endorsed the principles being followed in the ASIC Review, with the proviso that a Class would be established in the classification if it was economically significant in either country and satisfied the other criteria listed below.

Principles employed in the Review

11 The principles included the requirement that the Classes in the ANZSIC (the finest level of the hierarchy) should meet the following conditions:

- they should represent recognisable segments of Australian and/or New Zealand industry;
- they should meet user requirements for statistics;
- they should be relatively homogeneous in terms of industrial activity (defined by specialisation and coverage ratios described later);
- they should be economically significant, and
- should align as closely as practicable with the International Standard Industrial Classification of all Economic Activities (ISIC Rev.3).

12 The first principle relates to the need to realistically represent the way activities are actually organised within establishments, which are the statistical units upon which the ANZSIC classification is based. In the Australian statistical system, businesses are represented by a hierarchy of units reflecting differing complexity in the operating structures. The lowest level unit in this hierarchy for which business accounts are kept is referred to as the establishment. The establishment comprises one or more locations from which the business operates.

13 The homogeneity requirement reflects the need to form Classes which are made up of units that undertake similar economic activities. Homogeneity of Classes is measured by the calculation of specialisation and coverage ratios.

14 The specialisation ratio measures the extent to which units belonging to a particular Class, engage in the activities designated as primary to that Class. The coverage ratio measures the extent to which the activities designated as primary to a particular Class are undertaken by units belonging to that Class. For individual Classes to be recognised in the ANZSIC it was generally required that specialisation and coverage ratios exceeded 70 per cent.

15 The economic significance threshold was set at a minimum of \$200m turnover for Australia or \$40m for New Zealand, or employment of 3,500 for Australia or 700 for New Zealand. 1989-90 was used as the reference period for assessing significance, with no maximum conditions applying.

16 Alignment with the ISIC was considered to be highly desirable, but this was departed from where it was considered to be inappropriate for local conditions and requirements.

ANZSIC Structure and Numbering

17 The ANZSIC, like the ASIC, has a four level hierarchical structure, comprising Divisions (the broadest level), Subdivisions, Groups and Classes (the finest level).

18 The Division provides a broad overall picture of the economy and is suitable for publication in summary tables in official statistics. There are 17 Divisions in the ANZSIC each identified by an alphabetical character as shown in **Table 1**. This compares with 13 Divisions in the current ASIC.

Table 1. - THE ANZSIC DIVISIONS

DIVISION	DIVISION TITLE
A	Agriculture, Forestry and Fishing
B	Mining
C	Manufacturing
D	Electricity, Gas and Water Supply
E	Construction
F	Wholesale Trade
G	Retail Trade
H	Accommodation, Cafes and Restaurants
I	Transport and Storage
J	Communication Services
K	Finance and Insurance
L	Property and Business Services
M	Government Administration and Defence
N	Education
O	Health and Community Services
P	Cultural and Recreational Services
Q	Personal and Other Services

19 The Subdivision, Group and Class provide increasingly detailed dissections of the broad categories. Each Subdivision is represented by a two digit code, each Group by a three digit code and each Class by a four digit code.

20 A completely new numbering system has been employed in the ANZSIC even though there are some coincidental matches with ASIC codes.

Changes from ASIC to ANZSIC

21 There have been significant changes in the world economy during the last twenty years. The development of ANZSIC reflects this situation in general but it also acknowledges particular circumstances in Australia and New Zealand. Specifically, the ANZSIC is based on recognition of the following:

- a shift away from goods producing industries to service industries;
- the desire for closer alignment of the ANZSIC to the ISIC;
- rapid technological development, and
- user requirements for provision of separate industry categories.

Shift in emphasis from goods producing to service industries.

22 **Table 2** demonstrates the significance of the shift from goods producing industries to service industries in terms of Class movements. The goods producing industries comprise most of the Classes in Divisions A to E inclusive, respectively Agriculture, Forestry, Fishing and Hunting, Mining, Manufacturing, Electricity, Gas and Water and Construction. The service industries comprise most Classes in the remaining Divisions.

Table 2. — A COMPARISON OF CLASSES IN THE GOODS PRODUCING AND SERVICE INDUSTRIES FOR THE ASIC AND THE ANZSIC

ASIC DIV	ANZSIC DIV	GOODS		SERVICES		TOTAL	
		ASIC	ANZSIC	ASIC	ANZSIC	ASIC	ANZSIC
Goods Producing Divisions							
A	A	28	34	3	4	31	38
B	B	20	14	3	5	23	19
C	C	173	153	0	0	173	153
D	D	3	3	1	1	4	4
E	E	5	5	13	16	18	21
Service Divisions							
F	F,G	0	0	77	79	77	79
G	I	0	0	30	27	30	27
H	J	0	0	1	3	1	3
I	K,L	0	0	38	46	38	46
J	M	0	0	6	6	6	6
K,L	N,O,P,Q,H	0	0	64	69	64	69
M	—	0	0	1	0	1	0
TOTAL		229	209	237	256	466	465
PER CENT (%)		49	45	51	55	100	100

23 As shown in **Table 2**, the number of Divisions in the service industries has increased from 8 in the ASIC to 12 in the ANZSIC. This increase has continued downward to the most detailed level of the classification with the number of Classes in the service industries increasing from 237 in the ASIC to 256 in the ANZSIC. Correspondingly the number of Classes in the goods producing industries has decreased from 229 to 209. The number of Classes in Manufacturing in particular decreased, from 173 to 153.

Summary of significant differences between the ASIC and the ANZSIC

24 Table 3 provides further detail on the differences between the ASIC and the ANZSIC in terms of whole Class movements. It also provides a basic concordance between the ASIC and the ANZSIC at the Division level of the classifications.

Table 3. — A COMPARISON OF CLASSES BETWEEN THE ASIC AND THE ANZSIC

ASIC DIVISION	ANZSIC DIVISION
A AGRICULTURE, FORESTRY FISHING & HUNTING 31 Classes	A AGRICULTURE, FORESTRY & FISHING 38 Classes
Although the structure below this Division level has been reorganised no Classes have moved out of this Division with only 1 Class (Cotton Ginning) moving in from ASIC Division C. The numeric increase in ANZSIC Classes is due to opening up new Classes from the previously 'not elsewhere classified' Classes.	
B MINING 23 Classes	B MINING 19 Classes
There has been no movement of Classes in or out of this Division. The decrease in the number of ANZSIC Classes is due to the amalgamation of some Classes.	
C MANUFACTURING 173 Classes	C MANUFACTURING 153 Classes
One Class (Cotton Ginning) has moved out of this Division into ANZSIC Division A, with 1 Class (Dental Laboratories) moving in from ASIC Division K. The overall decrease in the number of ANZSIC Classes is due to the amalgamation of Classes.	
D ELECTRICITY, GAS & WATER 4 Classes	D ELECTRICITY, GAS & WATER SUPPLY 4 Classes
There has been no change at all to the structure or to the titles and codes within this Division.	
E CONSTRUCTION 18 Classes	E CONSTRUCTION 21 Classes
There has been no movement of Classes out of this Division and only 1 ANZSIC Class (Glazing Services) has been created from part of a Class (Builders Hardware Dealers - Not Elsewhere Classified) in ASIC Division F. The increase in the number of ANZSIC Classes is due to opening up new Classes from the previously 'not elsewhere classified' Classes and the new Class created.	

F	WHOLESALE & RETAIL TRADE	F	WHOLESALE TRADE
	77 Classes	G	RETAIL TRADE
			79 Classes

The main difference is that this Division in the ASIC has been split into 2 separate ANZSIC Divisions. (Retail Trade and Wholesale Trade).

Wholesale Trade - There has been no movement of Classes in or out of Wholesale. The number of Classes remained the same at 41 despite some amalgamation and splitting of Classes.

Retail Trade - There has been no movement of Classes in or out of Retail. The number of Classes increased from 36 to 38 with some amalgamation and splitting of Classes.

G	TRANSPORT & STORAGE	I	TRANSPORT & STORAGE
	30 Classes		27 Classes

One Class (Motor Vehicle Hire) has moved out of this Division into ANZSIC Division L, with a further decrease in the number of ANZSIC Classes due to the amalgamation of some Classes.

H	COMMUNICATION	J	COMMUNICATION SERVICES
	1 Class		3 Classes

There has been no movement of Classes out of this Division. One ANZSIC Class (Courier services) was created from a part of an ASIC Class (Short Distance Road Freight Transport) in Division G and another ANZSIC Class was created by opening up new Classes from an existing ASIC Class.

I	FINANCE, PROPERTY & BUSINESS SERVICES	K	FINANCE & INSURANCE
	38 Classes	L	PROPERTY & BUSINESS SERVICES
			47 Classes

The main difference is that this Division in the ASIC has been split into 2 separate ANZSIC Divisions. (Finance & Insurance and Property & Business Services).

Finance & Insurance - There has been no movement of Classes in or out of this segment. The decrease from 26 to 22 Classes is due to the amalgamation of some Classes.

Property & Business Services - There has been no movement of Classes out of this segment with 5 Classes moving in: Motor Vehicle Hire from ASIC Division G; and Scientific Research, Placement Services, Contract Staff Services and Meteorological Services from ASIC Division K. The ASIC Class Meteorological Services has been absorbed into ANZSIC Class Technical Services - Not Elsewhere Classified. The increase from 22 to 31 Classes is due to opening up new Classes from existing ASIC Classes as well as the new ANZSIC Classes created.

J	PUBLIC ADMINISTRATION & DEFENCE	M	GOVERNMENT ADMINISTRATION & DEFENCE
	6 Classes		6 Classes

There has been no change at all to the structure and only minor changes to the titles in this Division.

K	COMMUNITY SERVICES	N	EDUCATION
L	RECREATION, PERSONAL & OTHER SERVICES	O	HEALTH & COMMUNITY SERVICES
		P	CULTURAL & RECREATIONAL SERVICES
		Q	PERSONAL & OTHER SERVICES
		H	ACCOMMODATION, CAFES & RESTAURANTS
	64 Classes		69 Classes

The main difference is that these 2 ASIC Divisions have been restructured into 5 ANZSIC Divisions.

Education - There has been no movement of Classes in or out of Education. The decrease from 9 to 8 Classes is due to the amalgamation of two ASIC Classes.

Health & Community Services - One ASIC Class (Dental Laboratories) has moved into ANZSIC Division C. The increase from 14 to 18 Classes is due to opening up new Classes from some previous ASIC Classes.

Cultural and Recreational Services - There has been no movement of Classes. The increase from 14 to 21 Classes is due to opening up new Classes from some previous ASIC Classes.

Personal & Other Services - There has been no movement of Classes. The increase 17 to 18 Classes is due to opening up new Classes from one ASIC Class.

Accommodation, Cafes & Restaurants - There has been no movement of Classes. The decrease from 7 to 4 Classes is due to the amalgamation into 1 ANZSIC Class of 4 previous ASIC Classes relating to Clubs.

Other - Three ASIC Classes (Research and Scientific Institutions, Meteorological Services and Employment Services) moved out of ASIC Division K and into ANZSIC Division I.

Implementation of the ANZSIC in ABS Collections

25 The ANZSIC will be implemented progressively into ABS collections.

26 When the ANZSIC is introduced it will result in breaks to some industry time series. Linking information in the form of back-cast series and conversion matrices will be provided to allow users to link the series backwards.

27 Table 4 Provides indicative information on the timing of statistics to be released on an ANZSIC basis. The table includes:

- Name of the statistical collection (in alphabetical order)
- Frequency of the collection
- Reference period to which the first ANZSIC statistics relate, and
- Expected release date for these statistics

Table 4. — ANTICIPATED DATES FOR ANZSIC STATISTICS

ABS COLLECTION	FREQUENCY	REFERENCE PERIOD FOR FIRST RELEASE	EXPECTED DATE OF FIRST RELEASE
Agricultural Activity Collection	Annual	91/92	6/93
Agricultural Commodity Census	Annual	91/92	6/93
Agricultural Finance Survey	Annual	92/93	1/94
Agricultural Supplementary Collections	Annual	91/92	6/93
Average Weekly Earnings	Quarterly	8/94	10/94
Award Coverage	5 Yearly	5/95	5/96
Capital Expenditure, New, Survey of	Quarterly	9/94	11/94
Company Profits, Survey of	Quarterly	9/94	11/94
Construction Industry Survey	5 Yearly	94/95	6/96
Economic Activity Survey	Annual	93/94	7/95
Employee Earnings and Hours, Survey of	Annual	5/94	11/94
Employment and Earnings, Survey of	Quarterly	9/94	1/95
Engineering Construction Survey	Quarterly	9/94	12/94
Foreign Trade Imports and Exports	Continuous	7/93	9/93
Foreign Investment Survey	Quarterly	9/94	1/95
Foreign Investment Survey	Annual	93/94	6/95
Health, National, Survey of	Irregular	94/95	9/96
Industrial Disputes	Monthly	1/95	4/95
International Trade in Services Survey	2 Yearly	93/94	94/95
Job Vacancies and Overtime	Quarterly	8/94	9/94
Labour Costs, Major, Survey of	2 Yearly	93/94	8/95
Labour Force Survey	Monthly	8/94	9/94
Manufacturing Census	Annual	91/92	9/93
Mineral Exploration Survey	3 Yearly	93/94	12/97
Mining and Exploration Services Survey	3 Yearly	93/94	12/97
Mining and Utilities Census	Annual	91/92	8/93
National Accounts	Quarterly	12/94	3/95
Pay Periodicity Survey	4 Yearly	1993	1997
Petroleum Exploration Survey	3 Yearly	93/94	12/97
Population and Housing, Census of	5 Yearly	1996	97/98
Research and Experimental Development, Survey of	Annual	92/93	6/94
Retail and Services Census	Irregular	91/92	6/93
Retail Activity Survey	Irregular	91/92	9/93
Retail Business Survey	Monthly	7/94	9/94
Service Industries Surveys—varying industries	Annual	91/92	11/93
Stocks and Manufacturers Sales, Survey of	Quarterly	9/94	11/94
Wage Costs, Survey of	Irregular	92/93	8/94
Wholesale Industry Survey	Irregular	91/92	10/93

Note: This is not a comprehensive listing of all ABS collections producing ANZSIC based statistics. Dates listed may be subject to change.

ANZSIC products and services

28 The ANZSIC (publication) includes the following sections:

- a description of the classification
- a full list of the ANZSIC titles and codes
- the detailed classification
- concordances with the ASIC, NZSIC and the ISIC (Rev.3)
- an alphabetic index of primary activities

29 Following the release of the ANZSIC a range of related products will be made available. These will include:

the **ANZSIC (electronic form)**. This will contain the same information as the ANZSIC publication but is designed to be accessed through an IBM PC or compatible. The electronic form is available for those users who wish to reference and search the ANZSIC electronically; for example via a proprietary word processor. The ANZSIC in electronic form will be available as a whole, or as individual sections as listed above.

the **ANZSIC Coding Index (publication)**. This will be an expanded version of the basic index of primary activities contained within the ANZSIC, and will be similar to the existing ASIC Vol.2 (ABS Catalogue No.1202.0).

the **ANZSIC Coding Index (electronic form)**. The electronic version of the ANZSIC Coding Index is designed to be accessed through an IBM PC or compatible. In combination with proprietary software, it will enhance manual matching of ANZSIC codes and activity descriptions. It is intended that the electronic version of the index will be periodically updated.

the **ANZSIC Concordances - detailed**. These will be more detailed than the concordances contained in the ANZSIC publication in that they will provide comparisons of primary activities between concordated categories.

a **Concepts and Methods** publication. This will describe the concepts and methods employed in industry classification and coding and will cover the kind of information provided in Chapters 2 to 6 of the existing ASIC Volume 1.

the ANZSIC Computer Assisted Coding System. This will be an electronic package, designed to be accessed through an IBM PC or compatible. It will automatically allocate the correct four digit ANZSIC code when the user enters an industry description, or will assist the user in allocating a code when the description is not precise. Release 1 of this system will be similar to the current ASIC Coder (ABS Catalogue No. 1276.0).

Classification advice, training and consultation. Assistance can be provided in a many ways from general advice on classification and coding through to use of computer assisted coding systems. As part of the advisory services function, a procedure of **ANZSIC Determinations** will be instituted, providing clarification of the treatment of existing activities and recommended treatment for activities not already identified in the ANZSIC.

30 Users requiring any further information on the above products and services should refer to the contact officer nominated below the table of contents.

Future Reviews of the ANZSIC

31 Industrial classifications such as the ANZSIC tend to be revised infrequently, to allow maximum consistency and comparability in statistical series over time.

32 The next revision of the ANZSIC is not planned to occur until the next century. Factors that will influence the precise timing of the next review include shifts in the structure of the Australian economy, future revision plans relating to the ISIC and the need to take account of timing and implementation plans for major statistical activities such as the Population Census and the National Accounts.



For more information ...

The ABS publishes a wide range of statistics and other information on Australia's economic and social conditions. Details of what is available in various publications and other products can be found in the *ABS Catalogue of Publications and Products* available at all ABS Offices (see below for contact details).

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There are over 500 titles of various publications available from ABS bookshops in all ABS Offices (see below Bookshop Sales for contact details). The ABS also provides a subscription service through which nominated publications are provided by mail on a regular basis at no additional cost (telephone Publications Subscription Service toll free on 008 02 0608 Australia wide).

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